



CHELVERTON
ASSET MANAGEMENT

ENGAGEMENT AND VOTING REPORT QUARTER 4 / 2021

INTRODUCTION

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

Shareholder 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 or Corporate Governance Manager, Gregor Macdonald gcm@chelvertonam.com

Engagement Record:

In the fourth quarter of 2021 CAM’s Investment Managers attended 135 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, second and third quarters of the year.

In addition to these company meetings, we also wrote to 47 targeted portfolio companies following up on ESG issues raised during the first, second and third quarters as part of our Engagement Plan 2021.

During the quarter we also sent out an additional 16 ESG questionnaires to new portfolio companies, 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 during the final quarter as part of the IIMI ESG Network (Independent Investment Managers Initiative), working to ensure the operating environment for smaller investment managers remains inclusive and supportive of the diverse strengths of niche investors with regard to addressing ESG risks and opportunities within their investment processes.

Voting Record:

During the fourth quarter the Chelverton UK Equity Income Fund, UK Equity Growth Fund, UK Dividend Trust and European Select Fund in aggregate voted on 681 company resolutions at shareholder meetings*.

We voted against 2 resolutions and did not abstain from voting on any resolution during the period.

The breakdown of voting activity between the individual funds in Q4 2021 was as follows:

Fund Name	Resolutions	Vote in Favour	Vote Against	Abstentions
UK Equity Income	210	210	0	0
UK Equity Growth	223	222	1	0
UK Dividend Trust	216	216	0	0
European Select	32	31	1	0
Totals*	681	679	2	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:

- **Clinigen Group** – The Chelverton UK Equity Growth fund voted against a resolution to approve the remuneration report for this company, on the basis we considered the proposed LTIP (long term incentive plan) for the executive team to be too generous, lacking ambitious enough trigger targets.
- **Recticel NV** - The Chelverton European Select fund voted against accepting a cash offer for this company following a preliminary bid approach that undervalued this company, in favour of supporting the sale of a division to optimise shareholder value.