

BEST EXECUTION POLICY

POLICY REVIEW LOG	
Created	March 2021
Last Update	January 2022; May 2022
Review Frequency	Annual
Next Review Date	May 2023
Ownership	Best Execution Committee
Policy Location	R:\3. Compliance and Policies\1. Policies\1. Approved Policies

Rules Reference:	Articles 27 and following of Delegated Regulation 231/2013/UE Articles 321-110 to 321-113 of AMF General Rules AMF recommendation n° 2014-07 Articles L533-18,18-1,18-2 of French Monetary Code
Rules Summary:	Firms must implement procedures and arrangements which provide for the best possible result when executing orders on behalf of its Clients.

Applicable Rules

The Firm is responsible for the discretionary portfolio management of certain collective investment schemes (UCITS and AIFs, together the "**Selwood Funds**"). As such Selwood is obliged to take all reasonable steps to obtain, when executing orders, the best possible result for the Selwood Funds by taking into account the execution factors.

- Article 25 of the Commission Directive 2010/43/EU foresees an obligation for management companies to act in the best interest of the Funds (and, accordingly, of their investors taken as a whole) when:
 - executing decisions to deal on behalf of the UCITS in the context of the management of their portfolios.
 - placing orders to deal on behalf of the managed UCITS with other entities for execution, in the context of the management of their portfolios.
- Article 27 of the Commission Delegated Regulation (EU) N. 231/2013 ("Delegated Regulation") foresees for alternative investment managers to take all reasonable steps to obtain the best possible result for the AIFs they manage or their investors, whenever an alternative investment fund manager buys or sells financial instruments or other assets for which best execution is relevant.

This policy outlines the approach to achieving best execution, with respect to the classes of financial instruments Selwood may transact in on behalf of the Selwood Funds, and the entities to which Selwood may transmit such orders.

In obtaining the best possible result (rather than merely the best price) Selwood takes into account the execution criteria and factors for the particular type of transaction.

Selwood uses investment service providers to carry out its trading activities on behalf of the Selwood Funds. The service providers must undertake to offer Selwood the conditions for processing and executing requests in order to obtain the best possible result.

The selection of market intermediaries shall be carried out on the basis of specifications, the main criteria of which are:

- the pricing applied;
- the quality of execution, taking into account:
 - the speed and reliability of the execution;
 - the time limit for confirming orders;
 - the absence of load breaks;
 - the quality of the confirmation;

- the rejection rate (or processing error rate) of transactions;
- the availability and reactivity of the interlocutors;
- the quality and compatibility of the intermediary's technical environment; and
- the ability to process the requested order volumes within the required timeframe;
- the proposed geographical coverage and locations of execution;
- the organization and human resources available;
- knowledge (experience) of the instruments traded;
- the commitment of "best execution" resources;
- compliance with market standards in terms of ethics; and
- the commitment in terms of compliance with the laws and regulations of the competent authorities.

The choice of other service providers of any type (other than financial intermediaries) is also intended to be made in accordance with the principle of "best selection/best execution" by analysing and/or consulting the market.

The selection is then based on both criteria:

- quantitative such as the cost of services; and
- qualitative such as:
 - the service offer and its adequacy to the demands of Selwood;
 - the ability to carry out the instructions;
 - the organisation, selection and monitoring of the subcontractors used;
 - the quality and exhaustiveness of the reports on the service provided, which form the basis for the first-level controls to be carried out (see tracking of incidents and anomalies encountered);
 - the performance of previous work or services under good conditions of efficiency; and
 - the demonstration of serious references on the market and the activity concerned (in particular insurance and litigation management, track record, etc.).

The service provider thus selected by Selwood will be able to provide, on request, the supporting documents for the means used to obtain the best execution.

Scope of financial instruments

Selwood intends to use the following financial instruments in implementing the investment strategies for the respective Selwood Funds:

- listed bonds guaranteed by national governments, their agencies, instrumentalities and political sub-divisions and/or their derivatives;
- listed bonds of corporate and financial issuers and/or their derivatives;
- credit derivatives, including but not limited to CDS, CDS Options, TRS referring to single name, Index and CDS Index Tranches such product may be in synthetic format or in cash, listed, acquired on primary or secondary market;
- currencies, interest rate and/or their derivatives including but not limited to spot, forward, futures, swap and options, in particular for hedging and financing purpose;
- listed equities or equities Index, and/or their options.

Disclosure obligation to Clients

As part of the Selwood's obligation in respect of best execution, the Selwood Funds are provided with a disclosure whether in the relevant investment management agreement or the prospectus which sets out an overview of Selwood's best execution policy. Selwood will notify the Selwood Funds and, if appropriate, make further disclosures if any material changes are made to this policy.

Execution Criteria

When determining the relative importance of the execution factors (see below) Selwood must take into account the following execution criteria:

- the characteristics of the client, including the categorisation of the client as "professional" as Selwood does not primarily engage with retail clients;
- the characteristics of the client's order (whether generated by Selwood as part of a discretionary mandate or by the client itself);
- the characteristics of financial instruments that are the subject of that client order;
- the characteristics of the execution venues or brokers to which that order can be directed.

Execution Factors

Selwood predominantly trades financial instruments involving a customised OTC for its clients which may create a unique contractual relationship and thus may not be easily comparable for best execution purposes with transactions involving shares traded on centralised execution venues.

The factors which are taken into account by Selwood when providing best execution to its clients are:

- price
- costs
- speed
- liquidity
- settlement
- order size / nature
- venue
- initial margin

In determining the relative importance of the execution factors, Selwood has, after careful consideration, selected the price and the initial margin of the instruments as most important execution factors. In addition, Selwood has considered the relevant execution factors applied to classes of financial instruments, when selecting a broker or execution venue, in achieving best execution.

Execution Venues

Listed below are the approved brokers and execution venues which Selwood intends to use for trading on behalf of Selwood Funds. These have been approved by the Best Execution Committee (see composition below).

Approved Execution Venues – Full Service		
No.	Venue	Approved by
1	Citigroup Global	Best Execution Committee
2	Goldman Sachs	Best Execution Committee
3	Bank of America Merrill Lynch	Best Execution Committee
4	Morgan Stanley	Best Execution Committee
5	Nomura International	Best Execution Committee
6	Credit Suisse	Best Execution Committee
7	BNP Paribas	Best Execution Committee
8	JP Morgan	Best Execution Committee
9	UBS AG	Best Execution Committee
10	Société Générale	Best Execution Committee
11	Deutsche Bank	Best Execution Committee
12	Barclays	Best Execution Committee
13	HPC SA	Best Execution Committee
14	Aurel BGC	Best Execution Committee
15	BRED	Best Execution Committee

Execution Orders Outside of a Regulated Market of MTF

Most of the financial instruments that Selwood trades on behalf of its clients are executed outside of a regulated market or MTF. Selwood has disclosed the absence of regulated markets for clearing the financial instruments which form the core for the investment strategy of the Selwood Funds, as described in the relevant Selwood Fund's private placement memorandum or prospectus, as appropriate.

Monitoring

Selwood monitors the effectiveness of the execution arrangements for each relevant instrument traded with each broker or venue through an evaluation of the controls and related exceptions or through sample checks. Such monitoring is undertaken with reference to the risk and impact on the relevant client resulting from Selwood not meeting the relevant execution factors.

The Best Execution Committee is responsible for monitoring the Firm's compliance with this policy. The Best Execution Committee consists of the following:

Governance:

- Guillaume Merle (as Compliance) or Rita Nethercot (as Group General Counsel)

Investment Team:

- Mathieu Labelle (Portfolio Manager) or Thibault Brohard (Portfolio

Manager)

Middle Office:

- Fares Bouanika (Risk Manager) or Wissam Dia

The quorum of the Best Execution Committee is 3, provided that each of Governance, Investment Team and the Middle Office are represented and will act on the basis of simple majority of members present.

When considered necessary as a result of the above monitoring, Selwood shall correct any deficiencies noted in execution arrangements.

Annual Review

Annually (or when material change occurs to investment strategy of a Selwood Fund, or Selwood's ability to obtain the best possible results for its clients) the policy is formally reviewed in line with the Selwood's execution arrangements considering whether the approved brokers and/or execution venues are providing the best possible result for Selwood's clients.

This review also takes account of broker concentration and commission split between brokers.