

Information on Execution Quality 2023

Pursuant to Article 3 Paragraph 3 Delegated Regulation (EU) 2017/576 (RTS 28), investment firms must publish an annual summary of the execution quality achieved for the trading venues on which they executed all client orders in the previous year, this takes place on or before April 30th. This summary applies to each category of financial instruments listed in Annex I of DelRG (EU) 2017/576 (RTS 28).

The contents of the execution quality report are listed exhaustively according to lit a-h:

a) an explanation of the relative importance the 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;

The Execution Policy factors that are used to consider execution quality are based on years of experience and optimized processes with leading consideration of the following aspects (in order of priority):

- the price on the home exchange (main trading venue) of the financial instrument,
- the costs associated with the execution of the order,
- the speed required to complete the order once received,
- the probability of execution and settlement of the order,
- the scope and nature of the assignment and
- all other relevant aspects of order execution to achieve the best possible result.

The relative importance of the previously mentioned aspects is determined according to the following criteria:

- Characteristics of the client and their classification as a retail client or as a professional client,
- Characteristics of the client order, including orders involving securities financing transactions,
- Characteristics of the financial instruments that are the subject of the relevant order,
- Characteristics of the execution venues to which the order can be routed.

When selecting the execution venue, the following qualitative factors are considered (in order of priority):

- the home exchange (main trading venue) of the financial instrument,
- the electronic connection to the execution venue,
- the counterparty,
- the clearing system (depository),
- the emergency backup as well
- all other relevant order execution factors to achieve the best possible result.

The measures listed for assessing execution quality are applied to all categories of financial instruments.

b) a description of any close links, conflicts of interests, and common ownerships with respect to any execution venues used to execute orders;

Schoellerbank does not conduct proprietary trading, but exclusively engages in commission trading on behalf of customers. As a result, suitable precautions have been taken to avoid potentially detrimental conflicts of interest for clients with Schoellerbank itself.

The trading of securities in the commission business is a contractual relationship, the customer is owed an effort, but no success. Schoellerbank acts as a "buy-side bank" on the market. It is therefore not a provider, but a customer of other, "sell-side" banks.

Schoellerbank's top priority is to use organizational and administrative procedures and measures to prevent conflicts of interest from damaging client interests. Reasonable discretion must be taken to ensure that the risk of damaging customer interests is avoided.

An independent compliance organization has been set up at Schoellerbank and a compliance officer has been appointed. In addition to preventing the misuse of insider information and market manipulation, one of the core tasks of the compliance organization is to identify and manage conflicts of interest and to continuously monitor and, if necessary, adapt the measures implemented in the bank.

Further information on the measures taken to identify and manage conflicts of interest is contained in the brochure "MiFID II – Markets in Financial Instruments Directive", which is available on the Schoellerbank website*.

Close links exist with UniCredit Bank Austria AG (Schoellerbank is a 100% subsidiary.) and with UniCredit Bank AG (HVB) as systematic internalizer (MIC: UCDE). Schoellerbank Invest AG is the fund company and 100% subsidiary of Schoellerbank.

A common trading place ownership exists to CEESEG AG (Vienna Stock Exchange) with 0.5703% participation. The stock exchange membership for direct trading at CEESEG AG expired with the end of trading on November 18, 2022.

c) a description of any specific arrangements with any execution venues regarding payments made or received, discounts, rebates or non-monetary benefits received;

Schoellerbank has not made any special agreements with trading venues for payments made or received, discounts, rebates or other non-monetary benefits received.

d) an explanation of the factors that led to a change in the list of execution venues listed in the firm's execution policy, if such a change occurred;

There were no factors that led to a change in trading venues. An MTF "FXRQ - Fin. & Risk Transac. Serv. IE Ltd" was added.

The "List of Execution Venues" shows the regulated trading venues, multilateral trading facilities, systematic internalisers and derivatives markets and is available on the Schoellerbank website*.

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

No distinction is made between different customer categories in the execution of orders. The incoming orders are processed sequentially in the order in which they are received, whereby the orders are forwarded either fully automated, partially automated, or also manually to the corresponding execution venues, taking into account the "Execution Policy of Schoellerbank AG" (Execution Policy).

f) an explanation of whether other criteria were given precedence over immediate price and cost when executing retail client orders and how these other criteria were instrumental in delivering the best possible result in terms of the total consideration to the client;

If Schoellerbank executes an order, the best possible result is determined according to the total valuation, which represents the price of the financial instrument and the costs associated with the execution and includes all costs incurred by the client that are directly related to the execution of the order, including execution venue fees, clearing and settlement fees and other fees paid to third parties involved in the execution of the order.

The "Execution Policy of Schoellerbank AG" regulates the principles of the execution of customer orders for the purchase and sale of financial instruments. This set of rules serves the purpose of taking all sufficient measures to achieve the best possible result after the overall assessment of the relevant aspects, criteria and qualitative factors for the purchase or sale of financial instruments by the customer.

The execution policy is an organizational obligation and is not to be seen in individual cases as a success obligation with a view to achieving the best possible result.

The document: "Execution policy of Schoellerbank AG", is also included in the brochure "MiFID II - Markets in Financial Instruments Directive", both available on the Schoellerbank homepage*.

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

In order to achieve the best possible result for our customers when executing customer orders, only well-known companies in the financial sector with the best reputation are considered as counterparties. The "Execution Policy of Schoellerbank AG" (Execution Policy) was created based on a process that has been optimized and built on many years of experience and is a benchmark for entering into a business relationship with a counterparty. The quality of the executions of the trading venues named in the "List of Execution Venues" of the Execution Policy is continuously monitored during the day-to-day business to identify deficiencies and to remedy them immediately, if necessary.

In order to achieve the best possible result for the prompt, fair and rapid execution of orders, orders in a financial instrument are placed on the home exchange or on a main trading venue. According to the definition of "Liquid Market" in Artikel 1 Para. 27 WAG, it is ensured at these relevant execution venues that a significant volume of trading is carried out consistently and continuously in a financial instrument and, in connection with a depository in the respective exchange country, the best possible result, based on the overall assessment of the execution principles for the purchase and sale of clients' financial instruments.

Sales, as well as position purchases, are always processed with the exchanges associated with the depository through which the original purchase of the financial instrument was made. This avoids high costs for a subsequently necessary change of depository.

Published data under DelRG (EU) 2017/575 (RTS 27) was not used as the home exchange or main trading venue is the reference market for all other execution venues of a financial instrument and there is no historical comparison with illiquid secondary exchanges.

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

No services of a provider of consolidated data tickers were used for the purpose of executing or monitoring the execution quality of client orders.

* www.schoellerbank.at/en/homepage at the bottom of the page, under the item "Securities Supervision Act (MiFID)".