

PALATINE Asset MANAGEMENT		Reference	PAM 52 (& ex PAM 55)
Classification	Management Risk control	Date	Created on 29/10/2007 Version 7 to 07/03/2019 Version 8 of 12/07/2022

Best Execution Policy (MiFID2) & Selection and Evaluation of Authorised Intermediaries

1.

1.

1.

BACKGROUND

Pursuant to Article. L533-22-2-2 of the French Monetary and Financial Code and Articles. 321-107 to 321-115 of the AMF General Regulations, Palatine Asset Management, as a portfolio management company, has the obligation to act in the best interests of its clients.

As part of its activities, Palatine Asset Management may:

- Forward orders on financial instruments to a financial intermediary for execution ('Best Selection'),
- Deal directly with a counterparty ('Best Execution').

OBJECTIVE OF THE DOCUMENT

This document presents our current practises with respect to the best selection of financial intermediaries, the best execution they owe us, and our execution policy with respect to order trading when we act as counterparty.

FIELDS OF APPLICATION

Our selection and execution policy is due to our customers, within the meaning of the MIFID guidelines, depending on the service rendered and the type of financial instrument concerned:

- Best selection in equity portfolio management,
- Best execution in fixed income and money market portfolio management.

A. Places of execution

PALATINE Asset Management has expressly authorised its intermediaries to execute its orders outside a Regulated Market or an MTF (Multilateral Trading Facilities), with the objective of having access to a better market depth and/or greater liquidity.

B. Hedged income

Our policy distinguishes financial instruments according to the type of market in which they are traded.

On the one hand, transactions in securities listed on a regulated market, which may also be traded on other trading systems. On the other hand, products traded over the counter are subject to a separate approach being negotiated with a given counterparty.

PALATINE/T Asset MANAGEMENT U		Reference	PAM 52 (& ex PAM 55)
Classification	Management Risk control	Date	Created on 29/10/2007 Version 7 to 07/03/2019 Version 8 of 12/07/2022

financial instruments traded on an organised market: These instruments include listed equities, futures and options on securities or indices. In these cases, Palatine Asset Management transmits its orders to a limited number of intermediaries chosen for their ability to guarantee the best execution.

- Financial Instruments traded over the counter (OTC): Mainly bonds on the primary and secondary markets, money market instruments and repurchase agreements and securities lending/borrowing.

In these cases, Palatine Asset Management processes its orders directly with a counterparty. This obligation of means, not of result, obliges us to take all reasonable measures to obtain and justify when executing orders the best possible result in the interest of all the UCIs concerned, and to keep track of it. To ensure the retention of all supporting documents relating to transactions, the managers systematically send them during each transaction in the dedicated mailbox under Outlook : SUIVITAUX@palatine.fr

C. Selection of intermediaries

CATEGORY OF PALATINE ASSET MANAGEMENT

PALATINE Asset Management has chosen to consider itself a 'professional customer' and asks intermediaries (brokers) to categorise it in this way, which imposes on them the obligation of 'best execution.'

PALATINE Asset Management retains the most efficient intermediaries or counterparties that are able to demonstrate that they will enable the company to meet its obligation to act in the best interests of its customers.

To do this, Palatine Asset Management has set up a system for selecting intermediaries, based on the latter's ability to provide services according to the instrument processed. This selection is based on the following criteria:

CRITERIA FOR THE SELECTION AND EVALUATION OF THE BEST INTERMEDIARIES IN CHARGE OF EXECUTION

PALATINE Asset Management has adopted a set of criteria to select and assess the best intermediaries in charge of execution in order to ultimately allow the best execution. These criteria are based on a qualitative analysis, a quantitative analysis and a rating of the front and middle offices.

Palatine Asset Management employees determine the relative importance of each of these criteria based on their judgment, experience with past transaction history and market information available to them, financial instruments, in the interest of the customer.

- General criteria for transactions

Total transaction price

Access to liquidity (execution locations, facilitation, etc.)

Speed of ordering

Probability/quality of execution - Settlement/delivery security

- General criteria on the Intermediary or Counterparty

Surface area/financial strength

Reporting technology (location selection algorithms, etc.)

Market information, quality of advice

- Criteria more specifically 'Actions' (with quality grid on research)

Transaction cost (or% collateral requested)

Corporate access (organisation of meetings with issuers)

Specialisation of the intermediary (market, sector, value, etc.)

Research: Depth/extent/coverage

Research: Quality of analyses performed

- Criteria more specifically 'Rate'

Access to the primary market

PALATINE/T Asset MANAGEMENT U		Reference	PAM 52 (& ex PAM 55)
Classification	Management Risk control	Date	Created on 29/10/2007 Version 7 to 07/03/2019 Version 8 of 12/07/2022

Presence on Trading Electronics Bloomberg
Investment research: Quality of financial analysis

- Service quality - Middle Office rating
- Quality of confirmations
- Quality of settlements
- Management of suspense - handling of disputes
- Responsiveness in special situations
- Quality of service MO estimation
- Number of suspense items during the year

This review must also be carried out at the initiative of the manager (or his manager or at the request of the RCCI or the Executive Board) whenever there is a significant change that could have an impact on Palatine Asset Management's ability to continue to achieve the best possible result for its clients or UCIs.

D. Execution of orders

For over the counter transactions for which Palatine Asset Management is required to act as a direct counterparty, it undertakes within the meaning of the European Directive to put in place all reasonable means allowing it to obtain the best execution for its customers.

In order to obtain 'best execution,' the fixed income managers take into account the various criteria mentioned above, which are in particular: The size and nature of the order, the liquidity of the financial instrument, the price, the cost, the speed and quality of the execution, the probability of execution and settlement, and the counterparty risk, etc.

Managers must systematically compare when executing an order, with several counterparties included in the list of counterparties selected and assessed on a regular basis. Thus, each fixed income manager is required to compare at least 3 counterparties, classified by priority price order, stock communicated (purchase or sale axis,) then indicative size.

When the order is greater than 10 million euros the manager must authorise the partial filled and accept it if a cotor presents a better price for a size greater than or equal to 5 million.

The manager must ensure that counterparties can respond to the request, and must therefore allow a minimum of 10 seconds before validating his order.

To this end, a tool on the Bloomberg platform has been put in place, allowing the manager to ensure the 'best selection,' the 'best execution,' and allowing the middle office service and the compliance to ensure a verification of this procedure by a monitoring tool containing all the above mentioned elements.

Regarding certain highly illiquid financial instruments, whose number of counterparties listing the security is less than 3, the manager will have to request prior approval from the control to process the security.

Pre trading may be carried out on the telephone, but execution must systematically be carried out on the platform in accordance with the above conditions, except in cases of force majeure (health situation or computer breakdown). The manager must then inform his hierarchy and compliance.

AUDITS AND EVALUATION OF OUR POLICY

At the first level, the managers of Palatine Asset Management, as part of their relationship with authorised intermediaries, check on a case by case basis and as far as possible that the price of the transaction is the best.

Regular monitoring of the Best Selection policy and control of execution: An annual control is carried out by the RCCI in view of the analysis of the execution reports transmitted at its request by the equity intermediaries (TCA/Trading Cost Analysis or other media).

PALATINE/T Asset MANAGEMENT U		Reference	PAM 52 (& ex PAM 55)
Classification	Management Risk control	Date	Created on 29/10/2007 Version 7 to 07/03/2019 Version 8 of 12/07/2022

For the control of the Best Execution policy on the rate part: 1st level controls over the water by the middle office (on the basis of the supporting documents) and annual control by the RCCI.

Review of the selection policy:

Every six months, a fixed income broker committee and an equity broker committee meet to assess the authorised intermediaries for the previous six months on the basis of business statistics and the volume of brokerage. These committees are made up of representatives of the management teams, middle office and internal control. The rating of intermediaries and counterparties is reported on separate grids relating to intermediation and research.

The committee reviews the policy at least annually as well as whenever there is a significant change affecting the ability of intermediaries to continue to provide the best possible result.

The Best Execution/Best Selection policy of Palatine Asset Management may also be subject to changes depending on future regulatory changes. In the event of a substantial change, Palatine Asset Management will inform its customers.

COMMUNICATION OF THE EXECUTION POLICY

Any management company must communicate by any means as to its policy for selecting and evaluating intermediaries who provide it with investment decision support and order execution services. PALATINE ASSET MANAGEMENT provides its clients with a management mandate, or the holders or shareholders of the UCIs it manages, with appropriate information on the policy it has adopted through its website www.palatine-am.com.

A specific reference to the selection and valuation policy is included in the prospectus and the management report of the UCIs, as well as in the management report of the portfolios under mandate.

ACCEPTANCE OF OUR POLICY (IF APPLICABLE)

This policy is an integral part of the contractual relationship with Palatine Asset Management's clients.