



January – March 2025



Brewin
Dolphin

Quarterly Stewardship Update Q1 2025

Welcome to our first quarterly stewardship update of 2025. As we start a new year, in which stewardship remains high on the agenda, we wanted to take this opportunity to share what we've been working on and why it all matters. This quarter's update therefore includes an overview of our work and what it means, as well as case studies and rationales to demonstrate this work in action.

Activity snapshot

This quarter we have:

- Voted against an activist campaign
- Engaged on nature and biodiversity
- Developed our voting guidelines

Our voting statistics

This quarter we voted at a total of 27 company meetings.

Votes for the quarter 01/01/2025 – 31/03/2025

27	25	2	0	5
meetings	with management	against management	abstain	against ISS

Number of votes	279
Votes in disagreement with ISS	10
Votes in disagreement with management	2
Votes FOR	220
Votes AGAINST	59



Signatory of:



What is stewardship?

For us, stewardship in practice means using our investor rights and influence to help protect and enhance the value of our clients' investments. Being good stewards means that we strive to safeguard our shareholder interests, make better investment decisions and aim for positive client outcomes. We do this by advocating for healthy and robust governance structures, to align corporate management teams with shareholders; and encouraging companies to think long term, and consider a broader range of risks and opportunities, such as ESG-related ones.

We vote thoughtfully on issues ranging from board diversity and audit appointment to climate transition plans and artificial intelligence (AI). When deciding how to vote, we use the voting recommendations of a proxy voting research provider, currently Institutional Shareholder Services (ISS), to complement the expert knowledge of our analysts. When our voting decision differs from the recommendation of the company itself or ISS, we see this as a significant vote. Rationales for these decisions can be found in the table at the end of this report.

Engagement with the companies we own can occur when addressing specific annual general meeting (AGM) agenda items, as part of our ongoing monitoring, or as the result of a controversy or high-profile news item. We also engage with the managers of funds we hold as part of our proactive and reactive engagement efforts.

Examples of all these activities are enclosed to give the reader an insight into the important role stewardship plays in wealth management. A library of past updates can be found on our website.

Activism in investment trusts

Towards the end of 2024, a U.S. based hedge fund, Saba Capital, launched a very public activist campaign to implement significant change at seven UK investment trusts by requisitioning general shareholder meetings. We had been observing the activist's position-building efforts for some time, unclear of the course of action they would take.

In short, Saba's proposal was the removal of all board directors at the seven trusts, to be replaced by two of their own representatives. The trusts had been trading at a discount (the difference between the share price and underlying value of assets), and Saba claimed they could deliver better shareholder value. To them, this involved taking over the board and potentially the investment management function and combining the trusts into a new vehicle under Saba's management.

The proposals put forward by Saba, if voted through, would have had considerable repercussions for minority shareholders. In instances like this, where the activist has a significant stake (Saba held approximately 29% of most trusts at the time of the meetings), every vote counts. Concerns were also compounded by the historically low level of shareholder turnout. We therefore felt that the right

thing to do, as responsible owners, was to research and vote at all meetings, for both core and non-core holdings, especially given the high proportion of shares held by retail investors who may not have access to quality, personal financial advice.

We alerted our execution-only clients to vote as well. This not only helped protect the interests of all our clients but also ensured that they continue to benefit from expertise of the existing managers, rather than ending up in potentially subscale, illiquid funds with an unclear investment objective.

We engaged extensively with various parties to ensure we heard all views before casting our votes, including most of the boards of the trusts in question, and Boaz Weinstein and Paul Kazarian of Saba. Following our engagement, we remained concerned over numerous issues that might have resulted in poor outcomes for investors in the targeted investment companies, if the Saba bid prevailed. These included the appointment of non-independent board candidates who may not represent our interests, and the potential subsequent appointment of Saba as the investment manager, with no track record or expert knowledge of the assets held, as well as a lack of clarity on future direction or potential costs.

Ultimately, Saba's proposals were voted down by an overwhelming majority of non-connected shareholders. Following this, some boards have offered shareholders the opportunity to exit the trusts at a fair price through managed wind-downs for example.

Furthermore, off the back of this campaign, we entered into dialogue with the Association of Investment Companies (AIC), via the Investor Forum, to encourage changes to the listing rules. These changes would add further protections to minority shareholder rights with regards to minimum requirements for independent directors. We feel that this is a fundamental gap not currently addressed in the rules. If left unaddressed, this gap may, in future, compromise the interests of our clients as shareholders. We also expressed our support for the AIC's 'my vote, my share' campaign dealing with retail shareholder rights. We look forward to providing more updates as this work progresses.

Nestlé

As part of our membership of Nature Action 100, we recently held an engagement meeting with Nestlé's investor relations and head of biodiversity. Nature Action 100 is a global investor-led engagement initiative focused on supporting greater corporate ambition and action to reverse nature and biodiversity loss.

Our discussions with Nestlé covered their assessment of nature impacts and dependencies, mapping their operations in ecologically sensitive areas, and targets on water usage and deforestation. It was clear that they're committed to their programmes, specifically regenerative agriculture, however we'll continue monitoring their disclosures and progress, as we believe more could and should be done to protect nature.

This engagement, along with subsequent meetings we anticipate having throughout the year with Nestlé

and others, will feed into our overall understanding of nature and biodiversity risk and opportunities within our investee companies. Biodiversity loss is an investment risk globally, and as one of our top stewardship priorities, it's an area we'll continue to address.

Run up to proxy season: What to expect

Moving into April, we're heading into what is known in the industry as 'proxy season'. This is when we see most company AGMs occur, leading to a very busy time for those involved in voting. One benefit of such a highly concentrated time is that trends become apparent, we can instinctively determine shifts in best practice and compare similar resolutions across companies.

We vote at companies across geographies, and this proxy season will be defined as the first since the return of the Trump administration in the U.S. We expect to see this play out in areas such as climate, diversity, equity and inclusion, and shareholder proposals more generally. While this won't impact our voting decisions, it will provide a different context. Our voting decisions are guided by our expert company knowledge and experience of voting, corporate governance, and inputs from our proxy research provider, ISS. We don't follow a policy or formula for voting, however we have drawn up voting guidelines which outline how decisions could be made for various voting issues. These are available on our [website](#).

Significant votes

Company	Exception description	How we voted	Against	Rationale
Visa Inc	Report on Lobbying Payments and Policy	For	Management	Whilst Visa's existing disclosures are reasonable, we would prefer more granularity, especially regarding the specific amounts paid to trade association and the proportion of that money used for lobbying activities. We therefore supported this shareholder proposal, which would give shareholders better information to assess if the money is well spent and aligned with the company's goals.
Apple	Report on Ethical AI Data Acquisition and Usage	Against	ISS	We voted against a shareholder proposal for a report on ethical AI data acquisition and usage. One of the cornerstones of Apple philosophy is protection of privacy, and we understand that AI models are not trained on individual information. Therefore, we do not believe this report is necessary, however if ever there is evidence to the contrary, we are happy to reconsider.
Chrysalis Investment Trust	Re-elect Anne Ewing as Director	For	ISS	ISS recommended a vote against the director due to diversity issues. We are aware of these concerns; however, the trust is likely to be wound up and therefore continuity of the board is important. If the trust remains a going concern, we will engage with the Board on these issues.
Blackrock Throghmorton Trust	Re-elect Louise Nash as Director	For	ISS	ISS recommended a vote against the director due to diversity issues. The board have acknowledged the issues in their annual report, and we will be engaging with them to ensure this is followed through. We are comfortable to support them on this occasion given our ongoing engagement.
	Re-elect Nigel Burton as Director	For	ISS	
	Re-elect Angela Lane as Director	For	ISS	
	Re-elect Merryn Webb as Director	For	ISS	
Novo Nordisk	Re-elect Helge Lund (Chair) as Director	For	ISS	We voted in favour of the Chair of the Board, against the recommendation of ISS. While ISS points out that, excluding the employee representatives, the female proportion (37.5%) is below their desired threshold of 40%, with the employee representatives it is 50% and therefore we believe this to be a well-diversified board and are happy to support the chair of the nominating committee. We note that new Danish legislation extends gender equality requirements to both shareholder and staff elected staff members, and therefore Novo Nordisk is aligned with this requirement.
	Re-elect Henrik Poulsen (Vice Chair) as Director	For	ISS	ISS recommended a vote against directors due to the dual class share structure, however we are happy to support them. Novo A shares are held by Novo Nordisk foundation, a non-profit who cannot divest the shares and makes grants to further scientific research, while the B shares are listed. Both A and B shares have the same dividends per share, but A shares have greater voting power. Given that the voting power is not necessarily held by individuals, but by a foundation whose interests appear aligned with other shareholders, we are happy to support the re-election of these directors.
	Re-elect Kasim Kutay as Director	For	ISS	
Keystone Positive Change Investment Trust	Re-elect Karen Brade as Director	For	ISS	ISS recommended a vote against the director due to diversity issues. We are aware of these concerns; however, the trust is to be wound up and therefore continuity of the board is important. In the unlikely event the trust remains a going concern, we will engage with the board on these issues.



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