

Voting & company engagement summary

01 January 2022 to 31 December 2022

CGWM process

Given the resources at our disposal, CGWM has chosen to exercise voting rights on behalf of our clients on a proportionate basis on the companies that are outlined below:

1. The top 100 positions by value within CGWM's combined discretionary and advisory client base in equities, including Investment Trusts, Real Estate Investment Trusts and Private Equity firms, listed on Recognised Investment Exchanges anywhere in the world
2. Companies in which we hold over 3% of the issued equity capital
3. VCT investee companies we hold in VCT portfolios run by Hargreave Hale Ltd (outside of the scope of this policy and process).

Clients may choose to vote on companies held in their portfolios in line with their individual preferences. In the event a client issues their own voting instruction, this will supersede the decision made by the CIO team for that client only. In the event clients exercise this right, a charge is payable in accordance with their agreed Terms of Business.

It is estimated that on average each company creates 1.3 votable events per year (Annual General Meetings, Extraordinary General Meetings, Special Shareholder Votes), each of which will typically comprise of between nine to 15 resolutions put to ballot. Assuming 130 companies on CGWM's monitored list, the mid-point number of resolutions (12) and 1.3 votable events per year, this will be a total of just under 2,030 votes per annum across 170 voting venues. The VCT business noted in bullet 3) above is not included in this estimate.

CGWM has engaged Institutional Shareholder Services (ISS) to advise on voting issues. As part of this engagement, CGWM has elected in the first instance to adopt the ISS template voting policy. The key principles underlying this policy are found here: [ISS Global Voting Principles | ISS \(issgovernance.com\)](#). CGWM's default position is to vote in line with ISS recommendations except in instances where we consider the outcome of those recommendations to run counter to our clients' best interests.

Where necessary and proportionate, we will escalate our concerns in a more formal manner. In the first instance, this engagement will be channelled through the relevant investor relations function within the investee company (or in their absence, their delegated corporate access agent) or their nominated corporate advisor. From then onwards, escalation is taken up to senior management either verbally or in writing and, if necessary, would be escalated to the Chair of the Board. We would aim to raise our concerns in advance of voting on the issues in order to give companies a chance to respond or resolve the issues. An escalation policy is in place as part of our shareholder voting and engagement process. Each case has different sets of circumstances and therefore our means of escalating and action taken will be dependent on the individual case.

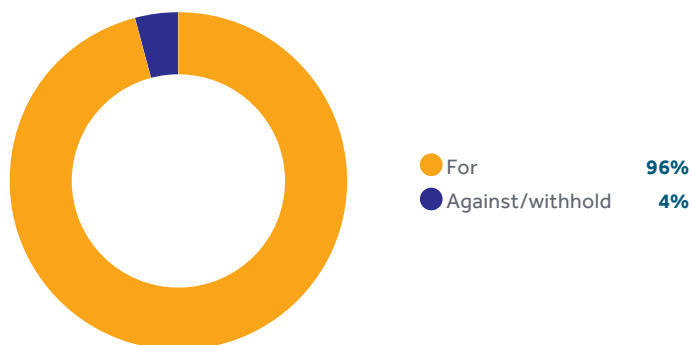
CGWM voting

Breakdown of voting statistics

During the period, we voted in favour of management proposals in 96% of circumstances and either against the proposal or abstained in voting for 4% of cases, as illustrated in the graph. When voting against a proposal, we voted against management's position on 61% of all against votes and were in line with management views on 39% of all against votes.

Full details of our votes are available on request.

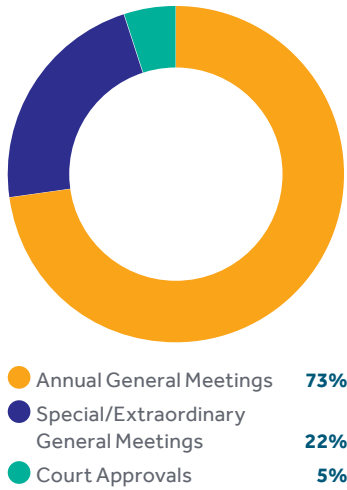
Total votes for/against



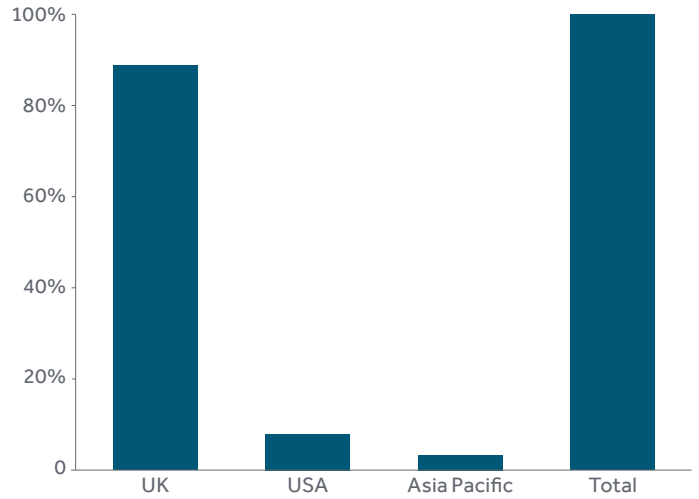
Examples of votes against management

- **Telecom Plus Plc** – we voted against a new article to allow company shareholder meetings to be held wholly virtually. We felt that, whilst there are benefits of allowing participation via electronic means, virtual-only meanings can hinder meaningful exchanges and can allow management to avoid potentially uncomfortable questions.
- **GB Group Plc** – we voted against their share issuance proposals. Although the request itself was reasonable, in November 2021 GB Group placed a cash box to raise funds for an acquisition. In doing so, they issued around 21% of their share capital before the placing, on a non-pre-emptive basis. This went over their limit of 10% agreed in their previous AGM and as such CGWM decided to vote against these proposals.

Breakdown of meetings by type



Breakdown of meetings by geography



Breakdown of meetings by sector

As shown in the table and graph below, in total, we voted on proposals across 10 different sectors, with the IT sector having the highest number of votes with 18.9% of our total.

	Percent
Communication services	5.4%
Consumer discretionary	2.7%
Consumer staples	8.1%
Financials	13.5%
Health care	16.2%
Industrials	13.5%
Information technology	18.9%
Materials	5.4%
Real estate	8.1%
Utilities	8.1%

