

Summary of JOHCM Group's Order Execution Policy

INTRODUCTION

This document summarises the Order Execution Policy and arrangements which JOHCM has in place for dealing with client orders generated from JOHCM's investment decisions in respect of the J O Hambro Capital Management UK Umbrella Fund (the "**Fund**"). It is made available to all investors in the Fund as required by the rules of our main regulator, the UK Financial Conduct Authority (the "**FCA**").

When dealing with client orders for the Fund, we are required to take all sufficient steps to obtain the best possible result for the Fund, taking into account the execution factors of price, costs, speed, likelihood of execution and settlement, size, nature or any other consideration relevant to the execution of the order ("**best execution**"). This document provides information on the arrangements which we have in place with a view to achieving best execution on a consistent basis for the Fund.

JOHCM'S ORDER EXECUTION ARRANGEMENTS

JOHCM is the authorised corporate director of the Fund and provides discretionary investment management services to each of the sub-funds of the Fund. The mandate we have with the Fund gives us full discretion, subject to the investment restrictions stipulated in the investment management agreement, the FCA Rules and the Prospectus, to make investment decisions on behalf of the Fund in respect of each sub-fund.

JOHCM also provides investment management services to other clients. Trading for all clients, including the Fund, is carried out on the same basis, and other clients and affiliates do not receive preferential services or treatment compared to the Fund.

The execution of client orders is carried out by a central trading desk, staffed by full time trading professionals. To provide timely execution in all time zones in which we invest for the Fund, the trading desk is made up of traders from across the JOHCM offices in London, Singapore, and Boston, USA. The arrangements summarised in this document are applied across all the offices which make up the JOHCM central trading desk to trades executed in all jurisdictions.

The separation between investment management decisions and execution of orders means that our fund managers can concentrate on idea generation and portfolio construction, leaving order execution to our trading desk. This separation also provides an in-built control for managing conflicts of interest. In particular, fund managers are not allowed to dictate the choice of broker, trading venue or counterparty to be used.

JOHCM will either send orders to other entities (e.g., brokers) for execution, including using a broker's algorithmic ("**algo**") trading systems, (i.e. **place or transmit orders**), or will **execute orders** directly on a trading venue (e.g. a regulated market, Multi-lateral Trading Facility ("**MTF**") or Organised Trading Facility ("**OTF**") or similar trading platform in non-EEA jurisdictions) or with a counterparty. Where an order has been sent to a broker, the broker, acting as agent, will either execute the client order on a trading venue in the relevant market/jurisdiction, against its own book (as a systematic internaliser ("**SI**") or otherwise, depending on the market), or cross the order with other orders it has received from its clients.

JOHCM'S APPROACH TO ORDER EXECUTION: OVERVIEW

The nature and extent of our best execution obligations in respect of a client order will depend on whether we are executing the order directly or using another entity to execute the order (i.e. when placing an order with or transmitting an order to a broker).

Where we are using another entity for execution, we will be responsible for selecting the entity and monitoring the execution services received in order to check that the execution arrangements used by the entity enable us to comply with our own best execution obligation when we place or transmit orders to that entity for execution. In particular, we are required to monitor the execution quality provided by other entities we use for execution and, where appropriate, take action to correct any deficiencies (see below for a summary of JOHCM's procedures for monitoring and review of brokers). Where JOHCM dictates the trading strategy (e.g. when choosing an algo) or the market on which the order should be executed, or provides specific parameters to the broker e.g. regarding price or time limit, JOHCM, not the broker is responsible for these decisions.

Where JOHCM is executing orders directly with a counterparty or directly on a trading venue (e.g. an MTF or OTF), we will normally be wholly responsible for achieving best execution. This will involve determining the trading venue where the order will be executed or the counterparty, and deciding on and implementing the trading strategy to be applied.

Execution Factors

As part of the best execution obligation, when taking all sufficient steps to obtain the best possible result for the Fund, JOHCM takes into account the execution factors of:

- Price (e.g. the price at which the order is executed)
- Costs (e.g. commissions, taxes, exchange and account fees)
- Speed of execution (i.e. the time it takes to transmit an order to a broker or the market and how quickly the order is completed)
- Likelihood of execution
- Likelihood of settlement
- Size of order
- Nature of order
- any other consideration relevant to the execution of the order

JOHCM traders consider the execution factors (to the extent relevant to an order) as part of their best execution decision making process in order to determine the most appropriate venue, method of execution and trading strategy to be applied for each order with a view to obtaining the best possible result for the Fund on a consistent basis.

JOHCM is required to consider the following criteria when determining the relative importance of the execution factors:

- the objectives, investment policy and risks specific to the relevant sub-fund, as indicated in its prospectus or instrument constituting the fund;
- the characteristics of the client 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.

The following additional considerations may also have an impact on the relative importance of the execution factors to JOHCM:

- Liquidity of the financial instrument
- Potential market impact

- Investment strategy of the sub-fund
- Portfolio manager's instructions in respect of a specific order
- Rationale for the transaction
- Market conditions

Whilst price and costs will generally be the most important of the execution factors to JOHCM, the other execution factors mentioned above will also play an important role in determining the venue, method of execution and trading strategy to be applied to a particular order, depending on the circumstances. For example, for a less liquid instrument the likelihood of execution and the size of the order may be as important as price and cost. In other circumstances, market conditions or events may play a part in influencing the relative importance, so that speed of execution becomes more important. For larger orders, where market impact is a concern, speed of execution will be less important than price.

The characteristics of the financial instrument and the order, and the available execution venues will all have a significant impact on the choice of venue, execution method and trading strategy and the relative importance of the execution factors. JOHCM's approach to determining the relative importance of the execution factors in relation to the different classes of financial instrument relevant to your portfolio is covered in the section below.

Where an order is received from a fund manager, the trader responsible for the order will take into account the preferred trading style of the fund manager and any specific fund manager requests at the time the order is placed when deciding on the approach to be adopted and the relative importance of the execution factors. Each of JOHCM's fund managers have their own investment style which is reflected in their investment strategy and preferred approach to trading.

Counterparty and trading venue selection

Transactions may only be undertaken with approved counterparties and brokers or on approved trading venues. A summary of the broker and trading venue approval process applied by JOHCM is provided further below.

The JOHCM approved broker and counterparty list comprises a mixture of large integrated investment banks and smaller country specific or niche firms as well as trading platforms. The large firms typically provide a full range of trading services across regions. The smaller firms are typically used to achieve best execution in particular markets or securities. Our aim in selecting counterparties, brokers and trading venues is to ensure that we have a sufficient number to allow us to access available liquidity and volume of trades in order to provide effective execution for our clients.

A list of the brokers on whom JOHCM places significant reliance for execution for the Fund is provided in Part A of the Appendix and a list of the trading venues and counterparties is provided in Part B of the Appendix.

There are a number of factors which will impact our choice of broker for a particular order, these include whether the broker has indicated that they have access to the stock (e.g. through an indication of interest ("IOI") or from other direct communications), whether the broker has been active recently in the stock or whether the broker is a specialist in the relevant industry (all these factors are an indication of the likelihood of execution), whether we have any concerns over a particular broker's financial stability or the effectiveness of a broker's settlement systems or arrangements (which would impact the likelihood of settlement) and for more bespoke instruments, whether the relevant sub-fund has been set up with a particular broker at the time of the order.

Similar factors will impact our choice of counterparty or venue when we are executing directly. However, the displayed prices and commissions or venue fees charged will be the main factor, all other things being equal.

We may also need to choose between execution on a trading venue or placing the order with a broker. This will be relevant where there is a direct match with another participant in an MT of which we are a member. This choice will be dependent on the extent to which we want to minimise market impact, the price at which we believe we could execute elsewhere based on available liquidity on other venues, explicit costs (e.g. broker commissions versus venue fees), and implicit costs (e.g. as a result of executing later rather than sooner, volatility or market events).

Use of a single broker or venue

JOHCM may use a single counterparty, trading venue or broker for certain types of transaction (e.g. derivatives transactions or trades relating to money market instruments) when the number of transactions undertaken is very limited and where the transactions are only undertaken for a small number of clients.

JOHCM monitors the execution quality obtained in order to check that the single broker, counterparty or trading venue used enables us to consistently get the best results for our clients, including the Fund. We also regularly assess the market landscape by reviewing alternative counterparties, venues and brokers that could be used for such transactions.

Ensuring a fair price for OTC products

Where a financial instrument is not admitted to trading on a trading venue or is admitted to trading on a trading venue but the transaction is executed off venue, JOHCM has a duty to check the fairness of the price proposed to clients, by gathering market data used in the estimation of the price of the financial instrument and, where possible, by comparing with similar or comparable products.

This price check is carried out on an ex ante basis against available up-to-date price data from the venue(s) where the financial instrument is traded or against a selection of quotes obtained from other counterparties. Where there is only one seller or buyer of the financial instrument (e.g. an illiquid bond), JOHCM will assess the quote provided against its own estimation of fair value. Where the financial instrument is bespoke and not admitted to trading on a trading venue (e.g. an OTC derivative), JOHCM will use the price of any underlying financial instrument and/or seek quotes from a range of counterparties in order to check the fairness of the price agreed for the transaction. JOHCM keeps a record of all reference prices obtained for this purpose.

Orders carried out with a counterparty on an OTC basis or in OTC instruments are subject to credit risk in respect of the counterparty in relation to the performance of the transaction. Additional information about the consequences of this means of execution in relation to the types of instrument held in the Fund is available on request.

Commission Rates

JOHCM has, wherever practical, established standard execution only commission rates (i.e. excluding local fees and taxes) with brokers for each jurisdiction in which it trades, depending on the type of equity instrument and execution service provided. This does not include commissions for programme trades which are separately negotiated. Commissions for other instrument, may differ across the counterparties used. This will tend to reflect differences in the underlying costs incurred by the counterparties (e.g. exchange and custody fees).

JOHCM keeps commission rates under regular review to ensure they reflect market trends and represent value for its clients, and its Best Execution Committee carries out a formal review of rates on an annual basis.

Approach to receipt of third-party benefits

JOHCM does not receive any payments or non-monetary benefits from brokers, counterparties or trading venues, other than minor non-monetary benefits which are assessed as permissible by the FCA rules in accordance with our Gifts and Entertainment Policy (please see the Summary of our Conflicts Policy for further information). JOHCM do not use commissions generated by the Fund to purchase services from brokers or other third parties, other than services which are directly related to the execution of the order concerned.

Programme trades

Where a large inflow or outflow of funds takes place within a sub-fund, the JOHCM traders will generally approach this by means of a programme trade, involving either the acquisition of a number of different securities in order to put the funds to work or, respectively, encashment of existing holdings across the sub-fund, so as to ensure that securities weightings remain the same within the sub-fund notwithstanding the inflow or outflow as the case may be.

Programme trades generally entail a detailed discussion between traders and fund managers to ensure the best outcome for the sub-fund. Individual trades forming part of a programme are then approached with the same considerations as outlined above.

JOHCM'S APPROACH TO ORDER EXECUTION: SPECIFIC INSTRUMENTS

Listed Equities – EEA and Non-EEA (including shares, depositary receipts, ETFs, investment trusts and similar exchange traded instruments)

General

When an order has been received by the trading desk, as a first step, the trader may discuss the rationale for the transaction, any particular execution factors which should be given precedence (e.g. based on the rationale for the trade and/or the fund manager's knowledge of market conditions), the trading strategy which should be adopted with the fund manager who has generated the order and any specific instructions e.g. regarding timing or price limit.

The liquidity profile of a stock will usually be the trader's first consideration, and will generally determine the approach to execution chosen for a particular share. The JOHCM approach to execution in relation to different levels of liquidity is explained below.

High Liquidity

Where the instrument is highly liquid, price and speed are normally the most important execution factors. Orders where liquidity is not an issue will normally be executed shortly after receipt by the trading desk. Where the market on which the instrument is traded is mainstream and accessible, the trader will consider algo ('low touch') trading as the most appropriate method, because it is the most cost effective, and depending on the strategy chosen, will ensure a speedy execution.

Where an algo is used, the precise result achieved will depend on the trading strategy of the algo chosen and any parameters set by the JOHCM trader.

Speed will not be important for limit orders at prices away from the current market level, or where a deliberate decision has been made by either the fund manager or trader to stage the

implementation of the order over a longer period of time. In these cases a “high touch” approach rather than an algo is likely to be used. This involves placing the trade with the selected broker via electronic media, and following up over the telephone if needed to discuss execution strategy.

For very large orders compared to the market, which could impact the market price if not carefully managed, the trader may also consider high touch trading.

JOHCM may also execute trades directly in liquid listed equities, e.g. on an MTF or other trading platform of which it is a member or with an SI. JOHCM will not usually execute transactions directly with counterparties unless the counterparty is acting as an SI in the security concerned.

Medium Liquidity

Where an instrument displays moderate liquidity, JOHCM traders are only likely to use a broker algo for instruments towards the upper end of this liquidity class. A trader may also consider using an algo in any of the following circumstances: where the order is small relative to available liquidity, where it is important to minimise the risk of information leakage or where anonymity is required, to minimise market impact, to maximise liquidity across all trading venues and/or to ensure a speedy execution.

On the whole, price and speed will also be the most important execution factors. Where the use of algorithmic trading is not appropriate, JOHCM traders will first of all look for natural liquidity and use a high touch approach.

Low Liquidity

Where a share is illiquid, the most important factor will be likelihood of execution. The trader will first of all look to see where the natural liquidity is in the stock by looking at broker IOIs or obtaining an indication of recent flow from house brokers for the stock. If the trader matches with a broker IOI, they will try to agree the price at mid-market. The trader will also look to specialist brokers. Certain brokers may be more active in certain markets or industry sectors, and therefore able to provide a superior execution service for a particular security.

Trades in illiquid stocks are likely to have a greater market impact, and so a high touch approach may be adopted, where natural liquidity cannot be accessed.

Other factors

When executing orders in any liquidity class, JOHCM traders will also consider market conditions, for instance where there has been or there is expected to be a significant economic or political announcement or event which could impact price, liquidity or market volatility. The trader will want to minimise the impact of the market event on the price achieved and so this could have an impact on the timing or the speed at which the order is executed.

JOHCM's approach to crossing trades between clients

The aim of crossing trades is to obtain a better price for each portfolio than would have been achieved in the market. All cross trades undertaken by JOHCM for clients, including the Fund are sent to a broker for execution and executed at mid-price at the time the trade is executed. The broker will charge an administrative fee for arranging the transaction which will generally be lower than normal commission rates.

Except as provided in the rest of this paragraph, JOHCM traders will seek to cross trades between client portfolios, including a sub-fund, whenever they receive an order to sell a security from one or more client portfolios and at the same time receive an order to buy the same security for one or

more other client portfolios. JOHCM will not seek to cross trades where one or more of the client portfolios involved is subject to regulatory requirements which prohibit such trades or prevent JOHCM from crossing the transactions using its normal practice set out above.

Exchange Traded Equity Index Options

All transactions in exchange traded derivatives (“ETDs”) are executed by an execution broker on the relevant exchange and cleared by JOHCM’s clearing broker. All trades in equity index options are currently executed and cleared by Goldman Sachs on our behalf through LCH Clearnet in a gross omnibus client account, and subject to daily margin requirements. The most important execution factors are liquidity (as displayed by the open interest posted by the exchange) and price.

Due to the limited volume of ETD trades undertaken by JOHCM, and the nature of these transactions, in respect of which there is good price transparency, we feel that the use of a single execution counterparty is appropriate.

Money Market Instruments

Money market transactions are executed via a single broker, Cannacord. JOHCM only executes orders in UK Treasury bills. Cannacord will either act as JOHCM’s agent in the secondary market or by gaining access to the UK Debt Management Office (“DMO”) auction via GEMMs and inter-dealer brokers who are direct participants. Where orders are filled from the DMO auction process, the price paid is the auction price plus the broker’s commission. Price is the main execution factor for these orders, although the acceptable yield to maturity spread (as determined by the fund manager) will also be a key factor for bids placed into the DMO auction.

Money Market Funds

Transactions in shares in UCITS money market funds are entered into directly with the money market fund itself or with its management company, in accordance with the prospectus of the relevant fund at the prevailing net asset value of the money market fund in question.

Bonds

Bonds are traded on an MTF or directly with a counterparty on an OTC basis. Bond prices depend on the risk-free rate to maturity, comparable bond prices and the supply and demand for the bond. The most important execution factors for bond orders are liquidity and price. Where JOHCM decides to execute an order OTC, we will request quotes from a number of counterparties, or use an RFQ platform to obtain multiple quotes, in order to ensure that the price at which the order is executed represents a fair price for the client.

FX Forwards

Currency forward transactions will be executed with one of our approved counterparties. JOHCM will compare the price quoted with prices displayed on an FX trading venue (such as FXAll), or an FX RFQ platform or from information from price feeds provided by Bloomberg. FX forwards are spread traded products so there are no commissions. The quoted price includes the cost of execution. The pricing of FX forwards is purely a function of the spot rate and the interest rate differential between the two currencies considered.

JOHCM'S APPROACH TO ORDER HANDLING AND ORDER ALLOCATION

Our aim is always to ensure fair treatment of clients in the execution of orders and allocation of trades and to manage any potential conflicts of interest ensuring compliance with the FCA Rules. When executing orders we are acting as agent for our clients. We do not take positions for our own account and we do not transact with any affiliated counterparties.

JOHCM is required to ensure that client orders are executed promptly, fairly and expeditiously relative to other client orders or its own orders, and that such orders are recorded promptly and accurately. In order to comply with this obligation JOHCM must also ensure that client orders which are comparable are carried out sequentially and promptly unless market conditions make this impracticable, or the interests of the client require otherwise.

In order to ensure fair execution, orders are actioned by traders in the order in which they are received by the trading desk, which ensures that comparable orders (i.e., orders in the same stock) are dealt with sequentially. As we do not execute orders for our own account, there is no risk that our trading team will give preference to our orders and execute them ahead of prior client orders.

Aggregation of orders and allocation of transactions

JOHCM may only aggregate client orders or transactions if:

- (i) it is unlikely that the aggregation of orders and transactions will work overall to the disadvantage of any client whose order is to be aggregated;
- (ii) it is disclosed to each client that the effect of aggregation may work to its disadvantage in relation to a particular order; and
- (iii) JOHCM has established and implemented an order allocation policy which provides for the fair allocation of aggregated orders and transactions.

JOHCM's fund managers will aggregate orders in the same security across portfolios managed in accordance with the same strategy to ensure that the portfolios are managed consistently.

OUR CONTROLS AND OVERSIGHT

Our Best Execution Committee ("BEC") is responsible for oversight of our order execution policy and arrangements. The BEC meets on a regular basis in order to consider the results of best execution monitoring and review existing and approve new brokers and trading venues, amongst other things. This senior management committee reports, via our Risk Committee, to the Board of JOHCM Limited.

Review and approval of counterparties

We only use brokers, counterparties and trading venues for the execution of client orders which have been approved in accordance with our Counterparty and Venue Selection and Review Process. This process is managed by our Risk team and provides a detailed review covering the financials,

information on execution arrangements and execution quality, legal documentation, commission rates and regulated status of any new entities proposed to be added to the list.

The BEC makes the final decision on any new appointment, based on the rationale provided by the trading desk, as well as the review mentioned above.

If approved, a counterparty is allocated to a specific counterparty tier (from 1 to 5) each of which has an overall exposure limit, reflecting the associated credit risk.

Each broker, counterparty and trading venue is reviewed on an annual basis taking into account latest financials, any changes highlighted to execution arrangements or terms of business, the level of service provided including execution quality obtained and any perceived settlement risks, and information provided by the broker or venue on its execution quality. The review will include feedback from meetings held with the broker, counterparty or trading venue over the course of the year. The review process will result in a recommendation to the BEC either to continue use or for removal of an entity from our approved list. The decision rests with the BEC.

We may also decide to stop using a broker, counterparty or trading venue immediately if we have identified a significant deficiency or failure in their execution arrangements or there are concerns regarding their financial status.

Monitoring execution quality

We use a transaction cost analysis (“TCA”) system provided by Bloomberg, which is fully integrated with our order management system, to monitor execution achieved. Execution quality monitoring using this system is undertaken separately by the Trading Desk and by Compliance across all asset classes.

Execution outcomes are analysed against execution quality benchmarks selected according to the asset class and type of execution. Appropriate thresholds have been set against these benchmarks for each execution type and reports are run in order to identify outliers and trends which are reviewed and investigated.

Where we identify issues with execution quality or deficiencies with our execution arrangements are detected, appropriate remedial action is taken. Findings and trends identified by our execution monitoring are documented in reports that are reviewed by the BEC. Execution quality benchmarks and thresholds are reviewed on a regular basis to ensure that they remain appropriate.

Information provided by brokers and trading venues is also used to assess execution quality, up-front (in the counterparty approval process), on an on-going basis and at each annual counterparty review.

Review of our order execution policy

We monitor the effectiveness of our order execution arrangements and policy on a regular basis and the BEC carries out a formal review at least annually and whenever there is a material change. A material change is one that affects our ability to continue to obtain the best possible result for clients.

This document is also reviewed on an annual basis, and following a material change, and up-dates are made available to investors, to reflect any changes to our execution arrangements which have an impact on the information previously provided.

FURTHER INFORMATION

Investors in the Fund may ask us for additional information on our order execution arrangements and how they are reviewed, including further information on the consequences of trading outside a trading venue and information about the entities where orders are transmitted or placed for execution. Such requests should be made to ClientServices@johcm.co.uk.

J O Hambro Capital Management Limited
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Appendix – List of Executing Venues

Equity
ITG
Barclays Capital Europe
BTIG Limited
Canaccord
Carnegie International
Cenkos Securities Ltd
CF Global
Citigroup Global Markets Ltd
Cowen Execution Services Ltd
Credit Lyonnais
Credit Suisse First Boston
Daiwa Capital Markets Hong Kong Limited
Danske Securities
DnB Nor Group
Enskilda Securities
Exane
Goldman Sachs International
Goodbody's
HSBC
Instinet
Investec Henderson Crosthwaite
ITAU BBA
Jefferies

JoH. Berenberg, Gossler & Co. KG
JP Morgan
Keefe Bruyette & Woods
Kepler Chevreux
Keybanc Capital Markets Inc
Leerink Partners LLC
Liberum Capital
Liquidnet
Loop Capital Markets LLC
Luminex Trading & Analytics LLC
Macquarie
Mediobanca
Merrill Lynch
Mizuho
Morgan Stanley
N+1 Singer Capital Markets
NH Investment & Secs Co LTD
Northern Trust Securities LLP
Numis
Oddo Pination Equities
Panmure Gordon
Peel Hunt
Raymond James
Redburn
Robert Baird
Royal Bank of Canada

Sanford Bernstein
Shore Capital
SinoPac Securities (Europe) Ltd
Societe Generale
Stifel Nicolaus
Susquehanna Financial Group, LLP
UBS Warburg
VTB Capital
Wells Fargo Securities, LLC
Winterflood Securities

Fixed Income
Barclays Capital Europe
Canaccord
Citigroup Global Markets Ltd
Goldman Sachs International
Jefferies
JP Morgan
MarketAxess Capital Limited
Merrill Lynch
Morgan Stanley
StoneX Financial Inc
Wells Fargo Securities, LLC

Equity options
Goldman Sachs International

FX
Goldman Sachs International