



Selection and evaluation process of financial intermediaries

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Une société du groupe La Française · www.la-francaise.com

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New Alpha Asset Management, société par actions simplifiée au capital de 2 435 540 €
450 500 012 RCS Paris · N° TVA: FR 18450500012 · Société de gestion de portefeuille agréée par
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Background

The European Directive on Markets in Financial Instruments (MiFID) came into effect on November 1, 2007. The regulation requires service providers to act in the best interests of their clients and to take all reasonable measures to achieve the best possible result for their clients or for the collective investment scheme (CIS) they manage. In accordance with Article L. 533-22-2 of the Monetary and Financial Code transposing Article 21 of Directive No. 2004/39/EC on markets in financial instruments (MiFID) and Articles 314-75 and 314-75-1 of the General Regulation of the AMF, the company establishes and implements the policy below to comply with its obligations and selects, for each class of instruments, the entities to which orders are transmitted for execution.

Reference Texts

- RG AMF: Articles 321-110 to 321-115
- COMOFI: L 533-18, L 533-19, and L 533-20 L533-22-2-2
- AMF recommended position No. 2014-07: guide on best execution
- Considering Article 70 of the implementing Directive 2006/73/EC

Scope of application

This execution policy applies to all UCITS, AIFs, and managed accounts managed by the group companies, as well as to financial instruments covered by the MiFID directive. Except in cases where they trade over-the-counter, the companies do not directly execute orders on the market resulting from their investment decisions, but instead place orders for execution with a third party. The obligation arising from this situation is therefore an obligation of "best selection" of intermediaries in order to achieve the best possible result.

Execution criteria

The management companies of the La Française Group take all reasonable measures to obtain the best possible result in the interest of investors when executing orders. Factors taken into account include price, liquidity, speed of execution, likelihood of execution, settlement, and research, depending on the size and nature of the order.

None

The group's management companies are not market members, so they do not execute their orders on the financial markets themselves. Instead, they transmit and place orders with third parties for execution, such as brokers, intermediaries, approved counterparties, or on an electronic trading platform.

Market intervenants selection

The market intervenants selection process consists of two steps: authorization and monitoring.

Authorization

For each new relationship, a request form for a new IF is completed, specifying the type of financial instrument to be traded, the type of accounts for which orders will be processed (UCITS, AIF or mandate), the order execution venues, and negotiated brokerage commissions. The authorization must be validated by the Management, product legal, risk control, and internal control. The necessary agreements must be put in place. In accordance with regulations, the group's management companies are considered professional clients, and financial intermediaries owe them a Best Execution service.

Monitoring

A committee known as the "financial intermediaries" is responsible for evaluating and selecting approved intermediaries and counterparties. This annual committee can be convened at any time if necessary. It is chaired by the General Director of the organization and brings together the management, internal control, legal, and operations departments. During these meetings, the various approved market participants are reviewed, taking into account different criteria for their approval: quality and price of execution, best execution policy, quality of research, quality of post-execution processing, trading volumes, and financial strength, especially when dealing with a counterparty. These committees are formalized through reports.

Unusual market incidents:

In the event of significant market incidents, an exceptional agreement from the General Management may allow for a deviation from this procedure in order to preserve the interests of the holders.

Monitoring and tracking of the policy:

Best execution justification: According to regulations, the management companies of the group will retain evidence of the application of the execution policy for all of their orders and will be able to provide them upon request.

Check

The internal control and compliance teams conduct checks on the execution of orders. These checks are carried out on a sampling basis.

Policy monitoring

The execution policy can be reviewed at any time to make necessary changes in order to maintain the best possible outcome for clients. The Financial Intermediary Committees are the place where the order execution policy is reviewed. This review is done at least once a year.

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