

COLUMBUS POINT LLP

Shareholder Engagement Policy
incorporating a Statement of Commitment to the EFAMA Stewardship Code

1 December 2019

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Introduction

Columbus Point LLP (“Columbus Point”, the “Firm”) is a London-based global equity manager founded in June 2017. The Firm seeks to maximise performance for sophisticated clients through a single product, the Columbus Point Global Equity Strategy (the “Strategy”). The Firm has built a robust operating environment based on global best practice standards to appropriately support the Strategy and assets under management.

Columbus Point augments investment performance with best-in-class corporate governance. Effective engagement between institutional investors and the companies in which they invest supports this objective. To this end, Columbus Point has adopted this Shareholder Engagement Policy incorporating its commitment to comply with the principles contained in the European Fund and Asset Management Association (“EFAMA”) Stewardship Code (the “EFAMA Code”). Columbus Point is also a signatory to the United Kingdom’s Financial Reporting Council (“FRC”) Stewardship Code 2012 (the “FRC Code”). Columbus Point’s Statement of Commitment to the FRC Code is found [\[here\]](#).

Principle 1 - Asset managers should have an engagement policy available to the public on whether, and if so how, they exercise their stewardship responsibilities. Where asset managers decide not to develop an engagement policy, they should give a clear and reasoned explanation as to why this is the case.

Columbus Point acts in the best interests of its clients, seeking to optimise investment returns for our clients through investment in well-governed companies. We carry out comprehensive research on our investee companies, including monitoring relevant environmental, social and governance (ESG) factors, and aim to build, where appropriate, effective relationships with these companies.

As part of our monitoring of investments, and subject to regulatory restrictions, we may engage with companies through meetings or other communication with senior management or directors on a range of issues including strategy, performance, remuneration plans, capital structure and corporate governance.

We will engage with companies where necessary in order to understand the impact of these issues on both shareholder returns and broader society (or stakeholders). The latter is particularly relevant to ESG: we track a broad range of relevant ESG factors for each company in which we are invested, measuring and monitoring both absolute outcomes as well as the “direction of travel”. In order to promote and encourage improved sustainability, we will regularly highlight to management any concerns we may have regarding outcomes or disclosure.

Where concerns are identified, we would initially seek to allay these through engagement with the company directly through meetings or communications with company senior management, escalating to the Chairman, Chief Executive Officer, or Senior Independent Director if required. We see such engagement as invaluable in enhancing and protecting value on behalf of our clients (see Principle 2).

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Principle 2 - Asset managers should monitor their investee companies, in accordance with their engagement policy

Comprehensive ongoing research and monitoring of all aspects of investee companies, including strategy, financial performance, capital structure, and ESG impact, is fundamental to our investment process.

Our monitoring process includes: recording interactions with the management of both investments and other companies which we have identified as potential investments, analysing annual reports and financial statements, studying industry data, reading independent third party and broker research, attending company meetings, reading proxy voting corporate research provided by Glass Lewis Europe Limited (“Glass Lewis”) and studying other relevant sources of information. We may also meet with competitors of our investments in order to gain a fuller understanding of the competitive environment.

We have adopted a thorough approach to monitoring our investments’ ESG exposures and policies and their impact on the stakeholder community (see Principle 1). As the modern public company has become increasingly capital-light, we believe the true role of the public equity investor has shifted from provision of capital to stewardship of capital, with one aspect of stewardship meaning holding management to account for their business’s impact on society. With that objective, for each of our investments we perform a thorough analysis of all key ESG factors, even where they are unlikely to affect equity returns. This research will draw upon third party data and analysis, as well as the company’s own reports. Having carried out that research, we will then seek to engage with management to raise any concerns or to gain greater insights into the challenges they might face.

Principle 3 - Asset managers should establish clear guidelines on when and how they will escalate engagement with investee companies to protect and enhance value of their clients’ investments

Shareholder engagement will normally be conducted through meetings with management, through written communication, and through the annual company voting cycle.

As highlighted above, the investment team monitors a range of factors for each of its investments. Where the team believes an investee company is underperforming on any of those factors, and as a result is failing to optimise shareholder or stakeholder value, it will address the issue with company’s senior management.

Under certain circumstances, however, we will escalate the concern directly to the board of directors. Although it is not possible to produce a comprehensive set of circumstances in which this might occur, this is likely to include situations where we believe management is conflicted, where there are claims of illegal activity or risk of regulatory penalty, and where our research has highlighted poor corporate governance or ESG failings.

Where an issue has been raised, Columbus Point will continue to meet with representatives of the company and monitor developments to assess changes in the company’s approach. We will follow the course of action that is in the best interests of our clients with any such action tailored to the particular circumstances, which may include reduction or elimination of an investment.

In general, Columbus Point is unlikely to make public statements, submit resolutions, requisition a general meeting or make a shareholder proposal. We believe that any escalation is typically best carried out on a confidential basis.

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Principle 4 - Asset managers should consider acting with other investors, where appropriate, having due regard to applicable rules on acting in concert.

Our engagement with companies is typically carried out privately. We aim to have well established, long-term relationships with investee companies and believe that private engagement allows us to engage in a more purposeful dialogue. We may, however, communicate with other shareholders on a specific issue and would consider working with like-minded investors where we believe that co-ordinated action would be in the best interest of shareholders.

Columbus Point will not agree to vote in concert with other shareholders without prior written approval from our Compliance Officer.

Principle 5 - Asset managers should exercise their voting rights in a considered way

Columbus Point maintains proxy voting policies and procedures that are designed to ensure that it votes available proxies in the best interests of its clients. It seeks to exercise all of its voting entitlements and to vote at each available opportunity, including at Annual General Meetings and other company meetings. Our voting entitlement consists of all voting shares held, as Columbus Point does not engage in stock lending activities. We accept delegation from our clients to vote proxies on their behalf in line with their investment objectives with the intention of maximising value.

Each vote is always fully reviewed and considered. Columbus Point uses Glass Lewis for the provision of analysis and recommendations on how to vote. These recommendations are typically based on a principle of maximising shareholder value and/or corporate governance.

Following analysis of the topics involved, including the company and third-party recommendations, the investment managers will determine how they wish to vote. Voting recommendations, research and proxy-related services provided by Glass Lewis, will be considered by the investment managers as part of their decision-making, but they may take a different view once all the issues have been considered. By reviewing each vote, the investment managers keep abreast of corporate and other issues arising and can positively impact the strategy and direction of companies in which our clients invest.

In cases where Glass Lewis recommends a vote against management, we may consider it appropriate to contact the company directly to better understand the issues.

Principle 6 - Asset managers should disclose the implementation and results of their stewardship and voting activities.

An annual summary of our voting activity, including the extent to which recommendations made by our proxy voting and voting advisory service (Glass Lewis) are followed, will be disclosed in this document and on our website.

Detailed information on how we vote on all issues is disclosed to clients on request, including, where requested, the reasons we chose not to follow voting recommendations. Subject to regulatory requirements, such information reported, its frequency and format will be as agreed between Columbus Point and the respective client.

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Institutional investors, as defined in the directive known as Shareholder Rights Directive II, which includes providers of life assurance and occupational retirement schemes, either as clients or as an investor in Columbus Point funds, are provided with additional annual transparency information. Disclosure of Columbus Point's Strategy, its implementation and investment risks, portfolio composition, turnover and costs, how investment decisions are based on financial and non-financial performance measures, and how the investment has contributed to the institutional investor's performance is provided to such investors.

An annual summary of our voting activity will be reported in this document and on our website. This will include a general description of our voting behaviour, an explanation of the most significant votes, including how we have cast votes in general meetings of investee companies, unless they are insignificant, and reporting on our use of the services of proxy advisers. Insignificant votes may include votes cast on purely procedural matters or votes cast in companies where Columbus Point has a very minor stake compared to holdings in other investee companies.