CASH MARKETS

INTRODUCING
BEST OF BOOK

The Best Execution Service for Retail

EURONEXT
Euronext’s Best of Book is a **Best Execution service** for retail orders. Dedicated liquidity providers offer price improvement for your retail flow. The service operates within Euronext’s robust and highly regulated Central Order Book.

- Euronext’s Best of Book service helps retail brokers meet MiFID best execution requirements within a single platform for all liquid stocks traded across Euronext, potentially saving brokers the need to connect to multiple platforms.
- A specially designed Retail Liquidity Provider (RLP) programme provides price improvement for retail investors. The RLP programme is highly competitive and is open to all Euronext members, thus ensuring absolute neutrality.
- RLP quotes are firm orders and execute in direct competition with the Euronext Central Order Book. These quotes are at, or better, than the European Best Bid and Offer (EBBO)\(^1\).
- By becoming a Retail Member Organisation (RMO), you will be able to execute your retail order flow within Best of Book and with potential price improvement versus the EBBO, through your existing access to Euronext.
- You will also receive daily best execution reports, provided via an independent data provider to ensure compliance with your best execution policy.

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**SIMPLE**
Makes your life easier

Reconsider the need to connect to other platforms to get Best Execution as you can send orders through your existing access. **No IT development is** required to become a Retail Member, access is through your existing connection with no additional latency or cost.

**IMPARTIAL**
Does not take sides

Unlike our competitors, Euronext offers you a true price to trade as you are trading in full competition within the Central Order Book where the liquidity is the deepest in Europe. **A pool of liquidity providers compete for your business,** potentially improving the pricing available and you have no need to pre-select a preferred liquidity provider. **There is no conflict of interest in Best of Book’s trading model:** we are not run by liquidity providers or brokers.

**SAFE**
You can trust us

We have 400 years’ experience in running exchanges - and we are continuously improving. **Prices are actual firm prices.**

Best of Book meets regulatory requirements and traders receive a regulated market stamp. **It is fully compliant with MiFID II (2018).**

**TRANSPARENT**
The price you see is the price you get

See competitive prices compared to the EBBO\(^1\) in a fully transparent, additional layer of the regulated market’s Central Order Book including pre and post trade transparency. **Receive Best Execution reports,** so investors are able to measure the quality of order execution and price improvements against clear, objective and measurable benchmarks.

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\(^1\) In the best execution analysis provided by a third-party, the EBBO (European Best Bid and Offer) refers to a benchmark price reflecting the best possible price available among all European lit venues on which the instrument could have been traded at the time of trade.
Best of Book is based on Euronext’s superior execution quality:

- Euronext’s prices are at the EBBBO 86% of the time, which is 21% better than the second best performing platform. With Best of Book, this rate goes up to 99.54%.
- Best prices are first set on Euronext 68% of the time, almost nine times more than on the second best performing platform.
- Relative spreads are 41% tighter on Euronext – at 4.59 bps – than on the second best performing platform.
- Market depth is 1.5 times higher on Euronext – at €54k – than on the second best performing platform.

Best of Book helped retail investors to save €7,898,020 in H2 2018. It delivered 99.54% of best execution success: 27.30% of the value traded being better than the EBBBO.

Example

**INCOMING RETAIL ORDER → BUY 200 @ MARKET**

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<thead>
<tr>
<th>Share ABC</th>
<th>€10.45</th>
<th>+0.35%</th>
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<td>TIME</td>
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</table>

<table>
<thead>
<tr>
<th>BID</th>
<th></th>
<th>ASK</th>
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<tbody>
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<td>Quantity</td>
<td>Price</td>
<td>Price</td>
<td>Quantity</td>
</tr>
<tr>
<td>3000</td>
<td>10.05</td>
<td>10.45</td>
<td>1500</td>
</tr>
<tr>
<td>7500</td>
<td>10.00</td>
<td>10.50</td>
<td>7000</td>
</tr>
<tr>
<td>2500</td>
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<tr>
<td>9807</td>
<td>09.85</td>
<td>10.65</td>
<td>4616</td>
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**Scenario 1:** Trading without Best of Book

<table>
<thead>
<tr>
<th>Quantity</th>
<th>Price</th>
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</thead>
<tbody>
<tr>
<td>200</td>
<td>€10.50</td>
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</table>

**Scenario 2:** Trading with Best of Book

<table>
<thead>
<tr>
<th>Quantity</th>
<th>Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>200</td>
<td>€10.45</td>
</tr>
</tbody>
</table>

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² For securities that belong to the AEX-index, AMX-index, BEL 20, CAC40, PSI 20, and SBF120 indices – in H2 2018 (Source: TAG Audit).
³ In H2 2018 (Source: LiquidMetrix).
Which stocks are eligible?
The most liquid securities from Euronext's national domestic indices AEX®, AMX®, BEL 20®, CAC 40®, Next 20®, CAC Mid 60®, ISEQ 20® and PSI 20®.

Where can you use Best of Book?
The service is available through the following Euronext market marketplaces: Amsterdam, Brussels, Dublin, Lisbon and Paris.

How to access Best of Book

If you are a Retail Investor
Ask your bank or broker to use Best of Book

If you are not a Direct Member of Euronext
- Send your order to your usual broker to access Euronext markets
- Ask to have your order flagged with the dedicated RMO tag
- Ask them to use dedicated Client IDs so Euronext recognises your flow
- Your broker can send you individual Best Execution reports

If you are a Direct Member of Euronext
- Flag your order with the dedicated RMO flag
- Euronext will send you daily and monthly Best Execution reports
- Euronext can create individual Best Execution reports for each of your customers
- Euronext can also receive individual Client IDs and produce reports with Best Execution details that you can communicate to the end Retail Investors

The price improvement details can also be circulated along the intermediary chain to the retail investor, as daily reports can contain ‘Order ID’ or ‘Client Order ID’ information.

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