

Securitized Derivatives: Warrants and Certificate Derivatives and Other securitized derivatives

Investment firms shall publish for each class of financial instruments, a summary of the analysis and conclusions they draw from their detailed monitoring of the quality of execution obtained on the execution venues where they executed all client orders in the previous year. The information shall include:

(a) 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 reserves the right to act with discretion, unless expressly instructed otherwise by the Client, in order to select an execution entity or execution venue that it considers most appropriate to achieve the best possible result for the Client. When assessing the quality of execution UBS takes in to consideration the relative importance of the execution factors as follows: The Execution Factors for any Order to which best execution requirements apply are price, cost, speed, likelihood of execution and settlement, size, nature and any other relevant factors.
(b) a description of any close links, conflicts of interests, and common ownerships with respect to any execution venues used to execute orders;
Conflicts of interest There is one potential conflict of interest relating to execution venues listed below, which is prevented, monitored or mitigated as described: 1. A conflict may arise if UBS or a UBS employee has an ownership or other economic interest in an execution venue. Conflicts are prevented or mitigated via mandatory computer based training, the required adherence to the internal Conflicts of Interest Policy and the Order Execution and Handling Policy. Any conflicts identified are assessed and recorded.
Close Links, Common Ownerships MiFID II – Level 1 Text – Article 4 (Definitions) defines close links' as a situation in which two or more natural or legal persons are linked by participation in the form of ownership, direct or by way of control, of 20 % or more of the voting rights or capital of an undertaking. UBS AG London Branch has an indirect link with UBS Switzerland AG which is a 100% subsidiary of UBS AG. UBS Switzerland AG is used as broker for routing and the transmission of orders.
(c) a description of any specific arrangements with any execution venues regarding payments made or received, discounts, rebates or non-monetary benefits received;
UBS will not receive any incentives (remuneration, discount or non-monetary benefit) for routing client orders to a particular venue if they will result in UBS failing to meet its best possible outcome obligations or result in contravening requirements on conflicts of interest or inducements. UBS has guidelines and procedures in place in order to ensure that arrangements with execution venues are in the best interest of the client.
(d) 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;
With the implementation of MiFID II, an overall review of the list of venues was completed in line with the review of the Order Execution Policy and Product General Procedures, with the list of venues to be reviewed on an ongoing basis.
(e) 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;
Clients of WM are regarded as Retail Clients unless they are explicitly classified as Professional Clients. Under MiFID II, UBS is required to put in place an order execution and handling policy (MiFID II order execution policy) and to take all sufficient steps to obtain the best possible result (best execution) either

when executing client Orders or receiving and transmitting Orders on behalf of its Retail Clients and it extends the same treatment to its Professional Clients.

(f) 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;

Certain criteria are given precedence to the execution of Client Orders if they are either express instruction from the Client or those criteria are assessed as delivering the best possible result in terms of the total consideration to the Client.

If a Client gives an express instruction to execute an Order in a particular way, UBS will execute the Order in accordance with these express instructions. If the instructions only relate to a part of an Order, UBS will apply its principles for best execution to the remaining part of the Order which is not covered by the express instruction.

Please note that under certain circumstances express instructions for executing an Order may lead to a situation where UBS is not in a position to take the necessary measures to attain the best possible result in relation to this (or the partial) Order.

(g) an explanation of how the investment firm has used any data or tools relating to the quality of execution, including any data published under Commission Delegated Regulation (EU) 2017/575 [RTS 27];

We have not used any data from RTS 27 quality of execution reports in our assessment of execution venues.

However, there is internal venue analysis that is done to support the review and assessment of venues in the provision of best execution for our Clients.

When assessing the quality of execution of execution venues, UBS utilises the following available tools and data in order ensure the best possible result for the Client:

- Monitoring of the execution venues;
- Broker & service quality monitoring;
- Transaction cost analysis for independent benchmarking; and
- Client feedback.

UBS reviews its execution arrangements on an ongoing basis.

However, there is internal proprietary venue analysis that is done to support the review and assessment of venues in the provision of Best Execution for our clients.

(h) where applicable, an explanation of how the investment firm has used output of a consolidated tape provider authorised in accordance with the Data Reporting Services Regulations 2017;

UBS do not make use of the output of a consolidated tape provider.