

Atlantic Equities LLP

Annual disclosure of the top execution venues by trading volume used to execute professional client orders

Atlantic Equities LLP (the “Firm”) acts as an agency broker providing execution services in US and Canadian equities as well as depositary receipts and ETFs. The Firm has established trading relationships with a number of brokerage firms which provide it with direct market access (“DMA”) to execution venues. Orders may also be placed by phone, although DMA is used with the majority of brokers so as to achieve greater control over the execution of the order. The Firm provides its services solely to clients classified as Professional Clients.

The Firm utilised the services of a third party Trade Cost Analysis (TCA) provider to monitor its execution quality. A key TCA metric that the Firm focuses on is market impact. In the Financial Conduct Authority’s 2014 thematic review on Best Execution they stated “A trade may appear more expensive in terms of explicit costs but may be less expensive when implicit costs are considered. For example, a firm that works a large order over time, preserving the client’s confidentiality and minimising market impact, may achieve the lowest total costs (and the best net price).”

The following are key highlights from the TCA produced for the 12 months to 31 December 2020:

- The Firm outperformed the TCA provider’s market impact metric by 61.34 basis points, generating a benefit of over \$242 million for the Firm’s clients.
- The TCA provider performed a market impact metric comparison involving over 900 of the Firm’s peer group which showed that the Firm averaged a 100th percentile reading throughout 2020 meaning that the Firm was top for minimising market impact.

This disclosure provides information on both the top 5 brokerage firms by trading volume and also the top 5 execution venues selected via DMA arrangements.

Class of Instrument	Equities – Shares and depositary Receipts Tick size liquidity bands 5 and 6 (from 2000 trades per day)				
Notification if <1 average trade per business day in the previous year	No				
Top five execution venues selected via DMA ranked in terms of trading volumes (descending order)	Proportion of volume traded as a percentage of total of that class	Proportion of orders executed as percentage of total in that class	Percentage of passive ¹ orders	Percentage of aggressive ² orders	Percentage of directed ³ orders
NEW YORK STOCK EXCHANGE INC (XNYS)	25.52%	24.82%	91.92%	8.08%	0.00%
NASDAQ – ALL MARKETS (XNAS)	19.19%	24.51%	84.30%	15.70%	0.00%
UBS ATS (UBSA)	7.35%	7.32%	68.90%	31.10%	0.00%
INVESTORS EXCHANGE - DARK (IEXD)	6.49%	7.91%	57.36%	42.64%	0.00%
LEVEL ATS (LEVL)	4.91%	3.72%	79.06%	20.94%	0.00%

¹ A **Passive** order means an order entered into an order book that provided liquidity.

² An **Aggressive** order means an order entered into an order book that took liquidity

³ A **Directed** order means an order where a specific execution venue or broker was specified by the underling client prior to the execution of the order.

Class of Instrument	Equities – Shares and depositary Receipts Sub-Class: Tick size liquidity band 3 and 4 (80 to 1999 trades per day)				
Notification if <1 average trade per business day in the previous year	No				
Top five execution venues selected via DMA ranked in terms of trading volumes (descending order)	Proportion of volume traded as a percentage of total of 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
NEW YORK STOCK EXCHANGE INC (XNYS)	43.16%	46.90%	89.93%	10.07%	0.00%
NASDAQ – ALL MARKETS (XNAS)	10.57%	8.46%	79.58%	20.42%	0.00%
INVESTORS EXCHANGE - DARK (IEXD)	6.52%	8.40%	57.73%	42.27%	0.00%
UBS ATS (UBSA)	6.28%	6.50%	62.00%	38.00%	0.00%
LEVEL ATS (LEVL)	3.60%	3.09%	74.13%	25.87%	0.00%

Class of Instrument	Equities – Shares and depositary Receipts Sub-Class: Tick size liquidity band 1 and 2 (0 to 79 trades per day)				
Notification if <1 average trade per business day in the previous year	No				
Top five execution venues selected via DMA ranked in terms of trading volumes (descending order)	Proportion of volume traded as a percentage of total of 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
NASDAQ – ALL MARKETS (XNAS)	22.30%	24.09%	76.82%	23.18%	0.00%
NEW YORK STOCK EXCHANGE INC (XNYS)	21.16%	25.22%	85.32%	14.68%	0.00%
UBS ATS (UBSA)	7.53%	8.63%	53.82%	46.18%	0.00%
INVESTORS EXCHANGE - DARK (IEXD)	6.93%	8.69%	33.92%	66.08%	0.00%
TORONTO STOCK EXCHANGE (XTSE)	3.81%	2.09%	78.03%	21.97%	0.00%

Class of Instrument	Exchange traded funds				
Notification if <1 average trade per business day in the previous year	Yes				
Top five execution venues selected via DMA ranked in terms of trading volumes (descending order)	Proportion of volume traded as a percentage of total of 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
NYSA ARCA (ARCX)	57.87%	44.83%	91.73%	8.27%	0.00%
NASDAQ – ALL MARKETS (XNAS)	6.91%	12.59%	68.52%	31.48%	0.00%
LEVEL ATS (LEVL)	4.61%	4.60%	59.56%	40.44%	0.00%
UBS ATS (UBSA)	4.00%	4.18%	43.15%	56.85%	0.00%
CBOE BZX US EQUITIES (BATS)	3.07%	4.28%	57.53%	42.47%	0.00%

Class of Instrument	Equities – Shares and depository Receipts Tick size liquidity bands 5 and 6 (from 2000 trades per day)				
Notification if <1 average trade per business day in the previous year	No				
Top five brokerage firms ranked in terms of trading volumes (descending order)	Proportion of volume traded as a percentage of total of 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
549300U614BWU622VY96 (Clearpool Execution Services LLC)	96.88%	98.02%	77.35%	22.65%	0.00%
549300GRQCWQ3XGH0H10 (Piper Sandler & Co)	1.91%	0.99%	79.32%	20.68%	0.00%
549300VYG4AYVBIDN394 (Dash Financial Technologies LLC)	1.10%	0.84%	74.74%	25.26%	0.00%
213800MXAKR2LA1VBM4 (Instinet Europe Limited)	0.11%	0.15%	58.57%	41.43%	0.00%

Class of Instrument	Equities – Shares and depositary Receipts Sub-Class: Tick size liquidity band 3 and 4 (80 to 1999 trades per day)				
Notification if <1 average trade per business day in the previous year	No				
Top five brokerage firms ranked in terms of trading volumes (descending order)	Proportion of volume traded as a percentage of total of 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
549300U614BWU622VY96 (Clearpool Execution Services LLC)	98.48%	97.75%	77.62%	22.38%	0.00%
549300GRQCWQ3XGH0H10 (Piper Sandler & Co)	0.83%	1.00%	95.00%	5.00%	0.00%
549300VYG4AYVBIDN394 (Dash Financial Technologies LLC)	0.69%	1.25%	89.79%	10.21%	0.00%

Class of Instrument	Equities – Shares and depositary Receipts Sub-Class: Tick size liquidity band 1 and 2 (0 to 79 trades per day)				
Notification if <1 average trade per business day in the previous year	No				
Top five brokerage firms ranked in terms of trading volumes (descending order)	Proportion of volume traded as a percentage of total of 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
549300U614BWU622VY96 (Clearpool Execution Services LLC)	97.32%	98.57%	69.18%	30.82%	0.00%
549300GRQCWQ3XGH0H10 (Piper Sandler & Co)	1.91%	0.81%	70.05%	29.95%	0.00%
549300VYG4AYVBIDN394 (Dash Financial Technologies LLC)	0.77%	0.62%	59.22%	40.78%	0.00%

Class of Instrument	Exchange traded funds				
Notification if <1 average trade per business day in the previous year	Yes				
Top five brokerage firms ranked in terms of trading volumes (descending order)	Proportion of volume traded as a percentage of total of 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
549300U614BWU622VY96 (Clearpool Execution Services LLC)	99.96%	99.90%	74.10%	25.90%	0.00%
549300GRQCWQ3XGH0H10 (Piper Sandler & Co)	0.04%	0.10%	0.00%	100.00%	0.00%

Subject to any specific instructions that the Firm accepts from a client, the factors that the Firm considers in order to determine the manner in which an order is executed are: price, costs, speed, likelihood of execution and settlement, together with any other consideration relevant to the execution of the order. Such considerations include the availability of liquidity and the market impact of the order.

In determining the relative importance of these factors the Firm takes into account the clients' status as a professional client, together with the nature of the order, the characteristics of the Financial Instruments to which the order relates and the characteristics of the available execution venues⁴. In the absence of specific instructions from the client, the Firm exercise its discretion to determine which of these factors, or combination of them, are relevant to achieve the best result.

Generally, the highest priority is placed on price. The Firm may also prioritise other factors such as the impact on market prices of displaying and executing the order and the availability of price improvement, or the speed and likelihood of execution and settlement. Therefore, in consideration of various circumstances that may arise, transactions may not always be executed at the best available price.

The Firm has no close links, conflicts of interests, and common ownerships with respect to any execution venues used to execute orders.

There are no arrangements with any execution venues regarding payments made or received, discounts, rebates or non-monetary benefits received.

The Firm does not receive inducements from its appointed brokers other than certain 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 benefits that may be received include: the provision of DMA and associated algorithms to facilitate execution and reasonable and proportionate hospitality of a de minimis value.

New execution venues were added where it was believed that that they could provide access to liquidity and superior execution capabilities. Execution venues were deleted where they had either ceased providing an execution service or they were no longer able to provide adequate liquidity in the securities in which the Firm had a buying or selling interest.

⁴ In the context of this narrative, execution venue refers to the brokerage firms appointed by the Firm.

The Firm monitors the effectiveness of its order execution arrangements on a regular basis:

- *The Firm's dedicated Traders monitor trade executions as they occur.*
- *The Firm reviews Transaction Cost Analysis (TCA) provided by a third party specialist with particular emphasis on Interval VWAP⁵, Reversion⁶, Implementation Shortfall⁷, Arrival Price⁸ and the average execution size. A summary of the results is presented to the Firm's governing body. The output of consolidated tape providers is utilised in generating the TCA.*

An annual review of the effectiveness of the Firm's execution arrangement is undertaken by Compliance and reported to the Firm's governing body. If the Firm were to identify any deficiencies in obtaining best execution, appropriate changes would be made to its execution arrangements.

⁵ The slippage between the Volume Weighted Average Price (VWAP) during the trading interval and the average execution price.

⁶ How the stock performs after the trade is completed, measured by comparing the final execution to the price of the asset at various points later in time.

⁷ Implementation shortfall is the difference between the decision price and the final execution price (including commissions, taxes, etc.) for a trade.

⁸ The slippage between the arrival price (the mid-point at the time that trading commenced by default) and the average execution price