Cardiff University Pension Fund
Implementation Statement – 2020

This document has been prepared by the Trustees of the Cardiff University Pension Fund (the “Trustees”), in their capacity as Trustees of the Cardiff University Pension Fund (the “Pension Fund”).

It sets out the stewardships\(^1\) policies of the Pension Fund’s investment managers, the Trustees voting and engagement policies (that are also stated in the Pension Fund’s Statement of Investment Principles (“SIP”) dated June 2019), and demonstrates how these policies have been followed over the year to 31 July 2020.

Please note, the SIP was updated after the end of the Pension Fund’s year-end to incorporate additional information on the Trustees policies in line with the Occupational Pension Schemes (Investment and Disclosure) (Amendment) Regulations 2019 requirements.

References herein to the actions, review work or determinations of the Trustees refer to activity that has been carried out either by the Trustee board, the Investment Sub-Committee or its investment advisers on behalf of the Trustees.

1. **Trustees policies regarding stewardship**

The Trustees have appointed providers to manage the Pension Fund’s investments. The Trustees recognise that the size and nature of the Pension Fund’s investments means that they are more constrained in the influence they can have on the companies the Pension Fund invests in as this responsibility ultimately lies with the investment managers. The Trustees do, however, acknowledge the need to be responsible stewards and exercise the rights associated with the Pension Fund’s investments in a responsible manner. This is accomplished using the following processes:

1. The Trustees consider how stewardship factors are integrated into the investment processes when: (i) appointing new investment managers; and (ii) reviewing existing investment managers. The Trustees have provided the appointed investment managers with full discretion concerning the stewardship of their investments.

2. Whilst the Trustees have delegated voting rights to their investment managers, they do review voting behaviour and raise any concerns. A frequent occurrence of disagreement would result in the Trustees terminating the investment manager on the premise that their beliefs are not consistent with those of the Trustees.

The Trustees review the voting activity of the investments managers/funds where there is the opportunity to influence positive practises (namely those that invest in equities). The Pension Fund was invested in equities through the LGIM World Equity Index GBP Hedged Fund, the BNY Mellon Real Return Fund (which is managed by Newton), the M&G Episode Allocation Fund, the Barings Dynamic Asset

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\(^1\) Investment stewardship refers to engagement with public companies to promote corporate governance practices that are consistent with encouraging long-term value creation for shareholders in the company. Engagement and voting provide shareholders an opportunity to express their views.
Allocation Fund ("DAAF") and the Partners Generations Fund (at the time of the Pension Fund’s year-end). The Trustees have reviewed the managers’ voting policies and processes including most significant votes cast over the period. This information, and the conclusions that Trustees have drawn, are set out in the following pages.

2. Manager’s voting policies

This section summarises the voting policies and processes of the LGIM World Equity Index GBP Hedged Fund, the BNY Mellon Real Return Fund (which is managed by Newton), M&G Episode allocation fund, Barings DAAF and the Partners Generations Fund.

LGIM

LGIM’s Investment Stewardship team make all voting decisions, in accordance with LGIM’s Corporate Governance & Responsible Investment and Conflicts of Interest policy documents which are reviewed annually. Each member of the team is allocated a specific sector globally so that the voting is undertaken by the same individuals who engage with the relevant company. This is intended to ensure LGIM’s stewardship approach flows smoothly throughout the engagement and voting process and that engagement is fully integrated into the vote decision process, therefore sending consistent messaging to companies.

LGIM’s voting and engagement activities are driven by ESG professionals and their assessment of the requirements in these areas seeks to achieve the best outcome for all of their clients. LGIM’s voting policies are reviewed annually and take into account feedback from clients.

LGIM’s Investment Stewardship team uses the Institutional Share Services ("ISS’s") ‘ProxyExchange’ electronic voting platform to electronically vote clients’ shares. All voting decisions are made by LGIM and strategic decisions are not outsourced. The use of ISS recommendations is purely to augment LGIM’s own research and proprietary ESG assessment tools. The Investment Stewardship team also uses the research reports of Institutional Voting Information Services (IVIS) to supplement the research reports that are received from ISS for UK companies when making specific voting decisions.

To ensure the proxy provider votes in accordance with LGIM’s position on ESG, LGIM have put in place a custom voting policy with specific voting instructions. These instructions apply to all markets globally and seek to uphold what LGIM consider are minimum best practice standards which LGIM believe all companies globally should observe, irrespective of local regulation or practice. LGIM retain the ability in all markets to override any vote decisions, which are based on their custom voting policy. This may happen where engagement with a specific company has provided additional information that allows LGIM to apply a qualitative overlay to their voting judgement. LGIM have strict monitoring controls to ensure their votes are fully and effectively executed in accordance with their voting policies by their service provider. This includes a regular manual check of the votes input into the platform, and an electronic alert service to inform us of rejected votes which require further action.

Every year, LGIM holds a stakeholder roundtable event where clients and other stakeholders (civil society, academia, the private sector and fellow investors) are invited to express their views directly to the members of the Investment Stewardship team. The views expressed by attendees during this event form a key consideration as LGIM continue to develop their voting and engagement policies and define strategic priorities in the years ahead. LGIM also take into account client feedback received at regular meetings and/or ad-hoc comments or enquiries.
BNY Mellon
The BNY Mellon Real Return Fund is managed by Newton Investment Management (“Newton”). All statements and information relating to this fund has been provided by Newton.

Newton prefer to retain discretion in relation to exercising voting rights and have established policies and procedures to ensure the exercise of global voting rights.

Newton intend to exercise voting rights in all markets where they retain voting authority. All voting decisions are made by Newton; the recommendations of the appointed voting service provider (Institutional Shareholder Services) (“ISS”) is only given precedence in the event of a material potential conflict of interest.

All voting notifications are communicated to Newton’s responsible investment team through an electronic voting platform. The responsible investment team reviews all resolutions for contentious issues, aided by advice from proxy research service providers. Voting decisions take into account local market best practice, rules and regulations while also supporting their investment rationale.

Contentious issues may be referred to the appropriate analyst for comment. Where an issue remains contentious, Newton may also decide to confer with the company or other interested parties for further clarification. Each voting decision taken by a member of the responsible investment team has to be authorised by an alternate member of the team. Newton’s corporate actions team is responsible for the administrative elements surrounding the exercise of voting rights by ensuring Newton have the risk to exercise individual clients’ votes and that these are exercised.

Where Newton plan to vote against management on an issue, they often engage with the company in order to provide an opportunity for their concerns to be allayed. In such situations, it would not be a surprise should they vote against management. Newton only communicate their voting intentions ahead of the meeting direct to the company and not to third parties. Newton do alert a company regarding an action they have taken at their annual general meeting (AGM) through an email, to explain their thought process. They then often hold a call with the board/investor relations teams to gain a better understanding of the situation and communicate further. This can often be in tandem with the sponsoring global industry analyst.

Newton employ the services of voting service providers to help inform their voting intentions. Voting decisions are taken on a case-by-case basis, and Newton do not have a rigid policy with their voting service provider. Only in the event of a conflict of interest do Newton follow the recommendations of a service provider. As part of their outsourcing service policy, Newton conduct due diligence of their voting service provider at least twice a year.

Newton’s voting policy and procedures have been formulated and approved by their Responsible and Ethical Investment Oversight Group. Implementation of the voting policy and procedures involves the head of responsible investment and responsible investment analysts in collaboration with the global section analysts and portfolio managers.

M&G
M&G’s Corporate Finance and Stewardship team support their investment teams on various issues that can affect the investments over the long term. The team coordinates M&G’s Stewardship activities, and engages with companies on a number of issues from corporate governance to environmental
sustainability, alongside the investment teams. The team also undertakes M&G’s voting responsibilities at shareholder meetings.

Across asset-classes, M&G consider the end goal of stewardship activities is to best serve their customers by achieving positive outcomes, and helping ensure investee companies are effectively dealing with the material risks affecting them. This could require continued engagement to bring about positive change or voting against management and board members or ultimately disinvesting from a company. M&G do not solicit their clients views, but take them into account if they are made aware of them.

M&G use the Institutional Shareholder Service voting platform, and have built a custom voting service that reflects their public voting policy. M&G use research firm ISS, and the voting information service “IVIS”, for UK companies, to highlight any contentious issues that they are not aware of from previous consultations with investee companies. M&G will discuss any straightforward issues with their stewardship team before deciding to abstain or vote. For more contentious issues, the relevant fund managers will also be involved in the decision making.

Barings

Barings engages a proxy voting service provider (“Service Provider”) responsible for processing and maintaining records of proxy votes. In addition, the Service Provider will retain the services of an independent third party research provider (“Research Provider”) to provide research and recommendations on proxies. Barings’ policy is to generally vote all Client proxies for which it has proxy voting discretion in accordance with the recommendations of the Research Provider or with the Research Provider’s proxy voting guidelines (“Guidelines”), in absence of a recommendation. In circumstances where the Research Provider has not provided a recommendation, the proxy will be analysed on a case-by-case basis.

Barings recognizes that there may be times when it is in the best interests of Clients to vote proxies against the Research Provider’s recommendations or Guidelines. In such events a Proxy Administrator will vote the proxy in accordance with the Proxy Analyst’s recommendation so long as (i) no other Proxy Analyst disagrees with such recommendation; and (ii) no known material conflict of interest (“Material Conflict”) is identified. Barings can vote, in whole or part, against the Research Provider’s recommendations or Guidelines as it deems appropriate. Procedures are designed to ensure that votes against the Research Provider’s recommendations or Guidelines are made in the best interests of Clients and are not the result of any Material Conflict. For purposes of this Policy, a Material Conflict is defined as any position, relationship or interest, financial or otherwise, of Barings or Associate that could reasonably be expected to affect the independence or judgment concerning proxy voting.

If a Material Conflict is identified by a Proxy Analyst or Proxy Administrator, the proxy will be submitted to the relevant Governance Committee to determine how the proxy is to be voted in order to achieve the Clients' best interests.

There could be circumstances where Barings is unable or determines not to vote a proxy on behalf of its Clients. The following is a non-inclusive list of examples whereby Barings may decide not to vote proxies on behalf of its Clients:

• The cost of voting a proxy for a foreign security outweighs the expected benefit to the Client, so long as refraining from voting does not materially harm the Client;
Barings is not given enough time to process the vote (i.e. receives a meeting notice and proxy from the issuer too late to permit voting);
Barings may hold shares on a company’s record date, but sells them prior to the company’s meeting date;
The company has participated in share blocking, which would prohibit Barings ability to trade or loan shares for a period of time;
Barings has outstanding sell orders on a particular security and the decision to refrain from voting may be made in order to facilitate such sale; or
The underlying securities have been lent out pursuant to a security lending program.

Partners Group
Where Partners Group’s client accounts contain listed equity securities in dedicated programs/allocation buckets ("Liquid Private Markets investments") and Partners Group has discretion to vote on a proxy stemming from such securities (a “Proxy Request”), Partners Group will make a decision on such Proxy Requests to protect and promote the economic value of the securities held in such client accounts. The following high-level proxy voting principles (the “Principles”) are intended to outline Partners Group’s general approach to proxy voting considerations that frequently arise for its Liquid Private Markets investments:
• Boards and directors
• Compensation
• Accounts, audit and internal control
• Capital structure and shareholder rights
• Environmental and social matters

These Principles are not intended to provide a strict guide to how Partners Group will vote in every instance, but rather how Partners Group typically approaches core aspects of corporate governance in Liquid Private Markets investments. These Principles are applied with discretion, taking into account the range of considerations, local corporate governance practices, and applicable regulations specific to a particular company and the individual ballot item.

Proxy Requests related to Liquid Private Markets investments may be administered by third party service providers. These service providers will follow the principles listed above in all instances. Should a voting recommendation by a service provider be against the recommendation by the respective company’s management, Partners Group’s Liquid Private Markets team will review and decide on the ultimate vote.

In certain circumstances, Partners Group receives Proxy Requests for publicly traded securities within a private markets portfolio. When such Proxy Requests arise, the recipient, typically the respective investment team or Partners Group Guernsey serving as administrator, will forward it to be reviewed and evaluated by Transactions Services together with the relevant investment team and/or the relevant Investment Committee.

Partners Group have a group form which seeks to ensure that all Proxy Requests, included in the broader term ‘corporate actions’, are reviewed and processed in a timely manner.

Partners Group use Glass Lewis & Co as their proxy voting service provider. Partners Group instruct Glass Lewis & Co on how they wish to vote and see them largely as an executor in the process. In the event of disagreement, Partners Group will submit their vote manually to the company in question.
### 3. Voting eligibility and activity

#### Voting statistics

The table below sets out the key statistics on voting eligibility and actions over the year to 31 July 2020 for the BNY Mellon Real Return Fund, the Barings Dynamic Asset Allocation Fund, the M&G Episode Allocation Fund and over the year to 30 June 2020 LGIM World Equity Index GBP Hedged Fund, and the Partners Generations Fund.

<table>
<thead>
<tr>
<th>Statistic</th>
<th>LGIM World Equity Index – GBP Hedged Fund&lt;sup&gt;2&lt;/sup&gt;</th>
<th>BNY Mellon Real Return Fund</th>
<th>Barings DAAF</th>
<th>M&amp;G Episode Allocation Fund</th>
<th>Partners Generations Fund&lt;sup&gt;2&lt;/sup&gt;</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of equity holdings</td>
<td>2,743</td>
<td>83</td>
<td>83</td>
<td>7</td>
<td>58</td>
</tr>
<tr>
<td>Meetings eligible to vote at</td>
<td>2,365</td>
<td>80</td>
<td>109</td>
<td>21</td>
<td>52</td>
</tr>
<tr>
<td>Resolutions eligible to vote on</td>
<td>29,837</td>
<td>1,169</td>
<td>1,210</td>
<td>327</td>
<td>743</td>
</tr>
<tr>
<td>Proportion of eligible resolutions voted on</td>
<td>99.8%</td>
<td>98.4%</td>
<td>97.6%</td>
<td>91.4%</td>
<td>100.0%</td>
</tr>
<tr>
<td>Votes with management</td>
<td>81.0%</td>
<td>85.7%</td>
<td>91.0%</td>
<td>91.0%</td>
<td>95.0%</td>
</tr>
<tr>
<td>Votes against management</td>
<td>18.9%</td>
<td>14.3%</td>
<td>9.1%</td>
<td>9.0%</td>
<td>5.0%</td>
</tr>
<tr>
<td>Votes abstained from</td>
<td>0.1%</td>
<td>0.0%</td>
<td>0.4%</td>
<td>0.3%</td>
<td>3.0%</td>
</tr>
<tr>
<td>Meetings where at least one vote was against management</td>
<td>75.6%</td>
<td>39.0%</td>
<td>38.7%</td>
<td>50.0%</td>
<td>27.0%</td>
</tr>
<tr>
<td>Votes contrary to the recommendation of the proxy adviser</td>
<td>12.8%</td>
<td>13.0%</td>
<td>1.0%</td>
<td>3.0%</td>
<td>6.0%</td>
</tr>
</tbody>
</table>

Source: LGIM, Newton, Barings, M&G and Partners Group.

The Trustees are satisfied with the level of voting activity that has been undertaken. The Trustees queried the proportion of votes M&G exercised as this is lower than the other managers. M&G have confirmed that they did not participate in voting at three meetings. One was because M&G were conflicted and the other two were because of their systematic trade blocking. For some holdings, trading is prohibited for a period of time around shareholder meetings for those shareholders that have voted. M&G therefore decided not to vote as it would have blocked their ability to trade.

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<sup>2</sup> LGIM only report voting information on a quarterly basis and Partners Group semi-annually. The closest report to the year-end has been used.
Most significant votes cast
Appendix 1 lists the most significant votes cast (as defined by the managers) in relation to the BNY Mellon Real Return Fund, the Barings DAAF, the M&G Episode Allocation Fund over the year to 31 July 2020 and in relation to the LGIM Word Equity Index – GBP Hedged Fund and the Partners Generations Fund over the year to 30 June 2020.

The criteria the managers have applied in selecting the most significant votes is set out below.

**Newton**
The most significant votes for Newton have been deemed as those that have been against management of the companies held. Newton have stated that these have the potential for the greatest impact, as areas for improvement can be highlighted and there is no automatic positive intent of ownership.

**Barings**
Barings have based their most significant votes on those votes that they have cast against management.

**M&G**
M&G have determined their own definition of significant votes following internal discussion and consider external guidance. Furthermore, those that represent less than 3% shareholding have largely been disregarded.

**LGIM**
In determining significant votes, LGIM’s Investment Stewardship team consider the criteria provided by the Pensions & Lifetime Savings Association consultation (PLSA). This includes but is not limited to:

- High profile vote which has such a degree of controversy that there is high client and/ or public scrutiny;
- Significant client interest for a vote: directly communicated by clients to the Investment Stewardship team at LGIM’s annual Stakeholder roundtable event, or where LGIM note a significant increase in requests from clients on a particular vote;
- Sanction vote as a result of a direct or collaborative engagement; and
- Vote linked to an LGIM engagement campaign, in line with LGIM Investment Stewardship’s 5-year ESG priority engagement themes.

**Partners Group**
Partners Group have based their most significant votes on the size of the holding.

**Conclusions**
The Trustees have reviewed the most significant votes cast by each investment manager over the reporting period and is generally satisfied.

The Trustees have asked M&G why only four votes have been provided and are awaiting a response.

LGIM have determined their ten most significant votes at a firmwide level. Of these, the World Equity Index – GBP Hedged Fund only holds three of these companies. Furthermore, because of this approach, LGIM have not disclosed the size of the holding (as a proportion of the fund size). The Trustees have challenged LGIM on the approach they have taken and is awaiting a response.
4. Managers’ conflicts of interest

This section assesses whether LGIM, Newton, Barings, M&G and Partners are affected by the following conflicts of interest, and how these are managed.

1. The asset management firm overall having an apparent client-relationship conflict e.g. the manager provides significant products or services to a company in which they also have an equity or bond holding;

2. Senior staff at the asset management firm holding roles (e.g. as a member of the Board) at a company in which the asset management firm has equity or bond holdings;

3. The asset management firm’s stewardship staff having a personal relationship with relevant individuals (e.g. on the Board or the company secretariat) at a company in which the firm has an equity or bond holding;

4. A situation where the interests of different clients diverge. An example of this could be a takeover, where one set of clients is exposed to the target and another set is exposed to the acquirer; and

5. Differences between the stewardship policies of managers and their clients.

LGIM

LGIM have not directly commented on which of the above conflicts of interest they are affected by. The Trustees are challenging this.

The Trustees have received a copy of the conflicts of interest policy from LGIM and will request sight of this document and details of any relevant conflicts of interest annually from LGIM.

Newton

When engaging with a conflicted company, Newton declare and explain the conflict to the company at the outset. Engagement activity then continues as normal, which includes the production of meeting notes that are shared with all investment staff and retained in accordance with regulations surrounding the retention of documentation.

Newton are affected by the following conflict of interest across the fund holdings:

“The asset management firm overall has an apparent client-relationship conflict e.g. the manager provides significant products or services to a company in which they also have an equity or bond holding.”

Newton provided the following examples to the Trustees, of how this conflict may arise, and commented on how these conflicts are managed.

Example 1: A conflict might exist if Newton manage monies for the underlying company, subsidiary of the underlying company or the company employee’s pension scheme.

Newton maintain a list of all companies where there may be a potential material conflict of interest. The list includes all funds managed or owned by Newton or its parent company, BNY Mellon, and also includes companies that are directly linked to their underlying clients, such as corporate pension funds. If
any potential material conflict of interest between Newton, the investee company and/or a client is identified, the recommendation of Newton’s external voting service provider will take precedence.

Newton’s quarterly reports highlight any instances where voting activity was outsourced due to a conflict of interest.

**Example 2:** A conflict might exist where Newton has invested on behalf of its clients in two or more parties that are involved in a corporate event, such as a takeover.

In these situations, Newton ensures that any voting activity is in the best interests of each individual client as an investor in each single entity.

Newton is not affected by the other conflicts of interests outlined above.

**Barings**
Barings have confirmed that they are not currently aware of any material conflict of interest that would impair its ability to act as the manager to the Barings DAAF.

**M&G**
M&G have confirmed that they are not affected by any material conflict of interest that would impair their ability to act as the manager to the M&G Episode Allocation Fund.

**Partners**
With regard to the Partners Generations Fund’s listed investments, Partners Group are not aware, to the best of their knowledge, of any apparent client-relationship conflict that would impair their ability to act as the manager of the Partners Generations Fund. Partners Group have confirmed that the Generations Fund is invested in shares of Partners Group, the exposure to which is c.0.2% of the overall Fund.
Appendix 1 – Most significant votes cast
In relation to the few shares owned, which is (to state)

<table>
<thead>
<tr>
<th>Company Name</th>
<th>Adj Date</th>
<th>Adj Price</th>
<th>F6 Date</th>
<th>F6 Price</th>
<th>F6 Vote 1</th>
<th>F6 Vote 2</th>
<th>F6 Vote 3</th>
<th>F6 Vote 4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Abbott Labs</td>
<td>10-Dec-19</td>
<td>0.68</td>
<td>0.67</td>
<td>0.73</td>
<td>No</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Cisco Systems, Inc.</td>
<td>10-Dec-19</td>
<td>0.68</td>
<td>0.67</td>
<td>0.73</td>
<td>No</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Mastercard Inc.</td>
<td>10-Dec-19</td>
<td>0.68</td>
<td>0.67</td>
<td>0.73</td>
<td>No</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>PricewaterhouseCoopers LLP as Auditors and Shareholder Proposal to</td>
<td>10-Dec-19</td>
<td>0.68</td>
<td>0.67</td>
<td>0.73</td>
<td>No</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Require Independent Board Chairman</td>
<td>10-Dec-19</td>
<td>0.68</td>
<td>0.67</td>
<td>0.73</td>
<td>No</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
</tr>
</tbody>
</table>

**VOTE 1**

**Summary of the resolution**

Advisory vote to Ratify Named Executive Officers’ Compensation, Elect Directors, Increase Disclosure of Executive Compensation

**Date of vote**

27-Jul-20

**Approximate size of fund/mandate’s holding as at the date of the vote**

2.1% AGAINST elect Director

**Outcome of the vote**

7.4% AGAINST advisory vote to ratify named Executive Officers’ Compensation, Elect Directors, Increase Disclosure of Executive Compensation

**Rationale for the voting decision**

We had concerns with Abbott’s executive compensation structure, particularly with respect to the long-term incentive scheme where, till last few events are subject to performance testing. For those events that are performance tested, a bit of the award only for any edition during the three-year period that the company is likely or nearly right. Nevertheless, there was a lack of information in the voting decisions, allowing investors to participate in the decision-making process of those awards.

We voted against the remuneration report relating to long-term incentives (LTI) plan with low TSR at Abbott. For the calculation of management’s long-term incentive awards, we were happy to support the remuneration committee to change the structure of the scheme. We did not agree with the remuneration committee’s decision to vest any long-term incentive awards without performance conditions. We believe that the remuneration committee should ensure that the LTI structures are performance tested, and vesting of pay awards.

We supported the remuneration report as it aligns well with the company’s overall business strategy.

We were pleased to see that the sugar business can now affect the entirety of the company and the shareholder experience. We hope to be able to support the new structure aligning well with the company’s overall business strategy.

**VOTE 2**

**Summary of the resolution**

Advisory vote to Ratify Named Executive Officers’ Compensation, Elect Directors, Increase Disclosure of Executive Compensation

**Date of vote**

7.4% AGAINST advisory vote to ratify named Executive Officers’ Compensation, Elect Directors, Increase Disclosure of Executive Compensation

**Outcome of the vote**

97% AGAINST require shareholder approval of byelaw amendments

**Rationale for the voting decision**

In addition to being votes against the recommendations of management and the members of the remuneration committee over, a majority of long-term pay awards, we also raised signs against long-term incentives and are less aligned with shareholders’ interests. In addition, we are concerned that the plans do not contain a clawback mechanism, therefore, reducing the investor’s exposure, and additional years of service credits limited to serve in the company being considered to calculate the pension benefit.

We were instructed against the executive compensation structure and the members of the remuneration committee. We were concerned that significant proportions of the long-term pay awards are subject only to the company and not performance.

We also voted against the appointment of the audit committee, as it had been in place for 40 years which shows the company’s commitment to independence.

**VOTE 3**

**Summary of the resolution**

Directors, Increase Disclosure of Executive Compensation

**Date of vote**

9.6% AGAINST Advisory Vote to Ratify Named Executive Officers’ Compensation

**Outcome of the vote**

95% AGAINST elect Director

**Rationale for the voting decision**

We voted against the remuneration report owing to long-term incentives (LTI) plan with low TSR at Abbott. For the calculation of management’s long-term incentive awards, we were happy to support the remuneration committee to change the structure of the scheme. We did not agree with the remuneration committee’s decision to vest any long-term incentive awards without performance conditions. We believe that the remuneration committee should ensure that the LTI structures are performance tested, and vesting of pay awards.

We supported the remuneration report as it aligns well with the company’s overall business strategy.

We were pleased to see that the sugar business can now affect the entirety of the company and the shareholder experience. We hope to be able to support the new structure aligning well with the company’s overall business strategy.

**VOTE 4**

**Summary of the resolution**

Advisory Vote to Ratify Named Executive Officers’ Compensation, Elect Directors, Increase Disclosure of Executive Compensation

**Date of vote**

16-Jun-20

**Outcome of the vote**

79.7% AGAINST report on lobbying payments and policy

**Rationale for the voting decision**

We voted against the remuneration report relating to long-term incentives (LTI) plan with low TSR at Abbott. For the calculation of management’s long-term incentive awards, we were happy to support the remuneration committee to change the structure of the scheme. We did not agree with the remuneration committee’s decision to vest any long-term incentive awards without performance conditions. We believe that the remuneration committee should ensure that the LTI structures are performance tested, and vesting of pay awards.

We supported the remuneration report as it aligns well with the company’s overall business strategy.

We were pleased to see that the sugar business can now affect the entirety of the company and the shareholder experience. We hope to be able to support the new structure aligning well with the company’s overall business strategy.

**Summary of the resolution**

Directors, Increase Disclosure of Executive Compensation

**Date of vote**

7.6% AGAINST elect Director

**Outcome of the vote**

79.7% AGAINST report on lobbying payments and policy

**Rationale for the voting decision**

We voted against the remuneration report relating to long-term incentives (LTI) plan with low TSR at Abbott. For the calculation of management’s long-term incentive awards, we were happy to support the remuneration committee to change the structure of the scheme. We did not agree with the remuneration committee’s decision to vest any long-term incentive awards without performance conditions. We believe that the remuneration committee should ensure that the LTI structures are performance tested, and vesting of pay awards.

We supported the remuneration report as it aligns well with the company’s overall business strategy.

We were pleased to see that the sugar business can now affect the entirety of the company and the shareholder experience. We hope to be able to support the new structure aligning well with the company’s overall business strategy.

**Summary of the resolution**

Directors, Increase Disclosure of Executive Compensation

**Date of vote**

7.6% AGAINST elect Director

**Outcome of the vote**

79.7% AGAINST report on lobbying payments and policy

**Rationale for the voting decision**

We voted against the remuneration report relating to long-term incentives (LTI) plan with low TSR at Abbott. For the calculation of management’s long-term incentive awards, we were happy to support the remuneration committee to change the structure of the scheme. We did not agree with the remuneration committee’s decision to vest any long-term incentive awards without performance conditions. We believe that the remuneration committee should ensure that the LTI structures are performance tested, and vesting of pay awards.

We supported the remuneration report as it aligns well with the company’s overall business strategy.

We were pleased to see that the sugar business can now affect the entirety of the company and the shareholder experience. We hope to be able to support the new structure aligning well with the company’s overall business strategy.

**Summary of the resolution**

Directors, Increase Disclosure of Executive Compensation

**Date of vote**

7.6% AGAINST elect Director

**Outcome of the vote**

79.7% AGAINST report on lobbying payments and policy

**Rationale for the voting decision**

We voted against the remuneration report relating to long-term incentives (LTI) plan with low TSR at Abbott. For the calculation of management’s long-term incentive awards, we were happy to support the remuneration committee to change the structure of the scheme. We did not agree with the remuneration committee’s decision to vest any long-term incentive awards without performance conditions. We believe that the remuneration committee should ensure that the LTI structures are performance tested, and vesting of pay awards.

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Newton Real Return Fund - Most significant votes

**Newmont Corporation**
- VOTE 6
- Advisory Vote to Ratify Executive Officers' Compensation, Elect PricewaterhouseCoopers LLP as Auditors and Shareholder Proposals to Transact Other Business (Voting)
- Against management proposal; For shareholder proposals
- Approximate size of fund's/mandate's holding as at the date of the vote: 0.8%

**Microsoft Corporation**
- VOTE 7
- Gold Sachs Group Inc
- Advisory Vote to Ratify Named Executive Officers' Compensation, Elect AGAINST management proposals and FOR the shareholder proposal
- 01-Apr-20
- Summary of the resolution
- Advisory Vote to Ratify Named Executive Officers' Compensation, Elect PricewaterhouseCoopers LLP as Auditors and Shareholder Proposal to Transact Other Business (Voting)
- AGAINST management proposals and FOR the shareholder proposal

**Unilever NV**
- 30-Apr-20
- Against management proposal; for the shareholder proposal
- Approximate size of fund's/mandate's holding as at the date of the vote: 0.7%

**Outcomes of the vote**
- 29.3% AGAINST re-elect non-executive director
- 7.1% AGAINST re-appointment of PricewaterhouseCoopers LLP as auditor
- 4.1% AGAINST adoption of resolution recommending the appointment of a representative of the holder of preferred stock as a director
- 9.2% AGAINST appointment of the independent director
- 1.2% AGAINST approval of remuneration report
- 4.8% AGAINST the re-election of the chair
- 0.8% AGAINST the re-election of the related parties' compensation committee's chair
- 0.6% AGAINST the re-election of the chairman of the compensation committee

**Implications of the outcome**
- It is a routine resolution item proposed by Swiss companies. Without information or comfort provided as to the nature of matters that may be raised and the manner in which they may be handled, we would be unlikely to vote in favor of this resolution. Without information or comfort provided as to the nature of matters that may be raised and the manner in which they may be handled, we would be unlikely to vote in favor of this resolution.
- The vote outcome was such that the company is unlikely to instigate further consultation with shareholders on this matter. We will continue to monitor the company’s pay structure and re-examine our overall responsibility in line with our values and expectations.
- The outcome of the vote is significant in the context of Swiss shareholder capitalism of the company. A majority of minority shareholders voted against the resolution. We will continue to engage with the company.

**On which criteria have you assessed this vote to be ‘most significant’?**
- 19.7% AGAINST review of Statement on the Purpose of a Corporation.
# Active voting: examples

## Example votes against management

(Holdings of DAAF, Year ending June 2020)

<table>
<thead>
<tr>
<th>Date of vote</th>
<th>Stryker Corp</th>
<th>Unibail-Rodamco-westfield</th>
<th>Crystal Amber fund ltd</th>
<th>JPEL Private Equity</th>
<th>Doric Nimrod Ltd</th>
<th>Diageo plc</th>
<th>Tui ag</th>
<th>Diploma plc</th>
<th>Lg chem ltd</th>
<th>Nissan chemical corporation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Approximate size of holding (as % of portfolio)</td>
<td>&lt;0.5%</td>
<td>c.1%</td>
<td>c.0.5%</td>
<td>c1%</td>
<td>c1%</td>
<td>&lt;0.5%</td>
<td>&lt;0.5%</td>
<td>&lt;0.5%</td>
<td>&lt;0.5%</td>
<td>&lt;0.5%</td>
</tr>
</tbody>
</table>

### Summary of the resolution

- Re-appointment of Ernst & Young LLP as auditor
- Board remuneration
- To wind up the company
- Re-election of John Loudon as a non-executive
- Removal of the cap on remuneration of the Board
- Re-election of H Kw onping as a director
- Board remuneration
- Election of a non-permanent director: Kw on Young Soo
- Appoint a director Kinoshita, Kojiro

### For / Against vote?

- Against
- Against
- For
- Against
- Against
- Against
- Against
- Against
- Against
- Against
- Against
- Against

### Engagement ahead of vote?

- Yes
- Yes
- Yes
- Yes
- Yes
- Yes
- Yes
- Yes
- Yes
- Yes

### Rationale for the voting decision

- Ernst & Young have been the auditors for circa 45 years.
- Westfield deal has been bad for the company, but saw the Board get paid more
- We want to wind up the company which is trading at a discount to NAV.
- Four directors is too many and we need to keep costs down.
- Cost control needed
- Insufficient audit committee independence
- Questionable remuneration for incoming CEO
- This is a bad plan. The amendment is not in best interests of shareholders
- Board is not sufficiently independent
- Insufficient gender diversity/no diversity policy

---

Source: Barings, June 2020.

For investment professionals only
In relation to the Fund named above, which 10 votes (at a minimum) during the reporting period do you consider to be most significant for the Scheme?

<table>
<thead>
<tr>
<th>Vote 1</th>
<th>Vote 2</th>
<th>Vote 3</th>
<th>Vote 4</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Company name</strong></td>
<td>Methanex Corporation</td>
<td>Lloyds Banking Group Plc</td>
<td>JPMorgan Chase &amp; Co.</td>
</tr>
<tr>
<td><strong>Date of vote</strong></td>
<td>30/04/2020</td>
<td>21/05/2020</td>
<td>05/19/2020</td>
</tr>
<tr>
<td>Approximate size of fund's/mandate's holding as at the date of the vote (as % of portfolio)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Summary of the resolution</strong></td>
<td>Elect Director</td>
<td>Approve Remuneration Report</td>
<td>Shareholder resolution requesting that the Board issue a report describing how JPMorgan Chase plans to respond to rising reputational risks for the Company and questions about its role in society related to involvement in Canadian oil sands production, oil sands pipeline companies, and Arctic oil and gas exploration and production.</td>
</tr>
<tr>
<td>How you voted</td>
<td>Withhold</td>
<td>Oppose</td>
<td>For</td>
</tr>
<tr>
<td>Where you voted against management, did you communicate your intent to the company ahead of the vote?</td>
<td>Yes</td>
<td>Not recorded</td>
<td>For</td>
</tr>
<tr>
<td>Rationale for the voting decision</td>
<td>Withholding support due to concerns over corporate governance and strategy</td>
<td>Concerns over remuneration and the dividend</td>
<td>Supportive, as in our view it is in shareholders' interests</td>
</tr>
<tr>
<td>Outcome of the vote</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Implications of the outcome eg were there any lessons learned and what likely future steps will you take in response to the outcome?</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>On which criteria have you assessed this vote to be &quot;most significant&quot;?</td>
<td>Issue/subject matter that has high sensitivity to clients, stakeholders, the Company or M&amp;G</td>
<td>Issue/subject matter that has high sensitivity to clients, stakeholders, the Company or M&amp;G</td>
<td>Issue/subject matter that has high sensitivity to clients, stakeholders, the Company or M&amp;G</td>
</tr>
</tbody>
</table>
In relation to the Fund named above, which 10 votes over the year to 30/06/2020 do you consider to be most significant for the Plan?

<table>
<thead>
<tr>
<th>Company name</th>
<th>Vote 1</th>
<th>Vote 2</th>
<th>Vote 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>BARCLAYS</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>AMAZON</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>EXXONMOBIL</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Outcome of the vote</th>
<th>Resolution 30 - supported by 99.9% of shareholders</th>
<th>Resolution 39 - approved by 99.9% of shareholders, also sanctioned by 30% of shareholders</th>
</tr>
</thead>
<tbody>
<tr>
<td>Percentage of shares</td>
<td>Resolution 39 and 14 to 16 each received 100% support from shareholders. Resolution 39 11 received 16.7% support. Resolution 11 received 16.7% support. Resolution 12 received 15.5% support. Resolution 13 received 12.2% support. (Source: ISS data)</td>
<td>Approximately 30% of shareholders supported the proposals for independence and voting. (Source: ISS data)</td>
</tr>
<tr>
<td>Implications of the outcome eg were there any lessons learned and what might future steps be?</td>
<td>Despite shareholders not giving majority support to the raft of shareholder proposals, the sheer number and focus on these continues to dominate the landscape for the company. Our engagement with the company continues as we push it to disclose more and to ensure it is adequately managing its broader stakeholders, and most importantly, its human capital.</td>
<td>We believe this sends an important signal, and will continue to engage, both individually and in collaboration with other investors, to push for change at the company. Our voting intentions were the subject of over 40 articles in major news outlets across the world, including Reuters, Bloomberg, Les Échos and Nikkei, with a number of asset owners in Europe and North America also declaring their intentions to vote against the company.</td>
</tr>
</tbody>
</table>

On which criteria (as explained in the cover email) have you assessed this vote to be "most significant"?

<table>
<thead>
<tr>
<th>Criteria</th>
<th>豆瓣评分</th>
<th>Netflix评分</th>
</tr>
</thead>
<tbody>
<tr>
<td>Criteria 1</td>
<td>5.0</td>
<td>8.5</td>
</tr>
<tr>
<td>Criteria 2</td>
<td>4.5</td>
<td>7.0</td>
</tr>
<tr>
<td>Criteria 3</td>
<td>3.5</td>
<td>6.0</td>
</tr>
<tr>
<td>Partners Group - Most significant votes</td>
<td>Vote 1</td>
<td>Vote 2</td>
</tr>
<tr>
<td>----------------------------------------</td>
<td>--------</td>
<td>--------</td>
</tr>
<tr>
<td>Company name</td>
<td>Ferrovial</td>
<td>Vermaat</td>
</tr>
<tr>
<td>Date of vote</td>
<td>16/04/2020</td>
<td>16/05/2019</td>
</tr>
<tr>
<td>Approximate size of fund/mandate’s holding as at the date of the vote (as % of portfolio)</td>
<td>0.89% of the listed sub-fund</td>
<td>n/a</td>
</tr>
</tbody>
</table>

**Summary of the resolution:**

Ferrovial’s remuneration report, referring to the performance of the company and its sustainability practices, was voted on by shareholders. The vote was regarding the independence of the board of directors, the remuneration policy as well as the board of directors.

The vote was 2.38% of the listed sub-fund’s holding against, with the vote being a clear mandate to improve the company’s governance.

**How you voted:**

- Against: 50% of votes
- In favor: 50% of votes

**Rationale for the voting decision:**

1. Inadequate disclosure of performance targets linked to remuneration.
2. No deferral of annual bonus to management.
3. Unacceptable regulatory relationship.

**Outcome of the vote:**

- In favor of management: 50% of votes
- Against management: 50% of votes

**Implications of the outcome:**

- More than 20% of the votes were against management.

- The company is now required to improve remuneration policies and increase transparency.

**What you voted against management, did you communicate your intent to the company?**

- Yes: 50% of votes
- No: 50% of votes

- Communicated: 50% of votes
- Did not communicate: 50% of votes

- How you voted: 50% of votes

**For Cascadian, Partners Group achieved LEED BD+C pre-certification at the Platinum level, a leading sustainability accreditation that applies to buildings that are being newly constructed or under heavy renovation. One of Cascadian most notable features is its highly energy-efficient design.**

**Improved tenant comfort, optimized water consumption, increased safety and compliance with relevant legislation.**

**Approximate size of fund/mandate’s holding as at the date of the vote (as % of portfolio):**

- Ferrovial: 0.89%
- Vermaat: n/a
- Confluent Health: n/a
- Techem: n/a
- UBC: n/a
- Maria Wana Wind Farm: n/a
- BD Fanshacht: n/a
- Project Cascadian - a high-rise office fund: n/a
- Berlin Office Portfolio: n/a