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SHAREHOLDER ENGAGEMENT POLICY

The FCA requires that firms disclose their commitment to the Financial Reporting Council's Stewardship code. We seek to comply with the principles of the Stewardship Code, but we are not currently signatories as we believe that due to AMR's scale an independent audit of our engagement and voting processes would not be to the benefit of stakeholders relative to the costs incurred.

1. HOW DO WE DISCHARGE OUR STEWARDSHIP RESPONSIBILITIES?

The overarching principle for our activities relating to the management of the IFSL AMR Diversified Portfolio is to act in the best interest of investors as we look to achieve the Fund's stated objective over the long term. As part of detailed due diligence, shareholder engagement is central to this process. Investment in companies undertaking sustainable activities managed under a responsible structure will continue to be an important determinant of investment returns.

2. HOW DO WE MANAGE CONFLICTS OF INTEREST?

As AMR also manage funds for private clients, actual or potential conflicts of interest need to be carefully managed. Currently, we are unable to exercise voting rights for clients' discretionary holdings due to limitations of the discretionary platform. A detailed conflicts of interest policy can be obtained from our Compliance Director upon request.

3. HOW DO WE MONITOR INVESTEE COMPANIES?

Introduction

We appraise ourselves of the company's strategy through studying the management commentaries in company report and accounts, together with other presentations and other announcements. We also read analysts' research notes. If possible, we will have conversations with directors or investor relations representatives to gain a more detailed insight into company strategy.

Financial and Non-Financial Performance

At a summary level, we review financial performance from data and ratios in subscription-based information systems. At a more detailed level, we will review companies' financial performance from financial statements and accompanying notes in company annual and interim reports.

Companies also disclose non-financial targets via KPIs. As part of due diligence, these are reviewed and ongoing progress against key objectives monitored.

Risk

We consider risks to businesses as part of assessing potential investment opportunities as clearly manifestation of risk can damage an investment case. As well as our own consideration, as part of the annual report and accounts, companies disclose their assessment of business risks and how they intend to mitigate them. We will review this disclosure and if necessary, challenge management if we feel that further explanation is required.

Capital Structure

Capital structure of companies is assessed to ensure that as ordinary shareholders we will not be disadvantaged by actions of other major shareholders. We like to see a broad shareholder base, with directors owning significant amounts of shares so that interests are aligned. Share options awards should be structured such that they provide a genuine incentive for management to act in the benefit of stakeholders rather than themselves. Debt is reviewed to ensure that it is affordable in terms of both ongoing interest payments under a range of revenue fluctuations. In addition, upcoming debt repayments are reviewed to ensure that they will not put pressure on a company's liquidity. Care is taken to ensure potentially damaging liabilities such as lease payments are taken into account as part of a company's overall capital structure.

Social and Environmental Impact

Good social and environmental practices are important, as failings can manifest in unexpected risks to earnings and reputation of investee companies. Whilst we do not 'screen' for ESG issues (we are not yet convinced that there is sufficient standardisation in criteria), we remain alert for risks such as environmental damage, employee treatment particularly in respect of pay equality and general employee satisfaction, and supply chain risks. Sources reviewed would include ESG disclosures in company accounts, and online searches. We will look to challenge company management on ESG issues should the need arise.

Board Structure

We look for a broad and experienced board, where appointments are made on merit. We accept that remuneration needs to be set at a level that attracts and maintains talented directors and as such may be optically 'high' in the context of national averages, but pay needs to be consistent with both the size of companies and the value added by particular directors. As such, we will review performance-related elements of remuneration to ensure that they represent ambitious but achievable goals to contribute to the long-term success of the business.

4. WHEN DO WE ESCALATE STEWARDSHIP ACTIVITIES?

AMR is a 'passive' investor rather than an activist. We believe that as shareholders, we are entrusting company management of companies that we favour to act in our interests and should not seek to influence strategy directly by buying shares in businesses where we see scope for improvement and then agitating for change. If we believe that companies are no longer acting in shareholders interests, then this would feed into our decision to hold shares as a long-term investor.

5. WHEN DO WE COOPERATE WITH OTHER SHAREHOLDERS?

We may act or vote in concert with other shareholders where we feel that there is a benefit in being part of a collaborative effort in order to influence management action that could destroy value.

6. WHAT IS OUR VOTING POLICY?

We review all AGM and EGM voting agenda items. The majority of AGM agenda items are concerned with the ongoing administrative functions of companies such as reappointment of auditors or accepting the accounts. In these cases, where we vote, our default position is to vote with company management. However, where there is an unusual agenda item (e.g corporate action, such as a merger or takeover, share issuance or special distribution to shareholders) we vote on a case by case basis where we believe that management or an external influencer is not acting in shareholders' interests.

We do not use voting advisory services, and we do not engage in stock lending.

Our voting record is available upon request.