TELLWORTH

RESPONSIBLE INVESTMENT POLICY

EXECUTIVE SUMMARY

- Seeking both financial returns and positive ESG outcomes are **complementary goals**
- We aim to achieve this by capturing ESG risk in our portfolios and acting as stewards of our clients' capital to promote positive change
- In-house bottom-up **ESG risk scoring**, **engagement** and **voting** are our tools
- The responsible investment process is **owned and managed by the investment team**

Introduction

Responsible investment at Tellworth means seeking financial returns for our clients but doing so in a way that considers the impact the businesses in which we invest have on the environment and society. Our investment process captures ESG risks and opportunities in our portfolios and, in our role as stewards of our clients' capital, we utilise engagement and proxy voting as tools to promote positive outcomes that align with a responsible investment approach. We believe that as an independent, founder-owned partnership, we are in a strong position to deliver on this.

We have a common objective across Tellworth's UK strategies, which is to improve our transparency and commitment to responsible investing. As we become more focussed and thoughtful about the long-term impact of the companies we own on behalf of our clients, our strategies will naturally evolve to encompass the shift we are seeing in demand for stronger fiduciary responsibilities. This builds on a strong foundation, as our UK strategies have always been run in a way that incorporates aspects of a responsible investment approach.

Tellworth is a signatory of the UN Principles for Responsible Investment and supports the principles of the UK Stewardship Code. Clients may request to receive our biannual Responsible Investment Update.

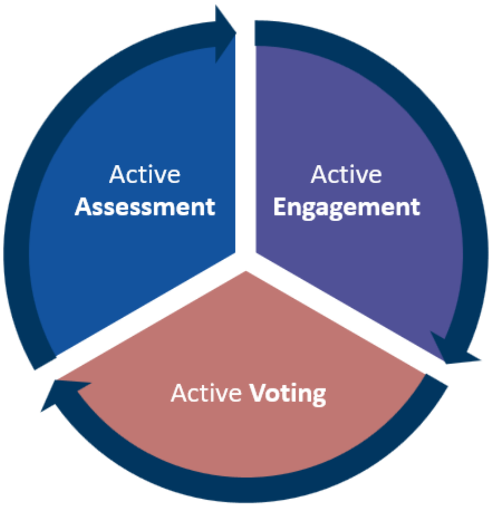
Responsible Investment Process

Actioning Tellworth's approach to responsible investment in practice is underpinned by two key goals:

- Measure, consider and manage ESG risk in our portfolios
- Act as stewards of our clients' capital to promote positive change

With both goals, we are proponents of an active approach, which refers to the investment team actively taking a view on ESG factors on a company-specific basis and seeking positive outcomes through engagement, rather than outsourcing either aspect to other providers or teams. This allows responsible investment principles to be integrated within the investment process in a way that is tailored to our investable universe and benefits from the broader experience of the investment team.

This leads to the three key aspects of our responsible investment process, each of which are interlinked:



Assessment
In-house ESG scoring measures portfolio risk and highlights areas for improvement

Engagement
Working with companies to address issues and progress ESG policy

Voting
Utilise proxy voting rights to seek change where engagement has not resolved an issue

Active
The investment team itself owns and implements all aspects of the ESG process

1) Active Assessment

Active Assessment addresses our goal to measure, consider and manage ESG risk in our portfolios. This involves applying an in-house ESG scoring framework on a bottom-up basis, which considers the ESG credentials of the business itself and the impact its products or services have externally.

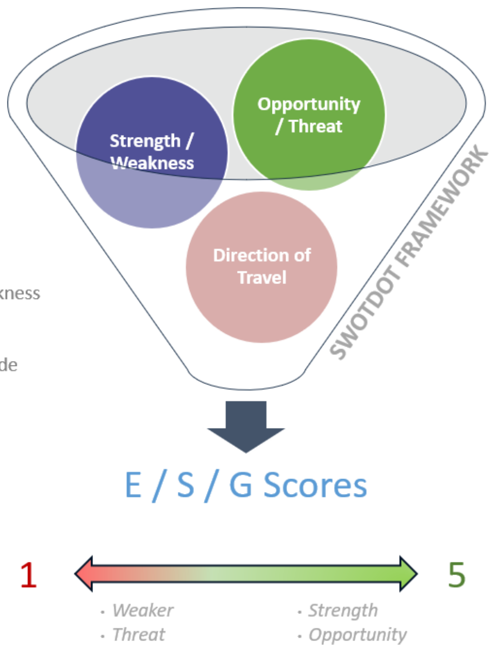
Implementation
We implement scoring using an in-house subjective scoring system, managed by the investment team using our 'SWOTDOT' framework. This considers Strength/Weakness, Opportunity/Threat and Direction of Travel by company from an ESG perspective. We decided to develop this proprietary bottom-up approach, rather than outsourcing to a third-party scoring provider, to ensure that the output is meaningful to our investment process and to address data shortcomings, particularly with smaller market cap investments.

Strength / Weakness
Performance of company today on ESG impact and disclosure

Opportunity / Threat
Upside or downside financial risk resulting from ESG strength or weakness

Direction of Travel
Strength of company's ESG strategy and degree of progress being made

Companies are assessed on an **absolute basis**, not relative to sector

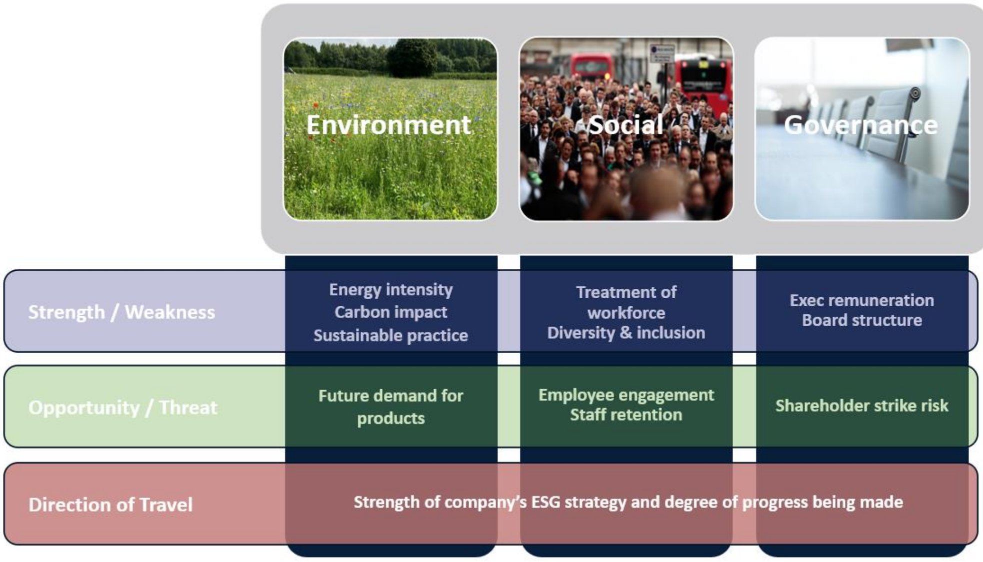


Each company in our portfolio and under consideration for investment is assessed against the overall investment universe and assigned a single score for E, S and G factors. These are aggregated to provide an overall portfolio score for E, S and G for each strategy.

We choose to assess companies relative to the overall investment universe, rather than to their own sector, as we feel that this better reflects the investment exposure that we provide to our clients and the overall ESG characteristics of a portfolio.

We believe that a bottom-up approach to ESG scoring is most fitting for the way in which we invest and allows us to have a consistent approach by company irrespective of market capitalisation. Our strategies span the entire UK market, with a varying degree of relevant data readily available. At the smaller end, there tends to be less accessible, standardised information from industry providers however our direct engagement with management and company-specific knowledge allows us to compensate. Our larger cap holdings will tend to have more ESG data disclosed but our ownership stakes will tend to be smaller, generally reducing the potential for direct engagement.

The following chart provides a high-level summary of the type of factors considered under each aspect of the framework. A more detailed overview of the scoring framework can be provided on request.



Information Sources

We have created an ESG Dashboard, which pulls in relevant information by company from third party sources to support the Strength/Weakness aspect of the decision. We also consider primary sources, such as annual reports and presentations. Our ESG assessment is supported by our knowledge of the companies as investors and our interaction with management.

Tracking

Rationales for scoring are tracked in our ESG Blotter, which also records voting rationales and company engagements. The scores are pulled into our portfolio overview sheets which are used as part of the day-to-day management of portfolios. Our ESG Dashboard also displays an ESG score heatmap by strategy.

Impact on Portfolios

ESG scoring is integrated in our active investment decision-making process across all our UK strategies. Investments scoring strongly will tend to be associated with larger position sizes, which is supported by our belief that companies positioned well for the rising importance of ESG will benefit from an additional tailwind, both in terms of earnings prospects and valuation. Furthermore, we believe that management teams taking a proactive, thorough and thoughtful approach to improving ESG outcomes will tend to be those most on top of their businesses, again reflecting positively on the company's outlook.

Whilst the identification of negative ESG attributes will not automatically preclude investment in a company, a poor ESG score will be considered as part of a holistic stock-level assessment process and detract materially from the likelihood of investment. Lower scoring companies within the portfolio are flagged for discussion by the investment team, to ensure that the ESG risk has been reflected appropriately in the position size or whether divestment should be considered.

Were there to be a significant deterioration in the performance of an existing holding from an ESG perspective, this could lead to divestment. However, there has not been an example of this situation in portfolios to date and we view the likelihood as low due to the stock selection process favouring companies with stronger ESG credentials at the outset.

Our goal is to achieve all long-book positions having a combined ESG score of 10+. This goal incorporates a stock selection skew towards higher scoring companies as well as our efforts to improve the ESG performance of existing positions through engagement and voting.

We monitor the portfolio-level scores, but this does not directly influence decision-making due to the bottom-up nature of the process, in terms of ESG factor assessment and the impact on position sizing.

ESG scores are updated on a dynamic basis but are reviewed at least annually for existing investments. If we perceive the ESG risk associated with an existing position to have increased, we tend to proactively engage with company management and boards to resolve issues. Unresolvable issues will be considered as part of a broader risk-reward assessment and may lead to divestment.

2) Active Engagement

Regular interaction with management teams is a key part of Tellworth's investment process, particularly for small and mid-cap stocks. Discussion of ESG topics as part of this engagement not only supports Active Assessment but also allows us to work with companies to resolve issues and drive positive change. Our ESG Dashboard highlights areas of strength and weakness by company, which helps us to be proactive in engaging with management teams and boards, as well as reacting to issues. Our goal of having all long-book positions with a combined ESG score of 10+ reflects our desire for positive change and the impact we hope to have through our engagements.

The process of engagement is led by the investment team itself, rather than by a separate team or external provider. Each year, we expect to meet the senior management teams of 300+ companies, alongside significant board-level interaction. Our focus on UK listed, UK registered companies in our UK strategies and long track record of investing in this universe positions us well from a corporate access perspective.

Our rigorous tracking of ESG engagements and the integration of this with our records of proxy voting and ESG scoring allows us to demonstrate actual outcomes from engagements and progress being made. Tellworth produces a biannual Responsible Investment Update, which will highlight activities in this area with specific examples.

To support our direct engagement efforts, Tellworth has also become a member of the Investor Forum, which will allow us to participate in pooled engagements with other investors on select topics. This approach complements our in-house efforts and is most relevant to our larger cap holdings, where a lower ownership stake reduces the potential for effective direct engagement.

3) Active Voting

Tellworth considers voting an essential part of our fiduciary responsibilities and instructs votes on all resolutions for our direct equity holdings. Proxy voting activities are undertaken directly by the investment team, which allows for company-specific knowledge to underpin a holistic view of investments. Our voting activity is supported by a paid subscription to ISS, which provides third-party research on management resolutions and a vote management platform.

Votes tend to be cast in line with management, reflecting our general support of the companies in which we have chosen to invest and the practices of their management teams. However, we are prepared to vote against on resolutions, where we feel that this is in the best interest of shareholders and clients. Such instances are considered on a case-by-case basis by the investment team and will tend to be supported by the Active Engagement process to establish a dialogue with the company on the issue and seek an improved outcome.

Tellworth will publish a summary voting record as part of a biannual Responsible Investment Update.

Process Application by Strategy

The Tellworth responsible investment process applies to all UK funds, with some aspects being more or less applicable to different strategies. This is summarised in the following table and explained below.

	TUKSC	Dynamic	Select
Active Assessment			
Active Engagement			
Active Voting			

All UK Strategies

- The Active Assessment ESG risk scoring process applies to all UK funds, as a bottom-up approach that is relevant for both smaller and larger market cap companies, accounting for data availability limitations
- We vote on all board resolutions for our direct equity holdings
- Our direct engagement efforts are complemented by our membership of the Investor Forum, which is most relevant for larger cap stocks in portfolios

TM Tellworth UK Smaller Companies

- High level of engagement due to the fund taking larger equity stakes in smaller market cap companies
- Voting applies to all positions, as all are equity holdings (rather than CFD)
- The Fund has never invested in oil, gas, mining or biotech since inception, avoiding what we perceive to be the riskiest part of the small cap market

Schroder UK Dynamic Absolute Return	▪ The investment team has a good level of corporate access with the majority of companies held, with smaller and mid-cap companies making up a significant part of the long book ▪ Proxy voting applies to equity holdings but a portion of the long book has been held through CFD, which don't provide direct voting rights
TM Tellworth UK Select	▪ The investment team has a good level of corporate access with a significant portion of the companies held. Access is weaker than for other funds, as the average market cap of the strategy is higher ▪ Proxy voting does not currently apply, as all positions are held through CFD

Organisational Responsibility

The analysis of ESG factors is conducted by the investment team as part of the portfolio management process and therefore overall responsibility of implementation lies with the Portfolio Managers of the various strategies. Proxy voting and engagement activities are led by James Gerlis, Fund Manager & Responsible Investment Lead, and John Warren, Fund Manager.

James Gerlis is accountable for the implementation of the Responsible Investment Policy and tasked with continually evolving Tellworth's approach, including the development of the policy, integration within the investment process and client reporting. Progress on this aspect of his role is incorporated into James's performance reviews and impacts his compensation.

Reporting

Tellworth produces a biannual Responsible Investment Update, which includes information on ESG engagement, voting and commentary. As signatories of the UN PRI, we will also report annually in line with guidelines. We will also publish a UK Stewardship Code summary starting in 2022.

Client-Specific Needs

Some of our institutional clients require additional responsible investment reporting or exclusion criteria. We welcome the additional oversight that this provides and have the capability to support these requirements on request.

Review

James Gerlis, Fund Manager & Responsible Investment Lead, will formally review the firm's Responsible Investment Policy annually. This review will consider new developments in responsible investment that could be incorporated into the firm's approach, alongside accommodation for any expansion in Tellworth's activities. James is also a Fund Manager on our Tellworth UK Smaller Companies strategy.

UN Principles for Responsible Investment

In August 2020, Tellworth became a signatory of the UN Principles of Responsible Investment and committed to adhere the following principles as part of our responsible investment policy.

- We will incorporate ESG issues into investment analysis and decision-making processes.
- We will be active owners and incorporate ESG issues into our ownership policies and practices.
- We will seek appropriate disclosure on ESG issues by the entities in which we invest.
- We will promote acceptance and implementation of the Principles within the investment industry.
- We will work together to enhance out effectiveness in implementing the Principles.
- We will each report on our activities and progress towards implementing the Principles.

As part of our commitment to these principles Tellworth will produce annual reports on our progress and implementation of these policies. Reporting will be made publicly available from 2022 and can be found on the UN PRI website.

Stewardship Code

As a supporter of the Financial Reporting Council's UK Stewardship Code, Tellworth adheres to the following principles that state institutional investors should:

- Publicly disclosure their policy on how they will discharge their stewardship responsibilities
- Have, and publicly disclose, a robust policy on managing conflicts of interest with relation to stewardship
- Monitor their investee companies
- Establish clear guidelines on when and how they will escalate their activities as a method of protecting and enhancing shareholder value
- Be willing to act collectively with other investors where appropriate
- Have a clear policy on voting and disclosure of voting activity
- Report periodically on their stewardship and voting activities

Disclaimer

Tellworth Investments LLP ("Tellworth") is a limited liability partnership registered in England with company number OC417414. Tellworth is authorised and regulated by the Financial Conduct Authority (FRN: 952383) and has its business address at Eagle House, 108-110 Jermyn Street, London SW1Y 6EE. Tellworth's registered address is Windsor House, Station Court, Station Road, Great Shelford, Cambridge CB22 5NE.

Any projections, market outlooks or estimates constitute forward looking statements and are based on certain assumptions and subject to certain known and unknown risks. Accordingly, such forward looking statements should not be relied upon as being indicative of future performance or events. Past performance is not indicative of future results. The value of investments and any income from them may go down as well as up and investors may not get back the amounts originally invested.

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Equity prices fluctuate daily, based on many factors including general, economic, industry or company news. In difficult market conditions, the portfolio may not be able to sell a security for full value or at all. This could affect performance and, in the case of a fund, could cause it to defer or suspend redemptions of its shares.

Where derivatives are used in a portfolio, the counterparty to a derivative or other contractual agreement or synthetic financial product could become unable to honour its commitments, potentially creating a partial or total loss for the portfolio. The portfolio can be exposed to different currencies. Changes in foreign exchange rates could create losses. A derivative may not perform as expected and may create losses greater than the cost of the derivative. If a portfolio uses derivatives for leverage, it makes it more sensitive to certain market or interest rate movements and may cause above-average volatility and risk of loss.

Investors should note that their capital is at risk, and, while the aim of the investment manager is to achieve positive returns, there is no guarantee that it will do so.

Failures at service providers could lead to disruptions to or losses for the portfolio.