Quantum Advisors Private Limited (India)

UK Stewardship Code Report

www.QASL.com

UK Stewardship Code Report 2024

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FOREWORD

We at Quantum Advisors Private Limited ("Quantum") are pleased to present - The UK Stewardship Code report for fiscal year ended March 2024 which reflects our commitment to prudent investment management, as we look back on the fiscal year 2023-24. As a leading investment management institution, we understand that the decisions we make today will have an impact on the future, and we make every effort to manage our investors' assets responsibly.

The values and mission of Quantum serves as the foundation for our company's guiding principles. Our investment approach focuses on long-term investment strategies emphasizes sustainable and responsible actions while delivering superior financial performance. Our team of experienced portfolio managers, supported by a skilled group of research analysts, aims to drive positive change and deliver value for our clients through rigorous research, comprehensive risk management, and active engagement with companies.

Environmental, Social, and Governance (ESG) considerations are important for us when making investment decisions. We actively engage with our portfolio companies to urge changes wherever needed because we believe that businesses with strong ESG processes are better positioned for long-term success. Our engagement initiatives cover a wide range of subjects, such as corporate governance, diversity and inclusion, and climate change. To support sustainable business practices, we actively take part in shareholder proxy voting, have discussions with company's management, and work with other stakeholders.

Furthermore, we are committed to accountability and transparency. We keep our client informed with regular updates on our stewardship actions, including engagement efforts and proxy voting results. For us, effective trust-building and meaningful interaction with our clients and other stakeholders hinge on open communication and transparency.

Key accomplishments of fiscal year ending March 2024 :

In 2023-24, we launched a small-cap fund while maintaining our commitment to good governance as a core investment principle. We actively engaged with companies to gain insights into their business strategies, governance structures, and over all commitment to sustainability. We became members of the International Corporate Governance Network (ICGN) last year. Our objective is to promote global best practices in emerging markets like India where we operate and ensure their voices are heard in global discussions. Our participation includes attending educational workshops, conferences (as attendees and speakers), and providing feedback on ICGN's corporate governance guidelines. We also currently serve as an active member of the stewardship committee of ICGN.

We engaged proactively with Workforce Disclosure Initiative (WDI) throughout the year, to significantly expand its presence in the Indian market and initiated meaningful discussions on workforce well-being & disclosures.

Our key accomplishments include winning the WDI Contingent Data Workforce Award and being runner up for the main award for overall disclosure, demonstrating our leadership in this area. We also became part of the Access to Nutrition Index (ATNI) and actively engaged with companies through collaborative initiatives to bring awareness around FMCG products.

Overall, our engagement in the Indian market is expanding, and we are committed to promoting positive change. We approach proxy voting diligently and consistently uphold strong governance principles, even if this requires us to vote contrary to proxy advisors' recommendations.

To date,we have maintained a consistent approach to responsible investment management by conducting a forward-looking assessment of our investments. We remain dedicated to promoting responsible and sustainable business standards by engaging with stakeholders and drive meaningful change.Our commitment is to deliver optimal returns for our clients while upholding the highest degree of integrity, transparency, and stewardship fulfilling our fiduciary duty as custodians of our clients' assets.

We appreciate your cooperation and trust.

Sincerely,
Piyush Thakkar
Chief Executive Officer

Our Commitment Towards Sustainability

Since its inception in 1990, Quantum has conducted its business with a high focus on ethics, integrity, and transparency, where we strive towards offering sensible risk-adjusted returns over the long term to our clients.

Long-term investing demands investment in companies who have sustainable business operations. While we do thorough research and analyze our investee companiesbefore taking investment decisions for client's portfolio or funds managed by us, it is essential for Quantum to develop a sustainability strategy. This will ensure our long-term growth and commitment to customers, employees, and society at large.

Hence, we have put in place a sustainability framework for Quantum Advisors which highlights key sustainability areas and material factors alongside Key Performance Indicators (KPIs) to measure our success. Our long-term performance on these areas will impact our overall business growth, reputation, firm valuation and ultimately our social license to operate.

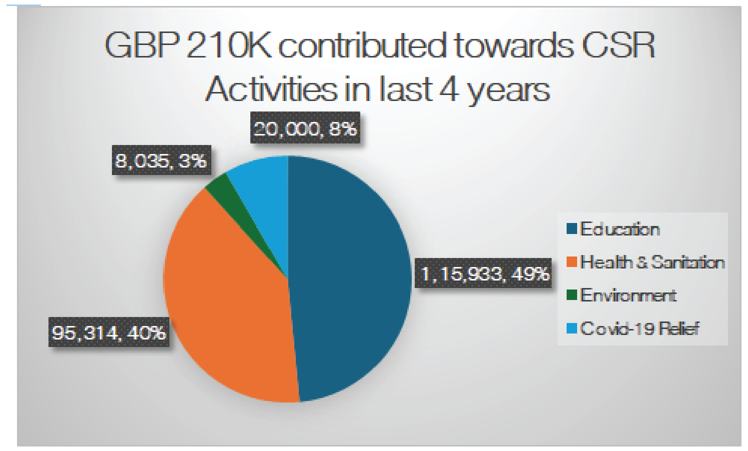
We have identified following material aspects are very much relevant to us as an asset manager to build long term sustain-able business and be able to focus on what right for our investors and uphold the highest standards of governance in our investee companies:

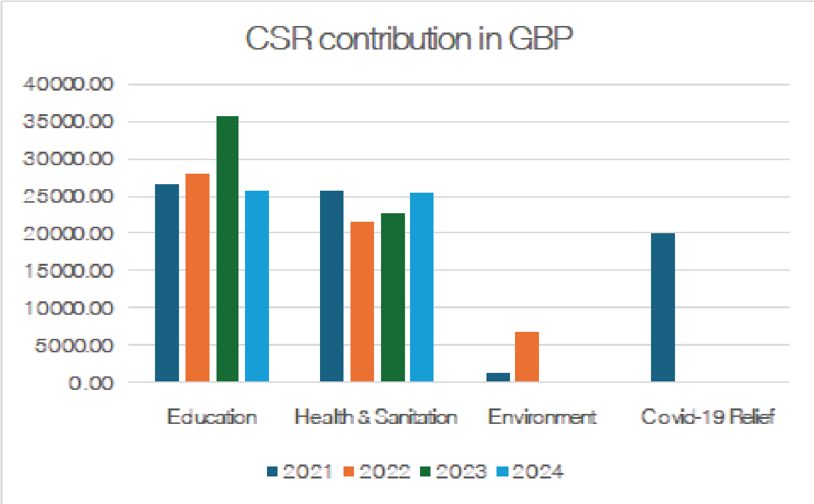
- Sound Governance.
- Effective Human Capital Management.
- Integrating ESG in investing.
- Provide transparent information and fair advice.
- Maintain customer privacy and data protection.
- Undertaking Internal ESG initiatives.

Corporate Social Responsibility (CSR) initiatives:

Quantum intends to make a positive difference to society by contributing towards social causes for betterment of society in the areas in which Quantum operates. Quantum's initiatives under CSRare focused towards supporting primary education, preserving environment, and improving healthcare infrastructure. Quantum partners with non-government organizations (NGOs) to bring meaningful change to communities. Company's focus has always been to contribute to the sustainable development of society and the environment, and to make our planet more habitable for future generations.

During the last 3 years, on average we spent 2.5% of profits before tax (PBT) on CSR initiatives.





Offsetting our carbon footprint

We have initiated a process to measure internal carbon footprint and take steps to reduce our per capital CO2 emission. CO2 emissions for Quantum Group for previous five financial years are as below:-

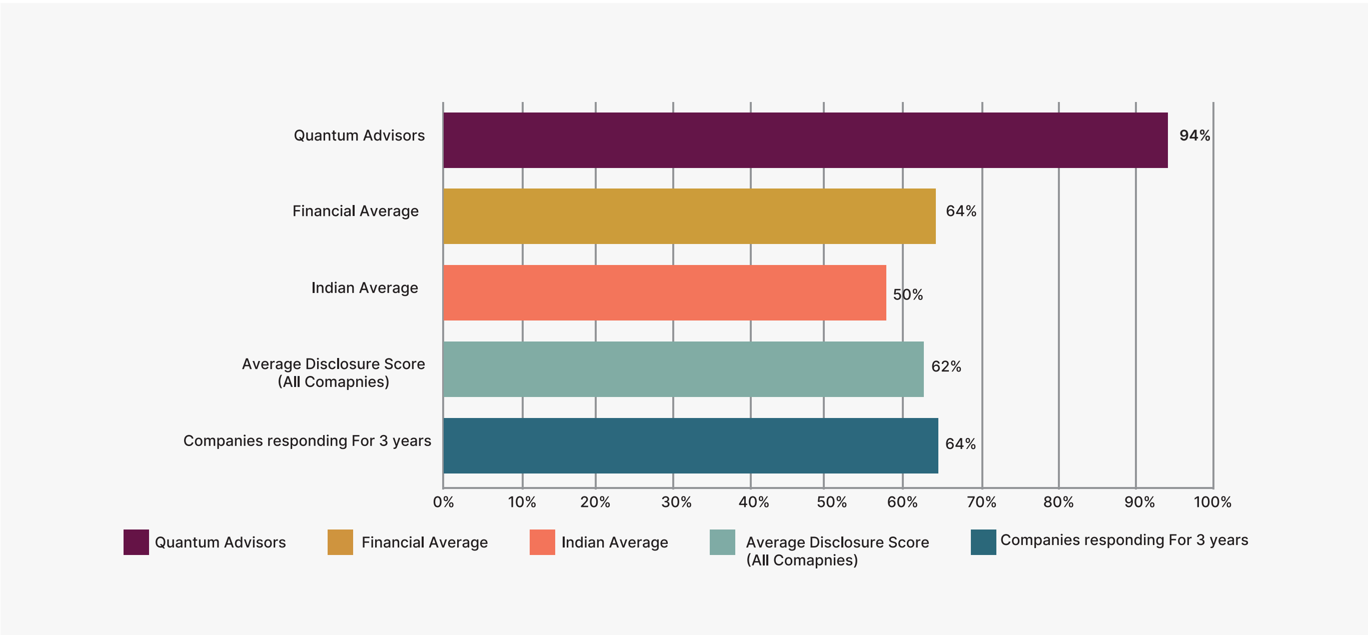
Year ending	CO2 Emissions	Per Employee CO2 Emission	No. of tress required to offset CO2 Emissions
Mar'2024	201.5 tonnes	0.94 ton	10,075
Mar'2023	204 tonnes	0.99 ton	10,200
Mar'2022	101 tonnes	0.45 ton	5,055
Mar'2021	166 tonnes	0.69 ton	8,300
Mar'2020	349 tonnes	1.33 ton	17,432

We have planned to offset our environmental footprint by planting trees. As per our research, we have found out that to offset 20 kg of CO2 emission in the environment, 1 tree would have to be planted. Over the last 2 years, we have planted approximately 17,000 trees (after survival), as part of our CSR initiatives and because of that our annual CO2 offset is 340 tonnes.

Signatory to the Workforce Disclosure Initiative (WDI):

In 2020, we became the first Indian company to partner with the Workforce Disclosure Initiative (WDI), which was initially managed by ShareAction and part funded by the UK Government's Foreign, Commonwealth and Development Office (FCDO). WDI is now part of the Thomson Reuters foundation. WDI aims to improve corporate transparency and accountability on workforce issues. In the initial years, we evaluated ourselves on various aspects of our workforce practices by participating in WDI's annual survey and engagement program and now we have extended our learnings to our investee companies.

In the 2023 submission, we have managed to stay industry leader with a score of 94, higher than the financial industry average of 64 and overall average of 62. Quantum was also nominated for the "WDI AwardWDI Award" and were declared winners for the "Contingent workforce data Award" in 2023.
https://wdi.trust.org/wdi-awards-2023/



With our continued push for better reporting, transparency, and disclosures on ESG issues, Quantum is leading by example and continuously engaging with its portfolio companies. As a part of our commitment to Workforce Disclosure Initiative, Quantum's focus is on sharing its experience and expectations with the companies on increasing workforce management transparency across its direct operations and supply chains.

By offering the best standards in governance, environmental and Social, workforce equity, and transparency, Quantum wants to undoubtedly make progress toward its goal of fostering growth and boosting investors' confidence in the ESG space.

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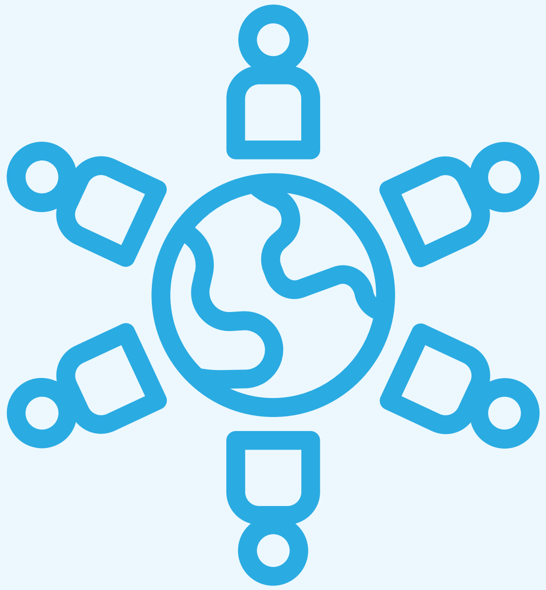


PRINCIPLE 1

Purpose, Strategy, and Culture

PRINCIPLE 1

Signatories' purpose, investment beliefs, strategy, and culture enable stewardship that creates long term value for clients and beneficiaries leading to sustainable benefits for the economy, the environment and society.

REPORTING EXPECTATIONS

Context

Signatories should explain:

• the purpose of the organization and an outline of its culture, values, business model and strategy;

• their investment beliefs, i.e. what factors they consider important for desired investment outcomes and why

Activity

• Signatories should explain what actions they have taken to ensure their investment beliefs, strategy and culture enable effective stewardship

Outcome

Signatories should disclose:

• how their purpose and investment beliefs have guided their stewardship, investment strategy and decision-making; and

• an assessment of how effective they have been in serving the best interests of clients and beneficiaries.

Company overview

Quantum is an investment management firm based in India, primarily investing in Indian markets. We manage AUM (Assets Under Management) of GBP 2,348.55 Million as of March 2024. We have 213 employees, 8 fund managers serving clients globally which includes but not limited to pension funds, sovereign wealth funds, university endowment foundations and family offices.

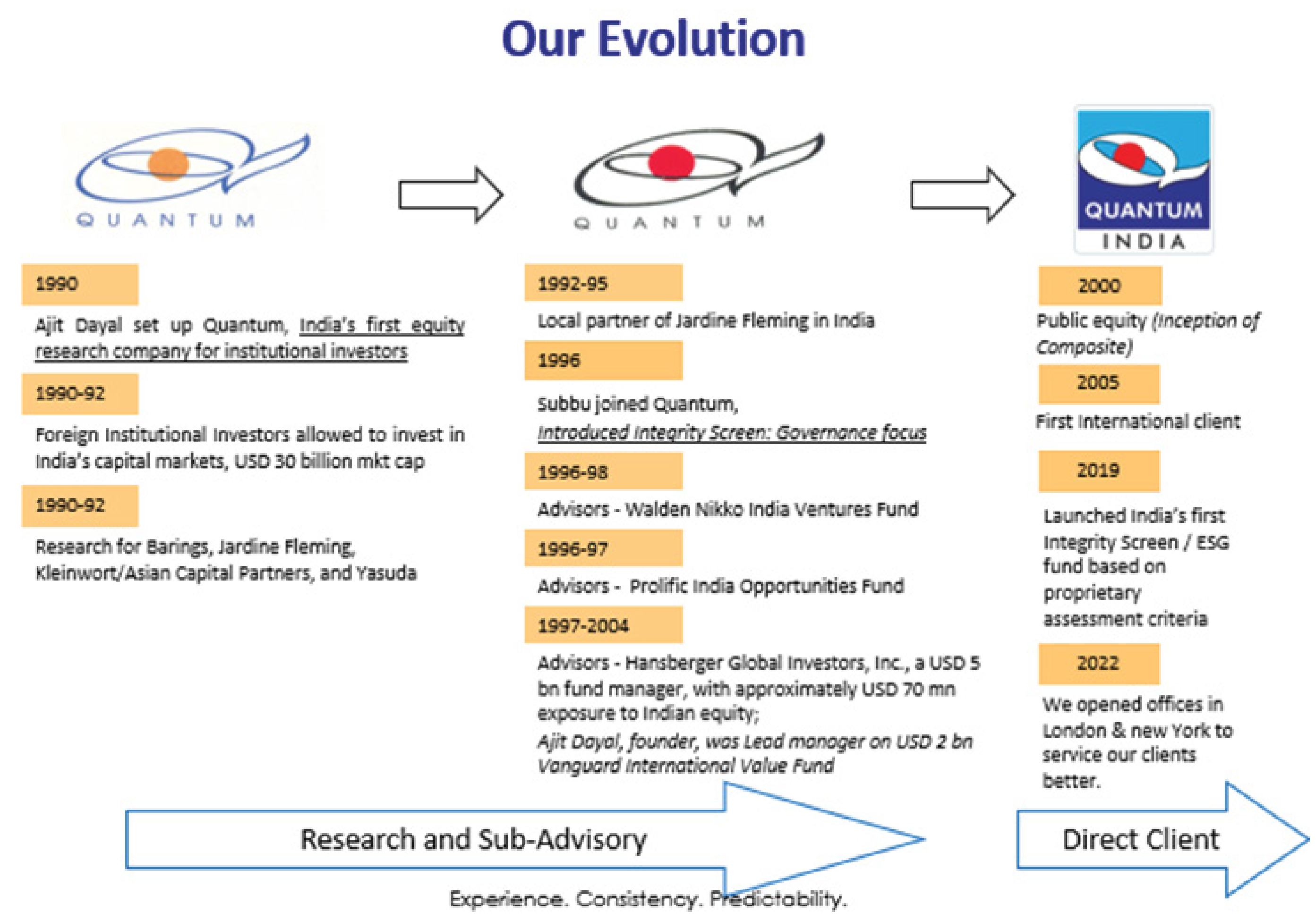
Quantum Advisors caters to foreign institutional investors investing in Indian markets & Quantum Asset Management company (QAMC), a wholly owned subsidiary of Quantum Advisors caters to domestic retail investors. QAMC manages a mutual fund in India and is. Quantum Advisors along with its subsidiaries constitute the "Quantum" group.

Quantum Advisors has pioneered a quantitative as well as qualitative analytical approach to equity investing in India, consistently applying valuation metrics to evaluate investment opportunities in India's emerging stock markets. Over the years, Quantum has continued and enhanced its tradition of extensive financial analysis and value investing, as it has evolved into an investment advisor and asset manager. It has been over 28 years since Quantum and its founders included a "governance" factor when investing in companies, We take pride in initiating what we called the 'Integrity Screen' as a filter for our investments- a conscious decision to avoid investing in companies with failed or inefficient corporate governance.

Purpose of our organization

As an investment firm, Quantum's mandate is to invest the capital of our clients for sensible long-term returns without taking undue risks. Our principles for investing are centred on analysing, controlling, and monitoring risk for investors in India rather than increasing it. Our investment approach is guided by the principles of value, integrity, and transparency. We focus on our customers, providing relevant and necessary products and solutions without taking advantage of or exploiting them.

Our investment strategies involves the use of intensive qualitative and quantitative fundamental analysis to actively build and monitor our client's portfolios. Simultaneously we aim to avoid excessive trading and manage risk by ensuring our clients' portfolios are adequately diversified. Our investment strategy is to invest in companies which we believe are attractively priced in the market when compared to our valuation of those companies or offer long term competitive edge to deliver returns for investors. Our approach involves making stock-specific decisions which consequently result in particular sectors weights. We believe that our investment process is unique as it is “team-driven” rather than relying on a single “star” fund manager. In addition to the “team” structure, we believe that our investment process has a calibrated risk approach and a long-term orientation. Investment decisions are based on the consensus of the portfolio team and are executed by the respective portfolio manager in line with the applicable guidelines and specific client mandates.



Our business model and strategy

Quantum is an asset manager and not an asset gatherer. We solely focus on our client's needs and how best we can support them and their needs in the long run. We consistently target our efforts to see how to improve and where we can add value for our stakeholders. We at Quantum place a high value on doing what is right for all our stakeholders and communities by diligently fulfilling our responsibilities whether through shareholder voting or active engagement. We believe that we're aligned with our clients' interests and have demonstrated a desire and willingness to understand their needs year after

yearincluding in 2023. Our strategy and business model is built entirely around providing our clients with sensible, predictable returns over a long period of time.

Culture & values

The success of any enterprise rests on the character and values of the people who start it and is sustained by transferring those values effectively. The overriding philosophy of Quantum, as laid down by the Founder, is enshrined in the Charter of Principles. These principles act as guiding light to the Boards and Management teams. Please refer to our Charter of Principles at Charter-of-Principles (QASL.com)

At Quantum, integrity and transparency are integral to our culture.Our flat hierarchy fosters these values by ensuring accessibility between colleagues & seniors across business function. We hold quarterly town hall meetings to share organization and business updates, celebrate employee achievements, address grievances and conduct Q&Asessions; this nurtures a culture of trust and innovation.

Our diverse work force reflects our commitment to diversity, equity and inclusion, which we consider as our core objectives. Currently we have 40.36% female representation at the organization level with 17% at the senior management level.

Investment beliefs: key factors for desired investment outcomes

We evaluate the companies in which we invest based on their businesses, the strength of their balance sheet and cash flow relative to their long-term goals, and other factors, including our assessment of the skill and expertise of the company's management team and the long-term potential for both the company and the market in which it operates.

Shareholder interest is paramount to our investing process, and we follow the below-mentioned investment beliefs for achieving the desired investment outcome:

- We generally buy stocks at a discount to what we believe to be their intrinsic value. Such opportunities may arise for a variety of reasons, such as market undervaluing a company, assessment indicating opportunity for significant profit or market share growth based on sector dynamics, or because of the company's competitive or proprietary advantages.
- Maintain an investment approach that fosters continuous improvement in environmental and social performance, as well as corporate governance, across our portfolio companies.
- Exercising independent judgement in identifying ESG (Environment , Social, Governance) risks and opportunities, incorporating ESG information in our investment research, engage with companies on ESG issues, and diligently vote on all resolutions related to ESG matters.
- Ensure fair and equitable rewards and benefits structure for Quantum team members that is tied to fair advice and exceptional customer service, incentivizing long-term solutions that align with customer needs.
- Emphasize teamwork rather than relying on individual star performers.
- Maintain a strong balance sheet with sufficient cash and investments to cover 36 months of expenses on a zero-revenue basis, ensuring no compromise on customer focus.

Given our focus on corporate governance, we avoid investment in companies:

• With a record of treating minority shareholders poorly
• That have blatantly violated environmental rules and regulations
• That have acquired national properties from the government through questionable means
• With questionable accounting practices
• With weak business models
• Where it is not clear as to who exactly the founders of the company are

• That follow other similarly questionable practices as those enumerated above

As part of our research process, we have always given primary emphasis to corporate governance factors and have excluded those companies that have demonstrated a poor governance track record. From 2015 onwards, based on the increasing importance of non-financial factors (Environment and Social) as well as regulations mandating disclosures on ESG metrics, we developed a proprietary methodology to formally rate companies in our investment universe on these 'E', 'S', and 'G' metrics.

Activity

Signatories should explain what actions they have taken to ensure their investment beliefs, strategy and culture enable effective stewardship.

Quantum Advisors is dedicated to long-term investing and employs a portfolio strategy that emphasizes "active monitoring but not constant churning." We believe that Environmental, Social, and Governance (ESG) concerns are critical in delivering long-term investment returns, both as opportunities and as risk mitigation strategies. We evaluate how companies manage various forms of capital, including financial, social, human, and natural resources, as responsible stewards of our clients' capital. By assessing the impact of its operations on society and the environment, we incorporate the true cost of their business operations.

Research and Investment Process:

The investment process that we use is systematic, disciplined, and research driven. The investment decisions are arrived at by using a well-researched bottom up approach. While we also understand that companies don't operate in a vacuum, the research process combines macro (broad economy) and micro (security-level) factors for investment decisions. The macro analysis looks at long-term macroeconomic indicators such as gross domestic product GDPinflation, fiscal and monetary policy, deficits and currency, global macroeconomic changes that may impact the domestic environment, liquidity, government borrowing, and corporate borrowing. This macroanalysis also helps forecast the direction and level of interest rates. The microanalysis (bottom up analysis) looks at individual companies and aims to identify good investment opportunities through a thorough analysis of future business prospects, undervalued opportunities and companies that fare well on our governance integrity checks as sustainability typically acts as the driver for long term performance. It also helps us to analyse the associated risks of each investment.

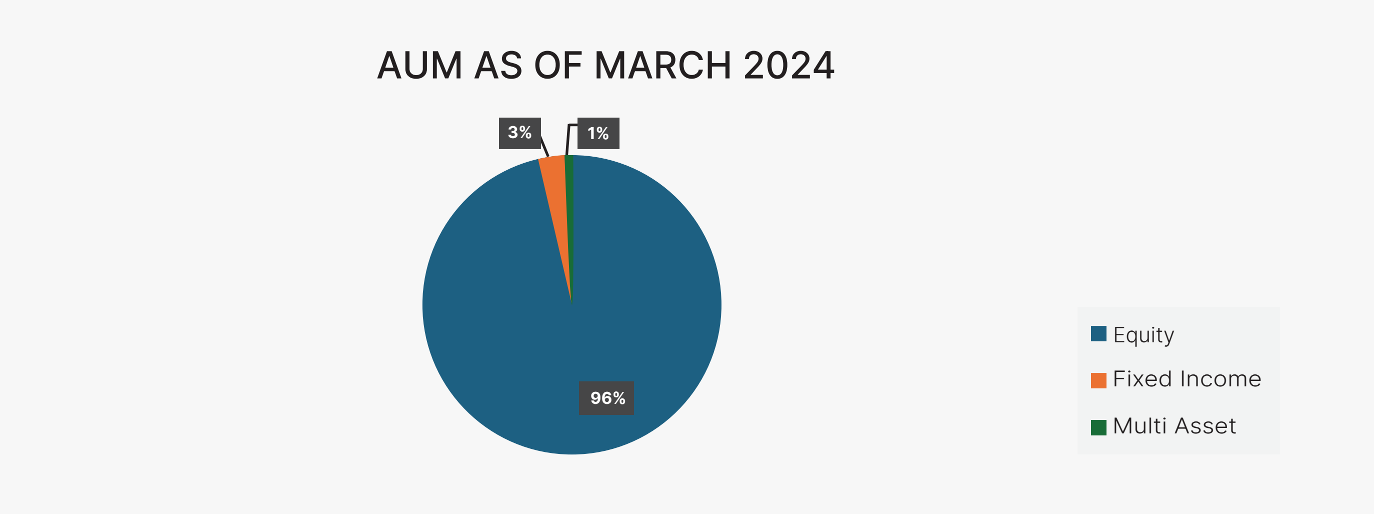
While we refer to broker reports to help our analysis and question our own thesis, that doesn't alone drive our final decision making, It further only helps us make our research process more thorough. As we arrive at conclusive research at our end, brokers at times further facilitate get any required clarification from companies as we engage with them, ensuring a continuous feedback loop to enhance our research and investment decisions.

Investment capabilities

Quantum Advisors is one of India's most respected investment firms, aiming to deliver consistent returns for our clients while avoiding undue risks and ensuring measured growth in AUM across multiple asset classes. Quantum has been a leader in promoting environmental, social, and governance (ESG) issues in India. For more than 28 years, we have incorporated an integrity screen into our investing process.

We focus our investment capabilities on four different asset classes, with our primary expertise being in equity. Each asset class has dedicated research and investment teams based in India.

Asset class	AUM *2024 March (In GBP mn)	No of investment professionals
Equity	2259.65	28
Fixed Income	69.06	4
Multi Asset	19.84	2
Private equity	-n/a	n/a



Our two main strategies

India Value Equity and India Responsible Returns are built on sound investment principles and follow a disciplined investing process. The research and investing process for both the strategies have some common philosophies –

a) they depend on proprietary research

b) they follow the integrity screen to sift out bad companies and

c) they cherish liquidity to ensure that the NAV is real, transactable and that the strategy is scalable.

Q India Value Equity Strategy:

The Q India Value Equity Strategy reflects a portfolio based on the principles of long term "value" investing - with "values" as a powerful integrity filter to ensure we minimize non-financial risk by sifting out companies which could add to the non-financial risk in the portfolio. It provides investors with a long-only India portfolio which is liquid, avoids the 'crony capitalists', is built on sound principles of value investing, and delivers a predictable outcome. For the Value Strategy, the ESG rating does not serve as the sole determining factor in the decision to include or exclude companies in our portfolio. However, when we observe any portfolio company involved in serious violations of ESG practices and management or the Board demonstrates no intent to improve, the portfolio team will divest the company. For non-portfolio companies, the stock will be placed on “Permanent Watch” and will not be bought – irrespective of market price – until our concerns have been satisfactorily resolved.

Q India Responsible Returns Strategy:

Since 2015, we have used our proprietary methodology and formally assess companies based on their ESG performance. This serves as the foundation for managing our Q India Responsible Returns Strategy (QIRR), which enable investors to invest in sustainable companies.

Our approach comprises our proprietary "Integrity Screen," which focuses on Governance, as well as our principles based, qualitative ESG framework, which has been improved since 2015 to identify best and worst ESG standards. The Q India Responsible Returns Strategy (QIRR) provides a solution for investors seeking a “clean” India public equity portfolio built on globally recognized principles of Governance, Sustainability and Financial Soundness.

Q India Sovereign Focused Bond Strategy:

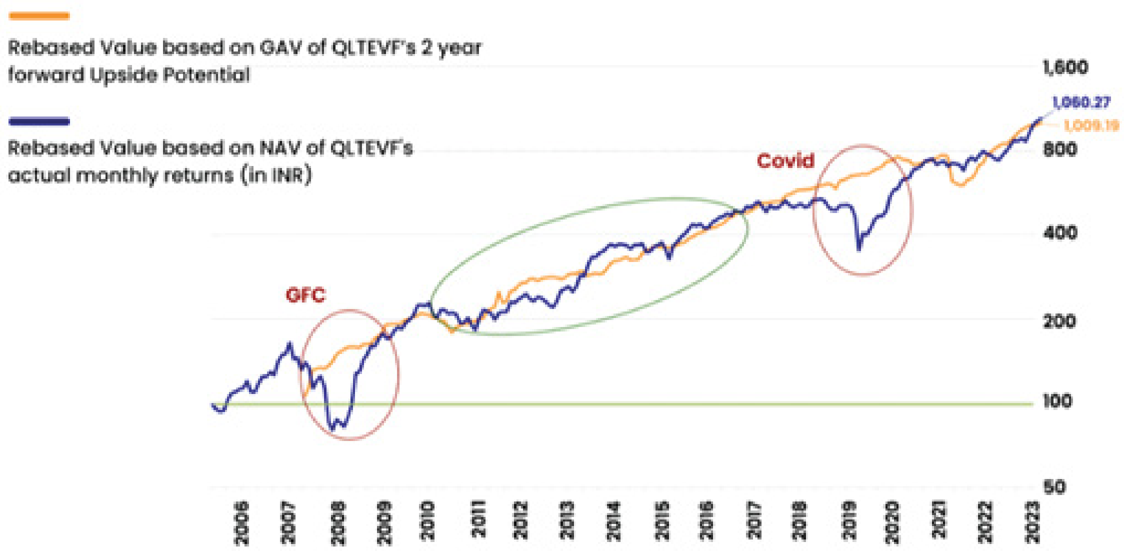
For the fixed income portfolio, the majority investment is into sovereign bonds issued by the Government of India. From the perspective of ESG, the targets and commitments set by the government for 2030 and 2070 are monitored and tracked on a regular basis.

Multi asset fund

Our Multi asset fund diversifies across 3 major asset classes: equity, debt & gold. The steward principles relevant to each asset class are applied according to allocation of investment within them.

Integrating and supporting effective stewardship

Building enduring value for our clients goes together with fostering a positive impact on the wider world. We take a long-term ownership perspective when investing and actively engaging with companies. This includes voting at shareholder meetings and discussions with management, attending con-calls & meeting the management from time to time. We see room for improvement in this area like more collaborative engagement with investee companies and are committed to driving positive change.



Since 2005, Quantum Advisors has published the Upside Potential of Q India Equity Value Strategy: since the portfolio is built on the basis of 'intrinsic value' we are able to indicate the NAV of our portfolio 2 years into the future (FY2e) and gauge the accuracy of our research process.

This above chart, diligently estimated every month since December 2005, stands as a testament to Quantum's commitment to transparency and accuracy. Providing estimates of the Portfolio's Gross NAV two years forward, the chart is a unique tool that unveils the potential to deliver in line with the upside in an investment. As can be seen from the chart above, the actual returns have been in line with the predicted returns barring global macro events of GFC and Covid over the last one year despite being predictable we have outperformed all the broad relevant benchmarks to the strategy.

Following are some of the actions we have taken to ensure an effective stewardship:

-We keep our clients informed with regular, concise updates. We send out monthly newsletters which highlight key industry trends, relevant company news, and insights from our research team.

-We schedule dedicated calls every quarter to discuss client specific needs and ensure our coverage aligns with their strategic interests. These calls provide a focused forum for in-depth discussions and feedback exchange.

-To foster a strong, collaborative relationship, we hold an annual in-person meeting to discuss long-term goals and delve deeper into client specific requirements.

-Our analysts are deeply invested in their coverage universe. They continuously monitor industry developments, meet with companies, vendors, and channel partners. This constant engagement allows them to stay on top of critical trends and provide our clients with the most up-to-date insights.

-We believe in a collaborative approach. We actively encourage the client feedback on our research and analysis. Their input is invaluable in helping us refine our approach and ensure it delivers the insights they need.

-Our analysts are dedicated to rigorous research. They constantly challenge and reassess underlying assumptions to ensure the accuracy and validity of their conclusions.

This multi-touchpoint approach ensures we maintain a close and productive relationship with our clients. We are committed to providing them with the information and insights they need to make informed decisions.

PRINCIPLE 2

Governance, Resources, and Incentives

PRINCIPLE 2

Signatories' governance, resources and incentives support stewardship.

Activity

Signatories should explain how:

• their governance structures and processes have enabled oversight and accountability for effective stewardship within their organization and the rationale for their chosen approach;

• they have appropriately resourced stewardship activities, including: -

their chosen organizational and workforce structures;

- their seniority, experience, qualifications, training and diversity;

- their investment in systems, processes, research and analysis;

- the extent to which service providers were used and the services they provided; and

• performance management or reward programmes have incentivised the workforce to integrate stewardship and investment decision-making.

Outcome

Signatories should disclose:

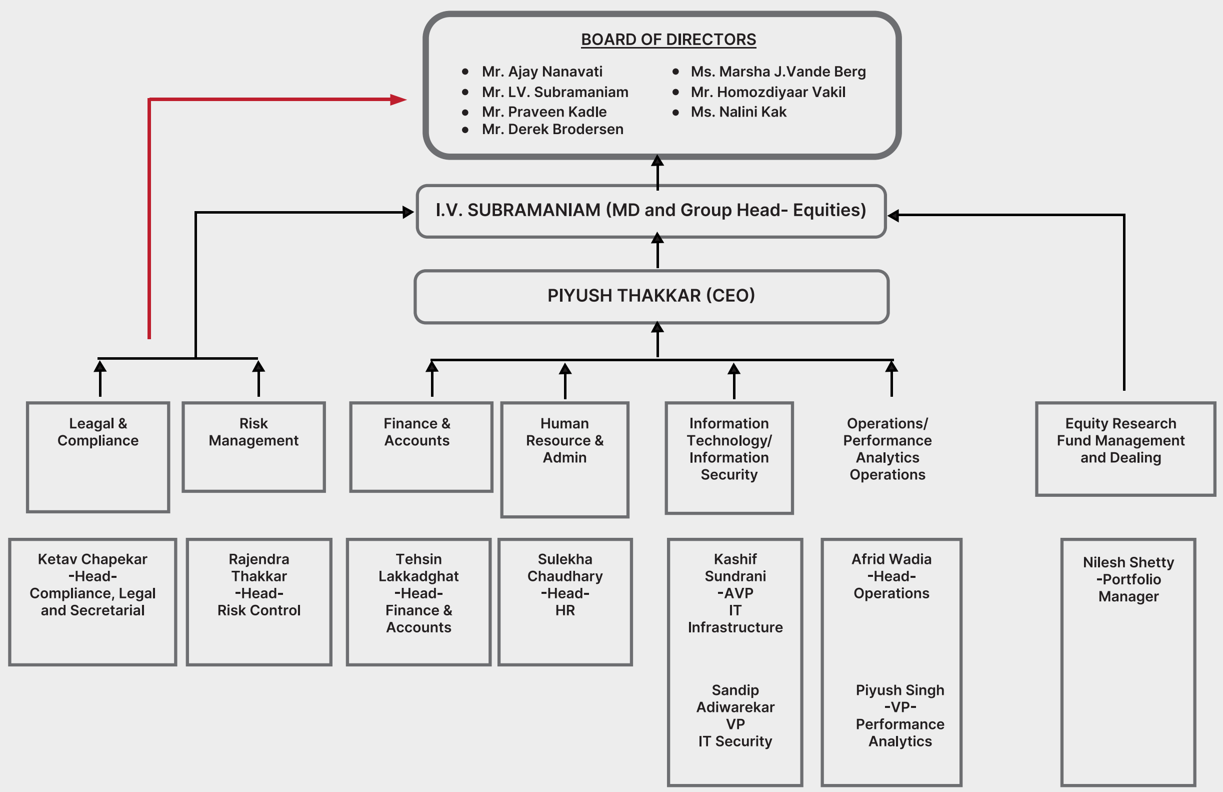
• how effective their chosen governance structures and processes have been in supporting stewardship; and

• how they may be improved.

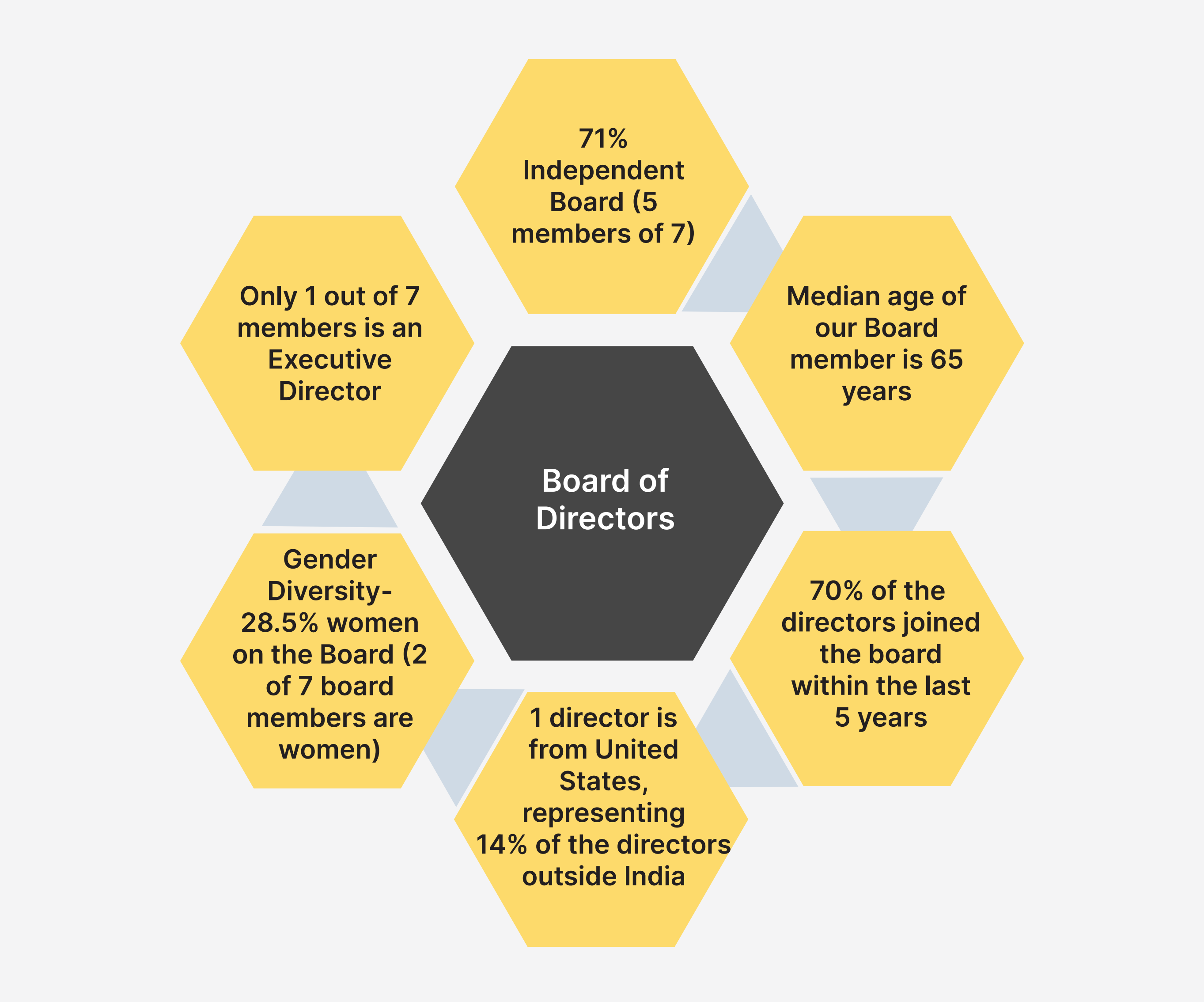
Current Governance Structure

Sound corporate governance serves as a foundation that supports responsible business practices across diverse areas - Financial reporting, Ethical Conduct, Compliance Record, Environmental Stewardship, Community relations, and Employee Wellbeing.

Organizational Chart of the Firm- Quantum Advisors Private Limited- As on March 31, 2024



To ensure high levels of client trust, Quantum strives to maintain a strong Board of Directors, independent in substance and diverse in skillsets, gender, and competency, who guides, advises, and monitors senior management. The Board is ably supported by robust compliance monitoring and risk management systems to maintain oversight on governance matters.



How is the board involved in overviewing effective stewardship.

At Quantum Advisors, the institutional clients have retained their right to vote while Quantum provides them with its view and recommendation on the resolutions. Quantum does engage with the portfolio companies for any pertinent issues.The Company has a two pronged approach for overview on the stewardship activities undertaken. The Board has appointed a Compliance Monitoring Committee (CMC), which also reviews the stewardship reporting activities. The analysts reports to the compliance team which further reports to CMC (a board appointed committee) in case of any exceptions.

Compliance Monitoring Committee

The firm under the direction of the Board has set up a Compliance Monitoring Committee (CMC) with a view to monitor the implementation of applicable statutory requirements, Code of

Ethics and other policies and procedures for the compliance related matters. The Compliance Team led by firm's Chief Compliance Officer (CCO) has formulated a monitoring plan to review and test the effective implementation of these policies and procedures and submits its report to the Compliance Monitoring Committee (CMC) on a quarterly basis. The CMC, presently consisting of the Chief Executive Officer (CEO), Head-Risk Control and the CCO of the firm, meets once in a quarter to review the Compliance Monitoring Report. The CMC after its review of the Compliance Monitoring Report apprises the board of any exceptions.

For Quantum Mutual fund, the voting and engagement are monitored and reviewed by the compliance team. After due discussions in the Investment committee meetings, the report prepared by the compliance team along with necessary justification are tabled in the Board meeting for review and discussions. This ensures Board oversight on Stewardship activities

To ensure high levels of client trust, Quantum strives to maintain a strong Board of Directors, independent in substance and diverse in skillsets, gender, and competency, who guides, advises, and monitors senior management. The Board is ably supported by robust compliance monitoring and risk management systems to maintain oversight on governance matters.

Policy On Voting and Disclosure of Voting Activity

In August 2019, the SEC published the Proxy Voting Guidance to assist investment advisers in fulfilling their proxy voting responsibilities, particularly when relying on proxy advisors. The SEC encourages investment advisers to review their policies and procedures in light of the Proxy Voting Guidance. The Proxy Voting Guidance underscores that an investment adviser is a fiduciary that owes to each of its clients' duties of care and loyalty regarding "all services undertaken on the client's behalf, including proxy voting." It also re-emphasizes that using a proxy advisor to assist with voting in no way relieves an investment adviser of its fiduciary duty to serve its client's best interest. The SEC notes, among other things, that an investment adviser and its client may agree on the scope of the investment adviser's proxy voting authority and responsibilities.

Firm's Policies and Procedures

As a matter of policy and as a fiduciary to its clients, the firm has responsibility for voting proxies for portfolio securities consistent with the best economic interests of the clients unless otherwise provided in the Client IMAs. This proxy voting policy describes the firm's policy for doing so.

The firm may appoint or continue to retain a proxy advisor to assist it in meeting its proxy voting responsibilities. These policies and procedures (as also the performance of the firm's proxy voting advisor) shall be reviewed on an annual basis.

Responsibility

The CCO has the responsibility for implementation and monitoring of the firm's proxy voting policy, practices, disclosures, and record keeping. The firm will provide information in its Form ADV Part 2A -which is displayed conspicuously, summarizing this proxy voting policy and procedures, including a statement that clients may request information regarding how the firm voted a client's proxies, and that clients may request a copy of these policies and procedures.

Voting Guidelines

The firm's policy is to vote all proxies from a specific issuer in the same way for each client whose account is being managed under the same investment strategy absent qualifying restrictions from a client. In the absence of specific voting guidelines from the client, the firm will vote proxies in the best interests of its clients. Clients are permitted to place reasonable restrictions on the firm's voting authority in the same manner that they may place such restrictions on the actual selection of account securities. All voting decisions are taken on a case-to-case basis applying a more company or issuer-specific analysis for a certain type of proposal (e.g. significant corporate events). We will consider a number of factors to determine whether exercising the clients' voting rights as to its securities is in the relevant clients' best interest. The concerned research analyst at the firm reviews the different proposals put before the shareholders and arrives at a final decision on how to vote, keeping in mind the long-term interest of the client and the detailed proxy voting guidelines put in place by the research and investment team. The firm may also if thought fit, obtain proxy advisory services from an independent "proxy advisory service provider" wherein the service provider shall provide their analysis on the various agenda items to be discussed at the shareholder's meetings and their recommendations on how the firm may vote on these matters. The concerned research analyst of the firm may after considering these recommendations shall communicate his or her final voting decision or recommendation to the firm's back-office team for further action. Where the firm takes a decision to appoint or continue to retain a proxy advisor it shall endeavor to comply with the relevant guidance/s issued by SEC from time to time in this regard.

When voting a proxy, we will generally follow our voting guidelines. We attempt to identify conflicts of interest that may arise in the proxy decision making process. If a material conflict of interest over proxy voting arises between us and a client, we will seek to resolve the conflict andvote the proxies in a manner that is in the relevant clients' collective best interests.

a. their chosen organizational and workforce structures.

Previously, our main challenge was disclosures & lack of transparency from the companies, considering India is emerging markets & not all companies are open to discuss. To address this, we increased our efforts by having more & more engagements, reaching out to companies regularly either individually or through collaborative initiatives. Additionally, new mandates & regulations in India are making it more convenient for us to engage & companies have better disclosures with stringent laws. Quantum Advisors are governed by Stewardship Code- which outlines our processes directly applicable to our stewardship activities. It also fosters accountability to investors, shareholders, and other stakeholders, while also prioritizing sustainability through stewardship. Further our investment policies entrust the responsibility for stewardship on the respective portfolio managers. The portfolio managers adhere to the stewardship policies, initiatives, engagements with companies, and proxy voting. Additionally, the risk and compliance team ensure the effectiveness and proper implementation of the stewardship policy and investigates any potential conflicts of interest that may arise from our stewardship activities.

We employ a team-driven approach and relies on intensive qualitative and quantitative fundamental analysis to build and monitor portfolios actively while endeavoring to keep portfolios adequately diversified. The company avoids excessive trading and uses a calibrated risk approach with a long-term orientation. The risks involved in portfolio investment such as sectoral bias, stock concentration, and lack of liquidity in any stock, are adequately mitigated through our investment risk mitigation framework. Additionally, the company has well documented procedures in the event of an extreme volatility, in terms of monitoring of liquidity and methodology of trading.

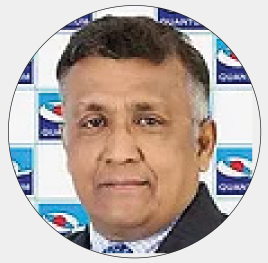
b. their seniority, experience, qualifications, training and diversity;

Please refer below about our current portfolio team:

Mr. Ajit Dayal
Founder of Quantum Advisors India

Ajit Dayal - Founder of Quantum Advisors India (QAS), has over 39 years of experience in the Indian capital markets and 7 years of global experience, including 4 years as the Lead Manager of the Vanguard International Value Fund. As a pioneer in Indian capital markets, Ajit was voted #1 Indian Equity Analyst by "Asia Money" in 1993 and 1994 and voted to the All-Star Asian Team by "Institutional Investor" in 1994.

In 1990 he founded Quantum with a goal to help the Indian financial markets move from a lower level of orbit to a higher level of orbit – and to ensure that investors (foreign and local) were able to participate in the profits from such economic growth. Having been burnt by investments in companies run by crony capitalists in the early 1990's Ajit pioneered the introduction of a proprietary Integrity Screen in 1996 to sift out the Indian equivalents of Enron, Worldcom, Yukos, and Wirecard from client portfolios.



Mr. I.V. Subramaniam (Subbu)
MD and Group Head – Equities of Quantum Advisors India

I.V. Subramaniam (Subbu) – MD and Group Head – Equities (QAS India), has 32 years of experience in the Indian capital markets including 4 years in global equity research. Subbu is a CFA Charterholder. Since June 2000, Subbu has managed India-dedicated portfolios for India-based clients. Since 2005, he has managed India-dedicated portfolios for international clients. Subbu was born in 1962.

Subbu began his career in 1989 and gained experience in capital markets in the area of broking, registrar and stock trading . With a deep desire to do equity research and be part of a team that places "Client interests first", Subbu joined Quantum in 1996 endorsing Ajit's ambitions for Quantum India to help the Indian financial markets move from a lower level of orbit to a higher level of orbit – and to ensure that investors (foreign and local) were able to participate in generating sensible, risk-adjusted returns from India's economic growth.

Mr. Nilesh Shetty
Equity, QAS
(2009)

Nilesh Shetty (2009) – Equity, QAS, Nilesh Shetty has 19 years of experience in the Indian capital markets as an Analyst and Portfolio Manager. In addition to being Quantum's primary analyst for Capital Goods, Insurance and Aviation, Nilesh is a senior member of the portfolio team and manages portfolios for international clients. Prior to joining Quantum, Nilesh worked for 2 years at Edelweiss Capital as an analyst.
He is responsible for leading engagements and driving stewardship for Value strategy.

Mr. Chirag Mehta
Chief Investment Officer (CIO), QAMC (2006),

Chirag Mehta- Chief Investment Officer (CIO), QAMC (2006)
is currently the Chief Investment Officer (CIO) at Quantum Asset Management Company, a wholly owned subsidiary of Quantum Advisors. He joined the Quantum group in 2006. He has two decades of experience specializing in asset allocation, equities and alternative investment strategies. He currently manages the Quantum India ESG Equity Fund, a very first ever Indian ESG fund that was built on a proprietary ESG framework. Additionally, he also manages funds in the small cap fund, multi asset, Equity Fund of Funds (manager selection strategy) and Gold Funds. Chirag spearheads Quantum's efforts in the world of responsible investment and extensively engages with the Government, policymakers and companies to further sustainable finance in Indian markets.
Chirag has been formerly ranked as the 4th best performing Fund Manager in the world under the age of 40 by Citywire in 2017. He is a qualified CAIA (Chartered Alternative Investment Analyst) . Academically holds his Master's in Management Studies in Finance from Mumbai University. Chirag recently has been nominated for Stewardship award at ICGN 2024 London

Research and Investment team:
We consistently aim to recruit qualified and experienced professionals who will echo our values and contribute to enable to our common goals.

Our Equity research & investment team is currently a 28 members team with expertise across sectors & diverse backgrounds. Not only top leadership team but all members are encouraged to meet companies & engage with them on various issues right from strategy, finance to environment, social & governance practices. We have a mandate to meet companies before we invest followed by once every 6 months.

We believe that any investment or a potential investment in any company is thoroughly analyzed only through engagement & stewardship. And hence it is the core responsibility for analysts to meet companies under their coverage. Analyst's are encouraged to build their view on companies, encompassing all the material traits of the company & such analysis when presented is debated in the research meetings in presence of other analysts & portfolio managers to build a well informed consensus around the issue.

UK Stewardship Code Report 2024

c. Systems & Resources

Our research process goes beyond traditional methods. We leverage internal databases, Bloomberg, ACE and industry resources, alongside company reports and public information, to build our own financial models. This independence allows us to focus on long-term value, without any dependence on broker ratings.

Collaboration is key to our process. Our investment team shares knowledge and experience, continuously refining our analytical frameworks and company analysis. This collaborative spirit strengthens our stewardship practices.

Our fund managers also look at stewardship activities. As an active investor we also look at incorporating ESG to our investment process. This is done in collaboration with our entire investment team. There are 28 Analysts and Fund Managers that support the ESG integration process in our equity products, conduct engagement with companies and consider voting decisions.

Sustainability is woven into the fabric of our investment process. We track and analyze environmental and social metrics alongside governance matters and traditional financial indicators like ROCE and FCF . This comprehensive view allows us to identify opportunities that align with both financial performance and positive impact.

Equity asset class resources - The equity research team consists of 28 including research analysts & Fund Managers. They cover the companies on regular basis, keep industry level oversight, meet company management, conduct macro level analysis & channel checks.

Fixed income resources: The Fixed income team consists of 4 including analysts & Fund Manager, who conduct macro research, bond market analysis & dealing. As part of Fixed income strategy, we have a strategy that only invests in Indian sovereign bonds.

Multi asset fund resources - The Multi-asset fund team consists of 3 analysts including 1 Fund manager, who look at asset allocation, research & portfolio management.
The stewardship of each of the asset class is managed in accordance to the details mentioned in foreword/principle

d.the extent to which service providers were used and the services they provided;

Currently we use our own proprietary research process, however at times we rely on specialized agencies to help us on our stewardship activity. We use voting recommendation providers such as Institutional Shareholder Services (IiAS) and Stakeholder Empowerment Services (SES)that are directly or indirectly helping us in our stewardship activity. To ensure informed decision-making, we leverage a combination of internal and external expertise.

Our proprietary research process is fueled by insights from leading specialist research providers. This includes environmental, social,

and governance (ESG), financial, and thematic research. Additionally, we utilize specialized and customizable systems like Bloomberg to track and monitor our stewardship activities.
Quantum conducts all engagements in-house, collaborating with other investors when required over roundtables or group conferences.

How performance management or reward programmes have incentivized the workforce to integrate stewardship and investment decision-making

Incentives & remunerations

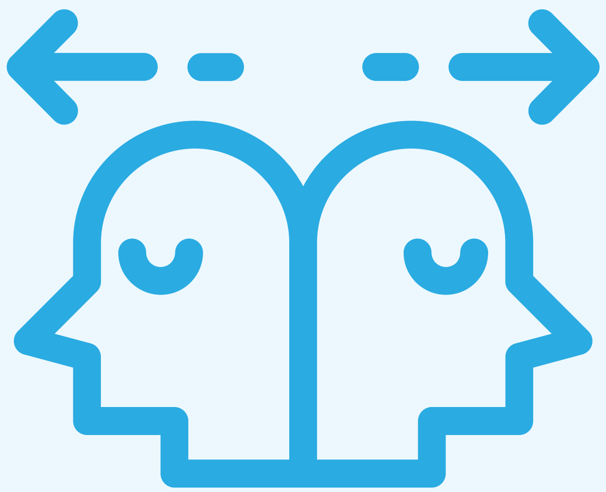
At the beginning of the year, the reporting managers engage with their team members in setting goals or Key Result Areas (KRAs) with assigned weight for each KRA at the beginning of the year, that are aligned to the organizational goals and adhering to highest governance standards. All the direct engagements with our portfolio companies is one of the KRA for our research, investment teams and is considered in the performance evaluation. This makes our research process more efficient. Depending on the roles of an individual, the weightage in the overall KRA and linkage of remuneration to stewardship & engagement is in the range of 30-50%.At Quantum we thrive in achieving ESG and stewardship commitments.

Outcome

At Quantum, we believe that we have strong governance structure in place which is regularly reviewed by the internal team, compliance monitoring committee and reported to the Board as may be required. Quantum constantly reviews new regulations to ensure the compliance with laws but also with the best global practices in areas of governance and sustainability as essential. We are associated with global coalitions like ICGN, WDI to guide our understanding on many complex and emerging issues on governance and Sustainability. We also interact with bodies like ACGA, AIGCC, CDP, ISSB to further evolve our though processes on governance and sustainability matters.

how they may be improved.

Our current governance structures are reviewed by the board of and our clients on a recurring basis. Now that reports are publicly available, we can review the quality of governance and reporting from other investment managers and look for potential improvements.



PRINCIPLE 3

Conflicts of Interest

PRINCIPLE 3

Signatories manage conflicts of interest to put the best interests of clients and benĂ eficiaries first.

Context
Signatories should disclose their conflicts policy and how this has been applied to stewardship.

Activity
Signatories should explain how they have identified and managed any instances of actual or potential conflicts related to stewardship.

Outcome
Signatories should disclose examples of how they have addressed actual or potential conflicts. Signatories should disclose their conflicts policy and how this has been applied to stewardship.

Activity
Signatories should explain how they have identified and managed any instances of actual or potential conflicts related to stewardship.

Identifying and Managing Conflict of Interest

A conflict of interest is defined in the said guidelines as a conflict which arises in any area of the Firm's business in the course of providing its services to its clients which may benefit the Firm or its Associated Persons whilst potentially materially damaging the interest of its clients to whom the Firm owes a duty to be fair and transparent.

There may be a conflict where the Firm or an Associated Person of the Firm:

- is likely to make a financial gain (or avoid a loss) at the expense of the Firm's clients.
- is interested in the outcome of the service provided to the Firm's clients where the interests of the Firm are distinct from that of its clients.
- has a financial or other incentive to favour the interests of one client over another.
- receives money, goods or services from a third party in relation to services provided to the client other than standard fees or commissions.

While performing the stewardship activities, the firm identifies any conflicts that exist between the interests of the firm and its clients. It does so by reviewing the relationship of the firm with the Investee Companies to determine:

- If the firm or any of its employees or funds sponsored or managed by the firm has any financial, business, or personal relationship with the Investee Company or
- Whether the Investee Company is a group or associate company of the firm or
- Whether the Investee Company has investments in the funds sponsored or managed by the firm

Quantum has formulated an appropriate Conflict of Interest Policy - Click click here to access the policy.

In this policy, the firm has sought to identify conflicts of interest that exist in its business and has put in place measures it considers appropriate to the relevant conflict in an effort to monitor, manage and control the potential impact of those conflicts on its clients.

Activity
Signatories should explain how they have identified and managed any instances of actual or potential conflicts related to stewardship.

Identifying & managing potential conflicts related to stewardship:

The main features of Conflict-of-Interest Policy are:

- **Fair treatment of clients** and no discrimination amongst them
- **Avoid of conflict of personal interest** with the client and primacy of clients interest
- Reducing the opportunities for conflict through **prescriptive measures**
- **Appropriate restrictions on transaction in securities by employees & directors**
- Appropriate disclosure to clients of potential areas of conflict of interest
- **Managing flow of information within the firm to ensure privacy & confidentiality of information of clients**
- **Controlling & restricting flow and use of material non-public information**

In voting proxies, the Firm identifies any conflicts that may exist between the interests of the Firm and the client by reviewing the relationship of the Firm with the issuer of each security to determine if the Firm or any of its employees has any financial, business or personal relationship with the issuer. If a material conflict of interest exists, the CCO discloses the conflict to the affected clients, give those clients discretion to vote, or to vote according to an independent third-party voting recommendation.

Examples of potential conflicts of interest include the following:

• The firm / Portfolio Manager / Research Analysts has a material business relationship with a proponent of a proposal, or directors or director candidates of an investee company; and

• An employee of the firm has a personal interest in the outcome of a particular proposal (which might be the case if, for example, a member of an employee's immediate family were a director or executive officer of the relevant company).

• Proxy votes regarding non-routine matters are solicited by a company that has (or whose retirement plans have) an institutional separate account relationship with the firm or a large investment in one of the funds managed by the firm.

Personal transactions in securities by employees and the directors are allowed only in accordance with the "Firm's Guideline for Personal Securities Transactions". These guidelines ensure that personal investments are managed appropriately to avoid conflicts of interest and the Firm and its employees do not take advantage of the Firm's or their own position of trust with and responsibility to clients for the benefit of anyone other than the clients. Under these guidelines, generally no approval is granted for requested transactions to trade in securities which:

• are forming part of the client portfolios

• the portfolio management team intends to trade for clients in next 15 days.

• form part of the analysts priority list issued by the research team and which are being researched for clients

• has been traded by the firm for any of its clients at any time during the last 15 trading days

• are shares of listed companies in India whose average daily trading volume in the Indian equity markets in the preceding 12 months is USD 1 million or above

The Firm may cause its clients to invest in funds launched by its affiliate; Quantum Mutual Fund ("QMF Affiliated Funds"). Because of this relationship with QMF, the Firm faces inherent conflicts of interest in causing its clients to invest in QMF Affiliated Funds, in preference to other funds not affiliated to it. To address the conflict of interest the Firm ensures that its clients do not bear "double" fees in connection with their investments in QMF Affiliated Funds.

In case the Firm pays any commission/expenses to solicitors or distributors who market the Firm's advisory services, the Firm makes appropriate disclosures to the clients in accordance with applicable laws and regulations.

The CCO or the designated officer reviews the trades in each client account on a daily and monthly basis to ensure that all clients are treated fairly, no client is being given preferential treatment and that the investment actions taken for each account are suitable for the account's investment objectives.

No employee can acquire, either directly or indirectly, financial interests in an organization (except investment in publicly issued or listed equities in accordance with the Firm's Personal Securities Transaction Policy) with which the Firm does business without prior disclosure and approval of HR & CCO. The Employees periodically declare any financial interest in other organization / entity with whom the Firm is having business relationship or proposes to engage into any business relationship.

No employee can receive or provide gifts from/to any client or the service providerexcept in accordance with the "Gift & Entertainment Policy".. This policy promotes transparency and prevents conflicts of interest. The policy requires a record of all gifts received above the cap of $20 to be maintained, and any potential violations are reported to the Chief Compliance Officer (CCO)

All employees are mandatorily required to provide following quarterly and annual declarations addressing the specific issues of potential conflict of interests which helps us to identify and manage conflicts of interest:

Declarations	Issues
Code Of Ethics and Compliance Policies and Procedures	Upholding the best practices and standards of ethics and procedures.
Certification of Compliance	Confirmation of compliance of and adherence with the applicable policies and procedures
Statement of Holdings & Statement of Transactions	Declaring all the securities transaction and holdings held by the employees to ensure that no insider trading and front running activities are carried out.
Declaration of Insider	Details of all business, financial or personal relationships with an (insider) of a company
Declaration of 'Fit and Proper Person'	Integrity, honesty, ethical behavior, reputation, fairness, and character and financially sound.

Throughout 2023 we had no breaches of our conflicts of interest policy and there were no unmanaged conflicts identified any. Quantum will continue to maintain high standards of integrity in its business conduct.

Outcome

Signatories should disclose examples of how they have addressed actual or potential conflicts.

HDFC Bank

In the reporting year Quantum continued its existing banking relationship with HDFC Bank. as a banking partner at the corporate level and for its employees. It may also be noted that we hold HDFC Bank currently in our portfolio across our funds& clients. The potential conflict of interest is curtailed by the Finance / HR/Payroll department being completely independent of the investment team. It may be noted the investment team invests in companies after thorough analysis by the research team and the company meetings, and only once the stock is available below our BUY threshold as per internal analysis. HDFC Bank being a service provider, has no bearing on the investment decisions taken by the investment team.

ICICI Securities

Quantum has tied up with ICICI Securities for broker reports. It may be noted that in March 2024 this year we have voted against the company's merger resolution with ICICI Bank (Holding Company) due to unfavorable swap ratio for minority shareholders (elaborated in detail in Principle 11). Further, we have expressed our concerns to the market regulator, SEBI. This is a stark example of our unbiased and shareholder-centric approach, even against our service provider.

Investors in the same pedestal

Quantum is of the view that all the investors are in the same standing, be it a retail investor with 5 GBP investment or an institution with an investment of 50 million GBP. In accordance with this belief, the investment style is consistent across the board and the capital allocation mirrors the same, barring cases where the investor has a mandate of not investing in certain sectors. We make every effort to treat all our clients in a fair and impartial manner. For the client accounts that are managed using the same strategy, the portfolio returns for each account reviewed by the Compliance team on a monthly basis to check if the returns are consistent across all accounts. If there is any deviation beyond the permissible limit Compliance team seeks and obtains clarification from the Portfolio Managers and reports to Compliance Monitoring Committee.

Reporting on Stewardship Activities

A Report on the implementation of Stewardship Activities including how the conflicts of interest (if any) were managed is provided upon request from clients The voting exercised along with a specific rationale supporting the voting decision and a summary of the voting cast is also disclosed to the clients on request or as per the terms of the client IMA's.

PRINCIPLE 4

Promoting Well Functioning Markets

PRINCIPLE 4

Signatories identify and respond to market-wide and systemic risks to promote a well-functioning financial system

Activity
Signatories should explain:
- how they have identified and responded to market-wide and systemic risk(s), as appropriate;
- how they have worked with other stakeholders to promote continued improvement of the functioning of financial markets;
- the role they played in any relevant industry initiatives in which they have participated, the extent of their contribution and an assessment of their effectiveness, with examples; and
- how they have aligned their investments accordingly.

Outcome
Signatories should disclose an assessment of their effectiveness in identifying and responding to market-wide and systemic risks and promoting well-functioning financial markets.

Activity
a)how they have identified and responded to market-wide and systemic risk(s), as appropriate;
b) how they have worked with other stakeholders to promote continued improvement of the functioning of financial markets;
c) the role they played in any relevant industry initiatives in which they have participated, the extent of their contribution and an assessment of their effectiveness, with examples; and
d) how they have aligned their investments accordingly.

Risk management is critical to Quantum Advisors as it helps to identify, assess, and manage potential risk that could impact company's financial performance, reputation and ability to meet our client's investment objectives. As an investment firm, Quantum's mandate is to invest the capital of our clients for sensible long-term returns.

At Quantum, our portfolios are built on sound investment principles and follow a disciplined investing process. Our investment philosophy and strategy involve the use of intensive qualitative and quantitative fundamental analysis,. to build and monitor our clients' portfolios actively. We control risk by applying valuation and governance metrics to evaluate investment opportunities, while at the same time avoiding excessive trading and to control risk by endeavouring to keep our clients' portfolio adequately diversified, both in terms of the sectors included in those portfolios, as well as with respect to the level of concentration in any specific security. We believe our focus on a combination of stock liquidity, corporate governance, valuation, in house research and focus on long term remains unique to the investment landscape in India.

We have seen investors sometime ignore one of the above constituents while investing in India, while it may work in the short term when risk aversion is low but has done significant long-term damage to their portfolio when risk increases.

Addressing froth in asset markets
When a certain market segment or asset class does well, it often attracts strong incremental flows as investors wish to participate in a segment that is doing well and don't want to miss out on future gains. Sometimes, this positive sentiment or herd behaviour gets overdone as flows chase these segments or asset classes beyond fundamentals into

overbought territory. Funds with an asset gathering mindset tend to keep accepting flows with size becoming a constraint as they move beyond their mandate capacity. This not only presents a deployment risk but also negatively impacts liquidity, especially during sudden redemptions or market sell-offs. With valuations stretched, these market segments become vulnerable to drawdowns.

We collaborate with regulators whenever necessary to keep financial markets operating smoothly and enhance their functioning.
One such area of concern in 2023 was liquidity in small and mid-cap stocks which has become a significant issue in India markets. We met with the regulator and highlighted the issue of inadequate capacity due to liquidity and market cap constraints in the mid and small-cap companies due to the incremental inflows they received last year. Consequently, the regulator mandated liquidity stress tests for all funds investing in Indian mid/small-cap equities and also cautioned investors..

In the case of froth building up in mid or small cap space, the impact on our portfolio would usually be limited as we prioritize valuations and don't chase momentum. We also have fund-level liquidity, portfolio construction and capacity guardrails that ensure the portfolio is fairly well insulated from stretched market valuations or speculative market action. We have been transparent with our investors with regards to our approach and capacity thresholds with a commitment to close the fund for subscription on reaching the capacity.

Addressing Geopolitical conflicts

Geopolitical flare-ups usually weigh on global supply chains, pushing up commodity prices which in turn negatively impact corporate profitability in the short term till the raw material price increases are passed on to the end consumer. Risk aversion or knee-jerk reactions to geopolitical conflicts tend to divert money flows away from riskier assets and into relatively safer assets like the US dollar and gold. The result is volatility or sharp drawdowns in risk assets, which tend to calm down as the market digests the development and understands it's consequences. The Russia – Ukraine conflict and the recent Israel Gaza conflictled to supply chain disruptions, increased freight costs and oil prices which impacted India and certain sectors and companies adversely.

In the case of geopolitical disruptions, we believe the impact on marketswould be short lived and as markets will again start to reflect fundamentals, the impact, if any, will be undone. Our investors are aware of the merits of investing in long run & rely on quantum's approach of thorough research through research with enough sensitivities on material underlying fundamental factors built in and enough governance checks to reduce impacts of the ongoing global volatility due to such external factors.

Equities: We follow long-term capital appreciation by investing in Listed, liquid, high governance, valuation driven, sustainability focused Equity Shares that are able to benefit from the anticipated growth and development of the Indian economy.

Fixed income: we do consider geopolitical risks & its impact on bond markets. And thereby adjust our portfolio duration accordingly

Multi-asset : We address geopolitical or other risks through diversification & through adjusting asset class weights, to reflect risk-return expectations appropriately.

Risk	Risk Type	Details	Risk Mitigation Measures
Green washing risk	Systemic Risk	Greenwashing is the process of conveying a false impresĂsion or providing misleading information about how a company's business/prodĂucts/services are more enviĂronmentally sound. We understand there are many "greenwashing" incentives for companies from brand building to attracting investĂment flows.	We understand that ESG is not a "tick the box" desk research. We do not restrict the research to self-declared company discloĂsures. We do a 360-degree company check by talking to various stakeholders like suppliĂers, vendors, customers, channel checks, employees, etc. to get more information to get a granular understanding of the true state of the company's affairs. We also try to get information from unorthodox sources like pollution control boards, NGOs, local communities in our bid to leave no stone unturned. There is also an attempt to verify the inforĂmation with other available data and map with other companies in the sector and globally to identify any red flags.
Climate Change risk	Systemic Risk	Frequent and unpredictable climate events are causing adverse impacts on resource availability, manufacturing capacity, supply chains and business operations. In addiĂtion to the short term risks, the financial impact of climate change is compounded by longer term implications of the world economy aligning with the goals of the Paris AgreeĂment. Climate change affects businesses in two major ways: through (i) physical risks and (ii) transition risks. Both risk types may alter the return profiles of exposed assets. Physical risks resulting from climate change such as extreme weather events, wildfires, droughts, and floods may have financial implications on borrowers through direct damage to physical assets or disruptions in business operaĂtions and supply chain. In addition, the transition to a low-carbon economy is resultĂing in regulatory, legal, techĂnological, and market shifts	We have a ESG research team of 8 analysts and 1 database analyst who continuously track companies' risk on climate change parameters. We rate the companies based on an internal scoring template and update our scores once every year (once in six months for portfolio companies). In our one-on-one engagement with companies, ESG analyst also accompanies the equity analyst to understand their strat-egy on physical and transition risks. We also maximize our efforts to ensure companies are not greenwashing their climate data and have their ears to the ground for scuttlebutt research.
Geopolitical risk	Market-wide	Continued elevated levels of political uncertainty worldĂwide and large geopolitical shocks can have adverse consequences on the econĂomy and disrupt markets which eventually lead to the slowing of economic growth and recessionary periods.	We track all our investment companies' geographical exposure. If we come across any geopolitical issues which can affect the company directly or indirectly in their supply chain, we write to the board seeking necessary risk mitigation strategies. We may also divest our holdings if we believe that the company is not undertaking adequate risk measures.

Risk	Risk Type	Details	Risk Mitigation Measures
Interest rate risk	Market-wide	The potential impact of changes in interest rates on stock prices. When interest rates rise, the cost of borrowing money increases, which can lead to a decrease in corporate profits and, in turn, a decrease in stock prices. Conversely, when interest rates fall, borrowing becomes cheaper, and this can increase corporate profÅ its and boost stock prices.	We monitor impact of risks and price it into our company valuations. We would steer clear from owning overly leveraged comÅ pany, Interest rate risk in the equity market is managed by diversifying their portfolios and investing in a range of stocks with various levels of sensitivity to interest rates.

Outcome

Signatories should disclose an assessment of their effectiveness in identifying and responding to market-wide and systemic risks and promoting well-functioning financial markets.

The portfolio team is responsible for portfolio risk management. We know that our investments will always entail systemic and market risks which may or may not be in our control. We always strive to continuously assess, monitor and minimize and mitigate our overall risk profile including various ESG risks. When we can recognize risks early, we attempt to actively manage ahead and where we can't anticipate risks, we observe and examine them as they happen.We conduct stress tests, analyse valuation metrics, characterize portfolios, perform deviation analysis, and scrutinize portfolio actions for our holdings. Our portfolio liquidity criteria limit our participation to one-third of total market volumes.

We do not make sector calls. We make stock calls that lead to certain sector weights. We believe that our investment process is unique as it is “team-driven” and not based on the existence of a “star” fund manager. In addition to the “team” structure, we believe that our investment process has a calibrated risk approach and a long-term orientation.

As a team, we monitor and track systemic market-wide risks at the organisational level. During the reporting period, we proactively identified and managed market-wide risks. .These involved adjusting portfolio allocations based on risk assessments or engaging with companies on practices that may contribute to systemic risk. We provide updated reports every 6 months on our engagement and management of market-wide risks to be discussed internally and enable effective decision making by the portfolio team.

We value openness and proactive involvement with management and various stakeholders to align their disclosures with the highest standards and have continually tried to spearhead change with high transparency. We provide our investors with monthly reports, organize timely calls, and hold quarterly meetings to communicate important factors on how we are addressing or integrating those factors and taking necessary measures where required.

To help the markets run smoothly, we seek long haul capital appreciation by putting resources into Listed Equity Shares. Thereby benefit from the expected development and advancement of the Indian economy.

Our response to risks affecting the entire financial system is to adhere firmly to our Value

investment principles no matter what. We think our Value investing and high integrity strategy can reduce many risks because we invest in just a few outstanding, high-calibre, sturdy companies that can possibly withstand nearly any crisis they encounter.

PRINCIPLE 5

Review and Assurance

PRINCIPLE 5

Signatories review their policies, assure their processes and assess the effectiveness of their activities

Activity

Signatories should explain:

- how they have reviewed their policies to ensure they enable effective stewardship;
- what internal or external assurance they have received in relation to stewardship (undertaken directly or on their behalf) and the rationale for their chosen approach; and
- how they have ensured their stewardship reporting is fair, balanced and understandable.

Outcome

Signatories should explain how their review and assurance has led to the continuous improvement of stewardship policies and processes.

Our primary responsibility is our fiduciary responsibility. The company extensively engages with the investee companies on various aspects ranging from long-term strategy, operational performance, corporate governance, and material environmental and social issues to its fiduciary and stewardship responsibilities. It is the Firm's endeavor that the investee companies exhibit best-in-class performance in the above aspects.

Activity

how they have reviewed their policies to ensure they enable effective stewardship;

Quantum's Responsible Investment / ESG policy is reviewed by the Responsible investment team and the Portfolio management team on an annual basis. Proposed changes need to be approved by the compliance team.

We also review our voting policies and processes annually. In 2023, we reviewed and updated our proxy policies and processes. An important part of this process was reviewing our relationship with our proxy advisors and arrive at a decision to engage two proxy advisors for all our portfolio holdings to provide their recommendations to guide our voting and help us take an active approach to voting.

We continue to review our ESG policy through our engagement with various regulators and standard setters like FRC, ISSB, SEBI and through various collaboratives like ICGN, WDI, CPI, TCFD etc as global standards evolve in areas of sustainability. We also review and assure our ESG integration and stewardship at the implementation level internally and on a continuous basis. This internal assurance is undertaken by the responsible investment team and overseen by the compliance team. we also seek an external assurance for sustainability offerings as mandated by regulator in India and provide a disclosure of the assurance audit in the annual report.

The firm recognizes that a company's operational and sustainability practices, whether good or bad, can accordingly affect its valuation and financial performance. As a result, the firm pledges to exercise independent judgment in the identification of these risks and opportunities, research and engage with companies on material issues, and normally vote proxies on all resolutions.

Our stewardship efforts are mainly focussed on protecting and enhancing Investors' assets for the long term. In this regard, the primary responsibilities include –

- Regular evaluation and monitoring of the performance of the portfolio companies and investment universe on various aspects ranging from financial performance, corporate governance practices, and long-term strategy.
- Monitoring and engaging with the portfolio

companies on material environmental and social risks and opportunities and actively intervening on occasions when there is a breach of best ESG practices.

• Voting on shareholders' resolutions that are in the best long-term interest of their clients.

• Reporting on the engagement and supporting advocacy efforts to improve overall transparency and disclosure levels leading to sustainable shareholder returns.

• Continuing training the Research Team members to follow and implement stewardship responsibilities while discussions with the management, interacting with investee company boards, voting in shareholders meetings, etc.

Further the portfolio managers and the research team ensures that there is effective oversight of the firm's stewardship activities.

What internal or external assurance they have received in relation to stewardship (undertaken directly or on their behalf) and the rationale for their chosen approach;

Our internal assurance initiatives are designed not only to mitigate risks but also to foster sustainability across our organization.

Safeguarding the integrity of our stewardship undertakings is integral to our organizational values, guaranteeing that our pledge to sustainability is maintained with meticulousness and probity. This assurance procedure is conducted by our research and investment division, who meet weekly to discuss on our current and potential investee companies and as necessary, come up with carefully prepared plans and deliberations to enable transparent and accountable investment decision-making.

We also review and assure our ESG integration and stewardship at the implementation level internally and on a continuous basis. This internal assurance is undertaken by the responsible investment team and overseen by the compliance team. we also seek an external assurance for sustainability offerings as mandated by regulator in India and provide a disclosure of the assurance audit in the annual report.

• how they have ensured their stewardship reporting is fair, balanced and understandable.

Quantum aim's to report on our stewardship activities in a fair, understandable and balanced manner.

Our website has a current Stewardship Code) which outlines our thoughts on Stewardship and our commitment to the Stewardship code, all of which is available to view for any visitor to the web-site. We report on Stewardship activities based on client requirements and at frequency as demanded by them.

For our retail clients, we also make public disclosures of our stewardship reporting. For our stewardship on ESG offerings, the same is audited by an external auditor and the limited assurance provided by the auditor on our ESG reporting is disclosed in our annual report. In response to our client requests for more communication on ESG matters, we initiated a quarterly client ESG disclosurereport providing deeper insights to our clients.

Outcome

In our internal research meetings we thoroughly evaluate the research findings & pointers through our stewardship activity that constitute the cornerstone of our investment approach. From a stewardship perspective, we prioritize the sustainability of both the businesses in which we invest and those within our investment universe. We strongly believe in the power of good governance, fundamental analysis, portfolio management, and stewardship to generate long-term shareholder value, and as such, our investment focus remains steadfast on these core pillars.

Proxy voting plays a pivotal role in our stewardship efforts, with thorough discussions held within the investment & research division to discuss our voting decisions. These decisions

are then executed by the Chief Investment Officer (CIO), who oversees the implementation of our engagement strategies with investee companies. By actively participating in proxy voting and engagement activities, we aim to encourage our investee companies to prioritize longer-term initiatives that create enduring value, countering the prevailing short-termism prevalent in both society and financial markets.

In summary, we believe our approach to internal assurance of stewardship activities reflects our unswerving dedication to sustainability and responsible investing. Through good governance structures, meticulous scrutiny of investment choices, and proactive engagement with companies, we endeavor to foster a culture of stewardship that not only benefits our shareholders but also contributes to a more sustainable and equitable future for all stakeholders.

Evaluation of effectiveness of Stewardship & Future actions

The firm engages with the management team of the investee company on a half yearly basis. Interactions are in the form of one-on-one meetings or telephone calls, group meetings at investor conferences, analyst conference calls, company AGMs and site visits whenever feasible.

In addition to engagement, for the purpose of monitoring, the firm uses publicly available information, company financial reports, sell side research and industry information to develop detailed financial models and research reports to arrive at an investment thesis that incorporates all the necessary information to arrive at an effective decision making on our investee companies and becomes the basis for our efficient stewardship with the investee companies as well. All research reports are approved by the Research Team.

The firm while dealing with the Investee Companies, ensures the compliance with SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time.

Various circumstances may require intervention ranging from poor financial performance, lapses in corporate governance practices, low levels of disclosures, violation of environmental and / or social regulations, etc.

The research team first engages with the company management to get their point of view, as well as seek additional disclosures if required.

If the management of an investee company is unresponsive, the matter is escalated to the Board of Directors of the investee company through a formal written communication. If no positive action is forthcoming towards resolving the issue, then the company may be divested from the portfolio.

Outcome

Periodic review of the stewardship policy statement

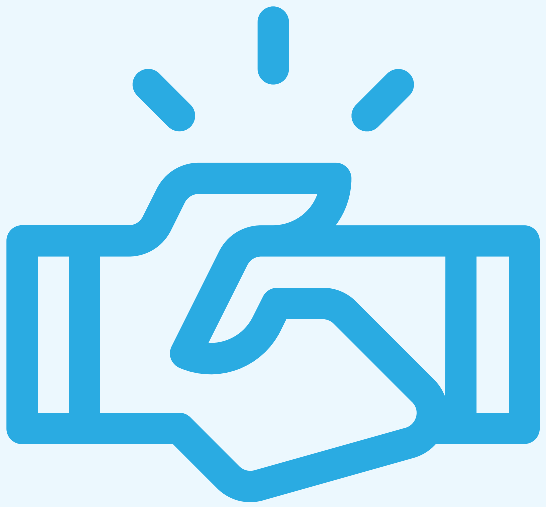
This Stewardship Policy is reviewed and updated at least annually or earlier if required and the updated policy is disclosed on the website of Quantum Advisors.

We understand the importance of accountability and transparency in stewardship. To that end, we regularly monitor and evaluate the effectiveness of our internal assurance initiatives through key performance indicators (KPIs) and sustainability metrics. By tracking progress against predefined targets, we identify areas for improvement and refine our strategiesaccordingly, ensuring that we remain balanced, fair and responsive to evolving challenges and opportunities.

Enabling effective stewardship

The policies & assurance process has led us to improve our engagements with the companies on the sustainability issues.

We strive to better our proxy voting initiatives on a year on year basis. In this regard after a thorough review, we have empaneled another proxy advisor viz IiAS to get better perspective & different opinions on the proxy voting resolutions.



PRINCIPLE 6

Client and Beneficiary Needs

PRINCIPLE 6

Signatories take account of client and beneficiary needs and communicate the activities and outcomes of their stewardship and investment to them.

Context

Signatories should disclose:

• the approximate breakdown of: -

-the scheme(s) structure, for example, whether the scheme is a master trust, occupational pension fund, defined benefit or defined contribution, etc; -

-the size and profile of their membership, including number of members in the scheme and the average age of members;

OR –

their client base, for example, institutional versus retail, and geographic distribution; -

assets under management across asset classes and geographies;

• the length of the investment time horizon they have considered appropriate to deliver to the needs of clients and/or beneficiaries and why. 14 Guidance on Board Effectiveness 2018 2020

Activity

Signatories should explain:

• how they have sought beneficiaries' views (where they have done so) and the reason for their chosen approach;

OR

• how they have sought and received clients' views and the reason for their chosen approach;

• how the needs of beneficiaries have been reflected in stewardship and investment aligned with an appropriate investment time horizon;

OR

• how assets have been managed in alignment with clients' stewardship and investment policies;

• what they have communicated to beneficiaries about their stewardship and investment activities and outcomes to meet beneficiary needs, including the type of information provided, methods and frequency of communication;

OR

• what they have communicated to clients about their stewardship and investment activities and outcomes to meet their needs, including the type of information provided, methods and frequency of communication to enable them to fulfil their stewardship reporting requirements.

Outcome

Signatories should explain:

• how they have evaluated the effectiveness of their chosen methods to understand the needs of clients and/or beneficiaries;

• how they have taken account of the views of beneficiaries where sought, and what actions they have taken as a result;

OR

• how they have taken account of the views of clients and what actions they have taken as a result;

• where their managers have not followed their stewardship and investment policies, and the reason for this;

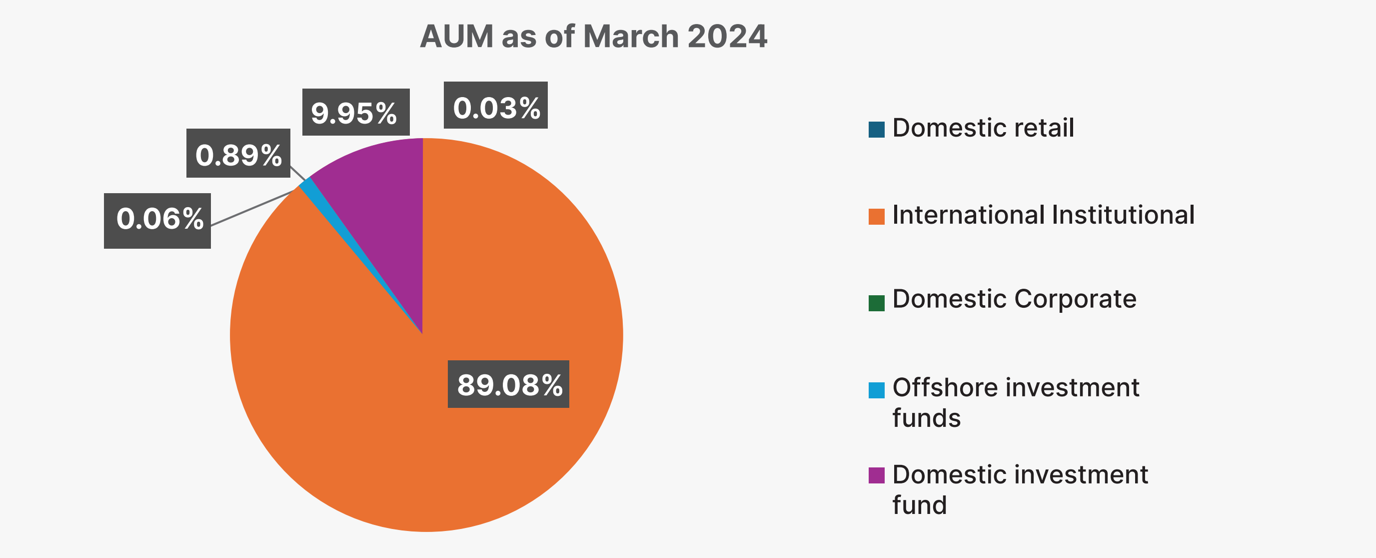
OR

• where they have not managed assets in alignment with their clients' stewardship and investment policies, and the reason for this.

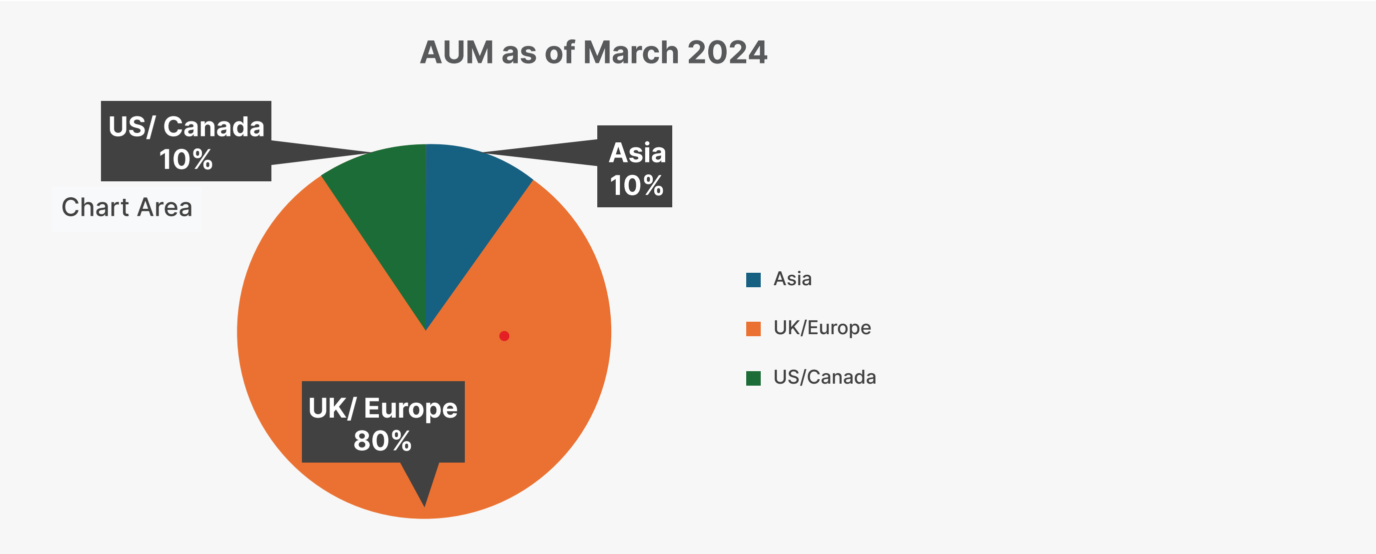
We prefer to have a direct relationship with our clients patiently develop long term relationships where we get to know each other well. Developing relationships in this manner allows our clients to understand how we think about investment and Stewardship and how we make investment decisions and hopefully results in long-term investors in our fund.

We present the breakdown of our clients' assets by geographical region and type of client below. Our client is base mainly comprises of institutional investors.

Breakdown by investor type

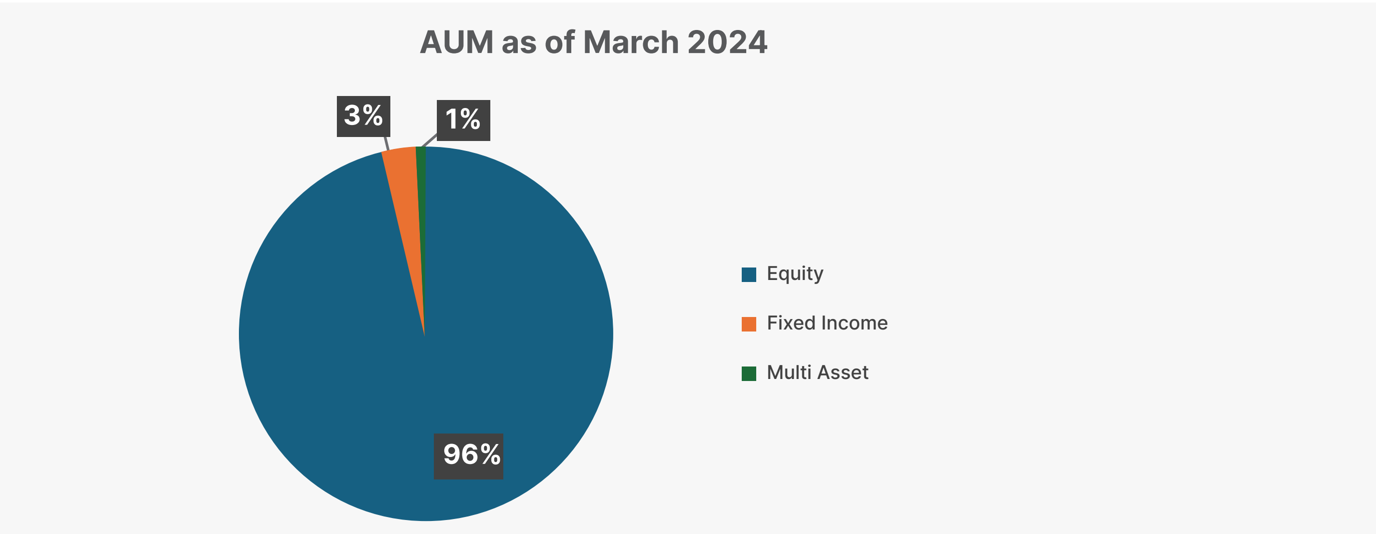


Breakdown by region



Breakdown by Asset class

Assets under management across asset classes and geographies.

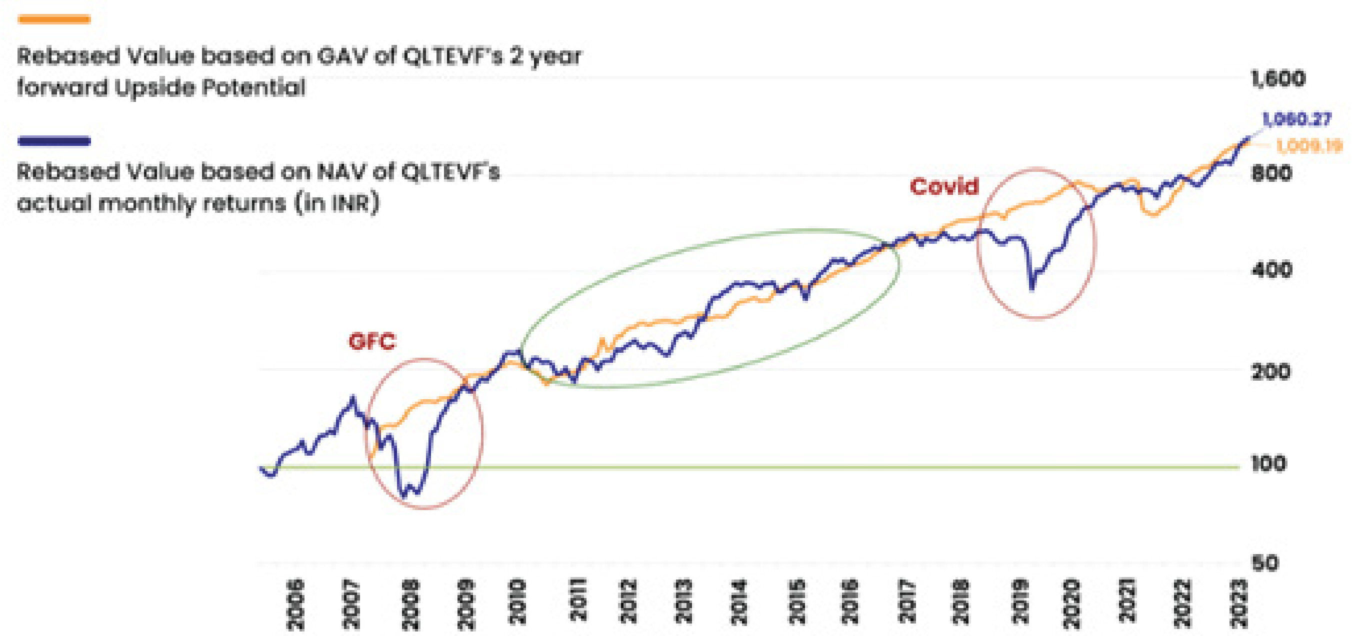


We are India focused fund manager and do not invest outside India.

As discussed in the principle 1 Quantum provides range of investment solutions across Equities, Fixed income multi asset. We maintain direct relationships with end investors and alsowork through financial intermediaries and consultants.
We clearly communicate our investment approach to clients and seek to attract clients who align with our approachand also have long term investment horizon, typically a minimum of 5 years. We thoroughly evaluate the growth potential of our portfolio by analyzing each stock's prospects two years forward. Guided by Quantum's long-term investment philosophy, we take a disciplined stance, typically holding stocks for five years. This focus on the long-term allows us to assess valuations using forward-looking projections, minimizing unnecessary churn in our portfolio and promoting stability and consistency in our investment approach. We endeavor to maintain an ongoing dialogue related to performance of our fund strategies and companies we are holding.

Our monthly investor letters are written with an eye to our long-term approach to investment and are based on an investment theme with a stock/current scenario in focus and a note on our Quality focus while choosing investments. These letters provide the opportunity for us to communicate in writing directly with clients to discuss how we think about Stewardship and the sustainable nature of our underlying businesses. Our website features a Stewardship page which outlines our philosophy on Stewardship and our commitment to the Stewardship code. This information is freely accessible to all visitors.

Quantum's long-term investment perspective is based on the belief that lasting and sustainable returns from assets such as equities require a commitment to investing over a long period of time. Our clients seek long-term returns & have remain invested with Quantum for many years. They have confidence in our investment style and consistency of actual returns in line with the projected returns as demonstrated in below chart over past 18 years baring few aberrations which were unprecedented global macro events of GFC and Covid.



Activity
how they have sought beneficiaries' views (where they have done so) and the reason for their chosen approach;

We prefer to have a direct relationship with our clients and foster enduring term relationships where we get to know each other well and set right expectations. Developing relationships in this manner allows our investor to understand how we think about investment and Stewardship and how we make investment decisions and hopefully results in long-term relationships.

Given the increasing requirement from regulators for enhanced disclosures particularly in emerging markets, and heightened scrutiny required by investors especially from emerging markets focused asset managers, maintaining transparency from the outset of our relationships with themis crucial. It is our responsibility to keep them updated on our investment philosophyand decisions, and to address their concerns from the start of their investment journey with us.

We regularly meet with our increasing number of existing and prospective clientsboth at the retail and institutional level. Our discussions have increasingly centered around evolving environment, social & governance integration as well as regulator reporting. We provide a high degree of flexibility for engaging and interactingto with our clients, whether through in person meetings, emails, or video conferences, depending on the client convenience and requirements. Our fund managers are also available for regular meetings with clients or their representatives as and when required at their offices at various locations or be it on their visits to our offices in India. Our institutional clients also benefit from the advice of their investment consultants. Consequently, we also gatherfeedback from these consultants regarding client information requirements and proactively address them in our communications and disclosures.

We will keep assessing the effectiveness of our processes and associated disclosures and make necessary changes based on the needs and requests of our clients to their best interest.

How assets in alignment with clients' stewardship and investment policies;

Stewardship Policies
We examined our existing and prospective investor requirements/mandates as part of our recent stewardship policy review process to determine whether there were any specific ESG matters that we might look to address in our ESG Exclusion List. We are satisfied that our Responsible Investment policy remains consistent with global ethical investment practices and further our investors' responsible investment goals.

Product Offering
Quantum Advisors has a diverse global investor base, and many of our investors have specific goals or criteria determined by their style, region, or overall strategy. As a result, we have dedicated substantial effort and resources in improving our product offering to fulfil these goals, including their ESG and Stewardship goals.

Investor Due Diligence
Prior to making a commitment, prospective investors conduct extensive due diligence on Quantum Advisors and its investment philosophy. This provides them with a thorough understanding of our compliance, operations, research teams, and investing practices, including those related to our stewardship activities. Any additional investor requirements are documented if requested. This implies that investors' expectations are documented and understood from inception.

Communication to beneficiaries about stewardship &investment activities and outcomes

We have monthly updates to all our clients and strive to engage with them at least once in six months or as may be requested by them. We send out a detailed newsletter to our clients which outlines a host of details such as:
- Portfolio composition
- Portfolio performance
- Portfolio carbon emissions
- Macro-Economic developments
- Market commentary including portfolio actions
- SWOT analysis of portfolio companies.

We also write to our clients on any necessary updates on need basis on any major economic activity or controversies with any of our portfolio companies and any escalated engagements

CASE STUDY: Sustainable Finance Disclosure Regulation (SFDR) Article 8 Funds

Time period : 2023
Outcome :
Signatories should explain how they have evaluated the effectiveness of their chosen methods to understand the needs of clients and/or beneficiaries

As mentioned in principle 1 Quantum's stewardship structure is in place for 34 years and has consistently delivered long-term predictable returns, with relatively low churn in our portfolio. Also, our stewardship approach to date has been very consistent and stable and we always have communicated this to our clients and public accordingly. We provide our clients a monthly update and discuss our approach on any update calls and meetings on how we managed the funds & clients' portfolios in accordance with stewardship and current investment policies. Fund managers seek direct feedback during or after the meetings and incorporate any suggestion & inputs from our clients. We look forward to review our stewardship policy annually to align it with the global best practices.

Since we launched our equities strategy we have witnessed high investor retention rate.Even the clients who left, it was more due to change in their broader strategies and view on India; which signifies that we are aligned to their stewardship and investment policies and that they are being implemented by the investment team consistently. As a part of our stewardship we take account of the views of our clients through the regular meetings and discussions that we have with them. In our experience mostly long-term investors connect well with our investment process and engagement approach. Many of our clients have expressed their appreciation for our roles as both as business owners and as investors. They tell us that this aligns us more closely with their interests. Taking such a client view into consideration reaffirms our commitment to staying as an independent boutique investment business.

Signatories should explain how they have taken account of the views of clients and what actions they have taken as a result

Quantum portfolio team holds quarterly calls with clients and visits them in person at least once a year, where we communicate the various stewardship related activities undertaken during the period. Further, Quantum regularly sends out the recommendations for proxy voting to the clients, based on which the voting is executed by them.

Quantum also considers, the segment exclusion (if any) which the client wishes to implement as part of investment of their capital. For instance, some of our clients are not comfortable with investment in thermal power plants and coal-based products, and accordingly Quantum has excluded such companies from the client's portfolio in the reporting year while others prefer to engage with company who are willing to improve their operations to making the more sustainable over time, accordingly we continue to monitor progress and engage progress of such investments, and take appropriate actions as deemed in the best interest of our clients.

Reporting on Stewardship Activities
A Report on the implementation of Stewardship Activities including how the conflicts of interest (if any) were managed is provided upon request from clients. The Voting exercised along with a specific rationale supporting the voting decision and a summary of the voting cast will be disclosed to the clients on request.

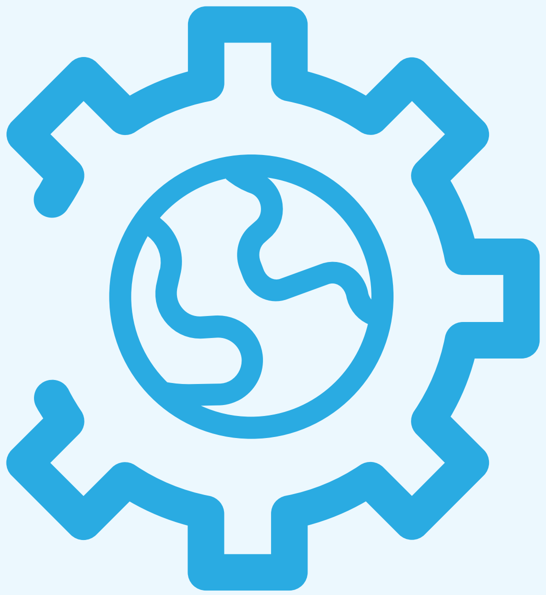
We are available to communicate with our clients whenever they have questions or want updates. Whenever clients requires assistance or clarification, we arrange a call or meeting to discuss and explain.

Our monthly investor letters are written with an eye to our long-term approach to investment and are based on an investment theme with a stock/current scenario in focus and a detailed note on the financial sustainability which highlights key performance indicators we look at in our businesses (Return on Equity, Operating profit margins, Debt to equity, cash conversion and free cashflow yield) compared to the market. These letters provide the opportunity for us to communicate in writing directly with clients to discuss how we think about Stewardship and the sustainable nature of our businesses.

Our website has acurrent Stewardship Code which outlines our thoughts on Stewardship and our commitment to the Stewardship code, all of which is available to view for any visitor to the web-site.

In the last year, Quantum has not had any such failure to follow client stewardship or investments policies to report. We have always sought feedback from clients to improve our stewardship approach including transparency and engagements of our investments. We try to keep ourselves updated with best global practices and also take any client feedback constructively and immediately implement to fill the gaps if any. Our clients seemed satisfied with our overall stewardship approach over the last year.

UK Stewardship Code Report 2024



PRINCIPLE 7

Stewardship, Investment & Environmental, Social and Governance Integration

PRINCIPLE 07

Signatories systematically integrate stewardship and investment, including material environmental, social and governance issues, and climate change, to fulfil their responsibilities.

Context

Signatories should disclose the issues they have prioritised for assessing investments, prior to holding, monitoring through holding and exiting. This should include the ESG issues of importance to them.

Activity

Signatories should explain:

• how integration of stewardship and investment has differed for funds, asset classes and geographies;

• how they have ensured:

- tenders have included a requirement to integrate stewardship and investment, including material ESG issues; and
- the design and award of mandates include requirements to integrate stewardship and investment to align with the investment time horizons of clients and beneficiaries;

OR

• the processes they have used to:

- integrate stewardship and investment, including material ESG issues, to align with the investment time horizons of clients and/or beneficiaries; and
- ensure service providers have received clear and actionable criteria to support integration of stewardshipand investment, including material ESG issues.

Outcome

Signatories should explain how information gathered through stewardship has informed acquisition, monitoring and exit decisions, either directly or on their behalf, and with reference to how they have best served clients and/or beneficiaries.

As fundamental investors, assessing and systematically integrating ESG issues has always been a crucial component of our investment strategy, and we have continued to improve our internal monitoring and reporting of the ESG assessments for our strategies over the years. We are also evolving our thinking in this critical area to ensure that our strategy remains robust and ahead of the curve towards implementing and furthering best sustainable investing practices.

When researching an investment case for a company, it is the dedicated ESG research analyst's role to establish a judgment on ESG issues. Rather than taking a blanket approach, we examine 'E,' 'S,' and 'G' factors from both a risk and opportunity perspective and adjust this to the sector specific conditions of a company.

ESG analysis is comprehensive and robust. Evaluation is based on company reports and regulatory filings, sustainability reports, TCFD framework, business responsibility reports, annual reports, CDP Reports, Sustainability and Accounting Standards Boards (SASB) materiality mapping and Environmental Impact Assessment Reports. We take into consideration, various primary and secondary data sources, on-ground due-diligence, management meetings and channel checks.

To sum up, our proprietary ESG Scoring model can be explained as under, wherein Governance is at the core of analysis and materiality drives the ESG assessment.

ESG Scoring Model:

Our scoring methodology has been developed internally. We evaluate the ESG performance of the company on two broad parameters.

1. Disclosures (30% weight):

Companies are judged on their levels of disclosures based on inputs provided in their sustainability reports / business responsibility reports / annual reports. Companies with higher disclosures get higher scores. Our disclosure scores are based on a binary scoring system (+1 for disclosure, 0 for non-disclosure). The total disclosure score is then standardized and ranges from 0 (least score) to 100 (highest score).

2. Qualitative checks (70% weight):

We check for any past violations / red flags of certain E&S metrics and corporate governance regulations. Depending on the severity of the violation, negative points are given ranging from -10 (most severe violation) to 0 (no violation /no red flags). The total qualitative score ranges from 0 (highest score) to -100 (least score).

Within disclosures and qualitative checks, **Governance is given a 50% weight; Environmental and Social have a weight of 25% each.**

Some of the key aspects that we evaluate are –

1) Governance:

We believe companies that have effective boards and are resilient, agile and able to anticipate, manage and integrate into their strategy material environmental and social factors, are more likely to create and preserve value over the long term than those that do not. A company's governance and incentive structures, including its board make-up and remuneration practices, influences the ability of management to deliver long-term success.

a. Board independence:

We prefer boards that are independent in substance and have the ability to engage in constructive debate, ask hard questions and challenge management's assumptions / proposals when necessary. We typically check the compliance to listing regulations and Companies Act, whether there is separation of role of Chairman and CEO, disclosures on process and criteria for appointing independent directors, director expertise and qualifications, participation in meetings and the overall performance evaluation process of independent directors.

b. Executive compensation:

We prefer companies where executive compensation is linked to long-term performance and aligned with the long term shareholder interests. We check for disclosures on variable and fixed pay, policy on issuance and structuring of stock options and comparison of managerial pay with respect to peers as well as average employee remuneration in the company.

c. Treatment of minority shareholders:

We avoid companies wherrelated party transactions and other transactions such as mergers and acquisitions are clearly detrimental to minority shareholders. We also check for opaque and complex ownership structure which may have the potential to violate minority shareholder rights.

d. Functioning of audit, remuneration and nomination committees:

We prefer committees with an independent chairman and consider it a good practice if executive directors are not members of the remuneration / audit committee.

e. eputation / regulatory compliance: Weavoid companies that have been subjected to a pattern of fines / penalties / settlements in relation to significantly negative or protracted ethical controversies / corruption issues / regulatory violations.

2) Environmental:

Environmental issues, and most notably risks and opportunities related to climate change, can impact a company's financial performance and longer-term outlook, and therefore the value of our investments.

a. Climate change and environmental pollution:

We are conscious of the fact that companies belonging in certain industries will have a high degree of exposure to environmental risks. We evaluate whether such companies have an active plan in place to reduce / mitigate their environmental footprint. We evaluate company disclosures on its climate change strategy, performance on emissions, efforts to increase the share of cleaner fuels, waste management practices, compliance to local and central pollution control board regulations.

b.Natural resource use:

Resource extractive industries (power, cement, oil and gas, steel, chemicals, etc.) are facing increasing regulation to improve the efficiency of their operations and minimize their environmental impact. We analyze how companies are faring on these parameters by benchmarking them against their peers as well as global best practices. In addition to pollution mitigation measures mentioned above, we also consider the initiatives undertaken by companies to improve the resource efficiency (materials, energy, water, land) of their operations and their efforts to promote sustainability initiatives throughout the supply chain.

3) Social:

A company's approach to human capital is reflected in the resilience of its work force and its supply chain.

a)Human capital development / employee relations:

We evaluate whether companies have cordial relations with employees or whether there is a history of work stoppages or strikes. We consider training and development initiatives for permanent as well as contractual employees.

b) Health and safety:

Frequent accidents and injuries at the workplace would be a cause of concern for us. We evaluate company disclosures on health and safety policies, injury frequency rate and fatalities data as well as efforts by the company to impart health and safety training. In addition, we also track incidences of sexual harassment cases which are reported by the company.

c) Equal opportunity and workforce diversity:

We evaluate whether the company follows the principle of equal opportunity in regards to its hiring and promotion procedures. We also consider the representation of women at different levels of hierarchy.

d) Corporate social responsibility:

According to regulations 2% of average profits of last three years have to be spent on CSR initiatives. We judge the quantum and quality of spending on CSR activities to evaluate whether the truly marginalized and vulnerable sections of society are the ultimate beneficiaries.

e) Human rights / child labor:

We avoid investing in companies that employ child labor or have been convicted of human rights violations. We also evaluate whether the child labor / human rights policies are enforced throughout a company's supply chain.

f) Responsible sourcing:

Sinceconsumers are increasingly seeking to purchase goods that have been produced in socially and environmentally responsible ways, it is necessary to evaluate responsible sourcing practices of companies and their efforts to increase supply chain traceability and counterfeit management systems.

In addition to the above there are other aspects that we evaluate such as customer satisfaction and grievance handling mechanism, data privacy and protection measures, product recalls, product safety and service labelling as a main focus.

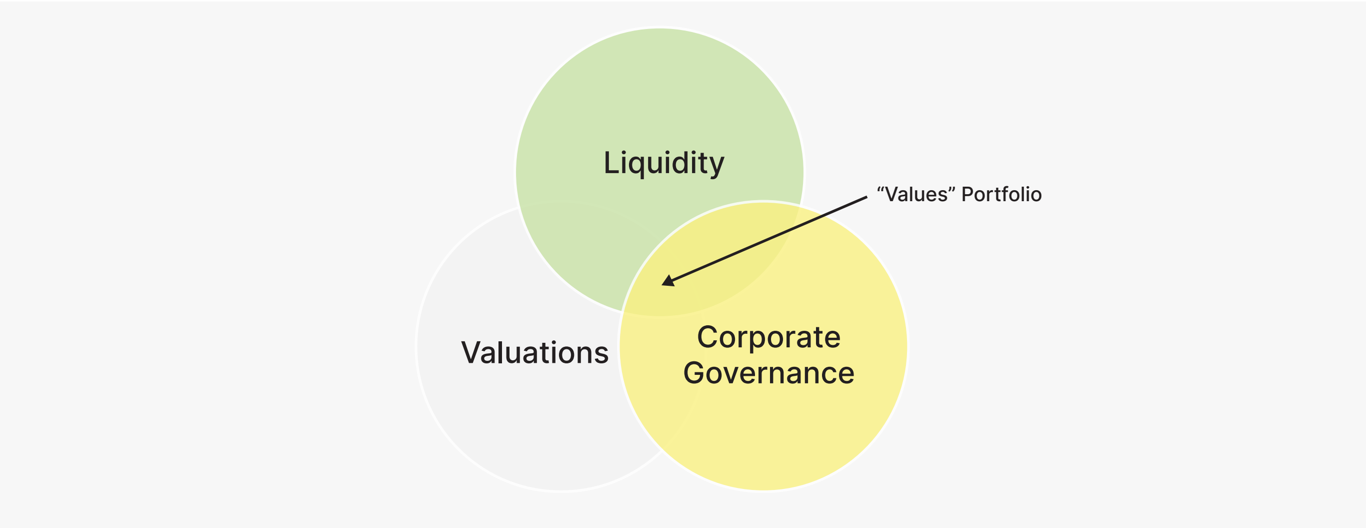
ESG Integration in Strategy:

We are India focused fund manager and have no investments outside India.
Our two equity strategies are depicted below showcasing their ESG integration with varied approaches. **Value Strategy – "Value with values" portfolio**

As part of our normal research process, we have always given primary emphasis to corporate governance factors and have excluded those companies that have demonstrated a poor governance track record. From 2015 onwards, based on the increasing importance of non-financial factors (Environment and Social) as well as regulations mandating disclosures on ESG metrics, we developed a proprietary methodology to formally rate companies in our investment universe on these 'E', 'S', and 'G' metrics. We have a six-member team dedicated to ESG research in determining these scores.

Generally, the ESG rating does not serve as the sole determining factor in the decision to include or exclude companies in our portfolio. However, when we observe any portfolio company has inferior ESG practices and management or the Board demonstrates no intent to improve, the portfolio team will divest the company. For non-portfolio companies, the stock will be placed on "Permanent Watch" and will not be bought – irrespective of market price – until our concerns have been satisfactorily resolved.

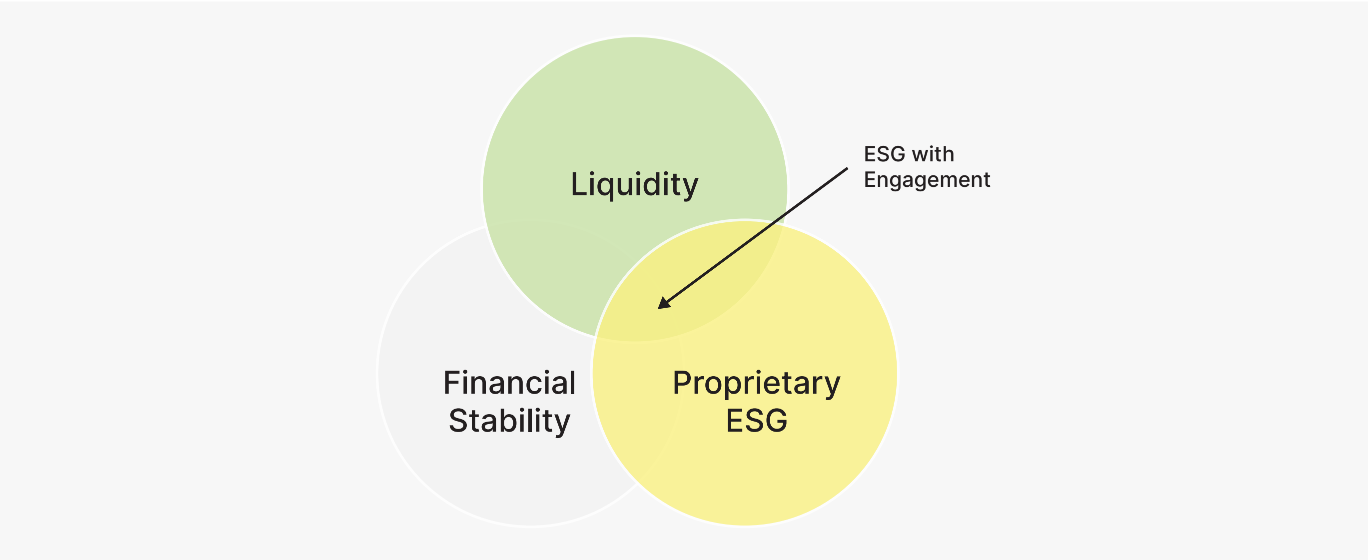
"Value With Values" - What Portfolio Is the Investor Buying?



Trying to Limit risk, Yet potential to generate higher than Index returns.

Responsible Returns Strategy -

"ESG With Financial Stability" - a great combination for ling term returns...



Banking on Sustainability as the driver for long term returns

Quantum's Responsible returns strategy's portfolio construction approach is largely based on the ESG score. Companies with a positive score and are above the minimum threshold ESG score are generally included in the portfolio. Quantum manages to strike a balance by making ESG scores a top priority in capital allocation and adhering to broad sector guardrails to ensure risk mitigation and diversification. Compared to the traditional market-cap based weighted approach, we believe our process is geared to deliver better risk-adjusted returns.

Fixed Income:

Our investment strategy focuses exclusively on sovereign debt instruments. Due to the inherent nature of sovereign bonds, which represent the direct obligations of national governments, stewardship practices typically employed with equity/corporate debt holdings are not applicable in this context.

Multi asset:

Our Multi asset fund diversifies across 3 major asset classes; equity, debt & gold. Depending upon the invested allocation in each asset class, the respective stewardship principle of each class as described above is applicable.
We evaluate environmental, social, and governance issues in our investment analysis since we recognize they have the potential to materially impact both the financial performance and the valuation of our stakeholder's equity.

Since 1996, weapplied our "Integrity Screen" on Indian companies - now known as "Governance". Quantum's Integrity Screen has helped sift out companies withquestionable business and governance practices. Prior to investing in a company, there search and portfolio team analyses Corporate Governance (the Board and Key Management Personnel),historical track record in protecting minority shareholder interest,business practices and care for the community (other stakeholders). We do not invest in companies if they fail our Integrity Screen checks -even if valuations are attractive and/or these stocks are marketfavorites.

Quantum started building an internal ESG Teamin 2015. Screening based on international ESG standards (UN Global Compact,PRI)and incorporating our learnings from assessing corporate behavior in India since 1990. Our process has evolved over last few years, as we travel up the learning curve and established a principles - based, qualitative - oriented, ESG frame work.

During the reporting period we focused on materiality while evaluating environmental, social, and governance issues in our investment analysis since we recognize they have the potential to impact both the financial performance and the valuation of our stakeholder's equity.

Our equity fund managers rely on the expertise of our dedicated ESG research team to do this. The fund managers and ESG research team engage with companies on a regular basis, and critical ESG concerns and topics are discussed in an attempt to nudge companies to improve on their disclosures and practices. These are further assessed and reviewed internally on a sector-by-sector basis to represent a more deliberate approach and highlight nuances between companies. The proprietary ESG scoring approach is based on company disclosures and evaluation of these disclosures on qualitative aspects.

Quantum integrates ESG in its investment processes, however the level & manner of integration might differ across products in the same asset class. Please find the link to our ESG policy.

Key areas of our ESG integration frame work is tabled below :

Environment	Social	Governance
Climate change and environmental pollution	Human capital development / employee relations	Board independence:
Natural resource use	Health and safety	Executive compensation:
Water Stewardship	Equal opportunity and workforce diversity	Treatment of minority shareholders:
Waste Management	Corporate social responsibility	Functioning of audit, remuneration and nomination committees:
Energy Efficiency	Human rights / child labour	Reputation / regulatory compliance
Renewable Energy	Responsible sourcing	
Circular economy		

ESG integration in equity research – Case study 1

Crompton Greaves Consumer Electricals

Quantum's research team covered Crompton Greaves Electricals as a part of usual coverage and found it in-line with the company's investment criteria. The company's share price was near the internal BUY limit as analysed by the research team.
The team met with the management to understand their business and gain clarity on their outlook. In view of the adequate information provided by management, we invested in the company in April 2023.

ESG integration in equity research – Case study 2

Exide Industries

In May 2023, we researched Exide industries as part of our regular coverage. Exide initially seemed to align with Quantum's investment criteria. However, the analyst found issues relating to notices from the West Bengal Pollution Control Board concerning Exide's West Bengal plant on high level of lead emissions.
Consequently, we met with Exide's management to get clarity on the notices about the plant. However, the management could not provide much information on the notices or steps taken to address the issues.
Due to the lack of clarity from management on the issues, we decided not to invest in Exide.

ESG integration in equity research – Case study 3

Narayana Hrudayalaya

In February 2024, Quantum's analyst researched Narayana Hrudayalaya (Narayana) as part of regular coverage. Narayana appeared to meet Quantum's investment criteria. As a result, we met with Narayana's management to understand their operating efficiency and ESG integration. The management provided adequate information to our queries.
Given the satisfactory information from management, we invested in Narayana.

ESG integration in equity research – Case study 4

Dabur

Quantum has held Dabur in its Quantum IRR portfolio since inception in July 2019. However, in October 2023, Dabur's US subsidiary Namaste Laboratories faced a lawsuit along with other companies. Customers alleged their hair relaxer products caused cancer and other health issues. Dabur spent 600-650 million rupees in legal costs in the first half of 2024, projecting 200 million rupees in costs per quarter going forward.

Furthermore, in November 2023, an FIR charged Dabur's Chairman Mohit Burman and his brother Gaurav Burman with gambling and fraud related to the Mahadev betting app case. The Burman family stated the FIR was baseless.

Quantum reached out to Dabur's Investor Relations to get clarification on the litigation. However, management declined to comment on the issues.

Due to management's lack of response on the ongoing litigation, we exited Dabur in November 2023.

PRINCIPLE 8

Monitoring Managers and Service

Activity

Signatories should explain how they have monitored service providers to ensure services have been delivered to meet their needs.

Outcome

Signatories should explain:

• how the services have been delivered to meet their needs;

OR

• the action they have taken where signatories' expectations of their managers and/or service providers have not been met.

atories monitor and hold to account managers and/or service providers.

Quantum leverages many internal resources and external tools to enable capabilities across asset classes. Our research team takes care of most of the research and data requirements. Significant investments have been made to enhance our proprietary investment database. Sustainability factors are also evaluated during our fundamental analysis, with interactions and engagements with investee companies logged in the research database. However, at times we also utilize external providers such as Bloomberg, IiAS, SES, and ACE. We utilize market data suppliers, company-provided information, and industry publications to guide our investment decisions.

The subscribed service providers are divided into two categories:

- data providers &
- proxy providers.

While Bloomberg and ACE help with research-related data, SES and IiAS provide us with proxy recommendations for our portfolio companies.

These service providers undergo an annual review to ensure adherence to Quantum's policies and risk management protocols. We do have an internal Vendor Management Policy as part of our compliance manual that spells out the expectations from any of our vendors and service providers, which the relevant teams need to follow before entering a contract. There are Service Level Agreements (SLAs) that describe the service expectations from providers embedded within each of their contracts, given that each contract or service may require a specific outcome.

Internally, we utilize our proprietary ESG model to score companies, guiding our investment decisions. However, in compliance with SEBI regulations, which mandatesESG Funds to disclose ESG scores for their portfolio companies from rating providers empanelled with the regulator, Quantum has partnered with SES to obtain and publish these scores on monthly basis.

Quantum has subscribed to the services of two proxy advisors for proxy voting recommendations for portfolio companies.

• Stakeholder Empowerment Services (SES) and

• Institutional Investor Advisory Services (IIAS)

As a practice, we send the monthly portfolios to them, and accordingly, the proxy recommendations are sent by the proxy advisors. In cases of a difference in opinion between Quantum and the poxy advisor, we engage with the respective analyst to gain clarity on the resolution prior to voting.

Signatories should explain how they have monitored service providers to ensure services have been delivered to meet their needs.

Quantum's Vendor Management Policy prescribes the vendor selection and review mechanism to manage relationships with external service providers .. Currently, we have implemented following vendor monitoring and

evaluation criteria, which sets the framework for assessing all services providers andensures that they are delivering to meet our needs:
• Performance of work in compliance with contract terms
• Timeliness of deliveries
• Quality of services, products, parts, and other materials provided
• Quality of services after delivery
• Competitiveness of Price
• Staff availability and level of expertise/technical support
• Competency in taking Prompt and effective correction of situations and conditions
• Financial Strength& reputation of the vendor
• Resources and infrastructure facilities including backup facilities, systems dedicated to contingency, and other risk management procedures.
• Compliance with the laws and regulations applicable to the vendor
• Vendor's internal standards and controls relating to privacy protection, security of systems, maintenance of confidentiality of information, maintenance of records, employee background checks, etc.
• Level of concentration with the vendor at the company level and
• Level of concentration with the vendor at the industry level

We do have periodic meetings twice a year with the service providers to give them feedback and improve the services that they provide. Our investment teams, who receive the services, decide the renewal and pricing of the annual contracts with the service providers within Quantum's overall vendor management policy.

Our Vendor Management Policy also covers managing relationships with other external service providers such as hardware support and facilities management, mail hosting solutions, payroll accounting, housekeeping, office telephone systems, and security access system maintenance. The firm has external audit firms that visit the firm's premises to perform statutory audits, internal accounts audits, portfolio audits, compliance audits, or any other audits.

The objectives of this policyis to manage and mitigate potential risks, ensure sound compliance with laws and regulations, conduct due diligence, conduct annual or more frequent reviews of vendors, and check on the delivery of value for money. The extent of the risks varies with each vendor relationship and the kind of service offered. Among the most common risks are a lack of vendor oversight by the firm, which could result in the firm facing operational risks, privacy risks, and reputational risks.

Firm's role, responsibility, and supervisory requirements

These are requirements and responsibilities related to outsourcing activities for the company. The company is responsible and accountable for the actions of the service provider and for safeguarding confidential client information. The company retains full control over the outsourced activity and must ensure that its obligations to clients and regulators are not reduced by outsourcing arrangements. Due diligence must be performed on service providers, and clients' rights and ability to seek resolution for complaints must not be impacted. The firm is responsible for compensating clients for any losses incurred if the service provider fails to deliver. The firm and regulators have access to the data, facilities, and premises utilized by the service provider. Outsourcing agreements must not hinder regulatory duties.

The firm's vendor policy has the following key elements:

1. Risk Assessment

The firm has established a Vendor Management Committee (VMC) comprising the CEO, CCO, Head-Finance, and Head-Risk Control to analyze the benefits, costs, legal aspects, and potential risks of appointing a vendor. The VMC is required to approve vendors providing certain services, including those covered under the SEBI Outsourcing Circular, those who would have access to the firm's system, premises, confidential or investor data, and those with a contract value of INR 1 million or more. The firm assesses the impact of the failure of the proposed service provider, review its ability to cope with non-performance or failure, review regulatory and conflict of interest situations, and establish backup arrangements if the vendor relationship is approved.

2. Due Diligence

Due diligence is performed before selecting a vendor and periodically (At least annually) during the relationship, including assessing the vendor's experience and ability, determining the adequacy of their policies and procedures related to controls, security, privacy, business continuity &disaster recovery capabilities,and employee background checks, evaluating their ability to provide timely access to information, performing on-site visits, analysing their financial statements and market share, considering the significance of the contract on their financial condition, evaluating their resource expenditures, and checking for any significant complaints or litigation. The vendor's security precautions with respect to the firm's resources and their ability to detect and respond to intrusions is also be evaluated when applicable.

3. Contract Structuring

we understand the importance of entering into non-disclosure agreements with vendors before sharing confidential information during negotiations and hence have made it mandatory. The agreement should include provisions such as the vendor's use of confidential information only for the stated purpose, security precautions, compliance with SEBI regulations, and returning or destroying the information if necessary. The firm should also address various issues such as performance standards, security and confidentiality, cyber security risk controls, sub-contracting and multi-vendor planning, anti-corruption policy adherence, dispute resolution, indemnification, termination, and assignment in the agreement with the vendor

(A) Oversight

The firm must maintain adequate oversight and quality control over vendor activities to minimize financial loss, reputation damage, and supervisory action. The Vendor Management Committee (VMC) must approve, oversee, and annually review vendor arrangements and their operations, while the firm's compliance department should verify that vendors comply with relevant laws and internal policies. Sufficiently qualified staff must be allocated for monitoring significant vendor relationships, and oversight activities must be periodically reported to the VMC, with weaknesses promptly addressed. These guidelines also consider factors outlined in a SEBI circular from December 2011 for outsourcing activities.

(B) Business Continuity and Management of Disaster Recovery Plans

There are various requirements for a firm's service providers to ensure business continuity and recovery procedures. These include testing plans, retaining control over outsourcing, addressing potential disruptions, ensuring IT security and disaster recovery capabilities, and considering alternative service providers or bringing outsourced activity in-house in emergencies. The firm must also be able to isolate its information, documents, records, and other assets in adverse conditions to continue operations or prevent damage. Periodic testing and review of the service provider's systems can be undertaken, or the firm may rely on certification from the service provider.

(C) Confidentiality and Security

The firm is responsible for ensuring the security and confidentiality of client information held by its service providers. This includes taking steps to prevent unauthorized access and misuse, limiting access to a "need to know" basis, and implementing safeguards for data security and confidentiality. The firm must also regularly review and monitor its service providers' security practices and require them to report any security breaches.

2. Miscellaneous Provisions

(A) Review by Auditors

Reviews by internal auditors of the outsourcing policies, risk management system, and requirements of the regulator shall be mandated by SEBI wherever felt necessary. The firm shall review the financial and operational capabilities of the service provider in order to assess its ability to continue to meet its outsourcing obligations.

The firm would be responsible for making suspicious transaction reports to the FIU or any other competent authority in respect of the firm's client-related activities carried out by the service providers.

(B) Record-keeping

The records relating to all activities outsourced shall be preserved centrally so that the same is readily accessible for review by the board and/or its senior management, as and when needed. Such records shall be regularly updated and may also form part of the corporate governance review by the management of the firm.

(C) Off-shore outsourcing of services.

Outsourcing services in a foreign country exposes a company to country risk, which includes economic, social, and political conditions that could negatively affect the company. To manage this risk, the company should monitor government policies and conditions in the country, establish procedures for dealing with problems, and have contingency and exit strategies in place. The company should only work with parties in jurisdictions that uphold confidentiality clauses and specify the governing law. Activities outsourced outside of India should not hinder the supervision or reconstruction of Indian activities. Indian firms outsourcing overseas must follow both Indian guidelines and host country guidelines, with the more stringent guidelines prevailing in cases of differences and the host country guidelines prevailing in cases of conflicts.

Outcome

Signatories should explain:

• how the services have been delivered to meet their needs;

OR

• the action they have taken where signatories' expectations of their managers and/or service providers have not been met.

Ensuring Service Delivery as per expectations

At Quantum, we undertake in-depth operational and financial due diligence on all the external service providers. As mentioned in our evaluation criteria table above, we internally rate our service providers and consider them for annual renewal. We place emphasis on the operational resilience of these providers on a continuous basis. We further ensure all our

service providers have business continuity plans in place, facilitating continuous operations of the business in the event of any service disruption or any unexpected major disruption event.

Particularly with reference to the proxy advisory services, in the event of a difference in opinion between Quantum and the proxy advisor, we engage with the respective analysts to gain clarity on the resolution prior to voting.

The below table also showcases our alignment with our proxy advisers' recommendations.

Proxy Advisor 1 Grid (SES)					
Proxy Advisor FOR Quantum FOR	804	85%	Proxy Advisor FOR Quantum AGAINST	18	2%
Proxy Advisor AGAINST Quantum FOR	93	10%	Proxy Advisor AGAINST Quantum AGAINST	35	4%

Proxy Advisor 2 Grid (iiAS)					
Proxy Advisor FOR Quantum FOR	862	91%	Proxy Advisor FOR Quantum AGAINST	15	2%
Proxy Advisor AGAINST Quantum FOR	36	4%	Proxy Advisor AGAINST Quantum AGAINST	38	4%

It can be seen from the above tables that we largely follow the proxy advisor's recommendation; however, there have been instances where Quantum has used its own discretion and stewardship code while voting for company resolutions

To date, we have not experienced any material issues with service providers, but if any issues became apparent, we would address them with the service provider immediately. If improvements in the services were unable to be achieved, then we would consider first escalate it for quick remedy and would look at terminating the relationship in case our service level expectations are not met.

PRINCIPLE 9

Engagement

Activity

Signatories should explain:

• the expectations they have set for others that engage on their behalf and how;

OR

•how they have selected and prioritised engagement (for example, key issues and/or size of holding);

• how they have developed well-informed and precise objectives for engagement with examples;

• what methods of engagement and the extent to which they have been used;

• the reasons for their chosen approach, with reference to their disclosure under Context for Principle 1 and 6; and

• how engagement has differed for funds, assets or geographies

Outcome

Signatories should describe the outcomes of engagement that is ongoing or has concluded in the preceding 12 months, undertaken directly or by others on their behalf

During our evolution as an investment firm, we have experienced the questionable behavior of many companies to recall an important rule of investing: "If you shake someone's hand and you don't get your five fingers back, then don't shake their hands again."

Companies and business groups that we have avoided since October 1994 constitute 15% to 25% of various 'benchmark' and popular indices. We engage with companies as part of our regular research process and if we observe breaches in a company's corporate governance and / or environmental and social practices. On occasions we have also written to the Board to highlight certain areas where improvement in ESG practices was required.

During our research, we seek disclosures on material aspects that can impact long term shareholder returns. We refer extensively to the following sources of information -

• Company reports and regulatory filings: Sustainability Reports, Business Responsibility Reports, Annual reports, CDP Reports, and Environmental Impact Assessment Reports.

• Direct engagement with company

• Other sources – Industry Reports, CMIE, World Resources Institute, The Energy and Resources Institute, United Nations Environment Program, SASB standards, TCFD, Pollution Control Boards, India Environmental Portal, NGO reports, etc.

We engage with companies to;

• gain a better understanding of their overall sustainability strategy.

• seek clarification on their long-term targets and goals.

• understand the challenges faced in the execution of their strategy and keep ourselves informed of their preparedness to any upcoming change in regulation, future risks, and evolving technologies that could impact or assist the issues they face on the ESG front.

Methods and extent of the engagement

Our research and ESG analysts also visit the manufacturing plants of companies to get a better understanding of the production process, health and safety practices, quality control measures, etc. The Research Team also engages with suppliers / vendors of the company to gain deeper understanding of their supply chain practices. In addition to engaging with company managements and suppliers, our analysts attend seminars, conferences and climate summits organized by various institutions such as FICCI (Federation of Indian Chambers of Commerce and Industry), Centre for Responsible Business, CII (Confederation of Indian Industry) and Investment and Pensions Europe et to understand global best practices on many critical and emerging issues.

If the research team observes data points highlighting breach of ESG issues, a meeting is sought with the management to seek an explanation for the same including what corrective action is being considered to remedy the breach.

If the management is unresponsive then it will not be considered for the portfolio. In case the company is already part of the portfolio then the investment team may consider writing to the board of directors to highlight its observations and seek immediate action. If no action is forthcoming then the company, if part of the portfolio will be liquidated.

Quantum's approach with clients is long-term, with the goal of providing consistent returns for investors. In accordance to Principle 1 & Principle 6, we accomplish consistent returns through our investment strategy of investing in companies we believe are attractively valued compared to our assessment. We make stock decisions that lead to sector allocations. Our engagement with clients focuses on not seeking short-term gains and instead generating lasting shareholder value. To that end, our approach centers on investing in well-governed companies with strong leadership. We believe such companies can deliver steady, long-term shareholder growth for investors. This long-term focus also explains Quantum's ability to retain clients over time.

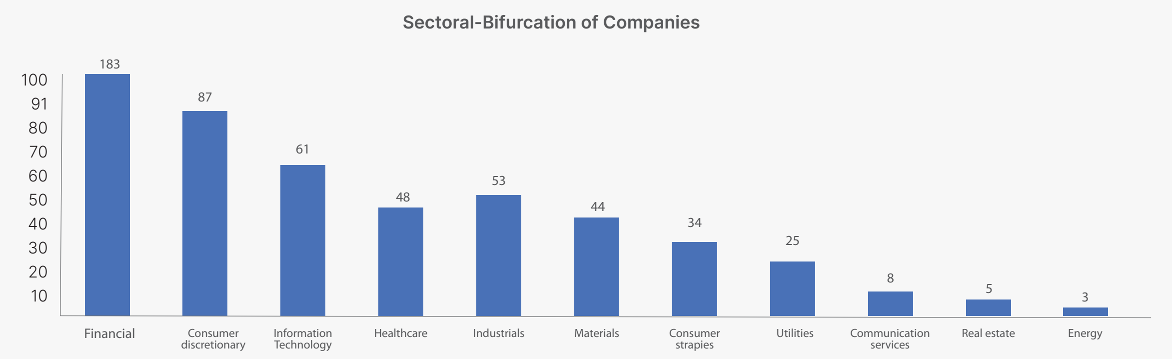
Quantum solely invests in India markets & hence the stewardship is centered on Indian companies.

Fixed Income:
Our investment strategy focuses exclusively on sovereign debt instruments. Due to the inherent nature of sovereign bonds, which represent the direct obligations of national governments, stewardship practices typically employed with equity holdings are not applicable in this context.

Multi asset:
Our Multi asset fund diversifies across 3 major asset classes; equity, debt & gold. Depending upon the invested allocation in each asset class, the respective stewardship principle of each class is applicable.

Equities :- in the following page, we share a cross-section of our engagement work in public equity markets for 2023-24.

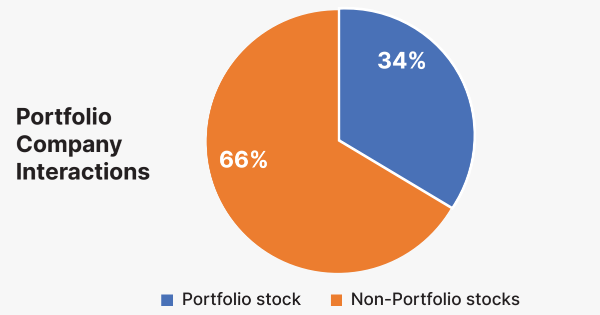
Meetings with Companies during 2023-24 by Sector

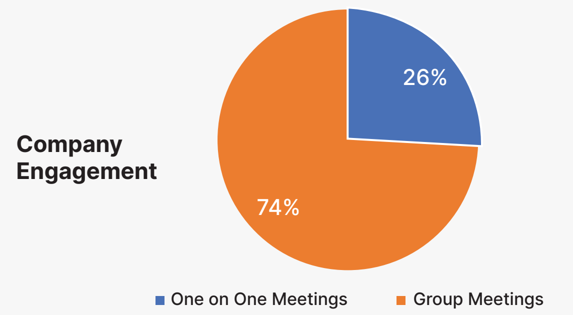


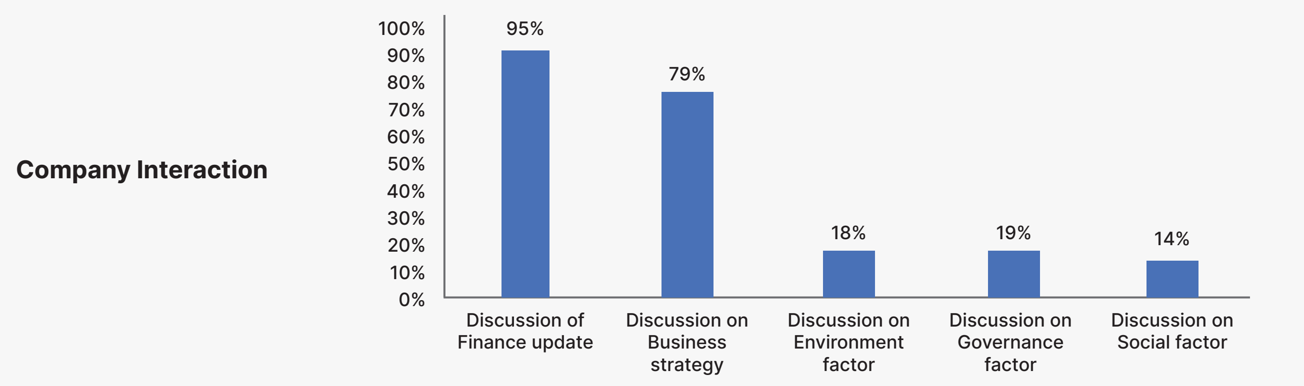
Every analyst at Quantum meets companies on a regular basis which maybe portfolio companies or non-portfolio companies. We mandate analysts to meet portfolio companies atleast twice a year. We continuously strive to increase our investment universe and keep monitoring all the companies which are not in the portfolio to increase our familiarity with business and corporate practices.

We lay a lot of emphasis on scuttlebutt investing and meet companies in the unlisted space, industry experts and various stakeholders in the supply chain to know the on-ground realities.

As mentioned below, most of our company engagements have been related to financial aspects and business strategy. We keep nudging companies to discuss more on their sustainability approach as well. As a result, there have been a few but increasing focus from the companies to come out and start discussing about their ESG strategy. We have seen an increasing trend every year.







Outcome
Signatories should describe the outcomes of engagement that is ongoing or has concluded in the preceding 12 months, undertaken directly or by others on their behalf

Engagement in Action :
In the following pages, we share a cross-section of our engagement work in public equity markets

Company name	Tata Communications (TCOM)

Background: TCOM operates in highly competitive and commoditized industry. With risk of obsolescence and high capex intensity, the company has challenge pursuing high growth strategy esp via inorganic route.

Timing: throughout 2023-24

Engagement : The company has given a lofty target of doubling Data segment revenues from FY23 through FY27. This guidance may force the management's hand to make big bang acquisition. Acquisition in technology/communications sectors usually come with a risk of zero terminal value or disappointment in growth as technology may get commoditized quickly.
We highlighted the risks to management and recommended to be more prudent while signing deals.

Outcome of the engagement : Management gave us assurance that they will set guardrails in terms of ROCE and Debt/EBITDA. In last one year, the company has done two major acquisitions and current returns metrics and debt ratios are tracking well. We continue to monitor management actions vs the framework laid out by them. If we find any aggression, we will communicate the same, expecting positive response from the company.

Company name	Aditya Birla Sunlife AMC

Background: Aditya Birla Sunlife AMC is a mutual fund house offering equity, debt, liquid and passive schemes to retail and institutional investors. The company had been losing market share due to exit of HNI investors in debt schemes and fund underperformance in equity schemes. With a long-standing presence among the top ten fund houses in the country, we wanted to know the company's plan of action. We met the Managing Director and Chief Financial Officer

Timing: throughout 2023-24

Engagement : The aim of the interaction was to understand the steps being undertaken to arrest market share decline, strategies to improve competitiveness in the market, preparedness to fill product gaps and tap into emerging opportunities.

Outcome of the engagement : The management informed us that market share fall was being addressed through stricter monitoring of investment performance, renewed management focus led by senior hires and rejig in investment team. Measures such as higher focus on flagship funds, increase in direct customer connect, dedicated channel for HNIs, expansion in smaller towns and cities and innovative fund offerings are being undertaken to remain competitive. These restructuring efforts have helped allay our concerns, rekindling hope that the company will be able to recover lost ground.

Company name	LIC Housing Finance

Background: LIC Housing Finance lends to individuals towards mortgages. In FY24, the company saw modest growth in loans of just 4% vs 10%+ growth rate for the industry. We had concerns whether the company has any issues with respect to competitive positioning or capability. We engaged with the Chief Financial Officer (CFO) for the same.

Timing: throughout 2023-24

Engagement : The focus of the last engagement was to understand the reason for tepid growth and what is management doing to win back the market share. We wanted to know the company's preparedness and distribution reach to grow with industry standards, in prudent manner.

Outcome of the engagement : The CFO explained that recent growth was hampered largely due to technology upgrade across the company. It was required for sustainability, improving efficiency and risk management. With this and expansion in distribution touchpoints, the management expects loan growth to pick up in subsequent quarters. We acknowledged management's efforts and hope our concerns will recede over a year. We believe this will improve value in our investment in future.

PRINCIPLE 10
Collaboration

PRINCIPLE 10
Signatories, where necessary, participate in collaborative engagement to influence issuers.

Activity
Signatories should disclose what collaborative engagement they have participated in and why, including those undertaken directly or by others on their behalf.

Outcome
Signatories should describe the outcomes of collaborative engagement.

We are committed to work with various stakeholders to promote stewardship in our investment activities for long term value creation for our investors. As part of our commitment to being a responsible investor, we engage with regulators, governments, standard-setters, coalitions and NGOs to advance good governance and responsible investment on our behalf. This includes responding to consultation requests and surveys, and meeting with regulators to express concerns or support for policies and practices relating to good governance.

Collaborative Engagements
Quantum is involved in several industry memberships and initiatives, which serve a variety of purposes. Our participation in these helps to inform and develop our own internal practices, contribute to specific industry best practices, and serves to bring about positive environmental, social, and economic change.
As India is at a very nascent stage to their journey of 1.5-degree's pathway, we would like to give time to companies to build their capacity and work towards a credible pathway of being a net zero nation. We have taken an approach of collaborating with various stakeholders like NGOs, regulatory bodies to help evolve a regulatory landscape in India as well as recommend the companies to follow the right path through constructive engagements and letters.

Outcome
Signatories should describe the outcomes of collaborative engagement

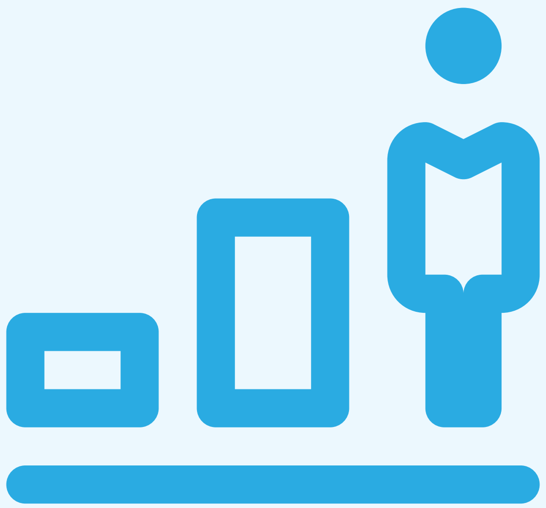
In the current reporting year, we have collaborated with a number of global organisations like WDI & ATNI along with our market regulator SEBI, to bring in awareness on workforce welfare, nutrition, sustainable finance & environmental issues & starting a dialogue on these best global practices in Emerging markets like India.

Please find below outcomes form the current period from collaborative engagements;

Initiative	Status	Involvement	Outcome
Workforce Disclosure Initiative	Signatory	Quantum is a signatory to Workforce Disclosure Initiative (WDI), part of the Share Action group to improve corporate transparency and accountability on workforce issues. FY 2023 – present : Quantum also serves on the advisory board of WDI.	We are partnering with WDI & pleased to report the successful introduction of the WDI initiative to the Indian markets in FY 2024. This initial phase has generated significant interest from a promising number of companies. We are maintaining ongoing engagement throughout this year to further expand participation and foster a robust conversation around positive workforce culture & disclosures within the Indian business landscape. The companies reporting to WDI from India, albeit a small number yet, doubled in FY 2024 & a lot many companies became aware & look forward to participate in the next year.
India Government Taskforce GOI RBI	Member	Quantum is a member of a Government taskforce chaired by two Indian regulators Securities Exchange Board of India (SEBI), regulator for capital markets and RBI (India's Central bank) to provide inputs for enhancing sustainable finance in India.	As the part of a government led task force to contribute on enhancing Sustainable Finance in India. The task force worked on 4 core pillars of Sustainability – Taxonomy, Regulations, Disclosure and Resilience. While contributing to all of them through review and discussions, Quantum was simultaneously leading the disclosure sub group which provided materiality mapped disclosures to strengthen granular disclosures in Indian markets.
Sustainable Investment Forum	Member	Quantum is also part of India SIF and lead member of the corporate engagement and market action working group of the SIF.	In FY 2024, We were part of the roundtable & discussion panel onfurthering sustainability in India by providing relevant inputs to policy makers and driving global best practices in India.

Initiative	Status	Involvement	Outcome
ATNI – Access to Nutrition Initiative	Signatory	Quantum is an ATNI Signatory - Transforming Indian markets to deliver healthy, sustainable diets for all	We have also partnered with ATNI in FY 2024, to give feedback on India Index and engaging with companies on nutrition, based on research findings of ATNI's India index to drive better nutrition practices. In the current year, we have written to concerned companies in consumer staples sector seeking their inputs on nutrition practices in their product portfolio.

We are also members of ICGN and part of ICGN's stewardship committee. We were also nominated for the ICGN Excellence in Stewardship award in 2024 for all the collaborative stewardship activities we do to enhance sustainability in Indian markets. We try to learn global best practices on various emerging governance issues and implement them in our assessment and engagement with companies to evolve our process over time . On the other side, we bring an emerging market voice to the global discussions on issues of governance and sustainability.



PRINCIPLE 11

Escalation

PRINCIPLE 11

Signatories, where necessary, escalate stewardship activities to influence issuers.

Activity

Signatories should explain:

• the expectations they have set for asset managers that escalate stewardship activities on their behalf;

OR

• how they have selected and prioritized issues, and developed well-informed objectives for escalation;

• when they have chosen to escalate their engagement, including the issue(s) and the reasons for their chosen approach, using examples; and

• how escalation has differed for funds, assets or geographies.

Outcome

Signatories should describe the outcomes of escalation either undertaken directly or by others on their behalf.

We engage with all our portfolio companies at least once in every 6 months. We also vote on all resolutions of our portfolio companies and voice our concerns through our votes. When the company is facing allegations of serious nature that questions the business or ESG practices of the company, we would prefer the company to act immediately to clarify their position and in the event of an alleged wrongdoing, undertake steps to rectify the situation such as launching an independent investigation.

After discussing the issue internally and the gravity of underlying E,S,G issues remains unaddressed, the following escalation is sought:

1. The research team will first engage with the company management to get their point of view, as well as seek additional disclosures if required.
2. If the management of an investee company is unresponsive, the matter will be escalated to the Board of Directors of the investee company through a formal written communication.
3. If no positive action is forthcoming towards resolving the issue, then the company may be divested from the portfolio.

The course of our action depends on the seriousness of the problem. If our engagement efforts are primarily focused on requesting companies to disclose material E&S information in the public domain, we will be willing to give the company reasonable time before they develop internal capacity to monitor and disclose E&S related data. This approach is adjusted for the fixed income engagements where there is no ability to vote at meetings. Fixed income escalation may take the form of public statement, legal protection of our rights or divestment. As mentioned above the equity escalation strategy includes engaging with the company & getting clarity on the issues.

How it differs for other asset classes

Fixed Income: Our investment strategy for Fixed Income focuses exclusively on sovereign debt instruments. Due to the inherent nature of sovereign bonds, which represent the direct obligations of national governments, escalation practices typically employed with equity holdings are not applicable in this context.

Multi asset: Our Multi asset fund diversifies across 3 major asset classes; equity, debt & gold. Depending upon the invested allocation in each asset class, the respective escalation practice of each class is applicable.

Equity: kindly refer below mentioned examples in the outcome for the equity asset class

ICICI Securities

Background: ICICI Bank had convened Tribunal Convened Meeting (dated 27th March 2024) for the merger with its subsidiary, ICICI Securities (ISec). Quantum had voted AGAINST the resolution due to the following reason:
The swap ratio of 67 equity shares of ICICI bank for 100 shares of ICICI Securities for the merger is detrimental for minority shareholders of ICICI securities. The valuation offered for ICICI Securities places it at 15.7x PE multiple which is 30% lower than the lowest valued peer, Angel One trading at 20.4x PE as on 11th March 2024. On a comparison basis, had ISec been valued at 20.4x PE (same as Angel One), each ISec share would have been valued at ₹ 940 (derived) as against ₹ 722/share (derived) which is offered under the current arrangement. Consequently, the loss per share would stand at ₹ 218 leading to a total loss of ₹ 17.8 billion to the 81.5 million minority shareholders.
The resolution was passed with 72% votes in FOR and 28% votes in AGAINST. As can be observed, there was significant dissent from the public shareholders, and the resolution got narrowly passed with 72% support v/s regulatory requirement of 66%.

Engagement: Quantum had several calls with the management, to understand their stance on the matter. The management clarified that it has followed due process, and the swap ratio has been determined by Independent Valuers viz PwC Business Consulting and Ernst & Young Merchant Banking Services LLP.

In view of the injustice towards minority shareholders, Quantum wrote a letter to ICICI Bank and ISec stating out the issues relating to Isec's delisting. A copy of the letter was also marked to the Indian securities market regulator, Securities & Exchange Board of India (SEBI) and the stock exchanges.

Further, we also filed an official complaint with SEBI against the said delisting via SEBI Complaint Redressal System. Isec responded that all the regulatory procedures have been duly complied with in respect of the proposed delisting and the valuation offered was fair to minority shareholders.

Simultaneously, while scrutinizing the Notice issued by Isec to shareholders for the Tribunal Convened Meeting, we noticed that there were non compliances on part of Isec with respect to disclosure mandated by the stock exchanges to be made in the notice while granting their no-objection for the proposed delisting. These non-compliances pertained to inadequate disclosures pertaining to valuations of Isec and the exemption obtained by Isec from SEBI from strict compliances of the SEBI Delisting Regulations, which deprived the minority shareholders of material and relevant information for making well-informed decision while voting at the meeting.
Around the same time, SEBI received complaints from a set of minority individual shareholders that they were receiving calls from officials of ICICI Bank (the holding company of ISec) advising them to vote in favour of the delisting at the shareholders' meeting. In response to clarification sought by the stock exchanges on these complaints, ICICI Bank and ISec responded that ICICI Bank had undertaken an 'Outreach program" to increase participation by minority individual shareholders in the voting process and the calling by ICICI Bank official to shareholders was part of this 'Outreach program'. ICICI Bank also disclosed that Isec had shared the personal data likes names and contact details of its shareholders with ICICI Bank for this purpose. SEBI examined the investor complaints and issued an Administrative Warning to Isec and ICICI Bank stating that SEBI views' the 'Outreach program' and sharing of personal data by Isec to ICICI as 'Inappropriate' and 'not in spirit of the Companies Act'.
Considering these facts, we filed a petition with the Hon'ble National Company Law Tribunal (NCLT) requesting the Hon'ble NCLT to declare the voting of Isec shareholders as 'vitiated' / 'void' and order Isec conduct re-voting after making appropriate disclosure as mandated by the stock exchanges. The Hon'ble NCLT, which taking note of our contentions, dismissed our petition on the ground that while SEBI, in its Administrative Warning, had found the 'Outreach program' of ICICI Bank as 'inappropriate', it had however not stated that the voting process was vitiated.

Aggrieved by the order of the Hon'ble NCLT dismissing our petition, we have now filed an appeal in the Hon'ble National Company Law Appellate Tribunal (NCLAT) against the NCLT order and requesting NCLAT to call SEBI and seek clarification if it finds the voting process vitiated.

Outcome: This an ongoing matter. We are awaiting outcome of the NCLAT appeal, post which we might review our stance on the company.

Eicher Motors

Background: Eicher Motors had proposed a resolution for reappointment of Mr. Inder Mohan Singh as independent director of the company for a second term via Postal Ballot dated 5th November 2023. Quantum had voted AGAINST his reappointment due to the following reason:
Mr. Inder Mohan Singh is the partner of Shardul Amarchand Mangaldas & Co. The law firm acts as the legal counsel for the company. This may lead to pecuniary interest on the part of Mr. Singh

Engagement: Quantum had a meeting with the management to get clarification on the role of Mr. Singh in the company. The company clarified that he is on the board in his professional capacity and legal expertise to the board meetings.

Outcome: Quantum changed its recommendation to FOR, post gaining clarification from the company.

We are signatories to Workforce Disclosure Initiative (WDI), a share action group where we send letters to nudge the companies to enhance their disclosure on their social practices.

PRINCIPLE 12

Exercising Rights And Responsibilities

PRINCIPLE 12

Signatories actively exercise their rights and responsibilities

Context

Signatories should explain:

• state the expectations they have set for asset managers that exercise rights and responsibilities on their behalf;

OR

• explain how they exercise their rights and responsibilities, and how their approach has differed for funds, assets or geographies.

In addition, for listed equity assets, signatories should:

• disclose their voting policy, including any house policies and the extent to which funds set their own policies;

• state the extent to which they use default recommendations of proxy advisors;

• report the extent to which clients may override a house policy;

• disclose their policy on allowing clients to direct voting in segregated and pooled accounts; and

• state what approach they have taken to stock lending, recalling lent stock for voting and how they seek to mitigate 'empty voting'.

Activity

For listed equity assets, signatories should:

• disclose the proportion of shares that were voted in the past year and why;

• provide a link to their voting records, including votes withheld if applicable;

• explain their rationale for some or all voting decisions, particularly where:

- there was a vote against the board;
- there were votes against shareholder resolutions;
- a vote was withheld;
- the vote was not in line with voting policy.

• explain the extent to which voting decisions were executed by another entity, and how they have monitored any voting on their behalf; and

• explain how they have monitored what shares and voting rights they have.

For fixed income assets, signatories should explain their approach to:

• seeking amendments to terms and conditions in indentures or contracts;

• seeking access to information provided in trust deeds;

• impairment rights; and

• reviewing prospectus and transaction documents.

Outcome

For listed equity assets, signatories should provide examples of the outcomes of resolutions they have voted on over the past 12 months.

Exercise of rights and responsibilities on proxy and stewardship

At Quantum our approach to proxy voting is rooted in our fiduciary duty to represent the best interest of our clients. We recognize that exercising our voting responsibilities and constructive long-term engagement with companies is vital to our role as an asset manager. Please refer to our [Proxy Voting Policy on our website.]

As part of its fiduciary and stewardship responsibilities, the Firm extensively engages with the investee companies on various aspects ranging from long-term strategy, operational performance, corporate governance, and material environmental and social issues (with reference to the examples provided in. Principle 9: Engagement : Pg. 68) It is the firm's endeavor that the investee companies exhibit best in class performance on the above aspects.

Proxy Voting across asset classes

We at Quantum endeavor to vote on every resolution related to our investee companies and have adopted written procedures designed to ensure that we vote in the best interests of our clients. Our procedures are standard and implemented in the same way for all the Quantum funds & portfolios regardless of asset class. The final voting decisions are therefore sole responsibility of our investment teams and all the votes are made in line with our conflicts of interest & proxy voting policies.

Equity: In case of Quantum Mutual Fund, the delegated responsibility for voting remains with Quantum Asset Management Company (QAMC), and accordingly the voting is done by Quantum as per its proxy voting policy.
For Institutional client of Quantum Advisors, the voting rationale & recommendations are shared with the clients who vote on the resolutions on their own.

Fixed Income: Our investment strategy focuses exclusively on sovereign debt instruments. Due to the inherent nature of sovereign bonds, which represent the direct obligations of national governments, stewardship practices typically employed with equity/corporate debt holdings are not applicable in this context.

Multi asset: Our Multi asset fund diversifies across 3 major asset classes; equity, debt & gold. Depending upon the invested allocation in each asset class, the respective stewardship principle of each class as described above is applicable

Proxy Voting Process

As a matter of policy and as a fiduciary to its clients, the firm has responsibility for voting proxies for portfolio securities consistent with the best economic interests of the clients unless otherwise provided in the Client IMAs. The proxy voting policy describes the firm's policy for voting on resolutions of investee companies. The firm may appoint or continue to retain a proxy advisor to assist it in meeting its proxy voting responsibilities. These policies and procedures (as also the performance of the firm's proxy voting advisor) is reviewed on an annual basis as part of the review of the Compliance Manual.

The CCO has the responsibility for administering and monitoring of the firm's proxy voting policy, practices, disclosures and record keeping.

It can be seen from the tables reported in Principle 8, Pg (62) that we have majorly aligned with the proxy advisors' recommendation, however, there have been instances where Quantum has used its own discretion & stewardship code while voting for company resolutions. Although, there is alignment with proxy advisors' recommendations, we do not take their rationale at face value/default and use our discretion and proxy voting policy while voting.

The firm's policy on proxy voting clearly states that, all voting decisions are taken on a case-to-case basis. The concerned research analyst at the firm reviews the different proposals put before the shareholders and arrives at a final decision on how to vote, keeping in mind the long-term interest of the client and the detailed guidelines put in place by the research and investment team.

We recognize that not all companies are the same and we strongly support the 'comply or explain' model of corporate governance. For this approach to work, companies must be willing to provide good-quality and detailed explanations of the reasons for deviation from established best practice.

The firm obtains the proxy advisory services from an independent proxy advisory service providers; Institutional Investor Advisory Services India Limited (IIAS) and Stakeholder Institutional Services (SES), Mumbai. The concerned research analyst of the firm may after considering these recommendations communicate his or her final voting decision which may also be different from the proxy

advisors' recommendations. In such cases, we do engage with the analysts at the proxy advisor to discuss and understand their rationale and arrive at an informed decision to vote. The analyst may also reach out to companies to gain any clarifications on resolutions to be able to judiciously vote on resolutions.
The Responsible investment team and the relevant equity analyst jointly agree on significant voting decisions. Where controversial issues are identified or when there is a disagreement between teams, then the matter is escalated to the portfolio team.

For any portfolio company where we have voted against a particular resolution, but which was eventually approved, we keep engaging with the management and escalate to the board if necessary. We give time to the management to rectify and make changes. We also reduce the Company's score, trimming our position in the company accordingly. If the management does not take adequate steps in time, we may consider divesting out of the company completely.

The below table also showcases our alignment with our proxy advisers' recommendations.

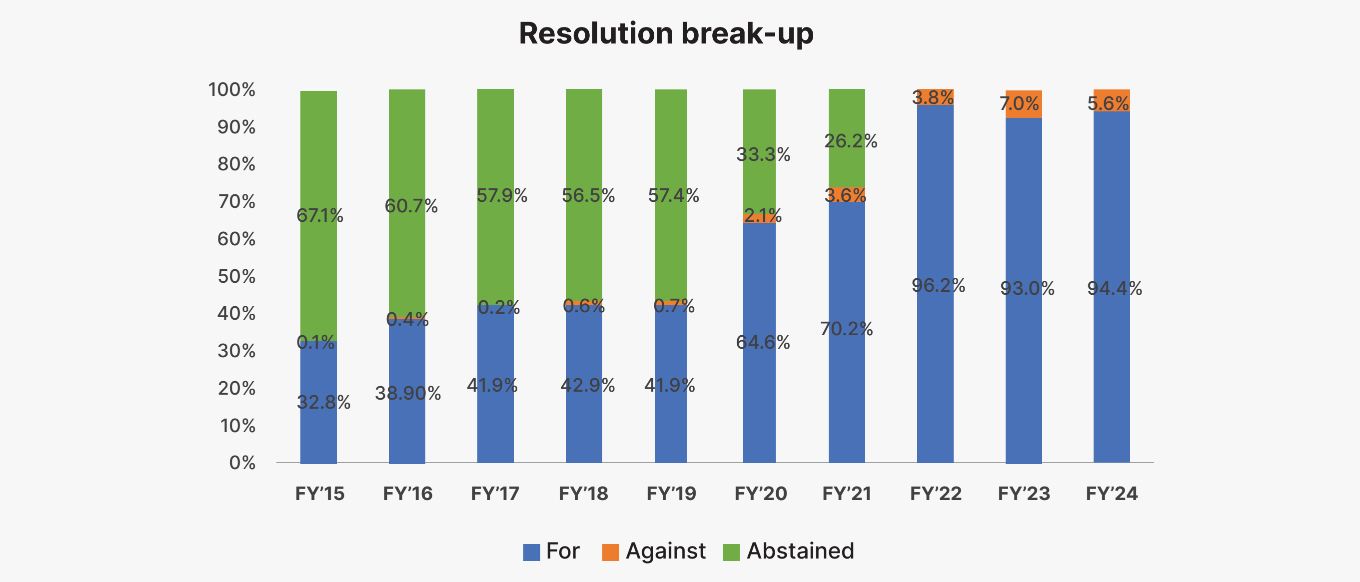
Proxy Advisor 1 grid (SES)					
Proxy Advisor FOR Quantum FOR	804	85%	Proxy Advisor FOR Quantum AGAINST	18	2%
Proxy Advisor AGAINST Quantum FOR	93	10%	Proxy Advisor AGAINST Quantum AGAINST	35	4%

Proxy Advisor 2 grid (IIAS)					
Proxy Advisor FOR Quantum FOR	862	91%	Proxy Advisor FOR Quantum AGAINST	15	2%
Proxy Advisor AGAINST Quantum FOR	36	4%	Proxy Advisor AGAINST Quantum AGAINST	38	4%

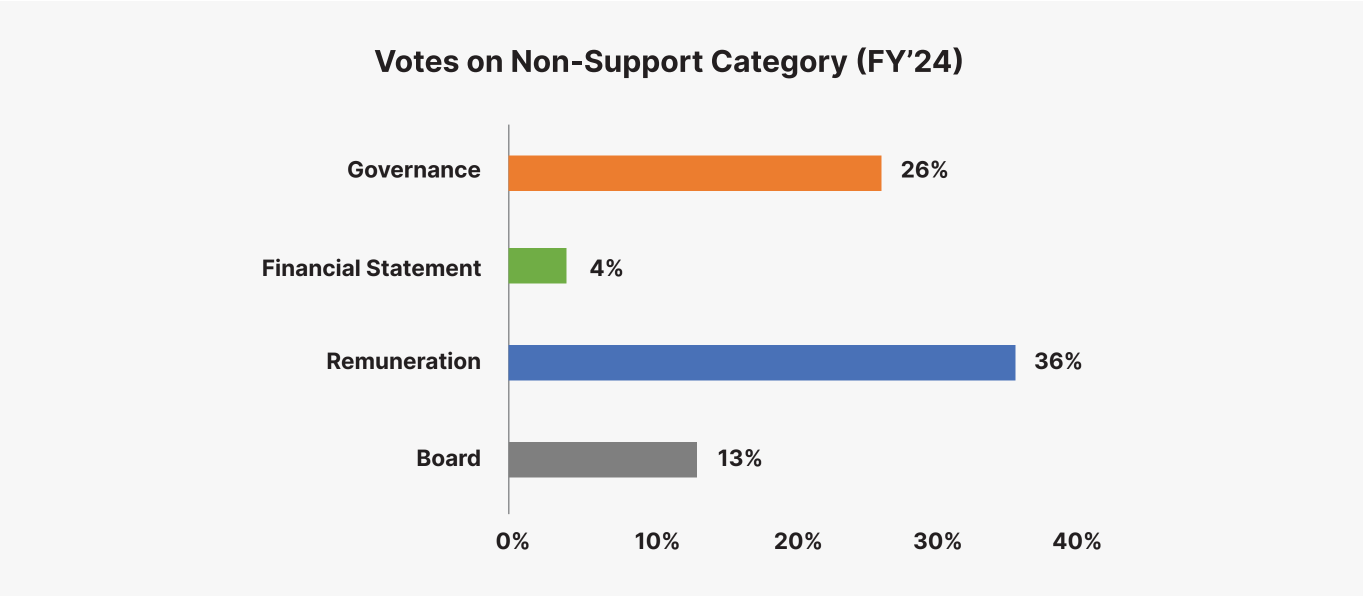
It can be seen from the above tables that we mostly align with the proxy advisor's recommendation; however, there have been instances where Quantum has used its own discretion and stewardship code while voting for company resolutions with our on-going monitoring:

Historical voting trends

As per our stewardship stance, we have been voting on proxy voting resolutions regularly. The historical trend is enumerated below:



From 1024 shareholder resolutions in FY'24, most of the resolutions were related to board structure falling across areas like director independence, lack of active participation on the board or resolutions for perpetuity. Remuneration related issues were related to ESOP/RSU structure, no ceiling limit on absolute remuneration or executives being members of the Nomination and Remuneration Committee. We also voted against resolutions where related party concerns prevailed which could dampen the rights of minority shareholders.



Compliance with the Proxy Voting Recommendations and Stock lending

Our policy for voting by proxy applies to our fund and, during FY'24 none of our clients have overridden it. As mentioned earlier, for Quantum Mutual Fund the voting is done by QAMC and at Quantum Advisors for institutional segregated accounts we do send our recommendation to clients and client can vote at their own discretion.

At Quantum, we do not engage in stock lending and there are no plans for us to do so in the future. Hence instances of empty voting does not occur.

Voting summary for the reporting period

Please refer below for our historic voting and resolutions during the reporting period

Voting Summary	
Number of Resolutions	951
% of Votes Cast	100%
Number of votes in Favour	898
% of Votes in Favour	94.4%
Number of votes Against	53
% of votes in Against	5.6%
Number of votes Abstained	0
% of votes Abstained	0%

The voting records along with rationale for the company resolutions as voted by quantum asset management for the reporting year is mentioned below.
Proxy-Voting-Details-Annual-2023-2024

As mentioned above Quantum doesn't undertake voting for Institutional clients, hence the voting records for those clients are not applicable

Monitoring voting rights

At the end of every month the operations team informs on the latest holdings of Quantum across its funds. Based on this the voting is done by Quantum on the securities. Our investment & operations team keep a track on the shares purchased/sold & voting rights.

Outcomes

Proxy Voting Examples

At Quantum, we do not favour stock option schemes which provided for exercise price at significant discount to market price (more than 30%). Further, we advocate for a minimum vesting period of 3 years. We believe that setting exercise price at significant discount would be prejudicial to the rights of the minority shareholders, while a shorter vesting period would vitiate the very reason for issuance of stock options viz employee retention.

Quantum's recommendation on proposed ESOP scheme of Genus Power Infrastructures is enumerated below

Voting Summary	Meeting Date	Abridged Resolution	Quantum Vote	Quantum Rationale
Genus Power Infrastructures	8th February 2024	To consider and approve amendments in Employees Stock Appreciation Rights Plan 2019.	AGAINST	We do not favour the resolution on the ground of inadequate disclosure and exercise price being at excessive discount to market price.

The outcome of the resolution put forth by Genus Power Infrastructures is mentioned below:

Company Name	Total Votes	Votes FOR	Votes AGAINST	Outcome
Genus Power Infrastructures	172,717,102	156,663,561 (91%)	16,053,541 (9%)	Passed

Quantum's recommendation on proposed ESOP scheme of Persistent Systems is enumerated below.

Company Name	Meeting Date	Abridged Resolution	Quantum Vote	Quantum Rationale
Persistent Systems	18th July 2023	Approval for amendment in the Persistent Employee Stock Option Scheme 2014.	AGAINST	The ESOP schemes provide for a minimum vesting period of 1 year. We do not favour ESOP schemes which do not provide for at least 3 years vesting period.

The outcome of the resolution put forth by Federal Bank is mentioned below:

Company Name	Total Votes	Votes FOR	Votes AGAINST	Outcome
Persistent Systems	58,182,353	44,367,330 (76%)	13,815,023 (24%)	Passed

At Quantum, we do not favour extension of ESOP schemes of parent company to associate companies without any compelling reasons. We believe that such a resolution is detrimental to the rights of minority shareholders of parent company since the cost is to be borne out of the pockets of parent company.

Quantum's recommendation on proposed ESOP scheme of Federal Bank is enumerated below:

Company Name	Meeting Date	Abridged Resolution	Quantum Vote	Quantum Rationale
Federal Bank	18th August 2023	Extension of The Federal Bank Limited Employee Stock Option Scheme 2023 and The Federal Bank Limited Employee Stock Incentive Scheme 2023 to employees of subsidiary companies / associate companies	AGAINST	We do not favour the scheme since it is extended to the employees of the associate companies without any compelling reasons

The outcome of the resolution put forth by Federal Bank is mentioned below:

Company Name	Total Votes	Votes FOR	Votes AGAINST	Outcome
Federal Bank	1,531,136,539	814,168,045 (53%)	716,968,494 (47%)	Defeated

At Quantum we scrutinize the financial statements and examine the auditor's report prior to voting on resolutions relating to adoption of financial statements of a company. In cases where the auditors have raised qualifications on the financial statements, on account of material issues in the company, we vote Against such resolutions.

Quantum's recommendation on proposed adoption of financial statements of Adani Enterprises is enumerated below:

Company Name	Meeting Date	Abridged Resolution	Quantum Vote	Quantum Rationale
Adani Enterprises	18th July 2023	Adoption of Audited Financial Statements (including consolidated financial statements) for the financial year ended 31st March 2023.	AGAINST	The Statutory Auditors have qualified the financial statements of the Company on account of pending litigations against the Company and one of its subsidiaries, Mumbai International Airport Ltd. In view of the above we do not favour the resolution.

The outcome of the resolution put forth by Adani Enterprises is mentioned below:

Company Name	Total Votes	Votes FOR	Votes AGAINST	Outcome
Adani Enterprises	977,419,095	936,987,518 (96%)	40,431,577 (4%)	Passed

At the end of every month the operations team informs on the latest holdings of Quantum across it's funds. The same is also available on Quantum's website. Based on this the voting is done by Quantum on the securities. Our investment & operations team keep a track on the shares purchased/sold & voting rights.

Quantum's recommendation on proposed adoption of financial statements of Adani Enterprises is enumerated below:

Company Name	Meeting Date	Abridged Resolution	Quantum Vote	Quantum Rationale
Adani Enterprises	18th July 2023	Adoption of Audited Financial Statements (including consolidated financial statements) for the financial year ended 31st March 2023.	AGAINST	The Statutory Auditors have qualified the financial statements of the Company on account of pending litigations against the Company and one of its subsidiaries, Mumbai International Airport Ltd. In view of the above we do not favour the resolution.

The outcome of the resolution put forth by Adani Enterprises is mentioned below:

Company Name	Total Votes	Votes FOR	Votes AGAINST	Outcome
Adani Enterprises	977,419,095	936,987,518 (96%)	40,431,577 (4%)	Passed

Proxy Voting under Fixed Income Category

Quantum solely invests in sovereign bonds as a part of its fixed income fund. Therefore, proxy voting is not applicable.

Contacts

To ensure we continue to meet our key stakeholder needs and interests, we welcome feedback on the contents on this report.

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