

MITSUBISHI UFJ ASSET MANAGEMENT (UK) LTD.

ORDER EXECUTION POLICY DISCLOSURE

Introduction and Purpose

In accordance with the requirements of the EU Markets in Financial Instruments Directive (“MiFID”) and as implemented in the rules of our regulator, The Financial Conduct Authority (“the FCA”), Mitsubishi UFJ Asset Management (UK) Ltd. (“MUAM (UK)” or “the Firm”), is required to put in place and document its order execution arrangements showing that it takes all reasonable steps to obtain the best possible result or **best execution** on behalf of our clients.

The purpose of this document is to provide our clients with certain information on our order execution arrangements to achieve best execution which has been effective from the MiFID implementation date of 1st November 2007.

Scope

The information contained herein about MUAM (UK)’s execution arrangements only applies to clients we have classified as “Professional Clients” and to transactions in “Financial Instruments” (including equity, fixed income and associated derivatives) which are both defined under MiFID.

Execution Policy

The Firm does not deal directly with execution venues such as Regulated Markets, Multilateral Trading Facilities (“MTFs”) or Systematic Internalisers but instead places or transmits a client order to third party brokers whom are responsible for the execution of the order. Brokers may act on either an agency or principal basis when executing orders on behalf of the Firm.

The Firm must comply with the obligation to act in accordance with the best interests of its clients when placing orders with others for execution that result from decisions by the Firm to deal in financial instruments on behalf of its clients.

The Firm must take all reasonable steps to ensure the best possible result for the client taking into account execution factors such as price, costs, speed, likelihood of execution and settlement, size, nature or any other consideration relevant to the execution of the order. It is

important to emphasise that price alone, via total consideration (price and execution costs), is not necessarily the only means of establishing best execution. In assessing the relative importance of the execution factors, The Firm will take into account the following criteria:

- The characteristics of the client, including categorisation
- The characteristics of the client order
- The characteristics of the financial instrument that is the subject of the order
- The characteristics of the execution venues or entities to which the order can be directed.

In general, the Firm will use brokers that are themselves subject to the best execution obligation under MiFID. In these circumstances, a degree of reliance can be placed upon these brokers to comply with our obligations to act in accordance with the best interests of our clients. However the Firm will monitor and review the performance of the brokers that it uses to execute orders with a view to ensuring that the use of those brokers will enable it to comply with the overarching best execution obligations owed to its clients under MiFID.

In some cases we may consider it appropriate to use a broker from outside the European Economic Area ("EEA") that is not subject to the MiFID best execution requirements, for example where the security concerned is primarily traded on a non-EEA exchange. In such circumstances we will endeavour to appoint brokers whom we believe are capable of achieving a standard of execution at least broadly equivalent to that available in the EEA.

The Firm generally aims to apply the same standards and processes across all markets and financial instruments. However due to the diversity of the products traded this may mean that different factors will have to be taken into account and different weightings given to those factors. For example, the main determining factor for dealing in fixed income securities is price; whereas for dealing in Japanese equities the main factors are liquidity and timing costs with broker selection being aided by pre-trade analytics.

It is not the Firm's general policy to direct any broker where or how to execute an order although there are instances where a broker may be instructed to deal in a certain way if it is felt to be in the best interests of the Client.

Broker Selection Policy

The Firm will place or transmit orders only to those brokers on its approved broker list. This list is populated by brokers who have passed the Firm's internal review process. As part of this process, the Firm will confirm that the broker has an obligation to provide it with best execution under MiFID or will provide a similar undertaking. In addition for MiFID compliant brokers, the Firm has given them permission to execute orders on its behalf (and therefore its clients) outside of Regulated Markets and MTFs.

All brokers are formally reviewed on a periodic basis with any changes to the list being documented.

The current list of approved brokers is available upon request.

Client Instructions

While the ability of a client to give instructions will depend on the particular mandate agreed between MUAM (UK) and that client, in our role as discretionary investment manager we will not normally invite or accept specific instructions as to how individual transactions should be effected. Where we do accept specific client instructions to execute transactions in a particular way, whether that be through the use of client designated brokers or execution venues or any other instruction, then in following said instruction we will be deemed to have taken all reasonable steps to achieve the best possible result for the client with regards to best execution.

Aggregation and Allocation

Aggregation of orders will only occur if the Firm reasonably believes that to do so will be of benefit to all of the clients included in the aggregated order. Allocations between the clients in an aggregated order will have been at the pre-execution stage. If a partial fill of the full order occurs, allocation will be done generally on a pro-rotas basis unless otherwise stated.

Cross Trades

MUAM (UK) will not execute cross trades for its clients across its own dealing account. Any potential cross trades will be dealt through a third party broker and the best execution requirements stated above will apply. In exceptional circumstances MUAM (UK) may depart from this policy where it considers there to be good reason for doing so.

Force Majeure

Due to systems failures, market disruptions or other reasons which are unavoidable or beyond MUAM (UK)'s reasonable control, we may from time to time place orders or execute transactions in a manner that differs from the normal process contemplated by our execution policy. In such an event we will still endeavour to place or as the case may be to execute transactions on the best terms available in the relevant circumstances.

Monitoring and Review

The Firm has an obligation to monitor the effectiveness of its order execution arrangements. This obligation has been incorporated into the Firm's compliance monitoring programme. The monitoring of this will involve a periodic review by the compliance department of a random sample of trades to ascertain whether the best possible result was obtained in respect of those trades. It should be noted that as part of such reviews, the compliance department will assess the best possible result in terms of the various execution factors and not simply on the basis of the total consideration of a particular trade. If it is concluded that the best possible result was not achieved then the compliance department will investigate the matter and escalate internally as deemed appropriate. Changes may be made to the order execution policy depending on the outcome of the monitoring programme.

Record Keeping

All records of the trading activity undertaken by the Firm on behalf its clients will be kept for at least ten years.

Disclosure

This document is part of the Firm's obligation to provide appropriate information to its clients with regards to its order execution arrangements. In order to comply with this obligation, the Firm makes this document available as part of its on-boarding process for new clients, upon request and via the Firm's website.



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Review

This document will be reviewed at least annually or when a change occurs which the Firm considers to be material to the execution policy as a whole. Any material changes to this policy will be notified to clients. Any such material changes will be included in the copy of this disclosure posted on the Firm's website or otherwise notified to clients.

MITSUBISHI UFJ ASSET MANAGEMENT (UK) LTD.
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