



Marathon Asset Management LLP

Environmental, Social and Governance

Within the spectrum of ESG, Marathon's focus is very much on "G" issues, to the extent that all members of the investment team pay particular attention to corporate governance issues through the detailed analysis of company management.

The investment team spends a significant amount of their time in company meetings, including conferences. The aim of these company meetings is to make an assessment of the business model and corporate strategy, management competence and incentives as well as the company valuation. However, the sole criterion for investment is shareholder value and the investment approach is aimed at finding companies that are able to generate returns over the longer term. Marathon make no attempt to hide the fact that ESG analysis, particularly social and environmental, plays a limited role in the decision making process.

Some segregated clients restrict investment in, for example, tobacco or alcohol stocks. Marathon is happy to act in accordance with social and ethical policies specified by our clients, to the extent that it is practicable to operate such restrictions.

Having made the investment decision we believe Marathon is under an obligation to exercise our fiduciary responsibility to vote. Marathon, on behalf of all of our clients, often own large stakes in investee companies and it is of utmost importance that we have the ability to vote on these stakes in order to influence management.

Marathon has been a signatory of the UK Stewardship Code since December 2010 and has been categorised as a Tier 1 signatory by the UK Financial Reporting Council. A Tier 1 classification is the highest level awarded to those managers which provide a good quality and transparent description of their approach to stewardship. Marathon has also been a signatory to the Japanese Stewardship Code since July 2016.