

**PMT Matrix Investment Funds plc**  
**(an umbrella fund with segregated liability between sub-funds)**  
**(the “Company”)**

**Annual report on the implementation of the Shareholder Rights Directive Engagement Policy of the Company (the “Policy”) for the year to 30 June 2020 (the “Period”) pursuant to Chapter 8B 1110G(4) of the European Union (Shareholders Rights) Regulations 2020 (the “Regulations”)**

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**1. Introduction**

The Policy was adopted by the Company on 21 August 2019, following the enactment of the Revised Shareholder Rights Directive (“SRD II”) which required asset managers to develop and publicly disclose an engagement policy that describes how they integrate shareholder engagement in their investment strategy. SRD II and the Regulations require that the Company discloses on an annual basis how the Policy has been implemented. Defined terms have the meaning given to them in the Policy, which is available at <http://www.pmtfunds.eu/> (the “Fund Website”).

**2. Implementation of the Policy during the Period**

The Company’s activities (including those conducted by PMT Matrix Capital Limited (the “Investment Manager”) acting as investment manager on behalf of the Company) during the Period were conducted in line with the Policy. In particular, the Company has monitored investee companies’ approach towards matters such as:

- business strategy;
- financial and non-financial performance and risk;
- capital structure; and
- social, environmental impact and corporate governance

having regard to, among other things, the investment strategy (“Investment Strategy”) of the sub-funds of the Company, the PMT Matrix Russia and Emerging Markets Alpha Return Fund and the PMT Matrix Russia and Emerging Markets Fixed Income Fund (together, the “Funds”) and the nature and size of the Funds’ exposure to investee companies.

**3. Exercise of voting rights and other rights attached to shares**

The Company has adopted a policy in relation to the exercise of voting rights (the “Voting Rights Policy”), and this policy was adhered to during the Period. The Investment Manager exercises voting rights on behalf of the Company in accordance with the Voting Rights Policy. The Investment Manager has not exercised voting rights on behalf of the Company in any EEA listed investee companies during the Period.

**4. Disclosure to institutional investors**

In order to comply with its obligations under the Regulations, the Investment Manager is disclosing the following details in respect of the investment arrangements in place with institutional investors during the Period. For the purposes of SRD II, institutional investors are life assurance companies authorised under the EU’s Solvency II Directive<sup>1</sup> and occupational

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<sup>1</sup> Directive 2009/138/EC of the European Parliament and of the Council of 25 November 2009 on the taking-up and pursuit of the business of Insurance and Reinsurance (Solvency II).

pension schemes falling within the scope of the EU's Directive on Institutions for Occupational Retirement Provision<sup>2</sup> (the "Institutional Investors").

4.1 ***How the Investment Strategy and its implementation complies with the investment arrangement and contributes to the medium to long-term performance of the assets of the Institutional Investor or of the Fund***

The assets of each Institutional Investor that invests in each Fund are represented by a direct or indirect interest in shares of the Funds. The net asset value of the shares of each Fund is determined by the performance of the Investment Strategy of that Fund.

*PMT Matrix Russia and Emerging Markets Alpha Return Fund (the "Alpha Return Fund")*

The Investment Strategy of the Alpha Return Fund is suitable for investors seeking capital appreciation over the longer term and who understand that the investment may be subject to volatility. The Net Asset Value of the Alpha Return Fund may experience high volatility due to its investment policy and portfolio management techniques.

The Investment Manager manages the Alpha Return Fund's assets directly.

Details of the performance of the Alpha Return Fund are available at the Fund Website.

*PMT Matrix Russia and Emerging Markets Fixed Income Fund (the "Fixed Income Fund")*

The Investment Strategy of the Fixed Income Fund is suitable for investors seeking capital appreciation over the longer term and who understand that the investment may be subject to volatility. The Net Asset Value of the Fixed Income Fund may experience high volatility due to its investment policy and portfolio management techniques.

The Investment Manager manages the Fixed Income Fund's assets directly.

Details of the performance of the Fixed Income Fund are available at the Fund Website.

4.2 ***Key material medium to long-term risks associated with the investments, portfolio composition, turnover and turnover costs, and the Company's policy on securities lending and how it is applied to fulfil engagement activities, if applicable, particularly at the time of the general meeting of the investee companies***

***Key material medium to long-term risks associated with the investments***

The Fixed Income Fund invests in a wide range of assets, which may include fixed income securities, debt securities (bonds) and financial instruments that derive their value from other underlying instruments ("FDI"). The Fixed Income Fund's investments may be located anywhere in the world, may have any market capitalization and may belong to any industry sector, noting that it intends to invest at least 50% of its assets in investments providing exposure to Russia and other emerging market countries. The Fixed Income Fund may use FDI for investment or non-hedging purposes as well as for hedging purposes (e.g., to reduce risk or generate additional income). For full investment objective and policy details, see the "Investment Objectives and Policies" section of the Prospectus for the Fixed Income Fund.

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<sup>2</sup> Directive (EU) 2016/2341 of the European Parliament and of the Council of 14 December 2016 on the activities and supervision of institutions for occupational retirement provision (IORPs).

The Alpha Return Fund invests in a wide range of assets, which may include equity securities, debt securities (bonds) and financial instruments that derive their value from other underlying instruments (“FDI”). The Alpha Return Fund’s investments may be located anywhere in the world, may have any market capitalization and may belong to any industry sector, noting that primary exposure will be to Russia and other emerging market countries. The Alpha Return Fund may use FDI for investment or non-hedging purposes as well as for hedging purposes (e.g., to reduce risk or generate additional income). For full investment objective and policy details, see the “Investment Objectives and Policies” section of the Prospectus for the Alpha Return Fund.

In the normal course of business, the Funds may engage in investment activity that is subject to certain inherent risks, such as market price risk, interest rate risk, credit and counterparty risk, foreign investment risk, and liquidity risk. Additional risks associated with each type of investment are described within the disclosures on the relevant investment type, as well as in the disclosures on financial derivative instruments and efficient portfolio management in the Prospectus. Risks associated with the investments are also disclosed in the section entitled “Risk Factors and Investment Considerations” in the Prospectus and under “Risks Associated with Financial Instruments” in the annual report and financial statements and the interim financial statements (the “Periodic Reports”) of the Fund. Copies of the foregoing documents are available on the Fund Website.

***Portfolio composition, turnover and turnover costs***

Details of the portfolio composition together with a summary of the material portfolio changes and associated costs are available in the Periodic Reports and monthly fact cards of the Fund available on the Fund Website.

***Policy on securities lending and how it is applied to fulfil engagement activities, if applicable, particularly at the time of the general meeting of the investee companies***

Details of the Fund’s use of securities lending are set out in the Prospectus in the sections entitled “Investment Techniques and Instruments”, “Repurchase Agreements/Reverse Repurchase Agreements and Securities Lending” and “Securities Financing Transactions Regulation Disclosure”. Any engagement activities undertaken by the Fund relating to securities lending during the Period were conducted in accordance with the Policy, including, where relevant, in relation to voting activity of the Fund at general meetings of the investee companies.

**4.3 *Whether investment decisions have been made based on evaluation of medium to long-term performance of the investee company, including non-financial performance***

Investment decisions by the Company during the Period were based on a variety of factors as described in the Prospectus and Policy which may include an evaluation of the medium to long-term performance of an investee company, including an evaluation of the non-financial performance of the investee company.

**4.4 *Whether conflicts of interests have arisen in connection with engagements activities and how the Company has dealt with them***

Disclosures in relation to conflicts of issues relevant to the Fund (including in connection with any engagement activities pursuant to the Policy) are set out in the section entitled “General - Conflicts of Interest” and “General - Best Execution” of the Prospectus.