

Best Execution Policy

This Policy describes how Mesirow Currency Management (“MCM”)¹ seeks to provide best execution in accordance with regulatory requirements. MCM is committed to achieving best execution on behalf of its clients by taking all sufficient steps to obtain the best possible result when we execute orders on behalf of our clients.

This Policy applies to all portfolio managers and traders at MCM who place trades on behalf of clients, regardless of where they are located, the type of instrument traded or on what venue they place the trades.

This Policy should be read together with MCM’s Counterparty Selection and Monitoring Policy to understand the full scope of MCM’s counterparty selection process and best execution philosophy. The Counterparty Selection and Monitoring Policy describes MCM’s evaluation, monitoring, and assessment of execution performance of its trading counterparties.

Best Execution

MCM will take all sufficient steps to obtain the best possible result for our clients, taking into account the following factors:

- Price
- Costs
- Speed
- Likelihood of execution and settlement
- Size
- Nature
- Liquidity
- Market holidays
- Process issues
- Any other consideration relevant to the execution of an order

The relative importance of these execution factors will be determined based on the following criteria:

- The characteristics of the client or fund
- The characteristics of the transaction, including prevailing market conditions
- The characteristics of the financial instruments that are subject of that transaction
- The characteristics of the brokers and execution venues available
- The market obligation relevant to the transaction

¹. MCM consists of the Currency Divisions of Mesirow Financial Investment Management, Inc. (“MFIM”) and Mesirow Financial International UK, Limited (“MFIUK”). MFIM is a SEC-registered investment advisor, a CFTC-registered CTA and a member of the NFA. MFIUK is registered with the FCA.

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Although price will ordinarily merit high importance, the weight given to these factors can be expected to vary according to, among other things: (1) the purpose of the trade, (2) the type of instrument, and (3) market conditions. The factors may vary throughout the day, even on the same type of trades, and require flexibility for effective implementation.

Counterparty and Broker Selection

MCM's most important factor in choosing a trading broker or counterparty is the quality of its trade execution. Specifically, MCM considers the following factors as part of execution performance:

- Counterparty liquidity
- Competitiveness of pricing
- Quality of order management
- Order slippage
- Speed and likelihood of execution
- Quality of operational process

MCM determines the relative importance of each factor on a client-by-client basis by considering client-specific mandate parameters, maturity duration, currency pairs, instruments, order type, client counterparty preferences and credit availability.

Execution Venues

Subject to any client-specific limitations or instructions, MCM will, in its discretion, select the most appropriate execution venue for a given client order at the time of the transaction. Transactions may be executed:

- On regulated markets
- On multilateral trading facilities ("MTFs")
- On electronic communication networks ("ECNs")
- On Swap Execution Facility platforms ("SEFs")
- Over the counter ("OTC") with Systematic Internalisers ("SIs")
- OTC with approved counterparties²

We select the execution venue for an order by considering the following factors:

- The depth of liquidity and the relative volatility of the market
- The speed and likelihood of execution
- The creditworthiness of the counterparty on the venue
- Explicit costs and implicit costs
- Execution capabilities, expertise, and reputation of the broker or counterparty on the venue
- The need for timely execution and/or confidentiality of the transaction
- Size and nature of the transaction
- The reliability and accuracy of the counterparty's or venue's communication and settlement processing
- Other matters relevant to the selection of a venue

² MCM regularly assesses the reliability and creditworthiness of its selected OTC trading counterparties in accordance with its Counterparty Selection and Monitoring Policy. MCM only executes transactions where appropriate documentation is in place to reduce potential risks associated with trading outside of a trading venue. Generally, MCM discourages clients from limiting OTC trading counterparties to a single or small roster as it increases exposure to a single or small number of banks, restricts the ability of MCM to achieve best execution and may increase risks associated with executing outside of a trading venue.

See Appendix A for a list of significant execution counterparties and venues.

Client Instructions

If a client gives MCM specific instructions for executing a particular transaction, we will comply with those instructions to the extent practicable. However, client-directed trading may prevent MCM from following this Policy to obtain the best possible result for the execution of those orders.

Order Placement

Depending on the specific client mandate, MCM may execute orders on the following instruments: equity index futures, fixed income futures, commodity futures, FX forwards (deliverable and non-deliverable), FX spot, FX swaps, FX futures, FX options and other FX-based instruments determined by MCM to be appropriate for a particular client or strategy.

Transactions that are scheduled for immediate execution, where speed of execution and price are the most important factors, should be placed in a Multi-Bank Platform (“MBP”), Execution Management System (EMS) or Multilateral Trading Facility (“MTF”), if possible. If not using a MBP, EMS, or MTF, trades can be placed on a single bank/broker platform, or directly with the broker or counterparty via Instant Bloomberg chat or a recorded telephone (US only). If a trade is not placed on a MBP, EMS or MTF, the portfolio manager or trader will solicit quotes from several counterparties and manage best execution in accordance with this Policy. This is not applicable if the client mandate uses only a single counterparty.

Transactions scheduled for contingent execution, for example limit orders, where price and likelihood of execution are the two most important factors, can be placed on a trading venue other than the ones listed above if the venue is deemed to offer superior execution when the order is placed. Resting orders left in the market with a single counterparty similarly may be appropriate where the need for execution at a certain price is the overriding factor.

Exceptional Circumstances

MCM may execute orders differently from the process described in this Policy because of system failures, market disruption, and other reasons that are unavoidable and beyond MCM’s reasonable control. In these events, MCM will endeavor to place and execute orders on the best terms available under the circumstances.

Occasionally, MCM may also trade treasuries or other securities to assist clients with cash management and investment requirements.

Monitoring and Review

We will regularly review the effectiveness of our executions. This review can include:

- Supervision to ensure that order execution follows this Policy and that senior management participates in decisions for unusual or unique trading situations.
- Periodic review of execution effectiveness based on information obtained from counterparties, liquidity providers, third-party data providers and transaction cost analyses provided by independent firms.
- Exception reports with information including trade details, reason and justifications for deviations from this Policy.
- Review of counterparties as described in the MCM Counterparty Selection and Monitoring Policy and evaluation of counterparty execution quality as outlined in this Policy.

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Delegation Arrangements

In certain circumstances where permitted pursuant to contractual arrangements with a client, Mesirow Financial Investment Management, Inc. (MFIM) or Mesirow Financial International UK, Limited (MFIUK) may delegate all or part of the discretionary management of a client portfolio.³ In such circumstances, MFIM or MFIUK will take all reasonable steps to ensure that the delegate complies with best execution requirements described in this Policy.

Publication of Top Execution Venues & Summary Analysis of Execution Quality

Annually, MFIUK makes public analysis results for its top five trading counterparties (by volume) for each class of security traded during the previous year. The analysis includes

- Relative importance MFIUK gave to the execution factors
- Description of any close links, conflicts of interest common ownerships with respect to any execution venues used
- Description of any specific arrangements with execution venues regarding payments made/received, discounts, rebates or non-monetary benefits
- Explanation of factors that led to a change in the execution venues used by MFIUK
- Explanation of how order execution differs according to client categorization; and
- Explanation of how MFIUK has used any data or tools relating to quality of execution published by execution venues.

MFIUK publishes this information on Mesirow's website in a machine-readable electronic format available for download by the public.

Policy Review

This Policy will be reviewed at least annually.

Appendix A

This section lists counterparties/venues used by MCM. Other counterparties/venues used, but not listed below, will have been selected in accordance with this Policy.

Counterparties

Australia and New Zealand Banking Group Limited
Bank of America, N.A.
Bank of Montreal
Banque Cantonale Vaudoise
Banque Lombard Odier & Cie SA
Barclays Bank Plc.
BNP Paribas
BNY Mellon, N.A.
Canadian Imperial Bank of Commerce
Citibank, N.A.
Commonwealth Bank of Australia
Credit Suisse International

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Goldman Sachs Bank USA
Goldman Sachs International
JP Morgan Chase Bank, N.A.
HSBC Bank Plc.
HSBC Bank USA, N.A.
Morgan Stanley Capital Services LLC
National Australia Bank
Northern Trust Company
Royal Bank of Canada
Banque Pictet & Cie S.A.
Standard Chartered Bank
State Street Bank and Trust Company
The Toronto-Dominion Bank
UBS AG
Westpac Banking Corporation

Execution Venues

FX Connect
SwapEx - SEF
FXall – SEF
FXall – MTF
360T
Bloomberg

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