



Annual Top 5 Execution Venue Report of Deutsche Wealth Management, S.G.I.I.C. S.A. ("Gestora")

Reporting for the year 2020

1. Purpose of this Report

Directive 2014/65/EU in financial instruments (MiFID II) requires investment firms to summarize and make public on an annual basis, for each class of financial instruments the top five execution venues in terms of trading volumes where they executed orders in the preceding year and information on the quality of execution obtained.

2. Scope

This report summarizes the top five execution venues of financial instruments in Equities, Fixed Income, Derivatives, Exchange Traded products (ETF, ETC and ETN) and other instruments that the Gestora executed for its clients in 2020.

3. Top five execution venues

Class of Instrument	A-i: Equities from 2000 trades per day	
Notification if < 1 average trade per business day in the previous year	Y	
Top five execution venues ranked in terms of trading volume (descending order)	Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as a percentage of total in that class
UBS Limited	100	100

Class of Instrument	A-ii: Equities from 80 to 1999 trades per day	
Notification if < 1 average trade per business day in the previous year	N	
Top five execution venues ranked in terms of trading volume (descending order)	Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as a percentage of total in that class
UBS Limited	100.00	100.00



Class of Instrument	A-iii: Equities from 0 to 79 trades per day	
Notification if < 1 average trade per business day in the previous year	N	
Top five execution venues ranked in terms of trading volume (descending order)	Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as a percentage of total in that class

Class of Instrument	B-i: Debt instruments. Bonds	
Notification if < 1 average trade per business day in the previous year	Y	
Top five execution venues ranked in terms of trading volume (descending order)	Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as a percentage of total in that class
Morgan Stanley & Co PLC	32.98	28.57
JP Morgan Chase Bank	15.15	14.29
Credit Suisse Securities (Europe) LTD	10.36	8.93
Goldman Sachs International	7.88	8.93
UBS Limited	6.89	5.36

Class of Instrument	B-ii: Debt instruments. Money markets instruments	
Notification if < 1 average trade per business day in the previous year	N	
Top five execution venues ranked in terms of trading volume (descending order)	Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as a percentage of total in that class
Morgan Stanley & Co PLC	40.72	42.86
BOFA Merrill Lynch	29.86	28.57
Natwest Markets PLC	14.73	14.29
HSBC Bank PLC	14.69	14.29

Class of Instrument	C-i: Interest rate derivatives. Futures and options admitted to trading on a trading	
Notification if < 1 average trade per business day in the previous year	Y	
Top five execution venues ranked in terms of trading volume (descending order)	Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as a percentage of total in that class



Class of Instrument	E-i: Currency derivatives. Futures and options admitted to trading on a trading venue	
Notification if < 1 average trade per business day in the previous year	N	
Top five execution venues ranked in terms of trading volume (descending order)	Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as a percentage of total in that class

Class of Instrument	E-ii: Currency derivatives. Swaps, forwards, and other currency derivatives	
Notification if < 1 average trade per business day in the previous year	N	
Top five execution venues ranked in terms of trading volume (descending order)	Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as a percentage of total in that class

Class of Instrument	G: Equity derivatives. Options and Futures admitted to trading on a trading venue	
Notification if < 1 average trade per business day in the previous year	Y	
Top five execution venues ranked in terms of trading volume (descending order)	Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as a percentage of total in that class
Banco Santander SA	100.00	100.00

Class of Instrument	K: Exchange traded products.	
Notification if < 1 average trade per business day in the previous year	N	
Top five execution venues ranked in terms of trading volume (descending order)	Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as a percentage of total in that class
Banco Santander SA	40.19	40.00
FLOW TRADERS (ETF)	18.44	11.43
HSBC Bank PLC	11.47	14.29
UBS Limited	10.94	20.00
Susquehanna Intl Securities LTD	10.10	8.57

Class of Instrument	M: Other instruments.	
Notification if < 1 average trade per business day in the previous year	Y	
Top five execution venues ranked in terms of trading volume (descending order)	Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as a percentage of total in that class
Allfunds Bank	100.00	100.00



4. Qualitative Report

Equity Asset Classes

- a) How does AM Trading give relative importance to the execution factors of price, costs, speed, likelihood of execution, or any other considerations including qualitative factors when assessing the quality of execution for orders transmitted for execution?

When executing orders, we will take all sufficient steps to obtain the best possible result taking into account price, costs, speed, likelihood of execution and settlement, size, nature or any other consideration relevant to the execution of the order.

When executing or transmitting an order to other firms for execution, we must take all sufficient steps to obtain, the best possible result on a consistent basis by taking into account following execution factors, such as:

- Price
- Costs
- Speed
- Likelihood of execution and settlement
- Size
- Nature
- Any other consideration relevant to the execution of a particular order
- The relative importance of these execution factors will be determined based on the following criteria:
 - The characteristics of the order
 - The Financial Instruments that are the subject of the order
 - The characteristics of the Execution Venues to which the order can be directed
 - The current market circumstances
 - Specifically for Funds: the objectives, investment policy and risks of the Fund as indicated in the prospectus, articles of association or offering documents of the Fund

Listed Derivatives and Equity-like instruments (Convertibles, Certificates, ETFs, and similar instruments) will follow the approach as for the equity business.

Deviations from the approach are as follow:

Orders for listed derivatives are either executed via agency brokers with direct access to relevant exchanges and via RFQ (above block size).

ETFs are mainly executed via RFQ directly with brokers on an MTF venue (e.g. Bloomberg). We will typically ask multiple brokers for a price and will then execute at the best prevailing price. The competition among brokers on MTF is advantageous for price-discovery process. The ETF price is transparent and available as reference for selecting quotation obtained from brokers. The price is the primary factor of execution decision in this kind of products.



Orders related to certificates may be either executed directly with its issuer or passed to broker for execution (listed instrument).

The execution of convertibles often takes place via RFQ in Bloomberg (Operating company: Bloomberg Finance L.P.) by considering primarily the following factors (unless instructed differently):

- Order size: it needs to be considered in relation to both the size of the issuance of the security and
 - to the market capacity and volatility
 - The Likelihood of the execution
 - Access to Liquidity
- b) Does the Gestora Trading have any specific arrangements with execution venues [and brokers] regarding payments made or received, discounts, rebates or non-monetary benefits received?

The firm does not receive payments, discounts, rebates from its trading arrangements. Any nonmonetary benefit in the form of broker workshops are documented in a formal inducement ledger which is challenged by our compliance department and reported to our governance committees.

- c) What are the factors leading to the Gestora Trading's selection or a change in the execution venues [and brokers] listed in the firm's execution policy, if any such change occurred?

Our selection of particular broker firms is based on a number of criteria, including their:

- Market and security familiarity
- Access to liquidity or willingness to commit risk to principal trade
- Financial stability and certainty of settlement
- Reliability and Integrity of maintaining Soundness of technological infrastructure and operational capabilities
- Safeguards and compliance controls to protect Clients
- Pricing and costs for execution-only services
- Ability to provide transaction cost analysis (TCA)
- Access to Centralized Risk Book (CRB)
- Ability to provide analysis of speed of execution
- Level of control over interactions with internal and external Systematic Internalisers (SIs)
- Approach to double caps and new large-in-size (LIS) venues
- Smart order routing (SOR) logic and Algorithmic trading strategies
- Ability to produce customized reports, trade related performance data, performance attribution,



- risk reports (including breach violations and rejection) on a periodic basis
 - Ability to provide assisted trade reporting
 - Ability to provide superior pricing results in the trading of ETF's
 - Venues will also be considered potentially if they are providing automated axe or streaming prices
 - for ETF's or convertible bond trading
- d) Does the Gestora Trading's order execution differ according to client categorisation?

No. We treat all clients to the highest standard/market practice when it comes to fulfilling our obligation to execute orders on terms most favourable to the client.

- e) When precedence over immediate price was given when executing retail client orders and how AM Trading delivered the best possible result in terms of the total consideration to the client?

We currently do not have any retail clients, nor cases of clients electing for retail classification under the terms of MiFID II Annex II.

- f) How have the Gestora Trading used output of a consolidated tape provider established under Article 65 of MiFID II?

There is a relative lack of clarity concerning consolidated tape provider preparations; it is not inconceivable that ESMA mandates a solution in this space, and until this occurs, we will maintain a watching brief and populate the relevant Best Execution templates per the Delegated Regulation 2017/565 Art 65(6) and Regulation 2017/576 (RTS 28) requirements as required.

Non-Equity Asset Classes

- a) How does the Gestora Trading give relative importance to the execution factors of price, costs, speed, likelihood of execution, or any other considerations including qualitative factors when assessing the quality of execution for orders transmitted for execution?

The relative importance of the execution factors will be determined based on the following criteria;

- The characteristics of the order
- The Financial Instruments that are the subject of the order
- The characteristics of the Execution Venues to which the order can be directed
- The current market circumstances
- Specifically for Funds: the objectives, investment policy and risks of the Fund as indicated in the prospectus, articles of association or offering documents of the Fund.

Generally, we regard price and cost as the important factors for Best Execution, however there may be circumstances when we determined that other execution factors have a greater influence in achieving the best possible result. In certain situations where a market is illiquid or the order is of a large size, in order to reduce market impact, we may execute the order directly with market maker or liquidity provider to find liquidity, in these cases likelihood of execution and settlement are more important than price.



- b) Does the Gestora Trading have any specific arrangements with execution venues [and brokers] regarding payments made or received, discounts, rebates or non-monetary benefits received?

As a firm, we do not receive any remuneration, discount or non-monetary benefit for routing client orders to a particular broker, trading venue or execution venue.

- c) What are the factors leading to the Gestora Trading's selection or a change in the execution venues [and brokers] listed in the firm's execution policy, if any such change occurred?

- Our selection of particular broker firms is based on a number of criteria, including their:
- Market and product coverage
- Access to or provision of liquidity
- Financial stability and certainty of settlement
- Reliability and Integrity of maintaining confidentiality
- Safeguards and compliance controls to protect Clients

We periodically review whether Best Execution was achieved satisfactorily from the venues used in the past period. The review will consider, among others, the following factors:

- Execution quality based on quality metric published and/or provided by the trading venues
- TCA report in respect of performance of execution on these venues
- Cost of execution
- Infrastructure to support clearing and settlement
- Best Execution governance framework and policy

- d) Does the Gestora Trading's order execution differ according to client categorisation?

No. We treat all clients to the highest standard/market practice when it comes to fulfilling our obligation to execute orders on terms most favourable to the client.

- e) When precedence over immediate price was given when executing retail client orders and how the Gestora Trading delivered the best possible result in terms of the total consideration to the client?

We currently do not have any retail clients, nor cases of clients electing for retail classification under the terms of MiFID II Annex II.

- f) How have the Gestora Trading used data or tools relating to the quality of execution, including data published under RTS 27 (now Delegated Regulation (EU) 2017/575)?

Order execution is reviewed with specific focus on instances when no competitive quotation was received back at the time of execution. The Executed price is verified for each such transaction taking into consideration factors such as instrument/market liquidity, broker restriction, order size, order limit etc.

We will use RTS 27 data to inform our broker selection review process once this data becomes available.



- g) How have the Gestora Trading used output of a consolidated tape provider established under Article 65 of MiFID II?

There is a relative lack of clarity concerning consolidated tape provider preparations; it is not inconceivable that ESMA mandates a solution in this space, and until this occurs, we will maintain a watching brief and incorporate this data into our trading and best execution processes once this information becomes available.

5. Conclusion of execution quality

This Report on the Top 5 Execution Venues and Top 5 Brokers (hereafter as “Top 5 Report”) describes the approach of Deutsche Wealth Management SGIIC, S.A., (hereafter as “the Gestora”, “we”, or “us”) in identifying the parties to which orders have been transmitted for execution respectively identifies the Execution Venues with whom orders have been executed on behalf of client portfolios.

This Top 5 Report is linked to the Statement on Best Execution Policy of the Gestora; available on the Gestora’s website). All publications follow the recent developments and disclosure requirements of relevant law by applying the standards of the Markets in Financial Instruments Directive 2014/65/EU (hereafter “MiFID II”). More specifically, this (asset class specific) Top 5 Report refers to the obligations set out in art. 27.6 of MiFID II, art. 65.6 of the Commission Delegated Regulation (EU) 2017/565 and art. 3.1 and 3.2 of Commission Delegated Regulation (EU) 2017/576 (“RTS 28”).

This Report is intended to cover the period from 01/01/2020 to 31/12/2020. As outlined in ESMA’s Q&A on MiFID II and MiFIR investor protection topics, certain aspects of the RTS 28 requirements are tied to new provisions from MiFID II or MiFIR. Given that the Gestora is not a firm directly subject to MiFID II provisions, it is not directly obliged to comply with the best execution requirements, but endeavours to do so in order to provide the best service to its clients.