

TOP-5 Reporting

Information on the top five investment firms,
to which orders were forwarded and regarding
execution quality



Union Investment Service Bank AG

02.02.2022

Pursuant to Art. 65 Delegated Regulation 2017/565 and Sec. 82(9) of the German Securities Trading Act (Wertpapierhandelsgesetz), investment firms are required to publish on their website once a year the five most important trading venues on which they execute orders for each class of financial instrument and the five main investment firms to which they have forwarded orders for execution on trading venues, as well as the execution quality achieved. The importance of a trading venue or another investment firm depends on the trade volume.

Union Investment Service Bank AG does not execute orders at trading venues itself, but forwards these exclusively for execution to third party investment firms. In this regard, we refer to our execution principles.

The following tables show, for each class of financial instrument, which are the five most important investment firms to which orders were forwarded for execution on trading venues in 2021 and what execution quality was achieved in each case.

Category of financial instrument	Exchange-traded products				
Indication of whether in the previous year on average <1 trade per business day was executed	N				
The five brokers that, by trading volume, are most important (in descending order by trading volume)	Share of trading volume as a percentage of the total volume in this category	Share of the listed orders as a percentage of all orders in this category	Percentage of passive orders	Percentage of more aggressive orders	Percentage of directed orders
Attrax Financial Services S.A., (529900UZS8C7UX3B9767)	100,00 %	100,00 %	N.A.	N.A.	0,00 %

Category of financial instrument	Exchange-traded products				
Indication of whether in the previous year on average <1 trade per business day was executed	N				
The five brokers that, by trading volume, are most important (in descending order by trading volume)	Share of trading volume as a percentage of the total volume in this category	Share of the listed orders as a percentage of all orders in this category	Percentage of passive orders	Percentage of more aggressive orders	Percentage of directed orders
N.A.	N.A.	N.A.	N.A.	N.A.	N.A.

Category of financial instrument	Money market instruments				
Indication of whether in the previous year on average <1 trade per business day was executed	N				
The five brokers that, by trading volume, are most important (in descending order by trading volume)	Share of trading volume as a percentage of the total volume in this category	Share of the listed orders as a percentage of all orders in this category	Percentage of passive orders	Percentage of more aggressive orders	Percentage of directed orders
N.A.	N.A.	N.A.	N.A.	N.A.	N.A.

Category of financial instrument	Warrants and certificates				
Indication of whether in the previous year on average <1 trade per business day was executed	N				
The five brokers that, by trading volume, are most important (in descending order by trading volume)	Share of trading volume as a percentage of the total volume in this category	Share of the listed orders as a percentage of all orders in this category	Percentage of passive orders	Percentage of more aggressive orders	Percentage of directed orders
N.A.	N.A.	N.A.	N.A.	N.A.	N.A.

Category of financial instrument	Debt securities				
Indication of whether in the previous year on average <1 trade per business day was executed	N				
The five brokers that, by trading volume, are most important (in descending order by trading volume)	Share of trading volume as a percentage of the total volume in this category	Share of the listed orders as a percentage of all orders in this category	Percentage of passive orders	Percentage of more aggressive orders	Percentage of directed orders
N.A.	N.A.	N.A.	N.A.	N.A.	N.A.

Category of financial instrument	Other instruments				
Indication of whether in the previous year on average <1 trade per business day was executed	N				
The five brokers that, by trading volume, are most important (in descending order by trading volume)	Share of trading volume as a percentage of the total volume in this category	Share of the listed orders as a percentage of all orders in this category	Percentage of passive orders	Percentage of more aggressive orders	Percentage of directed orders
N.A.	N.A.	N.A.	N.A.	N.A.	N.A.

Category of financial instrument	Structured financial products				
Indication of whether in the previous year on average <1 trade per business day was executed	N				
The five brokers that, by trading volume, are most important (in descending order by trading volume)	Share of trading volume as a percentage of the total volume in this category	Share of the listed orders as a percentage of all orders in this category	Percentage of passive orders	Percentage of more aggressive orders	Percentage of directed orders
N.A.	N.A.	N.A.	N.A.	N.A.	N.A.

Category of financial instrument	Contracts for difference				
Indication of whether in the previous year on average <1 trade per business day was executed	N				
The five brokers that, by trading volume, are most important (in descending order by trading volume)	Share of trading volume as a percentage of the total volume in this category	Share of the listed orders as a percentage of all orders in this category	Percentage of passive orders	Percentage of more aggressive orders	Percentage of directed orders
N.A.	N.A.	N.A.	N.A.	N.A.	N.A.

Definitions according to Delegated Regulation (EU) 2017/576 Article 2:

„passive order“ means an order entered into the order book that provided liquidity;

„aggressive order“ means an order entered into the order book that took liquidity;

„directed order“ means an order where a specific execution venue was specified by the client prior to the execution of the order.

Summary of the achieved execution quality for the year 2021

Due to European legal requirements (Commission Delegated Regulation (EU) 2017/576 / RTS 28 of ESMA), investment firms are obliged to report annually for each class of financial instruments a summary of their analysis and conclusions they draw from their detailed monitoring of the execution quality obtained for executing orders. This includes information on the criteria listed below under (a) to (h):

- a) an explanation of the relative importance the investment firm gave to the execution factors of price, costs, speed, likelihood of execution or any other consideration including qualitative factors when assessing the quality of execution;

Union Investment Service Bank AG („USB“) currently accepts commission orders in relation to shares in ETFs exclusively within the scope of asset management products, which are forwarded to Attrax Financial Services S.A.. Attrax Financial Services S.A. in turn forwards the orders to DZ Privatbank S.A. (Luxembourg), which ultimately executes the orders at trading venues. Attrax Financial Services S.A. was selected in particular because USB's orders are generally fully (at 100%) and immediately forwarded to the executing DZ Privatbank S.A. upon receipt. This applies to all orders placed in the reporting period. The costs for this type of order execution are regularly reviewed by the commissioner USB and compared with other procurement channels. During the reporting period, cost advantages were able to be achieved with this type of order processing, thanks to the provision of effective standardised processes tailored to USB. Since ETFs are subject to regular price fluctuations and time delays can have a negative impact on clients, USB has weighted the aspects of speed and probability of order execution similarly to cost.

- b) a description of any close links, conflicts of interests and common ownerships with respect to any investment firms to which orders were forwarded;

Attrax Financial Services S.A. and USB are both 100% owned by the Union Investment Group and have the same owners. The majority owner of both investment firms is DZ Bank AG. With regard to any resulting potential conflicts of interest and the organisational measures taken to avoid them, reference is made to the conflicts of interest information sheet provided to clients of Attrax Financial Services S.A. prior to the placement of orders. The executing investment company, DZ Privatbank S.A. (Luxembourg) is also majority-owned by DZ Bank AG. However, there are no social or other links to the trading venues on which the orders are executed.

- c) a description of any arrangements with investment firms to which orders were forwarded regarding payments made or received as well as discounts, rebates or other non-monetary benefits received;

USB did not grant or receive any discounts, rebates or non-monetary benefits in connection with the forwarding of orders. All benefits were fully passed on to clients by USB. This is disclosed to clients as part of the cost reports.

- d) an explanation of the factors that led to a change in the list of investment firms to which orders were forwarded listed in the execution policy, if such a change occurred;

There were no changes in the reporting period.

e) an explanation of how order forwarding or the type of execution differs according to client categorisation, where the firm treats categories of clients differently and where it may affect the order execution arrangements;

USB classifies all of its investors as retail or small investors. Therefore, no distinction is made according to client categories.

f) an explanation of whether, when orders from small investors were being forwarded to investment firms, criteria other than price and costs were given precedence and to what extent these other criteria were instrumental in delivering the best possible result in terms of the total consideration for the small investor;

In addition to the price achieved and the cost of executing the order, the following criteria were taken into account in the selection of Attrax Financial Services S.A. and DZ Privatbank S.A.:

- speed of execution
- probability of execution and completion of the order
- scope of the order
- type of order
- as well as qualitative factors, such as trading hours of the individual execution venues, monitoring of trading, access to trading venues and provision of trading techniques.

The price achieved was given the highest weight; followed by the cost of executing the order. The other criteria mentioned were given similar weighting to cost; however, they were not given priority.

g) an explanation of whether and how the investment firm has used any data or tools to assess the quality of execution achieved, including any data published under Delegated Regulation (EU) 2017/575;

USB reviews the execution quality achieved by Attrax Financial Services S.A. and DZ Privatbank S.A. on an annual basis. In doing so, it draws on, among other things, audit reports of external commissioners, which also include the data to be published under Delegated Regulation (EU) 2017/575.

h) an explanation of how the investment firm has used output of a consolidated tape provider established under Article 65 of Directive 2014/65/EU, where applicable;

USB did not use any output from consolidated tape providers during the reporting period.

Contact us

Union Investment Service Bank AG
Weißfrauenstraße 7
60311 Frankfurt am Main
Tel.: +49 (0)69 58998-6000
Email: service@union-investment.de

Legal notes

The contents of this document do not constitute a recommendation for action, they do not replace individual investment advice from the bank. There is no associated offer. This document has been approved by Union Investment Service Bank AG and has been designed and prepared with care. All third-party product names may be copyrighted and trademarked products and brands of these companies.

Status of all information, descriptions and explanations: as at 1 March 2022, unless otherwise specified

