

Shareholder Engagement Policy

Quality Shares Portfolio

This document outlines Wealth Club's approach to Shareholder Engagement. It is required by Article 3g of the European Shareholder Rights Directive II (SRD II), as amended, and COBS 2.2B of the FCA Handbook. Wealth Club has adopted a proportionate approach as the portfolio is new and is expected to commence trading in March 2023.

The Shareholders Rights Directive II aims to promote effective stewardship and long-term investment decision making by enhancing the transparency of asset managers' investment strategies. An engagement policy should describe how an asset manager monitors investee companies on relevant matters, conducts dialogues with investee companies, exercises voting rights and other rights attached to shares, cooperates with other shareholders, communicates with relevant stakeholders of the investee companies and manages conflicts of interests.

MONITORING OF INVESTEE COMPANIES

Prior to investing, the Portfolio Manager assesses the business model, competitive position, key risks, management and culture of an organisation. This typically includes a detailed financial history going back at least ten years (ideally incorporating the 2008/09 financial crisis).

The Portfolio Manager uses a detailed checklist to assess the business and to provide a view on its cash generation and financial resilience.

This investment checklist is used to monitor existing holdings.

The checklist for each company is updated at least annually, so changes to any risk factors can be tracked. The checklist draws on company results and trading statements, annual reports, webcasts, management/industry presentations and capital markets events. The portfolio manager supplements this with third party research and meetings with company management/investor relations, where appropriate.

There is a formal review of the portfolio at least once a quarter by the portfolio manager, directors and at least one other member of the Wealth Club investment team. In advance of this meeting the portfolio manager will outline the overall performance of the portfolio relative to its benchmark – the IA Global sector, key contributors and detractors, relevant portfolio developments, including any changes to the portfolio and general market commentary.

There is no specific monitoring of social and environmental impact.

DIALOGUE AND ESCALATION

A key part of the Portfolio Manager's investment process is to assess the management and culture of companies, drawing on publicly available materials such as annual reports, reviews from customers and current/former employees and meetings/dialogue with management, where appropriate.

If the Portfolio Manager considers material weaknesses exist in the management and culture of a company, the portfolio will not invest new money into a business.

At the time of writing this policy, the portfolio manager does not hold enough influence to be able to escalate matters with management of existing holdings. For an existing holding, if new material weaknesses come to light, the position is expected to be sold.

The portfolio manager believes companies are often slow to admit that change is required, and even slower to implement it. In the meantime, considerable shareholder value is often destroyed. Moreover, an activist approach can be time consuming and distracting.

PROXY VOTING

The Portfolio Manager takes fiduciary duty seriously and votes to create long term stakeholder value.

The Portfolio Manager expects to vote on mandatory corporate actions in the best interest of the underlying beneficial shareholders unless there is a plan to sell the company from the portfolio imminently. The Portfolio Manager will consider the specifics of each situation and apply considered judgement.

COOPERATION WITH OTHER SHAREHOLDERS

The Portfolio Manager is potentially limited by concert party rules however is open to cooperation with other shareholders, where this is likely to be in the best interests of investors.

COMMUNICATION WITH RELEVANT STAKEHOLDERS

The Portfolio Manager has reasonable access to management, in some cases through direct relationships and in other cases through corporate brokers such as Numis and RMS Partners, which act on behalf of a company. Access to other stakeholders is limited, however for many companies there is a wealth of information online (e.g. customer and employee review websites), which the Portfolio Manager will draw on where appropriate, along with third party research.

Conflicts of Interest

Wealth Club has a company-wide policy on

Conflicts of Interest and Personal Account Dealing. All employees are required to comply with these policies, and we have in place arrangements to prevent or manage any conflicts identified. A copy of our conflicts policy is available to clients on request.

DISCLOSURE

This document will be reviewed and updated on at least an annual basis.