

## **Fixed Income and Currency Products Dealing Disclosures**

This notice sets out certain disclosures in respect of MUFG Securities EMEA plc (acting through its subsidiaries, branches and affiliates – collectively “MUSE”) standard dealings in a broad range of activities, including transactions in fixed income securities (including but not limited to corporate and sovereign bonds) and swaps (including but not limited to interest rate, currency and credit) (collectively “**FI Products**”) for a variety of purposes.

This notice explains how MUSE will communicate and transact in relation to requests for quotes, requests for indicative prices, discussion or placement of orders and all other expressions of interest that may lead to the execution of transactions.

### **Nature of the Trading Relationship**

*Dealing as Principal* – MUSE trades as principal in the fixed income market in relation to its dealing and market-making activities for its clients and to hedge its risk with respect to such activities.

MUSE will treat its clients as principal including where the client acts as agent for another principal. When acting in a principal capacity, MUSE acts as an arm’s length party to transactions with clients. This means MUSE does not act as agent, fiduciary, financial advisor or in any similar capacity on behalf of a client, unless otherwise explicitly agreed with the client in writing beforehand.

*No recommendations or advice* – MUSE’s sales and trading personnel do not serve as brokers or agents to a client and accordingly any statements (including but not limited to for example relating to market colour and trading ideas) made by, or communicated by them should not be construed as recommendations or advice. All clients are expected to evaluate the appropriateness of any transaction based on the client’s own facts and circumstances and its own assessment of the merits of the transaction.

### **Conflicts of Interest**

*Trading Activities* - As a market maker, MUSE may maintain positions in FI products, whether as the result of trades with clients, or orders or trade requests received from clients. MUSE’s trading personnel may anticipate near term demand and take positions in connection with MUSE’s risk management activities. These activities are intended to provide MUSE with sufficient liquidity to service clients.

In all of our communications with clients, including in the handling of requests for quotes, requests for indicative prices, discussion or placement of orders and all other expressions of interest that may lead to the execution of transactions in our principal dealing and market-making activities in FI products, there exists the potential that MUSE’s interests may conflict with, diverge from or adversely impact that of the client.

As a market maker MUSE receives and executes transactions for multiple clients which may give rise to conflicts of interests between clients and MUSE. MUSE may engage in these activities prior to, alongside or post execution of a client's transactions (i) for its own proprietary accounts to manage risk; (ii) to facilitate transactions for the purpose of providing a quote on behalf of clients (including for pre-hedging purposes), or (iii) for any other reasons. MUSE may also undertake, for risk management purposes, hedging before, during or after the pricing call of a new issue.

MUSE's market-making and risk management activities may impact the prices communicated to clients for a transaction and the availability of liquidity at levels necessary to execute orders or trade requests. These activities may also trigger or prevent triggering of stop loss orders and similar terms or conditions.

MUSE has policies and procedures reasonably designed to manage and mitigate the risk of conflicts of interest. When conducting these activities, MUSE seeks to do so (i) in a manner that is not intended to disadvantage the client; and (ii) in a manner that is not intended to disrupt the market.

### **Pricing**

Unless otherwise advised or expressly agreed by MUSE, any firm price quoted to a client incorporates sales margin, bid/offer spread and execution costs over the price at which MUSE traded or may have been able to trade with other clients. MUSE's prices are tailored to individual clients and are based on a broad range of standard commercial factors, including but not limited to, (i) risks, including market risk, which MUSE assumes under the transaction taking into account MUSE's risk appetite, business strategy and positions; (ii) market conditions, (iii) MUSE's own costs and transactions, including risk management costs, and (iv) MUSE's relationship with the client, including the nature and extent of services previously provided or anticipated. MUSE has discretion to offer different prices to different clients for the same or substantially similar transactions.

Where a client transmits a trade request to MUSE on any electronic platform, the prices that MUSE quotes are indicative, unless advised otherwise in writing. MUSE may update these prices in its sole discretion as and when it deems appropriate. Consequently, when a client submits a trade request electronically it is possible that MUSE may have refreshed its pricing independent of and prior to receiving the request. Accordingly, MUSE is not obliged to accept the client's trade request transmitted prior to the pricing update and may send this updated price to the client. The client will then have the opportunity to accept or reject the updated price.

Further details on our MiFID II related Costs and Charges Disclosures can be found at:  
<http://www.gilmarwendt.com/mufg/MUS%20EMEA%20Ex-Ante%20Cost%20Disclosures%20v8.pdf>