



BEST EXECUTION REPORT

For year 2017

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Introduction

ArumPro Capital Limited ("Arum Capital" or "the Company") is a Cyprus Investment Company incorporated and registered under the laws of the Republic of Cyprus, with registration No. HE 352951. The Company is authorised and regulated by the Cyprus Securities and Exchange Commission ("CySEC") under the license No. 323/17. Its operational model is an STP model, it transmits clients' orders for execution to an execution venue.

It is important to note that the Company has a White Label Partner of an FCA-regulated investment firm.

Arum Capital is committed to continuously obtaining the best possible outcome for client orders. It is essential for the Company to enable clients and the public to evaluate the quality of the Company's execution practices and to identify the top five (or less if five are not applicable) execution venues where client orders are executed in terms of trading volumes. ARUM CAPITAL monitors the effectiveness of the order execution arrangements and regularly assess whether the Company's available execution venues continue to provide the best possible results for client orders. This report provides a summary of the analysis and conclusions drawn from the detailed monitoring of the quality of execution obtained when executing client orders.

Best Execution Factors

It stresses the importance the Company gives to the execution factors of price, costs, speed, likelihood of execution or any other consideration including qualitative factors when making assessments of the quality of execution.

It is the general policy of Arum Capital for all client transactions not to give execution factors other than price and costs precedence unless they are instrumental in delivering the best possible result in terms of total consideration to the client. Arum Capital adheres to Best Execution requirements when executing client orders, and takes steps to achieve the best result in accordance with the Company's Execution Policy. When determining the strategy for execution of a client's order Arum Capital takes into account certain factors as appropriate, in the context of the terms of the client's order.

Factors ARUM CAPITAL considers include, but are not be limited to:

- Price;
- the need for timely execution;
- market liquidity;
- the size of the order;
- likelihood of execution;
- settlement, costs of the transaction;
- nature of the transaction, including whether it is executed on a regulated market, multilateral trading facility or over the counter; and,
- any other consideration relevant to the execution of the order.

The costs of transaction include all expenses incurred by the client that are directly related to the execution of orders, including in particular execution venue fees, clearing and settlement fees, and any other fees paid to third parties involved in the execution of the order. Arum Capital also takes into account its own commission and costs for executing the order on each eligible execution venue. In the absence of specific instructions from the client, Arum Capital exercises its own judgment, skill and experience having regard to available

market information when determining the factors that it needs to take into account for the purpose of providing the client with Best Execution.

Conflict of interest related to order execution

A declaration of any close links, conflicts of interests, and common ownerships with respect to any execution venues used to execute orders.

Arum Capital is a solo entity, it is not a part of a group and has no related companies. It cooperates with independent and unrelated service providers.

It may obtain pricing and liquidity from independent service providers. As with all of ARUM CAPITAL's service providers the price and liquidity sources, the prices provider is evaluated in accordance with Best Execution standards. The Company uses an independent FCA-regulated broker as liquidity provider and the execution venue for FX trading and as a price source for FX trading. The Company pays the liquidity provider a broker fee for the execution services.

Client types

An outline of how order execution differs according to client categorisation, where the Company treats such category of client differently and where it may affect the order execution arrangements.

A client's regulatory classification, as detailed below, influences the determination of whether a client is 'legitimately relying' on ARUM CAPITAL to protect their interests, and as such whether Best Execution is owed.

Retail clients:

Retail clients are always deemed to legitimately rely on ARUM CAPITAL to protect their interests, and as such, the Best Execution obligation is deemed to apply whenever ARUM CAPITAL transacts with Retail clients, except where a specific instruction has been provided.

Professional clients:

ARUM CAPITAL will determine whether Professional clients are legitimately relying on the Company to deliver Best Execution in relation to their orders.

Four-stage test:

In order to determine whether a Professional client is 'legitimately relying' on ARUM CAPITAL in relation to a particular client order (whereby Best Execution is therefore owed to the client), the following four factors are considered by ARUM CAPITAL:

- Which party initiates the transaction: where it is ARUM CAPITAL that 'initiates' a transaction. the client is more likely to place 'legitimate reliance' on ARUM CAPITAL. In this context, 'initiate' means where ARUM CAPITAL approaches a client regarding a potential transaction;
- Question of market practice and the existence of a convention to "shop around": a client's ability to look to other providers for Best Execution;
- The relative levels of price transparency within a market: In certain markets transparent prices may not be readily available to clients, and this indicates that the Best Execution obligation is more likely to apply; and,
- The information provided by ARUM CAPITAL and any agreement reached.

ARUM CAPITAL recognises that Professional clients will be relying on the Company to provide Best Execution and the Company will therefore execute their order in line with this policy. However, in certain circumstances

the Company's determination of the relative importance of the execution factors may differ from Retail clients including for example where the likelihood of execution may take precedence over price.

Eligible Counterparties:

The Best Execution obligation is deemed not to apply when dealing with Eligible Counterparties.

100% of ARUM CAPITAL clients are retail client for the purposes of Best Execution report.

None of the client of ARUM CAPITAL are professional clients or eligible counterparty. None of the client have requested re-classification in 2017.

Retail Client

An outline of situations where 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.

The diverse markets for different financial instruments and the types of orders that clients place with ARUM CAPITAL mean that different factors could be applicable in each case when ARUM CAPITAL considers its execution strategy for each order received. For example, there is no formalised market for some over the counter transactions. In some markets, price volatility may mean that timeliness of execution is a priority, whereas in an illiquid market the fact of execution may itself constitute Best Execution.

When executing a client's order, as well as the factors relevant to the client's order, ARUM CAPITAL takes into account the following 'Execution Criteria':

- characteristics of the client;
- characteristics of the client's order;
- characteristics of the relevant financial instrument; and,
- characteristics of the execution venues to which the order can be directed.

ARUM CAPITAL regards price as being one of the most important considerations when seeking to obtain the best possible result for clients. In addition, the financial Instrument to which the order relates dictates to a large extent the determination and ranking of the relative importance of the Execution Criteria.

However, in certain circumstances ARUM CAPITAL may decide in its absolute discretion that other factors noted above, may be more important than price when determining the best possible result in accordance with this policy.

For retail clients, the best possible result is determined in terms of the total consideration, represented by the price of the financial instrument and the costs incurred by the client related to execution.

CLASS OF INSTRUMENTS	Contracts for difference				
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 percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
White Label Principal Liquidity provider for Portfolio Management (copy-trading)	99.97%	99.97%		99.97%	
	0.03%	0.03%		0.03%	

Quality of Execution Assessment

It explains how the Company has used any data or tools relating to the quality of execution.

In order to effectively implement a robust Best Execution compliance program, ARUM CAPITAL monitors the quality of execution of client orders.

The Company has instituted three distinct stages for surveilling execution quality.

- Stage 1: Real time monitoring of execution and Execution Venue performance.
- Stage 2: Regular independent reviews of execution quality arrangements and operating effectiveness of the Stage 1 monitoring.
- Stage 3: Periodic internal audit of the execution quality arrangements under Stage 1 and Stage 2 that aims to enhance the oversight of the Company's control environment.

One of the main goals of each stage is to ensure that clients are provided with the best possible results for their orders. To this end, ARUM CAPITAL intends to conduct quarterly reviews of the fairness of the price provided to the client by gathering market data used in the estimation of the price of the products and comparing with similar or comparable products.