Trading & Product Development
Foreign Exchange (FX) Trading

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ECB FXCG
Deutsche Asset Management
Key Financial Indicators

Product mix

- Alternatives: 12%
- Passive: 17%
- Active: 71%

Geographic mix (manufacturing)

- Germany: 38%
- Americas: 30%
- APAC: 5%
- EMEA (ex Germany): 28%

Source: Deutsche Asset Management Investment GmbH as of Dec 31, 2016
Trading and Product Development Organisation

Trading Hub Model

Trading Desk Model

‘Follow the sun’ model

- Maximize execution opportunities
- Regulatory readiness
- Risk mitigation/ Back-up
- Leverage global teams
- Relationship building across the hubs
- Sector Specialisation
- Counterparty Relationships

Market

Single contact point

Trading Desk

Provide deep sector expertise & disseminate market information

Active/ARA/Passive

PM PM PM PM PM

Delivers both internal and external efficiencies
## Centralisation of trading

### Across all trading hubs

### Trading centralisation & controls
- Standardised controls and processes
- Implement industry and regulatory best practice
- Preparedness for changing market structure and liquidity challenges
- Leverage counterparty relationships and influence
- Leverage internal flow to obtain better liquidity
- Bench-strength, back-up and continuity

### Evolution of market structure
- Objective to protect and enhance liquidity to the funds in a structurally declining liquidity environment
- 4 pronged approach
  - Deeper relationships with key counterparties
  - Better pre-trade analysis and sector expertise
  - Develop buy-side to buy-side potential
  - Leverage technology for more efficient low-touch trading
- Integrating new platforms/venues into 1 eco-system with enhanced controls and STP
FI/FX Trading
Overview

- Sector specialised traders
- Matching external opportunities with internal demands
- Co-location & real-time market intelligence
- Upgraded trading technology

Independent trading platform
FX Roadmap

Strategy
- Simplify
- Increase Efficiency
- Risk Reduction
- More Disciplined
- Better Execution

Delivery
- Automated FX
- Platform Optimization
- Digitalization / TCA
- Cost Reduction
- Value Addition

Best-in-class Global FX Trading Service and Efficiency

Collaboration
- FX Committee
- FX Treasury
- Global Hub
- TradeTech
- ECB / BVI

Control
- 3 LoD
- V & B
- P&P
- GSS
- MIFID 2
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