



PUBLIC RI REPORT

2021 PILOT

Aberforth Partners

Generated 2022-08-18

About this report

The PRI Reporting Framework helps to build a common language and industry standard for reporting responsible investment activities. **Public RI Reports** provide accountability and transparency on signatories' responsible investment activities and support dialogue within signatories' organisations, as well as with their clients, beneficiaries and other stakeholders.

This **Public RI Report** is an export of the signatory's responses to the PRI Reporting Framework during the 2021 reporting period. It includes the signatory's responses to mandatory indicators, as well as responses to voluntary indicators that the signatory has agreed to make public.

The information is presented exactly as it was reported. Where an indicator offered a multiple-choice response, all options that were available to select from are included for context. While presenting the information verbatim results in lengthy reports, the approach is informed by signatory feedback that signatories prefer that the PRI does not summarise the information.

Context

In consultation with signatories, between 2018 and 2020 the PRI extensively reviewed the Reporting and Assessment processes and set the ambitious objective of launching in 2021 a completely new investor Reporting Framework, together with a new reporting tool.

We ran the new investor Reporting and Assessment process as a pilot in its first year, and such process included providing additional opportunities for signatories to provide feedback on the Reporting Framework, the online reporting tool and the resulting reports. The feedback from this pilot phase has been, and is continuing to be analysed, in order to identify any improvements that can be included in future reporting cycles.

PRI disclaimer

This document presents information reported directly by signatories in the 2021 reporting cycle. This information has not been audited by the PRI or any other party acting on its behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented.

The PRI has taken reasonable action to ensure that data submitted by signatories in the reporting tool is reflected in their official PRI reports accurately. However, it is possible that small data inaccuracies and/or gaps remain, and the PRI shall not be responsible or liable for such inaccuracies and gaps.

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Senior Leadership Statement (SLS)

Senior leadership statement

Our commitment

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SLS 1 S1	CORE	N/A	N/A	PUBLIC	Our commitment	GENERAL

- o **Why does your organisation engage in responsible investment?**
- o **What is your organisation’s overall approach to responsible investment?**
- o **What are the main differences between your organisation’s approach to responsible investment in its ESG practice and in other practices, across asset classes?**

Aberforth was established in 1990 and remains wholly owned by partners working at the firm. Its purpose is unchanged, to deliver superior long-term investment returns for its client and, by extension, for the ultimate beneficiaries of its clients' portfolios. Three central aspects of the firm - partnership, a focus on small UK quoted companies and a value investment philosophy - support the pursuit of this purpose. The strategy by which all Aberforth's portfolios are invested follows a value investment philosophy. Encouraged by historical evidence, the firm believes that this philosophy plays a central role in the achievement of superior long-term returns. Given this unwavering adherence to value investment, Aberforth's primary consideration in any investment decision is a company's valuation. Aberforth also believes that discreet engagement with the boards of investee companies on matters such as their governance, capital allocation, and environmental and social policies can improve the chances of value realisation, to the benefit of clients. Careful stewardship of clients' capital has been central to how Aberforth has approached investment and the running of its own business since foundation. This is evidenced by long term commitments to voting and to engagement. Engagement is conducted discreetly by the fund managers and is fully integrated into the investment process. Aberforth actively engages with the executives and non-executives of investee companies on an on-going basis. The intensity of engagement increases whenever issues arise that seem likely to affect a company's value. These issues include operational matters, capital allocation, environmental impact, social considerations and governance. It can extend to efforts to effect change if Aberforth determines that such change is likely to lead to an enhancement of the value of its clients' capital. Aberforth integrate consideration of ESG factors into the investment process: anything that affects the value of an investee company is relevant and, depending on the significance of its impact, may be the subject of engagement. Aberforth believes that a company's system of governance is crucial to how its environmental and social policies are designed and implemented. It is therefore important that boards describe their approach to managing these issues. There is evidence that investment returns can be enhanced by investment in and engagement with companies that face ESG challenges. Working with companies to address concerns through improved reporting practices or setting formal goals related to issues such as carbon emissions can influence value and enhance returns. Except when requested by clients, Aberforth does not exclude investments from portfolios on the basis of ESG matters alone and will invest in any constituent of its investment universe as long as the risk affecting it, ESG or otherwise, are reflected in its stockmarket valuation together with an adequate margin of safety.

Annual overview

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SLS 1 S2	CORE	N/A	N/A	PUBLIC	Annual overview	GENERAL

- o Discuss your organisation’s progress during the reporting year on the responsible investment issue you consider most relevant or material to your organisation or its assets.
- o Reflect on your performance with respect to your organisation’s responsible investment objectives and targets during the reporting year. This might involve e.g. outlining your single most important achievement, or describing your general progress, on topics such as the following:
 - o refinement of ESG analysis and incorporation
 - o stewardship activities with investees and/or with policy makers
 - o collaborative engagements
 - o attainment of responsible investment certifications and/or awards

The integration of and reporting on ESG considerations within the investment process at Aberforth is subject to regular review. Enhancements are currently underway to improve the capture of the most financially relevant ESG factors for each investee company and to improve the capture and future retrieval of engagement records. Whereas our engagement record on governance matters is long and deep, the list of environmentally and socially motivated engagements is shorter. This is changing as the threats from climate change intensify and as the interest of the broad investor base in environmental and social issues develops, implying that the valuations of companies with poor performance on these fronts will be penalised. The release of the new Stewardship Code 2020 by the UK's FRC prompted a significant re-working of the Stewardship Policy at Aberforth. This now includes significantly more examples of how we have integrated the consideration of ESG items into the investment process as well as examples of corporate engagements and voting decisions. For reasons of confidentiality some of these examples may be anonymous. The publication of our first standalone Engagement and Voting Framework document now gives the reader much more detailed information on the approach to engagement and voting along with a number of relevant examples.

Aberforth believes that a company’s system of governance is crucial to how its environmental and social policies are designed and implemented. It is therefore important that boards describe their approach to managing these issues. Regular, open and constructive engagement with investee companies is an important component of Aberforth’s investment process. Aberforth thinks of its clients as part owners of companies. It therefore pays due consideration to companies’ affairs and votes on all matters at all meetings. Engagement through direct contact with executive management and non-executive directors can improve shareholder outcomes and serve to inform voting decisions. If successful, these interactions can enhance corporate governance and general business practices to the benefit of value for all stakeholders. All matters – including environmental, social and governance – that might affect the valuation of an investee company, or broader stakeholder interests, are considered and actioned.

Aberforth maintains a flexible approach toward engagement. A pragmatic rather than a prescriptive one-size-fits-all approach has proven itself beneficial over time. This acknowledges the heterogeneous nature of the universe of small UK quoted companies and the proportionately greater governance burden on the typical small company. Since Aberforth's clients are often cumulatively large holders of investee companies, the investment managers are usually able to engage directly and effectively with board members. There are, however, instances when a collective approach to engagement may be appropriate. These collective engagements can occur when Aberforth considers the cumulative holdings of the firm's clients insufficient to effect change. The firm's interaction with other investors is influenced by the terms of the Takeover Code. There are currently two members of the investment team studying towards the CFA Certificate in ESG investing. The additional knowledge gained from that syllabus has already proven valuable to the project of enhancing the systematic capture of ESG items for investee companies highlighted below..

Next steps

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SLS 1 S3	CORE	N/A	N/A	PUBLIC	Next steps	GENERAL

What specific steps has your organisation outlined to advance your commitment to responsible investment in the next two years?

System enhancements are currently underway to improve the identification, capture and consideration of items considered most important to each investee company. This is not a one size fits all process - items material to one company may be less material for another. These enhancements will help identify areas for further analysis and specific ESG related corporate engagements where managers will look to better understand the risks and opportunities faced. This is expected to facilitate enhanced future disclosure to stakeholders through UN PRI and UK Stewardship Code reporting as well as the Aberforth website. Greater future engagement with companies regarding their board level commitment to improving ESG practices is anticipated.

Endorsement

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SLS 1 S4	CORE	N/A	N/A	PUBLIC	Endorsement	GENERAL

The Senior Leadership Statement has been prepared and/or reviewed by the undersigned and reflects our organisation-wide commitment and approach to responsible investment.

Name Keith Muir

Position Partner

Organisation's name Aberforth Partners LLP

● This endorsement is for the Senior Leadership Statement only and is not an endorsement of the information reported by Aberforth Partners in the various modules of the Reporting Framework. The Senior Leadership Statement is simply provided as a general overview of Aberforth Partners's responsible investment approach. The Senior Leadership Statement does not constitute advice and should not be relied upon as such, and is not a substitute for the skill, judgement and experience of any third parties, their management, employees, advisors and/or clients when making investment and other business decisions.

Organisational Overview (OO)

Organisational information

Categorisation

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 1	CORE	Signatory category	Multiple, see guidance	PUBLIC	Categorisation	GENERAL

Select the type that best describes your organisation or the services you provide.

(O) Fund management

(1) This is our only (or primary) type

Subsidiary information

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 2	CORE	N/A	OO 2.1	PUBLIC	Subsidiary information	GENERAL

Does your organisation have subsidiaries that are also PRI signatories in their own right?

(A) Yes

(B) No

Reporting year

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 3	CORE	N/A	N/A	PUBLIC	Reporting year	GENERAL

Indicate the year-end date for your reporting year.

	Month	Day	Year
Reporting year end date:	December	31	2020

Assets under management

All asset classes

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 4	CORE	OO 4.1, OO 4.2	N/A	PUBLIC	All asset classes	GENERAL

What were your total assets under management (AUM) at the end of the indicated reporting year? Provide the amount in USD.

(A) AUM of your organisation, including subsidiaries US\$ 2,468,227,000.00

(B) AUM of subsidiaries that are PRI signatories in their own right and excluded from this submission US\$ 0.00

(C) AUM subject to execution, advisory, custody, or research advisory only US\$ 0.00

Asset breakdown

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 5	CORE	Multiple, see guidance	Multiple, see guidance	PUBLIC	Asset breakdown	GENERAL

Provide a percentage breakdown of your total assets under management at the end of your indicated reporting year.

Percentage of AUM

(A) Listed equity – internal	100.0%
(B) Listed equity – external	0.0%
(C) Fixed income – internal	0.0%
(D) Fixed income – external	0.0%
(E) Private equity – internal	0.0%
(F) Private equity – external	0.0%
(G) Real estate – internal	0.0%
(H) Real estate – external	0.0%
(I) Infrastructure – internal	0.0%
(J) Infrastructure – external	0.0%
(K) Hedge funds – internal	0.0%
(L) Hedge funds – external	0.0%
(M) Forestry – internal	0.0%
(N) Forestry – external	0.0%
(O) Farmland – internal	0.0%

(P) Farmland – external 0.0%

(Q) Other – internal, please specify: 0.0%

(R) Other – external, please specify: 0.0%

(S) Off-balance sheet – internal 0.0%

(T) Off-balance sheet – external 0.0%

ESG strategies

Listed equity

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 6 LE	CORE	OO 5.2 LE	OO 6.1 LE, LE 13	PUBLIC	Listed equity	1

Which ESG incorporation strategy and/or combination of strategies do you apply to your internally managed active listed equity?

Percentage out of total internally managed active listed equity:

(A) Screening alone 0.0%

(B) Thematic alone 0.0%

(C) Integration alone 100.0%

(D) Screening and integration 0.0%

(E) Thematic and integration 0.0%

(F) Screening and thematic 0.0%

(G) All three strategies combined 0.0%

(H) None 0.0%

Stewardship

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 9 LE	CORE	OO 5, OO 5.2 LE	Multiple, see guidance	PUBLIC	Listed equity	2

Does your organisation conduct stewardship activities for your listed equity assets?

	(1) Engagement on listed equity – active	(3) (Proxy) voting on listed equity – active
(A) Through service providers	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(C) Through internal staff	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(D) Collaboratively	<input checked="" type="checkbox"/>	<input type="checkbox"/>
(E) We did not conduct this stewardship activity	<input type="checkbox"/>	<input type="checkbox"/>

ESG incorporation

Internally managed assets

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 10	CORE	Multiple, see guidance	Multiple, see guidance	PUBLIC	Internally managed assets	1

For each internally managed asset class, select whether or not you incorporate ESG into your investment decisions.

	(1) ESG incorporated into investment decisions	(2) ESG not incorporated into investment decisions
(C) Listed equity – active – fundamental	<input checked="" type="radio"/>	<input type="radio"/>

(D) Listed equity – investment trusts (REITs and similar publicly quoted vehicles)



Voluntary reporting

Voluntary modules

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 14	CORE	Multiple, see guidance	Multiple, see guidance	PUBLIC	Voluntary modules	GENERAL

The following modules are mandatory to report on as they account for 10% or more of your total AUM or are over USD 10 billion. The ISP (Investment and Stewardship Policy) module is always applicable for reporting.

(1) Yes, report on the module

ISP: Investment and Stewardship Policy



(A) Listed equity



ESG/sustainability funds and products

Labelling and marketing

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 16	CORE	Multiple, see guidance	Multiple, see guidance	PUBLIC	Labelling and marketing	GENERAL

What percentage of your assets under management in each asset class are ESG/sustainability marketed funds or products, and/or ESG/RI certified or labelled assets? Percentage figures can be rounded to the nearest 5% and should combine internally and externally managed assets.

Percentage

(B) Listed equity – active	0.0%
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Climate investments

Asset breakdown

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 17	CORE	N/A	N/A	PUBLIC	Asset breakdown	GENERAL

What percentage of your assets under management is in targeted low-carbon or climate-resilient investments?

0.0%

Investment and Stewardship Policy (ISP)

Responsible investment policy & governance

Responsible investment policy

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 1	CORE	N/A	ISP 1.1, ISP 1.2	PUBLIC	Responsible investment policy	1

Does your organisation have a formal policy or policies covering your approach to responsible investment? Your approach to responsible investment may be set out in a standalone guideline, covered in multiple standalone guidelines or be part of a broader investment policy. Your policy may cover various responsible investment elements such as stewardship, ESG guidelines, sustainability outcomes, specific climate-related guidelines, RI governance and similar.

- (A) Yes, we do have a policy covering our approach to responsible investment
- (B) No, we do not have a policy covering our approach to responsible investment

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 1.1	CORE	ISP 1	Multiple, see guidance	PUBLIC	Responsible investment policy	1

What elements does your responsible investment policy cover? The responsible investment elements may be set out in one or multiple standalone guidelines, or they may be part of a broader investment policy.

- (A) Overall approach to responsible investment
- (B) Guidelines on environmental factors
- (C) Guidelines on social factors
- (D) Guidelines on governance factors
- (E) Approach to stewardship
- (F) Approach to sustainability outcomes
- (G) Approach to exclusions
- (H) Asset class-specific guidelines that describe how ESG incorporation is implemented
- (I) Definition of responsible investment and how it relates to our fiduciary duty
- (J) Definition of responsible investment and how it relates to our investment objectives
- (K) Responsible investment governance structure

- (L) Internal reporting and verification related to responsible investment
- (M) External reporting related to responsible investment
- (N) Managing conflicts of interest related to responsible investment
- (O) **Other responsible investment aspects not listed here, please specify:**

Aberforth’s approach is to integrate ESG factors into the investment process: anything that affects the value of an investee company is relevant and, depending on the significance of its impact, may be the subject of engagement with the company’s board. Whereas Aberforth’s engagement record on governance matters is long and deep, its list of environmentally and socially motivated engagements is shorter. This is changing as the threats from climate change intensify and as the interest of the broad investor base in environmental and social issues develops, which would imply that the valuations of companies with poor performance on these fronts will be penalised. Aberforth believes that a company’s system of governance is crucial to how its environmental and social policies are designed and implemented. It is therefore important that boards describe their approach to managing these issues. There is evidence that investment returns can be enhanced by investment in and engagement with companies that face ESG challenges and are already seeking to address them or can be encouraged to do so. Except when requested by clients, Aberforth does not exclude investments from portfolios on the basis of ESG matters alone and will invest in any constituent of its investment universe as long as the risks affecting it, ESG or otherwise, are reflected its stockmarket valuation together with an adequate margin of safety.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 1.2	PLUS	ISP 1	N/A	PUBLIC	Responsible investment policy	1

What mechanisms do you have in place to ensure that your policies are implemented in an aligned and consistent way across the organisation?

Aberforth is a small and relatively simple fund management business. It was designed as such by its founders, who were motivated to maximise the time spent by its fund managers on investment, rather than on marketing or administration. Aberforth invests only in equities, or equity related instruments, and only in one geography, though the geographical exposures of investee companies are many and varied. It currently manages just five funds, comprising two investment trusts, a unit trust and two segregated funds for large UK charities. There is no proliferation of investment strategies – all funds are managed in accordance with the value investment philosophy. This simple structure is instrumental in ensuring the consistent implementation of our policies across client portfolios. Investment decisions are discussed at the weekly investment meeting or on an ad-hoc basis as required. This forum will explore the investment case in more detail and discuss any relevant ESG items. It is also used to formally discuss and prioritise any engagement activity. This is captured both electronically through our internal systems and manually through the investment meeting minutes.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 2	CORE	ISP 1.1	N/A	PUBLIC	Responsible investment policy	6

Indicate which of your responsible investment policy elements are publicly available and provide links.

- (A) Overall approach to responsible investment. Add link(s):
<https://www.aberforth.co.uk/about-aberforth/stewardship-esg-voting>
- (B) Guidelines on environmental factors. Add link(s):
<https://www.aberforth.co.uk/about-aberforth/stewardship-esg-voting>
- (C) Guidelines on social factors. Add link(s):
<https://www.aberforth.co.uk/about-aberforth/stewardship-esg-voting>
- (D) Guidelines on governance factors. Add link(s):
<https://www.aberforth.co.uk/about-aberforth/stewardship-esg-voting>
- (E) Approach to stewardship. Add link(s):
<https://www.aberforth.co.uk/about-aberforth/stewardship-esg-voting>
- (G) Approach to exclusions. Add link(s):
<https://www.aberforth.co.uk/about-aberforth/stewardship-esg-voting>
- (K) Responsible investment governance structure. Add link(s):
<https://www.aberforth.co.uk/about-aberforth/stewardship-esg-voting>
- (O) Other responsible investment aspects [as specified] Add link(s):
<https://www.aberforth.co.uk/about-aberforth/stewardship-esg-voting>
- (P) Our responsible investment policy elements are not publicly available

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 3	CORE	ISP 1.1	N/A	PUBLIC	Responsible investment policy	1

What percentage of your total assets under management are covered by your policy elements on overall approach to responsible investment and/or guidelines on environmental, social and governance factors?

- (A) Overall approach to responsible investment
- (B) Guidelines on environmental factors
- (C) Guidelines on social factors
- (D) Guidelines on governance factors

AUM coverage of all policy elements in total:

100.0%

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 4	CORE	ISP 1.1	N/A	PUBLIC	Responsible investment policy	1

Which elements does your exclusion policy include?

- (A) Legally required exclusions (e.g. those required by domestic/international law, bans, treaties or embargoes)
- (B) Exclusions based on our organisation's values or beliefs (e.g. regarding weapons, alcohol, tobacco and/or avoiding other particular sectors, products, services or regions)
- (C) Exclusions based on screening against minimum standards of business practice based on international norms (e.g. OECD guidelines, the UN Human Rights Declaration, Security Council sanctions or the UN Global Compact)

Governance

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 6	CORE	N/A	ISP 8	PUBLIC	Governance	1

Do your organisation's board, chief-level staff, investment committee and/or head of department have formal oversight and accountability for responsible investment?

- (A) Board and/or trustees
- (B) Chief-level staff (e.g. Chief Executive Officer (CEO), Chief Investment Officer (CIO) or Chief Operating Officer (COO))
- (C) **Investment committee**
- (D) **Other chief-level staff, please specify:**
 - The firm is a partnership. All of the partners are C-level and have formal oversight and accountability.
- (E) Head of department, please specify department:
- (F) None of the above roles have oversight and accountability for responsible investment

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 7	CORE	N/A	ISP 8	PUBLIC	Governance	1

In your organisation, which internal or external roles have responsibility for implementing responsible investment?

- (A) Board and/or trustees
- (B) Chief-level staff (e.g. Chief Executive Officer (CEO), Chief Investment Officer (CIO) or Chief Operating Officer (COO))
- (C) **Investment committee**
- (D) **Other chief-level staff [as specified]**
- (E) Head of department [as specified]
- (F) **Portfolio managers**
- (G) Investment analysts
- (H) Dedicated responsible investment staff
- (I) Investor relations
- (J) External managers or service providers
- (K) Other role, please specify:
- (L) Other role, please specify:
- (M) We do not have roles with responsibility for implementing responsible investment.

People and capabilities

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 8	CORE	ISP 6, ISP 7	ISP 8.1, ISP 8.2	PUBLIC	People and capabilities	General

What formal objectives for responsible investment do the roles in your organisation have?

	(3) Investment committee	(4) Other chief-level staff [as specified]	(6) Portfolio managers
(A) Objective for ESG incorporation in investment activities	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(B) Objective for contributing to the development of the organisation's ESG incorporation approach	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(C) Objective for contributing to the organisation's stewardship activities (e.g. through sharing findings from continuous ESG research or investment decisions)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(D) Objective for ESG performance	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(E) Other objective related to responsible investment [as specified]	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(F) Other objective related to responsible investment [as specified]	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(G) No formal objectives for responsible investment exist for this role	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 8.1	PLUS	ISP 8	N/A	PUBLIC	People and capabilities	General

Describe the key responsible investment performance indicators (KPIs) or benchmarks that your organisation uses to compare and assess the performance of your professionals in relation to their responsible investment objectives.

Aberforth was established in 1990 and remains wholly owned by partners working at the firm. Since then, its purpose is unchanged and is encapsulated by the accompanying diagram. Specifically, the purpose is to deliver superior long-term investment returns for its clients and, by extension, for the ultimate beneficiaries of its clients' portfolios. Aberforth's success in remaining true to its value investment philosophy and in keeping its business simple has been facilitated by the ownership structure: it is a limited partnership, wholly owned by seven partners who all work full-time in the firm. Careful stewardship of clients' capital has been central to how Aberforth has approached investment and the running of its own business since foundation in 1990. This is evidenced by long term commitments to voting and engagement. Engagement is conducted discreetly by the fund managers and is fully integrated into the investment process. Aberforth actively engages with the executives and non-executives of investee companies on an on-going basis. The intensity of engagement increases whenever issues arise that seem likely to affect the companies' value. These issues include operational matters, capital allocation, environmental impact, social considerations and governance. It can extend to efforts to effect change if Aberforth determines that such change is likely to lead to an enhancement of the value of its clients' capital. A formal methodology exists for managing significant stakes, defined as an ownership position across the firm's clients of above 10%, with a maximum upper limit of 25%. Such stakes bring influence, though Aberforth does not seek board positions. Rather, its modus operandi is to work through the company's executives and independent non-executives. The operational structure described above negates the need to have a separate KPIs for responsible investment as this is fully integrated into investment decision making and monitoring.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 8.2	CORE	ISP 8	N/A	PUBLIC	People and capabilities	General

Which responsible investment objectives are linked to variable compensation for roles in your organisation?

RI objectives linked to variable compensation for roles in your organisation:

(3) Investment committee

(A) Objective for ESG incorporation in investment activities

(B) Objective for contributing to the development of the organisation's ESG incorporation approach

(C) Objective for contributing to the organisation's stewardship activities (e.g. through sharing findings from continuous ESG research or investment decisions)

(4) Other chief-level staff

(A) Objective for ESG incorporation in investment activities

(B) Objective for contributing to the development of the organisation's ESG incorporation approach

(C) Objective for contributing to the organisation's stewardship activities (e.g. through sharing findings from continuous ESG research or investment decisions)

(6) Portfolio managers

(A) Objective on ESG incorporation in investment activities

(B) Objective for contributing to the development of the organisation's ESG incorporation approach

(C) Objective for contributing to the organisation's stewardship activities (e.g. through sharing findings from continuous ESG research or investment decisions)

(G) We have not linked any RI objectives to variable compensation

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 9	CORE	N/A	N/A	PUBLIC	People and capabilities	General

How frequently does your organisation assess the responsible investment capabilities and training needs among your investment professionals?

- (A) Quarterly or more frequently
- (B) Bi-annually
- (C) **Annually**
- (D) Less frequently than annually
- (E) On an ad hoc basis
- (F) We do not have a process for assessing the responsible investment capabilities and training needs among our investment professionals

Strategic asset allocation

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 10	CORE	N/A	ISP 10.1	PUBLIC	Strategic asset allocation	1

Does your organisation incorporate ESG factors into your strategic asset allocation?

- (A) We incorporate ESG factors into calculations for expected risks and returns of asset classes
- (B) We specifically incorporate physical, transition and regulatory changes related to climate change into calculations for expected risks and returns of asset classes
- (C) No, we do not incorporate ESG considerations into our strategic asset allocation
- (D) **Not applicable, we do not have a strategic asset allocation process**

Stewardship

Stewardship policy

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 11	CORE	Multiple, see guidance	N/A	PUBLIC	Stewardship policy	2

What percentage of your assets under management does your stewardship policy cover?

(A) Listed equity 100.0%

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 12	CORE	ISP 1.1	ISP 12.1	PUBLIC	Stewardship policy	2

Which elements does your organisation's stewardship policy cover? The policy may be a standalone guideline or part of a wider RI policy.

- (A) Key stewardship objectives
- (B) Prioritisation approach of ESG factors and their link to engagement issues and targets
- (C) Prioritisation approach depending on entity (e.g. company or government)
- (D) Specific approach to climate-related risks and opportunities
- (E) Stewardship tool usage across the organisation, including which, if any, tools are out of scope and when and how different tools are used and by whom (e.g. specialist teams, investment teams, service providers, external investment managers or similar)
- (F) Stewardship tool usage for specific internal teams (e.g. specialist teams, investment teams or similar)
- (G) Stewardship tool usage for specific external teams (e.g. service providers, external investment managers or similar)
- (H) Approach to collaboration on stewardship
- (I) Escalation strategies
- (J) Conflicts of interest
- (K) Details on how the stewardship policy is implemented and which elements are mandatory, including how and when the policy can be overruled
- (L) How stewardship efforts and results should be communicated across the organisation to feed into investment decision-making and vice versa
- (M) None of the above elements are captured in our stewardship policy

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 12.1	PLUS	ISP 12	N/A	PUBLIC	Stewardship policy	2

Describe any additional details related to your stewardship policy elements or your overall stewardship approach.

Careful stewardship of clients' capital has been central to how Aberforth has approached investment and the running of its own business since foundation in 1990. This is evidenced by long term commitments to voting and to engagement. Engagement is conducted discreetly by the fund managers and is fully integrated into the investment process. Aberforth actively engages with the executives and non-executives of investee companies on an on-going basis. The intensity of engagement increases whenever issues arise that seem likely to affect the companies' value. These issues include operational matters, capital allocation, environmental impact, social considerations and governance. It can extend to efforts to effect change if Aberforth determines that such change is likely to lead to an enhancement of the value of its clients' capital. The Aberforth stewardship policy is published online along with further stand-alone documents covering more information about Aberforth, the investment philosophy, engagement and voting framework and supporting examples.

Stewardship policy implementation

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 13	CORE	ISP 1.1	N/A	PUBLIC	Stewardship policy implementation	2

How is your stewardship policy primarily applied?

- (A) It requires our organisation to take certain actions
- (B) It describes default actions that can be overridden (e.g. by investment teams for certain portfolios)
- (C) It creates permission for taking certain measures that are otherwise exceptional
- (D) We have not developed a uniform approach to applying our stewardship policy

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 14	PLUS	Multiple, see guidance	N/A	PUBLIC	Stewardship policy implementation	2

How does your organisation ensure that its stewardship policy is implemented by external service providers? Please provide examples of the measures your organisation takes when selecting external providers, when designing engagement mandates and when monitoring the activities of external service providers.

Provide examples below:

(A) Measures taken when selecting external providers:	The only external services currently used are those of a proxy voting advisor and the provider of carbon data. The managers are under no obligation to follow the recommendations of the proxy advisor.
(B) Measures taken when designing engagement mandates for external providers:	N/A
(C) Measures taken to monitor external providers' alignment with our organisation's stewardship policy:	The key monitoring of the proxy advisor is to ensure their information and recommendations are received in a timely fashion ahead of voting deadlines. The managers are under no obligation to follow the recommendations.

Stewardship objectives

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 15	CORE	Multiple, see guidance	N/A	PUBLIC	Stewardship objectives	2

For the majority of assets within each asset class, which of the following best describes your primary stewardship objective?

(1) Listed equity

- (A) Maximise the risk–return profile of individual investments
- (B) Maximise overall returns across the portfolio
- (C) Maximise overall value to beneficiaries/clients
- (D) Contribute to shaping specific sustainability outcomes (i.e. deliver impact)

Stewardship prioritisation

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 16	CORE	Multiple, see guidance	N/A	PUBLIC	Stewardship prioritisation	2

What key criteria does your organisation use to prioritise your engagement targets? For asset classes such as real estate, private equity and infrastructure, you may consider this as key criteria to prioritise actions taken on ESG factors for assets, portfolio companies and/or properties in your portfolio. Select up to 3 options per asset class from the list.

(1) Listed equity

(A) The size of our holdings in the entity or the size of the asset, portfolio company and/or property

(B) The materiality of ESG factors on financial and/or operational performance

(C) Specific ESG factors with systemic influence (e.g. climate or human rights)

(D) The ESG rating of the entity

(E) The adequacy of public disclosure on ESG factors/performance

(F) Specific ESG factors based on input from clients

(G) Specific ESG factors based on input from beneficiaries

(H) Other criteria to prioritise engagement targets, please specify:

(I) We do not prioritise our engagement targets

Please specify for "(H) Other criteria to prioritise engagement targets".

In practice, engagement will be prioritised using a combination of many of the above items, but they won't all apply to every investment. If the managers have a specific concern with an investee company, for example human rights, carbon emissions, poor governance, then that will be a priority engagement item for that particular investee company. Aberforth's policy is designed to be flexible and pragmatic rather than prescriptive or "one size fits all".

Stewardship methods

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 17	PLUS	Multiple, see guidance	N/A	PUBLIC	Stewardship methods	2

Please rank the methods that are most important for your organisation in achieving its stewardship objectives. Ranking options: 1 = most important, 5 = least important.

(A) Internal resources (e.g. stewardship team, investment team, ESG team or staff)	1
(B) External investment managers, third-party operators and/or external property managers (if applicable)	We do not use this method
(C) External paid services or initiatives other than investment managers, third-party operators and/or external property managers (paid beyond a membership fee)	We do not use this method
(D) Informal or unstructured collaborations with peers	2
(E) Formal collaborative engagements (e.g. PRI-coordinated collaborative engagements, Climate Action 100+, the Initiative Climat International (iCI) or similar)	We do not use this method

Collaborative stewardship

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 18	CORE	Multiple, see guidance	ISP 18.1	PUBLIC	Collaborative stewardship	2

Which of the following best describes your organisation's default position, or the position of the service providers/external managers acting on your behalf, with regards to collaborative stewardship efforts such as collaborative engagements?

- (A) We recognise that stewardship suffers from a collective action problem, and, as a result, we actively prefer collaborative efforts
- (B) We collaborate when our individual stewardship efforts have been unsuccessful or are likely to be unsuccessful, i.e. as an escalation tool
- (C) We collaborate in situations where doing so would minimise resource cost to our organisation
- (D) We do not have a default position but collaborate on a case-by-case basis
- (E) We generally do not join collaborative stewardship efforts

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 18.1	PLUS	ISP 18	N/A	PUBLIC	Collaborative stewardship	2

Describe your position on collaborating for stewardship.

Since Aberforth's clients are often collectively large holders of investee companies, the investment managers are usually able to engage directly and effectively with board members. It is not unusual for clients to own over 10% of an investee company with an upper maximum limit of 25%. These holdings are classed internally as significant stakes and a formal methodology is in place for managing those positions. Large ownership positions bring influence, though Aberforth does not seek board positions. Rather, its modus operandi is to work with and through the company's executives and independent non-executives. Should there be a requirement for active engagement then an engagement plan is discussed and formulated. Becoming a significant stake is not in itself a reason to escalate engagement, but it does ensure that connections with the board are established if they have not already been made. Significant stakes are reviewed collectively and formally at least once per year and are also continuously monitored on an individual basis through the normal investment process. There are, however, instances when a collective approach to engagement may be appropriate. These collective engagements can occur when Aberforth considers the cumulative holdings of the firm's clients insufficient to effect change. The firm's interaction with other investors is influenced by the terms of the Takeover Code. Beyond specific engagements, Aberforth sees value in the sharing of views with other industry practitioners and through participation in industry forums. The annual reporting of engagement and voting activities includes a section on collective engagement. Issues of confidentiality may preclude the disclosure of either the company being engaged with or the other parties involved.

Escalation strategies

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 19	PLUS	Multiple, see guidance	N/A	PUBLIC	Escalation strategies	2

Which of these measures did your organisation, or the service providers/external managers acting on your behalf, use most frequently when escalating initial stewardship approaches that were deemed unsuccessful?

(1) Listed equity

(A) Collaboratively engaging the entity with other investors



(B) Filing/co-filing/submitting a shareholder resolution or proposal



(C) Publicly engaging the entity (e.g. open letter)



(D) Voting against the re-election of one or more board directors



(E) Voting against the chair of the board of directors



(F) Voting against the annual financial report



(G) Divesting or implementing an exit strategy



(H) We did not use any escalation measures during the reporting year. Please explain why below



Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 20	CORE	Multiple, see guidance	N/A	PUBLIC	Escalation strategies	2

If initial stewardship approaches were deemed unsuccessful, which of the following measures are excluded from the potential escalation actions of your organisation or those of the service providers/external managers acting on your behalf?

(1) Listed equity

(A) Collaboratively engaging the entity with other investors

(B) Filing/co-filing/submitting a shareholder resolution or proposal

(C) Publicly engaging the entity (e.g. open letter)

(D) Voting against the re-election of one or more board directors

(E) Voting against the chair of the board of directors

(F) Voting against the annual financial report

(G) Divesting or implementing an exit strategy

(H) We do not have any restrictions on the escalation measures we can use

Alignment and effectiveness

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 21	PLUS	Multiple, see guidance	N/A	PUBLIC	Alignment and effectiveness	2

Describe how you coordinate stewardship across your organisation to ensure that stewardship progress and results feed into investment decision-making and vice versa.

Careful stewardship of clients' capital has been central to how Aberforth has approached investment and the running of its own business since foundation in 1990. This is evidenced by long term commitments to voting and to engagement. More recently Aberforth have also established a four-person strong Stewardship Group to oversee stewardship and ESG activities and integration. This group consists of three investment partners and the operations partner and covers activities both at the portfolio and at the partnership level. Engagement is conducted discreetly by the fund managers and is fully integrated into the investment process. Aberforth actively engages with the executives and non-executives of investee companies on an on-going basis as an important component of the investment process. In general, the investment managers would expect to meet the executives of investee companies at least twice per annum. Aberforth thinks of its clients as part owners of companies. It therefore pays due consideration to companies' affairs and votes on all matters at all meetings. Engagement, if successful, can improve shareholder outcomes through enhanced corporate governance and general business practices benefiting value for all stakeholders. All matters – including environmental, social and governance – that might affect the valuation of an investee company, or broader stakeholder interests, are considered and actioned. The intensity of engagement increases whenever issues arise that seem likely to affect the companies' value and may involve escalation with the non-executives. It can extend to efforts to effect change if Aberforth determines that such change is likely to lead to an enhancement of the value of its clients' capital. Engagement can also serve to inform voting decisions and often potential areas of concern can be resolved through engagement before they are taken to a shareholder vote. Voting and engagement records are published on the Aberforth website. Aberforth maintains a flexible approach toward engagement. A pragmatic rather than a prescriptive one-size-fits-all approach has proven itself beneficial over time. This acknowledges the heterogeneous nature of the universe of small UK quoted companies and the proportionately greater governance burden on the typical small company. Stewardship is a standing item at the weekly investment meeting where any on-going corporate engagements or issues that may be applicable more widely across the portfolios will be formally discussed. Any escalation required will also be discussed, as will any implications for investment decision making. These discussions are formally minuted for future monitoring and reporting.

Stewardship examples

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 22	PLUS	Multiple, see guidance	N/A	PUBLIC	Stewardship examples	2

Describe stewardship activities that you participated in during the reporting year that led to desired changes in the entity you interacted with. Include what ESG factor(s) you engaged on and whether your stewardship activities were primarily focused on managing ESG risks and opportunities or delivering sustainability outcomes.

(1) Engagement type

(2) Primary goal of stewardship activity

(A) Example 1	a) Internally (or service provider) led	a) Managing ESG risks/opportunities
(B) Example 2	a) Internally (or service provider) led	a) Managing ESG risks/opportunities
(C) Example 3	a) Internally (or service provider) led	a) Managing ESG risks/opportunities

	(3) The ESG factors you focused on in the stewardship activity	(4) Description of stewardship activity and the desired change(s) you achieved
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(A) Example 1	Governance and capital allocation	<p>Restaurant Group: Engagement primarily focused on Governance (board composition and capital allocation). Aberforth continued its engagement after voting against the acquisition of Wagamama in 2018, and the re-election of the chair and SID in the subsequent AGM. As a leisure business with physical venues, Restaurant Group has been adversely affected by Covid-19, but executive management have performed well to reposition the business as demand recovers. However, lockdown has challenged the balance sheet and refinancing is probable. (response continued in row below)</p>
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		<p>Aberforth's confidence in the chair's oversight of capital allocation was shaken by the heavily dilutive Wagamama acquisition, which continues to affect the company's stockmarket valuation. Accordingly, Aberforth believes that it is in the interests of all shareholders for a new chair to be appointed and again voted against the re-election of the chair. The manager will continue to monitor the company and engage further as required..</p>
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(B) Example 2

Governance, Environmental and Social

Vivo Energy: Individual engagement by Aberforth to better understand the social and environmental risks. Vivo's business is the supply, storage and sale of Shell and Engen branded fuels and lubricants in Africa. The company is working on various initiatives to address the environmental effects of its business, such as optimising product deliveries to reduce distance travelled, more energy efficient service stations through solar power investments and the development of cleaner energy products. Vivo's environmental impact has to be weighed against its social impact – its network of 2,200 service stations, with their fuel and retail services, is a crucial socioeconomic resource in the 23 countries in which it operates. **(response continued in row below)**

Engagement has made it clear that the company understands the importance of being a respected member of the communities, of doing business in the right way and of investing in local road safety education. On governance, the board includes four independent NEDs and two NEDs appointed by the major shareholders, Vitol and Helios. Despite the two non-independent NEDs, the composition of the board and its main committees is in line with the recommendations of the UK corporate governance code..

(C) Example 3

Governance, Environmental and Social

Kenmare Resources: Individual engagement by Aberforth focused on Governance (capital allocation) and Social (health and safety). During 2020, Kenmare Resources successfully completed the movement of a dredge and 7,100 tonne wet concentrator plant 23km to a new, higher grade, mining area. The project should transform Kenmare's production and profit growth prospects for the medium term and should result in significant cash generation once fully operational. **(response continued in row below)**

Aberforth conducted several engagements with the executive team and chair about capital allocation, expressing the view that, in light of limited future capex requirements, a significant proportion of the cash generated from the expansion should be returned to shareholders through cash dividends. The company have subsequently increased their committed level of dividend payments. Health and safety is a crucial focus for mining companies, including Kenmare, with potentially significant negative repercussions for poor operating standards. **(response continued in row below)**

The company has a good record, so it was tragic to learn of a fatality at the Moma mine in 2020. Aberforth engaged with Kenmare to understand the circumstances behind the fatality. It was explained that the death was not related to mining activity and that there had been no lapse in operating standards. The manager will continue to monitor their record on health and safety..

Engaging policymakers

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 23	CORE	N/A	Multiple, see guidance	PUBLIC	Engaging policymakers	2

How does your organisation, or the external investment managers or service providers acting on your behalf, engage with policymakers for a more sustainable financial system?

- (A) We engage with policymakers directly
- (B) We provide financial support, are members of and/or are in another way affiliated with third-party organisations, including trade associations and non-profit organisations, that engage with policymakers
- (C) We do not engage with policymakers directly or indirectly

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 23.1	CORE	ISP 23	N/A	PUBLIC	Engaging policymakers	2

What methods do you, or the external investment managers or service providers acting on your behalf, use to engage with policymakers for a more sustainable financial system?

- (A) We participate in "sign-on" letters on ESG policy topics. Describe:
- (B) We respond to policy consultations on ESG policy topics. Describe:
- (C) We provide technical input on ESG policy change. Describe:
- (D) We proactively engage financial regulators on financial regulatory topics regarding ESG integration, stewardship, disclosure or similar. Describe:
- (E) We proactively engage regulators and policymakers on other policy topics. Describe:
- (F) Other methods used to engage with policymakers. Describe:

Aberforth are a relatively small organisation within the UK asset management industry. Aberforth participate in industry forums, surveys and feedback with bodies such as the Investment Association, the FRC, the AIC, CFA UK and UKSIF. There has also been occasion to engage directly and over the course of the last 2 years have been direct engagement with the PRA and the Bank of England. The former was for company specific reasons and the latter was to provide feedback from investee companies regarding their ability to access Covid 19 funding facilities.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 23.2	CORE	ISP 23	N/A	PUBLIC	Engaging policymakers	2

Do you have governance processes in place (e.g. board accountability and oversight, regular monitoring and review of relationships) that ensure your policy activities, including those through third parties, are aligned with your position on sustainable finance and your commitment to the 6 Principles of the PRI?

☉ (A) Yes, we have governance processes in place to ensure that our policy activities are aligned with our position on sustainable finance and our commitment to the 6 Principles of the PRI. Describe your governance processes:

Aberforth was established in 1990 and remains wholly owned by partners working at the firm. Since then, its purpose is unchanged, to deliver superior long-term investment returns for its clients and, by extension, for the ultimate beneficiaries of its clients' portfolios. Aberforth ensures that its investment beliefs, strategy and culture enable effective stewardship by the "vertical integration" of all roles in the investment process. Each investment manager is responsible for several stockmarket sectors. For each holding within the allocated sectors, the investment manager undertakes company analysis, dealing, engagement and voting. The advantage of this approach is a coherent stewardship message to the boards of investee companies that is consistent with the initial investment thesis. The controls on this approach are twofold. First, investment decisions are made collegiately by the group of investment managers based on a portfolio approach to capital allocation. Thus, an individual investment manager always receives scrutiny, challenge and assistance when necessary. Secondly, stewardship as implemented by the investment managers is subject to review by the partnership through its Stewardship Group. Influenced by the value investment philosophy and a belief that individual directors can have greater effect on the fortunes of a small company, stewardship permeates Aberforth's investment process and culture. Aberforth's emphasis on stewardship is reinforced by the fact that its clients, in aggregate, are significant investors within the universe of small UK quoted companies, often holding significant stakes in investee companies. Accordingly, governance considerations and engagement are one of the principal topics at Aberforth's investment meetings. Interactions with the directors of investee companies are discussed, as are significant voting issues arising from general meetings. The competence and performance of the chair are subject to particular scrutiny since that role is the most important within the UK's governance framework as described in the 2018 UK Corporate Governance Code. Voting is undertaken at all shareholder meetings and is reported to clients. The firm's voting policy is published on its website. Strategies for engagement with companies in which Aberforth's clients own meaningful stakes are regularly reviewed, with escalation tactics developed and additional resource dedicated to more complex situations. The firm's engagement policy is also published on the website. Public reporting also now includes many examples of how stewardship is integrated into the investment process. While many of these examples are named, some remain anonymous for reasons of confidentiality.

○ (B) No, we do not have these governance processes in place. Please explain why not:

Engaging policymakers – Policies

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 24	CORE	ISP 23	ISP 24.1	PUBLIC	Engaging policymakers – Policies	2

Do you have policies in place that ensure that your political influence as an organisation is aligned with your position on sustainable finance and your commitment to the 6 Principles of the PRI?

(A) Yes, we have a policy(ies) in place. Describe your policy(ies):

(B) No, we do not a policy(ies) in place. Please explain why not:

Aberforth are a small institution within the context of the UK asset management industry and have historically not engaged in public advocacy, choosing instead to participate with and express views through relevant industry trade bodies.

Engaging policymakers – Transparency

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 25	CORE	ISP 23	N/A	PUBLIC	Engaging policymakers – Transparency	2

During the reporting year, did your organisation publicly disclose your policy engagement activities or those conducted on your behalf by external investment managers/service providers?

(A) We publicly disclosed details of our policy engagement activities. Add link(s):

(B) We publicly disclosed a list of our third-party memberships in or support for trade associations, think-tanks or similar that conduct policy engagement activities with our support or endorsement. Add link(s):

(C) No, we did not publicly disclose our policy engagements activities during the reporting year. Explain why:

If Aberforth have participated in any such engagements during a reporting period they may be included as examples within the Stewardship Policy and annual engagement report as published on the company website.

(D) Not applicable, we did not conduct policy engagement activities

Climate change

Public support

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 26	CORE	N/A	N/A	PUBLIC	Public support	General

Does your organisation publicly support the Paris Agreement?

- (A) Yes, we publicly support the Paris Agreement Add link(s) to webpage or other public document/text expressing support for the Paris Agreement:
- (B) No, we currently do not publicly support the Paris Agreement

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 27	CORE	N/A	N/A	PUBLIC	Public support	General

Does your organisation publicly support the Task Force on Climate-Related Financial Disclosures (TCFD)?

- (A) Yes, we publicly support the TCFD Add link(s) to webpage or other public document/text expressing support for the TCFD:

While Aberforth does not engage in public advocacy, the firm supports the efforts being made to find a common reporting standard and would encourage companies to engage with bodies such as TCFD and SASB as explained within the linked document - <https://www.aberforth.co.uk/media/1248/engagement-and-voting-framework.pdf>.

- (B) No, we currently do not publicly support the TCFD

Governance

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 28	CORE	N/A	N/A	PUBLIC	Governance	General

How does the board or the equivalent function exercise oversight over climate-related risks and opportunities?

- (A) By establishing internal processes through which the board or the equivalent function are informed about climate-related risks and opportunities. Specify:
- (B) By articulating internal/external roles and responsibilities related to climate. Specify:
- (C) By engaging with beneficiaries to understand how their preferences are evolving with regard to climate change. Specify:
- (D) By incorporating climate change into investment beliefs and policies. Specify:
- (E) By monitoring progress on climate-related metrics and targets. Specify:
- (F) By defining the link between fiduciary duty and climate risks and opportunities. Specify:

Any matters that might affect the valuation of an investee company are relevant to Aberforth’s investment process and can be the subject of engagement with the company’s directors. Relevant matters include environmental, social and governance (ESG) issues, particularly as their increased profile affects stockmarket valuations. Consideration of these issues is integrated into Aberforth’s investment process, alongside a broad range of other factors. Aberforth believes that a company’s system of governance is crucial to how its environmental and social policies are designed and implemented. It is therefore important that boards describe their approach to managing these issues. Except when requested by clients, Aberforth does not exclude investments from portfolios on the basis of ESG matters alone. There is evidence that investment returns can be enhanced by investment in and engagement with companies that face ESG challenges and are already seeking to address them or can be encouraged to do so.

- (G) Other measures to exercise oversight, please specify:
- (H) The board or the equivalent function does not exercise oversight over climate-related risks and opportunities

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 29	CORE	N/A	N/A	PUBLIC	Governance	General

What is the role of management in assessing and managing climate-related risks and opportunities?

- (A) Management is responsible for identifying climate-related risks/opportunities and reporting them back to the board or the equivalent function. Specify:
- (B) Management implements the agreed-upon risk management measures. Specify:
- (C) Management monitors and reports on climate-related risks and opportunities. Specify:
- (D) Management ensures adequate resources, including staff, training and budget, are available to assess, implement and monitor climate-related risks/opportunities and measures. Specify:
- (E) **Other roles management takes on to assess and manage climate-related risks/opportunities, please specify:**

Any matters that might affect the valuation of an investee company are relevant to Aberforth’s investment process and can be the subject of engagement with the company’s directors. Relevant matters include environmental, social and governance (ESG) issues, particularly as their increased profile affects stockmarket valuations. Consideration of these issues is integrated into Aberforth’s investment process, alongside a broad range of other factors. The portfolios are not managed with any climate related targets rather individual asset managers will assess the climate-related risks and opportunities for their investee companies in order to determine both the financial and the potential market valuation implications.

- (F) Our management does not have responsibility for assessing and managing climate-related risks and opportunities

Strategy

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 30	CORE	N/A	Multiple, see guidance	PUBLIC	Strategy	General

Which climate-related risks and opportunities has your organisation identified within its investment time horizon(s)?

- (A) Specific financial risks in different asset classes. Specify:
- (B) Specific sectors and/or assets that are at risk of being stranded. Specify:
- (C) Assets with exposure to direct physical climate risk. Specify:
- (D) Assets with exposure to indirect physical climate risk. Specify:
- (E) Specific sectors and/or assets that are likely to benefit under a range of climate scenarios. Specify:
- (F) Specific sectors and/or assets that contribute significantly to achieving our climate goals. Specify:
- (G) **Other climate-related risks and opportunities identified. Specify:**

Any matters that might affect the valuation of an investee company are relevant to Aberforth’s investment process and can be the subject of engagement with the company’s directors. Relevant matters include environmental, social and governance (ESG) issues, particularly as their increased profile affects stockmarket valuations. Consideration of these issues is integrated into Aberforth’s investment process, alongside a broad range of other factors. Aberforth believes that a company’s system of governance is crucial to how its environmental and social policies are designed and implemented. It is therefore important that boards describe their approach to managing these issues. Except when requested by clients, Aberforth does not exclude investments from portfolios on the basis of ESG matters alone. There is evidence that investment returns can be enhanced by investment in and engagement with companies that face ESG challenges and are already seeking to address them or can be encouraged to do so. Currently these risks and opportunities are considered at the individual stock level rather than at the portfolio level.

- (H) We have not identified specific climate-related risks and opportunities within our organisation's investment time horizon

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 30.1	CORE	ISP 30	N/A	PUBLIC	Strategy	General

For each of the identified climate-related risks and opportunities, indicate within which investment time-horizon they were identified.

	(1) 3–5 months	(2) 6 months to 2 years	(3) 2–4 years	(4) 5–10 years
(G) Other climate-related risks and opportunities identified [as specified]	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

(5) 11–20 years

(6) 21–30 years

(7) >30 years

(G) Other climate-related risks and opportunities identified [as specified]

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 31	CORE	N/A	N/A	PUBLIC	Strategy	General

Which climate-related risks and opportunities has your organisation identified beyond its investment time horizon(s)?

- (A) Specific financial risks in different asset classes. Specify:
- (B) Specific sectors and/or assets that are at risk of being stranded. Specify:
- (C) Assets with exposure to direct physical climate risk. Specify:
- (D) Assets with exposure to indirect physical climate risk. Specify:
- (E) Specific sectors and/or assets that are likely to benefit under a range of climate scenarios. Specify:
- (F) Specific sectors and/or assets that contribute significantly to achieving our climate goals. Specify:
- (G) Other climate-related risks and opportunities identified, please specify:
- (H) We have not identified specific climate-related risks and opportunities beyond our organisation's investment time horizon

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 32	PLUS	N/A	N/A	PUBLIC	Strategy	General

Describe the impact of climate-related risks and opportunities on your organization's investment strategy, products (where relevant) and financial planning.

While Aberforth Partners LLP consider climate change risk as part of our ICAAP, it is not considered to be a material risk, nor one that requires us to either model or hold capital against. Within the investment portfolios, Aberforth's approach is to integrate ESG factors into the investment process: anything that affects the value of an investee company (risks or opportunities) is relevant and, depending on the significance of its impact, may be the subject of engagement with the company's board. As the threats from climate change intensify and as the interest of the broad investor base in environmental and social issues continues to develop, the implication is that the valuations of companies with poor performance on these fronts will be penalised. As value managers this may create investment opportunities as selling by some investors drive the value of some companies to attractive levels. There is evidence that investment returns can be enhanced by investment in and engagement with companies that face ESG challenges and are already seeking to address them or can be encouraged to do so. Except when requested by clients, Aberforth does not exclude investments from portfolios on the basis of ESG matters alone and will invest in any constituent of its investment universe as long as the risks affecting it, ESG or otherwise, are reflected in its stockmarket valuation together with an adequate margin of safety.

Strategy: Scenario analysis

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 33	CORE	N/A	ISP 33.1	PUBLIC	Strategy: Scenario analysis	General

Does your organisation use scenario analysis to assess climate-related investment risks and opportunities? Select the range of scenarios used.

- (A) An orderly transition to a 2°C or lower scenario
- (B) An abrupt transition consistent with the Inevitable Policy Response
- (C) A failure to transition, based on a 4°C or higher scenario

(D) Other climate scenario, specify:

The provision of carbon data has enabled the portfolio to be modelled against different climate scenarios. However, the carbon profile of the portfolio is an output of the investment process and the portfolios are not managed with any explicit carbon objective. The carbon data is useful for targeted engagement with higher gross emitters who may benefit from enhanced disclosure or emission reduction targets.

- (E) We do not use scenario analysis to assess climate-related investment risks and opportunities

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 33.1	PLUS	ISP 33	N/A	PUBLIC	Strategy: Scenario analysis	General

Describe how climate scenario analysis is used to test the resilience of your organisation's investment strategy and inform investments in specific asset classes.

(D) Other climate scenario

Aberforth Partners only invest in a single asset class - UK listed smaller companies. The firm operate a value investment strategy and unless specifically requested by clients do operate any ESG or climate exclusions. While provision of carbon data enables the portfolio to be modelled against different climate scenarios, the carbon profile of the portfolio is an output of the investment process rather than an explicit input into portfolio construction. The portfolios are not managed with any explicit carbon objective or budget. However, carbon data is integrated into the consideration of ESG risks for individual investments and may influence management engagement activities.

Risk management

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 34	PLUS	ISP 30	N/A	PUBLIC	Risk management	General

Which risk management processes do you have in place to identify and assess climate-related risks?

- (A) Internal carbon pricing. Describe:
- (B) Hot spot analysis. Describe:
- (C) Sensitivity analysis. Describe:
- (D) TCFD reporting requirements on external investment managers where we have externally managed assets. Describe:
- (E) TCFD reporting requirements on companies. Describe:
- (F) **Other risk management processes in place, please describe:**
 This is conducted as part of the investment process applied to individual investee companies and is not a one-size-fits-all approach. ESG risks or opportunities relevant to individual stocks are discussed as part of our investment meeting and any engagements are also recorded at this time.
- (G) We do not have any risk management processes in place to identify and assess climate-related risks

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 35	PLUS	Multiple, see guidance	N/A	PUBLIC	Risk management	General

In which investment processes do you track and manage climate-related risks?

- (A) In our engagements with investee entities, and/or in engagements conducted on our behalf by service providers and/or external managers. Describe:
- (B) In (proxy) voting conducted by us, and/or on our behalf by service providers and/or external managers. Describe:
- (E) In the asset class benchmark selection process. Describe:
- (F) **In our financial analysis process. Describe:**
 Any matters that might affect the valuation of an investee company are relevant to Aberforth's investment process and can be the subject of engagement with the company's directors. Relevant matters include environmental, social and governance (ESG) issues, particularly as their increased profile affects stockmarket valuations. Consideration of these issues is integrated into Aberforth's investment process, alongside a broad range of other factors. Aberforth believes that a company's system of governance is crucial to how its environmental and social policies are designed and implemented. It is therefore important that boards describe their approach to managing these issues. Except when requested by clients, Aberforth does not exclude investments from portfolios on the basis of ESG matters alone. There is evidence that investment returns can be enhanced by investment in and engagement with companies that face ESG challenges and are already seeking to address them or can be encouraged to do so.
- (G) Other investment process(es). Describe:
- (H) We are not tracking and managing climate-related risks in specific investment processes

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 36	PLUS	N/A	N/A	PUBLIC	Risk management	General

How are the processes for identifying, assessing and managing climate-related risks incorporated into your organisation's overall risk management?

(A) The risk committee or the equivalent function is formally responsible for identifying, assessing and managing climate risks. Describe:

(B) **Climate risks are incorporated into traditional risks (e.g. credit risk, market risk, liquidity risk or operational risk).**

Describe:

Any matters that might affect the valuation of an investee company are relevant to Aberforth's investment process and can be the subject of engagement with the company's directors. Relevant matters include environmental, social and governance (ESG) issues, particularly as their increased profile affects stockmarket valuations. Consideration of these issues is integrated into Aberforth's investment process, alongside a broad range of other factors. Aberforth believes that a company's system of governance is crucial to how its environmental and social policies are designed and implemented. It is therefore important that boards describe their approach to managing these issues. Except when requested by clients, Aberforth does not exclude investments from portfolios on the basis of ESG matters alone. There is evidence that investment returns can be enhanced by investment in and engagement with companies that face ESG challenges and are already seeking to address them or can be encouraged to do so.

(C) Climate risks are prioritised based on their relative materiality, as defined by our organisation's materiality analysis. Describe:

(D) Executive remuneration is linked to climate-related KPIs. Describe:

(E) Management remuneration is linked to climate-related KPIs. Describe:

(F) Climate risks are included in the enterprise risk management system. Describe:

(G) Other methods for incorporating climate risks into overall risk management, please describe:

(H) Processes for identifying, assessing and managing climate-related risks are not integrated into our overall risk management

Metrics and targets

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 37	PLUS	N/A	ISP 37.1	PUBLIC	Metrics and targets	General

Have you set any organisation-wide targets on climate change?

(A) Reducing carbon intensity of portfolios

(B) Reducing exposure to assets with significant climate transition risks

(C) Investing in low-carbon, energy-efficient climate adaptation opportunities in different asset classes

(D) Aligning entire group-wide portfolio with net zero

(E) Other target, please specify:

(F) **No, we have not set any climate-related targets**

Metrics and targets: Transition risk

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 38	PLUS	N/A	ISP 38.1	PUBLIC	Metrics and targets: Transition risk	General

What climate-related metric(s) has your organisation identified for transition risk monitoring and management?

- (A) Total carbon emissions
- (B) Carbon footprint
- (C) Carbon intensity
- (D) Weighted average carbon intensity
- (E) Implied temperature warming
- (F) Percentage of assets aligned with the EU Taxonomy (or similar taxonomy)
- (G) Avoided emissions metrics (real assets)
- (H) Other metrics, please specify:
- (I) No, we have not identified any climate-related metrics for transition risk monitoring

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 38.1	PLUS	ISP 38	N/A	PUBLIC	Metrics and targets: Transition risk	General

Provide details about the metric(s) you have identified for transition risk monitoring and management.

	(1) Coverage of AUM	(2) Purpose
(A) Total carbon emissions	(2) for the majority of our assets	This data is primarily used for monitoring and comparison purposes
(B) Carbon footprint	(2) for the majority of our assets	This data is primarily used for monitoring and comparison purposes
(C) Carbon intensity	(2) for the majority of our assets	This data is primarily used for monitoring and comparison purposes
(D) Weighted average carbon intensity	(2) for the majority of our assets	This data is primarily used for monitoring and comparison purposes

(E) Implied temperature warming	(2) for the majority of our assets	This data is primarily used for monitoring and comparison purposes
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	(3) Metric unit	(4) Methodology
(A) Total carbon emissions	tCO2e	Analysis produced by ISS-ESG (includes Scope 1, 2 & 3)
(B) Carbon footprint	tCO2e	Analysis produced by ISS-ESG
(C) Carbon intensity	tCO2e/Mio GBP Revenue	Analysis produced by ISS-ESG
(D) Weighted average carbon intensity	tCO2e/Mio GBP Revenue	Analysis produced by ISS-ESG
(E) Implied temperature warming	oC	Analysis produced by ISS-ESG

	(5) Disclosed value
(A) Total carbon emissions	3478753
(B) Carbon footprint	432
(C) Carbon intensity	195
(D) Weighted average carbon intensity	122
(E) Implied temperature warming	4

Metrics and targets: Physical risk

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 39	PLUS	N/A	ISP 39.1	PUBLIC	Metrics and targets: Physical risk	General

What climate-related metric(s) has your organisation identified for physical risk monitoring and management?

- (A) Weather-related operational losses for real assets or the insurance business unit
- (B) Proportion of our property, infrastructure or other alternative asset portfolios in an area subject to flooding, heat stress or water stress
- (C) Other metrics, please specify:
 These issues are considered by the investment manager at the individual investment level.
- (D) Other metrics, please specify:
- (E) We have not identified any metrics for physical risk monitoring

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 39.1	PLUS	ISP 39	N/A	PUBLIC	Metrics and targets: Physical risk	General

Provide details about the metric(s) you have identified for physical risk monitoring and management.

	(1) Coverage of AUM	(2) Purpose
(C) Other metrics [as specified]	(2) for the majority of our assets	Individual stock analysis
	(3) Metric unit	(4) Methodology
(C) Other metrics [as specified]	N/A	Individual stock analysis
	(5) Disclosed value	
(C) Other metrics [as specified]	N/A	

Sustainability outcomes

Identify sustainability outcomes

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 43	CORE	N/A	Multiple, see guidance	PUBLIC	Identify sustainability outcomes	1

Has your organisation identified the intended and unintended sustainability outcomes from any of its activities?

- (A) No, we have not identified the sustainability outcomes from our activities
- (B) Yes, we have identified one or more sustainability outcomes from some or all of our activities

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 44	CORE	ISP 43	ISP 44.1	PUBLIC	Identify sustainability outcomes	1

What frameworks/tools did your organisation use to identify the sustainability outcomes from its activities? Indicate the tools or frameworks you have used to identify and map some or all of your sustainability outcomes.

- (A) The UN Sustainable Development Goals (SDGs) and targets
- (B) The Paris Agreement
- (C) The UN Guiding Principles on Business and Human Rights (UNGPs)
- (D) The OECD Guidelines for Multinational Enterprises, including guidance on Responsible Business Conduct for Institutional Investors
- (E) The EU Taxonomy
- (F) Other taxonomies (e.g. similar to the EU Taxonomy), please specify:
- (G) Other framework/tool, please specify:
 To date Aberforth have concentrated on the carbon output of the portfolio, purchasing third party carbon data to allow the assessment of portfolio against the goals of the Paris Agreement or other scenarios.
- (H) Other framework/tool, please specify:
- (I) Other framework/tool, please specify:

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 44.1	CORE	ISP 44	N/A	PUBLIC	Identify sustainability outcomes	1

At what level(s) did your organisation identify the sustainability outcomes from its activities?

- (A) At the asset level
- (B) At the economic activity level
- (C) At the company level
- (D) At the sector level
- (E) At the country/region level
- (F) At the global level
- (G) Other level(s), please specify:
Purchased carbon data provides an overview of the portfolio and the identification of those companies held with the highest gross emissions.
- (H) We do not track at what level(s) our sustainability outcomes were identified

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 45	CORE	ISP 43	SO 1	PUBLIC	Identify sustainability outcomes	1

How has your organisation determined your most important sustainability outcome objectives?

- (A) Identifying sustainability outcomes that are closely linked to our core investment activities
- (B) Consulting with key clients and/or beneficiaries to align with their priorities
- (C) Assessing the potential severity (e.g. probability and amplitude) of specific negative outcomes over different timeframes
- (D) Focusing on the potential for systemic impacts (e.g. due to high level of interconnectedness with other global challenges)
- (E) Evaluating the potential for certain outcome objectives to act as a catalyst/enabler to achieve a broad range of goals (e.g. gender or education)
- (F) Analysing the input from different stakeholders (e.g. affected communities, civil society or similar)
- (G) Understanding the geographical relevance of specific sustainability outcome objectives
- (H) Other method, please specify:
- (I) We have not yet determined our most important sustainability outcome objectives

Transparency & Confidence-Building Measures

Information disclosed – All assets

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 49	CORE	N/A	N/A	PUBLIC	Information disclosed – All assets	6

For the majority of your total assets under management, what information about your ESG approach do you (or the external managers/service providers acting on your behalf) include in material shared with clients, beneficiaries and/or the public? The material may be marketing material, information targeted towards existing or prospective clients or information for beneficiaries.

- (A) A commitment to responsible investment (e.g. that we are a PRI signatory)
- (B) Industry-specific and asset class-specific standards that we align with (e.g. TCFD, or GRESB for property and infrastructure)
- (C) Our responsible investment policy (at minimum a summary of our high-level approach)
- (D) A description of our investment process and how ESG is considered
- (E) ESG objectives of individual funds
- (F) Information about the ESG benchmark(s) that we use to measure fund performance
- (G) Our stewardship approach
- (H) A description of the ESG criteria applied (e.g. sectors, products, activities, ratings and similar)
- (I) The thresholds for the ESG criteria applied in our investment decisions or universe construction
- (J) A list of our main investments and holdings
- (K) ESG case study/example from existing fund(s)
- (L) We do not include our approach to ESG in material shared with clients/beneficiaries/the public for the majority of our assets under management

Client reporting – All assets

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 50	CORE	Multiple, see guidance	N/A	PUBLIC	Client reporting – All assets	6

What ESG information is included in your client reporting for the majority of your assets under management?

- (A) Qualitative ESG analysis, descriptive examples or case studies
- (B) Quantitative analysis or key performance indicators (KPIs) related to ESG performance
- (C) Progress on our sustainability outcome objectives
- (D) Stewardship results
- (E) Information on ESG incidents where applicable
- (F) Analysis of ESG contribution to portfolio financial performance
- (G) We do not include ESG information in client reporting for the majority of our assets under management

Frequency of client reporting – All assets

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 51	CORE	Multiple, see guidance	N/A	PUBLIC	Frequency of client reporting – All assets	6

For the majority of each asset class, how frequently do you report ESG-related information to your clients?

- (A) Listed equity (1) Quarterly

Confidence-building measures

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 52	CORE	OO 16.1	Multiple, see guidance	PUBLIC	Confidence-building measures	6

What verification has your organisation had regarding the information you have provided in your PRI Transparency Report this year?

- (A) We received third-party independent assurance of selected processes and/or data related to our responsible investment processes, which resulted in a formal assurance conclusion
- (B) We conducted a third-party readiness review and are making changes to our internal controls/governance or processes to be able to conduct an external assurance next year
- (C) The internal audit function team performed an independent audit of selected processes/and or data related to our responsible investment processes reported in this PRI report
- (D) **Our board, CEO, other C-level equivalent and/or investment committee has signed off on our PRI report**
- (F) We conducted an external ESG audit of our ESG/sustainability marketed funds or products (excluding ESG/RI certified or labelled assets)
- (G) We conducted an external ESG audit of our holdings to check that our funds comply with our RI policy (e.g. exclusion list or investee companies in portfolio above certain ESG rating)
- (H) We conducted an external ESG audit of our holdings as part of risk management, engagement identification or investment decision-making
- (I) **Responses related to our RI practices documented in this report have been internally reviewed before submission to the PRI**
- (J) None of the above

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 58	CORE	ISP 52	N/A	PUBLIC	Confidence-building measures	6

Who has reviewed/verified the entirety of or selected data from your PRI report?

(A) Board and/or trustees (4) report not reviewed

(B) Chief-level staff (e.g. Chief Executive Officer (CEO), Chief Investment Officer (CIO) or Chief Operating Officer (COO)) (4) report not reviewed

(C) Investment committee (4) report not reviewed

(D) Other chief-level staff, please specify:

Keith Muir, Partner; Sam Ford, Partner (from 1st May 2021); Euan Macdonald, Partner; Scott Wallace, Partner.

(1) the entire report

(E) Head of department, please specify:

Scott Wallace, Operations Partner.

(1) the entire report

(F) Compliance/risk management team

(4) report not reviewed

(G) Legal team

(4) report not reviewed

(H) RI/ ESG team

(4) report not reviewed

(I) Investment teams

(4) report not reviewed

Listed Equity (LE)

Pre-investment phase

Materiality analysis

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 1	CORE	OO 10	LE 1.1	PUBLIC	Materiality analysis	1

Does your organisation have a formal investment process to identify material ESG factors across listed equities?

(3) Active – fundamental

(4) Investment trusts (REITs and similar publicly quoted vehicles)

(A) Yes, we have a formal process to identify material ESG factors for all of our assets

(B) Yes, we have a formal process to identify material ESG factors for the majority of our assets

(C) Yes, we have a formal process to identify material ESG factors for a minority of our assets

(D) No, we do not have a formal process. Our investment professionals identify material ESG factors at their own discretion

(E) No, we do not have a formal process to identify material ESG factors

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 1.1	CORE	LE 1	N/A	PUBLIC	Materiality analysis	1

How does your current investment process incorporate material ESG factors?

(3) Active - Fundamental

(4) Investment Trusts (REITs and similar publicly quoted vehicles)

(A) The investment process incorporates material governance factors

(B) The investment process incorporates material environmental and social factors

(C) The investment process incorporates material ESG factors beyond our organisation's typical investment time horizon

(D) The investment process incorporates the effect of material ESG factors on revenues and business operations

Long-term ESG trend analysis

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 2	CORE	OO 10	N/A	PUBLIC	Long-term ESG trend analysis	1

Do you continuously monitor a list of identified long-term ESG trends related to your listed equity assets?

(3) Active – fundamental

(4) Investment trusts (REITs and similar publicly quoted vehicles)

(A) We monitor long-term ESG trends for all assets



(B) We monitor long-term ESG trends for the majority of assets



(C) We monitor long-term ESG trends for a minority of assets



(D) We do not continuously monitor long-term ESG trends in our investment process



ESG incorporation

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 3	CORE	OO 10	LE 3.1	PUBLIC	ESG incorporation	1

How does your financial modelling and equity valuation process incorporate material ESG risks?

(3) Active – fundamental

(4) Investment trusts (REITs and similar publicly quoted vehicles)

(A) We incorporate governance-related risks into financial modelling and equity valuations



(B) We incorporate environmental and social risks into financial modelling and equity valuations	<input type="checkbox"/>	<input type="checkbox"/>
(C) We incorporate environmental and social risks related to companies' supply chains into financial modelling and equity valuations	<input type="checkbox"/>	<input type="checkbox"/>
(D) ESG risk is incorporated into financial modelling and equity valuations at the discretion of individual investment decision-makers, and we do not track this process	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(E) We do not incorporate ESG risks into our financial modelling and equity valuations	<input type="checkbox"/>	<input type="checkbox"/>

Assessing ESG performance

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 4	CORE	OO 10	LE 4.1	PUBLIC	Assessing ESG performance	1

What information do you incorporate when you assess the ESG performance of companies in your financial modelling and equity valuation process?

(3) Active – fundamental

(4) Investment trusts (REITs and similar publicly quoted vehicles)

(A) We incorporate information on current performance across a range of ESG metrics	<input type="checkbox"/>	<input type="checkbox"/>
(B) We incorporate information on historical performance across a range of ESG metrics	<input type="checkbox"/>	<input type="checkbox"/>

(C) We incorporate information enabling performance comparison within a selected peer group across a range of ESG metrics

(D) We incorporate information on ESG metrics that may impact or influence future corporate revenues and/or profitability

(E) We do not incorporate ESG factors when assessing the ESG performance of companies in our financial modelling or equity valuation

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 4.1	CORE	LE 4	N/A	PUBLIC	Assessing ESG performance	1

In what proportion of cases do you incorporate the following information when assessing the ESG performance of companies in your financial modelling and equity valuation process?

(3) Active – fundamental

(D) We incorporate information on ESG metrics that may impact or influence future corporate revenues and/or profitability

(1) in all cases

(4) Investment trusts (REITs and similar publicly quoted vehicles)

(D) We incorporate information on ESG metrics that may impact or influence future corporate revenues and/or profitability

(1) in all cases

ESG incorporation in portfolio construction

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 5	PLUS	OO 10	N/A	PUBLIC	ESG incorporation in portfolio construction	1

Outline one best practice or innovative example where ESG factors have been incorporated into your equity selection and research process.

Any matters that might affect the valuation of an investee company are relevant to Aberforth's investment process and can be the subject of engagement with the company's directors. Relevant matters include environmental, social and governance (ESG) issues, particularly as their increased profile affects stockmarket valuations. Consideration of these issues is integrated into Aberforth's investment process, alongside a broad range of other factors. Aberforth believes that a company's system of governance is crucial to how its environmental and social policies are designed and implemented. It is therefore important that boards describe their approach to managing these issues. Except when requested by clients, Aberforth does not exclude investments from portfolios on the basis of ESG matters alone. There is evidence that investment returns can be enhanced by investment in and engagement with companies that face ESG challenges and are already seeking to address them or can be encouraged to do so. Aberforth do not conduct any factor based screening of the investment universe, rather ESG items are considered on a company by company basis to understand their materiality for the investment case. Example: Spire Healthcare Group – [Social – decision to purchase plus ongoing monitoring] Spire Healthcare operates one of the UK's largest private hospital estates.

Patients, staff, and customers have had their confidence in care standards tested after a rogue surgeon was found to be performing unnecessary and damaging operations. This ultimately led to criminal prosecution, severely damaging the company's reputation and brand in the process, causing significant impact on the share price too. Beyond the immediate harm done to patients, Aberforth was concerned at the lasting effects of this episode on value. Should customers lose confidence in the company due to lasting damage from social and governance failings there could be serious concerns about the future sustainability of the business. Discussion of the investment case led to further research, monitoring and engagement. Meetings with management and the chair ultimately reassured on the "quality of care" agenda. Since 2016, a cumulative £24m – roughly half of operating profit in 2019 – had been invested into clinical oversight despite no clear view on the time frame for payback. Further diligence involved engagement with suppliers and medical practitioners to understand how other stakeholders would respond to the changes being made. The research concluded that Spire was making the investments required to achieve better standards of clinical care and, in turn, allowing the business to recover to market growth rates over time.

Aberforth's funds took an initial position in Spire in 2019 and further purchases followed through 2020. Whilst the payback from the company's investments was uncertain, they have already proved beneficial to equity holders with the onset of the pandemic. The suspension of UK elective care procedures, coincident with lockdown, had the potential to cause financial distress for the company. Spire made the entirety of its estate available exclusively for the National Health Service and without profit. This facilitated crucial covenant waivers from creditors and is expected to serve all stakeholders well as the focus shifts to clearing a backlog of care to patients who have been forced to delay consultations and procedures. Achieving comfort on the social and governance aspects here was crucial to the investment case. Actions during the pandemic have further provided further reassurance regarding their improved commitment to higher standards. These issues will continue to be monitored for the duration of the holding as they remain key considerations.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 6	CORE	OO 10	LE 6.1	PUBLIC	ESG incorporation in portfolio construction	1

How do ESG factors influence your portfolio construction?

	(3) Active – fundamental	(4) Investment trusts (REITs and similar publicly quoted vehicles)
(A) The selection of individual assets within our portfolio is influenced by ESG factors	<input type="checkbox"/>	<input type="checkbox"/>
(B) The holding period of individual assets within our portfolio is influenced by ESG factors	<input type="checkbox"/>	<input type="checkbox"/>
(C) The portfolio weighting of individual assets within our portfolio or benchmark is influenced by ESG factors	<input type="checkbox"/>	<input type="checkbox"/>
(D) The allocation of assets across multi-asset portfolios is influenced by ESG factors through the strategic asset allocation process	<input type="checkbox"/>	<input type="checkbox"/>
(E) Other expressions of conviction (please specify below)	<input type="checkbox"/>	<input type="checkbox"/>
(F) The portfolio construction or benchmark selection does not explicitly include the incorporation of ESG factors	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 7	PLUS	OO 10	N/A	PUBLIC	ESG incorporation in portfolio construction	1

Please provide two examples of how ESG factors have influenced weightings and tilts in either passive or active listed equity.

Provide examples below:

(A) Example 1:

Example: TI Fluid Systems [Environment – monitoring opportunities and threats] TI Fluid Systems manufactures automotive fuel tanks and tubes for fuel, brake fluid and glycol. Parts of its business are therefore exposed to the internal combustion engine, which contributes to climate change. Does the global shift towards electric vehicles represent an existential threat to the business or can it adapt such that it actually represents a greater opportunity? It seemed likely that the stockmarket’s very low rating of the shares was in part due to this threat. Engagement with the directors therefore addressed how the company would cope with the rise of Electric Vehicles (EV) and Hybrid Electric Vehicles (HEV). **(response continued in row below)**

Management articulated a coherent strategy that could ultimately see revenues benefit from EVs, as the company’s average value per vehicle rises through sales of additional components and tubing for battery heat transfer. Last year saw important corroborations of this approach, with the announcement of various programme wins, including for VW’s ID.3 and ID.4 EVs. These discussions fed directly into the consideration of the investment case by the manager and wider team, the formulation of financial forecasts and the target valuation multiple acknowledging that the transition to a fully EV world will be bumpy and engagement on the topic will continue..

(B) Example 2:

Example: Kenmare Resources [Environment & Social] There are few industries that raise more concerns around ESG issues than mining and seeking comfort on the ESG record at Kenmare Resources was a key consideration in the investment decision process. Kenmare operates a titanium minerals sand mine in Mozambique, which contains deposits of heavy minerals including ilmenite, rutile and zircon. The mining of natural resources tends to have a significant impact on the local environment and population, but stringent licensing requirements demand operational and behavioural excellence. Failure to adhere to these requirements could result in the loss of their mine licence, a substantial fine, or both.
(response continued in row below)

One of the attractions of investing in Kenmare Resources is the lower environmental impact of its operations compared to a more conventional mining operation. Kenmare’s mine is surface based (pond based dredging), does not involve explosions or chemicals, and is powered by hydro-generated electricity. Additionally, once mining is finished in a particular area, the topsoil is returned, with rehabilitation completed by the seeding or planting of native and/or other species of vegetation and food crops. The area of land is then returned to the local communities. Greater comfort on these environmental considerations helped with the formulation of the investment case for Kenmare..

Post-investment phase

ESG risk management

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 9	CORE	OO 10	N/A	PUBLIC	ESG risk management	1

Do your regular reviews incorporate ESG risks?

(3) Active – fundamental

(4) Investment trusts (REITs and similar publicly quoted vehicles)

(A) Our regular reviews include quantitative information on material ESG risks specific to individual listed equities

(B) Our regular reviews include aggregated quantitative information on material ESG risks at a fund level

(C) Our regular reviews only highlight fund holdings where ESG ratings have changed

(D) We do not conduct regular reviews. Risk reviews of ESG factors are conducted at the discretion of the individual fund manager and vary in frequency

(E) We do not conduct reviews

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 10	CORE	OO 10	N/A	PUBLIC	ESG risk management	1

Do you regularly identify and incorporate ESG incidents into the investment process for your listed equity assets?

(3) Active – fundamental

(4) Investment trusts (REITs and similar publicly quoted vehicles)

(A) Yes, we have a formal process in place for regularly identifying and incorporating ESG incidents into all of our investment decisions

(B) Yes, we have a formal process in place for regularly identifying and incorporating ESG incidents into the majority of our investment decisions

(C) Yes, we have a formal process in place for regularly identifying and incorporating ESG incidents into a minority of our investment decisions

(D) Yes, we have an ad hoc process in place for identifying and incorporating ESG incidents

○

○

(E) Other

○

○

(F) We currently do not have a process in place for regularly identifying and incorporating ESG incidents into our investment decision-making

○

○

Performance monitoring

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 11	PLUS	OO 10	N/A	PUBLIC	Performance monitoring	1

Provide an example of an ESG factor that your organisation incorporated into your equity valuation or fund construction and describe how that affected the returns of those assets.

Provide examples below:

(A) Example from your active listed equity:

ESG factors are considered on company specific basis rather than at a portfolio level. Below is an example of how ESG factors were considered when making one particular investment. This investment is still held within Aberforth funds and is subject to regular review. Example: Vivo Energy [Governance / Environment / Social] Vivo's business is the supply, storage and sale of Shell and Engen branded fuels and lubricants in Africa. **(response continued in row below)**

The company is working on various initiatives to address the environmental effects of its business, such as optimising product deliveries to reduce distance travelled, more energy efficient service stations through solar power investments and the development of cleaner energy products. Vivo’s environmental impact has to be weighed against its social impact – its network of 2,200 service stations, with their fuel and retail services, is a crucial socioeconomic resource in the 23 countries in which it operates. Engagement has made it clear that the company understands the importance of being a respected member of the communities, of doing business in the right way and of investing in local road safety education. On governance, the board includes four independent NEDs and two NEDs appointed by the major shareholders, Vitol and Helios. Despite the two non-independent NEDs, the composition of the board and its main committees is in line with the recommendations of the UK corporate governance code..

Reporting/Disclosure

Sharing ESG information with stakeholders

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 14	CORE	OO 10	N/A	PUBLIC	Sharing ESG information with stakeholders	6

What ESG information is covered in your regular reporting to stakeholders such as clients or beneficiaries?

(3) Active – fundamental

(A) Our regular stakeholder reporting includes qualitative examples of engagement and/or ESG incorporation	2) In the majority of our regular stakeholder reporting
(B) Our regular stakeholder reporting includes quantitative ESG engagement data	2) In the majority of our regular stakeholder reporting
(C) Our regular stakeholder reporting includes quantitative ESG incorporation data	3) In a minority of our stakeholder reporting

(4) Investment trusts (REITs and similar publicly quoted vehicles)

(A) Our regular stakeholder reporting includes qualitative examples of engagement and/or ESG incorporation

2) In the majority of our regular stakeholder reporting

(B) Our regular stakeholder reporting includes quantitative ESG engagement data

2) In the majority of our regular stakeholder reporting

(C) Our regular stakeholder reporting includes quantitative ESG incorporation data

3) In a minority of our stakeholder reporting

Stewardship

Voting policy

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 15	CORE	OO 9 LE	LE 15.1, LE 16	PUBLIC	Voting policy	2

Does your organisation have a publicly available (proxy) voting policy? (The policy may be a standalone policy, part of a stewardship policy or incorporated into a wider RI policy.)

(A) Yes, we have a publicly available (proxy) voting policy Add link(s):

<https://www.aberforth.co.uk/about-aberforth/stewardship-esg-voting>

(B) Yes, we have a (proxy) voting policy, but it is not publicly available

(C) No, we do not have a (proxy) voting policy

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 15.1	CORE	OO 9 LE, LE 15	N/A	PUBLIC	Voting policy	2

What percentage of your listed equity assets does your (proxy) voting policy cover?

(A) Actively managed listed equity covered by our voting policy

(12) 100%

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 16	CORE	LE 15	N/A	PUBLIC	Voting policy	2

Does your organisation's policy on (proxy) voting cover specific ESG factors?

- (A) Our policy includes voting guidelines on specific governance factors Describe:
- (B) Our policy includes voting guidelines on specific environmental factors Describe:
- (C) Our policy includes voting guidelines on specific social factors Describe:
- (D) Our policy is high-level and does not cover specific ESG factors Describe:**

Aberforth maintains a flexible approach toward engagement and voting. A pragmatic, rather than a prescriptive one-size-fits-all, approach has proven itself beneficial over time. This acknowledges the heterogeneous nature of the universe of small UK quoted companies and the proportionately greater governance burden on the typical small company. To date in the UK, regular voting options have generally been limited to matters of Governance, with little options for investors to vote on specific E or S matters other than expressing those views with votes against board members. Aberforth believes that a company’s system of governance is crucial to how its environmental and social policies are designed and implemented. It is therefore important that boards describe their approach to managing these issues. Aberforth’s Engagement and Voting Framework document is published online and states that Aberforth:

- Votes to maximise the value of its clients’ capital, taking into account all relevant factors, including environmental and social issues.
- Votes on all resolutions put to shareholders.
- Does not automatically follow the recommendations of the board, or of proxy advisers, but aims to engage with the board before voting against or abstaining.
- Believes that abstention – or withheld votes – can be a useful signal in on-going engagement with a company.
- Expects to be consulted on contentious issues before they are brought forward for voting.
- Expects companies to comply with the Corporate Governance Code 2018 or explain otherwise.
- Retains a flexible and pragmatic approach recognising that the requirements of smaller companies do not always conform with “one-size-fits-all” policies.

Alignment & effectiveness

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 17	CORE	OO 9 LE	N/A	PUBLIC	Alignment & effectiveness	2

When you use external service providers to give voting recommendations, how do you ensure that those recommendations are consistent with your organisation's (proxy) voting policy?

(A) We review service providers' controversial and high-profile voting recommendations before voting is executed (1) in all cases

(B) Before voting is executed, we review service providers' voting recommendations where the application of our voting policy is unclear (1) in all cases

Security lending policy

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 18	CORE	OO 9 LE	LE 18.1, LE 18.2	PUBLIC	Security lending policy	2

Does your organisation have a public policy that states how voting is addressed in your securities lending programme? (The policy may be a standalone guideline or part of a wider RI or stewardship policy.)

- (A) We have a public policy to address voting in our securities lending programme. Add link(s):
- (B) We have a policy to address voting in our securities lending programme, but it is not publicly available
- (C) We rely on the policy of our service provider(s)
- (D) We do not have a policy to address voting in our securities lending programme
- (E) Not applicable, we do not have a securities lending programme

Shareholder resolutions

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 19	CORE	OO 9 LE	N/A	PUBLIC	Shareholder resolutions	2

Which of the following best describes your decision-making approach regarding shareholder resolutions, or that of your service provider(s) if decision-making is delegated to them?

- (A) In the majority of cases, we support resolutions that, if passed, are expected to advance progress on the underlying ESG factors or on our stewardship priorities
- (B) In the majority of cases, we support resolutions that, if passed, are expected to advance progress on the underlying ESG factors but only if the investee company has not already committed publicly to the action requested in the proposal
- (C) In the majority of cases, we only support shareholder resolutions as an escalation tactic when other avenues for engagement with the investee company have not achieved sufficient progress
- (D) In the majority of cases, we support the recommendations of investee company management by default
- (E) In the majority of cases, we do not vote on shareholder resolutions

Pre-declaration of votes

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 20	CORE	OO 9 LE	N/A	PUBLIC	Pre-declaration of votes	2

How did your organisation or your service provider(s) pre-declare votes prior to AGMs/EGMs?

- (A) We pre-declared our voting intentions publicly through the PRI's vote declaration system
- (B) We pre-declared our voting intentions publicly (e.g. through our own website) Link to public disclosure:
- (C) We pre-declared our voting intentions publicly through the PRI's vote declaration system, including the rationale for our (proxy) voting decisions where we planned to vote against management proposals or abstain
- (D) We pre-declared our voting intentions publicly, including the rationale for our (proxy) voting decisions where we planned to vote against management proposals or abstain Link to public disclosure:
- (E) Prior to the AGM/EGM, we privately communicated our voting decision to investee companies in cases where we planned to vote against management proposals or abstain
- (F) We did not privately or publicly communicate our voting intentions
- (G) We did not cast any (proxy) votes during the reporting year

Voting disclosure post AGM/EGM

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 21	CORE	OO 9 LE	LE 21.1	PUBLIC	Voting disclosure post AGM/EGM	2

Do you publicly report your (proxy) voting decisions, or those made on your behalf by your service provider(s), in a central source?

- (A) Yes, for >95% of (proxy) votes Link:
<https://www.aberforth.co.uk/about-aberforth/stewardship-esg-voting/voting-disclosure>
- (B) Yes, for the majority of (proxy) votes Link:
- (C) Yes, for a minority of (proxy) votes 1) Add link and 2) Explain why you only publicly disclose a minority of (proxy) voting decisions:
- (D) No, we do not publicly report our (proxy) voting decisions Explain why you do not publicly report your (proxy) voting decisions:

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 21.1	CORE	LE 21	N/A	PUBLIC	Voting disclosure post AGM/EGM	2

In the majority of cases, how soon after an investee's AGM/EGM do you publish your voting decisions?

- (A) Within one month of the AGM/EGM
- (B) Within three months of the AGM/EGM
- (C) Within six months of the AGM/EGM
- (D) Within one year of the AGM/EGM
- (E) More than one year after the AGM/EGM

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 22	CORE	OO 9 LE	LE 22.1	PUBLIC	Voting disclosure post AGM/EGM	2

Did your organisation and/or the service provider(s) acting on your behalf communicate the rationale for your voting decisions?

- (A) In cases where we voted against management recommendations or abstained, the rationale was provided privately to the company
- (B) In cases where we voted against management recommendations or abstained, the rationale was disclosed publicly
- (C) In cases where we voted against management recommendations or abstained, we did not communicate the rationale
- (D) We did not vote against management or abstain

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 22.1	CORE	LE 22	N/A	PUBLIC	Voting disclosure post AGM/EGM	2

Indicate the proportion of votes where you and/or the service provider(s) acting on your behalf communicated the rationale for your voting decisions.

- (A) In cases where we voted against management recommendations or abstained, the rationale was provided privately to the company (5) >95%

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 23	CORE	OO 9 LE	LE 23.1	PUBLIC	Voting disclosure post AGM/EGM	2, 5

Did your organisation and/or the service provider(s) acting on your behalf communicate the rationale for your voting decisions when voting against a shareholder resolution proposed/filed by a PRI signatory?

- (A) In cases where we voted against a shareholder resolution proposed/filed by a PRI signatory, the rationale was disclosed publicly
- (B) In cases where we voted against a shareholder resolution proposed/filed by a PRI signatory, the rationale was not disclosed publicly
- (C) **We did not vote against any shareholder resolution proposed/filed by a PRI signatory**

Alignment & effectiveness

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 24	PLUS	OO 9 LE	N/A	PUBLIC	Alignment & effectiveness	2

How are you contributing to the integrity of the end-to-end voting chain and confirmation process?

Voting is a fundamental right for shareholders and is an important means by which Aberforth exercises stewardship on behalf of its clients. The firm's policy is to vote on every resolution put to shareholders at a General Meeting. Aberforth voted on all items at all general meetings over the past year, in line with its policy. Because of the depth and frequency of engagement with the boards of investee companies, Aberforth will have had the opportunity to influence important issues before they are put to shareholders at a General Meeting. This results in fewer votes against the board or abstentions than might otherwise be expected. Voting decisions are disclosed explicitly to clients as part of our quarterly reporting process and an annual summary is publicly available on our website. Aberforth's voting record over the past year is available on our website. Votes were cast on all resolutions in respect of all shares held under Aberforth's voting control. While we utilise the services of a proxy voting advisor all decisions are made by the Aberforth investment managers. No voting decisions were taken by another entity on behalf of these shares. Shareholdings and voting rights are monitored through in-house fund accounting systems and a third-party voting service provider, which are reconciled with custodians' records.

Example

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 25	PLUS	OO 9 LE	N/A	PUBLIC	Example	2

Provide examples of the most significant (proxy) voting activities that your organisation and/or the service provider acting on your behalf carried out during the reporting year.

Provide examples below:

(A) Example 1:

The Restaurant Group Voted FOR remuneration policy – Proxy advisor was AGAINST Voted FOR restricted share scheme – Proxy advisor was AGAINST Voted AGAINST chair – Proxy advisor was FOR Aberforth has engaged extensively with The Restaurant Group since investing in 2016 and continued to do so in 2020. The expensive and dilutive acquisition of Wagamama in 2018 raised concerns about the company’s governance, which culminated in a vote against the transaction. During this process, engagement with the chair, and SID at the time, was unsatisfactory, which led to votes against at subsequent AGMs. The pandemic exposed the misallocation of capital, with the business carrying too much debt and facing a significant loss of earnings. **(response continued in row below)**

Aberforth supported a necessary equity issue: concerns about the chair were outweighed by confidence in the new CEO, who used the crisis to aggressively re-position the business away from underperforming legacy sites through a CVA. This significantly reduced the lease exposure of the company and improved future profit potential. Despite these efforts, the executives did not have suitable incentives in place, with cash bonuses cancelled to conserve cash and LTIPs significantly under water. Further engagement with the board gave comfort about a proposed restricted shares scheme with profit underpin. Accordingly, Aberforth voted in favour of remuneration changes, which was against the recommendation of the proxy adviser..

(B) Example 2:

Lookers Voted FOR re-election of chair and non-execs
Following the company's potential fraud and delay to the publication of financial statements, Aberforth initially intended either to abstain or vote against a suite of non-executive directors, including the chair. In line with usual practice when considering such votes, Aberforth engaged with the company to explain the rationale. As part of that engagement process, the board offered reassurance that it was aware of the issues and that governance was not at odds with shareholders' interests. The discussion centred on the importance of not destabilising the board while it finalised the publication of the delayed financial statements. Pragmatically, therefore, the initial intention was reversed and votes in favour of the re-election of the chair and non-executives were lodged.

(C) Example 3:

SDL Voted AGAINST scheme of arrangement – proxy advisor was FOR Voted AGAINST merger agreement – proxy advisor was FOR Aberforth voted against the Scheme of Arrangement for the takeover of SDL by RWS. This was motivated by the all-paper terms of the deal, which exposed the clients to a richly valued company that, by virtue of its AIM listing and large size, could not be a long-term holding.
