

## Slavery and Human Trafficking Statement 2018

This statement is made on behalf of Alquity UK and Alquity Investment Management Limited (together, "Alquity"/"we"/"our"/"us") pursuant to section 54(1) of the Modern Slavery Act 2015 (the "Act") and constitutes our slavery and human trafficking statement.

### **THE BUSINESS AND ORGANISATIONAL STRUCTURE**

The Group is currently comprised of Alquity Investment Management Limited, which offers a range of emerging and frontier market funds as well as mandates and bespoke solutions for a global client base. As well as delivering a full commercial return for clients, the firm allocates 10% of its net management fees to the Alquity Transforming Lives Foundation, an independent UK registered charity (Number: 1162494).

The second component of the Alquity Group, SGF-management, was formed in December 2006 as a specialised fund management or fund advisory business with distribution capabilities through professional intermediaries. SGF-management invests in Alquity Funds as well as external funds, working closely with Alquity Investment Management to provide client solutions.

Alquity (UK) Limited is the holding company for the group entities and Alquity (Asia) Limited is a dormant entity at the time of this update.

Alquity Investment Management is the primary UK based investment manager and is regulated by the FCA.

### **ZERO TOLERANCE POLICY**

Alquity has zero tolerance for either slavery or human trafficking and is committed to implementing the necessary procedures in order to monitor and reduce the risk of its occurrence in our supply chain.

### **OVERALL RISK LEVEL IN OUR BUSINESS**

Higher risks of modern slavery are associated with extractive and manufacturing industries, sectors with a predominance of low paid unskilled labour, and firms with global supply chains in less economically developed countries. Our business is the provision of investment management and investment advisory services to certain investment vehicles (such as funds). Alquity strives to recruit, develop and retain the best quality people, and candidates are subject to a rigorous selection process, with all hiring decisions requiring approval by specific members of the Alquity Executive Committee. The vast majority of our global suppliers by value and volume are located in economically developed countries and, for those few that are not, the services we receive (such as research and legal services) are delivered by professionals in reputable firms. Given the nature of our business and the quality of the services we receive, we consider ourselves at no risk of modern slavery or human trafficking within our business and at minimal risk in our supply chain. This conclusion is reinforced by the results of our annual risk assessment.

### **ACTIONS TO MONITOR AND REDUCE THE RISK OF OCCURRENCE**

#### ***Annual risk assessment***

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As part of our due diligence process under the Act, we conduct an annual group-wide exercise to categorise our suppliers according to our perception of the risk of modern slavery and human trafficking posed by each supplier. Each supplier is given a risk rating based on the country and industry sector of the supplier and the amount we spend with that supplier. Guidance is sought from relevant related standards and publications (such as the Walk Free Foundation Global Slavery Index 2016 and Tackling Modern Slavery in Supply Chains). The categorisation determines an escalating level of response which may include:

- Informing the supplier of our policy and expectations;
- Adding clauses related to modern slavery to our supplier contracts;
- Requesting and reviewing the supplier's own statements made pursuant to the Act (or equivalents);
- Conducting more detailed investigations of the supplier; and
- Senior management review of whether or not to continue the relationship

### **ONGOING PROCEDURES AND TRAINING**

A limited number of staff are permitted to authorise expenditure by their departments or offices ( the "Authorisers"). All Authorisers are provided with advice and/or training on the requirements of the Act, the identification of higher risk suppliers (by country or sector) and the need to consult internally and put in place adequate protection in higher risk cases. Guidance has also been included in the group-wide Expenditure Policy.