



## Stewardship Code Disclosure

Under Rule 2.2.3R of the FCA's Conduct of Business Sourcebook, Anavio Capital Partners LLP ("Anavio" or the "Firm") is required to disclose the nature of its commitment to the UK Financial Reporting Council's Stewardship Code (the "Code") or, where it does not commit to the Code, its alternative investment strategy. The Code is a voluntary code and sets out a number of principles relating to engagement by investors with UK equity issuers. Firms which commit to the Code can either comply with it in full or choose not to comply with aspects of the Code, in which case they are required to explain their non-compliance.

### **In broad terms, the Code requires institutional investors to:**

1. Publicly disclose their policy on how they will discharge their stewardship responsibilities.
2. Have a robust policy on managing conflicts of interest in relation to stewardship and this policy should be publicly disclosed.
3. Monitor their investee companies.
4. Establish clear guidelines on when and how they will escalate their activities as a method of protecting and enhancing shareholder value.
5. Be willing to act collectively with other investors where appropriate.
6. Have a clear policy on voting and disclosure of voting activity.
7. Report periodically on their stewardship and voting activities.

The Firm pursues a strategy involving investment in global equities, including UK equities. The Code is therefore relevant to some aspects of the Firm's activity.

### **Principle 1: Public Disclosure:**

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

Engagement with investee companies is the responsibility of the investment team at Anavio. Anavio's proxy voting procedures and record keeping are overseen by Anavio's Operations team who will refer, where appropriate, to the portfolio manager for voting decisions.

### **Principle 2: Managing Conflicts in Relation to Stewardship:**

Anavio maintains a robust policy on managing conflicts of interest in relation to stewardship which is designed to ensure its decisions are taken wholly in the interest of its clients. All personnel are requested to notify the Compliance Officer (Jon Howard) 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 Anavio's Conflicts of Interest Policy is available to clients on request from Anavio's Compliance Officer.

### **Principle 3: Monitor Investee Companies:**

Anavio's investment decisions are generated by fundamental research whereby Portfolio Managers monitor investee

companies through the review of Annual Reports and Accounts and other company announcements. PMs will meet with senior management of companies, attend company meetings and road shows and utilise Broker research. This monitoring process is regularly reviewed by senior management.

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, Anavio may consider it better to reduce or eliminate an investment rather than engage in such dialogue. If Anavio becomes an insider, either intentionally or unintentionally, the security will be restricted, and a record of the circumstances maintained by Anavio's Compliance Officer.

**Principle 4: Establish Escalation Guidelines:**

As part of the research process, Anavio may look to hold meetings with management to express concerns it may have about the running of an investee company. Anavio may consider, on a case 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. Anavio is unlikely to make public statements, submit resolutions or requisition an EGM. If escalation is required then Anavio believes this is best achieved in a confidential manner.

**Principle 5: Be Willing to Act Collectively:**

Anavio 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, Anavio will tend to act on its own when engaging with or expressing concerns to investee companies.

As a matter of policy, Anavio will not agree to vote in concert with another investor unless pre-approved by the Compliance Officer.

**Principle 6: Clear Policy on Voting Activity and Disclosure:**

Anavio'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.

**Principle 7: Periodic Reporting:**

Subject to underlying client confidentiality and investment strategy reasons, where requested (or as required by law), Anavio 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.