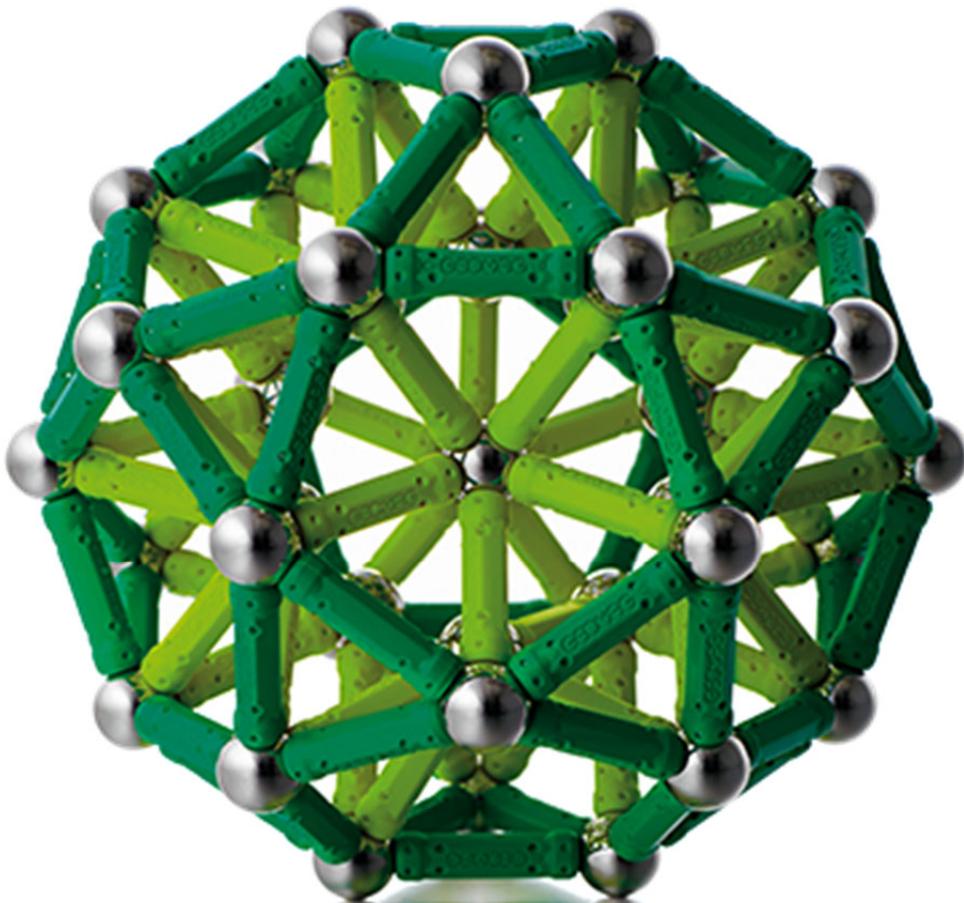


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# MERIAN GLOBAL INVESTORS

2020 Group Tax Strategy



**Merian**  
GLOBAL INVESTORS

The art and science of investing™

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## OUR TAX STRATEGY

We have a duty under paragraph 16(2) of Schedule 19 of the Finance Act 2016 to publish the Group tax strategy in the current financial year.

The Merian Global Investors Limited ("MGI") Group tax strategy sets out the necessary principles to manage our global tax affairs in accordance with the relevant legislations in the territories in which we operate and invest and to mitigate key risks and safeguard our independent business. This tax strategy is applicable to the MGI group, including all MGI subsidiaries.

Our tax strategy supports our business strategy and therefore supports genuine commercial activity. The tax strategy applies to UK taxation and to all corresponding worldwide taxes in respect of which MGI has legal responsibilities. It aims to manage tax affairs in a responsible and transparent manner in order to comply with relevant legislation, to file all relevant tax returns on time and to ensure the timely payment of all tax liabilities.

This tax strategy is to be approved by the Board and shared with HMRC in line with our commitment to conduct our relationship with tax authorities in a transparent and collaborative manner.

Our tax strategy outlines the requirements to be applied across the MGI Group in order to mandate a consistent and structured approach for managing our tax affairs and for identifying and monitoring tax risks arising from operating change made in response to external factors and/or driven by strategic need.

## GOVERNANCE AND MANAGEMENT OF TASK RISKS

The tax strategy is the responsibility of the Chief Financial Officer (CFO) who in turn delegates responsibility for the day to day management to the Head of Tax.

The CFO is responsible for monitoring that the tax strategy is, and remains effective by seeking reasonable assurance that all tax risks have been identified and assessed and that all tax obligation have been settled in a timely manner. The tax strategy will be reviewed on at least an annual basis or more frequently if major changes are required.

The Group has an 'Enterprise Risk Management Framework Policy'. This policy provides frameworks for risk monitoring, management and governance. Some of the key tax risks relevant to the business are considered to be regulatory risk, operational risk, and reputational risk. These risks are managed through robust, embedded governance structures.

Regulatory and operational risk is managed through forward planning, project management, Group Audit and Risk Committee (GARC) oversight, and Risk & Governance Committee oversight. Risks to the business are reviewed and monitored on an on-going basis by the Risk & Governance Committee and are reviewed by the GARC on a quarterly basis and annually by the board.

To mitigate our reputational risk, MGI has adopted a Code of Conduct and other internal policies and guidelines intended to support its mission statement and to comply with the laws, rules and regulations that govern its business operations. The Code applies to all employees and workers of MGI.

MGI's risk appetite framework ("RAF") is based upon and supported by policies, processes and skills that set out the way that MGI staff across all areas and control functions manages risk in relation to MGI's risk appetite. The RAF builds upon the existing business planning, capital and risk management processes.

Internal controls and escalation procedures are put in place with the aim of identifying, quantifying, and managing key tax risks. These key risks are then monitored for business, policy, and legislative changes and, as a result, tax processes or controls are updated where required. Escalation of risks is made to the Risk and Governance Committee which is then communicated to the Board.

Appropriate training is carried out for staff who manage or process tax matters. Timely and effective escalation of risks and issues is central to the MGI Group's system of governance and internal control.

## HOW WE MANAGE OUR TAX RISKS

Tax risk is the risk that our tax reporting and returns or liabilities are inaccurate or incomplete, potentially leading to under or over collection or payment of tax, exposing us to tax authority fines and or penalties as well as potential damage to our reputation. We are subject to the following principal taxes:

- corporation tax on the profits of our business;
- employer national insurance contributions; and
- value added tax (or its equivalent) on relevant services.

We also facilitate the withholding and payment of income tax from employee remuneration.

MGI seeks to correctly apply the tax legislation to its business operations and, in doing so, aims to minimise its tax risk. MGI actively seeks to identify, evaluate, monitor, and manage tax issues and risks.

Tax issues or expenses that may be conducive to planning are identified. The process of identifying tax issues takes place through the required involvement of a member of the Finance Department in the early stages of all major business transactions and the engagement of external tax advisers.

We recognise that tax legislation can be complex and sometimes subject to interpretation and this uncertainty could give rise to tax risks. Where there is uncertainty in how the relevant tax law should be applied, external advice is sought to support the Group's decision-making process. We may also look to engage with global tax authorities ("Tax Authorities") through our tax advisers in those territories to disclose and resolve issues, risks, and uncertain tax positions.

Where local legal or regulatory requirements are more onerous, MGI and/or its subsidiaries must meet the local requirements in addition to meeting the requirements set out in this strategy.

## OUR ATTITUDE TO TAX PLANNING

We recognise that we have a responsibility to pay an appropriate amount of tax in each of the jurisdictions in which we operate. We balance this responsibility with the obligation we have to our shareholders to structure our affairs in an efficient manner. Our corporate structure and operating model ensure that our tax affairs are transparent to the tax authorities.

We do not interpret tax laws in a way that we believe is contrary to their intention, and we do not participate in tax avoidance products. We follow the terms of the UK's Double Taxation Treaties and relevant OECD guidelines for international tax matters.

Remuneration packages for employees are structured so that the Group reasonably believes that the proper amounts of tax and social security contributions are paid on remuneration.

## TAX COMPLIANCE AND RELATIONSHIP WITH HMRC AND OVERSEAS TAX AUTHORITIES

We seek to comply with our tax filings, reporting and tax payment obligations in all jurisdictions, paying what we owe in a timely manner. We maintain an open and transparent relationship with the tax authorities in the jurisdictions in which we operate. In the UK, we adhere to the HMRC Framework of Co-operative Compliance and we liaise closely with HMRC to ensure they are aware of all significant transactions in the Group and that their view of those transactions is understood. We remain committed to conducting our tax affairs in this way.

Occasionally, it is possible that our views and/or those of our advisors on appropriate tax treatment may differ from those of the tax authorities. If such circumstances arise we will work proactively and constructively with that tax authority involved with the aim to achieve a swift resolution. Most of the time such disagreements are resolved quickly through constructive dialogue. However, it may be necessary in some cases to proceed to litigate in order to clarify the correct interpretation of the law.

We support initiatives to improve international transparency on taxation matters, including the OECD measures on transfer pricing and automatic exchange of information. We do not tolerate tax evasion, nor do we tolerate the facilitation of tax evasion by any person(s) acting on the Group's behalf. We have appropriate procedures in place to support our policy towards the prevention of the facilitation of tax evasion.

## RISK APPETITE – THE LEVEL OF RISK THE GROUP IS WILLING TO TAKE

Our appetite for tax risk is low. Where the tax law is unclear or subject to interpretation, we will seek external advice. Our business model and operating structure is straightforward and not subject to significant judgement in the application of tax law. The Group will only proceed on its proposed tax treatment if after a robust risk assessment the approach is consistent with the Group's tax strategy and the Group's approach to risk more broadly.

Our governance stipulates that we maintain an appropriate control environment with secondary reviews and completeness checks where appropriate. We are also required to assess the level of risk associated with complex transactions and ensure that the level of risk is in line with our tax strategy. All staff must also adhere to the code of conduct and confirm the same on an annual basis

We take into consideration tax reporting issues or concerns raised by our stakeholders and will seek external advice in relation to complex or uncertain tax matters to ensure that we comply with the relevant regulations where required.