



## **Best execution policy /intermediaries selection policy of CA Indosuez Wealth Asset Management (CAIWAM)**

### **INTRODUCTION**

CAIWAM initiates transactions on behalf of the funds and portfolios it manages and must select trading desks to execute them in the market according to asset types and certain criteria. Within this framework, CAIWAM must ensure that they have implemented 'Best execution' policies.

#### **1. GENERAL FRAMEWORK**

The purpose of this policy is to describe the measures put in place by CA Indosuez Wealth Asset Management (CAIWAM) in order to obtain the best possible results when executing and trading transactions on behalf of the funds and portfolios it manages.

This policy complies with the requirements of CSSF Circular 18/698.

This policy is reviewed annually by the Head of Portfolio Management (for the financial instruments concerned by the best execution obligations) and approved by CAIWAM's Board of Directors.

CAIWAM selects its trading desks in order to integrate the flows into the management tools which are also made available to its management delegates within the CA Indosuez Wealth Management Group. In this way, each delegated entity can contract directly with the selected trading desks.

#### **2. SCOPE OF APPLICATION**

CAIWAM is obliged to act in the best interests of the funds and portfolios it manages (hereinafter the 'Clients').

In particular, CAIWAM must take all necessary measures to obtain the best possible result for its Clients taking into account the price, cost, speed, probability of execution and settlement, size and nature of the order or any other consideration relating to the execution of the order.

CAIWAM does not itself execute its transactions and their trading on behalf of its Clients. CAIWAM's portfolio managers and CAIWAM's delegated managers within the CA Indosuez Wealth Management group transmit their orders to different trading desks depending on the type of assets handled. Depending on the type of asset, these intermediaries execute the

transactions or are responsible for forwarding them to brokers for execution on the market. The list of trading rooms used by CAIWAM is included in Appendix 1 below.

CAIWAM's best selection policy therefore covers the following elements:

- The description of the trading desk selection process implemented by CAIWAM (section 3.1).
- CAIWAM's review of the broker selection process for these trading desks. (section 3.2);
- CAIWAM's description of the continuous monitoring process for trading desks (section 4.1);
- CAIWAM's review of the broker monitoring process implemented by the trading desks (section 4.2);
- Communication to its Clients regarding the processes put in place to ensure the best execution of orders transmitted by CAIWAM (section 5).

At the date of entry into force of this policy, all Clients are classified as professional clients or as eligible counterparties within the meaning of Annex II of the Directive.

At the date of entry into force of this policy, all Clients are classified as professional clients or as eligible counterparties within the meaning of the provisions of Annex II of Directive 2014/65/EU (hereinafter 'MiFID II'). In addition, CAIWAM has asked trading desks to be systematically categorised as a professional client.

### **3. SELECTION PROCESSES IMPLEMENTED AND REVIEWED BY CAIWAM**

#### **3.1. CAIWAM'S PROCESS FOR SELECTING TRADING DESKS**

CAIWAM has established and maintains a robust process for selecting trading desks. Accordingly, CAIWAM's portfolio management function is responsible for conducting initial due diligence checks on the trading desks to which it plans to send its orders. This analysis is based on a list of criteria pre-determined by CAIWAM's portfolio management function, in particular their reputation, credit quality, human and technical resources, relevance to the market in question (volumes handled), experience and the absence of any major sanctions affecting the business. The results of the due diligence checks are documented in a report to enable CAIWAM's Management Committee to decide whether to enter into a relationship or maintain a dealing desk. This due diligence report will also contain the following elements (non-exhaustive list):

- the results of CAIWAM's analysis of the initial due diligence carried out on the pre-selected dealing desk;
- the draft service agreement between CAIWAM and the trading desk, including in particular CAIWAM's categorisation as a 'professional client';
- Confirmation that the trading desk's best execution/selection policy has been reviewed and complies with CAIWAM's standards;
- the list of end brokers with which the trading desk plans to handle CAIWAM's orders;
- the terms and conditions (in the absence of details in the draft service contract);
- the list of trading desk staff authorised to handle orders transmitted by CAIWAM.

CAIWAM ensures that orders grouped on behalf of several UCITS in accordance with the conditions established by CAIWAM comply with CSSF REGULATION N°10-4 25/36. CAIWAM ensures that the trading desks have established and apply an order allocation policy which provides in sufficiently precise terms for the equitable allocation of orders, clarifying in particular, in each case, the way in which the volume and price of orders determine allocations and the treatment of partial executions. In cases where the order thus grouped is partially executed, the trading desk must allocate the corresponding trades in accordance with the order allocation policy indicated.

### **3.1. CAIWAM'S REVIEW OF THE BROKER SELECTION PROCESS IMPLEMENTED BY TRADING DESKS**

As part of its due diligence checks on trading desks, CAIWAM ensures that the latter have established and maintain a selection process for final brokers that complies with CAIWAM standards. To this end, CAIWAM relies on the list of brokers identified by the CA Indosuez Wealth Management group and the list of brokers proposed by the trading desks and only selects brokers from the 2 lists. Accordingly, CAIWAM ensures that the criteria taken into account by the trading desks relate in particular to the points below:

- brokerage fees and prices offered in relation to market benchmarks ;
- quality of trading information and related tools;
- quality of execution - access to listing venues and other execution venues - available algorithms;
- quality of business relationships and market information provided;
- quality of trade settlement/delivery; and
- the timing of receipt of confirmations of executed trades.
- speed of execution

As part of its annual review of trading desk performance, CAIWAM ensures that trading desks maintain documents and conclusions relating to the final broker selection process and make them available to CAIWAM.

In addition, CAIWAM ensures that the trading desks respect the list of brokers. The list of final brokers is included in appendix 2 below and is updated annually by CAIWAM's portfolio management function.

CAIWAM ensures that it can demonstrate that the orders it has placed on behalf of its Clients have been placed in accordance with its best execution policy. In addition to the continuous monitoring of the trading desks, CAIWAM undertakes to monitor the effectiveness of its order execution systems and in particular to verify that the trading desks regularly monitor the order execution systems enabling the final brokers to obtain the best possible result for its Clients.

## **4. ON-GOING MONITORING PROCESS**

#### **4.1. ON-GOING MONITORING PROCESS OF TRADING DESKS IMPLEMENTED BY CAIWAM**

CAIWAM's Conducting officer in charge of Portfolio Management (for the financial instruments concerned by the best execution obligations) reviews the performance of the trading desks on an annual basis (or whenever there is a significant change that has an impact on the management company's ability to continue to obtain the best possible result for the portfolios managed) based in particular on the following elements:

- Reports of sample checks on the quality of execution of orders placed by CAIWAM with trading desks, including an analysis of the quality of execution of orders transmitted (e.g. transmission failure, transmission times, etc.);
- exception reports transmitted by the trading desk; and
- Analysis of any complaints from Clients concerning the execution of their orders for which a fault at the trading desk has been identified.

He reports his conclusions to CAIWAM's Board of Directors (for the financial instruments concerned by the best execution obligations).

#### **4.2. CAIWAM'S REVIEW OF THE ON-GOING MONITORING PROCESS OF BROKERS IMPLEMENTED BY THE TRADING DESKS**

As part of its annual review of trading desks, CAIWAM ensures that trading desks have implemented and apply effective controls relating to the monitoring of the quality of execution of orders transmitted to end brokers in order to be able to correct any shortcomings observed. CAIWAM ensures that the controls carried out by the trading desks cover the following elements:

- Reports of sample checks on the quality of execution of orders placed by the trading desks with the end brokers, including an analysis of the quality of execution of orders transmitted (e.g. transmission failure, transmission times, etc.).
- Substantial changes in the pricing applied by the final brokers;
- A significant deterioration in the execution system, which may take the form, for example, of a restriction in the scope of securities handled;
- access withdrawal from a market; or
- A restructuring which could probably lead to significant operational risks.

In the event that deficiencies are identified by the trading desk, the latter will review the appointment of the final broker concerned and communicates the results of its checks to CAIWAM.

### **5. PUBLICATION AND COMMUNICATION**

This policy and any significant changes will be made available on the CAIWAM website at the following address: <https://www.ca-indosuez-am.com/Fr/Conformite>. On justified request from a Client, CAIWAM may provide information on its best execution policy or the terms of execution of a particular order.

## **6. CONTROL OF APPLICATION**

The Conducting Officer in charge Portfolio management is responsible for monitoring the effective application of this policy.

### **APPENDIX 1: LIST OF OUR TRADING DESKS**

- 1. Amundi Intermédiation: Equities and bonds - ETFs - Money market products**
- 2. CACEIS: Routing and execution of orders on listed derivatives**
- 3. CA Indosuez Wealth Europe: Routing and execution of forex orders (spot-forward-swap)**

**Policy update: April 2024**