



Deutsche Bank Wealth Management U.S. Order Execution Policy (Accommodation Trades—German Domiciled Clients)

The following Order Execution Policy (the **Policy**) provides an overview of the approach taken by **Deutsche Bank Wealth Management U.S.** (hereinafter **DBWM US**), acting as an Investment Firm to achieve the best possible result when executing orders in financial instruments on behalf of its Clients. A duty of best execution is owed by **DBWM US** to its Clients when **DBWM US** receives and transmits client instructions for the execution of accommodation sell trade orders in custody accounts. Under this Policy, an accommodation order is defined as one where **DBWM US** accommodates the client by routing their order to the appropriate trading entity for execution. This applies only to the sale of securities maintained in the client’s custody account as instructed by the client.

DBWM US utilizes Deutsche Bank Securities Investment, Inc. (DBSI), Pershing, LLC (Pershing), and State Street to execute transactions on behalf of their Clients. The way in which DBSI, Pershing, and State Street execute transactions on behalf of Clients depends on the asset class. Equity trades and Mutual Funds are executed on an agency basis whereas fixed income transactions are executed on a riskless principal basis. The selection of any particular method to execute a client trade must be consistent with DBSI’s and Pershing’s obligation to obtain the best result for **DBWM US** clients.

This Policy applies to the execution by **DBWM US**¹ of Orders for the Financial Instruments mentioned as defined in the Glossary and in respect of:

- (i) Acting as Receiver and Transmitter of Orders by the Coverage Entities and Trading Entities

This Policy applies to the following Coverage Entities and Trading entities:

Trading Entities	Coverage/Receiving and Transmitting Entities (on whose behalf Trading Entities execute Client Orders)
Deutsche Bank Securities, Inc. (DBSI) ²	Deutsche Bank Wealth Management U.S. (DBWM US) ⁵
Pershing LLC (Pershing) ³	
State Street Corporation (State Street) ⁴	

This Policy is published on our website:

Link: <https://deutschewealth.com/content/deutschewealth/en/articles/MiFID-II-Order-Execution.html>

This policy will be updated, whenever there is any material change and Clients shall be notified via this website. Upon Client’s request, **DBWM US** shall send a copy of the latest version of this Policy to the Client.

1. Best Execution

Coverage Entities and Trading Entities are required, when executing orders, to take all sufficient steps to obtain the best possible result for their Clients (“Best Execution”). DBSI and Pershing have in place processes which are designed to obtain the best possible execution result on a consistent basis taking into consideration the factors outlined in section 4.

1.1 General

When acting as Receiver and Transmitter for Retail Clients, **DBWM US** is responsible for acting in the Client’s best interest. The Best Execution obligations in this context are expressed in terms of ‘total consideration’. Total consideration is defined under MiFID II as the price of the relevant Financial Instrument, plus the costs related to execution. These costs will include all expenses incurred, which are directly related to the execution of the order.

¹This only includes the execution of sell trade orders as instructed by its Retail Clients exclusively for custody accounts.

²DBSI is engaged by DBWM US to execute fixed income sell accommodation trade orders.

³Pershing LLC represents a third party trading entity engaged to execute equity sell accommodation trade orders.

⁴State Street Corporation represents a third party trading entity engaged to execute mutual fund sell accommodation trade orders. All transactions are based on end of day Net Asset Value (NAV).

⁵DBWM US offers its products and services through Deutsche Bank Trust Company Americas.

It will comprise of execution factors such as:

- Price of the instrument;
- Liquidity of the financial instrument;
- Execution venue fees;
- Clearing and Settlement fees; and
- Any other fees paid to third parties involved in the execution of the order including, but not limited to commissions or any fees charged by **DBWM US**.

1.2 Execution Factors

The execution factors and the process by which DBSI and Pershing determine the relative importance of those factors is detailed below.

The primary execution factor for assessing how to achieve the best result when executing Orders is the total consideration. Total consideration includes the following:

- Price of the Financial Instrument
- Liquidity of the Financials Instrument
- Costs relating to execution including:
 - Execution venue fees;
 - Clearing and Settlement fees; and
 - Any other fees paid to third parties involved in the execution of the order including; but not limited to commissions or any fees charged by us.

In addition to the primary execution factors, DBSI and Pershing may also take into consideration secondary execution factors to determine the most appropriate Execution Entity in order to achieve Best Execution on Orders:

- Speed of execution—time it takes to execute an Order;
- Likelihood of execution and settlement, including but not limited to:
 - Ability of Execution Entity to execute the desired volume;
 - Creditworthiness of the Execution Entity;
 - Reputation of the Execution Entity.
- Size—the size of the transaction executed for a Client, accounting for how this affects the price of execution.
- Nature —this is how the particular characteristics of a transaction can affect how Best Execution is achieved.

1.3 As Receiver and Transmitter

When **DBWM US** acts as a Receiver and Transmitter of Orders, it ensures it obtains the best results for Clients by providing appropriate oversight and monitoring of the trading entity's practices. When acting as a Receiver and Transmitter, **DBWM US** utilizes DBSI for the execution of fixed income and equity orders. Depending on the size of the order and/or liquidity of the underlying security, DBSI may procure the services of Pershing to execute equity orders.

1.4 As Execution Entity

When acting as an Execution Entity for sell accommodation orders and depending on the asset class e.g. equities or fixed income, DBSI may either execute the trade (fixed income), route the trade (equities and ETFs) to Pershing or route the trade (mutual funds) to State Street for execution. **DBWM US** reserves the right to use alternative Execution Entities other than those listed, where it believes it is necessary to do so.

2. Fees/Commission Charged by Execution Entities

Commissions and mark-ups charged by third party service providers should be fair and reasonable and must be in line with external regulations as well as internal guidelines. Supervisors are responsible for ensuring all trading employees are aware of the agreed commission and mark-up guidelines. Commissions and mark-ups are reviewed by Supervisors as part of Best Execution on a T+1 basis. Part of this review is to ensure that, in executing client orders, clients do not incur unnecessary brokerages costs and charges.

3. Specific Client Instructions

Whenever the client provides **DBWM US** with specific instructions regarding an order or an aspect of an order, **DBWM US** will execute or transmit such order or aspect thereof, following the client's specific instruction. **DBWM US** will then apply this Policy and take reasonable steps to obtain the best possible result for the elements of the order not subject to or limited by the clients instructions.

4. Order Execution Procedures

4.1 Order Execution by Trading Entities

As stated in **Section 1**, the way in which DBSI, Pershing, and State Street execute transactions on behalf of Clients depends on the asset class.

1. Equity orders are received and transmitted to DBSI and/or Pershing, and will be executed as outlined in **section 4.3**.
2. Fixed Income orders are executed by DBSI on execution venues. For details on how fixed income orders are executed refer to **Section 4.4**.
3. Mutual Fund orders are received and transmitted to State Street. For details on how mutual fund orders are executed refer to **Section 4.5**.

4.2 Receiver and Transmitter of Orders

When acting as 'Receiver and Transmitter' of Orders, **DBWM US** relies on the services of its affiliate DBSI to serve as execution entity as well a third party executing entity, Pershing. DBSI and Pershing use reasonable due diligence to obtain the best price for a security in the marketplace as well as to ensure best qualitative execution for its clients.

4.3 Equities & Exchange Traded Funds ("ETFs")

DBWM US transmits sell accommodation equity and ETF orders to DBSI for execution. Equity orders and ETFs are passed by **DBWM US** to DBSI brokers who have access to the relevant exchanges or other venues for execution, the expertise and the required understanding of **DBWM US's** trading objectives. The size of the order and/or the liquidity of the underlying security determines whether the order is executed by the DBSI Capital Market's Desk or whether the order will be further routed to a suitable third-party (e.g. Pershing) for execution.

In this function, DBSI ensures best results are achieved by periodically monitoring and reviewing key metrics provided by Pershing (documentary evidence exists to support this process). Pershing has established a single group (Customer Execution Quality team) who is charged with monitoring execution quality through a regular and rigorous review of the execution quality received from the venues where Pershing routes equity and ETF orders. In addition, the Customer Execution Quality Team continually monitors alternative venues to identify opportunities for improving execution quality.

4.4 Fixed Income

DBWM US transmits sell accommodation fixed income orders directly to DBSI for execution. The transaction will include all of the required order information (e.g. security description, CUSIP number, quantity, etc.) which is entered by DBSI into Bloomberg. Once entered into Bloomberg, DBSI utilizes market counterparts (also known as dealers) to locate a potential buyer. When seeking prices from such market counterparties DBSI will look to obtain quotes from the key dealers for the particular instrument. The choice of counterparties varies based on the specific financial instrument. A buyer is identified once all of the key attributes (e.g. price, cost, etc.) are fulfilled.

4.5 Mutual Funds

DBWM US transmits sell accommodation mutual fund orders directly to a suitable third-party (e.g. State Street) for execution. In turn, the third-party executes the order directly with a fund provider at the official price which is considered to be the end of day net asset value. On the day following the trading day (T+1), the trade is reviewed by **DBWM US** to confirm trade settlement and to ensure client records appropriately reflect the sale.

5. Recordkeeping

All trades are electronically recorded and archived which allows compliance to monitor and review transactions. Best execution is reviewed on a T+1 basis by Desk Supervisors and documentary evidence maintained in a readily accessible location.

6. Order Handling

DBWM US receives direct Client Orders both verbally and via email. All sell accommodation trade orders consisting of fixed income and equity orders are routed to either DBSI or Pershing as described in more detail in **sections 3.3 and 3.4** respectively.

7. Review and Monitoring

DBWM US closely monitors the effectiveness and performance of its execution arrangement and delivery of best execution to its clients in respect of this Policy. The effectiveness of the Best Execution processes and of this written Policy are reviewed at least annually. In addition, whenever a material change occurs, that affects the ability to obtain the best possible result for the execution of an Order, a review of the Best Execution processes and the written Policy will take place. As part of this, DBSI will consider whether any changes should be made to the relative importance of the Execution Factors

in order to meet its overarching Best Execution requirements. In the event that any material changes are made to the order execution arrangements or to this Policy, **DBWM US** will notify its Clients via our website:

<https://deutschewealth.com/content/deutschewealth/en/articles/MiFID-II-Order-Execution.html>, by updating and publishing the updated version of its Best Execution Policy.

7.1 Review of Execution Entities:

The choice of third-party and affiliate firms will be determined by an ongoing assessment of their ability to support **DBWM US**'s best execution obligations to the client. On an annual basis, **DBWM US** will perform a review and monitor the execution performance of the two (2) Execution Entities; DBSI and Pershing to ensure best execution standards are met. The review is performed to ensure that **DBWM US** clients are obtaining the best execution for their securities trades. This review will be performed by **DBWM US**'s Order Execution Governance framework, which will consist of reviewing key metrics and risk indicators to assess the overall execution process, effectiveness and quality. The objectives of this process will be to:

- Monitor the effectiveness of our order execution arrangements (including this Policy);
- Identify shortcomings in execution quality and effectiveness;
- Correct deficiencies, where appropriate.

8. Reporting

As an Investment Firm that Receives and Transmits Orders to Execution Entities, **Deutsche Bank Wealth Management U.S.** will independently publish, on an annual basis and for each class of Financial Instruments:

- A list of the Top 5 Execution Entities and related volume and number of orders in percent executed by each Execution Entity.
- A summary of the analysis and conclusions it draws from its detailed monitoring of the quality of execution obtained on the execution entities where it executed all its Orders in the previous year;
- An assessment of execution quality obtained on all Execution Entities used by **DBWM US**;
- Description and/or explanation, wherever applicable, for:
 - Close links;
 - Conflicts of interest;
 - Specific arrangements;
 - Common ownership;
 - Data or tools used;
 - Factors which influenced a change in the list of Execution Entities.

9. List of Approved Execution Entities

The section below provides a list of the brokers used by **DBWM US** to transmit and execute orders. **DBWM US** solely utilizes the brokers listed in this appendix. Any additional brokers used, but not listed here, will undergo evaluation and assessment to determine eligibility for meeting best execution standards as defined in this Policy.

- Deutsche Bank Securities, Inc.
- Pershing LLC
- State Street Corporation

Glossary

Agency basis means the legal entity Deutsche Bank Wealth Management U.S. acts as agent for its clients, bringing together a buyer and seller.

Client means an individual who has a contractual relationship with Deutsche Bank Wealth Management U.S.

Coverage Entities means the legal entity Deutsche Bank Wealth Management U.S. that maintains contractual relationships with Clients.

Deutsche Bank Wealth Management U.S. refers to the German American Team within Deutsche Bank Wealth Management U.S.

Execution Entity means the entities to which Deutsche Bank Wealth Management U.S. transmits client orders, when acting as a receiver and transmitter. Execution entities do not maintain contractual relationships with Clients of Deutsche Bank Wealth Management U.S. For a list of approved Execution Entities please refer to **section 9**.

Execution Venue means a Regulated Market, Multilateral Trading Facility, OTF, Systematic Internalizer, Market Maker or other Liquidity Provider or an entity that performs a similar function in a third country to the functions performed by any of the foregoing.

Financial Instrument means the instruments listed below:

- (1) U.S. Treasuries / Government Notes & Bonds;
- (2) Corporate securities;
- (3) Municipal securities;
- (4) Agencies;
- (5) Other fixed income securities, e.g. non USD denominated bonds;
- (6) Equities.
- (7) Mutual Funds
- (8) Exchange Traded Funds

Investment Firm is defined in Article 4(1) of the MiFID as any 'legal person whose regular occupation or business is the provision of one or more investment services to third parties and/or the performance of one or more investment activities on a professional basis'. The MiFID definition, therefore, covers all persons who perform investment services and activities using the relevant instruments.

Market Maker means a firm that will buy and sell a particular security on a regular and continuous basis by posting orders at a publicly quoted price. They ensure that an investor can always trade the particular security and in doing so enhance liquidity in the Financial Instrument.

MiFID II means the Markets in Financial Instruments Directive 2014/65/EU and the Markets in Financial Instruments Regulation 600/2014.

Multilateral Trading Facility (MTF) means a system, or "venue", which brings together multiple third-party buying and selling interests in Financial Instruments in a way that results in a contract, MTFs can be operated by investment firms or market operators and are subject to broadly the same overarching regulatory requirements as Regulated Markets (e.g. fair and orderly trading) and the same detailed transparency requirements as Regulated Markets.

Order defined as securities selected by clients of Deutsche Bank Wealth Management U.S. for further transmittal and execution to selected Execution Entities.

Organised Trading Facility (OTF) means any facility or system operated by an investment firm or a market operator that on an organized basis brings together third party buying and selling interests or orders relating to Financial Instruments It excludes facilities or systems that are already regulated as a Regulated Market, MTF or a systematic internalizer.

Receiver and Transmitter describes the role of Deutsche Bank Wealth Management U.S. when it receives an order from a client and transmits the sell order on behalf of the client to an Execution Entity.

Regulated Market means a multi-lateral system operated and/or managed by a market operator, which facilitates the bringing together of multiple third-party buying and selling interests in Financial Instruments in a way that results in a contract, in respect of the Financial Instruments admitted to trading under its rules and/or systems, and which is authorized and functions regularly and in accordance with the provisions of Title III of MiFID.

Riskless Principal basis (Article 4(1)(38) of MiFID II) means a transaction where the facilitator interposes itself between the buyer and the seller to the transaction in such a way that it is never exposed to market risk throughout the execution of the transaction, with both sides executed simultaneously, and where the transaction is concluded at a price where the facilitator makes no profit or loss, other than a previously disclosed commission, fee or charge for the transaction.