

Order Execution Policy – Disclosure Statement

The FCA Rules require an investment manager when executing orders on behalf of a client or placing a client's orders with other entities for execution, to act in the best interests of the client, and to take reasonable steps to obtain the best possible result (the “**Best Execution Obligation**”). Morant Wright Management Limited (“**Morant Wright**”) has established and implemented an order execution policy (the “**Policy**”) setting out the most important and/or relevant aspects of the arrangements that Morant Wright has put in place to comply with the Best Execution Obligation.

This Disclosure Statement is intended to provide the client for which Morant Wright is the appointed investment manager with information on Morant Wright's Policy as required by the FCA Rules.

Scope

We will seek to ensure compliance with the Best Execution Obligation as required by the FCA Rules on all securities in which we deal on the client's behalf. We also seek to ensure that the client receives value for money on the commission spent on their behalf (as required by the FCA Rules). We do so by following the procedures set out in this Disclosure Statement.

Order Execution

As an investment manager, Morant Wright makes, and then gives effect to, portfolio management decisions to deal in financial instruments on behalf of the client for which it is the investment manager. There are two methods of giving effect to those decisions that are distinguished for the purposes of the FCA Rules:

- (i) Morant Wright can place an order with a third party (e.g. a stockbroker or investment bank) for that third party to execute on behalf of the relevant client. Such third parties are referred to in this Disclosure Statement as “**Brokers**”.
- (ii) Morant Wright can execute the relevant transaction on behalf of the relevant client directly with a counterparty or on an exchange or other trading system (for example by dealing directly with a market maker on a “request for quote” basis). The counterparty, exchange or trading system with whom the Investment Manager chooses to execute such a transaction is referred to in this summary as an “**Execution Venue**”.

As an investment manager, Morant Wright is required either: (i) when directly executing orders with or on an Execution Venue on behalf of the relevant client or (ii) when placing orders with Brokers for execution by that Broker on behalf of the relevant client, both:

- (i) to act in accordance with the best interests of the client; and
- (ii) to take all reasonable steps to obtain the best possible result by reference to the “**Execution Factors**” (see below) for the client.

Currently, Morant Wright only executes orders through Brokers.

Morant Wright shall, on request from a client, demonstrate that it has executed orders on behalf of that client in accordance with the Best Execution Obligation.

Execution Factors

The factors (the “**Execution Factors**”) that Morant Wright will take into account when executing orders on behalf of the client will include price, costs, speed, likelihood of execution and settlement, size, nature and any other consideration relevant to the execution of the order in question (including market impact). The best possible result for a particular transaction will be determined by the relative importance given by Morant Wright to the Execution Factors, which will in turn determine the choice of Broker or Execution Venue.

In determining the relative importance of the Execution Factors, the Investment Manager will take into account the following criteria:

- the characteristics of the client, including the categorisation of the client as retail or professional;
- the characteristics of the relevant order;

- the characteristics of the financial instruments or other assets that are the subject of the relevant order; and
- the characteristics of the Broker through which and the Execution Venues on or with which the order can be executed.

Dealing Methodology and Venues

Morant Wright deals only in listed Japanese equities.

All orders to buy and sell such securities on behalf of clients are placed by us on a discretionary basis as part of our role as investment manager. Orders are placed with one of the Brokers on our approved list. It is our expectation that orders are executed on the exchange which provides the greatest pool of liquidity and hence the most efficient price formation in the security concerned. Normally, this will be the Tokyo Stock Exchange. Choice of Execution Venue is the responsibility of the Broker to whom the order is given subject to the requirement to provide best execution at all times.

Virtually all orders are placed on an agency basis. Orders are placed either with a specific price limit or at the Broker's careful discretion. In all cases, the terms of the order are that the Broker must provide best execution. It is extremely rare for us to participate in IPO's, secondary offerings or block trades, although we retain the right to do so where we consider it to be in a client's interests.

Client orders may be aggregated with those of other clients for execution where we reasonably believe that this is in the overall best interests of our clients. Intended allocation of all orders is recorded in advance. Where there is only partial execution of orders, allocation will be on a pro rata basis, rounded where necessary to take account of the trading lot size of the security in question.

Quality of execution of trades is assessed on the day following execution by a fund manager and regularly by the Compliance Officer by comparing the price achieved against the daily Volume Weighted Average Price ("VWAP") for the security.

With a majority of brokers we have agreed that they will execute trades at guaranteed VWAP (with exceptions). Analysis has shown that in terms of price received this is advantageous to the client to the extent of 5 basis points or more, which effectively reduces our rate of commission.

The FCA Rules state that, whenever there is a specific instruction from the client, we must execute the order following the specific instruction. The FCA Rules state that Morant Wright satisfies its Best Execution Obligation to the extent that it executes an order, or a specific aspect of an order, following specific instructions from the client relating to the order or the specific aspect of the order.

Transmission of client orders

Unless the client has specified otherwise in their Agreement with us, brokers are free to execute orders either on a Regulated Market or on a Multilateral Trading Facility ("MTF") subject at all times to the requirement to provide best execution. An MTF, as described in the FCA Rules, is a multilateral system, operated by an investment firm or market operator which brings together multiple buying and selling interests in financial instruments in a way which results in a contract between the parties.

Broker Reviews

Brokers on our approved list are selected according to the quality of the services they provide in respect of research and execution/settlement. The financial strength of the broker is also considered and a broker may be removed from the list at any time if there are any doubts about its financial soundness.

Broker review meetings are held at 6 monthly intervals (with interim reviews at 3 months to review actual against intended allocation of commission) to assess the brokers' performance against the specified criteria. At each review meeting a target percentage of the firm's commission for the forthcoming 6 months is allocated to each broker according to the level of service they have provided over the previous 6 months.

Commission

A standard rate of commission of 0.15% is paid across all brokers. Occasionally, this may be reduced if the broker is merely crossing stock between one of our accounts and another at our request.

Commission is paid on a "bundled" basis ie our standard rate of commission pays for both execution and research (and for no other services). We estimate that two thirds of our commission pays for execution and settlement and one third for research.

The total amount of commission paid inevitably varies due to client inflows/outflows and bull and bear market conditions. On the basis of historical evidence Morant Wright determines annually an appropriate guideline amount to spend on research. This may be adjusted in the light of market conditions/client flows. (Inflows may mean a greater need for research, outflows a

need for less research.) Alternatively, Morant Wright may adjust the rate of commission up or down from the standard 0.15% in order to meet our total target amount.

We have decided that we do not wish to have a direct relationship with a particular broker for whatever reason but the broker produces substantive research which may be of use, we may (subject to the FCA Rules) decide to execute trades through an execution venue and direct a share of commission to that broker. Alternatively, we may (subject to the FCA Rules) place an order through a full-service broker and designate part of the commission paid to a third party who provided us with valuable substantive research.

We can participate in commission recapture programmes if the client so requests but do not currently do so.

We do not purchase research directly from third parties but may designate commission to them.

For the avoidance of doubt, Morant Wright pays a fixed sum out of its own money directly to brokers who arrange meetings with companies in the course of overseas visits. Morant Wright also pays a fixed sum to brokers who arrange conference calls. Morant Wright does not pay for company meetings as these also benefit the company and the arranging broker as well as Morant Wright.

Conflicts of interest

In order to minimize conflicts between ourselves and our clients, we do not deal in Japanese securities for our own account. Nor are employees of Morant Wright allowed to deal in Japanese securities.

Potential conflicts between different client accounts are minimized by pre-allocating all orders before placing them with the broker for execution. Orders and subsequent executions are input into the firm's dealing system by back office staff independent of the fund managers and are monitored by the compliance officer. Partially completed orders are allocated pro rata (subject to rounding).

Derivatives

We do not use derivatives in the management of our accounts other than forward foreign exchange contracts to hedge the currency exposure of some share classes of the Sakura, Fuji Yield and MW Japan Funds. This is carried out by Bank of New York Mellon under the authority of the directors of each fund and the scrutiny of the Morant Wright Compliance Officer.

Custody, Cash management, Foreign exchange

We do not provide custody, cash management or foreign exchange services, these normally being the responsibility of the client's own custodian.

Review

We review our order execution policy annually. We would notify the client should there be any material changes to our arrangements or Policy.

Morant Wright Management Limited
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