

The UK Stewardship Code (the “Code”) (developed by the Financial Reporting Council) aims to enhance the quality of engagement between institutional investors and companies to help improve long-term returns to shareholders and the efficient exercise of governance responsibilities. The Code is a voluntary code.

The Code comprises a set of 12 ‘apply and explain’ Principles for asset managers and asset owners. It is designed to be applied proportionately and on a “comply or explain” basis. It is addressed in the first instance to firms who manage assets on behalf of institutional shareholders such as pension funds, insurance companies, investment trusts and other collective investment vehicles.

The FRC expects an in-scope firm to disclose on its website how it has applied the Code. Further, as an FCA-authorised firm, Triton Investments Advisers LLP (“TIA”) is required to disclose on its website (a) the nature of its commitment to the Code, or (b) where it does not commit to the Code, its alternative investment strategy.

TIA does not currently commit to compliance with the Code.

TIA supports the view expressed by the British Venture Capital Association that delivering sustainable value for investors is at the heart of private equity investment and that regular and high quality engagement and clear alignment between private equity managers and investors is important.

To note, as an FCA-authorised firm, TIA is also expected to disclose on its website certain information regarding the application of the Shareholder Rights Directive II (the “SRD II”). This disclosure obligation also applies to Triton Investments Management SARL (“TIMS”), as a CSSF-authorised firm.

Broadly, the SRD II applies to the extent a firm is investing (or has invested) on behalf of investors in shares traded on an EU regulated market. A firm must publicly disclose either its engagement policy or a clear and reasoned explanation as to why it does not have an engagement policy.

Currently, neither TIA nor TIMS has an engagement policy for the purposes of the SRD II. To the extent an investment is made by a Triton Fund in shares traded on a regulated market, such investment typically is either for the purpose of taking the relevant company private or to exit the Fund’s ownership of the company through an Initial Public Offering such that any investment in shares traded on a regulated market are not expected to be held in such form for the long-term.

The approach taken to responsible investment practices is described below.

## **Approach to Responsible Investment**

TIA always seeks to work with management of portfolio companies to grow and improve those portfolio companies for long term sustainability and for the benefit of multiple stakeholders. TIA recognises the importance of environmental, social and governance issues in protecting and creating value for our investors, portfolio companies and the communities where our portfolio companies operate. TIA always will endeavour to act as responsible steward of investors’ capital and portfolio companies’ businesses and will, as part of its portfolio management function:

# Triton

Embed ethical and responsible decision-making into investment processes and portfolio management activities;

Adopt corporate governance structures within Triton that provide appropriate levels of oversight and accountability and work with the management of its portfolio companies to do the same for those companies.

Triton is a signatory to the UN PRI.

The alternative investment strategies of the Triton Funds are outlined below.

## **Mid-Market Private Equity**

The broad investment strategy followed by Triton Mid-Market Funds is to focus on making equity investments that provide the Funds with significant influence in mid-market companies in Triton's core sectors and regions.

## **Smaller Mid-Cap Private Equity**

The broad investment strategy followed by Triton Smaller Mid-Cap Funds is to focus on making equity investments that provide the Funds with significant influence in mid-cap companies in Triton's core sectors and regions.

## **Credit**

The broad investment strategy followed by Triton Debt Funds is to focus on non-control positions in mid-market companies across the capital structure. This typically involves investment in corporate loans, bonds, and other financial obligations, claims, securities, instruments and special situations within Triton's core sectors (noting that investments may be made in equity and equity-like instruments). When investing in debt, the stewardship responsibilities of an equity owner are not taken on.