

Private Bank



Citi Private Bank Quality of Execution Report

Citibank N.A., London Branch

30 April 2018

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1. Scope and Purpose

This report (the “Report”) applies to Citi Private Bank, acting through Citibank N.A., London Branch and affiliates to whom it may delegate certain functions (“Citi”, “we” or “us”). This Report should be read in conjunction with our Order Execution Policy (the “Order Execution Policy”) which sets out the general basis on which we aim to provide “best execution” when executing orders in respect of financial instruments as defined in the European Union’s Markets in Financial Instruments Directive (known as “MiFID II”) for you, whether on your instruction or on a discretionary basis on your behalf (“Orders”) as required by MiFID II and the Conduct of Business Rules of the UK Financial Conduct Authority (the “FCA”), collectively (the “Rules”).

This Report summarises our analysis and conclusions drawn from the monitoring of the quality of execution obtained on the execution venues where Orders were executed for each asset class for the calendar year 2017 (the “Reporting Period”). Section 2 covers our non-discretionary business and Section 3 covers our discretionary business.

Please note that the Reporting Period was prior to the implementation of MiFID II when these reporting obligations covered by this Report were not yet in force. Therefore, while Citi has sought to prepare this report on a best efforts basis, the information contained in this Report may not be as comprehensive as it may be in future reporting periods.

This Report should also be read in conjunction with our quantitative report showing the Top 5 execution venues where your Orders were executed during the Reporting Period, which is also available on our website: <https://www.privatebank.citibank.com/home/best-execution-europe.html>. Note that, in order to avoid duplication and for greater transparency in the quantitative report, in showing the Top 5 execution venues where your Orders were executed, we have not included affiliated brokers that we used to execute your Orders in circumstances where the execution by them is in name only and has otherwise been directly controlled by us. In such cases we have looked through the affiliate to the execution venue where your Order was executed.

2. Non-discretionary business

3.1 General

This section relates to advisory and execution-only Orders that we executed:

- (i) as agent on your behalf with the execution venues listed in Appendix 2 of our Order Execution Policy in respect of: (a) Equities (Shares and Depositary Receipts), (b) Debt Instruments (Bonds and Money Market Instruments), (c) Securitised Derivatives (Rights) (d) Securitised Derivatives (Structured Notes), (e) Exchange Traded Products (Exchange Traded Funds, Exchange Traded Notes), (f) Futures and Options admitted to trading on a trading venue (including interest rate derivatives, credit derivatives, currency derivatives, equity derivatives, commodities derivatives and emission allowance derivatives);
- (ii) as riskless principal with the execution venues listed in Appendix 2 of our Order Execution Policy in respect of the following financial instruments that are not Futures and Options admitted to trading on a trading venue, referred to in this Report as: (a) OTC Interest Rate Derivatives, (b) OTC Credit Derivatives, (c) OTC Equity Derivatives, (d) OTC Commodities Derivatives and (e) OTC Currency Derivatives and (f) OTC Precious Metal Currency Derivatives; and
- (iii) as principal in respect of Structured Instruments (Premium Instruments and Market-Linked Instruments).

3.2 Relative importance of execution factors

The Rules require us to provide you with an explanation of the relative importance we gave to the execution factors of price, cost, speed, likelihood of execution or any other consideration including qualitative factors when assessing the quality of execution during the Reporting Period.

Per section 2.6, we do not differentiate between retail and professional clients when executing Orders so, in terms of the above execution factors, we placed the highest emphasis on total consideration (meaning the price of the financial instrument and the costs of execution) including all expenses incurred by the client which are directly related to the execution of the Order, including execution venue fees, clearing and settlement fees and any other fees paid to third parties involved in the execution of the Order. On occasion, we may have given precedence to speed, likelihood of execution and settlement, the size and nature of the order, market impact and any other implicit transaction costs over the immediate price and cost consideration but only insofar as they were instrumental in delivering the best possible result in terms of the total consideration to the client.

3.3 Our assessment of the quality of execution during the Reporting Period

3.3.1 Equities – Shares and Depositary Receipts

i) Our assessment of the quality of execution	In respect of the Reporting Period, our assessment of the quality of execution was performed through monthly post-trade monitoring of all Equities Orders against a relevant benchmark. We then reported the outcome of our assessment of the quality of execution to the relevant regional governance committee to ensure we had taken all reasonable steps to obtain the best possible result on a consistent basis in respect of Equities Orders.
ii) Any change in execution venues during the Reporting Period? The Rules require us to provide you with an explanation of	There were no changes in the list of execution venues during the Reporting Period.

	the factors that led to a change in the list of execution venues listed in our Order Execution Policy, if such a change occurs.	
iii)	Payments/Inducements The Rules require us to provide you with a description of any specific arrangements with any execution venues regarding payments made or received, discounts, rebates or non-monetary benefits received.	For Equities, as referenced in our Fee Schedule, brokerage charges are payable to the execution venues, which may vary depending on the market. For Equities, we have negotiated fee agreements with our execution venues regarding the brokerage charge payable for each market. See section 2.5 for general disclosure re Payments/Inducements.

3.3.2 Debt Instruments – Bonds and Money Market Instruments

i)	Our assessment of the quality of execution	Our non-discretionary business has an open architecture approach in respect of Debt Instruments and our assessment of the quality of execution was performed through pre-trade checks as well as post-trade monitoring. In this regard, we ordinarily obtained a minimum of three separate quotes from our execution venues to ensure that we consistently achieved best execution and we performed monthly post-trade monitoring of all Debt Instrument Orders against a relevant benchmark. We then reported the outcome of our assessment of the quality of execution to the relevant regional governance committee to ensure we had taken all reasonable steps to obtain the best possible result on a consistent basis in respect of Debt Instrument Orders.
ii)	Any change in execution venues during the Reporting Period? The Rules require us to provide you with an explanation of the factors that led to a change in the list of execution venues listed in our Order Execution Policy, if such a change occurs.	Mizuho International Plc was added as an execution venue for Debt Instruments during the Reporting Period, in particular in order to access Japanese Debt Instruments.
iii)	Payments/Inducements The Rules require us to provide you with a description of any specific arrangements with any execution venues regarding payments made or received, discounts, rebates or non-monetary benefits received.	We do not negotiate discounts with the execution venues for Debt Instruments. Please note, however, that, as set out in section 2.2, the prices we received from the relevant execution venues were a factor in seeking to achieve the best possible results on a consistent basis and such prices will have included an embedded mark-up or mark-down by the execution venues. See section 2.5 for general disclosure re Payments/Inducements.

3.3.3 Exchange Traded Products (Exchange-Traded Funds (“ETFs”) and Exchange-Traded Notes (“ETNs”))

i)	Our assessment of the quality of execution	In respect of the Reporting Period, our assessment of the quality of execution was performed through monthly post-trade monitoring of all for ETF and ETN Orders against a relevant benchmark. We then reported the outcome of our assessment of the quality of execution to the relevant regional governance committee to ensure we had taken all reasonable steps to obtain the best possible result on a consistent basis in respect of ETF and ETN Orders.
ii)	Any change in execution venues during the Reporting Period? The Rules require us to provide you with an explanation of the factors that led to a change in the list of execution venues listed in our Order Execution Policy, if such a change occurs.	There were no changes in the list of execution venues during the Reporting Period.
iii)	Payments/Inducements	For ETFs and ETNs, as referenced in our Fee Schedule, brokerage charges are payable to the execution venues, which may vary

<p>The Rules require us to provide you with a description of any specific arrangements with any execution venues regarding payments made or received, discounts, rebates or non-monetary benefits received.</p>	<p>depending on the market.</p> <p>For ETFs and ETNs, we have negotiated fee agreements with our execution venues, regarding the brokerage charge payable for each market.</p> <p>See section 2.5 for general disclosure re Payments/Inducements.</p>
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3.3.4 Futures and Options admitted to trading on a trading venue (including interest rate derivatives, credit derivatives, currency derivatives, equity derivatives, commodities derivatives and emission allowances derivatives) ("Listed Derivatives")

<p>i) Our assessment of the quality of execution</p>	<p>In respect of the Reporting Period, our trading systems always displayed the best bid/offer prices available on the relevant trading venue for each transaction, meaning we could only execute Listed Derivative transactions at the best available price.</p>
<p>ii) Any change in execution venues during the Reporting Period?</p> <p>The Rules require us to provide you with an explanation of the factors that led to a change in the list of execution venues listed in our Order Execution Policy, if such a change occurs.</p>	<p>There were no changes in the list of execution venues during the Reporting Period.</p>
<p>iii) Payments/Inducements</p> <p>The Rules require us to provide you with a description of any specific arrangements with any execution venues regarding payments made or received, discounts, rebates or non-monetary benefits received.</p>	<p>For Listed Options, as referenced in our Fee Schedule, we have negotiated fee agreements with our execution venues regarding the brokerage charge payable for each market.</p> <p>See section 2.5 for general disclosure re Payments/Inducements.</p>

3.3.5 Securitised Derivatives (Structured Notes)

<p>i) Our assessment of the quality of execution</p>	<p>Our non-discretionary business has an open architecture approach in respect of Structured Notes and our assessment of the quality of execution was performed through pre-trade checks. In this regard, during the Reporting Period, we ordinarily obtained a minimum of two separate quotes from our execution venues (unless specifically directed by the client to execute the Order with a particular execution venue) to ensure we had taken all reasonable steps to obtain the best possible result on a consistent basis in respect of Structured Note Orders.</p>
<p>ii) Any change in execution venues during the Reporting Period?</p> <p>The Rules require us to provide you with an explanation of the factors that led to a change in the list of execution venues listed in our Order Execution Policy, if such a change occurs.</p>	<p>There were no changes in the list of execution venues during the Reporting Period.</p>
<p>iii) Payments/Inducements</p> <p>The Rules require us to provide you with a description of any specific arrangements with any execution venues regarding payments made or received, discounts, rebates or non-monetary benefits received.</p>	<p>See section 2.5 for general disclosure re Payments/Inducements.</p>

3.3.6 Securitised Derivatives (Rights)

<p>i) Our assessment of the quality of execution</p>	<p>In respect of the Reporting Period, our assessment of the quality of execution was performed through monthly post-trade monitoring of all Rights Orders against a relevant benchmark. We then reported the outcome of our assessment of the quality of execution to the relevant regional governance committee to ensure we had taken all reasonable steps to obtain the best possible result on a consistent basis in respect of Rights Orders.</p>
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<p>ii) Any change in execution venues during the Reporting Period?</p> <p>The Rules require us to provide you with an explanation of the factors that led to a change in the list of execution venues listed in our Order Execution Policy, if such a change occurs.</p>	<p>There were no changes in the list of execution venues during the Reporting Period.</p>
<p>iii) Payments/Inducements</p> <p>The Rules require us to provide you with a description of any specific arrangements with any execution venues regarding payments made or received, discounts, rebates or non-monetary benefits received.</p>	<p>For Rights Orders, as referenced in our Fee Schedule, brokerage charges are payable to the execution venues, which may vary depending on the market.</p> <p>For Rights, we have negotiated fee agreements with our execution venues regarding the brokerage charge payable for each market.</p> <p>See section 2.5 for general disclosure re Payments/Inducements.</p>

3.3.7 OTC Interest Rate Derivatives and OTC Credit Derivatives

<p>i) Our assessment of the quality of execution</p>	<p>For all such OTC Interest Rate Derivatives and OTC Credit Derivatives, our approach to the assessment of the quality of execution was ordinarily performed through pre-trade checks against external third party market data aggregation and pricing tools to verify the reasonability of the price received. For more complex, structured derivatives, we sought to make the same assessment based on our assessment of the derivative's components.</p> <p>The purpose of these pre-trade checks was to ensure that such OTC Interest Rate Derivatives and OTC Credit Derivatives were executed within an acceptable range tolerance compared to the prevailing market rate to ensure we had taken all reasonable steps to obtain the best possible result on a consistent basis in respect of Orders in such OTC Interest Rate Derivatives and OTC Credit Derivatives during the Reporting Period.</p>
<p>ii) Any change in execution venues during the Reporting Period?</p> <p>The Rules require us to provide you with an explanation of the factors that led to a change in the list of execution venues listed in our Order Execution Policy, if such a change occurs.</p>	<p>There were no changes in the list of execution venues during the Reporting Period.</p>
<p>iii) Payments/Inducements</p> <p>The Rules require us to provide you with a description of any specific arrangements with any execution venues regarding payments made or received, discounts, rebates or non-monetary benefits received.</p>	<p>We do not negotiate discounts with the execution venues for OTC Interest Rate Derivatives and OTC Credit Derivatives. Please note, however, that, as set out in section 2.2, the prices we received from the relevant execution venues were a factor in seeking to achieve the best possible results on a consistent basis and such prices will have included an embedded mark-up or mark-down by the execution venues.</p> <p>See section 2.5 for general disclosure re Payments/Inducements.</p>

3.3.8 OTC Equity Derivatives and OTC Commodities Derivatives

<p>i) Our assessment of the quality of execution</p>	<p>For OTC Equity Derivatives and OTC Commodity Derivatives, our approach to the assessment of the quality of execution was performed through pre-trade reasonability checks to check the price against the prevailing prices for the equivalent listed product, where available.</p> <p>The purpose of these pre-trade checks was to ensure that such OTC Equity Derivatives and OTC Commodity Derivatives were executed within an acceptable range tolerance compared to the prevailing market rate to provide a reasonable level of assurance that we achieved best execution on a consistent basis for Orders</p>
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	in such OTC Equity Derivatives and OTC Commodity Derivatives during the Reporting Period.
ii) Any change in execution venues during the Reporting Period? The Rules require us to provide you with an explanation of the factors that led to a change in the list of execution venues listed in our Order Execution Policy, if such a change occurs.	There were no changes in the list of execution venues during the Reporting Period.
iii) Payments/Inducements The Rules require us to provide you with a description of any specific arrangements with any execution venues regarding payments made or received, discounts, rebates or non-monetary benefits received.	We do not negotiate discounts with the execution venues for OTC Equity Derivatives and OTC Commodities Derivatives. Please note, however, that, as set out in section 2.2, the prices we received from the relevant execution venues were a factor in seeking to achieve the best possible results on a consistent basis and such prices will have included an embedded mark-up or mark-down by the execution venues. See section 2.5 for general disclosure re Payments/Inducements.

3.3.9 OTC Currency Derivatives and OTC Precious Metal Currency Derivatives

i) Our assessment of the quality of execution	<p>Our non-discretionary business has an open architecture approach in respect of such OTC Currency Derivatives and OTC Precious Metal Currency Derivatives and our assessment of the quality of execution was performed through pre-trade checks as well as post-trade monitoring. In this regard, where we determined it to be necessary to achieve best execution, we ordinarily obtained at least two separate quotes from our execution venues to ensure that we consistently achieved best execution.</p> <p>For all such OTC Currency Derivatives and OTC Precious Metal Currency Derivatives, we also assessed the quality of execution through post-trade rate reasonability checks. The purpose of this review was to ensure that such OTC Currency Derivatives and OTC Precious Metal Currency Derivatives were executed within an acceptable range tolerance compared to the prevailing market rate to ensure we had taken all reasonable steps to obtain the best possible result on a consistent basis for Orders in such OTC Currency Derivatives and OTC Precious Metal Currency Derivatives.</p>
ii) Any change in execution venues during the Reporting Period? The Rules require us to provide you with an explanation of the factors that led to a change in the list of execution venues listed in our Order Execution Policy, if such a change occurs.	There were no changes in the list of execution venues during the Reporting Period.
iii) Payments/Inducements The Rules require us to provide you with a description of any specific arrangements with any execution venues regarding payments made or received, discounts, rebates or non-monetary benefits received.	We do not negotiate discounts with the execution venues for OTC Currency Derivatives and OTC Precious Metal Currency Derivatives. Please note, however, that, as set out in section 2.2, the prices we received from the relevant execution venues were a factor in seeking to achieve the best possible results on a consistent basis and such prices will have included an embedded mark-up or mark-down by the execution venues. See section 2.5 for general disclosure re Payments/Inducements.

3.3.10 Structured Instruments (Premium Instruments and Market-Linked Instruments)

<p>i) Our assessment of the quality of execution</p>	<p>Currency-linked Premium Instruments were executed for clients during the Reporting Period. The embedded OTC Currency Option was executed with the same execution venues as OTC Currency Derivatives, for which the quality of execution was consistently monitored in accordance with the procedures set out in 2.3.9 above to ensure that we had taken all reasonable steps to obtain the best possible result on a consistent basis for Currency-linked Premium Instrument Orders.</p>
<p>ii) Any change in execution venues during the Reporting Period?</p> <p>The Rules require us to provide you with an explanation of the factors that led to a change in the list of execution venues listed in our Order Execution Policy, if such a change occurs.</p>	<p>There were no changes in the list of execution venues during the Reporting Period.</p>
<p>iii) Payments/Inducements</p> <p>The Rules require us to provide you with a description of any specific arrangements with any execution venues regarding payments made or received, discounts, rebates or non-monetary benefits received.</p>	<p>See section 2.5 for general disclosure re Payments/Inducements.</p>

3.4 Close links, conflicts and common ownership

The Rules require us to provide you with a description of any close links, conflicts of interests, and common ownerships with respect to any execution venues used to execute Orders during the Reporting Period.

Per our Order Execution Policy, we may, for certain asset classes, have executed your Order with affiliated Citi brokers and issuers, including but not limited to Citigroup Global Markets Limited, Citigroup Global Markets Inc., Citigroup Global Markets Holding Inc. and Citigroup Inc.

Under the Rules, we are required to maintain and operate effective organisational and administrative arrangements with a view to taking all appropriate steps to identify, monitor, prevent or manage such conflicts of interest. We have put in place a policy to meet this obligation and refer you to our terms of business where you will find a summary of that policy and the key information that is needed by clients to understand the measures we are taking to safeguard the interests of our clients.

3.5 Payments/Inducements

The Rules require us to provide you with a description of any specific arrangements with any execution venues regarding payments made or received, discounts, rebates or non-monetary benefits received during the Reporting Period:

3.5.1 Payments made to execution venues

An estimate of any fees payable to execution venues is, where possible and relevant, reflected in the Fee Schedule to our terms of business. See section 2.3 above for further details.

2.1.1 **Discounts received from execution venues:** see section 2.3 above for further details in respect of particular classes of financial instruments.

3.5.2 Rebates/Payments received from execution venues

We did not receive rebates or other payments from the execution venues during the Reporting Period.

3.5.3 Non-monetary benefits received from execution venues

Please note, per our terms of business that we may also have received certain minor non-monetary benefits from execution venues during the Reporting Period, including but not limited to the following:

- Invitations to participate in conferences, seminars and other training events on the benefits and features of a specific financial instrument;
- Hospitality of a reasonable de minimis value, such as food and drink during a business meeting or a conference, seminar or other training events;
- Pre-deal research for prospective investors relating to an issue of shares, debentures, warrants or certificates representing certain securities by an issuer, produced by an underwriter or placement agent; and
- Generic or personalised information or documentation relating to a financial instrument or an investment service, including focus lists and market commentary.

In addition, we may have received or had access to investment research from certain execution venues listed in Appendix 2 to the Order Execution Policy as well as from brokers with whom no business was conducted during the Reporting Period. There was no explicit charge to us for the provision of, or access to, this research.

Further information on the above arrangements is available on request.

3.6 Did we treat retail and professional clients differently?

Under the Rules, we have to provide you with an explanation of how order execution differed according to client categorisation, where we treated categories of clients differently and where it may affect the order execution arrangements.

Whilst we have both retail and professional clients, we did not weight the execution factors differently based on client categorisation during the Reporting Period.

3.7 Were price and cost always given precedence for retail clients during the Reporting Period?

The Rules require us to provide you with an 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 during the Reporting Period.

In accordance with our Order Execution Policy, during the Reporting Period, the best possible result was determined for retail clients in terms of total consideration (price and all costs) alone meaning that we placed the highest emphasis on total consideration (meaning the price of the financial instrument and the costs of execution) including all expenses incurred by the client which are directly related to the execution of the Order, including execution venue fees, clearing and settlement fees and any other fees paid to third parties involved in the execution of the Order. On occasion we may have given precedence to speed, likelihood of execution and settlement, the size and nature of the order, market impact and any other implicit transaction costs over the immediate price and cost consideration but only insofar as they were instrumental in delivering the best possible result in terms of the total consideration to the client.

3.8 How have we used any data or tools relating to the quality of execution, including any data published under Delegated Regulation (EU) 2017/575 ("RTS 27")?

The Rules require us to provide you with an explanation of how we have used any data or tools relating to the quality of execution, including any data published by execution venues under RTS 27. In summary, this data includes: (a) periodic information regarding the quality of execution of transactions on that execution venue (b) intra-day daily price streaming, (c) publication of costs, (d) publication of likelihood of execution.

The data to be published under RTS 27 is not available for the Reporting Period as execution venues were only required to capture the data from the implementation of MiFID II on 3 January 2018.

3.9 Use of output from Consolidated Tape Providers

The Rules require us to provide you, where applicable, with an explanation of how we have used the output of a "consolidated tape provider" ("CTP") established under Article 65 of MiFID II. A CTP is a person authorized to provide the service of collecting trade reports for financial instruments from regulated markets, MTFs, OTFs and Approved Publication Arrangements and consolidating them into a continuous consolidated tape providing price and volume data per financial instrument.

We did not use the output of a CTP during the Reporting Period as these outputs were not available during that time.

3. Discretionary business

3.10 General

This section relates to discretionary Orders that we executed as agent on your behalf with the execution venues listed in Appendix 2 of our Order Execution Policy in respect of: (a) Equities (Shares and Depositary Receipts); (b) Debt Instruments (Bonds and Money Market Instruments); (c) OTC Currency Derivatives (Swaps and Forwards); and (d) Exchange Traded Products (Exchange Traded Funds).

3.11 Relative importance of execution factors

The Rules require us to provide you with an explanation of the relative importance we gave to the execution factors of price, cost, speed, likelihood of execution or any other consideration including qualitative factors when assessing the quality of execution during the Reporting Period.

We do not differentiate between retail and professional clients when executing Orders so, in terms of the above execution factors, we placed the highest emphasis on total consideration (meaning the price of the financial instrument and the costs of execution) including all expenses incurred by the client which are directly related to the execution of the Order, including execution venue fees, clearing and settlement fees and any other fees paid to third parties involved in the execution of the Order. The only exception to this was with respect to illiquid Bonds, where there may not have been a choice of execution venues, and where likelihood of execution then became a more important consideration.

3.12 Our assessment of the quality of execution during the Reporting Period

3.12.1 Equities – Shares and Depositary Receipts

<p>i) Our assessment of the quality of execution</p>	<p>Our discretionary business has an open architecture approach in respect of Equities. Trading activity is aimed at achieving the best result in terms of total consideration, which comprises price and cost. As execution costs across all the venues used for Equities was the same, our assessment of the quality of execution was based on an analysis of the prices achieved in relation to prevailing prices during the execution period for each trade.</p> <p>Our monitoring of the quality of execution was assessed on a post-trade basis via sample testing. We reported the outcome of that assessment to an internal brokerage committee on a quarterly basis, where the analysis was reviewed to enable us to determine that we had taken all reasonable steps to obtain the best possible result on a consistent basis.</p> <p>The counterparty risk of each venue as well as the quality of clearing and settlement was also assessed on a regular basis and at least quarterly.</p>
<p>ii) Any change in execution venues during the Reporting Period?</p> <p>The Rules require us to provide you with an explanation of the factors that led to a change in the list of execution venues listed in our Order Execution Policy, if such a change occurs.</p>	<p>There were no changes in the list of execution venues used for Equities during the Reporting Period.</p>

3.12.2 Debt Instruments – Bonds and Money Market Instruments

<p>i) Our assessment of the quality of execution</p>	<p>Our discretionary business has an open architecture approach in respect of Debt Instruments. Trading activity is aimed at achieving the best result in terms of total consideration, which comprises price and cost. As trading is conducted net of commission, the discretionary trading desk sought to obtain multiple quotes from its execution venues for each trade and execute at the best available price. Due to the large variance in liquidity across the different Debt Instruments traded, in some cases it was necessary, in an illiquid market where only one quote was received from the multiple executing venues who were asked to quote, to place the highest priority on likelihood of execution.</p> <p>Our monitoring of the quality of execution was assessed on a post-trade basis via sample testing. We reported the outcome of that assessment to an internal brokerage committee on a quarterly basis, where the analysis was reviewed to enable us to determine that we had taken all reasonable steps to obtain the best possible result on a consistent basis.</p> <p>The counterparty risk of each venue as well as the quality of clearing and settlement was also assessed on a regular basis and at least quarterly.</p>
<p>ii) Any change in execution venues during the Reporting Period?</p> <p>The Rules require us to provide you with an explanation of the factors that led to a change in the list of execution venues listed in our Order Execution Policy, if such a change occurs.</p>	<p>During the Reporting Period we added three venues (DBS Bank, Sumridge Partners and Hilltop Securities) for further pricing in Debt Instruments.</p>

3.12.3 OTC Currency Derivatives (Swaps and Forwards)

<p>i) Our assessment of the quality of execution</p>	<p>Up until 20th of March 2017 all Currency Derivatives for the discretionary business were executed intra-group on the basis of independently sourced prices. For these Orders, our assessment of the quality of execution was performed through pre-trade checks. For the remainder of the Reporting Period the discretionary business moved to an open architecture approach, whereby quotes for Currency Derivative Orders were obtained</p>
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	<p>from the brokers listed at Appendix 2 of the Order Execution Policy by placing the Order via the FXALL trading venue and accepting the offer with the broker quoting at the best rate. As currency trading is conducted net of commission, the quality of execution was assessed in relation to the best price available amongst the multiple prices provided by the FX executing venues in FXAll at the time.</p> <p>The quality of execution was monitored on an ex-post basis via sample testing of the trades executed through FXAll to check that they were executed at the best available price at the time. This review enabled us to determine that we had taken all reasonable steps to obtain the best possible result for these Orders on a consistent basis.</p>
<p>ii) Any change in execution venues during the Reporting Period?</p> <p>The Rules require us to provide you with an explanation of the factors that led to a change in the list of execution venues listed in our Order Execution Policy, if such a change occurs.</p>	<p>During the Reporting Period FXAll was added for the purposes of trading Currency Derivatives on an open architecture basis as further detailed above.</p> <p>After 20 May 2017 affiliates were no longer used to trade Currency Derivatives.</p>

3.12.4 Exchange Traded Products (Exchange Traded Funds ("ETFs"))

<p>i) Our assessment of the quality of execution</p>	<p>Trading activity in ETFs is aimed at achieving the best result in terms of total consideration, which comprises price and cost. As execution costs across all the venues used for ETFs was the same, our assessment of the quality of execution was based on an analysis of the prices achieved in relation to prevailing prices during the execution period for each trade.</p> <p>Our monitoring of the quality of execution was assessed on a post-trade basis via sample testing. We reported the outcome of that assessment to an internal brokerage committee on a quarterly basis, where the analysis was reviewed to enable us to determine that we had taken all reasonable steps to obtain the best possible result on a consistent basis.</p> <p>The counterparty risk of each venue as well as the quality of clearing and settlement was also assessed on a regular basis and at least quarterly.</p>
<p>ii) Any change in execution venues during the Reporting Period?</p> <p>The Rules require us to provide you with an explanation of the factors that led to a change in the list of execution venues listed in our Order Execution Policy, if such a change occurs.</p>	<p>As a result of increased volumes in ETF trading, we added two venues (Jane Street and Flow Trader) for increased liquidity in ETFs.</p>

3.13 Close links, conflicts and common ownership

The Rules require us to provide you with a description of any close links, conflicts of interests, and common ownerships with respect to any execution venues used to execute Orders during the Reporting Period.

With one exception, there were no close links to any execution venues used to execute Orders during the Reporting Period and none are under common ownership. The one exception is that Currency Derivative (Swaps and Forwards) trades carried out up until 20th May 2017 were carried out with Citi affiliates.

Under the Rules, we are required to maintain and operate effective organisational and administrative arrangements with a view to taking all appropriate steps to identify, monitor, prevent or manage any conflicts of interest. We have put in place a policy to meet this obligation and refer you to your terms of business with us where you will find a summary of that policy and the key information required by clients to understand the measures we are taking to safeguard the interests of our clients.

3.14 Payments/Inducements

The Rules require us to provide you with a description of any specific arrangements with any execution venues regarding payments made or received, discounts, rebates or non-monetary benefits received during the Reporting Period:

3.14.1 Payments made

No special payment/pricing arrangements were made with any execution venues during the Reporting Period.

3.14.2 Discounts

We did not receive any discounts from any execution venues used in connection with discretionary Orders during the Reporting Period.

3.14.3 Rebates/Payments received

We did not receive rebates or other payments from any execution venues used in connection with discretionary Orders during the Reporting Period.

3.14.4 Non-monetary benefits

During the Reporting Period employees of the discretionary business attended conferences, seminars and other training events relating to financial instruments utilized in the discretionary portfolios and received hospitality (lunch and/or dinner) during these events.

In addition, employees of the discretionary business received and/or had access to investment research relating to financial instruments from brokers listed in Appendix 2 to the Order Execution Policy as well as brokers with whom no business was conducted. There was no explicit charge to us for the provision of, or access to, this research.

Further information on the above arrangements is available on request.

3.15 Do we treat retail and professional clients differently?

Under the Rules, we have to provide you with an explanation of how order execution differs according to client categorisation, where we treat categories of clients differently and where it may affect the order execution arrangements.

Whilst we have both retail and professional clients, we do not weight the execution factors differently based on client categorization. Orders are placed on an aggregated basis and executed as one block Order, irrespective of client categorization.

3.16 Were price and cost always given precedence for retail clients during the Reporting Period?

The Rules require us to provide you with an 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 during the Reporting Period.

In accordance with our Order Execution Policy, during the Reporting Period, the best possible result was determined for retail clients in terms of total consideration (price and all costs) meaning that we placed the highest emphasis on total consideration (meaning the price of the financial instrument and the costs of execution) including all expenses incurred by the client which are directly related to the execution of the Order, including execution venue fees, clearing and settlement fees and any other fees paid to third parties involved in the execution of the Order. The only exception to this was with respect to illiquid Bonds where it was sometimes necessary to place the highest priority on likelihood of execution, as set out in section 3.3.2(i).

3.17 How have we used any data or tools relating to the quality of execution, including any data published under Delegated Regulation (EU) 2017/575 ("RTS 27")?

The Rules require us to provide you with an explanation of how we have used any data or tools relating to the quality of execution, including any data published by execution venues under RTS 27. In summary, this data includes: (a) periodic information regarding the quality of execution of transactions on that execution venue (b) intra-day daily price streaming, (c) publication of costs, (d) publication of likelihood of execution.

The data to be published under RTS 27 is not available for the Reporting Period as execution venues are only required to capture the data from the implementation of MiFID II on 3 January 2018. We did not use any specific tool or the services of a third party provider to assess the quality of execution.

3.18 Use of output from Consolidated Tape Providers

The Rules require us to provide you, where applicable, with an explanation of how we have used the output of a CTP established under Article 65 of MiFID II. A CTP is a person authorized to provide the service of collecting trade reports for financial instruments from regulated markets, MTFs, OTFs and Approved Publication Arrangements and consolidating them into a continuous consolidated tape providing price and volume data per financial instrument. We did not use the output of a CTP during the Reporting Period as these outputs were not available during that time.

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