

Update: March 15th, 2022

FINANCIAL INTERMEDIARY BEST SELECTION AND BEST EXECUTION POLICY

1. Scope for application

Dorval Asset Management is an asset management company accredited by the French financial markets authority *Autorité des Marchés Financiers* (AMF) with number GP0093 and authorized to manage UCIs and management mandates.

Dorval Asset Management is not a market member and therefore does not execute orders on the financial markets on its own behalf, but rather systematically passes on orders to accredited market intermediaries for execution. In light of this, the company has set up a market intermediary selection and execution policy, pursuant to Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments, known as MiFID II.

This procedure applies to Portfolio Management, the Middle Office and Internal Control and Compliance as regards the assessment of financial intermediaries and counterparties authorized by DORVAL ASSET MANAGEMENT to execute orders entrusted to them.

This procedure covers both collective management and management mandates.

The following instruments are subject to a best execution assessment:

- Financial securities: capital securities issued by joint-stock companies, debt securities;
- Financial contracts or forward financial instruments.

DORVAL ASSET MANAGEMENT shall execute orders on behalf of its UCIs and mandates on the basis of the best execution conditions available on regulated markets, multilateral trading facilities, via systematic internalizers, market makers and other liquidity providers.

2. Main principles

DORVAL ASSET MANAGEMENT will take all reasonable steps to obtain the best possible result for all portfolios managed (UCITS and management mandates) during order execution, pursuant to measures set out in the French Monetary and Financial Code.

2.1 Conditions for selecting and assessing authorized financial intermediaries and counterparties

At this stage, we place orders relative to the UCITS and mandates we manage via a network of intermediaries.

DORVAL ASSET MANAGEMENT can only select a financial intermediary if a legal agreement complying with current regulation has been signed with it.

Pursuant to applicable regulation, DORVAL ASSET MANAGEMENT has set up a program to select market intermediaries that differs depending on the type of relationship between DORVAL ASSET MANAGEMENT and the counterparty. DORVAL ASSET MANAGEMENT relies on market intermediaries for execution services and research services, while other brokers provide only execution services.

Applying the scope set out above, Portfolio Management, the Middle Office and Compliance each set out scores out of 20 for every financial intermediary and counterparty currently used over a period of 6 to 12 months from the date of the previous financial intermediary and counterparty selection committee meeting.

Following this period, another financial intermediary and counterparty selection committee meeting is held, where the various scores and their arithmetical average for each financial intermediary and counterparty are presented. These averages are used to divide financial intermediaries and counterparties into the three groups below and ascertain the new updated list of financial intermediaries and counterparties authorized by DORVAL ASSET MANAGEMENT:

- a group of brokers that are selected (average of 12/20 and over): DORVAL ASSET MANAGEMENT maintains these financial intermediaries and counterparties on its list;
- a group of brokers that are preselected/under observation (average of at least 8/20 but less than 12/20): DORVAL ASSET MANAGEMENT flags and monitors these financial intermediaries and counterparties;
- a group of brokers that are excluded (average of 8/20 and under): DORVAL ASSET MANAGEMENT removes them from its list of financial intermediaries and counterparties.

This list of authorized financial intermediaries and/or counterparties is made available to all staff at DORVAL ASSET MANAGEMENT.

During the year, a broker may undergo a trial period and join the list of authorized brokers via the following process.

The Head of Portfolio Management or a representative of Portfolio Management with prior approval from the Head of Portfolio Management sends an email to the Compliance, Internal Control and Risk department, stipulating:

- Name of intermediary
- Contact details i.e. name, email address, phone number
- Financial instruments involved
- Strategy in question
- Type of service offered (execution or research only, call, corporate access, conference)
- Reason for request
- Indication of annual cost of service (if available)
- Test period

The intermediary selection process has been in place at DORVAL ASSET MANAGEMENT for several years and the quality of order execution was already a major criterion in our procedure.

We have rounded out this process and now require our intermediaries to provide details on their commitment to ensuring the best possible execution for our orders.

We should also note that DORVAL ASSET MANAGEMENT is classified by its intermediaries as a professional client and not an eligible counterparty.

2.2 The brokers committee

The financial intermediary and counterparty selection committee is in charge of managing the process for selecting and assessing these providers. It is chaired by DORVAL ASSET MANAGEMENT's senior management and includes portfolio managers, analysts and a representative from the Compliance, Internal Control and Risk department.

This committee is responsible for:

- Determining the list of authorized financial intermediaries and counterparties;
- Analyzing changes in volumes per intermediary, and by type of financial instrument;
- Issuing an opinion on the overall quality of service for each intermediary by assessing the scores awarded by each department i.e. Portfolio Management, Middle Office, Compliance.

Committees (execution and research) are responsible for deciding whether to keep or remove each intermediary selected on the list for the following period (best selection).

Decisions taken during these committee meetings must be applied two weeks after they are held.

After the committee meeting, the new list of authorized financial intermediaries and counterparties is approved by management and sent to all portfolio managers and the Middle Office.

2.3 Criteria on order execution

DORVAL ASSET MANAGEMENT takes all the necessary steps to ensure that orders are executed in the best interests of its clients while not compromising market integrity, by taking on board criteria related to price, liquidity and order execution times.

These provisions include procedures adapted to suit the type of financial instruments and hence the type of market on which they are traded. DORVAL ASSET MANAGEMENT therefore endeavors to select the best intermediary to execute orders on the markets for each order placed by Portfolio Management teams and strives to ensure the traceability of all features of its execution.

Financial instruments	Strategy for achieving best possible execution & selection of intermediaries	Selection criteria
Shares and equivalent securities		
Equities	Orders are sent to intermediaries selected on the basis of the broker's geographical region or specialty in particular.	Depending on broker's geographical region or specialty, liquidity and price
ETF	Orders are sent to selected intermediaries	Depending on broker's geographical region or specialty, liquidity and price
Interest-rate and credit instruments		
Bonds	Competitive process between several authorized counterparties	Depending on broker's geographical region or specialty, liquidity and price
Money-market instruments	Competitive process between several authorized counterparties	Depending on broker's geographical region or specialty, liquidity and price
Derivatives products		
Listed derivatives	Orders are sent to selected intermediaries	Depending on broker's geographical region or specialty, liquidity and price

2.4 Execution venues

DORVAL ASSET MANAGEMENT's set-up is based on the best selection of financial intermediaries and is designed to ensure that orders placed are sent to regulated reference markets or multilateral trading facilities, depending on the best execution conditions available.

3. Controlling best execution of orders and selection of financial intermediaries and counterparties

As an asset management company and in light of the specific features of its business, DORVAL ASSET MANAGEMENT is required to select intermediaries with an execution policy that will ensure the best possible result when it places orders resulting from its investment decisions with them, on behalf of clients that have entrusted investment mandates to the company or the funds it manages.

DORVAL ASSET MANAGEMENT therefore periodically monitors the conditions for execution of orders issued by portfolio managers, and regularly assesses the quality of this arrangement as part of the controls outlined in procedure DORVAL-proc.017 "Selection and assessment of financial intermediaries and counterparties".