



Aligning capital with purpose

**Best Selection and Best Execution Policy
for financial intermediaries/counterparties
and orders execution**

Context

In accordance with the regulations in force from :

- the transposition of the European Parliament Directive 2014/65 on Markets in Financial Instruments (known as "MiFID 2") Art.24(1) and 27,
- of the Monetary and Financial Code: Art. L 533-18, L 533-19 and L 533-20,
- AMF General Regulation: Art. 314-69 to 314-75-1
- AMF recommendation DOC-2014-07: Guide to best execution.

ATLAS RESPONSIBLE INVESTORS ("ATLAS") shall take all reasonable steps to obtain, when executing orders, the best possible result for the client (price, cost, speed, liquidity, likelihood and quality of execution and settlement, size and nature of the order, etc.), it being specified that for non-professional clients the best possible result is determined on the basis of total cost.

To this end, ATLAS has established and implemented, within the framework of its management activity on behalf of third parties, a policy for the selection and evaluation of financial intermediaries and counterparties on the basis of objective criteria. The objective of this policy is to select the financial intermediaries and counterparties whose execution policy will ensure the best possible result when ATLAS entrusts them with orders resulting from investment decisions on behalf of unit-holders of UCIs and clients managed under mandate.

Accordingly, this document aims to :

- Clarify the scope and conditions of application of the selection and implementation policy established by ATLAS,
- Define the process for selecting financial intermediaries and counterparties as part of its best selection and best execution obligations,
- And to set the framework within which this policy is to be implemented and the monitoring mechanism attached to it.

Content of the policy

1. Scope of application

This selection and execution policy applies to all orders placed by ATLAS managers in the context of portfolio management.

ATLAS is not a market member and does not have direct access to markets.

1.1. Definitions

"Financial intermediary" or "Broker" means an investment services provider authorised to trade on regulated markets.

"Counterparty" means an investment services provider authorised to deal in OTC transactions (foreign exchange transactions, swaps, securities lending/borrowing, etc.)

"Best execution" means the obligation to act in the best interests of clients in executing orders resulting from investment decisions relating to the portfolios under management with other entities.

"Best selection": a special form of the general principle of best execution applicable to all investment service providers, adapted to the characteristics and activity of investment management companies.

1.2. Customers

This selection and execution policy does not distinguish between professional and non-professional clients within the meaning of MiFID 2, whether they are clients of a discretionary management service or unit holders of a fund (shareholders of a SICAV).

1.3. Financial instruments

This policy applies to financial instruments as defined by the MiFID 2 Directive, as well as in the Monetary and Financial Code, within the limit of the instruments authorised for the ATLAS managed portfolios.

1.4. Search

In accordance with MiFID 2, ATLAS has set up a mechanism with its financial intermediaries to finance research costs that are unbundled from the execution costs attached to orders.

ATLAS plans to set an annual research budget per financial intermediary, which will be approved by the Research Committee and allocated on a discretionary basis to the different funds and vehicles under management. The funds concerned will provision this budget at the frequency of the NAV and the financial intermediaries will send invoices periodically to the funds for payment. The Research Committee will meet 1 times a year to conduct a qualitative review of the research providers, monitor the consumption of the budget and possibly add/remove providers, in which case the annual budget will be reallocated between research providers/funds.

For the other funds, among the different models for financing research introduced by MiFID 2, ATLAS has chosen the solution of paying for the cost of research-related work for its investment services. The commissions paid in connection with the execution of orders are then de-coupled from the research costs.

The Research Committee is made up of members of the management team,

1.4. Remuneration

ATLAS may not receive any remuneration, discount or non-monetary benefit for routing orders to a particular trading platform or execution venue that would breach its obligation to act in an honest, fair

and professional manner, in the best interests of clients or that would place them in a conflict of interest situation.

2. Best Selection Policy for Financial Intermediaries and Counterparties

2.1. Selection criteria

In order to act in the best interest of its clients, ATLAS selects the Broker or Counterparty in charge of the execution of each order according to the following criteria:

- **Quality of order execution:** execution times, price responded to compared to the weighted average market price from transmission to execution.
- **Quality of the back office:** speed of sending confirmations by brokers, completeness and accuracy of the information mentioned on these confirmations, settlement/delivery times, absence of short selling, availability and responsiveness of the teams
- **Access to blocks of securities:** frequency and relevance of lists provided by brokers, if any.
- **Cost of intermediation:** fees are assessed in relation to their absolute level and in relation to the above-mentioned evaluation criteria.
- **Reputation and soundness of the intermediary:** counterparty risk.
- **Country of domicile:** Brokers and Counterparties domiciled in countries classified as high risk at AML/CFT level (black list) are systematically prohibited.

Please note that the order of factors for selecting the Broker or Counterparty may vary depending on the size and nature of the order and the category of investor. Financial Intermediaries and Counterparties are selected by ATLAS according to an internal procedure.

2.2 Control of the selection policy of Financial Intermediaries and Counterparties

- **Financial Intermediaries and Counterparties Evaluation and Monitoring Committee**

The evaluation and selection of Financial Intermediaries and Counterparties is carried out annually at a "Financial Intermediaries and Counterparties Evaluation and Monitoring Committee" (hereinafter the "Committee"), which acts as an evaluation committee and is attended by the management team, General Management, the middle office, the head of risk control and the head of internal control at ATLAS, where the same persons may fulfil several roles.

The Committee meets annually to review the quality of services of existing Financial Intermediaries and Counterparties, the number of Counterparties, the commissions of Financial Intermediaries, monitor the authorised limits per Broker and include or exclude a Financial Intermediary or Counterparty from the authorised list.

- **Rating of Financial Intermediaries and Counterparties**

The Committee selects the Brokers and Counterparties considered to be the best according to the above criteria for execution.

Each manager assesses the Financial Intermediaries and Counterparties by rating the criteria listed below from "excellent" to "poor" (4 levels of comment - excellent, good, average, poor).

Each middle officer evaluates Financial Intermediaries and Counterparties by assigning a rating for back office and post market criteria ranging from "excellent" to "poor" (as described above). The rating system of 1 to 4 is used to score and qualify the service provided and an average will be calculated for each Financial Intermediary and Counterparty.

The evaluation grids of the managers and middle officers are consolidated by the Committee which will make an overall evaluation of each Broker and Counterparty. The ranking of Financial Intermediaries and Counterparties will give a comprehensive view of ATLAS' expectations of its Brokers and Counterparties and the quality of the services provided by them, and will be indicative.

The importance of the average obtained may be weighted by the specificity of each. Nevertheless, the Committee will give preference to the Financial Intermediary or Counterparty with the best average, given equal specificity.

Based on this overall assessment, the Committee will decide whether or not to continue the business relationship with the various Financial Intermediaries and Counterparties. The updated list of authorised Brokers and Counterparties is then circulated to all ATLAS employees.

2.3. Addition to the list of authorised intermediaries

A relationship with a new Financial Intermediary and Counterparty will be established at the request of a manager, after a file has been compiled on this Financial Intermediary or Counterparty . This request will be validated by management (management team and middle office team), which will ensure that the list of Financial Intermediaries and Counterparties is updated. Internal control will be informed of the update of this list, which will also be sent to all employees.

2.4. Removal from the list of authorised intermediaries

The withdrawal of a Financial Intermediary and a Counterparty from the authorised list will take place at the Committee meeting. Exceptionally, this withdrawal may be made at any time upon a reasoned request from a manager. This request will be validated beforehand by the General Management.

In this case, the list of authorised counterparties will be updated and sent to all employees.

2.5 Reporting on intermediation costs

When intermediation fees (order execution) for the previous financial year exceed €500,000, ATLAS will publish a report on intermediation fees on its website. The annual management reports of the funds under management as well as the periodic reports of the managed accounts will mention the existence of this report and the place where it is available for consultation free of charge on the website.

3. Best execution policy for Financial Intermediaries and Counterparties

Within ATLAS, the execution of orders is entrusted to the management team.

3.1 Implementation factors and criteria

When executing orders, the Financial Intermediary shall take all reasonable steps to obtain the best possible execution for ATLAS taking into account the following factors

- price,
- cost,
- speed,
- likelihood of enforcement and settlement,
- size,
- liquidity
- nature of the order or,
- all other considerations relating to the execution of the order, with due regard for the client.

The importance of each factor is assessed according to the type of financial instruments handled:

- **for equities, equity securities and listed derivatives:** the determining factors are price, speed of execution, and liquidity versus order size. Also taken into consideration are the cost of execution, the probability of execution and settlement, and the nature of the order;
- **for fixed-income products such as negotiable debt securities:** the determining factors are price, probability of execution and settlement, and order size. The following factors are also taken into consideration: speed of execution, nature of the order;
- **for OTC derivatives:** the determining factors are price, responsiveness and total cost. Also taken into consideration are: quality of support services, ISDA/CSA contract characteristics, client characteristics.

Other factors relating to the execution of orders may be taken into consideration, such as market impact, the relevance and performance of the algorithms used, etc.

3.2 Places of performance

By transmitting and placing orders with Brokers for execution, ATLAS does not systematically know a priori the final execution venue that will be chosen. Therefore, ATLAS authorises its Market Intermediaries to process orders to all markets in order to meet its "best execution" obligations, which include in particular

- Regulated reference markets
- Multilateral Trading Facilities (MTFs)
- Multilateral Trading Facilities (MTFs)
- Organised Trading Facilities (OTFs)
- Systematic internalisers (SI)
- Teneurs de marché/ Market Making

In accordance with the provisions of MiFID 2, ATLAS publishes for the investment services it provides, and on an annual basis, the identity of the five intermediaries with which the largest volume of orders was carried out (RTS 28), as well as a summary of its monitoring of the quality of execution service (RTS 27). This report will be available for a minimum of two years on the ATLAS website.

3.3 Grouped orders

Orders relating to several portfolios may be grouped in order to obtain the best possible result, particularly in terms of costs, taking care to ensure that they are treated fairly, provided that ATLAS considers that the grouping of orders and transactions is unlikely to work to the overall detriment of any of the portfolios whose orders are grouped. Clients are informed that this grouping of orders may sometimes result in partial execution of their order(s) as opposed to the execution of a particular order.

4. Monitoring and review of the policy

This selection and implementation policy is reviewed at least once a year and presented to the Committee.

The execution policy may therefore be subject to change if new events affect ATLAS' ability to select the Financial Intermediary and Counterparty best able to provide Best Execution to its clients.

ATLAS will notify its customers of any material changes to this policy by posting them on the ATLAS website or making them available on request.

5. Summary of controls

5.1. 1^{er} level controls

(i) The Executive Board shall ensure that:

- the effective implementation of this policy,
- the maintenance of the list of authorised financial intermediaries,
- the signing of agreements with the selected Financial Intermediaries,
- the annual evaluation of the Financial Intermediaries used by ATLAS.

The General Management convenes the Committee annually to carry out a quality review on the basis of the criteria defined by this policy. Formal reports are sent to the members after the committees have been held. The Executive Management provides internal control with the monitoring data for financial intermediaries.

(ii) The Managers shall apply this policy when placing orders by dealing only with authorised Financial Intermediaries for whom an agreement has been signed. The Managers shall assess the Financial Intermediaries on the basis of the criteria set out above.

(iii) The middle office ensures :

- that the Financial Intermediaries with whom the managers have dealt are authorised
- that the transactions are processed within the expected settlement/delivery timeframes after the managers have placed the orders
- that the fees charged by the financial intermediaries correspond to the fees set out in the agreements signed with the custodians that act as trading platforms. The middle office checks that the intermediation fees are correctly included in the management reports sent to clients.

5.2. 2nd level control

Internal control ensures that :

- the correct application of this policy,
- identification of potential conflicts of interest and the information provided to clients in this regard,
- the updating on the ATLAS website of its best order selection and execution policy
- compliance of management reports with regard to order execution policy and display of intermediation fees.

6. Force majeure

ATLAS cannot be held responsible for non-compliance or partial compliance with this policy resulting from "force majeure" circumstances that prevent it from fulfilling its obligations.