



# **Slater Investment Limited's Shareholder Rights Directive II (SRD II) Engagement Policy Disclosure**

August 2024

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## Introduction

This policy describes our approach to shareholder engagement where in exercising our authority to manage client portfolios under a Discretionary Investment Management Service we, Slater Investments Limited (“Slater Investments”), invest directly in shares of companies with a registered office in an EU member state and whose shares are admitted to trading on an European Economic Area (EEA) regulated market (or on a comparable market outside the EEA).

We believe that effective stewardship and engagement benefits companies, investors, and the wider economy. This document comprises our Shareholder Rights Directive II (SRD II) Engagement policy disclosure, which complies with the principles of the SRD II.

The SRD II aims to promote shareholder engagement and improve stewardship practices across the European Union (EU). The updated Directive, which has been implemented into domestic law in the United Kingdom, became effective as of 10 June 2019. The SRD II imposes transparency obligations on institutional investors (such as insurers and pension funds) and asset managers (such as investment firms providing discretionary portfolio management services) to the extent investments are made in shares traded on a regulated market, including certain markets situated outside the (EEA), and encourages long-term shareholder engagement.

## Shareholder Rights Directive II Obligations

Under SRD II, we are required to implement the following:

### Develop and Disclose an Engagement Policy

Under SRD II, Slater Investments is required to disclose a shareholder engagement policy or provide a clear and detailed explanation why we do not have one. In accordance with our disclosure obligations, we provide information on how we:

1. Integrate shareholder engagement in our investment process;
2. Monitor investee companies on relevant matters, including:
  - a) Strategy;
  - b) Financial and non-financial performance and risk;
  - c) Capital structure; and
  - d) Social and environmental impact and corporate governance.
3. Conduct dialogues with investee companies;
4. Exercise voting and any other shareholder rights;
5. Cooperate with other shareholders;
6. Communicate with relevant stakeholders;
7. Manage actual and potential conflicts of interests in our engagement.

Slater Investments’s approach to corporate governance, engagement and stewardship is outlined in our Engagement Policy, Voting Policy (both available on the [Policies](#) page of the Policies

page of our website), Environmental, Social and Governance (ESG) Policy, Sustainable Finance Related Disclosure (SFDR) and Stewardship Code (all available in the ESG section of our website). This SRD II document complements and supplements these documents. Together these provide the framework for our stewardship and engagement activities. The policies are reviewed annually and updated as necessary considering market trends, learnings from engagement, and public policy developments.

## Annual Disclosure Obligations

As part of SRD II's disclosure requirements, we disclose annually via the Slater Investment website the following information, where applicable:

- The engagement policy's implementation;
- A general description of voting behaviour;
- An explanation of the most significant votes;
- The use of proxy advisors; and
- How the firm casts votes in the general meetings of companies in which it holds shares unless these votes are considered insignificant due to the subject matter of the vote or the size of the holding in the company.

These disclosures are made in our Voting Policy (on the Policies page of the website) Stewardship Report, and our quarterly voting summaries (in the ESG section of the website), along with a full archive of historic vote reports and historic stewardship reports. The Slater Investments UCITS Funds annual and interim reports also disclose the voting behaviour of the particular fund. These documents can also be found on the UCITS Fund specific pages on the website.

## Annual Disclosure on Behalf of SRD Institutional Investors

The firm will disclose the following information, where applicable, annually where the firm invests on behalf of **SRD institutional investors**, whether on a discretionary client-by-client basis or through a collective investment undertaking.

An Institutional investor covered by the Directive is generally an undertaking carrying out the activity of life assurance and/or of reinsurance, provided that those activities cover life-insurance obligations, or an institution for occupational retirement provision. If you are unsure whether you are an SRD Institutional investor, please contact Slater Investments.

The disclosure must include reporting on:

- How the investment strategy and its implementation comply with the mandate in place;
- How the investment strategy contributes to the medium to long-term performance of the institutional client's assets;
- The key material medium to long-term risks associated with the investments;
- Portfolio composition;

- Turnover and turnover costs;
- The use of proxy advisors for the purpose of engagement activities;
- The policy on securities lending and how that policy is applied to support the firm’s engagement activities, if applicable, particularly at the time of the financial performance;
- Whether and how we make investment decisions based on evaluation of medium to long-term performance of an investee company, including non-financial performance; and
- Whether conflicts of interests have arisen in connection with engagement activities and how we have dealt with these conflicts.

This information is available in our Shareholder Rights Directive II Disclosure Document, which is available on the Policies page of our website.

## Conflict Management Policies and Procedures

We take all reasonable steps to identify, mitigate and manage conflicts of interest between the firm and our clients, client versus client conflicts, individual versus client conflicts and intra-group conflicts to ensure we act in the best interests of our clients. Slater Investments’s conflicts of interest arrangements are outlined in the Conflicts of Interest Policy, available on our website.

In identifying the conflicts of interest that may arise while providing clients with services and activities, Slater Investments will consider the following situations:

- Whether the entity or group entity is likely to make a financial gain or avoid a financial loss at a client’s expense.
- Whether a client is disadvantaged or makes a loss when a member of staff makes a gain or avoids a loss.
- Whether a client makes a gain or avoids a loss while another client makes a loss or is disadvantaged.
- Whether the entity or a member of staff benefits at the expense of a group entity.

Our guidelines and our commentary on conflicts of interest management describe how the stewardship team maintains policies and procedures that seek to prevent undue influence on Slater Investments proxy voting activity. Such influence might stem from any relationship between the investee company (or any shareholder proponent or dissident shareholder) and Slater Investments, a Fund or a Fund’s affiliates, or Slater Investments members of staff.

## Review

This SRD II engagement policy disclosure document will be reviewed annually and is available on Slater Investments’s 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**

**August 2024**