

# ENGAGEMENT POLICY

## BACKGROUND

The Shareholders Rights Directive (SRD) is a European Union (EU) directive (2007/36) and was implemented in 2007 to grant minimum rights to shareholders in EU listed companies. The SRD II (2017/828) came into force in June 2019, it substantially amends the SRD, encourages long-term shareholder engagement and enhances the transparency between EU-listed companies and their investors.

The main objectives of SRD II that have led to new requirements include;

- Ensuring that investors are encouraged to make decisions that promote the long- term life of companies in which they invest in
- Improve shareholder participation in corporate governance
- Promote transparency in the investment strategy
- Shareholders to have enhanced oversight on directors' remuneration
- Facilitate the identification of shareholders

## SHAREHOLDER ENGAGEMENT

Prior to investing in any London & Capital recommended equity, we carefully review that the company's track record of shareholder engagement has been compiled. Any Environmental, Social and Governance (ESG) and engagement issues are identified and discussed as part of the investment process.

At London & Capital (L&C), our long-term approach is central to our investment philosophy. And ESG-Aware investing is fundamentally aligned with the key tenet - investing for the long-term in assets with sustainability and resilience, where risks can be actively managed.

## MONITORING INVESTEE COMPANIES

London & Capital closely monitor the governance and strategy of companies that we invest in on a regular basis to keep abreast of strategic developments.

Extensive quantitative screening assessments are made at the initial investment phase as well as on an on-going basis to identify any financial and non-financial issues that may impact the performance of the company or the company's risk profile.

Capital structure is a crucial part of our investment process and we only invest in corporates that pass our internal criteria.

We utilise a custom-built screening process that quantifies ESG practices and apply a qualitative assessment from our internal based scoring system.

## DIALOGUE AND COMMUNICATION WITH INVESTEE COMPANIES

We have regular meetings with companies which we invest in on behalf of our clients.

We also monitor and review regulatory and other interested parties and input our feedback where appropriate with relevant stakeholders of investee companies.

## COOPERATION WITH SHAREHOLDERS

The Investment Desk are free to decide how to note the shares held by clients whose portfolios London & Capital manage.

We prudently review and monitor other shareholders engagement views when this is available and carefully consider the proposals being made.

## CONFLICTS OF INTEREST

We acknowledge that our engagement and voting may result in conflicts of interest. London & Capital is committed to identifying, monitoring and managing all actual and potential conflicts of interest. We have an established policy and procedure to identify and manage such conflicts.

In order to avoid any potential conflicts for individual London & Capital staff members arising from engagement with companies in which individuals have a personal interest or a close connection with a relevant individual. Where a staff member has a personal connection with a company, they are required to declare this and are not authorised to be involved with any engagement activities.

## VOTING BEHAVIOUR

We believe that exercising our voting rights positively contributes in promoting the long-term life of companies along with a wider responsible investment approach.

London & Capital cast votes via a proxy system which is always reviewed by our dedicated Investment Desk.

Our general approach is to vote in line with management guidance if we approve with the strategy, governance and agree with the overall policy as well as carrying out thorough assessments. In addition, taking into account ESG factors.

Our goal is to support high standards of corporate governance.

The value of investments and any income from them can fall as well as rise and neither is guaranteed. Investors may not get back the capital they invested. Past performance is not indicative of future performance. The material is provided for informational purposes only. No news or research item is a personal recommendation to trade. Nothing contained herein constitutes investment, legal, tax or other advice.

Copyright © London and Capital Asset Management Limited. London and Capital Asset Management Limited is authorised and regulated by the Financial Conduct Authority of 12 Endeavour Square, London E20 1JN, with firm reference number 143286. Registered in England and Wales, Company Number 02112588. London and Capital Wealth Advisers Limited is authorised and regulated by both by the Financial Conduct Authority of 12 Endeavour Square, London E20 1JN, with firm reference number 120776 and the U.S. Securities and Exchange Commission of 100 F Street, NE Washington, DC 20549, with firm reference number 801-63787. Registered in England and Wales, Company Number 02080604.