

# The Shareholder Rights Directive and UK Stewardship Code

December 2025

## Commitment to the UK Stewardship Code and the Shareholder Rights Directive

### Shareholder Rights Directive

Under Rule 2.2B of the Financial Conduct Authority's ("FCA") Conduct of Business Sourcebook, Capula Investment Management LLP ("Capula" or the "firm") is required to develop and publicly disclose an engagement policy as described in the revised Shareholder Rights Directive (the "SRD II") or provide a clear and reasoned explanation of why it has chosen not to develop and adopt a shareholder engagement policy.

Under Rule COBS 2.2B.9 of the FCA's Conduct of Business Sourcebook, Capula is required to make certain disclosures to relevant Shareholder Rights Directive institutional investors ("SRD Institutional Investors"). Please refer to the Regulatory Disclosures for each Capula fund, available on the Capula website.

### UK Stewardship Code

Under Rule 2.2.3R of the FCA's Conduct of Business Sourcebook, Capula is required to include on its website a disclosure about the nature of its commitment to the UK Financial Reporting Council's Stewardship Code (the "Code") or, where it does not commit to the Code, its alternative investment strategy. The Code is a voluntary Code and sets out a number of principles to engagement by investors with UK issuers. Investors that commit to the Code can either comply with it in full or choose not to comply with aspects of the Code, in which case they are required to provide an explanation.

### Capula's Investment Approach

The firm is a global investment manager managing absolute return, enhanced fixed income, volatility, and tail risk strategies. As such, the firm invests in a wide variety of asset classes, but principally in fixed income products, on behalf of its clients.

The firm does invest a comparatively small portion of its overall assets in publicly listed equity securities, principally in accordance with volatility, equity RV, event driven, systematic, and other equity derivatives trading strategies. Typically, listed equity exposure is held via equity swap positions, and therefore without voting rights.

Accordingly, Capula does not generally participate in the proxy voting process and has determined further that given the relatively small position sizes and generally short holding periods, as well as the largely quantitative basis for the trading strategies, it would be impractical for the firm to have active engagement with company management or participate in the proxy voting process. In addition, the firm believes that the operational cost and time involved in such activities would outweigh any potential benefit to the trading strategies deployed by the firm on behalf of its clients.

However, principally in relation to event-driven equity trading strategies, Capula may hold voting shares in listed companies and may exercise its voting rights in relation to merger-relevant listed securities.

## Application to Capula

The firm is supportive of the objectives that underlie the Code and the SRD II, however, the firm does not consider it appropriate to adopt a shareholder engagement policy as described by SRD II or to commit to the voluntary Code. The firm has determined that its investment strategies and operational structure, as described above, are generally incompatible with shareholder engagement activities.

Capula will keep this position under review and will update this section on its website accordingly if there is a change in approach.