



SELECTION AND EXECUTION POLICY

Regulatory framework and scope

Groupama Asset Management is an Asset Management Company regulated by the French Financial Markets Authority (AMF) and is authorised to provide investment services, including portfolio management on behalf of third parties, investment consulting and order reception and transmission for third parties that are exclusively Groupama's Group companies. The term "order" refers to any instruction to buy or sell any of the financial instruments specified in Article L.211-1 of the French Monetary and Financial Code.

Pursuant to the Markets in Financial Instruments Directive (MiFID II), Groupama Asset Management is required to take all sufficient steps to obtain the best possible result for its Clients when executing orders on their behalf.

MiFIDII 2014/65/EU as of the 15th May 2014 requires Groupama Asset Management to:

- develop an order execution policy that defines the procedures established to obtain the best possible result for its Clients;
- obtain Client's prior explicit consent with regard to the execution policy and before the execution of orders outside the trading venue;
- provide appropriate information to its Clients concerning its execution policy;
- apply its execution policy appropriately, taking into consideration the different categories of Clients, financial instruments and transactions;
- demonstrate to its Clients, at their request, that the orders executed on their behalf have been executed in compliance with said policy;
- review its order execution policy regularly, at least annually and in response to each significant change on the markets covered
- ensure the efficiency of its policy.



This policy is based in particular on AMF Position-Recommendation 2014-07 - “Guide to best execution”.

This policy applies:

- when Groupama AM transmits for execution orders resulting from its own investment decisions,
- when Groupama AM transmits for execution orders received from other Groupama Group companies, including subsidiaries,

with the exception of those covered by the “Eligible Counterparties” system.

Both the Groupama AM portfolio manager, in the context of managing the assets entrusted thereto, and the Groupama group entities, including its subsidiaries in the context of reception and transmission of orders (RTO), are referred to in this document as the “Client”.

Selection of intermediaries

To obtain the best possible result for the execution of orders, Groupama Asset Management has established a procedure for the evaluation and selection of the intermediaries to which the orders are transmitted for execution. The intermediary’s quality is assessed through due diligence on the basis of various criteria, such as:

- quality of order execution;
- liquidity offer and access to various order execution venues;
- algorithmic offer, if applicable;
- quality of pre-trade recommendations and information;
- quality and speed of settlement-delivery.

The intermediaries are selected every six months (Selection Committee), on the basis of the assessments issued by the various departments of Groupama Asset Management taking part in the above evaluation. At the end of this evaluation and selection process, the authorised intermediaries are set up by type of financial instrument in the order management system.

The list of authorised intermediaries by type of instrument, as detailed in Annex 2, may be revised exceptionally at any time between two Selection Committee meetings if the service offered by an intermediary deteriorates in comparison to its previous evaluation.



Order execution policy

Groupama Asset Management has opted for the status of “Professional Client” in relation to its brokers and/or counterparties, to which it transmits the orders for execution.

The brokers and/or counterparties are also obliged to provide the asset management company with “Best Execution”, especially if the company is acting on behalf of its Clients.

In other words, the “Best Execution” obligation applies whenever Groupama Asset Management transmits orders to intermediaries on behalf of its Clients, concerning financial instruments covered by MiFIDII. This is the case when a Client is legitimately relying on Groupama Asset Management to protect its interests in terms of price and other transaction criteria, which can be affected by the way in which Groupama Asset Management transmits an order.

Organisation and methods

Depending on the type of financial instruments, the relevant transaction and the ordering party, orders are executed by:

Type of markets	Ordering party	Financial instruments	Order execution
Secondary Markets	Groupama AM Managers	Bonds, equities and equivalents, ETFs, listed derivatives, FOREX	Dealing Desk
		OTC derivatives	Dealing Desk or Portfolio Manager
		French negotiable debt securities (TCNs), Repos	Portfolio Manager
	Other group entities	Bonds, equities and equivalents, ETFs, listed derivatives, FOREX	Dealing Desk
Primary Markets	Groupama AM Portfolio Managers	Bonds, equities and equivalents	Dealing Desk
		OTC derivatives	Portfolio Manager
		French negotiable debt securities (TCNs)	Portfolio Manager
	Other group entities	Bonds, equities and equivalents	Dealing Desk



To ensure the traceability of the orders and of their execution, all transactions are centralised in the order management system of one of the software programs used by Groupama AM, accordingly to the Client or the portfolio concerned. This system may, in addition, be connected to the various trading platforms via the FIX protocol, as well as to the confirmation tools for transactions with counterparties, custodians and fund administrators.

Order execution factors and criteria

To preserve the interests of its Clients, Groupama Asset Management has implemented a methodology and procedures necessary to minimise the impact of orders transmitted to the market by taking into account, among other things, the relative size of the orders with respect to the liquidity of the instrument traded. In this context, the order execution criteria that Groupama Asset Management takes into consideration to decide the best execution of an order on behalf of its Clients are as follows:

- Price
- Costs
- Size and/or nature of the order
- Speed of execution and processing
- Likelihood of order execution and settlement*
- Any other consideration concerning the order.

** For transactions on the primary market, only this criterion is applied, given the single price offered and the quota limits of the quantity served.*

The relative importance of the execution criteria considered by Groupama Asset Management depends on the following factors (see the Appendix):

- Type of financial instrument
- Characteristics of the order
- Execution venue to which the order can be sent
- The Client (in particular, classification as Professional Client or Non-Professional Client)



Aggregated orders

If orders for the same instrument are received from different Clients, with identical terms and direction, Groupama Asset Management reserves the right to aggregate the orders from different portfolios to obtain the best possible execution, especially in terms of costs, provided that the interests of the Clients are preserved, in conformity with the terms of the General Regulation of the French Financial Markets Authority (AMF).

The procedures for the aggregation and pre-allocation of orders are implemented in the software tools. In the case of partially filling an issued order, the portfolios are allocated with an identical price for each allocation and prorated on the basis of the initial request, taking into account the minimum order sizes for each instrument.

Execution venues

MiFIDII defines an execution venue as a regulated market, a Multilateral Trading Facility (MTF), an Organised Trading Facility (OTF), a systematic internaliser, a market maker, another liquidity supplier or the third country entity that performs tasks similar to those carried out in any of the venues cited above.

Groupama Asset Management may transmit the orders of its Clients, or the orders resulting from its own investment decisions for execution at the various execution venues listed above, by various transmission methods, in particular:

- via an intermediary;
- directly to a counterparty;
- on an electronic trading platform.

These different channels and execution venues are selected according to the procedures described in the Annex, as a function of the instrument traded, the type of order, the liquidity conditions and the price offered.

Depending on the asset class and the execution venue, the risks, including counterparty risks, pertaining to execution may differ.

Groupama Asset Management transmits an order, received from a Client for execution, to an intermediary authorised under this policy. In the event of specific instructions from the Client, Groupama Asset Management may not be able to apply all or part of the measures under its policy to obtain the best possible result.

Groupama Asset Management will provide, on simple request from the Client, any additional information regarding the consequences of a method of execution.



Reporting of execution

The Commission Delegated Directive 2017/576/UE of the 8th April 2016 supplementing Directive 2014/65/EU also requires the publication of an annual report on the data relative to the quality of the execution of orders for RTO services and portfolio management for third parties. The report must include, for each class of financial instrument and by type of client, information relative to the five execution intermediaries used. These data will be included in the report, which will be available on the Groupama Asset Management website.

Monitoring and auditing of the order execution policy

Groupama Asset Management ensures the efficiency and implementation of its execution policy, as a foundation for monitoring the orders executed in accordance with the criteria and factors described in the previous sections.

Groupama Asset Management has set up transaction cost analysis tools allowing exhaustive control over all orders traded.

The control of the best execution of the markets directed by the prices makes it possible to verify that a request for quote has indeed been carried out by the interrogation of multiple counterparties in order to obtain the best possible execution price. In addition, analyses are carried out to check the quality of the prices received as a function of market and liquidity conditions.

To control the best selection of order-led markets, Groupama Asset Management has deployed TCA analysis tools in order to identify execution performance against different benchmarks as well as a hybrid benchmark that takes into account the specific instructions from management teams (Limit, closure, VWAP, etc.)

Additionally, the intermediaries are monitored by an ad hoc committee, which monitors the appropriate distribution of volumes, compliance with the list of authorised intermediaries, etc.

Groupama Asset Management will audit its order execution policy at least annually and whenever necessary, in the interests of its Clients.



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Information on changes in the execution policy

Groupama Asset Management will inform its Clients of any material change in its execution policy by providing an updated version on its website. Accordingly, Groupama Asset Management invites its Clients to check the website regularly for the latest version of its execution policy.

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APPENDIX 1

Execution channels and procedures per type of financial instrument

Financial instruments	Execution venues	Execution channels and methods	Execution criteria*	Best execution (BE) /Best Selection (BS)
Equities and equivalents	Regulated markets Multilateral Trading Facilities Systematic internalisation	Orders are transmitted to the market via an authorised intermediary	Liquidity Price Cost Settlement probability	BS ou BE
Temporary sale of securities (Repos)	Market maker	Orders are transmitted to the market via competition between several authorised counterparties	Price Liquidity Settlement probability	BE ou BS
Foreign exchange	Multilateral Trading Facilities Market maker	Orders are transmitted to the market via competition between several authorised counterparties	Price Liquidity Settlement probability	BE
ETFs (all underlying)	Regulated markets Multilateral Trading Facilities Systematic internalisation Market maker	Orders are transmitted to the market: - via an authorised intermediary - via competition between several authorised counterparties	Price Cost Liquidity Settlement probability	BE ou BS
Futures (equities, indices, fixed income securities, foreign exchange)	Regulated markets	Orders are transmitted to the market via an authorised intermediary	Speed of execution Price Cost	BS
Bonds	Multilateral Trading Facilities Systematic internalisation Market maker	Orders are transmitted to the market via competition between several authorised counterparties	Price Liquidity Settlement probability	BE ou BS
Listed options (equities, indexes, futures, foreign exchange, etc.)	Regulated markets Multilateral Trading Facilities	Orders are transmitted to the market: - via an authorised intermediary - via competition between several authorised counterparties	Price Liquidity Cost	BS
OTC derivatives (swaps, CDS, CDS options, etc.)	Market maker Multilateral Trading Facilities Systematic internalisation OTC	Orders are transmitted to the market via competition between several authorised counterparties	Price Liquidity Settlement probability	BE
TCN - French negotiable debt securities	Multilateral Trading Facilities Systematic internalisation Market maker	Orders are transmitted to the market: - via an authorised intermediary - via competition between several authorised counterparties	Price Liquidity Settlement probability	BE ou BS

* Without presumption as to the ranking applied to each order.



APPENDIX 2: Authorized brokers list – 01/08/2022

Brokers / Contreparties	Authorized instruments					
	Equities	ETF and equivalent	Bonds, TCN and equivalent (excluding convertible bonds)	Convertible bonds	Repos	Other instruments hors repos (Forex, listed derivatives and OTC)
Abn Amro			X			
ANZ (Australia and New Zealand Bank)			X			
Aurel BGC	X		X			X
Banca IMI			X	X		
Banco Santander			X		X	
Bankinter	X					
Bank of America Securities Europe SA			X		X	
BMO (Bank of Montreal)	X					
Barclays	X	X	X	X	X	X
BBVA (Banco Bilbao Vizcaya Argentaria)			X		X	
Berenberg	X					
Bluefin		X				
BNP Paribas			X	X	X	X
BRED Banque populaire			X	X	X	
Caceis						X
Caceis Bank Lux					X	X
CACIB			X	X	X	X
Carax			X	X		
CBA (Commonwealth Bank Australia)			X			
Citigroup	X	X	X	X	X	X
CM-CIC			X			
Commerzbank		X	X			X
Crédit Suisse	X	X	X	X	X	X
Danske Bank	X		X			
DBS			X			
Deutsche Bank			X		X	X
DZ Bank			X			
Exane	X					X



Brokers / Contreparties	Authorized instruments					
	Equities	ETF and equivalent	Bonds, TCN and equivalent (excluding convertible bonds)	Convertible bonds	Repos	Other instruments hors repos (Forex, listed derivatives and OTC)
Flowtraders		X	X			
GFI			X			
Goldman Sachs	X	X	X	X		X
HPC			X			
HSBC			X	X	X	X
Imperial			X			
ING Group			X		X	X
Instinet/Nomura	X		X	X	X	X
ITG	X	X				
JaneStreet	X	X	X			
Jefferies			X	X		
JP Morgan	X	X	X	X		X
KBC	X					
Kepler Capital Markets	X					
La Banque Postale			X		X	
LBBW			X			
Liquidnet	X		X			
Lloyds			X			
MarketAxess			X (settlement / Delivery)			
Mediobanca	X					
Merrill Lynch	X	X	X	X		X
Mitsubishi UFJ Securities			X			
Mizuho Securities			X	X		
Morgan Stanley	X	X	X	X		X
NAB (National Australian Bank)			X			
Natixis			X	X	X	X
NORD/LB (Norddeutsche Landesbank)			X			
Nordea	X		X			
Octo Finances			X			
Oddo BHF Securities	X		X	X		
Optiver	X	X				



Authorized instruments						
Brokers / Contreparties	Equities	ETF and equivalent	Bonds, TCN and equivalent (excluding convertible bonds)	Convertible bonds	Repos	Other instruments hors repos (Forex, listed derivatives and OTC)
OTP			X			
Peel Hunt	X					
Rabobank			X			
RBC (Royal Bank of Canada)			X			X
RBS / Natwest Markets			X		X	X
SEB (Skandinaviska Enskilda Banken)			X			
SMBC			X			
Société Générale	X	X	X		X	X
StateStreet						X
Stifel Europe AG				X		
Susquehanna		X				
Toronto Dominion			X			
Tradeweb			X (settlement / Delivery)			
Tradition	X	X	X			X
Tullett			X			
UBS	X		X			
Unicredit			X	X	X	X
Wells Fargo			X	X		
Westpac			X			



APPENDIX 3: Counterparty evaluation and selection methodology

Groupama Asset Management has put in place a process for evaluating its counterparties using quantitative and qualitative criteria combining factors of execution quality and settlement delivery. The factors are adapted to each asset class.

1. Equity :

All the counterparties are evaluated by each negotiator concerned with quantitative criteria:

- Ability to provide liquidity above LIS (Large in scale)
- TCA High touch
- TCA low touch on the flow executed via a "wheel"
- Matching deadlines
- Number of pending trades

All counterparties are also assessed with qualitative criteria:

- Quality of commercial follow-up
- Quality of market information
- MO reactivity

2. Bonds (Rate, Credit, Convertible):

All the counterparties are evaluated by each negotiator concerned with quantitative criteria:

- Weighted Hit Ratio, in volume and number of transactions
- Volumetry & Volumetry DV01
- Information ratio
- No quote
- Cover
- Matching deadlines
- Number of pending trades

All counterparties are also assessed with qualitative criteria:

- Quality of commercial follow-up
- MO reactivity



3. Listed derivatives :

All the counterparties are evaluated by each negotiator concerned with quantitative criteria:

- Hit Ratio option on indices and equities
- Volumetry
- Matching deadlines
- Number of pending trades

All counterparties are also assessed with qualitative criteria:

- Quality of commercial follow-up
- MO reactivity

4. ETF :

All the counterparties are evaluated by each negotiator concerned with quantitative criteria:

- Weighted Hit Ratio
- Volumetry
- Matching deadlines
- Number of pending trades

All counterparties are also assessed with qualitative criteria:

- Quality of commercial follow-up
- MO reactivity

5. Forex and OTC derivatives :

All the counterparties are evaluated by each negotiator concerned with quantitative criteria:

- Weighted Hit Ratio, in volume and number of transactions
- Volumetry
- No quote
- Cost Trade (FX)
- Matching deadlines
- Number of pending trades

All counterparties are also assessed with qualitative criteria:

- Quality of commercial follow-up
- MO reactivity
- Emir & Collateral regulations
- MTF onboarding and legal mapping



6. Temporary purchase and sales of securities :

All the counterparties are evaluated by each negotiator concerned with quantitative criteria:

- Prices quality
- Prices diversity
- Matching deadlines
- Number of pending trades

All counterparties are also assessed with qualitative criteria:

- Quality of commercial follow-up
- MO reactivity