EMEA Cash Equities Disclosures (Updated September 2022)

Citigroup Global Markets Limited (“CGML”) and Citigroup Global Markets Europe AG (“CGME”) (together with their affiliates, “Citi”, the “Firm”, “we” or “us”) are global financial services firms that operate as brokers, dealers and market makers in equities markets. Citi is dedicated to adhering to applicable laws and regulations in our dealings with our clients in those markets. This document is intended to clarify aspects of the trading relationship between Citi and our clients (each, the “Client” or “you”) in equities markets. CGML and CGME offer execution services in equities securities in Europe, the Middle East and Africa (EMEA), and directly or through its affiliates in North America (NAM), Latin America (LATAM) and Asia-Pacific (APAC). These disclosures focus on EMEA.

The information being described relates to CGML and CGME trading equities securities as of 19th May, 2022, and is subject to change without notice and prior to the circulation of any update. It is always recommended that you contact your usual Citi sales representative or eesales@ci.com for additional information. The disclosures set forth in this document apply to the institutional equities business of CGML and CGME, and to their clients that fall within the category of “Professional”, as well as counterparties that are “Eligible Counterparties” (to the extent applicable in respect of ECPs); these disclosures are not intended for, nor may they be relied upon by, retail clients. These disclosures are subject to (and, to the extent of any conflict, shall be governed by): (i) any written agreement with you or other written terms of business or other disclosures (including published policies) we have provided to you; and (ii) any applicable law or regulation (including, but not limited to, any applicable requirements regarding best execution or conflicts of interest). Laws and regulations in various jurisdictions may provide rights or obligations other than those discussed in this document.

You should review this document in connection with other applicable Citi agreements, terms of business and disclosures in order to fully understand your relationship with us in the context of a particular transaction. The Firm may execute an order received from you as principal or agent (executed by Citi on an exchange or otherwise as agent for its Clients), or partly as principal and partly as agent. In the case of transactions executed on an agency basis, the Firm will be acting
solely as agent for the purpose of execution and not otherwise as an agent, fiduciary, financial
advisor or in any similar capacity on your behalf, and the disclosures set out in this document will
also apply to the extent relevant, except for those set out in the section under the heading
“Principal Trading”.

Any statements we make to a Client in either context should not be construed as
recommendations or advice or that Citi has acted as the Client’s advisor. In addition, when we
transact with our Clients, we rely upon the apparent authority of the employees, representatives,
advise and agents who communicate with us on their behalf, and we assume no obligation to
independently verify that authority.

(1) **Principal Trading**

When we execute a client order as principal we do so for our own account. In such capacity, Citi
(including its sales and trading personnel) does not act as a broker, agent, fiduciary, advisor or in
any similar capacity on behalf of its Client, and Citi does not undertake the duties that an entity
acting in that capacity would ordinarily perform.

When we are acting in a principal trading capacity, we may look for market opportunities that
both satisfy the terms of a Client’s order and allow us to make an appropriate return on the
transaction with the Client, including while executing other transactions to satisfy our own,
competing trading interests and responding to competing orders from other Clients. As such,
except to the extent that we have agreed to different terms of execution with a Client, we will
exercise our reasonable discretion in entering into a transaction with a Client based upon its
order, including with respect to fill quantity, execution time, prioritization and whether to hedge
or enter into such transaction electronically, manually, on aggregated basis with other orders or
using internal or external sources of liquidity.

We make markets in equity securities. We also act as an Authorized Participant in the creation
and redemption of exchange-traded products (ETPs). As a market maker, we may have a number
of positions and execute against the competing orders of multiple Clients, as well as trading to
satisfy our own interests. As a result, we may trade with others prior to or alongside hedging or
executing a particular Client’s order.

Subject to and where allowed by applicable law, we may hedge any transaction. This activity may
take into account both the information that you provide when asking us to quote for a
transaction and any information held regarding your previous trading activity. Following the receipt of an order or an indication of interest likely to result in a Client transaction, we may, in our reasonable discretion, engage in hedging as we determine appropriate to manage risks that we assume in connection with such transaction or to inform the pricing of such transaction. We also exercise reasonable discretion in deciding how, when and where to hedge, which may take into account both internal and external sources of liquidity. Our hedging, and other market-making activities can affect: market levels; the prices we offer to a Client or at which execution occurs; the availability of liquidity at levels necessary to execute Client orders; the level at which a benchmark or reference market rate is set; and whether prices change in a manner that accelerates, triggers, or delays or prevents the triggering of, stop-loss orders, barriers, knock-outs, knock-ins or similar order conditions. While it is not intended that such hedging activity will cause any material detrimental effect to you, such activity may have an impact upon the prices you obtain when we trade with you or when you trade with other firms. This activity may be entered into at any time after you ask us to provide a quote for a transaction. In conducting our hedging, positioning and other market-making activities, we endeavor to employ means reasonably designed to avoid undue market impact, and in all cases we endeavor to comply with applicable law.

We generally do not disclose the amount of revenue we earn or expect to earn from a transaction or the components of our “all-in” price, but we require our personnel to be truthful if they agree to provide such information. We also are under no obligation to pass on to a Client profits derived from those activities.

When determining prices at which we will trade as principal and whether we trade as principal, we may take into account factors such as: product type; the market in which the transaction would occur; the type of order; the size and direction of the transaction; other pricing information; and internal costs. We may also take into account Client-specific and transaction-specific factors such as: the volume, types, size, frequency or speed of trading the Client executes with Citi and in the market; the potential market impact of the Client’s trading activity with Citi and in the market; the Client’s credit quality and Citi’s credit exposure to the Client; specific terms of the transaction or governing documentation; and the extent and nature of the Client’s business relationship(s) with Citi. Local legal or regulatory requirements may also be determinative. Some of these factors might operate to a Client’s disadvantage and may delay or
prevent the execution against the order or increase the slippage or difference between any specified price trigger for the order and the actual execution price.

The relevant impact of each individual factor on the price of a transaction will differ depending upon the specific circumstances of that transaction. As a result, and always subject to applicable legal and regulatory requirements, we may quote different prices to different Clients or at different times for the same or substantially similar type of transaction.

Where we provide quotes when acting as principal, we may, subject to applicable law: decide the transaction size or sizes of such quotes; update or withdraw such quotes at any time; execute orders at a better price than set out in such quotes; execute orders at a different price than such quotes in respect of transactions where execution in several securities is part of one transaction or in respect of orders that are subject to conditions other than market price. In addition, where we receive an order of a size bigger than our quotation size, we may decide to execute that part of the order which exceeds our quotation size at the quoted price, or at a different price; where we provide such quotes in different sizes and receive an order between those sizes, we may decide to execute the order at one of the quoted prices, or at a different price. Further, we may limit both the number of transactions that we undertake to enter into with a client pursuant to any quote and the total number of transactions that we undertake to enter into with different clients pursuant to any quote. Lastly, we may make any other modifications to our quotes as we determine in our sole discretion are necessary or desirable.

When you enter into equities transactions with us, it will be on the basis that you have read and understood CGML’s and/or CGME’s Terms of Business. If you have questions after reading those Terms of Business, please contact a Citi representative.

The CGML Terms of Business are available at: 
https://www.citibank.com/icg/global_markets/docs/Terms-of-Business-for-Professional-Clients-and-Eligible-Counterparties.pdf and may be updated from time to time.

The CGME Terms of Business are available at:
https://www.citi.com/icg/global_markets/docs/Citi-EEA-Terms-of-Business-03012019.pdf and may be updated from time to time.
Communication with Clients about trading axes and client flow is a constant activity in which our Global Sales and Trading team engage. We communicate about such trading activity using a wide variety of media, including phone, Bloomberg (either via chat or the terminal), Symphony chat, e-mail and, at times, face-to-face. For the above communication methods (and any other non-FIX, non-systematized, communication means) Citi, consistent with industry practice, does not use AFME qualifiers when communicating IOIs using these means. We do adhere to the AFME/IA Framework and use AFME qualifiers as described below, for all system-generated and FIX-communicated IOIs. IOIs that are not entered mechanically may not adhere to that framework and will be noted accordingly. That being said, all of our client communications concerning trading axes and client flows follow the common regulatory guidance that our communication is truthful, accurate and not misleading.

Citi’s indications of interest (“IOIs”) may be communicated through Citi’s proprietary order management system or a third-party vendor system. These IOIs may be actionable or non-actionable (in whole or part). These IOIs may also be either “natural” or “non-natural,” and may either represent client or house/principal interest. IOIs may be targeted/customized to the recipient or disseminated publicly.

In designating IOIs as “natural” or “non-natural”, and “client” or “house”, Citi generally follows the AFME/IA Framework for Indications of Interest (https://www.afme.eu/globalassets/downloads/divisions/equities/afme-eqt-framework-for-indications-of-interest.pdf). This disclosure clarifies Citi’s use of those IOI designations where the Framework is ambiguous:

- Citi’s C:1 – Client Natural (Block) and C:2 – Client Natural (Working) IOIs are intended to reflect our existing orders. However, some C:1 and C:2 IOIs are not systematically linked to the order they represent and will not update any reduction in available quantity. These IOIs will appear with the disclosure: “Qty available at time of posting-may vary thereafter”. So long as the customer order has been received by Citi, Citi may use either a C:1 or C:2 IOI to represent both the customer order, and Citi’s cash hedge orders entered to offset the risk of a client-initiated swap*. In either case, the order may or may not be working in the market.
* Swap hedging flow is Citi principal flow, executed and reported as such. However, for the purposes of additional transparency, these hedging transactions are advertised as a C:1 or C:2 IOI (as the liquidity sought is related to a client-initiated swap order).

- When Citi transmits an H:1 – House Position Unwind IOI, Citi does not intend to immediately replace that position. When Citi transmits an H:2 – House Position Wanted IOI, Citi is engaging in sourcing liquidity and does not intend to immediately unwind the resulting position. Citi may at any time and without prior notice to clients, under certain circumstances (e.g., changing market conditions or risk appetite, post-trade bilateral agreement with the client or client mark outs) decide not to fill published size or trade out of or replace traded positions acquired in response to these IOIs. Positions may include cash equities and/or derivatives.

- Citi may use the P:1 – Potential IOI when Citi has a reasonable expectation that it has a client interest. Please note that, consistent with the Framework, at the time of display, P:1 IOIs do not necessarily represent a customer order that Citi has received, and no assurance can be given that the potential interest will result in a trade until Citi has had a conversation with both the buyer and the seller.

A client tiering arrangement is used to facilitate dissemination of IOIs. If you have questions regarding our IOI practices, please contact your Citi representative.

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<th>(3) Citi Internal Liquidity</th>
<th>What are the internal sources of liquidity Citi has access to?</th>
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<td></td>
<td>In our capacity as a Systematic Internaliser, Citi now provides two distinct sources of internal liquidity: (1) CitiMatch (Citi's Contra Principal Liquidity); and (2) Citi Central Risk Principal Liquidity via Liquidity Hub.</td>
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<td>When trading against these internal sources of liquidity, Citi makes available the relevant associated MIC codes for both venues:</td>
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<td>- CGMU – CGML MIC code for CitiMatch</td>
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<td>- CGMC – CGML MIC code for Liquidity Hub</td>
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<td>- CGEE – CGME MIC Code for Citimatch</td>
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<td>- CGEC – CGME MIC Code for Liquidity Hub</td>
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**CitiMatch** provides access to Citi’s Contra Principal Liquidity which reflects flow from derivatives hedging (Swap and related trading) and trading activity generated by Citi’s trading desks’ principal liquidity and executed via Citi algorithms.

Citi’s algorithms and SOR logic will drive the way we access liquidity across internal and external venues based on specific routing factors. In our liquidity waterfall, all client orders will pass through CitiMatch before they reach the SOR, unless: (a) clients have opted out of CitiMatch; or (b) the particular flow is not CitiMatch-eligible. This is performed in accordance with Citi Securities Services Execution Policy (the “Best Execution Policy”)\(^1\).

**Liquidity Hub (LH)** is an internal source of Citi principal liquidity, available as a Systematic Internaliser for Electronic Execution (EE), high-touch and program trading orders. Please refer to Citi’s Central Risk disclosure (here below) for further details.

What other sources of principal liquidity and workflows are classified as SI activity? Citi also offers other sources of principal liquidity and workflows which are classified within its SI activity. This includes, but is not limited to, execution via Actionable Indications of Interest (AIOI) via our Total Touch platform and manual interactions via the high touch desks. When providing SI executions against any of these and other sources of SI liquidity, Citi publishes the following MIC Codes:

- **CGMT** – CGML MIC code for EMEA Trading.
- **CGET** - CGME MIC Code for EMEA Trading.

**Central Risk**

Citi’s Central Risk Desk (“Central Risk” or “CR”) uses an automated trading platform that manages a portfolio of principal positions of Citi’s Equities division. CR’s task is to optimize Citi’s risk portfolio utilizing a variety of hedging products and engaging in securities trades with customers and the markets.

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\(^1\) Please see the section on Best Execution below for further details, including a link to the Best Execution Policy.
CR makes its non-displayed principal liquidity available via 3 distinct interactions called “Pillars”. The interaction with CR may be either direct via Direct Client Access (“DCA” or “Pillar I”) or by way of our algorithms & smart order router via Liquidity Hub (“LH”). When interacting via LH, clients have 2 ways of interacting with CR; via parent level interaction via an algo construct (“Pillar II”) and/or anonymously via child order interaction (“Pillar III”). Clients may customize how the algorithms interact with CR by opting in or out of different interaction types. Note that the availability of each individual interaction may vary based on region, market, and type of order. Orders filled by CR will be denoted as principal capacity executions on trade confirmations.

Clients who interact via Electronic Execution (“EE”) can opt-in to DCA or LH by contacting their sales representative. Clients who interact via High Touch and/or Program Trading will be enabled at Citi’s discretion based on factors including, but not limited to, overall client relationship and technology capabilities - clients may request opt-out by contacting a Citi sales representative. For clients executing on swap, we may strike the original hedge for any swap transaction by executing a principal transaction, for example against LH, rather than a third-party venue or exchange. Clients that prefer we not do so may contact their sales representative, however we retain discretion.

1. Pillar I: Direct to CR via Direct Client Access (“DCA”)

Orders are submitted by sending an immediate-or-cancel (“IOC”) order to CR or by instructing the Algo that CR is an order routing destination. Client identification and other parent order information (e.g., quantity and limit price) are passed to CR. Providing liquidity is available at the requested price or better, then the CR will provide a confirmed fill.

2. Pillar II & III: Liquidity Hub Access; Interactions via algorithmic and smart order router strategies

Liquidity Hub (“LH”) is an internal source of Citi principal liquidity, available as a Systematic Internaliser in Europe for EE, high-touch and program trading orders. Using multiple factors, LH determines CR’s “risk appetite” to provide principal fills for suitable orders. This appetite is made available to Citi’s algorithms.
EE algorithms (Directed client flow and/or orders submitted by High Touch and/or Program Trading) can interact with LH in the following 2 ways:

i) **Pillar II: Enhanced Algo Order Interaction with CR and Client Parent Orders** – by passing algo parent order information and client identifier to LH, a greater scope for liquidity interaction with CR is available. LH will receive further order details (either firm or conditional), including parent quantity, parent limit and client ID from the algorithm and SOR. Enhanced interaction adds the potential for LH to interact in greater size and/or higher risk appetite – resulting from knowing the algorithmic strategy, total quantity expected to trade and client preferences such as appetite for finishing up earlier or opportunistically.

When interacting with LH, electronically sent orders can be sent as IOC or rest conditional to be executed as per the below:

Sending an IOC order to LH – when an IOC child order is entered with LH, LH considers that order in isolation, i.e., without regard to the existence of any other order received by LH. After determining whether the client order is a match to CR’s appetite, LH will fill or cancel the child order.

Resting a conditional order with LH – conditional orders from external clients and Citi’s internal principal desks will rest with LH, and may be analysed in isolation or in a portfolio with other resting conditional orders. Where resting conditional orders match CR’s appetite, LH will request firm-ups for some or all of the resting conditional orders and will fill those firm-up orders that pass internal and regulatory control checks. If CR’s appetite in any particular security is less than the quantity available in all currently resting conditional orders, LH will assign liquidity based on a variety of factors including, but not limited to, origin (e.g., from a Citi trading desk, or a client relationship), parent order leaves quantity, and order arrival time.

ii) **Pillar III: Anonymous Smart Order Router (“SOR”) Child Level Interaction with CR** – per our execution venue analysis practices, LH will only receive order flow in accordance
with our policies and procedures relating to routing and execution of customer orders ("Citi’s Best Execution Policies"). No client identification or parent order information is passed to LH.

**Information Barriers**

For the described interactions CR trading personnel have no visibility pre-trade on client flows and will only see executions if they occur against the CR book. Such post-trade data on historical trades is used to manage CR effectiveness, and configure the CR system to optimize the client’s experience.

Please contact your sales trader representative if you require further information on current state for your flow or if there are questions we have not addressed above.

| **(5) Citi External Liquidity** | What are the external sources of liquidity you connect to? Citi sources liquidity across EMEA regulated markets (Primary Exchanges & Multilateral Trading Facilities - MTFs) and Systematic Internalisers. Please see Appendix B for a list of those venues currently available via our cash equities electronic execution platform in EMEA. We access liquidity across displayed and non-displayed venues to ensure we source as much as liquidity as possible to optimize client execution. We also leverage from periodic auctions and conditional / Large In Scale venues as they offer meaningful liquidity.

Can clients opt out of any external venues (incl. non-displayed liquidity sources and SIs)? Yes, clients have the ability to opt out of any external venues if they wish to do so. If not specified otherwise, routing will be implemented at Citi’s discretion across the standard venues we currently access, see below.

How does Citi interact with external venues? The type of liquidity sources an order will access is determined by the underlying trading strategies selected by our clients (DMA or Algorithms) and their specific configurations.
and/or instructions. The interaction with displayed venues is done through Citi’s Smart Order Routing (SOR) which will route orders to the most appropriate venues of execution based on Citi’s Best Execution Policy and any client customisation. Our SOR has access to lit books in primary and MTF venues as well as periodic auction books and Systematic Internalisers.

The order routing logic to source additional non-displayed liquidity is managed within our algorithmic engine CitiSmart. Routing to non-displayed venues will aim to capture opportunistic liquidity to enhance overall execution and minimise trading footprint. We will source liquidity in MTF non-displayed books, conditional / LIS venues as well as periodic auctions.

How does Citi address Min fills size with external venues?
Orders will be subject to Minimum Execution Size (MES) parameters to further protect client flow. Citi gives clients the ability to customize this specific parameter to optimize their overall execution. The MES can be specified as notional amount, multiple of average trade size, or multiple lot. The set-up is configurable by venue and by client.

Does Citi aggregate orders to fulfill minimum quantity?
No, Citi does not aggregate separate client orders to fulfil minimum fill requirements. Citi may, however, access venues that aggregate orders to fulfil Minimum Execution Size. Clients can choose to opt-out from executing on those venues that aggregate orders; however, it is not possible for clients to opt-out of the aggregation functionality applied by the relevant venues where this behavior is mandated by the venue.

How does Citi monitor external venue reversion?
We monitor venue reversion over multiple time horizons including short term (milliseconds), medium term (minutes) and for SIs we also look at long term durations.

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2 Please see the section on Best Execution below for further details, including a link to the Best Execution Policy.
(multi day mark-out). We also monitor hit and fill rates across venues as well as quote and fill sizes.

Regarding SIs, we score and rank them according to our SI methodology framework taking into account short-term reversion, liquidity and toxicity. Details on framework are available upon request from your Citi representative.

Data and ranking on external venues is reviewed regularly by our liquidity governance committee chaired by Execution advisory and Head of Electronic Execution.

What information barriers does Citi have with external SIs?
When interacting with external SIs, Citi does so with an information barrier in place that protects confidential information. Trading is done anonymously within Citi's electronic execution set up and client identifying details are not included in order details sent to external SIs.

| Order Handling / Routing | What is the main objective when handling or routing a client’s Order? Citi’s main objective in handling and routing Client orders is to obtain the best execution outcome for a Client, taking into account price, costs, speed, likelihood of execution and settlement, size, nature or any other consideration relevant to the execution of an order. In order to ensure quality execution, Citi Electronic Execution will leverage access to multiple internal and external sources of liquidity from primary exchanges, MTFs to Systematic Internalisers across both displayed and non-displayed books. Routing will be done across all Citi’s default venues unless otherwise specified by clients. Please see Appendix B to view CGML/CGME’s EMEA Electronic Execution External Liquidity Venues.

Citi’s Smart Order Router
Citi uses a proprietary Smart Order Router that has been developed in-house by Citi for internal and client originated trade execution.

How does Citi’s SOR work? |
Citi’s algorithms and SOR logic will drive the way we access liquidity across internal and external venues based on specific routing factors. In our liquidity waterfall, all client orders will pass through CitiMatch before they reach the SOR, unless: (a) clients have opted out of CitiMatch; or (b) the particular flow is not CitiMatch-eligible. This is performed in accordance with the Best Execution Policy.\(^3\)

To fulfill Citi’s obligations under its Best Execution Policy, Citi takes into account a number of factors when determining the venue for executing client orders in respect of a particular financial instrument. This includes:

- General prices available
- Depth of liquidity
- Relative volatility in the market
- Speed of execution
- Cost of execution
- Creditworthiness of the counterparties on the venue or the central counterparty
- Quality and cost of clearing and settlement
- Likelihood of execution
- Size of the order
- Nature of the order

Please refer to Citi’s Markets and Banking Execution Policy:


How does Citi interact with Displayed Liquidity?

**Liquidity Taking**

If the order is marketable, the SOR will take liquidity from the lit order book including internal and external Systematic Internalisers using IOC orders. We look to capture the best price and quote available while minimizing the number of fills. Child orders to multiple venues are routed

\(^3\) Please see the section on Best Execution below for further details, including a link to the Best Execution Policy.
simultaneously however where there is a significant relative difference in latency, order routing is staggered such that they arrive at the respective venues at around the same time.

**Liquidity Adding**
If an order is not marketable the SOR will place the order in the lit book at one or more venues. Our SOR aims to obtain an optimal order placement strategy while maximizing the probability of execution and reducing execution cost. We typically look at various parameters such as queue depth, trade size and frequency, historical market share and order cancelation rates. The placement strategy is revisited in real time as volume goes through the market.

How does Citi interact with non-displayed liquidity?
The order routing logic to source additional non-displayed liquidity is built into our algorithmic offering and helps us minimise execution footprint. When posting, allocation to non-displayed venues is derived from the underlying algorithms used by our clients and parameters associated with the selected strategies. The opportunistic non-displayed liquidity overlay tends typically to be a function of the “I Would If I Could” parameter selected by clients.

The allocation to non-displayed liquidity destinations will be driven by client preference and orders will be allocated across a set of optimal venues to maximise likelihood of execution (subject to prevailing market liquidity). We aim to maximise execution quality while sourcing additional liquidity.

We will also route orders to conditional venues if the size of the parent orders meets trading thresholds. This allows Citi to access significant liquidity for our clients while minimising market impact.

When executing orders in non-displayed liquidity destinations, we are able to adjust our allocation to such destinations based on liquidity shift. We typically look at fill rates across venues to redirect some of our order flow to venues where we see increased liquidity.

How does Citi manage Sweeping Behavior?
When the algorithm decides to cross the spread to get executed, Citi will look to source liquidity in CitiMatch before routing to the market to source additional liquidity and minimise execution impact.
footprint. We will then route any residual orders to the market. Citi will use the dark lit sweep order type in venues supporting such functionality to source additional dark liquidity looking to improve on far touch execution when possible.

How does Citi’s SOR interact with SIs quotes?
All quotes, including SIs’, are published to Citi’s algorithms and Smart Order Router (SOR). The SOR routes orders in accordance with the algorithm’s Smart Venue Management logic and any SI will get order flow if it is competitive and in accordance with our Order Execution Policies.

Is Parent order information passed to venues?
No parent order information is passed through to venues. Client identifying information details are not included in order details sent to external venues.

What Market Data Feeds does Citi use?
Citi uses direct market data feeds from major EMEA market venues to monitor and respond to market movements. For other market venues Citi may use third party services where their effectiveness can be proven. The monitoring of Market Venue feeds includes changes in order book depth which affects client execution potential. Citi uses monitoring tools to ensure that any potential latency of market data does not cause issues with trade activity.

What anti-gaming logic does Citi employ?
Citi’s market interaction is directed towards minimizing the impact of Citi’s trading activity within the market. Citi’s algorithms employ anti-gaming logic including but not limited to the use of minimum fill quantities, dynamic fair value calculation, order randomisation techniques and venue tiering. In terms of latency, we use latency measurements to calibrate order routing from the SOR. The latency is measured as the time it takes for Citi to send an IOC order to the venue and receive an acknowledgement back. Where child orders are being sent to multiple venues, orders are routed simultaneously. However, where there is a significant relative difference in latency, order routing is staggered so that they arrive at the respective venues at around the same time. This allows us to better protect client flow and minimise adverse selection.

Where it is relevant, our trading strategies will also use our Fair-Value Protection logic to safeguard client flow against price spikes. The Fair-Value Protection calculation is based on a
trailing VWAP which takes into account all Lit trades but excludes Citi’s trades to obtain a true view of market levels. The look-back period for trailing VWAP is stock specific and takes into account liquidity characteristics of the stocks traded.

Orders will also be subject to Minimum Execution Size (MES) parameters to further protect client flow when executing in non-displayed venues and conditional / LIS venues. We give clients the ability to customise this specific parameter to optimise their overall order execution.

We also monitor venue toxicity across lit, non-displayed and SI venues. We monitor toxicity over multiple time horizons including short term (milliseconds), medium term (minutes) and long term durations (multi day mark-out). We score and rank SI venues according to our toxicity methodology framework to ensure we route orders to the most appropriate SI venues and have the right level of protection for client flow.

Does Citi pass back MIC Codes?
Citi provides SI specific MIC codes in Tag 30 of the message passed back to client. Clients will have full transparency of where their orders have been executed.

Does Citi pass back liquidity tags?
Citi configures, on a client basis, the tags 29, 30 and 851 for each child order executed and provides this to the client for liquidity management.

(7) Best Execution

Please refer to Citi’s Markets and Banking Execution policy (Citi’s Best Execution Policy) located here:

We have appropriate governance in place in line with regulatory expectations.

(8) Market Commentary

When we provide research, bespoke data, or market commentary, we are not acting as your adviser and we do so with the expectation that you are a sophisticated investor capable of making your own investment decisions without reliance on suggestions or information we may provide.

(9) Trading Limits

To the extent we communicate or otherwise impose notional or share limits, any such limits are for the benefit of Citi and have the goal of fulfilling Citi’s regulatory obligations and credit
You may not rely on any such limits for your risk management purposes.

**Confidentiality / Privacy**

We are bound by contractual and regulatory obligations relating to confidential information and have adopted policies and procedures to assist us in meeting these obligations: We may make use of information provided to us as principal in order to effectuate and risk manage transactions, as well as for other risk management purposes. Specifically, unless otherwise agreed, we may use the economic terms of a transaction in order to evaluate and/or source liquidity and/or execute risk-mitigating transactions or determine what prices we quote to third parties. Such use could adversely affect the Client who provided the information to us. In addition, as part of our obligations as a regulated entity, we share Client and transaction information as required by our global regulators.

We analyze information regarding executed transactions on an individual and aggregate basis for a variety of purposes, including credit and market risk management, sales coverage, and Client relationship management. We may analyze, comment on, and disclose anonymized and/or aggregated information regarding executed transactions, together with other relevant market information, internally and to third parties, as market color. We may also use such anonymized and/or aggregated information in products, services or data that we offer as part of our business.

Also see Citi’s global Privacy Notice here: [https://www.citigroup.com/citi/privacy.html](https://www.citigroup.com/citi/privacy.html)

**Conflicts of Interest**


**Data Management**

Citi analyzes public trading-related data and Citi-owned order data to improve its trading decisions (e.g., by understanding of market dynamics, to determine its trading strategy or to evaluate its capital commitment trades). Individual customer orders entered into Citi high-touch execution channels, and into Central Risk, are included in such analyses on a post-trade basis. Individual customer orders entered into low-touch execution channels are not included in such analyses without the express permission of the client, but may be analyzed by Citi personnel who support the low-touch execution channel in order to optimize the low-touch offering. Customer orders may be included in aggregate analyses of data (e.g., at the level of sector, product type or client type).
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<td><strong>We may also use such anonymized and/or aggregated information in products, services or data that we offer as part of our business.</strong></td>
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<td><strong>For more information, please contact your Citi representative.</strong></td>
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<td><strong>(13) Quantitative Analysts</strong></td>
<td>As per MiFID guidelines, Citi maintains a record of all Equities orders received, and executed. These records are generally available to Technology, Compliance and control function personnel in order to surveil trading and monitor operational status. Additionally, certain front-office personnel employ quantitative techniques to analyze these records for various business purposes (e.g., to manage credit and market risk, to enable client relationship management, to improve trading decisions, to improve both CR and EE offerings, to produce market commentary, etc.). These personnel may be organized into teams that have reporting structures separate from the Equities Division (e.g., Markets Quantitative Analytics or “MQA”) and whose supervision and compensation are directed independently from the Equities Division, or they may be embedded within a particular business within the Equities Division (e.g., Execution Advisory Services or “EAS” within the EE business) and have their supervision.</td>
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<td><strong>(14) Payment for Order Flow</strong></td>
<td>Citi does not route to counterparties or trading venues that pay us in any form, in return for order flow. Execution is done in accordance with Citi’s Best Execution Policy (see the section on Best Execution, above). Select venues provide rebates on order executions that occur as a result of liquidity provision. We do route orders to some venues that offer rebates for passive liquidity.</td>
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<td><strong>(15) Exchange Traded Funds</strong></td>
<td>Please refer to Citi’s ETF Disclosure Notice located here: <a href="https://www.citibank.com/icg/global_markets/uk_terms.jsp">https://www.citibank.com/icg/global_markets/uk_terms.jsp</a> (this may be updated from time to time).</td>
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