

LUTETIA CAPITAL

RTS 28 – Annual review 2019

Context

In application of Article 27 of the European Directive 2014/65/EU on financial instruments “MIFID II” and of the Commission Delegated Regulation of 8.6.2016, Lutetia Capital is required to publish a yearly report providing details of the top five execution venues in which Lutetia Capital executed client orders during 2019 in terms of trading volumes where we executed orders and information on the quality of execution obtained.

Lutetia Capital’s policy and measures for its financial intermediaries’ selection is available on its website : <http://www.lutetiacapital.com/en/regulatory-informations>.

1. Quantitative report: top execution venues

The European Securities and Market Authority imposes to enterprises offering financial services to publish on a yearly basis their top five execution venues for the orders traded for their clients. Lutetia Capital is complying with this obligation. Investment services clients being only professional clients, the below data only applies to this category of clients.

Exchange traded products (ETF)					
Notification if <1 average trade per business day in the previous year	YES				
Top five execution venues ranked in terms of trading volumes (descending orders)	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
Société Générale (SG CIB) RCS Paris : 552 120 222	100%	100%	100%	0%	N/A

LUTETIA CAPITAL

Bonds					
Notification if <1 average trade per business day in the previous year	YES				
Top five execution venues ranked in terms of trading volumes (descending orders)	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
Société Générale (SG CIB) RCS Paris : 552 120 222	100%	100%	0%	100%	N/A

Listed derivative instruments					
Notification if <1 average trade per business day in the previous year	YES				
Top five execution venues ranked in terms of trading volumes (descending orders)	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
Société Générale (SG CIB) RCS Paris : 552 120 222	100%	100%	100%	0%	N/A

Regarding investment services provided during year 2019, no other financial instrument has been traded.

2. Qualitative report

a) Relative importance the firm gave to the execution factors of price, costs, speed, likelihood of execution or any consideration including qualitative factors when assessing the quality of execution

In order to select and evaluate financial intermediaries (brokers), Lutetia is referring to the following criteria:

- Execution cost
- Best execution policy
- Availability
- Quality of execution

LUTETIA CAPITAL

- Post-trade (middle-office)
- Financial strength
- Reputation

Each of these criteria has been assigned with a coefficient which is a function of the importance of such criteria in the broker evaluation. Lutetia Capital is giving a specific importance to the cost and the quality of execution. Both criteria are evaluated by the portfolio managers and the head of risk.

In order to provide best execution to its clients, Lutetia Capital is relying on its experience and long-term relationships with brokers. Their service is continually assessed and compared to those of other brokers. Lutetia Capital considers that the quality of execution can also come from a relationship continuity. Therefore, the history and quality of the relationship with a broker are also considered in the brokers' selection.

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

There are no close links, conflicts of interests, and common ownerships with respect to any execution venues used to execute orders.

c) Specific arrangements with any execution venues regarding payments made or received, discounts, rebates or non-monetary benefits received

There are no specific arrangements with any execution venues regarding payments made or received, discounts, rebates or non-monetary benefits received.

d) 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

From the beginning of Lutetia's investment services, the list of financial intermediaries is rather stable. With regards to the previously quoted criteria, the performance of these brokers is satisfying according to the assessment of Lutetia's teams (portfolio management, middle-office, risk). Consequently, it has not led to a restriction or a modification. In 2019, in comparison to 2018's report, one financial intermediary is missing. This situation can be explained by the nature of the financial instruments traded, and not by the intermediary's lack of quality.

e) Explanation of how order execution differs according to client categorization, where the firm treats categories of clients differently and where it may affect the order execution arrangements

Lutetia only provides investment services to professional clients. For such clients, the best possible result will be determined primarily by the cost and the quality of execution, depending on the financial instrument.

f) 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 retail client

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Not applicable as Lutetia only provides investment services to professional clients.

g) Explanation of how the investment firm has used any data or tools relating to the quality of execution, including any data published under RTS 27

The data published by the financial intermediaries concerning the quality of the orders execution is used for the selection and the assessment of intermediaries. From 2019, Lutetia Capital includes in its best selection policy the analysis of RTS27 reports of its main brokers.