

## 2019 full year execution summary

### Introduction

Pareto Securities AS is the market facing entity of the Pareto Securities group and this report pertains to the group as a whole.

Reference is made to Pareto Securities' order execution policy. Pareto Securities does not internalise on a substantial basis or in any frequent and systematic way. Any interposition of an internal Pareto-account between any number of buyers and sellers is a practical measure almost exclusively concerned with the correct booking and reporting of trades. Only occasionally will Pareto Securities provide liquidity to the market by taking on market risk; Pareto Securities does not contrive to act as a venue.

### Equities

When executing orders we are required to take all sufficient measures to achieve the best possible result for our clients, assessing this effort on the fulfilment of relevant execution factors, and where the degree of these factors' relevance may vary on the circumstances.

The overarching principle in our execution is to be connected to the most relevant venues, hereunder conditional venues, in our effort to source the most liquidity at the best price. Our electronic venue selection is based on liquidity capture, not on trading costs such as venue fees. Inducements to preference venues are not accepted by us either.

It is on this backdrop we publish reports according to regulated technical standard 28 and MiFIR Article 65.6. In order to enable the public to evaluate the quality of the manner in which we execute client equity orders, we summarise our execution activity in the twelve tables below.

Separately for professional and retail client equity order flow, we list the top five execution venues and executing brokers, respectively. We do this even though we do not discriminate based on client classification when executing client orders.

We distinguish between stocks by degree of liquidity and present the data grouped into equity sub-asset classes i to iii based on average daily number of trades.

#### Professional clients – equity sub-asset class iii (top 5 venues – most illiquid names)

Class of Instrument	Equity sub-asset class iii (ADT ≤ 79)				
Notification if <1 average trade per business day in the previous year	N				
Top five execution venues ranked in terms of trading volumes (descending order)	Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
XSTO	47	53	44	56	0
XOSL	25	28	50	50	0
SSME	13	3	48	52	0
AKT	2	5	na	na	0
FNSE	1	3	44	56	0

### Professional clients – equity sub-asset class ii (top 5 venues – illiquid names)

Class of Instrument		Equity sub-asset class ii (80 ≤ ADT ≤ 1999)				
Notification if <1 average trade per business day in the previous year		N				
Top five execution venues ranked in terms of trading volumes (descending order)	Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders	
XSTO	47	47	34	66	0	
XOSL	25	26	50	50	0	
SSME	13	3	38	62	0	
XNGM	5	4	na	na	0	
MERK	3	1	0	100	0	

### Professional clients – equity sub-asset class i (top 5 venues – liquid names)

Class of Instrument		Equity sub-asset class i (2000 ≤ ADT)				
Notification if <1 average trade per business day in the previous year		N				
Top five execution venues ranked in terms of trading volumes (descending order)	Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders	
XOSL	37	30	53	47	0	
XSTO	32	30	53	47	0	
CHIX	9	17	47	53	0	
AQXE	3	4	4	96	0	
XHEL	2	1	45	55	0	

### Retail clients – equity sub-asset class iii (top 5 venues – most illiquid names)

Class of Instrument		Equity sub-asset class: Liquidity band iii				
Notification if <1 average trade per business day in the previous year		N				
Top five execution venues ranked in terms of trading volumes (descending order)	Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders	
XOSL	43	50	43	57	0	
XSTO	23	30	27	73	0	
XNGM	18	4.5	na	na	0	
XSAT	6	3	na	na	0	
AIMX	2	1	na	na	0	

### Retail clients – equity sub-asset class ii (top 5 venues – illiquid names)

Class of Instrument		Equity sub-asset class: Liquidity band ii				
Notification if <1 average trade per business day in the previous year		N				
Top five execution venues ranked in terms of trading volumes (descending order)	Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders	
XOSL	72	60	48	52	0	
XSTO	18	20	54	46	0	
FNSE	1	1	52	48	0	
XSAT	1	1	na	na	0	
CHIX	0.6	1	74	26	0	

### Retail clients – equity sub-asset class i (top 5 venues – liquid names)

Class of Instrument		Equity sub-asset class: Liquidity band i				
Notification if <1 average trade per business day in the previous year		N				
Top five execution venues ranked in terms of trading volumes (descending order)	Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders	
XOSL	43	48	52	48	0	
XSTO	21	14	48	52	0	
CHIX	10	19	55	45	0	
AQXE	3	3	3	97	0	
BATE	2	5	5	95	0	

### Professional clients – equity sub-asset class iii (top 5 brokers – most illiquid names)

Class of Instrument	Equity sub-asset class iii (ADT ≤ 79)				
Notification if <1 average trade per business day in the previous year	N				
Top five execution venues ranked in terms of trading volumes (descending order)	Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
VIRTU 549300541SMIODVIT266	11	12	54	46	0
INSTINET 213800MXAKR2LA1VBM44	3	8	44	56	0

### Professional clients – equity sub-asset class ii (top 5 brokers – illiquid names)

Class of Instrument	Equity sub-asset class ii (80 ≤ ADT ≤ 1999)				
Notification if <1 average trade per business day in the previous year	N				
Top five execution venues ranked in terms of trading volumes (descending order)	Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
INSTINET 213800MXAKR2LA1VBM44	3	8	44	56	0
VIRTU 549300541SMIODVIT266	1	2	42	58	0

### Professional clients – equity sub-asset class i (top 5 brokers – liquid names)

Class of Instrument	Equity sub-asset class i (2000 ≤ ADT)				
Notification if <1 average trade per business day in the previous year	N				
Top five execution venues ranked in terms of trading volumes (descending order)	Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
VIRTU 549300541SMIODVIT266	27	26	47	53	0
INSTINET 213800MXAKR2LA1VBM44	13	14	65	35	0
KCG 549300346EFUPFCXIT79	7	6	69	31	0
LIQUIDNET 213800ZIRB79BESXQM68	9	2	72	28	0
J.P. MORGAN K6QOW1PS1L1O4IQL9C32	1	1	58	42	0

### Retail clients – equity sub-asset class iii (top 5 brokers – most illiquid names)

Class of Instrument	Equity sub-asset class iii (ADT ≤ 79)				
Notification if <1 average trade per business day in the previous year	N				
Top five execution venues ranked in terms of trading volumes (descending order)	Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
INSTINET 213800MXAKR2LA1VBM44	4	4	45	55	0
VIRTU 549300541SMIODVIT266	1	3	53	47	0

### Retail clients – equity sub-asset class ii (top 5 brokers – illiquid names)

Class of Instrument	Equity sub-asset class ii (80 ≤ ADT ≤ 1999)				
Notification if <1 average trade per business day in the previous year	N				
Top five execution venues ranked in terms of trading volumes (descending order)	Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
INSTINET 213800MXAKR2LA1VBM44	3	7	43	57	0
VIRTU 549300541SMIODVIT266	4	7	39	61	0

## Retail clients – equity sub-asset class i (top 5 brokers – liquid names)

Class of Instrument	Equity sub-asset class i (2000 ≤ ADT)				
Notification if <1 average trade per business day in the previous year	N				
Top five execution venues ranked in terms of trading volumes (descending order)	Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
INSTINET					
213800MXAKR2LA1VBM44	16	131	59	41	0
VIRTU					
549300541SMIODVIT266	7	8	48	52	0

## Bonds

Note that bonds in general are traded in price driven as opposed to order driven conditions. In all but very sporadic exceptions the orders to trade bonds in fact constitute acceptances of offers, not firm working orders. Note also that the bulk of our trading flow in fixed income instruments pertains to professional clients. Lastly, a proportion of this trading flow is executed as over the counter trades which are not reported to, or according to the rules of, trading venues. We do not route bond orders to executing brokers.

In order to enable the public to evaluate the quality of our bond execution we publish the following table according to regulated technical standard 28 in which we for the fixed income trading flow list the top five execution venues.

## Professional clients – fixed income (top 5 venues)

Class of Instrument	Equity sub-asset class: Bonds				
Notification if <1 average trade per business day in the previous year	N				
Top five execution venues ranked in terms of trading volumes (descending order)	Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
XOSL	60	57	N/A	N/A	N/A
XSTO	17	21	N/A	N/A	N/A
BMTF	1	1	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A

**NOTE: Regulations require the data provided in this document and appurtenant csv-files to be made available by Pareto Securities AS to the public. Pareto Securities AS does not countenance any sale or publication of this data by any third party without prior agreement.**