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STEWARDSHIP AND ENGAGEMENT POLICY – MAY 2021

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VERGENT ASSET MANAGEMENT LLP

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United Kingdom

Stewardship and Engagement Policy

Vergent Asset Management LLP is an investment management firm primarily investing in Emerging and Frontier publicly listed companies. At Vergent we believe that, as shareholders, it is our duty to act as stewards of our investors' precious capital through rigorous analysis and engagement with investee companies

Stewardship and Engagement refers to interactions that Vergent Asset Management may have with companies to exercise influence as an owner. These interactions encompass meetings with management and/or board directors, proxy voting and collaborative initiatives.

The UK Stewardship Code 2020 sets key principles and guidance for institutional investors, which currently sets out best practice on how they should perform their stewardship duties. The aim is to enhance the quality of engagement between institutional investors and companies to help improve long-term returns to shareholders and the efficient exercise of governance responsibilities.

The Shareholder Rights Directive II, (SRD II) aims also to promote effective stewardship and sets out requirements in respect of engagement policies and investment strategies across the institutional investment community.

We believe that companies operating with sound business practices, including appropriate attention to environmental issues, social practices and corporate governance, can continue to grow sustainably, and therefore are more likely to present better long-term investment opportunities than those without.

Our Approach

At Vergent we believe Engagement is an important mechanism for providing feedback on company activities and disclosures, and raise issues with management particularly where we believe they could be enhanced. We primarily engage in direct dialogue through face-to-face meetings, telephone calls email and written correspondence to share our perspectives.

Engagement also informs our voting decisions and can cover a wide range of topics including strategy, operational performance, and governance, social and environmental factors.

For businesses that are either in the portfolio or are under consideration for investment, we use a combination of in-house and third party resources to identify the most material ESG issues for a specific company. Once these are identified, we conduct further research based on available information and address outstanding questions to management. A judgement is made on the relative strength of the company's approach to ESG risks and opportunities, judging on an absolute basis and recognizing changes in policies and disclosure.

The team will assess the information to identify material areas of risk relating to environment, social and governance issues or where their views about proxy voting differ with the company's management team. Once the risks are identified, Vergent may raise the issues with management and/or the board of directors in person or in writing. The choice about which issues to engage on is made with reference to themes prioritized; the size of the position and the materiality of the issue. The Stewardship and Engagement team makes decisions regarding its engagement activities together with members of the investment team.

Should the company fail to make material progress in those areas over time, the team escalates the matter to the investment committee, which can lead to the following possible escalation methods:

1- Collaborative engagement to speak with a more powerful, unified voice.

Vergent Asset Management may also participate in collaborative engagements and initiatives. These collaborations may involve other institutional investors, industry associations or advocacy groups and they help us to pool resources and speak with a stronger unified voice to protect the interests of shareholders in the companies in which we invest on behalf of our clients. As a signatory of the UN PRI, Vergent utilize the UN PRI Collaboration Platform as a primary source of collaboration opportunities.

2- Proxy Voting

Vergent believe that shareholders should have the right to vote in proportion to their ownership and therefore support the principal of one-share, one-vote. Accordingly, Vergent will generally vote against the authorization or issue of shares that do not have full and equal voting rights, against proposals that support or perpetuate dual share class structures and for proposals to eliminate dual share class structures. Vergent prefers that companies adopt a majority voting for individual directors in uncontested elections. Vergent will generally oppose supermajority voting requirements if they are in attempt to diminish the rights of minority shareholders.

Vergent utilizes the proxy research and voting services of Institutional Shareholder Services (ISS) to help assess and vote proxies in accordance with our custom voting policy. Taking into account Vergent's custom guidelines, ISS prepares voting recommendations for all proposals on which we are entitled to vote. Vergent uses these recommendations as a guide, however, certain situations will warrant additional review. Where there is a recommendation to vote against management we reach out to the company to gain a better understanding of the issue at hand. As a result, of this engagement and our assessment of the relevant information Vergent may choose to vote contrary to the ISS recommendation.

Vergent's approach to proxy voting is set out in a separate Voting Rights Policy.

3- Public Engagement via an open letter

Vergent believe that written communication can be a powerful tool to cultivate dialogue and even incite change. The team will spend time writing to management on issues that we believe have 'long shelf-life' and are impactful to business prospects and ESG issues. In most scenarios, management receive our correspondence welcomingly and are more than willing to discuss them in a follow up call.

4- Filing a shareholder proposal

In situations where we are unable to affect change through the above-mentioned means, we may submit a shareholder proposal with a clear and concise call to action. These may relate to strategic direction, or matters related to the company's governance.

5- A partial or full divestment.

When we are either unable to promote action or perceive that management have no willingness or ability to make change, we will exit the investment.

Conflict of Interest. Conflicts of interest can arise. We have a firm-wide policy that sets out how we will deal with actual or potential conflicts of interest. Our approach is always to act in the best interest of our clients.

Reporting. Vergent will report on its Stewardship and Engagement activities to its clients at least annually.

Vergent provides a summary of its proxy voting record to its clients on a quarterly basis. Additional information is available to our clients on request.

Under COBS of the FCA Handbook, Vergent is required to make a public disclosure in relation to the nature of its commitment to the UK Stewardship Code (the “Code”), updated in 2020 and an overview of our record of voting under the SRD II . This is required annually and is available on our website.

In addition, since May 2021 we have been signatories to the United Nations-supported Principles of Responsible Investment (PRI). The PRI encourages investors to use responsible investment to enhance returns and better manage risks. As a signatory, we will report annually on our Environmental Social and Governance (ESG) activities, which includes stewardship and voting activities. As a signatory of the UN PRI.

We review and approve our policies annually.

