



## **Fulcrum Asset Management LLP**

*November 2019*

### **Engagement Policy**

#### **Introduction**

Fulcrum Asset Management LLP (“Fulcrum” or “the Firm”) is authorised and regulated by the Financial Conduct Authority as an alternative investment manager with additional collective portfolio management permissions for the provision of discretionary investment services to a variety of clients and funds.

Fulcrum is supportive of the UK Stewardship Code as published by the Financial Reporting Council to promote the quality of engagement between institutional investors and companies they invest in.

The Shareholders Rights Directive II<sup>1</sup> (“**SRD II**”), in force as of June 2019, seeks to equally promote effective stewardship and long-term investment decision making. This policy therefore aims to set out Fulcrum’s commitments to the requirements under SRD II<sup>2</sup>.

This policy was approved by the LLP’s Management Board<sup>3</sup> in November 2019 and should be read in conjunction with the Firm’s UK Stewardship Code Disclosure Statement, Proxy Voting Policy and Responsible Investing Policy, all available at [www.fulcrumasset.com](http://www.fulcrumasset.com).

#### **Fulcrum’s Approach to Engagement**

Fulcrum is in general a top-down, global macro investor alongside a significant systematic business, investing across all asset classes. Fulcrum may invest in shares with a listing on an EEA market or on a comparable market outside the EEA. As single stock equities play an important role in many of the strategies, it is vital that where applicable Fulcrum carefully monitors and engages with the issuers it invests in to guarantee investment practices that are consistent with its client’s objectives.

Such monitoring may comprise daily following of company announcements; meetings with executive management; or review of external research and company results.

Though at times, Fulcrum may actively engage with management on certain issues, the level of shareholder engagement will usually be limited to the responsible exercise of voting rights in accordance with the Firm’s Proxy Voting Policy. This is due primarily to Fulcrum’s stance as a top-down

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<sup>1</sup> Directive (EU) 2017/828

<sup>2</sup> As set out under COBS 2.2B of the FCA Handbook

<sup>3</sup> LLP’s Management Board comprises of the Founder Partners and the Chief Compliance Officer.

macro investor and the often-insignificant holding of the issuer's outstanding shares or size of holding as it relates to the overall fund or client portfolio size.

### **Environmental and Social Impact and Corporate Governance**

Fulcrum believes that environmental, social and governance (ESG) factors can have an important role on the long-term performance of companies' financial returns. The Firm thus integrates these factors into the investment selection process to improve outcomes and risk-adjusted returns to its clients/funds.

Please refer to Fulcrum's Responsible Investing Policy available at [www.fulcrumasset.com](http://www.fulcrumasset.com)

### **Fulcrum's Proxy Voting Policy**

Fulcrum maintains a Proxy Voting Policy which sets out the Firm's policy and procedure regarding proxy voting and ensures it is done in a manner consistent with the best interests of the Firm's clients/funds. Fulcrum has engaged Glass Lewis, a proxy voting advisory firm, to provide the corporate governance voting recommendations relevant to the Firm's thematic equity investments.

Please refer to the Firm's Proxy Voting Policy available at [www.fulcrumasset.com](http://www.fulcrumasset.com)

### **Cooperation with Other Shareholders**

Fulcrum may at times collaborate with other shareholders when engaging with an issuer. However, such decisions will be made on a case by case basis as it is often the case that where a company no longer meets the Firm's investment criteria in providing shareholder long-term value, the Firm will seek to dispose of its holdings rather than engage in collective action.

### **Managing Conflicts of Interests**

Fulcrum has in place a Conflicts and Interests policy setting out how it manages actual and potential conflicts of interests arising from its business activities. The Firm recognises that there may be instances where a conflict of interest may present itself as a result of its engagement or voting rights. In such circumstances, Fulcrum will ensure that these are addressed and managed in accordance with the Firm's Conflicts of Interest Policy.

### **Review**

This Engagement Policy is reviewed annually or more frequently if needed.