

AXA IM Risk and Controls

AXA IM IF Selection and Order Execution Policy Summary

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1. Introduction

1.1 Background

This Best Execution Policy Summary sets out the approach that AXA Investment Managers IF ('our', 'we', 'us' or 'the Firm') takes to achieve the best possible result for our clients ('clients', 'your' or 'you') when executing transactions, according to Section 5 of Commission Delegated Regulation (EU) 2017/565¹. We treat clients with honesty, fairness and professionalism and continually act in our clients' best interests².

AXA IM IF is an investment firm regulated by the ACPR (Autorité de Contrôle Prudentiel et de Régulation) and the AMF (Autorité des Marchés Financiers).

1.2 Scope

Our responsibility for best execution applies when we are:

- Executing an order in a financial instrument, including securities financing activity, or
- Transmitting an order in a financial instrument to another party for execution in the course of carrying out an order provided by you (RTO).

AXA IM IF aims to take all sufficient steps to obtain the best possible result for its clients on a consistent basis. This will take into account execution factors of price, cost, speed of execution, likelihood of execution and settlement, size and nature of the order and any other consideration relevant to the execution of the order³.

AXA IM IF will be directly responsible for delivering best execution when executing an order.

AXA IM IF always ask to its intermediaries to be classified as Professional Clients (when applicable). In transmitting an order to another party for execution, AXA IM IF will place reliance on that other party, possibly without knowing a priori the final place of execution, and the best execution obligation will have indirect application. These circumstances may include when we send an order for execution to another member of the AXA IM Group or a counterparty based in or outside of the European Union.

1.3 Definitions

This Best Execution Policy Summary applies to 'financial instruments'⁴, such as:

- Shares in companies, bonds, securitised debt and bonds, warrants and convertible bonds, securitised cash settled derivatives, shares in investment trusts, shares in Exchange Traded Funds (ETFs);
- Money market instruments;
- Units or shares in alternative investment funds (AIFs) and UCITS;
- Options, futures, swaps and forward rate agreements (including foreign exchange forward transactions);
- Derivative instruments for transferring credit risk; and
- Financial contracts for difference.

It also applies to 'securities financing transactions':

- Repurchase agreements ('repos') and reverse repos;
- Securities lending.

¹ Commission Delegated Regulation (EU) 2017/565 of 25 April 2016 - supplementing Directive 2014/65/EU of the European Parliament and of the Council as regards organisational requirements and operating conditions for investment firms and defined terms for the purposes of that Directive.

² In accordance with Article 65(1) and (2) of Commission Delegated Regulation (EU) 2017/565.

³ In accordance with Article 65 (3) of Commission Delegated Regulation (EU) 2017/565.

⁴ In accordance with Section C of the MiFID II Directive (Directive 2004/39/EC of the European Parliament and of the Council of 21 April 2004).

A reference in this Best Execution Policy Summary to an 'execution venue' means a regulated market (RM), a multilateral trading facility (MTF), an organised trading facility (OTC), a systematic internaliser (SI), a market maker, a liquidity provider or an entity that performs a similar function in a third country (outside the European Union) to the function performed by any of the foregoing.

A reference to a 'counterparty' in this Best Execution Policy Summary includes a reference to:

- An entity dealing with AXA IM IF on a bilateral basis in unlisted securities, derivatives traded outside of an execution venue or other asset classes and
- A broker acting as agent on behalf of AXA IM IF to trade a financial instrument.

1.4 Consent to best execution

Before the provision of service, you have provided us with your consent on our Best Execution Policy. By doing so, you expressly authorise AXA IM IF to place an order outside a RM, MTF or OTF. However, you may withdraw this authorisation at any time, on an occasional or definitive basis.

Your receipt of, and consent to, this Best Execution Policy Summary will be recorded in our terms of business with you.

2. The best execution principles

2.1 Execution factors

We take into account the following execution factors in executing an order:

- Price of the financial instrument;
- Costs directly related to transacting the order (including any fees or charges levied by us and implicit costs);
- Speed of execution;
- Likelihood of execution and settlement;
- Size of the order;
- Nature of the order

and any other consideration relevant to the execution of the order, provided that where you have given us a specific instruction, we will employ that specific instruction.

In the absence of a specific instruction from you, the other factors that we may take into consideration as relevant to the execution of an order include:

- The need for timely execution;
- The potential for price improvement;
- The potential price impact of an order;
- The liquidity of the market (which may make it difficult to execute an order);
- The nature of the transaction (including whether or not such transactions are executable on a regulated market or not);
- The quality and cost effectiveness of any related clearing and settlement facilities.

However, if you are a 'retail client', unless you have given us a specific instruction, AXA IM IF determines best execution in terms of 'total consideration', representing the price of the financial instrument and the costs related to execution, which includes all expenses incurred by the client that are directly related to the execution of the order. Speed, likelihood of execution and settlement, the size and nature of the order, market impact and any other implicit transaction costs may be given precedence over the immediate price and cost consideration only insofar as such factors are instrumental in delivering the best possible result in terms of total consideration.

As of today, AXA IM IF clients are exclusively professional clients.

Other than where you have given us a specific instruction, the relative significance of the execution factors will vary from transaction to transaction and will be influenced by the execution criteria.

2.2 The execution criteria

When executing client orders, we take into account the following criteria for determining the relative importance of the factors⁵:

- **Order Characteristics** including any Specific Instruction provided by you – this assessment may include consideration of the size and relative difficulty of the transaction in question, the type of financial instrument (including securities financing transactions) being traded, how the financial instrument is traded (for example, an over-the-counter transaction), if speed or the conclusion of the transaction is paramount, the investment intent or purpose of the transaction, and if you have provided a specific instruction that determines the relative significance of the execution factors or any other aspect of executing an order.
- **Characteristics of the Financial Instrument** – this assessment will consider the type of financial instrument to be traded (for example, equity, debt, units in collective investment schemes, over-the-counter derivatives) and its characteristics (for example, liquidity).
- **Execution Venues or Counterparties** – this assessment includes consideration of the execution venues or counterparties available to transact an order, on reasonable commercial terms. Where there is only one execution venue or counterparty available for transacting a particular type of financial instrument (including where you have instructed us to use a particular execution venue or counterparty), the execution terms set by that execution venue or counterparty will be highly influential in determining the relative significance of each of the execution factors. In addition, depending on whether the order is in the end executed on an execution venue or not and on which type of venue, certain risks may be borne in fine by the client such as the counterparty risk. AXA IM IF has the objective of achieving the best possible result for its clients taking into account these potential risks.
- **Market Impact of an Order** – this assessment includes consideration of the potential market impact that an order may have on the market in question and the prevailing market conditions, which in turn will influence the relative importance of the execution factors or the execution strategy employed by us.
- **The Execution Arrangements** – AXA IM IF evaluates which medium or manner of execution is suitable for the execution of each order, such as using an electronic trading platform versus transacting an order by voice. We may decide to transact through a particular execution venue or counterparty notwithstanding that another available execution venue or counterparty may involve different costs.
- **Client Characteristics** – the priority of the execution factors may be directed by, as appropriate, the type of service being provided to you and the terms of that service, the frequency of trading by you, the provision of any other services linked to the execution of the transaction and your client classification.
- **Collective Investment Undertakings** – where you make a decision to deal on behalf of a collective investment undertaking, the investment objective and policy and risks specific to the collective investment undertaking may dictate the relative importance of the execution factors. This will be treated by us as a specific instruction.

When applying the execution criteria we will not typically use the same execution venues for securities financing transactions as other transactions. We will take into account the particular characteristics of securities financing transactions. The execution venues typically used for securities financing transactions are listed separately in the Appendix to this Summary.

⁵ According to Article 64 of Commission Delegated Regulation (EU) 2017/565 of 25 April 2016.

Also, we do not structure or charge our commissions in such a way as to discriminate unfairly between execution venues⁶.

2.3 Obtaining firm or indicative prices in over-the-counter markets

It is AXA IM IF's general practice to obtain competitive quotes or indicative prices in OTC markets (primarily fixed income and foreign exchange) from selected counterparties, with such quotes or indicative prices recorded and monitored as part of AXA IM IF's first level controls.

When executing an order in an OTC product AXA IM IF will check the fairness of the price quoted to the client by gathering market data used in the estimation of the price of such products and where possible by comparing with similar or comparable products⁷.

As a result, any non-competitive quotes or indicative prices on a client order are expected to contain a rationale to explain why this was deemed to deliver a best execution outcome for the client order.

Such circumstances include, but are not limited to, where:

- time constraints apply to the execution of a client order;
- the execution arrangement is paramount;
- the nature of the financial instrument or capital market concerned does not permit, such as in the case of equities (where the practice of obtaining quotes may have adverse impact on pricing);
- there is limited liquidity in the financial instrument;
- it is necessary to emphasise certainty of execution and minimisation of market impact;
- it is desirable to prioritise speed of execution (such as in reaction to market events);
- markets are highly volatile; and
- it is important to reduce the leakage of price sensitive information.

3. Financial instruments and best execution

3.1 The best execution obligation

The obligation to take all sufficient steps to obtain the best possible terms for you on a consistent basis is applied in a manner that takes into account the different circumstances associated with the execution of an order in each type of financial instrument.

Where an order comprises a packaged product (represented by the performance of more than one financial instrument), best execution will be applied to the order as a whole.

3.2 Equities, Exchange Traded Funds (ETFs)

AXA IM IF selects from the range of equity execution strategies available to it to connect with principal or desirable execution venues and counterparties and to maximise access to liquidity or, where relevant, to minimise the impact on price of a relatively large order.

Equity orders can be either placed electronically via an execution management system or directly to the brokers using a Fixed Information Exchange (FIX connectivity) in order to better offer access to brokers' algorithm suites and multiple venues or exchanges. Alternatively, equity orders are placed via telephone.

Where possible, AXA IM IF may use program trades where there is a significant number of orders for which a simultaneous transaction can be executed to increase efficiency and reduce the cost to the client. In this instance the trading desk can use their preferred pre-trade analysis tool to review general liquidity parameters to guide the execution strategy. Examples of where

⁶ Article 64 (3) of Commission Delegated Regulation (EU) 2017/565 of 25 April 2016, regarding Best execution criteria.

⁷ Article 64 (4) of Commission Delegated Regulation (EU) 2017/565 of 25 April 2016, regarding Best execution criteria.

traders may use program trading include new money for clients, dealing with client outflows or implementing asset allocation changes.

The priority of the execution factors when transacting equities is typically:

	Price	Direct execution costs	Speed of execution	Likelihood of execution and settlement	Size of the order	Nature of the order
Equity	1	2	2	2	1	2
ETFs	1	2	2	2	1	2

3.3 Government bonds, corporate bonds (Credit), convertible bonds and Money market instruments

The bonds and money market instruments (MMIs) markets are not generally centrally organised in the same way as equities and, for many corporate bond or MMIs, are less liquid markets.

AXA IM IF may place an order via electronic trading platforms (MTFs) and voice/telephone auctions. Trades will be placed electronically where possible, depending on several criteria among which liquidity and size of the order. We use those platforms wherever possible in order to secure the execution (to minimise operational risks) and trade rapidly. The MTFs used have a 'request for quote' (RFQ) model that electronically recreates an auction process including an automatically generated audit trail of the quotes received from counterparties including brokers. We typically use the following MTFs for fixed income instruments:

Venue	Type	Fixed income instruments
TradeWeb	MTF	Gouvernement bonds, Credit
MarketAxess	MTF	Credit, HY, EM
BondVision (MTS)	MTF	Gouvernement bonds EUR, GBP

However, we may trade by voice in the following cases:

- for some sensitive orders, by their size, scarcity, duration, market impact, wealth of information in the order itself ;
- on credit sometimes because of the lack of liquidity offered on the platform ;
- for some big orders, to keep human and commercial links with our counterparties.

If only one counterparty offers a quote e.g. in less liquid markets or where we believe the size of the order may have an adverse effect on the market and inadvertently compromise our ability to obtain the best price available, we will make a judgement on whether the price is fair and achieves best execution for the client.

Examples of the factors we consider include, but are not limited to, historical comparison to pricing of bonds of similar maturity, credit quality, size of issue, normal liquidity, urgency of completing the trade, third party vendor pricing if available, and external or internal pricing models or tools used to establish a fair price.

Money Market instruments (other than short-term government bonds and futures)

AXA IM IF generally places orders on non listed MMIs (negotiable certificates of deposits, commercial papers, term deposits) outside of the platforms. An important criteria is the timeliness of execution. We are particularly reactive and able to deploy orders very fast not to miss opportunities.

The priority of the execution factors when transacting bonds and MMIs is typically:

	Price	Direct execution costs	Speed of execution	Likelihood of execution and settlement	Size of the order	Nature of the order
Bonds (Govies & Credit)	1	Included in the price	2	2	1	2
Convertible bonds	1	Included in the price	2	2	1	2
Money Market instruments	1	Included in the price	1	2	1	2

3.4 Exchange traded derivatives (ETDs)

All execution factors other than price are applied to generate a selection of potential counterparties appropriate for a particular order. Price is then used to select the execution venue or counterparty, unless other factors are deemed more important (and, in our assessment, would deliver a better outcome). This may occur for example where the minimisation of counterparty risk or settlement risk prevails over the best price protocol.

Orders can be placed electronically to the brokers, potentially using a RFQ process, or over the phone. ETDs can also be traded on RMs through brokers at prevailing market prices if liquidity permits.

The priority of the execution factors for ETDs is typically :

	Price	Direct execution costs	Speed of execution	Likelihood of execution and settlement	Size of the order	Nature of the order
ETDs	1	2	2	2	1	2

3.5 OTC derivatives and packaged products (dedicated section below for FX instruments)

For an OTC instrument⁸, the obligation of best execution may be limited in practice as a result of the complex, customised or structured nature of the transaction. We usually place orders either on an MTF (typically for cleared and more standardised OTC derivatives) or with an SI (for more bespoke transactions), but we may as well trade with counterparties that do not qualify as SIs.

Obtaining best price will be a key consideration for each transaction, but may not always be paramount since other factors (e.g. size of an order, complexity and ease of execution) viewed by us as critical to the success of concluding the transaction will also be decisive in determining the relative significance of the execution criteria. In particular, the counterparty should be reactive to AXA IM IF demands and deliver high quality services and efficient support, including speed of execution and settlement and post-execution services (confirmations, valuation, post-trade transparency, collateral management). These criteria are systematically considered with the price criteria and help to determine the selection of the intermediaries (knowing the transaction could be split, in accordance with our internal rules, between different intermediaries offering similar conditions).

It may be necessary to route an order on complex or bespoke transaction to a specific counterparty. This may occur, for example, when the nature of an order requires us to use a counterparty that we determine is a market leader in the transaction concerned or if we consider that limited market liquidity (limited counterparties) prescribes the use of a specific counterparty. In such a situation, even though we will seek to negotiate price, cost and the other execution factors with the executing counterparty, it may ultimately be necessary to deal away from the price that might be achieved on the individual component parts of the transaction or if the transaction were more standardised.

⁸ Whether under MIFID II SI regime or not, i.e. including some cleared derivatives tradable on execution venues.

Where possible, we usually select based on price from a shortlist of counterparties identified by us to be the most competitive in the market.

We may also transact an order where our terms of business with you involve us seeking your views on the principal features of an order. In that situation, you have a high degree of involvement in specifying the relative priority of the execution factors.

The priority of the execution factors when transacting OTC derivatives is typically:

	Price	Direct execution costs	Speed of execution	Likelihood of execution and settlement	Size of the order	Nature of the order
OTC derivatives	1	Included in the price	2	2	1	2

3.6 FX instruments (spot, forward, swaps, options)

FX orders are generally placed via electronic trading platforms, that may be either MTF or not regulated. So far we have used FXALL and BidFX. We use primarily FXALL compared to other platforms due to the multiple functionalities it offers: we can trade live, place FX orders especially at a dedicated fixing, merge and net orders and in the end we can easily get an audit report with all competitive quotes.

Alternatively, we may place orders electronically to the brokers, potentially using an RFQ process with consideration of the execution factors to achieve best execution.

Section 2.2 describes how we obtain competitive quotes or indicative prices for FX instruments. Apart from price, size is also a major factor. Size will help determining the best way to trade the order (sometimes by splitting it according to TCA for instance).

Section 4.3 describes to what extent authorised counterparties and legal contracts in place might also affect our best selection in relation to FX instruments.

The priority of the execution factors when transacting FX instruments is typically:

	Price	Direct execution costs	Speed of execution	Likelihood of execution and settlement	Size of the order	Nature of the order
FX instruments	1	Included in the price	2	2	1	2

3.7 Securities Financing (e.g. repo/reverse repo and securities lending)

AXA IM IF takes into account the following execution factors when executing a Securities Financing transaction, given that the priority of the execution criteria is typically:

- Priority 1: Price and order characteristics (including but not limited to: size, relative demand of the transaction, duration of the trade)
- Priority 2: Nature of the transaction, including whether or not such transactions are subject to any regulatory requirements, underlying portfolio characteristics and objectives, client characteristics, type of financial instrument to be traded.
- Priority 3: cost effectiveness of any related operational setup (e.g. triparty agent) and settlement; availability of execution venues or counterparties.

Repo / Reverse Repo

The repo is an OTC instrument. Please refer to the 'OTC derivatives' part to see how we manage Repo / Reverse Repo from a best execution and best selection perspective.

The priority of the execution factors for repo /reverse repo is typically:

	Price	Direct execution costs	Speed of execution	Likelihood of execution and settlement	Size of the order	Nature of the order
Bonds (and equity on an ad hoc basis)	1	Included in the price	2	2	1	2

Securities lending

During the life of the transactions, there is a possibility to re-rate the transactions. The re-rate process is maintained to ensure that AXA IM IF will obtain the best possible result for its clients on a consistent basis. The re-rate process applies to assets already on loan where AXA IM IF will agree with the borrower to revise the previously agreed lending fee.

The priority of the execution factors for securities lending is typically:

	Price	Direct Execution costs	Speed of execution	Likelihood of execution and settlement	Size of the order	Nature of the order
All assets type (fixed-income and equity assets)	1	3	2	2	1	2

3.8 Collective investment undertakings (apart from ETFs)

We usually trade directly with the transfer agent of the collective investment undertaking, on negotiated terms where feasible. While choice of price and execution venue or counterparty, controlling the speed of execution and the ability to negotiate costs are not usually possible for a financial instrument with only one issuer, price and cost are generally key considerations in our trading of collective investment undertakings as well as timely order execution.

If the share or unit in a collective investment undertaking is difficult to sell, the likelihood of execution and settlement will also be a key concern, in addition to price and cost.

4. Delivering best execution

4.1 Execution strategies

Where we place an order for execution, the strategies available to us include:

- Using an electronic or automated trading system (which may in some cases qualify as MTF);
- Dealing directly with a counterparty (as principal) on an RFQ basis or via a reliable screen based quotation system;
- Entering into a bilateral trade with a counterparty (that may qualify as SI or not).

AXA IM IF may also transact an order by transmitting the order to another party for execution. AXA IM IF does not have direct execution access. We rely on certain execution venues and an authorised list of counterparties for execution. Where you have given us a specific instruction to use a particular execution strategy, we will employ that specified execution strategy.

4.2 Counterparty selection and monitoring

In transacting an order, we will only use a counterparty that has been approved in accordance with our Counterparty Authorisation and Monitoring Procedure, which governs the review, approval and monitoring of each counterparty with whom we trade.

The Counterparty Authorisation and Monitoring Procedure provides (among other things) that:

- An approved counterparty must be subject to ongoing supervision by a public authority, be financially sound and have the necessary organisational structure and resources for performing the required services;
- Before a new counterparty is approved, relevant control and support functions including Compliance, Legal, Operations and Risk Management are consulted; and
- A new counterparty is subject to a due diligence process to assess whether the counterparty satisfies certain criteria, including that the counterparty has in place arrangements to enable us to comply with our best execution obligation.

The performance of each approved counterparty is subject to periodic monitoring and review.

4.3 Specific instructions

Giving us a specific instruction may prevent us from taking the steps that we have designed and implemented in this Best Execution Policy Summary to obtain the best possible result for the execution of your order relating to the elements covered by the specific instruction. Where you have given us a specific instruction, we will execute the order in accordance with that specific instruction:

- If a specific instruction relates only to a part of your order, we will retain a best execution obligation in respect of the remaining aspects of the order.
- If your specific instruction relates to all aspects of your order, our best execution obligation will not apply.

Where we transmit your order to a counterparty for execution, we will also transmit any specific instruction provided by you. In certain situations, it may transpire that it is not possible for us to execute your order following your specific instruction. In that case, we will contact you.

In particular, for OTC derivatives (including FX), cleared derivatives and repo/reverse repo transactions, the best selection and best execution obligations will be subject to the client's authorized counterparties and legal contracts in place. Our best selection and best execution obligation might be constrained by the limited list of authorised counterparties of our client and/or Risk Department restrictions.

4.4 Order handling and aggregation

From time to time, we will aggregate client orders for the execution of a number of orders that are buying or selling the same security. The practice of aggregating orders may provide a general benefit to clients by preventing two or more orders from competing in the market place for the best transaction terms. However, aggregation of orders may on occasion work to the disadvantage of clients so we will only aggregate one order with another if we reasonably believe that doing so would be of benefit to all participating clients, and provided that aggregation is not inconsistent with:

- the terms of service in place for a client;
- the duty to seek best execution for a client and
- any trading restriction applying to the client.

Clients are informed that aggregation of orders may lead to partial execution.

Once an aggregated order has been executed we will allocate the order across participating clients. The intended allocation of an aggregated order between clients will be determined before execution. Only in the event of a partial fill of the aggregated order will it be necessary to reallocate. In this circumstance, reallocations will be made on a pro rata basis with consideration being given to the minimum unit size of the financial instrument concerned. Our aim is to aggregate two or more orders on a basis that is prompt, fair and consistent.

Where aggregation does not occur, orders may be transacted in the order placed, provided that it is practicable for the sequence of placement to be determined. However, there may often be reasons requiring orders to be transacted out of sequence, such as marketing timing, relative size of the orders, market liquidity or market impact. In addition, the order of trading for complex or bespoke orders is generally assessed taking into account considerations such as relative order complexity and difficulty of execution.

4.5 Crossing orders

AXA IM IF can perform cross trades between two portfolios in order to obtain the best possible result for both portfolios, particularly in terms of cost (lower intermediation costs or trading at a mid-range price).

The crossing of orders may take place only where laws and regulations permit and provided that crossing is not inconsistent with the terms of service in place with you, any trading restriction applying to you or a specific instruction provided by you. Cross trades will be executed at independently sourced mid-market prices using an external counterparty.

While almost all these transactions are executed on the market via an intermediary, some may, in exceptional circumstances and with Compliance pre-approval, be made directly between portfolios.

In any case, cross trades are subject to the notification of AXA IM IF Compliance Department in accordance with internal procedures in order to manage potential conflicts of interest.

4.6 Monitoring and controls

We undertake systematic monitoring and review of executed orders in order to validate and analyse the delivery of best execution, and with a view to appropriately address any deficiencies in best execution identified⁹. Evidence of these first controls are maintained in accordance with regulatory requirements. Where possible, AXA IM IF uses Transaction Cost Analysis (“TCA”) providers to help the Firm in its monitoring of execution services. If exceptions are identified, these are either explained or remediated as appropriate.

In addition to systematic first level control on all orders, Compliance performs a periodic second level review, that might include a review of a sample of trades (on a risk-based approach) as well as an assessment of the effectiveness of this Best Execution Policy Summary. Any improvement track identified is escalated to senior management for implementation, to be sure we always apply the best practices and take into consideration any modification in the regulation.

4.7 Record keeping, reporting and review

Details and records of pertinent information that is obtained during the order execution process is kept and maintained. Following the execution of a transaction, AXA IM IF informs its client where the order was executed.

Accordingly, AXA IM IF summarises and makes public on an annual basis, for each class of financial instrument, the top five execution venues in terms of trading volumes, where they executed orders in the preceding year, together with information on the quality of execution obtained¹⁰. The abovementioned summary of execution quality data is publically available at www.axa-im.fr

⁹ In accordance with Article 65 (7) of Commission Delegated Regulation (EU) 2017/565.

¹⁰ In accordance with Article 65 (6) of Commission Delegated Regulation (EU) 2017/565.

In addition, AXA IM IF reports transactions executed in reportable financial instruments to relevant national competent authorities in respect of its MiFID investment firms, and by no later than the close of the following working day, applying the reporting mediums permitted.

Where you make a reasonable and proportionate request for information about our best execution policies or arrangements and how they are reviewed, we respond to your request clearly and within a reasonable timeframe.

We review this Best Execution Policy Summary, including its Appendix, at least annually and in the event of a material change. Client notification is done through the publication on the website.

4.8 Conflicts of interests

In line with the Firms' Conflicts of Interest Policy, AXA IM IF is committed to identifying and understanding where in its business conflicts of interest might occur, thereby taking all reasonable steps designed to prevent these conflicts of interest from adversely affecting the interests of its clients. This Policy and our Conflicts of Interests Policy are designed to identify and to prevent or manage the potential for conflicts of interests when purchasing execution services. The Conflicts of Interests policy also sets out our policy in relation to inducements including non-monetary benefits for execution and research services.

Also, the annual execution report describes any close links, conflicts of interests, and common ownerships with respect to any execution venues used to execute orders through.

4.9 Responsibility

AXA IM IF takes all sufficient measures to obtain the best possible result for its clients. However, this provision does not, in any way, constitute an obligation of result and shall be assessed in the context of its obligation of means.

AXA IM IF may not be considered responsible for the non-execution or incorrect execution of orders resulting from "force majeure" circumstances preventing it from fulfilling its obligations.

Finally, AXA IM IF may not be considered responsible for unfavorable circumstances consecutive to the execution of specific client instructions.

5. Appendix – Execution venues and counterparties

Detailed below are the main execution venues and counterparties that we consider as enabling us to achieve best execution on a consistent basis, but this is not an exhaustive list and may change from time to time as execution venues are accessed differently, market structures/participants or normal process changes. Other execution venues and counterparties may be used where deemed appropriate, or as and when market conditions dictate.

A breakdown of the top 5 execution venues and counterparts used by AXA IM IF by asset class is available at <https://reseau.axa-im.fr/nos-politiques-internes-et-autres-informations-importantes>, as well as an overview of the quality of execution on the venue.

EQUITIES

- Tradition Securities and Futures SA
- Citigroup Global Markets Limited
- Exane SA
- Société Générale SA
- Barclays Capital Securities Limited

LISTED EQUITY DERIVATIVES (FUTURES AND OPTIONS)

- JP Morgan Securities PLC
- Goldman Sachs International

EQUITY DERIVATIVES (SWAPS)

- Goldman Sachs International
- J.P. Morgan Securities plc
- BNP Paribas
- Société Générale
- Crédit Suisse International

FIXED INCOME (INCLUDING ELECTRONIC TRADING)

- Tradeweb EU B.V.
- MarketAxess NL B.V.
- Bondvision
- BNP Paribas
- Deutsche Bank Aktiengesellschaft
- Crédit Agricole Corporate and Investment Bank SA

MONEY MARKET INSTRUMENTS

- Mizuho Bank LTD
- BRED Banque Populaire
- Société Générale SA
- La Banque Postale
- Barclays Bank Ireland PLC

INTEREST RATE SWAPS AND DERIVATIVE INSTRUMENTS FOR TRANSFERRING CREDIT RISK

- BNP Paribas
- J.P. Morgan Securities plc
- Barclays Bank plc

- Goldman Sachs International
- Goldman Sachs Bank Europe SE
- Credit Agricole Corporate and Investment Bank SA

FX DERIVATIVES (INCLUDING ELECTRONIC TRADING)

- Reuters Transaction Services Limited – Fxall RFQ
- Financial & Risk Transaction Services Ireland Limited – Fxall RFQ
- CACIB
- BNPP
- Merrill Lynch
- HSBC
- Société Générale
- JP Morgan

REPO & REVERSE REPO TRANSACTIONS

- CREDIT AGRICOLE CORPORATE AND INVESTMENT
- ING Bank N.V.
- UniCredit Bank AG
- Banco Bilbao VizcayaArgenteria S.A.
- BNP PARIBAS Group

SECURITIES LENDING

Equity

- Natixis
- Credit Suisse
- Citi Global Markets

Bonds

- BNP
- UBS
- Citi Global Markets