

Smith & Williamson Investment Management LLP and The UK Stewardship Code

Smith & Williamson complies with the UK Stewardship Code (“the Code”) which was issued by the Financial Reporting Council in July 2010 and amended in September 2012, in respect of our activities for professional clients. This document summarises how we apply the seven principles of the Code. “Stewardship” means the way in which we look after our clients’ interests and manage their investments by monitoring actively the companies in which we invest on their behalf.

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

It is Smith & Williamson’s policy to take an active approach on behalf of its clients to the rights and obligations which come with share ownership.

We assess continually the performance of the management of companies in which we have invested and whether or not our clients’ interests are being best served. Effective monitoring of investee companies is fundamental to fulfilling our responsibility to our clients. An investment is unlikely to be made if we have significant concerns about either management or matters of corporate governance.

Discretionary proxy voting decisions, where they are deemed appropriate, are taken internally by the relevant Smith & Williamson investment manager with our clients’ best interests in mind. We do not use voting advisory services and we do not lend stock to third parties.

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

We are committed to the effective management of potential conflicts of interest on behalf of our clients when engaging with investee companies and when exercising our clients’ voting rights.

Where we do identify a conflict of interest, our clients’ interests will be protected in accordance with the recommendations of the Code.

A more detailed summary of our conflicts of interest policy can be found at Appendix 4 to our Terms & Conditions and is available upon request.

Principle 3 – Institutional investors should monitor their investee companies

Our investment policy relies upon long term investment rather than a continual turnover of clients’ shareholdings. As such, careful monitoring of the strategy, performance and management of investee companies is a fundamental and integral aspect of our investment process.

Principle 4 – Institutional investors should establish clear guidelines on when and how they will escalate their activities as a method of protecting and enhancing shareholder value

Where we have concerns about the performance or strategy of an investee company or where we have reason to believe that our clients' rights as shareholders are being compromised in any way, we may escalate our involvement with investee companies. Our engagement with investee companies is generally achieved by means of direct contact with management, although other steps may be taken where we consider it appropriate.

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

Our long term investment policy and rigorous research process mean that it will rarely be necessary for such collective action to be taken. However, if such collective action is deemed to be in the best interests of our clients, it may be taken and in such circumstances we will liaise with other like-minded shareholders in our clients' best interests.

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

When we make voting decisions, we will always act in a manner consistent with our clients' best interests. We will also endeavour to engage with investee companies where possible and appropriate. Records of our votes on behalf of particular clients are available to those clients upon request. However, because of our confidentiality obligations to our clients, our voting records are not made generally available.

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

We report regularly to our clients on investment activity and, where it is considered relevant to the client, those reports will include details of our stewardship and voting activity on the client's behalf.

September 19, 2014