

PURPOSE

This policy is written in alignment with The Shareholders Rights Directive II ("SRD II") which aims to promote effective stewardship and long-term investment decision-making to strengthen engagement and increase transparency of asset managers and owners.

Under the SRD II rules implemented by the FCA, asset managers are required to develop and publicly disclose an Engagement policy.

As a UK MIFID investment firm which provides portfolio management services to investors and invests in shares traded on regulated markets, Guinness Global Investors ("Guinness") is required to meet the requirements and to develop and disclose its engagement policy as prescribed under FCA's COBS 2.2B.6 R.

DISCLOSURES

Guinness will report on an annual basis how this engagement policy has been implemented.

ENGAGEMENT PRINCIPLES

1. Engagement in Guinness Global Investors ("Guinness") Investment Process

Our main objective is to manage our clients' assets in such a way that we deliver on their mandate. In fulfilling this purpose, we of course assume a stewardship role over the assets of our clients. In representing our clients' interest in relation to the investments made on their behalf, we recognise the responsibilities that go with ownership and the related rights.

We may engage with investee companies, with the objectives to:

- influence investee companies proactively on environmental, social and governance (ESG) issues,
- encourage improved and/or increased ESG disclosure,
- gain a greater understanding of their ESG strategy.

Each engagement activity is made on a case-by-case basis. We engage directly/individually and collaboratively and do not prioritise between the various approaches.

2. Types of Engagement

Our Stewardship activity (voting and engagement) can be divided into the following types:

I. Bottom-Up company specific

Consideration of ESG factors forms part of our due diligence in companies. Throughout our ongoing, proprietary company analysis, we identify company specific risks and opportunities (both financial and non-financial) which form the foundation of our bottom-up engagement. For example we may engage to gain greater insight and understanding of the company's strategy and capital structure, we may question management where we think they are falling short of identifying and mitigating ESG risks or where we think they are missing opportunities, we may encourage disclosure on material ESG metrics, we may request companies set more ambitious targets, adjust remuneration metrics, improve its executive shareholding and encourage them to join related initiatives and responses to controversies. Where such engagement occurs, this is intended to build a constructive dialogue between ourselves as investors and investee companies.

II. Top-Down thematic engagement priorities

Communication with investee companies can also involve debating 'top-down' ESG themes with management. When conducting this type of engagement, we prioritise topics based on themes and issues which are deemed material to our companies. These themes include, but are not limited to, climate impact, biodiversity, and human rights. Engagement priorities may or may not change annually.

III. Proxy voting influenced engagements

Our proxy voting engagement activity is primarily dominated by governance issues, for example, board director elections, board structures and executive remuneration. Where deemed appropriate by the portfolio manager, we may contact the company ahead of a shareholder meeting to share our views on upcoming proposals. Alternatively, we may accept company requests to hold open dialogue ahead of these meetings.

We may also support shareholder proposals at Shareholder Meetings where proposals seem sensible and would encourage greater transparency around the company's material environmental or social impact.

3. Engagement Process

i. Engagement

Engagements are conducted predominately by the Investment Teams at Guinness; usually as part of regular company meetings, as additional ESG meetings, or through letter or email exchanges.

As signatories of the UN PRI, we are aware of the importance of tracking these engagements and recording data accordingly. We have a central engagement database used by all investment teams to record and track these interactions.

ii. Collaborative Engagement

At Guinness we also believe in taking collaborative action on ESG issues: focused programmes of engagement where the sum of the parts is significantly more effective than if each participant attempted to engage across the whole sector. Initiatives we are currently part of include CDP, CA100+ and the Independent Investment Management Initiative (IIMI). Other stakeholders may be included in our engagements in certain scenarios. The decision to collaborate with their input will be decided on a case-by-case basis.

We may also contribute to policymaking through our initiative memberships such as UKSIF.

iii. Escalation

There may be some instances where engagement itself is not always sufficient to achieve our desired outcome. In turn, it may be necessary to escalate an engagement in order to voice our concerns further. Each escalation activity is determined on a case-by-case basis and does not necessarily differ between our investment teams, assets, or geographies. We define our Escalation Policy in Principle 11 of our Stewardship Code report.

iv. Proxy Voting

Proxy voting and the consideration of corporate governance issues play a role in good investment management. The investment managers of the relevant strategy shall determine the manner of voting. In principle, our proxy voting policy is designed to support the investment managers in making decisions that increase a company's shareholder value. We make our voting decisions based on our own research, however the investment team has access to proxy voting research from a proxy service provider for assistance and guidance (rather than to delegate decision-making), to bring efficiency and to ensure consistency of approach.

We intend to exercise all voting rights where we retain voting authority. There may be exceptions in some circumstances; administrative arrangements may prevent votes being cast or it may not be in the best interests of clients to vote (due to restrictions on liquidity or 'share blocking').

As part of our voting strategy, we may raise concerns with a company ahead of voting, and we may communicate our view and intention to abstain or vote against management. Our voting data is published on a quarterly basis. Our voting policy is available [here](#).

4. Oversight

Stewardship remains an agenda at the Responsible Investment Committee ("Committee") meetings, to ensure that engagement and voting matters are discussed across the investment (and wider) teams. This committee is chaired by the CEO and also includes representatives from, sales and marketing, and compliance teams.

5. Managing Conflicts in engagement

We are aware that stewardship activities, both through voting and engagement may occasionally lead to conflicts of interest. We have mechanisms in place to prevent or manage any identified conflicts. Our policy is addressed in Principle 3 of our Stewardship Code report and is available on request. Guinness maintains a: (i) Conflicts of Interest policy which describes our approach to identifying and preventing or managing conflicts of interests; and (ii) Conflicts of Interest register to record and maintain a list of all actual and potential types of conflicts. All employees are required to declare any conflicts of interest, including any which may arise as a result of stewardship activity.

Important Information

This document is provided for information only. All the information contained in it is believed to be reliable but may be inaccurate or incomplete; it should not be relied upon. It is not an invitation to make an investment, nor does it constitute an offer for sale.

The documentation needed to make an investment, including the Prospectus, the Supplement, the Key Investor Information Document (KIID), the Key Information Document (KID) and the Application Form, is available from our website www.guinnessgi.com

The funds invest mainly in shares, and the value of these may fall or rise due to a number of factors, including the performance of the company and general stock market and exchange rate fluctuations. The value of your investment may rise or fall, and you could get back less than you invest. Past performance is not a guide to future performance. Further information about risks can be found in the Prospectus.

The Investment Manager, Guinness Asset Management Ltd, is domiciled in the United Kingdom and is authorised and regulated by the Financial Conduct Authority.

Guinness Asset Management Funds plc, the umbrella fund with the Guinness sub-funds, is domiciled in Ireland and is authorised and supervised by the Central Bank of Ireland as a UCITS fund. It is also recognised by the Financial Conduct Authority for distribution in the United Kingdom. The sub-funds may also be distributed in various other countries – please contact us for details.

WS Guinness Investment Funds, the umbrella fund with the WS Guinness sub-funds, is domiciled in the United Kingdom and is authorised and regulated by the Financial Conduct Authority as a UCITS fund.