



# GWA Asset Management Engagement Policy

## Purpose

Under the Shareholder Rights Directive, as transposed into FCA requirements within COBS 2.2B.5R, GWA Asset Management (GWAAM) is required to develop and publicly disclose an engagement policy that meets the requirements of COBS 2.2B.6R.

We are also required to publicly disclose on an annual basis how the policy has been implemented. This policy is designed to meet these requirements, and will be made available, along with the requisite annual disclosures, on [www.qualisfunds.co.uk](http://www.qualisfunds.co.uk), in accordance with COBS 2.2B.8R.

An engagement policy is required by all firms that invest on behalf of investors in shares traded on a regulated market. In this instance, “shares” does not extend to the COLL definition (which includes shares in ICVCs) and only relates to share or stock in the share capital of any corporate body and any unincorporated body outside the UK.

## Responsibilities and Application

### Integration of shareholder engagement in investment strategy

The Investment Risk Committee (“IRC”) is responsible for the framework and setting the policy. The compliance department are responsible for periodic reviews of the fund managers’ policies and engagement in corporate actions. The fund management department are responsible for reviewing compliance reports related to third party managers.

Our business model can be divided into two categories. Internally managed funds, including delegated investment management; and operating as a host ACD, where an investment manager appoints us to operate their fund.

In both categories we will seek to ensure that the investment management teams engage appropriately with investee companies, which will form part of our annual review. Engagement across our funds will vary depending on the investment process, scale of the investment manager and the investment mandate. As a minimum we expect investment managers to vote in the interest of investors on corporate actions and have an engagement policy that meets our own standards. Where investment management is delegated or we operate as a host ACD, investors should consult the investment manager’s own Engagement Policy.

## Monitoring of Investee Companies

All of the assets included in the funds managed directly by GWAAM are third party collective investment schemes. We expect the third-party fund managers to adhere to the Stewardship code, monitor their investee companies on a regular basis and to have their own voting and engagement policies.

The GWAAM compliance department will perform initial and subsequent risk-based governance due diligence reviews (at least every 3 years) on third party fund managers on behalf of the fund management team. As a part of this review, GWAAM will assess whether the Stewardship policy of the manager is sufficiently robust and complies with the requirements of the FCA. GWAAM will also review the company's engagement in corporate actions. All reports will be made available to the fund management team, which holds the accountability for maintaining relationships with the delegated fund managers. This accountability also extends to conducting ongoing dialogues with delegated fund managers.

The GWAAM Compliance team may also ask for MI demonstrating voting patterns and any decisionmaking processes from the GWAAM's fund management team and delegated fund managers.

## Exercise of voting and other rights

Most of the assets included in the funds managed directly by GWAAM are third party collective investment schemes. GWAAM receive notifications of votes directly as Agent, or via the Custodian who is the registered shareholder. Notifications are forwarded to the Investment team who decide.

Delegated fund managers are expected to act in accordance with their engagement policies and in the best interest of investors. GWAAM Fund Management will not engage in voting for delegated fund managers. The GWAAM compliance department will perform periodic reviews of the delegate manager's policies and exercise of corporate actions.

## Cooperation with other shareholders

Where we deem it appropriate and effective, we may engage collectively with other investors where it may be beneficial. As we manage multiple collective investment schemes, where management is split between more than one party, it may be beneficial or required that we work collaboratively. Collaboration will be on a case-by-case basis and co-ordinated by the Investment Operations Team.

## Communication with investee companies' stakeholders

The funds managed directly by GWAAM have fund of funds structures and exposures to investee companies are held passively via investments in collective investment schemes. Under normal circumstances, GWAAM are not expected to communicate with investee companies' stakeholders directly, unless we deem it appropriate and necessary.

Delegated fund managers are expected to have established lines of communication with the investee companies. Communication with investee companies' stakeholders will be determined by the delegated fund managers engagement policy.

## Conflicts of Interest

The framework for the identification and prevention (or management) of conflicts of interest is clearly set out in our Conflicts of Interest policy. Compliance maintains the conflicts of interest register and corporate governance requirements ensure that existing conflicts are discussed at the Risk Committee and all new conflicts must be disclosed at all formal committees.

**Application** This policy will be reviewed at on at least an annual basis and will be approved by the Investment Risk Committee. The annual disclosure of how the policy has been implemented will include:

- A general description of voting behaviour;
- An explanation of the most significant votes;
- The use of any proxy advisors;
- How votes have been cast in the general meetings of companies in which the schemes hold shares (where these votes are significant, considering the subject matter of the vote or the size of holding).

The annual disclosure will be generated by the Fund Management team and once approved by the Investment Risk Committee, will be published on [www.qualisfunds.co.uk](http://www.qualisfunds.co.uk)