

T. Bailey Asset Management Limited ('TBAM') is the investment manager for two UK UCITS funds and also acts as investment adviser to a select number of professional clients. The investment strategies adopted lean heavily on investing via other collective investment undertakings, typically other UCITS funds. These provide efficient building blocks for the construction of portfolios that are diversified across asset classes and geographic regions to the extent of the constraints of the portfolios' investment objective and investment policies.

In a minority of instances investment is made in a collective investment undertaking in the form of equity which trades on an exchange, such as an investment company or investment trust. Indeed for certain asset classes a closed structure in the form of equity is considered preferable, allowing trading on a regulated market to afford liquidity that the underlying asset is incapable of. At the time of writing such holdings across the portfolios managed or advised on by TBAM represented 15.5% of total assets.

However, regardless of the structure of the investment within the portfolios managed and advised on by TBAM, we adopt a consistent approach to overseeing the progress of each investment and actively seek to engage with and maintain a dialog with its management.

Quantitative and qualitative assessment is made of each holding through TBAM's ongoing oversight of its portfolios. Based on factors such as asset class, investment strategy, position size, concentration, financial risk, operational risk and, not least, prior experience and assessment of the management team we regularly seek to engage with the respective management. Typically, this results in meeting with management teams on a six-monthly basis. An internal register is maintained to log this process and is reviewed by TBAM management on a fortnightly basis.

Matters considered in meeting with management teams include:

- (a) strategy;
- (b) financial and non-financial performance and risk;
- (c) capital structure; and,
- (d) social and environmental impact and corporate governance.

Where considered appropriate and impactful TBAM will exercise the rights it carries with respect to shares or unit holdings in the investments it oversees. Representation may also be made to other interested parties such as other shareholders or stakeholders (e.g. brokers, consultants, trade bodies, etc).

Following the recent publication by the FCA of PS19/13 (Proposals to promote shareholder engagement) on 31 May 2019 we will further develop our public disclosure in this regard and will expand upon the description of TBAM's engagement policies and investment strategies in accordance with the new rules.

The expanded policy will also include details of any additional annual reporting that TBAM will publish on its website in order to comply with the new rules.