

Shareholder Rights Directive

The Shareholder Rights Directive II (“SRD II”) is a European Union Directive that aims to improve stewardship and corporate governance by firms (including UK full scope AIFMs and MiFID investment firms) by encouraging long term shareholder engagement and enhancing transparency between companies and investors in respect of investment in shares traded on a regulated market in the EEA as well as ‘comparable’ markets situated outside the EEA.

Emerging Markets Investment Management Limited (“EMIM”) is authorised and regulated by the Financial Conduct Authority (“FCA”) as a full scope UK AIFM with top-up MiFID permissions otherwise known as a Collective Portfolio Management Investment (“CPMI”) firm. As such, EMIM is required to comply with applicable FCA rules in COBS 2.2.B transposing aspects of Article 3g of SRD II which requires it to develop and publicly disclose an engagement policy that describes how it integrates shareholder engagement in its investment strategy or explain why it has not done so.

The engagement policy must describe how the firm (i) integrates shareholder engagement in its investment strategy; (ii) monitors investee companies on relevant matters, including strategy, financial and non-financial performance and risk, capital structure and social and environmental impact and corporate governance; (iii) conduct dialogues with investee companies; (iv) exercise voting rights and other rights attached to shares; (v) cooperate with other shareholders; (vi) communicate with relevant stakeholders of the investee companies; and (vii) manage actual and potential conflicts of interests in relation to the engagement. On an annual basis, the firm must disclose a general description of voting behaviour, 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 to the size of the holding in the company. EMIM supports the aims of SRD II, however currently it has chosen not to comply with SRDII as EMIM primarily invests in issuers of listed securities outside of the EEA and generally does not take material positions in equity securities of any listed issuers.

As such, EMIM at this time does not maintain and will not publish, an engagement policy as required pursuant to Art 3g of SRDII. EMIM has a Proxy Voting Policy that describes its approach to exercising voting rights and other rights attached to shares.

This statement will be reviewed annually and, if applicable, updated to reflect changes in circumstances and practice.

Emerging Markets Investment Management Limited

Published: April 2021