



# Berenberg Wealth and Asset Management policy for the transmission and execution of orders in financial instruments

(»WAM Best Execution Policy«)

## 1. Purpose/Background

This policy sets out how Wealth & Asset Management of Joh. Berenberg, Gossler & Co. KG (»Berenberg WAM«, »we« or »us«) ensures that client orders are consistently executed or transmitted in clients' best interests in accordance with Directive 2014/65/EU (»MiFID II«). Berenberg WAM is committed to the best execution of its trading processes, both in order handling, broker selection and execution control.

This Policy applies to asset management clients who are **professional clients and retail clients** of the Berenberg WAM division (hereinafter jointly referred to as the »Client«). An exception to this is asset management clients in the Wealth Management division. For the latter, the Berenberg policy for the execution of orders in financial instruments applies.

## 2. Scope

Trading decisions made by Berenberg WAM can be executed via various execution channels (stock exchanges, electronic trading) or at different trading venues (e.g. regulated market, multilateral trading facilities (MTF), organised trading facilities (OTF), systematic internalisers (SI), market makers or other liquidity pools). Trading decisions made by Berenberg WAM are generally not passed on directly to the execution venues, but are executed by intermediaries (brokers, counterparties, etc.) in order to take into account all asset classes, types of orders and markets.

Berenberg WAM may enter into an execution transaction with another party at a suitable execution venue in its own name but for the Client's account (agency transaction). This may include execution outside a trading venue (i.e. outside a regulated market, multilateral trading platform or organised trading facility) provided that this is in the best interests of the client. For certain asset classes, Berenberg WAM may also enter into a purchase agreement with another trading partner, systematic internaliser or other liquidity provider at an agreed fixed or determinable price as part of the execution of the order. Execution is carried out with the respective trading partner by means of a fixed-price agreement (fixed-price transaction).

This policy applies to the execution and forwarding of financial instruments within the meaning of MiFID II. Spot FX trades and physically delivered commodities (e.g. precious metals) do not fall under the definition of financial instruments. The policy therefore does not apply to such transactions.

If the execution of trading transactions is carried out with Berenberg's trading division, the respective Berenberg policy for the execution of orders in financial instruments for retail clients or institutional professional clients also applies.

## 3. Execution Factors

Berenberg WAM takes all necessary measures to achieve the best possible execution for the client. In doing so, Berenberg takes into account a number of different factors used in the execution of client orders, including the following:

- Price, i.e. the execution price of a transaction
- The size and nature of the order (which affect the execution price)
- Likelihood of execution: the ability to execute the order in question
- Speed: the period of time until completion of the execution of the order
- Likelihood of settlement: the probability of the transaction being settled in full
- Costs: explicit costs such as fees and commissions as well as implicit costs (Market Impact)
- Other criteria which are relevant for efficient order execution.

The factors are weighted for the execution of orders. In determining the weighting of the respective execution criteria, Berenberg WAM also takes the following additional factors into account:

- Characteristics and regulatory classification of the client
- Type of transaction
- Characteristics of the financial instrument concerned
- Particular features of the execution venues to which orders may be forwarded.

Berenberg WAM weights the factors in order of **importance for all asset classes** as follows:

**Importance: High**

- Price
- Size and nature of the order
- Likelihood of execution

Price and size are generally the key execution factors when placing an order.

**Importance: Medium**

- Speed
- Costs

**Importance: Low**

- Likelihood of settlement
- Any other factor relevant for the efficient execution of the order.

In the case of retail clients, Berenberg WAM's primary focus in executing client orders for the purchase and sale of financial instruments is on the total fee resulting from the best possible price and all costs associated with the execution of the order. These costs include, in particular, the fees and charges of the trading venue at which the transaction is executed, costs for clearing and settlement as well as any other costs, charges and fees paid to third parties in connection with the execution of the order.

#### 4. Trading Venues

Client orders are executed using various execution channels or at different execution venues as follows:

- Regulated domestic and foreign markets (EU and non-EU countries)
- Multilateral Trading Facilities
- Systematic Internalisers
- Organised Trading Facilities
- Liquidity Pools
- Through other investment service providers (brokers, market makers, other liquidity providers or institutions performing a similar functions in third countries).

Berenberg WAM generally forwards orders to the following investment service providers for execution:

- |                                    |                     |
|------------------------------------|---------------------|
| • Joh. Berenberg, Gossler & Co. KG | • JP Morgan         |
| • Bank of America Merrill Lynch    | • Kepler Cheuvreux  |
| • Carnegie                         | • Morgan Stanley    |
| • Danske                           | • Oddo BHF          |
| • Exane                            | • Peel Hunt         |
| • Finncap                          | • Sanford Bernstein |
| • Goldman Sachs                    | • UBS               |

Berenberg WAM regularly reviews its selection of brokers to ensure that orders are consistently executed in accordance with this policy. Berenberg WAM uses internal and external systems to measure the quality of execution.

Insofar as orders are forwarded to Berenberg for execution, they will be executed at one or more execution venues that Berenberg has published on its website at [www.berenberg.de](http://www.berenberg.de).

#### 5. Review of the Policy

Berenberg WAM will review the WAM Best Execution Policy at least once a year.

A review will also be carried out outside the annual cycle if Berenberg becomes aware of a material change which could lead to the execution of orders no longer consistently guaranteeing the best interests of the client.

The current version of the Policy is published on Berenberg's website at [www.berenberg.de](http://www.berenberg.de).

#### 6. Alternative Execution in Individual Cases or on the Basis of Specific Client Instructions

Due to system failures, market disruptions or unusual market conditions, it may be necessary in rare cases to place an order in deviation from the WAM Best Execution Policy. In these circumstances, Berenberg WAM will do everything in its power to achieve the best possible result for its clients.

The client may give Berenberg WAM explicit instructions which deviate from this policy, either to place or transmit an order for the purpose of execution – e.g. to a particular investment service provider (intermediary) – or to execute an order. Even if the Client's express instructions may prevent achieving the best possible outcome, Client instructions take precedence over this Policy.



---

**BERENBERG**

PARTNERSHIP SINCE 1590

