

## **Shareholder Rights Directive**

The Shareholder Rights Directive (SRD) was first adopted by the European Parliament and the European Council in 2007.

In 2017, a revised directive (SRD II) amended the SRD.

The aim of SRD and SRD II is to protect the rights of shareholders. The FCA transposed the requirements of SRD II into its rules with effect from the implementation date of 10<sup>th</sup> June 2019.

The amendment to the rules requires that WAY Fund Managers Limited (WFM) either develops and publicly discloses an engagement policy and publicly discloses on an annual basis how its engagement policy has been implemented; or publicly discloses a clear and reasoned explanation of why an engagement policy will not be developed.

WFM has considered the requirement to produce an engagement policy and decided that an engagement policy will not be developed.

WFM operates as an independent 'host' Authorised Corporate Director and unit trust manager (ACD) for UK regulated funds, where the management of the funds' assets is primarily delegated to directly authorised investment managers. By their very nature, WFM's delegated investment managers cannot be considered as large institutional investors. Consequently, the proportion of shares held in investee companies means that they are not able to engage with investee companies to the extent envisaged by the SRD II.

Whilst WFM continually monitors each fund's investment manager or adviser to ensure they adhere to the fund's objectives and policies and that an appropriate level of risk is maintained, WFM does not make investment decisions or asset selections. Furthermore, WFM is not involved in determining the outcome of any voting rights arising from assets held by the funds. Details of access to initial public offerings and underwriting will be contained in the individual investment manager's disclosure policy and determined by them.

WFM's business is focused on ensuring good outcomes, for both retail and professional clients, through a comprehensive oversight programme that monitors all aspects of WFM funds, including outsourced service providers.

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Authorised and regulated by the Financial Conduct Authority.  
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**WAY Fund Managers Ltd**