



Best selection and best execution policy

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Pursuant to AIFM delegated regulation along with MiFiD II and delegated regulation (EU) 2017/595, ABC Arbitrage Asset Management S.A. ("ABAM") mainly sends orders for execution to other financial services providers. Exceptionally and only in the course of its portfolio management activities, ABAM may send orders for execution directly to some exchanges and/or negotiation platforms.

1. Best selection policy

The aim of this policy is to select intermediaries allowing the best result possible to any orders ABAM, acting on its clients' account, sends them to have them executed on an exchange (hereinafter "Intermediaries"). This policy applies at all times but when a client specifically requires ABAM to send orders for execution for an intermediary it chooses and imposes over ABAM.

The best selection policy covers all financial products included in MiFiD II and traded on exchanges either by counterparts or market intermediaries.

The essential criteria to select Intermediaries are the following:

- The Broker's presence in the negotiation country considered with a special attention to a market member status, a direct presence on different segments of the market (e.g. NYSE, NASDAQ, etc.) and the easiness to access the exchange;
- The quality of computing systems and technical infrastructure: connectivity efficiency (use of a data carrier or proprietary system of negotiation), increased ability to handle large quantity of orders, tolerance to breakdowns;
- Financial instruments offered;
- Costs: Brokerage fee, existence or not of a brokerage minimum, connection fees;
- Negotiation system functionalities: direct transmission of orders to the exchange or order confrontation on the Broker's platform, etc.;
- Post negotiation efficiency: follow ups and processing of executions and/or cancellations, management of settlement, low occurrence of settlement failure, etc.;
- Reciprocity of contractual protection;
- Reputation.



2. Best execution policy

Considering the strategies implemented by ABAM, it is important to note:

- 1) None of our clients is authorised to send us orders for execution. ABAM is only authorised to manage portfolios in alternative strategies known as predefined arbitration.
- 2) In "alternative strategies known as arbitration", best execution transactions by transactions are not the main element to consider, the efficiency of strategies modelisation implemented is.

Being a member of regulated market of a derivative instrument Eurex for the management of clients portfolios and sending orders for execution relating to instruments only listed on Eurex, ABAM de facto provides the best execution possible to its client for this exchange (by being effectively present on the exchange, having access to financial instruments of said exchange and benefiting from cost reduction due to membership).

ABAM can also be a member of currency exchange platforms to ensure the best execution of some change operations