

Shareholder Rights Directive II (SRD II) Engagement Policy

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1. Overview

The SRD II aims to promote effective stewardship and long-term shareholder engagement by imposing transparency obligations on institutional investors (such as insurers and pension funds) and asset managers (such as investment firms providing discretionary portfolio management services) to the extent investments are made in shares admitted to trading on UK and European Economic Area (EEA) regulated markets, with the UK extending the requirements to include comparable markets situated outside the EEA.

As an investment firm providing portfolio management services to customers, WCIM is considered an asset manager. This document comprises our SRD II Engagement policy in line with the requirements of SRD II and Financial Conduct Authority's (FCA) Conduct of Business Sourcebook Rules (COBS); COBS 2.2B SRD requirements.

As an asset manager, the Firm acknowledges its responsibility to act in the best long-term interests of its clients and beneficiaries and to foster sustainable value creation through active ownership and engagement.

2. Scope

This policy applies to WCIM's discretionary managed portfolio services, including to retail investors, to the extent investments are made in shares admitted to trading on UK and EEA regulated markets.

We primarily manage assets of retail investors. However, we believe it is in the best interests of all our customers to disclose our policy on how voting rights are exercised in relation to investments held on their behalf and how we may seek to engage with these investee companies. WCIM believes that effective stewardship and engagement benefit companies, investors and the economy as a whole. WCIM's aim is summarised in our vision of *"Making Investment Rewarding"*. WCIM's approach is customer centric and its philosophy is based on meeting its customers' wishes, requirements and their appetite for risk in order to invest in what is suitable for them.

We recognise that the shareholder engagement policies and practices in the non-European Economic Area (EEA) markets differ and it may not always be possible to engage effectively, but where engagement is possible, we aim to do so in accordance with this policy. The firm does not have an engagement policy on shares traded on comparable markets outside the EEA.

Our engagement objectives are as follows:

- Enhancing long-term shareholder value;
- Managing investment risks;
- Promoting corporate governance best practices;
- Encouraging transparency and accountability in investee companies;
- Aligning the Firm's strategies with long-term shareholder interests.

3. Shareholder Rights Directive II (SRD II)

3.1. Engagement Policy disclosure

Under the SRD II, WCIM is required to disclose a shareholder engagement policy or provide a clear and detailed explanation why we are not.

In accordance with our disclosure obligations this policy provides information on how we:

1. Integrate shareholder engagement in our investment strategy;
2. Monitor investee companies on relevant matters, including:
 - a. Strategy;
 - b. Financial and non-financial performance and risk;
 - c. Capital structure; and
 - d. Social and environmental impact and corporate governance;
3. Conduct dialogues with investee companies;
4. Exercise voting and any other shareholder rights;
5. Cooperate with other shareholders;
6. Communicate with relevant stakeholders;
7. Manage actual and potential conflicts of interests in our engagement.

3.2. Annual disclosure obligations

As part of the SRD II's disclosure requirements, we will disclose annually via our website the following information, where applicable:

- The engagement policy's implementation;
- A general description of voting behaviour;
- An explanation of the most significant votes;
- The use of the services of proxy advisors; and
- How the firm casts votes in the general meetings of companies in which it holds shares unless these votes are considered insignificant due to the subject matter of the vote or the size of the holding in the company.

For the purposes of this policy, 'most significant votes' is defined as the size of our shareholding as a proportion of an issuer's total voting rights. Shareholdings of 3 % or more of the issuer's voting rights will be considered significant votes and will be subject to annual disclosure on our website.

3.3. Annual disclosure on behalf of SRD institutional investors

The firm will disclose the following information, where applicable, annually where the firm invests on behalf of **SRD institutional investors**, whether on a discretionary customer-by-customer basis or through a collective investment undertaking.

An institutional investor caught by the Directive is generally an undertaking carrying out the activity of life assurance and/or of reinsurance, provided that those activities cover life-insurance obligations, or an institution for occupational retirement provision. If you are unsure whether you are an institutional investor, please contact your investment manager/account executive at WCIM.

The disclosure must include reporting on:

- How the investment strategy and its implementation comply with the mandate in place;
- How the investment strategy contributes to the medium to long-term performance of the institutional customer's assets;
- The key material medium to long-term risks associated with the investments;
- Portfolio composition;
- Turnover and turnover costs;
- The use of proxy advisors for the purpose of engagement activities;
- The policy on securities lending and how that policy is applied to support the firm's engagement activities, if applicable, particularly at the time of the financial performance;
- Whether and how we make investment decisions based on evaluation of medium to long-term performance of an investee company, including non-financial performance; and
- Whether conflicts of interests have arisen in connection with engagement activities and how we have dealt with these conflicts.

3.4. The use of proxy advisors

WCIM does not use a proxy voting adviser.

3.5. Portfolio turnover and turnover costs

As required by the SRD II annual disclosure requirement, information on portfolio composition, turnover and turnover costs is provided, where applicable, as part of our periodic customer reporting.

3.6. Integration of shareholder engagement in WCIM's investment strategy

WCIM manages investments across a wide range of financial instruments, principally managed by professionally qualified investment managers working as individuals or in teams. Each individual or team is responsible for maintaining close engagement in the relevant investments and, where these pertain to corporations, this will include the maintenance of relations with management and other shareholders. The level of engagement will tend to be proportionate to WCIM's significance as a shareholder and, thus, the scope of engagement will sometimes be limited where corporations are large relative to the size of WCIM's investment. However, in instances where WCIM has a significant shareholding the investment managers seek to maintain a significantly closer relationship with management and other shareholders, and will seek to exert WCIM's influence in a more material way. This occurs typically where WCIM is a relatively large investor in a relatively small company, or where WCIM has a specific expertise with respect to a company or industrial sector.

3.7. Monitoring Investee Companies

As part of WCIM's investment process, our investment management teams undertake detailed research and ongoing monitoring of the companies in which we invest in order to assess the potential for long-term returns. The investment managers carry out analysis of potential investments and ongoing monitoring with particular focus on the investee company's strategy, performance and risk, strong commitment to governance and management quality.

Our monitoring includes consideration of:

- Financial and operational performance - analysis of financial results, capital structure, and competitive position;
- Strategy and capital allocation - review of long-term strategy and capital expenditure;
- Corporate governance - Board composition, independence, diversity, executive remuneration, and shareholder rights; and
- Risk management - assessment of material financial and non-financial risks, including cyber risk, supply chain resilience, and operational risks.

There are a number of areas within an investee company's strategy that are taken into consideration, such as proposed acquisitions or disposals and business planning that may affect its value and risk. A key element of the investment research is to build a better understanding of the investee's company balance sheet and anticipated financial performance, including long-term performance and capital structure.

At our periodic Investment Oversight Committee meetings, the investment teams and the Head of Investment Management review and discuss potential and existing investments. Our individual investment teams may employ different styles and strategies when conducting monitoring or engaging with investee companies.

3.8. Engagement with Investee Companies

Before making an investment, the investment management team will research the investee company being considered. Whenever possible, the investment team will meet with company management with the aim of assessing certain indicators of possible future success, such as, but not limited to:

- Valuation of stock;
- Sustainability of the company's business model;
- Possible risks to the business and the sector;
- Likelihood of business growth;
- The company's alignment with its shareholders' interests.

Our investment strategy is such that our customers are invested across a variety of securities. Thus, our scope of engagement is often limited. In some cases, management is not made available directly but we may seek to influence management strategy through other stakeholders, such as via the company-appointed brokers. If we do have a chance to engage with investee companies, the engagement will be conducted by senior members of the investment teams, with proven experience and expertise.

3.9. Voting Rights and Voting Disclosure

WCIM's approach on voting rights is set out in the Terms of Service and Business which is provided to all customers.

WCIM exercises its right to vote on the holdings of discretionary management customers. Decisions over corporate actions, including rights issues, take-overs, etc. will be made on the customer's behalf if they give us discretion to manage their Portfolio.

While WCIM will adopt a transparent approach in all aspects of its engagement policy activities, in certain circumstances, we will refrain from making public disclosures where the availability of such information is considered not to be in customers' best interests.

A Proxy Voting system has been deployed in the Client Portal. Whenever the Firm is notified of a general meeting, non-discretionary customers (advisory, managed advisory, execution only) who hold shares in nominees will be informed automatically via email of their right to vote.

In the circumstances where a discretionary account is managed, the investment manager will exercise the discretion to vote.

3.10. Engagement and Cooperation with other shareholders

We recognise that there may be occasions where it will be appropriate to work with other shareholders to effect positive change. WCIM is willing to act collectively with other investors, however this will be considered on a case-by-case basis. Collaboration with other investors must always be conducted in compliance with applicable law and regulations.

In all circumstances, we will act in the best interests of our customers ensuring that we treat all customers fairly.

3.11. Conflicts of Interest

We take all reasonable steps to identify, mitigate and manage conflicts of interest between the firm and our customers, customer versus customer conflicts, individual versus customer conflicts and intra-group conflicts to ensure we act in the best interests of our customers. WCIM's conflicts of interest's arrangements are outlined in our Conflicts of Interest policy. A Conflicts of Interest disclosure statement is available on our website.

In identifying the conflicts of interest that may arise while providing customers with services and activities, WCIM will consider the following situations:

- Whether the entity or group entity is likely to make a financial gain or avoid a financial loss at customer's expense.
- Whether a customer is disadvantaged or makes a loss when a member of staff makes a gain.
- Whether a customer makes a gain or avoids a loss while another customer makes a loss or is disadvantaged.
- Whether the entity or a member of staff benefits at the expense of a group entity.

Disclosures are made to clients where a conflict cannot be effectively managed.

4. Reporting and Disclosures

The Firm provides annual public disclosures, published on our website, that cover:

- A summary of engagement activities;
- The most significant votes cast;
- Significant updates to this policy;
- Use of proxy advisors.

In addition, clients may receive tailored reporting upon request.

5. Review

This Engagement policy will be reviewed at least annually, or when a material change occurs, and will be subject to approval by the Board. Any material changes will be disclosed and published on the Firm's website.