



CHELVERTON  
ASSET MANAGEMENT

# **ENGAGEMENT AND VOTING REPORT QUARTER 3 / 2021**

## 1. INTRODUCTION

The following report outlines the Chelverton Asset Management Ltd (“CAM”) engagement and voting record for the third quarter of 2021.

This report is intended to be read in conjunction with our Shareholder Engagement and Voting Policy and Engagement Plan 2021. Both are available to view on our website.

Shareholder engagement is purposeful dialogue with companies on matters such as strategy, performance, risk, capital structure and corporate governance including company culture, remuneration and matters relating to environmental and social issues.

Shareholding voting is the exercise of voting rights in support, abstention or against both management and shareholder resolutions at shareholder meetings.

Engagement and voting are central to the CAM investment approach.

Interested parties requiring further information regarding our approach to engagement and voting should contact our Responsible Investing Manager, Sally Clifton [sdc@chelvertonam.com](mailto:sdc@chelvertonam.com) or Corporate Governance Manager, Gregor Macdonald [gcm@chelvertonam.com](mailto:gcm@chelvertonam.com)

### 1.1. Engagement Record:

In the third quarter of 2021 CAM’s Investment Managers attended over 100 meetings with individual companies within the investment universe of CAM’s UK and EU strategies, supported by our Corporate Governance and Responsible Investing Managers.

The focus of discussion in these meetings ranged from trading, performance, and strategy updates with executive teams, to discussions with non-executive board members regarding board composition, committee structures and executive remuneration. Environmental and social issues were discussed as relevant, including matters relating to CAM’s Engagement Plan 2021, most notably follow-up issues arising from ESG questionnaires sent out in the first and second quarters of the year.

In addition to these company meetings, we also wrote to 63 targeted portfolio companies following up on ESG issues raised during the first and second quarter as part of our Engagement Plan 2021.

During the quarter we also sent an additional 59 ESG questionnaires to targeted companies following dialogue, asking questions regarding their identification and management of ESG risks, the level of integration of the company’s sustainability strategy within business strategy, and future priorities in this regard.

Finally, CAM continued to participate in collaborative engagements, most notably as investor signatories to the Carbon Disclosure Project (CDP), a not-for-profit charity that runs a global disclosure system for investors, companies, cities, states, and regions to manage their environmental impacts. We continued to contribute as part of a working group to the CDP’s Small and Medium Enterprise Climate Action Tracking, Accountability and Acceleration Project, the purpose of which is to develop a streamlined climate reporting framework designed for smaller and medium sized companies. This collaborative work aligns with the objectives set out in our Engagement Plan 2021.

### 1.2. Voting Record:

During the third quarter the Chelverton UK Equity Income Fund, UK Equity Growth Fund, UK Dividend Trust and European Select Fund in aggregate voted on 990 company resolutions at shareholder meetings\*.

We voted against 5 resolutions and did not abstain from voting on any resolution during the period.

The breakdown of voting activity between the individual funds in Q3 2021 was as follows:

| Fund Name         | Resolutions | Vote in Favour | Vote Against | Abstentions |
|-------------------|-------------|----------------|--------------|-------------|
| UK Equity Income  | 272         | 270            | 2            | 0           |
| UK Equity Growth  | 479         | 477            | 2            | 0           |
| UK Dividend Trust | 197         | 197            | 0            | 0           |
| European Select   | 42          | 41             | 1            | 0           |
| Totals*           | 990         | 985            | 5            | 0           |

(\* please note that for reasons relating to proportionality votes cast by the Chelverton Growth Trust are omitted. Further details available on request)

Votes cast from 1 July 2021 to 30 September 2021 which differed from the standard procedure of “Vote in Favour”, detailed in our Shareholder Engagement and Voting Policy, were:

- **XPS Group** - We voted against resolutions to re-appoint Ben Brammel and Paul Cuff to the board. During our regular communications with the company over the preceding 36 months we have maintained our stance that we are not generally in favour of “Joint CEO’s” on the board of a PLC. However, the company believe it is in the best interests of the company to continue with joint CEO’s. We will continue to present our view.
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- **TXT Esolutions** – We voted in favour of the appointment of Antonella Sottito to the board, in support of the board recommendation. This was done in preference to supporting the re-election of Silvia Bordi, whom we voted against.