

Shareholder Engagement Policy

Discretionary Investment Management Services

Introduction

Established in 1926, the Davy Group is a trusted market leader in wealth management and capital markets, building rewarding relationships that last. Our vision is to be the financial services partner most trusted by our clients and most admired for our people. We are committed to delivering world-class outcomes for our clients – whether they are individuals, businesses or institutions.

The Davy Group comprises a number of regulated legal entities including

- J & E Davy;
- Davy Corporate Finance;
- Davy Global Fund Management;
- Davy Securities;
- Davy UK;
- Advance Fund Management Limited; and
- Davy Fund Managers.

As part of the Davy Group, J & E Davy (“Davy”) provides a range of services to clients, including but not limited to the provision of financial advice and discretionary portfolio management.

The content of this Policy is prescribed by Irish regulations that implement certain requirements of the revised Shareholder Rights Directive (SRD II). These requirements apply to discretionary investment managers where they invest in companies whose shares are traded on regulated markets in the European Economic Area (EEA) or comparable markets outside the EEA (investee companies). However, the scope of this Policy is not limited to companies whose shares are traded only in those locations.

For our discretionary clients, our service includes the delegation by the client to Davy of the responsibility for making investment decisions in relation to their portfolio. The investment decisions made by Davy on the client’s behalf will be informed by that specific client’s situation, needs and objectives – financial, business and personal. The client portfolios that Davy is responsible for are individually managed, with the overall objective being to deliver an investment strategy to meet the client’s individual objectives, requirements and risk profile.

This Engagement Policy (the “Policy”) describes Davy’s approach to shareholder engagement where Davy decides to invest in companies on behalf of its clients as part of its discretionary investment management services. This Policy does not apply to other investment services that Davy may provide, such as providing investment advice or receiving and transmitting orders or the provision of execution-only services, as in those cases the exercise of voting rights is at the discretion of the clients themselves. This Policy only applies to the specific holdings in companies over which Davy has discretionary investment management responsibility and control.

How does Davy integrate shareholder engagement in its investment strategy?

Where there is a discretionary client relationship, we seek to integrate relevant engagement procedures into our investment process. We believe that the long-term success of companies is supported by effective investor stewardship, high standards of corporate governance and transparent engagement policies. As active managers employing a fundamental investment research process, we aim to develop a deep understanding of investee companies, including where appropriate or warranted, meaningful discussions with the management of those companies.

It’s not just business. It’s personal.

How does Davy monitor investee companies on relevant matters, including strategy, financial and non-financial performance and risk, capital structure, social and environmental impact and corporate governance?

The initial investment decision to buy shares in a company is likely to include reviewing a company's published materials, third party brokers' written research, conversations with third party analysts, and, where possible, meeting with company management on a one to one basis or in group settings with other investors. The effort that goes in at the start of the investment process forms the base on which we build our stewardship activities. We ensure we fully understand our investments, their opportunities and risks. On an ongoing basis, the analyst team would seek opportunities to meet/engage with all of these parties on relevant matters relating to the management and governance of the company, as appropriate.

How does Davy conduct dialogues with investee companies?

We engage with companies at an investor-to-management level where we feel that an issue has the potential to materially impact a company's performance or more generally where the company offers the opportunity to actual or potential investors for meetings or group calls in the context of their results or other corporate events.

How does Davy exercise voting rights and other rights attached to shares?

Although we reserve the right to exercise voting rights for our discretionary clients, we do not, as a general rule, exercise those rights.

How does Davy cooperate with other shareholders?

We do not collaborate with other shareholder groups.

How does Davy communicate with relevant stakeholders of the investee companies?

In Irish companies, management can often be a large stakeholder. We regularly meet with management teams and communicate on all matters pertaining to the company in these meetings. In relation to all other companies, due to our small scale on an overall basis and the fact that only a minority of our client relationships are on a discretionary basis, communications with relevant stakeholders of the investee companies would not result in any meaningful impact on the decisions of other stakeholders. We therefore do not generally communicate with such stakeholders.

How does Davy manage actual or potential conflicts of interest in relation to its engagement?

As a regulated entity, we are required to identify, manage and disclose conflicts of interest that arise in the context of providing services to our clients, as well as to establish appropriate criteria for determining the types of conflicts of interest whose existence may give rise to a material risk of damage to the interests of a client, taking appropriate action, including in some cases not proceeding with the activity. We therefore have a Conflicts of Interest Policy in place at a Group level to manage this.

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