

**Thomas Miller Investment (TMI)<sup>1</sup>**

**Responsible Investment Policy ('the Policy')**

**Introduction**

This document sets out the Policy of Thomas Miller Investment Ltd and Thomas Miller Investment (Isle of Man) Limited (collectively "TMI Group" or "TMI") on responsible investment and the integration of environmental, social and governance (ESG) considerations into our research and investment processes.

This Policy should be read in conjunction with the Thomas Miller Investment Engagement Policy which provides further information about our stewardship activities. Both Policies are available on our website at [www.tminvestment.com](http://www.tminvestment.com).

**Our philosophy & approach to investment management**

TMI is a signatory of the UN Principles of Responsible Investment (<http://www.unpri.org/>) and subscribes to its overarching Principles of:

Principle 1: We will incorporate ESG issues into investment analysis and decision-making processes.

Principle 2: We will be active owners and incorporate ESG issues into our ownership policies and practices.

Principle 3: We will seek appropriate disclosure on ESG issues by the entities in which we invest.

Principle 4: We will promote acceptance and implementation of the Principles within the investment industry.

Principle 5: We will work together to enhance our effectiveness in implementing the Principles.

Principle 6: We will each report on our activities and progress towards implementing the Principles.

TMI supports these principles of responsible investment and adopts a long-term approach to the stewardship of clients' assets. This investment approach aligns with our overall fiduciary duty as a constituent company within the Thomas Miller Group. Our primary focus is on ensuring that our clients' funds are managed in a manner that maximises the chances that their long-term investment objectives will be met. Consequently, a focus on client-specific objectives is central to our approach to investment management.

When constructing portfolios, our aim is to create efficient and well-diversified portfolios subject to client-specific constraints. Over 98% of the assets we manage for clients<sup>2</sup> are in bespoke, segregated mandates. Prominent advantages of bespoke, segregated portfolios include the flexibility to tailor the investment strategy to a client's exact requirements and the transparency provided to a client in terms of the underlying holdings.

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<sup>1</sup> This constitutes, for the purpose of this Policy, Thomas Miller Investment Ltd (TMIL) and Thomas Miller Investment (IoM) Limited.

<sup>2</sup> As at 30 June 2024

## Integrating ESG considerations

Our investment process is designed to help deliver superior risk-adjusted returns for clients. The assessment of opportunities and risk is embedded into the entire investment process and ESG integration occur at multiple stages:

- **Strategic asset allocation (SAA):** the focus here is to determine long term weights to various asset classes within the context of a well-diversified portfolio, based on an assessment of a client's investment objectives and risk profile. This is an iterative process and TMI is open to helping clients formulate investment policies and mandates that reflect their beliefs and values. For some clients, the integration of ESG into the mandate formulation process is an explicit requirement. This may take the form of broad sustainability considerations or more explicit ethical investment restrictions which may include negative screening.
- **Tactical asset allocation (TAA):** this encompasses various ways through which we seek to add value to the risk-adjusted performance of the SAA over the economic cycle. Where appropriate, ESG and broader sustainability related risks and opportunities are considered alongside traditional economic and financial analysis by the investment team in reaching tactical investment decisions.
- **Stock selection:** independent fundamental research is carried out by asset-class research teams. Our focus is on identifying long term opportunities to add value to client portfolios through the analysis of risk and return potential of securities across various asset classes. We believe that ESG issues represent important sources of risk and therefore can have a material impact on prospective returns.

Our asset-class research teams participate in regular research meetings where new stock ideas are discussed and existing stocks on the 'recommended list' are reviewed. Investment decisions are made only after both financial and non-financial risk factors have been assessed. All client portfolios can only hold securities that have been put on a 'recommended list' by one of our asset class research teams.

As afore-mentioned, virtually all of our assets under management are managed in bespoke accounts. Where a client has expressed explicit ESG requirements in their investment mandate, these specific requirements become an additional layer of analysis that we conduct. Unless otherwise agreed with a client, only securities on our 'recommended lists' which also meet the client-specific parameters can be held in a client's portfolio.

Further details on the research processes employed by each of TMI's asset class research teams can be made available to clients upon request.

- **Portfolio construction:** being predominantly top-down investors, TMI seeks to execute investment decisions in the most efficient, cost-effective way. Typically, this means that we use exchange-traded funds (ETFs) extensively across various asset classes. Where ETFs are used, we assess ESG/ethical ETFs alongside conventional ETFs.

- **Responsible Investment:** overall TMI will, where feasible, incorporate the following elements into its investment approach on either a portfolio basis or tailored to the specific asset classes held:
  - Environmental factors
  - Social factors
  - Governance factors
  - Sustainability outcomes, these may include
    - climate change factors
    - human rights elements
    - any other systematic sustainability issues
  - Identifying and managing any conflicts of interest

## Engagement

As noted above TMI is a full signatory of the UN Principles of Responsible Investment. In addition, the Shareholder Rights Directive (SRD II) is a regulation to which TMI subscribes that aims to promote effective stewardship and long-term investment decision making. Please refer to TMI's Engagement Policy for further information.

## Voting

Where voting rights are available and clients have delegated proxy voting responsibility to us, we aim to use judgement to ensure that we utilise this power appropriately. Where we believe resolutions are not in the best interest of shareholders or the community as a whole, we will exercise our voting power to oppose such proposals. Our views attempt to incorporate current issues and our opinion on key governance topics, which embody the positions and factors we prioritize in casting proxy votes. These address a variety of individual topics, including shareholder voting rights, anti-takeover defences, board structures, the election of directors, executive and director compensation, reorganisations, mergers, issues of corporate social responsibility and various shareholder proposals.

Where applicable TMI will incorporate relevant environmental, social and/or governance factors into its judgement when exercising its voting powers.

Please visit our website for more information about our engagement activity.

## Reporting

The voting record is summarised for clients on an annual basis and this is available on our website at [www.tminvestment.com](http://www.tminvestment.com).

## Further Information

Any questions or requests for further information relating to this Policy should be addressed to the TMI Chief Investment Officer.

**August 2025**