

The UK Stewardship Code

Rathbone Unit Trust Management (“RUTM”) supports fully the principles enshrined in the UK Stewardship Code (“the Code”), which was introduced by, and is overseen by, the Financial Reporting Council.

RUTM manages a range of authorised and unauthorised collective investment schemes and invests, on behalf of unit-holders, in companies on a medium-to-longer-term view of the quality of the individual companies.

Discharging our responsibilities to investors:

RUTM looks for companies which are well managed, and whose senior management and board have a clear understanding of the requirements of longer-term investors. We expect there to be evidence of high standards of corporate governance and behaviour.

We will form a view on the strengths and behaviours of the management team, and will have regular meetings with them following investment. During these meetings we will consider, amongst other matters, the quality of the company’s financial statements and reports, the effectiveness of its board of directors and its control over remuneration and service contracts.

It is our normal practice for an investment director within the Group to seek to meet a company’s senior management team before committing unit-holders’ funds to the company’s shares. We accept this may not always be possible for FTSE 100 companies.

Strategy on intervention in the management of companies in which we invest:

If as a result of our oversight of a company, for example during the course of our routine meetings with senior management, we identify concerns which might affect the potential longer-term performance of the company’s shares we will raise them at the time. We recognise that, in many cases, we will not hold sufficient of a firm’s voting rights to influence the board’s behaviour. In such cases we may sell our holdings in the event of senior management failing to act on our concerns.

There will be instances when we control sufficient of a company’s shares to be in a position to be effective in influencing a board’s actions. We accept that a company’s management team is in the best position to control its day-to-day activities and to manage the company’s business affairs effectively. However, there will be occasions from time-to-time when we will have concerns over, by way of example, strategy, performance, acquisitions and disposals, and remuneration policies. We will raise these concerns with the board and seek appropriate explanations and a satisfactory response.

In the event of our failing to engage the board fully, and in the absence of a suitable response, we will consider further courses of action which will include writing formally to the company's board, voting against company management or selling our holdings. In appropriate circumstances, we may take action in co-operation with other like-minded investors.

Proxy Voting:

We have adopted a policy of exercising our proxy votes in companies in which we control 2% or more of the voting rights. Generally, we shall support a company's management, providing they comply with the United Nations Principles for Responsible Investment ("UNPRI"), or do not pursue a course of action which we believe will have an adverse effect on the longer-term value of its shares. Full details of the UNPRI principles can be found at www.unpri.org/principles.

We accept that RUTM is not in a position to influence all the companies in which we have holdings, either by way of personal intervention or by proxy voting. Our approach to a proper exercise of our proxy voting includes our intention of using the services of an independent corporate governance specialist. This introduces an objective perspective, which assists in addressing any potential conflicts of interest which might arise when considering how best to exercise our voting rights. RUTM's over-arching responsibility is to the unit-holders in our funds so, consequently, there may be occasions when we decide to vote other than in accordance with the specialist's recommendations. When this occurs we will document fully the reasons for our decision. These records will be retained and will be available, upon request, to investors and the Trustee of our funds.

Reporting:

We have decided that the most appropriate medium for reporting our proxy voting record is by means of the long form annual report and audited accounts, which we publish every year in accordance with the accounting timetable for each individual fund. These reports are available from RUTM free of charge. The voting record will highlight those cases where we have voted either against management, or against the recommendation of the independent specialist.

Contact:

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