

BEST EXECUTION POLICY

OBJECT

Ellipsis AM has defined the terms of execution aimed at obtaining an overall best result for its clients and unit holders. To achieve this objective, the terms are adapted to the various instruments and different markets on which they are traded. All the instruments traded are concerned by this policy.

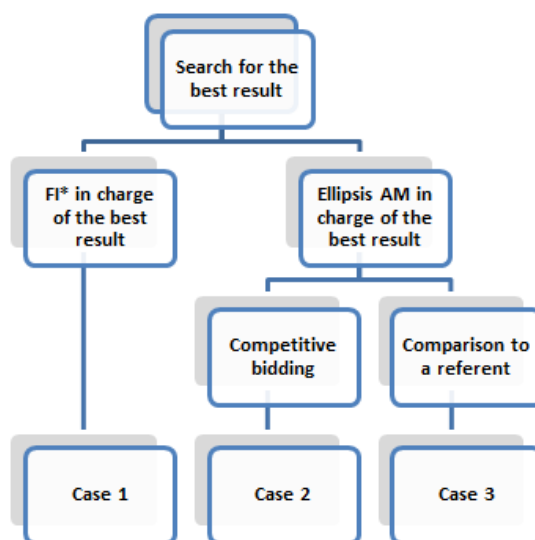
GENERAL ORGANISATION

Ellipsis AM trades on behalf of the portfolios it manages by contacting financial intermediaries likely to find an inverse interest in the market or to be counterparties themselves. The fund managers are in charge of the negotiation.

Ellipsis AM can group together orders from different portfolios by attributing the share of each one beforehand. In the event of a part execution, transactions are by default spread between the different portfolios on a pro-rata basis depending on the orders. If justified by the investment strategy of the different portfolios concerned, this allocation can be adjusted.

DIFFERENT TRADING TERMS DEPENDING ON INSTRUMENT TYPE

A same instrument can be traded according to different modalities depending on criteria such as liquidity, the size of the order and/or the potential impact on the price.



*financial intermediaries

- (1) **Transactions executed by a financial intermediary responsible for seeking the best result.** Ellipsis AM aims to maintain at least two financial intermediaries by type of operation concerned in order to ensure continuation of business. Ellipsis AM makes sure that financial intermediaries have implemented measures aimed at obtaining the best result and requests categorisation of professional clients in order to benefit.
- (2) **Call for competition on a deal by deal basis:** Ellipsis AM aims to maintain at least three financial intermediaries by type of operation concerned in order to ensure the relevance of the call for competition. Prior to execution, the proposed price is compared with two others provided on request or spontaneously contributed (three-price rule). This term is the only one applied for transactions between portfolios. The call for competition is limited when market conditions do not allow price comparability due to their overly high volatility. Similarly, when the portfolio manager anticipates that price requests will have an impact on the market (large size, illiquidity). In these cases, the manager shall assess whether to treat in the light of the available prices. He may also waive the three-price rule by justifying it ^(*). Finally, when a primary allocation is to be completed within three days, priority will be given to buying from an issue lead if the price does not exceed 0.20% of the best price to ensure access to this market.

(*) For a primary issue, the 24-hour period following the close of interest registration by the lead(s) is by default considered highly volatile.

- (3) **Comparison with a benchmark for each transaction** is implemented when the type of operation is traded with a single counterparty. Depending on the instrument, the relevant benchmark may be a benchmark market independent from the counterparty or an estimate calculated independently by Ellipsis AM. This independent estimate may be an evaluation of replication costs for a swap on a proprietary index.

Main terms retained by instrument type

	1	2	3
Shares	✓	✓	
Bonds		✓	
Convertible bonds (sale / purchase)		✓	
Convertible bonds loan			✓
Listed derivatives	✓	✓	
TRS, swap		✓	✓
CDS, OTC options, FX forward		✓	
CFD		✓	

For activities not concerned by the search for the best result since they do not concern trading of financial instruments but complex services, Ellipsis AM makes its best efforts to best manages it client and unit holders' interests via a regular review of the overall service.

GOVERNANCE BY THE BROKERS' COMMITTEE

The brokers' committee ensures the overall relevance of the system by taking into account the necessary diversification, operating risk and potential conflicts of interest.

The brokers' committee is made up of managers, the middle office, the management board and the head of compliance and internal control and meets annually to review the volumes handled by each financial intermediary especially in light of the qualitative assessment of these intermediaries by managers and the middle office.

Qualitative criteria are the following (non-cumulative):

- Supply of liquidity: the ability to set prices, hold contributions sent
- Commercial quality: the financial intermediaries' ability to solicit our managers effectively
- Reliability of clearing/settlement confirmation and billing procedures
- Efficiency of the search for the best result

Following this review, decisions can be made whether to consider new financial intermediaries, to rule out some or to solicit others more predominantly.

CLIENT AND UNIT HOLDER INFORMATION

In the event of significant changes, Ellipsis AM may have to temporarily review its policy. Updates are communicated on the website.

Ellipsis AM will answer reasonable and proportional requests for additional information from clients.

LIST OF EXECUTION PLACES

In compliance with Article 321-110 of the AMF's general rules, "execution venues" are a trading platform, a systematic internaliser, a market maker, another liquidity supplier or entity that carries out similar activities in a country not party to the European Economic Area agreement.

Below is a list of the main execution venues that Ellipsis AM trusts the most to honour its obligation to take all reasonable measures with a view to regularly obtaining the best possible result in execution of orders on behalf of the portfolios managed.

Aurel BGC	Jefferies GmbH
Barclays Bank PLC	JP Morgan AG
BNP Paribas	Kepler Cheuvreux
BofA Securities Europe SA	Market Securities France
CACIB	Natixis
Carax	Oddo Securities
Citigroup Global Markets Europe	Tradition Securities and Futures SA
Goldman INTL	UBS Europe SE
HSBC Continental Europe	Unicredit Bank AG
J.P.Morgan AG	

The negotiations can take place off market and may therefore not benefit from the reduction in the clearing/settlement risk that an organised market would provide.

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