



Information on Best Selection Policy and Best Execution Policy

As an asset management company, Edmond de Rothschild Asset Management (France) (EdRAM (France)) must act in the best interests of its clients under mandate or investors in the funds it manages (called “the Clients”, below).

In applying the European Directive 2004/39/EC on the Markets in Financial Instruments and Investment Services (the MiFID Directive) and in accordance with Article L. 533-18 of the French Monetary and Financial Code, EdRAM (France) is required to take all reasonable measures to obtain the best possible result for its Clients in the transmission and execution of orders arising from its decisions to trade in financial instruments on behalf of its Clients.

Such reasonable measures comprise in particular the determination and implementation of a “Best Selection Policy” for orders and, when trading concerns the management of a certain type of convertible bonds and similar securities (“Transactions in Convertibles”, below), a “Best Execution Policy” for intermediaries or brokers (“the Policy”, below).

EdRAM (France)’s obligations with respect to the Policy relates to means and not results.

This Policy covers clients categorised as “Professional” and “Non-Professional” clients according to the MiFID criteria.

I- Best Selection Policy

In order to comply with these legal obligations in accordance with Article 314-75 of the General Regulation of the French regulator, Autorité des marchés financiers (Financial Markets Authority), EdRAM (France) has established and implemented a Selection Policy of its brokers and intermediaries.

The objective of this Policy is to select brokers and intermediaries whose Execution Policy will enable them to obtain the best possible result in executing orders.

The Edmond de Rothschild Group, of which EdRAM (France) is a subsidiary, has adopted a centralized organisation for trading and recording orders for all the asset management companies in the Group.

The trading desks used by EdRAM (France) are pooled within Edmond de Rothschild (France) (EdR (France)) which is itself required to apply the same measures in terms of execution. Such structure ensures the rationalisation of flows and costs, offers secured procedures and operational efficiency allowing thus EdRAM (France) to comply with its regulatory obligations and to limit operational risks.

1.1 Scope of application

The Best Selection Policy applies to all of the following categories of financial instruments:

- Equities,
- Negotiable debt securities,
- Convertible bonds traded on secondary markets (US and Europe)
- Forward financial instruments.

1.2 Criteria for the selection of intermediaries and brokers

EdRAM (France) most often uses the Edmond de Rothschild Group’s dealer for the execution of its orders, i.e the Capital Markets Department at EdR (France) (“the Principal Broker”, below). The Principal Broker undertakes to provide EdRAM (France) with the order processing and execution conditions that will enable it



to obtain the best possible result when executing orders transmitted to it. These conditions are defined in EdR (France)'s Best Execution / Best Selection Policy which is available at the following address: <http://www.edmond-de-rothschild.com/site/France/en/private-banking/terms-and-conditions>.

Direct orders

In the interest of its Clients and/or during the Principal Broker's closing hours, EdRAM (France) may need to transmit a direct order to an investment service provider that is external to the Edmond de Rothschild Group for execution without the intervention of the Principal Broker acting as the transmitter or executor of the order (the "Third Party Broker", below).

Directed orders

In the interest of its Clients and on an exceptional and justified basis, EdRAM (France) reserves the right to direct trading and execution of an order to an external intermediary or broker ("External Brokers", below) of its choice stating its wish to the Principal Broker as a specific instruction. In this case, the asset management company justifies its choice of directing the transaction to a specific broker and formalizes the compliance with the Best Execution / Best Selection requirements with respect to that transaction.

The selection of intermediaries or brokers takes particular account of the following factors:

- quality of the order execution services,
- quality of the confirmation and matching services,
- quality of the investment decision-making assistance services.

The following factors are also taken into account:

- size of the order,
- likelihood of successful execution and settlement,
- geographical coverage of execution venues,
- transaction cost.

The intermediary or broker selected in this manner by EdRAM (France) must be able to provide, on demand, evidence of the methods used to obtain best execution.

EdRAM (France) reviews and evaluates periodically the execution of orders transmitted to intermediaries or brokers. In particular, it takes account of parameters including the quality of the research, the economic and strategic analysis, the order execution service, as well as ease of access to the venues of execution and issuers.

1.3 Specific instructions

All particular Client requests regarding an order or an aspect of the order shall be considered by EdRAM (France) as a specific instruction in the meaning of Article L. 533-18 of the French Monetary and Financial Code. The execution of the order shall be made respecting the specific instructions of the Client and EdRAM (France) must be considered as having satisfied its Best Selection obligations in respect of the part or aspect of the order to which the client instruction relates.

1.4 Revision of the Policy

EdRAM (France) regularly monitors the effectiveness of its current Best Selection Policy to identify whether any changes are necessary. In particular, it carries out an annual review of the quality of execution by External Broker, Third Party Brokers and the Principal Broker. Such examinations shall also be implemented whenever there is a significant change that affects EdRAM (France)'s ability to consistently obtain the best possible result for its Clients.

Accordingly, whenever EdRAM (France) detects a shortcoming in the Policy, it will make the necessary adjustments and inform its Clients by all means.



II- Best Execution Policy for Transactions in Convertibles

2.1 Scope of application

The Best Execution Policy applies to Transactions in Convertibles traded on primary and secondary Asian markets as well as primary US and European markets, which are products in which EdRAM (France) trades and executes orders directly with counterparties without using the Principal Broker.

2.2 Factors and criteria for Best Execution Policy

The Best Execution Policy aims to select the venues and methods of execution that ensure the best possible result when executing orders, taking into account the following factors:

- trading price of the financial instrument,
- transaction cost,
- speed of execution,
- likelihood of successful execution and settlement,
- size of the order,
- nature of the order,
- any other consideration that might affect the execution of the order.

EdRAM (France) takes the following criteria into account in determining the relative importance of the abovementioned factors:

- characteristics of the Client, including its categorisation,
- characteristics of the order concerned,
- characteristics of the financial instruments concerned by the order,
- characteristics of the venues where the order can be executed.

2.3 Application of the Best Execution Policy

2.3.1 Venue of execution

EdRAM (France) may, depending on the above-mentioned best execution factors and criteria, execute orders on a regulated market, a multilateral trading system, a systematic internaliser, a market maker or other provider of liquidity, or an entity in a third country carrying out tasks similar to those performed by one or the other of the abovementioned venues, as prescribed in the MiFID Directive, provided specific instructions are given and, when necessary, with the express consent of the Client in dealing with financial instruments accepted for trading on a regulated market or multilateral trading system.

In particular, EdRAM (France) will act on listed markets and on over-the-counter markets.

2.3.2 Relative importance of execution factors

When EdRAM (France) executes an order on behalf of a Non-Professional Client, the best possible result is determined on the basis of total cost. The total cost is the price of the financial instrument plus the costs associated with execution, which include all expenses incurred by the Client directly in connection with the execution of the order, including the direct costs incurred at the execution venue, those in settlement and delivery and all other expenses that may be due to any third parties having taken part in the execution of the order.

The Best Execution Policy regarding Transactions in Convertibles for Professional Clients depends on:

➤ *Primary market*

The primary factors are generally:

- 1st) quantity of securities,
- 2nd) price.

In the event of the transmission of an order for execution dealing with a financial instrument not requiring the selection of an execution venue or the discriminate selection of an intermediary as in the case of certain primary market transactions (such as convertibles issues), the best possible result will be considered to have been systematically obtained.



- *Secondary market*
The primary factors are generally:
 - 1st) price,
 - 2nd) quantity of securities.

2.4 Specific instructions

A client may give specific instructions relating to the method used in the execution of its order in the context of Transactions in Convertibles. EdRAM (France) is deemed to have satisfied its obligation to obtain the best possible result for those aspects covered by the specific instructions issued by the Client.

2.5 Policy Revision

EdRAM (France) systematically monitors the effectiveness of its current Best Selection Policy to identify whether any changes are necessary.

The Best Execution Policy is reviewed by EdRAM (France) as and when necessary but at least once a year, and whenever there is a significant change that affects its ability to consistently obtain the best possible result for its Clients.

Accordingly, whenever EdRAM (France) detects a shortcoming in this procedure, it will make the necessary modifications and inform its Clients by all means.