

Mitsubishi UFJ Asset Management (UK) Ltd. Annual Best Execution Disclosure 2020

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 onshored 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, Head 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 Limited LEI: 213800MXAKR2LA1VBM44	34.30%	14.20%	100%	0%	0%
Goldman Sachs International LEI: W22LROWP2IHZNBB6K528	15.88%	3.46%	100%	0%	0%
MUFG: Securities LEI: K5HU16E3LMSVCCJJJ255	13.41%	2.48%	100%	0%	0%
Daiwa Capital Markets LEI: M67H5PRCONQKM73ZAS82	11.20%	2.84%	100%	0%	0%
Mizuho Securities LEI: 7TK5RJIZDFROZCA6XF66	9.40%	2.23%	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
Citigroup LEI: XKZZ2JZF41MRHTR1V493	24.27%	20.53%	100%	0%	0%
Nomura LEI: DGQCSV2PHVF7I2743539	13.60%	11.40%	100%	0%	0%
JP Morgan LEI: K6Q0W1PS1L104IQL9C32	7.87%	8.53%	100%	0%	0%
Deutsche Bank LEI: 7LTWFZYICNSX8D621K86	7.28%	9.43%	100%	0%	0%
Wells Fargo LEI: BWS7DNS2Z4NPKPNYKL75	6.46%	2.49%	100%	0%	0%

Over 90% (by count) of Debt instrument orders were executed by using an approved electronic platform.

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	52.46%	46.04%	100%	0%	0%
Tradeweb	31.73%	35.85%	100%	0%	0%
MarketAxess	4.87%	10.64%	100%	0%	0%
No platform (executed directly with broker)	10.94%	7.47%	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.

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 LEI: DGQCSV2PHVF7I2743539	100%	100%	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 LEI: BFM8T61CT2L1QCEMIK50	38.57%	16.31%	100%	0%	0%
Citibank LEI: E57ODZWZ7FF32TWEFA76	21.20%	8.10%	100%	0%	0%
Standard_Chartered LEI: RILF074KP1CM8P6PCT96	15.78%	26.97%	100%	0%	0%
MUFG: Trust Bank LEI: JBONEPAGQXF4QP29B387	10.29%	43.07%	100%	0%	0%
JP Morgan LEI: 7H6GLXDRUGQFU57RNE97	9.65%	3.71%	100%	0%	0%

Almost 97% (by count) of Currency orders were executed by using the approved electronic platform.

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	97.39%	96.86%	100%	0%	0%
No platform (executed directly with broker)	2.61%	3.14%	100%	0%	0%



Mitsubishi UFJ Asset Management (UK)
24 Lombard Street, London EC3V 9AJ
+44 (0) 20 7648 5100
uk.am.mufg.jp

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.