

Introduction

We believe that environmental, social & governance (ESG) factors can impact the sustainability of companies' and other issuers' financial returns. We therefore integrate ESG in our investment process by considering these factors alongside others which can have an impact on returns. We also recognise a fiduciary responsibility for the stewardship oversight of companies and other issuers whose securities we hold on behalf of our clients.

Engagement with investee companies and other issuers is an important element in both our ESG integration and our stewardship oversight. Where appropriate, we engage with investee companies and other issuers to understand them better, to monitor our clients' investment and to encourage them to be pro-active and transparent in the management of ESG and other risks.

Monitoring

As an integral part of our investment process, we monitor and analyse all companies and other issuers held in active portfolios. This may include the assessment of market data, publicly available information, consideration of ESG and voting research, attending meetings, and our own financial modelling.

Companies and other issuers held in active portfolios are discussed regularly within the investment team who consider strategy, financial and non-financial performance and risk, capital structure, social and environmental impact and corporate governance.

Engagement

Where appropriate, we meet the management of companies and other issuers as part of our active investment process. We engage to understand the approach that management is taking to stewardship and ESG matters.

Where appropriate, we raise ESG or other concerns with companies and other issuers where we believe it to be in the interest of investors.

Engagement may be undertaken through meetings, conference calls and correspondence.

Collective Engagement

Where appropriate, we engage with companies and other issuers alongside other investors to address systemic issues such as climate change or to reflect company specific concerns shared by investors. We are careful to ensure that we respect the rules about acting in concert and other forms of collective action.

Voting

We recognise the importance of voting rights and the overriding principle is that we will vote in the best interest of our clients.

We will vote against company management if appropriate, particularly where the management have not followed the combined code on corporate governance.

It is our policy not to abstain as we regard abstention as a vote wasted.

Crown Agents Investment Management Limited

Sutton, Surrey

June 2019