

UK STEWARDSHIP POLICY

CHURCH HOUSE INVESTMENT MANAGEMENT

Introduction

Church House's approach to the UK Stewardship Code (The 'Code') will be outlined in this document. The Code is primarily targeted at our UK assets, although, where applicable we endeavour to apply the same principles to our international holdings.

The UK Stewardship Code

The UK Stewardship Code was first published in July 2010 by the Financial Reporting Council ('FRC') with an aim to enhance the long-term returns to shareholders via improvements in the quality and quantity of engagement between investors and companies. The Code highlights seven key principles, which promote good practice in the engagement between institutional investors and investee companies, applied on a 'comply or explain' basis.

The Code's principles are stated below:

1. Institutional investors should publicly disclose their policy on how they will discharge their stewardship responsibilities.
2. Institutional investors should have a robust policy on managing conflicts of interest in relation to stewardship which should be publicly disclosed.
3. Institutional investors should monitor their investee companies.
4. Institutional investors should establish clear guidelines on when and how they will escalate their stewardship activities.
5. Institutional investors should be willing to act collectively with other investors where appropriate.
6. Institutional investors should have a clear policy on voting and disclosure of voting activity.
7. Institutional investors should report periodically on their stewardship and voting activities.

Church House Approach

Church House's investment objectives are closely aligned with these seven principles. Recommended changes to the Code bring a more welcome focus in defining stewardship as 'looking after the assets of beneficiaries that have been entrusted to the care of others'. This approach is central to our investment philosophy in that we take a long-term view and manage assets for professional and retail clients as if it were our own. As active investors in both the UK and global markets, we place great importance on closely monitoring the companies in which we invest. We do this via frequent attendance of company presentations, engagement with company management teams, and continuous research and analysis in order to maintain a solid financial picture of the current and future value of stocks we hold. At each step, our stewardship responsibilities are carefully considered. We review our Stewardship Policy annually, or sooner, should policy changes be implemented.

Principle 1: Institutional investors should publicly disclose their policy on how they will discharge their stewardship responsibilities.

Church House strives to maximise value for its clients via the careful management of its funds and underlying investments. There are a multitude of factors our fund managers take into account when considering an investment. Our active-management approach promotes regular communication and monitoring of investee companies in order to best assess corporate governance strategy, investment risk and long-term performance prospects. Our stewardship policy perfectly complements Church House's investment objectives in monitoring and, if appropriate, engaging in active constructive dialogue to create and sustain value for our clients. Church House's policy promotes voting at AGMs, EGMs and corporate actions, should this be in the interest of our clients, and especially if direct communication with an investee company fails to satisfy our concerns.

Principle 2: Institutional investors should have a robust policy on managing conflicts of interest in relation to stewardship which should be publicly disclosed.

Church House have implemented all reasonable steps in order to avoid any conflict of interest, in line with our Conflict of Interest Policy, which can be found on our company website: <https://www.ch-investments.co.uk/site/assets/files/1103/conflicts-of-interest-policy.pdf>. Church House endeavours to act in the best interest of all clients, where conflicts of interest may occur between Church House and our clients, or within our client base. Should a conflict of interest or potential conflict arise, employees are required to report to the Compliance Officer. Once the conflict has been identified, senior management will carry out the necessary steps in order to mitigate this conflict, and where suitable, notify the client. Any (potential) conflicts of interest aim to be handed fairly and efficiently. Situations in which conflicts of interest are more susceptible to occurring include, but are not limited to, personal account dealing or possession of restricted information belonging to a Church House client, potential client, past client or publically traded security, the information of which would benefit Church House or its clients.

Principle 3: Institutional investors should monitor their investee companies.

Our fund managers and research analysts dedicate the majority of their time monitoring investee companies and assessing whether they remain a suitable investment for each respective fund. A non-exhaustive list of the process in which we achieve this is through company results presentations, analysis of financial results, public statements, corporate strategy, capital allocation, management remuneration incentives and 'one-to-one' meetings with management. Should it be in the interest of shareholders, Church House may engage in active communication with an investee company's board and/or senior management in order to reduce any potential loss of value for shareholders.

Principle 4: Institutional investors should establish clear guidelines on when and how they will escalate their stewardship activities.

Should Church House have any concerns with an investee company and/or the potential for a loss of value to our shareholders, we will in the first instance engage in confidential and constructive communication directly with senior management. Should we feel that our concerns are not being handled appropriately, we will meet with Board member(s) or company advisors in order to put forward our proposals and views. Only as a last resort would we partake in external dialogue by collaborating with other shareholders, or vote against management and/or shareholder proposals at the investee company's general meeting. At each stage, the extent to which we will escalate the matter is dependent on the nature and value of our investment, but above all will be conditional on our shareholders and their best interests.

Principle 5: Institutional investors should be willing to act collectively with other investors where appropriate.

Church House may seek to engage with other shareholders via both formal and informal avenues, should this lead to more effective discussions in addressing material concerns with an investee company. The shareholders with whom we would collaborate would have to share both our investment fund objectives and our concerns about the investee company. In each instance the fund manager will review the situation on a case-by-case basis, pursuing a course of action that is in the best interests of all clients. Situations where it may be suitable to act collectively with other shareholders could be if Church House perceive there to be a lack of conviction in the corporate governance or business strategy of an investee company, or if we are not convinced the remuneration scheme is consistent with the interests of shareholders. Church House is averse to collaborate with other shareholders should this impede on our duty to act in the best interest of our clients or should it be perceived as 'acting in concert' with fellow institutional investors. No legal or regulatory duty should be compromised with a decision to act collectively.

Principle 6: Institutional investors should have a clear policy on voting and disclosure of voting activity.

Church House follows a policy to vote at AGM and EGM shareholder proposals and corporate actions, conditional on the best interests of clients; however, this policy need not be applied should no vote be more favourable. The decision to vote is also influenced by the size/value of the shareholding our clients hold. This policy will be reviewed annually.

Principle 7: Institutional investors should report periodically on their stewardship and voting activities.

In order to keep our clients conversant on how we carry out our stewardship responsibilities, we will report annually on our website. We remain available to respond to any questions our clients might have with regards to our stewardship policy.