The Timet UK Limited Pension Plan

Implementation Statement for the year ended 30 September 2021

Introduction

This implementation statement has been prepared by the Trustees of The Timet UK Limited Pension Plan. The Plan provides benefits calculated on a defined benefit (DB) basis for members in the DB Section and benefits calculated on a defined contribution (DC) basis for members in the DC Section.

The statement:

- sets out how, and the extent to which, the policies set out in the Statement of Investment Principles (the SIP) have been followed during the year;
- describes any review of the SIP, including an explanation of any changes made; and
- describes the voting behaviour by, or on behalf of, the Trustees over the same period.

Trustees' overall assessment

In the opinion of the Trustees, the policies as set out in the SIP have been followed during the year ending 30 September 2021.

Review of the SIP

The Trustees' policies have been developed over time by the Trustees in conjunction with their investment consultants and are reviewed and updated periodically and at least every three years. The SIP was last reviewed in September 2020, shortly before the start of the 2020-2021 Plan year.

Policy in relation to the kinds of investments to be held

The Trustees have full regard to their investment powers under the Trust Deed and Rules and the suitability of the various types of investments, the need to diversify, the custodianship of assets and any self-investment. The Plan may invest in quoted and unquoted securities of UK and overseas markets including equities, fixed interest and index-linked bonds, cash, property, private equity, hedge funds and pooled investment vehicles considered appropriate for tax-exempt registered occupational pension plans. The Trustees have considered the attributes of the various asset classes (including derivative instruments), these attributes being:

– security (or quality) of the investment,

– yield (expected long-term return),

– spread (or volatility) of returns,

– term (or duration) of the investment,

– exchange rate risk,

– marketability/liquidity (i.e. the tradability on regulated markets),

– taxation.

The Trustees consider all of the stated classes of investment to be suitable to the circumstances of the Plan.

Investment strategy and objectives

Investment strategy (DB Section)

The investment strategy for the Plan is based on an analysis of its liability profile, the required investment return and the returns expected from the various asset classes over the long-term. The Trustees review this investment strategy and the asset allocation as part of each triennial actuarial valuation. The Trustees may also reconsider the asset allocation and the investment strategy outside the triennial valuation period where necessary.

During the year, the Trustees commenced implementation of the new strategy in the 2020-2021 Plan year, having concluded a review of the investment strategy the previous Plan year.

Policy in relation to the balance between various kinds of investments and the realisation of investments (DB Section)

The appointed investment managers hold a diversified mix of investments in line with their agreed benchmark and within their discretion to diverge from the benchmark. Within each major market each manager maintains a diversified portfolio of securities.

The Trustees require the investment managers to be able to realise the Plan’s investment in a reasonable timescale by reference to the market conditions existing at the time the disposal is required.

During the year, the Trustees added an allocation to the Disciplined Alpha US Long Short UCITS Fund, Ares Capital Europe V Fund, Pemberton Mid-Market Debt Fund III and Insight Enhanced Selection LDI funds. The Trustees removed their allocation to the S.W. Mitchell Long/Short Small Cap European Equity Fund, Winton Futures Fund and Invesco UK Smaller Companies Equity Fund. Additionally, residual holdings were paid out from the Caymus Energy Fund which had undergone a compulsory redemption part way through the previous Plan year.

Policy in relation to the expected return on investments (DB Section)

The investment strategy is believed to be capable of exceeding, in the long run, the overall required rate of return assumed in the Scheme Actuary’s published actuarial valuation report in order to reach a fully funded status under the agreed assumptions.

Investment strategy (DC Section)

The Plan provides members in the DC Section with a range of funds in which to invest. These aim to allow members to achieve the following:

- maximising the value of retirement benefits, to ensure a reasonable standard of living in retirement;
- protecting the value of benefits in the years approaching retirement against equity market falls and (should they decide to purchase an annuity) fluctuations in annuity costs; and
- tailoring a member's investments to meet their own needs, and to how the member intends to make use of their benefits at and through retirement.

The Trustees also provide a default strategy to provide a balanced investment strategy for members who do not make an active investment choice.

During the Plan year, future contributions for active members ceased in February 2021 and instead future pension provision was made available via a new Master Trust arrangement with Fidelity. A bulk transfer of existing assets to the Fidelity Master Trust is expected to be implemented in the next Plan year.

Policy in relation to the balance between various kinds of investments and the realisation of investments (DC Section)

The investment managers maintain a diversified portfolio of stocks or bonds within each of the funds offered to members under the DC Section (both within the default and self-select options). In addition, the design of the default strategy provides further diversification through the use of multiple funds throughout a member's working lifetime.

Under normal market conditions the Trustees expect to be able to realise investments within a reasonable timescale although there remains the risk that certain assets may become less liquid in times of market stress.

For the duration of the period of review, the Aegon Property Fund was suspended due to the closure of one of the underlying property funds. At the time of writing, the situation was resolved such that holdings in the fund would be included in the planned bulk transfer in 2022.

Policy in relation to the expected return on investments (DC Section)

The default option is expected to provide an appropriate return on members' investments, based on the Trustees' understanding of the membership of the DC Section and having taken into account the risk considerations set out in the SIP.

Risk capacity and risk appetite

Policy in relation to risks (DB Section)

Although the Trustees acknowledge that the main risk is that the Plan will have insufficient assets to meet its liabilities, the Trustees recognise other contributory risks, including the following. Namely the risk:

- associated with the differences in the sensitivity of asset and liability values to changes in financial and demographic factors.
- of the Plan having insufficient liquid assets to meet its immediate liabilities.
- of the investment managers failing to achieve the required rate of return.
- of a lack of diversification of investments affecting investment performance.
- of failure of the Plan's Sponsoring Employer to meet its obligations.

The Trustees manage and measure these risks on a regular basis via actuarial and investment reviews, and in the setting of investment objectives and strategy. Indeed, the new investment strategy, once fully implemented, will materially reduce certain investment risks. Liquidity risks and investment manager risks are examined at Investment sub-committee meetings which are held several times a year.

Policy in relation to risks (DC Section)

The Trustees have considered risk from a number of perspectives. There is the risk that:

- the investment return over members' working lives will not keep pace with inflation and does not, therefore, secure an adequate retirement income,
- investment market movements in the period prior to retirement lead to a substantial reduction in the anticipated level of pension or other retirement income,
- investment market movements in the period just prior to retirement lead to a substantial reduction in the anticipated cash lump sum benefit,
- the default option is not suitable for members who invest in it, and
- fees and transaction costs reduce the return achieved by members by an inappropriate extent.

The default option has been chosen with the aim of reducing these risks.

The self-select funds available have been chosen to provide members with the flexibility to make appropriate investment choices and address these risks for themselves.

To help address these risks, the Trustees also review the default option used and the fund range offered when necessary, taking into account changes to the membership profile, developments within DC markets (including both product development and trends in member behaviour) and changes to legislation.

Stewardship in relation to the Plan assets

Policies in relation to investment manager arrangements

The majority of the Plan's assets are invested in pooled funds which have their own policies and objectives and charge a fee, agreed with the investment manager, for their services. Such fees incentivise the investment managers to adhere to their stated policies and objectives.

The Trustees expect their investment managers to invest the assets within their portfolio in a manner that is consistent with the guidelines and constraints set out in their documentation. The Trustees review the investment managers periodically. Investment manager reviews incorporate benchmarking of performance and fees. Reviews of performance focus on longer-term performance (to the extent that is relevant).

There have been no material changes to the benchmarks/objectives of the funds in which the Plan invests over the year.

Investment manager monitoring and changes

During the year, the Trustees added an allocation to the Disciplined Alpha US Long Short UCITS Fund, Ares Capital Europe V Fund, Pemberton Mid-Market Debt Fund III and Insight Enhanced Selection LDI funds. The Trustees removed their allocation to the S.W. Mitchell Long/Short Small Cap European Equity Fund, Winton Futures Fund and Invesco UK Smaller Companies Equity Fund. Additionally, residual holdings were paid out from the Caymus Energy Fund which had undergone a compulsory redemption part way through the previous Plan year.

During the year the Trustees received quarterly investment reports detailing the performance of their investment managers.

Stewardship of investments

The Trustees have a fiduciary duty to consider their approach to the stewardship of the investments, to maximise financial returns for the benefit of members and beneficiaries over the long term. The Trustees can promote an investment's long-term success through monitoring, engagement and/or voting, either directly or through their investment managers.

The Trustees have an allocation to alternative assets within the Plan's investment strategy. Whilst most of the mandates of the underlying investment managers that comprise the alternatives portfolio will have an equities exposure, the nature of these mandates means that the investment managers may be short term investors in equities or the equities investment is via derivatives which do not accrue voting rights. Therefore, the commentary and data in the remainder of this Statement specifically excludes the alternatives portfolio. The Trustees do however carry out an annual review of the voting and engagement approach of each of the investment managers within the alternative assets portfolio.

The Trustees, in conjunction with their investment consultant, appoint their investment managers and choose the specific pooled funds to use in order to meet specific policies. They expect that their investment managers make decisions based on assessments about the financial performance of underlying investments (including environmental, social and governance (ESG) factors), and that they engage with issuers of debt or equity to improve their performance (and thereby the Plan's performance) over an appropriate time horizon.

The Trustees have decided not to take non-financial matters into account when considering their policy objectives.

Stewardship - monitoring and engagement

The Trustees recognise that investment managers' ability to influence the companies in which they invest will depend on the nature of the investment.

The Trustees' policy is to delegate responsibility for the exercising of rights (including voting rights) attaching to investments to the investment managers and to encourage the managers to exercise those rights. The investment managers are expected to provide regular reports for the Trustees detailing their voting activity.

The Trustees' also delegate responsibility for engaging and monitoring investee companies to the investment managers and they expect the investment managers to use their discretion to maximise financial returns for members and others over the long term.

Investment manager engagement policies

The Plan's investment managers are expected to have developed and publicly disclosed an engagement policy. This policy, amongst other things, provides the Trustees with information on how each investment manager engages in dialogue with the companies it invests in and how it exercises voting rights. It also provides details on the investment approach taken by the investment manager when considering relevant factors of the investee companies, such as strategy, financial and non-financial performance and risk, and applicable social, environmental and corporate governance aspects. Links to the available engagement policy or suitable alternative is provided in this statement.

These policies are usually publicly available on each investment manager's website.

The latest available information provided by the investment managers (with mandates that contain equities) is as follows:

Engagement	Period	Number of companies engaged with over the year	Number of engagements over the year	Top two engagement topics	Most significant company engagement over the year
LGIM UK Equity Index Fund	01/10/2020 - 30/09/2021	73% of market capitalisation	317	• Remuneration • Climate Change	Not provided
MFS Global Equity Fund	01/10/2020 - 30/09/2021	17	24	• Governance • Social	Pernod Ricard SA on remuneration, governance and board updates and response to COVID-19
MSIM Global Brands Fund	01/10/2020 - 30/09/2021	24	58	• Decarbonisation • Diversity & Inclusion	Reckitt Benckiser on human rights improvements in the supply chain
Vontobel Global Equity Life Fund	01/10/2020 - 30/09/2021	373	590	• Board of Directors Gender Diversity • Biodiversity	Graco Inc on board diversity
Vontobel Emerging Market Equity Fund	01/10/2020 - 30/09/2021	142	230	• Board of Directors Gender Diversity • Climate change physical risk from coastal flooding	NetEase on coastal flooding risk
Aegon BlackRock 50/50 Global Equity Index Fund*	01/10/2020 - 30/09/2021	1,921	3,116	• Climate Risk Management • Corporate Strategy	Exxon Mobil Corp on climate risk management

* The primary funds used in the DC Section that contain listed equities are the Aegon BlackRock 50/50 Global Equity Index Fund and the Aegon BlackRock Diversified Growth Fund. We believe the former fund is representative of BlackRock's global voting and engagement approach. BlackRock is unable at this stage to supply voting and engagement data on listed equity holdings within the latter fund.

Exercising rights and responsibilities

The Trustees recognise that different investment managers should not be expected to exercise stewardship in an identical way, or to the same intensity.

The investment managers are expected to disclose annually a general description of their voting behaviour, an explanation of the most significant votes cast and report on the use of proxy voting advisers.

The investment managers publish online the overall voting records of the firm on a regular basis.

The Trustees do not carry out a detailed review of the votes cast by or on behalf of their investment managers but rely on the requirement for their investment managers to provide a high-level analysis of their voting behaviour.

The Trustees consider the proportion of votes cast, and the proportion of votes against management and believe this to be an important (but not the only) consideration of investor behaviour.

The latest available information provided by the investment managers (with mandates that contain equities) is as follows:

Voting behaviour							
	Period	**Number of meetings eligible to vote at**	**Number of resolutions eligible to vote on**	**Proportion of votes cast**	**Proportion of votes for management**	**Proportion of votes against management**	**Proportion of resolutions abstained from voting on**
LGIM UK Equity Index Fund	01/10/2020 - 30/09/2021	598	8,169	100%	92.4%	7.6%	0.0%
MFS Global Equity Fund	01/10/2020 - 30/09/2021	91	1,468	100%	93.3%	6.7%	0.0%
MSIM Global Brands Fund	01/10/2020 - 30/09/2021	32	461	100%	89.0%	11.0%	0.0%
Vontobel Global Equity Life Fund	01/10/2020 - 30/09/2021	63	826	100%	87.4%	12.6%	0.0%
Vontobel Emerging Market Equity Fund	01/10/2020 - 30/09/2021	87	815	96.1%	85.8%	12.7%	1.5%
BlackRock Aquila Life (50:50) Global Equity Fund**	01/10/2020 - 30/09/2021	3,180	39,254	93.7%	90.9%	7.9%	1.2%

** The primary funds used in the DC Section that contain listed equities are the Aegon BlackRock 50/50 Global Equity Index Fund and the Aegon BlackRock Diversified Growth Fund. We believe the former fund is representative of BlackRock's global voting and engagement approach. BlackRock is unable at this stage to supply voting and engagement data on listed equity holdings within the latter fund.

Trustees' engagement

The Trustees have reviewed the investment managers' policies relating to engagement and voting and how they have been implemented and have found them to be acceptable at the current time.

The Trustees recognise that engagement and voting policies, practices and reporting, will continue to evolve over time and are supportive of their investment managers being signatories to the United Nations' Principles for Responsible Investment and the Financial Reporting Council's UK Stewardship Code 2020.

Appendix

Links to the Engagement Policies for each of the investment managers, where available, can be found here:

Investment manager	Engagement Policy (or suitable alternative) ***
LGIM	https://www.lgim.com/landg-assets/lgim/_document-library/capabilities/lgim-engagement-policy.pdf
MFS	https://www.mfs.com/en-gb/institutions-and-consultants/insights/sustainable-investing/responsible-investing-policy-statement.html
MSIM	https://www.morganstanley.com/im/publication/resources/sustainable_investing_policy_us.pdf?1642536348892
Vontobel	https://am.vontobel.com/en/insights/esg-investment-principles-and-policy
Clearance	https://www.realestatealternatives.com/pillar-iii-and-remuneration-code-disclosure/
Cheyne	https://www.cheynecapital.com/esg-responsible-investment/
Ashmore	http://www.ashmoregroup.com/sites/default/files/uploaded-docs/CSR%20Report%20-%20Final.pdf
RLAM	https://www.rlam.co.uk/about-rlam/the-stewardship-code/
Ares	https://www.aresmgmt.com/sites/default/files/2020-05/Ares%20ESG%20Policy%20May%202020%20%28Website%29.pdf
Pemberton	https://pembertonam.com/wp-content/uploads/2021/11/Pemberton-ESG-Policy.pdf
Insight	https://www.insightinvestment.com/globalassets/documents/responsible-investment/responsible-investment-reports/responsible-investment-policy.pdf
BlackRock	https://www.blackrock.com/corporate/about-us/investment-stewardship

*** Shown for investment managers for which policies are published online.

Information on the most significant votes for each of the funds containing equities is shown below (with the exception of the primary funds used in the DC Section that contain listed equities, which has not been supplied by BlackRock).

LGIM UK Equity Index Fund	**Vote 1**	**Vote 2**	**Vote 3**
Company name	Imperial Brands plc	Informa Plc	EVRAZ Plc
Date of Vote	03/02/2021	03/06/2021	15/06/2021
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	0.6%	0.3%	0.2%
Summary of the resolution	Resolutions 2 and 3, respectively, Approve Remuneration Report and Approve Remuneration Policy.	Resolution 3, Re-elect Stephen Davidson as Director Resolution 5, Re-elect Mary McDowell as Director Resolution 7, Re-elect Helen Owers as Director Resolution 11, Approve Remuneration Report	Resolution 3 Re-elect Alexander Abramov as Director
How the fund manager voted	LGIM voted against both resolutions.	Against Resolutions 3, 5, 7, and 11 (against management recommendation).	Against
Where the fund manager voted against management, did they communicate their intent to the company ahead of the vote	LGIM publicly communicates its vote instructions on its website with the rationale for all votes against management. It is our policy not to engage with our investee companies in the three weeks prior to an AGM as our engagement is not limited to shareholder meeting topics.	LGIM publicly communicates its vote instructions on its website with the rationale for all votes against management. It is our policy not to engage with our investee companies in the three weeks prior to an AGM as our engagement is not limited to shareholder meeting topics.	LGIM publicly communicates its vote instructions on its website with the rationale for all votes against management. It is our policy not to engage with our investee companies in the three weeks prior to an AGM as our engagement is not limited to shareholder meeting topics.
Rationale for the voting decision	The company appointed a new CEO during 2020, who was granted a significantly	The company's prior three Remuneration Policy votes – in 2018, June 2020, and	LGIM views gender diversity as a financially material issue for our clients,

	higher base salary than his predecessor. A higher base salary has a consequential ripple effect on short- and long-term incentives, as well as pension contributions. Further, the company did not apply best practice in relation to post-exit shareholding guidelines as outlined by both LGIM and the Investment Association. An incoming CEO with no previous experience in the specific sector, or CEO experience at a FTSE100 company, should have to prove her or himself beforehand to be set a base salary at the level, or higher, of an outgoing CEO with multiple years of such experience. Further, we would expect companies to adopt general best practice standards. Prior to the AGM, we engaged with the company outlining what our concerns over the remuneration structure were. We also indicated that we publish specific remuneration guidelines for UK-listed companies and keep remuneration consultants up to date with our thinking.	at a General Meeting that was called in December 2020 – each received high levels of dissent, with 35% or more of votes cast against. At the December 2020 meeting, the Remuneration Policy and the Equity Revitalisation Plan (EVP) received over 40% of votes against. The EVP was structured to award the CEO restricted shares to a value of 600% of salary. LGIM has noted our concerns with the company's remuneration practices for many years. Due to continued dissatisfaction, we again voted against the proposed Policy at the December 2020 meeting. However, despite significant shareholder dissent at the 2018 and 2020 meetings, the company implemented the awards under the plan, a few weeks after the December meeting. Additionally, the Remuneration Committee has adjusted the performance conditions for the FY2018 long-term incentive plan (LTIP) awards while the plan	with implications for the assets we manage on their behalf. For 10 years, we have been using our position to engage with companies on this issue. As part of our efforts to influence our investee companies on having greater gender balance, we apply voting sanctions to those FTSE 350 companies that do not have a minimum of 30% women on the board. We also apply voting sanctions to the FTSE 100 companies that do not have 30% women on their executive committee. For smaller companies we expect at least one woman at board level.

		is running, resulting in awards vesting where they would otherwise have lapsed. Due to consistent problems with the implementation of the company's Remuneration Policy and the most recent events as described above, LGIM has voted against the Chair of the Remuneration Committee for the past three years. Given the company has implemented plans that received significant dissent from shareholders without addressing persistent concerns, LGIM has taken the decision to escalate our vote further to all incumbent Remuneration Committee members, namely Stephen Davidson (Remuneration Committee Chair), Mary McDowell and Helen Owers.	
Outcome of the vote	Resolution 2 (Approve Remuneration Report) received 40.26% votes against, and 59.73% votes of support. Resolution 3 (Approve Remuneration Policy) received 4.71% of votes against, and 95.28% support.	Resolution 3 53.4% of shareholders supported the resolution. Resolution 5 80% of shareholders supported the resolution. Resolution 7 78.1% of shareholders supported the resolution. Resolution	82.8% of shareholders supported the resolution.

		11 38.3% of shareholders supported the resolution.	
Implications of the outcome	LGIM continues to engage with companies on remuneration both directly and via IVIS, the corporate governance research arm of The Investment Association. LGIM annually publishes remuneration guidelines for UK listed companies.	LGIM will continue to seek to engage with the company and monitor progress.	LGIM will continue to engage with our investee companies, publicly advocate our position on this issue and monitor company and market-level progress.
Criteria on which the vote is assessed to be “most significant”	We are concerned over the ratcheting up of executive pay; and we believe executive directors must take a long-term view of the company in their decision-making process, hence the request for executives’ post-exit shareholding guidelines to be set.	We consider this vote to be significant as LGIM took the rare step of publicly pre-declaring it before the shareholder meeting. Publicly pre-declaring our vote intention is an important tool for our engagement activities. We decide to pre-declare our vote intention for a number of reasons, including as part of our escalation strategy, where we consider the vote to be contentious, or as part of a specific engagement programme.	LGIM views gender diversity as a financially material issue for our clients, with implications for the assets we manage on their behalf.

MFS Global Equity Fund	**Vote 1**	**Vote 2**	**Vote 3**
Company name	Visa Inc.	Nestle SA	The Walt Disney Company
Date of Vote	26/01/2021	15/04/2021	09/03/2021
Approximate size of fund’s holding as at the date of the vote (as % of portfolio)	2.8%	2.3%	2.2%
Summary of the resolution	Provide Right to Act by Written Consent	Reelect Kasper Rorsted as Director	Advisory Vote to Ratify Named Executive Officers' Compensation
How the fund manager voted	Against Management	Against Management	Against Management
Where the fund manager voted against management, did they communicate their intent to the company ahead of the vote	While MFS may engage with issuers ahead of our vote at a shareholder meeting, we may not disclose our final vote decisions that are considered on a case-by-case basis prior to the meeting.	While MFS may engage with issuers ahead of our vote at a shareholder meeting, we may not disclose our final vote decisions that are considered on a case-by-case basis prior to the meeting.	While MFS may engage with issuers ahead of our vote at a shareholder meeting, we may not disclose our final vote decisions that are considered on a case-by-case basis prior to the meeting.
Rationale for the voting decision	MFS supports proposals requesting the right for shareholder to act by written consent.	The nominee attended less than 75% of the board and committee meetings that they were scheduled to attend during the previous fiscal year without a valid excuse (e.g. illness, work on behalf of the company, service to the nation). As such, a vote against the	MFS voted against this proposal due to, among other concerns, what we consider to be excessive compensation awarded to the former CEO despite the change in role and responsibilities.

		proposal was warranted.	
Outcome of the vote	40.8%	61.7%	68.5%
Implications of the outcome	We believe this level of support represents serious shareholder concern. We hope to see a robust response from the issuer, as well as engagement efforts to address shareholders' concerns.	We will continue to monitor attendance levels and vote against directors as appropriate. We embrace opportunities to engage with companies on issues such as this.	We believe this level of support represents serious shareholder concern. We hope to see a robust response from the issuer, as well as engagement efforts to address shareholders' concerns.
Criteria on which the vote is assessed to be “most significant”	For the purpose of this questionnaire, "significant votes" may have the following characteristics, among others: vote is linked to certain engagement priorities, vote considered engagement with the issuer, vote relates to certain thematic or industry trends, etc.	For the purpose of this questionnaire, "significant votes" may have the following characteristics, among others: vote is linked to certain engagement priorities, vote considered engagement with the issuer, vote relates to certain thematic or industry trends, etc.	For the purpose of this questionnaire, "significant votes" may have the following characteristics, among others: vote is linked to certain engagement priorities, vote considered engagement with the issuer, vote relates to certain thematic or industry trends, etc.

MSIM Global Brands Fund	**Vote 1**	**Vote 2**	**Vote 3**
Company name	Reckitt Benckiser Group Plc	Visa Inc.	Accenture plc
Date of Vote	28/05/2021	26/01/2021	03/02/2021
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	7.2%	5.4%	5.2%
Summary of the resolution	Approve Remuneration Report	Approve Remuneration Report	Approve Remuneration Report
How the fund manager voted	Against	Against	Against
Where the fund manager voted against management, did they communicate their intent to the company ahead of the vote	No, MSIM does not share voting intentions with any parties internally or externally prior to the vote	No, MSIM does not share voting intentions with any parties internally or externally prior to the vote	No, MSIM does not share voting intentions with any parties internally or externally prior to the vote
Rationale for the voting decision	Concerns with quantum of pay and the use of EPS for the LTIP.	Concerns with the performance metrics of the LTIP.	Concerns with the short term and long term performance metrics.
Outcome of the vote	Passed	Passed	Passed
Implications of the outcome	Continue to engage on the topics	Continue to engage on the topics	Continue to engage on the topics
Criteria on which the vote is assessed to be "most significant"	MSIM considers a vote against management significant.	MSIM considers a vote against management significant.	MSIM considers a vote against management significant.

Vontobel Global Equity Life Fund	**Vote 1**	**Vote 2**	**Vote 3**
Company name	Microsoft Corporation	Amazon.com, Inc.	Mastercard Inc
Date of Vote	02/12/2020	26/05/2021	22/06/2021
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	5.2%	4.6%	4.2%
Summary of the resolution	Prepare a report describing options for the company to encourage the inclusion of non-management employee representation on the Board. The company has a process in place to address employee concerns including compensation. NEO incentives include a number of factors such as diversity, inclusion and workplace culture.	Require independent Chair of the Board	Advisory Vote to Ratify Named Executive Officers' Compensation
How the fund manager voted	Against	Against	Against
Where the fund manager voted against management, did they communicate their intent to the company ahead of the vote	No	No	No
Rationale for the voting decision	We believe the Microsoft board has been an effective board. They have	We generally favour a separation of Chair and CEO roles as we believe there is a	A vote against this proposal is warranted given significant concerns regarding

	procedures that allow employees to become a board director, in the same way as they do for non-employees. We regard the board as diverse with 42% of board members female. Ethnic and racial minorities are well represented at a senior level, including CEO, Satya Nadella who is of Indian origin.	structural benefit for shareholders if there are two senior roles with companies: A Chair, who ultimately reports to shareholders, and a CEO, who reports to the board. However, for Amazon, CEO Jeff Bezos has already indicated he will step down from CEO role and hand over to Andy Jassy. We believe it’s in the shareholders' best interest that Mr. Bezos is Chair to provide strategic direction given his track record. Further, he will be needed to provide a guide to Mr. Jassy as he steps into the CEO role.	COVID-related compensation adjustments. Performance goals were adjusted for the annual incentive and the 2018 closing-cycle performance shares. Both awards would have been originally earned below target, but the modifications resulted in target payouts. Although some investors have expressed a degree of flexibility regarding adjustments to short-term awards, adjustments to closing-cycle equity awards are not viewed as an appropriate reaction to COVID-related disruptions.
Outcome of the vote	Fail	Fail	Pass
Implications of the outcome	Our read is that shareholders regard Microsoft as solid on employee consideration, and that the board is suitably structured.	The vote only garnered 15% of the votes, Jeff Bezos (CEO/Chair) stepped down from his CEO role and became Executive Chair in July 2021. Mr. Andy Jassy, who is head of the Amazon Web Services (AWS) business, took over as CEO.	The proposal passed but received 25% of dissent votes.
Criteria on which the vote is assessed to be “most significant”	Weight in portfolio / Weight of float held (across the Quality Growth boutique) / impact of vote on	Weight in portfolio / Weight of float held (across the Quality Growth boutique) / impact of vote on	Weight in portfolio / Weight of float held (across the Quality Growth boutique) / impact of vote on

	company sustainability/value	company sustainability/value	company sustainability/value

Vontobel Emerging Market Equity Fund	Vote 1	Vote 2	Vote 3
Company name	TSMC	HCL Tech	NetEase
Date of Vote	08/06/2021	27/08/2021	23/06/2021
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	8.3%	5.0%	3.0%
Summary of the resolution	Re-elect independent board members	Share based compensation plan for the CEO, C. Vijayakumar	Amend Memorandum and Articles of Association
How the fund manager voted	For	Against	For
Where the fund manager voted against management, did they communicate their intent to the company ahead of the vote	No	No	No
Rationale for the voting decision	One independent board member has served for 6 consecutive terms and another has served for 3 terms. To avoid impairment of independence companies are encouraged to limit independent directors to 3 terms. We believe the company has provided justification to extending the terms of these two directors.	The proposed plan was too open ended and could potentially compensate the CEO well above that provided to CEOs at peer companies.	The company wished to amend the articles of association to allow for virtual shareholders meetings.
Outcome of the vote	Pass	Pass	Pass

Implications of the outcome	Approval of extending the terms of independent board members should be decided on a case-by-case basis.	We will continue to be proactive with management in expressing that variable compensation needs to be inline with well articulated KPIs.	While there may be some issues with communication, with the success of virtual meetings through Covid lockdowns, it has become increasingly common and acceptable to utilize video conferencing to conduct business.
Criteria on which the vote is assessed to be "most significant"	Weight in portfolio / Weight of float held (across the Quality Growth boutique) / impact of vote on company sustainability/value	Weight in portfolio / Weight of float held (across the Quality Growth boutique) / impact of vote on company sustainability/value	Weight in portfolio / Weight of float held (across the Quality Growth boutique) / impact of vote on company sustainability/value