



## STONEHAGE FLEMING GLOBAL BEST IDEAS EQUITY FUND - VOTING & ENGAGEMENT RECORD 2021

Under the Financial Conduct Authority rules, COBS 2.2B, Stonehage Fleming Investment Management Limited (SFIM) is required to disclose on an annual basis:

1. A description of voting behaviour
2. An explanation of the most significant votes
3. The use of the services of proxy advisors, and
4. A description of how we have cast votes in the general meetings of companies

This disclosure in accordance with the above.

SFIMs Shareholder Engagement Policy can be found here: <https://cdn.io.stonehagefleming.com/craft-cms/legal/Shareholders-Rights-II-SRD-II.pdf>

Investment Manager name	Stonehage Fleming Investment Management Limited
Start of Reporting Period	01-Jan-21
End of Reporting Period	31-Dec-21
Fund Name	Stonehage Fleming Global Best Ideas Fund

### FUND/MANDATE INFORMATION

Size of the fund as at the end of the Reporting Period?	\$2.57bn
What was the number of equity holdings in the fund mandate as at the end of the Reporting period?	27



## VOTING POLICIES

<p>Description of our process for deciding how to vote</p>	<p>When deciding how to vote we will consider our voting policy and the companies’ management views, rationales and proposals. We will also consult third party information sources including the services of our proxy advisors, Glass Lewis. We will consider all information in order to draw our own conclusions on each vote and will not default to follow either management or advisor views.</p> <p>We will vote against proposals that compromise our clients’ interests. We may not vote where we are not able to make an informed decision due to poor disclosure, or where we receive an unsatisfactory response from management.</p>
<p>Description of proxy voting services</p>	<p>We use a third party proxy advisory voting services provided by Glass Lewis. Due to the complexity and need for specialist expertise in assessing these specific social and environmental risks, SFEM will, in general, vote in accordance with the recommendation of our third party proxy advisory services company, Glass Lewis.</p> <p>The cost of information for these votes, including the use of proxy advisors, is paid for by SFIM. The cost of executing votes is born by the client as part of their custody fee (the costs vary from client to client and details are available upon request)</p>
<p>How we define “most significant” votes</p>	<ol style="list-style-type: none"> <li>1. Potential impact on financial outcome. This would include votes which we consider might have a material impact on future company performance, for example approval of a merger.</li> <li>2. Whether there is the potential for detriment to the interests of our clients.</li> <li>3. Whether the vote was high-profile or controversial. This could be judged using any or all of the following: level of media interest; level of political or regulatory interest; level of industry debate.</li> <li>4. Where we have voted against the recommendation of third party proxy voting adviser, Glass Lewis.</li> <li>5. In the pursuit of governance best practice.</li> </ol>
<p>Any conflicts of interest that arose during the reporting period in respect of any votes cast.</p>	<p>None</p>



## VOTING STATISTICS FOR THE REPORTING PERIOD

Number of meetings we were eligible to vote at	28 AGMs and 3 EGMs
Number of resolutions we were eligible to vote on	455
% of resolutions we voted on for which we were eligible	94%
Of the resolutions on which we voted, the % we voted with management	95%
Of the resolutions on which we voted, % we voted against management	5%
Of the resolutions on which we voted, % we abstained from voting	0%
% of meetings where we voted at least once against management	43%
% of resolutions where we voted against the recommendation of our proxy adviser	8%
% of votes in line with result	95%
% of votes on Governance (and % supported)	14% (64%)
% of votes on environmental and social issues (and % supported)	6% (17%)



## MOST SIGNIFICANT VOTES

	VOTE 1	VOTE 2	VOTE 3	VOTE 4	VOTE 5	VOTE 6
Company name	LVMH	S&P Global	Microsoft	McDonald's	Colgate-Palmolive	Cadence Design Systems
Date of vote	15/04/2021	05/05/2021	30/11/2021	20/05/2021	07/05/2021	06/05/2021
Approximate size of fund's/mandate's holding as at the date of the vote (as % of portfolio)	3.7%	3.4%	5.9%	2.4%	2.0%	2.1%
Summary of the resolution	Multiple votes on remuneration	Vote on environmental disclosures	Vote on sexual misconduct policy report	Vote on 2 Board members' re-election	Shareholder proposal for independent Chair	Board election vote against Proxy Advisor advice
How we voted	Against	Abstain	For	Against	For	For
Communication of intent to the company ahead of the vote	No	No	No	No	No	No
Rationale for the voting decision	Excessive remuneration and poor disclosure of data and targets	Concern regarding legal ramifications of vote, taking Proxy Advisor advice	In support of greater consideration at Board level after 2020/21 controversy	Board members responsible for excessive exit compensation to former CEO	In support of corporate governance best-practice	We did not consider the Board member to be over-boarded
Outcome of the vote	For	For	Against	For	Against	For
Implications of the outcome	None due to management control of company.	Shareholders will be required to approve disclosures	Board will review sexual misconduct policies	McDonald's recovered \$103m from ex-CEO	None, CEO and Chair functions with same individual	Board member re-elected with >90% of shareholder support
On which criteria have we assessed this vote to be "most significant"	2, 3, 5	2, 3	3	3	5	4



## ENGAGEMENT RECORD DURING THE REPORTING PERIOD

Number of Fund holdings engaged with excluding AGM and EGM votes	9
Number of AGM's voted	27 (and 3 EGMs)
3rd Parties providing engagement on our behalf	Glass Lewis
Number of AGM's not voted (where eligible)	1 - Nestle
Reasons for not voting:	1. Prohibitive Swiss rules on custody of holding during vote
Number of companies own with no vote entitlement	1 – Alphabet Whilst our shareholding in Alphabet has no vote entitlement we still review and appraise each company and shareholder vote and the overall governance quality of the company
Number of group investor day's attended	7
Number of individual investor meetings/calls attended	9

Description of proxy voting services	<p>We use a third party proxy advisory voting services provided by Glass Lewis. Whilst SFEM will take guidance from Glass Lewis final voting decisions are determined by the Investment Committee and in accordance with SFEM’s agreed voting procedures and policies.</p> <p>The cost of information for these votes, including the use of proxy advisors, is paid for by SFIM. The cost of executing votes is covered by the fund Custodian fee.</p>
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