

Information about the top five execution venues and quality of execution obtained in respect of trades executed in calendar year 2023

Introduction

In terms of the Markets in Financial Instruments Directive (“MIFID II”) and the MFSA Conduct of Business Rulebook, investment firms are required to summarise and make public, on an annual basis, the top five execution venues used in relation to the volume of trades placed across a range of financial instruments.

This report provides the information required above in respect of trades executed in calendar year 2023.

Top five execution venues

In respect of all locally listed securities, for all classes of instruments (comprising primarily equities, corporate bonds, and Malta Government Stocks), Rizzo Farrugia executed all client orders on the Malta Stock Exchange, being the sole execution venue for such securities.

Table 1 – Securities traded on the Malta Stock Exchange

| Class of Instrument | Equities and Debt Securities (Corporate Bonds, Malta Government Stocks) | | | | |
|---|---|--|------------------------------|---------------------------------|-------------------------------|
| | Notification if less than one average trade per business day in 2023 | No | | | |
| Top five execution venues ranked in terms of trading volumes (descending order) | Proportion of volume traded as a percentage of total in that class | Proportion of orders executed as a percentage of total in that class | Percentage of passive orders | Percentage of aggressive orders | Percentage of directed orders |
| Malta Stock Exchange (LEI: 5299009CKES2S5E3YG94) | 100% | 100% | 35% | 65% | u/a |
| n/a | | | | | |
| n/a | | | | | |
| n/a | | | | | |
| n/a | | | | | |

All equities traded on the Malta Stock Exchange are categorised as having a tick size liquidity band of 1 or 2.

In the case of securities listed on international stock exchanges, Rizzo Farrugia receives and transmits orders as follows:

Table 2a – Equities traded on international stock exchanges - Tick size liquidity bands 1 and 2 (from 0 to 79 trades per day):

| Class of Instrument | Equities - Tick size liquidity band 1 and 2 (from 0 to 79 trades per day) | | | | |
|---|--|--|------------------------------|---------------------------------|-------------------------------|
| Notification if less than one average trade per business day in 2023 | Yes | | | | |
| Top five execution venues ranked in terms of trading volumes (descending order) | Proportion of volume traded as a percentage of total in that class | Proportion of orders executed as a percentage of total in that class | Percentage of passive orders | Percentage of aggressive orders | Percentage of directed orders |
| Bank of Valletta plc (LEI: 529900RWC8ZYB066JF16) | 18% | 36% | u/a | u/a | u/a |
| Swissquote Financial Services (Malta) Ltd (LEI: 213800DV8T188HXYWD21) | 69% | 55% | u/a | u/a | u/a |
| Medirect Bank (Malta) plc (LEI: 529900SYUCFQHI3JZQ05) | 13% | 9% | u/a | u/a | u/a |
| n/a | | | | | |
| n/a | | | | | |

Table 2b – Equities traded on international stock exchanges - Tick size liquidity bands 3 and 4 (from 80 to 1,999 trades per day):

| Class of Instrument | Equities - Tick size liquidity bands 3 and 4 (from 80 to 1 999 trades per day) | | | | |
|---|---|--|------------------------------|---------------------------------|-------------------------------|
| Notification if less than one average trade per business day in 2023 | Yes | | | | |
| Top five execution venues ranked in terms of trading volumes (descending order) | Proportion of volume traded as a percentage of total in that class | Proportion of orders executed as a percentage of total in that class | Percentage of passive orders | Percentage of aggressive orders | Percentage of directed orders |
| Bank of Valletta plc (LEI: 529900RWC8ZYB066JF16) | 72% | 71% | u/a | u/a | u/a |
| Swissquote Financial Services (Malta) Ltd (LEI: 213800DV8T188HXYWD21) | 15% | 23% | u/a | u/a | u/a |
| Medirect Bank (Malta) plc (LEI: 529900SYUCFQHI3JZQ05) | 13% | 6% | u/a | u/a | u/a |
| n/a | | | | | |
| n/a | | | | | |

Table 2c – Equities traded on international stock exchanges - Tick size liquidity bands 5 and 6 (from 2,000 trades per day):

| Class of Instrument | Equities - Tick size liquidity bands 5 and 6 (from 2,000 trades per day) | | | | |
|---|---|--|------------------------------|---------------------------------|-------------------------------|
| Notification if less than one average trade per business day in 2023 | No | | | | |
| Top five execution venues ranked in terms of trading volumes (descending order) | Proportion of volume traded as a percentage of total in that class | Proportion of orders executed as a percentage of total in that class | Percentage of passive orders | Percentage of aggressive orders | Percentage of directed orders |
| Bank of Valletta plc (LEI: 529900RWC8ZYB066JF16) | 60% | 70% | u/a | u/a | u/a |
| Swissquote Financial Services (Malta) Ltd (LEI: 213800DV8T188HXYWD21) | 38% | 29% | u/a | u/a | u/a |
| Medirect Bank (Malta) plc (LEI: 529900SYUCFQH13JZQ05) | 2% | 1% | u/a | u/a | u/a |
| n/a | | | | | |
| n/a | | | | | |

Table 3 – Debt securities traded on international stock exchanges:

| Class of Instrument | Debt Securities | | | | |
|---|--|--|------------------------------|---------------------------------|-------------------------------|
| Notification if less than one average trade per business day in 2023 | No | | | | |
| Top five execution venues ranked in terms of trading volumes (descending order) | Proportion of volume traded as a percentage of total in that class | Proportion of orders executed as a percentage of total in that class | Percentage of passive orders | Percentage of aggressive orders | Percentage of directed orders |
| Bank of Valletta plc (LEI: 529900RWC8ZYB066JF16) | 51% | 51% | u/a | u/a | u/a |
| Swissquote Financial Services (Malta) Ltd (LEI: 213800DV8T188HXYWD21) | 49% | 49% | u/a | u/a | u/a |
| n/a | | | | | |
| n/a | | | | | |
| n/a | | | | | |

Table 4 – Exchange traded securities traded on international stock exchanges:

| Class of Instrument | Exchange Traded funds | | | | |
|---|--|--|------------------------------|---------------------------------|-------------------------------|
| Notification if less than one average trade per business day in 2023 | Yes | | | | |
| Top five execution venues ranked in terms of trading volumes (descending order) | Proportion of volume traded as a percentage of total in that class | Proportion of orders executed as a percentage of total in that class | Percentage of passive orders | Percentage of aggressive orders | Percentage of directed orders |
| Bank of Valletta plc (LEI: 529900RWC8ZYB066JF16) | 31% | 36% | u/a | u/a | u/a |
| Swissquote Financial Services (Malta) Ltd (LEI: 213800DV8T188HXYWD21) | 68% | 63% | u/a | u/a | u/a |
| Medirect Bank (Malta) plc (LEI: 529900SYUCFQHI3JZQ05) | 1% | 1% | u/a | u/a | u/a |
| n/a | | | | | |
| n/a | | | | | |

Commentary as required by Commission Delegated Regulated (EU) 2017/576 (RTS 28)

The below commentary is applicable to all classes of financial instruments, unless otherwise specified.

(A) The relative importance the firm gave to the execution factors of price, costs, speed, likelihood of execution or any other consideration including qualitative factors when assessing the quality of execution

For all classes of instruments, when executing orders on behalf of Retail Clients, particularly when the scale of the order is comparable to, or smaller than, average market volumes in the specific security, Rizzo Farrugia endeavours to achieve the best possible result which is determined in terms of the ‘total consideration’ which represents:

- i. The price of the financial instrument; and
- ii. The costs relating to the execution, which shall include all expenses incurred by the client which are directly relating to the execution of the order, including execution venue fees, clearing and settlement fees and any other fees paid to third parties involved in the execution of the order.

In the case of the execution of orders on behalf of Professional Clients, Rizzo Farrugia considers price and costs, but also other factors, such as speed, likelihood of execution and settlement, size and market impact which are also considered determining factors by Rizzo Farrugia in the achievement of best execution for the Client, particularly for orders involving large volumes.

The above-mentioned factors are therefore given higher importance when assessing the quality of execution achieved by the Company.

(B) Description of any close links, conflicts of interests, and common ownerships with respect to any execution venues used to execute orders

Nothing to report.

(C) Description of any specific arrangements with any execution venues regarding payments made or received, discounts, rebates or non-monetary benefits received

Nothing to report.

(D) Explanation of the factors that led to a change in the list of execution venues listed in the firm's execution policy, if such a change occurred

No such changes have been made.

(E) Explanation of how order execution differs according to client categorisation, where the firm treats categories of clients differently and where it may affect the order execution arrangements

The Company deals on behalf of Retail Clients, Professional Clients and Eligible Counterparties. Any differences in treatment are detailed in the company's Best Execution Policy which is published on the company's website.

(F) Explanation of whether other criteria were given precedence over immediate price and cost when executing retail client orders and how these other criteria were instrumental in delivering the best possible result in terms of the total consideration to the client

No other criteria were given preference.

(G) Explanation of how the investment firm has used any data or tools relating to the quality of execution

The Company uses its own in-house data and statistics, together with publicly available market data and statistics.

(H) Explanation of how the investment firm has used output of a consolidated tape provider

Not applicable.

Rizzo, Farrugia & Co. (Stockbrokers) Ltd.
Airways House, Fourth Floor, High Street, Sliema SLM 1551.
Telephone: +356 2258 3000; email: info@rizzofarrugia.com; Website: www.rizzofarrugia.com.

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