

Actis UK Advisers Limited ("Actis UK") IFPR Public Disclosures

1. INTRODUCTION

1.1 Purpose

Actis UK is authorised and regulated by the Financial Conduct Authority (the "FCA") and is part of the Actis group ("**Actis**"), which is an alternative asset management group. This document (the "**Disclosure Statement**") sets out the information Actis UK is required to disclose annually under chapter 8 of the MIFIDPRU Sourcebook in the FCA Handbook of Rules and Guidance. All information is as at the date on page 1 unless otherwise indicated.

1.2 Scope

The information in this Disclosure Statement relates to Actis UK on an individual basis, i.e., it does not concern any other Actis entities¹.

Unless otherwise noted, the information contained in this Disclosure Statement has not been audited by Actis UK's external auditors and does not constitute any form of financial statement and should not be relied upon in making any judgment on Actis UK.

2. GOVERNANCE ARRANGEMENTS

2.1 Role of the board of directors (the "Board")

Actis UK is governed by its Board. Actis UK is required to ensure that the Board defines, oversees and is accountable for the implementation of governance arrangements that ensure effective and prudent management of Actis UK, including the segregation of duties in Actis UK and the prevention of conflicts of interest, and in a manner that promotes the integrity of the market and the interests of clients.

Actis UK seeks to achieve this through several means, including²:

- through adopting an appropriate process for appointments to the Actis UK Board;
- processes for the functioning of the Actis UK Board, including reporting of management information on risks Actis UK is or might be exposed to, or Actis UK poses or might pose to others;
- obligations under the FCA Senior Managers and Certification Regime, as part of which certain senior members of staff ("**Senior Management Function-holders**") are required to be approved by the FCA and a number of other members of staff are required to be certified by Actis UK as fit and proper to perform their roles;
- legal obligations applicable to members of the Actis UK Board under the Companies Act 2006 and fiduciary and agency law;
- policies and procedures, including in particular Actis UK's compliance manual, conflicts of interest policy, remuneration policy, and its policies on personal account dealing and market abuse;
- regulatory obligations, supported by regulatory guidelines, and Actis UK's policy on the suitability of the management body, which seeks to ensure that:
 - individually, the members of the Actis UK Board are of sufficiently good repute, possess sufficient knowledge and experience to perform their duties, commit

¹ MIFIDPRU 8.1.7R.

² MIFIDPRU 8.3.1R (1).

sufficient time to the role and demonstrate honesty, integrity and independence of mind; and

- the Actis UK Board as a whole possesses adequate collective knowledge, skills and experience to understand Actis UK's activities, including the main risks and reflect an adequately broad range of experiences³; and
- the appointment of legal and accounting advisers and other advisers as required from time to time; and
- the appointment of non-executive directors to the Board.

2.2 Composition of the Governing Body⁴

The members of the Actis UK Board are set out in the following table, together with the number of additional directorships held by each member at the date on page 1⁵, excluding directorships: (i) held in organisations which do not pursue predominantly commercial objectives; or (ii) in entities within the Actis Group or in entities in which Actis UK holds a qualifying holding.⁶

Name	Number of additional directorships (executive and non-executive)
Dr Sherif Hesham Elkoholy	11
Marina Anne Fariba	0
Rishika Jay Prakash	1
Nisha Raghavan	0
Frederick Clive Rodgers	3

2.3 Diversity of the Board⁷

Actis is committed to promoting diversity and equal opportunities for staff throughout Actis, including on the Actis UK Board. Actis believes that diverse and inclusive teams make better decisions, and this informs Actis' recruitment and retention strategies, both across the organisation as a whole and at the level of the Actis UK Board.

All appointments are made on merit against objective criteria, and with regard to the individual's knowledge, skills and experience and the combined knowledge, skills, experience and diversity of the Actis UK Board as a whole.

2.4 Risk governance

Actis UK has well-established risk management policies in relation to the operational risks facing the business as well as those associated with Actis UK's activities. The Actis UK Board is ultimately responsible for Actis UK's overall risk management and for maintaining an appropriate internal control framework.

Actis UK is not required to maintain a remuneration, an audit or a nomination committee, and, given its nature, size and complexity, it does not consider it appropriate to do so. For the same reason it

³ MIFIDPRU 8.3.3G (2).

⁴ MIFIDPRU 8.3.1 R (1).

⁵ MIFIDPRU 8.3.1R (2).

⁶ MIFIDPRU 8.3.2R.

⁷ MIFIDPRU 8.3.1R (4).

also does not have an independent risk management function. However, Actis maintains a Group Risk Committee which provides regular reports to the Actis UK Board on risk management.⁸

3. RISK MANAGEMENT OBJECTIVES AND POLICIES

3.1 Potential for harm associated with the business strategy

Actis UK considers that the potential for harm associated with its business strategy is low. Notably, Actis UK does not engage in proprietary trading, underwriting, placing, clearing or settlement activities, or provide services to retail clients. Actis UK's business strategy reflects its low risk appetite towards conduct risk; prudential risk; reputational risk; legal, compliance and regulatory risk; financial crime risk; data and cyber security risk; and sustainability risk. Actis UK is largely remunerated by affiliates on a cost-plus basis as well as, in relation to its delegated portfolio management business, fees charged to the funds Actis UK manages on a delegated basis, meaning that its income is generally stable and predictable. Furthermore, the investment strategies pursued by Actis UK on behalf of clients do not employ the use of leverage on a substantial basis.

The level of detail of information in this Disclosure Statement is consistent with this proportionality assessment⁹.

3.2 Strategies and processes used to manage risks addressed by own funds and liquid assets requirements¹⁰

Basic Own Funds Requirement and Basic Liquid Assets Requirement

Actis UK is subject to a Basic Own Funds Requirement and a Basic Liquid Assets Requirement.

Actis UK's Basic Own Funds Requirement is the higher of (i) a permanent minimum own funds requirement, (ii) one quarter of its preceding year's fixed overheads (its fixed overheads requirement, or "**FOR**") and (iii) a 'K-factor' requirement ("**KFR**") (a percentage scalar applied to particular activities Actis UK carries on, e.g. its assets under ongoing advice).

Details of Actis UK's own funds are set out at Schedule 1¹¹.

Details of Actis UK's Basic Own Funds Requirement are set out at Schedule 2¹².

Overall Financial Adequacy Rule¹³

Actis UK must at all times comply with the overall financial adequacy rule (the "**OFAR**"). This requirement, which supplements Actis UK's Basic Own Funds Requirement and Basic Liquid Assets Requirement, requires Actis UK to hold sufficient own funds and liquid assets to:

- ensure it can remain viable throughout the economic cycle, with the ability to address any potential harm Actis UK's ongoing activities might cause to its clients and counterparties, the markets in which it operates and Actis UK itself; and
- allow its business to wind-down in an orderly way, minimising harm to clients and counterparties and to other market participants.

The Internal Capital Adequacy and Risk Assessment¹⁴

⁸ MIFIDPRU 8.3.1R (5) and MIFIDPRU 8.3.1R (6).

⁹ MIFIDPRU 8.1.8R-9R.

¹⁰ MIFIDPRU 8.2.2R (2).

¹¹ MIFIDPRU 8.4.

¹² MIFIDPRU 8.5.1R.

¹³ MIFIDPRU 8.5.2R.

¹⁴ MIFIDPRU 8.2.3G.

Actis UK uses an internal capital adequacy and risk assessment ("**ICARA**") process to identify whether it is complying with its OFAR and, if it is not, to identify what steps it should take to remedy this.

The focus of the ICARA process is on identifying and managing risks that may result in material harms to clients and counterparties, the markets in which Actis UK operates and Actis UK itself, measuring the effectiveness of Actis UK's strategies to monitor and mitigate those harms, and determining whether additional own funds and/or liquid assets are required to mitigate any residual risks.

The FCA recognises that the risk of some material harms can be reduced through proportionate measures other than holding additional financial resources, for example implementing additional internal systems and controls, strengthening governance and oversight processes or changing the manner in which Actis UK conducts certain business.

However, for other harms identified, it may be that the only realistic option to manage them and to comply with the OFAR is for Actis UK to hold additional own funds and/or additional liquid assets above its Basic Own Funds Requirement and Basic Liquid Assets Requirement.

Actis UK has therefore formed a judgment about what is appropriate and proportionate in its particular circumstances, informed by its risk appetite, which is set by the Actis UK Board.

Actis UK's ICARA document is updated annually (or more frequently, as required), with input from external advisers as required. The document and the key assumptions underlying it are then reviewed and approved by the Actis UK Board.

Responsibilities of Senior Management Function-holders

Actis UK has a Senior Management Function-holder responsible for own funds and liquid assets compliance.

All Senior Management Function-holders recognise that the ICARA process is a key requirement of the regulatory system for Actis UK and is an essential part of Actis UK's internal systems and procedures for ensuring that its business is run prudently.

3.3 Concentration risk

Concentration risk refers to the risks arising from the strength or extent of Actis UK's relationships with, or direct exposure to, a single client or group of connected clients. Actis UK has identified the following concentration risks and has put in place the following control strategies:

Earnings

This is the risk that Actis UK has a significant amount of its revenue concentrated in a small number of clients, leaving it exposed if it loses one or more of those clients.

Actis UK's revenue is derived principally from fees charged to affiliates within the Actis Group on a costplus basis as well as, in relation to its delegated portfolio management business, fees charged to the funds Actis UK manages on a delegated basis. Whilst this technically creates a concentration risk, Actis UK considers that any downside of this is more than offset by the stability of revenue that the arrangements create.

Cash deposits

This is the risk that Actis UK's cash deposits are held with a narrow range of credit institutions, leaving it exposed if one or more of them becomes insolvent.

Actis UK maintains instant-access cash accounts with a range of major global banks, which it considers reduces its cash deposit risk to an acceptable level. Actis UK keeps this under review.

4. DISCLOSURES OF REMUNERATION POLICY AND PRACTICES

4.1 Qualitative disclosures

Approach to remuneration for all staff¹⁵

- Actis adopts a groupwide approach to remuneration of its staff¹⁶ which is designed to support sound and effective risk management, encourage responsible business conduct, promote risk awareness and prudent risk taking, and contribute to a healthy culture, as well as being in line with Actis' business strategy, objectives and long-term interests, taking into account the nature, scale and complexity of the risks inherent in the relevant business model and activities.
- In particular, when approaching the remuneration of its staff, Actis considers: (i) risk appetite and strategy, including environmental, social and governance risk factors; (ii) culture and values; and (iii) the long-term effects of the investment decisions taken. Actis' approach to the remuneration of its staff seeks to avoid conflicts of interest.

Objectives of financial incentives¹⁷

- Actis awards both fixed and variable remuneration to its staff.
- Actis' objectives in setting the level of fixed remuneration are to reflect individuals' professional experiences and organisational responsibilities. Fixed remuneration paid by Actis is pre-determined, non-discretionary, non-revocable and is not dependent on performance.
- Actis' objectives in setting the level of variable remuneration are to reflect and incentivise the performance (including longer-term performance) of the individual and business unit concerned as well as the overall results of Actis.

Decision making procedures and governance surrounding development of remuneration policies and practices¹⁸

- Actis' remuneration policy, and its implementation, is subject to at least annual review by Actis, including by or on behalf of the Board of Actis UK.
- Actis UK does not consider that it is required to establish a remuneration committee on the basis of its size, internal organisation and the nature, scope and complexity of its activities. Notwithstanding this, Actis chooses to maintain a remuneration committee at group level, as part of its commitment to responsible remuneration practices.
- The role of the remuneration committee includes determining the compensation of the Senior Partner. The Senior Partner is responsible (subject to consultation with the remuneration committee as applicable) for determining the compensation of the members of the governing body of the firm¹⁹ ("Exco"). Remuneration decisions with respect to senior staff who are not members of Exco and all other staff are taken by Exco (subject to consultation with the remuneration committee as applicable).

Types of staff identified as material risk takers²⁰

¹⁵ MIFIDPRU 8.6.2R(1)

¹⁶ In accordance with SYSC 19G.1.24G "staff" of Actis UK comprises relevant partners and employees of Actis.

¹⁷ MIFIDPRU 8.6.2R(2)

¹⁸ MIFIDPRU 8.6.2R(3)

¹⁹ From time to time the governing body of the firm may consist of more than one committee, the members of which are appointed by the Senior Partner.

²⁰ MIFIDPRU 8.6.4R

- Actis UK identifies as Material Risk Takers ("**MRTs**") the following types of staff: (i) the directors of Actis UK; (ii) the members of Exco; (iii) the General Counsel, (iv) the Chief Operations Officer; (v) the Money Laundering Reporting Officer; (vi) members of Actis' Investment Committees and Investment Approval Committees; and (vii) Actis' Head of the Investor Solutions Group.

Key characteristics of remuneration policies and practices²¹:

Different components of remuneration, with categorisation as fixed or variable

- Actis has two different primary remuneration structures, one of which applies to certain partners (potentially including some employees who are given the title of "Partner") and one which applies to its other staff.
- Certain partners receive: (i) a fixed draw against profits for the current accounting year, which is treated as fixed remuneration; and (ii) potentially a further share in the profits generated by Actis' business and, to the extent any such share is payable, it would be considered as variable remuneration.
- All other staff: (i) receive an annual salary, paid in monthly instalments, which is considered as fixed remuneration; and (ii) may also be awarded an annual discretionary bonus payment, which is considered as variable remuneration.
- In addition to these remuneration structures, both such partners and other staff may be allocated units in the carried interest schemes of Actis' funds. Such allocations are treated as variable remuneration for the purposes of the MIFIDPRU Remuneration Code.

Summary of financial and non-financial performance criteria, broken down into criteria for the assessment of the firm, business units and individuals

- Financial performance is assessed by reference to the returns generated by Actis' funds. Variable remuneration may be awarded based on a combination of overall firm performance, the performance of particular funds and/or business areas and an individual's own contribution to such performance.
- Non-financial performance is assessed based on criteria including (i) conduct (which makes up a substantial portion of the non-financial criteria); (ii) effective risk management and compliance with relevant regulatory requirements; (iii) the building and maintaining of positive customer relationships and outcomes (including positive customer/investor feedback); (iv) performance in line with Actis' strategy and values (e.g. leadership, teamwork or creativity); (v) adherence to Actis' risk management and compliance policies; and (vi) achieving targets relating to environmental, social and governance factors and diversity and inclusion.
- Staff engaged in control functions are assessed based on their achievement of objectives linked to their functions, independently of the performance of the business areas they control. Certain partners and other staff engaged in control functions are allocated carried interest in all Actis managed funds, with no weighting in favour of any particular business area/fund, to ensure independence from the performance of individual business areas.

Framework and criteria used for ex ante and ex post risk adjustment of remuneration, including current and future risks identified by the firm, how the firm takes account of current and future risks when adjusting remuneration and how malus and clawback are applied

- Actis' approach to ex ante risk adjustment is based on a rigorous assessment of performance, taking account of the financial and non-financial criteria set out above. Furthermore, a significant proportion of the "variable remuneration" awarded to senior staff tends to be in the form of carried interest awards, the value of which are dictated by the

²¹ MIFIDPRU 8.6.5R and 8.6.6R

financial performance of the underlying fund and are therefore inherently subject to pre-vesting risk adjustment.

- Variable remuneration awarded to Actis UK's MRTs is subject to the application of performance adjustment. To the extent that any variable remuneration has not yet been paid to an MRT, then the award and subsequent payment of such variable remuneration may be reduced in whole or in part ("**Malus**"). To the extent that any variable remuneration has already been paid to an MRT, then the MRT may be required to repay some or all of the payment received ("**Clawback**").
- The events following which Actis UK may apply Malus or Clawback are: (i) an MRT participates in or is responsible for conduct which results in significant losses to Actis UK; (ii) an MRT fails to meet appropriate standards of fitness and propriety; (iii) there is reasonable evidence of misbehaviour or material error by an MRT; (iv) Actis UK or the relevant business unit in which an MRT is involved suffers a material downturn in its financial performance; and (v) Actis UK or the relevant business unit in which an MRT is involved suffers a material failure of risk management, in each case prior to the payment of variable remuneration in relation to Malus and prior to the date which is three (3) years following the date of award of variable remuneration in relation to Clawback.

Policies and criteria applied for the award of guaranteed variable remuneration

- Actis does not typically award guaranteed variable remuneration. If, on an exceptional basis, it is considered appropriate to award a guaranteed bonus or profit share, then relevant senior managers or partners as applicable will be consulted on such arrangements.

Policies and criteria applied for the award of severance pay

- Actis may from time to time reach agreement with a leaving member of staff under which such individual becomes entitled to a severance payment. Such payments are only offered consistent with market practice and where it is considered to be in the best interests of Actis (for example to ensure that Actis' business and confidential information is protected as far as possible, and thereby protecting the interests of investors in Actis' funds). Any such payment is designed to reflect the individual's performance over time and not to reward failure.

4.2 Quantitative disclosures²²

- Total number of material risk takers²³: 29
- Remuneration awarded²⁴:

	Total amount of remuneration USD	Fixed remuneration USD	Variable remuneration USD
Senior management	39,690,583	5,000,000	34,690,583
Other MRTs	14,872,154	7,213,799	7,658,355
Other staff	23,163,128	14,470,423	8,692,705

²² The individuals included in the quantitative disclosure calculations are (as at 31 December 2023) or were (during the financial year ended 31 December 2023) Senior Management or Other MRTs

²³ MIFIDPRU 8.6.8R(3)

²⁴ MIFIDPRU 8.6.8R(4)

- Guarantees and severance payments²⁵:

	Senior management	Other MRTs
Guaranteed variable remuneration		
Awarded during year (USD)	254,444	508,888
Number of recipients	1	2
Severance payments		
Awarded during year (USD)	0	0
Number of recipients	0	0
Highest severance payment	0	0

²⁵ MIFIDPRU 8.6.8R(5)

SCHEDULE 1 OWN FUNDS²⁶

Composition of regulatory own funds			
	Item	Amount (GBP thousands)	Source based on reference numbers/letters of the balance sheet in the audited financial statements
1	OWN FUNDS	31,540.20	audited financials (converted to GBP)
2	TIER 1 CAPITAL	31,540.20	audited financials (converted to GBP)
3	COMMON EQUITY TIER 1 CAPITAL	65.00	audited financials (converted to GBP)
4	Fully paid up capital instruments	0	
5	Share premium	0	
6	Retained earnings	31,475.20	audited financials (converted to GBP)
7	Accumulated other comprehensive income	0	
8	Other reserves	0	
9	Adjustments to CET1 due to prudential filters	0	
10	Other funds	0	
11	(-)TOTAL DEDUCTIONS FROM COMMON EQUITY TIER 1	0	
19	CET1: Other capital elements, deductions and adjustments	0	
20	ADDITIONAL TIER 1 CAPITAL	0	
21	Fully paid up, directly issued capital instruments	0	
22	Share premium	0	
23	(-) TOTAL DEDUCTIONS FROM ADDITIONAL TIER 1	0	
24	Additional Tier 1: Other capital elements, deductions and adjustments	0	
25	TIER 2 CAPITAL	0	
26	Fully paid up, directly issued capital instruments	0	
27	Share premium	0	
28	(-) TOTAL DEDUCTIONS FROM TIER 2	0	
29	Tier 2: Other capital elements, deductions and adjustments	0	

²⁶ Calculated on the basis of Actis UK's audited annual accounts for the year ending 2023.

Own funds: reconciliation of regulatory own funds to balance sheet in the audited financial statements

Flexible template - rows to be reported in line with the balance sheet included in the audited financial statements of the investment firm.

Columns should be kept fixed, unless the investment firm has the same accounting and regulatory scope of consolidation, in which case the volumes should be entered in column (a) only.

Figures should be given in GBP thousands unless noted otherwise.

		a	b	c
		Balance sheet as in published/audited financial statements	Under regulatory scope of consolidation	Cross-reference to template OF1
		As at period end	As at period end	
Assets - Breakdown by asset classes according to the balance sheet in the audited financial Statements				
1	Debtors	44,870.57		Page 10 of audited financials (converted to GBP)
2	Cash at bank and short-term deposits	8,236.70		audited financials (converted to GBP)
3				
4				
5				
xxx	Total Assets	53,107.27		
Liabilities - Breakdown by liability classes according to the balance sheet in the audited financial Statements				
1	Creditors: amounts falling due within one year	21,567.07		audited financials (converted to GBP)
2				
3				
4				
xxx	Total Liabilities	21,567.07		
Shareholders' Equity				
1	Called-up share capital	65.00		audited financials (converted to GBP)

				GBP)
2	Retained earnings	31,475.20		audited financials (converted to GBP)
3				
xxx	Total Shareholders' equity	31,540.20		

Own funds: main features of own instruments issued by the firm

Free text. A non-exhaustive list of example features is included below.

Issued and paid-up Share capital on 100,000 Ordinary shares.

**Example
s**

Public or private placement

Instrument type

Amount recognised in regulatory capital (GBP thousands, as of most recent reporting date)

Nominal amount of instrument

Issue price

Redemption price

Accounting classification

Original date of issuance

Perpetual or dated

Maturity date

Issuer call subject to prior supervisory approval

Optional call date, contingent call dates and redemption amount

Subsequent call dates, if applicable

Coupons/dividends

Fixed or floating dividend/coupon

Coupon rate and any related index

Existence of a dividend stopper

Convertible or non-convertible

Write-down features

Link to the terms and conditions of the instrument

SCHEDULE 2 BASIC OWN FUNDS REQUIREMENTS

	Category of requirement	Amount (GBP thousands)
1	PERMANENT MINIMUM REQUIREMENT	75
2	FIXED OVERHEADS REQUIREMENT²⁷	5,693 (Pillar 1)
3	K-FACTOR REQUIREMENT	2,119
A	Sum of Actis UK's: <ul style="list-style-type: none"> • K-AUM (assets under management); • K-CMH (client money held); and • K-ASA (client assets safeguarded and administered) requirements 	2,119
B	Sum of Actis UK's: <ul style="list-style-type: none"> • K-COH (client orders handled); and • K-DTF (daily trading flow) requirements 	-
C	Sum of Actis UK's: <ul style="list-style-type: none"> • K-NPR (net position risk); • K-CMG (clearing margin given); • K-TCD (trading counterparty default); and • K-CON (concentration risk) requirements 	-
	BASIC OWN FUNDS REQUIREMENT (HIGHEST OF ROWS 1-3)	5,693 (Pillar 1)

²⁷ Calculated on the basis of Actis UK's audited annual accounts for the year ending 2023.