

ORDER AND BEST EXECUTION POLICY

HOTTINGER & CO LIMITED

FRN: 208737

PRIVATE AND CONFIDENTIAL



ORDER AND BEST EXECUTION POLICY

SUMMARY: This document represents Hottinger & Co Limited's ("HottCo") Order & Best Execution Policy

OWNER: HottCo's Board of Directors and Compliance Officer ("CO")

Effective date: September 2021

Status: Live

Approved by: HottCo's CO in September 2021
HottCo's Board of Directors in September 2021

MODIFICATION HISTORY:

Version	Date Approved	Reviewed By	Changes
v.2016.01	19/09/2016	Compliance	New Policy, which replaces version dated August 2011
v.2021.03	May 2021	Compliance	Review & Update
v.2021.03.1	September 2021	Compliance	Review & Update

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1. OVERVIEW

1.1 PURPOSE

Hottinger & Co Limited (“HottCo”, “we”, “us”, “our”, etc.) is authorised and regulated by the Financial Conduct Authority (“FCA”). We have produced an Order and Best Execution Policy (the “Policy”), to apply to all Retail and Professional clients (“Regulatory Clients”) of HottCo and to all client orders received and transmitted in the course of carrying out our discretionary investment management business in the United Kingdom (“UK”).

Under this Policy, “best execution” is the term used to denote the obligation we have to take all sufficient steps to obtain the best possible result under the relevant circumstances and considering the execution factors when receiving and transmitting orders for execution on behalf of our Regulatory Clients. Our Policy ensures that regulatory and industry best practice is followed in the criteria that we include in our definition of best execution, and therefore in the execution venues we use.

1.2 SCOPE

This Policy sets out information relating to how we seek to provide best execution as required by the Markets in Financial Instruments Directive 2014/65/EU (“MiFID II”) and the retained EU law version of the Markets in Financial Instruments Regulation (600/2014) (“UK MiFIR”), that has applied in the UK from the 31st December 2020, and the Financial Conduct Authority’s Conduct of Business Sourcebook (“COBS”), when receiving and transmitting orders (set out in S.2.2.) for execution on behalf of our Regulatory Clients.

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1.3 PRINCIPLES and RULES

Principles/Rules	Requirements
Principle 2	HottCo must conduct its business with due skill, care, and diligence.
Principle 6	HottCo must pay due regard to the interests of its customers and treat them fairly.
Principle 9	HottCo must take reasonable care to ensure the suitability of its advice and discretionary decisions for any customer who is entitled to rely upon its judgment.
SYSC 4	General organisational requirements
COBS 2	Conduct of business obligations
COBS 11	Dealing and managing

1.4 RELATED DOCUMENTS and POLICIES

- Personal Account Dealing (“PAD”) policy and procedures;
- Treating Customers Fairly (“TCF”) policy and procedures;
- Conflicts of Interest policy and procedures; and
- Inside Information and Use of Chinese Walls policy and procedures.

2. POLICY STATEMENT

2.1 BEST EXECUTION REQUIREMENT – OUR COMMITMENT

We are authorised by the FCA to carry out the following activities:

- Manage investments; and
- Receive and transmit orders on behalf of our Regulatory Clients.

Under UK MiFIR, we are required to implement an order and best execution policy. As part of these requirements, we must endeavour to take all reasonable steps to obtain the best possible result for you either when executing your orders or when receiving and transmitting orders for execution on your behalf.

This means that we must take into account price, costs, speed, likelihood of execution and settlement, size, nature and/or any other consideration relevant in order to obtain the best possible result from the execution of orders.

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This requirement is of a general and overarching nature. In most circumstances, this will usually be determined in terms of the total consideration paid by, or to you.

In accordance with the FCA's Rules, we have already obtained your consent, either through our Regulatory Client agreement, the Investment Management Agreement ("IMA") or through our written notification to you, in regard to our order execution policy. In addition, we have sought and obtained your express consent for an order execution taking place outside of a Regulated Market ("RM") or outside of a Multilateral Trading Facility ("MTF") and, for providing us with absolute discretion in instructing our counterparties to use their discretion to determine whether or not to publish any unexecuted limit orders.

We consider it important that we have the flexibility to agree to the execution of transactions on your behalf through the most appropriate venues to ensure that our counterparties are able to provide the best possible results whenever undertaking transactions for you. In providing us with such consents we are able to both meet our regulatory obligations and look to achieve our aim to provide you with the most advantageous order execution service under the regulatory regime in the UK.

Our Policy, set out below, is designed to provide you with appropriate information on how we take such steps to achieve the best possible result for you. We will usually place orders to be executed with appropriate counterparties and our Policy applies to such orders when they relate to MiFID financial instruments and whenever we provide the service of portfolio management. It will also apply should we execute an order in a MiFID financial instrument on your behalf.

2.2 FINANCIAL INSTRUMENTS

The full list of MiFID financial instruments comprise:

- Transferable securities;
- Money-market instruments;
- Units in collective investment undertakings;
- Options, futures, swaps, forward rate agreements and any other derivative contracts relating to securities, currencies, interest rates or yields, or other derivatives instruments, financial indices or financial measures which may be settled physically or in cash;
- Options, futures, swaps, forward rate agreements and any other derivative contracts relating to commodities that must be settled in cash or may be settled in cash at the option of one of the parties (otherwise than by reason of a default or other termination event);
- Options, futures, swaps, and any other derivative contract relating to commodities that can be physically settled provided that they are traded on a regulated market ("RM") and/or a Multilateral Trading Facility ("MTF");

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- Options, futures, swaps, forwards, and any other derivative contracts relating to commodities, that can be physically settled not otherwise mentioned in and not being for commercial purposes, which have the characteristics of other derivative financial instruments, having regard to whether, inter alia, they are cleared and settled through recognised clearing houses or are subject to regular margin calls;
- Derivative instruments for the transfer of credit risk;
- Financial contracts for differences; and
- Options, futures, swaps, forward rate agreements and any other derivative contracts relating to climatic variables, freight rates, emission allowances or inflation rates or other official economic statistics that must be settled in cash or may be settled in cash at the option of one of the parties (otherwise than by reason of a default or other termination event), as well as any other derivative contracts relating to assets, rights, obligations, indices and measures not otherwise mentioned in this Section, which have the characteristics of other derivative financial instruments, having regard to whether, inter alia, they are traded on an RM or an MTF, are cleared and settled through recognised clearing houses or are subject to regular margin calls.

A Multilateral Trading Facility (“MTF”) is a type of entity that will compete with existing regulated markets and other execution venues. Other types of execution venues where transactions may be executed on your behalf include a Systematic Internalisers (“SIs”). SIs will include firms that currently execute a significant number of transactions between their own clients and through whom it may, on occasion, be possible to execute transactions on your behalf on more favourable terms.

Although we have a Part 4A Permission covering all instruments listed in the Markets in Financial Instruments Directive (EC 2004/39) (MiFID), Annex 1C, your mandates are generally focused on the following instruments:

- Transferable securities;
- Money market instruments; and
- Units in collective investment undertakings.

There may be circumstances where we will also receive and transmit for execution, a foreign exchange instrument in order to hedge a specific currency exposure and reduce the risk to your portfolios.

Please note, that the best execution requirements under MIFID II do not apply to spot foreign exchange (“Spot FX”). Therefore, we do not have best execution obligations to the extent that you ask us to carry out Spot FX transactions for you. However, we do undertake to always treat you fairly and to manage any conflicts of interest that may arise in respect of such transactions.

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In general, we do not transmit orders for execution on your behalf in derivatives. Where we do, this is in accordance with the requirements of specific mandates.

3. ORDER AND BEST EXECUTION – OUR POLICY

We do not deal on our own account. When placing orders for execution, we will, on a consistent basis, seek to obtain the best possible result for you by taking into account the range of execution factors (in no particular order), including:

- The execution price;
- The execution costs;
- The execution speed;
- The likelihood of execution and settlement;
- The size of the order to be executed;
- The nature of the order to be executed; or
- Any other consideration relevant to the execution of the order including implicit costs, the quality of clearing facilities.

Within these factors, price will usually be accorded relatively greater importance although in the case of less liquid securities or financial instruments, or in more volatile market conditions other factors may need to be afforded relatively more weight to achieve the best outcome for you.

3.1 EXECUTION FACTORS

When determining the relative importance of the execution factors included above, we will also take into account the following criteria:

- Your characteristics (including your regulatory categorisation);
- The characteristics, size, and nature of your order;
- The characteristics of the financial instruments that are the subject of that order;
- The characteristics of the execution venues to which that order can be directed;
- Price;
- The cost or commissions of execution;
- The current liquidity for the relevant financial instrument;
- The market impact of the transaction;
- The quality of order execution;
- The execution capability;
- The financial status, responsibility, and solvency of the counterparty;
- The responsiveness of the broker and/or the execution venue; and
- The quality and efficiency of the settlement process post execution.

We will determine the relative importance of each of these factors, and the manner in which your order will be transmitted for execution, based on the circumstances at the time of the transmission of the order. In most cases, price and costs associated with execution will be the most important factors (i.e., the **total consideration**).

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However, in markets where liquidity is low, the likelihood of execution may be a priority, while in markets where volatility is high, speed of execution may be more important. We have summarised our execution approach and methodology when dealing in each type of asset class below.

➤ ***Equities and Exchange Traded Products (ETPs)***

When transmitting your orders for execution in equity instruments and ETPs, we typically consider the following factors to be of **higher** importance:

- Execution price;
- Execution costs; and
- The size and nature of the order.

We consider the following factors to be of **lower** importance:

- Speed;
- Likelihood of execution; and
- Quality of any related clearing and settlement facilities.

In most cases, due to the high availability of liquidity in these instruments, we place highest importance on price and costs associated with execution, taking into account the size and nature of the order. When we transmit your orders for execution to our counterparties in less liquid instruments, the importance of speed and likelihood of execution may increase. However, we do not have any influence over the venues (for example, RMs, MTFs or SIs) our counterparties actually use to execute your orders.

➤ ***Fixed Interest***

When transmitting your orders for execution in fixed interest instruments, we typically consider the following factors to be of **higher** importance:

- Execution price;
- The size and nature of the order; and
- The likelihood of execution.

We consider the following factors to be of **lower** importance:

- Execution costs;
- Speed; and
- Quality of any related clearing and settlement facilities

We will usually consider price to be the most important factor, however, due to the nature of the markets in these instruments, liquidity may vary significantly, and we may therefore in some instances place highest priority on likelihood of execution.

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However, we do not have any influence over the venues (for example, RMs, MTFs or Sis) our counterparties actually use to execute your orders.

➤ ***Derivatives and Forward FX***

When transmitting your orders for execution in a derivative and forward FX, we typically consider the following factors to be of **higher** importance:

- Execution price;
- The size and nature of the order; and
- The likelihood of execution.

We consider the following factors to be of **lower** importance:

- Execution costs;
- Speed; and
- Quality of any related clearing and settlement facilities.

Liquidity in derivative instruments may vary significantly depending on the size and nature of the order, limiting the choice of execution venue. We therefore consider likelihood of execution to be of higher importance than speed or costs associated with execution (as these are relatively standardised).

➤ ***Collective Investment Schemes***

When we transmit your order for execution in collective investment schemes (“CISs”), we will usually deal directly with the Product Provider, at prices and costs set by them. Occasionally we may cross trades in CISs internally between Regulatory Clients. Where this occurs, we will deal at the price set by the CIS Product Provider at the next dealing date, to ensure that a fair price is obtained, and that no client is disadvantaged.

➤ ***Structured Products***

In the limited circumstances where we transmit orders on your behalf in structured products, and other over the counter (“OTC”) products of a bespoke nature, we will assess the fairness of the price offered on a case-by-case basis, assessing market data available to us, to ensure that the pricing decisions are in your best interests. Any transactions in structured products are executed directly with the Product Provider or distributor.

TOTAL CONSIDERATION

Total consideration is the price of the financial instrument and the costs related to execution, including all expenses incurred by you which are directly related to the execution of the order such as execution venue fees, clearing and settlement fees, and any other fees paid to third parties involved in the execution of the order.

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However, in certain circumstances, as further described in S.3.1 under execution factors, we may decide that other execution factors are more important than price and cost in determining the best possible result.

PRICE

We are, as a firm that transmits or places orders with counterparties for execution, in our own right, a professional client of these counterparties and therefore, we are also owed a duty of best execution. Our role in the order execution process is predominantly to obtain a competitive outcome from an order execution from our counterparties.

COSTS AND RELATED CHARGES

MiFIR insists on **total consideration**. This includes (but is not limited to) fees, commissions, expenses, settlement, foreign exchange, taxes, and any other charges. The FCA draws a distinction between the **explicit costs** and **implicit costs** resulting from how a trade is executed. For example, “at market” (whatever price is current at the time of the order) or “limit order” (an order to transact at a price bound by a limit). The aim is always to obtain the “best net price”.

ORDER SIZE

The emphasis is on both large and small orders, which may have a market impact. The basis for the choice of venue must be demonstrable.

SPEED

The frequency with which prices change varies with different instruments, market conditions and execution venues. For example, the market may move, so that a demonstrably rapid and or effective venue is called for. However, for large and/or small orders and orders for less liquid instruments, under certain market conditions other considerations may outweigh speed.

LIKELIHOOD OF EXECUTION AND SETTLEMENT

The best price may not be possible if the execution venue has no depth. Market depth must be demonstrable as must settlement considerations.

NATURE OF THE ORDER

Limit orders, warehoused trades (incomplete trades held on a counterparties books overnight to be added to the completed trade the following day), etc. Competence and reputation in these fields would support the choice of the counterparties.

Whilst we acknowledge that the markets for different asset classes may place emphasis on different aspects of transactions, our Policy contains overall those execution factors which we consider and take into account in our analysis of whether our counterparties, and/or the execution venues, are delivering the best result and execution.

Within this context, we view best execution holistically, taking account of both quantitative and qualitative factors. In addition, we will routinely consider the available execution venues (provided by our counterparties) as part of our order execution process.

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We will determine the relative importance of the execution factors by using our industry experience, expertise, and judgement in light of the available market information with the main aim of achieving prompt, fair, and expeditious execution of all orders transmitted to our counterparties on your behalf. This tenet applies to all types of financial instruments that we may seek to place your orders for execution.

3.2 EXECUTION PROCESS

When transmitting your orders, the execution process follows three stages:

ORDER DECISION

When a decision to invest is decided by our Portfolio Manager (“PM”), the “decision time” and the pre- allocation between Regulatory Clients is recorded.

ORDER PLACEMENT

Before an order is transmitted, our PM will check the market with the selected counterparty. The time the order is placed with the selected counterparty is recorded, and a note is made of the market price taken from the appropriate data provider.

ORDER EXECUTION

The time and the price of the executed order are recorded as per counterparty’s confirmation initially on the telephone and by faxed print out or other agreed upon electronic communication.

3.3 IMPORTANCE OF EXECUTION FACTORS

In most circumstances, we give the greatest weight to Price and Costs, in line with our evaluation of the market at any time. Our clients are categorised as “Retail” and/or “Per Se Professional” (as defined by the FCA Handbook).

As already stated, although we are permitted to use all MiFID Annex 1C financial instruments, our discretionary investment management mandates generally restrict the selection of financial instruments to equities, bonds, money market instruments and units of collective investment undertakings. Each of these financial instruments has a specific investment and execution profile. However, these specifics do not lead to divergence from our aim of always seeking to obtain the best result for you.

3.4 EXECUTION VENUES

Under MiFIR’s requirements, we must ensure compliance with our best execution obligation by identifying our counterparties who will provide the “**best result**” for the relevant instruments and monitor the execution quality of those identified. MiFIR clarifies that the best execution provisions are not intended to require us, when we transmit or place orders with other entities for execution, to duplicate the efforts of its execution entities. Rather, we should determine that the entities we use will enable us to comply with the overarching best execution requirement when placing an order with, or transmitting an order to, another entity for execution.

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On this basis, our selected counterparties are our execution venues.

Where we transmit orders for you, we will always be treated as a Professional Client by our counterparties, which means that these entities will always owe a duty of best execution to us. When assessing the best possible result in these circumstances, we will take account of any local execution charges, including commissions and taxes (for instruments traded outside the UK).

We believe these execution venues enable us to obtain on a consistent basis, the best possible result for the execution of your orders. They will typically use or have access to one or more of the following methods of negotiating and executing an order:

- (i) Have electronic links to Retail Service Providers (“RSPs”) in order to obtain price quotes, or electronic systems that automatically locate and accept the best available price. Smaller orders in UK equities will usually be automatically executed through the RSP;
- (ii) Use third-party Smart Order Routers (“SORs”) to optimise execution for larger and/or less liquid orders in UK equities and non-UK equities, by using advanced order routing rules and algorithms (computer programs designed to follow a defined set of instructions) to access more execution venues. In this manner we can access liquidity on venues such as RMs, MTFs, and large investment firms which act in the capacity of SIs;
- (iii) Have access to specialist electronic platforms that show prices from other market participants. This is important to us in the bond markets (including government bonds, Eurobonds, floating rate notes, zero coupon bonds and other similar debt instruments), where these instruments could be traded on venues such as on the Bloomberg MTF, off-exchange and, in some circumstances, prices may be negotiated over the telephone;
- (iv) Negotiate over the telephone with market makers or other broker members of the relevant exchanges, SIs, or OTFs.

In certain circumstances and in relation to specific mandates, we may also transmit orders through third party investment firms, brokers and/or their affiliates acting as market makers or liquidity providers and/or non-EU entities performing similar functions. We are not restricted to using entities subject to MiFIR for carrying out orders. In order to be able to use an entity that is not subject to the MiFIR best execution regime, in particular a non-EEA service provider, it is necessary, however, for us to ensure that the execution arrangements of such an entity allow them to comply with the overarching best execution requirement.

In exceptional circumstances, we may use execution venues not listed in our Policy, for example on a provisional basis or to accommodate a specific request by you to trade in an unusual instrument, with a view to satisfying the overarching best execution requirement. In our case, such circumstances will be addressed by our ongoing review of our execution venues.

Our Policy limits venues with whom or within which we will transmit orders for execution to those that are either regulated by the FCA or regulated by their home state regulator.

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We are required to provide information on the top five execution venues in terms of trading volumes by asset class, where we have executed or transmitted your orders in the preceding year. This applies to all instruments in scope of MiFID II. This information will be published on our website (www.hottinger.co.uk) on an annual basis.

We reserve the right to use other execution venues and counterparties where we deem this to be appropriate in accordance with this Policy, and as such our list may change periodically. The overriding consideration when using execution venues and counterparties is that the venue and/or counterparty concerned has systems in place which enable the delivery of best execution to our satisfaction and therefore to your benefit.

The choice of execution venue may be limited in some cases because of the nature of the order, or your specific requirements. For example, some instruments such as derivatives, or structured products, may not be traded on-market and therefore would be traded off-market ("OTC"). Therefore, execution venues may change between the annual reviews. We will keep an up-to-date list of execution venues on which we place significant reliance, and this will be available upon request.

3.5 COUNTERPARTIES WITH WHICH WE TRANSMIT CLIENT ORDERS

We only pass orders to counterparties for execution where the counterparties have agreed to take all reasonable steps to obtain the best possible result for us and for you; and have provided information on their order execution policy to us. In addition, only those counterparties that we believe will enable us to obtain the best possible result on a consistent basis when transacting your orders will be included in our list of approved counterparties.

In those cases where we request a quote from a counterparty in a MiFID financial instrument, the counterparty will be obliged to ensure that the requirements to comply with best execution criteria are complied with at the time the quote is provided but will usually be under no obligation to update that quote to reflect any subsequent elapse of time. In such instances, as well as when negotiating the terms of a transaction or giving specific instructions in respect of your order, the counterparty may not be subject to the requirements to comply fully with its own stated order execution policy. In such cases we will closely monitor execution quality to ensure the best possible outcome for you.

We follow a pre-set procedure when approving new brokers and counterparties and as part of our selection criteria, would look at factors such as:

- Their order execution arrangements and order execution policies, to satisfy ourselves that they are appropriate and comply with the requirement to provide us with best execution;
- Their perceived creditworthiness, reputation, and financial stability;
- Their access to markets and quality of service (such as responsiveness, and promptness of execution);
- Their competitiveness of costs and charges;
- Their ability to handle less liquid instruments and provide consistently competitive spreads;

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3.6 CONSENTS GRANTED

We are required to obtain your prior consent to this Policy. By signing our IMA and agreeing to our Terms and Conditions will constitute acceptance of our Order & Best Execution Policy and provides us with consent to execute transactions outside a Trading Venue (an RM, MTF or OTF), where we believe that doing so will achieve the best possible result for you.

In the case of MiFID financial instruments which are traded on an RM or an MTF, we have given our consent to all our counterparties to execute client orders in such financial instruments outside of an RM or an MTF. This is to ensure that our counterparties are able to execute your orders in the most advantageous manner and thus ensure the best possible outcome for you.

3.7 SPECIFIC INSTRUCTIONS FROM A REGULATORY CLIENT IN RESPECT OF CLIENT ORDERS

Should we be given specific instructions (for example, a directed order) from you regarding the execution of an order, we will, whenever possible, follow those instructions. In such circumstances, any such specific instructions may prevent us from taking the steps we have designed and implemented in this Policy to obtain the best possible result for the execution of those orders in respect of the elements covered by those instructions. It may also prevent the counterparty to which we transmit the order from achieving the best possible result in respect of the elements of the order covered by those instructions.

Where we transmit orders for execution in accordance with the express instructions from you, these transactions may not specifically meet our best execution factor considerations but will be deemed to achieve the best possible result for you and will be therefore in compliance with MiFIR requirements. All orders with client conditions attached will be transmitted for execution in compliance with MiFIR requirements and, as far as possible, your requirements as long as the overriding responsibility to achieve the best possible result for you is not compromised.

3.8 PUBLICATION OF UNEXECUTED LIMIT ORDERS

Under the FCA Rules, we are under a duty to make public certain details of limit orders affected on your behalf, if those orders cannot be filled immediately. You have already consented to us, when giving us specific instructions, to the extent that we place a limit order on your behalf with a third party for execution by that third party, not to make public (and to use reasonable endeavours to procure that the relevant third party does not make public) the details of that limit order unless we consider, in our absolute discretion, that it is appropriate for such details to be made public (which shall, without limitation, be deemed to include where the relevant third party makes the relevant details of that limit order public in circumstances where we have agreed with that third party that it can do so). Where requested of us, we will agree to our counterparties using their discretion to determine whether or not to publish unexecuted limit orders.

3.9 ORDER AGGREGATION AND ALLOCATION

We have an Order Aggregation and Allocation Policy and have procedures and arrangements in place to provide for the prompt, fair and expeditious transmission of your orders for execution.

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In the interests of achieving the best possible result for you, we may only aggregate your order with those of one or more of our other Regulatory Clients, if it is unlikely that the aggregation will be to the disadvantage of any of our Regulatory Clients concerned. As specified in our Terms and Conditions, the effect of aggregation may operate on some occasions to the disadvantage of the specific Regulatory Clients concerned.

After execution, the aggregated order will be promptly allocated. Allocation will be at the price paid, which may be volume weighted, and will be either:

- To our Regulatory Client on whose instructions the order was transmitted for execution; or
- For all our discretionary orders transmitted to you, or our Regulatory Clients with whom or for whom we have decided to deal.

However, allocation can only be implemented on a counterparty-by-counterparty basis and not across all the specified counterparties. Although we transmit your orders to the mandated counterparties on a timely basis, order execution factors may vary based on the counterparties' selection of execution venues. We do not have any influence over the venues (for example, RMs, MTFs or SIs) our counterparties actually use to execute the transactions.

We will always make pre-trade allocations on a fair and equitable basis across our Regulatory Clients' accounts, taking into account investment guidelines and restrictions, existing portfolio weights and cash availability. When allocating an aggregated order, we will do so promptly and any partial executions will be allocated on a fair and equitable basis (and, generally on a **pro-rata** basis). In the event that we purchase securities in an initial public offering ("IPO") and the total number of shares purchased is fewer than the total number of shares we transmitted for purchase, we will allocate such number of shares purchased in an IPO to our Regulatory Clients' accounts in a fair, proportional manner based on the size of the accounts under management and the size of the orders to purchase for such accounts.

Re-allocations between Regulatory Clients' accounts are only permitted where an error has occurred in the intended basis of allocation or the actual allocation, or if a partial allocation results in an uneconomic allocation. A record will be made of the reason for the re-allocation which must be completed within one business day of the error being identified.

3.10 APPROVED COUNTERPARTIES

We maintain a list of approved counterparties. They are selected on the basis of their ability to provide the "best result" and in most cases are the specific custodians and administrators of your accounts.

The counterparty's ability to produce best results in the fields of price and costs is of most significance followed by speed, likelihood of execution and settlement, the size and nature of the order, market impact and any other implicit transaction costs. We charge an investment management fee representing a percentage of funds under management as per our Regulatory Client agreements.

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Counterparty transactions and/or settlement fees and commissions are passed through to you without change. It is of major importance that the latter remain reasonable and in line with market practice. Our Senior Managers and Chief Executive Officer (“CEO”) monitor the fees and commissions charged to you on a continuing basis.

Our approved counterparty list may include entities that deal on both a principal and agency basis. Within the UK and the EEA, only those counterparties that are bound by Article 21 of MiFIR are eligible to be an approved counterparty. As stated above, we are not restricted to using entities subject to MiFIR for carrying out orders for example when carrying out orders outside the UK. However, in such cases we are required to ensure that the equivalent to best execution under MiFIR is obtained by such counterparties.

Our list of approved counterparties is reviewed and approved by our Senior Managers and CEO.

3.11 MONITORING AND REVIEW

We have a duty to act in your best interests and therefore it is imperative that our PM’s monitor and review the performance of your portfolio. During the course of transmitting an order and its execution, our PM’s have several opportunities for verifying the best result and/or the best execution:

- At the time of order decision, the PM will check the market via the appropriate data provider;
- At the time of the order placement, the PM will check prices with counterparty and place an order with the counterparty;
- At the time of order execution, the counterparty will confirm by telephone or electronic means the executed price;
- The counterparty sends a confirmation by fax to your settlement agent. At this time, your settlement agent will check the fees and commissions and inform us of any discrepancies;
- At the end of each dealing day, the PM’s or one of the Senior Managers will review that day’s deals and will review all trades and sign-off the daily transactions.

As part of our ongoing duty of care to you, we monitor and review portfolio compliance. This may, inter alia, involve testing for best execution over a sample of trades, client allocation, counterparty usage, etc.; as well as testing portfolio compliance.

3.12 RECORD OF BEST EXECUTION

All your orders are promptly and accurately recorded and allocated. Details of executed trades are maintained on our hard drive.

4. DISSEMINATION AND IMPLEMENTATION

A copy of our Policy is published on our website, www.hottinger.co.uk. Our full Policy is communicated to all staff internally via email and is available on our hard drive. Training is provided to staff to ensure their understanding and application of our Policy.

ORDER AND BEST EXECUTION POLICY

HOTTINGER & CO LIMITED

FRN: 208737

PRIVATE AND CONFIDENTIAL



5. POLICY DEVELOPMENT AND APPROVAL

This Policy is owned by our Board of Directors. This Policy has been developed by our CO, reviewed by our Executive Directors and the CEO and has been approved by our Board in September 2021.

6. POLICY MONITORING AND REVIEW PROCESS

We delegate ongoing responsibility to our CO to keep the Policy under review and ensure that any regulatory developments in this area are identified. In order to monitor ongoing compliance with this Policy, our CO, together with our other Senior Managers have been tasked with meeting on an annual basis to review and, where appropriate, amend and recommend acceptance by our Board of Directors of this Policy. Our CO monitors adherence to this Policy and the effectiveness of our order execution arrangements and procedures, in particular:

- Monitors the execution quality of the entities to which we transmit orders;
- Reviews the policy and internal execution procedures at least annually and also whenever a material change occurs that affects our ability to continue to provide the best result for you;
- Reviews the best execution policies from external suppliers and third-party counterparties, including providers of Structured Products, to ensure that they are taking sufficient steps to provide best execution to us;
- Reviews best execution management information ("MI") on a regular basis.

In addition to the above, we monitor any payments, or non-monetary benefits, received from third parties to ensure that they are designed to enhance the quality of service to you and, do not impair our ability to act in accordance with your best interests. We will notify you in writing of any material changes to this Policy, or our order execution arrangements.

7. REPORTING

MI will be reported to our Board of Directors.

8. DOCUMENT REVIEW CYCLE

The Policy is reviewed and approved by our Board of Directors at least annually or more frequently in case of changes in the structure of our business.