2020 Voting and Engagement Report

Mercer Investment Solutions Europe

March 2021

welcome to brighter

01/ Introduction

Mercer Investment Solutions Europe ("Mercer ISE") services long-term institutional investors and is a 'universal owner' – for these reasons Mercer ISE regards investment governance and active ownership to be of particular importance in serving the interests of our investors.

Mercer ISE believes stewardship (or active ownership) helps the realisation of long-term value by providing investors with an opportunity to enhance the value of companies and markets in a manner consistent with long-term investor timeframes. Mercer ISE is committed to industry standards of good governance and stewardship and sets out its approach to the obligations applicable to it in its Engagement Policy and Sustainability Policy. Mercer ISE publishes an Annual Implementation Statement that details how its Engagement Policy is implemented in line with the requirements of the Shareholder Rights Directive II. Furthermore, Mercer ISE has also prepared its UK Stewardship Code Statement, which details Mercer ISE's overarching approach to Stewardship in line with the 12 principles of the UK Stewardship Code.

Mercer ISE has delegated day-to-day investment management to third party asset managers ("managers"). Therefore, Mercer ISE does not invest directly in securities but engages managers to do so on its behalf, under a contract of appointment. All securities are held within Mercer funds or third party funds. Mercer ISE expects its appointed managers to adopt standards of good governance and stewardship through voting and engagement practices that include a focus on sustainability risks and other material Environmental, Social and Governance (ESG) themes and topics. These topics include governance and strategy, together with relevant environmental and social topics, consistent with Mercer's Investment Beliefs.

Monitoring sub-investment managers

Mercer ISE expects its appointed managers to monitor investee companies and to report on stewardship activities and outcomes in line with established best practice. Mercer ISE also monitors stewardship explicitly by seeking disclosure from managers, including through its annual manager engagement survey and third party provider of proxy voting reporting. This report has been prepared by Mercer ISE to provide insights to investors on the voting and engagement activity of managers.

Mercer ISE has also prepared a statement of commitment to the UK Stewardship Code, which provides detail on Mercer ISE's overarching approach to Stewardship in line with the 12 principles of the UK Stewardship Code which can be accessed here.

Voting and engagement activities for 2020

This report provides a summary for investors in Mercer ISE funds of managers voting and engagement activities over the period 1 January – 31 December 2020. Summary statistics at an aggregated level have been included on managers' voting activities along with aggregated findings from Mercer ISE's annual manager engagement survey, to provide investors with a summary of manager's engagement activities. While fund and strategy level data is not included in this report, this information can be made available to clients as part of regular reporting.

01/ Engagement

Introduction

Mercer believes its appointed managers are typically best placed to prioritise particular engagement topics by security, however, Mercer ISE also has a role to play in relation to more strategic themes and topics, with the aim of protecting economic value, improving long-term investment outcomes, identifying and managing risks and contributing to more sustainable and stable global financial markets.

Engagement framework

Mercer ISE has developed an Engagement Framework, which considers three main criteria – Beliefs, Materiality and Influence (BMI) and engagement priorities are expected to intersect meaningfully across the three. This has helped to develop a systematic approach and key principles for considering themes and topics and agreeing portfolio-wide engagement priorities.

Current engagement priorities

Mercer ISE has identified a number of priority themes and topics for engagement. Climate Change, Diversity and Modern Slavery are the current focus areas in our engagements with sub-investment managers for 2021. For more detail, please refer to our Engagement Priorities.

Engagement monitoring

Mercer ISE conducts an annual survey with managers on their engagement approach and outcomes, together with their views on priority themes or topics as part of their investment process. This report highlights aggregated findings from the annual manager engagement survey to provide investors with a summary of manager's engagement activities. The underlying strategy and fund level information provides an important source of information, to be used by Mercer ISE portfolio managers to engage with managers on their stewardship approaches, with the view to positively influence these over time. Fund level reporting can also be made available to clients as part of regular reporting.

02/
2020 Manager Engagement Survey Highlights

The 2020 Manager Engagement Survey was sent to the majority[1] of equity and fixed income managers, managing segregated mandates on behalf of Mercer ISE. The survey focused on assessing managers' general approach to voting activities and engagement with companies and included focus areas relating to Mercer ISE's engagement with companies and issuers priorities, namely climate change, modern slavery, and diversity.

Responses from managers were received at a mandate level in order to assess voting and engagement approaches at a mandate, rather than firm-wide level, given differences that may occur across different asset classes and strategies. Responses relating to voting activities have been included in the voting section later in the report.

As Mercer ISE would expect, most managers engage with companies and issuers on material ESG issues. There are however a few managers who disclosed that they do not undertake any engagements. These largely related to fixed income mandates where managers believe they have limited opportunities to engage, particularly where underlying investments are in sovereign bonds. A small minority of equity managers also disclosed that they do not undertake any engagements. These largely related to strategies that are quantitative in nature with less relevance placed on engaging on ESG factors due to high turnover/lower holding period of their stocks as well as a few boutique managers with resource constraints (Figure 1).

Mercer ISE has defined a number of priority areas for engagement with a large majority of managers highlighting an alignment of these priority areas with their own engagement priorities, particularly in areas relating to Transparent Disclosure of Material ESG Factors, Climate Change and Aligned Remuneration and incentives. Additional areas of focus (included under "Other") relate to areas including Corporate governance, balance sheet efficiency and shareholder returns; Board Composition; Senior executive compensation; Capital budgeting, capital allocation decisions and share issuances; Supply chain management and control; Stakeholder relationships and Innovation, technology and society (Figure 2).

[1] Managers terminated during 2020 did not complete the survey. Managers managing mandates in a limited number of fixed income sub-asset classes (e.g. LDI mandates) where not requested to complete the survey at this stage given the limited extent to which the asset class lends itself to manager engagements.

Engagement Survey responses

184

Responses

161

Unique mandates

92

Managers

52

Funds

€ 101BN

AUM of funds

Figure 1: Percentage of mandates where managers engage with securities on material environmental, social and governance (ESG) issues

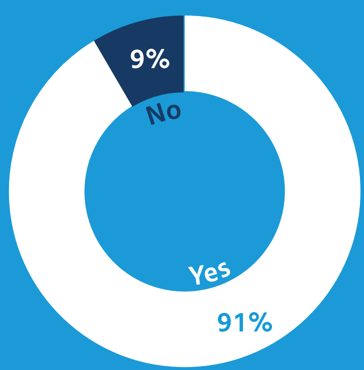
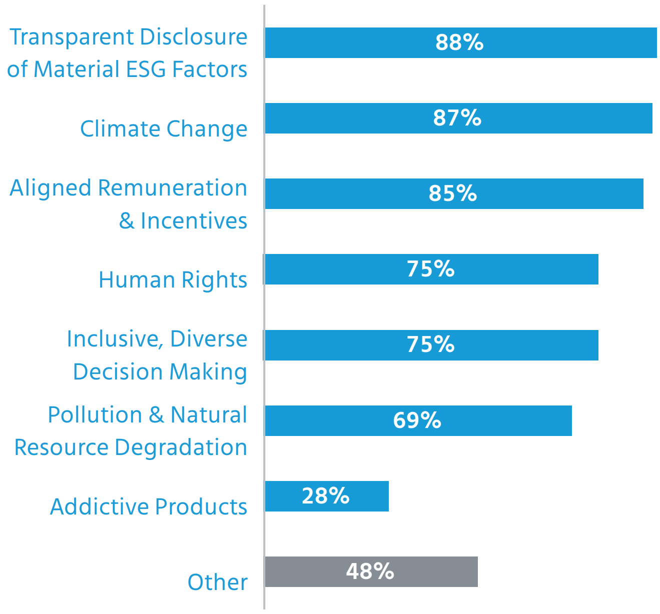


Figure 2: Engagement priorities across managers (based on % of mandates)



Historically managers' engagement efforts have tended to focus predominantly on governance issues however, over recent years the importance of engaging on material environmental and social issues has grown substantially. While governance-related engagements are still the highest in number, there is a relatively balanced split across governance, environmental and social engagements.

Managers are also increasingly disclosing their engagements within these three categories, given the growing interest from investors to assess engagement efforts outside of governance-related engagements, however there are still some managers who do not disclose these separately. These engagements form the bulk of the "Other" category below.

Figure 3: Number of engagements across company management or boards on ESG issues over the last 12 months

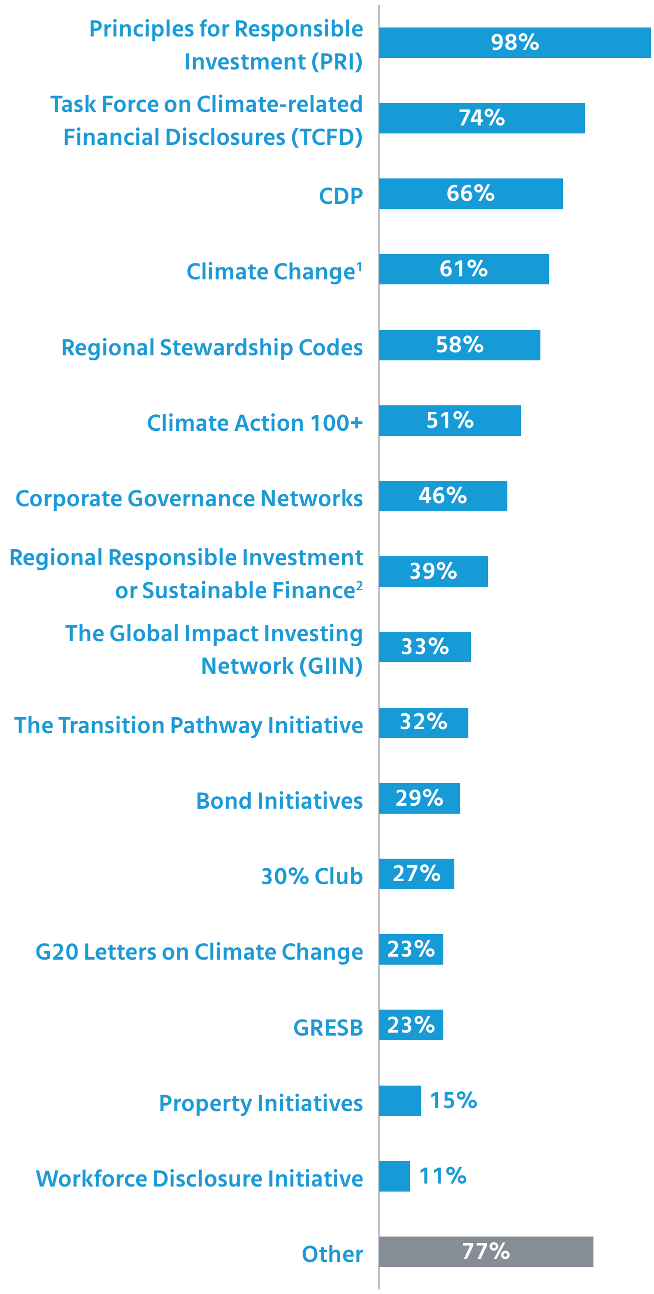
Corporate Governance	Environment & Climate Change	Social Issues	Other	Total
4103	3401	2728	1874	12106
34%	28%	23%	15%	100%

Other – managers who selected other failed to categorise "other" into the options above:

- PRI sub groups such as Bondholder Engagement Working Group, PRI Sovereign Wealth Working Group, PRI SDG Advisory
- Sustainability Accounting Board (SASB)
- Cambridge University Investment Leaders Group
- Many smaller local country specific initiatives

It is not surprising that almost all managers are signatories to the Principles for Responsible Investing (PRI). Given the importance of climate change, there are a number of industry initiatives in the market that promote enhanced disclosure on and management of climate change risks, which a significant amount of managers are signatories of. These include the Task Force on Climate Related Financial Disclosures (TCFD), the Carbon Disclosure Project (CDP), Climate Action 100+, the Transition Pathway Initiative (TPI) and a number of Investor Groups on Climate Change.

Figure 4: Industry initiatives supported through membership or signatory status (based on % of mandates)

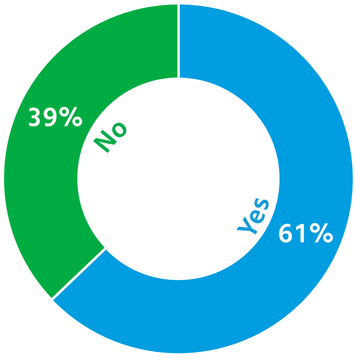


[1] e.g. Investor Group on Climate Change/Institutional Investor Group on Climate Change/Ceres
[2] e.g. RIAA, UKSIF, USSIF

Priority Engagement Areas – Environmental

One of Mercer's core investment beliefs is sustainability, within which we state specifically that climate change poses a systemic risk and investors should consider the potential financial impacts of both the associated transition to a low-carbon economy and the physical impacts of different climate outcomes. In line with this belief, Mercer ISE engages with managers on their approach to considering climate related risks and opportunities, with the results of the engagement survey used as an additional tool in engaging with managers to promote greater integration of climate change risks into the investment process of managers, including through the development of formal policies to integrate these.

Figure 5: Managers with a formal policy outlining its approach to climate change risks and opportunities (based on % of mandates)

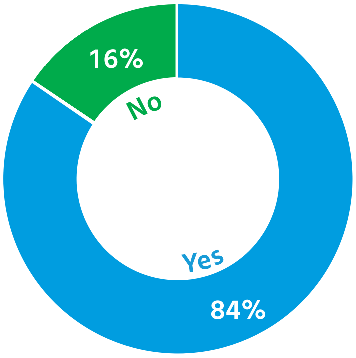


Almost half of the mandates managed by managers' surveyed, report in line with the TCFD recommendations. For those who indicated that they do not, many have stated that are currently in the process of preparing a climate change disclosure statement.

Figure 6: Managers who have prepared a climate change disclosure statement in line with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) (based on % of mandates)

Across the majority of mandates managed by managers, the carbon footprint of their mandates are measured, using either carbon emissions, carbon intensity, weighted average carbon intensity, exposure to stranded assets and fossil fuels and exposure to climate mitigation, adaptation and opportunities (carbon transition scores) or a combination thereof. Additionally metrics including 2 degree alignment of portfolio (% over or under carbon budget by 2050), temperature warming score (degrees warming implied by 2050), exposure of portfolio to renewable energy generation and exposure to controversial practices such as arctic drilling or oil sands have also been highlighted.

Figure 7: Managers measuring the carbon footprint of their portfolios (based on % of mandates)



It is also common to see a range of data providers used, based on managers' views of the robustness of each data provider's datasets. In a number of cases, managers will develop proprietary rating frameworks from the inputs from a variety of data providers.

Approximately 60% of managers have stated that they have or are planning on setting climate transition targets to align with net zero / 1.5 degree scenarios in line with the Paris Agreement on Climate Change. Reasons from those not planning to set a target include: "using climate metrics for targets draws a too narrow frame" and "many of the companies invested in might fall foul to available climate measures as the metrics don't take into account the full impact they are having on the transition to a low carbon economy". This may be the case given the current difficulty in measuring metrics such as Scope 3 emissions, which relates to indirect emissions that occur in a company's value chain, and is more difficult to quantify than Scope 1 and Scope 2 emissions[1].

Figure 8: Managers who have set climate transition (e.g. net zero) targets or any other climate change-related targets (based on % of mandates)

Approximately 50% of managers have voted at least once against management on climate change resolutions. These votes were made in support of proposals that increased transparency to risks posed to the companies by climate change, for example on increasing reporting on climate change and GHG reduction. This allows for better transparency on the company's management of climate change risks and the impacts that climate change-related regulations might have on the company and its operations.

Majority of managers have engaged with their portfolio companies and issuers on climate change. Those who have not engaged generally don't engage at all as part of their investment process (see Figure 1). This may be the case for some fixed income mandates where managers believe they have limited opportunities to engage (e.g. those investing in sovereign bonds). Other strategies falling into this category include: quantitative strategies (where the high turnover leads to less relevance placed on engaging on ESG factors) and smaller boutique managers (where resource capacity and ability to influence were cited as a reason for lack of engagement).

Figure 9: Managers who have voted against management on any climate change resolutions (based on % of mandates)

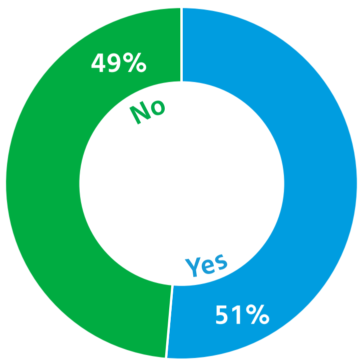
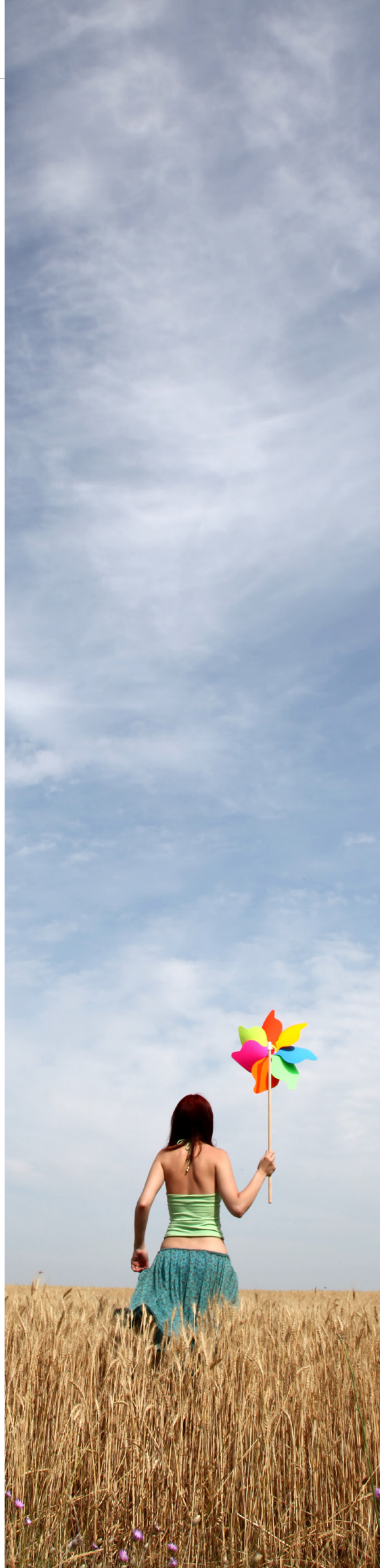


Figure 10: Managers who have engaged with company management on climate change specifically (based on % of mandates)



[1] Scope 1 emissions covers direct emissions from owned or controlled sources and Scope 2 emissions covers indirect emissions from the generation of purchased electricity, steam, heating and cooling consumed by the reporting company .

Another priority area of engagement for Mercer ISE relates to workforce and supply chain safety, and human rights practices that avoid contributing to modern slavery, exploitation and other human rights abuses. This is a growing investor concern due to the potential effects on economic growth, unproductive economic activity, rent-seeking and economic instability; the threat of social tension and subsequent political instability; and the impacts on beneficiaries for economic and health reasons.

There are a number of managers who, given their jurisdiction of investing, do not formally support the UK Modern Slavery Act. In many of these cases, managers have cited consideration of the principles promoted by the Act, through assessing violations of applicable laws, local practices and cultural norms; and other frameworks, such as the UN Global Compact Principles on Human Rights and Labour and OECD Guidelines for Multinational Enterprises.

Figure 11: Managers who support the UK Modern Slavery Act (based on % of mandates)

There are a number of managers, who include an assessment of exploitive business practices of companies, particularly where these may be material concerns for a particular company or sector. While these risks may be considered, not all of these managers will have formal policies in place for identifying, assessing and addressing these risks, however.

Figure 12 Managers who have a policy outlining their approach to identifying, assessing and addressing the risk of exploitative business practices, which could be defined as modern slavery or an abuse of human rights (based on % of mandates)

A number of managers have developed specific risk identification frameworks to assess the extent of modern slavery risk within the companies in their coverage universes, as well as within the supply chains of those companies. For example, a number of managers have developed proprietary frameworks and toolkits, which examine companies and their suppliers through multiple lenses. These may include vulnerable populations (e.g. migrant workers, minorities, illiterate) as the workforce; high-risk geographies; high-risk products and services; high-risk business models; complex supply chains and whether there are pressures such as short lead times or cost pressures.

Figure 13: Managers who have undertaken a modern slavery risk assessment (based on % of mandates)

Source: Mercer. Note: Low: <5%; Low/Medium: 5–10%; Medium: 11–20%; Medium/High: 21–40%; High: >40% (As at December 2018).

[1] Refers to the percent distribution of ESG1 and 2 rated strategies in GIMD, where available.

[2] Refers to the percent distribution of sustainability themed strategies compared to mainstream by asset class – noting equities is a large universe so the low relative number is not actually a low absolute number.

[3] Conservative view - research updates in this asset class may result in a more favourable view than is currently held.

Over 40% of managers have engaged with companies or issuers on modern slavery or human rights abuse practices. Managers who have not engaged may relate to managers who don't engage with company management or issuers at all as part of their investment process (see Figure 1). This may be the case for some fixed income and quantitative mandates and smaller boutique managers (as noted above). For a number of managers, modern slavery and other human rights practices are assessed at the pre-investment evaluation, with managers not having to engage with companies or issuers on these issues given the lack of prevalence of modern slavery or human rights abuses. In these circumstances managers have stated that they would engage, if the prevalence of modern slavery or human rights abuses arose.

Figure 14: Managers who have conducted any engagements with companies or issuers held in the portfolio specifically regarding modern slavery (human rights abuse) practices (based on % of mandates)

44% Yes

19% **No**, but we are planning to

36% **No**, and we are **not** planning to

Priority Engagement Areas – Governance

Mercer ISE believes drawing on cognitive and identity diversity in decision-making processes creates better solutions and has therefore included diversity and inclusion as one of its engagement priorities. Diversity includes gender, age, ethnicity, nationality, prior working experience, qualifications and level of education, together with potentially less visible factors such as disability, sexual orientation, and personal values / beliefs. Mercer ISE promotes practices that encourage gender diversity at a manager and security level, in line with the principles of the 30% Club.

Majority of managers have a diversity policy in place, for those that don't these are generally smaller boutique managers, with smaller teams and/or low turnover of staff, who while not having a formal policy in place, do consider diversity in their hires, where possible.

Figure 15: Managers who have a policy for their organisation, and specifically the investment team, on diversity - cognitive and identity (based on % of mandates)

77% Yes

11% **No**, but we are planning to

13% **No**, and we are **not** planning to

In line with the principles of the 30% Club, Mercer ISE monitors and engages with managers on the diversity of their investment teams in order to improve diversity within the investment management industry.

What percentage of your investment management team with portfolio management responsibilities are women (based on % of mandates)

16%
Average

16%
Median

10%
25th Percentile

22%
75th Percentile

Similarly, Mercer ISE encourages managers to consider diversity within the companies and issuers they invest in, in order to promote diversity at a much broader level. In line with the principles of the 30% Club Mercer ISE monitors the level of gender diversity across funds and will seek to improve diversity through mandating managers to vote in favor of gender diversity on boards.

Majority of managers have engaged with company management and issuers on diversity practices. Those who have not engaged generally do not engage at all as part of their investment process as (see Figure 1). This may be the case for some fixed income and quantitative mandates and smaller boutique managers (as noted above).

Figure 16: Managers who have conducted any engagements with companies held in the portfolio specifically regarding diversity practices (based on % of mandates)

Examples of circumstances where managers have voted/will vote against any directors where diversity expectations have not been met

After many years of engagement, for the second year in a row we voted against the re-election of a long-standing 'independent' director at Company A (he had been on the Board since 1995). We informed the company of our desire to see a more independent and diverse Board. In the end, there was a Board restructuring after the shareholder meeting in which two new female Board directors were appointed.

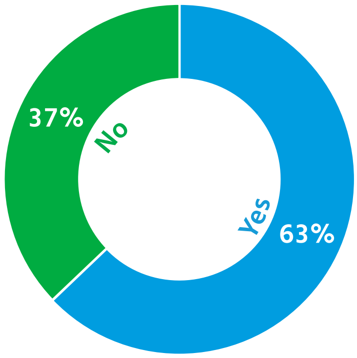
A vote against a proposal is warranted when, in our view, a Company has not managed issues of diversity and inclusion in a manner that adequately represents shareholder interests or that protects the value of its brand.

We vote against the chair of the nomination committee at the largest 100 companies in the combined S&P500/TSX indices (or representative regional index) where the board composition includes less than 25% women. Global policy (where not covered above): we vote against the chair of the board where there is an all-male board.

We will not support the election of the Chair of the Nomination Committee where the gender balance on the Board is not considered to be in line with our expectation for the market.

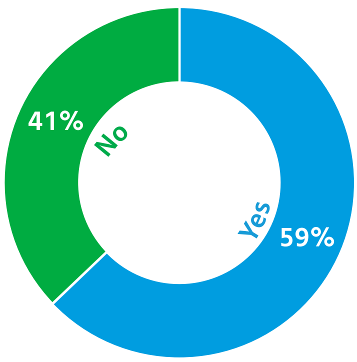
Board diversity is one of our highest prioritized engagement topics. We voted against management in 17% of 2020 proposals, primarily in relation to compensation and Board elections. In many cases, we voted against the election/re-election of certain Board Members due to a lack of diversity (ethnicity, age, length of tenure).

Figure 17: Managers who have a policy or in principle expectations for listed companies with respect to management and Board diversity (based on % of mandates)



Over 50% of mandates have voted against any director where diversity expectations have not been met.

Figure 18: Managers who have voted against any directors where diversity expectations have not been met (based on % of mandates)



03/ Proxy Voting

Introduction

As a shareholder of publicly listed companies, Mercer ISE has the right to vote at shareholder meetings. Mercer ISE regards voting its shares as important to our fiduciary responsibility. As part of its outsourced investment model, Mercer ISE outsources proxy voting responsibility to its listed equity investment managers and expects all shares to be voted in a manner deemed most likely to protect and enhance long term value. Mercer ISE carefully evaluates each manager's capability in proxy voting as part of the manager selection process.

Use of proxy voting advisors

Mercer accepts that managers may have detailed knowledge of both the governance and the operations of the investee companies and has therefore enabled managers to vote based on their own proxy-voting execution policy. As Mercer ISE does not vote shares directly, it does not use the services of a proxy voting advisor. Mercer ISE does however monitor the use of proxy voting advisors by underlying managers as highlighted below.

Split votes

The outsourcing of proxy voting responsibilities may result in split votes across managers. Where Mercer ISE believes consistency on a significant matter is necessary, and to ensure it is representing Mercer ISE's commitment to good governance, sustainable investment and long-term value creation, Mercer ISE may instruct managers via Investment Management Agreements or other means to vote in line with Mercer ISE's Engagement Priorities in order to ensure consistency across sub-investment managers.

Disclosure of significant votes

Over 2020, there has been a greater focus on the public disclosure of significant votes, particularly in regions such as Europe and the UK. There is a level of discretion available to managers as to what constitutes a significant vote, however some guidance has been provided by the industry. Definitions include whether there is a particular interest in a specific vote relating to an issue, theme or impact; the potential impact on financial outcome; the potential impact on stewardship outcome; size of holding in the fund/mandate; whether the vote was high-profile or controversial or where the manager was subject to a conflict of interest.

As Mercer ISE outsources its voting activities to managers, disclosure of significant votes by underlying managers may differ based on definitions used by managers. While Mercer ISE, monitors the disclosures of significant votes by underlying managers, it has further supplemented its approach based on its own definition guided by its Engagement Priorities, and based on its Beliefs, Materiality and Impact (BMI) Framework. In order to monitor and report on managers voting activities, significant votes highlight shareholder proposals with specific focus on Mercer ISE's engagement priority areas, while taking into account the size of holding across funds.

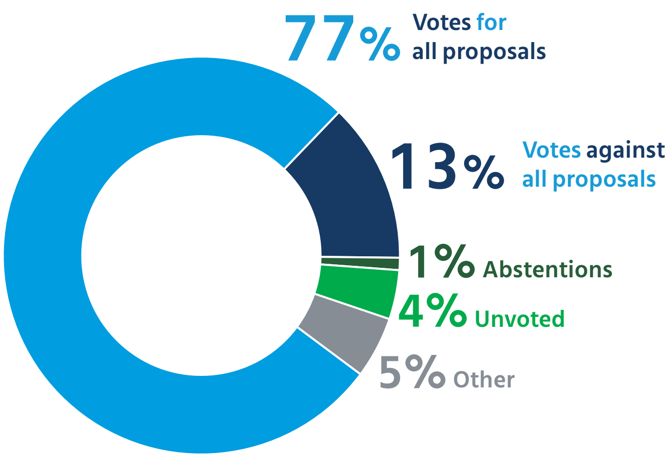
Public disclosure of voting records

In order to provide more information on how Mercer ISE exercises its proxy votes within its portfolios, a Proxy Voting Search site has been enabled, which is updated every six months, which discloses proxy votes over the prior six-month period.

04/
2020 Proxy Voting Highlights

Summary statistics across all segregated equity funds

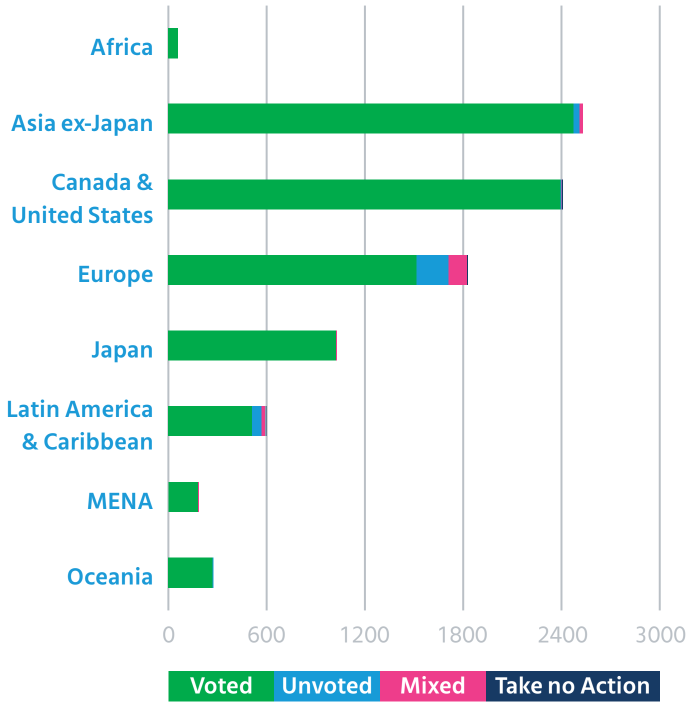
Total meetings voted	8,914
Total ballots voted	15,379
Total proposals voted	173,458
Number of countries voted	73
AUM of funds	€67.9 BN



% votes with management	85%
% votes against management	15%

The above statistics represent the aggregated results of voting activities across all segregated mandates, with voting rights attached, which are managed on behalf of Mercer ISE by its managers. Fund specific statistics are available to investors in multi-client and bespoke funds on request.

Regional breakdown of meetings



Notes:

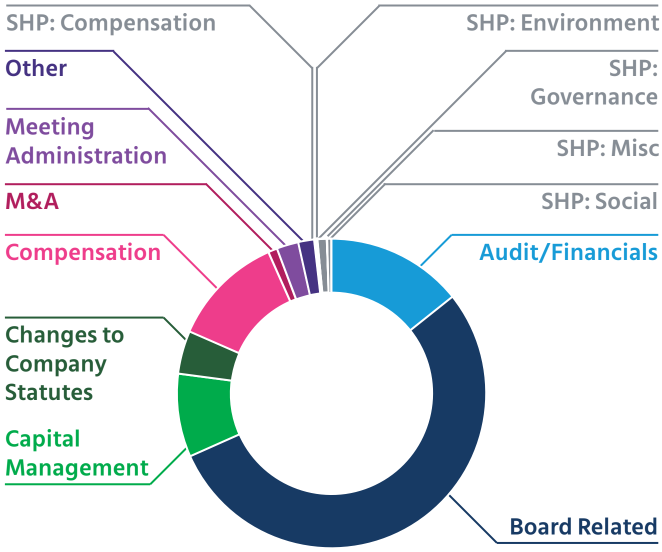
Take No Action: where managers have explicitly opted to not vote at a meeting (e.g. in Power of Attorney (POA) markets, Share-Blocking markets, or where Conflicts of Interest may be present).

Unvoted: where managers have not actioned a meeting – these are specific areas where Mercer ISE will followup with managers to ensure managers have appropriate systems in place to ensure all votes are actioned.

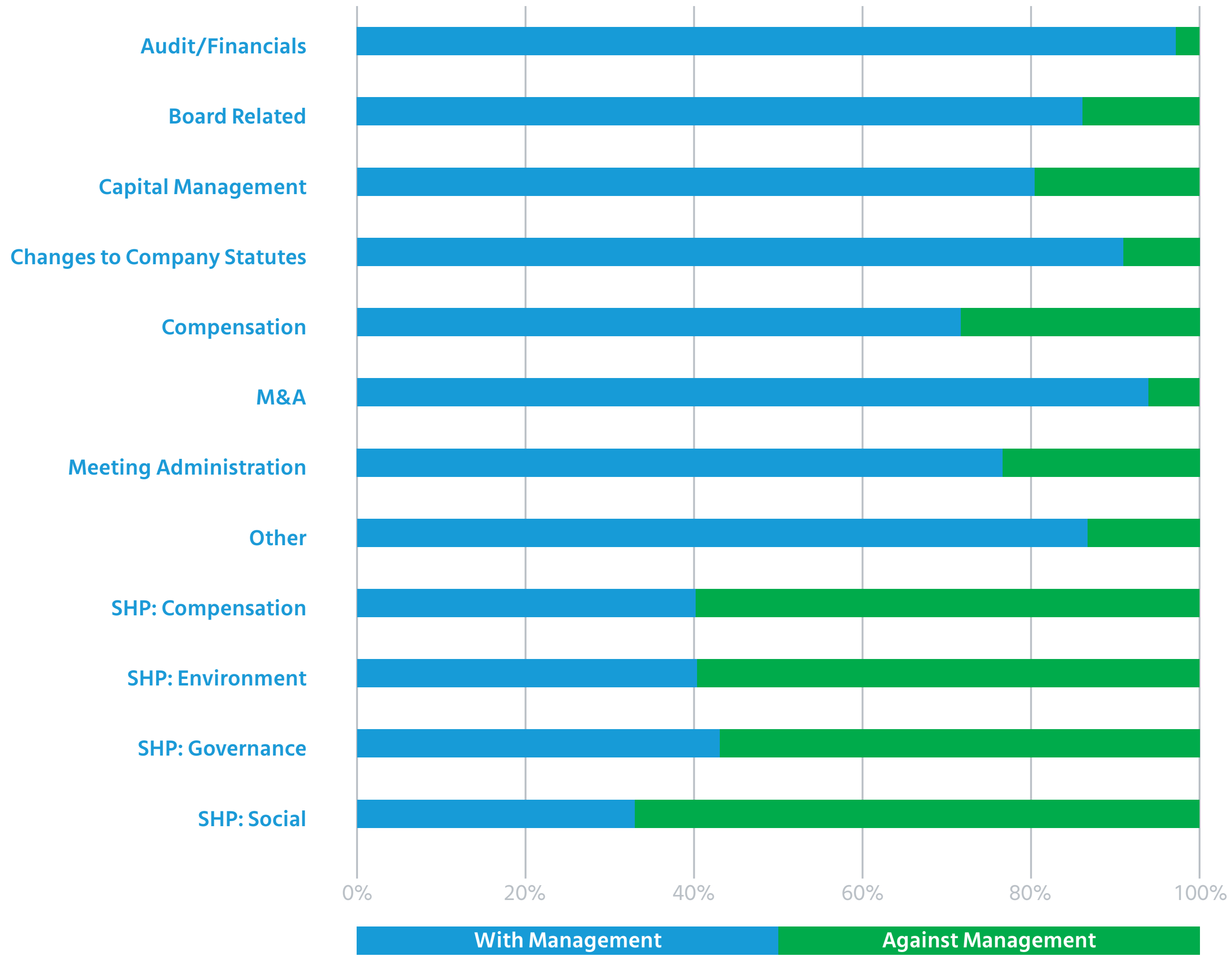
Mixed: where managers actions have differed across a specific meeting e.g. where one manager may have exercised their voting rights, while another may have opted to not vote at a meeting.

Proposals by topic

Board related proposals represent over half of proposals voted (54%), with audit and compensation related proposals representing 14% and 12% of votes respectively. Shareholder Proposals represent only 2% of proposals. This 2% is further, split across topics related to Governance (58%), Social (24%), Environmental (10%) and Compensation (8%).



Voting Activity Per Topic



Votes against management by sub-investment manager

Mercer ISE has exposure to a number of managers across the Mercer ISE Funds. As part of the monitoring of managers' approaches to voting, Mercer ISE assesses how active managers are in voting against management and seeks to obtain the rationale behind voting activities, particularly in cases where split votes may occur. Mercer ISE portfolio managers will use these results to inform their engagements with managers on their voting activities.

Significant votes

As described earlier in this report, Mercer ISE has based its definition of significant votes on its Engagement Priorities, based on its Beliefs, Materiality and Impact (BMI) Framework. In order to monitor and report on managers voting activities, significant votes highlight shareholder proposals with specific focus on Mercer ISE's engagement priority areas, while taking into account top holdings across funds.

Sample of significant votes relating to shareholder proposals

Issuer Name[2]	Vote Category	Proposal Text	Manager votes	Vote Instruction	Vote Date
Issuer A	SHP: Environment	Presentation of Climate Transition Plan	For - one manager	For	18/10/2020
Issuer B	SHP: Compensation	Linking Executive Pay to Sustainability and Diversity	For - three managers Against - one manager	Split	02/06/2020
Issuer C	SHP: Compensation	Median Gender and Racial Pay Equity Report	For - two managers	For	15/05/2020
Issuer D	SHP: Governance	Independent Chair	For - two managers Against - one manager	Split	20/05/2020
Issuer E	SHP: Governance	Independent Chair	For - five managers Against - one manager	Split	25/05/2020
Issuer F	SHP: Social	Establishment of Safety Review Committee	For - one manager Against - two managers	Split	03/06/2020
Issuer G	SHP: Environment	Aligning GHG Reductions with Paris Agreement	For - five managers Abstain - one manager	Split	01/05/2020
Issuer H	SHP: Social	Report on Sugar and Public Health	For - two managers Against - four managers	Split	14/04/2020
Issuer I	SHP: Environment	GHG Reduction Targets	For - two managers Against - one manager Abstain - one manager	Split	12/05/2020
Issuer J	SHP: Environment	Report on Single-Use Plastic Shopping Bags	For - four managers	For	22/05/2020

Votes against management

Approximately 15% of votes have been against management across all the Mercer ISE funds. The majority of these related to shareholder proposals across Environmental, Social and Governance resolutions.

15%

of meetings voted against management

60%

votes in favour of environmental shareholder resolutions

67%

votes in favour of social shareholder resolutions

57%

votes in favour of governance shareholder resolutions

60%

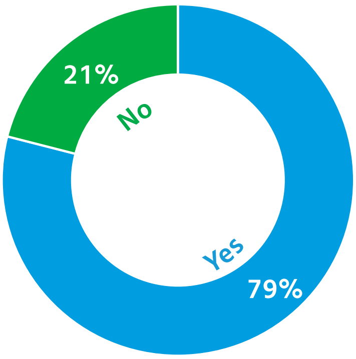
votes in favour of compensation shareholder resolutions

Manager Insights on Proxy Voting

The majority of managers disclose significant votes, however those that do not largely attribute this to the use of standard templates provided by their data providers.

As described earlier, definitions on what constitutes a significant vote differs across managers and from the survey highlight the below.

Figure 19: Disclosure of significant votes



Examples of definitions of significant votes used by managers, based on survey responses include:

- Any vote cast against management
- Determined by market opinion, media scrutiny or an internal view, such as where we have opposed the financial statements.
- Based on a focus list of companies
- On companies with poor governance scores
- All shareholder proposals, all remuneration proposals, all votes against management not already included and excluding routine items.

Use of proxy voting advisors by underlying managers

Majority of managers use a proxy advisor, with three key players dominating this space namely, ISS, Broadridge and Glass Lewis. There are a few managers who use other providers with a more regional bias e.g. ISS IIAS, ZD Proxy, Si2, Egan-Jones and others who use a combination of proxy voting providers.

Figure 20: Percentage of mandates where managers use a third party provider for proxy voting execution

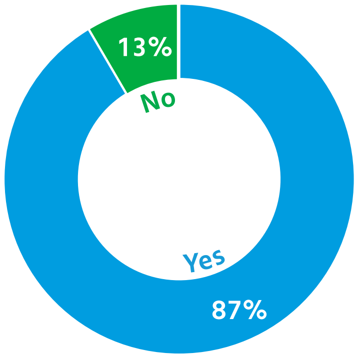
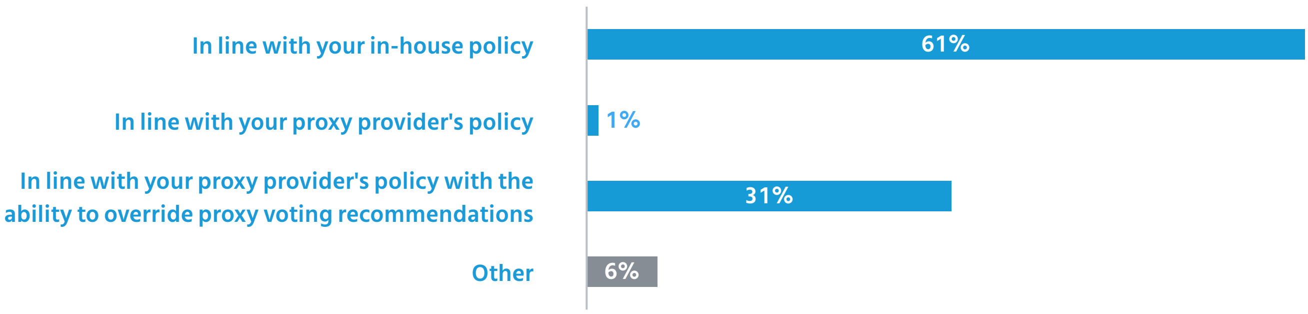


Figure 21: Proxy voting providers used

67%	ISS	14%	Glass Lewis
15%	Broadridge	4%	Multiple providers

Despite the use of proxy voting providers, majority of managers have an internally developed voting policy, with those leveraging off the policies provided by proxy voting advisors, utilizing their ability to override proxy voting recommendations. In Figure 22 below, the "Other" category includes examples where a few managers have set out detailed responses of their full voting execution policies although, while referencing the more standard options below.

Figure 22: Vote execution by underlying managers



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