BLAKENEY

AUGUST 2024

Regulatory Disclosures

BLAKENEY

UK Stewardship Code Compliance & Shareholder Rights Directive

1. UK Stewardship Code Compliance

Background

The UK Stewardship Code ('the Code') is a voluntary code which is maintained by the Financial Reporting Council (FRC). The Code sets out a number of principles and guidance relating to engagement by institutional investors with UK listed companies and applies on a "comply or explain" basis.

About us

Blakeney LLP ('Blakeney') is an independent partnership, 100% owned by its partners, dedicated to investing mainly in Africa. The majority of our investments are in Africa with UK listed equities accounting for only a small proportion of our overall investment strategy. However, we aim to apply core stewardship principles in all markets whilst also being mindful and respectful of the governing laws in each individual jurisdiction in which we operate. Hence, our approach to engagement with specific issuers of securities and their management can vary on a case-by-case basis.

Below is a summary of how Blakeney implements the UK Stewardship Code.

Principle 1:

Institutional investors should publicly disclose their policy on how they will discharge their stewardship responsibilities.

Blakeney's investment objective is to find attractively valued and well managed companies in fast growing sectors in our universe. Doing this successfully requires strong bottom-up research and engagement with the management of the companies in which we invest. We rely mostly on in-house primary research and regular dialogue with the management of investee companies. This interaction also includes engagement with board members, key customers, suppliers and regulatory agencies whilst also monitoring company announcements, financial statements and industry trends. We also selectively apply the use of third-party consultants to independently verify information we receive from management teams which we feel is a crucial part of discharging our stewardship responsibilities as an investment manager. We believe that rigorous and long-term orientated analysis of investment opportunities and holdings, proactive exercise of shareholder rights and engagement with boards and management benefit long-term returns to shareholders. As appropriate we will engage and vote on any issue affecting the long-term sustainable value of an investee company.

Principle 2:

Institutional investors should have a robust policy on managing conflicts of interest in relation to stewardship and this policy should be publicly disclosed.

Blakeney conducts its business according to the principle that it must manage conflicts of interest fairly, both between itself and its clients and between one client and another. Blakeney maintains a Conflicts of Interest Policy and Register, which identifies material conflicts of interest and outlines the controls in place to mitigate and manage these conflicts. The key objective of this policy is to ensure that there is adequate management of the conflicts that may arise when the interests of Blakeney and its staff and those of its clients and investors differ or the interests of particular clients differ. As part of the Conflicts of Interest Policy, staff must notify the Compliance Officer when they become aware of any conflict of interest. Where it is subsequently identified that there is a material conflict of interest Blakeney will manage this in line with its pre-determined policy. Our principal objectives when considering matters such as engagement and voting are always to act in the best interests of our clients.

Principle 3:

Institutional investors should monitor their investee companies.

Engagement will normally be conducted through regular meetings with company management. Monitoring is periodic and covers all aspects of the business including financial performance and governance. If Blakeney has specific governance or strategy concerns, we may convey these concerns to the appropriate member of the investee company's management or board, especially if we are a significant shareholder. However, if we feel we can no longer be supportive of management or the investee company's strategy, we may consider it more appropriate to reduce or sell our holdings.

Principle 4:

Institutional investors should establish clear guidelines on when and how they will escalate their stewardship activities.

We employ various mechanisms such as voting and attending shareholder meetings (where appropriate), meeting with management and boards and collaborating with other investors to protect and enhance shareholder value. However, Blakeney operates in multiple jurisdictions across multiple emerging and frontier markets which are at varying stages of development and adheres to the governing laws in each individual jurisdiction. Over the course of our twenty six year engagement with these regions, we have played a significant role in the development of their local exchanges by actively working with investee companies and local regulatory bodies to improve reporting standards, transparency and investor relations because we believe it is in the longer term interest of all shareholders to do so.

Principle 5:

Institutional investors should be willing to act collectively with other investors where appropriate.

Whilst Blakeney prefers to conduct its own individual dialogue with investee companies, we recognise that there may be occasions when it may be beneficial to work with other shareholders to effect change, for instance where our approach has not resulted in the satisfactory resolution of a concern. We will consider any specific action on a case-by- case basis when we believe it is in our clients' best interests.

Principle 6:

Institutional investors should have a clear policy on voting and disclosure on voting policy.

It is the policy of Blakeney to vote all shares except where there are onerous restrictions. In determining how to vote, Blakeney will apply the voting policy set out in its proxy voting policy and procedures, which is available upon request. It is the policy of Blakeney in voting proxies to consider and vote each proposal with the objective of maximising long-term investment returns for its clients. Blakeney does not use any advisory service when voting and retains the ultimate decision. We also do not instruct custodians to lend securities on behalf of our clients.

Principle 7:

Institutional investors should report periodically on their stewardship and voting activities.

This document sets out how Blakeney discharges its stewardship responsibilities and is publicly available on our website. Voting records are available to clients upon request. Our reporting is customised to clients' requirements in terms of frequency and format.

2. Shareholder Rights Directive

Blakeney LLP is in the process of assessing whether it is appropriate for it to develop a shareholder engagement policy in accordance with COBS 2.2B, and, if so, the form and scope of such a policy. When that assessment has been made, this webpage will be updated accordingly.

3. MIFIDPRU 8 Disclosure

Introduction

The Financial Conduct Authority ("FCA" or "regulator") in its Prudential sourcebook for MiFID Investment Firms ("MIFIDPRU") sets out the detailed prudential requirements that apply to Blakeney. In particular, Chapter 8 of MIFIDPRU ("MIFIDPRU 8" or the "public disclosures requirements") sets out public disclosure obligations with which the Firm must comply, further to those prudential obligations.

Blakeney is classified under MIFIDPRU as a small and non-interconnected investment firm ("SNI MIFIDPRU investment firm"). As such, MIFIDPRU 8 requires Blakeney to disclose information regarding the Firm's remuneration policy and practices.

The purpose of these disclosures is to give stakeholders and market participants an insight into the Firm's culture, and to assist stakeholders in making more informed decisions about their relationship with the Firm.

This document has been prepared by Blakeney in accordance with the requirements of MIFPRU 8 and is verified by the partners Unless otherwise stated, all figures are as at the 31 March 2022 financial year-end.

Remuneration Policy and Practices

- · Ensure alignment between risk and individual reward;
- · Support positive behaviours and healthy firm cultures; and
- · Discourage behaviours that can lead to misconduct and poor customer outcomes.

The objective of Blakeney's remuneration policies and practices are to establish, implement and maintain a culture that is consistent with, and promotes, sound and effective risk management and does not encourage risk-taking which is inconsistent with the risk profile of the Firm and the services that it provides to its clients.

In addition, Blakeney recognises that remuneration is a key component in how the Firm attracts, motivates and retains quality staff and sustains consistently high levels of performance, productivity and results. As such, the Firm's remuneration philosophy is also grounded in the belief that its people are the most important asset and greatest competitive advantage.

Blakeney is committed to excellence, teamwork, ethical behaviour and the pursuit of exceptional outcomes for its clients. From a remuneration perspective, this means that performance is determined through the assessment of various factors that relate to these values, and by making considered and informed decisions that reward effort, attitude and results.

Characteristics of the remuneration policy and practices

Remuneration at Blakeney is made up of fixed and variable components. The fixed component is set in line with market competitiveness at a level to attract and retain skilled staff. Variable remuneration are paid on a discretionary basis and take into consideration the Firm's financial performance, and the financial and non-financial performance of the individual in contributing to the Firm's success. All staff members are eligible to receive variable remuneration.

The below table summarises the financial and non-financial criteria of performance used across the Firm in assessing the level of variable remuneration to be paid:

The fixed and variable components of remuneration are appropriately balanced: the fixed component represents a sufficiently high proportion of the total remuneration to enable the operation of a fully flexible policy on variable remuneration. This allows for the possibility of paying no variable remuneration component, which the Firm would do in certain situations, such as where the Firm's profitability performance is constrained, or where there is a risk that the Firm may not be able to meet its capital or liquidity regulatory requirements.

Governance and Oversight

The Partners are responsible for setting and overseeing the implementation of Blakeney's remuneration policy and practices. In order to fulfil its responsibilities, the Partners:

- Prepare decisions regarding remuneration, including decisions which have implications for the risk and risk management of the Firm;
- Ensure that the remuneration policy and practices take into account the public interest and the long-term interests of shareholders, investors and other stakeholders in the Firm; and
- Ensure that the overall remuneration policy is consistent with the business strategy, objectives, values and interests of the Firm and of its clients.

Blakeney's remuneration policy and practices are reviewed annually by the partners.

Quantitative Remuneration Disclosures

For the financial year 1 April 2023 to 31 March 2024, there was no remuneration (or allocation of profits) awarded to any personnel as the Firm was wholly staffed and funded by its Partners. For these purposes, 'staff' is defined broadly, and includes, for example, employees of the Firm itself, partners or members, employees of other entities in the group, employees of joint service companies, and secondees.