

DEVON

Equity Management

Shareholder Rights Directive Annual Disclosure

June 2023

Introduction

The Shareholder Rights Directive (SRD) II aims to promote effective stewardship and long-term decision making, by enhancing the transparency of asset manager investment and engagement strategies. This document sets out Devon Equity Management (“Devon”)’s disclosure, in line with the requirements of SRD II, as set out in COBS 2.2B.5R sourcebook of the FCA’s Handbook.

Our approach to engagement is also extensively outlined in our ESG Policy, Sustainability Risk Policy, and the UK 2020 Stewardship Code Report. The former two documents can be found on the Devon website (www.devonem.com).

Engagement Policy and Disclosure of Information

COBS 2.2B.5R (1) (b)

Devon has disclosed publicly on its website (www.devonem.com) its Engagement Policy. Further, Devon is required to disclose on an annual basis how its Engagement Policy has been implemented in line with the requirements set out in COBS 2.2B.7R.

Please see the below details in respect of Devon’s implementation of its Engagement Policy in relation to the calendar year 2022.

General Description of Voting Behaviour

COBS 2.2B.7R (1)

As active investors, Devon recognises its responsibility to carry out fiduciary duties and make considered use of voting rights.

During 2022, Devon voted at 55 AGMs hosted by our investee companies, comprising a total of 1238 resolutions. Devon voted with management 97.73% of the time, with 28 votes against management.

Disclosure of Votes Cast in the General Meetings of Companies

COBS 2.2B.7R (2)

Devon has disclosed publicly on its website (www.devonem.com) all votes cast from 01 January 2022 to 31 December 2022.

Explanation of the Most Significant Votes

COBS 2.2B.7R (1)

At the core of Devon's investment approach is finding businesses whose management have proven track records. By this very nature, therefore, Devon's fund managers must have significant confidence in the management's decision-making ability as a prerequisite for holding the investee company. It is for this reason that Devon's default position is to vote with management. We do however, reserve the right to vote against management if we believe it is our clients' best long-term interests. As such, Devon defines a significant vote as a vote against management.

Devon voted against management in relation to its Biomerieux, Cadence Design Systems, Pets at Home Group plc, Grifols, Marriot International, Eli Lilly and Company, Network International Holdings, Synopsys Inc, ASML Holding, Merck KGAA, , Keyence Corp, Estun Automation and Intuit Inc due to various concerns about corporate governance, compensation policies and capital allocation.

Reporting on the Use of the Services of Proxy Advisors

COBS 2.2B.7R (1)

Devon discloses its Proxy Voting Policy on the Devon website (www.devonem.com). This outlines that stewardship activities are not delegated or outsourced to third parties.

Devon's proxy voting provider lists possible votes for different resolutions, rather than providing voting recommendations.

Devon's Operations Team advises the Investment Team whenever a proxy is released, the portfolio manager makes the decision on proxies, and this is then submitted by the Operations Team to the proxy portal.

Devon has procedures to monitor and evaluate the performance of its proxy voting provider to ensure its resources and systems continue to meet Devon's needs as a steward of clients' capital. Devon's proxy voting provider is also linked to one of Devon's custodians and is therefore independently monitored.

During 2022 Devon ensured that its proxy voting provider lodged proxies in relation to all company meetings at which Devon's clients were authorised to vote.

For the calendar year 2022, Broadridge served as Devon's proxy voting provider.