

SHAREHOLDER RIGHTS DIRECTIVE II (SRD II)

Introduction

Pursuant to the Directive (EU) 2017/828 of the European Parliament and of the Council of 17 May 2017 amending the Directive 2007/36/EC as regards the encouragement of long-term shareholder engagement (“SRD II”), SRD II aims to promote long-term shareholder engagement and improve active ownership practices across the European Union (EU) and imposes transparency obligations on 'institutional investors' (life insurers, reinsurers with life-insurance obligations and occupational pension schemes) and 'asset managers' (including investment firms providing discretionary portfolio management services) to the extent investments are made in shares traded in regulated markets, including certain markets situated outside the European Economic Area (EEA).

SIGNET under SRD II is required to:

- a) Develop and publicly disclose an engagement policy that meets the requirements derived from the Directive (EU) 2017/828,
- b) Publicly disclose on an annual basis how the engagement policy has been implemented in a way that meets the requirements of Directive (EU) 2017/828,
- c) Publicly disclose why we have chosen not to comply.

Engagement Policy Disclosure

Under SRD II, SIGNET is required either to publicly disclose a clear and reasoned explanation of why it has chosen not to comply with the requirements imposed by SRD II or to develop and publicly disclose on its website an engagement policy which describes how SIGNET:

1. Integrates shareholder engagement in our investment strategy;
2. Monitors 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. Conducts dialogues with investee companies;
4. Exercises voting rights and other rights attached to shares;
5. Cooperate with other shareholders;
6. Communicate with relevant stakeholders of the investee companies; and
7. Manage actual and potential conflicts of interest in relation to the engagement.

If SIGNET chooses to develop an engagement policy, it must additionally make a public disclosure on an annual basis on how that engagement policy has been implemented. These disclosures must include:

1. A general description of voting behavior, as well as an explanation of the most significant votes and reporting on the use of the services of proxy advisors, and
2. An indication of how it can vote in the general meetings of companies in which it holds shares, except where the votes are insignificant, due to the subject matter or the size of the company's holding in the company concerned.

Investment approach and monitoring of investee companies

Investment opportunities are thoroughly assessed during an extensive research and analysis which can be done in-house or using external advisors. SIGNET assesses, where possible, the Company's structure, financial and non-financial performance, capital requirements, Company's main activities, strategy and risks, environmental, social and corporate governance, market share, news on the Company and its key persons as well as industry news, market/industry statistics, etc. The above list is non-exhaustive.

The assessment aims to gain a solid understanding of the Companies in examination. The monitoring of the investee Companies is an ongoing process. SIGNET monitors the investee Companies' news, publications/periodic reports, uses external databases and conducts quantitative and qualitative assessments.

Shareholder engagement with investee companies

The nature of our Fund management services is that, in any given Fund, we may hold a number of different positions in a variety of different asset classes resulting in investing in shares across a significant number of Companies including shares admitted to be traded in regulated markets in the EEA or comparable markets outside the EEA ("investee companies"). Therefore, the extent of our shareholder engagement with the investee Companies is constrained by default, not only by our own internal resources, but also by the need to ensure our activities provide value to the Funds and their Investors. As such, SIGNET, in its function as Fund Manager, does not exercise any voting rights in the Companies to which the Funds invest, in the cases where the holding is considered insignificant.

Exercise of voting rights and other rights attached to shares

We believe that exercising voting rights in companies in which we invest on behalf of investors and/or clients can be an effective means of engaging with those investee companies. The nature and size of our clientele base, meaning the total voting control that we may exercise in any one investee company, is very small. Accordingly, SIGNET does not exercise voting rights on behalf of its investors/clients.

Reporting on our voting behavior

In general, SIGNET does not exercise any voting rights in any one investee company where the holding is considered to be small. If, at any time, the Board of Directors decides otherwise, then the voting rights will be exercised, either by physical participation in the shareholder meetings, or via the appointment of a proxy. When exercising voting and other rights attached to shares of the investee Companies, SIGNET ensures that:

- It is always acting in the best interests of the investors and/or clients;
- The interests of any group of investors are not placed above the interests of any other group of investors;
- It remains independent from third-party interests and is free from influences;
- It takes all reasonable steps to avoid conflicts of interests and, when they cannot be avoided, identifies, manages, monitors and, where applicable, discloses those conflicts of interest to prevent them from adversely affecting the interests of Investors;

The decisions taken do not contradict in any way with the Fund's policies, objectives and risk Profile.

Management of actual and potential conflicts of interest

A summary of our policy on conflicts of interest is available on our website and can be found by clicking here. This policy is reviewed regularly to ensure it remains up-to-date and serves its purpose. The policy aims to manage all actual and potential conflicts of interest so that they will not give rise to any material risk of damage to the interests of our clients. Where the interests of a client conflict with our interests or those of other members of SIGNET, we will seek to ensure that the client is informed accordingly and that the interests of the client are protected. This publication has been produced by SIGNET and is not directed to any person in any jurisdiction where (by reason of that person's nationality, residence or otherwise) such publications are prohibited. This publication is intended for information purposes only and does not constitute an offer of services or investments by, or on behalf of the Company.

Annual disclosure obligations

On an annual basis, SIGNET shall disclose a general description of voting behavior, an explanation of the most significant votes and reporting 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 the size of the holding within the company.

SIGNET is considering whether or not an engagement policy will apply based on the investment strategies pursued by the funds to which we provide investment services.