

## Mitsubishi UFJ Asset Management (UK) Ltd. Annual Best Execution Disclosure 2019

### 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 practice is the best price is 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 (including Exchange Traded Funds) – 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	26.63%	25.30%	100%	0%	0%
Mitsubishi Securities	18.86%	16.95%	100%	0%	0%
UBS AG	14.05%	26.82%	100%	0%	0%
Daiwa Securities	12.25%	1.59%	100%	0%	0%
Goldman Sachs	11.66%	15.06%	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	13.89%	12.83%	100%	0%	0%
Nordea	13.67%	4.83%	100%	0%	0%
Toronto Dominion Bank	8.67%	3.62%	100%	0%	0%
Citigroup	8.30%	12.73%	100%	0%	0%
Goldman Sachs	5.69%	6.51%	100%	0%	0%

Almost 100% (by count) of Debt instrument orders were executed by using an approved electronic platform with an exception of 6 transactions that were executed directly with brokers.

Platform	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
TSOX	67.98%	49.91%	100%	0%	0%
Tradeweb	28.98%	44.70%	100%	0%	0%
MarketAxess	2.42%	4.83%	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	100.00%	100.00%	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	92.14%	23.19%	100%	0%	0%
JP Morgan	7.86%	76.81%	100%	0%	0%

### Execution factors for exchange-traded derivatives:

Price, cost, size and ability to execute an 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	41.28%	18.68%	100%	0%	0%
Citibank	18.84%	8.72%	100%	0%	0%
JP Morgan	15.28%	6.80%	100%	0%	0%
Standard_Chartered	9.54%	34.62%	100%	0%	0%
MUFG: Trust Bank	6.22%	23.15%	100%	0%	0%

Almost 99% (by count) of Currency orders were executed by using the approved electronic platform with an exception of 17 transactions that were executed directly with Brokers.

Platform	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
FXall	99.95%	98.83%	100%	0%	0%



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**Execution factors for currency derivatives**

Forward trades are electronically dealt with via FXall where approved counterparties compete on a request for quote basis. The best price is selected.