

SHAREHOLDER RIGHTS DIRECTIVE DISCLOSURE

For the purposes of this disclosure statement, the “Firm” or “Andurand” refers collectively to Andurand Capital Management Ltd (“ACML”) and Andurand Capital Management LLP (“ACMLLP”).

The Second Shareholder Rights Directive (Directive (EU) 2017/828 of the European Parliament and the Council of 17 May 2017)(“SRD II”) that took effect in the UK and Malta on 10 June 2019, aims to improve shareholder engagement and increase transparency around stewardship. As some of the funds under management by the Firm invest in listed equities, we are required to disclose and make publicly available our policies on how we engage with other shareholders and the companies that we invest in, and how our strategies create long-term value.

The Firm’s Approach

We are required to either:

- publicly disclose an **Engagement Policy** and a **public statement** on an annual basis on how the Engagement Policy has been implemented; or
- publicly disclose a clear and reasoned explanation of why the Firm has chosen not to make these disclosures.

This disclosure also serves as Andurand’s engagement policy for the purposes of Article 3g of SRD II.

Our Engagement Policy

This policy is published so that investors and investee companies are aware of the way in which Andurand integrates stewardship activities into the investment process.

a) How the firm integrates shareholder engagement in its investment strategy

Engagement with investee companies is the responsibility of the investment team at Andurand. Andurand views access to management as an important part of its investment process and will generally meet with the management of core positions as often as is necessary to discuss issues such as governance, strategy and shareholder value. Andurand believes that its engagement with management on such issues is integral to the discharge of its stewardship responsibilities and the interests of its clients, and is unlikely to invest in companies where it appears that management is not acting in the best interests of shareholders.

b) How the firm monitors investee companies on relevant matters, including:

- Strategy
- Financial and non-financial performance and risk
- Capital structure
- Social and environmental impact and corporate governance (ESG)

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Andurand's Investment Team conducts in-depth market and company level analysis. Andurand's investment decisions are generated by fundamental research whereby analysts monitor investee companies through the review of annual reports, financial statements and other company announcements, also taking into consideration the Company's ESG Policy. Analysts will meet with senior management of companies, attend company meetings and roadshows and use third party and broker research. This monitoring process is regularly reviewed by senior management.

Andurand's investment team routinely monitors the activities of the companies in which the funds they manage have positions. Third party research can be a helpful source of information and analysis, but we view carrying out our own research on such companies as being of significantly greater value. Our team also enjoys regular engagement with executives and other members of the management of these companies. During these meetings, the investment team extends its knowledge and understanding of the overall strategy that the companies are executing.

The team also familiarises itself with the governance structure through which an investee company is managed and controlled and assesses its effectiveness in addressing key issues. This engagement enables the team to form a view of the company's ability to manage the various risk factors to which it is exposed. We fully recognise that a management team is appointed by a company's shareholders to manage that company's business. Andurand's activities in relation to governance and stewardship are consequently focused on the issues that we consider are the most significant to generating shareholder value and having a positive environmental and social impact. Typically, these could include corporate strategy, board issues (such as its leadership, composition and incentivisation), financing, corporate actions such as major acquisitions or disposals, management of risks and overall corporate performance. Pursuant to its ESG Policy, Andurand votes shareholder resolutions according to the "Say on Climate"¹ initiative.

Potential problems and issues identified through fundamental analysis are, where appropriate, communicated to appropriate members of the investee company's management or board. However, in seeking to act in the best interests of its clients, Andurand may consider it better to reduce or eliminate an investment rather than engage in such dialogue. Andurand does not wish to be made an insider and pre-communicates to investee companies that it does not wish to be exposed to price sensitive information, which is not yet held in the public domain. If Andurand becomes an insider, either intentionally or unintentionally, trading in the security will be restricted and a record of the circumstances maintained by Andurand's compliance team.

c) How the firm conducts dialogue with investee companies

As noted above, analysts monitor investee companies through the review of publicly available information or third-party research as well as meeting senior management of companies.

As part of the research process, Andurand may look to hold meetings with management to express concerns it may have about the running of an investee company. Andurand may consider, on a case-

¹ <https://www.sayonclimate.org/>

by-case basis, whether to intervene jointly with other institutions but will only do so where this is considered appropriate and in the best interest of its clients. It may also be appropriate for us to raise concerns with a company's advisers and/or corporate brokers. Andurand is unlikely to make public statements, submit resolutions or requisition an EGM. If escalation is required, then Andurand believes this is best achieved in a confidential manner.

d) How the firm exercises voting rights and other rights attached to shares

Andurand's proxy voting procedures and record keeping are overseen by Andurand's Operations who will refer, where appropriate, to the Portfolio Manager for voting decisions.

Andurand's proxy voting policies and procedures are designed to ensure that it votes proxies in the best interests of its clients. It is not the Firm's policy to automatically support the Board of investee companies particularly where having entered into dialogue with a company an issue has not been satisfactorily resolved and it is felt not to be in the best interests of its clients. A record of all voting instructions is maintained whether in person or via proxy. We do not publicly disclose voting records due to client confidentiality reasons.

As noted above, pursuant to its ESG Policy, Andurand shall vote shareholder resolutions according to the "Say on Climate" initiative.

e) How the firm cooperates with other shareholders, and communicates with relevant stakeholders of the investee companies

Andurand has no objection in principle to collective action by investors and will consider any specific action on a case by case basis. However, in normal circumstances, Andurand will tend to act on its own when engaging with or expressing concerns to investee companies.

As a matter of policy, Andurand will not agree to vote in concert with another investor unless pre-approved by the Chief Compliance Officer ("CCO").

Subject to underlying client confidentiality and investment strategy reasons, where requested (or as required by law), Andurand may disclose to a client or a client's fiduciaries the manner in which voting was exercised on behalf of a client, however, it may not be appropriate to disclose voting actions at a detailed level.

f) How the firm manages actual and potential conflicts of interests in relation to the firm's engagement

Andurand maintains a robust policy on managing conflicts of interest in relation to stewardship that is designed to ensure its decisions are taken wholly in the interest of its clients. All personnel are requested to notify the CCO and the ACML Compliance Officer if they become aware of any material conflict of interest arising, including in relation to proxies on behalf of clients. Voting instructions will be subject to assessment and approval by the CCO in such circumstances. A summary of Andurand's Conflicts of Interest Policy is available to clients on request from the Chief Compliance Officer or ACML's Compliance Officer.

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