

Summary of information on quality of execution

Frankfurt/Main, March 2023

Report pursuant to Article 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.

This reporting duty does not apply to all transactions, but rather relates only to transactions conducted in the context of financial portfolio management pursuant to MiFID II. The top five execution venues are identified and the execution results analysed on the basis of these transactions alone. The execution of transactions conducted in the context of managing investment funds in line with the German Investment Code (Kapitalanlagegesetzbuch). The information in this report is thus not representative of all trading activities performed by Metzler Asset Management GmbH (MAM).

The transactions in question involve the following classes of financial instruments:

- Equity derivatives – futures and options
- Exchange-traded products (ETPs)
- Equity instruments (shares and depositary receipts) – liquidity band 1
- 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, MAM 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.

Since financial instruments are generally exposed to volatility and negative market performance from the client's perspective is thus not to be ruled out after the order has been issued, execution venues on which complete execution and settlement is probable are taken into particular account. In addition, MAM also takes account of the pricing structures in their weighting. In the context of the above parameters, MAM also takes other relevant execution factors (e.g. number of traders, 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 Metzler Group has a binding Conflicts of Interest Policy in place which ensures that relevant conflicts of interest between MAM, the other companies within the Metzler Group, the analysts and staff of Metzler 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 and companies belonging to the Metzler Group execute instructions for Deutsche Bank AG, Deutsche Börse AG, DWS Group GmbH & Co. KGaA and Fraport AG and that MAM has significant financial interests in these companies, which could give rise to conflicts of interests.

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 and intermediaries

Metzler Asset Management GmbH's broker list is reviewed regularly and updated if necessary. New brokers are generally added with the aim of improving execution quality in the respective asset class. Criteria may include execution speed (direct market access, access to greater liquidity) and reduction of direct costs. In 2021, two new brokers were added to the broker list and seven brokers were removed from the list after relevant analysis.

Different treatment of different client categories

When assessing the quality of execution, only the client category "professional clients" is relevant. Executing orders for eligible counterparties is not subject to the principles of best execution of client orders.

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

N. a.

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

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