

# Top 5 counterparties reports – O'Connor

In accordance with RTS 28 and article 65 (6) detailed in the MiFID II regulation and our internal policy this document sets out UBS Asset Management (UK) Ltd with reference to the O'Connor business, the Top 5 Counterparties reports for each class of ESMA financial instruments

## Applicability

<b>Legal Entity Name</b>	UBS Asset Management (UK) Limited
<b>LEI</b>	549300SGDHJDHGZYMB20
<b>Reporting Period</b>	01/01/2020 – 31/12/2020
<b>ESMA Class of Financial Instrument</b>	All, where applicable
<b>Report type</b>	MiFID II RTS 28 and Art. 65 (6) reports

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## 1. Notes

For the purpose of meeting our obligations under MiFID II RTS 28 and article 65 (6) we published in this document the top 5 counterparties reports per ESMA Class of Financial Instrument used during 2020.

We do not make distinction between RTS 28 and article 65 (6) reports because for the same ESMA Class of Financial Instrument we only either place or execute client orders. We also do not believe this distinction is useful to our clients and it does not impact the number of reports we are required to publish. Collectively we call the RTS 28 reports and the article 65 (a) reports "Top 5 Counterparties" reports.

We describe alongside each of the top 5 counterparties tables a qualitative assessment of execution covering the key topics required by MiFID II.

Those ESMA Classes of Financial Instrument not listed in this document are not traded by UBS Asset Management (UK) Limited (UBS AM).

This document should be read in conjunction with our Global Best Execution and Order Handling policy published on our website. Should clients require further information about our Best Execution and Order Handling Principles, please raise them with your O'Connor contact.

The scope of transactions for the top five counterparties reports is as follows:

- All orders executed by UBS Asset Management (UK) Limited with reference to the O'Connor business
- All orders where the decision to invest was taken in UBS Asset Management (UK) Limited but the order was executed in the market by one of the other O'Connor affiliates. In the reports we categorized these type of orders as "Delegation to UBS..."

UBS AM only deals with clients categorised as 'professionals' under MiFID II.

## 2. Qualitative assessment of execution

This section covers UBS AM's obligation to publish a qualitative summary of the analysis it drew from the monitoring of its execution framework during 2020 for all financial instruments in scope. Asset class specific assessment is provided in section 3 of this document, where appropriate.

**a) Provide an explanation of the relative importance the firm gave to the execution factors of price, costs, speed, likelihood of execution or any other consideration including qualitative factors when assessing the quality of execution:**

UBS AM reserves the right to act with discretion, unless otherwise instructed by the Client, in order to select an execution entity or execution venue that is considered most appropriate to achieve the best possible result for the Client. By assessing the quality of execution, UBS AM considers the relative importance of the following execution factors:

- Price of execution and depth of quote;
- Costs associated with execution (e.g. expenses incurred by the client including execution, clearing and settlement fees and any other fees paid to a counterparty or third party involved in the execution of the order);
- Speed of execution;
- Size;
- Nature of the order;
- The likelihood of execution;
- The likelihood of settlement;
- Liquidity profile;
- Any other consideration relevant to the execution of an order.

Orders are executed through selected counterparties including UBS AG. When selecting a counterparty the following criteria are considered, but without limitation:

- Counterparty's ability to execute and settle the trade in a prompt, orderly and satisfactory manner;
- Counterparty's willingness to commit capital;
- Counterparty's confidentiality;
- Counterparty's financial status and credit worthiness, e.g. responsibility and solvency as required by our internal credit risk framework;
- Counterparty's execution capabilities and any related risks when trading a block of securities (e.g. anonymity);
- Counterparty's regulatory status;
- Counterparty's reputation;
- Counterparty's broad market coverage and knowledge;
- Counterparty's consistent quality of service; and
- Counterparty's treatment of UBS AM as a professional client.

UBS AM has determined that the execution entities available (that go beyond the top 5 listed in this document) are the most significant entities which enable UBS AM to meet its execution obligations. This list of execution counterparties will be kept under review and updated in accordance with our Best Execution Policy. UBS AM reserves the right to use other execution entities if in the best interest of the client.

**b) Provide a description of any close links, conflicts of interests, and common ownerships with respect to any execution venues used to execute orders:**

UBS AM is authorised and regulated by the Financial Conduct Authority (FRN 119319) and is part of the UBS Group and a wholly owned subsidiary of UBS AG. UBS AM does not have any conflicts of interest with UBS AG, or common ownership in respect to execution venues owned by UBS AG.

**c) Provide a description of any specific arrangements with any execution venues regarding payments made or received, discounts, rebates or non-monetary benefits received:**

UBS AM has robust policies and procedures in place in order to ensure that arrangements with execution venues and counterparties are in the best interest of the client. Some execution venues and counterparties may offer UBS AM minor non-monetary benefits permissible under MiFID II regulation and UBS internal policies.

**d) Provide an explanation of the factors that led to a change in the list of execution venues listed in the firm's execution policy, if such a change occurred:**

There were no material changes to our execution venues and counterparties during this period.

**e) Provide an explanation of how order execution differs according to client categorisation, where the firm treats categories of clients differently and where it may affect the order execution arrangements:**

UBS AM only deals with clients categorised as 'professionals' under MiFID II.

**f) Provide an explanation of whether other criteria were given precedence over immediate price and cost when executing retail client orders and how these other criteria were instrumental in delivering the best possible result in terms of the total consideration to the client:**

Not applicable. UBS AM only deals with clients categorised as professionals under MiFID II.

**g) Provide an explanation of how the investment firm has used any data or tools relating to the quality of execution, including any data published under Delegated Regulation (EU) 2017/575:**

UBS AM UK monitors quality of execution via its first and second line monitoring framework using available data from key trading venues and internal records. Monitoring includes the periodic review and evidence of outliers, trader activity, and overall trading volumes with particular venues, brokers and counterparties. The outcomes of these monitoring activities are reviewed at UBS AM's Global Best Execution Committee.

**h) Provide an explanation, where applicable, of how the investment firm has used output of a consolidated tape provider established under Article 65 of Directive 2014/65/EU:**

This is not applicable for this year reporting cycle as there are no official consolidated tape providers operating.

### 3. Top 5 counterparties reports

#### 3.1 Equities - Shares & Depository Receipts

Top 5 counterparties per volume traded

Class of Instrument	(a) Equities - Shares & Depository Receipts - Tick size liquidity bands 1 & 2		
Notification if <1 average trade per business day in the previous year	No		
Top five execution venues ranked in terms of trading volumes (descending order)	Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as percentage of total in that class	Percentage of directed orders
Delegation to UBS O'Connor LLC - DKTEQ75O7X3COBPLT084	62.6%	51.8%	0%
Wells Fargo Securities, LLC. - VYVCKR63DVZZN70PB21	19.6%	17.0%	0%
BTIG Limited - 213800YZXS7U4QZP6441	7.1%	9.3%	0%
Mariana UFP LLP. - 213800YRA1J9QFBMU217	4.9%	7.5%	0%
Jefferies International Limited- S5THZMDUJCTQZBTRVI98	3.1%	1.0%	0%

Class of Instrument	(a) Equities - Shares & Depository Receipts - Tick size liquidity bands 3 & 4		
Notification if <1 average trade per business day in the previous year	No		
Top five execution venues ranked in terms of trading volumes (descending order)	Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as percentage of total in that class	Percentage of directed orders
Delegation to UBS O'Connor LLC - DKTEQ75O7X3COBPLT084	14.9%	11.5%	0%
Credit Suisse Securities (Europe) Limited - DL6FFRRLF74S01HE2M14	12.4%	8.0%	0%
Wells Fargo Securities, LLC. - VYVCKR63DVZZN70PB21	10.1%	5.2%	0%
UBS AG – BFM8T61CT2L1QCCEMIK50	9.6%	8.8%	0%
Jefferies International Limited- S5THZMDUJCTQZBTRVI98	8.8%	11.8%	0%

Class of Instrument	(a) Equities - Shares & Depository Receipts - Tick size liquidity bands 5 & 6		
Notification if <1 average trade per business day in the previous year	No		
Top five execution venues ranked in terms of trading volumes (descending order)	Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as percentage of total in that class	Percentage of directed orders
UBS AG – BFM8T61CT2L1QCEMIK50	19.9%	20.0%	0%
Citigroup Global Markets Limited - XKZZ2JZF41MRHTR1V49	15.9%	13.2%	0%
Jefferies International Limited- S5THZMDUJCTQZBTRVI98	12.6%	15.0%	0%
Olivetree Financial Limited - 213800WJG33TNCFVZK61	6.3%	9.0%	0%
Morgan Stanley & Co. International PLC- 4PQUHN3JPFQFNF3BB653	4.5%	2.4%	0%

When executing or placing orders in "Equities – Shares and Depository Receipts" UBS AM prioritises the following executing factors:

- Price and depth of quote
- Nature of order
- Liquidity profile
- Likelihood of execution
- Speed of execution
- Costs associated with execution
- Likelihood of settlement

Note that the above orders attributed to "Delegation to UBS O'Connor LLC - DKTEQ7507X3COBPLT084 were not executed with this entity. These were orders for accounts where the decision to invest was in the UBS Asset Management (UK) Limited entity but the order was placed into the market by another UBS entity. Our global model facilitates delegation of execution across UBS Asset Management entities, where appropriate.

### 3.2 Debt Instruments i) Bonds

Top 5 counterparties per volume traded

Class of Instrument	b) Debt Instruments i) Bonds		
Notification if <1 average trade per business day in the previous year	No		
Top five execution venues ranked in terms of trading volumes (descending order)	Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as percentage of total in that class	Percentage of directed orders
BNP Paribas – ROMUWSFPU8MPRO8K5P83	42.9%	5.1%	0%
BTIG Limited - 213800YZX57U4QZP6441	23.8%	27.8%	0%
J.P. Morgan Securities Plc - K6Q0W1PS1L1O4IQL9C32	5.8%	4.2%	0%
Citigroup Global Markets Limited - XKZZ2JZF41MRHTR1V49	4.9%	12.1%	0%
Barclays Bank PLC – G5GSEF7VJP5I7OUK5573	2.7%	7.1%	0%

When executing or placing orders in "Debt Instruments - Bonds" UBS AM prioritises the following executing factors:

- Price and depth of quote
- Liquidity profile
- Market impact – i.e. size and nature of the order
- Likelihood of execution
- Speed of execution
- Venue factors such as efficiency and product availability e.g. Offers straight through processing or trades specific instruments



### 3.3 Credit Derivatives – Other credit derivatives

Top 5 counterparties per volume traded

Class of Instrument	d) Credit Derivatives ii) Other credit derivatives		
Notification if <1 average trade per business day in the previous year	No		
Top five execution venues ranked in terms of trading volumes (descending order)	Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as percentage of total in that class	Percentage of directed orders
Citigroup Global Markets Limited - XKZZ2JZF41MRHTR1V49	19.1%	16.5%	0%
BNP Paribas – R0MUWSFP08MPRO8K5P83	16.4%	14.1%	0%
Deutsche Bank AG – 7LTFWZYICNSX8D621K86	15.4%	13.2%	0%
Barclays Bank PLC – G5GSEF7VJP5I7OUK5573	10.5%	10.7%	0%
Bank of America, N.A.- EYKN6V0ZCB8VD9IULB80	10.3%	10.6%	0%

When executing or placing orders in "Debt Instruments - Bonds" UBS AM prioritises the following executing factors:

- Price and depth of quote
- Liquidity profile
- Market impact – i.e. size and nature of the order
- Likelihood of execution
- Speed of execution
- Venue factors such as efficiency and product availability e.g. Offers straight through processing or trades specific instruments

### 3.4 Equity Derivatives - Futures and options admitted to trading on trading venue

Top 5 counterparties per volume traded

Class of Instrument	g) Equity Derivatives i) Options and Futures admitted to trading on a trading venue		
Notification if <1 average trade per business day in the previous year	No		
Top five execution venues ranked in terms of trading volumes (descending order)	Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as percentage of total in that class	Percentage of directed orders
Credit Suisse Securities (Europe) Limited - DL6FFRRLF74S01HE2M14	73.1%	55.7%	0%
Mariana UFP LLP - 213800YRA1J9QFBMU217	13.8%	15.6%	0%
Delegation to UBS O'Connor LLC - DKTEQ75O7X3COBPLT084	5.3%	1.5%	0%
Delegation to UBS Asset Management (Singapore) Ltd - 549300ZJ8PJOED45HZ43	1.7%	0.6%	0%
Goldman Sachs International – W22LROWP2IHZNBB6K528	1.6%	14.4%	0%

When executing or placing orders in "Equity Derivatives - Futures and options admitted to trading on trading venue" UBS AM prioritises the following executing factors:

- Price and depth of quote
- Market impact – i.e. size and nature of the order
- Costs associated with execution
- Likelihood of execution

Note that the above orders attributed to "Delegation to UBS O'Connor LLC - DKTEQ75O7X3COBPLT084" and "Delegation to UBS Asset Management (Singapore) Ltd - 549300ZJ8PJOED45HZ43", were not executed with this entity. These were orders for accounts where the decision to invest was in the UBS Asset Management (UK) Limited entity but the order was placed into the market by another UBS entity. Our global model facilitates delegation of execution across UBS Asset Management entities, where appropriate.

### 3.5 Equity Derivatives - Swaps and other equity derivatives

Top 5 counterparties per volume traded

Class of Instrument	g) Equity Derivatives ii) Swaps and other equity derivatives		
Notification if <1 average trade per business day in the previous year	Yes		
Top five execution venues ranked in terms of trading volumes (descending order)	Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as percentage of total in that class	Percentage of directed orders
Credit Suisse Securities (Europe) Limited - DL6FFRRLF74S01HE2M14	83.3%	37.5%	0%
Morgan Stanley & Co. International PLC- 4PQUHN3JPFGFNF3BB653	12.5%	56.3%	0%
Bank of America, N.A.- EYKN6V0ZCB8VD9IULB80	4.2%	6.3%	0%

There were only a two orders executed in these instruments. When executing or placing orders in "Equity Derivatives - Swaps and other equity derivatives" UBS AM prioritises the following executing factors:

- Price and depth of quote
- Liquidity profile
- Market impact – i.e. size and nature of the order
- Likelihood of settlement
- Likelihood of execution
- Speed of execution
- Costs associated with execution (e.g. expenses incurred by the client including execution, clearing and settlement fees plus any other fees paid to)

### 3.6 Contracts for Difference

Top 5 counterparties per volume traded

Class of Instrument	j) Contracts for Difference		
Notification if <1 average trade per business day in the previous year	No		
Top five execution venues ranked in terms of trading volumes (descending order)	Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as percentage of total in that class	Percentage of directed orders
UBS AG – BFM8T61CT2L1QCEMIK50	16.8%	15.6%	0%
Jefferies International Limited- S5THZMDUJCTQZBTRVI98	16.6%	23.0%	0%
Citigroup Global Markets Limited - XKZZ2JZF41MRHTR1V493	12.9%	10.7%	0%
J.P. Morgan Securities PLC - K6Q0W1PS1L1O4IQL9C32	6.8%	4.5%	0%
Credit Suisse Securities (Europe) Limited - DL6FFRRLF74S01HE2M14	6.1%	6.6%	0%

When executing or placing orders in "Contracts for Difference" UBS AM prioritises the following executing factors:

- Price and depth of quote
- Market impact – i.e. size and nature of the order
- Costs associated with execution
- Likelihood of execution

### 3.7 Exchange traded products

Top 5 counterparties per volume traded

Class of Instrument	(k) Exchange traded products		
Notification if <1 average trade per business day in the previous year	No		
Top five execution venues ranked in terms of trading volumes (descending order)	Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as percentage of total in that class	Percentage of directed orders
Delegation to UBS O'Connor LLC - DKTEQ75O7X3COBPLT084	57.6%	52.9%	0%
Wells Fargo Securities, LLC. - VYVCKR63DVZLN70PB21	24.4%	10.6%	0%
Macquarie Capital Europe Limited - 549300GX4FPMFF91RJ37	11.3%	17.3%	0%
Jefferies International Limited- S5THZM DUJCTQZBTRVI98	6.7%	19.2%	0%

When executing or placing orders in "Exchange traded products" UBS AM prioritises the following executing factors:

- Price and depth of quote
- Nature of order
- Liquidity profile
- Likelihood of execution
- Speed of execution
- Costs associated with execution
- Likelihood of settlement

Note that the above orders attributed to "Delegation to UBS O'Connor LLC - DKTEQ75O7X3COBPLT084" were not executed with this entity. These were orders for accounts where the decision to invest was in the UBS Asset Management (UK) Limited entity but the order was placed into the market by another UBS entity. Our global model facilitates delegation of execution across UBS Asset Management entities, where appropriate.

### 3.8 Other instruments

Top 5 counterparties per volume traded

Class of Instrument	(m) Other instruments		
Notification if <1 average trade per business day in the previous year	No		
Top five execution venues ranked in terms of trading volumes (descending order)	Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as percentage of total in that class	Percentage of directed orders
Jefferies International Limited- S5THZMDUJCTQZBTRVI98	24.6%	41.9%	0%
Nordea Bank AB – 6SCPQ280AIY8EP3XFW53	12.7%	5.4%	0%
UBS AG – BFM8T61CT2L1QCEMIK50	9.6%	7.9%	0%
Olivetree Financial Limited - 213800WJG33TNCFVZK61	6.9%	7.3%	0%
J.P. Morgan Securities PLC - K6Q0W1PS1L1O4IQL9C32	6.7%	4.1%	0%

When executing or placing orders in "Other instruments " UBS AM prioritises the following executing factors:

- Price and depth of quote
- Nature of order
- Liquidity profile
- Likelihood of execution
- Speed of execution
- Costs associated with execution
- Likelihood of settlement