

ALPHA ALTERNATIVES

Stewardship Policy  
April 2024

# Stewardship Policy for Alternative Investment Funds

## 1. Policy Statement

As an institutional investor, Alpha Alternatives Fund Advisors LLP is committed to responsible stewardship of its investments, with the aim of enhancing long-term value, promoting good governance, and protecting the interests of unitholders. This policy, reviewed and disclosed annually, details our commitments under the SEBI Stewardship Code.

## 2. PRINCIPLES OF STEWARDSHIP

### Principle 1: Stewardship Policy Formulation, Disclosure, Review

- A comprehensive stewardship policy covering monitoring, engagement, voting, conflict management, and reporting shall be formulated, disclosed on the website, and regularly reviewed.
- A policy training program will be maintained for relevant staff.

### Principle 2: Conflict of Interest Management

- A clear policy on identifying, managing, and disclosing conflicts of interest shall be maintained and updated.
- Mechanisms shall include blanket bans, a conflict committee, segregation of voting and sales teams, recusal protocols, and records of all conflict management decisions.
- The interest of the fund's clients/beneficiaries will always take precedence.

### Principle 3: Monitoring of Investee Companies

- All investee companies will be monitored for financial, strategic, governance, and ESG performance.
- **Enhanced Review:** Where the AIF's combined holding exceeds 2% of the paid-up share capital of a listed investee company, the following additional measures will be adopted:
  - More frequent and detailed reviews of operational and financial performance, governance practices, industry trends, and board effectiveness.
  - Direct engagement with management and board as warranted.
  - Special attention to company strategy, board processes, composition, and related party transactions.
  - Increased scrutiny of material events, risks (including ESG), shareholder issues, and regulatory compliances.
- For companies with less than 2% holding, standard monitoring suffices unless events (such as fraud or governance issues) trigger enhanced engagement.

#### **Principle 4: Policy on Intervention and Collaboration**

- The fund will identify when intervention is needed (e.g. poor performance, governance breaches, ESG or strategic concerns).
- Escalation mechanisms: Initiation of dialogue with management, formal written communication, escalation to board, collaboration with other institutional investors if required.
- Circumstances may include poor financial results, board/leadership concerns, remuneration, major litigations, or ESG risks.
- Active intervention may occur even with minor holdings if circumstances warrant.

#### **Principle 5: Policy on Voting and Disclosure**

- A detailed voting policy will be in place, covering mechanisms (remote/e-voting, proxy, physical), assessment and rationale for each resolution, procedures for oversight and managing conflicts, and use of proxy advisors.
- All voting decisions, rationale (for/against/abstain), and use of proxies shall be disclosed quarterly on the website, with rationale and any conflicts.
- Voting oversights, use of advisory services, and final decisions will be recorded.

#### **Principle 6: Reporting and Disclosure**

- Periodic reports on stewardship activities (monitoring outcomes, interventions, voting records, conflict management, collaboration initiatives) shall be disclosed annually (or at higher frequency as appropriate).
- Voting disclosures, conflict updates, and policy reviews shall be provided according to prescribed periodicity and made available to clients and beneficiaries.

### **3. Implementation & Oversight**

- The Investment Committee oversees policy implementation, with day-to-day stewardship responsibilities delegated to experienced team members.
- Enhanced monitoring of investee companies over 2% is reviewed quarterly.
- Conflicts are referred to the Stewardship or Compliance Committee.
- All stewardship activities are documented and reviewed annually.

### **4. Training & Review**

- The Fund maintains ongoing training on stewardship principles for investment and compliance teams.
- Policy and procedures are reviewed annually or in response to regulatory changes