Best Execution Policy

The Investment Manager is solely responsible for managing the trading activities of its various privately offered commingled and segregated account clients (its "Clients"). Each Client has been classified as a professional client for the purposes of UK Financial Conduct Authority ("FCA") rules. The Investment Manager invests principally in publicly traded developing market equity securities. In doing so, the Investment Manager recognises its obligation to take all sufficient steps to obtain, when executing orders, the best possible results for the Clients when executing transactions on its behalf. This Order Execution Policy (the "Policy") provides information concerning policies and procedures on execution, order handling and certain related issues. This Policy is intended to comply with the applicable rules of the FCA and the US Securities & Exchange Commission, including the disclosure requirements of Directive 2014/65/EU (commonly referred to as MiFID II).

Trading approach and execution venues

Security trades are typically executed on regulated markets accessed through third party brokers who may place their orders with market makers. Clients should note that transactions may be executed outside a regulated market or multilateral trading facility, such as on a market or trading facility in a non-EU country or with a systematic internaliser (i.e. an investment firm dealing on its own account in an organised, frequent, systematic and substantial basis).

The Investment Manager is not affiliated with any broker. The Investment Manager may, subject to this Policy, select brokers in its sole discretion to execute the Client's transactions. The Investment Manager looks to select brokers that show demonstrated capabilities to obtain best execution. A list of approved brokers is maintained and all approved brokers are subject to a specific contractual obligation to achieve best execution.

All trades are ordinarily completed through these brokers. Before any broker is approved, separate terms of business must be signed. These terms of business are typically specific to the Investment Manager, and the Investment Manager looks to deal with issues such as counterparty risk, cross collateralisation and liability standards. These ordinarily remove, for example, the ability of a broker to offset one client's settlement obligations with proceeds for another client and have enhanced standards of care (negligence rather than gross negligence).

Execution factors

In selecting brokers, the Investment Manager seeks the best combination of price and quality of execution services, after considering factors that may impact the transaction. Price, including commission costs, is typically the most important factor considered in executing trades. In addition, the Investment Manager has regard to:

- <u>Spread Capture:</u> typically a large proportion of orders are executed at the mid-point in the spread or at prices more favourable to the Clients. On occasion the spread may be crossed in order to access liquidity and in markets where there are particularly high spreads or sharp price movement, spread capture may appear worse on a relative basis. Latency may also impact spread capture statistics; and,

- <u>Percentage of Average Daily Volume:</u> As a general rule, the Investment Manager looks to ensure that trades executed on behalf of the Clients do not account for more than 30% of average daily volumes on a primary exchange in order to avoid placing pressure on market pricing as a result of higher levels of participation. Higher volumes may be traded where the Investment Manager interacts with a natural, larger counterparty or interacts actively with dark liquidity.

Monitoring of best execution in practice

The Investment Manager monitors its compliance with the Policy through:

- Intra-day/intra-trade monitoring: Cape Ann's dealers use Enfusion's(Cape Ann's order management system) to monitor trades at the individual fill level for most markets. Cape Ann's dealers also compare this information to other live sources (e.g. Bloomberg).

- Post-trade monitoring: Trade administration processes to review individual trades on execution. On a daily basis, a key consideration is the limit adjusted interval volume weighted average price ("LAIVWAP") for each stock and a comparison with the open, close, high, and low price.

- Performance monitoring: Periodic reviews of execution quality using trade analytics data provided by each approved broker and further analysed by the Investment Manager.

- Compliance risk reviews: Periodic retrospective risk monitoring reviews of trades on a sample basis to ensure execution and settlement accord with established policies and standards.

- Periodic Reviews: Quarterly reviews of broker credit ratings and broader periodic reviews, meetings and ongoing monitoring of news flows to ensure the minimum standards of prudence for inclusion on the approved broker list is met on an ongoing basis, taking account of best execution and settlement issues.

Dealing commissions and inducements

Execution only dealing commissions are paid directly by Clients. The Investment Manager is responsible for negotiating rates paid in connection with transactions it effects on behalf of the Clients and may determine to pay commissions or mark-ups in excess of that which another broker might charge for effecting the same transaction, in recognition of the quality of the execution services provided by the broker. Commission rates are generally subject to periodic reappraisal. The Investment Manager typically agrees a standard commission rate in each market across all brokers. This minimises potential conflicts of interest that can arise when different brokers charge different commission rates for trading the same securities. The Investment Manager does not share, directly or indirectly, in any of the revenues generated by the Clients' brokerage transactions. The Investment Manager does not pay "soft dollar" commissions and/or receive "soft-dollar" benefits from brokers. Goods or services that, if received without payment could be deemed "soft dollar" benefits or "inducements" (such as broker research and transaction cost analysis of executed trades) are paid for in full by the Investment Manager out of its own financial resources.

Directed brokerage and Commission Recapture

The Investment Manager does not participate in commission recapture or directed brokerage arrangements and Client unitholders are not permitted to direct the Investment Manager to use or allocate commissions from any broker.

Allocation of investment opportunities

The Investment Manager endeavours to act in a manner that it considers fair, reasonable and equitable in allocating investment opportunities among the Clients. Other than as set forth in its fund legal documents, client investment management agreements and its Code of Ethics, the Investment Manager is under no specific obligations or requirements concerning the allocation of time, effort or investment opportunities to the Clients, or subject to any restrictions on the nature or timing of investments for the account of Clients or the Investment Manager's own account. The Investment Manager is not required to accord exclusivity or priority to any one client or group of clients in the event of 'limited availability' investment opportunities.

Order handling and aggregation

Client orders are recorded and allocated promptly and accurately. When the Investment Manager determines that it would be appropriate for more than one Client to participate in an investment opportunity, the Investment Manager seeks to execute orders for all of the participating Clients on an equitable basis. The Investment Manager may combine an order with those of other Clients where the Investment Manager considers it is unlikely that the aggregation of orders will work overall to the disadvantage of the Clients concerned. Clients should be aware that combining orders may, on occasion, work to their disadvantage. In such circumstances, however, the Investment Manager will attempt to minimize any such disadvantage.

If the Investment Manager has determined to invest at the same time for more than one Client, the Investment Manager may place combined orders for all such Clients simultaneously. The Investment Manager anticipates that the substantial majority of these trade executions will be allocated in a pro-rata manner. In circumstances where the Investment Manager determines that this pro rata allocation methodology may not be in a Client's best interest, the Investment Manager may, in its reasonable discretion, make an adjustment to the pro-rata allocation. This may occur where there is insufficient cash on hand to settle an allocated order or satisfy certain future commitments. This may also occur if an overdraft occurs as a result of accepting a commitment to purchase the allocated securities or unnecessary costs or charges related to trading or settlement will be suffered. In these situations, the Investment Manager will use its reasonable judgement to determine an allocation methodology. In other situations, a larger allocation of shares may be made if, for example, an additional allocation is required to clear a Client's negative cash balances or to raise funds to satisfy future commitments. Where the Investment Manager elects to participate in initial public or secondary offerings, governmental privatizations or other similar events, all allocations are undertaken on a strict pro rata basis taking into account minimum trading sizes and other regulatory restrictions. Situations may occur where a Client could be disadvantaged because of the investment activities conducted by the Investment Manager for other accounts.

To facilitate the subscriptions and redemptions of unitholders and to minimize liquidity risks to the Clients, the Investment Manager may utilize program or block trades. Program and block trades involve directing a broker to trade a large number of securities at a specific point in the day (for example, at market open or close) or over the course of part or all of the trading day. The broker may also be asked to guarantee that a specific price can be obtained for the security purchases or sales (for example, the volume weighted average price of a security during the trading day, the opening price or the closing price). Additional charges or increased spreads may be payable by the Clients to facilitate these program or block trades. The Investment Manager does not use stop loss orders as part of its trading methodology.

Personal Account Dealing

Except as allowed under the narrow circumstances set out in its Compliance Manual, no personal account dealing or principal trading is permitted. Cape Ann has no obligation to purchase or sell or to recommend for purchase or sale for a Client any securities that Cape Ann, its legal members, employees and/or contactors may purchase or sell for its or their own accounts or for the account of any other Client.

Cross trades

Subject to ERISA or other applicable laws, to reduce transaction costs, rebalance investment portfolios or for other reasons, the Investment Manager may cause a Client to enter into cross transactions directly with other Clients for which the Investment Manager also acts as a discretionary investment manager that primarily invests in developing market equity securities. This normally occurs where inflows into one Client coincide with outflows from other Clients. In the event the Investment Manager causes the Client to purchase securities from or sell securities to other Clients, the Investment Manager will use its best efforts to mitigate potential conflicts of interest by causing such transaction to ordinarily occur at the then prevailing market price of the applicable securities and by considering the interests of all Clients. The Investment Manager may use brokers to facilitate these cross transactions and/or execute such cross transactions "off-exchange" through The Northern Trust Company (the "Northern Trust) without using a broker. No commissions are paid when the cross trades are executed "off-exchange" through Northern Trust. The Investment Manager will provide details of Client crossing activity on a quarterly basis on written request.

Review and Amendment of this Policy

The Policy is reviewed at least annually by the Investment Manager's Dealing Group as well as when a material change occurs that affects the Investment Manager's ability to execute orders in accordance with the Policy. The Investment Manager will notify Clients of any material changes made to this Policy resulting from these reviews.