

**Abakkus Investment Managers Private Limited
and Abakkus Trustee Private Limited**

STEWARDSHIP POLICY¹

S. No.	Details of Change	Date of creation/ change	Author	Version No.	Approved by
1.	First Version	July 22, 2025	Head of Investments and Research	1.0	Board of AMC and Trustees

¹ This policy is subject to updation pursuant to subsequent internal review and inputs.

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1. Background

- SEBI vide its circular no. CIR/CFD/CMDI/168/2019 dated December 24, 2019, along with SEBI Master Circular on Mutual Funds dated June 27, 2024 (“SEBI circulars”), mandates all Mutual Funds to formulate a “Stewardship Policy” in relation to their investments in listed equities.
- SEBI has mandated all AMCs to have in place a policy based on the principles spelt out in the SEBI circular(s) to discharge its stewardship responsibilities.
- Accordingly, Abakkus Investment Managers Private Limited (“AMC”) has framed Stewardship Policy encompassing the Stewardship Principles.

2. Objective

Objectives of the Stewardship Policy are as follows:

- a. To set out the principles to be followed to protect the interest of the unitholders of the Abakkus Mutual Fund.
- b. To put in place process of monitoring of the investee companies and voting on the resolutions
- c. To set guidelines for engagement with the managements of the investee companies with significant holding; and
- d. To state the manner of public disclosures and reporting thereto.

3. Stewardship Principles

Principle 1: Institutional investors should formulate a comprehensive policy on the discharge of their stewardship responsibilities, publicly disclose it, review and update it periodically.

Discharge of stewardship responsibilities:

Oversight of stewardship responsibilities shall be undertaken by the Investment Committee (“the IC”) of the AMC.

The IC shall be responsible for monitoring implementation of the Policy duly approved by the Boards of the AMC and Abakkus Trustee Private Limited (“Trustee”). The Policy shall be hosted on the website of the AMC.

Stewardship responsibilities include monitoring and actively engaging with investee companies on various matters including but not limited to performance (operational, financial, etc.), related party transactions, impact of macro-economic factor, strategy, culture, corporate governance (including board diversity & structure, remuneration, etc.), material environmental, social, and governance (ESG) opportunities or risks, capital structure, etc. to ensure that the best interest of the investors of the schemes of Abakkus Mutual Fund are protected.

The engagement shall be through detailed discussions by the equity fund management team/research team with the management/board of directors of investee companies,

exercising voting at shareholders meetings, etc.

- a) The IC may follow the below mentioned norms to discharge its stewardship responsibilities:
- The IC shall set the threshold level beyond which the exposure would be deemed as material for its engagement in the investee company. However, the IC can decide to also engage in an investee company where the investment is below threshold level, considering the seriousness of the issue;
 - The threshold level can be amended by the IC as and when required.
 - The IC shall authorize personnel responsible for monitoring the investee companies and for engaging with the management/ board of directors of the investee companies.
- b) The services of external service providers such as institutional advisors may be used from time to time.

Principle 2 - Institutional investors should have a clear policy on how they manage conflicts of interest in fulfilling their stewardship responsibilities and publicly disclose it.

Managing Conflict of Interest:

The term “conflict of interest” refers to instances where personal or financial considerations may compromise or have the potential to compromise the judgment of professional activities. A conflict of interest exists where the interests or benefits of the AMC (including its employee, officer or director) conflict with the interests or benefits of its unitholders or the investee companies.

Avoiding Conflict of Interest:

The investment team of the AMC shall undertake reasonable steps to avoid actual or potential conflict of interest situations. In the event of any doubt as to whether a particular transaction would create (or have the potential to create) a conflict of interest, investment team shall consult with the compliance officer.

Identifying Conflict of Interest:

- i. The AMC and the investee company are part of the same promoter group.
- ii. The Investee Company is a service provider of the AMC or vice versa.
- iii. Directors / promoters of investment committee or board of AMC has been appointed as a director or a key managerial person of the investee company.
- iv. The AMC is the lender to the investee company.
- v. The investee company is the client/unitholder of the AMC.

For any other situation where conflicts of interest may arise and other than mentioned above, all stakeholders shall strictly follow the procedure of managing conflicts of interest as per this

policy.

Managing Conflict of Interest:

The AMC shall manage conflicts of interest by requiring members of the IC and other personnel involved in implementing the Stewardship Policy to:

- Avoid conflicts of interest where possible
- Identify and disclose any conflicts of interest.
- Carefully manage any conflicts of interest in the interest of the unitholders, and
- Follow the Policy and respond to any breaches.

Once the matter of conflict of interest is referred to the IC, it will take the decisions in the best interest of the unitholders, including but not limited to putting a blanket ban on investments.

The person disclosing the conflict of interest will be excluded / debarred from taking part in any decision making.

The decision taken by the IC along with its rationale will be recorded in the minutes of the meeting.

Principle 3 - Institutional investors should monitor their investee companies.

Monitoring the Investee Companies

Equity investment team led by head of research shall be responsible for monitoring all the investee companies Abakkus Mutual Fund invests in.

- The IC or its authorized personnel shall regularly monitor the investee companies in which it invests by analyzing public disclosures i.e. research reports, media reports, annual reports, presentations sought from the companies on specific issues and engagement with the executives of the companies.
- The monitoring shall inter-alia cover performance of investee companies, corporate governance, strategy, risks, management evaluation etc.
- Monitoring in areas like succession planning, remuneration, environmental issues shall be on a best effort basis.
- While endeavor would be to ensure at least one meeting with an investee company in a year, there can be investee companies where the management is not accessible or not accessible at appropriate levels or cases where the investment team believes that there is no incremental information which is being provided by the management, in such cases, it is possible that the monitoring would be done through other sources like conference calls, third party research and public information.

Abakkus Mutual Fund shall neither wish to be made an insider in the investee companies nor wish to be given price sensitive or business sensitive information which might have an impact on dealing with the shares of the investee companies.

Manner of Monitoring:

Research team shall strictly adhere to regulations and internal policies on prohibition of

insider trading while seeking information from investee companies (and any other source) for the purpose of monitoring.

Research team may use publicly available information, sell side research and industry information and wherever possible shall engage with the investee companies' through investor analyst calls or analyst meet at least once in a year, to monitor the investee companies.

Head of research will be responsible for monitoring of the investee company's business strategy, performance, risk, capital structure, leadership effectiveness and succession planning, remuneration, corporate governance performance, cultural, social and environmental matters, on a best effort basis.

Principle 4 - Institutional investors should have clear policy on intervention in their investee companies. Institutional investors should also have a clear policy for collaboration with other institutional investors where required, to preserve the interest of the ultimate investors, which should be disclosed.

Active Intervention in the Investee Company

As has already been covered under Principle 3, the AMC shall not wish to be made an insider in the investee companies and hence will not be actively involved with the companies. The oversight by the AMC on the investee companies would be mainly for ensuring that the investment made by it in the companies on behalf of the unitholders is enhanced and protected, thereby increasing their wealth and in matters where conflict of interest needs to be resolved.

The AMC may intervene on acts/omissions/concerns of investee companies on account of insufficient disclosures, non-compliance to regulations, performance parameters, governance issues, corporate plans/ strategy, corporate social responsibility, environment and social matters, etc., to protect the value of investment and in the interest of unitholders while discharging its stewardship responsibilities.

The intervention in the investee company would inter alia be as below:

- a) If the investment is above the threshold limit as determined in Principle 1. However, considering the seriousness of the issue, the AMC may also intervene in investee companies where the investment is below threshold level.
- b) The level of intervention in investee companies' will vary, depending on a number of factors, including: financial performance of the company, corporate governance related practices, remuneration, leadership issue, litigation and its business activities.
- c) The intervention will be through meetings/discussions with the management for resolution of the issue. If concerns regarding an investee company's approach or decisions arise, initial discussions would, if appropriate, take place on a confidential basis with a view to resolve the issue constructively and where possible as part of the fund manager's ongoing dialogue.

If no response is received from the investee company, the concern will be escalated directly to the board of directors of investee company. The response, if any received from the investee company will be placed before the IC. If the IC is dissatisfied with the response of the investee company, the concern will be escalated to the board of directors of the investee company.

The response, if any received from the board of directors of the investee company, will be placed before the IC for its review.

Only in extreme cases, where the concerns relate to matters of public interest or public laws, if there is no response or no action taken by an investee company, despite the escalations as mentioned earlier, the IC may decide to report the matter to the relevant regulator, authority or any government body as may be required.

The objective of the interactions is to play a constructive role in enhancing the value of the investment in the equity of the investee companies to benefit the unitholders

- d) Further, larger engagement with investee companies may be warranted in extraordinary circumstances like mergers and acquisitions, demergers, sale of assets / slump sale, disputes regarding succession planning, spiraling debt burden and third party or promoter related issues not in the interest of the company. In such an eventuality, the AMC may collaborate with institutional investors to take appropriate action in order to safeguard its investment and preserve the interest of the ultimate investors i.e. the unitholders. The collaboration with institutional investors might result in action like voting based on a broad understanding, engaging with key management personnel of the investee companies and escalating issues to regulatory and statutory authorities, if warranted. The AMC may also choose to involve AMFI or any other forums to engage with the investee company(ies), if appropriate. In taking collaborative action the AMC would be cognizant of legal and regulatory requirements, including on market abuse, insider trading and other related regulations and / or internal policies.

Principle 5 - Institutional investors should have clear policy on voting and disclosure of voting activity.

Voting and disclosure of voting activity

The voting shall be done by exercising independent judgement, acting in the best interest of unitholders. Abakkus Mutual Fund has put in place the voting policy which has been duly approved by the board of the AMC and trustees.

The AMC may utilize outside professionals' advisory services to secure expertise and objectivity of voting rights and also to enhance the fidelity of voting rights execution. However, even if such services are used, the obligation to faithfully execute voting rights is with the AMC. Therefore, while the recommendations from the external advisory professionals are utilized for reference purposes only, the final determination and decisions are made by the AMC. Further, the AMC will disclose scope of such services, details of the

service providers and extent to which the AMC relied upon / used recommendations made by such service provider.

The AMC shall disclose on a quarterly basis all voting decisions for every proposed resolution in investee companies, i.e., For or against with rationale for voting decision on the website.

Principle 6 - Institutional investors should report periodically on their stewardship activities.

Reporting of Stewardship Activities

The AMC shall periodically report stewardship activities on its website as per the format prescribed in *Annexure A* and review the activities at the following intervals.

Principle	Particulars	Frequency
Principle 1	Review of Stewardship Policy	Annual
Principle 2	Review of policy on conflict of interest	Annual
Principle 5	Disclosure of voting activity	Quarterly
	Auditor's certification on voting activity	Annual
	Disclosure on voting activity and auditor's certificate in annual report to unitholders	Annual

4. Amendment to the Policy

The board of directors of the AMC and trustee shall have the right to amend, substitute or replace this Policy from time to time taking into account any changes in the relevant regulations. Prior approval of the board of directors of AMC and trustee shall be obtained for any amendments in the Policy, for reasons other than due to change(s) in the relevant circular/regulations.

5. Annual Review

The Policy shall be reviewed by the Investment Committee (IC) and placed before the board of the AMC and trustee for their review annually.

Annexure A

Format for annual reporting of compliance status of Stewardship Policy

Period of Report (FY):

Status of Compliance with Stewardship Principles:

Sr No.	Particulars of Principles of Stewardship Policy	Status (Complied, Partly complied, Not complied,	Reason / Justification for Partially complied/ non-compliance or deviation
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		Deviation)	