

Park Square Capital, LLP

Best Execution Summary for Professional Clients

For the year ending December 2019

Published Document April 2020



Annual qualitative disclosure on the quality of execution obtained

Firm name: Park Square Capital, LLP (the “LLP, “Park Square”, “Firm”)

Disclosure Period: 01/01/2019 to 31/12/2019

Class of Financial Instrument: Equities

Annual quantitative "top 5 brokers" disclosure

Firm name *Park Square Capital, LLP*
Disclosure period *01/01/2019 - 31/12/2019*
Disclosure type *Professional clients*

This disclosure is being made pursuant to Article 65(6) of the MiFID II Delegated Organisational Regulation, which requires firms to disclose, for each class of financial instruments traded on behalf of clients during the period, the top 5 brokers that were used.

Class of Instrument *Equities*

Top Five Broker Report by volume (descending order)	LEI	% of total volume traded in class	% of aggressive orders	% of passive orders	% of directed orders
n/a	n/a	n/a	n/a	n/a	n/a

The table below covers Park Square’s analysis for equities:

RTS 28 / Art. 65(6) requirement:	Details:
<p>(a) 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 has not traded equities during this period. As the Firm is not a member of any regulated market, if the Firm were to have traded equities, Park Square would generally execute or transmit equity orders via a broker or use an MTF facility. Where equity trades cannot be transmitted or executed via a broker or MTF, for example due to the equity being of large value or low liquidity, the trader at Park Square will use a manual price discovery model, leveraging market data feeds and approved counterparty relationships which leads to execution with the counterparty who offer the most competitive terms available that are in line with the clients’ best interest. Prior to transmitting or executing a trade order, the trader will use their professional judgement in light of the prevailing market conditions, to select the execution venue and particularly when selecting a broker. The selection of a broker is highly dependent on the characteristics of that security and the order itself. As price will generally be the most important factor when executing equity trades, the trader may use a single broker or trade counterparty that has a proven track record in executing orders of that nature. Where speed or execution certainty is determined to be the most important factor, the trader may use the broker which has historically proven to be reliable in that area.</p>
<p>(b) a description of any close links, conflicts of interests, and common ownerships with respect to any execution venues/brokers used to execute orders;</p>	<p>The Firm does not have any close links, common ownership of other relationships that would give rise to any conflicts of interests with any of the execution venues or brokers used.</p> <p>The Firm has not traded with affiliates during the Disclosure Period.</p>

RTS 28 / Art. 65(6) requirement:	Details:
(c) a description of any specific arrangements with any execution venues/brokers regarding payments made or received, discounts, rebates or non-monetary benefits received;	The Firm has no specific arrangements to report with any execution venues or brokers regarding payments made or received, discounts, rebates or non-monetary benefits received.
(d) an explanation of the factors that led to a change in the list of execution venues/brokers listed in the firm's execution policy, if such a change occurred;	The Firm's internal list of execution venues / brokers approved for use by the Firm did not change during the period.
(e) 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;	This is not applicable as the Firm only deals with Professional or Eligible Clients.
(f) 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 as the Firm does not deal with Retail Clients.
(g) 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];	The Firm did not use RTS 27 reports or RTS 28 reports produced by execution venues or brokers during the period under review (2019).
(h) where applicable, an explanation of how the investment firm has used output of a consolidated tape provider established under Article 65 of Directive 2014/65/EU ("Consolidated Tape Provider");	There were not any authorised Consolidated Tape Providers in Europe during the period under review.
Disclosures around the use of Direct Electronic Access ("DEA") providers.	N/A.

Class of Financial Instrument: Debt

Annual quantitative "top 5 brokers" disclosure

Firm name *Park Square Capital, LLP*
Disclosure period *01/01/2019 - 31/12/2019*
Disclosure type *Professional clients*

This disclosure is being made pursuant to Article 65(6) of the MiFID II Delegated Organisational Regulation, which requires firms to disclose, for each class of financial instruments traded on behalf of clients during the period, the top 5 brokers that were used.

Class of Instrument *Debt Instruments - Bonds*
Notification if <1 average trade per business day in previous year *Yes*

Top Five Broker Report by volume (descending order)	LEI	% of total volume traded in class	% of aggressive orders	% of passive orders	% of directed orders
#1 - HSBC Bank PLC	MP6I5ZYZBEU3UXPYFY54	41.2%	n/a	n/a	n/a
#2 - Barclays Bank PLC	G5GSEF7VJP5I7OUK5573	23.5%	n/a	n/a	n/a
#3 - J.P. Morgan Securities PLC	K6Q0W1PSL1O4IQL9C32	14.7%	n/a	n/a	n/a
#4 - Citigroup Global Markets Inc	MBNUM2BPBDO7JBLYG310	5.9%	n/a	n/a	n/a
#5 - UBS AG	BFM8T61CT2L1QCCEMIK50	2.9%	n/a	n/a	n/a

The table below covers Park Square’s analysis for debt instruments:

RTS 28 / Art. 65(6) requirement:	Details:
<p>(a) 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 following characteristics of fixed income markets mean that there is less transparency on trade volumes and prices than in equity markets:</p> <ul style="list-style-type: none"> • The large population of less liquid or illiquid securities; • The relatively large average trade sizes and low trading frequency; • The relatively active turnover in the initial period following a new issue but rapid decline in trading activities thereafter; and • Much of the trading activity historically taking place outside of trading venues. <p>When executing fixed income orders such as bonds, price will ordinarily merit a high level of importance. For large orders, however, the ability to trade large volumes of that security may be given preference over price. In these circumstances, a single broker may be selected to trade the entire block or “work an order”. Brokers or trade counterparties are selected based on their expertise in that market and their track record in similar trades. Where the security is highly illiquid or when markets are moving quickly, likelihood of execution and speed may be given the highest priority.</p>
<p>(b) a description of any close links, conflicts of interests, and common ownerships with respect to any execution venues/brokers used to execute orders;</p>	<p>The Firm does not have any close links, common ownership of other relationships that would give rise to any conflicts of interests with any of the execution venues or brokers used.</p> <p>The Firm has not traded with affiliates during the Disclosure Period.</p>

RTS 28 / Art. 65(6) requirement:	Details:
(c) a description of any specific arrangements with any execution venues/brokers regarding payments made or received, discounts, rebates or non-monetary benefits received;	The Firm has no specific arrangements to report with any execution venues or brokers regarding payments made or received, discounts, rebates or non-monetary benefits received.
(d) an explanation of the factors that led to a change in the list of execution venues/brokers listed in the firm’s execution policy, if such a change occurred;	The Firm’s internal list of execution venues / brokers approved for use by the Firm did not change during the period.
(e) 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;	This is not applicable as the Firm only deals with Professional or Eligible Clients.
(f) 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 as the Firm does not deal with Retail Clients.
(g) 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];	The Firm did not use RTS 27 reports or RTS 28 reports produced by execution venues or brokers during the period under review (2019).
(h) where applicable, an explanation of how the investment firm has used output of a consolidated tape provider established under Article 65 of Directive 2014/65/EU.	There were not any authorised Consolidated Tape Providers in Europe during the period under review.
Disclosures around the use of Direct Electronic Access (“DEA”) providers.	N/A.

Class of Financial Instrument: Currency Derivatives

Annual quantitative "top 5 brokers" disclosure

Firm name *Park Square Capital, LLP*
Disclosure period *01/01/2019 - 31/12/2019*
Disclosure type *Professional clients*

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Class of Instrument *Currency Derivatives*

Notification if <1 average trade per business day in previous year *Yes*

Top Five Broker Report by volume (descending order)	LEI	% of total volume traded in class	% of aggressive orders	% of passive orders	% of directed orders
#1 - SMBC Capital Markets, Inc	TVJ8SHLIZLORGWGD TN03	28.6%	n/a	n/a	n/a
#2 - Morgan Stanley & Co. International PLC	4PQUHN3JPF GFNF3BB653	27.3%	n/a	n/a	n/a
#3 - J.P. Morgan Securities PLC	K6Q0W1PSL1L1O4IQL9C32	21.4%	n/a	n/a	n/a
#4 - Macquarie Bank Limited	4ZHCHI4KYZG2WVRT8631	14.5%	n/a	n/a	n/a
#5 - Wells Fargo Bank, National Association	KB1H1DSPRFMYM CUFXT09	8.2%	n/a	n/a	n/a

The table below covers Park Square’s analysis for currency derivative instruments:

RTS 28 / Art. 65(6) requirement:	Details:
<p>(a) 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 following characteristics of currency markets mean that there is more transparency on prices than in debt and equity markets:</p> <ul style="list-style-type: none"> • A significant majority of all FX trades are in major currency pairs (EURGBP, EURUSD, GBPUSD) • The relatively small average trade sizes short duration (less than three years) <p>When executing currency transactions such as FX spot and forwards, price will ordinarily merit a high level of importance. Price is assessed by asking multiple counterparties for quotes to assess trading spreads before execution.</p> <p>However, the ability to support the execution of FX forwards without having to post cash collateral in the future as a result of negative market movements is a key consideration.</p> <p>This assessment of credit line availability will, on occasion, override price as a selection factor</p>
<p>(b) a description of any close links, conflicts of interests, and common ownerships with respect to any execution venues/brokers used to execute orders;</p>	<p>The Firm does not have any close links, common ownership of other relationships that would give rise to any conflicts of interests with any of the execution venues or brokers used.</p> <p>The Firm has not traded with affiliates during the Disclosure Period.</p>
<p>(c) a description of any specific arrangements with any execution venues/brokers regarding payments made or received, discounts, rebates or non-monetary benefits received;</p>	<p>The Firm has no specific arrangements to report with any execution venues or brokers regarding payments made or received, discounts, rebates or non-monetary benefits received.</p>

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(e) 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;	This is not applicable as the Firm only deals with Professional or Eligible Clients.
(f) 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 as the Firm does not deal with Retail Clients.
(g) 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];	The Firm did not use RTS 27 reports or RTS 28 reports produced by execution venues or brokers during the period under review (2019).
(h) where applicable, an explanation of how the investment firm has used output of a consolidated tape provider established under Article 65 of Directive 2014/65/EU.	There were not any authorised Consolidated Tape Providers in Europe during the period under review.
Disclosures around the use of Direct Electronic Access (“DEA”) providers.	N/A.