

RTS 28 Statements

Introduction

Investment firms are required to publish, for each class of financial instruments, a summary of their analysis from their detailed monitoring by venue of the quality of execution obtained on all client orders in the previous year.

As the Firm is an alternative investment fund manager with MiFID top-up permissions, it is required to provide data and make statements only about those asset classes in which it carries out *Indirect* Executions. Hence, information about the Firm's *Direct* Executions is not included in this report. As all executions reported here are Indirect, reference is only made to Brokers (not venues) – these being the counterparties to whom orders are sent.

The Firm carries out transactions (whether Direct or Indirect) in a relatively small number of Asset Classes. Furthermore, this report only covers orders from the Firm's European entity (HALLP).

a) Execution Factors

Firms are required to provide an explanation of the relative importance of various execution factors considered when executing trades. ESMA provides a list of factors but firms may consider additional factors. The Firm has included a number of additional factors as denoted below.

Equities

The analysis below covers the following Mifid Categories as defined by ESMA.

	Class	Sub Class
A (i)	Equities — Shares & Depositary Receipts	Tick size liquidity bands 5 and 6
A (ii)	Equities — Shares & Depositary Receipts	Tick size liquidity bands 3 and 4
A (iii)	Equities — Shares & Depositary Receipts	Tick size liquidity band 1 and 2
M.	Other instruments	Other instruments (non-EU equities and EU preference shares)

Execution Factor	Factor Type	Relative Importance	Reason
Price	ESMA	High	Achieving the best possible outcome for the full target order size is usually the most important factor. To monitor for this, the Firm deploys a third party Transaction Cost Analysis (TCA) tool to compare the final execution price to the prevailing price at the time the order was sent.
Quality and resilience of algos	Additional	High	This factor generally makes a significant contribution to our ongoing execution decisions. Regular broker due diligence is designed to test the resilience, expertise and governance surrounding a broker's electronic trading platform. Data from the TCA platform will also be analysed to compare similar algorithms / orders.
Terms of Business	Additional	High	The Firm reviews and in some cases renegotiates all Terms of Business with brokers. On occasion if the Terms are not acceptable, the Firm will exclude the broker from the list of approved brokers.
Costs	ESMA	Medium/High	Costs represent another important factor for delivering value for investors. Accordingly, the Firm negotiates competitive commission rates with all brokers and regularly reviews and benchmarks these rates to ensure the best value. Additionally, commission rates typically vary according to how the order is executed by the broker. For example orders executed electronically attract a lower commission rate than "high-touch" orders. For each of these categories, the Firm negotiates the most attractive rates possible and will seek to use the most appropriate low cost route given the characteristic of the order and the market conditions.
Speed	ESMA	Medium	Speed is usually of only medium importance. In some cases however, speed may take on greater importance. These cases include, but are not limited to, hedging trades, responses to external events or to internal requirements.
Likelihood of Execution	ESMA	Medium	Likelihood of execution is usually of medium importance since the Firm's orders are typically in relatively liquid instruments and do not represent a large size relative to the market. However, in some cases one broker may be

			selected over another if there is greater certainty the order can be completed on appropriate terms.
Size	ESMA	Medium	Size is of medium importance. As mentioned above, the Firm's orders are typically not large and so the majority of approved brokers are able to handle such orders.
Diversification	Additional	Medium	As part of its risk management policy, the Firm avoids concentrating its flow with a particular broker and diversifies its counterparty risk accordingly.
Anonymity / Data leakage	Additional	Medium	Related to the Diversification Factor, the Firm may choose to send orders to a variety of different brokers so that the market cannot easily detect or pre-empt our trading intentions.
Likelihood of settlement	ESMA	Medium / Low	Likelihood of settlement has relatively low importance as a factor for a number of reasons. Firstly, the Firm considers the broker's credit worthiness and reputation for operational efficiency. Secondly, the vast majority of the Firm's equity trades are settled DVP. And thirdly the Firm monitors fail rates and communicates any concerns promptly to the broker.

From its monitoring activities, the firm is satisfied that the results (in terms of quality of execution) obtained from the brokers listed in the Top 5 for this instrument class are consistent with the execution factors to which the firm ascribes the most importance for this instrument class.

Exchange Traded Products (Exchange traded funds, exchange traded notes and exchange traded commodities)

Execution Factor	Factor Type	Relative Importance	Reason
Price	ESMA	High	Achieving the best possible outcome for the full target order size is usually the most important factor and the final execution price is always compared to the prevailing price at the time the order was sent. TCA is not as useful for monitoring the quality of ETF executions as it is for equities given the nature of the European ETF market structure.

Terms of Business	Additional	High	The Firm reviews and in some cases renegotiates all Terms of Business with brokers. On occasion, if the Terms are not acceptable the Firm will exclude the broker from the list of approved brokers.
Costs	ESMA	Medium/High	Costs represent another important factor for delivering value for investors. Accordingly the Firm negotiates competitive commission rates with all brokers and regularly reviews and benchmarks these rates to ensure the best value. In the case of ETFs, the creation and redemption costs can be an important factor too and can be a strong determinant in the choice of broker.
Issuer	Additional	Medium/High	In certain cases (especially in Europe) the ETF issuer can be an important factor in deciding which broker to use. Some brokers are more adept than others at sourcing liquidity in certain ETFs.
Speed	ESMA	Medium	Speed is usually of only medium importance. In some cases however, speed may take on greater importance. These cases include, but are not limited to, hedging trades, responses to external events or to internal requirements.
Likelihood of Execution	ESMA	Medium	Likelihood of execution is usually of medium importance since the Firm's ETF orders are typically in instruments with very liquid underlyings and do not represent a large size. However, in some cases, one broker may be selected over another if there is greater certainty the order can be completed on appropriate terms.
Size	ESMA	Medium	Size is of medium importance. As mentioned above, the Firm's orders are typically not large and so all brokers are adept at transacting such orders.
Diversification	Additional	Medium	As part of its risk management policy, the Firm avoids concentrating its flow with a particular broker and diversifies its counterparty risk accordingly.
Anonymity / Data leakage	Additional	Medium / Low	Related to the Diversification Factor, the Firm may choose to send orders to a variety of different brokers so that the market cannot easily detect or pre-empt our trading intentions. This factor is of lower importance than for equities given the depth of the liquidity pool for ETFs.

Likelihood of settlement	ESMA	Medium / Low	Likelihood of settlement has relatively low importance as a factor for a number of reasons. Firstly, the Firm considers the broker's credit worthiness and reputation for operational efficiency. Secondly, equity trades are settled DVP. And thirdly the Firm monitors fail rates and communicates any concerns promptly to the broker.
Quality and resilience of algos	Additional	Low	ETFs are typically not traded using algorithms and so the factor is of relatively low importance. When ETF trades are executed using an algorithm, only those brokers with the most resilient platform will be used.

From its monitoring activities, the firm is satisfied that the results (in terms of quality of execution) obtained from the brokers listed in the Top 5 for this instrument class are consistent with the execution factors to which the firm ascribes the most importance for this instrument class.

Equity Derivatives and Interest Rate Derivatives admitted to trading on a trading venue

Execution Factor	Factor Type	Relative Importance	Reason
Price	ESMA	High	Achieving the best possible outcome for the full target order size is usually the most important factor and the final execution price is always compared to the prevailing price at the time the order was sent. In certain cases (e.g. illiquid single stock options) there may not be a prevailing price and so prices are compared to a carefully calculated fair value.
Legal documents and terms of business	Additional	High	The Firm reviews and in some cases renegotiates all Terms of Business with brokers. On occasion if the Terms are not acceptable the Firm will exclude the broker from the list of approved brokers. In the case of certain derivative transactions, standardised give-up agreements may also be required.
Costs	ESMA	Medium/High	Costs represent another important factor for delivering value for investors. Accordingly, the Firm negotiates competitive commission rates with all brokers and regularly reviews and benchmarks these rates to ensure

			the best value.
Speed	ESMA	Medium	Speed is usually of only medium importance. In some cases however, speed may take on greater importance. These cases include, but are not limited to, hedging trades, responses to external events or to internal requirements.
Likelihood of Execution	ESMA	Medium	Likelihood of execution is usually of medium importance. For index futures, there is always great certainty in execution thanks to the depth of markets. However, for less liquid options, likelihood of execution becomes a more important factor when selecting a broker as not all brokers can access the appropriate liquidity.
Size	ESMA	Medium	Size is of medium importance. The Firm's orders are typically not large and so brokers are generally adept at transacting such orders.
Diversification	Additional	Medium	As part of its risk management policy, the Firm avoids concentrating its flow with a particular broker and diversifies its counterparty risk accordingly.
Anonymity / Data leakage	Additional	Medium / Low	Related to the Diversification Factor, the Firm may choose to send orders to a variety of different brokers so that the market cannot easily detect or pre-empt its trading intentions. This factor is of lower importance for index futures given the depth of the liquidity pool but it gains greater importance for single stock options for example.
Likelihood of settlement	ESMA	Medium / Low	Likelihood of settlement has relatively low importance as a factor for a number of reasons. Firstly, the Firm considers the broker's reputation for operational efficiency. Secondly, listed derivatives trades are centrally cleared.

From its monitoring activities, the firm is satisfied that the results (in terms of quality of execution) obtained from the brokers listed in the Top 5 for this instrument class are consistent with the execution factors to which the firm ascribes the most importance for this instrument class.

b) Close links to any execution venues

The firm has no close links with any execution venue nor any common ownerships with respect to execution venues used to execute orders.

c) Arrangements with execution venues regarding payments

The firm has no arrangements with any execution venues regarding payments made or received discounts, rebates or non-monetary benefits received. Nonetheless, the firm may have commercial arrangements with an execution venue's parent or affiliate that do not relate to execution services (for example prime brokerage or equity research).

d) Factors that led to a change in the list of execution venues

Additions	Factors / reasons	Removals	Factors / reasons
None		First Securities Northwest, Inc	Departure of main contact
		Simmons and Company International	Company acquired by competitor

e) Execution differing according to client categorisation

The firm only executes orders for professional clients.

f) Executing retail client orders

The firm does not execute orders on behalf of retail clients.

g) How the investment firm has used any data or tools relating to the quality of execution

For the following asset classes, the firm uses external, independent TCA software to help analyse the quality of its executions. To some extent, the firm also reviews data analysis provided by the executing brokers.

- Equities — Shares & Depositary Receipts
- Exchange traded products (Exchange traded funds, exchange traded notes and exchange traded commodities)

- Other instruments (Equities traded outside of the EU)

For the following asset classes, the firm uses the Execution Management System supplemented by internal tools to monitor the quality of executions. To some extent, the firm may also review data analysis provided by the executing brokers.

- Interest rates derivatives
- Equity Derivatives

h) How the investment firm has used output of a consolidated tape provider

There are no consolidated tape providers in Europe currently. For executions in the US, the firm may use CTS and CQS data for monitoring the quality of executions.