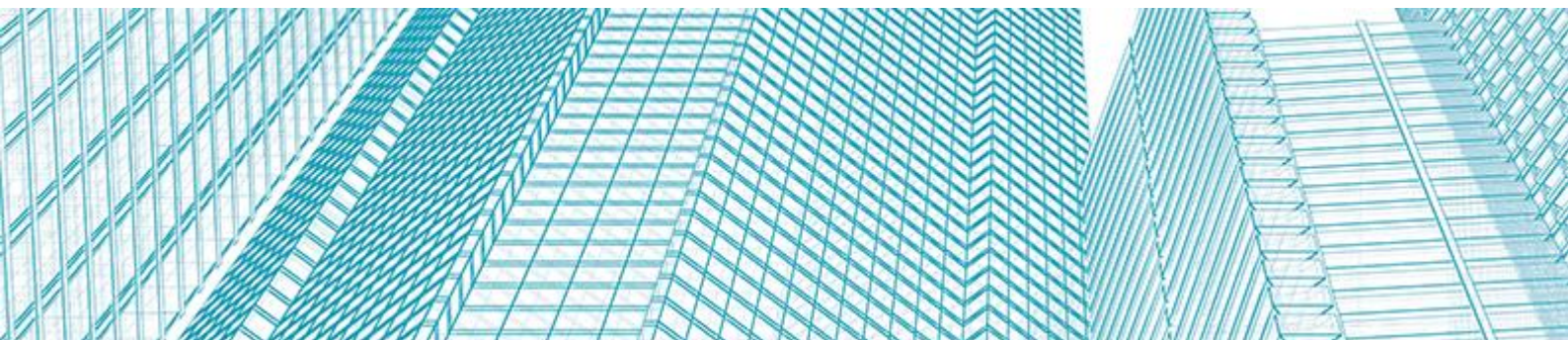


Border to Coast UK Listed Equity Fund



Proxy Voting Report

Period: July 01, 2020 – September 30, 2020

Votes Cast	475	Number of Meetings	29
For	445	With Management	445
Withhold	0	Against Management	30
Abstain	0	Other	0
Against	30		
Other	0		
Total	475	Total	475

In 62% of meetings we have cast one or more votes against management recommendation.

General Highlights

The Outcomes of Say-on-Pay Votes

The introduction of Say-on-Pay (SOP) regulation in 2002 was intended to improve the ability of shareholders to voice their discontent with companies' remuneration practices. It was thought to ensure that boards were held accountable for alignment between CEO pay and shareholder expectations related to remuneration. Nearly two decades after the first introduction in the United Kingdom various other countries have adopted their own versions of SOP. For example, the Netherlands (2004), Australia (2005) and the United States (2011) all followed suit. Although country specific regulations vary in the level of strictness related to the vote (advisory or binding) all different versions of SOP can be broadly defined as any shareholder vote regarding the approval of executive compensation or parts of it during a firm's annual general meetings. Since the introduction of SOP many observers and practitioners have endeavored to analyze the outcomes.

Research has identified three remuneration related improvements that occur following shareholder dissent of at least ten percent on SOP. First, SOP can help lower excessive compensation levels. Specifically, firms have been found to lower annual bonuses, severance arrangements and salaries. Secondly, the structure of the compensation is changed to improve Pay Performance Sensitivity ensuring a tighter relation between a company's performance and the CEO's remuneration. This improvement of alignment can be seen by an increase of incentive-based pay relative to salary. Lastly, the introduction of SOP has helped to improve disclosure on company's remuneration practices. This is partially due to the legal requirement in certain markets but is also in part guided by shareholders demanding further disclosure to be able to better monitor pay practices. These findings of SOP leading to the remuneration improvements are robust. Researchers from the US Federal Reserve Board found that when comparing an international sample of firms with and without SOP that CEO pay declines on average by 7%, and the Pay Performance Sensitivity of the compensation schemes increases on average by 5%.

Despite several studies finding that SOP can be an effective tool in monitoring executive pay there is no academic consensus on the effectiveness of SOP in all scenarios. Specifically, SOP is more likely to be effective in corporations with overall good corporate governance structures such as greater ownership dispersion and a higher percentage of independent directors. Additionally, several studies have highlighted that for SOP to lead to change in remuneration practices a certain level of dissent has to be reached. There are several factors, such as shareholder collaborations, proxy advisors, and the media that can help accrue this critical mass of dissent. As these actors continue to home in on the subject, we believe executive remuneration will continue to become better aligned with the creation of long-term shareholder value.

Anti-social Shareholder Proposals

Every year, shareholders vote on a handful of "antisocial" shareholder proposals. The most frequent proponents of these proposals are Burn More Coal, a special-interest group supportive of the coal industry, and the Free Enterprise Project, the conservative shareholder activist arm of the National Center for Public Policy Research (NCPFR). Generally, proponents of these proposals are critical of companies' progressive efforts with respect to environmental, social, and governance issues. As such, these proposals are generally aimed at curbing those efforts. At first glance, these proposals appear to be aimed at increasing disclosure and transparency – two aspects that typically garner widespread shareholder support. However, further investigation reveals that the proponent's intentions are usually much more subversive.

The Securities and Exchange Commission (SEC) in the US allows corporations to exclude any resolution from its proxy materials that is substantially similar to one it has already received. This regulation prevents shareholders from having to vote more than once on the same proposal and saves corporate resources from being spent on redundant shareholder concerns. However, proponents like the NCPPR utilize this rule to undermine shareholder proposals that would have been filed by ESG-minded shareholders. On several occasions during the 2020 US proxy voting season, sustainability-related shareholder proposals were rejected by the SEC for being too similar to their anti-social counterparts. And while resolution texts may be very similar, proposals' supporting statements offer management important background on how to implement requests, and these vary drastically between anti-social and ESG-supporting proposals. Supporting anti-social proposals would send a dangerous signal to management to avoid addressing material ESG risks proactively.

However, perhaps due to low shareholder support last year, these entities submitted significantly fewer proposals than they did in 2019—Burn More Coal and NCPPR together submitted 13 proposals to date, compared to 26 in 2019. Due to the broad range of issues addressed by shareholder proposals, they need to be assessed on a case-by-case basis. Nonetheless, shareholders proposals should not be used to undermine the material concerns raised by other shareholders.

Votes Against Management

In the following instances, Border to Coast Pension Partnership voted against the recommendation of management at the shareholder meeting. In each instance where a vote against management has been cast, the rationale for the vote is also provided.

Issuer Name	Meeting Date	Proposal Description	Management Recommendation	Vote Decision	With Or Against Management	Vote Note	Meeting Type
Whitbread plc	7/7/2020	Remuneration Report (Advisory)	For	Against	Against Management	Long term awards are not linked to performance.	Annual
Whitbread plc	7/7/2020	Authorisation of Political Donations	For	Against	Against Management	Oppose all political donations due to reputational risks and democratic implications of companies becoming involved in funding political processes	Annual
BT Group	7/16/2020	Authorisation of Political Donations	For	Against	Against Management	Oppose all political donations due to reputational risks and democratic implications of companies becoming involved in funding political processes	Annual
Tate & Lyle plc	7/23/2020	Authorisation of Political Donations	For	Against	Against Management	Oppose all political donations due to reputational risks and democratic implications of companies becoming involved in funding political processes	Annual
Vodafone Group plc	7/28/2020	Elect Renée J. James	For	Against	Against Management	Less than 75% Attendance; Potential overcommitment	Annual
Vodafone Group plc	7/28/2020	Authorisation of Political Donations	For	Against	Against Management	Oppose all political donations due to reputational risks and democratic implications of companies	Annual

Burberry Group	7/15/2020	Authorisation of Political Donations	For	Against	Against Management	becoming involved in funding political processes Oppose all political donations due to reputational risks and democratic implications of companies becoming involved in funding political processes	Annual
Experian Plc	7/22/2020	Elect Mike Rogers	For	Against	Against Management	The nominee is the Chair of the board and the company has not put the dividend policy up for vote.	Annual
Homeserve	7/17/2020	Elect J.M. Barry Gibson	For	Against	Against Management	The nominee serves as Chairman of the Nominating Committee and the board lacks sufficient diversity.	Annual
Homeserve	7/17/2020	Elect Stella David	For	Against	Against Management	Affiliate/Insider on compensation committee	Annual
Homeserve	7/17/2020	Appointment of Auditor	For	Against	Against Management	The tenure of the auditor is excessive.	Annual
Homeserve	7/17/2020	Authority to Set Auditor's Fees	For	Against	Against Management	The tenure of the auditor is excessive.	Annual
Aveva Group	7/21/2020	Elect Philip Aiken	For	Against	Against Management	The nominee serves as Chairman of the Nominating Committee and the board lacks sufficient diversity.	Annual
Aveva Group	7/21/2020	Appointment of Auditor	For	Against	Against Management	The tenure of the auditor is excessive.	Annual
Aveva Group	7/21/2020	Authority to Set Auditor's Fees	For	Against	Against Management	The tenure of the auditor is excessive.	Annual
Johnson Matthey plc	7/23/2020	Authorisation of Political Donations	For	Against	Against Management	Oppose all political donations due to reputational risks and democratic implications of companies	Annual

Great Portland Estates plc	7/24/2020	Appointment of Auditor	For	Against	Against Management	becoming involved in funding political processes	Annual
Great Portland Estates plc	7/24/2020	Authority to Set Auditor's Fees	For	Against	Against Management	The tenure of the auditor is excessive (more than 10 years).	Annual
National Grid Plc	7/27/2020	Authorisation of Political Donations	For	Against	Against Management	The tenure of the auditor is excessive (more than 10 years).	Annual
Babcock International Group plc	8/4/2020	Appointment of Auditor	For	Against	Against Management	Oppose all political donations due to reputational risks and democratic implications of companies becoming involved in funding political processes	Annual
Babcock International Group plc	8/4/2020	Authority to Set Auditor's Fees	For	Against	Against Management	The tenure of the auditor is excessive.	Annual
Babcock International Group plc	8/4/2020	Authorisation of Political Donations	For	Against	Against Management	The tenure of the auditor is excessive.	Annual
British Land Co plc	7/29/2020	Authorisation of Political Donations	For	Against	Against Management	Oppose all political donations due to reputational risks and democratic implications of companies becoming involved in funding political processes	Annual
Pennon Group	7/31/2020	Authorisation of Political Donations	For	Against	Against Management	Oppose all political donations due to reputational risks and democratic implications of companies becoming involved in funding political processes	Annual

Ashtead Group plc	9/8/2020	Appointment of Auditor	For	Against	Against Management	The tenure of the auditor is excessive.	Annual
Ashtead Group plc	9/8/2020	Authority to Set Auditor's Fees	For	Against	Against Management	The tenure of the auditor is excessive.	Annual
Halma plc	9/4/2020	Authorisation of Political Donations	For	Against	Against Management	Oppose all political donations due to reputational risks and democratic implications of companies becoming involved in funding political processes	Annual
Berkeley Group Holdings	9/4/2020	Elect Glyn A. Barker	For	Against	Against Management	The nominee serves as Chairman of the Nominating Committee and the board lacks sufficient diversity. The nominee is the Chair of the board and the company has not put the dividend policy up for vote.	Annual
Berkeley Group Holdings	9/4/2020	Authorisation of Political Donations	For	Against	Against Management	Oppose all political donations due to reputational risks and democratic implications of companies becoming involved in funding political processes	Annual
Diageo plc	9/28/2020	Authorisation of Political Donations	For	Against	Against Management	Oppose all political donations due to reputational risks and democratic implications of companies becoming involved in funding political processes	Annual

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