

## **DWS Trading – Securities Financing Transactions (SFTs), Delegated Regulation (EU) 2017/565**

Summary of analysis and monitoring of execution of client orders on execution venues in 2018.

Applicable to: DWS International GmbH, DWS Investment GmbH

### **a. How does DWS 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?**

For SFTs the most significant execution factors are the rate and volume capacity in the market. For the negotiation of securities lending trades we are using a benchmarking tool that provides market rates for peer to peer comparison. For repurchase agreements we are requesting a rate from at least two different counterparties for ensuring compliance with best execution. It is also important that a counterparty meets credit risk criteria that we impose. Execution takes place by considering respective risk limits that are monitored constantly. Another factor relevant to best execution is operational strength of the counterparty especially in markets with strict settlement rules.

### **b. Does DWS Trading have any close links, conflicts of interests, and common ownerships with any execution venues [and brokers] used to execute orders?**

Deutsche Bank AG is the controlling shareholder of DWS GmbH & Co. KGaA, which in turn fully owns DWS International GmbH and Investment GmbH.

There are no common ownerships in place.

There are no exclusive arrangements with any execution venues or brokers. All venues/brokers are treated equally considering the defined execution factors and we have not identified any conflicts of interest.

### **c. Does DWS 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 or make any payments, discounts, rebates or non-monetary benefits.

### **d. What are the factors leading to DWS Trading's selection or a change in the execution venues [and brokers] listed in the firm's execution policy, if any such change occurred?**

All brokers that we trade with are selected from a pre-approved broker list issued and monitored by our Counterparty Risk Management (CPRM). CPRM established a standardized broker onboarding and due diligence process where the counterparty risk is assessed and controlled. The broker list is reviewed and updated periodically.

### **e. Does DWS Trading's order execution differ according to client categorisation?**

Our execution policy does not treat different categories of clients differently, but we consider any client specific requirements if they exist.

### **f. When precedence over immediate price was given when executing retail client orders and how DWS 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.

### **g. How have DWS Trading used data or tools relating to the quality of execution, including data published under Delegated Regulation (EU) 2017/575?**

For securities lending transactions, we have used an independent benchmarking tool that provides daily market rates. For repurchase agreements we have requested a rate from at least two different counterparties for ensuring compliance with best execution.

**h. How have DWS Trading used output of a consolidated tape provider established under Article 65 of MiFID II?**

A consolidated tape provider as defined under Article 65 of MiFID II has not been used. Nevertheless for securities lending transactions we are using a benchmarking tool.

**i. Which are the Top 5 counterparties/brokers DWS Trading executes against on a trading venue utilising a Request for Quote (RFQ) system as well as the proportion of volume traded with each of the counterparties as a percentage of the total of that instrument and does DWS Trading have any close links, conflicts of interests, common ownerships and specific arrangements with such counterparties?**

For SFTs DWS Trading does not apply the Request for Quotes process. Nevertheless, since Equilend is approved as a multilateral trading facility (MTF), the information required under i) are provided below.

**DWS International GmbH**

**Debt instruments (i) Bonds**

Equilend Europe Limited (24.82 %)	
Morgan Stanley & Co. International PLC	17.83%
Citigroup Global Markets Limited	5.33%
UniCredit Bank AG	0.99%
Credit Suisse Securities (Europe) Limited	0.67%

**DWS Investment GmbH**

**Equities - Shares & Depositary Receipts (i) Tick size liquidity bands 5 and 6 (from 2000 trades per day)**

Equilend Europe Limited (31.43 %)	
Credit Suisse Securities (Europe) Limited	23.70%
Citigroup Global Markets Limited	7.11%
J.P. Morgan Securities PLC	0.57%
BARCLAYS BANK PLC	0.05%

**Equities - Shares & Depositary Receipts (ii) Tick size liquidity bands 3 and 4 (from 80 to 1999 trades per day)**

Equilend Europe Limited (30.8 %)	
Credit Suisse Securities (Europe) Limited	26.61%
Citigroup Global Markets Limited	3.29%
J.P. Morgan Securities PLC	0.53%
BARCLAYS BANK PLC	0.37%

### Debt instruments (i) Bonds

Equilend Europe Limited (13.88 %)	
Morgan Stanley & Co. International PLC	9.65%
Citigroup Global Markets Limited	2.15%
UniCredit Bank AG	1.49%
Credit Suisse Securities (Europe) Limited	0.38%
HSBC BANK PLC	0.21%

### Other instruments

Equilend Europe Limited (51.4 %)	
Citigroup Global Markets Limited	31.90%
Credit Suisse Securities (Europe) Limited	18.7%
J.P. Morgan Securities PLC	0.80%

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