

# Form ADV Part 2A

## Brochure

### Item 1 – Cover Page

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30<sup>th</sup> October 2023

This Form ADV Part 2A (the “Brochure”) provides information about the qualifications and business practices of Genesis Investment Management, LLP (the “Firm” or “Genesis”). If you have questions about the contents of this Brochure, please contact Christiaan Smith at +44 20 7201 7200 or [legalandcompliance@giml.co.uk](mailto:legalandcompliance@giml.co.uk). The information in this Brochure has not been approved or verified by the U.S. Securities and Exchange Commission (“SEC”) or by any state securities authority.

Additional information about the Firm is also available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The SEC’s website also provides information about any persons affiliated with the Firm who are registered, or are required to be registered, as investment adviser representatives of the Firm.

Although the Firm is registered as an investment adviser under the Investment Advisers Act of 1940, such registration does not imply that the Firm or our personnel have a certain level of skill or training.

## Item 2

Omitted.

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## Item 4 – Advisory Business

Genesis Investment Management, LLP (the “Firm” or “Genesis”) specialises in managing investments in emerging market equities for institutional investors. Please see Item 7 of this Brochure for more information with respect to the Firm’s clients. The Firm provides such investment management services on a discretionary basis.

The Firm was organised in the United Kingdom in 2004 but taking into account its predecessor entities, the Firm has been in business since 1989. The Firm currently has a corporate partner, six individual partners and a trust and operates through a series of boards/committees and appointments described below. The Firm has a single office at 16 St James’s Street, London, SW1A 1ER United Kingdom. The Firm serves as an investment manager, investment adviser or sub-adviser to various clients, including, but not limited to, pension plans, endowments, foundations, investment companies and governmental entities.

### Principal Ownership

Affiliated Managers Group, Inc. (“AMG”), a publicly-traded company (NYSE: AMG) with equity investments in boutique investment management firms, owns a majority of the equity interests of the Firm. AMG holds its majority interest in the Firm indirectly through three wholly owned subsidiaries: AMG Genesis, LLC, AMG Atlantic Holdings Ltd and AMG New York Holdings Corp.

AMG also holds equity interests in other investment management firms (“AMG Affiliates”). Each of the AMG Affiliates, including the Firm, is operated autonomously and independently, except, with respect to the Firm, as described in this Brochure. Further information on both AMG and AMG’s Affiliates is provided in Item 10.

The remaining interest in the Firm is owned by the individual partners, a corporate partner and a trust, which facilitates the recycling of partnership interests and future awards for the benefit of individual partners. The individual partners and trust in aggregate own approximately 46.5% of the equity in issue and AMG owns approximately 53.5%.

The individual partners have each contributed capital to the Firm and entered into a commitment to remain in the Firm for a minimum fixed period. Five of these partners are Investment Team members and the sixth partner serves as the Managing Director. Further details on these individuals are included in the Brochure Supplement.

### The Firm

The Firm is registered in England and Wales as a limited liability partnership and has 54 employees, including clerical, part-time staff and contractors, working in its London office as of the 31<sup>st</sup> October 2023.

The Firm’s Governing Board is comprised of two AMG representatives and one Genesis representative. The Governing Board deals by exception with major corporate matters only. Authority to set policy on all other matters, including investment management policy, is delegated to the Firm’s Operating Board under the Firm’s partnership agreement.

The Firm is managed by the Operating Board which is comprised of the Managing Partner and two non-executive members. The Operating Board has overall responsibility for managing the Firm. The day-to-day business is overseen by several formal committees which include the Portfolio Coordination Team (“PCT”), Group Audit Committee, Group Risk Committee, Remuneration Committee and Client Group. In addition to the formal committees, certain matters are delegated to a number of management committees, including the Valuation Committee, Risk Management Committee, Business Continuity and Cyber Security Committee, Product Governance Committee, Service Provider Oversight Committee and Conduct Breach Committee. Such committees meet regularly and are comprised of partners, associate

partners and certain members of staff. Further details of the roles and responsibilities of some of these committees are set forth below.

## **Advisory Services**

The Firm aims to generate excellent long-term investment performance in emerging market equities for institutional clients. In general, the Firm may invest client assets in the following securities and instruments: equity securities, listed and unlisted securities, securities traded over the counter, non-U.S. securities, warrants, private placements, rights offerings, open-end funds, convertible bonds and preferred stock. The Firm primarily utilises its own independent research and analysis and uses a bottom-up investment approach to create a diversified portfolio of emerging market equities. The Firm does not construct portfolios with reference to an index. The Firm believes that it can best deliver excellent long-term investment performance by working as a team to make investments in quality businesses at attractive prices.

The Firm's emerging markets opportunity set consists of countries defined as low- and middle-income economies by the World Bank as well as high income economies (such as South Korea and Taiwan) included in the major emerging markets benchmark indices. In addition, the Firm's client portfolios may also contain companies that are listed on the stock markets of high-income economies, but that generate a significant proportion of their revenues, profits or cashflow from, or whose assets or intellectual property are mostly located in emerging markets.

As a general principle, the Firm does not use derivatives to supplement investment strategy and the Firm does not short stock. The Firm may invest in depositary receipts, synthetics or participation notes if direct local holdings in a market are not permitted or less advantageous. In addition, the Firm may engage in a securities lending programme for its sponsored pooled investment vehicles (each, a "Genesis Fund" and, collectively, the "Genesis Funds"). The Firm does not hedge directly against currency fluctuations between the currencies of emerging markets stocks and its base currency of US\$.

As a specialist manager in emerging market equities, the majority of client portfolios follow a similar global emerging market equity strategy. However, the Firm recognises that the investment needs of our clients may be different in light of their differing profiles. As such, we may modify our core global emerging market equity strategy, as necessary, in order to accommodate the particular investment objectives and accompanying restrictions requested by our clients. At the commencement of the client relationship for a separate account client, each such client executes an investment management agreement, which sets forth their investment objectives, investment strategy and any investment restrictions that will be applicable to the Firm's management of the assets in the client's account. Prior to the execution of the agreement, the requested objectives and restrictions are reviewed and, if required, refined to both meet the client's needs and provide the Firm with sufficient discretion to properly invest the client's assets. For example, some clients do not permit investment in the securities of companies which operate in certain countries or sectors. With respect to the management of the Genesis Funds, the investment objectives and restrictions are set forth in the relevant offering document and governing agreements of such Genesis Fund.

## **Wrap Fee Programmes**

The Firm does not have any involvement in wrap fee programmes whereby clients select an investment adviser to manage funds through an investment programme presented to the clients by a third-party programme sponsor and clients generally pay the wrap programme sponsor a single fee (called a "wrap fee") for consulting, brokerage, custodial, portfolio monitoring, and investment management services and such sponsor pays a portion of the wrap fee to the investment adviser.

## **Foreign Exchange ("FX") Transactions**

Foreign exchange transactions for client accounts are generally limited to those necessary to settle trades in emerging market securities which are not denominated in US Dollar. The key factors in informing the Firm's approach on FX are: FX is not a discretionary part of the investment management process; FX transactions are undertaken to minimise operational risk and maximise efficiency and best execution. The Firm does not hedge directly against currency fluctuations between the currencies of emerging markets stocks and uses a base currency of US Dollar.

For the Genesis Funds and as instructed by several segregated account clients, the Firm has the ability to execute FX transactions in certain currencies through an FX trading platform operated by a third-party provider. For the majority of its segregated account clients, it is the responsibility of the client's appointed custodian to handle FX transactions. The Firm can instruct a third-party provider to execute FX transactions on a client account's behalf if requested by the client.

For clients who have not elected to use the FX platform, the Firm will instruct the client's custodian to execute the necessary FX transaction. This is done either through standing instructions communicated to the custodian when the account is established or at the time settlement instructions are sent to the custodian for a particular transaction. The custodian is responsible for executing FX transactions, including the timing and applicable rate of such execution pursuant to its own internal processes. Where a client has arrangements in place with its custodian regarding the execution of FX transactions, such arrangements may impact the overall fees and expenses charged to the client by the custodian. Therefore, all such FX transactions are effected with the client's custodian, and the Firm does not seek to obtain different FX rates from other sources.

Because of various local limitations regarding transactions for some restricted currencies, transactions in restricted currencies are often effected by each client's custodian pursuant to standing instructions (both the Genesis Funds and separate account clients).

The Firm also instructs other types of FX transactions, such as those related to dividend and interest repatriation. Where possible such FX activity will utilise an FX trading platform. Where required the Firm will issue standing instructions to each client's custodian to fulfil these FX transactions.

## Assets Under Management

As of 30<sup>th</sup> October 2023, the Firm's assets under management ("AUM") on a discretionary basis were US\$4.1 billion. The Firm does not have any AUM on a non-discretionary basis. Please see the Firm's Form ADV Part 1A – Item 5.F for more information.

## Other Jurisdictions

The Firm also provides financial services to institutional clients in other countries including Australia where it is exempt from the requirement to hold an Australian financial services licence under the Corporations Act 2001 in respect of the financial services it provides. The Firm is registered with the SEC under U.S. laws and the financial services that the Firm provides are regulated by the FCA under UK laws, which differ from Australian laws.

## Item 5 – Fees and Compensation

### Fees for Segregated Accounts

The Firm's standard fee schedule for a new segregated account for a global emerging market equities strategy is set forth below:

Assets under management	Annual fee rate
up to and including US\$200,000,000	Zero point seventy percent (0.70%) per annum

from US\$200,000,000 up to and including US\$400,000,000	Zero point sixty percent (0.60%) per annum
from US\$400,000,000 up to and including US\$750,000,000	Zero point fifty percent (0.50%) per annum
Flat rate on all assets if investor's total net asset value is from US\$750,000,000 up to and including US\$1,000,000,000	Zero point fifty percent (0.50%) per annum
Flat rate on all assets if investor's total net asset value is from US\$1,000,000,000 up to and including US\$1,500,000,000	Zero point forty seven percent (0.47%) per annum
Flat rate on all assets if investor's total net asset value is from US\$1,500,000,000 up to and including US\$2,000,000,000	Zero point forty four percent (0.44%) per annum
Flat rate on all assets if investor's total net asset value is above US\$2,000,000,000	Zero point forty percent (0.40%) per annum

Notwithstanding this fee schedule, and subject to applicable laws and regulations, the Firm retains discretion over the fees it charges to its clients, as well as over any changes in its fee schedules. Fees may be negotiated in the Firm's sole discretion in light of a client's special circumstances, such as asset levels, service requirements or other factors. In some cases, the Firm may agree to offer clients a fee schedule that is lower than that of any other comparable clients in the same investment strategy. In addition, there may be long-standing clients with historical fee schedules that differ from the standard fee schedule. At the discretion of the Firm, clients may opt to have their fees deducted from their assets or to be billed separately for fees incurred. For comparable services, other investment advisers may charge higher or lower fees than those charged by the Firm. The above fees are payable quarterly in arrears and are charged either on the valuation of the portfolio at each quarter end or on the average of the month-end or daily valuations during each quarter as specified by the client. The quarterly fee is equal to one-fourth of the annual rate specified above. The Firm does not have the authority to deduct fees from client accounts.

Fees are also prorated at the inception of the investment advisory agreement to cover only the period of time the account assets were under management. If the Firm provides services for less than the whole of any calendar quarter, its compensation is determined on the basis of the value of assets in the account on the date of termination and is payable on a pro rata basis for the period during which the Firm provided services. Unless otherwise stated in its investment management agreement with a client, in calculating the advisory fee the Firm will adjust the asset value of an account to take in to consideration significant contributions and withdrawals to and from the account.

The standard fee schedule may be modified from time to time. The Firm has not set a minimum fee per annum but it has imposed a minimum initial investment level for a segregated account. See Item 7. Certain clients are charged fees based on the management fee scale in place at the time such client first placed assets under management with the Firm. Thus long-term clients may be charged a different management fee scale to that set forth above.

For certain clients which have multiple accounts managed by the Firm (in a segregated account and/or holdings in one or more Genesis Funds), provided the investment guidelines are substantially similar and that the accounts are serviced as a single client relationship, the Firm may agree to aggregate such client assets for purposes of calculating the management fee. This may be referred to as 'family pricing'. Dependent on the instructions of the client, the settlement of such aggregate fees can be made either through a credit against the fees (which may in turn be used to purchase additional units or reduce any redemption of units) and/or a subscription by the Firm on behalf of such client in the Genesis Fund(s).

Clients are provided invoices or statements reflecting the fee calculations with respect to such aggregation of assets on a regular basis and have agreed to such treatment.

Performance fees on a segregated account may also be available under certain conditions and subject to applicable law; however performance fees are not available on the Genesis Funds.

## **Fees for Specialised Accounts and Pooled Investment Vehicles**

### **Sub-advisory Arrangements**

The Firm has been engaged by certain investment advisers (including advisers to non-US registered investment companies) to manage certain accounts of such advisers. In its capacity as “sub-adviser” to such accounts, the Firm’s fees and services are determined by contract with the adviser.

Information concerning these sub-advised funds including a description of the services provided and advisory fees, is generally contained in the fund’s prospectus, which can be obtained from the fund sponsor.

Other fees payable as an investor in a sub-advised fund or other account are described below, and also in the sub-advised fund’s prospectus or the adviser’s fee brochure or client investment management agreement.

### **Private Pooled Investment Vehicles Sponsored by the Firm**

The Genesis Funds are privately-offered pooled investment vehicles, including US and non-US funds investing in global emerging market equity. The Genesis Funds are not registered under the Investment Company Act of 1940, and none of the interests in the Genesis Funds are registered under the Securities Act of 1933, as amended. Accordingly, interests in the Genesis Funds are offered exclusively to investors satisfying the applicable eligibility and suitability requirements either in private placement transactions within the United States or in offshore transactions. No offer to sell interests in any Genesis Fund is made by the descriptions in this Brochure, and as noted interests in the Genesis Funds are available only to investors that are properly qualified, as determined by the Firm or its affiliates in its or their sole discretion.

As of 1<sup>st</sup> December 2023, the standard management fee schedule for a new investor in a Genesis Fund is set forth below:

<b>Assets under management</b>	<b>Annual fee rate</b>
up to and including US\$200,000,000	Zero point seventy percent (0.70%) per annum
above US\$200,000,000 up to and including US\$400,000,000	Zero point sixty percent (0.60%) per annum
above US\$400,000,000 up to and including US\$750,000,000	Zero point fifty percent (0.50%) per annum
Flat rate on all assets if investor’s total net asset value is above US\$750,000,000 up to and including US\$1,000,000,000	Zero point fifty percent (0.50%) per annum
Flat rate on all assets if investor’s total net asset value is above US\$1,000,000,000 up to and including US\$1,500,000,000	Zero point forty seven percent (0.47%) per annum



Flat rate on all assets if investor's total net asset value is above US\$1,500,000,000 up to and including US\$2,000,000,000

Zero point forty four percent (0.44%) per annum

Flat rate on all assets if investor's total net asset value is above US\$2,000,000,000

Zero point forty percent (0.40%) per annum

The above fees are payable monthly in arrears and are calculated on the valuation of the funds under management of each individual investor in the applicable Genesis Fund.

The minimum initial subscription in a Genesis Fund is currently US\$10 million but this minimum may be amended at any point subject to the Firm's internal approvals and any regulatory approvals required. Also, such minimum may be achieved in tranches at the discretion of the Firm. See also Item 7.

Certain clients are charged fees based on the management fee scale in place at the time such client first placed assets in the relevant Genesis Fund. Thus, long-term investors in the Genesis Funds may be charged a different management fee scale to that set forth above and such fee scale may be calculated in a different manner.

For certain clients which have a segregated account managed by the firm and also have assets invested in one or more Genesis Funds, the Firm may aggregate such client's assets for the purposes of calculating the management fee. Dependent on the instructions of the client, the settlement of such aggregate fees can be made either through a credit against the fees of the segregated portfolio and/or a subscription by the Firm on behalf of such client in the relevant Genesis Fund(s).

The Firm reserves the right to waive or reduce its fees for certain investors. In particular, certain affiliates or employees of the Firm that are investors in the Genesis Funds do not pay management fees.

Other fees payable as an investor in a privately-offered investment vehicle sponsored by the Firm are set forth in the relevant Genesis Fund's offering memorandum or other relevant documents, including its governing agreements.

### **Additional Fees and Expenses Payable by Clients**

The Firm's fees are exclusive of brokerage commissions, transaction fees, service provider fees (e.g., fund administrator, and securities lending agent), and other related costs and expenses which will be incurred by the client. Execution of client transactions typically requires payment of brokerage commissions by clients. Item 12 entitled "Brokerage Practices" further describes the factors that the Firm considers in selecting or recommending brokers for the execution of transactions and determining the reasonableness of their compensation (e.g., commissions). Investment activity may also involve other transaction fees payable by clients, such as sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. In addition, clients may incur certain charges imposed by custodians, depositaries, broker/dealers, third-party investment consultants, and other third parties, such as custodial fees, consulting fees, administrative fees, and transfer agency fees.

### **Fees for Investment of Client Assets in Third-Party Mutual Funds, Private Funds, and Other Pooled Investment Vehicles**

At times and only if permitted under the relevant investment guidelines, the Firm may invest client assets in funds (including money market funds or similar short-term investment funds) or other pooled investment vehicles sponsored by third parties. To the extent that a client's assets are invested in other pooled vehicles, the client will typically pay management and/or other fees (such as performance fees) to each such fund or other pooled vehicle that are in addition to the fees paid by the client to the Firm. Those fees are described in each pooled vehicle's offering document (e.g., prospectus or offering memorandum) and its governing documents. Such charges, fees, and commissions are exclusive of, and

in addition to, the Firm's fees.

### **Fees for the Sale of Securities**

Neither the Firm nor its partners or employees receive, directly or indirectly, any compensation from the sale of securities or investments that are purchased or sold for a client's account. The Firm is compensated through the stated management fee agreed upon in the investment management/advisory agreement. Accordingly, the Firm believes that it does not have any conflicts of interest regarding the receipt of additional compensation relating to the client assets that it manages, except as specifically disclosed from time to time.

## **Item 6 – Performance-Based Fees and Side-by-Side Management**

### **Performance-Based Fees**

While the Firm generally does not offer performance-based fee arrangements, from time to time, the Firm may agree to such a structure in light of a client request and in accordance with applicable regulations regarding performance-based fees. A performance-based fee is a fee representing an asset manager's compensation for managing an account which is based upon a percentage of the net profits of the account being managed. When calculating net profits, performance-based fees may be based on absolute or benchmark relative returns. The Firm may have both performance-based fee and asset-based fee accounts within a similar investment strategy.

Performance-based fees create certain inherent conflicts of interest with respect to the Firm's management of assets. Specifically, the Firm's entitlement to a performance-based fee in managing one or more accounts may create an incentive for the Firm to take risks in managing assets that the Firm would not otherwise take in the absence of such arrangements. Additionally, since performance-based fees reward the Firm for strong performance in accounts which are subject to such fees, the Firm may have an incentive to favour these accounts over those that have asset-based fees (i.e., fees based simply on the amount of assets under management in an account) with respect to areas such as trading opportunities, trade allocation, and allocation of new investment opportunities. The Firm does not currently receive performance-based fees for its investment management services.

To maintain fair and equitable treatment of all accounts, the Firm has implemented specific controls to further its efforts to treat all accounts fairly, regardless of their corresponding fee arrangement. These controls include portfolio and dealing procedures designed to ensure that all eligible portfolios have an equal opportunity to participate in any investment at the same time (see Trade Aggregation and Allocation section under Item 12 – Brokerage Practices for further details) and periodic reviews of investment allocations, security weightings and performance dispersion to ensure compliance with our policies and to ensure that our fiduciary duties continues to be appropriately discharged.

### **Side-by-Side Management**

As a specialist in emerging market equities, the Firm's investment professionals simultaneously manage multiple types of client portfolios (including segregated accounts and the Genesis Funds) according to the same or a similar investment strategy (i.e., side-by-side management). The simultaneous management of these different portfolios creates certain potential conflicts of interest, as the fees for the management of certain types of client accounts may be higher than others. Nevertheless, when managing the assets of such accounts, the Firm has an affirmative duty to treat all such accounts fairly and equitably over time.

Although the Firm has a duty to treat all portfolios within an investment strategy fairly and equitably over time, such portfolios will not necessarily be managed the same at all times. Specifically, there is no requirement that the Firm uses the same investment practices consistently across all portfolios. In

general, investment decisions for each client account may be made independently from those of other client accounts and will be made with specific reference to, for example, different client guidelines and/or restrictions, operational issues such as custody facilities and availability of cash, which may lead to the use of different investment practices for portfolios within a similar investment strategy. As a result, although the Firm manages numerous portfolios with similar or identical investment objectives, or may manage accounts with different objectives that trade in the same securities, the portfolio decisions relating to these accounts, and the performance resulting from such decisions, may differ from portfolio to portfolio.

Since side-by-side management of various types of portfolios raises the possibility of favourable or preferential treatment of a portfolio or a group of portfolios, the Firm has procedures designed and implemented in furtherance of its efforts to treat all portfolios fairly and equally over time (see the section “Performance-Based Fees” above). By using these procedures, the Firm believes that portfolios that are subject to side-by-side management alongside other products are receiving fair and equitable treatment over time.

## **Item 7 – Types of Clients**

### **Types of Clients**

The Firm provides or may provide portfolio management services to institutional clients including corporate defined benefit and defined contribution pension plans, public pension plans, charitable institutions, endowments and foundations, private investment funds, limited partnerships, trust programmes, sovereign funds, foreign collective investment funds such as SICAVs (Société d’Investissement A Capital Variable), and other U.S. and international public, quasi- public, and private institutions.

### **Conditions for Managing Accounts**

As a general rule, the Firm requires a minimum investment size of US\$10 million for institutional investors in the Genesis Funds. The Firm retains discretion to accept investments below this level. The minimum account size requirement for segregated accounts is US\$50 million. Generally, the Firm requires each client to execute an investment management agreement that details the nature of the discretionary investment advisory authority given to the Firm. With respect to investments in the Genesis Funds, a summary of the terms of the investment management agreement as between the relevant Genesis Fund and the Firm are generally set forth in the offering document for such Genesis Fund.

The Firm closed to new clients in November 2011, and to any new subscriptions from existing clients in January 2015. In November 2018, the Firm determined to reopen to client flows in the second quarter of 2019. The Firm’s intention with this reopening is to accommodate existing clients who are growing and welcome new clients. The Firm expects to remain open for new assets for the foreseeable future.

## **Item 8 – Methods of Analysis, Investment Strategies, and Risk of Loss**

### **Strategy Overview**

The Firm is an investment boutique with an exclusive focus on emerging market equity. All client portfolios consist of global emerging market equities.

The Firm believes that it can best deliver long-term investment performance by working as a team to make investments in quality businesses at attractive prices. The Firm believes that its approach to bottom-up active management, with deep fundamental research and investment analysis, allows the Firm to benefit from the key characteristics of emerging markets. Low- and middle-income economies

have the potential to grow faster than high-income economies due to faster growth of working age populations and economic convergence, primarily in countries with strong export performance. The Firm believes that emerging market equities present greater mispricing opportunities as quality companies can leverage emerging market growth better, and frontier markets and small cap companies are often priced more inefficiently.

The Firm's stock selection process is bottom-up fundamental research at the company level, as such the Firm does not use top-down screens or macro views to identify investment opportunities.

Client portfolios are diversified across countries and sectors. The average holding period for investments in the portfolio is typically five years, and the Firm expects this to persist.

## **Investment Process**

The investment process is structured to enable an experienced team of Portfolio Managers ("PMs") to generate fundamental research insights and, subject to rigorous challenge from each other, express those insights in a client's portfolio. Stock selection and portfolio construction process are bottom-up. Each stock in a client's portfolio has a lead PM, a back-up PM and a sector specialist that work together. Back-up PM and sector specialist are the primary challengers of the lead PM during the research and investment analysis, while the rest of the Investment Team also contribute throughout the investment process.

The PMs are coordinated by the Portfolio Coordination Team ("PCT"), which is composed of a subset of three PMs (one rotating and two permanent members) and the Head of Risk. The non-permanent member rotates on a 12-18 month basis.

The PCT coordinates the PMs in managing a client's portfolio by:

- Ensuring the investment process is followed (PCT approval is required for all trade orders);
- Analysing the portfolio risk/return characteristics and providing insight to the PMs; and
- Organising portfolio level discussions, including quarterly portfolio weeks, process improvement offsites, sector research and macro discussions.

The PCT has broad oversight of the investment process, and their approval is required for any portfolio action (i.e. trade orders). However, the PCT does not make investment decisions. Decisions are ultimately the responsibility of the lead PM. The decision-making process is collaborative rather than consensus driven. All disagreements or challenges are discussed either in smaller groups or in the team; PMs are expected to resolve all challenges prior to recommending portfolio action.

## **Integration of Environmental, Social and Governance Factors**

In aiming to deliver long-term investment performance to the Firm's clients, the PMs integrate Environmental, Social and Governance ("ESG") risks and opportunities (including systemic risks such as those related to climate change) into their investment decisions as ESG factors can meaningfully influence long-term investment outcomes.

PMs assess ESG factors in the context of materiality at the company level. A stakeholder analysis is included in investment case documents for each portfolio company and included in this, PMs identify material ESG factors facing a company, as applicable. The stakeholder analysis is part of a company's quality rating, which is one of the sizing factors for investments.

External ESG metrics are not used as a quantitative tool in the investment process and PMs use research and data from multiple sources to inform their decisions.

Genesis' integration of ESG factors as part of its investment process may impact performance. Additionally, Genesis' consideration of ESG risks and opportunities in connection with identifying and selecting investments requires subjective analysis and may be difficult if data about a particular company is limited. A company's ESG practices and disclosure or Genesis' assessment of such practices or

disclosure may change over time.

## **Risk Management**

Given the Firm's quality-bias and fundamental, bottom-up investment process, the Firm believes that the most relevant investment risk in the process is the risk of disappointing investment returns, either on an absolute or relative basis. This risk could manifest in two ways:

- Stock-specific risk: performance risk for a holding when disappointing fundamental performance results in poor investment returns
- Portfolio-level risk: performance risk across groups of holdings and/or benchmark omissions, due to portfolio construction

### Managing Stock-Specific Risk

The Firm manages stock-specific risk in multiple ways:

- The investment philosophy encourages risk management, i.e. by focusing on investments in quality businesses at attractive prices, we seek to mitigate the risk of intrinsic value erosion and risk of overpayment.
- The investment process encourages risk management since our rigorous research process is intended to enable the Firm to know portfolio companies deeply. Constructive challenge from the Investment Team and especially from Back-up PMs and sector specialists serves to highlight under-appreciated risks and opportunities as well as behavioural biases.
- The PCT plays a key role in monitoring and coordinating risk/return insights across a client's portfolio with the PMs. PCT approval is required for any portfolio action (i.e. buy/ sell orders).
- The Managing Partner has overall oversight for monitoring and managing the Investment Team resources and PMs' performance, which is evaluated annually.

## **Related Risks**

Investors should consider carefully certain risk factors relevant to investment in the Global Emerging Markets Strategy managed by the Firm. These risk factors include, but are not limited to, those specifically discussed below. Investors should consider investment timeframes and individual risk tolerance and must make independent assessment and investigation of the risks of investing in the strategy as the investor considers appropriate and should base any decision to invest solely upon such independent assessment and investigation.

### **Emerging Market Risk Factors**

Foreign investors have only limited direct or indirect access to securities markets in certain emerging markets, while other emerging markets have securities markets to which foreign investors do not presently have access. While the Firm would expect that at some time in the future some or all of these markets will become accessible to foreign investors, there can be no assurance that this will be the case.

In certain emerging markets, portfolio investment by foreign investors may require consents or be subject to limitations, and repatriation of investment income, capital and the proceeds of sales by foreign investors may require government registration and/or approval. A client's portfolio could be adversely affected by delays in or a refusal to grant any required government approval or license or by the lack of availability of foreign exchange.

The assets included within a client's portfolio will be invested in securities denominated in various countries and income received in a variety of currencies, however, a client's portfolio will compute its net asset value in U.S. dollars. The value of the assets of a client's portfolio (the "Assets"), as measured

in U.S. dollars, may be affected favourably or unfavourably by fluctuations in currency rates and exchange control regulations. Further, a client's portfolio may bear costs in connection with conversions between various currencies.

Companies in emerging markets are not always subject to accounting, auditing and financial reporting standards, practices and disclosure requirements comparable to those applicable to companies in advanced economies, and investment decisions may be based on less accurate and limited information as a result. In addition, there is generally less government supervision and regulation of business and industry practices, stock exchanges, brokers and listed companies in emerging markets than securities markets in advanced economies. Capital requirements for brokerage firms are generally lower in emerging markets. Further, foreign investors may encounter difficulties or be unable to pursue legal remedies and obtain judgments in emerging markets. Practical settlement difficulties are more common than in high-income economies.

Part of a client's portfolio may be invested (directly or indirectly) in the securities of small or medium capitalization companies, or in markets where there are limited organised public trading markets for securities with little liquidity or transparency. Such securities may have a more limited market than the securities of larger companies, and such securities markets may have slow and cumbersome execution of transactions or no approved settlement procedure, and trades may be settled by a free delivery of stock with payment of cash in an uncollateralised manner. Accordingly, it may be more difficult to effect sales of such securities at an advantageous time or without a substantial drop in price than securities of a company with a large market capitalization and broad trading market. In addition, securities of small or medium capitalisation companies may have greater price volatility as they are generally more vulnerable to adverse market factors such as unfavourable economic reports.

Additionally, some of the companies in whose securities a client's portfolio may be invested may have limited operating histories. Such businesses may be characterised by a lack of (i) market-oriented experienced management, (ii) modern industrial technology and (iii) a sufficient capital base with which to develop and expand their operations. As a result, the availability, quality and reliability of corporate information and equity research (including official data) is likely to be lower than that which is used to evaluate investments in high-income countries, with the attendant risk that pricing decisions may be less than optimal to the extent they are based upon inaccurate or insufficient information.

Brokerage commissions, custodial services, and other costs relating to investment activities are generally more expensive in emerging markets than in high-income economies. Such markets have different clearance and settlement procedures, which can be less developed and reliable. Certain emerging markets' securities exchanges use physical share delivery settlement procedures. A client's portfolio may be subject to additional cost and delays in transporting and maintaining custody of securities outside such countries. In such circumstances there may be share registration and delivery delays, and settlements may lag, making it difficult to close securities transactions. Inability to dispose of a security on a timely basis due to settlement problems could result in losses to the client's portfolio.

Reduced secondary market liquidity for certain emerging market securities may also make it more difficult for us to obtain accurate market quotations for purposes of valuing a client's portfolio and calculating its net asset value. Market quotations are generally available on many emerging market securities from only a limited number of dealers and may not necessarily represent firm bids of those dealers or prices for actual sales.

The banking and other financial systems of many emerging markets are not all well developed or well regulated. Delays in transfers by banks may result, as may liquidity crises and other problems arising as a result of the under-capitalisation of the banking sector as a whole. A general banking crisis in any of the emerging markets in which a client's portfolio is invested could have a material adverse impact on the performance of a client's portfolio.

Some emerging markets in which a client's portfolio may be invested have experienced substantial rates of inflation in recent years. Inflation and rapid fluctuations in inflation rates have had, and may in the future have, negative effects on the economies and securities markets of certain emerging economies. There can be no assurance that inflation will not have a material adverse impact on a client's investments



in these countries or a client's returns from such investments.

A client's portfolio will generally be invested in countries where the market economy is relatively less developed. Although the general trend in such countries has been towards more open markets and the promotion of private business initiatives, no assurance can be given that the governments of these countries will pursue such policies, continue to pursue the promotion of private business, or that such policies may not be altered significantly. The legal and tax system of emerging markets may be less predictable than most legal systems in countries with fully developed capital markets.

Reliance on oral administrative guidance from regulators and procedural inefficiencies hinder legal remedies in many areas in certain emerging markets, including bankruptcy and the enforcement of creditors' rights.

There can be no assurance that current taxes will not be increased or that additional sources of revenue or income, or other activities, will not be subject to new taxes, charges or similar fees in the future. Any such increase in taxes, charges or fees payable by the portfolio companies or out of a client's portfolio itself may reduce a client's returns. In addition, changes to tax treaties (or their interpretation) between countries in which a client's portfolio is invested and countries through which we conduct the investment program may have significant adverse effects on the Firm's ability to efficiently realise income or capital gains. Consequently, it is possible that a client's portfolio may face unfavourable tax treatment resulting in an increase in the taxes payable on the investments in a client's portfolio. Any such increase in taxes could reduce a client's investment returns.

With respect to certain countries, there is a possibility of nationalisation, expropriation, government regulation, confiscatory taxation, imposition of withholding or other taxes on dividends, interest, capital gains or other income, limitations on the removal of funds or Assets, and political or social instability, diplomatic developments (including war) or terrorism, organised crime or other factors that could affect investments in those countries. Such events may also limit, interfere and/or delay the pricing or trading of securities in the stock markets of such countries for significant periods of time.

The United States or other governmental entities may impose economic sanctions against companies operating in such countries. These sanctions could impact a client's investments in certain countries relevant to a client's portfolio. For example, the Firm may be prohibited from investing a client's portfolio in securities issued by companies subject to such sanctions. In addition, the sanctions may require the Firm to freeze a client's existing investments in certain companies, prohibiting the Firm from selling or otherwise transacting in these investments. This could impact the Firm's ability to trade securities in such companies for extended periods.

The economies, the currencies and the financial markets of a number of the emerging markets have experienced extreme volatility in recent years, exposing investment in the markets of those countries to greater risk than usual.

An issuer of securities may be domiciled in a country other than the country in whose currency the instrument is denominated. The values and relative yields of investments in the securities markets of different countries, and their associated risks, are expected to change independently of each other. The economies of emerging markets can be heavily dependent on international trade and, accordingly, have been and may continue to be adversely affected by trade barriers, managed adjustments in relative currency values and other protectionist measures imposed or negotiated by the countries with which they trade and international economic developments generally.

Although there are investment restrictions in place with respect to issuer and security concentration, a client's portfolio may at certain times contain relatively few investments in a single or related sector, industry or geographic area. A client's portfolio could be subject to significant losses if it contained a large position in a particular sector, industry or region that declined in value or is otherwise adversely affected.

The realisation of a cash return on an investment in a client's portfolio will depend on the appreciation in value of, and income from, the securities and other investments in a client's portfolio. No assurance can be given that any such appreciation will occur or that such income will be realised. In addition, no

assurance can be given that the value of a client's portfolio will fall as a result of a general reduction in the value of securities in a client's portfolio or a loss of value in a particular security or securities in a client's portfolio.

The Firm competes with other potential investors to acquire interests for a client's portfolio in the Firm's targeted investments. Other competing investors may have greater financial and other resources and may have better access to suitable investment opportunities. This could restrict availability of investments and add to the price volatility of shares traded on the securities markets of emerging markets. There can be no assurance that the Firm will be able to locate and complete suitable investments that satisfy a client's objectives in relation to a client's portfolio. Whether or not suitable investment opportunities are available for a client's portfolio, a client's portfolio will bear the fees and other expenses described herein.

#### **Risks Factors Related to Investments in China**

A client's portfolio may have exposure to investments in Chinese companies. As a result, a client's portfolio may be subject to a number of unusual risks, including inadequate investor protection, contradictory legislation, incomplete, unclear and changing laws, including with respect to tax laws governing withholding taxes and capital gains taxes, ignorance or breaches of regulations on the part of other market participants, lack of established or effective avenues for legal redress, lack of standard practices and confidentiality customs characteristic of developed markets and lack of enforcement of existing regulations.

A client's portfolio may have exposure to shares in Chinese companies which are held in the legal name and/or account set up by the Firm or its affiliates in order to satisfy local requirements including for example, local China A-shares held under the Qualified Foreign Institutional Investor ("QFII") and Renminbi Qualified Foreign Institutional Investor ("RQFII") programmes. Such holdings are subject to the rules and restrictions under QFII and RQFII regulations including rules on investment restrictions, minimum investment holding period and repatriation of principal and profits. The uncertainty and change of the laws and regulations may adversely impact the client and the rules and regulations which regulate QFII and RQFII investment are also subject to changes.

The client may also have exposure to China A-shares which are transacted through the cross-border investment channel between Hong Kong and the Mainland China, called Stock Connect. Stock Connect is subject to quota limitations which may restrict the Firm's ability to deal via Stock Connect on a timely basis. This may impact the Firm's ability to implement its investment strategy effectively.

#### **Risk Factors Related to Environmental, Social and Governance**

An environmental, social or governance ("ESG") factor is only one of the many factors the Firm will consider in making an investment, and there is no guarantee that the Firm will successfully implement and make investments in companies that create positive ESG impact while enhancing long-term shareholder value and achieving financial returns. To the extent that the Firm engages with companies on ESG-related practices and potential enhancements thereto, such engagements may not achieve the desired results, or the market or society may not view any such changes as desirable. Successful engagement efforts on the part of the Firm will depend, in part, on the Firm's skill in properly identifying and analyzing material ESG and other factors and their impact-related value, and there can be no assurance that the strategy or techniques employed will be successful. Considering ESG qualities when evaluating an investment may result in the selection or exclusion of certain investments based on the Firm's view of certain ESG-related and other factors, and carries the risk that the Firm may underperform funds that do not take ESG-related factors into account because the market may ultimately have a different view of a particular company's performance than that anticipated by the Firm.

Consideration of ESG factors may affect the Firm's exposure to certain companies, sectors, regions, countries or types of investments, which could negatively impact the Firm's performance depending on whether such investments are in or out of favor. In evaluating a company, the Firm is dependent upon information and data obtained from various sources including through voluntary or third-party reporting and such data may be incomplete, inaccurate or unavailable, which could cause the Firm to incorrectly



assess a company's ESG practices and/or related risks and opportunities. ESG-related practices differ by region, industry and issue and are evolving accordingly, and a company's ESG-related practices or the Firm's assessment of such practices may change over time.

Further, ESG practices are evolving rapidly and there are different principles, frameworks, methodologies, and tracking tools being implemented by other asset managers, and the Firm's adoption and adherence to various such principles, frameworks, methodologies and tools are expected to vary over time. There is also a growing regulatory interest across jurisdictions in improving transparency regarding the definition, measurement and disclosure of ESG factors. The Firm's ESG policies could become subject to additional regulation in the future, and the Firm cannot guarantee that its current approach will meet future regulatory requirements.

### **General Risk Factors**

Amendments to banking, lending and other relevant laws and regulations could alter an expected outcome or introduce greater uncertainty regarding the likely outcome of an investment situation or the availability of investment opportunities. Market disruptions and the dramatic increase in the capital allocated to alternative investment strategies during recent years have led to increased governmental as well as self-regulatory scrutiny of the "investment fund" industry in general. The laws and regulations affecting such businesses continue to evolve in an unpredictable manner. Laws and regulations, particularly those involving taxation, investment and trade, applicable to the Firm's activities on a client's behalf can change quickly and unpredictably, and may at any time be amended, modified, repealed or replaced in a manner adverse to the interests of a client's portfolio. It is impossible to predict what, if any, changes in regulation applicable to a client, a client's portfolio or the Firm, the markets in which a client's portfolio is traded and invested or the counterparties with which the Firm does business on a client's behalf may be instituted in the future. A client's portfolio or the Firm may be or may become subject to unduly burdensome and restrictive regulation. In particular, in response to significant recent events in international financial markets, governmental intervention and certain regulatory measures have been adopted in certain jurisdictions. In the United States, the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Dodd-Frank Act") was enacted in 2010, although certain regulations remain in proposed form. Under the Dodd-Frank Act, among other changes, certain investment managers, hedge funds and other investment vehicles face certain heightened reporting obligations.

The Firm has, since 30 June 2019 been subject to the EU's Alternative Investment Managers Directive (2011/61/EU) (the "AIFMD"), and related European legislation, in relation to the part of its business involving the management or distribution of alternative investment funds in the European Economic Area, and, since 31 December 2020, has been subject to the AIFMD as this forms part of the domestic law of the United Kingdom ("UK") pursuant to the European Union Withdrawal Act 2018 (as amended). The Firm is also subject to certain rules in the UK, such as the Financial Conduct Authority's ("FCA") Rules and the UK Alternative Investment Fund Managers Regulations (SI 2013/1173), as a UK firm authorised by the FCA.

All securities investments risk the loss of capital. Whilst the Firm will devote its best efforts to the management of a client's portfolio, there can be no assurance that an investment in a client's portfolio will not incur losses. Many unforeseeable events, including actions by various government agencies, and domestic and international political events, may cause sharp market fluctuations.

Instances of fraud and other deceptive practices committed by senior management of certain companies in which a client's portfolio is invested may undermine the Firm's due-diligence efforts with respect to such companies, and if such fraud is discovered, could negatively affect the valuation of a client's portfolio. In addition, when discovered, financial fraud may contribute to overall market volatility which can negatively impact the Firm's investment program on a client's behalf.

The value of a client's portfolio may be affected by substantial adverse movements in interest rates.

The Firm is faced with potential conflicts of interest in carrying out its responsibilities to clients in relation to a client's portfolio since it is in the business of providing investment management to institutional clients and expects to have clients and accounts with investment objectives similar to its other clients

and accounts.

The Firm will not be obligated to give any client treatment more favourable than that provided to its other accounts and clients.

A client's portfolio may be invested in participation notes or similar equity linked instruments issued by a bank or broker-dealer to access certain markets where direct investment is not available or permitted. Investments in such participation notes involve the same risks associated with a direct investment in the securities of the underlying company that they seek to replicate and are also subject to the risk that the issuer of the participation note will not fulfil its contractual obligations.

A client's portfolio may be engaged in a securities lending programme. Securities lending involves the risk of loss of rights in the collateral or delay in recovery of the collateral if the borrower fails to return the security loaned or becomes insolvent. There is also a risk of loss if the value of the collateral provided for loaned securities, or the value of the investments made with the cash collateral, declines. Other risks associated with securities lending include delayed settlement, failed delivery, and the inability to vote proxies or respond to corporate actions in a timely manner. Securities lending may also have certain adverse tax consequences.

A client account's investments may also be affected by force majeure events (i.e., events beyond the control of the party claiming that the event has occurred, including, without limitation, acts of God, fire, flood, earthquakes, outbreaks of infectious disease, pandemic or any other serious public health concern, war, terrorism, etc.).

Dependent on the investment guidelines, a client's portfolio may be invested in illiquid and/or unquoted securities or instruments. Such investments or instruments are typically valued as to their probable realisation value. Such investments are inherently difficult to value and are the subject of substantial uncertainty. There is no assurance that the estimates resulting from the valuation process will reflect the actual sales or close-out prices of such securities.

#### **Financial Institution Risk; Distress Events.**

An investment in a Genesis Fund is subject to the risk that one of the Genesis Fund's banks, brokers, hedging counterparties, lenders or other custodians of some or all of the Genesis Fund's assets (each, a "Financial Institution") fails to perform its obligations or experiences insolvency, closure, receivership or other financial distress or difficulty (each, a "Distress Event"). Distress Events can be caused by factors including eroding market sentiment, significant withdrawals, fraud, malfeasance, poor performance or accounting irregularities. In the event a Financial Institution experiences a Distress Event, the Firm, the Genesis Funds and/or the companies in which they are invested may not be able to access deposits, borrowing facilities or other services for an extended period of time or ever. Although assets held by regulated Financial Institutions in the United States frequently are insured up to stated balance amounts by organizations such as the Federal Deposit Insurance Corporation ("FDIC"), in the case of banks, or the Securities Investor Protection Corporation ("SIPC"), in the case of certain broker-dealers, amounts in excess of the relevant insurance are subject to risk of loss, and any non-U.S. Financial Institutions that are not subject to similar regimes pose increased risk of loss. Although in recent years governmental intervention has resulted in additional protections for depositors, there can be no assurance that governmental intervention will be successful or avoid the risk of loss, substantial delays or negative impact on banking or brokerage conditions or markets.

Any Distress Event may have a potentially adverse effect on the ability of the Firm to manage the Genesis Funds and their investments, and on the ability of the Firm, any Genesis Fund and/or any of the companies in which they are invested to maintain operations, which in each case could result in significant losses and unconsummated investment acquisitions and dispositions. Such losses have the potential to include requirements that a Genesis Fund pay fees and expenses in the event such Genesis Fund is not able to close a transaction (whether due to the inability to draw capital on a credit line provided by a Financial Institution experiencing a Distress Event, the inability of investors to make capital contributions or otherwise), as well the inability of a Genesis Fund to acquire or dispose of investments at prices that the Firm believes reflect the fair value of such investments and/or the inability of such

companies to make payroll, fulfill obligations and maintain operations. Although the Firm expects to exercise contractual remedies under the agreements with Financial Institutions in the event of a Distress Event, there can be no assurance that such remedies will be successful or avoid losses or delays.

Many Financial Institutions require, as a condition to using their services or otherwise, that the Firm and/or the relevant Genesis Fund maintain all or a set amount or percentage of their respective accounts or assets with such Financial Institution or one of its affiliates, which heightens the risks associated with a Distress Event with respect to such Financial Institution. Although the Firm seeks to do business with Financial Institutions that it believes are creditworthy and capable of fulfilling their respective obligations to the Genesis Funds, the Firm is under no obligation to use a minimum number of custodians with respect to any Genesis Fund, or to maintain account balances at or below the relevant insured amounts.

Investment advisers, including the Firm, must rely in part on digital and network technologies to conduct their businesses. Such cyber networks might in some circumstances be at risk of cyber-attacks that could potentially seek unauthorised access to digital systems for purposes such as misappropriating sensitive information, corrupting data, or causing operational disruption. Cyber-attacks might potentially be carried out by persons using techniques that could range from efforts to electronically circumvent network security or overwhelm websites to intelligence gathering and social engineering functions aimed at obtaining information necessary to gain access. The Firm maintains an information technology security policy and certain technical and physical safeguards intended to protect the confidentiality of its internal data. Nevertheless, cyber incidents could potentially occur, and might in some circumstances result in unauthorised access to sensitive information about the Firm or its clients.

## **Item 9 – Disciplinary Information**

There are no applicable legal or disciplinary events relating to the Firm.

## **Item 10 – Other Financial Industry Activities and Affiliations**

### **Affiliations**

The Firm is approximately 46.5% owned by the individual partners, one corporate partner and a trust. More information on these individuals is disclosed in the Brochure Supplement. The remaining 53.5% is owned by Affiliated Managers Group, Inc. (“AMG”) through various wholly owned subsidiaries.

AMG, a publicly traded asset management company (NYSE:AMG) with equity investments in boutique investment management firms, holds a majority equity interest in the Firm. AMG also holds equity interests in certain other investment advisers (“AMG Affiliates”). Each of the AMG Affiliates, including the Firm, is operated autonomously and independently, and except as described in this Brochure, the Firm does not have any business dealings with these AMG Affiliates and does not conduct any joint operations with them. Moreover, the AMG Affiliates do not formulate advice for the Firm’s clients. As such, AMG’s ownership interest in the Firm does not, in the Firm’s view, present any potential conflict of interest for the Firm with respect to our clients. More information regarding AMG, including its public filings and a list of all AMG Affiliates, is available at [www.amg.com](http://www.amg.com).

The Firm has entered into an arrangement with AMG for the provision of marketing support. See ‘Item 14 – Relationships with Solicitors’ for more information.

AMG holds (indirectly) equity interests in the Firm and in certain AMG Affiliates, some of which may also be broker/dealers. As a result of AMG’s equity interest in the Firm, the AMG Affiliates may be considered “related persons” to the Firm for the purposes of this Brochure. The Firm does not have any business dealings with AMG or the AMG Affiliates and does not conduct any joint operations with them. Neither AMG nor the AMG Affiliates formulate advice for the Firm’s clients and do not, in the Firm’s view, present any potential conflict of interest with the Firm.

One of the Firm’s subsidiaries, Genesis Management Australia Limited (“GMAL”), an Australian limited

company, is an investment adviser. GMAL holds a financial services license from the Australian Securities and Investments Commission. GMAL holds such license to permit the offer and issuance of interests in certain Genesis Funds that are non-US funds managed by the Firm to Australian investors. GMAL is engaged in business exclusively outside of the United States and does not directly advise or effect securities transactions involving the assets of U.S. residents. Although GMAL has no clients of its own in the U.S., through their personnel, it provides research, advice and financial services to the Firm for the benefit of its clients.

### **Other Financial Activities**

Neither the Firm nor any of its management persons are registered, or have an application pending to register, as a broker/dealer, futures commission merchant, commodity pool operator, commodity trading advisor, or an associated person of one of the foregoing types of entities.

## **Item 11 – Code of Ethics, Participation or Interest in Client Transactions, and Personal Trading**

The Firm has established a variety of restrictions, procedures and disclosures designed to address conflicts of interest arising between and among client accounts as well as between client accounts and the Firm and its personnel. All the Firm's partners and personnel must act in accordance with the fiduciary standard. In addition to the provisions of the Code of Ethics which are described in greater detail below, the Firm maintains a written Conflict of Interest Policy which identifies conflicts and potential conflicts of interest faced by the Firm and the relevant controls in place to address such conflicts. The Conflicts of Interest Policy is reviewed at least annually and approved by the Group Risk Committee (which includes the CCO). A current copy may be obtained by contacting:

Genesis Investment Management, LLP

16 St James's Street

London SW1A 1ER

United Kingdom

+44 2072 017200

[legalandcompliance@giml.co.uk](mailto:legalandcompliance@giml.co.uk)

Attention: Legal, Compliance & Risk Department, Conflicts of Interest Policy Request

### **Code of Ethics**

The Firm has a fiduciary duty to its clients, and accordingly has adopted a Code of Ethics (the "Code") that applies to all partners and employees. The Code describes the standard of conduct the Firm requires of its partners and employees and sets forth restrictions on certain activities, including personal trading in accounts owned, managed or beneficially owned by the individual. The Code's provisions also include requirements relating to areas such as gifts and business hospitality, confidentiality of information, the provision and solicitation of political and charitable contributions and outside appointments. The Code prohibits all personal political contributions for any purpose to a U.S. federal, state or local government elected official, candidate, or entity (including any political action committee) without the written consent of the CCO. By setting forth the regulatory and ethical standards to which the Firm's partners and employees must adhere, the Code supports our efforts to promote a high level of professional ethical conduct in furtherance of our fiduciary duty to our clients. The Code of Ethics is reviewed at least annually and approved by the Risk Management Committee.

## **Personal Trading**

Among other things, the Code limits and monitors the personal trading activity of its partners and employees, including members of their immediate households. These limitations seek to further the Firm's efforts to prevent partners and employees from personally benefiting from the Firm's investment decisions for its clients and/or any short-term market effects of the Firm's recommendations to clients. Specifically, the Code prohibits partners and employees and certain members of their households from purchasing or selling emerging market securities which are held in or suitable for client accounts. Limitations also exist for such persons on the participation in initial public offerings and private placements. All partners and employees must provide the Firm with a listing of their securities holdings, as well as copies of trade confirmations and details of their brokerage accounts. These restrictions and requirements of the Code apply to all accounts over which employees have investment discretion, or in which they have a direct or indirect beneficial ownership interest.

## **Participation or Interest in Client Transactions**

Certain partners and employees of the Firm may invest for their personal account in the Genesis Funds. The Firm may have an incentive to favour accounts in which its partners or employees invest with respect to trading opportunities, trade allocation and allocation of investment opportunities. As such, the Firm requires that any personal transactions in the Genesis Funds are reported to and monitored by the Legal, Compliance & Risk Department. The Firm has also implemented a series of internal controls and procedures to address these conflicts and further our efforts to treat all accounts fairly. Some of these controls are discussed in Item 6 under the sections "Performance-Based Fees" and "Side by Side Management."

The Firm does not buy or sell, for the Firm's accounts, securities that the Firm has recommended to our clients. The Firm also does not engage in principal trades with our clients.

The Firm has maintained a small investment in one Genesis Fund since its inception. This investment was intended to satisfy the minimum number of investors. For several other vehicles, the Firm or one of its affiliates may hold 'founder shares' to satisfy local requirements.

## **Insider Trading/Material Non-Public Information**

All partners and employees of the Firm are subject to the Affiliated Managers Group, Inc. Insider Trading Policy and Procedures (the "AMG Insider Trading Policy"). The AMG Insider Trading Policy broadly prohibits the use of material, non-public information, and also imposes restrictions on the trading of AMG's stock.

In addition, the Firm's Code of Ethics also includes policies and procedures prohibiting the use of material non-public information that are designed to prevent insider trading by any partner or employee of the Firm. In accordance with these policies, any matter which may involve inside information is required to be brought to the attention of the Legal, Compliance & Risk Department prior to any trading activity. In addition, to prevent trading of public securities based on material, non-public information, the Firm maintains a "restricted list" that identifies any securities that cannot be purchased for personal or client accounts because material, non-public information may have been received by a partner or employee of the Firm. Provided such issuers are set up in the Firm's systems, such issuers named on this restricted list are coded as "prohibited" in the Firm's trading and portfolio compliance system, thus blocking the Firm from trading in these securities without the consent of the Firm's Legal, Compliance & Risk Department.

The Firm investigates any suspicious activity of any security held in personal holdings accounts which may suggest the use of insider trading. The trading patterns of securities held in client accounts are monitored on a regular basis including a review of trading patterns of stock held in client accounts which moves by more than a set percentage on any one day. In addition, the Firm's partners and employees certify compliance with the Code of Ethics on a quarterly basis.

## **Gifts and Business Hospitality**

The Firm's Code of Ethics includes policies and procedures regarding giving or receiving gifts and business hospitality between the Firm's partners, employees and certain third parties (e.g. vendors, broker/dealers, consultants, etc.) to help mitigate the potential for conflicts of interest surrounding these practices. In general, the Firm monitors the amount (i.e., value and frequency) of gifts and business hospitality that may be provided to and by partners and employees to these parties, and requires the pre-approval of certain items by the CCO. The Firm specifically monitors for any potential conflicts of interest with respect to individual instances of gifts or hospitality, as well as patterns of the same over time, to prevent the interests of the Firm and its partners and employees from being placed ahead of the interests of clients. Gifts and hospitality of any sort to clients and certain US public and foreign officials are prohibited without the prior consent of the CCO.

## **Charitable Contributions**

From time to time, the Firm may donate to charitable enterprises and has identified several charities which it supports on a regular basis. In general, those donations are made in response to requests from the Firm's partners or employees. The Managing Partner approves all charitable contributions to be made by the Firm.

Requests for charitable contributions from clients or potential clients are not permitted without the consent of the CCO or Managing Partner.

The solicitation of charitable contributions from clients or potential clients is forbidden.

In addition, partners of the Firm have launched the Genesis Charitable Trust which provides grants for public benefit within countries with low- and middle-income economies. This Trust provides or assists in the provision of education, training, and infrastructure projects and is operated independently of the Firm's business. All grants are approved by the trustees of the Trust and no grants will be made if a conflict or potential conflict with the Firm's business is present.

## **Political Contributions**

The Firm prohibits its partners and employees from making political contributions on behalf of the Firm or to be reimbursed for personal political contributions, or from making political contributions for the purpose of securing or retaining business. All requests for political or campaign contributions from clients or potential clients are required to be declined. The solicitation of political or campaign contributions from clients or potential clients is forbidden.

## **Distribution of the Code**

The Firm is firmly committed to making its partners, employees and clients (both current and prospective) aware of the requirements within the Code of Ethics. All partners and employees are provided with a copy of our Code at the time of hire and annually thereafter, and each must affirm that they have received a copy of the Code, and that they have read and understand its provisions. Additionally, the Legal, Compliance & Risk Department conducts periodic compliance training that addresses the requirements of the Code and the other policies described in this Item. A current copy of the Firm's Code is available at all times to partners and staff via the Firm's SharePoint and also available to clients or prospective clients upon request, and may be obtained by contacting:

Genesis Investment Management, LLP

16 St James's Street

London SW1A 1ER



United Kingdom

legalandcompliance@giml.co.uk

Attention: Legal, Compliance & Risk Department, Code of Ethics Request

## **Item 12 – Brokerage Practices**

Generally, the Firm is retained on a discretionary basis and is authorised to determine the brokers to be used when effecting transactions on behalf of its clients. Certain clients request that the Firm consider using a specified list of brokers and the Firm has agreed on a best efforts basis bearing in mind the Firm's duty of best execution. Certain client accounts may prohibit execution of trades for such client account through specified brokers.

The Firm has a fiduciary duty to seek best execution, and to ensure that trades are allocated fairly and equitably among clients over time.

### **Brokerage Relationships**

The Firm is not directly related to any brokers but may be considered affiliated with other brokers as a result of the common ownership with AMG. With respect to such brokers which may be viewed as affiliated to the Firm through AMG, the Firm does not use such entities to execute trades on behalf of its clients.

The Firm may have many other relationships with brokerage firms. For example:

- the Firm may invest client assets in securities issued by brokers or their affiliates.
- the Firm may provide investment management services to affiliates or pension arrangements related to certain brokers.

Notwithstanding such relationships or business dealings with these brokers, the Firm has a fiduciary duty to its clients to seek best execution when trading with these firms, and has implemented policies and procedures to monitor its efforts in this regard.

### **Best Execution – Selection Factors for Brokers**

As noted above, the Firm has a duty to seek best execution of transactions for client accounts. "Best execution" is generally understood to mean the most favourable cost or net proceeds reasonably obtainable under the circumstances. In seeking best execution, the Firm looks for the best combination of transaction price, quality of execution (e.g., the speed of execution, the likelihood the trade will be executed, etc.), sourcing liquidity and other valuable services that an executing broker may provide.

The Firm, in seeking best execution, will make this selection based on a number of factors, which may include, but are not limited to, the following; the broker's financial soundness; the broker's ability to effectively and efficiently execute, report, clear, and settle the order; the broker's ability to commit capital; the broker's ability to timely and accurately communicate with the Firm's Dealing Desk and settlements team; the broker's commission rates; and similar factors.

Northern Trust are an outsourced provider of Broker Services in markets and/or securities where it is the designated broker and for these securities these same obligations for best execution apply.

### **Best Execution committee**

The GIM Operating Board has responsibility for best execution and oversees the Firm's brokerage practices. The Portfolio Analysis and Dealing Team has established a process for determining the brokers to be used in executing trades (with the specific decision on which broker to use in a particular

transaction to be made by the Dealing Desk) and the general level of commissions to be paid to each broker.

### **Broker Approval Process**

Prior to using a broker, the Firm conducts a general due diligence review of the broker and will consider various criteria including, but not limited to, creditworthiness and appropriate regulatory authorisation. The Legal, Compliance & Risk Department approves such brokers but if a broker fails to satisfy one of the criterion, additional due diligence will be performed and the approval of the CCO is also required. All approved brokers are added to the Approved Broker List. Brokers on this list are monitored on an annual basis using a risk based approach. Results of the monitoring are reported to senior management.

### **Monitoring**

The Firm regularly monitors and reviews broker performance and the reasonableness of brokerage commissions. As part of the dealing process, the Dealing Desk monitors broker executions against other traded prices shown on Bloomberg. The internal monitoring programme reviews commission rates achieved on a quarterly basis as part of the more general trade execution monitoring. In addition, the Firm has employed a third party to provide transaction cost analysis as well as an assessment of our transaction costs and market impact in certain countries versus a representative peer group of other emerging markets managers. The results of the monitoring and third party report are included in quarterly reports provided to the GIM Operating Board and senior management.

The internal procedures relating to brokerage practices are maintained in a written Best Execution policy which is reviewed at least annually by the GIM Operating Board.

Please refer to Item 4 above for a description of arrangements relating to FX transactions for client accounts.

### **Research and Soft Dollar Benefits**

The Firm pays for research services out of the Firm's resources across all of its client accounts. The Firm is not involved in any soft dollar arrangements.

The Firm has implemented a research policy and procedures intended to ensure that the research services are allocated fairly across client portfolios and that the research services are regularly assessed with a view to costs and quality and its ability to contribute to better investment decisions.

The determination of the eligibility of research and the substantive value of the research services is made by the relevant member of the Investment Team as part of their quarterly assessment of research services. Such assessment is aided by the use of a research interaction tracking platform and these results are reviewed by the PCT and the Firm's Operating Board.

The overall research budget is set by the Firm's Operating Board as an estimate of research costs expected to be incurred. The Firm's Operating Board apportions the overall research budget across each member of the Investment Team so that each member has a defined monetary amount for research services which they may allocate across the external research providers. Additional research services must be approved by the Managing Partner.

### **Commission Sharing Arrangements**

The Firm is not involved in any CSAs.



## **Contra Orders**

The Firm may submit opposing orders in the same security although it is expected that such occasions would be rare and likely to be the result of client-directed cash flows. Other than in exceptional circumstances, it is expected that contra orders would be executed at market prices. See also Cross Trades below.

## **Directed Brokerage**

In some cases, clients have requested that the Firm use specified brokers for portfolio transactions in their accounts. The Firm has agreed to do so on a best efforts basis subject to its duty of best execution and bearing in mind the specialist nature of its underlying asset class of emerging markets. Records of any trades in connection with a directed brokerage arrangement are maintained and provided to the relevant brokers and clients as required.

The Firm reserves the right to reject or limit client requests for directed brokerage.

## **Cross Trades**

In general, cross trades are rare and restricted due to client account regulations. Crossing, where permitted, takes place, other than in exceptional circumstances, at market prices and the CCO must approve any cross trade. In considering such requests the regulatory requirements, client guideline restrictions and fairness of the trade to both parties are assessed.

## **Liquidity Rebates**

In selecting brokers to execute transactions for client accounts, the Firm does not consider any “liquidity rebates” that may be available to those brokers. Brokers may earn “liquidity rebates” (i.e., a certain cash rebate) when placing orders in certain market centres while trading on behalf of the Firm. However, the Firm chooses brokers based on our policy of seeking best execution, which is determined by several quantitative and qualitative factors. It is against the Firm’s policy to take into consideration a broker’s potential to earn liquidity rebates when deciding whether to choose a particular broker.

## **Trade Aggregation and Allocation**

When two or more portfolios are simultaneously engaged in the purchase or sale of the same security, the Firm may, but is not obligated to, combine and aggregate the transactions to form a “bunched trade” or “block trade.” In such cases, these accounts will receive the average price of the transactions in that security for the day. Trades in the same security for different accounts will be accumulated for a reasonable period of time to allow for aggregation, unless a particular account’s interest would be unduly prejudiced. The Firm may, but is not required to, aggregate orders into block trades where the Firm believes this is to be appropriate, in the best interests of the client accounts, and consistent with applicable legal requirements. Transactions executed in a block will typically be allocated to the participating client accounts before the close of the business day.

Since more than one account’s orders are included in a block trade, the Firm has adopted a policy of using a “pro rata allocation” to allocate the trade among each account whose order makes up part of the block. Under a pro rata allocation, as securities are being purchased or sold as part of the block trade, the securities are being allocated to (or away from, in the case of a sale) accounts in the proportion by which each account’s order size (as determined by the portfolio manager at the time of order entry) makes up a percentage of the entire block. In cases where the Firm is unable to fulfil a block trade the same day (i.e., purchase or sell all securities within the block trade), those securities that have been purchased or sold by the end of the day will generally be allocated pursuant to the Firm’s pro rata allocation methodology. Allocation is imposed through our automated order management system.

All allocation objectives and implementation procedures are designed to ensure that all clients receive equitable treatment, ensuring as far as possible that all portfolios with the same mandate look alike. Partial fills are allocated on a pro-rata basis at the order entry level, allowing accounts to be kept in line as far as possible through the lifecycle of an order. This policy, where accounts that are further ahead due to previous bookings are allocated a lower portion of subsequent partial fills until such time that other accounts have aligned with their progress, allows for fair distribution of price across the lifecycle of an order. Small allocations less than US\$5,000 are removed from pro-rata bookings because they are uneconomic to confirm and settle. Separate accounts and the Genesis Funds are treated alike under this allocation process.

Allocations across portfolios are reviewed as part of the compliance monitoring programme.

### **Initial Public Offerings (“IPOs”)**

An initial public offering is a company’s first offer of stock for sale to the public. Depending on the interest in this initial offering, the Firm’s access to these newly offered shares may be limited in amount at the time of the initial offering.

In the event that the Firm participates in any initial public offerings and other securities with limited availability (collectively, “IPOs”), the Firm allocates IPOs among accounts as it would for any other security that is, on a pro rata basis and taking into consideration factors such as client eligibility, client account objectives and preference, investment restrictions, account sizes, cash availability, and current specific needs.

Allocation of IPOs and other limited offerings across client accounts is monitored periodically as part of the internal monitoring process to ensure that all accounts are treated fairly and equitably over time.

### **Trade Errors and Trade Error Accounts**

If a trade error were to occur, it is the Firm’s policy to make the client account whole. Also if a client account were to benefit from a trade error, any profits would remain with the account (unless the client instructed otherwise). Any material breach of an investment restriction would be disclosed to the client.

Internally such a material matter is required to be reported immediately to the CCO who in turn would inform the wider group of partners. Where possible, procedures are put in place to ensure that such an incident does not recur.

## **Item 13 – Review of Accounts**

The Portfolio Coordination Team (PCT) is comprised of a three-member sub-group of the Investment Team, including the Managing Partner (permanent member), the Chair and a rotating third member, plus the Head of Risk who is functionally and hierarchically separate from the Investment Team.

In addition, the Investment Team typically holds the following meetings to discuss research ideas:

<b>Frequency</b>	<b>Purpose</b>	<b>Attendees</b>
<b>Weekly</b>	General meeting to discuss research and investment decisions, particularly ideas resulting from company and country visits	All investment professionals (when not travelling)
<b>Quarterly</b>	Portfolio Week during which each stock – as well as major omissions – are reviewed; also includes a review of correlated risks	All Investment Team members (in person)

**Semi-  
Annually**

Investment 'away days', focusing on  
investment process improvements

Investment Team

Ensuring compliance with clients' investment guideline compliance is, as far as possible, automated using the compliance module of the Firm's process system. Client-specified restrictions and guidelines are set up and maintained by the Legal, Compliance & Risk Department. When a new transaction order is created on the system, pre-trade compliance checks are run automatically. Any order which creates a new 'breach' (or increases an existing breach) will be referred to the Legal, Compliance & Risk Department. Post-trade compliance limits are run automatically overnight and the Legal, Compliance & Risk Department reviews and investigates these results daily. The Performance and Client Reporting team also compare on a monthly basis individual client accounts against other accounts invested in a similar manner to assess the consistency of holdings and performance, and to reconcile any outliers or other exceptions that are found. In addition to the pre- and post-trade automated restrictions, regular guideline reviews of client accounts are also conducted as part of the internal monitoring function.

With respect to reconciliations, the Firm also reconciles its records of the securities and cash held within its clients' accounts against the records of the custodians who hold the securities and cash. These reconciliations are performed daily by Watson Wheatley Ltd, a specialist provider in reconciliations. Exceptions are reported back to the respective operational teams at the Firm for further investigation and resolution. Custodian statements and records of the are the official books and records for each client account.

## Reporting

With respect to client reporting, the Firm delivers to each of its clients on a monthly and quarterly basis. Reports typically include:

On a monthly basis:

- Listing of individual holdings, including number of shares and current market value;
- Monthly, quarterly, year-to-date, 1 year, 3 years, 5 years, 10 years and/or since-fund's inception time-weighted rates of return;
- Performance attribution;
- Statement of changes to capital, including original capital and changes (subscriptions and redemptions);
- All investment transactions occurring during the period.

In addition, on a quarterly basis, clients also receive:

- Proxy voting activity;
- Broker commission payments;
- Quarterly investment letter and an invitation to our quarterly client conference call, hosted by the entire Investment Team discussing portfolio performance and a special topic of interest within emerging markets, and a live Q&A;
- Portfolio commentary;
- Carbon Footprint – Portfolio compared to MSCI EM index.

Upon request by a client, valuations and other reports may be available on a more frequent basis.

Clients generally receive monthly account reports from independent qualified custodians. These reports typically include:

- Listing of individual holdings, including number of shares and current market value;
- Purchase and sale transactions occurring during the period;
- Monthly, quarterly, year-to-date, 1 year and/or since-inception time-weighted rates of return;
- Client Statements (for investors in Genesis Funds) sent monthly, including beginning, and ending market value of individual client accounts and capital changes in the month including but not limited to subscriptions and redemptions.

The reports for segregated client portfolios may be customised to meet each client's individual needs. The reporting packages for Genesis Funds are standardised to the extent possible but additional confirmations or reports may be agreed by the Firm with an investor in such Genesis Fund.

As noted, the custodian statements reflect the official books and records for the client accounts managed by the Firm.

## **Item 14 – Client Referrals and other Compensation**

### **Relationships with Investment Consultants**

Many of the Firm's clients and prospective clients retain investment consultants to advise them on the selection and review of investment managers. The Firm may have certain client accounts that were introduced through consultants. These consultants or their affiliates may, in the ordinary course of their investment consulting business, recommend the Firm's investment management services, or otherwise place the Firm into searches or other selection processes for a particular client.

The Firm has extensive dealings with investment consultants, both in the consultants' role as advisers for their clients and through independent business relationships. Specifically, the Firm provides consultants with information on the portfolios managed on behalf of mutual clients, pursuant to clients' requests. The Firm also provides information on its investment strategies to consultants, who use that information in connection with searches they conduct for their clients.

Other interactions the Firm may have with consultants include, but are not limited to, the following:

- the Firm may, from time to time, purchase software applications, access to databases, and other products or services from consultants.
- the Firm may pay registration or other fees for the opportunity to participate, along with other investment managers, in consultant-sponsored industry forums or conferences. These provide the Firm with the opportunity to discuss a broad variety of business topics with consultants, clients, and prospective clients.
- In some cases, the Firm may serve as an investment adviser for the proprietary accounts of consultants or their affiliates, or as an adviser or sub-adviser for funds offered by consultants and/or their affiliates.

In general, the Firm relies on each consultant to make appropriate disclosure to its clients of any conflict that the consultant may believe to exist due to its relationship with the Firm.

### **Consulting Databases**

Genesis may pay consultants or other third parties to include information about the Firm's investment approaches in databases that they maintain to describe the services provided by investment managers to prospective clients.

### **Relationships with Solicitors**

The Firm has a marketing agreement(s) with AMG Funds LLC and/or AMG Distributors, Inc., each a wholly-owned subsidiary of AMG, under which AMG Funds LLC/AMG Distributors, Inc. markets the Firm's investment management services and private funds to sponsors of sub-advised funds, institutional clients, or other platforms. AMG Funds LLC receives a fee from the Firm if the Firm is engaged as a result of these services. For this line of business, the AMG does business as "AMG Distributors".

Other than as described above, the Firm has no other agreements with third-party solicitors pursuant to which the Firm pays a fee to these parties in connection with their solicitation of clients and other services.

### **Compensation from Third Parties**

The Firm does not receive any monetary compensation or any other economic benefit from a non-client for the Firm's provision of investment advisory services to a client.

## **Item 15 – Custody**

The Firm does not act as a custodian over the assets in the accounts it manages for clients (except as may be deemed a "custodian" by applicable law, as discussed below). Clients typically must make their own arrangements for custody of securities in their accounts. Such custodians may be banks, trust companies, or other qualified institutions. The qualified custodian will typically provide the client with at least quarterly account statements relating to the assets held within the account managed by the Firm. Each client should carefully review the qualified custodian's statement upon receipt to determine that it completely and accurately states all holdings in the client's account and all account activity over the relevant period. Any discrepancies identified by a client should be immediately reported to the Firm and the qualified custodian.

In addition to the account statements provided by qualified custodians to our clients, the Firm also provides account statements to clients on a monthly basis. As such, we encourage clients to compare the statements provided to them by the Firm against those provided to them by the qualified custodians who hold the assets of their accounts, and to report any questions, concerns, or discrepancies to both the Firm and the qualified custodian promptly. Such questions, concerns, or discrepancies may be communicated to the Firm by writing, e-mailing, or telephoning us using the following contact information:

Genesis Investment Management, LLP

16 St James's Street

London SW1A 1ER

United Kingdom

+44 2072 017200

clientservice@giml.co.uk

Attention: Client Service, Report Query

The Firm's statements may vary from custodial statements based on accounting procedures, reporting dates, and/or valuation methodologies of certain securities. However, please note that custodian statements reflect the official books and records for the accounts managed.

The Firm may be deemed, under the federal securities laws, to have custody of client assets by virtue of the fact that it also serves as the investment manager and the general partner of one or more of the Genesis Funds referenced in Item 7. In neither capacity (as the investment manager nor as the general partner) does the Firm have actual physical custody of any client assets or securities invested in such Genesis Fund; rather, all such assets are held in the name of the applicable Genesis Fund by an

independent qualified custodian. Each such Genesis Fund is audited annually, and investors receive annual financial statements, as required by applicable law.

## **Item 16 – Investment Discretion**

The Firm is granted discretionary authority by our clients at the outset of an advisory relationship to determine the identity and amount of securities to be bought or sold. In all cases, however, such discretion is to be exercised in a manner consistent with the stated investment objectives/guidelines for the particular client account. When selecting securities and determining amounts of securities for purchase or sale, the Firm observes the investment policies, limitations, and restrictions that are applicable to our clients' accounts, as set forth by our clients. Any investment guidelines and restrictions, including amendments, must be provided to the Firm by the clients in writing. A separately managed client account will grant the Firm discretionary authority by executing an investment management agreement, which includes, among other items, a statement giving the Firm full authority to invest the assets identified by the client in a manner consistent with the investment objectives and limitations delineated by the client, and to engage in transactions on a discretionary basis in the client account. For the Genesis Funds, the appointment of the Firm as investment manager, the scope of the authority and investment objectives and limitations are outlined in the relevant offering documents and the governing agreements of the relevant Genesis Fund.

Clients are likely to restrict the areas in which their assets may be invested to exclude certain countries, regions, stock exchanges or types of securities. Additionally, clients generally place restrictions as to the proportions of managed funds which may be invested in individual securities, issuers or in particular countries, regions or sectors. As a general matter, all client portfolios are restricted from short selling securities or using leverage as an investment tool.

### **Class Action Suits and Other Legal Actions**

As a general matter, the Firm provides instructions to custodians regarding tender offers and rights offerings for securities in client accounts.

In general and due to the fact that class actions are not common in emerging markets, the Firm is unlikely to be under any obligation to, and typically does not, take any legal action with regard to class action suits relating to securities purchased by the Firm for its clients. Furthermore, the Firm does not provide legal advice to clients and, accordingly, does not determine whether a client should join, opt out of or otherwise submit a claim with respect to any legal proceedings, including bankruptcies or class actions, involving securities held or previously held by the client. The Firm generally does not have authority to submit claims or elections on behalf of clients in legal proceedings. Should a client, however, wish to retain legal counsel and/or take action regarding any class action suit proceeding, the Firm will provide the client or the client's legal counsel with information that may be needed upon the client's reasonable request. For the Genesis Funds, advice and/or instruction is expected to be obtained from the governing board/entity of the relevant Genesis Fund.

## **Item 17 – Voting Client Securities**

Since client accounts may hold stocks or other securities with voting rights, the Firm's clients often have the right to cast votes at the corporate issuers' shareholder meetings. However, since shareholders often do not attend shareholder meetings, they have the right to cast their votes by "proxy." In such cases, the Firm's clients will either retain proxy voting authority or delegate it to the Firm. If a client has delegated such authority to the Firm (whether in the client's investment management agreement with the Firm or otherwise), the Firm will vote proxies for that client.

Where clients have delegated proxy voting authority to the Firm, as an investment adviser and fiduciary of client assets, the Firm accepts such responsibility to vote proxies on behalf of the client. However, it

is the responsibility of the custodian appointed by the client to ensure that the Firm receives notice of the relevant proxies sufficiently in advance of the relevant meeting to allow the Firm to vote. Also given the underlying markets in which the Firm invests, the Firm may encounter other administrative obstacles in voting proxies on behalf of clients including share blocking and language requirements.

The Firm has implemented proxy voting guidelines and procedures intended to protect the value of shareholder investments and designed to reasonably ensure that the Firm votes proxies in the best interest of clients. In voting proxies, we seek to both maximise the long-term value of our clients' assets and to cast votes that we believe to be fair and in the best interest of the affected client(s). Voting decisions are determined by the relevant member of the Investment Team. The Firm instructs the voting agent (see below) on how to vote and the voting agent in turn liaises with the relevant custodian. Records are maintained as to the manner in which proxies are voted and are distributed to clients in accordance with their reporting requirements (see Item 13). Such reports include further information when a decision has been made to vote against management.

Where clients have not delegated proxy voting authority to the Firm, such clients may on occasion seek information or advice from the Firm as to how the Firm views the relevant issues. On certain occasions, the Firm may contact those clients for whom it does not have proxy voting authority and advise such clients of how it intends to vote for other client accounts.

### **Voting Agent**

The Firm has contracted with Institutional Shareholder Services, Inc. ("ISS"), an independent third-party provider of proxy voting and corporate governance services ("proxy agent") which specialises in providing a variety of services related to proxy voting. Specifically, this proxy agent has been retained to provide proxy research and recommendations, execute proxy votes as instructed by the Firm, and keep various records necessary for tracking proxy voting materials and proxy voting actions taken for the appropriate client account.

### **Conflicts of Interest**

If a material conflict should arise between the Firm's interests and those of the clients, it is the Firm's policy to advise the client of such conflict and obtain their consent or instruction as to how to vote.

Details of how the Firm has voted in the past five years on a particular security held in one or more of the Genesis Funds are available on the Firm's website. Separate account clients (which have delegated proxy voting authority to the Firm) may use the contact details below to request the details of how votes were instructed by the Firm for their account.

The Firm's Proxy Voting Guidelines are available on the Firm's website. If you would like to review how the Firm voted on a particular security for your account, or if you would like further information on the proxy agent's proxy voting policy guidelines, please contact:

Genesis Investment Management, LLP  
16 St James's Street  
London SW1A 1ER  
United Kingdom  
+44 207 201 7200  
mills@giml.co.uk  
Re: Proxy Voting Guidelines Request

## **Item 18 – Financial Information**

The Firm has no financial condition that impairs our ability to meet our contractual and fiduciary commitments to our clients, and the Firm has not been the subject of a bankruptcy proceeding.