



Landseer Asset Management (UK) LLP

Stewardship Policy

Q1 2024

LAM (UK) LLP considers itself to have an important fiduciary duty to protect the interests of investors. Part of our role as an investment manager is to engage with investee companies in order to satisfy ourselves that they are acting in the best interests of shareholders. We believe that shareholder engagement can help to support good corporate governance. This is important not only because it advocates shareholder interests directly, but also because of the wider benefits it can have from an economic, social and environmental perspective. Shareholder engagement is fully integrated into our investment strategy and processes, from our initial research, pre-investment due diligence through to the ongoing monitoring of investee companies. We seek to establish a dialogue with investee companies so that we can share our objectives and expectations in an open and transparent manner. We hope that, by doing so, important decisions at our investee companies will always be made with shareholders' interests in mind.

Overview

The need to engage with investee companies is particularly we want to make sure that the companies we invest in are run on a sustainable basis, meaning that they will continue to generate sustainable profits and increase in shareholder value over the long term. Our primary concern is to ensure that the company continues to allocate capital in a manner which creates value for shareholders. We are also concerned with the structure of management remuneration. We encourage our investee companies to reward management in a way which promotes long term, sustainable growth, and which ensures that the interests of management are aligned with the interests of shareholders. It is important to note that, although we engage with all investee companies and vote on all corporate governance issues, we are not an 'activist' shareholder. In other words, we do not seek to effect disruptive change. Our strategy is to invest in good companies. If we thought that significant change was required for a company to deliver a good return, we wouldn't invest in the first place. It should also be noted that we are subject to strict regulatory and contractual limitations which prevent us from exerting a significant influence on the companies in which we invest. Therefore, we will only ever be a minority shareholder.

Principals

The following sections set out how we will seek to uphold the Principles of the UK Stewardship Code and complies with FCA's rules relating to shareholder engagement:

Principle 1:

Institutional investors should disclose their policy on how they will discharge their stewardship responsibilities. We comply with Principle 1 through the publication of this policy on our website. This policy sets out our approach to stewardship, voting and engagement with investee companies.

Principle 2:

Institutional investors should have a robust policy on managing conflicts of interest in relation to stewardship, and this policy should be publicly disclosed. We have a conflicts of interest policy, through which we maintain a record of actual and potential conflicts faced by LAM (UK) LLP, together with a description of the way in which each conflict is, or would be managed. The policy will be updated annually, or on an ad hoc basis as any new conflicts arise. The policy covers all types of conflict faced by the Firm, including those which may arise through our stewardship and voting activities. On a case by case basis, we will consider whether the exercise of our stewardship responsibilities, the pursuit of a particular governance objective in an investee company, or the exercise of a proxy vote on behalf of investors might create the possibility of a conflict, either between LAM (UK) LLP (or a member of personnel) and a client, or between one client and another. In the event that a material conflict arose, the Chief Executive Officer will be responsible, having discussed the situation with the Firm's Executive Management Committee for ensuring that decisions are taken in the best interests of investors. If a conflict arises, a log will be maintained with details of the conflict, the chosen course of action, and a justification for the approach taken. Fortunately, it is unlikely that a



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material conflict would arise in relation to the discharge of our stewardship duties or the exercise of a proxy vote on behalf of our investors.

We also maintain a strict personal account dealing policy, whereby any personal trades in securities within our investable universe are subject to preapproval.

Principle 3:

Institutional investors should monitor their investee companies. The monitoring of investee companies forms an integral part of our portfolio management process. We will monitor and engage with investee companies in an appropriate and proportionate manner, based on the nature of our investment and size of holding. The initial decision to invest in a company is based on an assessment of whether it is a good company that possesses a defined set of characteristics. We have our own detailed research process. In our opinion, a good company will invariably have high standards of corporate governance. Any actions that we take to promote good governance should have a beneficial impact on shareholder value. Therefore, we believe that fulfilment of our 3 obligations under Principle 3 of the Stewardship Code goes hand in hand with our efforts to achieve a good rate of return for investors. In order to maintain investment performance, we periodically review the value of each investee company and ensure that it still meets our definition of a good company. This monitoring process involves both quantitative and qualitative elements. We will consider developments both internal and external to the company that drive the company's values and risks. Our engagement with companies is likely to involve meetings with management. In addition to these meetings providing information on the company's business, its strategy and development, through these meetings we will seek to satisfy ourselves that the company's leadership is effective. Whilst we will meet frequently with our investee companies to discuss issues such as management remuneration and the efficient allocation of capital, it is our policy not to be made insiders (i.e. we will ask not to be made privy to material, non-public, price-sensitive information).

Principle 4:

Institutional investors should establish clear guidelines on how and when they will escalate stewardship activities LAM (UK) LLP is a small team, which makes the process for escalating stewardship concerns straightforward. All members of personnel in research and investment engage with investee companies. If a member of personnel had concerns, he or she would raise this. Any additional action would be taken on a case by case basis. We may consider, for example, whether it would be appropriate to raise the concern with the company's advisers, hold separate meetings with the Chairman or other independent directors or potentially discuss the issue with other institutional investors. For the reasons set out below, it is unlikely that LAM (UK) LLP would engage in an intervention which could be considered to be an attempt to exercise significant influence over the company. Our overriding objective as investment manager is to protect the interests of our investors. We will engage with investee companies to support the continued creation of shareholder value. We apply this philosophy to all portfolios under our management, and limitations regarding holding size are written into the contractual terms of our appointment for each portfolio or fund.

Principle 5:

Institutional Investors should be willing to act collectively with other investors where appropriate We accept that collaboration with other investors could be an appropriate and effective means of engagement, and that this could help to achieve a positive result on behalf of our investors. In applying this Principle, however, we must keep in mind the regulatory and contractual limitations on significant influence referred to above. There are a number of issues which would need to be considered before engaging in any collective action, such as conflicts of interest, or the risk of acting as a concert party/engaging in collusive behaviour. We would most likely seek legal counsel before taking this course of action. If we felt that collective action was appropriate, and that it could help to achieve a positive result on behalf of our investors, it would be considered. We recognise that in certain situations it may also be appropriate to communicate with relevant stakeholders in an investee company, for example, bond holders, holders of hybrid equity



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instruments, lenders or other creditors of the company. We would expect these types of situation to occur only on an exceptional basis.

Principle 6:

Institutional Investors should have a clear policy on voting and disclosure of voting activity LAM (UK) LLP will vote on all matters for which it is eligible as proxy, and for which it has discretion to vote on behalf of its investors. LAM (UK) LLP uses a third-party system in addition to reporting from the Fund's depositaries to track corporate action activity, ensure that voting decisions are taken and implemented. We reserve the right not to vote if, for whatever reason, we consider that taking part in a particular vote would be inappropriate or detrimental to the interests of our investors. Where we exercise voting rights we will do so in a manner that is consistent with the best interests of the Fund and its investors or our client, as the case may be. We will always ensure that the exercise of voting rights is consistent with the investment objectives and policies of the relevant Fund or the mandate from the client.

Principle 7:

Institutional investors should periodically report on their activities in relation to stewardship and voting. We will review details of how we have exercised our voting rights in our annual reviews.