

REPORTING ON DISCHARGE OF STEWARDSHIP RESPONSIBILITY

Securities and Exchange Board of India (SEBI) vide its circular CIR/CFD/CMD1/168 /2019, dated December 24, 2019, requires reporting of the status of compliance with the stewardship principle as part of its annual intimation to clients / beneficiaries. The stewardship code was applicable with effect from July 1, 2020.

The subsequent paragraphs detail the manner in which the elements of the stewardship code have been discharged by the DSP Asset Managers Private Limited (AMC'), who is acting as an Investment Manager to Alternative Investment Fund - Category III ('AIF').

The policy on discharge of stewardship responsibilities ('Policy') sets out the framework and guidelines on discharge of the stewardship responsibilities of the AMC. The responsibility for the overall implementation and execution of policy rests with the Stewardship Committee. Accordingly, the Stewardship Committee with an endeavor to safeguard the interests by enhancing monitoring and engagement with investee companies, has laid down certain principles. During the financial year, 4 stewardship meeting(s) were conducted.

Throughout the year, as part of our responsible investing efforts, the AMC closely monitored and actively interacted with the investee companies. The AMC focused on various aspects such as their operational and financial performance, strategic decisions, corporate governance practices, and environmental, social, and governance (ESG) factors that could impact their success. The Stewardship Committee plays a vital role in this process. They have established a threshold level that determines the significance of our exposure to an investee company, which guides in deciding the level of engagement and intervention necessary with the investee company. Specifically, the investment team of the AIF ensures that companies meeting the threshold of 5% of Assets under Management (AUM) at AIF comply with the Stewardship policy. Additionally, the team also pays attention to companies that fall below this threshold but have experienced controversies or corporate governance events.

The monitoring and engagement activities cover a wide range of topics. The team delve into areas such as the company's strategic direction, overall performance, industry trends, management effectiveness, board composition, leadership quality, and corporate governance matters such as executive compensation, board structure (including factors like diversity and independent directors). The team is also actively involved in monitoring related party transactions and engaging with companies on environmental, social, and governance (ESG) issues. To gather information for our monitoring efforts, the AMC rely on publicly available data, conduct management meetings, analyze sell-side research, and gather industry insights. This comprehensive approach allows the AMC to stay informed and actively participate in shaping the success and sustainability of the companies we invest in.

The Status of Compliance with the Stewardship Code is stated below:

Principle	Description	Compliance status	Remarks
Principle 1	Institutional Investors should formulate a comprehensive policy on the discharge of their stewardship responsibilities, publicly disclose it, review and update it periodically	Complied	The Policy on discharge of stewardship responsibilities (Policy) had been approved by the Board of the Company and Trustee Company. The Policy is disclosed on the website of the Company under mandatory disclosure section. To review the Policy, click here
Principle 2	Institutional Investors should have a clear policy on how they manage conflicts of interest in fulfilling their stewardship responsibilities and publicly disclose it.	Complied	The conflict of interest policy disclosed on the website under mandatory disclosure section specifies various control measures and prescribes procedures to be followed by the AMC for identifying and managing conflicts. There was no instance of conflict of interest noted by the stewardship committee at its meeting held during the period in relation to any investee company.
Principle 3	Institutional investors should monitor their investee	Complied	The Investment Team of the AMC engages with the investee companies as part of the

ALTERNATIVE INVESTMENT

Principle	Description	Compliance status	Remarks
	companies		research process that leads to an investment in an investee company, which include meeting with the management. The stewardship committee at its periodic meetings has reviewed monitoring and engagement activities carried out by the investment team for the said period.
Principle 4	Institutional investors should have a clear policy on intervention in their investee companies. Institutional investors should also have a clear policy for collaboration with other institutional investors where required, to preserve the interests of the ultimate investors, which should be disclosed.	Complied	The Policy covers when and how to intervene, if any intervention is required in the investee companies. The stewardship committee reviews the intervention in the investee companies.
Principle 5	Institutional Investors should have a clear policy on voting and disclosure of voting activity	Complied	Investment Manager has comprehensive voting policy which includes details of mechanisms of voting, circumstances in which voting should be for/against, disclosure of voting, the voting policy, voting decisions (including rationale for decision), use of proxy voting/voting advisory services, etc. The quarterly voting disclosure are published on website under mandatory disclosure section.
Principle 6	Institutional Investors should report periodically on their stewardship activities	Complied	This report on stewardship activities for Financial Year 2025-2026 is uploaded on the AMC website (i.e. www.dspim.com)