

## UK Stewardship Policy

### Introduction

Unicorn Asset Management (Unicorn) is a boutique investment management company focusing on investment in UK equities through long only closed and open ended funds. Unicorn's policies in relations to the seven main principles of the Code are set out below.

This policy describes how Unicorn Asset Management (Unicorn) applies the seven Principles of the UK Stewardship Code which was adopted by the Financial Reporting Council (FRC) on the 2 July 2010 (and updated in September 2012), in line with the FCA's requirements under COBS 2.2.3. Stewardship aims to promote the long term success of companies in such a way that the ultimate providers of capital also prosper. Unicorn believes that good governance of the companies in which we invest is an essential part of creating shareholder value and achieving good investment performance for our clients. Unicorn is committed to ensuring that it always operates and makes decisions based on the best long-term interests of its clients.

### Policy

#### **PRINCIPLE 1 - Institutional investors should publicly disclose their policy on how they will discharge their stewardship responsibilities.**

Unicorn's Stewardship Policy document is published on the Unicorn Asset Management's website ([www.unicornam.com](http://www.unicornam.com))

#### **PRINCIPLE 2 - Institutional investors should have a robust policy on managing conflicts of interest in relation to stewardship and this policy should be publicly disclosed.**

Unicorn has procedures to identify and manage conflicts of interest that might arise, when dealing with investee companies, between different clients, the company and staff. Potential or actual conflicts of interest in relation to stewardship are reported initially to the Compliance Officer who will then refer the matter to the Board of Directors and/or the client if the conflict cannot be avoided.

### **PRINCIPLE 3 - Institutional investors should monitor their investee companies.**

Fund managers continually monitor the activities, announcements and financial statements of investee companies. They also study independent research notes and seek to meet with management teams on a regular basis.

These meetings will include discussions over strategy, performance, risk, capital structure, and corporate governance, including culture and remuneration. Engagement is purposeful dialogue with companies on these matters as well as on issues that are the immediate subject of votes at general meetings.

### **PRINCIPLE 4 - Institutional investors should establish clear guidelines on when and how they will escalate their activities as a method of protecting and enhancing shareholder value.**

Where it is necessary to protect and enhance the interests of its clients, Unicorn will consider escalating its stewardship and engagement activities in whatever manner it feels appropriate in the circumstances.

Where we believe that value is not being realised or is being threatened, we may request that the Board of Directors at the Company take appropriate action. Where we receive an unsatisfactory response we will usually undertake one of two actions:

- Sell the share to protect our clients' assets; or
- Engage with other shareholders to discuss joint intervention

### **PRINCIPLE 5 - Institutional investors should be willing to act collectively with other investors where appropriate.**

As per Principle 4 above, Unicorn is willing to engage collectively with other investors if such action is deemed to be likely to be beneficial to its clients. However it is mindful of the need to avoid any risk of being deemed a concert party.

### **PRINCIPLE 6 - Institutional investors should have a clear policy on voting and disclosure of voting activity**

Unicorn vote on AGM resolutions under the terms of investment management agreements with clients, which delegate voting discretion to Unicorn. As a rule Unicorn staff do not attend the AGMs.

Unicorn has a separate Voting Policy which is disclosed on its website, but has determined that it would not be proportionate to disclose all voting activity publicly given its size. However, this is available to clients upon request, free of charge.

Unicorn does not currently undertake any stock lending activity that could impact upon the ability to vote.

### **PRINCIPLE 7 - Institutional investors should report periodically on their stewardship and voting activities.**

Unicorn maintains an audit trail of voting activity and meetings and where applicable provides details to clients on request. Unicorn has determined that given its size, it would be disproportionate for it to regularly disclose its voting activity and wider stewardship activities, but reports are available to clients upon request free of charge.

The firm's independent Compliance Advisers undertake periodic reviews of its Stewardship and Voting arrangements and adherence to this policy as part of its Compliance Monitoring Programme.

Firms can contact Unicorn at:

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020 7253 0889.

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