

## Framework

We act as stewards of our clients' assets and so we use our judgement to determine when to engage and how to vote at shareholder meetings to best protect the interests of our clients while being cognisant of the impact on all stakeholders.

It is essential to question and challenge investee companies on issues that we believe relate to responsible investing. CG Asset Management Limited ("**CGAM**") engages actively with the boards of investee companies, coordinates other shareholders and votes actively on behalf of the funds we manage with the explicit aim of improving corporate governance. CGAM has a track record of effective engagement frequently playing a central role in delivering change within the markets that we operate within.

We take the opportunity to vote seriously, as it enables us to encourage boards and management teams to consider and address areas that we are concerned about.

It is CGAM's policy to vote on Annual General Meeting (AGM) and Extraordinary General Meeting (EGM) resolutions, including shareholder resolutions, as well as corporate actions.

To apply this policy, we work with various industry standards, organisations and initiatives and actively participate in debates within the industry, promoting the principles of active ownership and responsible investment. For example, CGAM is supportive of and complies with the principles of the UK Stewardship Code and are signatories to the UN Principles of Responsible Investing.

## Process

CGAM has internal voting guidelines to assist in the assessment of resolutions and the identification of contentious issues.

We look to discuss with companies any relevant or material issue that could impact our investment. We will ask for additional information or an explanation, if necessary, to inform our voting discussions. If we decide to vote against the recommendations of management, we will endeavour to communicate this decision to the company before the vote along with our explanation for doing so. Collaborative engagement can also provide a platform to engage on wider sector, regulatory and policy matters with investors and other stakeholders.

CGAM is open to working alongside other investors on both policy and company specific matters. The decision to collaborate on company specific matters will be judged on a case-by-case basis by the investment team.

## **Conflicts of interests**

CGAM is majority owned by an Employee Ownership Trust and we see ourselves very much as a partnership which aligns our interests with those of our clients. As staff share in the long-term profitability of the firm, they are interested in investment returns and client relationships that are sustainable.

Should there be conflicts of interest on voting or engagement exist between CGAM and/or a particular client and our wider client base, it is CGAM's policy to act in the best interests of all our clients. In order to further eliminate potential conflict of interests, the justifications and the decision making process on every item are clearly documented.

We have published an annual report, which presents our approach to responsible investment and stewardship activities in detail.

In line with the SRD II requirements, we disclose resolution level voting data on our website for all equity holdings which are holdings in other Collective Investment Schemes including investment trusts and ETFs in our absolute return funds: CG Absolute Return Fund and CG Portfolio Fund.

We review CGAM's voting results on a quarterly basis. We currently regard these processes as sufficient but we will review the necessity of an external audit on an annual basis. CGAM can also provide clients with specific information on stewardship activities. These reports can include a statistical summary of the number and types of resolutions we have opposed, a detailed report listing all the resolutions we voted on and a summary of our engagement highlights and key ESG issues.