

Praxis Alpha Partners LLP

Shareholders Rights Directive II – Engagement Policy

June-January 2023

Document control log:

Version number	Date updated	Change log	Amended by
1.0	03/02/2022	Preparation of the document by Haris Papanikolaou and reviewed/approved by the Executive Committee.	Haris Papanikolaou
1.1	16/06/2022	Updated Haris Papanikolaou role to Joseph Clarke.	Joseph Clarke
1.2	12/01/2023	Updated details regarding proxy voting swaps.	Joseph Clarke

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Introduction

Under the Shareholders Rights Directive ("SRD II"), a firm that provides portfolio management services for clients and invests in shares of companies traded on a UK regulated investment exchange or a comparable market situated outside the UK must:

1. develop and publicly disclose a policy detailing its shareholder engagement; and
2. publicly disclose on an annual basis how its engagement policy has been implemented.

The FCA has set out its implementation of SRD II rules, in chapter 2.2B of its Conduct of Business Sourcebook ("COBS")

This policy sets out Praxis Alpha Partners LLP's ("Praxis Alpha Partners" or the "Firm's") approach to shareholder engagement.

Engagement Policy

Integration of shareholder engagement within investment strategy, ongoing monitoring and dialogue with investee companies.

Praxis Alpha Partners fully supports the purpose of SRD II and regular dialogue with investee companies is a key component of our investment process and helps develop our knowledge of the investee's business strategy, financial and non-financial performance, future prospects, attitude to risk, capital structure, board cohesion and corporate governance (including culture and remuneration) as well as management of environmental, social and governance issues.

Stewardship considerations are an integral part of our investment process. We regularly interact with investee companies and the investment team considers each investment on a regular basis. In this way we seek to ensure the investee board and management comply with relevant governance codes.

Praxis Alpha Partners is of the firm opinion that continuous and effective monitoring of investee companies is a fundamental responsibility of an asset management firm. We monitor a comprehensive range of information from financial analysis of publicly available information, market intelligence from industry sources, broker research, fundamental analysis and meetings with the board and senior managers. All relevant information is recorded and analysed as part of Praxis Alpha Partners' investment process.

Dialogue with investee companies allows us to convey our views on our investment and, where necessary, we will intervene by raising our concerns with the board and its representatives. In the exceptional circumstances outlined below we may engage with other investors to raise our mutual concerns. We acknowledge that investee company management may have more information at their disposal and that may justify variance from relevant governance codes and practices. However, should our concerns remain unresolved, it may sufficiently alter the original investment hypothesis such that we decide to sell or reduce our investment.

We endeavour to exercise proxy votes at all shareholder meetings where we are authorised to by our clients. [However, positions except for those listed in the United States are typically held on swap which provides for more advantageous a cash management program or is specified by clients for optimising collateral management. Where positions are held on swap the Firm is unable to vote proxies as the entitlement to this resides with the swap provider on any underlying equity hedge they hold.](#) Where so authorised, our investment managers make voting decisions based on our knowledge of the investee company and the dialogue described above. We may also refer to independent research from voting advisory services in reaching a voting

decision.

Communication with stakeholders and cooperation with other shareholders

Praxis Alpha Partners meets the management of its investee companies regularly as part of its investment process. We see these meetings as a key element in discharging our stewardship responsibilities. We challenge management on their delivery of corporate strategy, financial and non-financial performance or risk, allocation of capital and management of environmental, social and governance issues.

In addition, Praxis Alpha Partners engages with other executives as available. Praxis Alpha Partners also engages with board directors, either as part of a regular dialogue or to raise and escalate issues of concern.

Whilst Praxis Alpha Partners' approach to investment management and engagement does not typically involve communication with stakeholders of companies other than those noted in this policy, it is open to monitoring concerns of other key stakeholders as necessary, including those of customers.

Praxis Alpha Partners has sufficient expertise and knowledge of investee companies to deal with any concerns that we might have about the investee company's business activities, strategy or corporate governance. In most cases we would expect to engage with the board on our own initiative or we may decide to dispose of or reduce our holding. However, in certain circumstances, where we believe the issue is of significance and wish to retain our holding, we recognise that collective action with other shareholders may be more effective. This will be dealt with on a case-by-case basis, and with due regard to our policies on conflicts of interest and inside information.

We will only act collectively where we are satisfied it will not breach legal, regulatory, market conduct or confidentiality obligations applicable. Any collective action will only be used to raise legitimate concerns about corporate issues and/or governance issues. The actions may include discussions with other shareholders about concerns to be raised with the board, joint representations by shareholders to the board and agreement between shareholders to vote in a specific way.

Exercising voting and any other shareholder rights

Praxis Alpha Partners aims to exercise proxy voting rights on behalf of our clients ~~for every investee company regardless of geographic location~~ where authorised and held on cash rather than swap. The voting decisions are based on in-depth research and knowledge of the investee company. We believe that exercising voting rights is an important responsibility of institutional shareholders and helps improve corporate governance standards and holds management to account.

Praxis Alpha Partners will draw its own conclusions based on its knowledge of the investee company and will vote based on those conclusions, which may be in opposition to the investee's board. If appropriate, we would seek to engage the board prior to voting to explain our conclusions and resolve differences of opinion.

Managing actual and potential conflicts of interests

Praxis Alpha Partners is authorised and regulated by the Financial Conduct Authority, which requires firms to identify, and mitigate any conflicts of interest between itself, its clients, and between clients that may result in a loss to them. We maintain a conflicts of interest policy and register to satisfy this requirement, which is subject to regular management review. The Firm

consider carefully any associated conflicts of interest risks and ensure these are addressed and managed appropriately in accordance with its conflicts of interest policy.

We act as investment managers with a fiduciary responsibility to act in the best interest of our clients. We do not undertake any other business activities that might give rise to a conflict of interest.

Other relevant policies

Praxis Alpha Partners maintains a Proxy Voting Procedures (contained in the Compliance Manual) and Conflicts of Interest policy in line with the above which are available upon request.

Annual Disclosure and Transparency

Praxis Alpha Partners will annually disclose on its website:

1. a general description of its voting behaviour, including an explanation of the most significant votes; and
2. how the Firm has cast votes in the general meetings of companies in which it holds shares, although it is not required to disclose votes that are insignificant due to the subject matter of the vote or the size of the holding in the company.

The Firm will not disclose votes which are insignificant due to the subject matter of the vote or the size of the holding in the company. In general, the Firm does not hold sizeable holdings in its companies and as such will not provide voting disclosures in respect of these companies.

2022 Proxy Voting Disclosure

In 2022, Praxis Alpha Partners held the overwhelming majority of its positions on swap with no entitlement to voting proxies arising. Additionally, certain clients retain the right to vote proxies on any cash positions themselves. The Firm is availing itself of the exemption in COBS 2.2B7(b) on the basis of insignificant holdings in companies.

The Firm did not use the services of any proxy advisors over the period.

The Firm does not have any SRD Institutional Investors as clients (whether directly or via a collective investment vehicle) and as such has no further disclosure obligation arising from COBS 2.2.B9.

Contact

For further information on the Firm's approach to shareholder engagement, please contact Joseph Clarke (Compliance Officer), at e-mail jclarke@praxisim.com.