

Timeline's Engagement Policy

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Introduction and Background

1.1. The amended European Shareholder Rights Directive II (SRD II), which is applicable from 10 June 2019, includes transparency obligations for European institutional investors as well as European and United Kingdom asset managers to the extent investments in EU equity instruments are made.

1.2. SRD II requires Timeline Portfolios Limited (Timeline) to disclose a shareholder engagement policy in respect of the EU equity instruments that it provides portfolio management services for on a 'comply or explain' basis.

1.3. This policy accordingly sets out the extent to which Timeline Portfolios will comply with the engagement requirements of SRD II and should be read together with Timeline's Stewardship Code Disclosure.

1.4. Timeline's investment philosophy is generally to invest for the long-term on behalf of its clients for the purpose of assisting our clients to achieve their financial objectives.

1.5. Although Timeline Portfolios supports the aims of SRD II which encourages long-term shareholder engagement, Timeline Portfolios' investment philosophy does not generally include active engagement with EU Listed companies in which we hold investments on behalf of our clients (Investee Companies), for the reasons set out below.

1.6. Timeline Portfolios is authorised by the Financial Conduct Authority (FCA) and, as such, will act in accordance with the Principles as defined in the FCA Handbook, which will take precedence over the requirements of this policy.

Review of this Policy

This policy will be reviewed at least annually or more frequently in the event of changing circumstances or regulations by Timeline Portfolios' Management Body, which is its Executive Committee. This policy is publicly available on Timeline's website.

SRD II Requirements

We set out below a description of the extent to which Timeline Portfolios complies with the SRD II requirements and the reasons why we may not fully comply.

3.1. How Timeline Portfolios integrates shareholder engagement in its investment strategy:

3.1.1. Prior to Timeline Portfolios making an investment in any listed company or Fund for its Model Portfolios, its specialist investment teams (comprising equity, fixed income and multi-asset specialists) (ITs) will carry out research and analysis which will include evaluating the company's strategy, financials, risk appetite and the overlaps between these elements. If appropriate, we will engage with the management of the company and/or its investor relations team to gain a better understanding of the company, industry and sector that it operates in. The investment, equities and fixed-income teams have access to reports, investment research and industry information and may take such information into account when making investment decisions.

3.1.2. The purpose of Timeline Portfolios' research and engagement as described above is to eliminate potential investee companies which don't fit into Timeline Portfolios' investment strategy and not to identify potential investee companies that

Timeline Portfolios can engage with for the purpose of influencing the strategy of those companies.

3.1.3. All Timeline Portfolios' investment activity is performed by the ITs and overseen by the Investment Committee.

3.2. How Timeline Portfolios monitors investee companies on relevant matters:

3.2.1. Once an investment has been made, the ITs continue to monitor the financial and non-financial performance of Investee Companies for the duration that the investment is held and will monitor the strategy, financial and non-financial performance and risk and capital structure, through financial analysis of the Investee Company's reports, by attending analyst meetings, investor presentations and using media and third-party research. Any concerns that arise as a result of this monitoring will inform engagement and investment decisions.

3.2.2. In addition, external research enables the ITs, where considered appropriate for a client, to consider Environmental, Social and Governance (ESG) factors for bespoke client portfolios (although these factors are not currently considered key with regard to the Model Portfolios or the UCITs funds), which may then inform subsequent engagement and investment decisions.

3.3. How Timeline Portfolios conducts dialogues with Investee Companies:

3.3.1. Timeline Portfolios has an outcomes-based philosophy underpinning our approach to engagement. The majority of dialogues that form Timeline Portfolios' engagement with Investee Companies are conducted by the ITs with the management and/or the investor relations. We would consider the extent of the engagement required, if any, with the Investee Company based on our investment policies, the nature of our clients who are invested, the size of our holdings, the materiality of the risks and issues and the feasibility of achieving change or influencing the Investee Company through engagement.

3.3.2. The nature and frequency of the dialogue depend on the location of the Investee Company, the stage of engagement, the severity of the issue and the willingness of the Investee Company to engage.

3.3.3. Generally, our engagement activity is limited as we invest in very large and liquid companies so our relative shareholding size tends to be small.

3.4. How Timeline Portfolios exercises voting rights and other rights attached to shares:

Timeline Portfolios would not as a general policy exercise any voting rights on behalf of its discretionary clients, given that its shareholding will be relatively small as most of the investments will be in mid to large-cap entities, although it will do so if specifically requested by a client to do so or we believe it would be beneficial to our clients to do so.

3.5. How Timeline Portfolios cooperates with other shareholders:

Timeline Portfolios may in exceptional circumstances collaborate with other shareholders, when Timeline Portfolios believes that the interests of its clients are aligned with those of other shareholders and there is a material issue at stake and that such collaboration:

3.5.1. May enhance its ability to engage with the Investee Company; and

3.5.2. May enable Timeline Portfolios and/or the other shareholders to influence the actions and governance of the Investee Company to achieve the desired outcome for our clients.

3.6. How Timeline Portfolios communicates with relevant stakeholders of the Investee Companies:

Timeline Portfolios activities may in exceptional cases and only where the size of the shareholding that Timeline Portfolios is managing, warrants and/or requires such engagement, include discussions with relevant stakeholders of Investee Companies.

3.7. How Timeline Portfolios manages actual and potential conflicts of interests in relation to Timeline Portfolios engagement:

3.7.1. We actively identify, report and mitigate conflicts of interest. When any staff member recognises a potential conflict of interest with an Investee Company in which they are engaging, he or she must raise this with their line manager and Compliance.

3.7.2. Potential conflicts of interest may arise where a Timeline Portfolios member of staff has a personal interest in the same Investee Company as a client either as a result of an investment in the Investee Company or as a result of a material personal relationship with a material person at the Investee Company. Our Conflicts of Interest Policy which is available on our website, sets out the processes to avoid or mitigate the risk of any such potential conflicts.

3.7.3. Where a staff member has a personal connection with a company, he or she is required to report this to Compliance.

Transparency

Annual implementation of this Engagement Policy.

Since it is not Timeline Portfolios' intention to exercise voting rights on behalf of clients unless specifically instructed to do so, it is unlikely that Timeline Portfolios will have any information to disclose regarding its voting behaviour but to the extent that it has exercised any voting rights on behalf of any of its discretionary clients, it will make such disclosures as required by the applicable law.

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