

The Carlyle (1972) Pension & Life Assurance Scheme – Implementation Statement 2021

1. Introduction

On 6 June 2019, the UK Government published the Occupational Pension Schemes (Investment and Disclosure) (Amendment) Regulations (the “Regulations”). The Regulations require that the Trustees of the Carlyle 1972 Pension and Life Assurance Scheme (the “Scheme”) outline how they have ensured compliance with the policies, on the exercise of rights and undertaking of engagement activities with investment managers, as set out in the Scheme’s Statement of Investment Principles (“SIP”) dated September 2020. This was the SIP in place at the Scheme’s year-end date, 31 March 2021.

This Statement has been prepared by the Trustees with the assistance of their appointed Investment Consultant (Quantum Advisory). This statement does not cover the additional voluntary contributions of the Scheme, due to the size of the holding.

References herein to the actions, review work or determinations of the Trustees refer to activity that has been carried out either by the Trustees or their Investment Adviser on behalf of the Trustees.

2. Executive summary

Over the Scheme year, the Trustees:

- Have updated the SIP to incorporate: (i) additional information on the Trustees’ policies in line with the requirements of the Regulations; and (ii) new information concerning the revised investment strategy following a review during the second half of 2020.
- Have reviewed the voting and engagement activity of the funds that invest in equities. The Trustees are generally content that the Scheme’s investment managers have appropriately carried out their stewardship duties.
- Are of the opinion that they have complied with the relevant policies and procedures as identified in the SIP.

It should be noted that the funds that do not hold equities have not been reviewed as part of this statement, as these have fewer (if any) voting opportunities. Further detail on each of these matters is presented in the pages that follow.

3. Reviews of the SIP

During the Scheme year, the SIP was updated to incorporate additional information on the Trustees’ policies in line with the requirements of the Regulations. Additional disclosures have been included to address the following areas in respect of the Scheme’s investment managers:

- How the arrangements incentivise the investment managers to make decisions based on medium to long-term financial and non-financial performance of an issuer of debt or equity and to engage with issuers of debt or equity in order to improve their performance in the medium to long-term.

- How the method (and time horizon) of the evaluation of the investment manager’s performance and the remuneration for asset management services are in line with the Trustees’ investment policies.
- How the Trustees monitor portfolio turnover costs incurred by the investment managers, and how they define and monitor targeted portfolio turnover or turnover range.
- The duration of the arrangements with the investment managers.
- The Trustees’ stewardship policies concerning conflicts of interest & the capital structure of companies.

In addition, the SIP was updated to reflect new information concerning the revised investment strategy following a review during the second half of 2020.

4. Voting policies and histories

Trustees’ voting and stewardship policies

The Trustees consider how stewardship factors are integrated into the investment processes when: (i) appointing new investment managers; and (ii) monitoring existing investment managers. The Trustees have provided the appointed investment managers with full discretion concerning the stewardship of their investments. The Trustees reviewed the stewardship practices of their investment managers during the Scheme year and incorporated additional information on such matters into their quarterly reporting from Q1 2021.

As part of preparing this statement, the Trustees reviewed the voting activity of funds where there is an increased ability to influence positive practises (namely those that invest in equities). The following funds have been reviewed:

- BNY Mellon Real Return
- Barings Dynamic Asset Allocation (wholly disinvested during Q4 2020)
- Insight Broad Opportunities (wholly disinvested during Q4 2020)
- M&G Episode Allocation (wholly disinvested during Q4 2020)
- Legal & General Investment Management (“LGIM”) World Equity Fund – GBP Hedged
- LGIM Dynamic Diversified Fund (introduced during Q4 2020)
- Invesco Global Targeted Returns
- Aviva Multi-Strategy
- Partners Group Generations

Voting statistics

The table below sets out the key statistics on voting eligibility and action over the Scheme year.

Statistic	BNY Mellon Real Return	Barings DAAF	M&G Episode Allocation	LGIM Dynamic Diversified	LGIM World Equity Index ¹
Number of equity holdings	91	80	8	3,951	2,662
Meetings eligible to vote at	98	93	21	7,887	3,421
Resolutions eligible to vote on	1,307	885	290	83,262	40,987
Proportion of eligible resolutions voted on (%)	99.2	96.6	83.5	99.9	99.8
Votes with management (%)	85.4	92.2	88.8	84.1	81.4
Votes against management (%)	14.6	7.8	10.8	15.2	18.1
Votes abstained from (%)	0.0	0.0	0.4	0.7	0.6
Meetings where at least one vote was against management (%)	38.0	38.9	56.3	5.4	6.0
Votes contrary to the recommendation of the proxy adviser (%)	9.9	0.9	9.9	0.3	0.3

Note: Totals may not sum due to rounding. ¹Fund is GBP currency hedged.

Statistic	Invesco GTR	Aviva Multi-Strategy	Partners Group Generations ¹	Insight Broad Opportunities
Number of equity holdings	313	540	60	14
Meetings eligible to vote at	365	610	66	12
Resolutions eligible to vote on	5,332	6,882	884	122
Proportion of eligible resolutions voted on (%)	98.4	97.9	95.0	100.0
Votes with management (%)	94.5	62.8	91.0	100.0
Votes against management (%)	5.6	34.7	6.0	0.0
Votes abstained from (%)	0.5	2.5	3.0	0.0
Meetings where at least one vote was against management (%)	33.1	84.8	30.0	0.0
Votes contrary to the recommendation of the proxy adviser (%)	3.5	29.1	3.0	0.0

Note: Totals may not sum due to rounding. ¹Please note, Partners Group only provide this information semi-annually, therefore the information provided is over the year to 31 December 2020.

The Trustees are satisfied with the level of voting activity that has been undertaken. The Trustees have raised a query with:

- LGIM concerning the percentage of meetings, for which they did vote, where at least one vote was against management. At the time of writing, the Trustees were awaiting a response from LGIM.
- M&G concerning the proportion of eligible resolutions voted on. M&G has confirmed that in some markets it is prohibited from trading securities if it votes on resolutions linked to those securities. As the Episode Allocations Fund seeks to respond tactically to market opportunities M&G refrain from voting on such resolutions (i.e. opting to trade instead).

Significant votes

The Trustees have reviewed the significant votes cast by the investment managers and are generally satisfied with their voting behaviour. The Trustees have raised a query with:

- Invesco concerning the number of significant votes that were aligned with the recommendations of management. At the time of writing, the Trustees were awaiting a response from Invesco.

A cross section of the most significant votes cast is contained in Appendix 2.

5. Conflicts of interest

This section provides information on whether the managers are affected by the following conflicts of interest.

1. The asset management firm overall having an apparent client-relationship conflict e.g. the manager provides significant products or services to a company in which they also have an equity or bond holding;
2. Senior staff at the asset management firm holding roles (e.g. as a member of the Board) at a company in which the asset management firm has equity or bond holdings;
3. The asset management firm's stewardship staff having a personal relationship with relevant individuals (e.g. on the Board or the company secretariat) at a company in which the firm has an equity or bond holding;
4. A situation where the interests of different clients diverge. An example of this could be a takeover, where one set of clients is exposed to the target and another set is exposed to the acquirer;
5. Differences between the stewardship policies of managers and their clients.

Having reviewed the available information, the Trustees have not raised any material concerns regarding the managers' conflicts of interest over the period or the policies in place.

The following sections provide the responses received from the managers.

LGIM

LGIM has refrained from directly commenting on which of the conflicts of interest, detailed above, it is impacted by. Instead, LGIM refers investors to its conflicts of interest policies, which include several examples of conflicts and how these might be managed. The Trustee:

- Has received a copy of the conflicts of interest policy; and
- Has queried LGIM's position not to directly comment on the five conflicts of interest detailed above.

Newton

Newton have confirmed that it is affected by point 1 and point 4 above, but there are processes in place to manage / mitigate conflicts. Newton has also confirmed that it is not currently aware of any material conflict of interest that would impair its ability to act as the manager to the Real Return Fund.

Newton maintain a list of all companies where there may be a potential material conflict of interest. The list includes all funds managed or owned by Newton or its parent company, BNY Mellon, and also includes companies that are directly linked to their underlying clients, such as corporate pension funds. If any potential material conflict of interest between Newton, the investee company and/or a client is identified, the recommendation of their external voting service provider will take precedence. Newton's quarterly reports detail each instance where they have outsourced the voting activity owing to a potential material conflict of interest.

With regards to point 4, Newton ensures that any voting activity is in the best interests of each individual client as an investor in each single entity.

Barings

Barings has confirmed that the five conflicts of interest, detailed above, did not impact the Dynamic Asset Allocation Fund over the period under review. Barings has also confirmed that it is “not currently aware of any material conflict of interest that would impair its ability to act as the manager to the Barings DAAF”.

M&G

M&G was unable to comment on whether the five conflicts of interest, detailed above, impacted the Episode Allocation Fund over the period. However, M&G has confirmed that it is not affected by any material conflict of interest that would impair its ability to act as the manager to the M&G Episode Allocation Fund.

Aviva

Aviva have confirmed that is affected by points 1 and 4 above, but it feels such conflicts are managed appropriately and subject to regular review. Aviva provide the following example.

Example 1: where a commercial transaction/acquisition is being proposed between two companies (e.g. one company acquiring another), and Aviva hold shares in both of these companies, a conflict could arise if the commercial transaction/acquisition terms were not in the best interests of shareholders for both companies (i.e. if they believe that Company A is paying too high a price for Company B). As such, Aviva’s voting considerations seek to always be based on the best interests of the funds / clients holding shares in the company for which the vote is applicable to.

Invesco

Invesco has confirmed that it is not impacted by conflicts 1, 4 and 5. Concerning conflicts 2 and 3, Invesco has confirmed that it may be affected by these conflicts, but such conflicts are managed appropriately and are subject to regular review. Furthermore, Invesco have confirmed that Invesco’s entities / employees must act in the best interests of clients and must avoid any situation that gives rise to an actual or perceived conflict of interest.

Partners Group

With regards to Partners Group’s listed exposure, to the best of their knowledge, they are not affected by points 1, 3, 4 and 5. With regards to point 2, the Fund is also invested in shares of Partners Group. These holdings are through the Fund's listed private equity investments, whereby the associated benchmark has a notable exposure to Partners Group shares. This is an exceptional case and for this exposure the Fund endeavours to maintain a close to neutral weighting (i.e. no significant active over/underweights to the allocation) to minimise any perceived conflicts of interest. The exposure was around ~0.3% of the overall Fund (as of 31 December 2020), which is deemed to be relatively small.

Insight

Insight have confirmed that, in relation to the Broad Opportunities Fund, they are not affected by the five conflicts of interest detailed above. They have also confirmed that there were no conflicts of interest that that impaired their ability to manage the Broad Opportunities Fund.

Appendix 1 – Manager voting policies

BNY Mellon’s voting policies and processes

Newton’s head of responsible investment (“RI”) is responsible for the decision-making process of the RI team when reviewing meeting resolutions for contentious issues. They do not maintain a strict proxy voting policy. Instead, Newton prefer to take into account a company’s individual circumstances, their investment rationale and any engagement activities together with relevant governing laws, guidelines and best practices. Contentious issues may be referred to the appropriate industry analyst for comment and, where relevant, they may confer with the company or other interested parties for further clarification or to reach a compromise or to achieve a commitment from the company.

Voting decisions are approved by either the deputy chief investment officer or a senior investment team member (such as the head of global research). For the avoidance of doubt, all voting decisions are made by Newton. It is only in the event of a material potential conflict of interest between Newton, the investee company and/or a client that the recommendations of the voting service used (ISS) will take precedence. It is also only in these circumstances when they may register an abstention given their stance of either voting in favour or against any proposed resolutions.

Newton employ a variety of research providers that aid in the vote decision-making process, including proxy advisors such as ISS. They utilise ISS for the purpose of administering proxy voting, as well as its research reports on individual company meetings.

Baring’s voting policies and processes

Barings engages ISS for vote recommendations, research and vote processing. In addition, ISS retains the services of an independent third party research provider (“Research Provider”) to provide research and recommendations on proxies. Barings’ policy is to vote in line with their voting provider’s recommendations unless it is determined not in the clients best interest to do so. Barings generally do not vote when share blocking applies.

Barings recognises that there may be times when it is in the best interests of clients to vote proxies against the prevailing recommendation. In such events, a Proxy Administrator will vote the proxy in accordance with the Proxy Analyst’s recommendation so long as (i) no other Proxy Analyst disagrees with such recommendation; and (ii) no known material conflict of interest is identified. If a material conflict is identified by a Proxy Analyst or Proxy Administrator, the proxy will be submitted to the relevant Governance Committee to determine how the proxy is to be voted.

M&G’s voting policies and processes

M&G’s Corporate Finance and Stewardship team support their investment teams on various issues that can affect the investments over the long term. The team coordinates M&G’s Stewardship activities, and engages with companies on a number of issues from corporate governance to environmental sustainability. The team also undertakes M&G’s voting responsibilities.

M&G use the ISS voting platform, and have built a custom voting service that reflects their public voting policy. Routine and non-controversial resolutions (according to M&G’s voting policy) are voted in line with the board recommendation automatically through the ISS platform. M&G use research firms ISS and the Investment Association, and the voting information service IVIS, for UK companies, to highlight any contentious issues that they are not aware of from previous consultations with

investee companies. For more contentious issues, the relevant fund managers will be involved, alongside the stewardship team, in the decision making process.

LGIM's voting policies and processes

LGIM's Investment Stewardship team make all voting decisions, in accordance with LGIM's Corporate Governance & Responsible Investment and Conflicts of Interest policy documents, which are reviewed annually. Each member of the team is allocated a specific sector globally so that the voting is undertaken by the same individuals who engage with the relevant company.

LGIM's Investment Stewardship team uses ISS's 'ProxyExchange' electronic voting platform to electronically vote clients' shares. All voting decisions are made by LGIM and strategic decisions are not outsourced. The use of ISS recommendations is purely to augment LGIM's own research and proprietary ESG assessment tools. The Investment Stewardship team also uses the research reports of IVIS to supplement the research reports that are received from ISS for UK companies when making specific voting decisions.

To ensure the proxy provider votes in accordance with LGIM's position on ESG, LGIM have put in place a custom voting policy with specific voting instructions. These instructions apply to all markets globally and seek to uphold what LGIM consider are minimum best practice standards which LGIM believe all companies globally should observe, irrespective of local regulation or practice. LGIM retain the ability in all markets to override any voting decisions, which are based on their custom voting policy. This may happen where engagement with a specific company has provided additional information that allows LGIM to apply a qualitative overlay to their voting judgement. LGIM have strict monitoring controls to ensure their votes are fully and effectively executed in accordance with their voting policies by their service provider. This includes a regular manual check of the votes input into the platform, and an electronic alert service to inform them of rejected votes which require further action.

Invesco's voting policies and processes

The proxy voting process at Invesco focuses on protecting clients' rights and promoting governance structures and practices that reinforce the accountability of corporate management and boards of directors to shareholders. Voting matters are assessed on a case-by-case basis by Invesco's respective investment professionals considering the unique circumstances affecting companies, regional best practices and their goal of maximizing long-term value creation for clients. The voting decision lies with asset managers with input and support from the Global ESG team and Proxy Operations functions. Portfolio managers review voting items based on their individual merits and retain full discretion on vote execution conducted through their proprietary proxy voting platform. The proprietary voting platform facilitates implementation of voting decisions and rationales across global investment teams. Invesco's proxy voting philosophy, governance structure and process are designed to ensure that proxy votes are cast in accordance with clients' best interests.

Invesco may supplement its internal research with information from third-parties, such as proxy advisory firms. Globally Invesco leverages research from ISS and Glass Lewis; with the Investment Association IVIS in the UK for research for UK securities. Invesco generally retains full and independent discretion with respect to proxy voting decisions. ISS and Glass Lewis both provide research reports, including vote recommendations, to Invesco and its asset managers. Invesco also retains ISS to assist with receipt of proxy ballots and vote execution for use through their proprietary voting platform as well as ISS vote disclosure services in Canada, the UK and Europe.

Aviva's voting policies and process

Voting decisions are based off Aviva's Voting Policy, which is reviewed on an annual basis and updated subject to Board approval. Final decisions are made by the Stewardship function (i.e. ESG analysts) in conjunction with portfolio managers who inform the decision making process by bringing their knowledge and assessment of company strategy and any special circumstances.

Aviva subscribe to proxy advisory services for independent research and recommendations, including recommendations based on their own policy (where certain resolutions will be referred to Aviva for further consideration). These providers include IVIS, ISS-Ethix and MSCI. Research is used for data analysis only as they have their own voting policy, which is applied to all holdings.

Engagement is prioritised by size of holding and where it is most likely to benefit clients. This allows Aviva to consider additional context from the company which occasionally results in them changing a vote. In addition, every year Aviva write to the large majority of the companies they hold to notify them of their voting policy, and also direct them to their voting records.

There will be times when, despite engagement with companies, Aviva's concerns have not been adequately addressed. Under these circumstances, the matter may be escalated into a more focused project of intervention aimed at securing changes to the board, management, practices or strategy. As a last resort they may requisition a general meeting of a company or a resolution at an Annual General Meeting, or support others who are doing so.

Partners Group voting policies and process

Where Partners Group's client accounts contain listed equity securities in dedicated programs/allocation buckets ("Liquid Private Markets investments") and Partners Group has discretion to vote on a proxy stemming from such securities (a "Proxy Request"), Partners Group will make a decision on such Proxy Requests to protect and promote the economic value of the securities held in such client accounts.

Proxy Requests related to Liquid Private Markets investments may be administered by third party service providers (currently, Glass Lewis). These service providers will follow Partners Group's Proxy Voting Directive in all instances. Should a voting recommendation by a service provider be against the recommendation by the respective company's management, Partners Group will vote manually on those proposals.

In certain circumstances, Partners Group receives Proxy Requests for publicly traded securities. When such Proxy Requests arise, the recipient, typically the respective investment team or Partners Group Guernsey serving as administrator, will forward it to be reviewed and evaluated by Transactions Services together with the relevant investment team and/or the relevant Investment Committee. Partners Group have a group form which seeks to ensure that all Proxy Requests, included in the broader term 'corporate actions', are reviewed and processed in a timely manner.

Insight's voting policies and process

Insight are not eligible to vote on the equity exposure in the Insight BOF which is gained through Derivatives. However, where the fund has exposure to listed infrastructure companies, Insight do vote on those.

Insight retains the services of Minerva Analytics for the provision of proxy voting services and votes at meetings where it is deemed appropriate and responsible to do so. Minerva Analytics provides research expertise and voting tools. Independent and impartial research provides advance notice of voting events and rules-based analysis to ensure contentious issues are identified. Minerva Analytics analyses any resolution against Insight-specific voting policy templates which will determine the direction of the vote. Where contentious issues are identified, these are escalated to Insight for further review and direction.

Appendix 2 – Most significant votes

The tables below set out a cross section of significant votes undertaken by the investment managers of the funds held by the Scheme. Information on further significant votes undertaken by the Scheme’s investment managers has been reviewed by the Trustees.

Please note that, due to the ‘common building block’ structure of LGIM’s passive equity funds (including the LGIM DDF which gains its equity exposure passively) there is a degree of overlap between the most significant votes cast within each fund. We have therefore sought to provide different examples within each fund.

BNY Mellon Real Return Fund

The most significant votes for Newton are those that have been against management of the companies held. Newton have stated that these have the potential for the greatest impact, as areas for improvement can be highlighted and there is no automatic positive intent of ownership.

Company Name	LEG Immobilien AG	Microsoft Corporation
Date of Vote	19-Aug-2020	02-Dec-2020
Summary of the resolution	Remuneration Policy	Elect Director, advisory vote to ratify named executive officers' compensation and ratify Deloitte & Touche LLP as auditors
How the firm voted	Against	Against
Outcome of the vote	22.2% against – approve remuneration policy	1.1%, 0.9%, 0.3%, against compensation committee members, 3.9% against reappointment of the auditor, 5.3% against executive officers' compensation
On which criteria have you assessed this vote to be "most significant"?	Investor scrutiny of pay arrangements is increasing. Newton feel the significance of the high vote “against” is important to note given that a majority of pay proposals from companies rarely see such high levels of dissent	The company is recognised as a leader among its US peers in terms of its approach to corporate governance. Newton believe it's executive pay structure is also better than most, but there exists fundamental improvements that should be made

Barings Dynamic Asset Allocation

The most significant votes for Barings are those that have been against management of the companies held.

Company Name	EastJapan Railway Company	Nissan chemical corporation
Date of Vote	23-Jun-2020	25-Jun-2020
Summary of the resolution	Appointment of director	Appointment of director
How the firm voted	Against	Against
Outcome of the vote	Approved	Approved
On which criteria have you assessed this vote to be "most significant"?	Barings believe that the board is not sufficiently independent and there are reservations around board independence	Barings believe there is insufficient gender diversity/no diversity policy

Source: Investment Manager

M&G Episode Allocation

M&G have determined their own definition of significant votes following internal discussions and consideration of external guidance. Furthermore, those that represent less than 3% shareholding have largely been disregarded.

Company Name	Methanex Corporation	JPMorgan Chase & Co.
Date of Vote	30/04/2020	19/05/2020
Summary of the resolution	Elect director	Shareholder resolution requesting that the Board issue a report "describing how JPMorgan Chase plans to respond to rising reputational risks for the Company and questions about its role in society related to involvement in Canadian oil sands production, oil sands pipeline companies, and Arctic oil and gas exploration and production."
How the firm voted	Withhold	For
Outcome of the vote	Not provided	Not provided

On which criteria have you assessed this vote to be "most significant"?	Shareholder rights and Governance	Environmental and social
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Source: Investment Manager

LGIM World Equity Index (GBP Hedged)

In determining significant votes, LGIM's Investment Stewardship team consider the criteria provided by the Pensions & Lifetime Savings Association ("PLSA") consultation. This includes but is not limited to:

- High profile vote which has such a degree of controversy that there is high client and/ or public scrutiny;
- Significant client interest for a vote: directly communicated by clients to the Investment Stewardship team at LGIM's annual Stakeholder roundtable event, or where LGIM note a significant increase in requests from clients on a particular vote;
- Sanction vote as a result of a direct or collaborative engagement; and
- Vote linked to an LGIM engagement campaign, in line with LGIM Investment Stewardship's 5-year ESG priority engagement themes.

LGIM have not disclosed the size of the holding as a proportion of the fund size.

Company Name	Whitehaven Coal	Imperial Brands plc
Date of Vote	22-Nov-20	03-Feb-21
Summary of the resolution	Resolution 6 Approve capital protection. Shareholders are asking the company for a report on the potential wind-down of the company's coal operations, with the potential to return increasing amounts of capital to shareholders.	Resolutions 2 and 3, respectively, approve remuneration report and approve remuneration policy.
How the firm voted	LGIM voted for the resolution.	LGIM voted against both resolutions.
Outcome of the vote	The resolution did not pass, as a relatively small amount of shareholders (4%) voted in favour. However, the environmental profile of the company continues to remain in the spotlight: in late 2020 the company pleaded guilty to 19 charges for breaching mining	Resolution 2 received 40% of votes against, and 60% votes of support. Resolution 3 received 5% of votes against, and 95% votes of support.

	laws that resulted in 'significant environmental harm'.	
On which criteria have you assessed this vote to be "most significant"?	The vote received media scrutiny and is emblematic of a growing wave of 'green' shareholder activism.	LGIM were concerned over the ratcheting up of executive pay; and they believe executive directors must take a long-term view of the company in their decision-making process.

Source: Investment Manager

LGIM Dynamic Diversified

Company Name	Pearson	International Consolidated Airlines Group	SIG plc.
Date of Vote	18-Sep-20	07-Sep-20	09-Jul-20
Summary of the resolution	Resolution 1: amend remuneration policy	Resolution 8: approve remuneration report	Resolution 5: Approve payment to S. Francis
How the firm voted	LGIM voted against the amendment to the remuneration policy	LGIM voted against the resolution	LGIM voted against the resolution
Outcome of the vote	At the EGM, 33% of shareholders voted against the co-investment plan and therefore, by default, the appointment of the new CEO	28% of shareholders opposed the remuneration report	The resolution passed. However, 44% of shareholders did not support it
On which criteria have you assessed this vote to be "most significant"?	Pearson has had strategy difficulties in recent years and is a large and well-known UK company. Given the unusual approach taken by the company and LGIM's outstanding concerns, they deem this vote to be significant	LGIM considers this vote significant as it illustrates the importance for investors of monitoring their investee companies' responses to the COVID crisis	The vote is high-profile and controversial

Source: Investment Manager

Invesco Global Targeted Returns

Invesco have used the following criteria in determining their most significant votes.

- >1% IVZ Ownership and Includes Key ESG proposal;
- >1% IVZ Ownership and Part of ESG Watchlist;
- >1% IVZ Ownership and Includes Key ESG proposal and Part of ESG Watchlist; and
- Securities which are traded on European stock exchange will be considered as part of the Shareholder Rights Directive II disclosures.

Company Name	Citigroup Inc.	China Oilfield Services Limited
Date of Vote	21-Apr-2020	28-May-2020
Summary of the resolution	Report on lobbying payments and policy	Approve provision of guarantees for other parties
How the firm voted	Voted in line with management recommendations – against	Voted In line with management recommendations – for
Outcome of the vote	Pass	Pass
On which criteria have you assessed this vote to be "most significant"?	>1% IVZ Ownership and Includes Key ESG proposal	>1% IVZ Ownership and Includes Key ESG proposal

Source: Investment Manager

Aviva Multi Strategy

Aviva have used a number of different criteria to determine their most significant votes.

- The impact on the company (both short and long term) if the resolution was or wasn't approved;
- The materiality of the shareholder resolutions;
- The level of public and/or media interest in certain companies and resolutions; and
- How significant the holdings are in relation to the fund and to Aviva Investors (acknowledging that the larger the aggregate/percentage holding, the more ability they have in affecting change).

It is evident in some of the votes selected that these reflected multiple criteria explained above, but it is important to note that this the selection process was quite subjective.

Company Name	Amazon.com, Inc.	Alphabet Inc
Date of Vote	27/05/2020	03/06/2020
Summary of the resolution	Shareholder resolution (15) requiring the Company to produce a human rights risk assessment	Resolution 7. Establish human rights risk oversight committee
How the firm voted	For	For
Outcome of the vote	30% of shareholders approved the resolution	Approximately 45% of the independent votes supported the resolution
On which criteria have you assessed this vote to be "most significant"?	This vote was selected given the materiality of the shareholder resolution (i.e. the impact on the brand reputation if the issue is not adequately addressed) and the high level of support the proposal received. Investors will also be scrutinised about what they have done to challenge and change practices at the company, particularly if employee practices and human rights are found to be below expectations. Amazon is an active position for Aviva Investors.	This vote was selected given the materiality of the shareholder resolution (i.e. lack of a clear human rights programme) and the high level of support the proposal received. Investors will also be scrutinised about what they done to challenge and change practices at the company, particularly if employee practices and human rights are found to be below expectations. Alphabet is an active position for Aviva Investors.

Source: Investment Manager

Partners Group Generations

In determining the most significant votes, Partners Group consider the size of the holding relative to the fund itself.

Company Name	Ferrovial	Techem
Date of Vote	April 2020	N/A ¹
Summary of the resolution	Remuneration proposal	Governance proposal
How the firm voted	Against the proposal	For the proposal
Outcome of the vote	The vote passed	N/A ¹

<p>On which criteria have you assessed this vote to be "most significant"?</p>	<p>Partners Group deemed the vote significant given the overall size of the position within the Fund.</p>	<p>Partners Group deemed the vote significant given the overall size of the position within the Fund.</p>
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Source: Investment Manager. ¹Please note, the firm maintains a controlling level of private investment in the company and as such the resolution was not proposed at a single formal meeting of investors.

Insight Broad Opportunities Fund

Insight do not vote on the equity exposure in the Broad Opportunities Fund as this is gained through the use of derivatives. However, where the Fund has exposure to listed infrastructure companies, Insight do vote on these. These holdings form a relatively small proportion of the Fund's holdings and have therefore been excluded.