



## UK Stewardship Code Disclosure 2020

GuardCap Asset Management Limited (“GuardCap” or the “Firm”) is a London-based investment manager that is authorised and regulated by the UK Financial Conduct Authority (“FCA”). GuardCap is a wholly owned subsidiary of Guardian Capital LP (GCLP), a Canadian limited partnership which is regulated by the Ontario Securities Commission and by the US Securities and Exchange Commission (“SEC”). The ultimate holding company of GuardCap and of GCLP is Guardian Capital Group Limited, which was founded in 1962 and the shares of which are listed and quoted on the Toronto Stock Exchange. GuardCap focuses solely on managing Global Equity and Global Emerging Market equity portfolios.

This document describes how GuardCap has applied the seven principles of the UK Stewardship Code (the “Code”), which is overseen and published by the Financial Reporting Council. Below we disclose the nature of our commitment to the Code and where, if at all, we do not commit to the Code we state clearly our alternative investment strategy – the Code is applied on a “comply or explain” basis.

The Code aims to enhance the quality of engagement between institutional investors and companies with the aim of improving long-term shareholder returns and encouraging enhanced corporate governance at portfolio investment companies.

The following sets forth the seven principles of the Code and outlines how GuardCap believes it fulfils each of those principles:

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

Our primary stewardship objective is to maximise shareholder value by securing good corporate performance. We aim to protect this value by ensuring that our investee companies operate within principles of good corporate governance. The social and environmental consequences of corporate activity are increasingly important to some of our clients and are in any event important factors in determining the creation and maximisation of shareholder value over the long term. Core to GuardCap’s investment processes are activities that are at the core of and consistent with stewardship; with our experienced Portfolio Managers engaging with investee companies and potential investee companies on strategy, performance, risk, capital structure and corporate governance. In particular GuardCap considers it to be of paramount importance when assessing proxy voting responsibilities on behalf of its funds and segregated accounts to recognise the fiduciary responsibility it assumes in acting as an investment manager. GuardCap also recognises the need to exercise its proxy voting obligations with a view to enhancing our clients’ long-term investment values. GuardCap has a documented Proxy Voting Policy.

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

We have implemented ‘Proxy Voting’ and ‘Conflict of Interest’ policies to ensure that proxy voting decisions are handled appropriately where there is a potential conflict of interest. We may have a conflict of interest that affects how we vote on behalf of a client. Irrespective of the specific issue, votes are only cast in the best interest of the client that ‘owns’ the vote. For this reason, we will not vote shares in one client’s account in a manner designed to benefit or accommodate any other client or ourselves. If a material conflict exists, we will determine whether voting in accordance with our standard policies is in the best interest of each client. We will also determine whether it is appropriate to disclose the conflict to the affected clients and give them the opportunity to vote their proxies themselves.

GuardCap maintains a robust policy to seek to identify and manage conflicts of interest that ensures our decisions are taken wholly in the interest of our clients. In compliance with the FCA rules, GuardCap takes a risk-based approach to identify areas of potential conflict of interest, to manage and mitigate conflicts of interest, and to consider all conflicts when designing and implementing policies and procedures. A copy of GuardCap’s Conflict of Interest Policy is available upon request from GuardCap’s Compliance Officer.

**Principle 3: Institutional investors should monitor their investee companies.**

Comprehensive and continuous proprietary research and monitoring of investee companies is essential to and at the core of GuardCap’s investment process. GuardCap utilises various research and support tools to meet this principle. GuardCap may from time to time choose to become insiders. In such a case, robust procedures are in place to prohibit the use and dissemination of inside information.

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

GuardCap takes an active approach to communicating its views to companies where it believes there are issues that will impact shareholder value. GuardCap prefers to build effective relationships with the management and boards of these companies in private discussions. Should this approach not be successful GuardCap would consider, in appropriate circumstances, other strategies (for example but not limited to expressing concerns through the company’s advisers, or meeting with the chairman or other board members).

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

Should occasion arise, GuardCap may find it preferable to work with other shareholders of an investee company to effect change. Before entering into collaborative engagement

initiatives, GuardCap take into account potential conflicts of interest and the regulatory implications of its actions.

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

GuardCap has a documented Proxy Voting Policy. A copy of GuardCap's Proxy Voting Policy is available upon request from GuardCap's Compliance Officer. GuardCap does not disclose this information to non-clients. GuardCap works with third party vendor electronic voting services are used (such as Broadridge Proxy Edge), unless specifically requested not to by clients. GuardCap does not carry out stock lending on the accounts it manages.

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

Due to underlying client confidentiality and investment or engagement strategy reasons, it may not always be appropriate to disclose voting actions at a detailed level. GuardCap's clients can request information about proxies voted and issues raised at meetings of investee companies. GuardCap does not disclose this information to non-clients.

We do not obtain an audit opinion on engagement and voting processes having regard to standards as set out in AAF 01/06. We have internal controls in place to ensure compliance with policies on engagement and voting.

General statements:

For further information on GuardCap's application of the Code please contact our UK Compliance Officer, Arieta Koshutova at [akoshutova@guardiancapital.com](mailto:akoshutova@guardiancapital.com)

This statement of compliance with the Code was last reviewed in March 2020, and will be reviewed no less frequently than annually.

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