

# Strategy for Execution and Assignment of Orders

in accordance with provision of §73o – §73p of Act No. 566/2001 Coll. on securities  
and investment services as amended (hereinafter referred to as ‘ZoCP’)

## **Wealth Effect Management o.c.p., a.s.**

Seat: Bottova 2A, 811 09 Bratislava, Comp. Reg. No.: 51 127 113

registered in Companies Register maintained by the City Court Bratislava III, section: Sa, insert  
no.: 6652/B

Wealth Effect Management o.c.p., a.s. (hereinafter referred to as ‘WEM’) does their best to ensure the best possible way of performing orders of their clients. WEM’s target is to efficiently perform activities related receipt, assignment or execution of clients’ orders, while taking client’s preference and profile into consideration to achieve the best possible result in compliance with relevant orders and this Strategy of Execution and Assignment of Orders (hereinafter referred to the ‘Strategy’).

The Strategy herein covers receipt, assignment and execution of orders related to one or more financial instruments while providing investment services, investment activities and WEM auxiliary services in accordance with §6 ZoCP for WEM professional and retail clients. If the Client does not give a particular instruction regarding the order or its specific character, WEM shall execute the very order under the conditions specified in this Strategy.

## **Elements of Best Practice for the Execution of Orders**

While performing the Client’s orders, WEM takes the following criteria into account:

- characteristics of the Client, including classifying the Client among retail or professional clients;
- nature of the Client’s order;
- description of financial instruments that are subject of an order;
- description of execution locations, where an order may be assigned.

WEM takes the following factors and their relative materiality into consideration while performing clients’ orders to achieve the best possible result:

- 30 % price of a financial instrument;
- 20 % costs to execute an order;
- 20 % speed and probability of order execution;
- 20 % settlement of a trade;
- 10 % volume and nature of an order.

If WEM executes the Client’s order, the best possible result will be determined from overall amount point of view representing the price of a financial instrument and all costs related to execution of an order, under consideration other criteria and factors resulting from the execution of an order.

In case of a particular client, their orders, financial instruments or execution locations and at their own discretion as well as in compliance with principle of professional care, WEM has a right to attribute higher priority to other criteria than price and costs to achieve the best possible result when executing an order. If there is more than one competition execution location of an order for a particular financial instrument, commissions and costs to perform an order at each execution location listed in this Strategy of Execution and Assignment of Orders and available to perform a particular order at, are taken into account when assessing the achievement of the best possible result for the Client.

In cases when WEM executes the Client's order in relation to financial instruments traded at OTC counter, probability of execution and settlement of an order are the priority criteria. In case of circumstances, when other factors are important for the Client (e. g. execution location of an order, counterparty etc.) while performing orders, WEM has a right to execute orders at their own discretion following the factors that will lead to the best possible result in WEM's opinion. When executing orders or deciding on trading with OTC products, WEM makes sure that the price offered to the Client is fair, namely by collecting market data used for price estimate of such a product, and if possible, by comparing them to similar or comparable products. Increased risk for the Client may arise as a result of execution of an order at OTC market, e. g. counterparty risk. WEM will provide further information on consequences of this method of order execution upon the Client's request.

If the Client breaches stipulated obligations resulting from contractual and related documentation, WEM shall not be liable for non-execution of the Client's order and/or for non-performance with maximum efforts to ensure obligations resulting from such a strategy.

Following this Strategy, the comparison of results achieved by WEM while observing this Strategy with the ones that could be potentially achieved for the Client pursuant to other strategy of execution of order and/other financial institution, shall not be considered the assessment of the best possible result.

## **List of Execution Locations**

Place of performance is deemed a regulated market, multilateral trading system, systematic internalizer, market creator, other liquidity provider or person performing similar activities.

Current list of execution locations used by WEM when executing and assigning clients' orders for individual financial instruments forms an Annex No. 1 to this Strategy.

This List of Execution Locations presented in Annex No. 1 of this Strategy is not fully comprehensive, but it includes execution locations that permanently enable WEM to achieve the best possible result at executing the Client's orders. List of Execution Locations is monitored and updated following Strategy of Execution and Assignment of Orders.

In cases when WEM themselves act as an execution location, WEM shall use all available information from the sources considered reliable and trustworthy to achieve the best possible result of order execution.

WEM reserves a right to:

- to use other execution locations except for those presented in the List of Execution Locations as far as WEM decides that it is in compliance with the Strategy and purpose of achieving the best possible result for the Client and that the Client grants their written consent therewith,
- to revoke or add any place in the List of Execution Locations.

To repeatedly achieve the best possible result when executing clients' orders, WEM takes the following factors and their relative materiality into consideration with respect to the selection of an execution location and to the selection of entities that WEM appoints or forwards the orders to be executed to:

- 10 % probability of stable and long-term activity;
- 10 % regular volume of transactions;
- 20 % liquidity;
- 10 % effectiveness of clearing systems;
- 20 % promptness;
- 20 % price costs;
- 10 % total probability of execution of an order.

WEM considers the above mentioned factors a decisive and essential part of all sufficient measures to achieve the best possible result for the client when executing an order. WEM evaluates at least once a year, whether execution locations specified in the List of Execution Locations ensure the best possible result for the Client or whether it is not necessary to perform changes in procedure mechanisms.

## Execution of the Client's Order

WEM shall execute an order following this Strategy, namely based on one of the following methods or their combination:

- The Client's order can be executed directly at regulated market or at MTF. If WEM is not a member of a relevant regulated market or MTF, they may assign a third party with a respective Client's order, where WEM applies mechanisms to handle the Client's orders at this regulated market or MTF.
- Execution of an order may be forwarded to a third party having applicable mechanisms that enable WEM to observe their own Strategy for Execution of Orders.
- An order with a financial instrument can be executed out of regulated market or MTF in case that WEM is directly the execution location. The Client expressly agrees with such a procedure.

In case the Client entered a particular instruction, WEM and the Client agreed that these principles or a part of them would be adequately observed.

### A Particular Instruction

If the Client places particular instructions to execute an order, e. g. specifies execution location and/or counterparty of a trade, WEM executes an order following the Client's instructions. WEM considers all measures taken to achieve the best possible result when executing clients' orders appropriately to this particular instruction. Execution of an order in compliance with a particular instruction is deemed meeting the obligation to achieve the best possible result for the Client.

**Warning:**

The company hereby reminds the Client that by giving a particular instruction, WEM may be prevented from taking measures in relation to a particular instruction that WEM applies in compliance with this Strategy to achieve the best possible result when executing orders.

### Allocation of Clients' Orders

Procedures and measures that enable immediate and fair execution of orders in relation to those of other clients are governed in this Strategy.

Clients' orders are executed upon meeting the following conditions:

- Orders executed on clients' account are recorded and allocated without delay.
- Comparable Client's orders are executed by WEM gradually, according to when they were received, without an undue delay, except for the cases, when nature of an order or situation on the market do not allow it or when it is not in the Client's best interest.
- The Client shall be informed on any obstacle related to proper execution of their orders that WEM is aware of.

WEM will join the Client's order with other client's orders, as far as it is not probable that it would be generally inconvenient for any of the clients. In spite of the above mentioned, the effect of the fusion may be to the detriment of the Client. In case of a partial execution of an allocated order, the Client's order is executed as per its percentage share at the overall allocated order.

### Method of Execution Based on a Class of Financial Instruments

WEM takes into account, whether the liquid market provides the best possible conditions to execute an order and therefore, they may place their orders at OTC market too, or will execute an order at execution location, which is WEM. If WEM evaluates that the market with highest liquidity is a regulated one, and WEM has no direct approach to it, an order will be forwarded for execution to a broker who has such an approach.

WEM rules for execution of orders according to classes of financial instruments are applied adequately for all kinds of financial instruments to which WEM can provide investment services:

- shares, bonds or other transferable securities;

- financial market instruments;
- share certificates or securities issued by foreign entities of collective investment;
- options, futures, swaps, forwards and derivatives related to securities, currencies, interest rates, yields or derivative instruments, financial indices or financial rates that may be settled by delivery or in cash.

## **Time of Issuing an Order**

Business hours for receiving Client's orders are every working day in the Slovak Republic from 10:00 a.m. until 3:00 p.m.. WEM reserves a right to change the business hours.

The Client is aware of WEM restrictions when receiving and executing orders resulting from business hours at individual regulated markets, holidays in the Slovak Republic and similar circumstances.

## **Monitoring and Updating**

WEM continuously monitors the activity of mechanisms to execute orders defined by this Strategy to discover any deficiencies and, if that is a case, to remedy them.

## **Confirmation of Best Practice for Execution of Orders**

The Client is entitled to ask WEM for a confirmation that their order has been executed in compliance with the Strategy herein.

## **Summary**

In execution of clients' orders WEM proceeds pursuant to this Strategy to achieve the best possible result for the Client. This means especially, but not exclusively, the best price of a financial instrument and the lowest costs for the performance of an investment service including fees for execution locations, charges for billing and settlement and any fees paid to third parties participating in execution of an order. However, WEM takes also further criteria and factors into account, namely with regard to circumstances of a particular order to always act in the Client's best interest.

WEM shall execute or assign an order to execution locations specified in this Strategy to achieve the best possible result for the Client, whereby place and method of order execution are selected with regard to achieving the best possible result for the Client. WEM may perform an order even out of a regulated market or a multilateral trading system, however only under the Client's consent.

WEM uses procedures and processes for analysing quality of order execution, whereby to assess the quality of an execution location, the information is used that each and every execution location is obliged to make publicly available free of charge at a designated place at least once a year. Execution of a particular Client's order is deemed meeting the obligation to achieve the best possible result for the Client.

In Bratislava, dated 31 July 2023.

**This Strategy enters into force as of 31 July 2023.**

## Annex no. 1 to the Strategy for Execution and Assignment of Orders

of the company Wealth Effect Management o.c.p., a.s., with its registered office at: Bottova 2A, 811 09 Bratislava.

### List of execution locations

An execution location means a regulated market, a multilateral trading system, a systematic internaliser, a market maker, another liquidity provider or a person performing similar activities.

Wealth Effect Management o.c.p., a.s. emphasizes, in compliance with the Strategy for Execution of Orders for individual financial instruments, the following execution locations:

#### Overview of markets for stocks, ETFs, certificates of deposit and bonds

Market	Stock exchange	Currency	Data on order execution quality
Belgium	Euronext Brussels	EUR	<a href="http://www.euronext.com">www.euronext.com</a>
Czech Republic	Prague Stock Exchange	CZK	<a href="http://www.pse.cz">www.pse.cz</a>
France	Paris Stock Exchange	EUR	<a href="http://www.euronext.com">www.euronext.com</a>
France	Euronext Paris	EUR	<a href="http://www.euronext.com">www.euronext.com</a>
Netherlands	Euronext Amsterdam	EUR	<a href="http://www.euronext.com">www.euronext.com</a>
Hong Kong	Hong Kong Stock Exchange	USD/EUR	<a href="http://www.hkex.com.hk">www.hkex.com.hk</a>
Ireland	Irish Stock Exchange	EUR	<a href="http://www.ise.ie">www.ise.ie</a>
Japan	Tokyo Stock Exchange	JPY	<a href="http://www.jpx.co.jp">www.jpx.co.jp</a>
Luxembourg	Luxembourg Stock Exchange	EUR	<a href="http://www.bourse.lu">www.bourse.lu</a>
Germany	XETRA	EUR	<a href="http://www.xetra.com">www.xetra.com</a>
Germany	Berlin Stock Exchange	EUR	<a href="http://www.boerse-berlin.com">www.boerse-berlin.com</a>
Germany	Frankfurt Stock Exchange	EUR	<a href="http://www.boerse-frankfurt.de">www.boerse-frankfurt.de</a>
Germany	Hamburg Stock Exchange	EUR	<a href="http://www.boerse-hamburg.de">www.boerse-hamburg.de</a>
Germany	Stuttgart Stock Exchange	EUR	<a href="http://www.boerse-stuttgart.de">www.boerse-stuttgart.de</a>
Germany	Xetra ETF	EUR	<a href="http://www.xetra.com">www.xetra.com</a>
Portugal	Euronext Lisbon	EUR	<a href="http://www.euronext.com">www.euronext.com</a>
Austria	Vienna Stock Exchange	EUR	<a href="http://www.wienerborse.at">www.wienerborse.at</a>
Italy	Borsa Italiana	EUR	<a href="http://www.borsaitaliana.it">www.borsaitaliana.it</a>
Switzerland	Geneva Stock Exchange	CHF	<a href="http://www.six-group.com">www.six-group.com</a>
USA	BATS Global Markets	USD	<a href="http://www.cboe.com">www.cboe.com</a>
USA	NASDAQ	USD	<a href="http://www.nasdaq.com">www.nasdaq.com</a>
USA	New York Stock Exchange	USD	<a href="http://www.nyse.com">www.nyse.com</a>
USA	IEX	USD	<a href="http://www.iexexchange.io">www.iexexchange.io</a>
USA	NYSE Arca	USD	<a href="http://www.nyse.com">www.nyse.com</a>
United Kingdom	FT – SE International	USD	<a href="http://www.londonstockexchange.com">www.londonstockexchange.com</a>
United Kingdom	London Stock Exchange	GBP	<a href="http://www.londonstockexchange.com">www.londonstockexchange.com</a>
OTC	Wealth Effect Management o.c.p., a.s.		

#### Overview of counterparties and banks for stocks, ETFs, certificates of deposit, bonds and cash

Patria Finance  
 Interactive Brokers (UK) Ltd.  
 Alpaca Securities LLC  
 Tatra banka, a.s.  
 UniCredit Bulbank AD

This List of execution locations is not exhaustive, but contains execution locations that permanently allow achieving the best possible result in execution of client's orders. The List of execution locations is monitored and updated in accordance with the Strategy for Execution and Assignment of Orders.

In cases where Wealth Effect Management o.c.p., a.s. itself acts as an execution location, it shall use all available information from sources that are considered reliable and trustworthy, for the purpose of achieving the best possible result of order execution.

Wealth Effect Management o.c.p., a.s. reconsiders at least once a year whether the execution locations specified in this List of execution locations ensure the best possible result for the client or whether it is necessary to make changes to the execution mechanisms. In Bratislava, dated 31 July 2023.

**This list is valid and effective from 31 July 2023.**