

SEPTEMBER 2021

Regulatory Disclosures



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.