

2023 Annual Report of best execution

RTS 28 and Commission Delegated Regulation
2017/565 article 65(6)



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1. PREAMBLE

In accordance with the terms of Commission Delegated Regulation 2017/576 of 8 June 2016 supplementing Directive 2014/65/EU relative to the annual publication of information on the identity of execution venues and the quality of execution, the present document provides Ellipsis AM clients with all information with respect to the financial year 2023.

This annual report is part of the framework of the overall deployment of the MiFID II Directive and in particular the best execution/best selection policy applicable to orders by Ellipsis AM clients.

- ▶ **Capital ties** - Ellipsis AM is 100%-owned by Kepler Cheuvreux.
- ▶ **Category of clients** - Ellipsis AM works only with professional investors.
- ▶ **Management scope** - This annual report only concerns third-party portfolio management, i.e. for mandates managed by Ellipsis AM during 2023.
- ▶ **Broker's Committee** - This annual report is published as an output of the meeting of the Broker's Committee. The Broker's Committee ensures the governance and the overall relevance of the broker selection system, taking into account the necessary diversification, operational risk and potential conflicts of interest. It reviews the volumes handled by each financial intermediary, in particular with respect to the qualitative assessment of these intermediaries by managers and the middle office.
- ▶ **Best execution** - As an investment services provider (ISP), Ellipsis AM needs to obtain the best possible execution of orders made on behalf of its clients and the funds managed, in order to benefit from the best conditions during the execution of a stock market order.
- ▶ **Best selection** - As an investment services provider (ISP) that entrusts the execution of certain orders to one or more financial intermediaries, Ellipsis AM needs to establish a best-selection policy for these intermediaries.
- ▶ **Legend**

Notification if <1 average trade per business day in the previous year	Y	Y = YES less than one order executed
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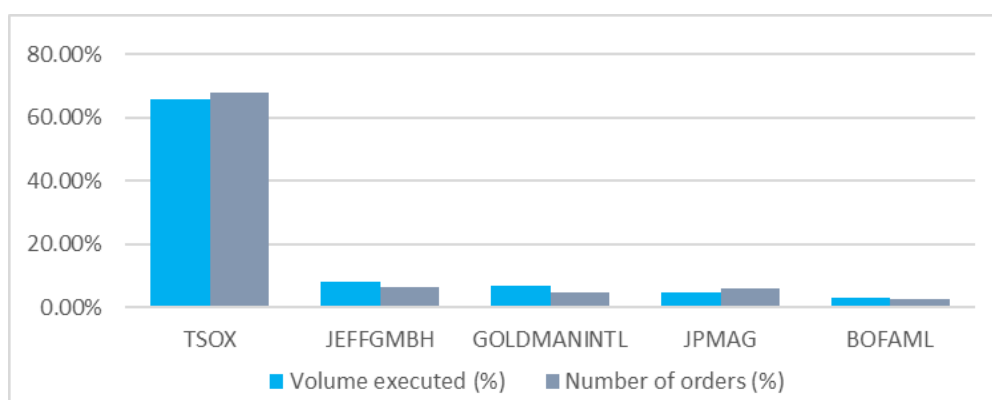
Notification if <1 average trade per business day in the previous year	N	N = NO more than one order executed
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2. DEBT INSTRUMENTS

This category of instruments is only traded under **best execution**.

Notification if <1 average trade per business day in the previous year	N
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Five first counterparties	LEI/MIC code	Volume executed (as a %)	Number of orders (as a %)
TSOX	BMTF	65.72%	67.93%
JEFFGMBH	5493004I3LZM39BWHQ75	8.12%	6.57%
GOLDMANINTL	W22LROWP2IHZNBB6K528	6.81%	4.78%
JPMAG	549300ZK53CNGEEI6A29	4.84%	5.98%
BOFAML	549300FH0WJAPEHTIQ77	2.98%	2.79%



- ▶ Convertible bonds and obligations are processed after a competitive bidding process involving three counterparties under normal market conditions. The transaction is carried out with the one offering the best price. The counterparties consulted are those providing the best liquidity given the type of issuance. Ellipsis AM executed its orders on about twenty trading venues in 2023, thus ensuring very broad market coverage. When the order size is appropriate, transactions are prioritized electronically (TSOX).

3. CURRENCY DERIVATIVES

This category of instruments is only traded under **best selection**.

Notification if <1 average trade per business day in the previous year	Y
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Five first counterparties	LEI/MIC code	Volume executed (as a %)	Number of orders (as a %)
FXALL	FXAL	100%	100%

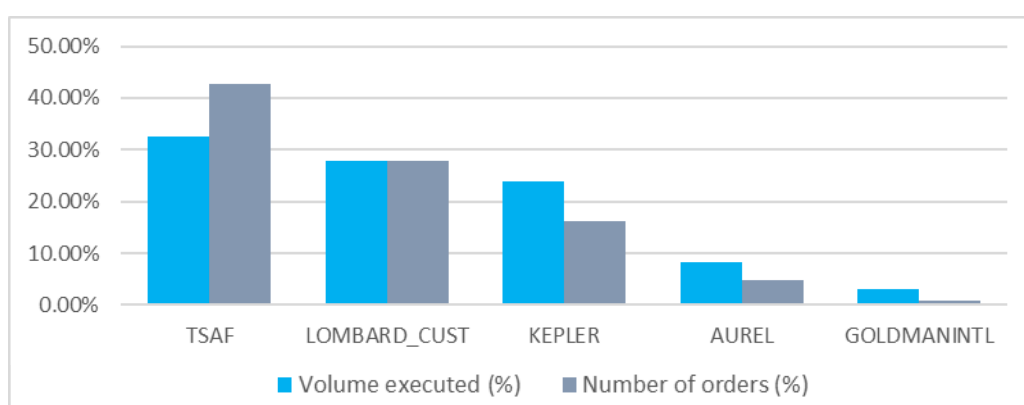
- ▶ To limit operational risk and make it easier for counterparties to compete, Ellipsis AM favours trading via platforms.

4. EQUITY DERIVATIVES

This category of instruments is only traded under **best selection**.

Notification if <1 average trade per business day in the previous year	N
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Five first counterparties	LEI/MIC code	Volume executed (as a %)	Number of orders (as a %)
TSAF	969500V058ZSY03FNX80	32.51%	42.78%
LOMBARD_CUST	4BY1ZWG5DYMFM1HP5KL86	27.71%	27.93%
KEPLER	9695005EOZG9X8IRJD84	23.87%	16.22%
AUREL	5RJTDGZG4559ESIYLD31	8.35%	4.76%
GOLDMANINTL	W22LROWP2IHZNBB6K528	3.09%	0.73%



► Listed derivatives are processed through three different execution channels:

- Use of brokers for best algorithmic executions
- Engaging with counterparties such as Banks or Market Makers to obtain more liquidity during significant portfolio changes. Ellipsis AM ensures the best result in this regard.
- Engaging with specific banking counterparties for OTC trades at the request of clients.

The TOP5 does not reflect the application of the execution policy due to agreements with clients. Additionally, it should be noted that the TOP5 does not reflect overall activity (mandate and funds).

5. EQUITY AND SIMILAR INSTRUMENTS

This category of instruments is only traded under **best selection**.

Notification if <1 average trade per business day in the previous year	N
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Five first counterparties	LEI/MIC code	Volume executed (as a %)	Number of orders (as a %)
CARAX	969500UEL1HB4Z05Z413	83.32%	33.33%
MARKETSEC	969500FWB6L4IMCWRO70	16.68%	66.67%

► The use of equities and similar instruments is marginal within the mandates. In 2023, there was only 3 transactions.

6. OTHERS

The following categories were not traded by Ellipsis AM in the framework of third-party portfolio management.

- Interest rate derivatives
- Credit derivatives
- Structured financial instruments
- Financial contracts with differential payment
- Listed indexed products

Date of edition: 30 juin 2024

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7. PREAMBLE

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- ▶ **Best execution** - As an investment services provider (ISP), Ellipsis AM needs to obtain the best possible execution of orders made on behalf of its clients and the funds managed, in order to benefit from the best conditions during the execution of a stock market order.
- ▶ **Best selection** - As an investment services provider (ISP) that entrusts the execution of certain orders to one or more financial intermediaries, Ellipsis AM needs to establish a best-selection policy for these intermediaries.
- ▶ **Legend**

Notification if <1 average trade per business day in the previous year	Y	Y = YES less than one order executed
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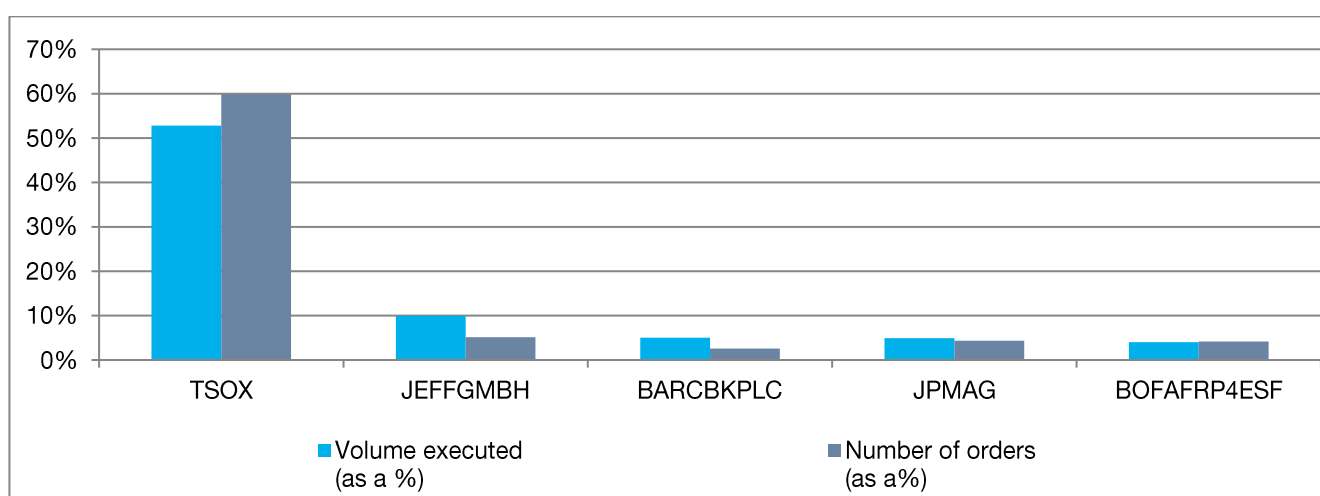
Notification if <1 average trade per business day in the previous year	N	N = NO more than one order executed
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8. DEBT INSTRUMENTS

This category of instruments is only traded under **best execution**.

Notification if <1 average trade per business day in the previous year	N
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Five first counterparties	LEI/MIC code	Volume executed (as a %)	Number of orders (as a %)
TSOX	BMTF	52.80%	59.88%
JEFFGMBH	5493004I3LZM39BWHQ75	9.93%	5.14%
BARCBKPLC	G5GSEF7VJP5I7OUK5573	5.03%	2.57%
JPMAG	549300ZK53CNGEEI6A29	4.92%	4.35%
BOFAFRP4ESF	549300FH0WJAPEHTIQ77	4.01%	4.15%



- ▶ Bonds and convertible bonds are processed after a competition between three counterparties under normal market conditions. The transaction is processed with the counterparty offering the best price. The counterparties interviewed are those that provide the best liquidity for the type of issue. Ellipsis AM executed its orders on some twenty execution venues in 2022, thereby ensuring very broad market coverage. When the size of the orders is appropriate, transactions are processed primarily electronically (TSOX).

9. CURRENCY DERIVATIVES

This category of instruments is only traded under **best selection**.

Notification if <1 average trade per business day in the previous year	Y
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Five first counterparties	LEI/MIC code	Volume executed (as a %)	Number of orders (as a %)
FXALL	FXAL	100%	100%

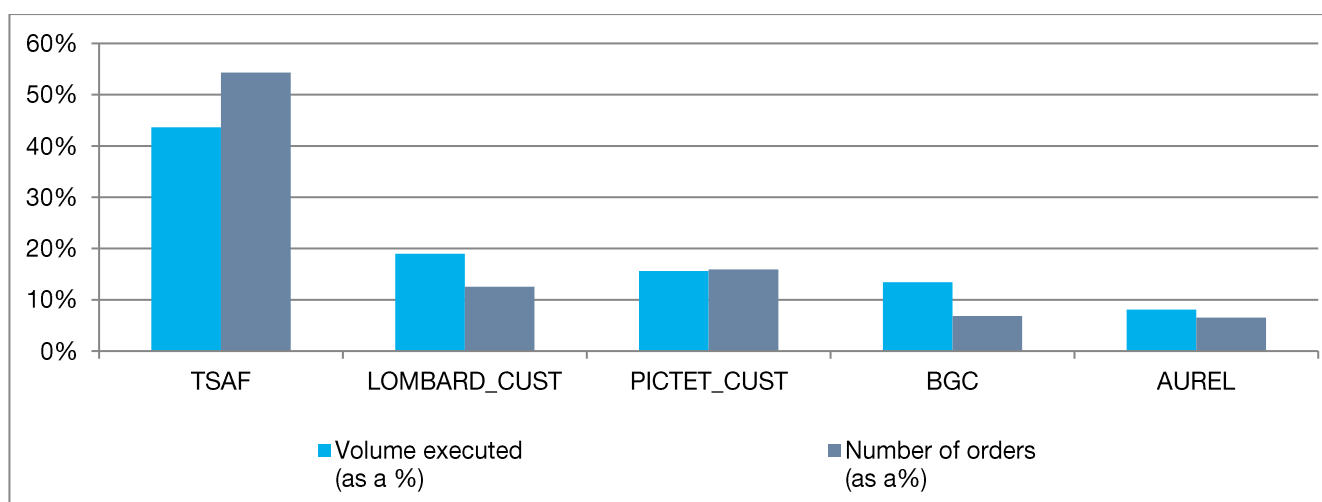
- ▶ To limit operational risk and make it easier for counterparties to compete, Ellipsis AM favours trading via platforms.

10. EQUITY DERIVATIVES

This category of instruments is only traded under **best selection**.

Notification if <1 average trade per business day in the previous year	N
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Five first counterparties	LEI/MIC code	Volume executed (as a %)	Number of orders (as a %)
TSAF	969500V058ZSY03FNX80	43.65%	54.34%
LOMBARD_CUST	4BY1ZWG5DYMF1HP5KL86	18.98%	12.55%
PICTET_CUST	4LCYDN74UCFU5VPM4774	15.61%	15.94%
BGC	ZWNFQ48RUL8VJZ2AIC12	13.42%	6.85%
AUREL	5RJTDGZG4559ESIYLD31	8.07%	6.52%



- ▶ Listed derivatives are processed through two different execution channels representing 90% of volumes for the first and 10% for the second:
 - Use of brokers (Aurel & TSAF) for best executions (small amounts & speed).
 - Use of counterparties such as banks (GOLDMANINTL) or Market Maker (Optiver) to obtain more liquidity during major portfolio changes. The search for the best result is handled by Ellipsis AM for this part.

The TOP5 does not reflect the application of the execution policy due to agreements with clients. Furthermore, it should be noted that the TOP5 does not reflect the global activity (mandate and funds).

11. EQUITY AND SIMILAR INSTRUMENTS

This category of instruments is only traded under **best selection**.

Notification if <1 average trade per business day in the previous year	N
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Five first counterparties	LEI/MIC code	Volume executed (as a %)	Number of orders (as a %)
MARKETSEC	254900XOTCV3IEJTIE83	100%	100%

- ▶ The use of equities and similar instruments is marginal within the mandates. In 2022, there was only one transaction.

12. OTHERS

The following categories were not traded by Ellipsis AM in the framework of third-party portfolio management.

- Interest rate derivatives
- Credit derivatives
- Structured financial instruments
- Financial contracts with differential payment
- Listed indexed products

Date of edition: 17 April 2023