



DIRECTIVE 2007/36/EC AS AMENDED BY DIRECTIVE 2017/828

# Shareholder Rights Directive II

Institutional Investor Disclosure

Direct Fund Investors

September 2020

## Contents

Strategy and Implementation .....	3
Portfolio Composition, Turnover and Turnover Costs .....	3
Medium to Long Term Risks of Investee Companies .....	4
Proxy Advisors.....	5
Securities Lending .....	5
Conflicts of Interest.....	5

## Strategy and Implementation

Slater Investments Limited (SIL) makes available fund prospectuses, KIIDs, annual reports and fund fact sheets on its website, [www.slaterinvestments.com](http://www.slaterinvestments.com) to investors in the Funds. The investment objectives and strategies of each Fund are articulated within each respective prospectus and KIID. Annual reports and fact sheets describe performance against objectives and strategies.

SIL is committed to long-term sustainable investing and so we incorporate various (depending on the Fund) Environmental, Social and Governance (ESG) metrics in our investment decision process with the objective of improving the long-term financial outcomes of our Funds. We have integrated ESG considerations across our investment research, portfolio construction, and stewardship processes. SIL's ESG Policy can be found [here](#).

SIL's Investment Committee monitors the Funds on an ongoing basis in partnership with the ESG team and Risk Committee at the company and Fund levels with the aim of keeping each Fund aligned with investors' interests.

As a fiduciary investor, SIL undertakes investment stewardship engagements and proxy voting with the goal of protecting and enhancing the long-term value of the assets we manage. In our experience, sustainable financial performance and value creation are enhanced by sound governance practices, including risk management oversight, board accountability, and compliance with regulations.

## Portfolio Composition, Turnover and Turnover Costs

For investors of Slater funds within the scope of SRD II, the portfolio composition can be found within the annual reports in the Funds section of our website, and top 5 holdings are available within the fund fact sheets.

The portfolio turnover of equities within a portfolio will vary in relation to the investment strategy. For your relevant fund investments, the Portfolio Turnover Rate of all securities within the fund can be found within the summary table.

The transaction costs associated with the turnover of all instruments within the relevant Fund produced in accordance with MiFID is available within the ex-post cost disclosure of the European MiFID Template (EMT). The EMT is available for download [here](#).

## Medium to Long Term Risks of Investee Companies

ESG integration is part of our active investment process. SIL has a consistent framework for ESG integration that also permits a diversity of approaches across different investment strategies. ESG considerations that are material will vary by client objectives, investment style, sector, and market trends. Depending on the nature of the strategy of the fund or segregated account, which influences the assessment and materiality of the following considerations, when making investment decisions, we consider long-term financial forecasts of investee companies. These are developed using a combination of both market (consensus) estimates and the views of the Investment Committee as to how the financial performance of the company is likely to develop over time.

The Investment Committee and ESG team conduct engagements with portfolio companies to drive the implementation and oversight of best practices in material sustainability areas to support long-term financial performance.

Members of the Investment Committee have access to ESG research, data and insights to inform investment decisions. Sustainability issues can contribute to a company's long-term financial performance, and so further incorporating these considerations into investment research, portfolio construction and portfolio review can help enhance long-term risk adjusted returns.

Throughout the investment process a wide range of risks are considered by the Risk Committee and the Investment Committee. Whilst the risks identified may not be exhaustive, fund offering documentation and segregated account client reporting further detail applicable material risks.

SIL's stewardship activities are focused on maximizing long-term value for our investors. This is achieved through engagement with boards and management of investee companies and, when appropriate. SIL will engage and collaborate with other institutional investors if it believes that this will lead to a more positive outcome.

SIL's Investment Committee focuses on governance, environmental risks and opportunities, corporate strategy and capital allocation, human capital management and compensation that promotes long-termism.

## Proxy Advisors

SIL does not follow any proxy research firm's voting recommendations. Our voting and engagement analysis is determined by several key inputs including a company's own disclosures, and our record of past engagements.

Further information can be found within [Slater Investments Limited's Stewardship Code](#).

## Securities Lending

Slater does not believe in stock lending which means that all shares are available for voting.

## Conflicts of Interest

SIL takes its fiduciary duties to clients very seriously, and we apply a consistent and transparent approach to the management of conflicts of interest.

It is SIL's policy to avoid conflicts of interest wherever possible. If a conflict arises it will be disclosed to our clients in most cases and a course of action will be agreed with the client.

Identified conflicts are managed on a case by case basis by the Risk Committee which includes COO as well as the compliance department staff. The identified conflict will be discussed and a final engagement and voting decision will be made ensuring that they serve the interests of SIL clients as a whole.

Where clients' interests vary across investments and differing portfolio management styles, the investment guidelines and restrictions will be given due consideration with the objective of treating customers fairly being at the centre of any consideration and ultimate allocation decision. Similarly where a conflict arises with regards to voting between SIL and a client, a decision will be made on the basis of protecting the best interests of the client, using the principles of Treating Customers Fairly.

Situations where conflicts of interest could arise:

Situations where conflicts of interest could arise:

- the interests of SIL conflicts with those of a client;
- the interests of one SIL's client conflict with those of another client of SIL;
- when SIL has obtained restricted information relating to a client, a potential client, a former client or to publicly traded securities which would be of value to another part of SIL or to other clients of SIL;

- the interests of any employee or director of SIL conflicts with the interests of a client of SIL or the interests of SIL itself.

Conflicts of interest form part of the inductions process and we undertake ad hoc Compliance internal communications to ensure all employees are aware of and understand their conflicts of interest responsibilities.

We also undertake an annual review of the conflicts register, where potential conflicts are discussed with each employee.

A copy of Slater Investments's full Conflicts of Interest Policy is available [here](#).