

ORDER SELECTION AND EXECUTION POLICY

AXA IM SELECT France

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Purpose of the document

AXA IM Select France is a portfolio management company approved by the Autorité des Marchés Financiers ("AMF") on 22 June 2010 under number GP-10000025, as such it can offer its clients the following activities and services:

- Investment Consulting
- UCI Management
- Portfolio Management on behalf of third parties
- Management of unit-linked arbitration mandates
- Receiving – Transmitting orders.

The regulatory framework introduced by the implementation of the MiFID 2 directive requires the service providers concerned to strengthen their best order execution policy.

AXA IM Select France, in view of its "best execution" obligation towards its clients, has:

- the obligation to implement all measures sufficient to achieve, in the execution of orders, the best possible result for their clients taking into account the price, cost, speed, likelihood of execution and settlement, size, nature of the order or any other consideration relating to the execution of the order (Article 27.1 of Directive 2014/65/EU);
- the obligation to implement an order execution policy in order to ensure that clients get the best possible result and to provide them with information on the execution of orders (Article 27.4 of the Directive);
- the obligation to comply with specific customer instructions (Article 27.1 of Directive 2014/65/EU);
- the ability to demonstrate to its clients, on request, that the orders have been executed in accordance with the execution policy defined by the Management Company.

This document defines the order selection and execution policy implemented by AXA IM Select France for the benefit of its clients.

Regulatory framework

The policy is written in accordance with the texts in force:

- French Monetary Code: Article L.533-18
- French Financial Markets Authority (AMF) General Regulation: Articles 321-110 to 321-115
- AMF Position –Recommendation No. 2014-07 "Guide to best execution"
- Article 27 of Directive 2014/65/EU
- EU Commission Delegated Regulation 2017/565 of 25 April 2016

In accordance with the provisions of Article 321-114 of the AMF General Regulation, AXA IM Select France is required to establish and implement a policy that complies with the following principles:

- When AXA IM Select France provides the portfolio management service or manages a UCI, it complies with the obligation to act in the best interests of its clients or the UCI it manages, when it transmits for execution to other entities orders resulting from its decisions to trade in financial instruments on behalf of its client or the UCI it manages;
- When AXA IM Select France forwards client orders to other entities for execution, it complies with the obligation to act in the best interests of its clients.

1. Order execution

AXA IM Select France is not a market member, therefore it does not execute directly on the financial markets client orders or on behalf of the portfolios it manages. The Management Company's intermediary selection procedure provides that execution of orders is entrusted only to intermediaries whose expertise is proven and enables them to meet their obligations in terms of best execution.

As such, AXA IM Select France has chosen to use an outsourced trading desk according to the "Agency Broker" or "Principal" model. AXA IM Select France has selected the BNP Paribas' platform for orders on financial securities or financial contracts. The latter is in charge of the selection of intermediaries and the execution of orders in accordance with the principle of "best selection and best execution".

In the "Agency Broker" or "Principal" model, BNP Paribas acts as the main counterparty of AXA IM Select France. BNP Paribas is responsible for executing orders on behalf of AXA IM Select France. The orders are then simultaneously executed by BNP Paribas with an execution broker they selected.

Execution as a principal counterparty is characterized by the fact that BNP Paribas receives an order from a client and executes it with an execution broker, selected by the client, so that BNP Paribas is the counterparty of both the client and the execution broker, but is never exposed to market risk when executing the transaction. Both parts are executed simultaneously.

BNP Paribas is an investment services provider domiciled in France authorized by the Autorité de Contrôle Prudentiel et de Résolution (ACPR) and the Autorité des Marchés Financiers (AMF) and authorized to provide the services of receiving and transmitting and executing orders on behalf of third parties.

Orders on the units or shares of the underlying UCIs are transmitted to the depositary BNP Paribas.

AXA IM Select France is categorized as a professional client by the BNP Paribas trading desk.

In addition, where management of an AXA IM Select France UCI is delegated to another regulated management entity, the financial delegate's policy on the selection and execution of orders applies automatically.

1.1. Perimeter

This *Order Selection and Execution Policy* applies to the following situations, when AXA IM Select France transmits an order for execution in connection with:

- The management of a UCI;
- Portfolio management services on behalf of third parties;
- The service of receiving and transmitting orders.

It is applicable to the following financial instruments:

- Shares, equity securities or securities giving access to capital;
- Bonds and negotiable debt securities;
- Listed futures financial instruments;
- Exchange-traded funds or ETFs, which are listed investment vehicles, units or shares of UCITS or AIFs under French or European law.

1.2. Execution Venues

Orders transmitted to the table are executed with execution brokers selected by BNP Paribas.

The orders transmitted may be executed on the various markets or execution systems, including:

- Regulated markets;
- Multilateral trading facilities;
- Organized trading systems;
- Systematic internalizers.

1.3. Best Execution Application

AXA IM Select France uses the services of the BNP Paribas execution desk for the transmission and execution of orders on financial instruments.

Orders issued as part of the portfolio management service on behalf of third parties, the reception and transmission of orders or the management of UCIs are sent to the execution desk; the latter acts as the main counterparty of AXA IM Select France, which simultaneously forwards them to the intermediaries for execution.

BNP Paribas, in its capacity as a trading desk, transmits and executes, on behalf of AXA IM Select France, the orders received in a way that complies with its obligations of best selection and best execution.

All the criteria and provisions applied by the BNP Paribas negotiating table to obtain the best execution are specified within:

- the agreement between AXA IM Select France and BNP Paribas,
- BNP Paribas' selection and execution policy.

AXA IM Select France has reviewed BNP Paribas' best execution and selection policy and found it to be in line with regulatory requirements and consistent with our duty to act in the best interests of its clients.

AXA IM Select France will regularly review compliance with the requirements outlined in BNP Paribas' Best Execution and Selection Policy and whenever BNP Paribas updates it.

1.4. Order execution factors

Best execution will be assessed on the basis of the following criteria:

- Execution price;
- Cost of execution;
- Speed of execution and settlement;
- Probability of execution;
- Size and nature of the order;
- Any other considerations relating to the execution of the order (market impact, implied transaction fees, etc.).

The relative importance of these criteria is determined in relation to:

- The characteristics of the client;
- The characteristics of the order concerned;
- The characteristics of the financial instruments that are the subject of this order;

- The characteristics of the execution venues to which this order can be routed.

The appendix to this document details the scope of the financial instruments that may be used by AXA IM Select France and the criteria used to obtain the best execution.

1.5. Total cost consideration

When AXA IM Select France acts on behalf of a non-professional client, the best possible result is determined on the basis of the total cost.

The total cost is defined as the price of the financial instrument plus execution-related costs, which includes all expenses incurred by the client directly related to the execution of the order, including execution-specific fees, clearing and settlement fees and any other fees that may be paid to third parties involved in the execution of the order.

As of the date of establishment of this policy, AXA IM Select France does not act on behalf of non-professional clients.

1.6. Processing of Specific Instructions

In the context of a specific instruction given by the client, for example executing the order on a particular market, or relating to any other characteristic of the order (the price, etc.), the Management Company complies with the instructions by transmitting them to the trading desk, even if such instructions do not follow the provisions of the execution policy.

AXA IM Select France cannot guarantee the application of the best possible result in the execution of the order when instructions are given by the client. However, where a client has given a specific instruction covering only part of the order, the Management Company is liable for its best execution obligation for any other part or aspect of the order not covered by that instruction.

Nevertheless, AXA IM Select France will observe the principles of compliance with the general obligation to act honestly, fairly and professionally, in the interest of clients and with respect for the integrity of the markets.

1.7. Group orders

Unless otherwise instructed by the client, orders relating to multiple portfolios may be grouped together with the aim of achieving the best possible result. The grouping of orders on behalf of several portfolios or clients may sometimes lead to partial execution of orders.

1.8. Allocatio of orders

AXA IM Select France will ensure that orders are executed quickly, recorded and allocated correctly. All orders transmitted by AXA IM Select France to BNP Paribas are pre-allocated to a portfolio as soon as they are initiated by the manager. No grouping of orders without prior allocation, on behalf of several portfolios managed by AXA IM Select France, is allowed within AXA IM Select France. No cross-trades

between portfolios managed by AXA IM Select France are allowed (cross-trades are the act of selling the securities of a portfolio managed by AXA IM Select France, directly to another portfolio managed by AXA IM Select France).

All orders are timestamped when they are sent by AXA IM Select France.

In the event of partial execution of an order, the executed portion is fully allocated to the portfolio designated at the time the order is initiated.

Note: customer orders are transmitted by AXA IM Select France according to the time of receipt of the orders, unless:

- *This is not instructed by the Client;*
- *The characteristics of the Client Order or the dominant market make it impractical;*
- *The Client's interests require a different approach.*

Orders must not be processed differently regardless of the mode of transmission.

2. Procedure for selecting intermediaries

AXA IM Select France has selected BNP Paribas as the main counterparty for the transmission and execution of its orders according to the "Agency Broker" or "Main" model. The orders are then executed by BNP Paribas with execution brokers selected by the table.

In this respect, the BNP Paribas table must ensure that the third parties to whom it entrusts the execution of AXA IM Select France's orders are themselves subject to a best execution obligation, either because they are approved for the execution service, or because of their contractual commitment.

2.1. Selection of a list of brokers by the trading desk

BNP Paribas has selected a list of brokers and routes orders for execution to these selected financial intermediaries, in accordance with its best execution and selection policy.

In acting as a senior counterparty, BNP Paribas takes into account various criteria that determine whether a counterparty's performance meets its best execution obligations. When selecting a broker, BNP Paribas takes into account some or all of the following criteria:

- i. Level of expertise
- ii. Speed of execution and responsiveness
- iii. Credit Rating
- iv. Past performance on executed orders
- v. Market share
- vi. Post-trade performance and monitoring
- vii. Any other considerations deemed relevant to the execution of the order

2.2. Selecting the final intermediate

The intermediary executing the order is ultimately selected by the BNP Paribas execution table on the basis of objective criteria mentioned in its best execution and selection policy. These criteria may include, but are not limited to, price, cost, timeliness, probability of execution and settlement, size, nature of the order, and any other considerations relating to the execution of the order.

In the context of the "Agency Broker" or "Principal" model, the Management Company is not aware of the final intermediary selected by BNP Paribas for the execution of the order.

2.3. Evaluation of the quality of execution

An assessment of the quality of execution of the trading desk is carried out by AXA IM Select France, throughout the business relationship between BNP Paribas and the Management Company. AXA IM Select France has defined evaluation criteria in order to regularly check, at least annually, the quality of execution provided by the latter. This evaluation is formalized by the meeting of the Implementation Committee.

This system is described in the Management Company's Selection of Intermediaries procedure.

In addition, AXA IM Select France will also periodically evaluate the general service provided by BNP Paribas as an outsourced trading desk.

3. Best Execution Report

An annual report on the data relating to the quality of order execution is carried out by the Management Company in the event of the transmission of orders on financial securities and financial contracts in the context of portfolio management services on behalf of third parties or the receipt and transmission of orders provided to clients (RTS 28 relating to the MiFID 2 directive). The report is then published on the AXA IM Select France website.

This report shall include, for each class of financial instruments, information on the five main counterparties used, as well as a summary of the quality of execution.

4. Management of conflicts of interest

AXA IM Select France has a conflict of interest management policy aimed at taking appropriate measures to identify, monitor and manage conflict of interest situations. This policy responds to AXA IM Select France's general obligation to act with integrity and fairness towards its customers and stakeholders.

In the event of minor non-monetary benefits received in connection with the execution of orders, they must comply with AXA IM Select France's policies on gifts, benefits and inducements.

In order to reduce the risk of conflicts of interest related to the execution of orders, the Management Company has chosen to separate research costs from execution costs by financing research on these own funds both in the context of the management of UCIs and in the context of portfolio management on behalf of third parties.

In the context of collective management, investments in AXA IM Select France UCIs or in UCIs managed by an AXA Group entity will only be possible if they concern the share/unit with the lowest fees and charges.

5. Data Recording and Retention

All information relating to transactions in financial instruments carried out by AXA IM Select France as well as the audit trail of order execution are kept for at least five years, in accordance with applicable regulatory obligations.

6. Policy Review and Update

AXA IM Select France continuously monitors the quality of the execution services provided by the trading desk and regularly ensures the effectiveness of its order execution system.

In accordance with Article 27.7 of Directive 2014/65/EU, the Management Company reviews its Selection and Execution Policy and the entire framework at least once a year, but also each time there is a substantial change, particularly in terms of regulatory developments.

7. Policy Communication

This policy is made available on the Company's website and is also available upon request from:

AXA IM SELECT France

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6 place de la Pyramide
92800 Puteaux
France

select.france.serviceclients@axa-im.com

APPENDIX – List of financial instruments used by AXA IM Select France and criteria for best execution

Asset class	Main criteria used to obtain the best execution
Actions	Order Type, Price ¹ , Cost
ETF	Order type, price ¹ , cost, speed of payment
Obligations	Price
Listed Futures Financial Instruments	Price, cost
OPC	Net Asset Value Provided

¹ AXA IM Select France mostly books orders on stocks and ETFs at the closing price.