



PALM HARBOUR C A P I T A L

Palm Harbour Capital LLP - RTS 28 ANNUAL BEST EXECUTION DISCLOSURE

Introduction

Palm Harbour Capital LLP (“PHC” and / or “the Firm”) is an investment firm authorised and regulated by the Financial Conduct Authority. The Firm is a discretionary investment manager whose clients for the purposes of the FCA’s Conduct of Business Rules are Professional Clients.

Under MiFID II there are a number of Regulatory Technical Standards (RTS) which investment firms are required to implement. RTS 28 outlines the requirements designed to increase transparency related to executing client orders on trading venues - including systematic internalisers, market makers or other liquidity providers - intended to improve investor protection. To adhere to RTS 28, investment firms that execute client orders are required to summarise and publish the top five execution venues in terms of trading volumes where they executed client orders in the preceding year, as well as information on the quality of execution obtained.

Overview

The following report, which has been prepared in accordance with the FCA rules, specifically COBS 11 and industry guidance covers the period from 1 January to 31 December 2019.

This report sets out data on the Firm’s top five execution venues and investment firms in each class of financial instruments that the Firm traded in the calendar year ending 31 December 2019, in the form specified by RTS 28.

This information below includes disclosure relating to trading volumes with the top five counterparties expressed as a percentage of the Firm’s total execution volume and a percentage of the number of executed orders in relation to each relevant class of financial instrument and all values are rounded to two decimal places. This is quantitative element contained within the report below.

In addition to the quantitative element, the Firm is also required to provide a qualitative report summarising the conclusions drawn from its monitoring of the quality of execution. This report therefore also sets out a summary of the Firm’s analysis and conclusions from its detailed monitoring of the quality of execution obtained on the execution venues and investment firms where it executed client orders.

EQUITIES - SHARES AND DEPOSITARY RECEIPTS (TICK SIZE LIQUIDITY BANDS 5 AND 6)					
NOTIFICATION IF < 1 AVERAGE TRADE PER BUSINESS DAY IN PREVIOUS YEAR (Y/N)					(N)
TOP 5 EXECUTION VENUES RANKED IN TERMS OF TRADING VOLUMES (DESCENDING ORDER)	PROPORTION OF VOLUME TRADED AS % OF TOTAL IN THAT CLASS	PROPORTION OF ORDERS EXECUTED AS % OF TOTAL IN THAT CLASS	PERCENTAGE OF PASSIVE ORDERS	PERCENTAGE OF AGGRESSIVE ORDERS	PERCENTAGE OF DIRECTED ORDERS
Pictet Global Markets (UK) Limited	100%	100%	N/A	N/A	100.00%
			N/A	N/A	0.00%
			N/A	N/A	0.00%
			N/A	N/A	0.00%
			N/A	N/A	0.00%

EQUITIES - EXCHANGE TRADED PRODUCTS					
NOTIFICATION IF < 1 AVERAGE TRADE PER BUSINESS DAY IN PREVIOUS YEAR (Y/N)					(N)
TOP 5 EXECUTION VENUES RANKED IN TERMS OF TRADING VOLUMES (DESCENDING ORDER)	PROPORTION OF VOLUME TRADED AS % OF TOTAL IN THAT CLASS	PROPORTION OF ORDERS EXECUTED AS % OF TOTAL IN THAT CLASS	PERCENTAGE OF PASSIVE ORDERS	PERCENTAGE OF AGGRESSIVE ORDERS	PERCENTAGE OF DIRECTED ORDERS
Pictet Global Markets (UK) Limited	100%	100%	N/A	N/A	100.00%
			N/A	N/A	0.00%
			N/A	N/A	0.00%
			N/A	N/A	0.00%
			N/A	N/A	0.00%

EQUITIES - EQUITY DERIVATIVES					
NOTIFICATION IF < 1 AVERAGE TRADE PER BUSINESS DAY IN PREVIOUS YEAR (Y/N)					(N)
TOP 5 EXECUTION VENUES RANKED IN TERMS OF TRADING VOLUMES (DESCENDING ORDER)	PROPORTION OF VOLUME TRADED AS % OF TOTAL IN THAT CLASS	PROPORTION OF ORDERS EXECUTED AS % OF TOTAL IN THAT CLASS	PERCENTAGE OF PASSIVE ORDERS	PERCENTAGE OF AGGRESSIVE ORDERS	PERCENTAGE OF DIRECTED ORDERS
Pictet Global Markets (UK) Limited	100%	100%	N/A	N/A	100.00%
			N/A	N/A	0.00%
			N/A	N/A	0.00%
			N/A	N/A	0.00%
			N/A	N/A	0.00%

EQUITIES - DEBT INSTRUMENTS					
NOTIFICATION IF < 1 AVERAGE TRADE PER BUSINESS DAY IN PREVIOUS YEAR (Y/N)					(N)
TOP 5 EXECUTION VENUES RANKED IN TERMS OF TRADING VOLUMES (DESCENDING ORDER)	PROPORTION OF VOLUME TRADED AS % OF TOTAL IN THAT CLASS	PROPORTION OF ORDERS EXECUTED AS % OF TOTAL IN THAT CLASS	PERCENTAGE OF PASSIVE ORDERS	PERCENTAGE OF AGGRESSIVE ORDERS	PERCENTAGE OF DIRECTED ORDERS
Pictet Global Markets (UK) Limited	100%	100%	N/A	N/A	100.00%
			N/A	N/A	0.00%
			N/A	N/A	0.00%
			N/A	N/A	0.00%
			N/A	N/A	0.00%

Requirement under Article 3(3)	Palm Harbour Capital Commentary and Analysis
<p>An explanation of the relative importance the firm gave to the execution factors of price, costs, speed, likelihood of execution or any other consideration including qualitative factors when assessing the quality of execution.</p>	<p>The Firm acts in accordance with the best interests of its clients and considers execution factors when transmitting or placing orders with other entities for execution that result for decisions to deal. In order to deliver best execution, the Firm uses its knowledge, experience, and judgment in executing trades on behalf of its clients, taking into consideration a number of execution factors, including:</p> <ul style="list-style-type: none"> - The price that the order can be executed at. - The impact of the trade on the market. - The overall market conditions at the time of the trade. - The costs of execution of the transaction to the client (e.g. via a broker algorithm or high touch). - The speed of execution of the transaction. - The likelihood of achieving execution and settlement. - The size and nature of the order. - Sourcing of liquidity. - The liquidity of the security (% of the average daily volume). - Any other consideration relevant to the execution of the specific order. <p>The following steps are undertaken in order to assess the quality of execution:</p> <ul style="list-style-type: none"> - Understanding the parameters of the order. - Urgency. - Price sensitivity. - Relative size order. - Evaluation of prices from brokers and price information from conversations with sell-side traders or salespeople.

Requirement under Article 3(3)	Palm Harbour Capital Commentary and Analysis
<p>An explanation of the relative importance the firm gave to the execution factors of price, costs, speed, likelihood of execution or any other consideration including qualitative factors when assessing the quality of execution.</p>	<ul style="list-style-type: none"> - Knowledge of the market to isolate subset of dealers most likely to provide best execution in that specific name. - Who trades large volume. - Who underwrote the issue, where relevant. - How trustworthy is the relationship. - Who is more likely to provide the needed level of liquidity. <p>Due to the availability of liquidity across a number of different venues and the availability of in-depth price discovery, we would place the highest importance on price and then costs associated with execution. With smaller capitalised equities and less liquid stocks speed and likelihood of execution increase in priority but would be unlikely to replace price or cost as the most important factors.</p>
<p>A description of any close links, conflicts of interests, and common ownerships with respect to any execution venues used to execute orders.</p>	<p>Palm Harbour Capital does not have any close links, conflicts of interests or common ownerships with respect to any execution venues used to execute orders.</p>
<p>A description of any specific arrangements with any execution venues regarding payments made or received, discounts, rebates or non-monetary benefits received.</p>	<p>The Firm does not have any arrangements with any execution venues regarding payments made or received, discounts, rebates or non-monetary benefits received.</p> <p>The Firm does not receive inducements from its appointed brokers other than minor non-monetary benefits which are judged not to impair the Firm's duty to act in the best interests of its clients and which are capable of enhancing the quality of client service. The types of minor non-monetary benefits that may be received include: information relating to financial instruments such as market commentaries; participation at conferences or seminars on specific financial instruments and reasonable and proportionate hospitality of a de minimis value.</p>

Requirement under Article 3(3)	Palm Harbour Capital Commentary and Analysis
An explanation of the factors that led to a change in the list of execution venues listed in the firm's execution policy, if such a change occurred.	There have been no material changes to note in the list of execution venues listed in the firm's Execution Policy. Brokerage firms on our list of execution venues are subject to an authorisation and ongoing monitoring process, which includes, regular reviews of the performance of execution services provided by the broker, and the broker's ability to trade effectively on our clients' behalf.
An explanation of how order execution differs according to client categorisation, where the firm treats categories of clients differently and where it may affect the order execution arrangements.	Our order execution arrangements do not differ according to client categorisation and all of our clients are classified as professional clients.
An explanation of whether other criteria were given precedence over immediate price and cost when executing retail client orders and how these other criteria were instrumental in delivering the best possible result in terms of the total consideration to the client.	This is not applicable to PHC, as it does not execute retail client orders.
An explanation of how the investment firm has used any data or tools relating to the quality of execution, including any data published under Delegated Regulation (EU) 2017/575 [RTS 27].	PHC has regularly monitored the quality of execution obtained from the execution venues used to place client orders for execution and is satisfied that it has adhered to the requirements set out in its execution policy in seeking to obtain best execution for its clients by reference to all relevant factors. Each trade is monitored by a fund manager when placing the trade instruction to ensure that it is executed on the best terms available. It is a prerequisite of the terms of business of all brokers used by the firm that they must provide PHC's clients with best execution. In addition, the firm monitors the effectiveness of its order execution policy and arrangements at least annually (and whenever any material changes are proposed) to identify, and where appropriate, correct any deficiencies.

Requirement under Article 3(3)	Palm Harbour Capital Commentary and Analysis
Where applicable, an explanation of how the investment firm has used output of a consolidated tape provider.	This is not applicable, as there are currently no consolidated tape providers in Europe.

Important Information / For Professional Clients only.

This document is issued by Palm Harbour Capital LLP, which is authorised and regulated by the Financial Conduct Authority. Nothing in this document should be construed as advice or a recommendation to buy or sell any product or service and it is intended solely for Professional Clients only. The information set out in this report covers the Firm's past trading activities and is not necessarily reflective of the Firm's current or future trading activities and should not be relied on as such.

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