

Lombard Odier Asset Management (Europe) Limited

Top Five Execution Venues Report

Approval and review	Details
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Definitions

Term	Definition
Best Execution	Duty of the Firm to take all sufficient steps to execute orders on terms most favourable to the client taking into consideration price, costs, speed, likelihood of execution and settlement, size, nature or any other relevant consideration.
Clients	Discretionary clients for which LOIM is executing orders on an agency basis with external brokers / counterparties.
Firm	Lombard Odier Asset Management (Europe) Limited
LOAME	Lombard Odier Asset Management (Europe) Limited
LOC	Bank Lombard Odier & Co Ltd , an affiliated company of the Firm
LOIM	Lombard Odier Asset Management (Europe) Limited, Lombard Odier Asset Management (Switzerland) SA Lombard Odier Funds (Europe) SA and Lombard Odier Asset Management (USA) Corp
LOIM Trading Desk	The LOIM Trading Desk consists of traders based in New York, London, Geneva and Hong Kong who shall execute orders received from Portfolio Managers
Portfolio Managers	Investment professionals in charge of the day-to-day portfolio management activities within the Firm

1. Purpose of the report

The top five execution venues of Lombard Odier Asset management (Europe) Limited are reported below as required by the Regulatory Technical Standards 28 (RTS 28) of the MiFID II Regulations and Article 65(5) of the MiFID II Delegated Regulation.

Investment firms shall publish on an annual basis the top five execution venues in terms of trading volumes for all executed client orders per class of financial instruments.

Investment firms shall also publish for each class of financial instruments, a summary of the analysis and conclusions they draw from their detailed monitoring of the quality of execution obtained on the execution venues where they executed all client orders in the previous year.

2. Top five execution venues

Class of Instrument	Equities — Shares & Depository Receipts/Tick size liquidity bands 5 and 6 (from 2 000 trades per day)				
Notification if < 1 average trade per business day in the previous year	N				
Top 5 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
Execution Venue					
Liquidnet Europe Equities - 213800ZIRB79BE5XQM68	45.19%	59.38%	N/A	N/A	0.00%
Cboe Europe Equities MTF – Cboe Large in Scale Service - 254900ERRPSKE7UZH711	35.90%	25.00%	N/A	N/A	0.00%
POSIT - XPOS	18.91%	15.63%	N/A	N/A	0.00%
Entity (Broker)					
Morgan Stanley & Co. International PLC - 4PQUHN3JPFQGFNF3BB653	21.69%	16.78%	N/A	N/A	0.00%
UBS Limited - REYPIEJN7XZHSUI0N355	12.51%	21.61%	N/A	N/A	0.00%
J.P. Morgan Securities PLC - K6Q0W1PS1L1O4IQL9C32	12.11%	10.62%	N/A	N/A	0.00%
Goldman Sachs International - W22LROWP2IHZNBB6K528	9.03%	6.64%	N/A	N/A	0.00%
Citigroup Global Markets Limited - XKZZ2JZF41MRHTR1V493	8.16%	4.60%	N/A	N/A	0.00%

Class of Instrument	Equities — Shares & Depository Receipts/Tick size liquidity bands 3 and 4 (from 80 to 1 999 trades per day)				
Notification if < 1 average trade per business day in the previous year	N				
Top 5 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
Execution Venue					
Liquidnet Europe Equities - 213800ZIRB79BE5XQM68	64.82%	69.67%	N/A	N/A	0.00%
POSIT - XPOS	20.22%	18.48%	N/A	N/A	0.00%
Cboe Europe Equities MTF – Cboe Large in Scale Service - 254900ERRPSKE7UZH711	14.96%	11.85%	N/A	N/A	0.00%
Entity (Broker)					
UBS Limited - REYPIEJN7XZHSUI0N355	15.35%	11.67%	N/A	N/A	0.00%
Credit Suisse Securities (Europe) Limited - DL6FFRRLF74S01HE2M14	11.75%	6.85%	N/A	N/A	0.00%
Morgan Stanley & Co. International PLC - 4PQUHN3JPFQGFNF3BB653	5.79%	4.84%	N/A	N/A	0.00%
Bank Vontobel AG - 549300L7V4MGECYRM576	4.98%	3.08%	N/A	N/A	0.00%
J.P. Morgan Securities PLC - K6Q0W1PS1L1O4IQL9C32	4.33%	3.48%	N/A	N/A	0.00%

Class of Instrument	Equities — Shares & Depository Receipts/Tick size liquidity band 1 and 2(from 0 to 79 trades per day)				
Notification if < 1 average trade per business day in the previous year	N				
Top 5 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
Execution Venue					
Liquidnet Europe Equities - 213800ZIRB79BE5XQM68	56.43%	72.73%	N/A	N/A	0.00%
Cboe Europe Equities MTF – Cboe Large in Scale Service - 254900ERRPSKE7UZH711	32.85%	15.15%	N/A	N/A	0.00%
Bloomberg Multilateral Trading Facility - 549300ROEJDDAXM6LU05	6.06%	3.03%	N/A	N/A	0.00%
POSIT - XPOS	2.64%	3.03%	N/A	N/A	0.00%
BlockMatch - 213800MXAKR2LA1VBM44	2.02%	6.06%	N/A	N/A	0.00%
Entity (Broker)					
Credit Suisse Securities (Europe) Limited - DL6FFRRLF74S01HE2M14	23.83%	8.32%	N/A	N/A	0.00%
UBS Limited - REYPIEJN7XZHSUI0N355	14.33%	16.46%	N/A	N/A	0.00%
Morgan Stanley & Co. International PLC - 4PQUHN3JPFQFNF3BB653	6.16%	1.42%	N/A	N/A	0.00%
Mccall, Aitken, Mckenzie & Co Limited - 254900DMAIBPKIRH3O57	4.02%	26.97%	N/A	N/A	0.00%
FinnCap Ltd - 213800DSWHX26RRA1N75	3.25%	1.50%	N/A	N/A	0.00%

Class of Instrument	Debt instruments/Bonds				
Notification if < 1 average trade per business day in the previous year	N				
Top 5 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
Execution Venue					
MarketAxess Europe MTF - 549300TTHIODYMGND828	89.11%	44.62%	N/A	N/A	0.00%
Bloomberg Multilateral Trading Facility - 549300ROEJDDAXM6LU05	7.21%	18.12%	N/A	N/A	0.00%
Tradeweb Europe Limited MTF - 2138001WXZQOPMPA3D50	3.67%	36.95%	N/A	N/A	0.00%
SIX Swiss Exchange - 529900HQ12A6FGDMWA17	0.01%	0.31%	N/A	N/A	0.00%
Entity (Broker)					
Citigroup Global Markets Limited - XKZZ2JZF41MRHTR1V493	30.90%	3.43%	N/A	N/A	0.00%
J.P. Morgan Securities PLC - K6Q0W1PS1L1O4IQL9C32	16.88%	8.57%	N/A	N/A	0.00%
Deutsche Bank Aktiengesellschaft - 7LTFWZYICNSX8D621K86	9.99%	6.85%	N/A	N/A	0.00%
Oddo et Cie - 9695002I9DJHZ3449O66	9.39%	16.26%	N/A	N/A	0.00%
HSBC Bank PLC - MP6I5ZYZBEU3UXPYFY54	7.70%	1.63%	N/A	N/A	0.00%

Class of Instrument	Debt instruments/Money Markets instruments				
Notification if < 1 average trade per business day in the previous year	Y				
Top 5 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
Entity (Broker)					
Commonwealth Bank of Australia - MSFSBD3QN1GSN7Q6C537	100.00%	100.00%	N/A	N/A	0.00%

Class of Instrument	Interest rates derivatives/Futures and options admitted to trading on a trading venue				
Notification if < 1 average trade per business day in the previous year	N				
Top 5 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
Entity (Broker)					
Citigroup Global Markets Limited - XKZZ2JZF41MRHTR1V493	73.91%	77.39%	N/A	N/A	0.00%
Nomura International PLC - DGQCSV2PHVF712743539	22.06%	16.50%	N/A	N/A	0.00%
Newedge Group SA - SY0N2375ITPRWQO6BF31	3.10%	2.22%	N/A	N/A	0.00%
J.P. Morgan Securities PLC - K6Q0W1PS1L1O4IQL9C32	0.62%	3.41%	N/A	N/A	100.00%
Société Générale SA - O2RNE8IBXP4R0TD8PU41	0.28%	0.20%	N/A	N/A	0.00%

Class of Instrument	Interest rates derivatives/Swaps, forwards, and other interest rates derivatives				
Notification if < 1 average trade per business day in the previous year	Y				
Top 5 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
Entity (Broker)					
Citigroup Global Markets Limited - XKZZ2JZF41MRHTR1V493	39.15%	26.00%	N/A	N/A	0.00%
J.P. Morgan Securities PLC - K6Q0W1PS1L1O4IQL9C32	15.04%	10.00%	N/A	N/A	0.00%
Coöperatieve Rabobank U.A. - DG3RU1DBUFHT4ZF9WN62	12.34%	12.00%	N/A	N/A	0.00%
Nomura International PLC - DGQCSV2PHVF712743539	11.72%	9.33%	N/A	N/A	15.99%
Société Générale SA - O2RNE8IBXP4R0TD8PU41	10.37%	8.67%	N/A	N/A	0.00%

Class of Instrument	Credit derivatives/Futures and options admitted to trading on a trading venue				
Notification if < 1 average trade per business day in the previous year	Y				
Top 5 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
Entity (Broker)					
Barclays Bank PLC - G5GSEF7VJP517OUK5573	51.69%	16.67%	N/A	N/A	0.00%
Morgan Stanley & Co. International PLC - 4PQUHN3JPF GFNF3BB653	22.41%	50.98%	N/A	N/A	0.00%
Citigroup Global Markets Limited - XKZZ2JZF41MRHTR1V493	15.46%	26.47%	N/A	N/A	0.00%
Credit Suisse International - E58DKGMJYYYJLN8C3868	10.00%	4.90%	N/A	N/A	0.00%
J.P. Morgan Securities PLC - K6Q0W1PS1L1O4IQL9C32	0.44%	0.98%	N/A	N/A	0.00%

Class of Instrument	Credit derivatives/Other credit derivatives				
Notification if < 1 average trade per business day in the previous year	N				
Top 5 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
Entity (Broker)					
Citigroup Global Markets Limited - XKZZ2JZF41MRHTR1V493	37.57%	34.16%	N/A	N/A	0.00%
Credit Suisse International - E58DKGMJYYYJLN8C3868	31.75%	19.07%	N/A	N/A	0.00%
Goldman Sachs International - W22LROWP2IHZNBB6K528	17.34%	13.57%	N/A	N/A	0.00%
Barclays Bank PLC - G5GSEF7VJP517OUK5573	4.58%	7.79%	N/A	N/A	0.00%
Morgan Stanley & Co. International PLC - 4PQUHN3JPF GFNF3BB653	3.16%	16.09%	N/A	N/A	0.00%

Class of Instrument	Currency derivatives/Futures and options admitted to trading on a trading venue				
Notification if < 1 average trade per business day in the previous year	N				
Top 5 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
Entity (Broker)					
Citigroup Global Markets Limited - XKZZ2JZF41MRHTR1V493	66.74%	75.63%	N/A	N/A	0.00%
Nomura International PLC - DGQCSV2PHVF7I2743539	32.90%	17.18%	N/A	N/A	0.00%
Merrill Lynch International - GGDZP1UYGU9STUHRDP48	0.14%	1.69%	N/A	N/A	0.00%
J.P. Morgan Securities PLC - K6Q0W1PS1L1O4IQL9C32	0.14%	1.69%	N/A	N/A	0.00%
Goldman Sachs International - W22LROWP2IHZNBB6K528	0.06%	1.97%	N/A	N/A	0.00%

Class of Instrument	Currency derivatives/Swaps, forwards, and other currency derivatives				
Notification if < 1 average trade per business day in the previous year	N				
Top 5 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
Execution Venue					
Reuters Transaction Services Limited – FXall RFQ - 549300SDDJE84DDJNB30	99.99%	99.84%	N/A	N/A	0.00%
EBS MTF – EBS Institutional - 2138002GI1GKI3V4UG48	0.01%	0.16%	N/A	N/A	0.00%
Entity (Broker)					
Citigroup Global Markets Limited - XKZZ2JZF41MRHTR1V493	19.73%	16.98%	N/A	N/A	0.00%
UBS AG - BFM8T61CT2L1QCEMIK50	18.89%	10.40%	N/A	N/A	0.00%
Morgan Stanley & Co. International PLC - 4PQUHN3JPFQFNF3BB653	14.59%	13.84%	N/A	N/A	0.00%
Canadian Imperial Bank of Commerce - 2IGI19DL77OX0HC3ZE78	14.31%	0.74%	N/A	N/A	0.00%
Goldman Sachs International - W22LROWP2IHZNBB6K528	9.60%	12.74%	N/A	N/A	0.00%

Class of Instrument	Structured finance instruments				
Notification if < 1 average trade per business day in the previous year	Y				
Top 5 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
Entity (Broker)					
Crédit Agricole Corporate and Investment Bank - 1VUV7VQFKUOQSJ21A208	56.40%	27.27%	N/A	N/A	0.00%
National Australia Bank Limited - F8SB4JFBSYQFRQEH3Z21	30.28%	9.09%	N/A	N/A	0.00%
Wells Fargo Securities International Limited - BWS7DNS2Z4NPKPNYKL75	9.76%	45.45%	N/A	N/A	0.00%
Jefferies International Limited - S5THZMDUJCTQZBTRVI98	3.56%	18.18%	N/A	N/A	0.00%

Class of Instrument	Equity Derivatives/Options and Futures admitted to trading on a trading venue				
Notification if < 1 average trade per business day in the previous year	N				
Top 5 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
Entity (Broker)					
Nomura International PLC - DGQCSV2PHVF712743539	41.08%	22.12%	N/A	N/A	0.00%
Citigroup Global Markets Limited - XKZZ2JZF41MRHTR1V493	33.10%	48.20%	N/A	N/A	0.00%
J.P. Morgan Securities PLC - K6Q0W1PS1L1O4IQL9C32	15.18%	13.04%	N/A	N/A	61.47%
Morgan Stanley & Co. International PLC - 4PQUHN3JPFQFNF3BB653	5.61%	4.70%	N/A	N/A	0.00%
Goldman Sachs International - W22LROWP2IHZNBB6K528	3.23%	4.46%	N/A	N/A	0.00%

Class of Instrument	Equity Derivatives/Swaps and other equity derivatives				
Notification if < 1 average trade per business day in the previous year	Y				
Top 5 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
Entity (Broker)					
Société Générale SA - O2RNE8IBXP4R0TD8PU41	51.34%	39.86%	N/A	N/A	0.00%
BNP Paribas - R0MUWSFPU8MPRO8K5P83	45.87%	43.48%	N/A	N/A	0.00%
UBS Limited - REYPIEJN7XZHSUI0N355	1.11%	2.90%	N/A	N/A	0.00%
Kepler Cheuvreux SA - 9695005EOZG9X8IRJD84	0.97%	6.52%	N/A	N/A	0.00%
Avior Capital Markets (Pty) Ltd - 378900876F2C9BF22698	0.46%	2.17%	N/A	N/A	0.00%

Class of Instrument	Contracts for difference				
Notification if < 1 average trade per business day in the previous year	N				
Top 5 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
Entity (Broker)					
Barclays Capital Securities Limited - K9WDOH4D2PYBSLSOB484	25.33%	2.38%	N/A	N/A	0.00%
Mccall, Aitken, Mckenzie & Co Limited - 254900DMAIBPKIRH3O57	20.97%	43.27%	N/A	N/A	0.00%
LIQUIDNET EUROPE LIMITED - 213800ZIRB79BE5XQM68	6.95%	10.96%	N/A	N/A	0.00%
NUMIS SECURITIES LIMITED - 213800P3F4RT97WDSX47	5.18%	4.33%	N/A	N/A	0.00%
Investment Technology Group Limited - 213800EEC95PRUCEUP63	5.06%	12.28%	N/A	N/A	0.00%

Class of Instrument	Exchange traded products (Exchange traded funds, exchange traded notes and exchange traded commodities)				
Notification if < 1 average trade per business day in the previous year	N				
Top 5 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
Entity (Broker)					
Goldman Sachs International - W22LROWP2IHZNBB6K528	29.04%	4.97%	N/A	N/A	0.00%
Credit Suisse Securities (Europe) Limited - DL6FFRRLF74S01HE2M14	19.78%	13.61%	N/A	N/A	0.00%
Morgan Stanley & Co. International PLC - 4PQUHN3JPFQFNF3BB653	18.42%	2.09%	N/A	N/A	0.00%
UBS Limited - REYPIEJN7XZHSUI0N355	7.30%	19.90%	N/A	N/A	0.00%
Banque Lombard Odier & Cie SA - 4BY1ZWG5DYMF1HP5KL86	6.80%	3.40%	N/A	N/A	100.00%

The data above is based on execution data in the period from 1st January 2017 to 31st December 2017 inclusive.

3. Analysis & conclusions

3.1. Explanation of the relative importance the firm gave to the execution factors

In selecting its execution venues for the reporting period, the Firm considered price, cost of executing, liquidity available for the instruments being traded, the speed of execution, reliability, likelihood of execution and settlement, continuity of trading, creditworthiness of the venue and quality of any related clearing and settlement facilities.

For the year ending 2017, Lombard Odier Asset Management (Europe) Limited can confirm it considers it has met its obligation to achieve the best possible result for its clients on a consistent basis.

3.1.1. Equity

While price was generally the most important factor, for larger orders for example, other factors such as execution certainty, market impact reduction and execution speed may have had greater importance. When LOIM Trading Desk transmitted the order to brokers for execution, it selected brokers which had a track record of achieving the best result for orders of a similar nature.

Asset Class	Liquid Market	Less Liquid Market	Other
Equities and equity-like listed derivatives	<p>1&2. Price & Cost Due to the high availability of liquidity across a number of different venues, the firm generally placed the highest importance on price.</p> <p>3. Speed Relevance of speed as an execution factor depended on the investment strategy. It was generally of second importance.</p> <p>4. Size</p> <p>5. Likelihood of execution</p> <p>6. Other considerations Other factors were less relevant when trading very liquid, listed instruments</p>	<p>1&2. Size & Likelihood of execution In illiquid markets, size was a key consideration. Capacity to execute large orders was generally prioritised over price.</p> <p>3. Price</p> <p>4. Speed</p> <p>5. Cost</p> <p>6. Other consideration Other factors were less relevant in illiquid markets</p>	Portfolio's strategy and Portfolio Managers' instructions (e.g. price limit orders, end of day order or FX fixing series orders) also had a significant influence on order handling and execution.

3.1.2. Fixed Income (including Convertible Bonds)

Consistent liquidity and price were normally the most important factors in deciding where and how to execute. Next in order of preference were: competitiveness of spreads, promptness of execution, and past history in executing orders.

When trading listed derivatives, particular consideration was given to: costs, speed and likelihood of execution. Where relevant, brokers were selected on their pricing, liquidity capability, clearance and settlement capabilities, quality of service, access to markets, credit worthiness and financial stability.

Asset Class	Liquid Market	Less Liquid Market
Fixed income including convertible bonds	<p>1&2. Price & Cost Price was the key consideration. Cost was important and varied depending on trades.</p> <p>3. Speed Importance of speed varied according to the instrument (e.g. for volatile products speed was more important)</p> <p>4. Likelihood of execution</p> <p>5. Size</p> <p>6. Other considerations Other factors were less relevant when trading very liquid instruments</p>	<p>1. Price In less liquid markets, price remained the main factor taken into consideration</p> <p>2. Size & Likelihood of execution In illiquid markets, the capacity to execute large orders was a key consideration which came second in line after the price.</p> <p>4. Speed</p> <p>5. Cost</p> <p>6. Other considerations Other factors were less relevant when trading less liquid instruments</p>

3.1.3. Money Market Instruments

Due to the specific nature of settlement in money markets instruments, particular importance was placed on the effectiveness of settlement and clearing when selecting a venue. However, as with the other assets; price, costs, speed of execution, likelihood of execution, speed of settlement, likelihood of settlement, size of order and nature of order were also factors when considering how and where to execute.

Asset Class	Liquid Market	Less Liquid Market
Money market instruments	<p>1&2. Price & Cost Price was the key consideration. Cost was important and varied depending on trades.</p> <p>3. Speed Importance of speed varied according to the instrument (e.g. for volatile products speed was more important)</p> <p>4. Likelihood of execution</p> <p>5. Size</p> <p>6. Other considerations Other factors were less relevant when trading very liquid instruments</p>	<p>1. Price In less liquid markets, price remained the main factor taken into consideration</p> <p>2. Size & Likelihood of execution In illiquid markets, the capacity to execute large orders was a key consideration which came second in line after the price.</p> <p>4. Speed</p> <p>5. Cost</p> <p>6. Other considerations Other factors were less relevant when trading less liquid instruments</p>

3.1.4. Foreign Exchange

Depending on the size of an order, LOIM Trading Desk generally obtained several simultaneous quotations from multiple counterparties, with the predominant factor being best price at the time of execution. For very large orders, a single counterparty may have been approached dependent on the execution strategy at the time of the order. In such a case, venue selection took into consideration factors such as previous execution performance, clearance and settlement capability, credit worthiness and financial stability, timely trading and ability to trade in large volumes. For both spot and forward FX transactions, the predominant factor was best price at the time of execution.

Asset Class	Liquid Market	Less Liquid Market
FX	<p>1&2. Price & Cost Price was the key consideration. Cost was important and varied depending on trades.</p> <p>3. Speed Importance of speed varied according to the instrument (e.g. for volatile products speed was important)</p> <p>4. Size</p> <p>5. Likelihood of execution</p> <p>6. Other considerations Other factors were less relevant when trading very liquid instruments</p>	<p>1. Price In less liquid markets, price remained the main factor taken into consideration</p> <p>2. Likelihood of execution In illiquid markets, the capacity to execute an order was a key consideration which came second after the price</p> <p>3. Cost</p> <p>4. Size</p> <p>5. Speed</p> <p>6. Other considerations</p>

3.1.5. OTC Derivatives

Dealing in OTC derivatives was limited to pre-authorised counterparties with whom ISDA agreements are in place and in such cases the perceived operational efficiency of such counterparties was relevant. The selection of execution venues depended on, amongst others, the size of transaction, liquidity, counterparty risk, credit risk and perceived settlement capabilities.

Asset Class	Liquid Market	Less Liquid Market
OTC derivatives	<p>1. Price Price was the key consideration.</p> <p>2. Likelihood of execution For equivalent price, the capacity to execute an order was a key consideration.</p> <p>3. Cost</p> <p>4. Size</p> <p>5. Likelihood of settlement</p> <p>6. Other considerations</p>	<p>1. Likelihood of execution In illiquid markets the capacity to execute the order was generally prioritised over price</p> <p>2. Price In less liquid markets price remained a key consideration</p> <p>3. Cost</p> <p>4. Size</p> <p>5. Likelihood of settlement</p> <p>6. Other considerations</p>

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

Bank Lombard Odier & Co Ltd, wholly owned by Compagnie Lombard Odier SCmA, is an affiliate of Lombard Odier Asset Management (Europe) Limited. As an authorised broker, LOC can execute orders on behalf of their clients, including funds and mandates managed by LOAME.

LOAME also utilizes the Direct Market Access provided by LOC in order to access the SIX exchange directly.

When executing orders on behalf of LOAME, Bank Lombard Odier & Co Ltd must do so under the same principles of best execution applied to other external brokers.

For information, in 2017 trading with LOC represented:

- Equity (Including ETFs) and Fixed Income: <1% of the total volume traded
- Foreign Exchange: 3.36% of the total volume traded

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

There are no specific arrangements concerning rebates or non-monetary benefits with any current execution venues.

3.4. 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

LOIM continuously manages its very close relationships with brokers and platforms alike. LOIM is regularly consulted on future developments of multi-asset trading technology and direction of service from brokers, keeping the firm at the forefront of disruptive technology in this space.

Over the course of 2017 LOIM undertook a number of initiatives to enhance its best execution capabilities

- The firm was one of the first European Buy-side houses to go live with all to all trading capabilities for cash bond products onboarding several new platforms . This allowed LOIM to improve its trading capabilities by
 - Allowing LOIM to trade with other buy-side houses where liquidity and pricing are not favorable from the firm's selected brokers
 - Allowing LOIM to "price-make" on bonds when advantageous to the firm
 - Using the crossing network of the platform reducing crossing commissions rate by 66%
 - Finally additional sell side dealers were added through one network bringing together 1200 institutions globally without having to onboard brokers 1:1

- Where LOIM required specialist broker sales
 - The firm added 20+brokers particularly in Asian credit coverage due to onboarding and growth of mandates in that region
 - The firm also on boarded a new portfolio management team in 2017, which manages funds focused on a specific investment universe of UK Small & Mid Cap. In total, the firm added 15 counterparties for this strategy in 2017
- LOIM also negotiated vastly reduced rates on all FX fixing series rates - Down 70%

The full list of execution venues is published on the firm's website:

<https://www.lombardodier.com/home/asset-management-regulatory-disc.html>

3.5. *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*

Our execution policy does not treat different categories of clients differently. All execution decisions are made by our trading desk according to a single Best Execution policy.

3.6. *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*

Lombard Odier Asset Management (Europe) Limited does not have any Retail Clients.

3.7. *Explanation of how the investment firm has used any data or tools relating to the quality of execution including any execution data published under MiFID II*

Not applicable for this reporting period.

3.8. *Explanation of how the investment firm has used output of a consolidated tape provider established under Article 65 of Directive 2014/65/EU.*

Not applicable for this reporting period.

For additional details on the firm's execution arrangements and policy, please refer to the Best Execution Policy on the firm's website at <https://www.lombardodier.com/home/asset-management-regulatory-disc.html>

Important Information

For professional investor use only.

This document is issued by Lombard Odier Asset Management (Europe) Limited, authorised and regulated by the Financial Conduct Authority (the "FCA"), and entered on the FCA register with registration number 515393

Lombard Odier Investment Managers ("LOIM") is a trade name.

Please note that information for the Reporting Period has been collated based on the regulatory obligations that applied to LOAME, its affiliates, brokers and execution venues during that time. In respect of LOAME and other financial institutions to whom MiFID II applies, those regulatory obligations were different to those that apply to them now and pursuant to which this report has been prepared. Consequently, there are certain sections in this report for which information required under MiFID II for the Reporting Period (i) was not available; (ii) was only available partly; or (iii) was available in a different format. As a result, the information herein may not accurately reflect the trading activities undertaken by LOAME during 2017 and this report has been prepared on a best efforts basis only.

The information set out in this report covers LOAME's past trading activities and is not necessarily reflective of LOAME's current or future trading activities and should not be relied on as such.

Views and opinions expressed are for informational purposes only and do not constitute a recommendation by LOIM to buy, sell or hold any security. Views and opinions are current as of the date of this publication and may be subject to change. They should not be construed as investment advice.

This document does not contain personalized recommendations or advice and is not intended to substitute any professional advice on investment in financial products. Before entering into any transaction, an investor should consider carefully the suitability of a transaction to his/her particular circumstances and, where necessary, obtain independent professional advice in respect of risks, as well as any legal, regulatory, credit, tax, and accounting consequences.

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