



Quality of Execution Disclosure

Period under review: 1st January to 31st December 2020

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Professional Clients

The following information is published in accordance with Article 3.3 of RTS 28 of MiFID II.

(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

During the period under review, in accordance with its Order Execution Policy, USS Investment Management Limited (“USSIM”) evaluated the below execution factors on a case by case basis, depending on USSIM’s commercial judgements and experience in light of the prevailing market conditions and taking into account the characteristics of the client and the order, the financial instrument and the brokers or execution venues where the order could be directed.

Execution Factors include:

- Price
- Market impact
- Costs and tax issues
- Order size
- Likelihood of execution
- Speed of execution
- Likelihood of settlement
- Location of assets which are the subject of the deal
- Location of professional support
- Any other criteria relevant to the execution of the order

During this period, the relative importance of these execution factors was generally variable for all financial instrument classes, with price being the most important factor in most cases.

USSIM broadly categorises financial instruments into the following investment classes: equity, fixed income, exchange traded derivatives, OTC derivatives and foreign exchange.

The below table provides further detail on each USSIM investment class along with the corresponding MiFID financial instrument, as detailed in Annex I of RTS 28.

Where USSIM has executed orders on Bloomberg MTF and FXGO further information on the top five underlying execution venues for each financial instrument class has been provided.



USSIM Investment Class	MiFID Financial Instrument Class
1) Equity	Equities: Shares & Depositary Receipts
	Exchange traded products
	Securitized Derivatives
	Other Instruments
<p>For equity orders the following execution factors were generally deemed to be of high importance: price, market impact, order size, likelihood of execution. Speed was generally of lower importance to these orders.</p> <p>For equity orders, USSIM also considered qualitative factors, including: broker responsiveness and expertise in certain countries.</p> <p>In addition to the above, for securitized derivatives, USSIM also considered costs and the legal structures provided by the counterparties.</p>	
2) Fixed Income	Debt instruments: Bonds
	Debt instruments: Money markets instruments
<p>For debt instruments orders the following execution factors were generally deemed to be of high importance: price, size and market impact. Certainty of execution was also an important factor but overall was less of a consideration. Speed was generally of lower importance to these orders.</p> <p>For money market instruments, price was the most important execution factor. Speed was generally of lower importance.</p> <p>For all fixed income orders, USSIM also considered qualitative factors, including breadth and consistency of fixed income coverage and pricing in fixed income markets and the availability of pricing transparency on USSIM's preferred trading platforms.</p>	
3) Exchange Traded Derivatives:	Interest rates derivatives: Futures and options admitted to trading on a trading venue
	Currency derivatives: Futures and options admitted to trading on a trading venue
	Equity derivatives: Futures and options admitted to trading on a trading venue
	Commodity derivatives: Futures and options admitted to trading on a trading venue
<p>For exchange traded derivative orders price, size and market impact were deemed to be the most important execution factors. Speed was generally of lower importance to exchange traded derivative orders.</p> <p>For exchange traded derivatives USSIM also considered qualitative factors including the breadth and consistency of coverage and pricing of financial instruments. USSIM also consider the breadth of coverage of broker algorithms and brokers ability to execute orders in accordance with USSIM instructions.</p>	
4) OTC Derivatives	Interest rates derivatives: Swaps, forwards, and other interest rates derivatives
	Credit derivatives: Other credit derivatives
	Equity Derivatives: Swaps and other equity derivatives
<p>For interest rate derivative orders price and size were generally deemed to be the most important execution factors. Speed was generally of lower importance to these orders.</p> <p>For credit and equity derivative orders price, size and market Impact were the most important factors. Speed was generally of lower importance to these orders.</p> <p>USSIM also considered, for non-cleared bilateral transactions, a fair distribution of the business to diversify its counterparty risk across our approved brokers.</p>	



5) Foreign Exchange	Currency derivatives - Swaps, forwards, and other currency derivatives
<p>For foreign exchange orders the following execution factors were generally deemed to be of high importance: price, size and market impact. Certainty of execution was also an important factor but overall was less of a consideration. Speed was generally of lower importance to these orders.</p> <p>For foreign exchange orders USSIM also consider qualitative factors including the breadth of coverage of broker algorithms and brokers ability to execute in accordance with USSIM instructions. USSIM also considered bilateral consensus in relation to credit quality and applied haircuts in respect of collateral requirements.</p> <p>USSIM also considered, for non-cleared bilateral transactions, a fair distribution of the business to diversify its counterparty risk across our approved brokers.</p>	

Top 5 Counterparties for Orders Executed on BMTF

b) Debt Instruments (i) Bonds		
Top 5 execution venues ranked in terms of trading volumes	Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as a percentage of total in that class
DEUTSCHE BANK -529900AZS6GG6GBDMN90	40.39%	38.80%
UBS - BFM8T61CT2L1QCEMIK50	23.48%	17.35%
MORGAN STANLEY - 4PQUHN3JPFQFN3BB653	18.49%	20.82%
WELLS FARGO - BWS7DNS2Z4NPKPNYKL75	9.31%	9.46%
MERRILL LYNCH INTERNATIONAL- GGDZP1UYGU9STUHRDP48	8.34%	13.56%

d) Credit Derivatives (ii) Other Credit Derivatives		
Top 5 execution venues ranked in terms of trading volumes	Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as a percentage of total in that class
CITIGROUP - XKZZ2JZF41MRHTR1V493	48.43%	50.00%
JPMORGAN - 7H6GLXDRUGQFU57RNE97	36.87%	39.13%
GOLDMAN SACHS - W22LROWP2IHZNBB6K528	13.11%	6.52%
BARCLAYS - G5GSEF7VJP5I7OUK5573	1.58%	4.35%

(c) Interest Rate Derivatives (ii) Swaps, Forwards and other Interest Rate Derivatives		
Top 5 execution venues ranked in terms of trading volumes	Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as a percentage of total in that class
ROYAL BANK OF SCOTLAND - RR3QWICWWIPCS8A4S074	26.37%	14.00%
MORGAN STANLEY - 4PQUHN3JPFQFN3BB653	25.51%	26.00%
BNP PARIBAS - ROMUWSFPU8MPRO8K5P83	17.41%	18.00%
DEUTSCHE BANK -529900AZS6GG6GBDMN90	16.00%	24.00%
NOMURA - DGQCSV2PHVF7I2743539	14.70%	18.00%



Top 5 Counterparties for Orders Executed on FXGO

e) Currency Derivatives (ii) Swaps, Forwards and Other Currency Derivatives		
Top 5 execution venues ranked in terms of trading volumes	Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as a percentage of total in that class
JPMORGAN - 7H6GLXDRUGQFU57RNE97	22.27%	28.34%
ROYAL BANK OF SCOTLAND - RR3QWICWWIPCS8A4S074	21.04%	15.29%
GOLDMAN SACHS - W22LROWP2IHZNBB6K528	19.52%	23.46%
BARCLAYS - G5GSEF7VJP5I7OUK5573	18.67%	16.20%
BNP PARIBAS - R0MUWSFPU8MPRO8K5P83	18.49%	16.72%

The following below information applies to all financial instrument classes

(b) A description of any close links, conflicts of interests, and common ownerships with respect to any execution venues used to execute orders;

USSIM is not aware of any close links, conflicts of interests nor any common ownerships with respect to any execution venue.

(c) A description of any specific arrangements with any execution venues regarding payments made or received, discounts, rebates or non-monetary benefits received;

USSIM does not receive payments, discounts, rebates or non-monetary benefits in relation to its trading arrangements from any execution venues.

(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;

USSIM undertakes an annual review of all of its brokers and execution venues. Various factors are considered during these reviews. During the review process brokers who do not meet the minimum expected standard or those with whom USSIM has not conducted regular business, are removed from the broker list.

(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;

USSIM is authorised and regulated by the FCA as an Occupational Pension Scheme ("OPS" firm) and has a single client, the Universities Superannuation Scheme Limited ("USSL") which is categorised as a professional client.

(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;

USSIM does not execute retail client orders because its only client is USSL, which is a professional client.



(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;

USSIM uses several specialist tools and data to meet its best execution obligations. This includes transaction cost analysis from third party providers. These tools allow USSIM to measure performance against a range of benchmarks including arrival price slippage, VWAP slippage and RFQ analyses. This data is aggregated into management information which is then reported to USSIM's Best Execution and Research Review Committee for review and challenge.

(h) Where applicable, an explanation 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 as USSIM does not use a consolidated tape provider.