

RTS 28
TSAF – TSAF OTC
Best execution report for 2017

Top five venues

Introduction

Tradition Paris brokerage services are offered through two different companies, Tradition Securities and Futures and TSAF OTC. Tradition Securities and Futures (TSAF or brand Finacor) operates on Equity markets, for instruments such as Equities, Equity derivatives and Exchange Traded Funds. TSAF Brokerage services operate via Regulated Markets through trading venues or via an executing broker. TSAF OTC Brokerage services were only executed Over The Counter in 2017, and concern Sovereign and Credit Bonds, Monetary Markets and Structured Products, as well as some interest rates and currency derivatives and Repos.

1. In 2017, TSAF and TSAF OTC did not operate any market infrastructure (trading venue), therefore RTS 28 is eligible for all instrument classes.
2. TSAF and TSAF OTC are not liquidity providers, as defined in Recital 7 of RTS 27, as they never operate brokerage services dealing on own account.
3. Paris Tradition brokerage services do not comprise Credit derivatives, Securitized Derivatives, Commodities, and emission allowance derivatives, Contracts for difference or Emission allowances. It shall come therefore as no surprise that there is no data regarding these instruments in the tables above.
4. Given instruments as Repos are not eligible under MiFID II regulation, Repo best execution table is separated in a specific part of the report: “Best execution report for 2017 transactions as defined in Article 3.2 of RTS 28”.
5. All other instruments best execution top five tables are presented in first part of the report, under “Best execution report for 2017 transactions as defined in Article 3.1 of RTS 28” segment.
6. Tables include data for transactions of year 2017, from January 1st to December 31th 2017, before applicable rules instigated by MiFID II were implemented.

Given data available for operations carried out in 2017, Tradition Securities and Futures and TSAF OTF will not provide details by type of orders for all classes of instruments, or by tick size liquidity bands for deals regarding Equities in 2017. However, data will be produced for best execution transactions report next year, for transactions executed in 2018.

7. In 2017, TSAF and TSAF OTC will not provide split for passive, aggressive and directed order due to the a lack of data allowing to display the breakdown of these operations following ESMA categories.
8. For Equities (Shares & Depositary Receipts), a breakdown for tick size liquidity bands is not displayed, as information was not available for 2017 transactions.

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TSAF – TSAF OTC
Best execution report for 2017 transactions as defined in Article 3.1 of RTS 28
Top five venues

1. Equities – Shares & Depositary Receipts

1. Tables of main trading venues for execution

A/ Trading venues

Class of Instrument	Equities – Shares & Depositary Receipts – Via trading venues	
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
XPAR	77,208%	50.481%
ALXP	22,691%	27.202%
XMLI	0,101%	22.317%
-	-	-
-	-	-

B/ Via an executing broker

Class of Instrument	Equities – Shares & Depositary Receipts – Via an executing broker

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
K9WDOH4D2PYBSLSOB484	85.89%	89.703%
549300346EFUPFCXJT79	12.39%	7.675%
O2RNE8IBXP4R0TD8PU41	1.25%	1.603%
F3JS33DEI6XQ4ZBPTN86	0.46%	0.780%
QV4Q8OGJ7OA6PA8SCM14	0.01%	0.141%

2. Equities: Summary of the analysis and conclusions

Tradition Securities and Futures (TSAF or brand Finacor) executed all of its transactions on Equities – Shares & Depositary Receipts – on Euronext markets given the European nature of equities traded.

1. Euronext, with three final markets (MIC: XPAR, ALXP, XMLI) is the only regulated market used by Tradition Securities and Futures on Equities, as TSAF business is essentially concentrated European listed values.
2. XPAR was used for more than 75% of transactions as brokerage services concentrate on large-cap values.

When dealing via an external broker to execute transactions on behalf of its clients, TSAF selected principally two external brokers, with more than 85% for Barclays UK, and 12, 4% for KCG UK. Both brokers are used by TSAF as algorithms providers.

3. Tradition Securities and Futures does not use any internal execution algorithms allowing maximal efficiency of execution for the client, but instead uses external execution algorithms provided by selected executing brokers.
4. Barclays UK and KCG UK provide their algorithm services to TSAF, and therefore represent the two main external brokers used by TSAF on Equities – Shares & Depositary Receipts.
5. Executing brokers' algorithms are used for the following markets: France, the Netherland, Portugal, Belgium, Germany (Xetra), Austria, the UK (SETS and IOB), Spain, Italy, Switzerland (Virt-X and SWX), Sweden, Norway, Denmark, Finland and the US (NYSE NASDAQ ARCA).

TSAF developed an execution policy based on several factors of price, costs, speed, likelihood of execution or any other consideration including qualitative factors when assessing the quality of execution.

6. In the absence of expressed instructions from clients, TSAF exercises discretion in determining the factors to take into account for providing clients with the best possible result.
7. These execution factors in the wholesale markets in which TSAF operates will include, but are not restricted to, the:
 - a. Characteristics of the client;

- b. Size, nature and characteristic of the order;
 - c. Likelihood and speed of execution;
 - d. Price and costs of execution;
 - e. Execution risk management of exchange settled block trades, or positions larger than standard market size, which may be crossed at a particular stage in the trading day or kept anonymous to the majority of market participants; unless otherwise directed, TSAF will only show the price and size to parties that TSAF believes may have an interest in executing or crossing such a position;
 - f. Characteristics of the financial instrument subject to the order such as the trade frequency, number of buyers and sellers involved in a typical transaction and the typical normal trade size;
 - g. Characteristic of the order execution venue to which the order can be directed in terms of trading technology; and
 - h. Market conditions at the time of trading including volatility, gaps in pricing and information asymmetry, which may affect the overall availability of prices.
8. Where TSAF uses automated systems to route and execute client orders, client orders are routed to the “Best Execution” venue as determined by the criteria above. Certain large orders that require special handling (for example to minimize market impact) are managed by the TSAF’s trading desk in a manner consistent with the criteria set out above
 9. No factor of execution has led to a change in the list of execution venues listed in the firm’s execution policy for transactions executed in 2017.
 10. TSAF only accepts professional clients and eligible counterparties. Order execution does not differ according to client categorization, and TSAF does not treat categories of clients differently or have any order execution arrangements for specific categories of clients.

TSAF does not have any close links, conflicts of interests, and common ownerships with respect to any execution venues used to execute orders on Equities.

11. TSAF maintains a Conflicts of Interest Policy in accordance with its regulatory obligations, which sets out the types of actual or potential conflicts of interest, which affect TSAF business, and provides details of how these are managed.
12. TSAF does not have any specific arrangements with any execution venues used for Equities trading regarding payments made or received discounts, rebates or non-monetary benefits received.

2. Debt instruments

1. Tables of main trading venues for execution

A/ Bonds

Class of Instrument	Debt Instruments – Bonds	
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
W22LROWP2IHZNBB6K528	13.36%	1.44%
7LTFWZYICNSX8D621K86	9.71%	1.64%
XKZZ2JZF41MRHTR1V493	9.67%	3.34%
4PQUHN3JPFGFNF3BB653	8.68%	2.25%
K6Q0W1PS1L104IQL9C32	6.37%	4.75%

B/ Money markets instruments

Class of Instrument	Debt Instruments – Money markets instruments	
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
ZWNFQ48RUL8VJZ2AIC12	26.38%	1.47%
KX1WK48MPD4Y2NCUIZ63	22.31%	7.82%

9695005MSX1OYEMGDF46	18.55%	0.72%
21380076S228I25PD704	9.49%	1.02%
ROMUWSFPU8MPRO8K5P83	3.53%	5.29%

2. Debt instruments: Summary of the analysis and conclusions

In 2017, TSAF OTC executed all of its transactions on Debt instruments, in Bonds and Money Markets instruments Over The Counter given the nature of these markets before MiFID II implementation.

1. TSAF OTC is Paris Tradition entity in charge of trading Bonds and Money Market instruments.
2. Before MiFID II, Bonds instruments were traded by TSAF OTC exclusively Over The Counter.
3. Bonds category includes Sovereign and Credit Bonds.
4. As Bonds and Money markets instruments were traded Over The Counter in 2017, data to build Top five execution venues was retreated to target liquidity providers only: buy-side counterparts were not included in the above listing.
5. For Bonds category in 2017, main liquidity providers were four UK-based and one German Top Tier investment banks. All transactions were carried out Over The Counter via voice-broking.
6. For monetary markets in 2017, main liquidity providers were French banks and other Top Tier brokers located in the UK.
7. Liquidity concentration was higher in 2017 for monetary markets category as top five liquidity contributors represent more than 80% of total volume traded in that class (and 16.31% of total orders executed in that class). Whereas concentration is more balanced on Bonds instruments, with top five main liquidity providers representing almost 48% of total volume traded in that class (and 13.42% of total orders executed in that class).

Execution factors of price, costs, speed, and likelihood of execution or any other consideration including qualitative factors when assessing the quality of execution are described in TSAF OTC best execution policy.

8. TSAF OTC describes its execution method with rated factor in an *ad hoc* execution policy.
9. Prioritization of execution factors for Debt Instruments (Bonds and Money Market Instruments) depends on the liquidity of the market.
10. For liquid markets:
 - a. An execution factor priority list was defined, from biggest priority to lowest:
 - i. Price;
 - ii. Speed;
 - iii. Size;
 - iv. Likelihood of execution and settlement;
 - v. Costs;
 - vi. Nature; and
 - vii. Any other consideration relevant to the execution of the order.
 - b. There may be scenarios where the priority of execution factors will change for example:
 - i. Due to a lack of liquidity on a particular venue or across venues where likelihood of execution and speed will become more important;
 - ii. Where volume discovery is the primary purpose of the order as opposed to price discovery where size will more significant.

11. No factor of execution has led to a change in the list of execution venues listed in the firm's execution policy for transactions executed in 2017.
12. TSAF OTC only accepts professional clients and eligible counterparties. Order execution does not differ according to client categorization, and TSAF OTC does not treat categories of clients differently or have any order execution arrangements for specific categories of clients.

TSAF OTC does not have any close links, conflicts of interests, and common ownerships with respect to any execution venues used to execute orders on debt instruments.

13. TSAF OTC maintains a Conflicts of Interest Policy in accordance with the company's regulatory obligations, which sets out the types of actual or potential conflicts of interest, which affect TSAF OTC business, and provides details of how these are managed.
14. TSAF OTC does not have any specific arrangements with any execution venues on debt instruments regarding payments, made or received discounts, rebates or non-monetary benefits received.

3. Interest rates derivatives

1. Tables of main trading venues for execution

A/ Futures and options admitted to trading on a trading venue

Class of Instrument	Interest rates derivatives – Interest rates futures	
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
XEUR	52.09%	76.10%
IFLL	31.80%	15.47%
XCME	8.84%	1.34%
XCBT	7.28%	7.09%
-	-	-

B/ Swaps, forwards, and other interest rates derivatives

Class of Instrument	Interest rates derivatives – Interest Rate Swaps	
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
5493009GUESWKOCRBE73	99%	99%
MAES062Z21O4RZ2U7M96	1%	1%
-	-	-
-	-	-
-	-	-

2. Interest rates derivatives: Summary of the analysis and conclusions

For interest rates derivatives in 2017, Tradition Paris brokerage services comprised interest rate futures, traded by TSAF, and Interest Rate swaps contracts, intermediated by TSAF OTC.

1. TSAF is Paris Tradition entity in charge of trading futures. In this framework, TSAF is in charge of interest rate derivatives, which represented 79.59% of its activities on futures in volume.
2. Interest rate derivatives offered by TSAF are only interest rate futures instruments.
3. TSAF OTC is Paris Tradition entity in charge of trading interest rate instruments. Before MiFID II, interest rate instruments were traded by TSAF OTC Over The Counter and mostly via Tradition London.
4. Interest rate derivatives offered by TSAF OTC are only Interest Rate Swap instruments.

Due to structure of the currency futures market, TSAF executed mainly its transactions on interest rates futures on Eurex and the ICE markets.

5. Eurex represented more than half of interest rates futures executions, with 52.09% of total volume traded in that class (and 76.10% of total orders executed in that class). This percentage can be explained by the activity of TSAF, principally oriented on European futures markets.
6. The ICE represented a little less than a third of interest rates futures executions, with 31.80% of total volume traded in that class (and 15.47% of total orders executed in that class).

TSAF OTC traded Interest Rate Swaps in relation with Tradition UK platform, as a brokerage introducer in Paris for the UK platform.

7. TSAF OTC performs Paris brokerage services on Interest Rates Swaps (IRS).
8. TSAF OTC uses Tradition UK platform to access liquidity on IRS.

TSAF and TSAF OTC developed an execution policy based on several factors of price, costs, speed, likelihood of execution or any other consideration including qualitative factors when assessing the quality of execution.

9. In the absence of expressed instructions from clients, TSAF and TSAF OTC exercise discretion in determining the factors that the companies need to take into account for providing clients with the best possible result.
10. These execution factors in the wholesale markets in which TSAF and TSAF OTC operate include, but are not restricted to, the:
 - a. Characteristics of the client;
 - b. Size, nature and characteristic of the order;
 - c. Likelihood and speed of execution;
 - d. Price and costs of execution;
 - e. Execution risk management of exchange settled block trades, or positions larger than standard market size, which may be crossed at a particular stage in the trading day or kept anonymous to the majority of market participants; unless otherwise directed, TSAF will only show the price and size to parties that TSAF believes may have an interest in executing or crossing such a position;
 - f. Characteristics of the financial instrument subject to the order such as the trade frequency, number of buyers and sellers involved in a typical transaction and the typical normal trade size;
 - g. Characteristic of the order execution venue to which the order can be directed in terms of trading technology; and
 - h. Market conditions at the time of trading including volatility, gaps in pricing and information asymmetry, which may affect the overall availability of prices.
11. Where TSAF uses automated systems to route and execute client orders on interest rates futures, these orders are routed to the "Best Execution" venue as determined by the criteria above. Certain large orders

that require special handling (for example to minimize market impact) are managed by the TSAF's trading desk in a manner consistent with the criteria set out above

12. No factor of execution has led to a change in the list of execution venues listed in the firms' execution policy for transactions executed in 2017.
13. TSAF and TSAF OTC only accept professional clients and eligible counterparties. Order execution does not differ according to client categorization, and TSAF and TSAF OTC do not treat categories of clients differently or have any order execution arrangements for specific category of clients.

TSAF and TSAF OTC do not have any close links, conflicts of interests, and common ownerships with respect to any execution venues used to execute orders on Interest Rate derivatives.

14. TSAF and TSAF OTC maintain a Conflicts of Interest Policy in accordance with their regulatory obligations, which sets out the types of actual or potential conflicts of interest, which affect our business, and provides details of how these are managed.
15. TSAF and TSAF OTC do not have any specific arrangements with any execution venues regarding payments, made or received discounts, rebates or non-monetary benefits received for interest rates derivatives.

4. Currency derivatives

1. Tables of main trading venues for execution

A/ Futures and options admitted to trading on a trading venue

Class of Instrument	Currency derivatives – Futures	
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
XCME	100.00%	100.00%
-	-	-
-	-	-
-	-	-
-	-	-

B/ Swaps, forwards, and other currency derivatives

Class of Instrument	Currency derivatives – FX forward	
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
ZWNFQ48RUL8VJZ2AIC12	33.00%	17.94%
KX1WK48MPD4Y2NCUIZ63	24.96%	39.11%
9695005MSX1OYEMGDF46	22.95%	3.53%
21380076S228I25PD704	11.22%	10.58%
ROMUWSFPU8MPRO8K5P83	0.47%	3.22%

2. Currency derivatives: Summary of the analysis and conclusions

For currency derivatives in 2017, Tradition Paris brokerage services comprised currency futures, traded by TSAF, and FX forward contracts, intermediated by TSAF OTC.

1. TSAF is Paris Tradition entity in charge of trading futures. In this framework, TSAF is in charge of currency derivatives, which represented 0.65% of its activities on futures in volume.
2. Currency derivatives offered by TSAF are only currency futures instruments.
3. TSAF is Paris Tradition entity in charge of trading FX forward instruments. FX forward instruments are traded by TSAF OTC Over The Counter.
4. Currency derivatives offered by TSAF OTC are only FX forward instruments.

Due to structure of the currency futures market, TSAF executed all of its transactions on currency futures on the CME market.

5. Only one trading venue, the Chicago Mercantile Exchange (CME), was used for currency futures, as it is the only reference for the currency futures market.

TSAF OTC traded FX Forward instruments Over The Counter with a relative concentration on the top five execution venues.

6. TSAF OTC performs Paris brokerage services on FX Forward instruments.
7. As transactions were carried out Over The Counter, data to build top five venues was retreated to target liquidity providers only: buy-side counterparts were not included in the listing.
8. For FX forward instruments in 2017, main liquidity providers were French banks and other Top Tier brokers located in the UK.
9. Liquidity concentration was high in 2017 for FX Forwards as top five liquidity contributors represent 92.6% of total volume traded in that class (and 74.39% of total orders executed in that class).

TSAF and TSAF OTC developed an execution policy based on several factors of price, costs, speed, likelihood of execution or any other consideration including qualitative factors when assessing the quality of execution.

10. In the absence of expressed instructions from clients, TSAF and TSAF OTC exercise discretion in determining the factors that the companies need to take into account for providing clients with the best possible result.
11. These execution factors in the wholesale markets in which TSAF and TSAF OTC operate include, but are not restricted to, the:
 - i. Characteristics of the client;
 - j. Size, nature and characteristic of the order;
 - k. Likelihood and speed of execution;
 - l. Price and costs of execution;
 - m. Execution risk management of exchange settled block trades, or positions larger than standard market size, which may be crossed at a particular stage in the trading day or kept anonymous to the majority of market participants; unless otherwise directed, the company will only show the price and size to parties that the company believes may have an interest in executing or crossing such a position;
 - n. Characteristics of the financial instrument subject to the order such as the trade frequency, number of buyers and sellers involved in a typical transaction and the typical normal trade size;
 - o. Characteristic of the order execution venue to which the order can be directed in terms of trading technology; and

- p. Market conditions at the time of trading including volatility, gaps in pricing and information asymmetry, which may affect the overall availability of prices.
- 12. Where TSAF uses automated systems to route and execute client orders on currency futures, these orders are routed to the “Best Execution” venue as determined by the criteria above. Certain large orders that require special handling (for example to minimize market impact) are managed by the TSAF’s trading desk in a manner consistent with the criteria set out above
- 13. No factor of execution has led to a change in the list of execution venues listed in the firms’ execution policy for transactions executed in 2017.
- 14. TSAF and TSAF OTC only accept professional clients and eligible counterparties. Order execution does not differ according to client categorization, and TSAF and TSAF OTC do not treat categories of clients differently or have any order execution arrangements for specific category of clients.

TSAF and TSAF OTC do not have any close links, conflicts of interests, and common ownerships with respect to any execution venues used to execute orders on currency derivatives.

- 15. TSAF and TSAF OTC maintain a Conflicts of Interest Policy in accordance with their regulatory obligations, which sets out the types of actual or potential conflicts of interest, which affect TSAF and TSAF OTC business, and provides details of how these are managed.
- 16. TSAF and TSAF OTC do not have any specific arrangements with any execution venues regarding payments, made or received discounts, rebates or non-monetary benefits received for currency derivatives.

5. Structured finance instruments

1. Table of main trading venues for execution

Class of Instrument	Structured finance instruments	
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
F68F5WN6OGTEHIP5ZT82	30.77%	27.89%
KX1WK48MPD4Y2NCUIZ63	18.66%	18.80%
851WYGNLUQLFZBSYGB56	8.40%	8.34%
DGQCSV2PHVF7I2743539	6.47%	2.94%
ML61HP3A4MKTTA1ZB671	6.13%	5.87%

2. Structured finance instruments: Summary of the analysis and conclusions

In 2017, TSAF OTC executed all of its transactions on structured product instruments Over The Counter given the nature of Structured finance markets, though some components of the products can be listed products on trading venues.

1. TSAF OTC is Paris Tradition entity in charge of trading structured finance instruments.
2. As Structured finance instruments were traded Over The Counter in 2017, data to build Top five execution venues was retreated to target liquidity providers only: buy-side counterparts were not included in the above listing.
3. For structured finance instruments in 2017, main liquidity providers were European Top-tier banks. All transactions were carried out Over The Counter via voice-broking.
4. Liquidity concentration was high in 2017 for Structured finance instruments as top five liquidity providers represent 70.43% of total volume traded in that class (and 60.90% of total orders executed in that class).

Execution factors of price, costs, speed, and likelihood of execution or any other consideration including qualitative factors when assessing the quality of execution are described in TSAF OTC best execution policy.

5. In the absence of expressed instructions from clients, TSAF OTC exercises discretion in determining the factors that we need to take into account for providing clients with the best possible result.
6. These execution factors in the wholesale markets in which TSAF OTC operates include, but are not restricted to, the:
 - a. Characteristics of the client;
 - b. Size, nature and characteristic of the order;
 - c. Likelihood and speed of execution;
 - d. Price and costs of execution;

- e. Characteristics of the financial instrument subject to the order such as the trade frequency, number of buyers and sellers involved in a typical transaction and the typical normal trade size;
 - f. Characteristic of the order execution venue to which the order can be directed in terms of trading technology; and
 - g. Market conditions at the time of trading including volatility, gaps in pricing and information asymmetry, which may affect the overall availability of prices.
7. No factor of execution has led to a change in the list of execution venues listed in the firm's execution policy for transactions executed in 2017.
 8. TSAF OTC only accepts professional clients and eligible counterparties. Order execution does not differ according to client categorization, and TSAF OTC does not treat categories of clients differently or have any order execution arrangements for specific category of clients.

TSAF OTC does not have any close links, conflicts of interests, and common ownerships with respect to any execution venues used to execute orders on structured finance instruments.

9. TSAF OTC maintains a Conflicts of Interest Policy in accordance with its regulatory obligations, which sets out the types of actual or potential conflicts of interest, which affect TSAF OTC business, and provides details of how these are managed.
10. TSAF OTC does not have any specific arrangements with any execution venues regarding payments, made or received discounts, rebates or non-monetary benefits received on structured finance instruments.

6. Equities derivatives

1. Table of main trading venues for execution

Class of Instrument	Equities derivatives	
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
XEUR	51.53%	31.61%
XMON	30.80%	56.89%
IFLL	15.12%	3.98%
XCME	2.47%	6.60%
XCBT	0.05%	0.33%

2. Equities derivatives: Summary of the analysis and conclusions

For equity derivatives in 2017, Tradition Paris brokerage services comprised equity and index futures, traded by TSAF.

1. TSAF only trades equity and index futures in equity derivatives class.
2. TSAF is Paris Tradition entity in charge of trading futures. In this framework, TSAF is in charge of equity and index derivatives, which represented 19.76% of its activities on futures in volume.
3. Index derivatives traded by TSAF are part of Delta One strategies on indexes.

Due to structure of the equity derivatives market and its business concentration on European equity futures, TSAF executed most of half of its transactions on equity futures on Eurex market.

4. Eurex represented more than half of equity futures executions, with 51.53% of total volume traded in that class (and 31.61% of total orders executed in that class). This percentage can be explained by the activity of TSAF, principally oriented on European futures markets.
5. TSAF executed transaction on Euronext MONEP market for Bourse Direct, a company of same Group (Viel & Company), which offers trading to retail clients, which explains that MONEP trading venue represents

30.80% of total volume traded in that class (and 56.59% of total orders executed in that class). Orders from Bourse Direct are indeed high in volume but come in small tickets compared to institutional investors' ticket sizes.

TSAF developed an execution policy based on several factors of price, costs, speed, likelihood of execution or any other consideration including qualitative factors when assessing the quality of execution.

6. In the absence of expressed instructions from clients, TSAF exercises discretion in determining the factors that the company needs to take into account for providing clients with the best possible result.
7. These execution factors in the wholesale markets in which TSAF operates include, but are not restricted to, the:
 - a. Characteristics of the client;
 - b. Size, nature and characteristic of the order;
 - c. Likelihood and speed of execution;
 - d. Price and costs of execution;
 - e. Execution risk management of exchange settled block trades, or positions larger than standard market size, which may be crossed at a particular stage in the trading day or kept anonymous to the majority of market participants; unless otherwise directed, TSAF will only show the price and size to parties that TSAF believes may have an interest in executing or crossing such a position;
 - f. Characteristics of the financial instrument subject to the order such as the trade frequency, number of buyers and sellers involved in a typical transaction and the typical normal trade size;
 - g. Characteristic of the order execution venue to which the order can be directed in terms of trading technology; and
 - h. Market conditions at the time of trading including volatility, gaps in pricing and information asymmetry, which may affect the overall availability of prices.
8. Where TSAF uses automated systems to route and execute client orders on equity futures, these orders are routed to the "Best Execution" venue as determined by the criteria above. Certain large orders that require special handling (for example to minimize market impact) are managed by the TSAF's trading desk in a manner consistent with the criteria set out above.
9. No factor of execution has led to a change in the list of execution venues listed in the firms' execution policy for transactions executed in 2017.
10. TSAF and TSAF OTC only accept professional clients and eligible counterparties. Order execution does not differ according to client categorization, and TSAF does not treat categories of clients differently or have any order execution arrangements for specific category of clients.

TSAF does not have any close links, conflicts of interests, and common ownerships with respect to any execution venues used to execute orders on Equity derivatives.

11. TSAF maintains a Conflicts of Interest Policy in accordance with their regulatory obligations, which sets out the types of actual or potential conflicts of interest, which affect our business, and provides details of how these are managed.
12. TSAF does not have any specific arrangements with any execution venues regarding payments, made or received discounts, rebates or non-monetary benefits received for equity derivatives.

7. Exchange traded products (Exchange traded funds, exchange traded notes and exchange traded commodities)

1. Table of main trading venues for execution

Class of Instrument	Exchange traded products	
Notification if <1 average trade per business day in the previous year	Y	
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
969500VR2NA6ANMTXH21	1.81%	7.01%
FOHUI1NY1AZMJMD8LP67	0.28%	0.47%
-	-	-
-	-	-
-	-	-

2. Exchange traded products: Summary of the analysis and conclusions

In 2017, Tradition Securities and Futures (TSAF or brand Finacor) started an activity on Exchange traded funds. Due to the nature of the Exchange traded products markets in Europe pre MiFID II, transactions were carried out mostly Over The Counter, and include mostly buy-side clients, not considered as liquidity providers as regards to MiFID II regulation.

1. TSAF is Tradition entity in Paris providing Exchange traded products brokerage.
2. Exchange traded products traded by TSAF were mostly Exchange traded funds.
3. Activity on Exchange traded funds was launched in 2017.
4. Data to build Top five venues was retreated to target liquidity providers only: buy-side counterparts were not included in the listing of liquidity providers.
5. Given the start of brokerage services in 2017, and as most clients are funds and asset managers, top execution venues is reduced to two main contributors for TSAF execution on Exchange traded funds.
6. Both liquidity providers are French banks and represent a low percentage of the activity, with 2.10% of total volume traded in that class (and 7.48% of total orders executed in that class).

TSAF developed an execution policy based on several factors of price, costs, speed, likelihood of execution or any other consideration including qualitative factors when assessing the quality of execution.

7. In the absence of expressed instructions from clients, TSAF exercises discretion in determining the factors that the company needs to take into account for providing clients with the best possible result.

8. These execution factors in the wholesale markets in which TSAF operate will include, but are not restricted to, the:
 - a. Characteristics of the client;
 - b. Size, nature and characteristic of the order;
 - c. Likelihood and speed of execution;
 - d. Price and costs of execution;
 - e. Characteristic of the order execution venue to which the order can be directed in terms of trading technology; and
 - f. Market conditions at the time of trading including volatility, gaps in pricing and information asymmetry, which may affect the overall availability of prices.
9. No factor of execution has led to a change in the list of execution venues listed in the firm's execution policy for transactions executed in 2017.
10. TSAF only accepts professional clients and eligible counterparties. Order execution does not differ according to client categorization, and TSAF does not treat categories of clients differently or have any order execution arrangements for specific category of clients.

TSAF does not have any close links, conflicts of interests, and common ownerships with respect to any execution venues used to execute orders on Exchange Traded products.

11. TSAF maintains a Conflicts of Interest Policy in accordance with its regulatory obligations, which sets out the types of actual or potential conflicts of interest, which affect TSAF business, and provides details of how these are managed.
12. TSAF does not have any specific arrangements with any execution venues regarding payments, made or received discounts, rebates or non-monetary benefits received on Exchange Traded products.

TSAF – TSAF OTC
Best execution report for 2017 transactions as defined in Article 3.2 of RTS 28
Top five venues for Repo instruments

1. Table of main trading venues for execution

Class of Instrument	MiFID II non Eligible products – Repo instruments	
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
XKZZ2JZF41MRHTR1V493	14.54%	14.76%
96950066U5XAAIRCPA78	14.23%	12.65%
KX1WK48MPD4Y2NCUIZ63	10.93%	10.01%
1VUV7VQFKUOQSJ21A208	8.61%	10.28%
F0HUI1NY1AZMJMD8LP67	5.67%	5.27%

2. Repo instruments: Summary of the analysis and conclusions

In 2017, Repo instruments were the only product traded by Tradition voice-trading services in Paris (through TSAF OTC), which are not eligible to MiFID II regulation.

1. TSAF OTC is the entity in Paris providing Repo instruments brokerage.
2. Repo instruments being the only non-eligible products to MiFID II, table displayed as best execution report for 2017 transactions as defined in Article 3.2 of RTS 28 represents Top 5 venue for Repo instruments only.

In 2017, TSAF OTC executed all of its transactions on Repo instruments Over The Counter given the nature Repo markets before MiFID II implementation.

3. Repo instruments being traded Over The Counter, data to build Top five venues was retreated to target liquidity providers only: buy-side counterparts were not included in the listing.
4. For Repo instruments in 2017, main liquidity providers were one UK-based and four French Top Tier investment banks. All transactions were carried out Over The Counter via voice-broking.
5. Liquidity concentration was rather high in 2017 for Repo instruments as top five liquidity providers represent more than half (53.11%) of total volume traded in that class (and 52.96% of total orders executed in that class).

Execution factors of price, costs, speed, and likelihood of execution or any other consideration including qualitative factors when assessing the quality of execution are described in TSAF OTC best execution policy.

6. In the absence of expressed indication of the client, prioritization of execution factors for Repo Instruments depends on several execution factors, that include:
 - a. Price;
 - b. Speed;
 - c. Size;
 - d. Likelihood of execution and settlement;
 - e. Costs;
 - f. Nature; and
 - g. Any other consideration relevant to the execution of the order.
7. No factor of execution has led to a change in the list of execution venues listed in the firm's execution policy for transactions executed in 2017.
8. TSAF OTC only accepts professional clients and eligible counterparties. Order execution does not differ according to client categorization, and TSAF OTC does not treat categories of clients differently or have any order execution arrangements for specific category of clients.

TSAF OTC does not have any close links, conflicts of interests, and common ownerships with respect to any execution venues used to execute orders on Repo instruments.