



NEXTMARKETS EXECUTION SUMMARY 2020
NEXTMARKETS TRADING LIMITED

Which factors are used when assessing the quality of execution.

nextmarkets uses a number of factors when assessing the quality of execution.

These include, but are not limited to the following:

Importance: High

- Price;
- Likelihood of execution and settlement;
- Speed of execution;

Importance: Medium

- Cost or commissions of execution;
- The size and nature of the Order;

Importance: Low

- The current liquidity for the relevant instrument;
- Market impact of the transaction;
- Financial status, responsibility and solvency of the counterparty or executing broker.

This document describes these processes and the corresponding report in greater detail.

Cost

The cost and execution price are two of the most critical factors used by nextmarkets to determine the best execution for clients. nextmarkets offers clients exchange level execution at a very low cost for both its CFD offering and its execution of ETFs or stocks.

We are clear and transparent about our spreads, commissions and other charges across all products, and we regularly assess opportunities for any reduction.

The execution costs are taken as a whole to include all costs (e.g. exchange fees, custody fees etc) incurred together with the execution price received by the client.

Price

Price is one of the most important factors for nextmarkets when considering best execution. For this reason, prices are sourced from the trading venues themselves via market data providers. The prices used are controlled via the following processes:

1. Real time Pricing checks
2. Control process to monitor of all executions is carried out on a T+1 basis

Pricing controls include real-time monitoring mechanisms, that assess the quality of prices and the execution of orders, data feeds and connections to trading venues.

The daily price checks control that executions carried out the previous day are consistent with the best bid and ask prices from external sources.

Likelihood of execution

Stocks and ETF orders are routed to the exchange for execution for immediate execution. All CFD transactions are executed during market hours against us at the current market price from our market data providers adjusted for any mark-ups or commissions.

Speed

nextmarkets recognises that markets can move in milliseconds. We therefore try to execute all clients' orders with the highest possible urgency, which means maximising automatic executions and minimising or eliminating manual intervention.

We process 100% of our clients' stocks, ETF trades without any manual intervention. For all other executions carried out on behalf of clients (stop and limit execution, margin close-out), we endeavour to process the majority without any manual intervention.

Close links and Conflicts of interest

We use only a single trading venue for execution of any stocks or ETF transactions, but do not share any close links, conflicts of interests or common ownership with the venue(s). Our selection of execution venue(s) is based on factors likely to provide best execution, including:

1. Execution price quality
2. Cost of execution
3. Execution size
4. Speed of execution
5. Access to order types
6. Counterparty credit-worthiness
7. Universe of instruments

For CFD trading we follow the Conflicts of Interest Policy published on our website.

Specific payments or rebates

nextmarkets does not receive any rebates for execution.

Executing broker analysis

We regularly review the quality of execution achieved by our executing broker(s). We receive and analyse the trade executions provided by brokers. Currently we use only a single broker for execution in stocks and ETFs via the Munich Exchange segment gettex but this does not limit best execution given the speed, low spreads and cost from execution on this exchange.

Quarterly analysis

Every quarter a document prepared by our trading and risk department desk is reviewed internally, to oversee the quality of execution over the previous quarter. Various execution quality metrics are reviewed, including data relating to:

1. Fairness of prices
2. Order rejections
3. Manual executions
4. Execution anomalies and system issues
5. The extent and nature of queries relating to execution