

The UK Stewardship Code

Statement of Compliance

April 2015

ValueInvest Asset Management (ValueInvest AM) is a highly specialized investment management company based in the Grand Duchy of Luxembourg. The company pursues a unique value-oriented investment strategy and is solely engaged in equity investments.

ValueInvest AM constantly searches for high-quality businesses trading below their estimated fair value. The investment philosophy and disciplined bottom-up stock selection process are both based on fundamental equity research and have remained unchanged since the company was established in 1998.

ValueInvest AM supports all seven principles of the Stewardship Code.

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

The investment process of ValueInvest AM is a disciplined, research-driven bottom-up investment process, focusing on the fundamental solidity of businesses and assessment of the embedded risks. The strength of the process comes from independent and unbiased thinking. It is backed by an intensive in-depth fundamental analysis centred on understanding the nature and sustainability of how the businesses are creating value, including the associated risks.

The primary task is to identify businesses capable of sustaining the highest levels of wealth generation. We are concerned with the volatility of the operating profit attributable to the invested capital, since this volatility may result in a permanent loss of capital. Investing in companies with potential to enhance their quality features or businesses undergoing restructuring, demands higher risk premiums.

ValueInvest AM believes responsible and sustainable investing to be a significant component in accomplishing successful outcomes in the long term. In the fundamental company analysis, the portfolio management team evaluates the materiality and immediacy of a given issue which will generally determine the level of engagement. Any issue may eventually lead to changes in the portfolio allocation.

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

ValueInvest AM aims to avoid any potential conflicts of interest in advance. However, if a material conflict does exist, ValueInvest AM will seek to resolve the conflict in good faith and in the best interest of the clients. In regards to stewardship, the company has adopted a fully documented procedure on how to deal with potential conflicts of interests in connection with its proxy voting policies and procedures.

Principle 3 Institutional investors should monitor their investee companies

The nature of ValueInvest AM's investment approach usually leads to long term holding periods of each investment and thus low turnover of the portfolio. Therefore, the investment process followed relies upon a thorough analysis of each company, which leads to regular reviews of the long term validity of the investment thesis. The monitoring of each investment by publicly available information is by rotational principle directed to a quarterly changing member of the investment team, to always ensure a fresh look at the ongoing developments influencing the validity of the investment case. Company specific investment restrictions are hard-coded into the portfolio management system and will be addressed in case of breach.

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

ValueInvest AM monitors the development and assesses the progress of every company in which the company invests on behalf of clients. ValueInvest AM may also raise concerns in conference calls, in meetings with companies, or through correspondence. This case-by-case approach means that the company does not have a mechanistic escalation process. As long-term investors, ValueInvest AM prefers to work with companies over time to implement fundamental changes rather than promoting short-term fixes.

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

Following the investment approach, the investment team carefully selects only those companies for inclusion in the fairly concentrated portfolios which have undergone the rigorous research process and which fulfill all investment criteria. Due to the limited number of portfolio holdings and the positive selection criteria, situations requiring the consideration of collective engagement seem improbable and in the past such situations have led to selling a position. However, if it is deemed to be in the best interest of clients, collective engagement may be considered on a case-by-case non-mechanistic basis.

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

ValueInvest AM has adopted written proxy voting policies and procedures. The Proxy Policy is designed and implemented in a manner expected to reasonably ensure that voting and consent rights are exercised in the best interests of the Funds and their shareholders/investors. The Proxy Policy has been adopted by each fund and account managed, advised or sub-advised by ValueInvest AM as policies and procedures that ValueInvest AM will use when voting proxies or giving recommendation on voting proxies on behalf of the Funds.

With respect to the voting proxies, ValueInvest AM has selected an unaffiliated third party proxy research and voting service (“Glass Lewis & Co”) to assist in researching and voting proxies. With respect to each proxy received, the Proxy Voting Service researches the financial implications of the proposals and provides a recommendation to ValueInvest AM on how to vote on each proposal based on the Proxy Voting Service’s research on the individual facts and circumstances and the Proxy Voting Service’s application of its research findings to a set of guidelines that have been approved by ValueInvest AM. Upon the recommendation of the Investment Management Team, ValueInvest AM may determine to override any recommendation made by the Proxy Voting Service. In the event that the Proxy Voting Service does not provide a recommendation with respect to a proposal, ValueInvest AM may determine to vote on the proposals directly.

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ValueInvest AM does not engage in stock lending. Securities are held in client's custody and in case clients have decided to participate in stock lending programs, the company will not issue recommendations to recall lent stock for proxy voting. Voting activities are not disclosed publically, but are disclosed to clients as part of the quarterly reporting.

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

All proxy voting as well as other engagement activities are documented and recorded. ValueInvest AM fosters regular dialogue with investors and communicates with customers through monthly, quarterly, or ad-hoc meetings, conversations, and reporting in writing. All reporting is tailored to customer specific needs and include qualitative and quantitative reporting about proxy voting and governance related matters.

ValueInvest AM will supervise and periodically review its proxy voting activities and the implementation of the proxy voting policy. However, the Company abstains from obtaining an independent opinion on voting- and engagement processes.

Disclaimer:

The information provided reflects ValueInvest Asset Management's views as of a particular time. Such views are subject to change at any point and ValueInvest Asset Management shall not be obligated to provide any notice. While ValueInvest Asset Management has used reasonable efforts to obtain information from reliable sources, we make no representations or warranties as to the accuracy, reliability, or completeness of third party information presented herein. No guarantee of investment performance is being provided and no inference to the contrary should be made. There is a risk of loss from an investment in securities.

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