

Responsible Investment & Engagement Policy

Introduction

Lindsell Train Limited (Lindsell Train) is an asset management company that specialises predominantly in the management of Global, UK and Japanese equity portfolios. The primary aim of Lindsell Train is to protect and grow the real value of our clients' capital over the long term. To achieve this aim, Lindsell Train invests in what we have determined to be "exceptional" companies with the expectation of holding them for the very long term. We will always endeavour to act in the best interests of our clients as stewards of their capital.

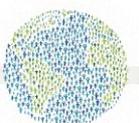
Investment approach

We aim to construct a concentrated portfolio of typically 20 to 30 companies that we believe are "exceptional" - that is durable, cash generative businesses that achieve higher than average returns on capital - at a significant discount to our judgement of their intrinsic value. All members of the Investment Team are generalist equity investors and they all contribute to the research process for Lindsell Train's strategies and ongoing monitoring. Any stock identified as a potential candidate for inclusion in the universe is analysed in detail and an intrinsic value is determined. Candidate investments are only selected from stocks listed in the universe. Portfolio construction is entirely bottom-up and index agnostic. All investments are selected on their own merits.

Environmental, Social and Governance (ESG) Integration

As long-term investors our aim is to identify companies that can generate long-term sustainable growth. We have historically found that such companies more often than not exhibit characteristics associated with good corporate governance and responsible business practices. Indeed, we believe that companies that observe high standards should increase their chances of survivability. To that end our analysis and company engagement strategy seeks to incorporate all factors that we believe will affect the company's ability to deliver long term sustainable value to shareholders. Such factors include, but are not limited to; corporate strategy, operating performance, competitive positioning, governance, environmental factors (including climate change), social factors, remuneration, reputation and litigation risks, deployment of capital, regulation and any other risks or issues facing the business. Thus, whilst not a separate function, our evaluation of ESG factors is a natural part of our investment process.

As a product of our investment philosophy, we do not invest in capital intensive industries (energy, commodities or mining) or any companies involved in the extraction and production of coal, oil or natural gas. We also avoid industries that we judge to be sufficiently detrimental to society that they may be exposed to burdensome regulation or litigation that could impinge on financial returns (e.g. tobacco, gambling or arms manufacturers). Finally, we note that other holdings in our portfolio play an



important positive social role, for example through providing access to education or encouraging saving for the future.

Engagement Policy

Engaging with and monitoring investee companies is an essential element of our investment strategy. The team's monitoring includes reviewing annual reports and accounts, together with other publicly available information, and meeting with company management, when appropriate, on an ongoing basis. All members of the Investment Team are involved in this process.

When we meet with company management we will engage with them on all factors that we believe will affect the company's ability to deliver long term sustainable value to shareholders. As a result of our long term investment horizon, we build relationships with investee companies over a number of years and we generally find management appreciative of our views and observations. We seek open and constructive dialogue with management and board members, in order to broaden our knowledge of the company's strategy, operations and risk identification and management, and to ensure any concerns we might have are assuaged. Our experience has demonstrated that constructive dialogue has more often than not resulted in satisfactory outcomes. However, where we have specific concerns with management's strategy, company performance (financial and non-financial), and risk profile, or where we deem it necessary to protect our clients' interests, we will consider escalating our engagement.

If we become aware of a significant governance issue a member of the Investment Team will make clear our concerns and expectations. In most circumstances we arrange a meeting with board members, or if appropriate with the company chairperson or the senior non-executive director. The feedback from these meetings is then discussed amongst the Investment Team who will decide whether the response requires escalation. Usually we will consider writing to management, making a public statement or, in more extreme circumstances, we might initiate collaborative engagement with other shareholders. Our preference however is for private and confidential conversations, as this enables us to build a more effective relationship with boards and management.

If we do not believe that raising our concerns in these ways is having the desired effect we will, where appropriate and if possible, use our voting rights. As our holdings in individual companies tend to be large, our votes often carry significant weight.

Finally, if concerns are raised with an investee company about fundamental changes to the business model on which we do not receive sufficient comfort, then in an extreme case Lindsell Train would think seriously about disposing of the position, should we believe that action to be in the best interest of our clients.



Conflicts of Interest

Lindsell Train has a strong culture of compliance and all staff are expected to exercise their business dealings with the highest standards of integrity. We seek to always act in the best interests of our clients and where possible avoid conflicts. Occasions may arise where a conflict or perceived conflict of interest exists. In such instances, we have put in place a framework of policies and procedures which govern our approach to conflicts and how we manage them. The first step is to identify any conflicts that might arise, we then determine how we can either avoid or manage those conflicts to ensure that the best interests of our client(s) are met. If we are unable to manage a conflict of interest satisfactorily we will disclose the conflict to the client.

Lindsell Train conducts an annual risk assessment and maintains a conflicts register. All identified conflicts of interests are reported at least annually to senior management. The compliance department carries out a periodic review of identified conflicts to ensure that appropriate steps have been taken to address and manage them.

Lindsell Train's Conflicts of Interest policy can be found on our website.

Proxy Voting

The primary voting policy of Lindsell Train is to protect or enhance the economic value of its investments on behalf of its clients. Lindsell Train's Portfolio Managers are responsible for proxy voting decisions and it is our policy to exercise all voting rights which have been delegated to us by our clients. Proxy voting decisions are the result of careful judgement in order to ensure the best possible outcome to generate long-term shareholder value. The manager will vote against any agenda that threatens this position, in particular concerns over inappropriate management remuneration or incentives, changes in capital structure and mergers or acquisitions which are seen as detrimental to the investment held. Where we plan to abstain or to vote against a resolution, contrary to management advice, our intentions will be communicated to the company management in advance of voting.

Lindsell Train has appointed Glass Lewis to aid the administration of proxy voting and provide additional support in this area. It is important to stress however that the portfolio managers maintain final decision making responsibility, which is based on their detailed knowledge of the companies in which we invest, as this forms an important part of our investment process and proactive company engagement strategy.

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