



EVENLODE

INVESTMENTS FOR LIFE



Evenlode Investment
Quarterly Stewardship Report
Q4 2023

evenlodeinvestment.com

Our purpose is to preserve and enhance the value of our clients' assets through long-term engagement and analysis.

AS AT 31 DECEMBER 2023

Our quarterly Stewardship Report aims to provide investors with information on our voting and engagement activity, as well as highlighting some key focus areas for the stewardship team for the year.

VOTING

Voted on
12 meetings

In 66% of meetings, we
voted with management
on all proposals

In 33% of meetings,
we voted against
management on at least
one proposal

During the last quarter, we observed a notable increase in shareholder resolutions, particularly among U.S. companies. One such case involved a global multinational company present across all our funds. We aligned with the management team on all their proposed resolutions. However, we opposed management on shareholder proposals concerning tax transparency and increased disclosure regarding data operations in regions known for human rights issues. Our stance has consistently been to advocate for transparency in companies' tax reporting, particularly when they do not disclose revenues or profits in non-U.S. markets and when foreign tax payments are not broken down in detail. This lack of transparency impedes investors' ability to fully assess the company's finances, as well as its adherence to responsible tax practices that are crucial for sustainable value creation for both the company and the communities it serves.

Separately, an organisation focused on curbing the increasing influence of corporations requested a report from the same company to evaluate the implications of establishing cloud data centres in countries with significant human rights concerns. This request was prompted by their decision to set up a data centre in Saudi Arabia. Despite having a public statement on operating data centres in countries facing human rights challenges, the company had not provided any evidence of conducting a human rights impact assessment or engaging with affected stakeholders, as recommended by the United Nations Guiding Principles on Business and Human Rights (UNGPs). We believed that while the company's existing statement addressed some concerns, there was still scope for them to publish a more detailed and comprehensive report on this matter. This led to a vote against management and with the shareholder proposing the resolution.



ENGAGEMENT

Engaged with
7 companies

Engaged the most on Remuneration,
Emissions and Net Zero

We requested an engagement with the IR team of a holding in the Evenlode Global Equity fund. The aim was to discuss the company’s carbon emissions footprint, its alignment with a net-zero policy, and to delve into the remuneration policy.

During the meeting, the Head of IR emphasised company’s longstanding participation in the Carbon Disclosure Project’s (CDP) survey and their recent commitment to the Science-Based Targets Initiative (SBTi), with a validation and submission plan set for the upcoming spring. They had also involved a third-party firm to evaluate their net-zero by 2050 policy and have revised their reporting roadmap to align with the anticipated timeline of the Securities and Exchanges Commission (SEC).

This was welcomed. The plan was discussed in more detail encompassing scope 3 targets, starting with engagements with their most significant emitting vendors and service providers. We stressed the significance of setting clear goals and milestones, especially considering the state’s recent stringent emissions disclosure legislation. When queried about voluntarily applying the standards in other states, the Head of IR mentioned awaiting the SEC regulations, expected soon, and expressed hope for their alignment with Corporate Sustainability Reporting Directive (CSRD) reporting standards in Europe. The stewardship team is planning to re-engage with the company after the release of their spring report.



STEWARDSHIP TEAM & ESG RATINGS



Sawan Wadhwa
Head of Stewardship



Bethan Rose
Sustainable Investment Analyst



Rebekah Nash
Governance Analyst



Lily Postlethwaite
Stewardship Analyst

Our ongoing commitment

Evenlode Investment Management became a signatory to the United Nations Principles for Responsible Investment (UNPRI) in 2018. By becoming signatories, we commit to implementing these principles and incorporating environmental, social and governance factors into our investment process to help enhance returns and better manage risk for our clients.

Signatory of:



Policy Governance and Strategy
★★★★★

Direct - Listed Equity Active fundamental
★★★★★

Confidence Building Measures
★★★★★

WS Evenlode Income, WS Evenlode Global Income, WS Evenlode Global Equity, Evenlode Global Dividend and Evenlode Global Opportunities



The Morningstar® Sustainability Rating™ is intended to measure how well the issuing companies of the securities within a fund's portfolio holdings are managing their environmental, social, and governance risks relative to the fund's Morningstar Global Category peers, with 5 globes being the highest rating. All five funds are based on 100% of AUM. Data as at 31 October 2023.

The Morningstar® Low Carbon Designation™ is intended to allow investors to easily identify low-carbon funds across the global universe. The designation is an indicator that the companies held in a portfolio are in general alignment with the transition to a low-carbon economy. WS Evenlode Income based on 98.4% of AUM; WS Evenlode Global Income based on 98.4% of AUM; WS Evenlode Global Equity based on 99.4% of AUM; Evenlode Global Dividend based on 97.5% of AUM; Evenlode Global Opportunities based on 98.9% of AUM. Data as at 31 October 2023.

MSCI ESG Fund Ratings aim to measure the resilience of funds to long-term risks and opportunities arising from environmental, social and governance (ESG) issues. Each fund scores a rating on a scale from CCC (laggard) to AAA (leader). The rating is based first on the weighted average score of the underlying holdings of the fund. ESG momentum is then assessed to gain insight into the fund's ESG track record, which is designed to indicate a fund's exposure to holdings with a positive rating trend or worsening trend year over year. For more information on the methodology please visit our website. WS Evenlode Income based on 99.1% of AUM; WS Evenlode Global Income based on 99.2% of AUM; WS Evenlode Global Equity based on 99.2% of AUM. Ratings as at 31 October 2023. Evenlode Global Dividend based on 100.0% of AUM; Evenlode Global Opportunities based on 100.0% of AUM. Ratings as at 30 November 2023.

Important Information

This document is not intended as a recommendation to invest in any particular asset class, security or strategy. The information provided is for information purposes only and should not be relied upon as a recommendation to buy or sell securities.

For full information on the Evenlode funds, including risks and costs, please refer to the Key Investor Information Documents, Annual & Interim Reports and the Prospectuses, which are available on the Evenlode Investment Management website (www.evenlodeinvestment.com). Recent performance information is shown on monthly factsheets, also available on the website.

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ESG ratings

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