

## QUALITY CONTROL AND EXECUTION MANAGEMENT REPORT

(Fiscal year 2020)

CIMD, SV, SA provides investment services exclusively to clients that may be classified into one of the predetermined categories in accordance with their characteristics as established in section I of Annex II of Directive 2014/65/EU of the Parliament and of the Council of 14 May (MiFID II); i.e., *categorised as professionals or eligible counterparts; under no circumstances will services be provided to clients categorised as retail.*

Further, during the 2020 financial year, all received orders were able to be categorised as belonging to one of the following groups of financial instruments in accordance with their characteristics as established in the Delegated Regulation (EU) 2017/576:

- Debt
- Interest rate derivatives
- Currency derivatives
- Equity derivatives
- Commodity derivatives
- Other instruments (fixed income derivatives).

Since the effective date of MiFID II/MiFIR regulatory framework on January 3, 2018, it is mandatory to source the execution of financial instruments pertaining to one of the above categories, for execution in regulated trading platforms, unless when they are bilateral trades conducted between two entities for their own account.

Throughout 2019, for client orders satisfying the grouping into one of the above categories of financial instruments, CIMD, SV, SA sourced the trading platforms listed in the Best Execution Policy, in addition to the internal CIMD OTF trading platform.

It should also be noted that CIMD, SV, SA did not receive any retail transactions with regard to any of the categories of financial instruments as listed in Annex I of the aforementioned Regulation, throughout the 2020 financial year.

As a consequence, the information reflected in the below tables represents professional client orders exclusively, on the denoted financial instrument transactions sourced for execution in regulated trading platforms.

## Debt instruments

Financial product category	Debt Instruments: <b>Bonds</b> and <b>Obligations</b>				
Less than 1 order per day was executed in the previous year, on average	No				
Top five execution venues by trading volume (in descending order)	Proportion of the traded volume (%)	Proportion of executed orders (%)	Percentage of passive orders	Percentage of aggressive orders	Total percentage of orders
CIMD OTF // MIC: CIMB	96.80	100	50	50	100
AIAF Fixed Income Market // MIC: SEND	2.38	100	50	50	100
Away from trading venues // MIC: XOFF	0.52	100	50	50	100
Bloomberg Trading Facility Limited // MIC: BMTF	0.29	100	50	50	100
AIAF - Fixed Income Market // MIC: XDRF	0.02	100	50	50	100

During the 2020 financial year, 99.18% of *fixed income* transactions were executed between *the CIMD OTF* and the *AIAF Fixed Income Market (SEND)* trading platforms, with the remaining 0.52% executed against a proprietary account away from external trading venues (XOFF).

The method of execution used by CIMD OTF (organised trading facility) for *fixed income* is known as "voice trading" wherein those participants, as well as the clients of CIMD, SV, SA, will present *indications of interest* (IOI) which are non-binding and therefore unable to be considered as executable orders. In this case, when two (or more) IOI's may generate a transaction, CIMD, SV, SA will match and register those interests in its internal trading platform.

Alternatively, CIMD, SV, SA may use *SEND* (regulated market platform) to manage orders that (i) require real-time transparency, (ii) facilitate better conditions for the client due to market circumstances (iii) the client expressly indicates as such (iv) due to the characteristics of the client, it is necessary to source to an external trading platform not managed by CIMD, SV, SA. For the election of this platform, significant factors such as speed and probability of execution will be considered, but there shall be no consideration of other factors such as price or cost. Data of any other kind whether relating to the solvency of the trading platform, its manager, or any data relating to the quality of execution shall not be taken into account.



CIMD, SV, SA is the sole manager of the CIMD OTF trading facility. However, subject to guidelines as set out by current regulations regarding the management of this type of trading platform, there have been no conflicts of interest between clients and the Entity. Furthermore, CIMD, SV, SA does not receive any kind of incentive from CIMD OTF; it should be noted that the use of this trading facility does not incur any cost for the participants and clients of CIMD, SV, SA.

There is no special relationship between the SEND market platform and CIMD, SV, SA and there have been no conflicts of interest nor any detected potential conflicts of interest. The only economic agreement between the SEND market platform and CIMD, SV, SA is the payment of the membership fee by the latter. There is no consideration of discount, retrocession fees or non-monetary benefits included in the agreement, nor the existence of any other kind of incentive for CIMD, SV, SA.

CIMD, SV, SA does not use any information provided by consolidated information providers (CIPs) about the SEND market platform.

## **Interest rate derivatives**

Financial Product category	Interest rate derivatives: <b>FUTURES</b> and <b>OPTIONS</b> sourced to a trading platform				
Less than 1 transaction per day was executed in the previous year, on average	Yes				
Top five execution venues by trading volume (in descending order)	Proportion of the traded volume (%)	Proportion of executed orders (%)	Percentage of passive orders	Percentage of aggressive orders	Total percentage of orders
ICE FUTURES U.S // MIC: IFUS	46,94	100	50	50	100
ICE FUTURES EUROPE // MIC: IFLL	46,09	100	50	50	100
Chicago Mercantile Exchange // MIC: XCME	6,97	100	50	50	100

During the 2020 financial year, all interest rate futures and options transactions were executed between the ICE FUTURES and the CHICAGO MERCANTLE EXCHANGE trading platforms.

CIMD, SV, SA, when electing the trading platform for the execution of orders on behalf of its clients on bond futures and options will consider the following factors (in order of relative importance): cost, probability of execution, price, and speed. Data of any other kind whether relating to the solvency of the trading platform, its manager, or any data relating to the quality of execution shall not be taken into account.

There is no special relationship between the SEND market platform and CIMD, SV, SA and there have been no conflicts of interest nor any detected potential conflicts of interest. The only economic agreement between the SEND market platform and CIMD, SV, SA is the payment of the membership fee by the latter. There is no consideration of discount, retrocession fees or non-monetary benefits included in the agreement, nor the existence of any other kind of incentive for IM Valores.

CIMD, SV, SA does not use any information provided by consolidated information providers (CIPs) about the SEND market platform.

Financial product category	Interest rate derivatives: <b>SWAPS</b> sourced to a trading platform.				
Less than 1 transaction per day was executed in the previous year, on average	No				
Top five execution venues by trading volume (in descending order)	Proportion of the traded volume (%)	Proportion of executed orders (%)	Percentage of passive orders	Percentage of aggressive orders	Total percentage of orders
CIMD OTF // MIC: CIMV	92,55	100	50	50	100
TRADITION // MIC: TDCS	7,45	100	50	50	100

During the 2020 financial year, all *interest rate swaps* have been executed between the CIMD OTF and TRADITION OTF trading platforms.

The method of execution used by CIMD OTF (organised trading facility) for *interest rate derivatives* is known as "voice trading" wherein the participants and the clients of CIMD, SV, will present *indications of interest* (IOI) which are non-binding and therefore unable to be considered as executable orders. In this case, when two (or more) IOI's may generate a transaction, CIMD, SV, SA will match and register those interests in its internal trading platform.

CIMD, SV, SA is the sole manager of the CIMD OTF trading facility. However, subject to guidelines as set out by current regulations regarding the management of this type of trading platform, there have been no conflicts of interest between clients and the Entity. Furthermore, CIMD, SV, SA does not receive any kind of incentive from CIMD OTF; it should be noted that the use of this trading platform does not incur any cost for the participants and clients of CIMD, SV, SA.

For the election of the TRADITION OTF trading facility, CIMD, SV, SA will consider the following factors (in order of relative importance): speed, probability of execution and price, but there shall be no consideration of cost. Data of any other kind whether relating to the solvency of the trading platform, its manager, or any data relating to the quality of execution shall not be taken into account.

There is no special relationship between the TRADITION OTF trading platform and CIMD, SV, SA and there have been no conflicts of interest nor any detected potential conflicts of interest. There is no consideration of discount, retrocession fees or non-monetary benefits included in the agreement, nor the existence of any other kind of incentive for CIMD, SV, SA.

CIMD, SV, SA does not use any information provided by consolidated information providers (CIPs) about the TRADITION OTF trading facility.

### Currency derivatives

Financial product category	Derivatives on currencies: <b>FX FORWARDS</b> .				
Less than 1 transaction per day was executed in the previous year, on average	No				
Top five execution venues by trading volume (in descending order)	Proportion of the traded volume (%)	Proportion of orders executed (%)	Percentage of passive orders	Percentage of aggressive orders	Total percentage of orders
CIMD OTF // MIC: CIMV	97,40	100	50	50	100
BGC Brokers LP - Trayport // MIC: BGCO	2,00	100	50	50	100
ICAP MTF - FX DERIVATIVES // MIC: IMFD	0,51	100	50	50	100
TP EUROPE - MTF - FX DERIVATIVES // MIC: TEFD	0,08	100	50	50	100

During the 2020 financial year, all foreign exchange derivatives transactions *FX Forwards* were executed in the trading platforms listed in the above table.

The method of execution used by CIMD OTF (organised trading facility) for *FX Forwards* is known as "voice trading" wherein the participants and the clients of CIMD, SV, will present *indications of interest* (IOI) which are non-binding and therefore unable to be considered as executable orders. In this case, when two (or more) IOI's may generate a transaction, CIMD, SV, SA will match and register those interests in its internal trading platform.

CIMD, SV, SA is the sole manager of the CIMD OTF trading facility. However, subject to guidelines as set out by current regulations regarding the management of this type of trading platform, there have been no conflicts of interest between clients and the Entity. Furthermore, CIMD, SV, SA does not receive any kind of incentive from CIMD OTF; it should be noted that the use of this trading platform does not incur any cost for the participants and clients of CIMD, SV, SA.

With regard to the sourcing of other platforms, CIMD, SV, SA will consider the following factors (in order of relative importance): cost, probability of execution, price, and speed. Data of any other kind whether relating to the solvency of the trading platform, its manager, or any data relating to the quality of execution shall not be taken into account.

There is no special relationship between the other trading platforms and CIMD, SV, SA and there have been no conflicts of interest nor any detected potential conflicts of interest. The only economic agreement between the other trading platforms and CIMD, SV, SA is the payment of the membership fee by the latter. There is no consideration of discount, retrocession fees or non-monetary benefits included in the agreement, nor the existence of any other kind of incentive for IM Valores.

CIMD, SV, SA does not use any information provided by consolidated information providers (CIPs) about the other trading facilities.

Financial product category	Currency derivatives: <b>EXCHANGE TRADED DERIVATIVES (ETDs)</b> on listed markets				
Less than 1 agenda per day was executed in the previous year, on average	No				
Top five execution venues by trading volume (in descending order)	Proportion of the traded volume (%)	Proportion of orders executed (%)	Percentage of passive orders	Percentage of aggressive orders	Total percentage of orders
Chicago Mercantile Exchange // MIC: XCME	97,04	unavailable	unavailable	unavailable	100
MEFF Financial Derivatives // MIC: XMRV	0,88	unavailable	unavailable	unavailable	100
ICE FUTURES U.S // MIC: IFUS	0,64	unavailable	unavailable	unavailable	100
CME Globex // MIC: GBLX	0,63	unavailable	unavailable	unavailable	100
International Monetary Market // MIC: XIMM	0,53	unavailable	unavailable	unavailable	100

During the financial year 2020, all transactions of exchange currency derivatives (ETDs) traded on regulated markets and multilateral trading facilities (MTFs) have been executed in the trading platforms listed in the above table.

With regard to the sourcing of other platforms, CIMD, SV, SA will consider the following factors (in order of relative importance): cost, probability of execution, price, and speed. Data of any other kind whether relating to the solvency of the trading platform, its manager, or any data relating to the quality of execution shall not be taken into account.

There is no special relationship between the other trading platforms and CIMD, SV, SA and there have been no conflicts of interest nor any detected potential conflicts of interest. The only economic agreement between the other trading platforms and CIMD, SV, SA is the payment of the membership fee by the latter. There is no consideration of discount, retrocession fees or non-monetary benefits included in the agreement, nor the existence of any other kind of incentive for IM Valores.

CIMD, SV, SA does not use any information provided by consolidated information providers (CIPs) about the other trading facilities.

### Equity derivatives

Financial product category	Equity derivatives: <b>OPTIONS</b> and <b>FUTURES</b> sourced to a trading platform				
Less than 1 agenda per day was executed in the previous year, on average	No				
Top five execution venues by trading volume (in descending order)	Proportion of the volume traded (%)	Proportion of orders executed (%)	Percentage of passive orders	Percentage of aggressive orders	Total percentage of orders
MEFF // MIC: XMRV	97,92	unavailable	unavailable	unavailable	100
EUREX Deutschland // MIC: XEUR	1,87	unavailable	unavailable	unavailable	100
Chicago Mercantile Exchange // MIC: XCME	0,21	unavailable	unavailable	unavailable	100



During the 2020 financial year, all transactions on equity derivatives (options and futures) not sourced to an external trading platform have been traded as OTC transactions and executed as bilateral transactions.

The options and futures trades sourced to a trading platform have been executed at the trading platforms shown in the above table. On average, more than one transaction has been executed per day.

With regard to the sourcing of other platforms, CIMD, SV, SA will consider the following factors (in order of relative importance): probability of execution, speed, price, client preference and cost. Data of any other kind whether relating to the solvency of the trading platform, its manager, or any data relating to the quality of execution shall not be taken into account.

There is no special relationship between the other trading platforms and CIMD, SV, SA and there have been no conflicts of interest nor any detected potential conflicts of interest. The only economic agreement between the other trading platforms and CIMD, SV, SA is the payment of the membership fee by the latter. There is no consideration of discount, retrocession fees or non-monetary benefits included in the agreement, nor the existence of any other kind of incentive for CIMD, SV, SA.

CIMD, SV, SA does not use any information provided by consolidated information providers (CIPs) about the other trading facilities.

## Commodity derivatives and emission rights

Financial product category	Commodity derivatives and Emission rights: <b>SWAPS</b> sourced to a trading platform				
Less than 1 agenda per day was executed in the previous year, on average	No				
Top five execution venues by trading volume (in descending order)	Proportion of the traded volume (%)	Proportion of orders executed (%)	Percentage of passive orders	Percentage of aggressive orders	Total percentage of orders
EEX // MIC: XEEE	84,51	57,35	50	50	100
OMIP // MIC: OMIP	11,25	47,63	50	50	100
CIMD OTF // MIC: CIME	3,29	100	50	50	100
MEFF // MIC: XMPW	0,95	100	50	50	100

During the 2020 financial year, all swap operations on commodities and on emission rights considered financial instruments under MiFID criteria have been executed at the trading platforms indicated in the above table.

The method of execution used by CIMD OTF (organised trading facility) for commodity derivatives is "hybrid" (electronic and voice trading) wherein the participants and the clients of CIMD, SV, will present *indications of interest* (IOI) which are non-binding and therefore unable to be considered as executable orders. In this case, when two (or more) IOI's may generate a transaction, CIMD, SV, SA will match and register those interests in its internal trading platform.

CIMD, SV, SA is the sole manager of the CIMD OTF trading facility. However, subject to guidelines as set out by current regulations regarding the management of this type of trading platform, there have been no conflicts of interest between clients and the Entity. Furthermore, CIMD, SV, SA does not receive any kind of incentive from CIMD OTF; it should be noted that the use of this trading platform does not incur any cost for the participants and clients of CIMD, SV, SA.



With regard to the sourcing of other platforms, CIMD, SV, SA will consider these should the client expressly indicate a preference, or market circumstances dictate more favourable conditions for the client. Additional factors shall include speed and probability of execution but there shall be no consideration of other factors such as price or cost. Data of any other kind whether relating to the solvency of the trading platform, its manager, or any data relating to the quality of execution shall not be taken into account.

There is no special relationship between the other trading platforms and CIMD, SV, SA and there have been no conflicts of interest nor any detected potential conflicts of interest. The only economic agreement between the other trading platforms and CIMD, SV, SA is the payment of the membership fee by the latter. There is no consideration of discount, retrocession fees or non-monetary benefits included in the agreement, nor the existence of any other kind of incentive for IM Valores.

CIMD, SV, SA does not use any information provided by consolidated information providers (CIPs) about the other trading facilities.

## Other financial instruments

Financial product category	Other financial instruments: <b>FIXED INCOME DERIVATIVES</b> (bond options and futures)				
Less than 1 agenda per day was executed in the previous year, on average	No				
Top five execution venues by trading volume (in descending order)	Proportion of the volume traded (%)	Proportion of orders executed (%)	Percentage of passive orders	Percentage of aggressive orders	Total percentage of orders
EUREX Deutschland // MIC: XEUR	66,80	unavailable	unavailable	unavailable	100
CBOT (USA) // MIC: XCBT	32,47	unavailable	unavailable	unavailable	100
ASE (Australia Securities Exchange) // MIC: XSFE	0,73	unavailable	unavailable	unavailable	100

The information reflected in the above table refers to *fixed income derivatives* trading (options and futures on bonds).

With regard to the sourcing of other platforms, CIMD, SV, SA will consider the following factors (in order of relative importance); probability of execution, speed, price, client preference and cost. Data of any other kind whether relating to the solvency of the trading platform, its manager, or any data relating to the quality of execution shall not be taken into account.

There is no special relationship between the other trading platforms and CIMD, SV, SA and there have been no conflicts of interest nor any detected potential conflicts of interest. The only economic agreement between the other trading platforms and CIMD, SV, SA is the payment of the membership fee by the latter. There is no consideration of discount, retrocession fees or non-monetary benefits included in the agreement, nor the existence of any other kind of incentive for CIMD, SV, SA.

CIMD, SV, SA does not use any information provided by consolidated information providers (CIPs) about the other trading facilities.