

Best Execution - Annual Report 2023 (RTS 28 and Article 65(6))

For the period 01.01. – 31.12.2023



Introduction

MiFID II (Art. 65 (6) of DeIVO EU 2017/565 and Art. 3 of DeIVO EU 2017/576) requires investment firms who execute client orders, to summarise and make public on an annual basis for each class of financial instrument, the top five execution venues in terms of trading volumes where they executed client orders in the preceding year (disclosures) and information on the quality of execution obtained (qualitative statements).

The weighting of the individual criteria is based on the characteristics of the respective Client. Depending on the criterion, trading takes place via another investment firm (e.g. trading by the custodian bank, broker) or directly via Unifinanz Trust reg. (“Unifinanz”), e.g. via multilateral trading platforms (e.g. Bloomberg MTF), systematic internalizers or other organised trading venues.

Information on the best execution policy for different types of financial instruments is described in chapter D (Execution Policy) of the General Terms and Conditions of Unifinanz (www.unifinanz.li).

Qualitative Statements

Investment firms shall publish for each class of financial instruments, a summary of the analysis and conclusions they draw from their detailed monitoring of the quality of execution obtained on the execution venues where they executed all client orders in the previous year.

The following commentary applies to all our trading for each venue reporting category unless otherwise noted in the specific venue reporting category commentary.

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:

Execution price

The price of a financial instrument is strongly influenced by its liquidity, but also by the design of its pricing process. The different levels of transparency in the order books can also have a noticeable effect here. The spread between the highest offer on the demand side and the lowest offer on the supply side is used as an indicator of price quality, as are the tradable order sizes and thus market liquidity. When assessing the spreads, the underlying order volume must also be taken into account.

Costs of order execution

Trading orders are placed on the assumption that the investor wants to obtain the best possible price, taking into account all transaction costs associated with the execution transaction. Due to the usual price fluctuations of financial instruments, the decision to place an order therefore primarily takes into account those market participants who consistently ensure cost-effective, complete and timely execution of the transaction. Nevertheless, it is possible in individual cases that one criterion is considered more important than another for an individual transaction.

Probability of execution

This refers to the period of time between placing the order on the market and its final execution. The speed of order execution depends on the liquidity of the trading venue, the underlying market model, the stock exchange opening hours, the maximum execution times set out in the rules and regulations, and the performance and stability of the systems used.

Handling security

Handling security refers to the risk of problematic handling. The involvement of a central counterparty increases the probability of handling.

Scope and type of the order

The liquidity of the execution venue is an important quality feature. The more liquid a market is, the greater the probability of execution for large orders. By type of order is meant the differentiation between unlimited and limited orders or between stop-loss and stop-buy orders.

Other relevant aspects

These include access to execution venues (market access) or securities markets as well as organisational quality features such as the design of trading surveillance, protective mechanisms of the trading venue-specific rules and regulations, clearing systems, information and transparency services, emergency back-ups, etc.

A description of any close links, conflicts of interests, and common ownerships with respect to any execution venues used to execute orders:

Unifinanz endeavours to safeguard a balance between the interests of its Clients, shareholders and employees. However, Unifinanz who renders a wide variety of high-quality financial services for its Clients is not always entirely able to exclude conflicts of interest. The principles for handling conflicts of interest are described in Chapter C of these General Terms and Conditions. The selection of execution venues and mandated market participants shall be carried out in accordance with these principles and on the basis of uniform criteria while safeguarding client interests. Unifinanz is not involved in the execution venues and market participants and does not maintain close links with them.

A description of any specific arrangements with any execution venues regarding payments made or received, discounts, rebates or non-monetary benefits received:

Unifinanz does not receive payments, discounts, rebates or non-monetary benefits in its trading arrangements.

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:

No change has occurred to the list of execution venues listed in in Chapter D of these General Terms and Conditions.

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:

The client categorisation will be governed by Chapter A lit. 3 of these General Terms and Conditions. Unifinanz applies the same execution principles to the different client classifications and does not differentiate between the client categories Non-Professional Clients, Professional Clients and Eligible Counterparties in the weighting of the execution criteria.

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:

Client orders from retail clients are not executed by Unifinanz itself, but exclusively via another investment services company (including Client's custodian bank, broker, authorised participants; see Chapter D, Section 1.2 of the General Terms and Conditions).

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:

The execution principles are regularly reviewed by Unifinanz for their suitability and effectiveness as well as quality and suitability. The review is based on ex-ante and ex-post controls using transaction cost analyses and information published by trading venues and investment service providers. Unifinanz will inform its Clients of any material changes to the execution principles. A review shall also be carried out if there is a significant change in the market environment that may affect the achievement of the best possible results under these principles.

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:

Unifinanz does not use output of a consolidated tape provider.

Disclosure of top five execution venues

On an annual basis, Unifinanz is required to provide disclosure around the top five execution venues for each class of MiFiD II financial instrument in accordance with the requirements of Regulatory Technical Standard 28 (RTS 28) where Unifinanz has executed or placed client orders over the course of the reporting period.

Only asset classes for which trading subject to reporting requirements has taken place are listed.

Exchange Traded Products (Exchange traded funds, exchange traded notes and exchange traded commodities)

Name	LEI	Proportion of volume traded as % in that class	Proportion of orders executed as % of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
DRW INVESTMENTS	5493005Q760M4WJ8ZP07	5.88%	14.88%	N/A	N/A	0%
FLOW TRADERS AMSTERDAM	549300CLJ9XDH12XV51	23.53%	25.67%	N/A	N/A	0%
HSBC (LONDON)	F0HUINY1AZMJMD8LP67	23.53%	32.98%	N/A	N/A	0%
JANE STREET	549300ZHEHX8M31RP142	29.41%	18.80%	N/A	N/A	0%
SUSQUEHANNA INTERNATIONAL DUBLIN ETF	635400IAV22ZOU1NFS89	17.65%	7.66%	N/A	N/A	0%

Commentary

The majority of the trades were placed as NAV trades. All listed APs were requested by RFQ via Bloomberg MTF.