

Shareholder Engagement Policy

Introduction

Lulworth Investment Partners (the “Firm”, “Lulworth”) is a trading name of Lulworth Investment Management. Lulworth Investment Management is authorised and regulated by the Financial Conduct Authority (FCA), Firm Reference Number: 1045489.

This policy sets out how Lulworth approaches stewardship and shareholder engagement in respect of assets managed on behalf of clients. It covers the Firm’s responsibilities under both the UK Stewardship Code and the Shareholder Rights Directive II (SRD II), as implemented in the FCA Handbook. Together, these frameworks require firms providing portfolio management services to explain how they engage with investee companies and exercise shareholder rights where they invest in shares admitted to trading on regulated markets in the UK or equivalent markets overseas.

Stewardship is the responsible allocation, management and oversight of capital to create long-term sustainable value for clients. Effective stewardship supports sound investment decision-making, good governance, and the management of long-term risks and opportunities, and is an important component of acting in clients’ best interests under the FCA’s Consumer Duty.

Lulworth is not a signatory to the UK Stewardship Code. However, the Firm supports the objectives and principles of the UK Stewardship Code 2026 and seeks to apply them in a manner that is proportionate to its size, resources, and position in the investment chain.

This policy is relevant to all staff involved in investment management, portfolio construction, manager selection and oversight, and governance.

1. Regulatory and Industry Context

The UK Stewardship Code 2026, issued by the Financial Reporting Council and effective from 1 January 2026, sets out principles of effective stewardship for asset owners, asset managers, and service providers. It places greater emphasis on:

- Integration of stewardship and investment
- Outcomes rather than process
- Proportionality and flexibility
- Transparency across the investment chain

The Code recognises that stewardship activities vary depending on an organisation’s business model, asset mix, and influence, and adopts an “apply and explain” approach rather than a prescriptive framework.

While Lulworth does not report formally under the Code, this policy has been informed by its principles and guidance to ensure Lulworth's approach remains aligned with evolving best practice.

Alongside the Stewardship Code, Lulworth is also subject to the FCA's rules implementing SRD II. Under COBS 2.2B, MiFID investment firms providing portfolio management services must disclose how they engage with investee companies where they invest client assets in shares traded on regulated markets in the UK or equivalent markets elsewhere. This policy incorporates those SRD II requirements and explains how they apply to Lulworth's business model.

2. Scope and Proportionality

Lulworth is an FCA-authorized discretionary investment manager managing segregated portfolios for clients. The Firm does not currently operate pooled funds.

Stewardship responsibilities arise in two main contexts:

- **Indirect stewardship**, through the selection, appointment and ongoing oversight of third-party investment managers and funds; and
- **Direct stewardship**, where Lulworth invests client assets directly in securities, including listed equities, and holds shareholder rights.

The Firm applies stewardship and engagement activities on a proportionate and risk-based basis, taking into account:

- The size and materiality of holdings
- The rights and influence available
- The nature of the client mandate
- The expected impact on long-term client outcomes

Where elements of the UK Stewardship Code are not applied directly, Lulworth explains this by reference to its business model and investment approach. The same proportionality applies to Lulworth's SRD II obligations, given the limited circumstances in which the Firm holds direct shareholder rights.

3. Stewardship Philosophy and Governance

3.1 Stewardship Philosophy

Lulworth believes that long-term investment outcomes are supported by disciplined investment processes, strong governance, and alignment of interests between clients, managers and investee companies.

Stewardship is integrated into the Firm's investment and oversight activities rather than treated as a standalone function. The Firm's approach focuses on:

- Ensuring appointed managers demonstrate appropriate stewardship capabilities

- Monitoring governance and relevant ESG risks that may be financially material
- Exercising rights where Lulworth holds them directly and where it is proportionate to do so
- Ensuring that stewardship and engagement activities support the Firm's investment objective of delivering long-term, inflation-adjusted growth for clients

3.2 Governance and Oversight

Ultimate responsibility for stewardship oversight sits with the Investment Committee. The Committee is responsible for:

- Approving the Firm's investment philosophy and portfolio framework
- Overseeing manager selection, monitoring and review
- Reviewing stewardship-related matters where material to client outcomes
- Overseeing the Firm's responsibilities under SRD II, including disclosures relating to engagement, voting and monitoring of investee companies

4. Integration of Stewardship into the Investment Process

4.1 Pre-Investment

As part of investment decision-making, Lulworth considers stewardship-related factors alongside financial and risk considerations.

Where investing via third-party managers, this includes assessment of (where relevant):

- The manager's approach to stewardship, engagement and voting
- Integration of governance and ESG considerations (where relevant)
- Alignment of incentives and governance arrangements

Where investing directly in securities, this includes consideration of (where relevant):

- Board structure and governance quality
- Capital allocation and shareholder rights
- Material environmental and social risks relevant to the investment case
- Factors that may affect a company's ability to contribute to long-term, inflation-adjusted portfolio outcomes during different market conditions.

4.2 Ongoing Monitoring

Lulworth monitors stewardship-related issues (where relevant) through:

- Ongoing portfolio and risk reviews
- Review of third-party managers' stewardship disclosures and practices
- Monitoring of investee companies where securities are held directly

- Engagement with managers or issuers where concerns arise

Stewardship insights may inform decisions to continue, reduce or exit investments where risks are not adequately addressed.

Monitoring is conducted in a manner consistent with SRD II and includes:

- Reviewing external managers' engagement effectiveness, voting activity and stewardship reporting;
- Monitoring governance arrangements, capital allocation decisions and other issues relevant to long-term value for directly held securities;
- Applying a proportionate, risk-based approach depending on the size and nature of the holding.

5. Engagement and Escalation

Lulworth's engagement activities are targeted and proportionate.

- **Indirect engagement:** Where assets are managed by third-party managers, engagement, if required, typically takes place through dialogue with those managers, including challenging stewardship practices, seeking clarification, or requesting evidence of engagement and escalation.
- **Direct engagement:** Where Lulworth holds securities directly, and subject to the size of the investment we hold, the Firm may engage with investee companies on matters material to long-term value, using appropriate methods such as written correspondence, investor briefings, or meeting with management.

Where concerns persist, Lulworth may:

- Increase monitoring
- Escalate concerns with managers or issuers
- Adjust or exit exposure where this is in the client's best interests

These engagement activities support Lulworth's obligations under SRD II, including undertaking dialogue where appropriate, escalating concerns when necessary, and ensuring that engagement is directed at preserving and enhancing long-term value.

6. Exercising Rights and Responsibilities

Where Lulworth holds shareholder rights:

- Voting in respect of third-party funds is typically exercised by the underlying manager or custodian.

- Voting in respect of directly held securities may be exercised by Lulworth where practical, proportionate, and material.

Voting decisions are taken with regard to long-term value, governance standards, and client interests. The Firm does not currently appoint proxy voting advisers directly.

Lulworth generally does not vote on AGM or EGM resolutions unless doing so is in clients' best interests and where the size or significance of the holding makes voting meaningful. In line with SRD II, voting or cooperation with other shareholders will only occur where appropriate, proportionate and consistent with the Firm's duty to act in clients' best interests.

7. Market-Wide and Systemic Risks

Lulworth recognises that certain risks, such as climate change, governance failures and market integrity issues, cannot be diversified away and may affect long-term client outcomes.

Consideration of such risks is primarily addressed through:

- Manager selection and oversight
- Investment risk assessment
- Engagement with managers on how they identify and respond to systemic risks

8. Conflicts of Interest

Any actual or potential conflicts of interest arising in connection with stewardship, engagement or voting activities are identified, managed and recorded in accordance with Lulworth's Conflicts of Interest Policy. Client interests always take precedence.

9. Transparency and Disclosure

Consistent with the spirit of the UK Stewardship Code 2026, Lulworth seeks to be transparent about its stewardship approach. Where relevant and proportionate, stewardship-related information may be made available on the Firm's website.

Where stewardship responsibilities are exercised primarily through third-party managers, or where certain Code principles are not directly applicable, this is clearly explained.

In line with SRD II, Lulworth will make annual disclosures on its engagement activities, including:

- How engagement supports the investment strategy;
- A summary of voting behaviour (where applicable);
- Use of proxy advisers (if this changes in future).

Additional disclosures will be made where Lulworth manages assets for institutional clients that fall within SRD II's extended reporting requirements.

10. Review and Continuous Improvement

This policy is reviewed at least annually and updated as required to reflect regulatory developments, changes to Lulworth's investment activities, or evolving best practice in stewardship.