



UK 2020 Stewardship Code Disclosure Statement

Under COBS 2.2 of the FCA Handbook, we are required to make a public disclosure in relation to the nature of our commitment to the Stewardship Code, which is published by the Financial Reporting Council ('FRC').

We are aware of the updated 2020 Stewardship Code (the "Code") and are currently working towards compliance with the updated Code. This process is ongoing and may take some time due to the new process which involves putting in place enhanced stewardship procedures and practices, operating these new procedures over a full one-year period, writing a report on how the Code's Principles were applied over the preceding 12 months and then submitting, being assessed, and having this report approved by the FRC before being accepted as signatories to the Code.

In the interim period, we have retained a copy of our previous Stewardship Code disclosure below on our website, while noting that the practices outlined below are in the process of being enhanced to meet the requirements of the 2020 Code. We also direct any interested parties to our [SRD II Engagement Policy](#) and our [ESG disclosures](#) which are complementary to the requirements of the Stewardship Code and which have also been updated since our previous Stewardship Code disclosure below.

UK 2012 Stewardship Code Disclosure Statement

The Code aims to enhance the quality of engagement between institutional investors and companies to help improve long-term returns to shareholders and the efficient exercise of governance responsibilities. It sets out good practice on engagement with investee companies and is to be applied by firms on a "comply or explain" basis. The seven principles of the Code are that institutional investors should:

- Publicly disclose their policy on how they will discharge their stewardship responsibilities
- Have and publicly disclose a robust policy on managing conflicts of interest in 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.

The application of these principles by an asset management company will necessarily depend upon the extent to which their business activities are subject to the Code.

Baker Steel's investment strategy is to invest globally in gold and precious metal companies. Given the nature of our investment strategy, investments in UK listed companies comprise a very small proportion of our portfolios and do not generally include active engagement with UK listed investee companies. Nevertheless, we endeavour to apply our approach on stewardship to all companies that we invest in on behalf of our clients. Therefore, the spirit of what the Code is aiming to achieve is at the heart of our investment philosophy.

Policy on discharging stewardship responsibilities

- The Firm monitors all investee companies as part of its general investment policy and approach. The Firm

takes action in line with its investment objectives where its research of publicly available information warrants such action. Corporate governance issues are a key aspect of investee company analysis, as the investment managers believe that poor corporate governance can have a material impact on risk and share performance

- We aim to meet as many of the top/large companies in the portfolio as often as possible, although as we manage a global portfolio, this is not possible with every holding. When we meet companies, we generally engage with management on various matters including governance issues
- Stewardship is fully integrated with our investment process. We are long-term shareholders in the companies in our portfolio and consider stewardship of these companies a key aspect of risk management
- Most of our investee companies are overseas, but we are often a larger investor. Where we have a right to vote in relation to investee companies, we take decisions in the best interests of our clients and their long term interests in this respect, and we record what decisions have been taken. We do not always make those decisions public. Although we do not generally seek to obtain ownership holdings which would provide us with a significant influence on the operation of a firm's strategic direction, where available we will seek to do so on a collective basis
- We share our stewardship activities by reporting on key company meetings wherever possible.

Policy on managing conflicts of interest in relation to stewardship

We have a Conflicts of Interest policy which is applicable to all staff and outlines how conflicts of interest are to be managed and also how such conflicts can be reported internally. The policy is designed to ensure that decisions are taken wholly in the interest of our clients. A copy of the conflicts policy is provided to all clients.

Where we vote the holdings of client funds, such voting is undertaken in the interests of clients. Whilst conflicts of interest in relation to voting are rare, this could arise where, for example, there is voting on matters affecting both clients and Baker Steel itself. Where there is a conflict that in our view cannot be readily resolved, the matter would be escalated to senior management and we would seek to disclose and to obtain prior approval from our client.

Monitoring of investee companies

Where appropriate, we will monitor our investee companies to determine when dialogue with management may be necessary. This monitoring process may include:

- Where appropriate, meeting company management including on site
- Retaining detailed records of company meetings and of any votes cast on behalf of our clients including retaining records of reasons for voting with or against a company's management, or for abstaining
- Conducting site visits wherever possible to satisfy ourselves as to, inter alia, the environmental and governance performance of our portfolio companies. In the case of overseas companies located in remote jurisdictions information around these issues can sometimes be limited.

Our investment monitoring process aims to identify problems at an early stage and concerns will be raised with company management. However, given that our portfolio companies are thoroughly researched on the grounds that they have good corporate governance, it is unlikely that we would find ourselves voting against management of a company in any of our portfolios. It would be more likely that we would disinvest if such concerns became apparent and could not be satisfactorily resolved.

Baker Steel does not normally wish to be made an insider, and therefore expects investee companies and their advisers to ensure that information that could affect Baker Steel's ability to deal in the shares of the company concerned is not conveyed to Baker Steel without its prior agreement. If Baker Steel becomes an insider, either intentionally or unintentionally, the security will be restricted and a written record of the circumstances will be maintained.

Guidelines on escalation

If we become concerned about any aspect of an investee company's strategy, performance, governance or any other matter, our normal course of action would be to investigate the matter and discuss it with management. Where our concerns are not allayed we would disinvest from the company.

Acting collectively with other investors

There may be situations where it is appropriate to act collectively with other shareholders in order to engage with an investee company. We are happy to take such action where appropriate and are well networked with other shareholders in the gold and precious metals sector.

Policy on voting and disclosure of voting activity

Our investment managers maintain the discretion to make voting decisions on companies held within our client portfolios, although we are generally passive investors. A record is maintained of voting responses. We do not use proxy voting services. We do not engage in stock lending.

Reporting on stewardship and voting activities

We regularly communicate with our clients through a combination of meetings, conversations and written reports, as appropriate. We provide information to our clients on stewardship matters. It is not the current policy of Baker Steel to publish voting records, whether on this website or elsewhere, as we do not consider that making these records public would always serve our clients' interests; were we to do so it would be at our discretion. We are happy to disclose and report such matters in confidence directly to clients on request.

For further details on any of the above information please contact
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