

## Introduction and Purpose

The EU Shareholder Rights Directive II (“SRD II”) contains various obligations relating to shareholder engagement and transparency. These obligations have been implemented in the UK from 10 June 2019, and those which apply to asset managers are contained in the Financial Conduct Authority’s Conduct of Business Sourcebook.

SRD II requires asset managers to adopt on a “comply or explain” basis an engagement policy describing how an asset manager integrates in its investment strategy shareholder engagement relating to companies that have a registered office in the EU and are listed on EU regulated markets.

## Definition

An Asset Manager for the purposes of this policy relates to investment firms that provide portfolio management services to investors; alternative investment fund managers; and/or Undertaking for Collective Investment in Transferable Securities (UCITS) management companies.

## Application

Aubrey Capital Management Limited (“Aubrey”) is an asset manager for the purposes of the SRD II. The following Engagement Policy applies to Aubrey because the Firm has the ability to invest in equities of companies admitted to trading on regulated markets in the EEA, or on comparable markets outside the EEA.

## Policy

The following describes Aubrey’s engagement policy by describing how the firm:

### 1. integrates shareholder engagement in its investment strategies;

Research and analysis by our investment managers includes evaluation of performance on strategy, financials, risk, material environmental social and governance (‘ESG’) factors. Engagement with company management, boards, subject specialists as well as other shareholders and stakeholders is a key input into this process and investment strategy. Voting and engagement activities can be used by the Firm to provide a forward-looking view of the financial and non-financial performance of a company.

### 2. monitors investee companies on relevant matters (e.g. strategy, financial and non-financial performance and risk, capital structure, social and environmental impact and corporate governance);

Aubrey actively monitors investee companies. Areas of focus may include issues with regard to company strategy, ongoing performance, operational ESG factors. The Firm may have discussions with company officials and representatives where appropriate.

The Firm’s monitoring is also supported by the following:

- Aubrey’s proprietary research; and
- Data provider subscriptions

### 3. conducts dialogues with investee companies;

The Firm will take a case-by-case approach in its decision to engage with the management of an investee company. Normal methods through which dialogue shall be exercised include:

- regular meetings, visits, and telephone calls during which Aubrey discuss and pose questions on operational, strategic and other management issues and, where appropriate, the Firm shall offer their own opinions and comments, based on their fiduciary duty to its clients; and
- proxy voting; where Aubrey's clients delegate the responsibility to vote proxies, the Firm as a fiduciary is compelled to vote proxies in the best interests of its clients. See Aubrey's Proxy Voting Policy.

#### **4. exercises voting and any other shareholder rights;**

For Aubrey, voting is an effective tool to escalate issues and express particular concerns and/or opinions the Firm may have. Aubrey aims to ensure effective and efficient voting processes and controls by focusing on investments that are material to the Firm.

#### **5. cooperates with other shareholders;**

Aubrey takes into consideration the following when deciding whether to participate in collective engagement:

- the engagement objectives of the collective group are consistent with Aubrey's objectives;
- engaging as part of a group will be more successful than engaging individually; and
- engaging as a group could be interpreted as having "acted in concert" with another financial institution. If Aubrey's team believe that this may be the case, the Firm will not participate.

#### **6. communicates with relevant stakeholders of investee companies;**

Aubrey's investment professionals regularly engage with companies seeking to improve shareholder value, specifically the value of clients' investments. Engagement activities in some instances are conducted on a one-to-one basis with company management or members of the board of directors.

#### **7. manages actual and potential conflicts of interests in relation to Aubrey's engagement.**

Aubrey as an investment firm is aware that conflicts of interest may arise when assessing whether and how to engage with companies. The Firm has a Conflict of Interest Policy in place to help define limitations, the need for robust internal processes and procedures to mitigate the risk of conflicts, as well as the disclosure being the last resort for instances in which potential or actual conflicts are unable to be effectively managed internally. Said policy shall apply to the Firm's engagement and any proxy voting activity.

Aubrey must publicly disclose on an annual basis how its engagement policy has been implemented and shall disclose a general description of voting behaviour, an explanation of the most significant votes and report on the use of the services of proxy advisors. The disclosure must include details of how votes have been cast unless they are insignificant due to the subject matter of the vote or to the size of the holding in the company.

The disclosures mentioned above will be made available on the firm's website and reviewed and updated at least annually.

Approve by Aubrey Investment Committee February 2024