

## Shareholder Rights Directive (SDR) Disclosure

AlphaGrep UK Limited (“AlphaGrep”) is authorised and regulated by the UK Financial Conduct Authority (“FCA”) as a collective portfolio management investment (“CPMI”) firm. The FCA’s Conduct of Business Sourcebook (“COBS”) contains various obligations relating to shareholder engagement and transparency which apply to FCA-authorised asset managers, such as AlphaGrep.

Under FCA COBS 2.2.B.5R, we are required to: a) develop and publicly disclose on our website an engagement policy that meets the requirements specified in the amended EU Shareholder Rights Directive (Directive 2007/36/EC); and b) publicly disclose on an annual basis how our engagement policy has been implemented in a way that meets the requirements of COBS 2.2B.7R; or in either case, c) publicly provide a clear and reasoned explanation of why we have chosen not to comply with the above requirements.

AlphaGrep has carefully considered whether it wishes to adopt an engagement policy and to make the disclosures described above and has, for the time being, decided not to do so.

The rationale for this decision is that AlphaGrep manages assets pursuant to a quantitative multi-strategy investment approach where the relevant exposure to equities is often obtained through derivative positions and is unlikely to be held for long periods of time. Where equities exposures are held via a derivative position, the opportunities for shareholder engagement are more limited, when compared with physical shareholdings. It is important to note that, when AlphaGrep invests in shares, its general policy is not to vote proxies. There may however be some exceptional circumstances where AlphaGrep would consider voting proxies. Any such voting decision would be subject to AlphaGrep’s compliance policies and procedures.

Therefore, while AlphaGrep supports the general principles of shareholder engagement and though it firmly believes in the importance of effective stewardship, it does not at this time (for the reasons set out above) consider it appropriate to adopt an engagement policy or make the relevant public disclosures.

AlphaGrep is committed to keeping its position under ongoing review and will update this section of its website accordingly if there are any changes in its approach.