



Investment
Managers

AXA REIM SGP Order selection and execution policy

Effective date : April 2019

1. INTRODUCTION

The purpose of this document is to inform our clients or potential investors of the order selection and execution policy implemented by AXA REIM SGP.

This procedure is intended to provide guidance:

- The authorization process for intermediaries/counterparties with whom AXA REIM SGP wishes to deal. These intermediaries and counterparties are required by law to offer AXA REIM SGP the best possible execution.
- The way in which relationships with these intermediaries/counterparties are monitored and controlled.

AXA REIM SGP does not execute its orders directly but uses the services of companies in the AXA IM group, to which AXA REIM SGP belongs. These entities are separate entities from AXA REIM SGP and have their own selection and execution policies.

AXA REIM SGP therefore has an obligation to make a better selection of its financial intermediaries. AXA REIM SGP also ensures that the best execution obligation is respected by companies offering order execution services on financial instruments.

2. PERIMETER

This policy applies to any professional client of AXA REIM SGP within the meaning of the Markets in Financial Instruments Directive MIF 2 (Directive 2014/65/EU) for which AXA REIM SGP offers a portfolio management service.

The financial instruments covered by this order selection and execution policy are defined as those defined by Article L 211-1 of the Monetary and Financial Code.

3. ORGANIZATION

3.1. GENERAL CASE

AXA REIM SGP uses the order reception-transmission services of AXA IM group companies authorized to provide these services.



3.2. DELEGATIONS

In the event that AXA REIM SGP delegates management to another regulated investment manager, the policy for selecting and executing the delegate's orders will apply.

4. EXECUTION DEVICE

4.1. PLACE OF EXECUTION

AXA REIM SGP transmits its orders to authorized Investment Services Providers for execution without prior knowledge of the final place of execution that will be selected.

Depending on the place of execution, clients may be exposed to certain specific risks, such as counterparty risk in the event of an OTC transaction.

AXA REIM SGP's objective is to obtain the best possible result for its clients, taking into account these potential risks.

4.2. SPECIFIC INSTRUCTIONS FROM CUSTOMERS

Clients who communicate specific instructions requiring the use of a designated counterparty in the management of a dedicated portfolio are informed that AXA REIM SGP will comply with them, even if such instructions do not comply with the provisions of this policy. Under these conditions, AXA REIM SGP and its service providers cannot be required to apply the principle of best execution to the instructions given.

Clients who provide specific instructions, as specified above, are informed that the principles of best selection and best execution will be applied for any part or aspect of the order not covered by the client's specific instructions.

4.3. FACTORS RELATED TO ORDER EXECUTION

The table below presents the scope of financial instruments processed on behalf of the portfolios managed by AXA REIM SGP and describes the strategies and criteria used to obtain the best possible execution.

Financial Instruments	Determining factors	Important factors	Factors to consider
Actions	Execution price, order size	Cost of execution, speed of execution, probability of execution and settlement, Nature of the order	N/A
OTC derivatives	Execution price, Order size	Cost of execution, Timeliness of execution, Probability of execution and settlement, Nature of the order	N/A
Monetary instruments (treasury bills, negotiable debt securities, etc.)	Execution price, Probability of execution and settlement, Size of order, Nature of order	Speed of execution	N/A
Bonds	Execution price, probability of execution and settlement, Order size	Speed of execution, nature of the order	N/A

The relative importance of each factor is determined by taking into consideration the following criteria:

- The characteristics of the order concerned
- The characteristics of the financial instruments that are the subject of this order
- The characteristics of the execution venues to which this order may be routed
- The characteristics of the customer

4.4. AGGREGATED ORDERS

Unless otherwise instructed by the client, orders relating to several portfolios may be grouped together in order to obtain the best possible result, particularly in terms of cost. These orders may only be aggregated if it is unlikely that the grouping of orders and transactions will operate globally to the detriment of one of the clients whose orders would be grouped.

Clients are informed that this grouping of orders may sometimes result in partial execution of their order(s), unlike the execution of a particular order.

A fair allocation of partially executed orders is made. This allocation takes into account the interest and specific situation of each managed portfolio, in order to ensure speed of execution and fair treatment of all clients.

4.5. CROSS TRANSACTIONS BETWEEN PORTFOLIOS

AXA REIM SGP may carry out cross trades between portfolios in order to obtain the best possible result for all the portfolios concerned, particularly in terms of cost (i.e. lower intermediation costs or a price in the middle of the quotation range).

While almost all of these transactions are executed on the market via a broker, intermediary or counterparty, some are, in special circumstances and on an exceptional basis, carried out directly between portfolios.

In all cases, cross trades between portfolios are subject to the approval of AXA REIM SGP's Compliance Department, in accordance with internal procedures to manage potential conflicts of interest.

5. SELECTION OF BROKERS AND COUNTERPARTIES

In order to seek the best possible execution, AXA IM Real Assets, the group to which AXA REIM SGP belongs, has set up a procedure for selecting and monitoring counterparties. The latter are required by law to offer the best possible execution.

AXA IM Real Assets entities, including AXA REIM SGP, have a list of authorized counterparties. Monitoring makes it possible to regularly assess the performance of counterparties, compliance with contractual commitments and compliance with initial authorization conditions.

6. POLICY MONITORING

6.1. CONTROLS

AXA REIM SGP's Compliance teams carry out controls on the execution of orders traded on behalf of its clients in order to verify the adequacy of the service provided to the order selection and execution policy. Evidence of the proper application of the selection and execution policy shall be kept in accordance with regulatory requirements.

6.2. REVIEW

AXA REIM SGP takes measures to ensure the effectiveness of the order selection and execution policy in order to make any necessary adjustments.

7. COMMUNICATION AND REVISION OF THE EXECUTION POLICY

The execution policy may be reviewed at any time at the initiative of AXA REIM SGP in order to make any changes deemed necessary in order to maintain the best possible result for its clients.

Any significant change in policy is notified to customers as soon as possible by publishing the amended policy on the website: <https://www.axa-reimsgp.fr/>.

8. RESPONSIBILITIES

AXA REIM SGP constantly takes reasonable measures to seek the best possible execution of orders placed on behalf of its clients. However, this provision cannot constitute an obligation of result. The service provided by AXA REIM SGP will be assessed as part of its obligation of means.

AXA REIM SGP cannot be held liable for non-compliance or partial compliance with this policy resulting from circumstances of "force majeure" preventing it from fulfilling its obligations. In the event of a computer system failure, AXA REIM SGP has backup resources that will be implemented in accordance with its internal procedures.

Finally, AXA REIM SGP cannot be held liable for the adverse consequences of the execution of an order resulting from the execution of specific client instructions.