

Seilern Investment Management Limited

Section 172 Statement

The Board considered and established the necessary processes to ensure that the Company meets the requirements of The Companies (Miscellaneous Reporting) Regulations 2018 ("the Regulations") which came into effect on 1 January 2019.

These duties are detailed in section 172 of the UK Companies Act 2006 which is summarised as follows:

'A director of a company must act in the way he considers, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole, and in doing so have regards (amongst other matters) to:

- the likely consequence of any decision in the long term;
- the interests of the company's employees;
- the need to foster the company's business relationships with suppliers, customers and others;
- the impact of the company's operations on the community and the environment;
- the desirability of the company maintaining a reputation for high standards of business conduct; and
- the need to act fairly as between members of the company.'

As part of their induction, Directors are briefed on their duties. In addition, they can access professional advice either from the Company Secretary or from an independent adviser, if they judge it necessary. There are three executive Directors, who each take part in the day-to-day decision-making, being Peter Seilern-Aspang (Executive Chairman and Chief Investment Officer), Jean-Michel Boehm (Chief Executive Officer) and Tassilo Seilern-Aspang (Head of Research). The company has three non-executive Directors, who are not involved in the day to day management of the Company but are involved in the policy making and business planning. The non-executive directors are Francis Seilern-Aspang, Dr. Arne Zeidler and Ivo Forde.

The following paragraphs summarise how the Directors' fulfil their duties:

Risk Management

The Company provides discretionary investment advisory and management services for its clients in a highly regulated environment. As we grow, our business and our risk environment become more complex. It is therefore vital that we effectively identify, evaluate, manage and mitigate the risks we face, and that we continue to evolve our approach to risk management.

Principal risks and uncertainties

The Company has established a risk management framework, central to which is a register that assesses each risk for its likelihood of occurrence, impact and what controls are in place to mitigate or minimise its effect.

The Directors have overall responsibility for implementation and assessment of systems and controls. However, each risk identified has been assigned one or more risk owners. The risk owner is accountable for the management and monitoring of the risks affecting the business.

The risks affecting the business have been detailed below, along with the Company's approach to mitigating those risks.

Risk	Detail	Mitigation
Market Risk	<p>Market risk arises from volatility in the prices of the Company's investments. It represents the potential loss the Company might suffer through realising investments in the face of negative market movements.</p> <p>Changes in general economic and market conditions, such as currency exchange rates, interest rates, rates of inflation, industry conditions, tax laws, political events and trends, including the impact of the UK leaving the EU, can also substantially and adversely affect the securities and, as a consequence, the Company's prospects and value.</p>	<p>The Directors consider the diversification of the portfolio, asset allocation, stock selection on a regular basis and set investment restrictions and guidelines which are monitored and reported on by the analysts. The Directors monitor the implementation and results of the investment process with the Fund Managers.</p>
Foreign currency Risk	<p>There is a risk that all foreign currency balances and transactions are exposed to a negative currency movement.</p>	<p>The Company aims to have enough currency available to carry out its purchases in foreign currency. Should there be any amounts over this value, this is converted in to GBP at the spot rate to mitigate the exposure.</p>
Operational Risk	<p>There is a risk of loss resulting from inadequate or failed procedures, systems or policies relating to employee errors, system failures, and fraud and other criminal activity.</p>	<p>The Company has in place a number of policies that are reviewed and updated regularly by the board. Its investment decisions are monitored by the risk management team and are continually assessed. The Company engages third parties to carry out thematic audits on an ongoing basis.</p>

Company values, culture and decision making

The Company's core values are delivering a premium service to its underlying investors, to give all necessary support to its employees in the pursuit of this aim, and to include them in the future success of the Company. The Company's values are set from the top by the Board and are implemented by both the Board and the senior management team and as part of the Company's on-going engagement with employees and clients.

Throughout the year, there are four scheduled board meetings where the Board reviews the Company's strategy and business plan. The business plan is approved by the Board on an annual basis and forms the basis for the operational development of the Company, its financial budgets, resource plans and investment decisions. In making decisions concerning the Company's business plan, the Board has regard first and foremost to its strategic focus, but also to other matters such as the interests of its various stakeholders and the long-term impact of its actions on the Company's future and reputation.

The business plan for the next three years is based on the continued growth of the company through focusing on its core values, increasing the quality of its services, improving its presence in the market and strengthening the Seilern brand.

Engaging with our employees

As at the year end, we are defined under the Companies Act 2006 as a small company by size and have a total amount of 19 people (employees and directors) operating in one location. There are three main departments to the business, being investment and research, marketing and operations where open lines of communication are encouraged throughout the business. Employees are in regular communication with the executive Directors, due to these Directors being involved with the day-to-day management of the business.

There is a high level of visibility of the Board by employees and vice versa.

The Company has a Board Audit and Remuneration Committee responsible for proposing employees' remuneration to the full Board, including benefits and pensions.

Business relationships

The Company has a small number of key suppliers which are assessed by management on an annual basis, the results of which are presented to the Board. Should any of our suppliers not meet the highest quality that we as a Company require, the Board may decide further solutions for improvement, or as a last resort, seek out a replacement.

We aim to build and nurture strong working relationships with our key suppliers as we consider transparent long-term relationships to be conducive to a healthy business.

Maintaining a reputation for high standards of business conduct

The Company carries on regulated activities as permitted by the Financial Conduct Authority (FCA). With any changes to regulations, the company updates its policies and procedures, invests in training its staff and reassesses its risk management profile. The Board are presented with any new or amended policies, which are reviewed either at the scheduled quarterly meetings or on an ad-hoc basis depending on the timeline of implementation.

Our staff handbook includes instructions regarding staff conduct under the new SMCR regulations, including details on the Company's Whistleblowing Policy.

The Board intends to continue behaving responsibly to ensure that management operates the business in a responsible manner and to the highest standards of business conduct and good governance.

Community and Environment

Environmental, Social and Governance (ESG) matters are a key priority to the Company. We are signatories of the UNPRI and consider ESG and corporate governance factors in our research.

Engaging with our shareholders

The Company is a family-controlled business and its shareholders have regular communication with the directors and management.