

# ATLANTIC HOUSE

## FUND MANAGEMENT

### Atlantic House Fund Management LLP Top 5 Venues Execution Report 2018 2018

#### 1. Introduction

This document has been issued by Atlantic House Fund Management LLP (AHFM) who is authorised and regulated by the Financial Conduct Authority ('FCA') as a MiFID Investment Firm; the main regulated activity it performs is portfolio management for clients that meet the FCA handbook definition of 'professional client' and 'retail client'. AHFM has published this document in line with the requirements of MiFID II and supplementing Regulatory Technical Standards (RTS). The legislation requires portfolio managers to summarise and disclose annually the top five execution venues in terms of trading volumes where they executed decisions to deal in the preceding year and associated information on the quality of execution for each class of financial instrument. AHFM do not have a centralised dealing team however trade execution must follow the AHFM Execution Policy, the dealing element of the investment management team's responsibilities is overseen as part of the firm's compliance monitoring program. Transactions are concluded with external counterparties in relation to the discretionary investment decisions made by AHFM's portfolio management teams. During 2018, AHFM undertook dealing in the following financial instruments for clients.

Debt Instruments: Bonds

Interest Rate Derivatives: Swaps, forwards, and other interest rates derivatives

Equity Derivatives: Swaps and other equity derivatives

Securitised Derivatives: Other securitised derivatives

Exchange traded products (Exchange traded funds, exchange traded notes and exchange traded commodities)

#### 2. Glossary and Abbreviation of Terms

Abbreviation/Term	Definition
Aggressive Orders	Aggressive order means an order entered into the order book that took liquidity.
AHFM	Atlantic House Fund Management LLP
Directed Orders	Directed order means an order where a specific execution venue was specified by the client prior to the execution of the order
FCA	Financial Conduct Authority
MiFID	Markets in Financial Instruments Directive
OTC	Over the counter (OTC) is a security traded outside of a formal exchange via an agreement between two parties.
Passive Orders	Passive order means an order entered into the order book that provided liquidity.
Total Return Swap (TRS)	A total return swap is a swap agreement in which one party makes payments based on a set rate, either fixed or variable, while the other party makes payments based on the return of an
Venue	A venue is where a client order is executed. For this report we show the legal name of the venue that the order was passed to.

AHFM's quantitative reports do not contain information on passive / aggressive orders because we believe that the notion of passive / aggressive applies only where a firm directly executes on execution venues that operate transparent order books. This does not apply to AHFM.

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### 3. Quantitative report and Qualitative commentary for each asset class

Class of instrument	Debt Instruments: Bonds				
Notification if < 1 average trade per business day in the previous year	Y				
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
Citigroup Global Market Ltd (LEI: XKZZ2JZF41MRHTR1V493)	97.83%	75.00%	-	-	-
JP Morgan Securities Plc (LEI: K6Q0W1PS1L1O4IQL9C32)	1.20%	12.50%	-	-	-
RBC Europe Limited (LEI: TXDSU46SXBWIGJ8G8E98)	0.97%	12.50%	-	-	-
Qualitative Commentary	The primary trading factors considered for this asset class when selecting the venue were price and likelihood of execution and size. Citigroup were consistently the counterparty who were able to provide good execution taking in to account the requirement to link the transactions to Interest Rate Swaps. The volumes in 2018 were in the single digits.				
Class of instrument	Interest Rate Derivatives: Swaps, forwards, and other interest rates derivatives				
Notification if < 1 average trade per business day in the previous year	Y				
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
Citigroup Global Market Ltd (LEI: XKZZ2JZF41MRHTR1V493)	100%	100%	-	-	-
Qualitative Commentary	All trades were executed with Citigroup, the interest derivatives were linked to the Bonds transaction detailed above. We have internal models to ensure best execution is provided by the counterparty.				
Class of instrument	Equity Derivatives: Swaps and other equity derivatives				
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

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Natixis	40.65%	42.38%	-	-	-
Credit Suisse Securities (Europe) Limited (LEI: DL6FFRRLF74S01HE2M14)	20.76%	15.82%	-	-	-
JP Morgan Securities Plc (LEI: K6Q0W1PS1L1O4IQL9C32)	19.84%	27.73%	-	-	-
Citigroup Global Market Ltd (LEI: XKZZ2JZF41MRHTR1V493)	15.35%	13.48%	-	-	-
Société Générale International Ltd (LEI: OIKLU6X1B10WK7X42C15)	2.59%	0.20%	-	-	-
Qualitative Commentary	AHFM trades some equity index/basket product through OTC swaps. These are executed with a counterparty under ISDA documentation, which needs to be in place for all funds/accounts trading the swap. AHFM have a rich list of top tier investment banks to choose from, each Swap is transaction goes through an RFQ process. We have internal pricing models to ensure pricing received is of good standing.				
Class of instrument	Securitised Derivatives: Other securitised derivatives				
Notification if < 1 average trade per business day in the previous year	Y				
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
Natixis	45.56%	35.71%	-	-	-
Investec Bank Plc (LEI: 84S0VF8TSMHOT6D4K848)	29.94%	53.57%	-	-	-
Credit Suisse Securities (Europe) Limited (LEI: DL6FFRRLF74S01HE2M14)	24.50%	10.72%	-	-	-
Qualitative Commentary	Across 2018 AHFM traded structured investments with a selection of counterparties. For these products a competitive RFQ process is held, we are able to price each product using internal models to ensure pricing receive is competitive.				
Class of instrument	Exchange traded products (Exchange traded funds, exchange traded notes and exchange traded commodities)				
Notification if < 1 average trade per business day in the previous year	Y				
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
Winterflood Securities Ltd (LEI:8BRUP6V1DX3PIG2R0745)	100%	100%	-	-	-
Qualitative Commentary	Only 1 transaction was dealt in an ETF in 2018. Winterflood were able to offer the best price at the time.				

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#### **4. Qualitative Report**

In accordance with Article 3(3) of RTS 28, AHFM hereby publishes a summary of the analysis and conclusions the firm has drawn from detailed monitoring of the quality of execution obtained during 2018. This qualitative report attempts to provide a more transparent picture of the firm's order execution policy in practice, execution strategies and tools used to assess the strategies' quality. The qualitative commentary has been inserted at the bottom of each asset class above.

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