



Selection and execution policy

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1. PRINCIPLE

Pursuant to the European Markets in Financial Instruments Directive (MiFID 2), the Article 321-114 of the AMF General Regulation stipulates that management companies shall implement a formal and verifiable policy for selecting brokers in order to meet their best-execution requirements.

This policy describes the measures implemented by Ossiam in accordance with its obligation to act in the best interests of its clients and funds it manages.

2. SELECTION OF COUNTERPARTIES AND BROKERS

As part of its activities, Ossiam places orders on behalf of the portfolios it manages. Ossiam has established a procedure for selecting counterparties and brokers. Ossiam's management team is allowed to work only with approved brokers and counterparties.

The following criteria are used to select brokers:

- reputation of the broker;
- quality of execution in terms of price and follow-up;
- pricing;
- speed of execution;
- likelihood of execution and settlement of the order;
- added value of the broker (quality of advice, analyses, specialization of the broker, etc.).

As part of the management of some of its UCITS, Ossiam uses index swaps in order to replicate returns of a benchmark.

The following criteria are used to select swap counterparties:

- reputation and rating of the counterparty;
- flexibility of the delta one offer;
- pricing policy;
- bid-ask spread offered;
- hours of cut-off;
- Operational efficiency.

3. EXECUTION FACTORS AND CRITERIA

Ossiam must act in the best interest of its clients when transmitting orders to brokers on their behalf. In this context, Ossiam must take all reasonable steps to achieve the best possible result from the brokers executing orders.

Ossiam has authorised its brokers to execute orders on reference regulated markets, on multilateral trading facilities (MTF Multilateral Trading Facilities) and on systematic internalisers in order to benefit from the best execution conditions offered.

Appendix 1 details the scope of the financial instruments handled by Ossiam and describes the strategies and criteria used to obtain the best possible execution.

4. MONITORING OF BROKERS / COUNTERPARTIES

The brokers used to place orders and swap counterparties are selected by Ossiam in accordance with the principles of "best selection" based on the multi-criteria approach set out in 2.

An evaluation of the services offered by the authorised brokers and counterparties is carried out annually and may, depending on the results of this evaluation, result in the termination of the relationship with the broker/swap counterparty concerned.

5. POLICY UPDATE

Ossiam conducts at least an annual review of the selection and execution policy. This review is also carried out whenever there is a significant change that affects its ability to continue to obtain the best possible result for its clients or the UCITS it manages.

6. SPECIFIC CUSTOMER INSTRUCTION

Clients may, as part of the management of a mandate, communicate specific instructions to Ossiam, regard the execution of orders (for example, the use of a specific broker, a limit price or the need to place an order as soon as possible). In such circumstances, Ossiam will comply with such instructions, even if they do not follow the provisions of the execution policy. Ossiam will not be obliged to apply the principle of best execution to the instructions given.

Clients may communicate specific instructions covering only a part or aspect of an order. In such circumstances, Ossiam will take all reasonable steps to apply best execution principles to any part or aspect of the order not covered by the client's instructions.

APPENDIX 1
Scope of financial instruments, principles and criteria used to achieve best execution

Financial Instruments	Determining factors	Important factors	Factors to consider
Shares	Price, likelihood of execution	Quality of execution in terms of price and follow-up	Possibility of competition between several authorised brokers.
Bonds	Price, likelihood of execution	Quality of execution in terms of price and follow-up	Possibility of competition between several authorised brokers.
OTC derivatives	Price, responsiveness, secondary market	Quality of support services, characteristics of ISDA/CSA contracts	RFP between several authorised counterparties.

Contact :

Ossiam

80 avenue de la Grande Armée

75017 Paris - France

Tel : 00 33 1 84 79 42 70

www.ossiam.com

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