



ES BAKER STEEL GLOBAL INVESTORS OEIC RESEARCH BUDGET

ES BAKER STEEL ELECTRUM FUND, A SUB-FUND OF ES BAKER STEEL GLOBAL INVESTORS OEIC

Details of Research Budget and Research Charge

As outlined in the Prospectus, in accordance with the FCA Handbook, Equity Trustees Fund Services Ltd, the Authorised Corporate Director ("ACD"), has set and agreed with Baker Steel Capital Management LLP ("Baker Steel"), the Investment Manager, an annual research budget to establish how much it needs to spend on third party research to provide the investment services to the Company.

A research charge will be used to fund the purchase of third-party research that the Investment Manager believes will benefit the ES Baker Steel Electrum Fund. The charge will accrue on a daily basis and will be paid periodically into a Research Payment Account ("RPA") controlled by the Investment Manager.

The research budget may not be exceeded in any given period. The level of payments made will be monitored by the Investment Manager on an ongoing basis, and where these appear likely to exceed the budgeted amount during the period, the Investment Manager will either stop receiving and paying for the research, or the Investment Manager will pay for any further research from its own resources.

The research budget alongside an assessment of the prior year's research will be reviewed annually by the Investment Manager and approved by the ACD. Should the research charge generate a surplus over and above the amount spent on research at the end of the year, this is off set against the research budget for the following year.

Eligible research

In order to qualify as eligible research, the materials or services received must relate to a potential investment and to be capable of contributing to better investment decisions and benefiting the end client. These tests can be further defined as below:

Relating to a potential investment means:

- 1) Directly relating to a financial instrument that the Investment Manager is considering and capable of investing in; or
- 2) Relating to one or more issuer or potential issuers of such financial instruments; or
- 3) Closely related to a specific industry, market or market segment such that it informs views on the financial instruments within that sector.

Capable of contributing to better investment decisions and benefiting the client means:

- a) Explicitly or implicitly recommending an investment strategy and providing a substantiated opinion as to the present or future value of such instruments; or
- b) Otherwise containing analysis and original insights and reaching conclusions based on information that could be used to inform an investment strategy or be capable of adding value to an Investment Manager's investment decisions on behalf of its clients.



The Investment Manager is responsible for ensuring that research received meets above criteria. The Investment Manager maintains a list of research providers that it has approved to receive eligible research from. Each research providers will only be entered on to this list once it has been determined by the Compliance Officer that the research in question constitutes eligible research as per the above definition and contractual arrangements have been entered into to receive this research.

The ACD is responsible for overseeing the activity of the Investment Manager in respect of the RPA.

2022 (from 29th April 2022, the launch date of the fund)

The annual research budget for 2022, which was set by the Investment Manager and agreed by the ACD, was £5,000 subject to a maximum of 5bps.

There was a surplus of £1300 which, will be paid to the RPA account and off set against the 2023 budget.

2023 (1st January 2023 - 31st December 2023)

The annual research budget for 2023 which has been set by the Investment Manager (Baker Steel Capital Management LLP) and approved by the ACD is £5053.

Details of Research Consumed

Baker Steel makes use of investment research purchased from third party research providers to ensure that sufficient information is obtained to enable Baker Steel to make better investment decisions for the Fund. This complements its in-house proprietary company research and makes for a more efficient and comprehensive research process, which includes the ongoing monitoring of investee companies.

In order to qualify as eligible, third-party research must relate to one or more issuers or potential issuers of financial instruments or be closely related to a specific industry, market or market segment such that it informs views on the financial instruments within that sector.