

Premier Fund Managers Limited (CRN: 02274227)

s.172 (1) Companies Act 2006 disclosures

In accordance with Section 172(1)(a) to (f) of the Company Act 2006, a director of a company must act in the way he or she considers, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to:

- The likely consequence of any decision in the long term
- The interests of the company's employees
- The need to foster the company's business relationships with suppliers, customers and others
- The impact of the company's operations on the community and the environment
- The desirability of the company maintaining a reputation for high standards of business conduct
- The need to act fairly as between members of the company

The Directors of Premier Fund Managers Limited (the 'Company'), both individually and collectively, have acted in the way they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its sole member, in all decisions taken by the Board during the year ended 30 September 2022.

Disclosures on how the board of the ultimate parent entity of the Group has considered these matters are included in Premier Miton Group plc's Annual Report and Accounts.

Our key stakeholders and how we engage with them

The Board considers its key stakeholders to be its shareholder, clients, regulators, suppliers, employees, community and environment.

Shareholder:

The Company is a wholly owned subsidiary with a sole shareholder and delivers against the strategic objectives agreed for the Group. Keeping the confidence of the ultimate parent entity's shareholders is a key outcome of successful engagement and is the responsibility of the Board of Premier Miton Group plc.

Stakeholder's key interests

- Good governance practices and adherence to Group governance standards
- Long-term value creation
- The expectation of financial returns on the investment through the payment of dividends

How we engage

- Ensuring transparency in the way we do business, maintaining good governance practices in line with the QCA Governance Code
- Ensuring the Board has a clear understanding of its role and contribution to the success of the wider Group
- Tracking achievement against strategic objectives throughout the year

Clients:

Our purpose is to actively and responsibly manage our clients' investments for a better financial future. We aim to focus on building and maintaining strong relationships with our clients. The overall success of the business depends on how well we achieve our purpose.

Stakeholder's key interests

- A well-diversified range of investment products
- Value assessment
- Communications and relationships
- Reliable and efficient client services
- Regulatory compliance

How we engage

- The Board receives regular updates on advisory and discretionary client engagement to understand how clients' needs are evolving
- The Product Governance Committee undertakes a regular review of the PMI funds to ensure they are being managed inline with their objective, policy & strategy and are performing as investors have been led to expect
- The costs associated with PMI branded authorised funds are subject to annual value assessment by a fellow Group subsidiary, Premier Portfolio Managers Limited
- Client specific events
- Client feedback is discussed at Board meetings
- Discussion at Board meetings on the FCA's New Consumer Duty
- Close monitoring and handling of any client complaints

Regulators:

As a UK asset manager largely serving UK investors, the firm is authorised and regulated by the Financial Conduct Authority 'FCA'. We seek to maintain a positive and open relationship with the FCA.

Stakeholder's key interests

- Transparency and integrity
- Candid and regular dialogue
- Proactive response to FCA initiatives and publications

How we engage

- Actively engaged, notably via the Quoted Companies Alliance and the Investment Association to ensure that we remain alert to legal and regulatory change
- A regulatory change log is included at each meeting which highlights any impact and timing of incoming regulatory change
- Any direct contact from the FCA is responded to promptly

Suppliers:

We aim to maintain good relationships with our suppliers and ensure they are meeting our standards of ethical business conduct. The selection process and engagement with any third-party providers is guided by our Procurement Policy, supported by suitable due diligence processes and in accordance with our Modern Slavery statement.

Stakeholder's key interests

- Minimising the inherent risks of outsourcing
- Promoting responsible and ethical business practices to maintain good long-term relationship with key suppliers

How we engage

- The Board receives regular updates on third party providers
- Monitoring and oversight of key third-party supplier relationships is undertaken by the Outsourced Oversight Committee
- Senior management meet regularly with suppliers
- Routine contract renewal or tendering is undertaken at intervals
- Relevant policies, including the Procurement Policy, Anti-Bribery, Gifts and Entertainment, Legal Contracts Policy and Record Retention Policy, are subject to annual review

Employees:

Our employees are instrumental in the execution of our strategy. Having the right people, capabilities and engagement across the organisation is fundamental to delivering the long-term success of the Company. The Company places reliance on the Nomination Committee of the ultimate parent entity with regards to succession planning for senior management.

Stakeholder's key interests

- A healthy corporate culture
- Regard for employee health and wellbeing
- A safe working environment
- Training and development opportunities
- Well-designed remuneration structures that attract and retain employees

How we engage

- Maintaining a compliant culture with good conduct across the Group through appropriate policies, monitoring and reporting
- Review and respond to feedback following employee engagement surveys
- Regular updates from the Group CEO
- The Board receives regular updates on people initiatives from HR
- At each board meeting SMCR function holders confirm that their responsibilities have been discharged over the period under review
- A program of compliance and other relevant training is provided
- SMCR focused training is undertaken regularly
- Formation of the Sports & Social Committee and Equality, Diversity & Inclusion Committee during the year
- Reliance is placed on the Remuneration Committee of the ultimate parent entity to ensure that overall remuneration practices are compliant with the FCA Remuneration Codes and do not encourage excessive risk taking or undesirable conduct

Community and Environment:

The Group is committed to an active and growing role in corporate social responsibility and building a more sustainable future.

Stakeholder's key interests

- Responsible business practices
- Sustainable investment funds
- Reputation within the Community

How we engage

- An active Environmental Committee has developed key initiatives including the Group's work towards net zero carbon emissions, calculating its greenhouse gas emissions and submitting the Group's CDP disclosure assessment. The assessment allows investors to understand the ways the Group incorporates sustainability into its business strategy and practices
- Active engagement is undertaken with industry bodies on Responsible Investment and climate risk
- The Group manages five specialist funds focused on Environmental, Social and Governance (ESG) or sustainable factors
- The Responsible Investment working groups have been supplemented by a formally constituted Responsible Investment Oversight Committee
- Premier Miton is a signatory of the FRC's Stewardship Code
- Adoption of the Responsible Investment Policy in September 2022
- The Group supports colleague volunteering activities

Key Board Decisions and Considerations during the year

In promoting the success of the Company, the Board considers the following to be the key decisions made during the financial year ended 30 September 2022:

Financial Performance

- Approval of 2021 Annual Report and Accounts
- Approval of the Annual CASS report
- Review of quarterly Management Accounts
- Review and approval of Investment Management fee
- Interim Dividend payments
- Review and recommendation of the 2022 ICAAP and Pillar III disclosures to the plc Board for approval
- Review and approval of applicable finance policies

Operational Performance

- Receive updates from the Group CEO
- Review and discuss quarterly Business Reports and Operational Oversight
- Monitor and implement various regulatory activities including sanctions checks following the invasion of Ukraine by Russia
- Receive and act on recommendation on Internal Audit Findings Reports from Grant Thornton
- Review and approval of applicable operational policies

Stakeholders

- Review and recommend the Modern Slavery Statement to the plc Board for approval
- Receive regular updates from HR on various employee matters
- Approval of FRC Stewardship Code submission and Responsible Investing Report
- Review and approval of the SYSC II Manual
- Review and approval of applicable supplier-related policies
- Review and approval of annual reports from Data Protection Officers, MLRO and on Product Governance.

Governance

- Receive regular reporting and updates on key governance developments from the Governance team
- Approval of the appointment of a new Executive Director and their induction
- Undertake an annual Board Evaluation
- Annual review and approval of the Board Charter of the Company
- Approval of Terms of Reference of committees with delegated regulatory duties
- Review the updated SYSC III Manual

Approved by the Board on 6 December 2022