

Shareholder Rights Directive

Ilara Partners Limited (“Ilara”) is authorized and regulated by the Financial Conduct Authority (“FCA”).

The Shareholder Rights Directive II (SRD II) is a European Union (EU) directive, and aims to encourage effective stewardship and long term decision making, involving transparency on engagement policies and investment strategies between traded companies and investors. SRD II applies to asset managers including full-scope Alternative Investment Fund Managers that invest in shares traded on a regulated market in the EEA as well as “comparable” markets situated outside of the EEA. Firms in scope must on a “comply or explain” basis develop and publicly disclose an engagement policy, and annually disclose how the engagement policy has been implemented including a general description of voting behaviour.

The engagement policy must describe how a firm:

1. integrates shareholder engagement in its 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. cooperates with other shareholders;
6. communicates with relevant stakeholders of the investee companies; and
7. manages actual and potential conflicts of interests in relation to the firm’s engagement.

Ilara has not adopted an engagement policy, on the basis that: (i) The investment objective and strategies applied by Ilara are focused on investment in funds whether listed or unlisted and any holding in EEA Listed Companies is on a temporary or ancillary basis; and (ii) given this, it is Ilara’s policy to not exercise voting rights in EEA Listed Companies which may be held by its clients.