

## RTS 28 Quality of Execution Annual Report

### Davidson Kempner European Partners, LLP (“the Firm”) - 30<sup>th</sup> April 2018

#### Introduction

The recast Markets in Financial Instruments Directive and Regulation (together, “MiFID2”), and Regulatory Technical Standard (“RTS”) 28 ([Delegated Regulation \(EU\) 2017/576](#)), as implemented in the UK, require the Firm as a MiFID investment firm to publish on an annual basis:

- a list of their **top 5 execution venues** (including brokers) in terms of trading volumes for all executed client orders per class of **financial instruments** (reports are included in this report in accordance with requirements of RTS 28)<sup>1</sup>;
- a list of their **top 5 execution venues** (including brokers) in terms of trading volumes for all executed client orders in **securities financing transactions** per class of financial instruments (report is included in this report in accordance with requirements of RTS 28)<sup>2</sup>;
- for each class of financial instrument, a summary of the analysis and conclusions they draw from their monitoring of the **quality of execution** obtained on execution venues (including brokers) where they executed all client orders in the previous year<sup>3</sup>.

This quality of execution report must be published on the Firm’s website in an electronic format available for downloading by the public and should be kept in the public domain for a minimum period of two years.

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<sup>1</sup> Article 3(1) of [RTS 28](#)

<sup>2</sup> Article 3(2) of [RTS 28](#)

<sup>3</sup> Article 3(3) of [RTS 28](#)

**RTS 28 Quality of Execution Annual Report**

**Firm:** *Davidson Kempner European Partners, LLP (“the Firm”)*  
**Calendar Year Disclosure Period:** *1 January 2017 to 31 December 2017*  
**Date:** *30 April 2018*

**Summary of classes of instruments included in this report, and classes of instruments not included in this report (because the Firm has not executed client orders in that class of instruments):**

**The data for each financial instrument is contained at the back of this report.**

<b>Classes of instruments included in this report</b>	<b>Classes of instruments not included in this report</b>
<ul style="list-style-type: none"><li>Equities, Debt Instruments (Bonds), Credit Derivatives, Equity Derivatives, Structured Finance Instruments, Securitised Derivatives (Other Securitised Derivatives), Interest Rate Derivatives (Options and Futures admitted to trading on a trading venue), Contracts for Difference and Currency Derivatives.</li></ul>	<ul style="list-style-type: none"><li>Debt Instruments (Money Market Instruments), Securitised Derivatives (Warrants and Certificate Derivatives, Commodities Derivatives, Options and Futures admitted to trading on a trading venue and Other Commodities Derivatives), Interest Rate Derivatives (Swaps and other interest rate derivatives), Exchange Traded Products, Emission Allowances and Other Instruments- e.g. units in funds.</li></ul>

<b>Class of instrument</b>	<b>Equities – Indirect Execution</b>	
<b>General observations</b>	The results are largely in line with expectations. Areas of trading cover Merger Arbitrage, Equity Long/Short and some Convertible Bond hedging activity. Due to the lack of currently available and reliable tick size data the Firm has not split this analysis into the separate tick size liquidity bands for the purpose of this report.	
	<b>Summary of analysis</b>	<b>Conclusion</b>
<b>Execution factors</b>	<p>The relative importance of the execution factors was determined by the following execution criteria:</p> <ul style="list-style-type: none"> <li>• e.g. the characteristics of the Client, including the categorisation of the Client as professional;</li> <li>• the characteristics of the Client order, including where the order involves a securities financing transaction (“SFT”);</li> <li>• the characteristics of the financial instrument that are the subject of that order; and</li> <li>• the characteristics of the brokers and/or execution venues to which that order can be directed.</li> </ul>	The relative importance given to the execution factors for transactions for each strategy mentioned above was in line with the Firm’s Order Execution Policy.
<b>Close links, conflicts of interest and common ownership with respect to execution venues</b>	<p><b>Close links</b></p> <p>The Firm has no close links to report.</p>	<p><b>Close links</b></p> <p>N/A</p>
	<p><b>Conflicts of interest</b></p> <p>The Firm has no conflicts of interest to report.</p>	<p><b>Conflicts of interest</b></p> <p>N/A</p>
	<p><b>Common ownerships</b></p> <p>The Firm has no common ownership to report.</p>	<p><b>Common ownerships</b></p> <p>N/A</p>
<b>Specific arrangements with execution venues regarding payments made or received, discounts, rebates or non-monetary benefits received</b>	The Firm has no specific arrangements to report.	N/A

<b>Factors leading to a change in the list of execution venues listed in the Order Execution Policy</b>	<p>The list of brokers listed in the Firm's Order Execution Policy was reviewed as a result of analysis in relation to the implementation of MiFID 2.</p> <p>There were no changes to the list of execution venues/brokers in the Firm's Order Execution Policy.</p>	N/A
<b>Differentiation across client categories</b>	N/A - The Firm's client is a professional client	N/A
<b>Use of data / tools relating to quality of execution</b>	<p>The Firm has not used data and/or tools relating to quality of execution for the period relating to this report. However, for subsequent reports, the Firm has purchased the ability to use data and/or tools relating to quality of execution from an external vendor which it is in the process of implementing.</p>	N/A.
<b>Use of consolidated tape provider output</b>	<p>The Firm has not used output from consolidated tape providers for the period relating to this report as none were available during the period relating to this report. However, for subsequent reports, the Firm intends to use output from consolidated tape providers going forwards when it is available via its purchase of an external vendor tool to monitor quality of execution.</p>	N/A.

<b>Class of instrument</b>	<b>Contracts for Difference – Indirect Execution</b>	
<b>General observations</b>	The results are largely in line with expectations. Areas of trading cover Merger Arbitrage, Equity Long/Short and some Convertible Bond hedging activity. Transactions that are included within the CFD instrument class are often effected by DKEP seeking “indicative pricing” from an executing broker. If the indicative pricing is acceptable to DKEP, the executing broker then enters into a cash equity transaction with the relevant CFD counterparty and a corresponding CFD arises between the CFD/swap counterparty and the underlying fund or funds on whose behalf DKEP is acting. Although the pricing of the cash equities transaction influences the pricing of the related CFD/swap, DKEP has not included the indicative pricing activity conducted with executing brokers in the analysis of its top five execution venues above (or in the equities instrument class) because DKEP does not execute (or transmit or place orders that give rise to) such cash equities transactions. Instead, DKEP has, for the purposes of the CFD instrument class, counted only the CFD transactions to which the relevant funds are party (and has treated its involvement in effecting those transactions as a form of “direct” execution, with the consequence that it has categorised the relevant CFD counterparties as execution venues rather than brokers).	
	<b>Summary of analysis</b>	<b>Conclusion</b>
<b>Execution factors</b>	<p>The relative importance of the execution factors was determined by the following execution criteria:</p> <ul style="list-style-type: none"> <li>• e.g. the characteristics of the Client, including the categorisation of the Client as professional;</li> <li>• the characteristics of the Client order, including where the order involves a securities financing transaction (“SFT”);</li> <li>• the characteristics of the financial instrument that are the subject of that order; and</li> <li>• the characteristics of the brokers and/or execution venues to which that order can be directed.</li> </ul>	The relative importance, including the financing rate, given to the execution factors for transactions was in line with the Firm’s Order Execution Policy.
<b>Close links, conflicts of interest and common ownership with respect to execution venues</b>	<p><b>Close links</b></p> <p>The Firm has no close links to report.</p>	<p><b>Close links</b></p> <p>N/A</p>
	<p><b>Conflicts of interest</b></p> <p>The Firm has no conflicts of interest to report.</p>	<p><b>Conflicts of interest</b></p> <p>N/A</p>
	<p><b>Common ownerships</b></p> <p>The Firm has no common ownership to report.</p>	<p><b>Common ownerships</b></p> <p>N/A</p>

<p><b>Specific arrangements with execution venues regarding payments made or received, discounts, rebates or non-monetary benefits received</b></p>	<p>The Firm has no specific arrangements to report.</p>	<p>N/A</p>
<p><b>Factors leading to a change in the list of execution venues listed in the Order Execution Policy</b></p>	<p>The list of brokers listed in the Firm's Order Execution Policy was reviewed as a result of analysis in relation to the implementation of MiFID 2.</p> <p>There were no changes to the list of execution venues/brokers in the Firm's Order Execution Policy.</p>	<p>N/A</p>
<p><b>Differentiation across client categories</b></p>	<p>N/A - The Firm's client is a professional client</p>	<p>N/A</p>
<p><b>Use of data / tools relating to quality of execution</b></p>	<p>The Firm has not used data and/or tools relating to quality of execution for the period relating to this report. However, for subsequent reports, the Firm has purchased the ability to use data and/or tools relating to quality of execution from an external vendor which it is in the process of implementing.</p>	<p>N/A</p>
<p><b>Use of consolidated tape provider output</b></p>	<p>The Firm has not used output from consolidated tape providers for the period relating to this report as none were available during the period relating to this report. However, for subsequent reports, the Firm intends to use output from consolidated tape providers going forwards when it is available via its purchase of an external vendor tool to monitor quality of execution.</p>	<p>N/A</p>

<b>Class of instrument</b>	<b>Equity Derivatives – Direct Execution</b>	
	(i) Options and Futures admitted to trading on a trading venue (ii) Swaps and other equity derivatives	
<b>General observations</b>	The results are largely in line with expectations. Areas of trading cover Merger Arbitrage and Equity Long/Short. The volume of trading in this financial instrument is low averaging less than 1 transaction per business day in 2017.	
	<b>Summary of analysis</b>	<b>Conclusion</b>
<b>Execution factors</b>	<p>The relative importance of the execution factors was determined by the following execution criteria:</p> <ul style="list-style-type: none"> <li>• e.g. the characteristics of the Client, including the categorisation of the Client as professional;</li> <li>• the characteristics of the Client order, including where the order involves a securities financing transaction (“SFT”);</li> <li>• the characteristics of the financial instrument that are the subject of that order; and</li> <li>• the characteristics of the brokers and/or execution venues to which that order can be directed.</li> </ul>	The relative importance given to the execution factors for transactions for each strategy mentioned above was in line with the Firm’s Order Execution Policy.
<b>Close links, conflicts of interest and common ownership with respect to execution venues</b>	<p><b>Close links</b></p> <p>The Firm has no close links to report.</p>	<p><b>Close links</b></p> <p>N/A</p>
	<p><b>Conflicts of interest</b></p> <p>The Firm has no conflicts of interest to report.</p>	<p><b>Conflicts of interest</b></p> <p>N/A</p>
	<p><b>Common ownerships</b></p> <p>The Firm has no common ownership to report.</p>	<p><b>Common ownerships</b></p> <p>N/A</p>

<p><b>Specific arrangements with execution venues regarding payments made or received, discounts, rebates or non-monetary benefits received</b></p>	<p>The Firm has no specific arrangements to report.</p>	<p>N/A</p>
<p><b>Factors leading to a change in the list of execution venues listed in the Order Execution Policy</b></p>	<p>The list of execution venues listed in the Firm's Order Execution Policy was reviewed as a result of analysis in relation to the implementation of MiFID 2.</p> <p>There were no changes to the list of execution venues/brokers in the Firm's Order Execution Policy.</p>	<p>N/A</p>
<p><b>Differentiation across client categories</b></p>	<p>N/A - The Firm's client is a professional client</p>	<p>N/A</p>
<p><b>Use of data / tools relating to quality of execution</b></p>	<p>The Firm has not used data and/or tools relating to quality of execution for the period relating to this report. However, for subsequent reports, the Firm has purchased the ability to use data and/or tools relating to quality of execution from an external vendor which it is in the process of implementing.</p>	<p>N/A</p>
<p><b>Use of consolidated tape provider output</b></p>	<p>The Firm has not used output from consolidated tape providers for the period relating to this report as none were available during the period relating to this report. However, for subsequent reports, the Firm intends to use output from consolidated tape providers going forwards when it is available via its purchase of an external vendor tool to monitor quality of execution.</p>	<p>N/A</p>

<b>Class of instrument</b>	<b>Currency Derivatives – Direct Execution</b>	
	(i) Options and Futures admitted to trading on a trading venue (ii) Swaps and other equity derivatives	
<b>General observations</b>	The results are largely in line with expectations. This activity is primarily used to hedge market risk and covers all areas of trading conducted by the Firm.	
	<b>Summary of analysis</b>	<b>Conclusion</b>
<b>Execution factors</b>	<p>The relative importance of the execution factors was determined by the following execution criteria:</p> <ul style="list-style-type: none"> <li>• e.g. the characteristics of the Client, including the categorisation of the Client as professional;</li> <li>• the characteristics of the Client order, including where the order involves a securities financing transaction (“SFT”);</li> <li>• the characteristics of the financial instrument that are the subject of that order; and</li> <li>• the characteristics of the brokers and/or execution venues to which that order can be directed.</li> </ul>	The relative importance given to the execution factors for transactions for each strategy mentioned above was in line with the Firm’s Order Execution Policy.
<b>Close links, conflicts of interest and common ownership with respect to execution venues</b>	<p><b>Close links</b></p> <p>The Firm has no close links to report.</p>	<p><b>Close links</b></p> <p>N/A</p>
	<p><b>Conflicts of interest</b></p> <p>The Firm has no conflicts of interest to report.</p>	<p><b>Conflicts of interest</b></p> <p>N/A</p>
	<p><b>Common ownerships</b></p> <p>The Firm has no common ownership to report.</p>	<p><b>Common ownerships</b></p> <p>N/A</p>

<p><b>Specific arrangements with execution venues regarding payments made or received, discounts, rebates or non-monetary benefits received</b></p>	<p>The Firm has no specific arrangements to report.</p>	<p>N/A</p>
<p><b>Factors leading to a change in the list of execution venues listed in the Order Execution Policy</b></p>	<p>The list of execution venues listed in the Firm's Order Execution Policy is still in the process of being reviewed as a result of analysis in relation to the implementation of MiFID 2.</p>	<p>N/A</p>
<p><b>Differentiation across client categories</b></p>	<p>N/A - The Firm's client is a professional client</p>	<p>N/A</p>
<p><b>Use of data / tools relating to quality of execution</b></p>	<p>The Firm has not used data and/or tools relating to quality of execution for the period relating to this report. However, for subsequent reports, the Firm has purchased the ability to use data and/or tools relating to quality of execution from an external vendor which it is in the process of implementing.</p>	<p>N/A</p>
<p><b>Use of consolidated tape provider output</b></p>	<p>The Firm has not used output from consolidated tape providers for the period relating to this report as none were available during the period relating to this report. However, for subsequent reports, the Firm intends to use output from consolidated tape providers going forwards when it is available via its purchase of an external vendor tool to monitor quality of execution.</p>	<p>N/A</p>

<b>Class of instrument</b>	<b>Interest Rate Derivatives – Direct Execution</b>	
	(i) Options and Futures admitted to trading on a trading venue	
<b>General observations</b>	The results are largely in line with expectations. Areas of trading cover Convertible Bond arbitrage activity. The volume of transactions was low averaging less than 1 transaction per business day in 2017 for the above financial instrument.	
	<b>Summary of analysis</b>	<b>Conclusion</b>
<b>Execution factors</b>	<p>The relative importance of the execution factors was determined by the following execution criteria:</p> <ul style="list-style-type: none"> <li>• e.g. the characteristics of the Client, including the categorisation of the Client as professional;</li> <li>• the characteristics of the Client order, including where the order involves a securities financing transaction (“SFT”);</li> <li>• the characteristics of the financial instrument that are the subject of that order; and</li> <li>• the characteristics of the brokers and/or execution venues to which that order can be directed.</li> </ul>	The relative importance given to the execution factors for transactions for each strategy mentioned above was in line with the Firm’s Order Execution Policy. This financial instrument is primarily using for hedging activity.
<b>Close links, conflicts of interest and common ownership with respect to execution venues</b>	<p><b>Close links</b></p> <p>The Firm has no close links to report.</p>	<p><b>Close links</b></p> <p>N/A</p>
	<p><b>Conflicts of interest</b></p> <p>The Firm has no conflicts of interest to report.</p>	<p><b>Conflicts of interest</b></p> <p>N/A</p>
	<p><b>Common ownerships</b></p> <p>The Firm has no common ownership to report.</p>	<p><b>Common ownerships</b></p> <p>N/A</p>
<b>Specific arrangements with execution venues regarding payments made or received, discounts, rebates or non-monetary benefits received</b>	The Firm has no specific arrangements to report.	N/A

<b>Factors leading to a change in the list of execution venues listed in the Order Execution Policy</b>	<p>The list of execution venues listed in the Firm's Order Execution Policy was reviewed as a result of analysis in relation to the implementation of MiFID 2.</p> <p>There were no changes to the list of execution venues/brokers in the Firm's Order Execution Policy.</p>	N/A
<b>Differentiation across client categories</b>	N/A - The Firm's client is a professional client	N/A
<b>Use of data / tools relating to quality of execution</b>	<p>The Firm has not used data and/or tools relating to quality of execution for the period relating to this report. However, for subsequent reports, the Firm has purchased the ability to use data and/or tools relating to quality of execution from an external vendor which it is in the process of implementing.</p>	N/A
<b>Use of consolidated tape provider output</b>	<p>The Firm has not used output from consolidated tape providers for the period relating to this report as none were available during the period relating to this report. However, for subsequent reports, the Firm intends to use output from consolidated tape providers going forwards when it is available via its purchase of an external vendor tool to monitor quality of execution.</p>	N/A

<b>Class of instrument</b>	<b>Debt Instruments – Bonds – Direct Execution</b>	
<b>General observations</b>	The results are largely in line with expectations. Areas of trading primarily cover Distressed Investments and Convertible Bond activity.	
	<b>Summary of analysis</b>	<b>Conclusion</b>
<b>Execution factors</b>	<p>The relative importance of the execution factors was determined by the following execution criteria:</p> <ul style="list-style-type: none"> <li>• e.g. the characteristics of the Client, including the categorisation of the Client as professional;</li> <li>• the characteristics of the Client order, including where the order involves a securities financing transaction (“SFT”);</li> <li>• the characteristics of the financial instrument that are the subject of that order; and</li> <li>• the characteristics of the brokers and/or execution venues to which that order can be directed.</li> </ul>	The relative importance given to the execution factors for transactions for each strategy mentioned above was in line with the Firm’s Order Execution Policy.
<b>Close links, conflicts of interest and common ownership with respect to execution venues</b>	<p><b>Close links</b></p> <p>The Firm has no close links to report.</p>	<p><b>Close links</b></p> <p>N/A</p>
	<p><b>Conflicts of interest</b></p> <p>The Firm has no conflicts of interest to report.</p>	<p><b>Conflicts of interest</b></p> <p>N/A</p>
	<p><b>Common ownerships</b></p> <p>The Firm has no common ownership to report.</p>	<p><b>Common ownerships</b></p> <p>N/A</p>
<b>Specific arrangements with execution venues regarding payments made or received, discounts, rebates or non-monetary benefits received</b>	The Firm has no specific arrangements to report.	N/A

<b>Factors leading to a change in the list of execution venues listed in the Order Execution Policy</b>	<p>The list of execution venues listed in the Firm's Order Execution Policy was reviewed as a result of analysis in relation to the implementation of MiFID 2.</p> <p>There were no changes to the list of execution venues/brokers in the Firm's Order Execution Policy.</p>	N/A
<b>Differentiation across client categories</b>	N/A - The Firm's client is a professional client	N/A
<b>Use of data / tools relating to quality of execution</b>	<p>The Firm has not used data and/or tools relating to quality of execution for the period relating to this report. However, for subsequent reports, the Firm has purchased the ability to use data and/or tools relating to quality of execution from an external vendor which it is in the process of implementing.</p>	N/A
<b>Use of consolidated tape provider output</b>	<p>The Firm has not used output from consolidated tape providers for the period relating to this report as none were available during the period relating to this report. However, for subsequent reports, the Firm intends to use output from consolidated tape providers going forwards when it is available via its purchase of an external vendor tool to monitor quality of execution.</p>	N/A

<b>Class of instrument</b>	<b>Debt Instruments – Bonds – Indirect Execution</b>	
<b>General observations</b>	The results are largely in line with expectations. Areas of trading cover Distressed Trading activity.	
	<b>Summary of analysis</b>	<b>Conclusion</b>
<b>Execution factors</b>	<p>The relative importance of the execution factors was determined by the following execution criteria:</p> <ul style="list-style-type: none"> <li>• e.g. the characteristics of the Client, including the categorisation of the Client as professional;</li> <li>• the characteristics of the Client order, including where the order involves a securities financing transaction (“SFT”);</li> <li>• the characteristics of the financial instrument that are the subject of that order; and</li> <li>• the characteristics of the brokers and/or execution venues to which that order can be directed.</li> </ul>	The relative importance given to the execution factors for transactions for each strategy mentioned above was in line with the Firm’s Order Execution Policy as executed via an affiliate.
<b>Close links, conflicts of interest and common ownership with respect to execution venues</b>	<p><b>Close links</b></p> <p>The Firm has the following close links with -brokers that were used to execute orders:</p> <ul style="list-style-type: none"> <li>• Davidson Kempner Capital Management LP (“DKCM”) owns over 75% of the capital of the Firm.</li> </ul>	<p><b>Close links</b></p> <p>These close links did not influence the Firm’s selection of DKCM as a broker as the Firm followed its order execution and conflicts of interest policy.</p>
	<p><b>Conflicts of interest</b></p> <p>See close links section above</p>	<p><b>Conflicts of interest</b></p> <p>See close links section above</p>
	<p><b>Common ownerships</b></p> <p>See close links section above.</p>	<p><b>Common ownerships</b></p> <p>See close links section above</p>

<p><b>Specific arrangements with execution venues regarding payments made or received, discounts, rebates or non-monetary benefits received</b></p>	<p>The Firm has no specific arrangements to report.</p>	<p>N/A</p>
<p><b>Factors leading to a change in the list of execution venues listed in the Order Execution Policy</b></p>	<p>The list of brokers listed in the Firm's Order Execution Policy was reviewed as a result of analysis in relation to the implementation of MiFID 2.</p> <p>There were no changes to the list of execution venues/brokers in the Firm's Order Execution Policy.</p>	<p>N/A</p>
<p><b>Differentiation across client categories</b></p>	<p>N/A - The Firm's client is a professional client</p>	<p>N/A</p>
<p><b>Use of data / tools relating to quality of execution</b></p>	<p>The Firm has not used data and/or tools relating to quality of execution for the period relating to this report. However, for subsequent reports, the Firm has purchased the ability to use data and/or tools relating to quality of execution from an external vendor which it is in the process of implementing.</p>	<p>N/A</p>
<p><b>Use of consolidated tape provider output</b></p>	<p>The Firm has not used output from consolidated tape providers for the period relating to this report as none were available during the period relating to this report. However, for subsequent reports, the Firm intends to use output from consolidated tape providers going forwards when it is available via its purchase of an external vendor tool to monitor quality of execution.</p>	<p>N/A</p>

<b>Class of instrument</b>	<b>Credit Derivatives – Direct Execution</b> (i) Options and Futures admitted to trading on a trading venue (ii) Swaps and other equity derivatives <b>Structured Finance Instruments- Direct Execution</b> <b>Securitised Derivatives (Other securitised Derivatives)- Direct Execution</b>	
<b>General observations</b>	The results are largely in line with expectations. Areas of trading primarily cover Distressed Investments activity. The volume of transactions was low averaging less than 1 transaction per business day in 2017 in each of the above financial instruments.	
	<b>Summary of analysis</b>	<b>Conclusion</b>
<b>Execution factors</b>	The relative importance of the execution factors was determined by the following execution criteria: <ul style="list-style-type: none"> <li>• e.g. the characteristics of the Client, including the categorisation of the Client as professional;</li> <li>• the characteristics of the Client order, including where the order involves a securities financing transaction (“SFT”);</li> <li>• the characteristics of the financial instrument that are the subject of that order; and</li> <li>• the characteristics of the brokers and/or execution venues to which that order can be directed.</li> </ul>	The relative importance given to the execution factors for transactions for each strategy mentioned above was in line with the Firm’s Order Execution Policy.
<b>Close links, conflicts of interest and common ownership with respect to execution venues</b>	<b>Close links</b> The Firm has no close links to report	<b>Close links</b> N/A
	<b>Conflicts of interest</b> The Firm has no conflicts of interest to report.	<b>Conflicts of interest</b> N/A
	<b>Common ownerships</b> The Firm has no common ownership to report.	<b>Common ownerships</b> N/A

<p><b>Specific arrangements with execution venues regarding payments made or received, discounts, rebates or non-monetary benefits received</b></p>	<p>The Firm has no specific arrangements to report.</p>	<p>N/A</p>
<p><b>Factors leading to a change in the list of execution venues listed in the Order Execution Policy</b></p>	<p>The list of execution venues listed in the Firm's Order Execution Policy was reviewed as a result of analysis in relation to the implementation of MiFID 2.  There were no changes to the list of execution venues/brokers in the Firm's Order Execution Policy.</p>	<p>N/A</p>
<p><b>Differentiation across client categories</b></p>	<p>N/A - The Firm's client is a professional client</p>	<p>N/A</p>
<p><b>Use of data / tools relating to quality of execution</b></p>	<p>The Firm has not used data and/or tools relating to quality of execution for the period relating to this report. However, for subsequent reports, the Firm has purchased the ability to use data and/or tools relating to quality of execution from an external vendor which it is in the process of implementing.</p>	<p>N/A</p>
<p><b>Use of consolidated tape provider output</b></p>	<p>The Firm has not used output from consolidated tape providers for the period relating to this report as none were available during the period relating to this report. However, for subsequent reports, the Firm intends to use output from consolidated tape providers going forwards when it is available via its purchase of an external vendor tool to monitor quality of execution.</p>	<p>N/A</p>

<b>Class of instrument</b>	<b>Credit Derivatives (see below for instrument types) and Structured Finance Instruments – Indirect Execution</b>	
	(i) Options and Futures admitted to trading on a trading venue (ii) Swaps and other equity derivatives	
<b>General observations</b>	The results are largely in line with expectations. Areas of trading cover Distressed Trading activity. The volume of transactions was low averaging less than 1 transaction per business day in 2017.	
	<b>Summary of analysis</b>	<b>Conclusion</b>
<b>Execution factors</b>	<p>The relative importance of the execution factors was determined by the following execution criteria:</p> <ul style="list-style-type: none"> <li>e.g. the characteristics of the Client, including the categorisation of the Client as professional;</li> <li>the characteristics of the Client order, including where the order involves a securities financing transaction (“SFT”);</li> <li>the characteristics of the financial instrument that are the subject of that order; and</li> <li>the characteristics of the brokers and/or execution venues to which that order can be directed.</li> </ul>	The relative importance given to the execution factors for transactions for each strategy mentioned above was in line with the Firm’s Order Execution Policy as executed via an affiliate.
<b>Close links, conflicts of interest and common ownership with respect to execution venues</b>	<p><b>Close links</b></p> <p>The Firm has the following close links with execution venues/brokers that were used to execute orders:</p> <ul style="list-style-type: none"> <li>Davidson Kempner Capital Management LP (“DKCM”) owns over 75% of the capital of the Firm.</li> </ul>	<p><b>Close links</b></p> <p>These close links did not influence the Firm’s selection of DKCM as an execution venue as the Firm followed its order execution and conflicts of interest policy.</p>
	<p><b>Conflicts of interest</b></p> <p>See close links section above</p>	<p><b>Conflicts of interest</b></p> <p>See close links section above</p>
	<p><b>Common ownerships</b></p> <p>See close links section above.</p>	<p><b>Common ownerships</b></p> <p>See close links section above</p>

<p><b>Specific arrangements with execution venues regarding payments made or received, discounts, rebates or non-monetary benefits received</b></p>	<p>The Firm has no specific arrangements to report.</p>	<p>N/A</p>
<p><b>Factors leading to a change in the list of execution venues listed in the Order Execution Policy</b></p>	<p>The list of brokers listed in the Firm's Order Execution Policy was reviewed as a result of analysis in relation to the implementation of MiFID 2. The following factors led to such change:</p> <p>There were no changes to the list of execution venues/brokers in the Firm's Order Execution Policy.</p>	<p>N/A</p>
<p><b>Differentiation across client categories</b></p>	<p>N/A - The Firm's client is a professional client</p>	<p>N/A</p>
<p><b>Use of data / tools relating to quality of execution</b></p>	<p>The Firm has not used data and/or tools relating to quality of execution for the period relating to this report. However, for subsequent reports, the Firm has purchased the ability to use data and/or tools relating to quality of execution from an external vendor which it is in the process of implementing.</p>	<p>N/A</p>
<p><b>Use of consolidated tape provider output</b></p>	<p>The Firm has not used output from consolidated tape providers for the period relating to this report as none were available during the period relating to this report. However, for subsequent reports, the Firm intends to use output from consolidated tape providers going forwards when it is available via its purchase of an external vendor tool to monitor quality of execution.</p>	<p>N/A</p>