

Policy of selection, evaluation and audit policy for intermediaries and counterparties

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1. PREAMBLE

In carrying out its activity of managing mandates and collective investment schemes, SCOR Investment Partners SE obtains the best possible execution of orders by selecting intermediaries and counterparties on the basis of objective criteria.

As SCOR Investment Partners is not a member of a regulated market or a multilateral trading facility (MTF), it entrusts its orders to intermediaries and counterparties for execution, without having knowledge of the final place of execution used.

These intermediaries and counterparties can choose to execute orders on regulated markets, MTFs, with systematic internalisers or as principal.

These intermediaries and counterparties selected by SCOR Investment Partners are bound by their regulatory obligations to guarantee the management company the best execution possible.

The policy below details the procedures for selecting and evaluating the intermediaries and counterparties as well as follow-up procedures.

2. ROLE AND FUNCTIONING OF THE COMMITTEE FOR SELECTION AND FOLLOW-UP OF INTERMEDIARIES AND COUNTERPARTIES

Purpose

The Committee for selection and follow-up of Intermediaries at SCOR Investment Partners aims to :

- evaluate the authorised Intermediaries on the basis of defined objective evaluation criteria (execution and research),
- carry out a review of operational risks concerning intermediaries and counterparties,
- follow the change in volumes allocated per Intermediary and counterparty,
- identify the possible needs for new Intermediaries and counterparties,
- remove or put under supervision certain Intermediaries and counterparties.

Members of the Committee and decision-making

The Committee is made up of the following permanent members :

- the Chief Investment Officer,
- the Chief Operating Officer,
- the Chief Risk Officer,
- the Heads of Desk,
- the Heads of Portfolio Administration,
- the Head of Compliance and Internal Audit,

- General Secretariat

This committee is chaired by the Chief Investment Officer.

Frequency of the Committee

The Committee for selection and follow-up of Intermediaries and counterparties meets every year or on the request of one of the permanent members.

Restriction of the number of Intermediaries and counterparties

With a concern for operational efficiency and in the exclusive interest of holders and clients, SCOR Investment Partners shall strive to reasonably restrict the number of Intermediaries and counterparties by selecting them from criteria based on the evaluation of defined criteria.

Similarly, SCOR Investment Partners will make sure that it retains a minimum number of Intermediaries and counterparties to ensure efficient competition amongst the different service providers.

3. SELECTION PROCESS FOR INTERMEDIARIES AND COUNTERPARTIES

Principle

Each Intermediary and counterparty with which SCOR Investment Partners enters into relations to execute one or more transactions for its clients or mutual funds should be authorised. This authorisation is made taking into account the characteristics of the financial instruments which the fund managers use and on defined objective criteria.

Steering the authorisation process consists in:

- analysing the quality of the Intermediary and counterparty with regard to the management style implemented by SCOR Investment Partners,
- analysing the risks (counterparty risk).
- analysing the risk of non-compliance (including AML/CFT risk).

Proposals for adding to the list of Intermediaries and counterparties

Fund managers may propose Intermediaries and counterparties to the Committee for selection and follow-up of Intermediaries and counterparties or on an adhoc basis to the Compliance Team according to their needs.

Examining the proposal and criteria taken into account in the analysis

The proposal is examined during the previously mentioned Committee or by the Compliance Team.

The selection criteria take into account the type of financial instruments considered and the management processes.

4. EVALUATION PROCESS FOR INTERMEDIARIES AND COUNTERPARTIES

Principle

The evaluation of Intermediaries and counterparties is carried out in a two-step process:

- during everyday relations with Intermediaries and counterparties,
- and within the Committee for selection and follow-up of Intermediaries and counterparties.

During everyday business relations

- follow-up of Intermediaries and counterparties by the Front-office,
- follow-up of volumes of operations carried out by Portfolio Administration,
- analysis of counterparty risk by the Risk Management,
- monitoring of incidents by the Compliance Team.

Within the Committee for selection and follow-up of Intermediaries and counterparties

The list of Intermediaries and counterparties is reviewed every year by the Committee according to the following process:

- a general questionnaire is sent to all members of the Committee concerning all the Intermediaries and counterparties, so that each member can propose an évaluation,
- the evaluation is based on the following criteria in particular, when deemed relevant in the investment process selected: quality of execution, cost of intermediation, quality of administrative processing of operations, etc.

5. DÉCISION FOR SURVEILLANCE OR REMOVAL FROM INTERMEDIARIES AND COUNTERPARTIES

Removal

The Committee may decide to remove an Intermediary and counterparty from the list.

Alert procedure

In the event of information concerning an Intermediary and counterparty which requires a suspension or surveillance, each member of the Committee may request the opinion of the Committee to suspend or limit an authorisation.

Updating the list

The Compliance Team is responsible for updating the list of authorised Intermediaries and counterparties and for distributing this information.



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