

The Equitile Environmental, Social, Governance (ESG) and Ethical Statement

Equitile Investments, as a manager of the Equitile Resilience Fund, believes the strength of companies' relationship with broader society is a key determinant of their future success. We therefore take a deep interest in environmental, social and governance factors when considering the appropriateness of investments. In addition, we will not invest clients' assets in companies which do not meet standards of governance we deem appropriate for the scale and scope of their business.

In addition to many industry standard metrics used to measure the strength of Corporate Governance, Equitile also pays special attention to each corporation's policy with respect to its balance sheet. It is our belief that companies have a responsibility to engender a stable environment for employees and shareholders to thrive and so should take a responsible approach in this respect. As a promoter of the value of financial stability for society more broadly, Equitile does not tolerate excessive and destabilising financial leverage in investee companies.

Our understanding of each company's ESG credentials is built through our regular investment research process, not through a separate prescriptive research approach. Although we aspire to invest in companies which meet high standards with respect to ESG factors, we cannot guarantee that the highest standards are met at all times – particularly given our reliance on publicly available information.

A key aspect of our Corporate Governance research is designed to ensure, as much as possible, that management interests are sufficiently aligned with those of other stakeholders. Management remuneration must be related to long-term performance and be set at levels we deem fair and appropriate. Equitile considers excessive management remuneration, that is not connected to long-term performance, to be unhealthy and undesirable.

With respect to Social factors, Equitile believes investee companies should foster strong relationships with all stakeholders and the communities in which they operate. Embedded into our investment process, therefore, is research designed to discern whether these obligations are met to an appropriate degree. Similarly, the Environmental impact of a corporation's activities should be sustainable and so our research uses publicly available information to build an understanding of investee companies' approach to its environmental responsibilities.

If any company demonstrates systematic neglect of either its social or environmental obligations, it will be removed from our list of approved investments.

In the light of stakeholders' increased emphasis on ESG factors, a number of organisations publish rankings based on these. Many of the companies on our approved list frequently appear on these lists - examples of recognition that our holdings have received are "*Company of the year*" awarded by Forbes Magazine, "*Global 100 Most Sustainable Corporations in the World*" in The Corporate Knights' Global 100 index, Dow Jones Sustainability Indices and "*Best Places to Work*" in the Fortune 500.

If our research process raises ethical questions related to a company's activities or behaviour, then it will be referred to our ethical committee. This committee comprises of three Equitile Board members and can be convened at any time when required. Equitile does not, as matter of course, comply with restricted lists or classifications defined by the ethical criteria of external organisations.

For further details or examples of how Equitile practices our ESG commitment, please contact us at info@equitile.com