

BEST EXECUTION POLICY

1. Introduction and Legal Fundamentals

Generally, the best execution obligation only applies to the execution of orders which originate from private investors or professional customers and which, when the order is placed, do not explicitly include any instructions regarding the trading venue within the meaning of Article 2 (22) of the German Securities Trading Act ("WpHG") for execution.

The provision of Section 68 (1) of the German Securities Trading Act (Wertpapierhandelsgesetz - WpHG) takes account of the reduced need for protection of eligible counterparties by expressly excluding the applicability of the best execution obligation pursuant to Article 82 of the WpHG for financial commission business, investment and acquisition brokering, proprietary trading as well as directly related ancillary securities services between eligible counterparties. Since NCB works exclusively with eligible counterparties in securities trading, the execution principles relate exclusively to North Channel Bank's asset management activities.

North Channel Bank has established the following Best Execution Policy for trading transactions to ensure best execution and consequently the best possible result for an investment fund. The principles are based on Article 82 of the German Securities Trading Act (WpHG), Article 27 of MiFID II and Article 2 (4) of KAVerOV in conjunction with Article 168 (7) of the German Banking Act (KAGB) and in conjunction with Articles 27, 28 of the Delegate Regulation (EU) No. 231/2013. The Best Execution Policy applies to all trading transactions of NCB. The subscription of new issues is not considered to be trading transactions within the meaning of this Policy.

2. General Broker Selection Process

Within the framework of the outsourced asset management, NCB exclusively uses brokers who are approved by the KVG ("Kapitalverwaltungsgesellschaft" i.e. capital management company) and the depositary after a previous review process. Corresponding (positive) lists are provided by both institutions. Once a year, the brokers are reviewed by NCB to ensure that they comply with the MiFID requirements for best execution. This is documented by a corresponding confirmation of the broker. If significant changes occur outside this cycle, an ad hoc assessment of the broker is performed with appropriate measures to ensure the best possible service for the investor. NCB has established a broker list of the respective trading partners with whom trading transactions are concluded based on the above-mentioned assessment and good experience. Execution orders are only placed with institutions that are included on the current broker list.

3. Business Related Selection Process

As a result of the outsourced asset management mentioned above, in general NCB is not involved in the direct execution of a securities order. Generally, orders in equities, bonds, ETFs and derivatives are placed with the custodian, so that MiFID-compliant execution is guaranteed by the custodian's Best Execution Policy.

The scheduled annual review is conducted by obtaining an extract from the attestation of the broker's auditing company or a similar document, which documents the adequacy of the respective Best Execution Policy.

Within the scope of subscribing to new issues, orders can be placed with various institutions that are on the broker list of the KVG and depositary. Due to their special nature, these transactions are not covered by the Best Execution Policy.

Orders in the "derivatives" segment (e.g. interest rate or currency futures) are placed exclusively with the depositary.

4. Deviating Execution in Individual Cases

Due to system failures or exceptional market conditions, it may be necessary to place an order in deviation from these principles on rare occasions. Even in these circumstances, NCB will undertake every effort to achieve the best possible execution result.

The currently valid version of the Best Execution Policy can be viewed on the bank's website.