

Och-Ziff Management Europe Limited  
Annual RTS 28 Best Execution Disclosures - 2017



# Och-Ziff Management Europe Limited

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### Best Execution Obligation:

Och-Ziff Management Europe Limited (the “Firm”) is a member of the Och-Ziff Capital Management Group (the “Group”) and acts as a sub-investment manager to a number of the Group’s investment funds and managed accounts clients (“Clients”). The Firm is authorised and regulated by the Financial Conduct Authority (“FCA”) and is an investment firm subject to the requirements of the FCA Rules that implement the Markets in Financial Instruments Directive and Regulation (“MiFID II”) including the order execution rules under the Regulatory Technical Standard 28 (“RTS 28”).

In order to comply with the above obligations, the Firm must take all sufficient steps to obtain the best possible result for its Clients, taking into account the “execution factors” specified by MiFID II. It is the Firm’s policy that the Firm’s best execution obligations should be applied in a manner that takes into account the different circumstances associated with the execution of orders related to particular Instrument Classes (as defined in the “MiFID II Rules”). For each Instrument Class included in this report we have set out the relative importance of each execution factor, although this may vary depending on the characteristics of a specific order.

In addition, the Firm is required to summarise and make public on its website on an annual basis, for each class of financial instrument in which it has traded, the top five Execution Venues where it executes orders, and the top five Brokers to which it transmits orders for execution, in terms of trading volumes, in the preceding calendar year, including information on the quality of execution obtained. This information will be published annually on the Firm’s website by 30 April each year.

This is the Firm’s RTS 28 report for calendar year 2017, containing both quantitative and qualitative disclosures for each of the following Instrument Classes:

- Equities - Shares and Depositary Receipts: Tick size liquidity bands 5 and 6
- Equities - Shares and Depositary Receipts: Tick size liquidity bands 3 and 4
- Equities - Shares and Depositary Receipts: Tick size liquidity bands 1 and 2
- Debt Instruments: Bonds
- Debt Instruments: Money Market Instruments
- Credit Derivatives: Other Credit Derivatives
- Structured Finance Instruments
- Equity Derivatives: Options and Futures Admitted to Trading on a Trading Venue
- Equity Derivatives: Swaps and Other Equity Derivatives
- Securitized Derivatives: Warrants and Certificate Derivatives
- Exchange Traded Products (Exchange Traded Funds, Exchange Traded Notes and Exchange Traded Commodities)
- Other Instruments

Disclosures are not provided for the remaining Instrument Classes specified in Annex I to the Commission Delegated Regulation as the Firm did not execute trades in those Instrument Classes in 2017.

### Use of data / tools relating to quality of execution

The Firm’s Compliance Officer performs regular monitoring of the quality of execution of trades executed by the Firm. The Firm utilises both external and internal monitoring tools and data in evaluating whether best execution has been achieved, taking into account the relevant execution factors for a given trade(s). The Firm reviews its Order Execution Policy and its order execution arrangements at least annually and whenever a material change occurs that affects the Firm’s ability to continue to obtain the best possible result for its clients on a consistent basis, in accordance with the MiFID II Rules. During 2017, the Firm did not contract directly with any Consolidated Tape Provider but is able to access market pricing data from a variety of third party sources.

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### **Differentiation across client categories:**

The Firm gives effect to decisions to deal only on behalf of professional clients (as defined in the FCA Rules).

### **Close links, conflicts of interest and common ownership with respect to execution venues:**

The Firm may elect to route certain orders internally to trading desks within the Group in other geographical locations in order to achieve the best possible outcome for its Clients. Consequently the Firm has included certain Group entities within its top five brokers for certain Instrument Classes, as required by the MiFID II Rules. For 2017, the only relevant Group entity for these purposes is Oz Management LP.

The Firm has policies and procedures in place to identify and to prevent or manage conflicts of interest. In particular, employees or officers of the Firm may hold certain outside business interests, such as directorships, or shareholdings in service providers to the Group. The Firm has identified that such outside business interests or investments could cause a potential conflict of interest between the personal interest of the relevant Employee / director and the interests of the Group's Clients. The Group manages this potential conflict by maintaining and following a Code of Ethics Policy that requires employees and officers to obtain prior consent from Compliance for outside business interests or investments in service providers and to report all conflicts to Compliance. Compliance tracks all outside business interests and may put in place procedures specific to an employee in the event that there is a conflict.

### **Specific arrangements with execution venues regarding payments made or received, discounts, rebates or non-monetary benefits received:**

During 2017, and as permitted by the relevant regulations during this period, the Firm had Commission Sharing Agreements ("CSAs") in place with certain brokers under which Equity Transactions are effected at an agreed rate with the broker which includes an element for the costs of executing the trade and a proportion which is placed into a commission pool. The Firm may direct the counterparty to pay certain suppliers from this pool of surplus commission to remunerate providers of "permitted services" as defined by the FCA Rules. This is monitored by the Compliance Department.

The Firm also undertook equity trades where execution costs were "bundled" with the costs of research provision. The Firm is required to make a good faith attempt to value these services fairly and may only pay for services that are to the benefit of its clients and fall into the definition of permissible goods and services. The Firm believes that paying for services in this manner assists in the cost-effective provision of investment management services to the client and that these practices are consistent with practices in the markets in which it does business.

Other than as described above, the Firm does not have any specific arrangements with execution venues regarding payments made or received, discounts, rebates or non-monetary benefits received to report. Minor non-monetary benefits may be received from time to time in the form of gifts and entertainment between execution venues and the Firm's employees. However, the Firm has a Gift & Entertainment, Political Activity and Charitable Giving Policy that places limits on gifts and entertainment, and requires pre-approval and/or reporting of gifts and entertainment above specified thresholds. Compliance undertakes regular monitoring of this process and reviews the aggregate level of gifts and entertainment received by the Firm and its employees to prevent potential conflicts arising.

### **Factors leading to a change in the list of execution venues listed in the order execution policy:**

In order to ensure best execution, the Firm participates in the Group-wide Best Execution Committee. In addition, at the Firm level in the UK, the Firm's Compliance Officer chairs a sub-committee of the Best Execution Committee to evaluate the performance of the Firm's Executing Brokers and Execution Venues ("Best Execution Review"). The Firm's traders will monitor the market for new Executing Brokers and Execution Venues that should be onboarded to improve the Firm's order execution capabilities. Inactive Executing Brokers and Execution Venues (i.e. those with limited to no trading activity) and those that no longer enable it to obtain on a consistent basis the best possible results for its clients are removed. Once it becomes available, the Firm will include information provided under Regulatory Technical Standard 27 ("RTS 27") in its Best Execution Review. As part of its MiFID II implementation programme the Firm performed a review of its Executing Brokers and Execution Venues and went through a re-onboarding process to ensure that all required MiFID II documentation was updated.

### **Choosing Between Order Placement and Direct Execution**

Once the Firm has made a decision to deal in a financial instrument on behalf of a client, the relevant Trader will decide whether to place the order with a Broker or to attempt to execute the transaction directly. This decision will be made having regard to the relative importance of the execution factors for the Instrument Class in question. For some Instrument Classes, there will be no choice.

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### Equities - Shares and Depository Receipts: Tick size liquidity bands 5 and 6 (from 2,000 trades per day)

Non-Securities Financing Transactions						
Notification if < 1 average trade per business day in the previous year	No					
Top five BROKERS ranked in terms of trading volumes (descending order)		Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
Goldman Sachs International	W22LR0WP2IHZNBB6K528	30.99	3.11	N/A	N/A	N/A
Merrill Lynch International	GGDZP1UYGU9STUHRDP48	17.61	1.45	N/A	N/A	N/A
J.P. Morgan Securities PLC	K6Q0W1PS1L104IQL9C32	14.83	1.24	N/A	N/A	N/A
Morgan Stanley & Co. International PLC	4PQUHN3JPFGFNF3BB653	8.53	6	N/A	N/A	N/A
Joh. Berenberg, Gossler & Co. KG	529900UC20D7II24Z667	8	38.51	N/A	N/A	N/A

Securities Financing Transactions				
Notification if < 1 average trade per business day in the previous year	Yes			
Top five BROKERS 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	
Scotia Capital (USA) Inc.	549300BLWPABP1VNME36	23.31	12	
Barclays Capital Securities Limited	K9WDOH4D2PYBSLSOB484	22.1	12	
Credit Suisse Securities (Europe) Limited	DL6FFRRLF74S01HE2M14	21.17	28	
Jefferies International Limited	S5THZMDUJCTQZBTRVI98	10.86	4	
HSBC Bank PLC	MP6I5ZYZBEU3UXPYFY54	8.01	8	

### Execution Factors

Price and transaction cost will usually be the most important execution factors. In appropriate circumstances, the Trader may ascribe the most importance to an execution factor other than price/cost.

In 2017, the Firm executed transactions in this Instrument class solely via Brokers and did not trade directly with any Execution Venue.

In certain circumstances (for example within a convertible arbitrage strategy or certain credit strategies) a bond may be traded simultaneously with another instrument (most commonly with an equity or a benchmark bond) and with the same broker in order to ensure the optimal hedging result (these are commonly referred to as “package trades”). For such trades the Trader will seek to obtain the best possible result in respect of the overall package trade and select the most important execution factor accordingly.

Securities Financing Transactions (“SFTs”) involving equity underliers where the Firm is the borrower, certainty of execution (i.e. does the potential lender have access to the requisite amount of borrow) and likelihood of recall will usually be the most important factors, with transaction cost (i.e. the financing rate) and certainty of settlement (i.e. counterparty risk) being important secondary factors. The Trader will select the lender or lenders with a suitable credit profile that have access to the necessary inventory and are prepared to lend them at acceptable rates.

Based on the Firm’s best execution monitoring during 2017 (as described above under ‘Use of data / tools relating to quality of execution’), and taking into account the relevant execution factors for a given trade(s), the Firm is satisfied that it achieved best execution for this Instrument Class.

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### Equities - Shares and Depositary Receipts: Tick size liquidity bands 3 and 4 (from 80 to 1,999 trades per day)

Non-Securities Financing Transactions						
Notification if < 1 average trade per business day in the previous year		Yes				
Top five BROKERS ranked in terms of trading volumes (descending order)		Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
Morgan Stanley & Co. International PLC	4PQUHN3JPFGFNF3BB653	19.56	14.46	N/A	N/A	N/A
Redburn (Europe) Limited	213800PKEJQZQXQCOJ04	13.5	20.48	N/A	N/A	N/A
Sanford C. Bernstein Limited	54930049G8WQ500USD19	12.11	10.84	N/A	N/A	N/A
Goldman Sachs International	W22LROWP2IHZNBB6K528	9.25	3.61	N/A	N/A	N/A
Liquidnet Europe Limited	213800ZIRB79BE5XQM68	7.26	8.43	N/A	N/A	N/A

Securities Financing Transactions				
Notification if < 1 average trade per business day in the previous year		Yes		
Top five BROKERS 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	
Barclays Capital Securities Limited	K9WDOH4D2PYBSLSOB484		31.96	7.69
Goldman Sachs International	W22LROWP2IHZNBB6K528		18	7.69
Credit Suisse Securities (Europe) Limited	DL6FFRRLF74S01HE2M14		17.25	7.69
Morgan Stanley & Co. International PLC	4PQUHN3JPFGFNF3BB653		14.96	7.69
Merrill Lynch International	GGDZP1UYGU9STUHRDP48		4.35	7.69

### Execution Factors

For smaller orders, the Trader will on many occasions consider that price is the most important execution factor. Other execution factors are permitted to be taken into account at the discretion of the relevant Trader as is appropriate for the size and nature of the relevant order (and one or more of these other factors may displace price as the most important factor). In appropriate circumstances, the Trader may ascribe the most importance to an execution factor other than price/cost.

In 2017, the Firm executed transactions in this Instrument Class solely via Brokers and did not trade directly with any Execution Venue.

In certain circumstances (for example within a convertible arbitrage strategy or certain credit strategies) a bond may be traded simultaneously with another instrument (most commonly with an equity or a benchmark bond) and with the same broker in order to ensure the optimal hedging result (these are commonly referred to as “package trades”). For such trades the Trader will seek to obtain the best possible result in respect of the overall package trade and select the most important execution factor accordingly.

SFTs involving equity underliers where the Firm is the borrower, certainty of execution (i.e. does the potential lender have access to the requisite amount of borrow) and likelihood of recall will usually be the most important factors, with transaction cost (i.e. the financing rate) and certainty of settlement (i.e. counterparty risk) being important secondary factors. The Trader will select the lender or lenders with a suitable credit profile that have access to the necessary inventory and are prepared to lend them at acceptable rates.

Based on the Firm’s best execution monitoring during 2017 (as described above under ‘Use of data / tools relating to quality of execution’), and taking into account the relevant execution factors for a given trade(s), the Firm is satisfied that it achieved best execution for this Instrument Class.

**Equities - Shares and Depositary Receipts: Tick size liquidity bands 1 and 2 (from 0 to 79 trades per day)**

Non-Securities Financing Transactions						
Notification if < 1 average trade per business day in the previous year		Yes				
Top five BROKERS ranked in terms of trading volumes (descending order)		Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
OZ Management LP	HL5S0Q35D58KLZHEX572	84.44	47.93	N/A	N/A	N/A
Nomura International (Hong Kong) Limited	549300228WV14OKZYD84	4.99	2.48	N/A	N/A	N/A
Makor Securities London Ltd	549300IQTTC8XXQ6C338	2.9	14.88	N/A	N/A	N/A
Citigroup Global Markets Limited	XKZZ2JZF41MRHTR1V493	2.49	0.83	N/A	N/A	N/A
Louis Capital Markets UK LLP	213800KL2QZT2GQMQQ34	1.51	5.79	N/A	N/A	N/A

**Execution Factors**

Depending on the available liquidity, for smaller orders, the Trader will on many occasions consider that price is the most important execution factor. Other execution factors are permitted to be taken into account at the discretion of the relevant Trader as is appropriate for the size and nature of the relevant order (and one or more of these other factors may displace price as the most important factor). Relative to the other two equity liquidity bands, the Trader may be more likely to ascribe the most importance to an execution factor other than price/cost to transactions falling within this liquidity band.

In 2017, the Firm executed transactions in this Instrument Class solely via Brokers and did not trade directly with any Execution Venue. The Firm did not execute any SFTs in this Instrument Class during 2017.

In certain circumstances (for example within a convertible arbitrage strategy or certain credit strategies) a bond may be traded simultaneously with another instrument (most commonly with an equity or a benchmark bond) and with the same broker in order to ensure the optimal hedging result (these are commonly referred to as “package trades”). For such trades the Trader will seek to obtain the best possible result in respect of the overall package trade and select the most important execution factor accordingly.

Based on the Firm’s best execution monitoring during 2017 (as described above under ‘Use of data / tools relating to quality of execution’), and taking into account the relevant execution factors for a given trade(s), the Firm is satisfied that it achieved best execution for this Instrument Class.

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### Debt Instruments: Bonds

Non-Securities Financing Transactions						
Notification if < 1 average trade per business day in the previous year		No				
Top five BROKERS ranked in terms of trading volumes (descending order)		Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
Merrill Lynch International	GGDZP1UYGU9STUHRDP48	11.81	4.3	N/A	N/A	N/A
Goldman Sachs International	W22LROWP2IHZNBB6K528	9.45	6.74	N/A	N/A	N/A
J.P. Morgan Securities PLC	K6Q0W1PS1L1041QL9C32	8.82	7.65	N/A	N/A	N/A
Deutsche Bank Aktiengesellschaft	7LTFWFZYICNSX8D621K86	8.1	7.38	N/A	N/A	N/A
Citigroup Global Markets Limited	XKZZZJZF41MRHTR1V493	7.68	8.18	N/A	N/A	N/A

Non-Securities Financing Transactions						
Notification if < 1 average trade per business day in the previous year		Yes				
Top five VENUES ranked in terms of trading volumes (descending order)		Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
Morgan Stanley & Co. International PLC	4PQUHN3JPFQFN3BB653	44.42	33.33	N/A	N/A	N/A
UniCredit Bank AG	2ZCNRR8UK830BTEK2170	33.32	33.33	N/A	N/A	N/A
Citigroup Global Markets Limited	XKZZZJZF41MRHTR1V493	11.32	16.67	N/A	N/A	N/A
UBS Limited	REYPIEJN7XZHSUI0N355	10.94	16.67	N/A	N/A	N/A
-	-	-	-	-	-	-

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Securities Financing Transactions			
Notification if < 1 average trade per business day in the previous year	Yes		
Top five BROKERS 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
BNP Paribas	R0MUWSFPU8MPRO8K5P83	33.35	20.59
Société Générale SA	O2RNE8IBXP4R0TD8PU41	21.64	29.41
Scotia Capital (USA) Inc.	549300BLWPABP1VNME36	17.17	23.53
Citigroup Global Markets Limited	XKZZ2JZF41MRHTR1V493	10.69	5.88
Merrill Lynch International	GGDZP1UYGU9STUHRDP48	10.22	11.76

### Execution Factors

Certainty of execution (i.e. availability of liquidity) will often be the most important execution factor, with price and minimisation of market impact as important secondary considerations. In certain circumstances there may be very limited sources of liquidity for the bonds where there may, in effect, be no or little choice of Execution Venue.

In certain circumstances (for example within a convertible arbitrage strategy or certain credit strategies) a bond may be traded simultaneously with another instrument (most commonly with an equity or a benchmark bond) and with the same broker in order to ensure the optimal hedging result (these are commonly referred to as “package trades”). For such trades the Trader will seek to obtain the best possible result in respect of the overall package trade and select the most important execution factor accordingly.

In 2017, the Firm did not execute any SFTs directly with Trading Venues.

For SFTs involving bond underliers (such as repos) where the Firm is the borrower, certainty of execution (i.e. does the potential lender have access to the requisite amount of borrow), and likelihood of recall will usually be the most important factors, with transaction cost (i.e. the financing rate) and certainty of settlement (i.e. counterparty risk) being important secondary factors. The Trader will select the lender or lenders with a suitable credit profile that have access to the necessary inventory and are prepared to lend to them at acceptable rates. For SFTs involving bond underliers (such as repos) where the Firm is the lender, transaction cost (i.e. the financing rate) will usually be the most important factor, with certainty of settlement (i.e. counterparty risk) being an important secondary factor.

Based on the Firm’s best execution monitoring during 2017 (as described above under ‘Use of data / tools relating to quality of execution’), and taking into account the relevant execution factors for a given trade(s), the Firm is satisfied that it achieved best execution for this Instrument Class.

## Debt Instruments: Money Market Instruments

Non-Securities Financing Transactions						
Notification if < 1 average trade per business day in the previous year	Yes					
Top five BROKERS ranked in terms of trading volumes (descending order)		Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
Morgan Stanley & Co. International PLC	4PQUHN3JPFQFNF3BB653	54.81	50	N/A	N/A	N/A
Goldman Sachs International	W22LROWP2IHZNBB6K528	45.19	50	N/A	N/A	N/A
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-

## Execution Factors

Certainty of execution (i.e. availability of liquidity) will often be the most important execution factor, with price and minimisation of market impact as important secondary considerations. In certain circumstances there may be very limited sources of liquidity for the money market instruments where there may, in effect, be no or little choice of Execution Venue.

In 2017, the Firm executed transactions in this Instrument Class solely via Brokers and did not trade directly with any Execution Venue. The Firm did not execute any SFTs in this Instrument Class during 2017.

Based on the Firm's best execution monitoring during 2017 (as described above under 'Use of data / tools relating to quality of execution'), and taking into account the relevant execution factors for a given trade(s), the Firm is satisfied that it achieved best execution for this Instrument Class. In particular, the Firm is satisfied that best execution was achieved using only two brokers given the low volume of trades executed in this Instrument Class.

### Credit Derivatives: Other Credit Derivatives

Non-Securities Financing Transactions						
Notification if < 1 average trade per business day in the previous year		Yes				
Top five BROKERS ranked in terms of trading volumes (descending order)		Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
BNP Paribas	R0MUWSFPU8MPRO8K5P83	59.99	24	N/A	N/A	N/A
Deutsche Bank Aktiengesellschaft	7LTWFZYICNSX8D621K86	19.79	30	N/A	N/A	N/A
Merrill Lynch International	GGDZP1UYGU9STUHRDP48	6.99	16	N/A	N/A	N/A
OZ Management LP	HL5S0Q35D58KLZHEX572	5.69	4	N/A	N/A	N/A
JPMorgan Chase Bank, National Association	7H6GLXDRUGQFU57RNE97	3.24	6	N/A	N/A	N/A

Non-Securities Financing Transactions						
Notification if < 1 average trade per business day in the previous year		No				
Top five VENUES ranked in terms of trading volumes (descending order)		Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
The Bank of Nova Scotia	L3I9ZG2KFGXZ61BMYR72	24.01	19.75	N/A	N/A	N/A
Société Générale SA	O2RNE8IBXP4R0TD8PU41	23.78	28.26	N/A	N/A	N/A
BNP Paribas	R0MUWSFPU8MPRO8K5P83	18.35	15.29	N/A	N/A	N/A
Deutsche Bank Aktiengesellschaft	7LTWFZYICNSX8D621K86	9	6.21	N/A	N/A	N/A
Merrill Lynch International	GGDZP1UYGU9STUHRDP48	8.26	12.18	N/A	N/A	N/A

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Securities Financing Transactions			
Notification if < 1 average trade per business day in the previous year		Yes	
Top five BROKERS 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
Société Générale SA	O2RNE8IBXP4R0TD8PU41	33.63	39.39
BNP Paribas	R0MUWSFPU8MPRO8K5P83	26.7	21.21
UBS AG	BFM8T61CT2L1QCEMIK50	24.6	15.15
Merrill Lynch International	GGDZP1UYGU9STUHRDP48	9.81	15.15
Deutsche Bank Aktiengesellschaft	7LTFWZYICNSX8D621K86	5.26	9.09

Securities Financing Transactions			
Notification if < 1 average trade per business day in the previous year		Yes	
Top five 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
The Bank of Nova Scotia	L3I9ZG2KFGXZ61BMYR72	44.75	69.23
Citibank, National Association	E570DZWZ7FF32TWEFA76	43.03	23.08
Deutsche Bank Aktiengesellschaft	7LTFWZYICNSX8D621K86	12.22	7.69
-	-	-	-
-	-	-	-

### Execution Factors

For transactions in OTC derivatives, the Trader will on many occasions consider that price (including costs) is the most important factor. Other execution factors can be taken into account at the discretion of the relevant Trader as is appropriate for the size and nature of the relevant order.

SFTs involving credit underliers where the Firm is the borrower, certainty of execution (i.e. does the potential lender have access to the requisite amount of borrow) and likelihood of recall will usually be the most important factors, with transaction cost (i.e. the financing rate) and certainty of settlement (i.e. counterparty risk) being important secondary factors. The Trader will select the lender or lenders with a suitable credit profile that have access to the necessary inventory and are prepared to lend them at acceptable rates.

Based on the Firm's best execution monitoring during 2017 (as described above under 'Use of data / tools relating to quality of execution'), and taking into account the relevant execution factors for a given trade(s), the Firm is satisfied that it achieved best execution for this Instrument Class.

## Structured Finance Instruments

Non-Securities Financing Transactions						
Notification if < 1 average trade per business day in the previous year		Yes				
Top five BROKERS ranked in terms of trading volumes (descending order)		Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
Goldman Sachs International	W22LROWP2IHZNBB6K528	38.64	31.82	N/A	N/A	N/A
Morgan Stanley & Co. International PLC	4PQUHN3JPFQFN3BB653	36.9	40.91	N/A	N/A	N/A
Citigroup Global Markets Limited	XKZZ2JZF41MRHTR1V493	8.68	7.58	N/A	N/A	N/A
Deutsche Bank Aktiengesellschaft	7LTFWFZYICNSX8D621K86	5.15	6.06	N/A	N/A	N/A
Wells Fargo Securities International Limited	BWS7DNS2Z4NPKPNYKL75	4.93	6.06	N/A	N/A	N/A

## Execution Factors

Certainty of execution (i.e. availability of liquidity) will often be the most important execution factor, with price and minimisation of market impact as important secondary considerations. In certain circumstances there may be very limited sources of liquidity for the bonds where there may, in effect, be no or little choice of Execution Venue.

In 2017, the Firm executed transactions in this Instrument Class solely via Brokers and did not trade directly with any Execution Venue. The Firm did not execute any SFTs in this Instrument Class during 2017.

Based on the Firm's best execution monitoring during 2017 (as described above under 'Use of data / tools relating to quality of execution'), and taking into account the relevant execution factors for a given trade(s), the Firm is satisfied that it achieved best execution for this Instrument Class.

## Equity Derivatives: Options and Futures Admitted to Trading on a Trading Venue

Non-Securities Financing Transactions						
Notification if < 1 average trade per business day in the previous year		No				
Top five BROKERS ranked in terms of trading volumes (descending order)		Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
Morgan Stanley & Co. International PLC	4PQUHN3JPFQFN3BB653	57.2	26.63	N/A	N/A	N/A
Merrill Lynch International	GGDZP1UYGU9STUHRDP48	36.05	25.82	N/A	N/A	N/A
UBS AG	BFM8T61CT2L1QCEMIK50	2.79	1.9	N/A	N/A	N/A
Cantor Fitzgerald Europe	549300KM6VUHPKQLQX53	1.58	17.66	N/A	N/A	N/A
Credit Suisse Securities (Europe) Limited	DL6FFRRLF74S01HE2M14	1.1	0.54	N/A	N/A	N/A

### Execution Factors

The Trader will on many occasions consider that price is the most important execution factor. Other execution factors are permitted to be taken into account at the discretion of the relevant Trader as is appropriate for the size and nature of the relevant order (and one or more of these other factors may displace price as the most important factor).

In 2017, the Firm executed transactions in this Instrument Class solely via Brokers and did not trade directly with any Execution Venue. The Firm did not execute any SFTs in this Instrument Class during 2017.

Based on the Firm's best execution monitoring during 2017 (as described above under 'Use of data / tools relating to quality of execution'), and taking into account the relevant execution factors for a given trade(s), the Firm is satisfied that it achieved best execution for this Instrument Class.

# Och-Ziff Management Europe Limited

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### Equity Derivatives: Swaps and Other Equity Derivatives

Non-Securities Financing Transactions						
Notification if < 1 average trade per business day in the previous year		No				
Top five BROKERS ranked in terms of trading volumes (descending order)		Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
Morgan Stanley Capital Services LLC	I7331LVCZKQKX5T7XV54	27.85	24.58	N/A	N/A	N/A
Merrill Lynch International	GGDZP1UYGU9STUHRDP48	17.66	12.78	N/A	N/A	N/A
Credit Suisse International	E58DKGMJYYYJLN8C3868	15.96	9.02	N/A	N/A	N/A
JPMorgan Chase Bank, National Association	7H6GLXDRUGQFU57RNE97	11.36	9.71	N/A	N/A	N/A
Deutsche Bank Aktiengesellschaft	7LTFWFZYICNSX8D621K86	5.63	10.6	N/A	N/A	N/A

Non-Securities Financing Transactions						
Notification if < 1 average trade per business day in the previous year		No				
Top five VENUES ranked in terms of trading volumes (descending order)		Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
JPMorgan Chase Bank, National Association	7H6GLXDRUGQFU57RNE97	15.35	14.61	N/A	N/A	N/A
Credit Suisse Securities (Europe) Limited	DL6FFRRLF74S01HE2M14	11.24	13.73	N/A	N/A	N/A
HSBC Bank PLC	MP6I5ZYZBEU3UXPYFY54	10.85	7.46	N/A	N/A	N/A
Goldman Sachs International	W22LROWP2IHZNBB6K528	10.79	8.5	N/A	N/A	N/A
UBS AG	BFM8T61CT2L1QCEMIK50	10.43	9.45	N/A	N/A	N/A

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Securities Financing Transactions			
Notification if < 1 average trade per business day in the previous year		No	
Top five BROKERS 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
JPMorgan Chase Bank, National Association	7H6GLXDRUGQFU57RNE97	20.24	16.44
HSBC Bank PLC	MP6I5ZYZBEU3UXPYFY54	17.34	10.99
Deutsche Bank Aktiengesellschaft	7LTFWFZYICNSX8D621K86	13.38	8.09
Société Générale SA	O2RNE8IBXP4R0TD8PU41	10.57	14.57
Goldman Sachs International	W22LROWP2IHZNBB6K528	8.8	9.03

Securities Financing Transactions			
Notification if < 1 average trade per business day in the previous year		Yes	
Top five 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
Citibank, National Association	E570DZWZ7FF32TWEFA76	47.35	53.62
The Bank of Nova Scotia	L3I9ZG2KFGXZ61BMYR72	33.11	29.71
JPMorgan Chase Bank, National Association	7H6GLXDRUGQFU57RNE97	14.38	2.9
Morgan Stanley Capital Services LLC	I7331LVCZKQKX5T7XV54	1.65	1.45
Société Générale SA	O2RNE8IBXP4R0TD8PU41	1.46	2.9

### Execution Factors

For transactions in OTC derivatives, the Trader will on many occasions consider that price (including costs) is the most important factor. Other execution factors can be taken into account at the discretion of the relevant Trader as is appropriate for the size and nature of the relevant order.

SFTs involving equity underliers where the Firm is the borrower, certainty of execution (i.e. does the potential lender have access to the requisite amount of borrow) and likelihood of recall will usually be the most important factors, with transaction cost (i.e. the financing rate) and certainty of settlement (i.e. counterparty risk) being important secondary factors. The Trader will select the lender or lenders with a suitable credit profile that have access to the necessary inventory and are prepared to lend them at acceptable rates.

Based on the Firm's best execution monitoring during 2017 (as described above under 'Use of data / tools relating to quality of execution'), and taking into account the relevant execution factors for a given trade(s), the Firm is satisfied that it achieved best execution for this Instrument Class.

## Securitized Derivatives: Warrants and Certificate Derivatives

Non-Securities Financing Transactions						
Notification if < 1 average trade per business day in the previous year		Yes				
Top five BROKERS ranked in terms of trading volumes (descending order)		Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
J.P. Morgan Securities PLC	K6Q0W1PS1L104IQL9C32	99.36	33.33	N/A	N/A	N/A
Merrill Lynch International	GGDZP1UYGU9STUHRDP48	0.64	66.67	N/A	N/A	N/A
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-

## Execution Factors

For smaller orders, the Trader will on many occasions consider that price is the most important execution factor. Other execution factors are permitted to be taken into account at the discretion of the relevant Trader as is appropriate for the size and nature of the relevant order (and one or more of these other factors may displace price as the most important factor).

In 2017, the Firm executed transactions in this Instrument Class solely via Brokers and did not trade directly with any Execution Venue. The Firm did not execute any SFTs in this Instrument Class during 2017.

Based on the Firm's best execution monitoring during 2017 (as described above under 'Use of data / tools relating to quality of execution'), and taking into account the relevant execution factors for a given trade(s), the Firm is satisfied that it achieved best execution for this Instrument Class. In particular, the Firm is satisfied that best execution was achieved using only two brokers given the low volume of trades executed in this Instrument Class.

## Exchange Traded Products (Exchange Traded Funds, Exchange Traded Notes and Exchange Traded Commodities)

Non-Securities Financing Transactions						
Notification if < 1 average trade per business day in the previous year	Yes					
Top five BROKERS ranked in terms of trading volumes (descending order)		Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
OZ Management LP	HL5S0Q35D58KLZHEX572	100	100	N/A	N/A	N/A
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-

### Execution Factors

The Trader will on many occasions consider that price is the most important execution factor. Other execution factors are permitted to be taken into account at the discretion of the relevant Trader as is appropriate for the size and nature of the relevant order (and one or more of these other factors may displace price as the most important factor).

In 2017, the Firm executed transactions in this Instrument Class solely via Brokers and did not trade directly with any Execution Venue. The Firm did not execute any SFTs in this Instrument Class during 2017.

Based on the Firm's best execution monitoring during 2017 (as described above under 'Use of data / tools relating to quality of execution'), and taking into account the relevant execution factors for a given trade(s), the Firm is satisfied that it achieved best execution for this Instrument Class. In particular, the Firm is satisfied that best execution was achieved by routing all orders in this Instrument Class to its affiliate, OZ Management LP. As described above (under section 'Close links, conflicts of interest and common ownership with respect to execution venues'), the Firm may elect to route certain orders internally to the Group's trading desks in another geographical location in order to achieve the best possible outcome for its clients. The Firm is satisfied that OZ Management LP maintains an execution policy sufficient to achieve best execution for the end clients.

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### Other Instruments

Non-Securities Financing Transactions						
Notification if < 1 average trade per business day in the previous year		Yes				
Top five BROKERS ranked in terms of trading volumes (descending order)		Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
Goldman Sachs International	W22LROWP2IHZNBB6K528	63.7	33.33	N/A	N/A	N/A
Merrill Lynch International	GGDZP1UYGU9STUHRDP48	36.28	50	N/A	N/A	N/A
Morgan Stanley & Co. International PLC	4PQUHN3JPFGFNF3BB653	0.02	16.67	N/A	N/A	N/A
-	-	-	-	N/A	N/A	N/A
-	-	-	-	-	-	-

Non-Securities Financing Transactions						
Notification if < 1 average trade per business day in the previous year		Yes				
Top five VENUES ranked in terms of trading volumes (descending order)		Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
Deutsche Bank Aktiengesellschaft	7LTFWZYICNSX8D621K86	29.93	12.94	N/A	N/A	N/A
BNP Paribas	R0MUWSFPU8MPRO8K5P83	29.9	9.41	N/A	N/A	N/A
Merrill Lynch International	GGDZP1UYGU9STUHRDP48	19.95	14.12	N/A	N/A	N/A
Société Générale SA	O2RNE8IBXP4R0TD8PU41	10.11	37.65	N/A	N/A	N/A
Citibank, National Association	E570DZWZ7FF32TWEFA76	9.99	12.94	N/A	N/A	N/A

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Securities Financing Transactions			
Notification if < 1 average trade per business day in the previous year		Yes	
Top five BROKERS 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
JPMorgan Chase Bank, National Association	7H6GLXDRUGQFU57RNE97	59.71	33.33
Deutsche Bank Aktiengesellschaft	7LTFWFZYICNSX8D621K86	40.29	66.67
-	-	-	-
-	-	-	-
-	-	-	-

Securities Financing Transactions			
Notification if < 1 average trade per business day in the previous year		Yes	
Top five 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
Citibank, National Association	E570DZWZ7FF32TWEFA76	100	100
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-

### Execution Factors

The relative importance of execution factors will depend on the specific nature of the instrument being traded in each instance. Based on the Firm's best execution monitoring during 2017 (as described above under 'Use of data / tools relating to quality of execution'), and taking into account the relevant execution factors for a given trade(s), the Firm is satisfied that it achieved best execution for this Instrument Class.