

Kyma Capital Limited RTS 28 Quality of Execution Annual Report

Firm: Kyma Capital Limited

Calendar Year Disclosure Period: 1 January 2019 to 31 December 2019

Date: 05 MAY 2020

Summary of classes of instruments included in this report, and class of instruments not included in this report (because the Firm has not executed client orders in that class of instruments):

Classes of instruments included in this report	Classes of instruments not included in this report
<ul style="list-style-type: none">• Debt Instruments• OTC Derivatives• Equity Instruments	<ul style="list-style-type: none">• Derivatives on a Trading Venue (including listed derivatives)• Exchange Traded Products• Structured Finance Instruments and Securitized Derivatives

General

Kyma Capital Limited is authorised and regulated in the United Kingdom by the Financial Conduct Authority (“FCA”) as an Alternative Investment Fund Manager (“AIFM”) under the EU Alternative Investment Fund Managers Directive (“AIFMD”). Kyma Capital Limited acts as the investment manager for Kyma Capital Opportunities Master Fund and has certain additional ‘top-up’ regulatory permissions under the Markets in Financial Instruments Directive and Regulation (together “MiFID II”), in order to carry out portfolio management activities on behalf of the aforementioned AIF.

MiFID II imposes a regulatory obligation upon Kyma Capital Limited as an FCA authorised AIFM, to publish, on an annual basis, a report summarising specific information relating to the execution obtained for each relevant financial instrument traded during the previous year. This information includes disclosure relating to trading volumes with the top five counterparties expressed as a percentage of Kyma’s total execution volume and a percentage of the number of executed orders in relation to each relevant class of financial instrument, this is the quantitative element contained with the report below. In addition to the quantitative element, Kyma is also required to provide a qualitative report summarising the conclusions drawn from its monitoring of the quality of execution.

Equities - Tick size liquidity band 1 and 2 (from 0 to 79 trades per day)

	LEI	Venue	Percent Of Volume	Percent Of Order Count	Percent Of Passive Orders	Percent Of Aggressive Orders	Percent Of Directed Orders
1	549300RA02N3BNSWBV74	VIRTU AMERICAS LLC	95.68	83.72	N/A	N/A	0
2	549300GTG9PL6WO3EC51	BTIG LTD	4.32	13.95	N/A	N/A	0
3	G5GSEF7VJP5I7OUK5573	Barclays Bank PLC	0	2.33	N/A	N/A	0
4							

Debt instruments - Bonds

	LEI	Venue	Percent Of Volume	Percent Of Order Count	Percent Of Passive Orders	Percent Of Aggressive Orders	Percent Of Directed Orders
1	4PQUHN3JPF6FNF3BB653	Morgan Stanley & Co Intl Plc	28.35	25.32	N/A	N/A	0
2	G5GSEF7VJP5I7OUK5573	Barclays Bank PLC	20.96	20.89	N/A	N/A	0
3	K6Q0W1PS1L1O4IQL9C32	JP Morgan Securities plc	13.14	12.66	N/A	N/A	0
4	213800BVEFNZ8UYPKL03	Stifel Nicolaus Europe Limited	9.85	11.39	N/A	N/A	0
5	W22LROWP2IHZNBB6K528	Goldman Sachs Intl	8.35	5.7	N/A	N/A	0

Interest rate derivatives - Swaps, forwards, AND other interest rates derivatives

LEI	Venue	Percent Of Volume	Percent Of Order Count	Percent Of Passive Orders	Percent Of Aggressive Orders	Percent Of Directed Orders
14PQUHN3JPFQFN3BB653	Morgan Stanley & Co Intl Plc	100	100	N/A	N/A	0
2						

Credit derivatives - Other credit derivatives

LEI	Venue	Percent Of Volume	Percent Of Order Count	Percent Of Passive Orders	Percent Of Aggressive Orders	Percent Of Directed Orders
14PQUHN3JPFQFN3BB653	Morgan Stanley & Co Intl Plc	41.08	39.47	N/A	N/A	0
2G5GSEF7VJP5I7OUK5573	Barclays Bank PLC	33.17	46.05	N/A	N/A	0
3W22LROWP2IHZNBB6K528	Goldman Sachs Intl	20.85	11.84	N/A	N/A	0
47H6GLXDRUGQFU57RNE97	JP Morgan Chase Bank N.A.	2.45	1.32	N/A	N/A	0
5R0MUWSFPU8MPRO8K5P83	BNP Paribas - Paris	2.45	1.32	N/A	N/A	0

Currency derivatives - Swaps, forwards, AND other currency derivatives

LEI	Venue	Percent Of Volume	Percent Of Order Count	Percent Of Passive Orders	Percent Of Aggressive Orders	Percent Of Directed Orders
1G5GSEF7VJP5I7OUK5573	Barclays Bank PLC	100	100	N/A	N/A	0
2						

Equity derivatives - Swaps and other equity derivatives

LEI	Venue	Percent Of Volume	Percent Of Order Count	Percent Of Passive Orders	Percent Of Aggressive Orders	Percent Of Directed Orders
14PQUHN3JPFQFN3BB653	Morgan Stanley & Co Intl Plc	100	100	N/A	N/A	0
2						

Other instruments

LEI	Venue	Percent Of Volume	Percent Of Order Count	Percent Of Passive Orders	Percent Of Aggressive Orders	Percent Of Directed Orders
17LTFWZYICNSX8D621K86	Deutsche Bank AG - London	80.44	50	N/A	N/A	0
2W22LROWP2IHZNBB6K528	Goldman Sachs Intl	19.56	50	N/A	N/A	0

Class of instrument	Equity Instruments Debt Instruments – Bonds Interest rate Derivatives – Swaps, forwards and other interest rate derivatives. Currency Derivatives – Other Currency Derivatives Currency derivatives - Swaps, forwards, AND other currency derivatives Equity Derivatives – Swaps and other equity derivatives	
General observations	<p>When making and executing investment decision, Kyma traders are required to act in good faith and in the best interests of their clients, the asset management for whom treasury services are being provided. With respect to execution, this is achieved by taking all sufficient steps, as required under the FCA rules, to obtain the best possible result for the clients, taking into account the relative important of the execution factors outlined below.</p> <p>Kyma monitors the effectiveness of its order execution arrangements to identify and, where necessary, corrects any deficiencies. There were no deficiencies identified during the reporting period. No single counterparty is favoured compared to others, unless it can be demonstrated that such a counterparty consistently provides a superior service, which would include, for example, providing better pricing, liquidity or speed of execution than its competitors. There were no material changes to Kyma’s execution arrangements during the reporting period.</p>	
	Summary of analysis	Conclusion
Execution factors	<p>A number of execution factors may be considered depending on the transaction and the market in question. These may include:</p> <ol style="list-style-type: none"> 1) Price; 2) Speed; 3) Likelihood of execution, settlement; 4) Costs; 5) Size and nature of the order; and 6) Any other consideration relevant to the order. <p>The execution of the trades related to the acquisition is a small part of the investment process and it may take several weeks to purchase the instruments in extremely illiquid markets. As a consequence of the detailed investment process and the volume of trading, the likelihood of execution of the order(s) in the vast majority of trades is the most important execution factor.</p>	<p>During the period under review, Kyma’s overarching execution process was based on these execution factors and criteria as detailed in the Firm’s Order Execution Policy.</p> <p>When executing transactions Kyma will generally weight execution factors in order of priority based on the asset class in question and the prevailing market conditions, all of which may be subject to changes depending on the execution criteria at the time of the transaction.</p> <p>It should be noted that as the ability to execute is the most important factor, there may only be discussions with one market maker or broker as sourcing the liquidity is more important than price and cost. It should be noted that discussing a trade with more than one counterparty in illiquid</p>

<i>Close links, conflicts of interest and common ownership with respect to execution venues</i>	Close links The Firm has no close links to report.	Close links N/A
	Conflicts of interest The Firm has no conflicts of interest to report.	Conflicts of interest N/A
	Common ownerships The Firm has no common ownership to report.	Common ownerships N/A
<i>Specific arrangements with execution venues regarding payments made or received, discounts, rebates or non-monetary benefits received</i>	There were no specific arrangements.	N/A
<i>Factors leading to a change in the list of execution venues listed in the order execution policy</i>	There were no significant changes to the list of execution venues in the Firm's Order Execution Policy.	N/A