



Equitile Statement
on
the Financial Reporting Council's Stewardship Code
February 2020



Introduction and overview

The following statement is placed on the Equitile website, www.equitile.com, reflecting our position on the Financial Reporting Council's Stewardship Code in accordance with our obligations under Rule 2.2.3R of the Financial Conduct Authority's Conduct of Business Sourcebook

Equitile's FRC Stewardship statement:

Equitile Investments Ltd is the manager of the Equitile Resilience Fund which invests in companies across a range of jurisdictions including the UK. Accordingly, the aims of the Financial Reporting Council's Stewardship Code (the "Code") is relevant to Equitile.

Equitile fully supports the stated aims of the Code, to promote long term success of companies in such a way that the ultimate providers of capital also prosper.

We believe high quality corporate governance, encouraged by active stewardship by institutional investors, is in the best interests of investors, companies, and society at large. As professional institutional investors, we therefore give high regard to our corporate stewardship responsibilities. Specifically, this is reviewed as part of our investment process and where necessary through engagement with company management we seek to encourage companies to:

- manage their financial affairs in a responsible, conservative, fashion which values long term survival and growth over short term, unsustainable, share price appreciation
- to adopt sensible remuneration policies genuinely align the interests of management with the providers of capital, both equity and debt
- foster a culture of creativity and innovation which permit adaptability to changing economic circumstances

Equitile's position on the seven principles of the code are set out below

Principle 1: Institutional investors should publicly disclose their policy on how they will discharge their stewardship responsibilities

Before investing in either the debt or equity of a company Equitile conducts rigorous quantitative and qualitative due diligence to establish that the company meets Equitile's resilience criterion.

Wherever appropriate Equitile seeks to engage with company management, in order both to understand their policies and to help them understand the criterion we use to assess their own governance.

If we find ourselves in a situation in which we are obliged to divest of an investment for reasons of corporate governance, we will seek to explain our rationale to the management concerned.

Similarly, where we identify companies where we feel prevented from investing for reasons of corporate governance we will, if we deem it appropriate, seek to explain our rationale to the company's management.

Principle 2: Institutional investors should have a robust policy on managing conflicts of interest in relation to stewardship, which should be publicly disclosed

Equitile makes investment decisions based on its clients' best interests and seeks to act in its clients' best interests at all times. Equitile has a conflicts of interest policy included in its Compliance Manual, which is subject to routine compliance monitoring.

Equitile notes the potential for a conflict of interest between the interests of our clients and the actions necessary to promote good corporate governance via responsible investor stewardship. Specifically, a situation may arise whereby we feel obliged to divest of holdings in a company, for reasons of corporate governance, and thereby lose our ability to influence management decisions. We seek to mitigate this problem by, whenever appropriate, communicating the rationale for our divestment to the company's management.

Principle 3: Institutional investors should monitor their investee companies

As professional investors, we monitor all the companies in which we invest on an ongoing basis. This function is central to our investment process and explained fully in our process presentations.

Principle 4: Institutional investors should establish clear guidelines on when and how they will escalate their stewardship activities

Equitile does not have formal procedures on how stewardship activities are escalated. We believe implementing such procedures could act against the best interests of our clients.

Where appropriate Equitile favours a flexible approach including but not limited to: discussions on a confidential basis with an investee company, meeting with the chairman/other board members, intervening jointly with other institutional investors, making a public statement in advance of a General Meeting, submitting resolutions and speaking at General Meetings, requisitioning a General Meeting, or proposing changes to Board membership.

Principle 5: Institutional investors should be willing to act collectively with other investors where appropriate



Equitile does not anticipate circumstances in which it is likely to become involved in collective action with other investors. Nevertheless, we would be willing to engage in collective action if we believed it in the best interests of our clients.

Principle 6: Institutional investors should have a clear policy on voting and disclosure of voting activity

Equitile will exercise our proxy voting rights where we believe such action is in the best interests of our clients. Equitile does not have a policy of supporting the board of a company automatically and may vote against the board if appropriate.

We believe it is usually in the best interests of our clients to keep our voting decisions confidential. Our voting record is available to our clients upon request. We reserve the right to make our voting public if we believe this to be in the best interest of our clients.

Equitile manages aspects of voting in line with requirements laid out in COLL for regulated funds (specifically COLL 6.6A.6R) and will provide details of its approach to voting to unit holders upon request.

Principle 7: Institutional investors should report periodically on their stewardship and voting activities

Equitile maintains an internal record of all voting and engagement activity.

Equitile makes such information available to unit holders as required under COLL 6.6A.6R.