

VIKING GLOBAL INVESTORS EUROPE LLP

Annual Order Execution Report

30 April 2018

THIS REPORT AND THE INFORMATION CONTAINED HEREIN (INCLUDING THE INFORMATION RELATING TO THIRD PARTY EXECUTION VENUES) RELATES TO THE ORDER EXECUTION ACTIVITIES OF VIKING GLOBAL INVESTORS EUROPE LLP, AN AFFILIATE OF VIKING GLOBAL INVESTORS LP ("VGI" AND, TOGETHER WITH ITS AFFILIATES "VIKING"). THIS INFORMATION SHOULD NOT BE CONSIDERED REPRESENTATIVE OF VIKING AS A WHOLE.

VGI is a global investment firm founded in 1999. VGI manages approximately \$25 billion of capital for its investors. Viking has offices in the United States, the United Kingdom and Hong Kong and is registered as an investment adviser with the U.S. Securities and Exchange Commission.

VGI has engaged Viking Global Investors Europe LLP ("VGIE"), an investment firm regulated by the U.K. Financial Conduct Authority ("FCA"), to provide investment research, analysis, recommendations and advice. VGIE has published this report in order to comply with its obligations under Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU ("MiFID II") and related secondary and implementing legislation, including Chapter 11 of the FCA's Conduct of Business Sourcebook ("COBS").

VGIE's clients consist of VGI and Viking Global Hong Kong Limited, an investment adviser registered with the Securities and Futures Commission of Hong Kong ("VGHK" and together with VGIE and VGI, the "Viking Group"). VGIE provides portfolio management and trade execution services to VGI and provides trade execution services to VGHK, in each case for the accounts of investment funds for which VGI acts as management company (the "Funds").

Part 1 of this report summarizes VGIE's analysis and conclusions, with respect to each class of financial instruments in which it transacts, of the quality of execution obtained on the execution venues where it executed client orders in the year ended 31 December 2017. Part 2 of this report contains VGIE's top five execution venues for the year ended 31 December 2017 in terms of trading volumes for all executed client orders per class of financial instruments.

1. Summary of Analysis and Conclusions

a. Introduction

VGIE executes client orders in financial instruments consisting primarily of equities and equity derivatives. VGIE generally acts as agent for its clients when executing these orders.

In the case of equities, VGIE transmits orders to third party brokers for execution, both directly and indirectly through other members of the Viking Group. These third party brokers may act as agent (in which case the broker may transmit the order to a third party execution venue), as principal (in which case the order may be filled directly by the broker from its own capital), or in other trading capacities (e.g., matched principal).

In the case of equity derivatives, VGIE generally executes client orders in total return swaps referencing equities (primarily shares). VGIE generally requests quotes from third party brokers for the prices of the underlying shares, and subsequently enters into derivative transactions with counterparties that have executed ISDA Master Agreements with the Funds.

b. Conflicts of Interest

VGIE has established policies and procedures to monitor and resolve conflicts with respect to execution venues used to execute client orders. Other than with respect to other members of the Viking Group, VGIE is not under common ownership with any execution venues used to execute client orders and does not have any specific arrangements with such execution venues regarding payments made or received, discounts, rebates or non-monetary benefits received in relation to transmitting client orders. VGIE may otherwise obtain research, company meeting services and other non-monetary benefits from third parties (including its brokers and swap counterparties) in a manner consistent with its policies and procedures and COBS 2.3A.

c. Execution Quality Analysis

VGIE actively assesses the quality of its execution using data and other tools. For example, VGIE conducts post-trade transaction cost analysis to assess the quality of trader decision-making and the performance of its execution venues and trading strategies. Among other things, this analysis considers whether an executed price was higher or lower than the price of the financial instrument at the time the order was received from the portfolio manager (i.e., arrival costs) and whether actual arrival costs were consistent with anticipated arrival costs (using internal and/or third party estimates). In addition, the Viking Group's Trading department employs quantitative strategists who use technological tools to assist the trading staff in improving the overall efficacy of their trading strategies.

d. Best Execution

Under MiFID II and COBS rules, VGIE must take all sufficient steps to obtain the best possible result for its clients, taking into account the execution factors of price, costs, speed, likelihood of execution and other relevant considerations. VGIE believes that it has taken appropriate measures to satisfy its best execution obligation for the year ended 31 December 2017.

Subject to receiving any specific instructions from its clients, VGIE has discretion in how to apply the different execution factors and this may result in a range of approaches to executing client orders. VGIE utilizes both full-service and low-cost trading strategies to execute client orders.

Generally, VGIE considers the most important execution factor to be net price, which VGIE defines as the execution price of the financial instrument (before costs) plus all costs associated with acquiring or disposing of the relevant financial instrument, including both explicit costs (such as commissions charged by third party brokers) and implicit costs (such as movements in the price of the financial instrument as a result of the execution). However, there may be circumstances where the primary execution factors vary and net price is no longer the dominant execution factor. For example, in particular with respect to less liquid financial instruments, likelihood of execution could become the dominant factor.

During the trading process, when considering each execution factor, VGIE uses its experience and expertise to balance the full range of factors, including instances where they may conflict with each other. Overall this may mean that VGIE does not always achieve the best price for every client transaction.

In the case of equity derivatives, VGIE generally measures and monitors compliance with its best execution obligation by reference to the prices obtained from third party brokers, which may or may not be the Funds' counterparties to the transactions. The selection of swap counterparties is generally made by the Viking Group's Treasury department, taking into account various factors such as reputation, financial viability and regulatory compliance, willingness to commit balance sheet, financing rates, and the ability to locate borrowed shares.

2. Top Five Execution Venues

Information regarding VGIE's top five execution venues for the year ended 31 December 2017 is available for downloading by the public in a machine-readable format by clicking on the link below.