



# UK Stewardship Code Report 2025

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# Contents

Foreword	3
CEO Note	4
Part 1: Policy and Context Disclosure	6
Disclosure A: Purpose and Investment Beliefs	7
Disclosure B: Governance	12
Disclosure C: Policies	15
Disclosure D: Conflicts of Interest	17
Disclosure E: Client and Beneficiary Engagement	18
Part 2: Activities and Outcomes Report	19
Principle 1: Integration of Stewardship and Investment	20
Principle 2: Market-wide and Systemic Risks	22
Principle 3: Engagement to Maintain or Enhance Value	24
Principle 4: Exercising Rights and Responsibilities	27
Principle 5: Selection and Oversight of External Managers	30
Principle 6: Monitoring Service Providers	31

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## Foreword

This report sets out Chelverton Asset Management Limited's (CAM) approach to stewardship, structured in accordance with the UK Stewardship Code 2026 published by the Financial Reporting Council (FRC).

The report is organised in two parts following the 2026 Code structure: Part 1 covers Policy and Context Disclosure (Disclosures A through E), and Part 2 covers our Activities and Outcomes Report (Principles 1 through 6).

Our reporting period covers the calendar year 2025, with AUM data as at 31 December 2025.

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## CEO Note

2025 has been another year of evolution for Chelverton, set against a backdrop of continued macroeconomic uncertainty and ongoing pressure on smaller companies. Despite these challenges, our commitment to active stewardship has remained unwavering. During the year we were appointed to manage a new Global Technology Fund, broadening our reach into a new investing area, while we made the considered decision to wind up the Chelverton Select Consumer Staples Fund as a sub-scale strategy. Assets under management closed the year at £978.8m.

The year saw a further widening of the valuation discount between small companies and their larger peers, exacerbated by domestic policy uncertainty and an evolving global trade environment. Throughout, we maintained our focus on long-term value creation, identifying well-led companies with robust cash generation, strong balance sheets and the ability to compete through the cycle. We remain confident that our specialist focus on under-researched parts of the market continues to support long-term efficiency for our clients.

While we do not manage explicitly sustainability-focused or impact-driven funds, we continue to integrate material environmental, social and governance considerations into our investment process. We view a company's approach to ESG management and reporting as an indicator of quality and resilience.

A meaningful change this year has been the refinement of our engagement approach. Building on the deep relationships we hold with portfolio companies, we have moved away from blanket annual letters and ESG questionnaires towards more targeted, in-depth engagements with companies where we identify material issues or specific opportunities to influence positive change. We believe this allows for more substantive dialogue and better outcomes for our clients. Across the year, our investment managers attended 379 meetings with investee companies and voted on 6,747 resolutions on behalf of our funds.

During 2025 we also voluntarily produced our first entity-level TCFD-aligned Climate Report. While not required by regulation given our size, we recognise the importance of understanding and disclosing how climate-related risks and opportunities may affect our portfolios over time. The scenario analysis embedded in this report is helping us inform more targeted climate-related engagement with our holdings.

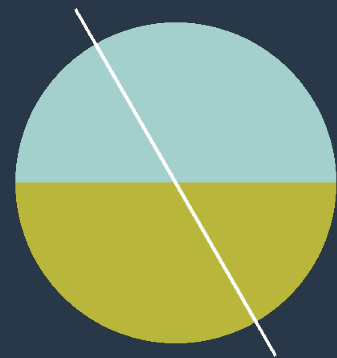
This report sets out CAM's approach to stewardship for the calendar year 2025 and is structured against the principles of the new UK Stewardship Code 2026. Part 1 covers our Policy and Context Disclosures, describing our purpose, governance, policies, conflicts of interest and client engagement. Part 2 covers our Activities and Outcomes Report, setting out how we have integrated stewardship into our investment process, identified and responded to systemic risks, engaged to maintain or enhance value, exercised our voting rights and monitored our service providers.

Looking forward, I remain committed to leading Chelverton through what remains a complex and evolving environment for smaller companies. Our boutique approach, employee ownership and the strength of our team position us well to continue acting sensibly and responsibly across all areas of our business.

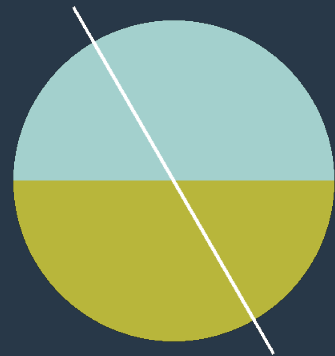
**Alastair Rae**

Chief Executive Officer

# Part 1 Policy and Context Disclosure



# Disclosure A Purpose and Investment Beliefs



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## Nature of the organisation

Established in 1998, CAM is a boutique asset management company predominantly investing in quoted and AIM traded small and medium-sized companies in the UK and Europe. Managers follow a bottom-up approach to stock selection, managing open-ended and closed-ended funds.

During 2025 we were appointed manager to a new Global Technology Fund which invests in global technology companies.

The funds we manage are listed below. Assets under management (AUM) as at 31 December 2025 were £978.8m, split as follows:

### OEIC Funds

Fund	Launched	Fund Size	Holdings
MI Chelverton UK Equity Growth	October 2014	£332m	105
MI Chelverton European Select	March 2018	£265m	44
MI Chelverton UK Equity Income	December 2006	£137m	83
MI Chelverton UK Opportunities	October 2024	£32m	48

### Open-ended UCITS Funds / Reserved Alternative Investment Funds

Fund	Launch / Appointment Date	Fund Size	Holdings
FS Chelverton Global Technology Fund	2025	£80.5m	27
FS Chelverton Thyra Fund	2025	£2.1m	33
Chelverton Focused Technology Fund	2025	£2.7m	13

### Closed-ended Investment Trusts

Fund	Launched	Fund Size	Holdings
Chelverton UK Dividend Trust plc	May 1999	£33m	71
The Investment Company	July 2023	£7m	91

Source: Fund fact sheets and Chelverton data as at 31 December 2025

In addition, CAM advise and manage segregated mandates on behalf of professional clients of c.£87.5m (31<sup>st</sup> December 2025).

CAM's OEIC, Closed-ended Investment Trusts, and Open-ended UCITS Funds invest 100% in quoted equity shareholdings and AIM traded equities.

During the period, the Chelverton Select Consumer Staples fund was wound up due to the fact that it was a sub-scale fund in terms of AUM.

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## Our client base

Our clients are the funds that we manage.

We are appointed as Investment Manager of the UK OEICs by the Authorised Corporate Director (ACD), Apex Fundrock Ltd, with responsibility for managing the assets according to the mandate set for each sub-fund on behalf of the investors within each sub-fund.

Similarly, we are appointed as Alternative Investment Fund Manager of the UK Dividend Trust and Investment Manager of The Investment Company by the respective Board of each investment trust, with responsibility for managing the assets according to the mandate on behalf of the investors within them. Both Investment Trusts are UK domiciled.

We are appointed as Investment Manager of the UCITS funds with responsibility for managing the assets according to the mandate on behalf of the investors within them. Both UCITS are domiciled in Sweden.

We are also Investment Manager of a Luxembourg domiciled Reserved Alternative Investment Fund.

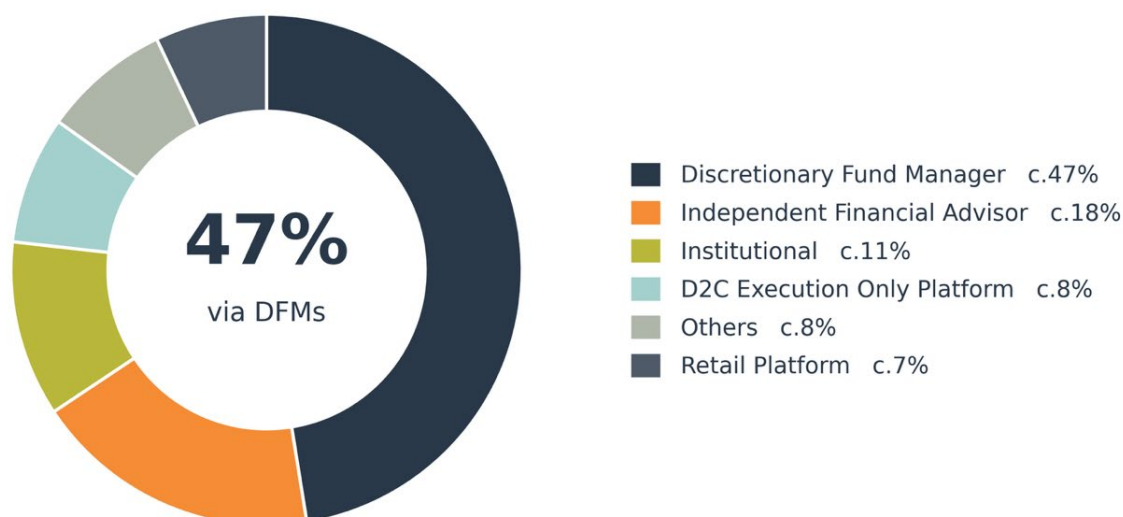
CAM was also appointed as Investment Manager of a segregated mandate, which mirrors the investment policy of MI Chelverton UK Equity Growth Fund. The ManCo of this fund is a German regulated entity, BayernInvest. BayernInvest has its own proxy voting policy and has therefore requested to vote its own shares. Nonetheless, as the holdings match the MI Chelverton UK Equity Growth Fund, all other stewardship activity is mirrored across the funds.

### Institutional vs Retail Clients

Chelverton direct clients are all either funds or professional investors.

Investors in funds are not direct clients of Chelverton, nonetheless, Chelverton does run analysis to ascertain the types of clients in funds. Often underlying investors come through platforms or wrappers. The type of analysis Chelverton runs is outlined below.

## OEIC Sub-Fund Investor Account Type



Clients in our OEIC Sub-Funds: The register of underlying investors in the OEIC sub-funds, which represent the majority of our AUM, shows the funds are primarily invested in by professional clients and eligible counterparties, such as

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Independent Financial Advisors, Discretionary Fund Managers and Wealth Managers acting as professional advisors to their clients, the ultimate beneficiaries of the assets we manage.

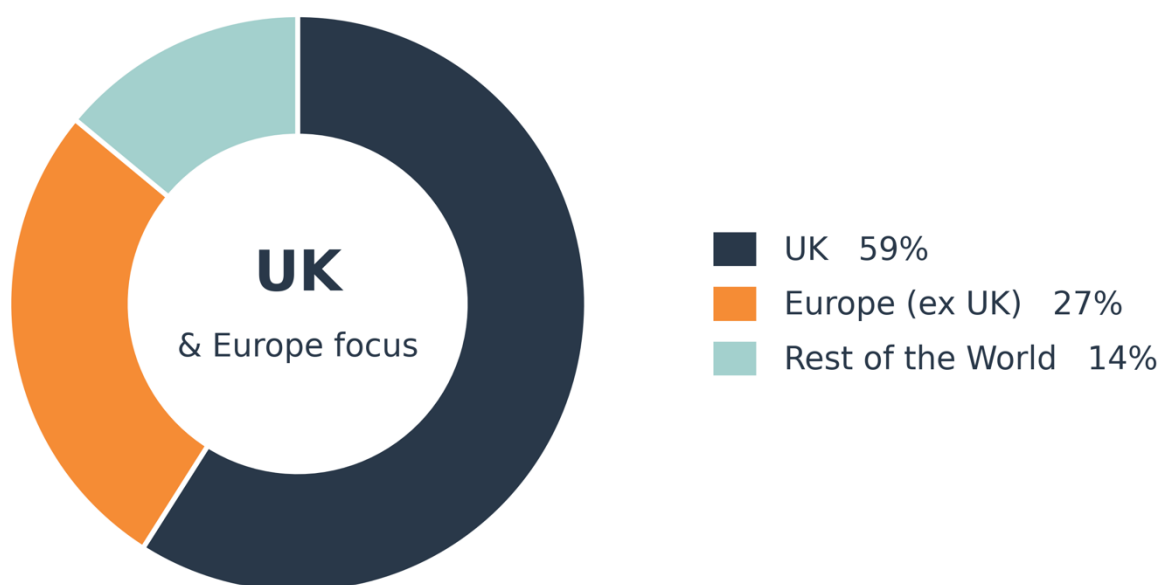
## Assets under Management

### AUM by Asset Class

CAM's OEICs, Closed-ended Investment Trusts, and Open-ended UCITS Funds invest 100% in quoted equity shareholdings and AIM traded equities.

### AUM by Geography

We invest predominantly in the UK and Europe (ex UK), and now invest in some global equities through our UCITS funds. Our AUM breakdown by geography as at 31 December 2025 is as follows:



### Active vs Index Management

All AUM is actively managed. Managers follow a bottom-up approach to stock selection.

### In-house vs External Management

CAM manage all investments in-house. We undertake our own research, voting and engagement, using third party research and ESG data services for contextual purposes only.

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## Our investment beliefs and stewardship strategy

### Our purpose

Our purpose is to ensure the delivery of our client's investment objectives over the long-term through investing responsibly within defined investing niches, still predominantly in small and medium-sized companies.

Whilst our clients drive our purpose and sit at heart of everything we do, we believe our purpose serves wider stakeholders, by ensuring two things: in the main, directing investment towards under-researched small and mid-sized companies, which play an important role in the broader economy; and enhancing investment efficiency by applying expert focus to our defined investing niches.

Adopting a long-term lens, we also account for evolving trends that present both opportunities and challenges, such as climate change and the shift towards more sustainable business practices.

### Our investment beliefs

We believe responsible investment can deliver long-term benefits for clients, beneficiaries, the economy, environment, and wider society.

Our boutique approach allows us to maintain deep, specialised knowledge with high levels of company engagement (where appropriate in consideration of strategy) that we believe can create long-term value for our clients. By integrating material ESG considerations into our rigorous investment process, we aim to identify well-managed companies poised for long-term success.

While we do not, in the main, apply exclusion criteria or manage labelled sustainability-focused strategies, we consider a company's management of material ESG issues as an indicator of management quality and long-term competitive advantage.

At the core of our investment process is the stewardship of the assets we manage, which we see as both a key activity and a source of long-term value creation. Our engagement with companies helps us understand investment dynamics, monitor risks, and, where appropriate, drive positive change within targeted companies for the benefit of our clients.

We believe that integrating relevant ESG factors into our investment approach adds value for our clients by: optimising our management of investment risk and opportunity; improving the quality of our company engagement and stewardship; and fulfilling our fiduciary duty.

### Our approach and strategy

We are a boutique equity asset manager focused on investment within defined investing niches, predominantly small and medium sized companies.

Our investment managers are supported by an external ESG team, finance and regulatory specialists, and business support staff.

Each investment team operates independently, with a distinct identity and approach, shaping their stewardship and engagement activities to align with the specific niche and objectives of each fund.

Our strategy rests on leveraging our expertise within defined investment niches for the benefit of clients. This drives all decisions relating to resource allocation, capability building, and talent management, ensuring we can create and protect value for our clients and, in so doing, wider stakeholders.

We manage well diversified investment portfolios, and whilst we frequently hold substantial stakes in smaller companies, we generally limit ownership of one company to 10% across all strategies, investing for an average period of 3–5 years.

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We are not ‘forever’ investors and look to recycle funds into new opportunities once an investment thesis has been delivered, or circumstances change preventing the delivery of the original investment case.

### **Appropriateness of stewardship strategy**

Our stewardship approach is tailored to the unique characteristics of the companies we invest in. We believe that these businesses often benefit from constructive engagement with shareholders, and we devote significant time to this activity.

The investment managers of each fund undertake stewardship and engagement activities with the support of CAM’s dedicated Corporate Governance Manager and external ESG partners working alongside them.

While each team operates independently, managers across CAM share a focus on certain financial and non-financial investment quality indicators, including free cash flow metrics, balance sheet strength, and management quality indicators. We believe strong governance is a key management quality indicator and this is a primary focus for our stewardship, alongside understanding each company’s approach to the management of relevant environmental and social factors.

### **Client value and time horizon**

Our usual investment time horizon is 5 years, and our average holding period is expected to be 3–5 years.

### **Our culture and values**

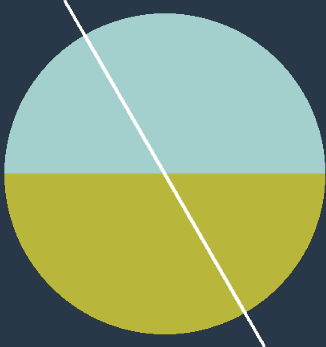
Our culture is essential to the delivery of our purpose, investing beliefs and strategy. Led by our directors, we create a purposeful, collegiate working environment where business goals align with client needs.

As our small team has continued to grow, we have taken intentional steps to protect and strengthen our culture. A key part of this is our majority employee ownership, which reinforced our collective commitment to CAM’s long-term success.

We are committed to fostering a learning culture, offering both formal and informal training to encourage continuous development. By supporting our team at all levels, we ensure the skills needed to navigate changes are always in place.

Our flat management structure is designed to optimise oversight and the sharing of ideas and information.

# Disclosure B Governance



## Our stewardship governance structure

We operate a flat management structure, designed to optimise oversight and the sharing of ideas, and ensure a clear line of responsibility to our board, which consists of five directors: Non-executive Chairman, Chief Executive Officer, Chief Investment Director, Investment Trusts Director, and Finance Director.

Our Chief Investment Director and Investment Trusts Director are actively involved in day-to-day investment decision-making and stewardship.

Our investment teams operate independently, carrying out stewardship and engagement activities within their respective niches, aligned with their specific investment objectives and client needs. These activities are supported by our external ESG team and Corporate Governance Manager, with oversight from the board.

## Our governance structure



Source: Chelverton Asset Management Ltd — as at 31 December 2025

## Integration with overall governance

As a majority employee-owned firm, our simple business model and flat organisational structure support our stewardship commitment by leveraging niche investment expertise, maintaining a client-first approach, establishing clear lines of accountability, and aligning employee incentives with client objectives.

Information flows are often iterative given two board directors, our Chief Investment Officer and Investment Trusts Director, are also members of investment teams.

The non-exec Chairman position on the Board strengthens the independence of the process, and the Compliance and Risk Officers also provide independent oversight. Similarly, attendance at meetings by our CEO provides additional oversight and challenge of stewardship activities, including adherence to relevant policies and processes by the investment teams.

## Quarterly ESG meetings

Within this structure our quarterly ESG meetings provide an independent review of fund level ESG risk. Overall ESG risk, carbon risk, controversies risk and controversial business exposures are reviewed quarterly, with reports and insights flowing to Board level where required. The forum is also an opportunity to discuss horizon scanning of emerging ESG risks and opportunities; ESG themes and news for investment context and to inform company engagement; company governance issues; and progress against CAM annual engagement plan objectives.

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Inputs from ESG meetings provide a backdrop for regular UK, EU, and equity meetings, which focus on macro context, the positioning of funds, and relevant investment activity. Any company level risks from these meetings requiring escalation also flow to the Board, for example any unexplained rise in fund carbon exposure might be added to the risk and harm register under ESG risk and discussed at Board level.

### Ultimate accountability

The Board has ultimate responsibility to ensure our policies, associated processes, and the effectiveness of activities are fit for purpose.

## Stewardship resourcing, skills and diversity

CAM had 19 employees as at 31 December 2025.

### Investment teams

CAM's primary resource is the experience of our skilled investment managers who are specialists within their investing niches. Each fund is managed by at least two experienced fund managers, one with at least 20 years' experience within the investing niche. Several of our investment team members have formal training in active stewardship in addition to their professional qualifications relevant to fundamental equity investment.

### Corporate Governance Manager

Our Corporate Governance Manager has over 20 years' experience relevant to providing in-house governance and voting analysis.

### ESG Team

In late 2024, we transitioned to an outsourced team of dedicated ESG specialists at Canbury Insights, ensuring access to specialised expertise.

### Board, compliance and operations

CAM has an experienced Board, Compliance Officer, and Operational Team, with requisite professional qualifications and experience to support our stewardship.

### Diversity

Our team is diverse in respect of age, with a particular focus on succession planning. 26% of our total staff and 20% of our board members are female.

Diversity, Equity and Inclusion (DEI) is a subject we recognise requires focus to address systemic challenges related to opportunity and efficiency. We understand improving DEI is important for the maintenance of a healthy financial and economic system, and for society in general.

We acknowledge that our investment teams are not currently diverse, and this is a matter of focus. Relevant experience within our investing niches makes recruitment a challenge and we continue to address opportunities as they arise, particularly through supporting trainee roles.

### Ongoing development

We cultivate a culture of continuous learning by providing both structured and informal training, ensuring our team is equipped to adapt and grow. In addition to their professional qualifications in fundamental equity investment, all team members up to Fund Manager level undergo formal training in active stewardship.

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In 2025 our team members further developed their knowledge and expertise through formal and informal training and events, recorded in a training log managed by our Compliance Officer.

### How we incentivise stewardship

CAM's employee-ownership structure and employee participation in the investment strategies that we manage, supports the alignment between employee interests and the needs of our clients. In so doing, this incentivises the stewardship activity that lies at the heart of each investment process as a key element of investing success.

The majority of our permanent employees are shareholders in the firm, and we consider stewardship activity a core capability and investing strength. Individual managers and support staff are rewarded based first on the firm's overall performance and then the long-term performance of the strategy. Thus, whilst stewardship is not explicitly incentivised in individual packages, it is implicit as central to the success of each investment process, and consequently the firm, in which most employees are shareholders.

### External service providers

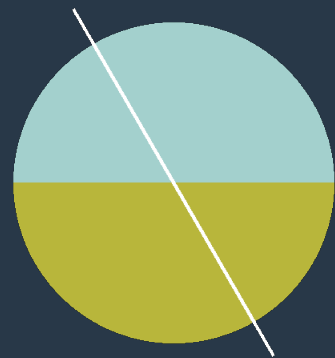
Whilst each investment process undertakes its own research, each investment team has access to contextual inputs from a range of sources, including:

- **External ESG team:** Canbury Insights provide sustainability and stewardship expertise across climate, nature, social issues and stewardship
- **ESG and sustainability data:** Integrum ESG provide ESG data
- **Marketing intermediary:** Spring Capital Partners Ltd provides sales and marketing support to our OEIC strategies
- **Broker research:** We receive broker research from different research houses specialising in small and mid-sized companies

### Systems and technology

We use GoldVision to record and track our engagements. This helps to incorporate additional information inputs and expand our reporting capacity, giving our investment managers and clients clearer insights into engagement progress and outcomes, helping to both streamline our processes and improve the quality of our client reporting.

# Disclosure C Policies



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## Our organisational policies

### Key stewardship policies

The Board has ultimate responsibility to ensure our policies, associated processes, and the effectiveness of activities are fit for purpose.

CAM's stewardship and associated policies are reviewed internally on a regular basis, at least annually. Our size and operating structure ensures that our activities are continually monitored to ensure alignment with related policies.

CAM recognises that stewardship policies form part of wider firm culture and fit within the context of conduct and compliance risk. Conduct and compliance risk is also reviewed annually and supported by relevant training and reference to our staff Code of Conduct and Compliance Manual.

Our key stewardship-related policies, [available to view on our website](#), were all updated during 2025:

- Shareholder Engagement and Voting Policy 2025
- Engagement Plan 2025
- ESG Integration Policy 2025
- Conflicts of Interest Policy

The following additional policies and procedures had general updates and were approved by the Board in 2025:

- Board Terms of Reference
- Financial Procedures and Operations
- Order Execution Policy
- CAM Remuneration Code Policy Statement
- Business Continuity Plan
- Risk Management Process
- ICARA
- Risk and Harms Register
- Compliance Plan
- Transaction reporting and STOR Policy (incl. MAR Best Practice)
- Anti-Bribery Policies and Procedures (Incl. 2025 risk assessment)
- Trade Allocation Policy
- Social Engineering Policy

### Policy review

CAM reviews its stewardship-related policies and Conflicts of Interest Policy on an annual basis, with external review of its compliance policies and procedures from a third-party compliance consultant.

During 2025, CAM comprehensively reviewed and updated our Shareholder Engagement and Voting Policy 2025, Engagement Plan 2025, and ESG Integration Policy 2025. Key changes made during 2025 included:

- A refined engagement approach moving from blanket annual letters and ESG questionnaires towards an emphasis on targeted, in-depth engagements with specific companies;

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- The addition of responsible AI governance as a key engagement theme; and
  - Expanded detail on our ESG integration process and risk management framework.

## Policy review and approval process

### Responsibility for policy oversight

The Investment Teams and external ESG Team regularly discuss, monitor, and review our stewardship progress through a variety of channels. These include informal discussions as stewardship issues arise in the normal course of business, formal reviews through three established meeting structures that feed up to Board level (UK Equity Meetings, EU Equity Meetings, and quarterly ESG Meetings), and through the preparation and review of our quarterly Engagement and Voting Reports. The Board has ultimate oversight of all stewardship policies and processes, ensuring they remain fit for purpose and aligned with the interests of our clients.

CAM is committed to working continuously to improve its policies and associated monitoring processes. Enhancements have resulted from efforts to align activities better with the UK Stewardship Code and signatory commitments of the Principles of Responsible Investing (PRI), and this will remain ongoing.

### Stewardship assurance

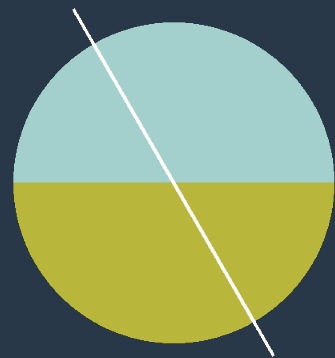
We consider internal review, supplemented by external oversight, provides adequate assurance of our stewardship and other policies when viewed within the context of CAM's size and employee-ownership structure. Our compliance policies and procedures are subject to regular external review by a third-party compliance consultant. Our partnership with Canbury Insights adds an additional layer of review and scrutiny of our stewardship processes, providing independent challenge and specialist expertise. This combination of internal and external assurance is designed to reflect the complexity of our organisation and has consistently maintained our high standards.

CAM reviews its Conflicts of Interest Policy on an annual basis, with regular external review of its compliance policies and procedures from a third-party compliance consultant. No material updates to the Conflicts of Interest Policy were made in 2025.

### How we ensure that reporting is fair, balanced and understandable

We are committed to transparency and ensuring that our stewardship and sustainability-related reporting is fair, balanced and understandable. Our reports undergo internal review to ensure accuracy. Oversight from the board helps to ensure alignment with broader corporate disclosures and regulatory expectations. For example, our engagement and voting reports are reviewed and amended as necessary by the investment teams before being approved by a Senior Manager.

# Disclosure D Conflicts of Interest



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## Our conflicts of interest policy

### Key features of our conflicts policy

CAM has policies and processes in place to manage and identify conflicts of interest, which are supported by our culture and training, and are reviewed on an annual basis.

Our policies and processes are designed to ensure that conflicts of interest do not negatively impact clients. The implementation of these is supported by our small size company and flat organisational structure, which strengthens oversight.

CAM dissuades employees from activities that may negatively impact client interests, or the business, by aligning interests in two key ways: employee participation in the company's share ownership; and employee participation in the investment strategies that we manage.

Any potential conflicts of interest that arise are raised with our compliance function and discussed with senior managers. These will be reported to the CAM board and noted on our Conflicts of Interest register.

The key elements of our conflicts management framework in respect of stewardship include: the use of pre-approved brokers; CAM never dealing in portfolio companies on its own account; trade allocation managed via policy; gift and benefit policies; Personal Account Dealing policy; and the representation of client interests by independent boards and regulated entities.

Our Conflicts of Interest Policy [can be found on our website.](#)

### How we manage conflicts

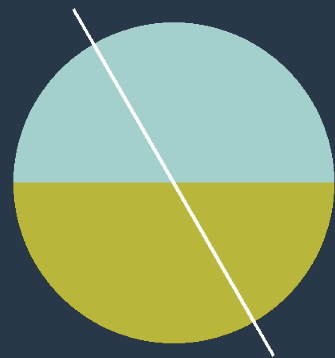
Compliance runs an annual training program that includes specific focus on Conflicts of Interest, attended by all Chelverton employees. The training is bespoke and delivered by CAM's Compliance Officer, using materials sourced from a third-party compliance consultancy. The training always includes an open discussion regarding conflicts, to ensure all team members actively consider whether there may be any undisclosed conflicts.

Conflicts is an item for discussion at every CAM board meeting, regardless of whether a new conflict is being reported, to ensure appropriate focus and control.

CAM reviews its Conflicts of Interest Policy on an annual basis, with regular external review of its compliance policies and procedures from a third-party compliance consultant. No material updates to the Conflicts of Interest Policy were made in 2025.

The Board reviewed its Conflicts of Interest register and noted 4 potential conflicts during 2025, which were reported to the CAM board and noted on our register. These potential conflicts were addressed and managed satisfactorily in line with our Conflicts of Interest Policy.

# Disclosure E Client and Beneficiary Engagement



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## Information sharing and feedback

### Communication methods

We communicate regularly and directly on a formal and impromptu basis with the authorised fund managers, boards, and underlying professional investors of our funds in response to their reporting needs and information requests.

We communicate by multiple channels, including via our website, individual one-to-one meetings, webinars, investment bulletins, publication of thought pieces, and specific written communications in response to individual requests for information from professional investors on behalf of underlying beneficiaries via our marketing intermediary.

We provide regular and comprehensive reporting to our clients, including:

- Quarterly Engagement and Voting Reports
- Quarterly Board reports and annual AGM reports for the UK Dividend Trust
- Prospectuses and Key Investor Documents (KIDs) for current and prospective investors
- Monthly factsheets with details of fund holdings and relevant contextual investment information
- Bespoke ESG risk reports for clients in response to individual requests
- Stewardship and other relevant policies communicated via our website
- Our TCFD-aligned Climate Report

### How we collect feedback from clients

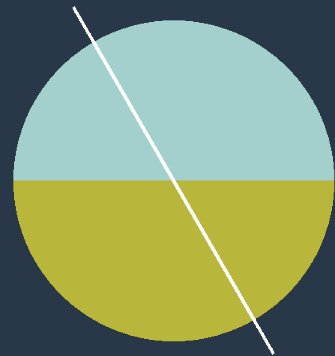
Spring Capital Partners Ltd provides CAM with insights regarding the evolving information needs of professional clients on behalf of the underlying beneficiaries, including regarding their communication preferences. Regular meetings with professional clients also enhance understanding and insight.

We continue to seek out ways to better understand our clients' needs, through market research, in-person events, and working closely with our marketing intermediary.

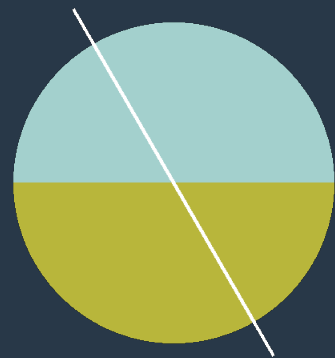
### Use of feedback

CAM has continued to respond to the need for greater transparency from underlying clients regarding how our funds are managing ESG risks, resulting in the publication of our ESG Integration Policy 2025, updated Shareholder Engagement and Voting Policy 2025, annual Engagement Plan 2025, TCFD Climate Report, and relevant transparency reports.

# Part 2 Activities and Outcomes Report



# Principle 1 Integration of Stewardship and Investment



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## Key stewardship themes

We monitor and engage with companies across a broad range of material ESG risks that we believe are critical to long-term success. As set out in our Engagement Plan 2025, we have identified five key ESG themes that, where material, inform our engagement:

- Climate change and net zero – Encouraging adoption of science-based Net Zero targets, monitoring emissions reduction strategies, and engaging on climate resilience
- Biodiversity and natural capital – Promoting adoption of the TNFD framework and encouraging disclosure of nature-related risks
- Diversity, Equity, and Inclusion (DEI) – Encouraging enhanced DEI strategies, disclosure of diversity data, and inclusive corporate cultures
- Executive remuneration linked to ESG performance – Advocating for meaningful ESG metrics in executive compensation
- Responsible AI governance – Engaging on responsible AI strategies and board-level oversight

For all funds, governance is a primary focus, and material ESG-related risks are closely monitored through continuous engagement with company management.

For 2025, we refined our ESG engagement approach to build on our existing deep knowledge and relationships with portfolio companies. We moved from sending blanket annual letters and ESG questionnaires to all holdings towards targeted, in-depth engagements with specific companies where we identified material ESG considerations or scope for improvement. We communicated our expectations through bespoke correspondence and direct dialogue, allowing for more precise and impactful discussions on relevant issues.

## Differences across our funds

Our stewardship approach varies across our different funds and geographical focus areas while maintaining our core principles of ESG integration.

The MI Chelverton UK Equity Growth Fund and The Investment Company PLC focus on small and medium sized growth stocks, aiming to generate long-term outperformance by buying cash generative companies on sensible valuations. The fund's portfolio is primarily invested in Technology, Consumer, and Construction sectors.

The MI Chelverton UK Equity Income Fund and the Chelverton UK Dividend Trust invest for income and capital growth solely in small and medium sized companies. The fund has a higher market-cap bias, with 36.3% above £1bn.

The MI Chelverton European Select Fund aims to deliver capital growth by buying European (ex-UK) companies with strong free cash flow characteristics.

The MI Chelverton UK Opportunities Fund, launched in October 2024, invests across the UK market capitalisation spectrum with a minimum 60% in large-cap equities.

A minority of our AUM is invested in quoted large-cap global technology stocks through our UCITS funds.

## Integration into the investment process

### ESG integration within the investment process

Our ESG integration process, as set out in our ESG Integration Policy 2025, is embedded throughout the investment lifecycle, from initial analysis to ongoing monitoring and engagement. Financial criteria are our primary consideration,

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in line with each fund's mandate. We evaluate qualitative factors alongside financial criteria, including material ESG considerations, to build a comprehensive view of a company's business and management quality.

Our investment lifecycle incorporates material ESG considerations at each stage:

- **Screening:** We identify potential investment opportunities through our specialist knowledge of our defined investing niches. At this initial stage, we draw on publicly available information, broker research, and high-level ESG risk indicators from Integrum ESG to assess whether a company warrants further analysis.
- **Due Diligence:** For companies entering the conviction-building stage, we undertake more detailed ESG analysis, supported by data from Integrum ESG and company-level analysis from Canbury Insights. This includes assessment of governance quality, environmental risk exposures, social factors including workforce management, and any material controversies. Some of our investment teams have developed proprietary E, S, and G pillar scores to assess a company's management of ESG risks and opportunities. These scores directly influence the valuation process by feeding into the adjustment of the discount rate applied to projected cash flows.
- **Investment Decision:** The investment decision integrates financial analysis with our ESG assessment. Material ESG risks that cannot be adequately mitigated through engagement may result in a decision not to invest, as demonstrated by our assessment of iFOREX Group (see below).
- **Monitoring:** Once invested, we use indicative risk metrics from Integrum ESG to highlight holdings with high levels of carbon, controversy, or governance risk, and engage as appropriate with any company that has a particular flag of concern, though our screening and due diligence process means that it is unlikely we will be invested in companies with severe concerns. Our quarterly ESG meetings provide a structured forum for reviewing portfolio-level ESG risk and identifying holdings requiring targeted engagement.
- **Engagement:** Through constructive dialogue with company management, we may seek to influence improved management and disclosure, where it is material to the investment case. Our engagement activities, detailed under Principle 3, are informed by the risks and opportunities identified through our monitoring process and serve to both protect and enhance the long-term value of our holdings.
- **Exit:** Where engagement fails to deliver the desired outcomes, or where material ESG risks remain unmitigated, we may reduce or exit a position entirely. The Amadeus Fire case study (see Principle 3) demonstrates our willingness to use divestment as an ultimate escalation tool.

Our entity-level TCFD Climate Report, produced voluntarily during 2025, further informs our understanding of climate-related risks and opportunities across the investment lifecycle. The scenario analysis conducted as part of this report helps identify sectors and holdings that may be most exposed to transition and physical climate risks over different time horizons, supporting more targeted engagement and investment decision-making.

### iFOREX Group – ESG-informed decision not to invest

#### *UK Dividend Trust*

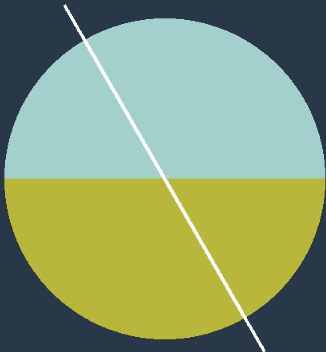
iFOREX Group is a global fintech and online trading firm specialising in proprietary platforms for multi-asset CFD and Forex trading. The company was considered as a potential investment during its £8 million IPO process. As part of our evaluation, we conducted an ESG assessment and engaged directly with management regarding their business model and regulatory compliance.

Our analysis identified concerns around governance and regulatory risks, including serving customers offshore in unlicensed jurisdictions, and previous license application rejections. These concerns informed the Investment Team's decision not to participate in the IPO. This demonstrates how ESG integration

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directly influenced an investment decision, preventing capital allocation to a company with potentially material governance risks.

# Principle 2 Market-wide and Systemic Risks



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## Market-wide and systemic risks identified

We adopt a narrative on market-wide and systemic risk informed by the five broad categories identified in the WEF Global Risk reports:

- **Economic:** The resilience of our companies to higher-for-longer interest rates, persistent inflation, and the impact of demand constraints on growth plans
- **Environmental:** Supply chain management and changes to country level climate transition plans
- **Geopolitical:** How geopolitics impacts global supply chains
- **Societal:** Human rights abuses within supply chains
- **Technological:** Impacts related to the rapid adoption of generative AI alongside the digital transformation of the global economy

Our risk management framework, as detailed in our ESG Integration Policy 2025, follows a structured five-stage approach:

- **Identify:** We identify material ESG risks through multiple channels, including Integrum ESG data screening, Canbury Insights analysis, quarterly ESG meetings, and ongoing dialogue with company management. Our horizon scanning process considers emerging risks across environmental, social, and governance categories.
- **Measure:** We measure ESG risk using a combination of third-party data from Integrum ESG and proprietary assessments developed by our investment teams and external ESG partners. Key metrics include carbon risk indicators, controversy scores, governance risk ratings, and exposure to contentious business activities. Some of our investment teams have developed proprietary E, S, and G pillar scores to quantify a company's management of ESG risks and opportunities.
- **Respond:** Based on our assessment, we determine the appropriate response. This may include targeted engagement with company management, adjustment of our investment thesis, incorporation of ESG risk into valuation models through discount rate adjustments, or, in cases of material unmitigated risk, a decision not to invest or to divest.
- **Control:** Our primary control mechanism is the engagement process itself. Through constructive dialogue with portfolio companies, we seek to influence improved ESG management and disclosure. Where initial engagement proves insufficient, we have a clear escalation framework, progressing from additional meetings with management through to voting against resolutions or divestment.
- **Monitor:** Ongoing monitoring is conducted through quarterly ESG meetings, continuous Integrum ESG data screening, and regular interactions with company management. Changes in ESG risk profiles are escalated through our governance structure, with material issues reported to the Board via our risk and harms register.

## Climate

During 2025, CAM voluntarily produced its first entity-level TCFD-aligned Climate Report. Whilst not required by regulation due to our size, we recognise the importance of understanding and disclosing how climate-related risks and opportunities may impact our investment portfolios and the long-term interests of our clients.

The report includes a climate scenario analysis using the International Energy Agency's (IEA) Global Energy and Climate Model, assessing how risk profiles across different sectors may change over time under three scenarios: the Net Zero Emissions (NZE) by 2050 Scenario representing an orderly transition, the Announced Pledges Scenario (APS) reflecting a disorderly transition, and the Stated Policies Scenario (STEPS) representing a hothouse world pathway.

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Our analysis highlighted that the nature and timing of climate risks varies by scenario. In the short term, the accelerated transition required under the NZE pathway presents the greatest potential risk due to rapid policy changes and market shifts. Conversely, over the medium and long term, the STEPS scenario results in the highest overall risk as delayed climate action leads to greater physical and broader economic impacts. Financial Services and Insurance was identified as a higher-risk sector within CAM's portfolios due to its risk profile and portfolio weightage.

Given CAM's concentration in UK and European markets, portfolio companies are often exposed to greater climate and sustainability regulatory pressure. Firms that anticipate and adapt to evolving requirements are likely to be better positioned for long-term success.

## Policy and standard-setting engagement

We believe collaborative engagement can be a valuable contributor to future market stability when targeted at the control of systemic risk. During 2025 we participated in the following:

- FRC Stewardship Code Consultation – We responded to the FRC's consultation on the proposed updates to the UK Stewardship Code, highlighting that we were broadly supportive of measures to streamline reporting and introduce detailed guidance (Q1 2025)
- PRI – Continued engagement as a signatory to the UN-supported Principles for Responsible Investment

## Engagement on systemic risks

We maintained a focus in company interactions on our key systemic issues, questioning managements on their strategies to mitigate risks and capture opportunities.

### SigmaRoc – Carbon capture and decarbonisation

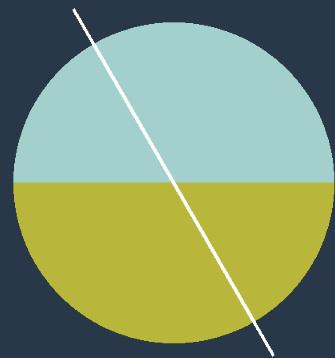
*Chelverton UK Equity Growth Fund*

SigmaRoc is a UK-based company that owns and operates quarries and mines for lime and limestone products, and contributes significantly to the carbon intensity of the portfolio. SigmaRoc has committed to various sustainability frameworks, including SECR, TCFD, SASB, and SBTi. As part of our engagement, we asked about further progress towards reducing their environmental impact. Whilst they have installed an aqualung carbon capture facility at their pilot lime kiln, the infrastructure for processing the carbon captured is not yet available. We will continue to engage with SigmaRoc to encourage and monitor its progress, as carbon capture technologies become increasingly important for the materials sector's decarbonisation pathway, alongside reducing carbon emissions in hard to abate sectors.

## Escalation on systemic risks

Overall, our identification of market wide and systemic risks in 2025 we believe enabled effective portfolio management. Regular ESG meetings supported consideration of macro ESG perspectives including ESG risk horizon scanning focused on global commitments, regulation, and policy relating to climate, deforestation, resource depletion, biodiversity loss, pollution controls, human rights abuses, and technology adoption including generative AI. We did not have any cause to escalate engagement on systemic risks during 2025.

# Principle 3 Engagement to Maintain or Enhance Value



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Engagement with our holdings is the cornerstone of our stewardship approach, and a key activity at CAM. Our approach is to build constructive relationships with the management teams of our holdings through regular engagement. We engage in purposeful dialogue on all matters that may impact the success of the company and returns to shareholders, in line with our purpose.

The Chelverton Technology strategies are exempt from our standard engagement processes. This fund invests in very small holdings in very large global technology companies, where our ownership stake and influence are minimal relative to the large-cap nature of its investments. While we maintain effective oversight of these investments, our engagement impact is deemed to be negligible, and our resources are more effectively deployed in engaging with the small and mid-cap companies where we hold more significant positions and can drive meaningful change. We retain the option to engage on material issues when warranted.

## Selecting and prioritising engagements

As set out in our Engagement Plan 2025, we prioritise our engagement activities based on several factors:

- The materiality of relevant issues to the investment case;
- The size of our holding;
- The specific ESG risks or controversies identified;
- Any opportunities identified to influence positive change; and
- The alignment with our annual engagement themes.

We use indicative risk metrics from Integrum ESG to highlight holdings with high levels of carbon, controversy, or governance risk, and engage as appropriate with any company that has a particular flag of concern.

## Purpose of engagement

Constructive company engagement sits at the heart of our approach, and serves multiple purposes. These include: raising the profile of material ESG issues within our investment decision-making; outlining relevant ESG management and reporting expectations to holdings; supporting improved ESG management and reporting; building proprietary insights to inform company interactions; and contributing to well-functioning markets through the promotion of improved corporate governance, transparency and sustainable business practices.

Our engagement on climate-related issues is further informed by the findings of our TCFD Climate Report, which identifies sectors and companies that may face heightened transition or physical climate risks. This enables us to target our climate-related engagement more effectively and to have better-informed discussions with company management about their climate strategies and risk management.

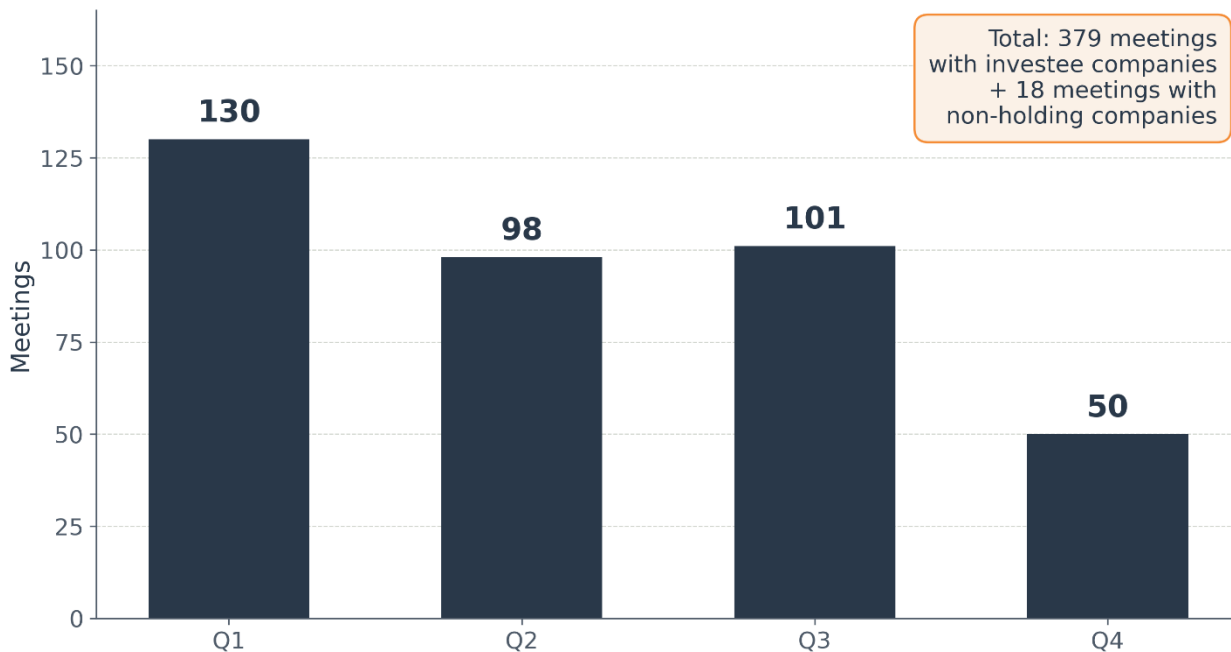
## Methods of engagement

Our engagement activities included one-on-one meetings with management or board members, site visits, conference calls, written correspondence, and participation in investor days or capital markets events.

Across the full year, CAM's investment managers attended a total of 379 meetings with investee companies (Q1: 130, Q2: 98, Q3: 101, Q4: 50), plus 18 meetings with non-holding companies.

We do not favour collaborative engagements that target individual holdings as a form of escalation, preferring one-to-one dialogue except in exceptional circumstances. Our collaborative work aims to support the needs of our investment universe within a well-functioning financial system.

### Meetings with investee companies by quarter (2025)



### Engagement examples and progress

The following case studies demonstrate our engagement process in action:

#### Ashtead Technology - Workforce Diversity Disclosure

*Chelverton UK Opportunities Fund, Chelverton UK Equity Growth Fund, The Investment Company*

Ashtead Technology is a subsea equipment rental and solutions provider for the global offshore energy sector held in our Opportunities fund. As part of our engagement discussions, we encouraged Ashtead Technology to enhance transparency and reporting on workforce diversity metrics. Specifically, we requested more detailed disclosures on workforce diversity and inclusion, rather than general diversity statements. The company acknowledged an improvement in gender diversity with female workforce now representing 20% compared to 17% in 2023, and confirmed that they would look to publish the progress in their next annual report. We will continue to monitor Ashtead Technology’s diversity disclosures and the progress of their workforce diversity initiatives.

#### Eagle Eye Solutions - GHG Emissions Reporting

*Chelverton UK Equity Growth (Q3 2025)*

Eagle Eye Solutions is a SaaS-based digital marketing technology company that creates digital connections between brands and consumers. We raised the gap in Eagle Eye’s environmental reporting, particularly the

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absence of disclosed Scope 1 and Scope 2 GHG emissions. Management confirmed they intend to measure and disclose GHG emissions in the next reporting period.

### Stelrad Group - Chairman Tenure and Governance

*Chelverton UK Equity Growth, UK Dividend Trust (Q3 2025)*

Stelrad Group plc is a leading manufacturer of steel panel radiators in Europe. We raised concerns regarding the eleven-year tenure of the non-independent Chairman, which contravenes the UK Corporate Governance Code's recommendation that Chair tenure should not exceed nine years. Management acknowledged our feedback and confirmed they would raise our comments to the Board.

### Restore plc - Employee Turnover Disclosure

*Chelverton UK Equity Growth, The Investment Company (Q3 2025)*

Restore plc is a UK-based provider of digital and information management services. We raised an identified gap in disclosure around employee turnover. Management acknowledged the importance of greater transparency and agreed to review how employee turnover could be incorporated into future reporting.

### JDC Group – Cash Generation Disclosure

*Chelverton European Select (Q2 2025)*

JDC Group is one of the largest platform companies for financial products and services in the German-speaking region. We encouraged JDC to disclose more information about cash generation capabilities. With a recent acquisition, the company started to disclose a measure of cash conversion, which we believe represents a positive response to our engagement.

### Dotdigital Group – Human Capital Metrics

*Chelverton UK Opportunities, UK Equity Growth, The Investment Company (Q4 2025)*

Dotdigital Group plc is a marketing automation platform. We encouraged Dotdigital to enhance transparency and reporting on workforce metrics such as employee turnover. The company acknowledged this and noted they will look to implement this in future reporting.

## Escalation of engagement

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Where our initial engagement activities prove unsuccessful, our options for escalation can include: additional meetings with executive management; engagement with non-executive directors or the Chair; abstaining or voting against management resolutions; collaboration with other investors; and reducing our holding or divesting.

### **Amadeus Fire – Financial Disclosure Transparency**

*Chelverton European Select Fund*

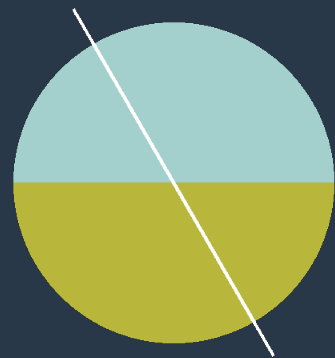
Amadeus Fire AG is a German staffing and training company. In Q2 2025, we encouraged Amadeus Fire to improve disclosure around balance sheet constraints imposed by lenders. Despite additional follow-up, no improvements in disclosure were forthcoming. As 2025 progressed, combined with a deterioration in the company's financial position, we divested from the position entirely in Q4 2025. This demonstrates our willingness to use divestment as an ultimate escalation tool when engagement fails to deliver the desired outcomes.

### **Orchard Funding – Voting as Escalation**

*Chelverton UK Dividend Trust (Q1 2025)*

Following concerns about capital allocation and the cancellation of the dividend, we voted against 4 resolutions at the AGM. All votes put to the AGM were carried in favour. We have continued to engage with management to resolve our differences.

# Principle 4 Exercising Rights and Responsibilities



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## Voting records

During 2025 our managers followed our Shareholder Engagement and Voting Policy, voting on all resolutions where CAM holds voting rights, with the exception of our Global Tech Fund. We reported our voting activity in our quarterly Engagement and Voting Reports, available online.

For funds where CAM holds voting rights, we do not use proxy advisors, preferring to make independent voting decisions based on our company knowledge and engagement insights.

The Chelverton technology strategies are exempt from our standard voting policies on the basis of materiality. For this fund, we own very small holdings in very large companies. While we maintain effective oversight of these investments, our voting impact is deemed to be negligible, and our resources are more effectively deployed elsewhere. Nevertheless, we retain the option to engage on material issues when warranted.

## Proportion of shares voted

Across 2025, CAM voted on a total of 6,747 resolutions across all funds, with 6,722 votes in favour, 15 votes against, and 10 abstentions. The breakdown by quarter:

Quarter	Resolutions	In Favour	Against	Abstentions	Key Issues
Q1 2025	826	821	5	0	Orchard Funding, BellRing Brands
Q2 2025	4,049	4,042	7	0	MaxCyte, RTC, Capsol, Technogym, Becele, Rio Tinto
Q3 2025	1,242	1,239	3	0	Procter & Gamble, XPS Pension
Q4 2025	630	620	0	10	Coral Products
Full Year 2025	6,747	6,722	15	10	

*Note: In Q2 2025, we identified that one of our service providers had not been providing all Proxy Voting Forms for The Investment Company. We entered discussions with the provider to prevent recurrence. None of the missed votes related to resolutions where we wished to vote against or abstain.*

## Significant votes

We consider all votes cast to be significant. Below are examples of votes that differed from our standard practice:

### Governance and Board Structure

#### CASE STUDY: XPS Pensions – Dual CEO Structure

*Chelverton UK Equity Income Fund*

We voted against the re-election of the two joint Chief Executives at XPS Pensions. We believe responsibility for executive control is best served by having one CEO. The resolutions passed with 99.6% in favour.

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## Remuneration and Disclosure

### CASE STUDY: RTC – Company Governance Concerns

*Chelverton UK Dividend Trust*

We voted against the Remuneration Report and the re-election of one director at the RTC AGM. Both resolutions passed at the AGM.

### CASE STUDY: Becele – Remuneration Disclosure

*Chelverton Select Consumer Staples Fund*

Becele is a Mexican spirits company. We voted against the Remuneration Report which did not disclose remuneration for the Board of Directors, contrary to Mexican corporate governance guidelines.

## Climate and ESG shareholder resolutions

### Rio Tinto – Shareholder Proposal

*Chelverton Select Consumer Staples Fund*

We voted against a shareholder resolution requesting Rio Tinto to consider going from a dual listed company to a unified single Australian domiciled one.

## Abstentions

### Coral Products – Abstentions due to uncertainty

*Chelverton UK Dividend Trust*

Coral Products were delayed in publishing their Report and Accounts and there were senior executive resignations. Unable to speak to management to clarify matters, we abstained on all 10 resolutions.

## Corporate structure

### CASE STUDY: MaxCyte – AIM Delisting

*Chelverton UK Equity Growth Fund*

MaxCyte is a cell engineering technology company. We voted against the resolution to delist from AIM. The majority of shareholders were in favour of the resolution; shares continue to trade on NASDAQ.

### CASE STUDY: Capsol Technology – Share Option Extension

*Chelverton European Select Fund*

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Capsol Technology is a carbon capture technology company listed in Oslo. We voted against extending the expiry date for share options and changing the strike price. We do not support resetting options already in flight.

## Voting as escalation

Voting is an important shareholder right. Given our disposition to vote in favour of management resolutions, reporting of significant votes relates to those which differ from this standard practice.

Issues such as board structure, dividend policy, executive remuneration, or share issuance are generally discussed and influenced prior to shareholder meetings given the frequency of our interactions and the relationships that we hold.

Please see the Orchard Funding – Voting as Escalation case study under Principle 3

## Conflicts of interest in voting

No voting-related conflicts of interest arose during 2025. CAM is fully responsible for exercising shareholder rights on behalf of our clients.

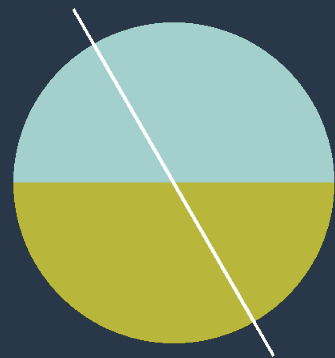
## Approach to stock lending

We do not participate in stock lending for small and mid-cap companies. We believe that whilst this practice can add to market liquidity at the large company end of the market, it has the opposite effect for small and mid-sized companies and can lead to adverse share price movements.

## Our use of proxy voting providers

Unless directed by an authorised fund manager, we do not use the services of a third-party proxy voting advisor. Investment teams make voting decisions based on their own detailed knowledge, preferring to view company governance within the context of company size, level of maturity, and our understanding of the dynamics of the company.

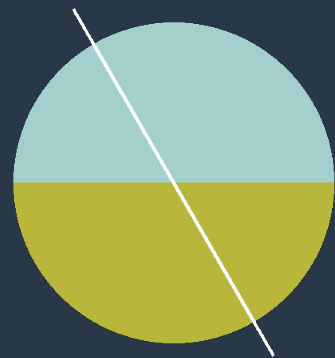
# Principle 5 Selection and Oversight of External Managers



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CAM manages all investments in-house and does not delegate investment management to external managers. Accordingly, this Principle is not directly applicable to our operations. For our segregated mandates (mirroring the MI Chelverton UK Equity Growth Fund or on behalf of an elective professional investor for the tech mandates), the AIFM retains its own proxy voting policy. All other stewardship activity is mirrored across the funds.

# Principle 6 Monitoring Service Providers



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## Proxy advisors

We do not subscribe to third-party proxy voting advice, preferring in-house analysis. We consider third-party proxy voting advice to be of generally poor quality in relation to small and mid-sized companies, due to the application of large company standards without regard to developmental context.

In Q2 2025, we identified that one of our service providers had not been providing all Proxy Voting Forms for The Investment Company. We entered discussions with the provider to prevent recurrence. None of the missed votes related to resolutions where we wished to vote against or abstain.

## Investment consultants

CAM does not use investment consultants and this section is not applicable.

## External data providers

CAM manage all investments in-house, using third party research and ESG data services for contextual purposes only. We do not rely on ESG ratings from third-party providers due to limited coverage and inconsistency. We subscribe to Integrum ESG and Bloomberg for additional context.

During 2024, we migrated our primary ESG data provider from MSCI to Integrum ESG, which provides more useful insights into small and mid-sized companies. This transition was embedded throughout 2025 and has proven effective in supporting our stewardship activities.

During 2025, we reviewed our key service providers as part of our regular oversight process.

Our experience to date suggests that Integrum ESG has generally met our requirements, with particular utility in providing ESG risk data for smaller companies where other providers may have more limited coverage. We intend to continue the service and will keep its effectiveness under review.

GoldVision, our engagement tracking platform, has supported our quarterly reporting and provided useful audit trails for engagement activity.

Our business services, IT service provider, third-party administrative service provider, and marketing intermediary service were also considered and generally found to be satisfactory.

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