

BEST SELECTION POLICY FOR BROKERS AND INTERMEDIARIES

INTRODUCTION

In light of SYCOMORE AM's status as a portfolio management company, the asset management firm is not active on the markets, but submits trades on behalf of its clients or mutual funds to authorised market intermediaries.

This policy has been drawn up with the view to obtaining the best possible execution outcomes for the clients of SYCOMORE AM and for the mutual funds managed by the firm (hereafter referred to as 'best execution'). This policy outlines the procedure used for selecting the brokers and counterparties that may be used to execute trades on different markets.

The search for the best possible execution takes into account the price, speed and probability of the execution and settlement, the size, the type of trade and other considerations in connection with the execution of a given trade. In this respect, two clarifications should be made:

- In the event of a specific instruction given by a client (for example, the selection of a specific intermediary in the investment agreement, or in the event of a segregated fund), SYCOMORE AM will duly comply with this instruction, however will no longer be liable for ensuring best execution;
- For non-professional clients, the best possible execution is determined on the basis of the total¹ cost incurred following the execution of the trade;

1. SELECTION CRITERIA

For all security types, the criteria used by SYCOMORE AM for the selection of the counterparties that will execute trades are the following:

- The intermediary's obligation of duty to ensure best execution;
- Total cost of the transaction;
- Speed of execution;
- Size of trade;
- Speed and quality of post-negotiation duties (confirmation of trade, clearing & settlement);
- Probability of execution
 - Ability to manage trades on low liquidity securities;
 - Ability to identify block trades;
 - Regular regional coverage or securities routinely managed by the broker/intermediary.

For non-professional clients, the total cost of the transaction takes priority over the other criteria.

2. SELECTION PROCEDURE

Once a year or more, a selection committee meets to decide on the selection of new intermediaries or counterparties. This committee includes at the very least the following members:

- A representative from the investment team;
- A representative from the middle office ;
- A representative from the Compliance and Internal Control team;
- A corporate officer from the asset management firm, who may also be a member of the investment team.

¹ The total cost of a transaction is the price of the security that has been traded, plus the various costs incurred following the execution of the trade. These include commissions, execution venue costs, clearing and settlement fees, and any other costs paid to third parties involved in the execution of the trade.

3. EXECUTION VENUES

In accordance with the trade execution policy drawn up by each intermediary or counterparty, and in compliance with their own obligation to ensure best execution, trades may be executed as follows:

- On regulated markets;
- On regulated markets with regular working hours (e.g.: free market, Alternext);
- On multilateral trading platforms;
- With systematic internalisers.

4. REVISION OF POLICY AND OF SELECTED INTERMEDIARIES

At least once a year, SYCOMORE AM evaluates the effectiveness of these selection and execution procedures as well as this policy, in order to identify potential gaps and make adjustments if required.

The revision of the policy and of the list of selected brokers and counterparties is carried out by the committee mentioned in paragraph 2.

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SYCOMORE AM does not carry out direct trades between the portfolios managed by its team and does not trade fixed income instruments over-the-counter.

A best execution policy has been draw up for those cases where SYCOMORE AM's teams manage the trades themselves, on an OTC basis, for the portfolios managed in-house. This policy concerns the following financial instruments:

- Negotiable certificates of deposit (CDN) ;
- Structured or derivative products (EMTN, certificates, CFDs).

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In the event of a substantial change made to this policy, clients and unit-holders shall be duly informed.

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