

# Stewardship code disclosure

**The Financial Reporting Council's Stewardship Code ('the Code'), updated September 2012, is designed to promote active engagement between institutional asset managers and the companies in which they invest on behalf of their clients. The code envisages a shared responsibility between the company's shareholders in that the investors play an important role in holding the board to account for the fulfilment of its responsibilities.**

Canaccord Genuity Wealth Management is required by the Financial Conduct Authority to disclose the nature of its commitment to the Financial Reporting Council's Stewardship Code ('the Code') published in September 2012.

The Code is 'directed in the first instance to institutional investors, by which is meant asset owners and asset managers with equity holdings in UK listed companies'.

CGWM's core business is aimed at retail investors and few of our clients are classed as institutional. In addition, our commitment to diversification of holdings across asset classes and markets as well as across individual securities, within our discretionary portfolios means that holdings are rarely material when compared to the shares in issue for a particular company.

Therefore, while CGWM fully supports the 7 Principles of the Code, its approach is considered proportionate to the impact that the Code has on CGWM's business.

## Principle 1

**Institutional investors should publicly disclose their policy on how they will discharge their stewardship responsibilities.**

This statement meets this requirement. The proportionate approach that we take explains why we may not fully comply with every principle.

## Principle 2

**Institutional investors should have a robust policy on managing conflicts of interest in relation to stewardship which should be publicly disclosed.**

Please see CGWM's Conflicts of Interest policy at <https://www.canaccordgenuity.com/globalassets/wealth-management-uk/documents/legal/ta0033-conflicts-summary-january-2018.pdf>

## Principle 3

**Institutional Investors should monitor their investee companies.**

CGWM maintains lists of securities which have been reviewed and approved by our central stock selection committee. This committee meets at least monthly and more frequently if necessary to review the securities on these lists. These lists are available to all our investment managers and meeting minutes are also published internally.

## Principle 4

**Institutional investors should establish clear guidelines on when and how they will escalate their stewardship activities.**

CGWM will, when considered necessary, approach a company if we have a specific concern that goes beyond deciding that better investment opportunities for our clients exist elsewhere. However, we do not have guidelines about how and when this would arise.

## Principle 5

**Institutional investors should be willing to act collectively with other investors where appropriate.**

Given the limited occasions when this might arise, we do not have a specific guideline governing when we would act collectively with other investors, however, we would expect to do so when in our view it is in our clients' best interest. We would pay due regard to our policies on conflicts of interest and material non public information.

## Principle 6

**Institutional Investors should have a clear policy on voting and disclosure of voting activity.**

Where we hold discretionary assets with material voting rights, we will exercise those voting rights in situations where we consider it to be necessary to protect our clients' interests, and where our Exempt Fund Manager status with the Takeover Panel permits. In addition, where significant concerns arise around company strategy or corporate governance we would consider approaching the company directly, as outlined under Principle 4, although given the likely size of our holdings we would be more likely to work with other investors, as outlined under Principle 5.

## Principle 7

**Institutional Investors should report periodically on their stewardship and voting activities.**

CGWM does not report periodically on its stewardship and voting activities due to the predominantly retail nature of our client base, and our proportionate approach as described above.