

Order Execution Policy

Contrarius Funds

Introduction

This policy details the steps that Contrarius takes in order to achieve what we believe is best trading execution on behalf of our clients.

Contrarius typically transacts on regulated markets where possible and generally utilizes regulated brokerage firms for trade execution purposes. The brokers we rely upon to execute trades are also typically subject to a regulatory obligation to provide best execution when executing trades. Their performance against this obligation is periodically reviewed. For the purposes of this policy, a client means the Contrarius Funds or an investor within them.

The Order Execution Policy applies in relation to the following instruments:

- Equities;
- Exchange Traded Funds;
- Corporate and Sovereign Debt Instruments;
- Exchange Traded Derivatives/OTC Derivatives;
- Forward Foreign Exchange Contracts;
- Money Market Instruments.

Obligations

Contrarius will take sufficient steps to obtain the best possible results, subject to different factors. These are dependent upon the financial instrument being traded, market conditions at and around the time of the execution, and the venue on which the transaction is being undertaken.

Our policy, to the extent possible, is to exercise the same high standards regardless of the transaction type, instrument type and execution venue.

Execution factors

In determining whether Contrarius will be able to achieve the best possible outcome on a case-by-case basis, we will consider the following factors but not necessarily in the order in which they appear below:

- Costs of the transaction;
- Liquidity;
- Price;
- The execution venue;
- Counterparty;
- Speed (timeliness) of execution;
- Settlement risk;
- Size of the order relative to normal market transaction size;
- Nature of the transaction; and
- Any other factors we consider to be pertinent to the execution of the order (such as confidentiality, or prevailing market conditions).

Contrarius will consider all of the above factors as determinants of the best possible outcome. Price and other costs of transaction which determine the total consideration will rank highly in our decision making but will not necessarily be the primary factor in all cases. Other factors such as the speed of execution, liquidity, and likelihood of settlement may be given priority over the total consideration in circumstances where they have an immediate impact upon the outcome for the client.

Contrarius will take sufficient steps in light of the above factors and will exercise judgement in respect of the prevailing market conditions to secure the best possible outcome for our clients.

Venue selection

In selecting venues for trade execution, we will take into account the following considerations:

- Ability of the venue to manage complex orders;
- Speed and likelihood of execution;
- Factors that we consider to be critical to our clients' best interests in relation to trade execution.

Execution venues

The following are the venues on which Contrarius may typically execute transactions on behalf of clients:

- On exchange – directly with a Regulated Market (otherwise known as Direct Market Access);
- Via a multilateral trading facility, in broad terms, a system that brings together multiple parties that are interested in buying and selling financial instruments and enables them to do so. These systems can be crossing networks or matching engines that are operated by an investment firm or a market operator. Instruments traded on such systems may include shares and derivatives;
- Direct arrangements with third party brokerage firms with whom we have entered into an agreement for handling Client Orders. These third-party brokerage firms may employ a variety of execution approaches in a variety of execution venues, including algorithmic trading, agency trading, principal trading, or on another capital commitment basis;
- Via Collective Investment Scheme operators. These act as the sole execution venues and price providers for the collective vehicle in question.

In the eventuality that we facilitate the crossing of shares between clients on an exchange or as an internal transfer, we will seek to achieve outcomes for each participant in line with this policy.

The list of venues is not exhaustive and Contrarius reserves the right to execute transactions via other venues should we believe that they will produce a better result for our clients.

We will periodically assess the execution venues that we elected to transact upon, in order to satisfy ourselves on an ongoing basis that they offer the best possible outcome for our clients. Similarly, we regularly monitor the availability and execution quality of alternative markets to determine whether they might assist us in providing the best outcome for clients.

Brokers as execution venue

Contrarius may on occasion trade with brokerage firms as principal, including through Systematic Internalisers. In these instances, the broker is viewed as the execution venue.

Contrarius aims to execute trades with regulated brokerage firms. The brokers we may rely upon to execute trades are, to the best of our knowledge, also under a regulatory obligation to provide best execution when executing trades. Their performance against this obligation is periodically reviewed.

The following are examples of third-party brokerage firms with whom Contrarius may transact. The list is intended to be indicative and is not an exhaustive list of brokers used by Contrarius for execution. The list is not necessarily ranked in order of priority.

- Morgan Stanley;
- JP Morgan;
- State Street / CF Global Trading.

Broker selection

Before appointing a new broker, we evaluate the broker based on various criteria which may include:

- Perceived creditworthiness, reputation and financial stability;
- Quality of service including approaches to control information slippage;
- Competitiveness of cost of execution and spreads;
- Clearance and settlement capabilities;
- Promptness of execution; and
- Proven ability to deliver securities.

Broker research

The provision of research by brokerage firms is not an execution factor.

However, brokers may be rewarded for their research services via the payment of commissions. These commissions may be either specific to research or form part of bundled commissions, of which a portion represents payment for research and the remainder is payment for execution services.

In selecting our brokerage providers, we would view the two services as being distinct from one another. For the purposes of trade execution, we would select brokers on the quality of their execution capabilities.

Any Soft Dollar Arrangements comport with the CFA Institute Soft Dollar Standards. Additional information in accordance with the CFA Institute Soft Dollar Standards concerning Contrarius' Soft Dollar Arrangements is available on request.

Client instructions

There may be times when a client believes it best to give a specific instruction as to the execution of an order. Clients should be aware that providing specific instructions, for example, specifying the venue or broker to be used, may prevent us from obtaining the best possible outcome.

Client order handling

We will execute orders in a prompt, fair and expeditious manner for all clients. Where appropriate, orders may be aggregated with other client orders in a manner determined by Contrarius to be equitable to affected clients, unless instructed not to do so by any client who has such instructing authority.

Where Contrarius aggregates orders, these will be allocated to such client in proportion to the number of shares ordered.

Monitoring and review of best execution arrangements

On an ongoing basis, we will monitor the effectiveness of our execution arrangements and will seek to identify and, where appropriate, correct any deficiencies.

Periodic monitoring focuses upon assessment of the execution outcome both at point of trade and across a wider time horizon in order to gauge the overall outcome for clients.

We will review our order execution arrangements and policy at least annually or when a material change occurs that we believe affects our ability to obtain the best results for our clients.

Material changes to our order execution policy will be communicated to investors by posting a copy of the amended policy on the Contrarius website.