

Mitsubishi UFJ Asset Management (UK) Ltd. **Annual Best Execution Disclosure 2018**

Introduction

Mitsubishi UFJ Asset Management (UK) Ltd (“MUFG: AM (UK)”) is required to produce information regarding the top five execution venues for each asset class it transacts in and the quality of execution as required by Regulatory Technical Standard 28 of the MiFID II regulation.

Transactions ordered by the fund managers are placed via Simcorp Dimension and are executed with approved brokers on the following platforms, MarketAxess; Tradeweb; FXall and Bloomberg. The platforms provide ‘request for quote’ capabilities where approved brokers provide quotes and the best price is the only one that can be selected.

The list of approved brokers is subject to regular review and the list of those brokers that MUFG: AM (UK) place significant reliance is contained in the Order Execution Policy. Review includes changes in creditworthiness and execution performance of the broker. MUFG: AM (UK) does not receive any inducements, monetary or non-monetary when trading.

Best execution is reviewed on a regular basis as part of the compliance monitoring programme and is reviewed at the Compliance Committee which is attended by all senior management of MUFG: AM (UK), Managing Director, Heads of Investment, Client Relations and Marketing, Operations and Compliance. Any concerns or issues are discussed here.

Equities – Shares

Class of Instrument	Equities				
Notification if <1 average trade per business day in the previous year	N				
Top 5 Venues ranked in terms of volume (descending order)	Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as a percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
Instinet Europe	25.22	31.28	100	0	0
Mitsubishi: Securities	16.60	19.24	100	0	0
Goldman Sachs	13.37	23.57	100	0	0
SMBC Nikko	12.57	18.76	100	0	0
Mitsubishi: Securities US	7.02	1.52	100	0	0

Equities execution factors:

The execution factors of price and cost will be the determining factors but there may be other circumstances that may take priority such as certainty of completion. In addition, transaction cost analysis takes place by an external party on a quarterly basis.

Debt instruments – Bonds (Corporate and Government)

Class of Instrument	Bonds				
Notification if <1 average trade per business day in the previous year	N				
Top 5 Venues ranked in terms of volume (descending order)	Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as a percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
JP Morgan Securities	16.52%	10.36%	100	0	0
Citigroup	12.24%	12.74%	100	0	0
Nomura	9.51%	11.30%	100	0	0
Skandinaviska	7.65%	2.97%	100	0	0
Goldman Sachs	7.36%	6.64%	100	0	0

Bonds execution factors:

Bonds are executed on platforms with approved brokers on a request for quote basis and therefore price, size of order and cost will be the most significant factors.

The Operational Management System in place provides details of quotes provided and where there are exceptions, these will be reviewed by senior management.

Debt instruments – Money Market Instruments – Deposits

Class of Instrument	Money Market Instruments - Deposits				
Notification if <1 average trade per business day in the previous year	Y				
Top 5 Venues ranked in terms of volume (descending order)	Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as a percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
Sumitomo Mitsui Trust Bank	72.02%	96.67%	100	0	0
MUFG: Trust Bank	27.98%	3.33%	100	0	0

Debt instruments – Money Market Instruments – Deposits execution factors:

Price and cost are the most significant factors.

Interest rates derivatives – Futures

Class of Instrument	Futures				
Notification if <1 average trade per business day in the previous year	N				
Top 5 Venues ranked in terms of volume (descending order)	Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as a percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
Nomura	100%	100%			

Execution factors for exchange-traded derivatives:

Price, cost and size of order are generally the most important factors. However, other execution factors may be considered in exceptional circumstances.

Currency derivatives – Forwards and spots

Class of Instrument	FX forward and spot				
Notification if <1 average trade per business day in the previous year	N				
Top 5 Venues ranked in terms of volume (descending order)	Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as a percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
UBS	28.60	11.18	100	0	0
JP Morgan	24.09	17.01	100	0	0
BNY Mellon	22.58	5.53	100	0	0
Standard_Chartered	13.41	54.97	100	0	0
Citibank	8.97	4.94	100	0	0

Execution factors for currency derivatives



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Forward trades are electronically dealt with via FXall where approved counterparties compete on a request for quote basis. Only the best price can be selected. Non-deliverable forwards are traded over the phone.