



**anax**↗

**Counterparty Selection and  
Evaluation Policy**

## Aim

The aim of this procedure is to describe the processes implemented to ensure that:

- the company selects brokers and counterparties in accordance with applicable rules;
- the list of approved brokers and counterparties is updated regularly and distributed to all relevant employees;
- brokers and counterparties are assessed at least once a year;
- the quality of execution of brokers and counterparties is one of the assessment criteria.

## Regulatory framework

- Article L.533-18 of the French Monetary and Financial Code.
- Article 321-110 to 321-115 of the General Regulations of the AMF.

## Methodology

Anaxis AM does not execute the orders resulting from its investment decisions directly. The obligation resulting from this situation is a “best selection” obligation with regard to brokers, based on knowledge of their execution policies, in order to ensure the best possible result when orders are executed. In this regard, Anaxis AM is systematically classified as a professional client of each broker so as to benefit from the “best execution” that the management company must provide to its clients.

The broker must provide a list of the execution venues it has selected, bearing in mind that Anaxis AM will consent to the execution of orders outside regulated markets and MTF in order to ensure that brokers obtain the best possible results for Anaxis AM clients at all times.

Any new relationship between Anaxis AM and a market intermediary must be based on a request from the fund management team, which will have carried out a prior assessment of the quality of the proposed services. Any new broker must provide Anaxis AM with all of the following documents:

- Terms & Conditions of Business;
- Best execution policy;
- Policy for managing conflicts of interest;
- MiFID “professional client” classification letter;
- List of execution venues;
- Authorisation from its supervisory authority;
- Latest available annual report;
- AML-TF questionnaire (Wolfsberg or Anaxis AM template) for counterparties located outside France.

No transactions may be carried out with a new broker until all of the above documents have been received in due and proper form.

## A. General criteria

Each of the intermediaries was selected on the basis of the following criteria:

- it is a recognised service provider in the relevant area/has been recommended by other parties that have used its services;
- it has undertaken to apply a best execution policy;
- it has provided Anaxis AM with commitments with regard to our specific needs;
- the proposed services are good value for money;
- it offers a satisfactory degree of cost transparency and, if applicable, has provided a detailed cost estimate;
- if applicable, it provides high-quality research.

## B. For investments in UCI

Transactions will be executed through the depository, which will therefore be selected on the basis of criteria that specifically relate to this role, including:

- its ability to operate in an international environment;
- the reliability of its procedures;
- the quality of the information provided and the availability of such information;
- its mechanism for resolving any possible difficulties;
- the proposed costs.

## C. For futures and forward contracts

The execution of such transactions will be entrusted to service providers that meet the following criteria:

- strong financial situation;
- limited margin deposits;
- good execution capability;
- the flexibility to handle the small number and size of the proposed transactions;
- competitive costs.

## D. For equities, debt securities and similar instruments

- I. The intermediaries entrusted with executing orders transmitted by the management company on behalf of the UCITS and mandates it manages must be included in the Anaxis AM list of approved intermediaries. These intermediaries are selected in accordance with the general criteria listed in section A.

The approval of new intermediaries is recorded in the minutes of investment committee meetings. The fund management team and the middle office will be notified whenever a broker has been approved by the Compliance and Internal Control Officer (RCCI).

The RCCI keeps the list of approved brokers up to date and checks with the risk controller that the file updates needed to create order tickets have been completed.

- II. The composition and relevance of the list of intermediaries are reviewed annually by the fund management team.

This review includes the five criteria listed below. These criteria are rated on a scale ranging from 1 (very good) to 4 (inadequate). An overall rating is calculated in the form of a weighted average using the weightings indicated. When a criterion is not relevant, its weighting is proportionally reallocated to the other criteria.

**1. Brokerage (30%)**

Quality of brokerage services, ability to acquire the securities to be purchased and to provide liquidity, given the usual size of our transactions

**2. Quotes (5%)**

Availability, regularity and relevance of the quotes provided for the securities in our investment universe

**3. Costs (15%)**

Execution costs (bid-ask spread, difference between displayed prices and execution prices)

**4. Execution (30%)**

Quality of execution (effective implementation of the execution process, speed of execution, confirmation, settlement-delivery, receipt of documents, absence of errors, absence of fails and short selling)

**5. Primary (20%)**

Primary market activity, quality of information, allocations received

An ad hoc review will also be carried out whenever justified by an event or information, in particular with regard to the abovementioned criteria.

The assessments made by the fund managers and the Middle Office/Risk Manager during such reviews (annual and/or ad hoc) will be forwarded to the RCCI who will draw up a control note for the management team. An overall assessment is drawn up on the basis of all of the results and is used:

- to approve/modify the assessment of each intermediary;
- to check that ratings are in line with the analysis of order flows.

If an intermediary or counterparty no longer meets the qualitative and/or quantitative criteria defined by Anaxis AM (change of shareholder, structure, team, rating, systems, size of collateral or costs, or a deterioration in execution quality, reputation or mechanisms for resolving any errors or problems), the management team may decide:

- to limit the flow of orders with the broker;

- to suspend the relationship.

If one or more criteria are no longer met and if Anaxis AM wishes to terminate the business relationship with a broker, it must, insofar as possible, unwind all outstanding transactions with said broker.

#### E. Execution venues

Depending on the best execution policy adopted by each financial intermediary selected, the orders transmitted may be executed:

- On regulated markets;
- On organised markets that operate regularly (Euronext Access, Euronext Growth, etc.);
- On multilateral trading platforms;
- On the OTC market.

#### F. General comment

Subject to the RCCI's prior written consent, the management company reserves the right, in exceptional circumstances and in the best interests of the portfolios it manages, to temporarily use the services of an intermediary with specific criteria not included in the Anaxis AM list of approved intermediaries in appendix 1.

#### G. Control methods

##### First level of control:

- Verification of the contents of the broker's execution policy (the investment services provider's strategy for achieving the best possible result, best execution factors, execution venues);
- Checks on the consistency of traded prices and market prices when transactions are confirmed.

##### Second level of control:

- Checks on the consistency of ratings and order flows;
- Use of the sampling method to check the best execution principle.

#### H. Provision of the broker best selection policy

This policy may be changed at any time without notice. It is available on the Anaxis AM website at <http://www.anaxis-am.com/informations-reglementaires.php> and counts as notification to clients. For UCITS, the information is also provided in the annual report, which clients can obtain within eight (8) business days upon request. The list of brokers used and the execution venues in which they operate are available from the management company upon request by unitholders (contact form via the website [www.anaxis-am.com](http://www.anaxis-am.com) ).

## **Anaxis AM Paris**

9 rue Scribe

75009 Paris

France

Tel: +33 (0)9 73 87 13 20

## **Anaxis Geneva**

19 rue du Mont-Blanc

1201 Geneva

Switzerland

Tel: +41 (0) 22 716 18 20

**[info@anaxis-am.com](mailto:info@anaxis-am.com)**

**[www.anaxis-am.com](http://www.anaxis-am.com)**

