

# Big Local Trust Stewardship Code statement glossary

## **Asset type**

An asset type is a group of assets or investments that behave in similar ways, and are subject to the same laws and regulations. The three main asset types are equities, fixed income and cash. Equities (also called stocks) represent shares of ownership in public limited companies. Fixed income, or bond investments, generally pay a set rate of interest over a given period, then return the investor's original investment.

## **CCLA**

CCLA is an investment management company that provides specialist investment management services for charities, faith organisations and local authorities.

## **Charitable mission**

A charitable mission is a statement describing the reason a charity exists. Big Local Trust's mission is to enable people in 150 local areas across England to make their communities even better places to live.

## **Conflict of interest policy**

Local Trust has a conflict of interest policy; this means that trustees or staff must not be involved in managing, monitoring or authorising payments for a contract or grant in which they have personal or other interest. Trustees and staff are required to declare their interests, and any hospitality received in connection with their roles in Local Trust/Big Local Trust.

## **Corporate governance**

Corporate governance is the system of rules, practices and processes by which a company is directed and controlled. Good corporate governance ensures that a company has clear direction, plans, structure and resources, all of which are necessary for success.

## **Endowment**

An endowment is a gift of money, to be invested, from which funds are spent or distributed as specified by the donor. Big Local Trust has an expendable endowment, meaning that the full amount of the endowment, plus any income generated, must be spent.

## **Engagement**

Engagement refers to the process of influencing the companies we have invested in, to promote certain standards of behaviour. Often engagement is collective, eg alongside other, like-minded investors.

## **Financial Reporting Council**

The Financial Reporting Council is the UK's independent regulator responsible for promoting high quality corporate governance and reporting, to foster confidence and encourage investment (see [www.frc.org.uk](http://www.frc.org.uk)).

## **Stewardship**

In this context, stewardship means the active monitoring of, and engagement with, the companies that we invest in.

## **Voting**

As an investor, Big Local Trust holds shares in public limited companies, and therefore has the right to attend and vote at their general meetings, on issues such as the approval of the annual report and accounts, election of directors, appointment of auditors, remuneration policies and share schemes. Proxy voting is asking someone else to vote on your behalf.