Premier Miton INVESTORS

MARCH 2020

Stewardship report

Activities: October 2018 - September 2019

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Premier Miton was formed in November 2019 from the merger of Premier Asset Management Group plc and Miton Group plc.

This report covers the stewardship activities of the range of Premier prefixed funds, over the period stated above.

We actively invest in companies on behalf of our clients and take the stewardship of these assets seriously. Where we have voting rights, we aim to use them and additionally we accept opportunities to engage with investee companies. These stewardship activities are an integral part of our investment process and portfolio monitoring and, we believe, support the long-term returns we aim to deliver to clients.

This report has been drafted in line with the Premier Fund Managers Ltd Stewardship Policy. This report covers our commitment to report annually on our activities as per the UK Stewardship Code (2012) and Shareholder Rights Directive II.

Voting

We receive voting recommendations from ISS Proxy Voting Services, a company which actions voting decisions on our behalf and advises on corporate governance matters. Our fund managers review their recommendations before issuing final voting instructions. This review takes into account their knowledge of the investee company, the company size/structure, annual report disclosures and previous engagement dialogue. The fund manager will discuss investee companies with other fund managers that also hold shares in the company to ensure consistent voting where appropriate, although fund managers of different funds can make different decisions with the aim of ensuring that decisions are in the best interests of investors in those funds. Our voting policy and quarterly voting disclosure is available on our website.

We aim to vote 100% of the shares held in the funds on all occasions. During the twelve months to the end of September 2019 we voted at 502 shareholder meetings, with 5,327 votes made, representing over 97% of all possible votes. In a small number of cases it was not possible to vote due to share blocking, or logistical issues with newly launched funds.

Voting meetings by country

UK	57.4%
US	7.0%
Europe	20.3%
Rest of World	15.3%

The majority of shareholder meetings called and votes cast were in the UK, in line with the nature of the investments in the funds.

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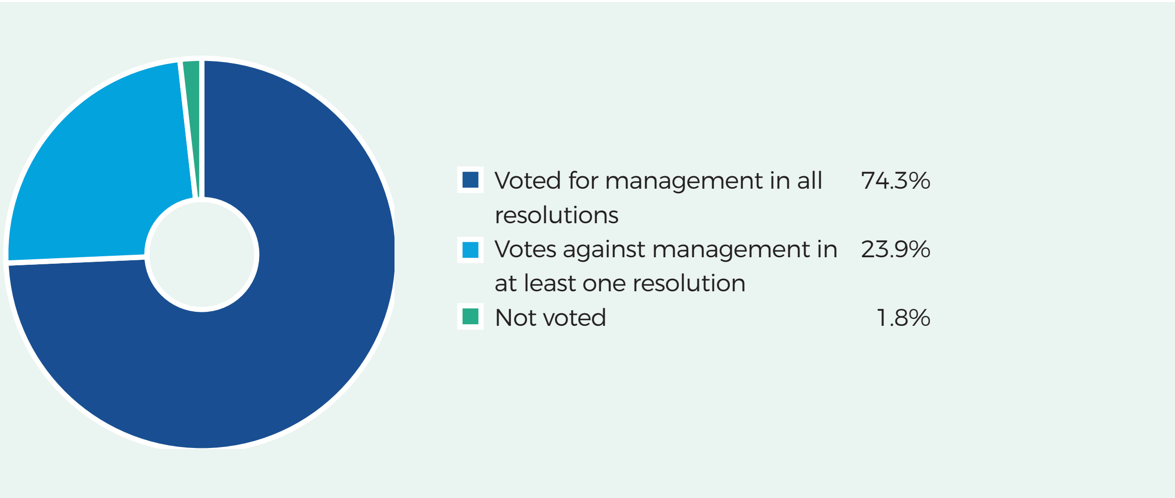
Votes against management

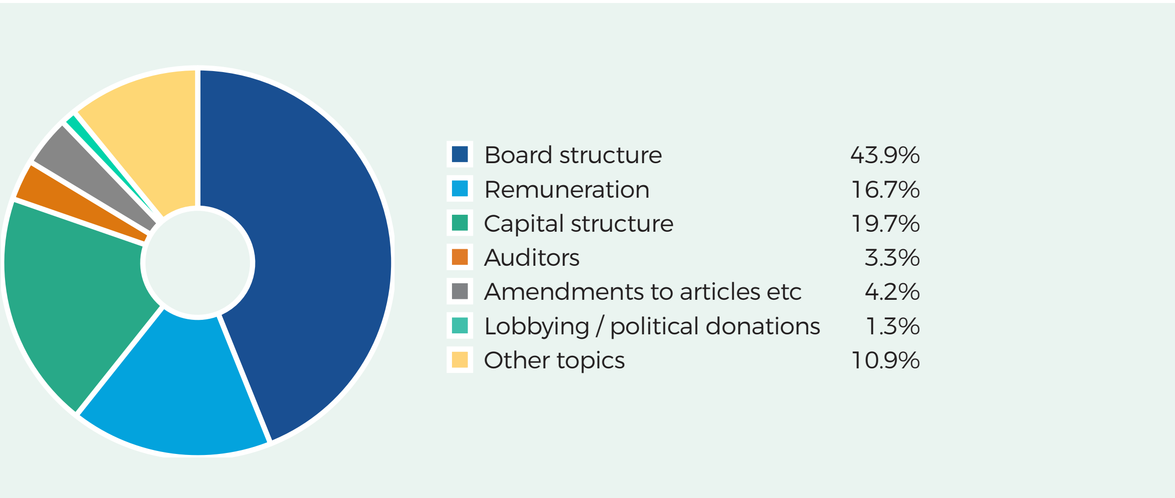
As an active fund manager with a long term investment approach, we will generally have a positive view of our investee companies. We constantly review areas such as company strategy and governance, and generally vote with company management. Where we do have a reason to vote against management, we aim to notify the company in advance.

Meetings available for voting



We voted against management, abstained or withheld in at least one resolution in 24% of meetings.

Voting against management by category



By resolution, 5% of votes cast were against management across a number of categories.

Most frequently we voted against management on the nomination of directors for proposed roles, remuneration reports and remuneration policy. In a number of instances, votes against management related to the company's capital structure or restructuring, for example 'continuation votes' for investment trusts and share conversions. In these instances we usually attempt to engage with the company's management to share our opinions based on what we believe to be in the best interests of shareholders.

Shareholder resolutions

We voted on 46 shareholder resolutions supporting 62% of those resolutions, specifically where they supported improved shareholder rights and/or proxy access with the majority of these being in the US. Shareholder proposals that we supported related to requests on gender pay reporting, reporting on lobbying payments and amendments that aimed to protect proxy access rights. In one

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instance we supported a shareholder's board representative nomination to the board against the recommendation of management where we believed this would have a positive influence the board for a review of business strategy at this large company which we believed was not performing as well as it should be.

Climate risk

During 2019 there was a large rise in the number of climate related shareholder resolutions with 65 resolutions across 32 companies (source; ShareAction). We supported the BP PLC CA100+ proposals, which were also supported by the company's management and subsequently approved. However, we did not support the "Follow This" shareholder resolution at BP in 2019, as we felt it would be too disruptive, compromising its ability to meet its financial targets.

During the year, we considered the increasing risk that climate change posed, and responded in one fund by reducing our exposure to large oil & gas companies in favour of other investment opportunities. We believe that increasing awareness of climate change, actions that are being taken as a result, and increasing legislation will have an impact on the profitability and business strategy of companies operating in this industry. This will play a significant part in our research and analysis.

Impact of proxy recommendations on our voting decisions

Premier Miton's fund managers review voting analysis and recommendations before making a final decision.

On approximately 2% of votes, our own analysis and underlying knowledge of the investee companies resulted in us actively voting against our proxy adviser's (ISS) recommendations, the decision often being to support management rather than to follow the ISS recommendation. These included votes across a number of areas such as remuneration, auditors' reappointment, directors' appointments, share buy backs and pre-emptive rights issues.

Some of our investee companies in the UK have long standing boards of directors which often include founders of the company with significant shareholdings that, we believe, align our interests with theirs, although these boards do not always achieve 'best practice governance' in matters such as director independence, combined chair / CEO positions and remuneration policies. We believe flexibility of approach sometimes gives smaller UK based companies an advantage. In these situations we may support management at Annual General Meetings, possibly against ISS or other recommendations. Such decisions are only taken after careful consideration and in light of detailed knowledge of the company.

Additionally, in one specific instance, a company we have been engaging with over a number of years to improve their corporate governance has made significant progress. Although we generally vote against the re-election of non-independent directors, in this case we supported the re-election of one specific non-independent director (a family member) who has been instrumental in driving change.

We generally aim to vote across our whole range of funds in the same way, following dialogue and information exchange between fund managers. In some instances those fund managers may have different views, or the discussions have not occurred. We had 25 occasions of contradictory votes, less than 0.5% of all votes.

Company Engagement:

Our fund managers meet the management of existing and potential new companies and undertake site visits as part of their research process, often with a number of other fund managers attending each company meeting. Increasingly, meetings are coordinated with Premier Miton Investors' Head of Responsible Investing where company ESG risks exist or specific ESG engagement is being undertaken. Detailed meeting notes are shared across the investment team.

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During the year the fund managers attended 658 meetings with 360 companies, of which 202 of these companies were held in one of the funds at some stage during the year.

We meet with companies that are not currently held within funds for a number of reasons; as potential investments, to understand the industry and the competitors (which may include companies held within the funds), as well as to understand best practice in areas such as corporate governance or energy efficiency practices.

Company engagement by type of interaction

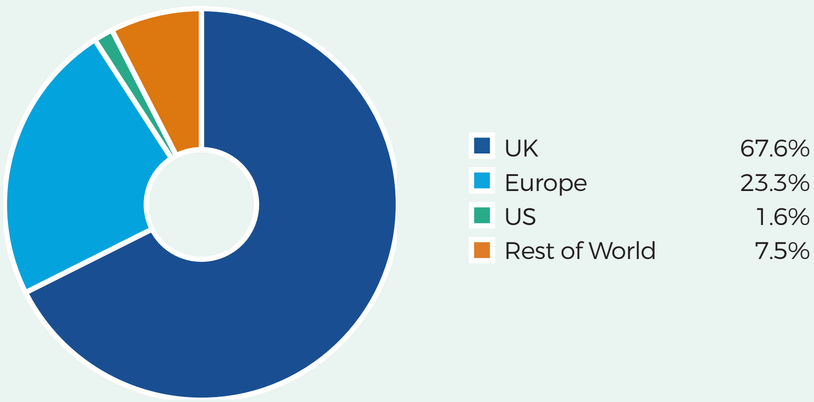
Company meetings - by type

These meetings occurred in a variety of ways; in person, including meetings in conferences, one to one or group meetings, site visits as well as conference calls and webinars. Over 40% of engagement was made by one to one meetings and over 6% were site visits including 30 site visits by the fund managers of our the Premier Pan European Property Share Fund and 14 visits by our UK equity team.

Our UK equity investment team invest in smaller companies, where research and information may be less easily available than for large companies. In most cases the fund managers will meet with management of these companies to support the decision of whether to invest or not. In one instance, a site visit with a newly listed company reinforced our views of its potential growth prospects and led us to view it internally as an environmental products company with its range of electrical products reducing energy usage as well as providing solutions to water hygiene issues.

Company engagement by location

Company engagement by location



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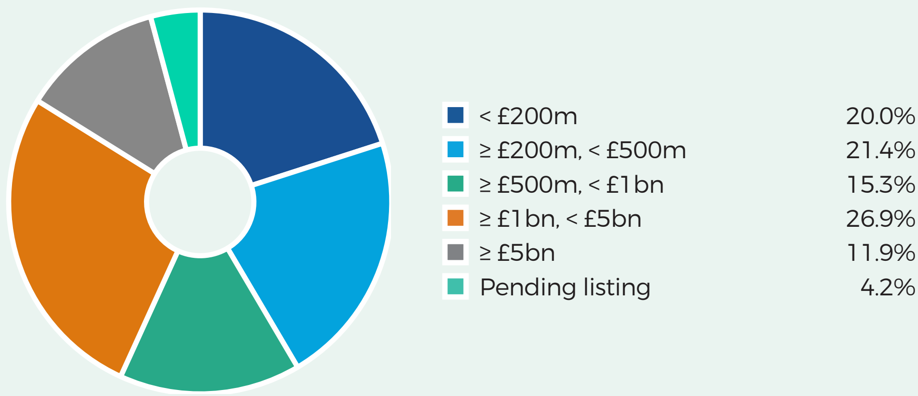
As a UK based investment manager, it is easier to meet UK companies in person and we aim to meet, or at least be in contact with all our UK based companies each year. Additionally, we are long-term investors. This means we will are able to build constructive two way relationships with company management teams.

Over the year, 68% of our company meetings were with UK based companies.

However, where we have holdings outside of the UK, we do see value in travelling to meet companies. Recently we made a site visit to Germany to see a company's property assets. The meeting gave us in depth additional information on the business and we were also able to highlight their lack of attention to sustainability. We were subsequently encouraged to see that the company announced an increased focus on sustainability, including the initiation of a new sustainability committee and enhanced reporting.

Company engagement by company size

Engagement by company size



We believe that meeting with the management of smaller companies is beneficial; there is often less third party analysis or research available on many such companies. Additionally we may be more significant investors in those companies, occasionally being the largest shareholder and therefore can exert greater influence if appropriate.

41.5% of the companies we engaged with during the year had a market capitalisation of less than £500m.

We engaged with one rapidly growing, small company in the consumer goods sector where we raised concerns on the management of sustainability risks. This sector has been criticised for the environmental impact of its products, lack of transparency in supply chains on risks such as minimum wages and child labour. We are encouraged by the response of the company which is now taking its responsibilities seriously in these areas and has recently appointed a Sustainability Director to take a number of initiatives forward including third party supply chain audits and joining industry meetings discussing actions on reducing environmental impact. We continue to monitor the company's progress.

Stewardship activities by fund / asset class.

Stewardship activities differ by fund depending on the investment process, type of holdings, investment universe and the investment objectives of the fund. Funds which typically have longer investment holding periods, exposure to smaller companies and have relatively concentrated portfolios are likely to be the most active stewards in terms of company management engagement and active voting.

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Global funds which typically invest in larger companies have more limited opportunities to gain access to management, as well as having a lessor influence which together limits the potential impact of stewardship activities. However, ESG disclosure is often good within this situation and increasingly the investment process is considering company ESG factors and United Nations Sustainable Development Goal alignment.

In sector specific funds such as property and infrastructure, the sector risks and opportunities are considered through engagement and voting, with a focus primarily on governance and increasingly on environmental and social factors. In global infrastructure, governments may be significant shareholders in some previously nationalised companies and this may have implications for governance matters. However, we may travel to meet these companies as well as their local regulators to evaluate and monitor investment opportunities. In one instance we successfully engaged with a company on their unrealistic executive remuneration structure as defined in their long term incentive plan and specifically the dilution impact it could have on investors.

Where we hold bonds in a company rather than ordinary shares, access is more difficult. Again we tend to engage with smaller companies where we can improve our knowledge of the underlying financial strength and potentially have a larger influence on the terms on which a bond is issued or paid back.

Stewardship in multi-asset multi-manager funds is facilitated through meetings with the third party fund managers and where investment is via funds or investment trusts listed on stock exchanges, we actively vote resolutions to maximise long term returns.

Supporting a more sustainable finance system

The Premier Miton CEO sits on the Investment Association (IA) board and we have engaged with the IA on the details and the future use of the newly published Responsible Investment Framework which describes the different components of responsible investing being applied in the UK.

Staff training

During the year one member of staff participated in the 2019 trial of the Chartered Financial Analyst Institute's ESG Investing certificate. Following this, we are recommending and supporting this course across our investment professionals.

Looking forward to 2020

We will continue to meet regularly with our investee companies, improving the discussions on ESG risk management as well as encouraging companies to actively seek to develop more sustainable business strategies.

When we meet with smaller companies, we will encourage them to strive to achieve the same minimum standards as larger peers in areas of relevant ESG disclosures for example, in areas such as governance, climate disclosure (in high carbon risk sectors including the listed property sector) and board diversity.

We also aim to improve our voting process and decisions, linking voting to engagement outcomes where relevant.

We are evaluating third party ESG data providers to see where additional data and research can most efficiently support our investment universe and investment processes.

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