

Summary of information on quality of execution

Report pursuant to Art. 3 (3) of Commission Delegated Regulation C(2016) 3337 final (ESMA RTS 28) on quality of execution

Pursuant to Directive 2014/65/EU on markets in financial instruments (MiFID II), investment firms that execute client orders are obliged to publish an annual summary of the quality of execution obtained for each category of financial instrument on the trading venues on which they executed client orders in the previous year.

- Equity derivatives – futures and options
- Exchange-traded products (ETPs)
- Equity instruments (shares and depositary receipts) – tick size/liquidity bands 1 and 2
- Equity instruments (shares and depositary receipts) – tick size/liquidity bands 3 and 4
- Equity instruments (shares and depositary receipts) – tick size/liquidity bands 5 and 6
- Debt instruments – money market instruments
- Debt instruments – bonds
- Other instruments
- Structured financial products
- Securitised derivatives – warrants and certificates
- Securitised derivatives – other securitised derivatives
- Currency derivatives – swaps, futures and other currency derivatives
- Currency derivatives – futures and options

This report refers to the above categories of financial instruments and applies to each of these categories in all aspects equally and without limitation. It complies with the requirements set out in Commission Delegated Regulation C(2016) 3337 final of 8 June 2016 supplementing Directive 2014/65/EU of the European Parliament and the Council with regard to regulatory technical standards for the annual publication by investment firms of information on the identity of execution venues and the quality of execution, which contains further details on the content and format of the information relating to the quality of execution. These requirements comprise the following information on the quality of execution:

Relative importance of the execution factors

Client orders can generally be executed via various means of execution or at various execution venues, e.g. at regulated markets, via multilateral or organised trading facilities, systematic internalisers or at other execution venues, both at home and abroad, in floor or electronic trading. Moreover, it is also possible to perform execution outside such execution venues, i.e. off-exchange. In the context of defining the means of execution and potential execution venues for the relevant classes of financial instruments, the Bank observes certain criteria specific to financial instruments and factors specific to the execution venues and/or intermediaries involved (hereinafter "execution factors"). It favours intermediaries and execution venues that generally provide constant best execution in the client's interests.

When weighting the execution factors and their relative importance to one another, it is, firstly, particularly important to assess whether the execution factor in question is relevant at all and the weighting it has in itself and in relation to other factors. For private clients, the best possible result is based on the total charge. The total charge is the sum of the price for the financial instrument and all execution-related costs.

Since financial instruments are generally exposed to volatility and it is thus impossible to rule out negative market performance from the client's perspective after the order has been issued, execution venues on which complete execution and settlement is probable are taken into particular account. The Bank also takes account of the execution speed in its weighting, i.e. the time between receiving a client order and this order being executed at an execution venue or via an intermediary. In the context of the above parameters, the Bank also takes other relevant execution factors (e.g. trading times, stability/quality of technical connections, disaster recovery) into account.

Any close connections, conflicts of interests and shared ownership relating to all brokers and execution venues via which trading decisions are executed

The Bank has a binding Conflicts of Interest Policy in place which ensures that relevant conflicts of interests within Metzler, the Metzler Group, Metzler's analysts and staff and persons associated with them are avoided or, if they cannot be avoided, are appropriately identified, managed, disclosed and monitored. A detailed description of Metzler's policy to avoid conflicts of interests, including the conflicts of interests to be disclosed under regulatory requirements, is published under <https://www.metzler.com/en/metzler-en/bank/legal-notes-compliance/conflicts-of-interest>.

In connection with the execution of trading decisions, it should be noted that some of our employees execute instructions for Deutsche Bank AG, Deutsche Börse AG, DWS Group GmbH & Co. KGaA and Fraport AG and that the Bank has significant financial interests in these companies, which could give rise to conflicts of interests. In the past twelve months we were also partly responsible for placing financial instruments for Katjesgreenfood GmbH & Co. KG, Nordex SE und TUI AG as well as responsible for the placement of financial instruments of Dr. Ing. h. c. F. Porsche Aktiengesellschaft and received payment for providing these services.

Specific arrangements with brokers and execution venues regarding payments made or received, discounts, rebates or other non-monetary benefits received.

No specific arrangements of this kind exist.

New or additional execution venues

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Different treatment of different client categories

For private clients, the best possible result in compliance with regulatory requirements is generally based on the total charge. The total charge is the sum of the price for the financial instrument and all execution-related costs. Executing orders for eligible counterparties is not subject to the principles of best execution of client orders.

Execution for the account of private clients: relevance of other criteria

For private clients, the best possible result is generally based on the total charge. The Bank is, however, entitled to aggregate client orders with orders issued by other clients and to execute them together, while observing these principles for executing orders, provided the order volume, current market liquidity, anticipated market impact, price sensitivity and class of financial instrument being traded allow this.

This process includes execution outside the execution venues set out in the Bank's Execution Principles and the conclusion of fixed-price transactions.

Aggregation of orders as described above is generally only possible if, in view of the above execution factors, it appears unlikely that the aggregation will be detrimental to the client in the overall context and the relevance of other criteria (e.g. complete execution and settlement, the anticipated market impact) appear more significant.

In the context of its execution principles, the Bank has nevertheless expressly drawn its clients' attention to the fact that aggregation of client orders may be detrimental to an individual order. In such constellations, it is certainly impossible to rule out the fact that in individual cases the order may be executed at a less favourable execution price for an individual client.

Potential use of data or tools in connection with the quality of execution, including the data published by the trading venues pursuant to RTS 27

The best execution criteria for determining and verifying the quality of execution venues shall be assessed based on various internal and external data sources (market and master data) using various IT systems and tools. This analysis is based on the reports generated and the information/fixed prices published by the execution venues.

Use of information provided by a consolidated tape provider (CTP)

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