

### Merian Investment Management Limited - Section 172 Statement

Section 172 of the Companies Act 2006 (s.172) requires directors to run the company for the benefit of its stakeholders as a whole. In doing this s.172 requires the Board to have regarded, amongst other matters, to:

- the likely consequences of any decisions in the long-term;
- the interests of the company's employees;
- maintain strong stakeholder relationships;
- the impact of the company's operations on the wider, external environment;
- and ensure the firm maintains a reputation for high standards of business conduct

The following disclosure provides insight into how the Board discharges its duties under s.172.

Merian Investment Management Limited (MIML) is a subsidiary of Merian Global Investors (Holdings) Limited (MGIH). The MIML Board is comprised of Non-Executive directors and Executives within the business and is subject to oversight and challenge by the MGIH Board, its parent company Board.

The Board of MIML is responsible for the oversight of business performance, governance and the effective discharge of all legal and regulatory duties applicable to them including but not limited to:

- Setting and approving the company's strategy in line with the wider MGIH strategy;
- Ensuring appropriate capital and financial management insofar as it relates to its regulatory capital requirements or other regulatory requirements;
- Monitoring compliance with all regulatory requirements;
- Monitoring investment performance, where applicable, to ensure that it is delivered in line with investors' expectations;
- Monitoring the risk profile of funds and their suitability for each target market, where applicable;
- Ensuring a robust product governance process;
- Monitoring its relevant business risk profile; and
- Monitoring the performance of delegated parties, including third party administrators and distributors, where applicable.

The above themes are reviewed at regular Board meetings throughout the year.

MGIH has developed a three year strategy and associated business plan whereby strategic themes (both internal and market), investment strategies, channel distribution and support strategies, cost challenges along with immediate regulatory and other project initiatives have been considered to facilitate the business' long term business strategy.

It has identified the following strategic priorities to drive the business forward in delivering its vision and include:

- Further shaping the firm as a stand-alone business;
- Diversifying and enhancing investment capabilities;
- Distribution development; and
- Execution of agreed project initiatives arising from Brexit.

The strategy is underpinned by an integrated set of plans across its investment desks, with each desk head overseeing delivery of a desk-specific strategic plan and set of priorities. The operational framework is considered fit for future growth and resultant scale and includes a robust oversight model for key outsourced investment management and fund administration activities.

The Board believes that delivery of the strategy, in line with our overriding purpose to deliver strong investment performance through active investment management, will achieve long-term, sustainable success for all of our stakeholders. All of the Board's decisions are therefore guided by the delivery of the firm's purpose and strategy.

The Board believes that its clients and their advisers rightly expect it to identify and maintain intelligent and repeatable ways in which to generate investment outcomes that meet their expectations. It similarly believes that the firm's clients, colleagues, owners and other stakeholders expect it to approach our work in a way that enables it to have a positive impact on society.

### Clients

Our clients make our business what it is; our ambition is to provide the best possible investment products to meet their current and future needs, and deliver value for money. In pursuit of this ambition, we place them at the heart of the process of developing and evolving our products, and we look to partner with them where possible to ensure we continue to deliver on their expectations.

The Board receives regular reports on the outcomes achieved for customers through its Customer Outcomes Forum which provides a place of debate, discussion and challenge for issues from across the business relating to delivery of good customer outcomes. The Board also receives updates from its Quarterly Investment Risk Committee. This Committee provides independent oversight of risk management as well as investment performance of all funds and strategies to ensure customers are provided with products that perform as they expect and all funds are managed in line with their stated risk profile

### Colleagues

The Board is committed to the attraction and retention of key talent in the industry. We place emphasis on encouraging a diverse and inclusive culture. The business promotes equal opportunities throughout the employee life cycle from recruitment and promotion to remuneration and support flexible and agile working practices.

The Board receives reports from the Head of Human Resources on the culture and engagement of our people. The Board engages with staff through a variety of channels such as 'town hall' briefings, emails and an Intranet site. During the year the business conducted an employee opinion survey. The Board considers the firm's employees to be an important stakeholder and the consideration of their interests forms part of many Board discussions. The Board reviewed the results of the 2019 employee opinion survey, agreed an action plan to address observations raised and receives status reports on progress.

### Regulators

We strive to maintain positive and constructive relationships with our regulators, commit to communicating openly and transparently with them as well as meeting all regulatory obligations. Additionally, we work to ensure that the landscape for long-term savers is as positive as it can be by engaging in key policy consultations.

The Board receives updates from its Risk and Governance Committee which covers the business's regulatory processes and procedures, the risk environment and its engagement with global regulators. The reports also outline the material changes in the regulatory environment in which the business operates as well as the regulatory horizon. During 2019, these included the roll-out of the FCA's SMCR and its ongoing embedment in the business.

### Society

We want to exemplify the behaviours we expect of the companies we invest in wherever practicable. This means acting transparently and with integrity, looking after our colleagues, treating our customers and suppliers fairly, managing our environmental impact and contributing to the communities in which we operate. We support a number of initiatives and charities related to our local communities, including those that provide both support and opportunity to disadvantaged young people.

The Board recognises the topic of ESG and has discussed the implementation of ESG principals at its meetings and receives updates from the Head of ESG.