



DIRECTIVE 2007/36/EC AS AMENDED BY DIRECTIVE 2017/828

# Shareholder Rights Directive II

Institutional Investor Disclosure

Direct Fund Investors

March 2023

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## Strategy and Implementation

Slater Investments Limited (Slater Investments) makes available fund prospectuses, key investor information documents (KIIDs), annual reports and fund fact sheets on its website, [www.slaterinvestments.com](http://www.slaterinvestments.com). The investment objectives and strategies of each Fund are articulated within each respective prospectus and KIID. Annual reports and fact sheets describe performance against objectives and strategies.

Slater Investments is committed to long-term sustainable investing and so we incorporate various Environmental, Social and Governance (ESG) metrics in our investment decision process with the objective of improving the long-term financial outcomes of our Funds. These metrics vary between the Funds. We have integrated ESG considerations across our investment research, portfolio construction, and stewardship processes. Slater Investments ESG Policy can be found on our website.

New regulation has come into effect which requires fund managers to enhance disclosures of various ESG indicators to investors. The Sustainable Finance Disclosure Regulation (SFDR) framework requires the integration of sustainability risks in fund managers' investment decision-making process and aims to improve transparency on sustainability within financial markets through standardised reporting requirements. At the end of 2022, the Slater Growth Fund, Slater Income Fund and Slater Recovery Fund have been categorised as Article 8 compliant which means each is a "Fund which promotes, among other characteristics, environmental or social characteristics, or a combination of those characteristics, provided that the companies in which the investments are made follow good governance practices." Slater Investments is required to provide enhanced ESG-related disclosures in all subsequent annual reports for Article 8 classified funds. Further information can be found on our website [www.slaterinvestments.com](http://www.slaterinvestments.com).

Slater Investments Investment Committee monitors the Funds on an ongoing basis in partnership with the ESG team and Compliance and Risk Committee at the company and Fund levels with the aim of keeping each Fund aligned with its stated strategy and objectives.

As a fiduciary investor, Slater Investments undertakes investment stewardship engagements and proxy voting with the goal of protecting and enhancing the long-term value of the assets we manage. In our experience, sustainable financial performance and value creation are enhanced by sound governance practices, including risk management oversight, board accountability, and compliance with regulations.

## Portfolio Composition, Turnover and Turnover Costs

For investors of Slater Funds within the scope of SRD II, the portfolio composition can be found within the annual reports of the respective Funds in the ‘Strategies’ section of our website, and top 10 holdings are available within the Fund fact sheets.

The portfolio turnover will vary in relation to the investment strategy. For your relevant fund investments, the Portfolio Turnover Rate (PTR) for each Fund can be found within the summary table below.

Fund name	PTR
Slater Artorius	20.79%
Slater Growth	-52.14%
Slater Income	-29.23%
Slater Recovery	21.10%

Reporting Period: 12-month period 1 Jan 2022 – 31 Dec 2022

Turnover is calculated using the UCITS calculation of:

(Purchase of Securities + Sale of Securities) – (Subscription of Units + Redemption of Units)

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(Average Fund Value over 12 Months).

The transaction costs associated with the turnover of all instruments within the relevant Fund produced in accordance with MiFID is available within the ex-post cost disclosure of the European MiFID Template (EMT). The EMT(v4) is available for download on our website [here](#).

## Medium to Long Term Risks of Investee Companies

ESG integration is a longstanding part of our active investment process. Slater Investments has a consistent framework for ESG integration at the firm level that also permits a diversity of approaches across different investment strategies. ESG considerations that are material will vary by client objectives, investment style, sector, and market trends. Depending on the nature of the strategy of the Fund or segregated account, which influences the assessment and materiality of the following considerations, when making investment decisions, we consider long-term

financial forecasts of investee companies. These are developed using a combination of both market (consensus) estimates and the views of the Investment Committee as to how the financial performance of the company is likely to develop over time.

The Investment Committee and ESG team conduct engagements with portfolio companies to drive the implementation and oversight of best practices in material sustainability areas to support long-term financial performance.

Members of the Investment Committee have access to ESG research, data and insights to inform investment decisions. Sustainability issues can contribute to a company's long-term financial performance, and so further incorporating these considerations into investment research, portfolio construction and portfolio review can help enhance long-term risk adjusted returns.

Throughout the investment process a wide range of risks are considered by the Compliance and Risk Committee and the Investment Committee. Whilst the risks identified may not be exhaustive, Fund offering documentation and segregated account client reporting further detail applicable material risks.

We are now required to disclose how ESG risks are considered in the investment process, with increased disclosure requirements for funds that label themselves as having a specific sustainability objective. We are also required to consider principal adverse impacts ("PAI's"). PAIs are negative, material or potentially material effects on sustainability factors that result from or are directly related to investment choices or advice by a legal entity. These indicators range from greenhouse gas emissions to exposure to controversial weapons. Reporting on these factors is available within each Article 8 classified Fund's annual and interim reports published after 2022. These can be viewed on our website in the 'Strategies' section.

Slater Investments stewardship activities are focused on maximizing long-term value for our investors. This is achieved through engagement with boards and management of investee companies and, when appropriate, Slater Investments will engage and collaborate with other institutional investors if it believes that this will lead to a more positive outcome.

Slater Investments Investment Committee focuses on governance, environmental risks and opportunities, corporate strategy and capital allocation, human capital management and compensation that promotes long-termism.

## Proxy Advisors

Slater Investments does not follow any proxy research firm's voting recommendations. Our voting and engagement analysis is determined by several key inputs including a investee company's own disclosures, and our record of past engagements. All voting decisions are recorded and a quarterly voting summary is published on our website.

Further information can be found within Slater Investments's [Stewardship Code](#).

## Securities Lending

Slater Investments does not participate in stock lending arrangements and therefore retains voting rights across all holdings in each Fund.

## Conflicts of Interest

Slater Investments takes its fiduciary duties to clients very seriously, and we apply a consistent and transparent approach to the management of conflicts of interest.

It is Slater Investments policy to avoid conflicts of interest wherever possible. If a conflict arises it will be disclosed to our clients and a course of action will be agreed with the client.

Identified conflicts are managed on a case-by-case basis by the Compliance and Risk Committee, which includes the Chief Operating Officer as well as the compliance and risk department staff. Any identified conflict will be discussed and a final engagement and voting decision will be made ensuring that it serves the interests of Slater Investments's clients as a whole.

Where clients' interests vary across investments and differing portfolio management styles, the investment guidelines and restrictions will be given due consideration with the objective of treating customers fairly being at the centre of any consideration and ultimate allocation decision. Similarly, where a conflict arises with regards to voting between Slater Investments and a client, a decision will be made on the basis of protecting the best interests of the client, using the principles of Treating Customers Fairly.

Situations where conflicts of interest could arise:

- the interests of Slater Investments conflicts with those of a client;
- the interests of one Slater Investments client conflict with those of another client of Slater Investments;

- when Slater Investments has obtained restricted information relating to a client, a potential client, a former client or to publicly traded securities which would be of value to another part of Slater Investments or to other clients of Slater Investments;
- the interests of any employee or director of Slater Investments conflicts with the interests of a client of Slater Investments or the interests of Slater Investments itself.

Conflicts of interest training forms part of the inductions process and we undertake ad hoc Compliance internal communications to ensure all employees are aware of and understand their conflicts of interest responsibilities. Annual mandatory conflicts of interest training is undertaken by all members of staff.

All members of staff are covered by the Personal Account Dealing policy. The policy has been designed to ensure clients are not disadvantaged and that any conflicts are extinguished at the earliest opportunity. Specific confirmation is sought from all new joiners that they have read, understood, and agree to abide by the policy. Pre-approval must be sought from a Director and Compliance when wishing to conduct any personal dealing. Monitoring is conducted on monthly basis to ensure compliance with the rules and management are informed of any issues arising.

Any potential or identified conflicts of interest are entered onto the Company's Conflicts of Interest Register at the point they are identified. We also undertake an annual review of the conflicts register, where potential conflicts are discussed with each member of staff.

A copy of Slater Investments's full Conflicts of Interest Policy is available in the policy section of our website.

#### [How to contact us](#)

If you wish to contact us, please send an email to [esg@slaterinvestments.com](mailto:esg@slaterinvestments.com), write to: The ESG Team. Slater Investments Limited. Nicholas House, 3 Laurence Pountney Hill, London. EC4R 0EU or call 020 7220 9460.

#### [Do you need extra help?](#)

If you would like this Policy in a more accessible format (for example audio, large print, braille) please contact us (see above '***How to contact us***'). Please tell us what format you need.

**Slater Investments Limited**

**March 2023**