

Stewardship Policy

Stewardship is defined as the use of influence by institutional investors to maximise overall long-term value including the value of common economic, social, and environmental assets, on which returns and clients' and beneficiaries' interest depend.

At Active Niche Funds SA (ANF), sustainable investing is a key pillar to our investment strategies and we believe that responsible ownership by investors can contribute to the long-term sustainability and success of companies.

This Stewardship Policy, including the Engagement Policy and Proxy Voting Policy, outlines the principles and processes we follow when putting these responsibilities into practice, including our engagement, and voting approach.

The Policy applies to article 9 SFDR investment funds managed by ANF that have direct investment in companies, meaning equity investments.

Engagement Policy (SRD II)

This policy has been written in accordance with the requirements of Directive (EU) 2017/828 and its implementing measures (together, the "Shareholder Rights Directive II").

Principles

At ANF, our commitments to companies go beyond the evaluation of ESG criteria which is integrated into our investment theses. We believe ESG integration in our investment process leads to better informed investment decisions. We seek to ensure that our investee companies are sustainable and run for the long-term benefit of all stakeholders and believe improvements in sustainable corporate behavior can result in an improved risk return profile of our investments. We believe that engaging with investee companies enables us to identify longer-term issues that drive company value and contribute to the success of the investment over time. We aim to be engaged shareholders and encourage companies worldwide to have strong and effective governance as well as a high standard of corporate behavior. Active monitoring of investee companies is an integral part of our investment analysis and decision-making process.

How we engage

We can engage in different ways: Either directly for instance via exchange with investee companies to clarify/discuss how they manage ESG risks and adverse impacts, as well as

seize business and economic opportunities associated with sustainability challenge; or mainly via Proxy voting as detailed below.

When controversies arise, their importance is established and we also consider responses to mitigate current and future business risks. If necessary, external research can be consulted. Finally, we estimate the future financial impact on the company to decide on a strategy: increase, decrease or end our investment according to the market liquidity conditions so as not to harm fund holders.

Proxy Voting

ANF is a small-scale specialised investment fund manager.

It is our belief that voting rights have economic value and should be treated accordingly. Voting enables shareholders to voice their opinion to a company on a broad range of topics and is a way of encouraging boards to listen to and address investor concerns.

Given our size and to ensure a more robust and meaningful stewardship approach, ANF leverages the proxy voting services of external partners. By calling on external service providers, ANF intends to benefit from their expertise, structure, processes, and size as well as consequently maximise the influence and weight of the votes.

Our external partners are major players and vote globally in over 55 countries. They seek to vote all shares held consistently across their clients to maximise the outcome of the votes to our investee companies.

ANF adopts and applies the principles of responsible investment. In this context, we have selected external partners incorporating the same principles in their proxy voting policies to ensure coherent voting decisions.

The key objectives behind our engagement and voting policies are

- Enhance the long-term value of the investee companies
- Promote best practice in the boardroom and ensure that investee companies are sustainable and successful.

To achieve the above objectives, the voting ESG guiding principles of our external partners focus on

- Roles and responsibilities of the Board
- Shareholder rights
- Capital
- Audit and risk oversight
- Remuneration
- General Corporate Governance matters

Activity in 2023

During 2023, our external partners voted at 37 shareholder meetings of our investee companies, on 454 separate resolutions.

They voted against the recommendation of the specific company on 26 of those resolutions, being around 6% of the votes cast.

Typically, resolutions are proposed by company management and relate to business management and corporate governance. In 2023, our external partners observed that more than 70% of the ESG related resolutions were proposed by shareholders, 3% of which were environmental and climate related.

Pascal Rochat
CEO

Philippe Rochat
Risk & Compliance Officer