



Shareholder Engagement Policy Statement

**Fusion Wealth response to FCA
Policy Statement PS19/13**

June 2019

Background

Shareholder Rights Directive II

In January 2019 the Financial Conduct Authority (FCA) published a consultation paper on proposals to improve shareholder engagement ([CP19/7](#)). This paper set out how parts of the revised Shareholder Rights Directive II (SRD II) will be implemented in the UK.

SRD II aims to promote effective stewardship and long-term investment decision-making. Primarily, it aims to achieve this by enhancing transparency of engagement policies and investment strategies across the institutional investment community.

On 31 May 2019 the FCA published its policy statement, 'Proposals to Promote Shareholder Engagement: Feedback to CP19/7 and Final Rules' ([PS19/13](#)). PS19/13 implements aspects of SRD II and sets out the practical implications of the new rules for life insurers and asset managers.

Relevance to Fusion Wealth

Fusion Wealth Investment Committee

Fusion Wealth offers investment management services in respect of a limited range of funds and model portfolios, only when acting in its capacity as Discretionary Fund Manager (DFM). It does not directly manage individual customer assets. Its Investment Committee primarily selects open ended Undertaking Collectives in Transferable Securities (UCITS) or Alternative Investment Funds (AIFs) to build its portfolios. These are not within the scope of the Directive, however in some cases the Investment Committee may select company shares or Exchange Traded Funds (ETFs) for its funds or portfolios, which are traded on a regulated market and therefore may fall within the scope of the Directive.

While most of the requirements of PS19/13 do not affect Fusion Wealth, the Policy Statement does state that "life insurers and asset managers must publish their engagement policy and annual information on how it has been implemented, or explain publicly why they are not doing so."

Fusion Wealth Statement

In light of the aforementioned FCA statement, Fusion Wealth is in the process of considering its position in order to understand whether the firm falls within the scope of the PS19/13 and the Shareholders Rights Directive. In order to clarify its position, Fusion Wealth is seeking clarity from the regulator and legal experts to determine whether it needs to implement Shareholder Engagement Policy.

If Fusion Wealth determines that it is required to have a Shareholder Engagement Policy in place under the FCA rules, then it will develop and publish its policy in due course.