

Voting, Engagement & Escalation policy for RM Funds and the funds it advised (RM)

We believe that constructive engagement and working with management teams to support them in making improvements is a key part in delivering on our responsible investment approach and is our preferred route to delivering on our mission to make a difference through investing in, and working with, businesses with strong underlying potential to create value.

Principles

This policy applies to all public markets investments considered or made by RM Funds. We have an active engagement approach which starts before we make any investment – our diligence carried out prior to making any investment includes consideration of the management team’s approach to and handling of material issues through both desktop research and direct engagement. Once we have made an investment, we seek to maintain a long-term hold position, and believe that engagement is more effective in initiating change than divesting.

Our approach

We monitor all companies in which we have invested across a range of factors, both financial and non-financial, which includes social and environmental impact and corporate governance, and track performance through our proprietary database tool PRISM. We seek to establish regular dialogue with the management teams to understand the business strategy and context in greater detail, and the evolving approach to managing social and environmental impacts in particular.

Escalation

Where there are any issues of concern which arise, either as a result of this dialogue, or which otherwise come to our attention, we will engage specifically on that topic with the management team to highlight the issues and understand how these are being addressed. We will also follow up regularly to check on progress which is being made. If we are not happy with the extent and pace of progress, we will look to collaborate with other shareholders, through the UNPRI collaboration platform or otherwise, to further raise the level of attention and responsiveness within the company. Given the typical size of our holdings, it will rarely be appropriate for us to highlight concerns publicly nor seek to propose resolutions for change; however, we would be prepared to do so if we felt that was in the best interests of our clients. If, having been through an engagement process, we remain sceptical about the management team’s ability or willingness to address an issue which we consider material, we would then consider divesting an orderly manner.

Voting

For the size and type of investments which we typically make, it is rare for there to be a shareholder vote beyond ordinary business. However, as part of our escalation process we will consider using our vote against investee company resolutions where we consider it appropriate to do so.

Disclosure and reporting

We do not publish details of voting in the ordinary course of business, although we are happy to engage with investors and other stakeholders on our voting record if requested.

Governance

This policy forms part of RM's responsible investment approach for public market investments, and as such its effectiveness and implementation will be monitored alongside the Responsible Investment policy.

This policy has been approved by the Board and will be reviewed annually and amended as appropriate from time to time.

This version is effective from 05/08/21.