

ANNUAL DISCLOSURE ON THE QUALITY OF EXECUTION RTS28 REPORT 2022

APRIL 2023

CONTENTS

1. INTRODUCTION.....	3
2. PURPOSE.....	3
3. DEFINITIONS	4
4. SUMMARY OF THE ANALYSIS & CONCLUSIONS ON THE QUALITY OF EXECUTION...	4
5. CONCLUSIONS	8
6. OTHER NOTES	9
7. CONTACT DETAILS	9
APPENDIX I	10
TABLE 1 – RETAIL CLIENTS.....	10
TABLE 2 – PROFESSIONAL CLIENTS.....	11

1. INTRODUCTION

Sheer Markets (Cyprus) Ltd (“Sheer Markets” or the “Company”) operates as a Cyprus Investment Firm with license number 395/20 since the 18th of December 2020. Sheer Market’s head office is located at 331, 28th October Avenue, Lido House Block 2, Unit 365, 3106, Limassol, Cyprus.

As at the end of the reporting year 2022, Sheer Markets was authorised to provide the following investment and ancillary services:

Investment Services:

- Reception and transmission of orders in relation to one or more financial instruments.
- Execution of orders on behalf of clients.
- Dealing on Own Account
- Portfolio Management; and
- Investment Advice.

Ancillary services:

- Safekeeping and administration of financial instruments, including custodianship and related services.
- Foreign exchange services where these are connected to the provision of investment services; and
- Investment research and financial analysis or other forms.

Sheer Markets is authorized to provide the aforesaid services in relation to the following financial instruments outlined under Part III of the First Appendix of the Investment Services and Activities and Regulated Markets Law of 2017:

- Options, futures, swaps, forward rate agreements and any other derivative contracts relating to securities, currencies, interest rates or yields, emission allowances or other derivatives instruments, financial indices or financial measures which may be settled physically or in cash.
- Options, futures, swaps, forwards, and any other derivative contracts relating to commodities that must be settled in cash or may be settled in cash at the option of one of the parties other than by reason of default or other termination event and
- Financial contracts for differences

Sheer Markets’ services are offered in relation to Contract for Differences (“CFDs”) on foreign exchange, equities, indices, commodities, NDFs and virtual currencies. The respective services are provided only to residents of the EU Member States and Malaysia (Labuan) via the Company’s website www.sheermarkets.com using Meta trader 5 trading Platform.

2. PURPOSE

The Annual Publication of information on the identity of Execution Venues and on the quality of execution for the year 2022 (hereafter the “RTS28 Report” or “RTS28”) has been issued

by Sheer Markets, pursuant to Article 28(6) of the Law 87(I)/2017 and Commission Delegated Regulation (EU) 2017/576 with regard to the regulatory technical standards for the annual publication by investment firms of information on the identity of execution venues and on the quality of execution.

The RTS28 Report provides a summary of the analysis and conclusions drawn by Sheer Markets for the reporting year ending 31 December 2022 in respect to its monitoring of the quality of execution obtained from the execution venues where it executed clients' orders, covering a full year cycle. The information provides a description of the order execution arrangements of the Company and the monitoring methodologies used to assess the quality obtained.

The Company urges its clients and/or potential clients to read the RTS28 Report carefully as it contains information on how Sheer Markets executes orders to various execution venues when acting as principal or agent in relation to the asset class of CFDs.

The RTS28 Report provides information on the Order Execution Policy. If you have any questions about this report or the Order Execution Policy. Please contact us at compliance@sheermarkets.com or dealing@sheermarkets.com.

3. DEFINITIONS

For the purposes of the RTS28 Report, the following definitions shall apply:

- “Directed order”** means an order where a specific execution venue was specified by the client prior to the execution of the order.
- “Execution venue”** includes a regulated market, a multilateral trading facility (MTF), an organised trading facility (OTF), a systematic internaliser, or a market maker or other liquidity provider or an entity that performs a similar function in a third country to the functions performed by any of the foregoing.
- “MiFID II”** means Directive 2014/65/EU of the European Parliament and of the Council on markets in financial instruments.

4. SUMMARY OF THE ANALYSIS & CONCLUSIONS ON THE QUALITY OF EXECUTION

This section provides a summary of the analysis and conclusions drawn by Sheer Markets from the detailed monitoring of the quality of execution obtained on the execution venues where it executed client orders for the reporting year 2022.

a) Relative importance to the execution factors

When executing client orders, Sheer Markets considers the following criteria for determining the relative importance of the factors referred to in Article 27(1) of MiFID II:

- the characteristics of the client including the categorization of the client as retail

- or professional.
- the characteristics of the client order.
- the characteristics of financial instruments that are the subject of that order; and
- the characteristics of the execution venues to which that order can be directed.

In addition, when executing clients' orders Sheer Markets evaluates different execution factors to determine the best possible result for its clients. In particular, it considers, among others, the price, costs, speed, likelihood of execution and settlement, size, nature, or any other consideration relevant to the execution of the order.

For retail clients' orders, the best possible result is determined in terms of the total consideration representing the price of the financial instrument and the costs relating to execution. Although the clients' characteristics are considered when executing their orders, Sheer Markets does not differentiate between the relative importance of retail and professional clients' orders. Therefore, the information presented in the below table is applicable for both retail and professional clients. More details on the execution factors can be found in the Company's [Order Execution Policy](#).

HIGH IMPORTANCE	
PRICE	For any given CFD, the Company will quote two prices: the higher price ("ASK") at which the Client can buy ("go long") than CFD, and the lower price ("BID") at which the Client can sell ("go short") that CFD. Collectively, the ASK and BID prices are referred to as the Company's prices. The difference between the lower and the higher price of a given CFD is the spread. The Company's prices obtained are quoted in real time for the Company to offer the best possible BID and ASK prices to clients and the Company's electronic pricing engine allows for price updates on every financial instrument multiple time per second, as long as the limitations of technology and communication links allow. The Company's price for a given CFD is calculated by reference to the price of the underlying asset, which the Company obtains from its Execution Venues. The company's prices can be found on the Company's platform. The company reviews its prices given from time to time to ensure that the prices obtained remain competitive. Certain ex ante and ex-post quality checks are conducted by the Company to ensure that prices obtained and subsequently passed on to Clients remain competitive. Such checks include: the comparison of prices with reputable price sources, ensuring symmetry of spread and reviewing system/parameters.
COSTS	For opening a position in some types of CFDs the Client may be required to pay commission or financing fees, the amount of which is disclosed on the Company's website(s).

SPEED	The Company places a significant importance when executing Client Orders and strives to offer high speed of execution within the limitations of technology and communications links. For instance, in cases where Clients are using a wireless connection or a dial up connection or any other communication link that can cause a poor internet connection then this may cause unstable connectivity with the Company's trading platform resulting to the Client placing his orders at a delay and hence the orders to be executed at better or worst prevailing price offered by the Company. Moreover, and in order to improve the speed of execution the Company carries out certain ex-ante ex-post quality checks such as symmetric slippage checks, number of trades subject to slippage and compare our average speed of execution with external reference sources. It is noted that some account types might offer higher speed of execution which come at a cost which is specified on the Company's website.
MEDIUM IMPORTANCE	
LIKELIHOOD OF EXECUTION & SETTLEMENT	The likelihood of execution depends on the availability of prices of the Execution Venue(s). In some cases, it may not be possible to arrange an order for execution, for example, but not limited to, in the following cases: during news times, trading session start moments, during volatile markets where prices may move significantly up or down and away from declared prices, where there is rapid price movement, where there is insufficient liquidity for the execution of the specific volume at the declared price, insufficient margin or, a force majeure event has occurred. In the event that the Company is unable to proceed with an order with regard to price or size or other reason, the order will not be executed.
LOW IMPORTANCE	
SIZE	In some cases, the price might become less favorable in cases of large orders. The company reserves the right to decline large orders. In the event that the Company is unable to proceed with an order, with regard to size or other reason, the Company will send a re-quote to the Client with the price it is willing to deal until the price the Client asks, becomes available.
NATURE OF THE ORDER	The nature or any other consideration relevant to the execution of the order, for example, type of order.

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

Sheer Markets does not maintain close links and/or common ownership structures with any of the Execution Venues listed in Appendix, excluding itself.

Sheer Markets has in place all necessary procedures, systems, and controls to identify, prevent or manage any conflicts of interest which may arise throughout the provision of its services to clients. The Company lists the possible conflicts of interest

it might face in its [Conflicts of Interest Policy](#) which is, at all times, available on its website(s).

c) Specific arrangements with any execution venues

As per the provisions of MiFID II, Sheer Markets is prohibited from receiving any remuneration, discount, or non-monetary benefit for routing orders to a particular Execution Venue as this may be in breach of the requirements relevant to conflicts of interest or inducements. Therefore, no specific arrangements have been concluded with any execution venues regarding payments made or received, discounts, rebates, or non-monetary benefits.

d) Explanation of the factors that led to a change in the list of execution venues.

Upon granting of its CIF authorization, the Company entered in business relationship with the execution venues presented in the table below:

No.	Execution Venue	Country	LEI Number
1.	Finalto Financial Services Ltd	UK	549300FSY1BKNGVUOR59
2.	MTG Liquidity Ltd	Cyprus	9845002C9B4DR1COEE25
3.	CMC MARKETS UK PLC	UK	213800IU529ADVZ1GL50
4.	KGI Securities (Singapore) Pte. Ltd	Singapore	5493002NVX7JSAMGVE42

No changes have been made in respect to the Execution Venues listed above since then. It is in our best interest to increasingly improve our quality of execution of client orders by adding multiple third-party liquidity providers with whom we have signed service agreements. We deem it more useful to disclose to clients our top underlying third-party liquidity providers with whom we have such appropriate legal arrangements in place, during the year 2022.

It is further noted that Sheer Markets also acts as a principal on the client's behalf. This means that the clients can open and close their positions with the Company. In such instances, Sheer Markets does not transfer its execution obligations to any other execution venue and retains the responsibility of delivering best execution to its clients.

e) How order execution differs according to client categorization

As previously mentioned, clients' trades are executed in the same manner irrespective of the client categorization. Sheer Markets strives to ensure compliance with its overarching obligation to obtain the best possible result for both Retail and Professional Clients.

f) Explanation of whether other criteria were given precedence over immediate price and cost when executing retail client orders.

There were no cases where other criteria were given precedence over immediate

price and cost when executing retail client orders.

g) Data or tools relating to the quality of execution.

Several methodologies and tools have been deployed by Sheer Markets for the monitoring of its execution quality. The Brokerage Department has been assigned the responsibility to monitor, on a daily basis, the execution arrangements by selecting representable samples of executed orders and evaluate such samples pursuant to the metrics described below. As at the end of the reporting year 2022, no automatic solutions have been used for the monitoring of the order execution factors.

The monitoring of the quality of execution covers the assessment of the execution venues used over the execution factors shown in the above table. In particular, the Brokerage Department checks the pricing frequency, speed of execution, costs associated with orders, as well as the slippage in terms of volume, types of orders and number of orders. In respect to the fairness of the price, the Brokerage Department checks pricing from existing counterparties, as well as other investment firms offering similar products.

h) Financial Instruments Offered by the Company

In accordance with the Commission Delegated Regulation (EU) 2017/576 Annex I, the Company did not offer the following classes of financial instruments during the reference period 1st of January and 31st of December 2022.

- a) Equities – Shares & Depositary Receipts
- b) Debt Instruments
- c) Interest Rate Derivatives
- d) Credit Derivatives
- e) Currency Derivatives
- f) Structured finance instruments
- g) Equity Derivatives
- h) Securitised Derivatives
- i) Commodities derivatives and emission allowances Derivatives
- j) Exchange traded products (Exchange traded funds, exchange traded notes and exchange traded commodities)
- k) Emission allowances
- l) other instruments

The Company offers a single class of financial instrument, which is Contracts for Difference. In the tables presented in Appendix and in accordance with the Commission Delegated Regulation (EU) 2017/576 Annex II, the Company publishes the execution venues and information regarding its retail and professional clients, during the reference period 1st of January and 31st of December 2022.

5. CONCLUSIONS

Sheer Markets takes all sufficient steps to obtain the best execution for its clients, as per

Sheer Markets (Cyprus) Limited is authorised and regulated by CySEC under license no. 395/20 12. Head Office: 331, 28th October Avenue, Lido House Block 2, Unit 365, 3106, Limassol, Cyprus Telephone (+357) 25057630
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the procedures and controls established in its Order Execution Policy. Also, the control functions (i.e., Compliance Function and Internal Auditor) scrutinize the monitoring procedures conducted by the Brokerage Department and the actions taken are reported to the Company's Board of Directors, at least annually.

6. OTHER NOTES

This statement is kept on the Company's website, for a minimum of two years.

7. CONTACT DETAILS

Clients shall communicate with the Company with the communication methods described within this policy and/or at the following address:

Sheer Markets (Cyprus) LTD

Address: 331, 28th October Avenue, Lido House Block 2, Unit 365, 3106, Limassol, Cyprus

Phone: +(357) 25057630

E-mail: info@sheermarkets.com

APPENDIX I

TABLE 1 – RETAIL CLIENTS

Class of Instrument	Contracts for Difference (CFDs)				
Notification if < 1 average trade per business day in the previous year	N				
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
Sheer Markets (Cyprus) Ltd 984500SCD944FFBCB421	26.14%	16.92%	N/A	100%	N/A
Finalto Financial Services Limited 549300FSY1BKNGVUOR59	41.14%	21.23%	N/A	100%	N/A
MTG Liquidity Ltd 9845002C9B4DR1COEE25	31.42%	58.62%	N/A	100%	N/A
CMC MARKETS UK PLC 213800IU529ADVZ1GL50	1.30%	3.23%	N/A	100%	N/A
KGI Securities (Singapore)Pte. Ltd 5493002NVX7JSAMGVE42	0%	0%	N/A	100%	N/A

TABLE 2 – PROFESSIONAL CLIENTS

Class of Instrument	Contracts for Difference (CFDs)				
Notification if < 1 average trade per business day in the previous year	N				
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
Sheer Markets (Cyprus) Ltd 984500SCD944FFBCB421	0.19%	1.03%	N/A	100%	N/A
Finalto Financial Services Limited 549300FSY1BKNGVUOR59	95.65%	90.93%	N/A	100%	N/A
MTG Liquidity Ltd 9845002C9B4DR1COEE25	4.07%	7.25%	N/A	100%	N/A
CMC MARKETS UK PLC 213800IU529ADVZ1GL50	0.09%	0.79%	N/A	100%	N/A
KGI Securities (Singapore)Pte. Ltd 5493002NVX7JSAMGVE42	0%	0%	N/A	100%	N/A