

FINDLAY PARK PARTNERS LLP

UK Stewardship Code

Statement of Compliance

Findlay Park Partners LLP (The “Firm”) is authorised and regulated by the Financial Conduct Authority (“FCA”) as a BIPRU Firm to carry out discretionary investment management business for Professional Clients. The Firm is a UK Investment Management Company whose clients consist of an Irish incorporated Undertakings for Collective Investment in Transferable Securities (“UCITS”) sub-funds and a UK Investment Trust for which the Firm manages one segregated portfolio.

The Firm’s investment philosophy has always been to provide the best long-term returns to clients and their underlying shareholders whilst trying to avoid individual stock losses and minimise the overall level of risk. Ongoing engagement with companies and voting decisions are an important part of the investment process therefore the Firm adheres to the UK Stewardship Code and its principles as set out in the following document:

Principle 1

“Institutional investors should publicly disclose their policy on how they will discharge their stewardship responsibilities”.

The Principles of the UK Stewardship Code are embedded into the Firm’s investment decision process. Continuous engagement and monitoring of investee companies are key components to our investment process in order to ensure that the best interests of our Clients are met at all times.

The Firm is committed to obtaining the best performance for its Clients and critical to this is investment expertise and portfolio management. The investment team consists of 12 investment professionals, 9 of which are Portfolio Managers who actively carry out their own research, governance is at the core of the investment decision process, poor governance is conducive to poor value creation for our Clients. Two or more members of the team will actively engage with all investee and potential investee companies on at least a semi-annual basis and more frequently if required. This enables the Firm to monitor changes in internal controls and investment strategy that could affect the interest of our clients. Our pro-active, engaged and in-depth approach allows mutually beneficial relationships to be fostered with top level management leading inevitably to client value protection and creation. This inherently creates a constant monitoring mechanism of investee companies where the aim is to leave no stone left unturned.

The Firm has a voting policy that has been approved by the Firm’s Risk and Compliance Committee which is available on the Firms website.

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”.

It is the Firm’s policy and duty to act in the best interests of all of its Clients. The Firm maintains a robust policy on managing conflicts of interest in order that its decisions are taken wholly in the interests of its Clients. In compliance with the FCA rules, the Firm has procedures designed to ensure that all potential and actual conflicts are identified, evaluated, managed, monitored and recorded. All reasonable steps are taken to prevent conflicts of interest. This includes considering matters such as company engagement and voting on shares held on behalf of its Clients. Should a conflict of interest arise, the Firm would take appropriate steps to ensure fair treatment of all clients including disclosure of the conflict to the affected clients (if it be deemed appropriate).

The Firm’s business activity presents limited conflicts of interests for the Firm to manage as its business activity is engaged solely in investment management on the behalf of two clients who follow the same investment philosophies and secondly, the Firm does not deal on its own account and will therefore only make decisions based on the best interests of its clients.

The Firm’s Personal Account Dealing Policy states that staff and other connected relevant persons are not permitted to invest in direct equity securities therefore removing the potential conflict of interest that could arise regarding voting. Additionally, persons in a position of significant influence are not permitted to sit on the board of companies that the client portfolios invest in.

If any conflict of interest did exist between the Firm, a client and/or the investee company with regards to a voting decision, it is the Firm's policy to vote in accordance with the recommendation from the Firm's voting service provider Institutional Shareholder Services ("ISS").

Principle 3

"Institutional investors should monitor their investee companies".

As outlined in Principle 1, research and monitoring is carried out by one or more Portfolio Managers according to their market expertise and experience. New ideas are pitched to the rest of the team on at least a weekly basis and a decision to invest in a new company will only be made after adequate direct engagement with the investee company regarding risk, strategy, corporate governance and operational matters, along with an in-depth review of available financial research to ensure that the best interests of a client are maintained.

The Firm's investment monitoring process aims to identify problems at an early stage and any concerns will be raised with the company's board or management in writing if it be deemed appropriate.

The Portfolio Managers receive alerts to all proxy votes for their companies along with recommendations and research advice from ISS. Portfolio Managers are responsible for the voting decision and casting of a vote. Final sign off on contentious issues are escalated to the Investment Committee for final sign off.

The Firm takes reasonable steps to prevent the Portfolio Managers from being exposed to material non-public information and therefore to not be made Insiders and all staff must report to the Compliance Officer if they have been made aware of any inside information in accordance with the Firm's Market Conduct Policy.

Principle 4

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

Portfolio Managers will only invest in a company where they have rigorously researched their corporate governance policy and engaged directly with the company's key associates in order to understand the business model, company strategy, governance and their attitude to risk management.

In the event where a company no longer meets the expectations of the Firm, the Portfolio Manager would attempt to speak to top level management to discuss any concerns at an early stage and garner a full understanding of any possible changes in the investee company and as such make timely decisions, this could include problematic remuneration and compensation policies. As an active manager the Investment Team's approach would be to divest if it felt that this would be in the best interests of its clients, such that the investee company no longer fits the Firm's suitability metrics and would actively seek other opportunities.

Principle 5

"Institutional investors should be willing to act collectively with other investors where appropriate".

It is understood that at times collaboration with other investors may be the most effective manner in which to engage. If we believe that acting collectively with other investors may enhance engagement we may do so, but equally we may choose to divest and actively seek other investment opportunities, any specific action will be considered on a case-by-case basis.

Principle 6

"Institutional investors should have a clear policy on voting and disclosure of voting activity".

It is the Firm's policy to cast a vote for each proposal or matter brought to the attention of the Firm. The Firm has a voting policy where voting recommendations are provided to the Portfolio Managers prior to votes being executed. Decisions are ultimately made by the Portfolio Manager responsible for the relevant investee company they are responsible for, ensuring that votes are exercised in the best interests of our Clients.

It is the Firm's opinion that when we do not support the recommendation of the board of an investee company or in circumstances which do not allow the Firm to support the board, we will register votes against such resolutions generally in advance of the meeting. Any decisions to vote against a company would be raised with the Chief Investment Officer before proceeding. This would be after they have reviewed the available information and the Firm has engaged with the company on any issues when appropriate, particularly where a conflict of interest could potentially arise.

The Firm uses ISS to register its institutional proxy votes and keep a record of the Firm's voting history. In order to provide consistency in line with market practice, the Firm uses the benchmark guidelines and voting

recommendations from ISS for the markets that the Firm invests in, on behalf of its clients. Voting recommendations and research from the provider are perused by the Portfolio Managers prior to votes being executed in order to make the most informed decision in order to adhere to their duty to protecting shareholder value.

It is currently not the intention of the Firm to enter into sales and repurchase agreements (repos), stock lending agreements, stock borrowing agreements or contracts for differences with one or more counterparties, therefore specific procedures to cover these circumstances are not required.

The Firm has a voting policy that has been approved by the Firm's Risk and Compliance Committee which is available on the Firms website.

Principle 7

“Institutional investors should report periodically on their stewardship and voting activities”.

The Firm will review this Stewardship Code Policy statement on an annual basis and update it as necessary to ensure that it reflects any changes that have taken effect.

The Firm maintains a record of all votes cast and allows detailed and relevant reporting to be produced for interested parties reiterating the Firms commitment to protection of our client's interests, which will include the rationale behind voting strategies.

The Firm is happy to respond to information requests from shareholders regarding our stewardship activities and details of past proxy votes are available to shareholders on the Firms website. We have gained independent assurance regarding our approach to stewardship as recommended by the UK Stewardship Code.

For further information regarding the UK Stewardship Code, please contact compliance@findlaypark.com or Tel +44 (0)20 7968 4900.

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