

**Annual Top Five execution Venue reporting for the year ended 31 December 2018
in respect of AXA Investment Managers Deutschland GmbH (“AXA IM DE” or “the Firm”)**

1. INTRODUCTION.....	2
2. CONSOLIDATED QUALITATIVE ANALYSIS.....	3
3. ANNUAL TOP-FIVE EXECUTION VENUE REPORTING FOR ACTIVITY OF EXECUTION OF ORDERS ON BEHALF OF CLIENTS ..	5
DEBT INSTRUMENTS – BONDS	5

1. Introduction

In accordance with Markets in Financial Instruments Directive (“MiFID II”), this report provides information in respect of the top-five execution venues and counterparties used by AXA Investment Managers DE (“AXA IM DE” or “the Firm”) when executing a client order on a trading venue, as defined by MiFID II, or when transmitting a client order with a counterparty to execute on the Firm’s behalf for the year ended 31 December 2018 (“Top 5 Report”).

This Top 5 Report provides separate analysis per sub-asset class of financial instrument, as defined in Annex I to the Delegated Regulation supplementing MiFID II (“MiFIR”), for when AXA IM DE placed or transmitted client orders to counterparties for execution. Where analysis is not provided in this Top 5 Report for any class of financial instrument, as defined by MiFID II, AXA IM DE will not have traded in that particular class of financial instrument during the year ended 31 December 2018.

In each section, the analysis encompasses where applicable:

- a) The top 5 execution venues or counterparty names and their respective identifiers in that class of financial instrument (venue name and identifier);
- b) Proportion of volume traded as a percentage of total in that class of financial instrument;
- c) Proportion of orders executed as a percentage of total in that class of financial instrument;
- d) Percentage of the executed orders referred to in point (c) that were passive and aggressive orders;
- e) Percentage of orders referred to in point (c) that were directed orders;
- f) Confirmation of whether AXA IM DE executed an average of less than one trade per business day during the year ended 31 December 2018 in that class of financial instrument; and
- g) Confirmation of whether the following order types were executed by AXA IM DE for the year ended 31 December 2018:
 - o Directed orders – ‘directed orders’ is defined as an order where a specific execution venue was specified by our client.
 - o Passive orders - ‘passive order’ means an order entered into the order book that provided liquidity. This type of orders applies when AXA IM DE is either a market member or participant of an execution venue.
 - o Aggressive orders - ‘aggressive orders’ means an order entered into the order book that took liquidity. This type of orders applies when AXA IM DE is either a market member or participant of an execution venue.

In preparing this Top 5 Report, all numerical information has been prepared in Euros (“EUR”). Where execution or transmission of client orders has not occurred in EUR, conversion has been made into EUR applying the applicable prevailing spot foreign exchange rate.

AXA IM DE ‘Tick size’ corresponds to the average daily number of transactions in the most relevant market in terms of liquidity for shares or depositary receipts. Non-EEA equities have not been classified into a tick size and are not part of the Equities tables but rather the “Other instruments” table.

2. Consolidated qualitative analysis

The following qualitative information is provided by the Firm on a consolidated basis for the year ended 31 December 2018 because the information is common to all classes of financial instruments in scope of this Top 5 Report. Qualitative analysis that is bespoke to each sub class of financial instrument in scope of this Top 5 Report is provided within the abovementioned sections 3 of this Top 5 Report.

- For the year ended 31 December 2018, AXA IM DE only placed or transmitted client orders to counterparties for execution on the Firm's behalf in respect of professional clients.
- There were no close links or conflicts of interest with any counterparty that AXA IM DE used during the year ended 31 December 2018 in respect of any class of financial instrument in scope of this Top 5 Report when placing orders with a counterparty to execute on the Firm's in respect of clients' orders, except with the following entities that are part of the AXA Group, and where client orders are transmitted to dealing desks in the Group.
 - AXA Rosenberg Investment Management LLC;
 - AXA Investment Managers GS Limited;
 - AXA Investment Managers Asia Limited;
 - AXA Investment Managers Asia (Singapore) Limited and
 - AXA Investment Managers IF.
- There were no specific arrangements with any counterparty of the Firm regarding payments made and received, discounts, rebates, or non-monetary benefits, regardless of class of financial instrument in scope of this Top 5 Report. The Firm may receive minor non-monetary benefits from its counterparties and these are only accepted after due and careful consideration has been made by the Firm in line with its regulatory obligations, including confirmation that such minor non-monetary benefits are deemed capable of enhancing the quality of services provided by the Firm to its clients and do not impair compliance with the firm's duty to act in the best interests of the client'.
- AXA IM DE has internal dealing desks used for placing or transmitting orders to counterparties and also uses dealing desks established within other affiliated entities of AXA Investment Managers when placing or transmitting client orders.
- When AXA IM DE uses its own internal dealing desks, the Firm generally takes into account the following execution factors when placing or transmitting a client order to a counterparty for execution on behalf of the Firm: price of the financial instrument, costs directly related to transacting the order (including any commission or charges levied by AXA IM DE and implicit costs), speed of execution, likelihood of execution and settlement, size of the order, nature of the order and any other consideration relevant to the execution of the client order, provided that where a specific client instruction applies, AXA IM DE will employ that specific client instruction.
- In the absence of a specific client instruction, the other execution factors that AXA IM DE may take into consideration when placing or transmitting a client order to a counterparty for execution on behalf of the Firm include: the need for timely execution, the potential for price improvement, the potential price impact of a client order, the liquidity of the market (which may make it difficult to execute a client order), the nature of the transaction (including whether or not such transaction is executable on a regulated, market or not) the quality and cost effectiveness of any available clearing and settlement facilities and the need for counterparty diversification. The relative significance of the execution factors will vary from transaction to transaction and will be influenced by the execution criteria.
- When AXA IM DE uses dealing desks within other affiliated entities of AXA Investment Managers, the Firm undertakes monitoring activity of these affiliated entities in respect of how they deliver best execution to the Firm and therefore its clients. Examples of the Firm's monitoring activity includes: oversight and challenge via the Firm's Best Execution Committee, including review of appropriate management information and related Key Performance Indicators that demonstrate how best execution is achieved. In addition, Best Execution Service Review meetings are held by AXA IM DE with the relevant dealing desks of the aforementioned affiliated entities. Where these affiliated entities are in scope of MiFID II their equivalent Top 5 Report is publicly available on their respective corporate website.

- The Best Execution Committee is part of the Firm's corporate governance framework and is a sub-committee of the Firm's Executive Committee. The Best Execution Committee is responsible for overseeing the effectiveness and adequacy of the Firm's controls and procedures in respect of best execution and to review adherence to the Firm's best execution policy.
- Counterparties utilised by the Firm are subject to an initial authorisation process and thereafter ongoing monitoring processes, which includes, but is not limited to, assessing the credit worthiness and financial stability of the counterparty, a review of the counterparty's execution services and the counterparty's ability to trade effectively on behalf of the Firm's clients. During the year ended 31 December 2018, selection of intermediaries has been expanded to include new counterparties that specialise in executing on specific markets so that the Firm is in a position to provide appropriate execution coverage to its clients.
- Where AXA IM DE places or transmits on average less than one client order per business day during the year ended 31 December 2018 in respect of any particular sub class of financial instrument, the information disclosed on each relevant asset class' Top 5 Report is not considered meaningful nor representative of the Firm's order execution arrangements and this is confirmed by the Firm where applicable in this Top 5 Report.

3. Annual Top-five Execution Venue Reporting for activity of Execution of orders on behalf of clients

Class of instrument		Debt instruments – Bonds				
Notification if < 1 average trade per business day in the previous year		Yes				
Top five execution venues ranked in terms of trading volumes (descending order)	LEI (unless otherwise stated)	Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
NATIXIS S.A	KX1WK48MPD4Y2NCUIZ63	18,46%	24,80%	-	-	0,00%
Deutsche Bank Aktiengesellschaft	7LTWFZYICNSX8D621K86	13,07%	11,20%	-	-	0,00%
Danske Bank A/S	MAES062Z21O4RZ2U7M96	7,42%	4,80%	-	-	0,00%
Citibank International Limited	31OGKFG0Y1795OV0AK56	6,67%	4,80%	-	-	0,00%
AXA LEBENSVERSICHERUNG AKTIENGESELLSCHAFT	213800NIPV2HQRXRIW60	6,46%	5,60%	-	-	0,00%

The priority of the execution criteria when transacting bonds is typically:

- Priority 1: price and size of the client order, likelihood of execution.
- Priority 2: direct execution costs, speed of execution, likelihood settlement, nature of the client order.

Bond markets are not generally centrally organised and many non-government debt bond markets are considered as less liquid. Due to the large variance in liquidity across fixed income it may be necessary in the illiquid markets to consider likelihood of execution as the highest priority. However, this does not mean price is not taken into consideration. If liquidity is available and a price comparison is provided for the size of trade concerned, AXA IM DE will execute the order with the execution venue that provides the most competitive overall price.

Where possible, AXA IM DE has used independent Transaction Cost Analysis (“TCA”) providers to help the Firm in its monitoring of execution services provided by its counterparties with whom it executes clients’ orders. Regardless of whether a TCA was available or not, AXA IM DE established controls regarding the general principles of competing quotes and achieving best price execution, and if exceptions were identified, these were either explained or remediated as appropriate.