

# Voting Summary

Q1 2023



# Stewardship at Investec Wealth & Investment UK

IW&I UK has formally committed to vote on our discretionary shareholdings, to protect our clients' interests. We seek to ensure that all governance, social and environmental issues specific to their business activities are understood and well managed.

To support this commitment, a comprehensive governance structure has been established. The Equity Corporate Governance Forum (ECGF) and the Collectives Corporate Governance Forum (CCGF) are responsible for day-to-day implementation of corporate governance, as embedded in the investment process, and are overseen by the Investment Committee (IC).

The IC oversees the ECGF and CCGF and is responsible for ensuring adherence to our internal policies as well as to those within the Stewardship Code. It is chaired by the Chief Investment Officer (CIO) and reports into the Executive Committee (the highest management level in IW&I UK), which in turn oversees the public disclosure of the discharging of our governance obligations.

We aim to continually improve upon these processes, and we are committed to ensuring that we are serving the best interests of our clients. Demonstrating this commitment, in 2020 we became signatories to the UN's Principles for Responsible Investment and the UK Stewardship Code. In 2021 we became a member of the Investor Forum, Institutional Investors' Group on Climate Change (IIGCC) and Climate Action 100+.

Our stewardship activity is informed by the work of Institutional Shareholder Services (ISS), which is combined with our Analysts' research. ISS provides analysis of proposed AGM and EGM resolutions for listed investments (including Investment Trusts), and highlights where proposals are not aligned with best practice, or the ISS analysis team disagree with the resolution. The relevant analyst will use the information to form their own voting decision and make their own independent recommendation to the respective Corporate Governance forum.

Additionally, they will use the information provided by both ISS and Sustainalytics to engage and challenge companies on how they are confronting risks, the quality of their solutions, and the level of their responsiveness compared to others in similar businesses.

**We believe it is important to take an active role in engaging with the companies that we invest in on our clients' behalf. One of the most effective ways to achieve this is by exercising the voting rights of our clients' investments and engaging with our holdings. This report provides oversight into our voting activity in Q1 2023.**

# Votes Against Management

## Examples from Q1

### Aquila Energy Efficiency – Special

In February 2023, two management proposals were on the ballot at Aquila Energy Efficiency Trust's AGM:

- a) Approve Continuation of Company as Closed-ended Investment Company
- b) Adopt New Articles of Association

ISS recommended voting for both resolutions, after discussion with relevant Investment Managers we aligned on voting against. This was because, despite optimism relating to the Board and target asset class, concerns remained around concentration risk and longer-term deployment rate alongside concerns around a lack of catalyst for share price re-rating to NAV to allow for continued growth in vehicle size with the risk that the vehicle could remain sub-scale, illiquid, and at a material discount to NAV for a prolonged period. We ultimately did not support the two resolutions proposed.

### easyJet – AGM

In February 2023, the management at easyJet proposed the approval of the remuneration report. This was considered with caution as there were a number of contentious points, and we voted against the proposal. Initially, we were inclined to be supportive as:

- a) There was progress across key metrics including increased revenue leading to a strengthened balance sheet.
- b) The bonus, in proposal, was mainly based on pre-set financial targets.
- c) The headwinds impacting performance are not unique to the company but apply throughout the sector.

However, upon further analysis our analysts decided that voting against would be the better decision as the company reported a headline loss, continued suspension of the dividend, with the CEO being paid almost double the peer median.

### Apple Inc. – AGM

In March 2023, we chose to support the shareholder proposal specifically related to reporting on Median Gender & Racial Pay Gap. The shareholder proposal was for Apple Inc. to publicly report and disclose the following:

- a) Percentage of median gender pay gap globally and/or by country.
- b) Percentage of median racial/ethnic minority globally and/or by country.

Currently, Apple publish data on both gender and racial/ethnic minorities, but only as a percentage of either increased or decreased representation. While this is an important disclosure, we believe that expanding the disclosure to reflect the above asks would bring increased transparency.

Further, we know that this data is accessible to Apple Inc. as they already publish the median, as a percentage, for gender pay gap in the UK. This has been publicly disclosed within their 2020-2021 UK Gender Pay Gap Report, which is required through UK regulation. We therefore concluded that disclosing global data and including racial/ethnic minority data would help Apple Inc. to maintain accountability against their Diversity and Inclusion goals.

Furthermore, a similar proposal was raised last year, which we also supported; the proposal received 33% support from the wider shareholder base.

# Voting detail

## Direct equity

Company Name	Type	Votes For Management	Votes Against Management	Abstentions
Air Products and Chemicals Inc	AGM	11	0	0
Apple Inc	AGM	14	3	0
Compass Group Plc	AGM	22	0	1
Costco Wholesale Corporation	AGM	14	1	0
Deere & Company	AGM	15	0	0
easyJet	AGM	18	1	0
Grainger Plc	AGM	19	0	0
Imperial Brands Plc	AGM	20	0	0
Koninklijke DSM NV	EGM	3	0	0
Linde Plc	EGM	4	0	0
Melrose Industries Plc	Special	1	0	0
Novartis AG	AGM	30	1	0
Novo Nordisk	AGM	20	1	0
Oxford Biodynamics PLC	AGM	8	2	0
The Sage Group	AGM	23	1	0
Victrix Plc	AGM	22	0	0
Visa Inc	AGM	13	0	1
<b>Total</b>		<b>257</b>	<b>10</b>	<b>2</b>

## Investment Trusts

Fund Name	Type	Votes For Management	Votes Against Management	Abstentions
Aberforth Smaller Companies Trust PLC	AGM	13	0	0
Aquila Energy Efficiency Trust PLC	Special	0	2	0
BH Macro Limited	Special	3	0	0
BlackRock Frontiers Investment Trust PLC	AGM	17	0	0
Blackrock Throgmorton Trust PLC	AGM	15	0	1
Ediston Property Investment Company PLC	AGM	14	0	0
Finsbury Growth and Income Trust PLC	AGM	17	0	0
GCP Infrastructure Investments Limited	AGM	15	0	0
Henderson European Focus Trust PLC	AGM	14	1	0
JP Morgan China Growth and Income PLC	AGM	16	0	0
Pantheon Infrastructure Plc	AGM	12	0	0
Polar Capital Global Healthcare Trust PLC	AGM	13	0	0
PolarCapital Global Financials Trust PLC	AGM	13	0	0
Schroder Asia Pacific Fund PLC	AGM	14	0	0
Schroder European Real Estate Investment Trust PLC	AGM	12	0	0
The Bankers Investment Trust PLC	AGM	16	0	0
<b>Total</b>		<b>204</b>	<b>3</b>	<b>1</b>

## About Investec Wealth and Investment

Investec Wealth & Investment (IW&I) is a division of the Investec Group which was established in 1974. Investec Group is a specialist bank and wealth management company, which has grown from beginnings in the UK and South Africa into a global institution with an international client base. Investec is now one of the UK's leading investment management companies.



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IWI1525 v1 – Q1

