ASH PARK CAPITAL LLP

SHAREHOLDER ENGAGEMENT POLICY

Effective as of 1 August 2021

In accordance with the FCA's implementation of the EU Shareholder Rights Directive II ("SRD II"), we are required to describe how we engage with the companies in which we invest on behalf of our clients, including how we monitor these companies, and to disclose certain of our voting activities in respect of these companies.

As set out under SRD II, our practices concerning the key principles of shareholder engagement follow.

- ***Our investment strategy***

We are long-only investors in quoted equities. Ash Park's strategy is to invest in a concentrated portfolio of high-quality Consumer Staples companies listed primarily in developed markets, but with significant underlying sales exposure to emerging and frontier markets as well. We concentrate on businesses with clear opportunities to grow indefinitely while generating high returns on the capital required for growth.

The Ash Park Global Consumer Staples Strategy was conceived as a way of combining wealth protection and good long-term capital growth for investors through exposure to a high-quality global portfolio of branded Consumer Staples companies. We define branded Consumer Staples companies as those that operate in the Food, Beverage, Tobacco and Household & Personal Care sectors (we therefore exclude Food Retailers and commodity food producers, which are typically included in third-party Consumer Staples indices, from our investable universe).

We view the Consumer Staples sector as an unusually rich source of 'compounders': companies that are able to grow earnings and dividends at attractive rates year after year. Not all Staples companies are compounders, and not all compounders are Staples companies, but we feel that there are enough high-quality Staples businesses to create a good, low-volatility portfolio, and by specialising on this group of companies we can focus all our efforts on one industry rather than trying to become expert in many.

The critical factor in the success of Consumer Staples companies is consistency; growth is steady and does not require lots of capital investment, giving scope for attractive dividends or share repurchases instead. Consumer Staples is rarely the most exciting sector in stock market terms, doesn't produce the instant gratification that investors often seem to seek, but it is relatively immune from the cyclicality and technological or fashion changes that hold back returns elsewhere.

The fact that the businesses and brands in our portfolio have been around for so long gives us a lot of comfort. Consumers come back to brands they know and trust in the developed world, and they are aspirational to the growing middle classes in emerging markets. It is these brands that allow their owners to generate high and sustainable margins and underlying returns on capital.

Our preference is to buy-and-hold great businesses for the long term and, therefore, our portfolio turnover is very low by industry standards.

- ***How we integrate shareholder engagement into our investment strategy***

In effect, we subcontract our portfolio to the boards and managers of the companies in which we invest. For our portfolio to continue to compound over time, we need our investee companies to maintain the discipline to make the investments – not just in capital expenditures, but also future-oriented operating expenditures on market research, product and service innovation, market development and brand building – required to underwrite growth over the long term in a rapidly changing world.

Engagement with company management is therefore an essential part of our investment process. We meet regularly with company management and attend company shareholder events such as capital market days, quarterly conference calls and other roadshows.

In scrutinising a company as a potential investment, should we find that we have major disagreements over strategy, capital allocation or operating philosophy, our practice is simply not to invest in the first place. If such divergence develops after we have invested in a company, then we consider selling the holding.

- ***How we conduct dialogues with investee companies***

Ash Park has no operational or capital control over its investee companies. Simply, we do not invest in companies requiring strategic or operational intervention. Our engagement with our investee companies is not for the purpose of participating in the formulation, determination, or direction of their business decisions which is the preserve of company management. Our focus is primarily on capital allocation and capital distribution.

We see it as one of our responsibilities, as shareholders, to promote long term thinking in how they manage the business, accepting that sometimes a near-term drop-in profit to promote investment can be beneficial to the long-term outcome. We therefore share with senior management and interested parties our views on having a long-term mindset. We believe that managers (i) should act like owners, (ii) be encouraged to balance growth and returns and (iii) be paid for what they manage. We look at the incentives and other mechanisms proposed by board committees against these principles.

It is our policy generally not to be restricted by the receipt of sensitive non-public information and therefore our dialogue with companies is conducted in such a way as to manage and mitigate the risk of being provided with price sensitive non-public information.

- ***How we monitor investee companies***

We continuously monitor investee companies on a range of factors including all aspects of their corporate governance and sustainability taking into account company strategy, financial and non-financial performance and risk, capital structure and management response to matters important to their consumers and customers, such as social and environment issues.

Our ongoing monitoring involves the internal analysis of publicly available data provided by investee companies, regulatory authorities, the news media, research providers and consultants, as well as the input from company meetings and events as described above.

- ***How we exercise our voting and other shareholder rights***

Proxy voting is an important way for us to engage with management teams of our investee companies. We translate our investment philosophy directly into the voting decisions we make at annual general meetings of shareholders. We vote all proxies in accordance with our Proxy Voting Policy with our Portfolio Managers being responsible for determining how to vote. We are not guided by the services of an external proxy voting adviser or in-house corporate governance specialist.

As our investment philosophy is premised on investing in high quality companies with good overall governance, we will typically vote with management. However, where we believe management's recommendations are not in the long-term best interests of our clients, for example in relation to their remuneration policies, we will vote against such proposals.

We have adopted proxy voting procedures designed to ensure that we act in the best interests of our clients.

- ***Cooperation with other shareholders***

We engage with companies directly and on a confidential basis strictly for the purposes of carrying out research into and monitoring of investee companies. We do not seek to ascertain other shareholders' views in relation to our investee companies and it is our practice not to cooperate and/or vote in concert with other shareholders.

- ***How we communicate with relevant stakeholders of our investee companies***

Communications typically are not undertaken with stakeholders e.g. company employees, bondholders, trade unions, customers and/or suppliers, but in the event that this was considered appropriate, communication would be undertaken in the same way and with the same controls as if we were talking to the company itself.

- ***How we manage actual and potential conflicts of interest in relation to our engagement***

As a fiduciary, we have a duty to place the interests of our clients before our own. We maintain policies designed to avoid or manage conflicts of interests. The key policies that we have adopted which address conflicts of interests that may arise in relation to our shareholder engagement include our Code of Ethics, Conflicts of Interest Policy and our Proxy Voting Policy, as well as policies relating to the UK Bribery Act and Market Abuse, including insider dealing.

Our Code of Ethics, *inter alia,* places a strict prohibition on our staff and their related persons from trading in the securities of our investee companies or of companies contemplated for our client accounts and/or any security that is on our restricted list, in the unlikely event that we have been made an 'insider'. More generally, no personal trades in securities may be undertaken where a conflict of interest arises.

It is our policy that our staff may not engage in any external business activities or associations unless these are not inconsistent with the interests of our clients. We also require our staff to report any instance of a family member serving as an officer, director, or partner of a public or private company so that we may assess and manage any conflicts of interest arising.

Additionally, our staff may not accept from any person any benefit or inducement which might be seen as conflicting with their duties to Ash Park or to any of our clients. We permit minor non-monetary benefits such as conferences/seminars/training events relevant to our investment business, and hospitality of a *de-minimis* value. Business entertainment and gifts are similarly subject to strict restrictions on value and frequency. All instances of gifts (given or received) to third parties, if not *de-minimis*, must be reported, as must all instances of third-party business entertainment.