

Best Execution**Summary of the analysis and conclusions**

(Reporting period: 01.01.2017-31.12.2017)

In accordance with the EU Markets in Financial Instruments Directive (MiFID II), the German Security Trading Act (WpHG) and the BaFin's Minimum Requirements for the Compliance Function (MaComp), Nomura Asset Management Deutschland KAG mbH (NAMD) takes all sufficient steps to obtain the best possible result when executing transactions for clients' portfolios. This is known as "Best Execution". The following is a summary of NAMD's analysis and conclusions from our monitoring of the quality of the execution in accordance with Article 3 para. 3 of the Delegated Regulation (EU) 2017/576.

1. Equities

In addition to the criteria stated in our Best Execution Policy on broker selections, the following were the dominating factors for execution of equities: price, costs, reliable execution and settlement.

The brokerage services of Instinet, which belongs to the Nomura Group, were assessed in the same way as any other third party brokers providing services to the NAMD and in accordance with the assessment procedures set out by our Broker Evaluation Committee. There were no conflicts of interests with the top-5 brokers listed our best execution venues report.

Specific arrangements have not been made with any execution venues/brokers regarding payments made or received, discounts, rebates or non-monetary benefits received.

Any changes to our broker list are approved by the Broker Evaluation Committee.

NAMD's clients are professional clients. Order execution did not differ according to the client categorisation.

On a yearly basis, NAMD reviews the Best Execution policies of the relevant brokers. Brokers are required to list the venues they have access to. NAMD requires that all these are monitored to ensure the integrity of its trade executions and that our dominating execution factors be the overriding factors when determining the trade routing strategy in their Smart Order Routing.

2. Bonds

In addition to the criteria stated in our Best Execution Policy on broker selections, the following were the dominating factors for execution of bonds: price, reliable settlement, liquidity.

The brokerage services of Nomura international PLC, which is a company of Nomura Group, were assessed in the same way as any other third party brokers providing services to the NAMD and in accordance with the assessment procedures set out by the Broker Evaluation Committee. There were no conflicts of interests with top-5 brokers listed our best execution venues report.

Specific arrangements have not been made with any execution venues/brokers regarding payments made or received, discounts, rebates or non-monetary benefits received.

Any changes to our broker list are approved by the Broker Evaluation Committee.

NAMD's clients are professional clients. Order execution did not differ according to the client categorisation.

In relation to bonds, there were only OTC transactions in the reporting period. Therefore, it is not necessary to use data published under Delegated Regulation (EU) 2017/575 for the assessment of the quality of execution. NAMD assesses annually the quality of our bond brokers based on the factors laid down in our best execution policy.

3. Money Markets Instruments

In addition to the criteria stated in our Best Execution Policy on broker selections, the following were the dominating factors for execution of money markets instruments: price, liquidity.

There were no close links, conflicts of interests or common ownerships with the top-5 brokers listed our best execution venues report.

Specific arrangements have not been made with any execution venues/brokers regarding payments made or received, discounts, rebates or non-monetary benefits received.

Any changes to our broker list are approved by the Broker Evaluation Committee.

NAMD's clients are professional clients. Order execution did not differ according to the client categorisation.

In relation to money markets instruments, there were only OTC transactions in the reporting period. Therefore, it is not necessary to use data published under Delegated Regulation (EU) 2017/575 for the assessment of the quality of execution. NAMD assesses annually the quality of our brokers for money markets instruments based on the factors laid down our best execution policy.

4. Equity Futures

In addition to the criteria stated in our Best Execution Policy on broker selections, the following were the dominating factors for execution of equity futures: price, availability, reliable settlement.

There were no close links, conflicts of interests or common ownerships with the top-5 brokers listed our best execution venues report.

Specific arrangements have not been made with any execution venues/brokers regarding payments made or received, discounts, rebates or non-monetary benefits received.

Any changes to our broker list are approved by the Broker Evaluation Committee.

NAMD's clients are professional clients. Order execution did not differ according to the client categorisation.

On a yearly basis, NAMD reviews the Best Execution policies of the relevant brokers. Brokers are required to list the venues they have access to. NAMD requires that all these are monitored to ensure the integrity of its trade executions and that our dominating execution factors be the overriding factors when determining the trade routing strategy in their Smart Order Routing.

5. Bond Futures

In addition to the criteria stated in our Best Execution Policy on broker selections, the following were the dominating factors for execution of bond futures: price, availability, reliable settlement.

There were no close links, conflicts of interests or common ownerships with the top-5 brokers listed our best execution venues report.

Specific arrangements have not been made with any execution venues/brokers regarding payments made or received, discounts, rebates or non-monetary benefits received.

Any changes to our broker list are approved by the Broker Evaluation Committee.

NAMD's clients are professional clients. Order execution did not differ according to the client categorisation.

On a yearly basis, NAMD reviews the Best Execution policies of the relevant brokers. Brokers are required to list the venues they have access to. NAMD requires that all these are monitored to ensure the integrity of its trade executions and that our dominating execution factors be the overriding factors when determining the trade routing strategy in their Smart Order Routing.

6. FX Forwards

In addition to the criteria stated in our Best Execution Policy on broker selections, the following were the dominating factors for execution of FX Forwards: price, availability, reliable settlement.

There were no close links, conflicts of interests or common ownerships with the top-5 brokers listed our best execution venues report.

Specific arrangements have not been made with any execution venues/brokers regarding payments made or received, discounts, rebates or non-monetary benefits received.

The EMIR Variation Margin requirements led to the change of the available counterparties for FX Forwards transactions in 2017. Any changes to our broker list are approved by the Broker Evaluation Committee.

NAMD's clients are professional clients. Order execution did not differ according to the client categorisation.

In relation to FX Forwards, there were only OTC transactions in the reporting period. Therefore, it is not necessary to use data published under Delegated Regulation (EU) 2017/575 for the assessment of the quality of execution. NAMD assesses annually the quality of our counterparties for FX Forwards based on the factors of our best execution policy.

7. FX Spots

In addition to the criteria stated in our Best Execution Policy on broker selections, the following were the dominating factors for execution of FX Spots: price, availability, reliable settlement.

There were no close links, conflicts of interests or common ownerships with the top-5 brokers listed our best execution venues report.

Specific arrangements have not been made with any execution venues/brokers regarding payments made or received, discounts, rebates or non-monetary benefits received.

Any changes to our broker list are approved by the Broker Evaluation Committee.

NAMD's clients are professional clients. Order execution did not differ according to the client categorisation.

In relation to FX Spots, there were only OTC transactions in the reporting period. Therefore, it is not necessary to use data published under Delegated Regulation (EU) 2017/575 for the assessment of the quality of execution. NAMD assesses annually the quality of our brokers for FX Spots based on the factors of our best execution policy.