Stewardship and Responsible Investing Report

For the period 1st January 2024 to 31st December 2024

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Signatories review their policies, assure their processes and assess the effectiveness of their activities.

Foreword

Mike O'Shea
Chief Executive Officer
Premier Miton Investors

2024 was a significant year with elections, rising interest rates and inflationary pressure taking centre stage as the world shifted in political preference and economic growth trajectories. Tariffs, trade restrictions and escalating conflicts amplified the already established trend of de-globalisation, compelling nations to prioritise self-sufficiency over international collaboration.

The landscape for stewardship and responsible investing also transformed. Investors continued to evaluate the risks, benefits and financial materiality of sustainability, while regulators, particularly in the United Kingdom, worked to establish market standards and enhance disclosure requirements.

Clarity and transparency in approach has become essential given the uncertainty this has caused.

Our purpose is to actively and responsibly manage our clients' investments for a better financial future. We are genuinely active investors without a house view which means that clients' investments are managed by talented investment teams who are given appropriate freedom to think independently, challenge the status quo and exchange ideas.

Our commitment to being responsible stewards of capital remains strong, and this means considering Environmental, Social and Governance (ESG) factors, alongside financial factors, in our investment decision making where we believe that this will be financially material. Where appropriate, this is supported by active stewardship to positively influence companies and enhance shareholder value.

We recognise that investment markets and our clients' requirements evolve over time. It's not enough to offer investment solutions for today, we must adapt to ensure our investment products meet clients' needs in the future. Our long-term corporate strategy focuses on the diversification of our investor base by exploring commercial opportunities, within and outside of the UK, that complement our investment skills and expertise.

This has led to the acquisition of Tellworth Investments LLP, a UK-based boutique with absolute return and equity strategies for wholesale and institutional clients. We have also taken on the investment management of a Dublin based UCITS platform which forms the foundation of our international growth strategy.

We successfully implemented the Financial Conduct Authority's Sustainability Disclosure Requirements resulting in the application of the 'Sustainability Impact' label for the Premier Miton Emerging Markets Sustainable Fund and 'Sustainability Focus' labels for the Premier Miton Global Sustainable Growth Fund and Premier Miton Global Sustainable Optimum Income Fund. The Premier Miton Responsible UK Equity Fund and Premier Miton Diversified Responsible Growth Fund are unlabelled with sustainability characteristics with additional disclousures.

As I hope this report shows, the principles of Financial Reporting Council's UK Stewardship Code are embedded in our business and future plans, and we continue to take these responsibilities seriously.

Introduction

As an asset management business, we are committed to actively and responsibly managing our clients' investments through compelling investment products backed by strong client service.

We make active decisions to hold the underlying investments in our portfolios, and this includes the consideration of Environmental, Social and Governance (ESG) related factors alongside financial factors. Once we have invested in a company, bond, fund or other asset, our stewardship activity includes regular meetings and constructive dialogue with relevant company representatives, including senior executive management and chairs of the boards of directors. We also aim to use our holdings to actively and intelligently vote at company meetings on behalf of our client, doing so in a proportionate and appropriate manner across our different investment strategies.

Our active approach to stewardship and responsible investing supports us in delivering strong and durable performance for our clients and to meet our broader investment responsibilities.

This report covers stewardship and responsible investing activities undertaken by Premier Miton between 1 January 2024 and 31 December 2024, under the Financial Reporting Council's (FRC) UK Stewardship Code 2020 (the Code). This includes specific examples of how we have applied the 12 Principles of the Code. We first became accepted as a signatory of the Code in 2022.

Executive summary

Premier Miton Group plc offers a range of active investment strategies across different product types that aim to generate good investment performance over relevant time periods.

We are genuinely active investors without a house view which means clients' investments are managed by talented investment management teams who are given appropriate freedom to think independently and exchange ideas.

Our purpose is to actively and responsibly manage clients' investments for a better financial future.

Responsible investing

We define responsible investing as an approach to investing that includes the consideration of Environmental, Social and Governance (ESG) factors alongside financial factors, supported by stewardship activities. We regularly engage with the management of companies in which we invest or are considering investing in and we take a thoughtful approach to voting on company resolutions at Annual General Meetings and other shareholder meetings.

Our fund managers lead on responsible investing activities across their own investment strategies to ensure that relevant outcomes are directly integrated into their investment decision making process.

Engaging with company management

- 2,721 meetings were held between the investment teams and company management in 2024. 64% of these included discussions on ESG related matters such as climate change, company culture, board composition, supply chain management and remuneration.
- We actively participated in industry wide collaborative engagement initiatives including those organised by the CDP Non-Disclosure Campaign, CA 100 +, Net Zero Engagement Initiative, Investor Forum and Rathbones' Votes Against Slavery.

Voting on shareholder resolutions

- We voted at 1,133 shareholder meetings across 13,497 unique resolutions. 99% of eligible votes were cast across all asset classes in 2024.
- We select companies based in part on their strong management and do not expect to frequently vote against them. 4% of our votes were against management on matters relating to director nominations and executive remuneration amongst other factors.
- We review the recommendations of our proxy voting service provider Institutional Shareholder Services (ISS) and generally agreed with their analysis. 4% of our votes were contrary to their recommendations.

Our approach to climate-related financial considerations

We remain committed to our net zero strategy across our investment portfolios as signatories to the Net Zero Asset Managers initiative and active stewardship is a significant element of our strategy.

70% of assets under management by value is held in funds with a weighted average carbon intensity lower than their comparators. 58% of in-scope financed emissions are from portfolio companies that are "being engaged" with on climate-related matters or assessed as aligning with a net zero pathway.

Third party ESG ratings

We received the following labels and ratings from external industry organisations.

- 4/5 stars for Policy, Governance and Strategy from the Principles for Responsible Investment latest assessment in 2023
- 82% of assets under management is held in funds rated 'A' or higher by MSCI
- 56% of assets under management is held in funds rated '3 Sustainability Globes' or higher by Morningstar
- 43% of assets under management is held in funds with the Morningstar Low Carbon Designation
- 'Sustainability Impact' label for the Premier Miton Emerging Markets Sustainable Fund
- 'Sustainability Focus' label for the Premier Miton Global Sustainable Growth Fund
- 'Sustainability Focus' label for the Premier Miton Global Sustainable Optimum Income Fund

Independent oversight and assurance

The Principles of the UK Stewardship Code are embedded in our business, and we continue to take these responsibilities very seriously. Oversight of stewardship and responsible investing activities is undertaken by the Responsible Investing Oversight Committee.

Data as at 31 December 2024, unless otherwise stated.

Case studies

Principle 1

Signatories' purpose, investment beliefs, strategy, and culture enable stewardship that creates long-term value for clients and beneficiaries leading to sustainable benefits for the economy, the environment and society.

Our purpose

Our purpose is to actively and responsibly manage our clients' investments for a better financial future. Our success is defined by our clients' success, and this work is founded on serving those clients by helping them meet their investment objectives and preferences through well managed investment products backed by strong client service.

We believe that we must act in a way that creates long-term value for clients. This includes being responsible stewards of capital and upholding high standards in how we behave
as investors.

Our business model and strategy

We have a resilient and well-designed business platform which is highly scalable and built to support significant growth in assets under management. Alongside our aim for organic growth, we continue to seek new, sensible and well researched strategic or tactical opportunities to add value to clients and other stakeholders. We are targeting a greater market share in our current distribution channels within the UK and internationally and strengthening distribution for institutional investors.

During the year we acquired Tellworth Investments LLP, which adds a highly regarded investment team and new equity products to our range which includes absolute return strategies. We also acquired an Irish UCITS structure, which is a platform to accelerate and support our ambitions in the international and institutional markets. Inorganic growth remains a key part of our strategy through the active consideration of tactical and strategic ideas to extend the scale and reach of our business as well as additional hirings and team add-ons in interesting product areas.

Our investment beliefs

Having the right investment beliefs is key to fulfilling our purpose and we believe that active investment management is the best way of investing responsibly and delivering attractive long-term risk-adjusted returns.

Our aim is to build successful, resilient investment propositions that embrace innovative thinking. We continue to develop our product range which covers different asset classes including equities, fixed income, multi-asset and absolute return. These feature a broad range of investment objectives, including income, growth, capital preservation and risk managed, as well as those related to responsible and sustainable investing.

We strive to invest responsibly, which we define as considering environmental, social and governance (ESG) factors, alongside financial factors, supported by active stewardship. Our responsible investing approach comprises the following five elements.

- Making responsible investment decisions
- Active stewardship through voting and engagement with company management
- Collaboration to strengthen our knowledge and influence
- Offering responsible and sustainable investment products
- Robust governance of responsible investing activities.

These are applied in a way that is proportionate and appropriate for each investment strategy to meet their relevant investment objectives.

Our investment capabilities

We offer high conviction, directly invested single strategy funds and investment trusts across a range of asset classes as well as outcome based multi asset funds. The diversity, strength and depth of our high conviction investment strategies covers different geographies and asset classes including equities, fixed income, absolute return and multi asset.

Our values

Investing has such an important role to play in the lives of our clients and on wider society. We must therefore act responsibly, not only in terms of how we invest but also how we manage our business.

Independent

Our bright minds don't think alike. Our investment teams pursue an enlightened, collaborative approach but, importantly, are not constrained by a house view. We think independently and challenge the status quo.

Dedicated

We put clients' interests at the heart of everything we do. We never forget we are managing other people's money and are dedicated to helping clients achieve their investment objectives.

Collegiate

We work collaboratively for the benefit of our clients, within teams and across teams. Each one of us assists in building a sense of inclusion and belonging, ensuring a respectful working environment.

Passionate

We are passionate about active investing and meeting the needs of clients. To do that, our fund managers have a genuinely active, high-conviction investment approach. All of us are passionate in the way we work together – striving to achieve excellence.

Responsible

We steward our clients' assets carefully and responsibly and actively engage with the companies we invest in. We are responsible in the way we manage our business, our people, our environmental impact as well as our impact on wider society.

Our people, culture and community

We want our business to be known for its capable and talented people operating within a positive culture that develops and uses their full range of skills and experience.

We recognise that the workplace means different things to different people, and we look to engage with our employees across business areas to help drive an inclusive and supportive culture, strong leadership, interesting and purposeful roles, continued commitment to progression and development as well as ensuring colleagues have a voice and can contribute effectively.

We are members of the Diversity Project, a cross-company initiative championing a diverse and inclusive investment industry that reflects the society that we serve.

We aim to have a positive outcome on wider society not only by capital allocation but also through our activities and actions, including volunteering, charity donations and partnerships. During the year we supported local communities through our staff volunteering for the Whitechapel Mission breakfast and The Tree Council. We supported local biodiversity through a partnership with Surrey Wildlife Trust and created new partnerships with charities Step by Step, MS Society and the Alzheimer's Society.

How we enable stewardship

Our investment beliefs, strategy and culture prioritise responsibility and this helps to enable effective stewardship. Stewardship and responsible investing activities are directed by our Chief Investment Officer with implementation by our Responsible Investing team in line with our firmwide Responsible Investing Policy. Our belief is that stewardship is most effective when led by fund managers who have the most detailed knowledge of the company or asset including the key material risks and long-term value drivers. The Responsible Investing team work closely with the fund managers with oversight of these activities is provided by an internal and independent Responsible Investing Oversight Committee.

We encourage best practice through our quarterly Responsible Investing Forum and ensure that fund managers and investment analysts have access to specialist third-party ESG data and research to support their analysis and stewardship activities.

Our Responsible Investing team also actively review, co-ordinate and participate in collaborative engagement opportunities alongside the fund managers where appropriate.

How we assess our effectiveness

The boards of Premier Miton Group plc, Premier Portfolio Managers Limited and Premier Fund Managers Limited oversee the effectiveness of our responsible investing activities.

We are a signatory to the Principles for Responsible Investment and use the process of completing their reporting and assessment as an annual review of responsible investing activities. We were rated 4 out of a possible 5 stars for the headline 'Policy Governance and Strategy' section in the latest assessment in 2023 which is an improvement from 3 stars received previously.

We submit the CDP climate change disclosure annually to set an internal benchmark for climate risk management and to highlight areas where we need to improve. In 2024, we achieved a score of 'C'.

An annual assessment of the value we deliver to our clients is undertaken to assess whether our authorised funds have provided value using the seven assessment criteria set out by the Financial Conduct Authority. This covers quality of service, performance, costs, economies of scale, comparable market rates, comparable services and share classes, and is published on our website. We also publish an annual Fair Value Assessment report for the portfolio management services in accordance with the FCA's Consumer Duty requirements.

For more information about or culture and values, please see pages 5-6 of the Stewardship and Responsible Investing Report 2023.

Throughout this report we make reference to the following documents, website and fund information:

Stewardship and Responsible Investing Report 2023

Premier Miton website

Responsible investing at Premier Miton

Principle 2

Signatories' governance, resources and incentives support stewardship.

Fostering good governance across our business helps to achieve robust and defensible decision making, drive value and better deliver good outcomes to clients and stakeholders.

Governance structure supporting stewardship

The Premier Miton Group plc Board of Directors sits at the apex of our governance structure through which authority is delegated to ensure that the business is run smoothly.

This governance structure supports the flow of information through the Premier Miton Group by way of orderly delegation of authority. The board meetings of Premier Miton Group plc, and its regulated subsidiaries, Premier Portfolio Managers Limited ('PPM'), and Premier Fund Managers Limited ('PFM') include discussions on responsible investing matters covering stewardship activities and the directors receive a quarterly responsible investing report. For more information around the structure of these regulated boards and committees, please refer to pages 9-13 of the Stewardship and Responsible Investing Report 2023.

Stewardship, responsible investing and other related matters including the integration of environmental, social and governance (ESG) related considerations in investment decision making are included in the Terms of Reference of relevant committees, including the Responsible Investing Oversight Committee, Conduct & Policies Committee, Product Governance Committee and Funds Risk Committee.

Please note that Nicola Stronach joined the business as Chief Operating Officer in September 2024 following the retirement of Ian West and replaced him on the relevant boards and committees.

Responsible Investing Oversight Committee

Our Responsible Investing Oversight Committee owns the responsible investing strategy and monitors the responsible investing process to support our strategic objectives and comply with responsibilities to various stakeholders, including but not limited to, regulators and clients. This includes overseeing the integration of ESG factors in investment decision making, implementation of stewardship activities, publication of disclosures as well as adherence to relevant rules and regulations.

The Terms of Reference were updated during the year to include monitoring of the implementation of the net zero strategy, climate reporting in line with the Taskforce for Climate Related Financial Disclosures as well as adherence to the FCA's Sustainability Disclosure Requirements and Anti-Greenwashing Rule, especially in relation to funds which intend to be labelled or unlabelled with sustainability characteristics.

A sub-committee of the Responsible Investing Oversight Committee considers the characteristics, eligibility and appropriateness of holdings in responsible and sustainable funds or any other holdings across the group where specific ESG or sustainability criteria are required. They can mandate escalation activities including undertaking further analysis, engaging with company management, voting or the sale of a position within a reasonable timeframe if deemed appropriate.

Effectiveness of our governance structure

Our governance structure is subject to annual review to ensure that it continues to support our stated purpose, strategic objectives and compliance with applicable regulations. Performance against the Terms of Reference for the Responsible Investing Oversight Committee was last assessed in July 2024, and it was agreed that all requirements had been met. This governance structure is considered by the boards of PPM & PFM to have been appropriate and effective over the period.

Resources supporting stewardship activities

Responsible investing team

Responsible investing activities are directed by the Chief Investment Officer with implementation led by the Head of Responsible Investing and supported by a Responsible Investment Analyst. Together they form an integrated responsible investing team that works closely with the equity, fixed income, absolute return and multi asset investment teams, to support the consideration of ESG data and research where appropriate and supporting engagement and voting.

For more information around the professional backgrounds of the Responsible Investing team as well as the relevant training undertaken by our fund managers and investment analysts, please refer to page 12 of the Stewardship and Responsible Investing Report 2023.

Responsible Investing Forum

An internal Responsible Investing Forum is hosted quarterly and aims to facilitate relevant discussions and share best practice on stewardship and responsible investing activities with the investment teams. Over the year, this has included discussions on the Financial Conduct Authority's Sustainability Disclosure Requirements and Anti-Greenwashing Rule, robust assessment of portfolio company environmental commitments, energy transition plans, nature-related financial risks, training on the use of third party ESG data and co-ordinating stewardship activities internally and via the collaborative initiatives that we participate in.

Our third-party systems, research and data

We are committed to providing the resources required to support our stewardship activities. New systems, data and research are regularly explored to ensure best practice.

During the year we subscribed to independent providers of ESG data and research including Institutional Shareholder Services (ISS) ESG, Sustainalytics, Ethical Screening, Integrum ESG, Impact Cubed and Net Purpose. We also use data providers such as Bloomberg, Morningstar, CDP and Transition Pathway Initiative to further understand the nature of our investments, and to assess external scoring and analysis of our funds.

Please refer to page 21 of this report for how we have worked with our third party ESG data providers to effectively deliver their services to support stewardship and responsible investing activities.

Incentives supporting stewardship activities

Our remuneration policy aims to align practices with our stated purpose and strategic objectives and has remained consistent over the last 12 months. This is structured to comply with applicable regulatory requirements and comprises base salary, discretionary bonus, pension contributions, and certain other benefits including private health insurance and death in service.

Please refer to pages 12-13 of the Stewardship and Responsible Investing Report 2023 for more information around incentive structures, and how stewardship and responsible investing are factored in to the variable compensation of the investment and senior management teams.

Principle 3

Signatories manage conflicts of interest to put the best interests of clients and beneficiaries first.

We are an active and independent asset manager, not owned by a larger financial services company, that is listed and unconstrained by the ownership of a distribution network. We are therefore able to focus on delivering good investment outcomes for clients without many of the conflicts faced by larger, more complex asset management businesses.

We have a Conflicts of Interest Policy on our website which details our commitment to ensuring all clients are treated fairly and that potential conflicts are recognised, reported and mitigated or resolved as necessary. This includes the identification as well as effective and equitable resolution of conflicts that exist or could arise between Premier Miton and its clients, one client and another, two or more of the Premier Miton group of companies or one or more employees and Premier Miton.

The policy is designed to ensure that we:

- take all reasonable steps to identify and resolve conflicts of interest that may arise while providing any service, including with brokers and market makers
- maintain a record of such conflicts of interest
- maintain and operate effective organisational and administrative arrangements to prevent conflicts of interest
- review conflicts of interest arising under the UK Stewardship Code and the wider business to ensure they are properly managed or mitigated to give priority to clients' interests
- approve and periodically review the Conflicts of Interest register
- assess and review the policy and its effectiveness on at least an annual basis

Colleagues are reminded of their obligation to declare potential conflicts as they occur and provide an annual attestation that they have read, understood and adhered to the policy. We also provide them with conflicts of interest guidance and annual training, which includes stewardship examples.

The boards of Premier Miton Group define, oversee and are accountable for the implementation of governance arrangements that ensure effective and prudent management of conflicts. This includes taking all reasonable steps to prevent conflicts of interest adversely affecting the interests of clients. Senior managers are responsible for the day-to-day oversight and management of conflicts with support from the Compliance and Legal teams. Any new conflict of interest or notable development to an existing conflict of interest is reported to the compliance team and discussed at the Conduct & Policies Committee, as well as the regulated boards, to ensure their proper management.

Actual and potential conflicts of interest are recorded on the Conflicts of Interest Register which is maintained and routinely monitored by the compliance team.

We have established appropriate policies, procedures and controls to identify, prevent or manage, on an ongoing basis, any conflicts of interest that may arise, with the aim of ensuring that the interests of clients are not compromised. This includes the Order Execution Policy, Order Allocation Policy, Anti-competition Policy, Valuation Policy, Personal Account Dealing Policy, Gifts, Hospitality and Non-Monetary Benefits Policy, Responsible Investing Policy and Proxy Voting Policy.

Applying the Conflicts of Interest Policy to stewardship activities

The Conflicts of Interest Policy has been applied to stewardship activities in a variety of ways, including when we have undertaken collaborative engagement activities, voting at the annual general meetings of competitor firms or voting on client firms held in our portfolios.

In these circumstances, contentious issues are reported to the compliance department and then managed through discussion with the relevant fund managers, the Chief Investment Officer and the Head of Responsible Investing. Any voting will be undertaken in the best interests of our clients, in line with our obligations under the Consumer Duty to deliver good outcomes to consumers and following the principles of Treating Customers Fairly. Voting recommendations from our proxy voting adviser ISS will be generally followed in these circumstances.

We have relevant policies and procedures in place for managing the receipt of inside and market sensitive information, particularly when engaging with companies. This is overseen by our compliance department and reported up through our governance structure. Restrictions on trading can be coded in our integrated dealing systems where necessary to prevent inadvertent trading.

Following the acquisition of Tellworth Investments LLP on 30 January 2024, a new potential conflict of interest was logged in relation to the TM Tellworth UK Select Fund. As a long-short UK equity fund, potential conflicts of interest may arise if there are both long and short exposures on individual securities across Premier Miton funds. Therefore, appropriate business segregation was implemented to ensure the interests of the clients are protected from any potentially conflicting strategies. This is managed though restricted account viewing and a prohibition on discussions of trading intentions of the long-short strategy during wider investment team meetings.

With a wide range of influences at play, conflicts or perceived conflicts will still exist. For further information on our Conflicts of Interest Policy, as well as additional examples of perceived and potential conflicts, please see page 14 of the Stewardship and Responsible Investing Report 2023.

Principle 4

Signatories identify and respond to market-wide and systemic risks to promote a well-functioning financial system.

Our risk management framework aims to identify, review and monitor market-wide and systemic risks and how they may impact our business, and we regularly participate in industry-wide initiatives to promote a well-functioning financial system.

We deploy a three lines of defence model to identify, assess and mitigate both principal and emerging risks from across the organisation. Responsibility for ensuring the adequacy and effectiveness of internal financial controls and internal control and risk management systems is delegated to the Premier Miton Group plc Audit and Risk Committee. This includes advising on risk appetite, tolerance and strategy, as well as the current and prospective macroeconomic and financial environments.

For more information regarding our risk management framework, governance committees and resources, please see page 16 of the Stewardship and Responsible Investing Report 2023.

Our approach to managing the risks that could impact our ability to deliver strategic objectives is detailed on page 9 of the Annual Report and Financial Statements 2024.

Please find below examples of market-wide and systemic risks that we and the wider financial system have had to contend with over the year, as well as our response to these risks.

Increased risk in global financial markets

Tariffs, trade restrictions and increased warfare have led to investors changing allocations to manage financial markets characterised by greater economic and geopolitical risk.

Global equity markets have experienced a significant increase in concentration because of the growth of US based technology companies generally referred to as the 'Magnificent 7'. This trend has led to a reduction in diversification as investors heavily weighted their portfolios towards these high-performing stocks. The dominance of companies like Nvidia, Apple, Microsoft, Amazon, and Alphabet has resulted in the S&P 500 Index becoming increasingly reliant on the performance of these giants. Such concentration poses risks, as any negative developments affecting these companies could have outsized impacts on the broader market and, potentially, the economy if retail investors are negatively impacted.

From an investment perspective, we are genuinely active, long term and well diversified investors. Our funds are invested globally across a wide range of asset classes under different investment mandates including multi-asset, equity and fixed income. By diversifying our business in this way, we aim to ensure that revenue streams from the assets that we manage are less volatile than they would be if we concentrated on a single asset class or region or indeed country. This allows us the freedom to manage funds and mandates the way we believe they should be managed – taking and managing appropriate risks that can allow our investors to receive competitive investment returns.

We have highlighted these risks and how they are managed to investors via a range of communications which include, but are not limited to, insight notes, webinars, commentaries and other reports.

Increased headwinds for UK asset managers

UK asset managers are faced with significant headwinds, primarily driven by outflows from funds, particularly funds investing in the UK, due in part to higher interest rates and volatile financial markets. This trend has been exacerbated by the shift to global, passive investing and not helped by UK pension schemes further reducing allocations to UK equities. There has been a concerted policy effort to encourage investment into the UK under the Mansion House Accord, however this will not provide support for companies listed on UK stock exchanges.

The Capital Markets Industry Taskforce (CMIT) has been instrumental in driving forward the reforms to the UK's capital markets, ensuring that the UK remains an attractive destination for companies to list and obtain funding.

The Chair of Premier Miton Group plc, Robert Colthorpe, has been active in supporting the UK stock market including supporting the idea of the Great British ISA to focus the tax break from saving through an ISA specifically through investment in UK equities.

He has also called on the UK Government to prioritise the conditions and decisions that will:

- Increase the rate of long-term savings especially in workplace pension schemes.
- Support structures that channel public and private domestic capital investment into UK businesses and reduce the barriers that discourage domestic investment.
- Ensure that if tax benefits are provided to encourage savings, UK businesses get value for, and a fair share of, this investment.

- Recognise that regulation can provide important protections but can also bureaucratise and reduce investment scope and discourage a sensible approach to taking investment risk.
- Encourage a resilient and competitive UK capital market.

Greater regulatory requirements for sustainable funds in the UK

During the year we remained active in supporting the development and implementation of the Financial Conduct Authority's Sustainability Disclosure Requirements and Anti-Greenwashing Rule. We participated in discussions across various investment stakeholder groups such as the Investment Association (IA) and Principles for Responsible Investment (PRI) to respond to challenges associated with the implementation of these regulations. We also actively encouraged the Advisers Sustainability Group to publish timely guidance for advisers who wish to offer sustainability labelled funds.

Greenwashing remains a significant risk in financial markets as it can undermine the credibility of sustainable investments, erode investor trust, and distort market signals, leading to misallocated capital and can lead to regulatory fines. All product references to sustainability characteristics being made as part of our investment processes are reviewed by our Compliance and Responsible Investing teams to ensure that sufficient evidence is available. We reviewed our product literature and shared guidance documents covering the requirements from the rules and introduced enhanced risk mitigation systems and controls overseen by the Responsible Investing Oversight Committee.

Exceeding a 1.5 degrees Celsius increase in global temperatures

2024 was confirmed as the warmest year on record globally, and the first calendar year where the average global temperature exceeded 1.5°C above its pre-industrial levels.

The 2015 Paris Agreement on climate aimed to hold global warming to well below 2 degrees Celsius and pursued efforts to limit the temperature increase to 1.5 degrees Celsius to avoid the worst impacts of extreme storms, floods, heatwaves, rising seas and the collapse of natural systems. Action to limit warming as much as possible through supportive activity to reduce carbon emissions will continue as "1.5 degrees Celsius" is a target that is still possible in the long term.

This has led to us increasing our focus on physical climate impacts and resilience due to the reduced likelihood of strong global climate policies. Our operational and investment emissions have reduced in line with our net zero strategy, which was approved by the Board of Premier Miton Group plc. More information on this strategy and associated targets is available in our TCFD entity report, which is included in our Annual Report and Financial Statements 2024.

70% of assets under management by value is held in funds with a weighted average carbon intensity that is lower than their comparators and 58% of in-scope financed emissions are from either portfolio companies that are being engaged with on climate-related matters or assessed as aligning with a net zero pathway. Fossil fuel exposure also remains low across our various investment strategies and 44% of total assets are held in funds with the Morningstar Low Carbon Designation. These fund level metrics are monitored on a quarterly basis at the Responsible Investing Oversight Committee.

We received a provisional score of **'C'** in our fifth year of completing the CDP Climate Change Questionnaire in 2024. Reporting to the CDP helps us get ahead of regulatory and policy changes, identify and tackle growing climate related risks, and find new opportunities for action aligned with the expectations of our stakeholders including investors and shareholders.

We continued our participation in climate related collaborative engagement initiatives encouraging portfolio companies to strengthen their understanding and disclosure of environmental risks and opportunities as well as to develop credible energy transition plans. This included enhanced participation in the Climate Action 100+, Net Zero Engagement Initiative and the CDP Non-Disclosure Campaign.

Decline in global biodiversity

According to the World Wild Fund for Nature (WWF), there has been a 73% decline in the average size of monitored wildlife populations in just 50 years. Habitat loss and degradation and overharvesting, driven primarily by our global food system, are the dominant threats to wildlife populations around the world, followed by invasive species, disease and climate change.

Biodiversity was added as a sustainable growth theme in our sustainable funds over the year and we continue to look for opportunities to invest, support and engage on improving biodiversity.

In the UK, the deterioration of nature and biodiversity has resulted in a reduced resilience to coping with climate change. Supporting local initiatives such as the Surrey Wildlife Trust and The Tree Council is aligned with our belief that improvement of the UK's natural capital is a key part of the transition to a low carbon economy. We became carbon neutral by purchasing carbon offsets for Scope 1, 2 and 3 operational carbon emissions that supports the reforestation of degraded forest reserve areas in Ghana, West Africa. This project aims to restore 14,000 hectares of degraded forest reserves by 2025 and is expected to remove a significant amount of CO_2e over its 30-year life span.

Our work with other stakeholders and participation in industry wide initiatives

We are actively involved in industry wide initiatives to promote well-functioning markets where we believe we can have an influence and where we believe it is helpful for our views to be heard.

- **Investment Association (IA)** – We support the work of the IA, participating in a wide variety of committees and working groups, including the Sustainable and Responsible Investment Committee, Net Zero Forum, Sustainability Disclosure Requirements Implementation Forum, SFDR Forum, Task Force on Climate-related Financial Disclosures Implementation Forum, Derivatives Committee, Financial Crime Committee, Fixed Income Trading Committee, Investment Funds Committee, Investment Operations Committee, Overseas Fund Regime Working Group and Strategic Business and Risk Committee.

- **Principles for Responsible Investment (PRI)** - We became a signatory to the PRI in 2020. We monitor the collaboration platform for relevant engagement opportunities, we are a member of the Global Policy Reference Group and engage regularly with the UK policy team.

- **Net Zero Asset Managers (NZAM)** - We support the transition to a net-zero carbon economy having become a signatory to the NZAM in 2022.

- **Institutional Investors Group on Climate Change (IIGCC)** - We joined the IIGCC in 2023 and participated in their Net Zero Engagement Initiative from 2024. During the year we attended the IIGCC Engage conference and considered their Net Zero Investment Framework, Net Zero Stewardship Toolkit and member memos on carbon intensive companies to support our analysis, engagement and proxy voting activities.

- **Investor Forum** – We joined the Investor Forum in 2022 to facilitate collective engagement on material issues with listed UK companies and continue to participate in several formal engagements, company calls and roundtables.

- **CA100+** – We joined CA100+, a global investor-led initiative to ensure the world's largest corporate greenhouse gas emitters take necessary action on climate change. As signatories, our aim is to mitigate investment exposure to climate related risks and help secure ongoing returns for investors through collaborative engagement that hold select companies to account on their disclosure and climate related commitments. During the year we joined the engagement groups for RWE, National Grid and SSE, and continued engagements with BP and Shell.

- **Votes Against Slavery** - Rathbones convened the 'Votes Against Slavery' collaborative initiative to coordinate the response of the investment community and help provide the necessary accountability for and compliance to the UK Modern Slavery Act.

  We have worked with this initiative since 2021 to support engagement with relevant companies held in our portfolios.

- **Quoted Companies Alliance (QCA)** - Our Head of Equities Gervais Williams is the President of the QCA. We are members of the ESG Working Group which published an Environmental and Social Guide alongside the update of the QCA Governance Code.

- **Global Listed Infrastructure Organisation (GLIO)** - Fund manager Jim Wright is a member of the GLIO Advisory Committee.

- **CFA** – We support staff who wish to study the CFA Certificate in ESG Investing, CFA Certificate in Climate & Investing and CFA Certificate in Impact Investing with several colleagues having passed to date.

- **Association of Investment Companies (AIC)** – AIC exists to support and represent a broad range of investment companies, investment trusts, VCTs and other closed-ended funds, by engaging with members, investors and the wider financial community. Our Head of Investment Trusts Claire Long attends events such as the annual members' conference and managers' discussion forums. We are also invited to contribute to their response to proposed legislative changes, and to take part in promotional activity such as investor conferences and press articles.

We review the list of initiatives that we are a member on an annual basis to ensure that these are appropriate and aligned with our requirements.

Principle 5

Signatories review their policies, assure their processes and assess the effectiveness of their activities.

We maintain documented policies for all key areas of our business, and relevant boards within the Premier Miton Group will review and approve policy documents or authorise committees within the governance structure to do so on at least an annual basis.

Our main policies in relation to stewardship and responsible investing are the firmwide Responsible Investing Policy and Proxy Voting Policy, as well as the responsible and sustainable investing policies and ESG integration process documents for our relevant investment products. During the year a new ESG integration process was approved for the TM Tellworth UK Smaller Companies Fund.

For our full list of policies, as well as further information around the approach taken to review these policies, please see page 23 of the Stewardship and Responsible Investing Report 2023.

Assuring our policies and processes are fit for purpose

The reporting, monitoring, oversight and internal assurance of our stewardship and responsible investing activities is led by our Responsible Investing Oversight Committee.

Its objectives are to oversee the following activities as stated in its Terms of Reference.

- Formulation of responsible investing strategic plans.
- The responsible investing process, including stewardship activities and the integration of environmental, social and governance (ESG) related factors across Premier Miton funds (open and closed-ended) and other mandates against relevant policies, disclosures, rules and regulations. This includes the management of any arising conflicts of interest.
- Application of responsible or sustainable investing activities in the investment process and portfolio construction of relevant funds and other mandates that we manage.
- Review of policies, labels, reporting and other relevant communications on responsible or sustainable investing in accordance with relevant commitments, regulations and deadlines.
- Ensuring the investment process descriptions and the marketing of our funds meet anti greenwashing rules.

Key responsibilities include oversight of the following matters.

- Compliance of funds and other mandates to their ESG integration processes, responsible or sustainable investing policies and non-financial objectives.
- Adequacy of processes, procedures and policies supporting the responsible and/or sustainable investing strategy for funds with and without non-financial objectives.
- Eligibility and appropriateness of holdings in responsible and sustainable funds or any other holdings across the group where specific exclusions or ESG criteria are required. A sub-committee will manage this process.
- Ensuring access to appropriate third-party data and responsible investing research.
- Compliance to the firm-wide Responsible Investing Policy, Voting Policy and fund level responsible and sustainable investing policies.
- Corporate access, voting and engagement activities.
- Firm and fund specific responsible or sustainable investing policies and reporting
- Fund and investee company ESG metrics and ratings

The Responsible Investing Oversight Committee also oversees and monitors compliance with the FCA's Sustainability Disclosures Requirements (SDR), FRC's UK Stewardship Code, Taskforce for Climate-related Financial Disclosures and other initiatives such as NZAM, PRI and CDP.

Management information, activity metrics and external reporting on our stewardship and responsible investing practices are reviewed quarterly by the Responsible Investing Oversight Committee. This discussion and related information form the basis of our external reports and policies, which are then reviewed by our compliance department before publication to ensure that the reporting is fair, balanced, understandable and not misleading.

We deem this approach to assurance as suitable to our size and complexity as it enables internal oversight and expertise from senior members of our investment, risk, compliance, distribution and marketing departments. This also facilitates comprehensive and aligned implementation of stewardship activities across the main areas of our business and enables ongoing monitoring, evaluation and assessment of activities to improve scope, reach and effectiveness over time.

Assessing the effectiveness of our policies and processes

Each policy is owned either by the regulated boards or a particular committee within the group. Typically, an annual review is led by an analyst in the compliance team who engages the key stakeholders from all other departments for the review process. The policy is then reviewed by the relevant committee for comment and approval before being routed through the governance structure as required. The final documents are made available on the Premier Miton intranet site and relevant policies are available on our client-facing website at www.premiermiton.com and on our corporate website at https://www.premiermiton.com/corporate/.

Evolving our policies and processes

Over the year our relevant policies and processes have been reviewed as part of the implementation of SDR. This introduced regulatory requirements when making claims around sustainability in investment products and led to a thorough review of the Risk Register, Dashboard and Terms of Reference of the Responsible Investing Oversight Committee and Responsible Investing Oversight Framework.

We also developed an internal review monitoring process when sustainability related terms are included in product literature following the introduction of the Anti-Greenwashing Rule.

Our Responsible Investing Policy was last updated to reflect the change in third party ESG research and data providers alongside reference to our net zero commitment and participation in initiatives such as the Net Zero Engagement Initiative.

Our Proxy Voting Policy was updated to add a reference to the fact that Exchange Traded Funds and bondholders generally do not get the opportunity to vote. Examples of when we would vote against or abstain from voting were updated.

We also undertook an annual review of the ESG integration process documents for the Premier Miton fixed income and multi-manager fund ranges.

Following the acquisition of Tellworth Investments LLP on 30 January 2024 an area of focus has been the inclusion of their responsible investing related activities. This involved minimal change to ensure that the funds and investment teams operate in line with our relevant policies.

Principle 6

Signatories take account of client and beneficiary needs and communicate the activities and outcomes of their stewardship and investment to them.

We are committed to delivering good long term investment outcomes that can help our clients achieve their financial goals. We take the trust that investors have placed in us very seriously.

Our aim is to deliver strong investment outcomes through a range of products that are powered by active and independent minds. To achieve this, we pursue an informed, collaborative approach that gives our investment professionals the appropriate freedom to think, explore and invest according to their own proven convictions and processes.

We offer high conviction and directly invested single strategy funds across a broad range of asset classes as well as outcome based multi asset funds and investment trusts.

The diversity, strength and depth of our investment strategies covers equities, fixed income, absolute return and multi asset. This allows us to offer investment solutions to help different investor preferences, including income, growth, wealth preservation, retirement income or risk management, as well as responsible and sustainable funds, underpinned by responsive client service and transparent, proactive communication.

Assets under management by asset class

Asset class	£ billion	% AUM
Equities	5.1	48
Multi asset	2.8	26
Fixed income	1.3	13
Investment trusts	0.3	3
Segregated mandates	1.1	10
Total	10.6	

Assets under management by client category

Client	% AUM
Retail	90%
Institutional	10%

Assets under management by geography

Geography	% AUM
UK	47%
Europe ex UK	25%
North America	25%
Asia Pacific ex Japan	1%
Japan	1%
Emerging markets	<1%

During the year we acquired Tellworth Investments LLP, which at the time of acquisition had £559 million of assets under management. This added a highly regarded investment team, a range of new equity products and the ability to offer strategies to wholesale and institutional clients with potential for institutional distribution.

We also acquired an Irish UCITS structure, which is a platform to accelerate and further support ambitions for distribution across new international and institutional markets. This originally included the Premier Miton UK Focus Fund with plans to launch two more funds in early 2025.

We are continuing to widen the distribution of our products outside of the UK and have made trips to visit potential investors in South Africa, Ireland, Norway and Latin America. We have also registered products in Chile, Ireland, South Africa and Iceland. We have seen increased interest from these markets and started to see new clients based in Latin America and South Africa.

Data as at 31 December 2024.

How assets have been managed in alignment with clients' stewardship and investment policies

Our governance processes are designed to ensure we continually monitor that client assets are being managed and aligned with the relevant investment objective and our responsible investment policies. This includes ongoing reviews by our risk and information services team and oversight in various governance committees including the Responsible Investing Oversight Committee. These consider the performance, portfolio characteristics, sustainability objective where relevant and reporting compared with what we described we would do for clients.

We remain confident that our clients' assets are being managed in alignment with our Responsible Investing Policy. Any potential misalignment is raised for discussion at the Responsible Investing Oversight Committee where relevant action is taken as required.

What we communicate to clients: general

A key part of our client-focused approach is to clearly articulate investment and stewardship activities in our communications to existing or potential clients. This ensures they are properly informed before an investment is made and that we keep them updated on any developments. Most of our communication activity is digital and accessible via our website which increasingly acts as a communication hub for individual investors, financial advisers, wealth managers, institutional investors and company shareholders. Communications tailored to audience type including retail, investment professionals and institutional investors are made available in the form of fund factsheets, guides, insight notes, videos, webinars, commentaries, podcasts, blogs, press and social media. Fund product pages feature investment overviews, approach, performance, portfolio breakdown, costs and charges as well as information about our fund managers.

Product information and updates for distributors are provided through a range of channels, including through presentations, face to face meetings with representatives from our business development and investment teams as well as a range of conferences and events. Direct investors in the funds receive twice yearly statements on their holdings with an update from fund managers.

What we communicate: responsible and sustainable investing

Communication on responsible and sustainable investing centres around the dedicated 'Responsible Investing' section of the Premier Miton website. This offers the latest information on our approach to responsible investing and hosts our suite of policies, reports and disclosures.

Over the year we reviewed the requirements for and appropriateness of the various FCA Sustainability Disclosure Requirements labels for our range of products. With additional clarification added to the prospectus documents for our range of responsible and sustainable funds, these were all approved by the FCA and where relevant labels will be adopted ahead of the 2 April 2025 deadline.

The Premier Miton Responsible UK Equity Fund and Premier Miton Diversified Responsible Growth Fund were updated to be unlabelled with sustainability characteristics. The Premier Miton Emerging Markets Sustainable Fund will adopt a 'Sustainability Impact' label and the Premier Miton Global Sustainable Growth Fund and Premier Miton Global Sustainable Optimum Income Fund will adopt a 'Sustainability Focus' label. These funds will report their sustainability characteristics and stewardship requirements through consumer facing disclosures, which includes an annual Sustainability Factsheet and Sustainability Report.

What we communicate: climate related

We adhere to the FCA's climate-related disclosure requirements and publish entity and product level reports in line with recommendations of Taskforce for Climate Related Financial Disclosures. These disclosures help enhance understanding of the effects our funds have on the climate as well as the effect that changes to the climate may have on our funds and wider business.

For further information on the investment time horizon of our product range, how we evaluate the effectiveness of our communications, as well as what, how and when we communicate to clients and receive feedback, please read page 22 of the Stewardship and Responsible Investing Report 2023.

Principle 7

Signatories systematically integrate stewardship and investment, including material environmental, social and governance issues, and climate change, to fulfil their responsibilities.

We define responsible investing as an approach to investing that includes the consideration of environmental, social and governance (ESG) factors alongside financial factors, supported by stewardship activities. We regularly engage with the management of companies in which we invest, or are considering investing in, and we take a thoughtful approach to voting on company resolutions at annual general meetings and other shareholder meetings.

Our fund managers are given the appropriate freedom to apply their own investment strategies and views in their portfolios, within a disciplined product governance framework which includes robust portfolio and compliance monitoring. They are accountable for stewardship and responsible investing activities on their funds with support from the Responsible Investing team. We believe this assignment of responsibilities ensures that related activities are directly integrated into investment decision making where appropriate, rather than being undertaken by a separate team.

Integrating ESG related considerations into our investment decision making

We aim to consider ESG factors in a proportionate and appropriate manner in the investment approaches across our different investment strategies.

When considering ESG factors alongside financial factors, we believe that we can enhance our decision making by considering additional information on an investment opportunity and whether it is suitable for inclusion in a product. When applied, this is undertaken across the investment process including in company research and analysis, portfolio monitoring and buying and selling decisions.

Our fund managers are encouraged to share investment ideas across investment teams where appropriate and they meet on a formal basis monthly to share market news, views and analysis. Additionally, the Responsible Investing Forum meets quarterly and allows fund managers and investment analysts to co-ordinate stewardship activities and discuss the materiality of ESG risks and ESG -related opportunities. Over the year, discussions have included aligning company activities to responsible growth themes and company revenues to the United Nations Sustainable Development Goals, assessing the credibility of climate transition plans and addressing the lack of ESG data in smaller companies. Furthermore, there are regular intra-team and inter-team meetings, as well as daily ad-hoc discussions.

The Responsible Investing team monitors ESG-related risks and provide fund managers with quarterly reports including company and portfolio level data covering climate impact, governance quality, product involvement and adherence to international norms of business.

Meeting with company management

For many of our investment strategies, we aim to be in contact with, and preferably meet with, the management of companies we invest in at least annually. However, this is not always possible. We additionally find value in site visits as well as meeting competitors, suppliers and end users of their products or services when researching companies to support our investment analysis.

When we meet with companies, we do so through multiple channels with the aim of developing our understanding of their business strategy, financial position and prospects, amongst other factors. This includes matters relating to accounting, capital expenditure, growth and risk management.

Where considered, ESG matters may be discussed in meetings and this can include company specific issues or themes such as climate change, biodiversity, diversity and inclusion, company culture, health and safety, supply chain management, board composition, renumeration and shareholder rights. These discussions are often supported by research from third party ESG data providers.

We also aim to engage with companies where we believe changes to activities or behaviours could improve long term shareholder returns. This can include sharing our views on an over boarded director, misaligned renumeration or dividend policies or mergers and acquisitions. Where we are contacted by a company for our views and feedback on an issue we aim to respond promptly, and this will often result in meeting with company management.

Please read Principle 9 (page 29) for specific examples of our engagement activity.

Voting at company meetings

We aim to vote at all company meetings where we have the opportunity.

By actively exercising the right to vote, we seek to ensure that the companies we invest in behave in a way that promotes good governance, generates long term shareholder returns, and contributes to our investment objectives.

Fund managers are responsible for considering proxy voting research and recommendations alongside their specific company knowledge before making final voting decisions. Additionally, they can share information and views with our other fund managers and discuss matters with the Responsible Investing team who will flag significant votes. Where there are concerns, the fund managers may choose to engage with company management before voting as well as informing companies on voting decisions in follow up communications.

Please read Principle 12 (page 39) for specific examples of our voting activity.

Different approaches across different investment strategies

Each investment team takes its own approach to analysing ESG factors, engaging with management, voting at company meetings and making investment decisions to best serve clients. These approaches are regularly discussed and reviewed with the Head of Responsible Investing and Chief Investment Officer with oversight from the Responsible Investing Oversight Committee.

Funds within our responsible and sustainable range

For funds within our responsible and sustainable fund range that have sustainability characteristics, the fund managers, along with the Responsible Investing team, undertake additional research across the investment process and adopt a proactive approach to stewardship.

Third party ESG research providers Ethical Screening maintain 100% coverage of equity holdings across this range. A predefined minimum portion of these funds' assets must meet required ESG criteria and be part of long term responsible or sustainable growth themes. Our sustainable funds also align company revenues with the United Nations Sustainable Development Goals (SDGs).

If an investment held ceases to meet the necessary standards, the fund managers will engage with company management and determine a route for improvement. If this does not result in the investment regaining the necessary standard over 12 months, it will be sold within a reasonable timeframe. This process is monitored and assessed by the Responsible Investing Oversight Committee, who have the authority to mandate escalation activity when deemed appropriate.

More information on each fund in the responsible and sustainable range;

Premier Miton Global Sustainable Growth Fund and Premier Miton Global Sustainable Optimum Income Fund

The fund managers aim to achieve capital growth over the long term by investing in companies that enable better management and protection of the planet's resources, reduce inequalities and increase economic resilience or help people to lead healthier lives, as well as where revenues from products and services are aligned to specific and pre-determined sustainability growth themes.

The funds will adopt a 'Sustainability Focus' label under the FCA Sustainability Disclosure Requirements. The fund managers analyse companies on a wide range of criteria including specific social and environmental (sustainability) characteristics enabled by strong governance. Appropriate metrics are used to set thresholds for individual criteria and in aggregate which need to be met on an ongoing basis.

Please read the investment materials on our website for more information which includes the latest Sustainability Factsheets for the Premier Miton Global Sustainable Growth Fund and Premier Miton Global Sustainable Optimum Income Fund.

Case study: London Stock Exchange (LSE) Group

The Premier Miton Global Sustainable Growth Fund and Premier Miton Global Sustainable Optimum Income Fund invest in LSE Group whose exchanges and risk solutions help to achieve higher levels of economic productivity through diversification, technological upgrading and innovation. Their products and services also enable companies to adopt sustainable practices and integrate sustainability information into their reporting cycles. The fund managers believe that company activities support the Financial Inclusion theme and that revenues are aligned to SDG 12: Responsible Consumption and Production (16%), SDG 8: Decent Work and Economic Growth (17%) and SDG 2: Zero Hunger (3%) following research and discussions with LSE Group's Finance Director.

Premier Miton Emerging Markets Sustainable Fund

The fund managers aim to achieve capital growth as well as a positive and measurable social and environmental impact over the long term. This means investing in companies that enable better management and protection of the planet's resources, reducing inequalities and increasing economic resilience as well as helping people to lead healthier lives.

The fund managers invest in, and engage with, companies allocating incremental capital to develop products and services which address unmet or underserved needs. Engagement activities target increased capital allocation to activities aligned to sustainable investment themes, greater efficacy of existing capital allocation in support of those activities as well as improved disclosure. This is to enable the appropriate measurement and evidencing of impacts that are enabled by an investee company's products and services.

Please read the investment materials on our website for more information and the latest Sustainability Factsheet.

Case study: Kanzhun

The Premier Miton Emerging Markets Sustainable Fund invests in Kanzhun, which operates an online recruitment platform named 'Boss Zhipin'. While unemployment has been rising in certain cohorts across China, the country has been reporting a worsening level of job openings to job applicants, signalling misallocation of human resource. As gig economy industries and manufacturing firms have increased within the overall jobs market, the time spent in jobs has fallen. This improves the value proposition of Kanzhun's platform which offers speed and low cost to reduce hiring friction for enterprises. Blue collar workers represent Kanzhun's fastest growing cohort, and the company estimates it has just 30% of blue-collar workers registered compared with 70-80% of white-collar workers. To support this, the platform currently charges for 10% of postings to incentivise user growth. In this way, Kanzhun's services are driving down costs for enterprises providing blue collar jobs in China and the fund managers find alignment to SDG 8.5: "By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value".

Premier Miton Diversified Responsible Growth Fund

The fund's name was changed during the year to reflect the decision to be 'unlabelled with sustainability characteristics' under the FCA Sustainability Disclosure Requirements.

The fund managers aim to achieve capital growth over the long term by investing in a globally diversified portfolio of investments covering different asset classes assessed against relevant sustainability characteristics, which display a good governance profile, and which align to specific and pre-determined responsible or sustainable growth themes.

For equities and property company shares, the fund managers aim to identify companies that perform well against various environmental and social impact of business factors such as carbon emissions, resource usage and intensity, supply chain management and business ethics.

For government bonds, the fund managers assess country approach to factors including democracy, civil liberties, corruption and climate change.

For bonds issued by companies, these are typically green bonds meeting standards required by the Green Bond Principles from the International Capital Markets Association.

For alternative investments, hedge fund managers must be signatories to the Principles for Responsible Investment and investment trusts must hold the London Stock Exchange Green Economy Mark. Please read the investment materials on our website for more information. This includes the fund's Sustainability Factsheet.

Case study: South West Water

The Premier Miton Diversified Responsible Growth Fund invests in a green bond issued by South West Water which supports projects aligned with the company's Sustainable Financing Framework. These include financing or refinancing initiatives that focus on enhancing water and wastewater management systems, promoting energy efficiency and reducing carbon emissions or supporting innovation and improvements in environmental sustainability.

Case study: Retail Charity Bond

The Premier Miton Diversified Responsible Growth Fund invests in a Retail Charity Bonds (RCB), which provides an alternative funding to bank loans for smaller charities that would otherwise have no access to the public debt market. A significant focus includes bonds issued for housing associations and trusts focusing on residential care. RCB issued £65 million of bonds for Hightown Housing Association and funded the construction of 664 affordable homes in 2024.

Premier Miton Responsible UK Equity Fund

The fund managers aim to achieve capital growth over the long term by investing in UK companies that act responsibly, with strong sustainability characteristics, and which display a good governance profile. They will consider Health & Education, Protecting the Planet and Enhancing Society as responsible investment themes when considering if a company acts responsibly.

The fund is 'unlabelled with sustainability characteristics' under the FCA Sustainability Disclosure Requirements.

Please read investment materials on our website for more information. This includes the fund's Sustainability Factsheet.

Case study: Ibstock

The Premier Miton Responsible UK Equity Fund invests in Ibstock, a leading manufacturer of clay bricks with a diversified range of other clay and concrete products such as brick components, roof tiles, stone masonry substitutes, fencing and rail. Ibstock's products sustain the build environment, and it is investing significantly in energy and water efficiency within its facilities. The quarrying process naturally employs high levels of resource use so there is scope in this sector to reduce global emissions materially. The Ibstock Futures Division focuses on the development of new solutions to support sustainability and modern methods of construction across product innovation, circular economy and dematerialisation. Company activities support sustainable infrastructure and cities which is within the Protecting the Planet theme.

The fund has a Committee of Reference which meets three times a year and comprises independent, experienced individuals from a range of diverse backgrounds. Alongside Premier Miton, the committee is responsible for reviewing, monitoring, where necessary, the responsible investing and ESG criteria, themes and exclusions. At the end of 2024, the Committee of Reference was superseded by the Responsible Investing Oversight Committee who is ultimately accountable for the governance and oversight of the fund as well as providing the independent assessment of the appropriateness of the underlying fund holdings.

ESG integration processes across Premier Miton funds

Products managed by the Premier Miton fixed income investment team

The fund managers believe that ESG factors influence fixed income markets.

With investors increasingly considering ESG risks and opportunities, the fund managers believe that poor ESG management can be a significant financial risk factor, potentially leading to a widening of credit spreads due to lack of investor demand for certain bonds. Credit rating agencies consider ESG in their ratings and in some situations, this can lead to downgrades, which can have a negative impact on spreads. This is especially the case in areas such as climate risk and poor corporate governance.

Good ESG practices are also aligned with long term financial returns.

For a company to be investable in these products, it must have a stable or improving credit profile, not be expensive and not be an environmental laggard or have poor corporate governance. The fund managers do not invest in those issuers that have the lowest ESG assessments in their systematic ESG rating process, which accounts for 15% of their global corporate bond universe.

Case study: Masdar

The Premier Miton Strategic Monthly Income Bond Fund invests in green bonds issued by Masdar, the Abu Dhabi government's primary vehicle for investing in renewable energy and sustainable development within the United Arab Emirates and internationally.

The ESG integration process document for funds managed by the Premier Miton fixed income team is shared with investment professionals upon request.

Premier Miton multi manager funds

The multi manager investment team believes that ESG factors influence financial markets and should be considered when making investment decisions. This is achieved via the following process.

- Determine how ESG factors can be incorporated into different investment decisions, whilst recognising that certain asset classes and strategies can be challenging for some areas of ESG.
- Formalise ESG factors into fund research for every fund recommendation.
- Allocate to and monitor investment opportunities linked to sustainable growth opportunities in delivering performance consistent with the specific mandate's investment objective.

ESG research is undertaken using a bespoke ESG questionnaire. Funds with a clear and consistently implemented ESG framework backed by a publicly available policy and evidenced with examples are favoured. The multi manager investment team aims to monitor and engage when there are concerns, or where an underlying fund is considered to have excessive exposure to controversial business activities. They also believe that alignment with sustainable growth opportunities could offer long term growth opportunities and will consider allocating to funds with related exposures.

The ESG integration process document for Premier Miton multi manager funds is shared with investment professionals upon request.

Case study: Harmony Energy Income Trust

The Premier Miton Multi-Asset Global Growth Fund invests in the Harmony Energy Income Trust which has exposure to battery storage that helps to flatten demand peaks for renewable energy assets. The trust had been performing poorly so the fund managers took the opportunity to revisit the structural growth trends, noted the near-term project completions as well as recent success as Winner of the Gridscale Standalone Energy Storage Project of the Year Award, and meet the trust managers. Given the 'electrification of everything' trend, the fund managers continue to see long term value for solutions helping to accomplish the energy transition. Energy storage solutions seem well supported in this regard and the position was increased.

TM Tellworth UK Smaller Companies Fund

The fund managers of the TM Tellworth UK Smaller Companies Fund believe that delivering financial returns and positive ESG related outcomes are complementary. They aim to generate financial returns for clients in a way that considers the outcomes that the businesses in which they invest have on the environment and society. This is achieved by managing ESG risks and opportunities using in-house and bottom up ESG scoring. They act as responsible stewards of clients' capital by engaging with company management and proxy voting, where possible, to promote positive change.

The fund managers implement scoring using an in-house subjective scoring system and 'SWOTDOT' framework. This considers Strength/Weakness, Opportunity/Threat and Direction of Travel by the company from an ESG perspective.

The ESG integration process document for the TM Tellworth UK Smaller Companies Fund is shared with investment professionals upon request.

Integrating ESG considerations across traditional funds where deemed financially material

We aim to consider ESG factors in a proportionate and applicable manner in the investment approaches across our different investment strategies. Fund managers have access to company level ESG data and research and are supported by the Responsible Investing team where required.

Premier Miton US Opportunities Fund

The fund managers of the Premier Miton US Opportunities Fund aim to provide capital growth over the long-term by investing primarily in North American company shares across all industry sectors. They believe that there are only a limited number of companies able to deliver consistent and reliably forecastable performance and concentrate on high quality franchises with high cash return on cash invested, solid balance sheets and whose business models are reliable and predictable.

Case study: Waste Connections

The Premier Miton US Opportunities Fund invests in Waste Connections, an integrated solid waste services company that provides non-hazardous waste collection, transfer and disposal services, along with resource recovery primarily through recycling and renewable fuels generation. The fund managers view the ESG efforts as integral to its business, with initiatives consistent with its objective of long-term value creation and focused on reducing emissions, increasing resource recovery of both recyclable commodities and clean energy fuels, reducing reliance on off-site disposal for landfill, improving safety and enhancing employee engagement.

Premier Miton European Opportunities Fund

The fund managers of the Premier Miton European Opportunities Fund aim to provide a total return, comprised of income and growth, over the long term, by investing primarily in companies listed in Europe, excluding the UK. They are long term and low portfolio turnover stock pickers looking for companies that will grow their earnings substantially over their investment horizon and where they expect share prices to track the growing earnings power of the underlying companies.

Case study: Ferrari

The fund managers of the Premier Miton European Opportunities Fund have been long-term investors in Ferrari and considered risks around the ability for the company to create demand for its products and maintain high average selling prices and margins compared to their peers. Ferrari announced plans to unveil their first fully electric vehicle (EV) in 2025.

Given the success of other internal combustion engine auto manufacturers in launching EVs, the fund managers believed there was demand for premium electric cars produced by brands with deep racing heritage. Following discussions with company management it was clear that Ferrari was aware of the environmental issues and regulatory demands it faces as well as how significantly these could impact its financial performance. The fund managers took comfort with the financial resources at hand, the experience within the company at implementing technology at the highest levels of motorsport and the value of its brand within the market and from its customers. The position was initiated back in 2016 following a site visit to its facilities. More recently, the fund managers engaged with management at the Capital Markets Day in 2022, two further occasions in 2023 as well as a site visit in 2024.

Premier Miton Global Infrastructure Income Fund

The fund manager of the Premier Miton Global Infrastructure Income Fund aims to provide an income together with capital growth over the long term by investing primarily in the shares of companies that operate in the infrastructure industry globally.

Case study: Hydro One

The Premier Miton Global Infrastructure Income Fund invests in Hydro One, an electricity transmission and distribution utility in Canada. ESG factors were considered by the fund manager to determine how seriously the company takes its responsibilities to all its stakeholders and the wider community. While the fund is not required to make such considerations, the fund manager believes that this analysis was important, particularly for the assessment of a regulated utility, where these considerations will also be made by the regulators who determine the return that the company will make on its assets.

Hydro One has been designated a Sustainable Electricity Company by Electricity Canada and is recognised one of the Best 50 Corporate Citizens in Canada by Corporate Knights. They created the Hydro One Business Grant, in partnership with the Canadian Council for Aboriginal Business, to provide direct financial support to 28 Indigenous-owned businesses, and they avoided 4,273 tCO_2e of carbon emissions due to renewable energy technology and conservation programs. Given the favourable financial attributes of Hydro One as well as analysis which suggested ESG factors were unlikely to have a detrimental impact on future regulatory settlements, the company was added to the portfolio following a meeting with management.

Premier Miton UK Multi Cap Income Fund

The overall approach of the Premier Miton UK Multi Cap Income Fund is to select the best stocks from an income and growth perspective across the whole UK market, including large, medium and smaller sized companies.

By its nature, the strategy has a wide investment universe and so the portfolio can be more diverse from a stock and sector perspective, which can help to reduce stock concentration and risk.

Case study: BP, Shell and Kistos Holdings

The fund managers of the Premier Miton UK Multi Cap Income Fund believe that the oil and gas sector can present interesting opportunities where markets are structurally attractive from a long-term supply/demand perspective due to lack of investment. These situations can be especially interesting towards the larger market capitalisation end of the spectrum where companies demonstrate a sector leading approach to disclosing climate impacts and energy transition strategies, which should lead to increased investor confidence and a premium valuation over time.

In relation to BP and Shell, the fund managers' preference is for oil and gas companies to remain listed so that their actions around the energy transition are transparent, trackable and can be put to vote at shareholder meetings. They believe that these listed businesses stand at an advantage in relation to access to capital and that this capital can be deployed into renewable projects offering attractive long term returns while at the same time reducing volatility during the energy transition.

Smaller oil and gas companies such as Kistos Holdings generally do not disclose as much ESG data as larger peers. The fund managers engage with these companies to encourage better monitoring and reporting of ESG risks. They specifically suggest reporting via CDP which is aligned to TCFD recommendations as this helps companies better prepare for future reporting requirements.

Premier Miton UK Value Opportunities Fund and Premier Miton UK Focus Fund

The fund managers of the Premier Miton UK Value Opportunities Fund and Premier Miton UK Focus Fund aim to achieve capital growth over the long term by investing in the shares of UK companies.

As part of the quarterly monitoring of third-party fund ESG ratings, the Responsible Investing team identified a deterioration in rating for the fund and reviewed the data to determine a route for improvement. This led to further research on portfolio companies scoring below expectations and it was discovered that this was due in part to lack of disclosure. The fund managers took the opportunity to engage with these companies to encourage reporting improvements which will improve the fund ESG ratings over time.

Principle 8

Signatories monitor and hold to account managers and/or service providers.

As active investors, we believe that detailed company research and data focused on the evaluation of environmental, social and governance (ESG) risks and opportunities provides greater insight than a single, combined ESG score.

We subscribe to several independent providers of ESG data and research to enhance our stewardship and responsible investing processes as well as to inform oversight of related activities.

The Responsible Investing Oversight Committee monitors internally defined ESG risk thresholds, as well as the characteristics, eligibility and appropriateness of holdings in our responsible and sustainable funds as well as other products where specific ESG criteria are required. Third party ESG data is used by this committee and the Responsible Investing team to identify risks and determine escalation activities such as undertaking further analysis, engaging with company management, voting against a specific resolution or even the sale a position if deemed appropriate.

Our data providers include Ethical Screening, ISS ESG, ISS Governance Research & Voting, Sustainalytics, Integrum ESG, Net Purpose, Impact Cubed, CDP global environmental disclosure system, FTSE ESG, Transition Pathway Initiative and Bloomberg. These have been selected by the Chief Investment Officer and Head of Responsible Investing following detailed research and consultation with our wider investment teams.

We regularly interact with third party ESG data and research providers on a range of topics, including data, methodologies and discussions where there are differences between their analysis and our own. We actively highlight concerns with data with our providers and remain satisfied with the speed of response. If expectations are not met, we will increase our frequency and level of service monitoring.

ISS ESG

ISS ESG is a global proxy voting advisory, data and analytics firm we use for proxy voting services including voting research as well as access to their datasets covering governance quality score, norms-based research, banned weapons, climate and extractives. By leveraging their comprehensive voting platform and data management services, we can efficiently track, record, and report our voting activities.

This service has helped to ensure accuracy and completeness of disclosures, to meet our regulatory obligations and uphold transparency with stakeholders.

We engaged with ISS ESG on multiple occasions over the year including to further understand updates to their climate scenario analysis, governance quality scores and to facilitate adherence to the Securities and Exchange Commission's N-PX requirements. We also engaged with them on how the Investment Association's revised Principles of Remuneration influenced their voting recommendations and attended the annual 'Stewardship Briefing' where we shared thoughts on trends and observed a higher level of client satisfaction across proxy voting recommendations generally.

Data offering and voting recommendations are reviewed on an ongoing basis and we engage where additional information is required or where we have evidence supporting a contrary view.

For example, the fund managers of the Premier Miton Emerging Markets Sustainable Fund engaged with ISS on their recommendations for the Kazakhstani financial technology company Kaspi's annual general meeting. They recommended a vote against management as they believed that the company had not disclosed audit and non-audit fees or the terms of rotation for the auditors. This had in fact been specified in previous disclosures and ISS promptly updated their recommendation after the relevant evidence was provided.

Ethical Screening

Ethical Screening is a bespoke ESG research provider we use for in-depth analysis covering the largest 350 companies in the UK as well as investments held across our responsible and sustainable funds. They provide an independent and comprehensive ESG score alongside qualitative summaries on material ESG factors. ESG factors, ethical issues and the level of product involvement across tobacco, alcohol, fossil fuels and armaments, which supports our exclusions monitoring.

They provide alignment to positive themes and SDG revenue contribution and obstruction data which is considered in the investment process and used to report how the relevant responsible and sustainable funds are meeting their requirements. They provide full coverage across companies held in our responsible and sustainable funds, and we engage with them frequently to understand how they have determined the specific alignments of portfolio companies.

We share our own research and the outcomes of company engagement to further inform their assessments, and this has been particularly important in relation to emerging market companies where company reporting can be more difficult to find or may be published in a foreign language.

Integrum ESG

We inherited Integrum ESG as a third party ESG data provider following the acquisition of Tellworth Investments LLP. They are differentiated from other ESG data providers by their transparency, use of generative artificial intelligence to increase coverage as well as provision of live insights on sentiment across press and social media. They focus on the quality of company reporting rather than quantum and provide a more independent assessment than some of their larger peers. They also offer a “glass box” click-through access to company reporting which is complementary to our active investment process.

The scoring methodology is simple, and rules based, with the overall ESG score of each company assessed as A (Very Good) to E (Very Weak). This is based on global standards from the International Sustainability Standards Board, Sustainability Accounting Standards Board, Climate Disclosure Standards Board and Task Force on Climate-related Financial Disclosures.

Sustainalytics

Morningstar Sustainalytics is an ESG research, ratings and analytics firm that is the underlying engine to the well-respected Morningstar Sustainability Ratings. Following additional research that we undertook into various companies with poor ratings, we discovered that some of the underlying data was out of date and missing key company improvements. We engaged with Morningstar Sustainalytics and shared evidence of the relevant improvements which led to improved company ratings. Timeliness of data and transparency around ratings methodology are very important factors when making investment decisions and we therefore decided against renewing our contract with Morningstar Sustainalytics over the year.

Net Purpose

We use Net Purpose for impact monitoring and reporting for the Premier Miton Emerging Market Sustainable Fund. By utilising their advanced data analytics and reporting tools, we can accurately measure and report on the fund’s impact across several metrics. When acquiring full coverage of the companies held in the fund, we were in regular communication with the sector analysts at Net Purpose to improve our understanding of their impact methodology and to share our company level research and engagement findings. The outcome of the data enabled us to provide transparent and comprehensive reporting to our stakeholders through the Sustainability Factsheet, thus demonstrating our commitment to sustainable investing.

Transition Pathway Initiative

Transition Pathway Initiative (TPI) is an independent initiative supported by the Grantham Research Institute on Climate Change and the Environment at the London School of Economics. TPI provides research and data on the progress of corporate entities in transitioning to a low-carbon economy. They evaluate company governance and management of carbon emission on an industry basis using sector benchmarks.

We attended a variety of TPI events over the year led by their researchers to increase our understanding of their corporate assessments. Additionally, we engaged with TPI to further understand companies with low management quality or carbon performance assessments as well as on data updates for 2024 which were delayed. We were ultimately pleased when the new data was published which was in line with our expectations and evidenced the progress on transition planning that certain portfolio companies including Nintendo and Power Grid Corporation of India had made during the year.

Code of Conduct for ESG Data and Ratings Providers

We continue to support the Code of Conduct for ESG Data and Ratings Providers and actively encourage all our third party ESG data providers to register and issue supporting statements. This currently includes ISS ESG, Impact Cubed, Morningstar Sustainalytics and the TPI.

Assuring the effectiveness and ongoing suitability of service providers

We reviewed our third-party data providers following implementation of FCA Sustainability Disclosure Requirements. Under these new rules, the third party ESG data providers that will support our investment decision making are those able to provide detailed evidence of sustainability characteristics. We require full portfolio coverage as sector averages or proxies are of little use to our active strategies.

Please see page 31 of the Stewardship and Responsible Investing Report 2023 for more information on how the legal agreements with these service providers are agreed, as well as how the effectiveness and ongoing suitability of their products will be assessed.

Principle 9

Signatories engage with issuers to maintain or enhance the value of assets.

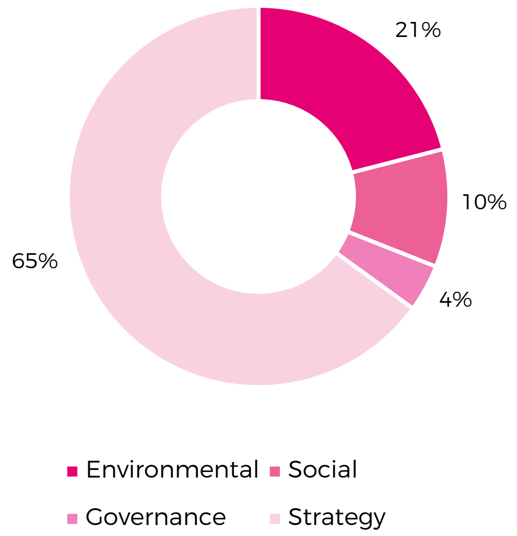
We believe that meeting and engaging with the companies in which we invest gives us a greater understanding of their business activities and creates an opportunity to positively influence corporate behaviours. These are key contributions to the potential returns that may be generated from an investment, and therefore our ability to meet our investment objectives and clients' expectations.

Interactions between fund managers and companies are recorded via an internal corporate access system which covers a range of meeting metrics including the type of meeting held, who attended the meeting as well what was discussed, including specific environmental, social and governance (ESG) matters as well as company strategy.

When we meet with companies, we do so with the aim of developing our understanding of their strategy, financial position and prospects, amongst many other factors including ESG risks and sustainability characteristics where relevant to the investment opportunity. We also find value in meeting competitors, suppliers and end users of products or services when researching companies.

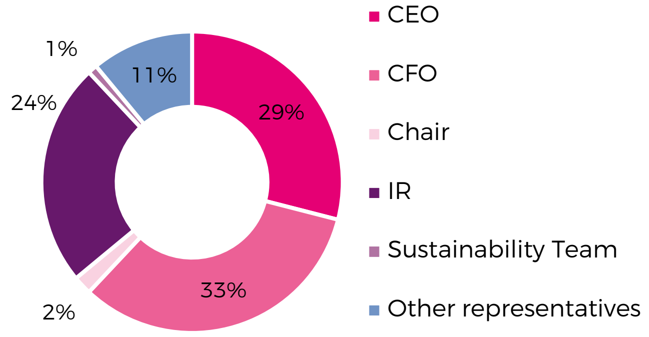
Our fund managers, investment analysts and responsible investing team attended 2,721 meetings with 1,628 different companies during 2024. 64% of these included discussion of ESG related matters.

What we discussed



Please note that the above chart represents the proportion of topics discussed at company meetings where logged in our corporate access system.

Who we met



Note that some meetings included a variety of company representatives and therefore the sum is above 100%.

The responsible investing team identified the following key topics covering ESG and corporate strategy to help the fund managers to categorise their discussions.

Strategy	Environment	Social	Governance
Audit and accounting	Biodiversity	Bribery and corruption	Board composition
Capital expenditure	Climate change	Company culture	Remuneration
Dividends	Pollution	Customer responsibility	Shareholder rights
Growth	Supply chain	Diversity and inclusion	
M&A	Waste management	Health and safety	
Reporting	Water	Human rights and community	
Risk management		Labour standards	
		Supply chain	

Climate change, company culture, board composition, executive remuneration and capital expenditure plans were the most frequently discussed topics over the year.

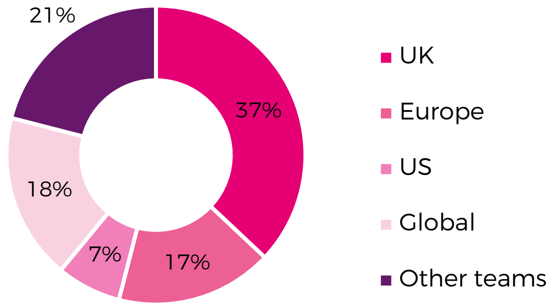
22% of meetings logged were one-to-one meetings between fund managers, investment analysts and company representatives. However, we also find it very efficient to meet companies at industry conferences, especially overseas, and 13% of company meetings were undertaken at these events. The remainder of the meetings were held via site visits, calls, roadshows and group meetings.

We believe that members of the executive and senior management teams offer the best insight on company strategy, and we also recognise the benefits of meeting representatives from the Board of Directors and Investor Relations.

65% of meetings included the Chief Financial Officer, 58% included the Chief Executive Officer and 48% included representatives from Investor Relations

Unfortunately, not all companies will be able to meet with us and a large proportion of the companies we meet are UK based as it can be difficult to meet companies based outside the UK. Even so, we invest globally, and our fund managers take the opportunity to meet with and visit companies around the world.

Which regions by investment strategy were we active in meeting companies



Our approach to engagement

Engagement is important for most of our investment strategies, but differs by fund, with each fund manager ensuring that the level of company engagement is appropriate for their own strategy.

We engage in several ways, individually by the fund managers and through theme specific engagements driven by the Responsible Investing team as well as in collaboration with other asset managers through the initiatives that we have joined. When we engage with companies, we view this as a dynamic, ongoing activity throughout the investment process. If we discuss a particular issue with a company and it comes to a satisfactory conclusion, we will not consider that ends the requirement for monitoring, analysis or engagement. We typically focus more on investments where we have more significant exposure, either as an amount of money invested or the proportion of the company owned.

We continue the process of analysis through ongoing engagement to see where progress is being made. We also aim to have an engagement plan to support discussions with companies where ESG matters are deemed material.

Responsible and sustainable funds

The managers of our responsible and sustainable funds are active in meeting companies throughout the investment process and discussing matters material to the fund objective.

They aim to be in contact with, and preferably meet with, the management of companies they invest in annually, however, this is not always possible. The fund managers of this range met with 88% of their underlying portfolio companies by number over the year. The portfolio companies not met with will be prioritised for meetings in early 2025.

The engagement approach includes raising specific issues identified through their own analysis or those highlighted by third party ESG research providers, as well as requesting additional disclosures on both ESG and sustainability characteristics, including information to evidence revenue alignment to relevant themes and the SDGs. Engagement is required of a holding has ceased to meet the necessary sustainability characteristics to discuss a route to meet those standards within a 12-month period. If this engagement does not result in the company meeting necessary standards, it would be sold within a reasonable timeframe.

Case study: Foresight

The fund managers of the Premier Miton Responsible UK Equity Fund engaged with the Global Head of Sustainability at Foresight on the impact of sustainability related regulations as well as their approach to completing the CDP questionnaire on climate change. The fund managers were encouraged by company efforts to formalise much of the sustainability resource and consider the EU Sustainable Finance Disclosure Regulations and FCA Sustainability Disclosure Requirements in their asset raising. The company also plans to complete the CDP questionnaire next year and will include climate scenario analysis in their future reporting. The company is clearly well resourced to cope with incoming regulations and have the structure in place to manage increased assets under management in sustainability -related mandates.

Case study: Godrej

The fund managers of the Premier Miton Emerging Markets Sustainable Fund engaged with Godrej on the composition of the board. They initially engaged with the company earlier in the year in advance of their annual general meeting to understand the proposed plans for board refreshment. They took the opportunity of an in-person meeting in India to request accelerated board refreshment and management was very receptive. Company representative assured that candidates with long tenure would not be standing for re-election at the next shareholder meeting and that new candidates would be presented. The fund managers encouraged the company to maintain high quality and diversity of board candidates with an appropriate mix of experience and skillsets.

Case study: Zoetis

The fund managers of the Premier Miton Global Sustainable Growth Fund have previously engaged with Zoetis on antimicrobial resistance with an objective to reduce the company's exposure to products that contribute to this issue. Over the period, they had a conversation with the Chief Financial Officer who stated their intention to look at immunotherapies and other alternatives to antibiotics in their research and development. While not a net overall financial risk to the company, the fund managers are keen for them to continue improving outcomes through innovative products.

Case study: WEG

WEG is held in our sustainable funds as well as the Premier Miton Diversified Responsible Growth Fund. Our fund managers engaged with company management on the formulation of their GHG emissions reduction targets and it became clear that they have been proactive in developing genuinely ambitious targets for each division from the bottom up. The fund managers also discussed calculating avoided emissions given the focus across their divisions in motor efficiency, enablement of renewable energy and more efficient grid transmission.

UK and European equity funds

Across our UK and European funds, ongoing relationships with management are easier to maintain due to logistics of time and distance as well as closely aligned standards on company practices such as disclosure and reporting. Engagement is also typically greater with smaller companies in these regions where we may have a more significant shareholding and hence increased influence.

Case study: Volue

The fund managers of the Premier Miton European Opportunities Fund engaged with Volue after the majority shareholder alongside existing shareholders Advent and Generation Investment Management announced a bid for the outstanding shares of the company. Volue management as well as its Senior Independent Director announced their rationale as to why the bid was insufficiently attractive, and the fund managers agreed. The fund managers engaged with them, the bankers acting for the acquirers as well as those acting for the independent directors, announcing their opposition to the bid and refusal to tender shares at the offer price. The fund managers also tried to coordinate a shareholder response by contacting some of the larger shareholders, and they also spoke to a hedge fund involved in the bid. Unfortunately, the tender was ultimately agreed, and the fund managers tendered the shares rather than maintaining an illiquid position post completion.

Case study: SSP Group

The fund managers of the Premier Miton UK Value Opportunities Fund were concerned that the rapid growth in the business was not being explained as well as it could be to the market. They were worried that this was causing misunderstanding and ultimately a lower valuation than was merited. They engaged with the company to improve disclosure of growth drivers, to show where the high levels of capital expenditure was going and explain the profile of the estate in terms of maturity.

Case study: Wilmington

The fund managers of the TM Tellworth UK Smaller Companies Fund engaged with the Chair of the Remuneration Committee at Wilmington having received an updated Remuneration Policy proposal looking to increase the Chief Executive Officer's salary and widen the scope of the performance share plan. The discussion provided increased confidence around the rationale for the proposal and feedback around ensuring that associated targets are appropriately stretching was well received. The fund managers will continue to monitor instances when the company proposes to allocate higher rewards of up to 150-175% of the long-term incentive plan.

Global equity funds

Although it can be more difficult to meet with companies based outside the UK and Europe, before our investment teams have taken the opportunity visit portfolio companies across US, Brazil, South Korea, Taiwan and Turkey. Such meetings and visits are important for our fund managers to get an on-the-ground experience of the macro-economic situation including vibrancy of economies, occupancy levels across public infrastructure and hospitality, consumer habits and spending, government regulations as well as to meet the management of their portfolio companies in person at company offices.

Case study: Constellation Energy

The fund manager of the Premier Miton Global Infrastructure Income Fund invests in Constellation Energy, the largest owner of nuclear generation facilities in the United States of America. He believes that nuclear offers an attractive source of electricity generation at relatively low cost and with zero carbon emissions. Having maintained communications with the management team since entering the position in 2022, the fund manager recently engaged following announcement that the company had signed a 20-year contract with Microsoft to provide electricity for its data centres. To meet this additional demand, Constellation will restart the mothballed nuclear facility at Crane Energy Centre in Pennsylvania. The fund manager was supportive of this as it will add approximately 835 megawatts of carbon-free energy to the grid, create 3400 jobs and deliver $3 billion in taxes.

Other matters were discussed around the social risks of diverting existing generation to data centres, in terms of potential higher tariffs and, in extreme circumstances, blackouts for existing customers in an increasingly tight electricity market. Constellation Energy provided comfort around outcome for consumers. Ultimately, the contract with Microsoft demonstrates the opportunity to use incremental rather than existing generation for data centres, and that there will be checks built into the system to ensure residential customers are protected at times of stress on the power grid.

Case study: Rollins

The fund managers of the Premier Miton US Opportunities Fund met with Rollins company management to question why an almost entirely domestic enterprise was buying an expensive, intercontinental corporate jet as disclosed in their latest report and financial statements. Gary Rollins, Executive Chairman, was given personal use of this jet and the fund managers expressed serious concern around this type of behaviour especially from a public company where most stock is held by external shareholders. Change was requested and following this engagement, which coincided with separate engagements by other shareholders, the company announced that Gary Rollins would be replaced by John Wilson effective from 1 January 2025.

Fixed income funds

The fund managers of Premier Miton fixed income funds actively engage with companies and participate in investor roadshows and other corporate update meetings.

Case study: UK water sector companies

UK water sector companies continue to be a focus for engagement. In the aftermath of the Thames Water challenges, the fixed income team engaged with various water companies over multiple channels. Through Investor Forum meetings, they met with UK Water, Ofwat, Environment Agency, Thames Water, Severn Trent, Pennon, United Utilities and Yorkshire Water on a variety of matters including the need for infrastructure upgrades to tackle pollution, leaks, scarcity and water quality. The fund managers also engaged directly with multiple companies to gain more clarity over business plans relating to the next regulatory period. The responses were varied but illustrative of the wider approaches taken around governance and ESG risk management. Listed water companies are gradually improving practices partly due to disclosure requirements and shareholder engagement while private water companies may be improving more quickly but starting from a lower base.

Multi manager funds

The multi manager investment team regularly engage with the managers of their underlying funds and have met with 213 fund managers over the year. This can include discussions around company holdings, stewardship activities and ESG matters raised as part of the pre-investment questionnaire or related quarterly monitoring.

They also contact all third-party funds as part of their investment process to further understand the manager's approach to net zero, carbon emission reporting, fund labels as well as signatory status to the Principles for Responsible Investment (PRI) and the UK Stewardship Code. Responses are reviewed and lead to further engagement where required.

Case study: Supermarket Income REIT

The multi manager investment team engaged with the Chair of Supermarket Income REIT on strategy concerns. While they were pleased to be seeing realisations within the portfolio at or above carrying values to focus on their strongest assets, the strategy of reinvesting proceeds into growing the property portfolio while ignoring the share price discount and the more accretive approach of selective buybacks was a cause for concern. The manager were also concerned by the strategy of taking the investment mandate to new jurisdictions which highlighted a potential lack of credibility outside the UK and more limited opportunity set within it. They wanted to build their understanding as to the motivations of the company and board oversight, while communicating their preference in these matters. The objective of this meeting was met which enabled the team to support and better consider the long-term attractiveness of this investment opportunity.

Collaboration between investment teams

To fully take advantage of the wealth of expertise and diversity of opinions across our investment teams, we aim to collaborate across the investment team when we meet companies that are co-owned. This occurs in multiple ways including communicating on upcoming company meetings so that more than one team can participate, sharing meeting notes and engagement progress and proxy voting intentions in relation to shared holdings where appropriate.

During the year, over 100 company meetings were held with more than one investment team in attendance.

Case study: Empiric Student Property

Multiple fund managers joined a meeting with Empiric Student Property where company management provided an update on progress against ESG targets. This included a discussion on improving the Energy Performance Certificates (EPCs) across the property portfolio which leveraged the expertise and experience of the Premier Miton Pan European Property Share Fund managers.

Principle 10

Signatories, where necessary, participate in collaborative engagement to influence issuers.

We participate in various collaborative engagement initiatives to benefit from the weight of other investors in for example large capitalised global companies as well as to leverage the additional research capabilities that initiatives can access. Initiatives include those organised by the Institutional Investors Group on Climate Change' (IIGCC) Net Zero Engagement Initiative, CDP Non-Disclosure Campaign, CA100+, Investor Forum and Rathbones' Votes Against Slavery.

To date, although we are often one of the smaller shareholders in the room, our fund managers demonstrate in-depth knowledge of the company often gained through existing long term company relationships which strengthen the quality of the discussion and progress the agenda. Our fund managers benefit from the additional company contact, experience best practice investor engagement and can ensure outcomes directly feed into investment decisions.

CA100+

We generally have a low exposure to carbon intensive sectors, with many of our fund managers believing that the sector will not produce long term growth due to the growing regulation that both limits carbon emissions and supports renewable and low carbon energy. However, we do have some allocations to these companies, including a small number of companies included in the CA100+ list of 167 highest carbon emitters. We are conscious of our limited ability to influence these companies through direct engagement due to the size of our shareholding and we therefore joined CA100+ in 2021 as this initiative covered several of the carbon intensive companies held. This year we joined engagement groups for RWE, National Grid and SSE, and continued engagements with BP and Shell.

Net Zero Engagement Initiative

The IIGCC's Net Zero Engagement Initiative (NZEI) aims to drive ambitious climate action by engaging with companies to accelerate their transition to net zero emissions. Their aim is to help investors align their portfolios with a net zero pathway by engaging collaboratively with companies on their transition plans.

The focus is on major emitters beyond the CA100+ list and in our second year of participation we joined collaborative engagements with portfolio companies TSMC, Jet2, Shin Etsu Chemical and Power Grid Corporation of India.

Engagements are ongoing with Drax and Wizz Air from the previous year of participation and we decided to leave the groups engaging with Tesco, BAE Systems and Deutsche Post due to the sale of relevant positions or where we deemed sufficient progress was made in forming a robust transition plan.

NZEI provides a useful framework and supports investors by regularly communicating on progress. They co-ordinated the distribution of introductory engagement letters outlining six core requests around ambition, targets, disclosures, performance, strategy and capital allocation alignment. Responses were received from Tesco, BAE Systems, Deutsche Post, Drax, Shin Etsu Chemical and Wizz Air and meetings were subsequently arranged with relevant engagement groups and company representatives. Our fund managers joined in the meetings and were able to benefit from a greater understanding of how these companies view the net zero transition and to what extent relevant risks and opportunities and integrated into business activities and future planning. This led to a variety of outcomes including the publication of company transition plans and commitment for 'Say on Climate' resolutions at future annual general meetings.

CDP Non-Disclosure Campaign

We joined the CDP Non-Disclosure Campaign in 2021 to encourage smaller companies to report on climate risk management and carbon metrics so that we can use this information in our own investment decision making. With regulatory requirements to disclose in line with recommendations from the Task Force on Climate-Related Financial Disclosures (TCFD), encouraging companies to prepare for mandatory disclosure is an important stewardship activity and the CDP Non-Disclosure campaign remains a key initiative for Premier Miton. CDP assessments are also useful as the output data feeds directly into the ISS ESG climate solutions database that we use in our own ESG integration and fund level reporting activity.

Over the year we contacted 35 companies to encourage completion of the annual questionnaire via the CDP Non-Disclosure Campaign. Four of our target companies submitted CDP assessment for the first time and we plan to continue to engage in 2025 with companies that do not disclose including Service Corp, Graphic Packaging, Atalaya Mining and Pan African Resources.

Investor Forum

We joined the Investor Forum in 2022. They are a formalised group of investors that facilitate collective engagement on material issues with listed UK companies. Engagement is undertaken by the Investor Forum staff using a unique collective engagement framework. As members, our aim is to strengthen our ability to engage effectively with and positively influence investee companies.

During the year participated in the Investor Forum engagement with Hipgnosis Songs, seven Water Working Group calls as well as a discussion of the risks and benefits of a Shein UK listing. We continue to find their 'Four O'clock Forums' useful and joined discussions on remuneration and sustainability assurance. We also participated in the Financial Reporting Council roundtables on the revision to the UK Stewardship Code. Our fund managers met with the new Chief Executive Officer of the Investor Forum to discuss future engagement opportunities for the year ahead.

More information on the Investor Forum's collective engagements during 2024 is available in their annual review on their website.

Rathbones Votes Against Slavery

Modern slavery is a pervasive risk to business, supply chains, society and our economy. Rathbones convened the 'Votes Against Slavery' collaborative initiative in 2020 to coordinate the response of the investment community and help provide the necessary accountability for, and compliance to, the section 54 of the Modern Slavery Act (2015). Over 122 investors representing £9.6 trillion have joined this initiative and collectively challenge those of the largest 350 UK companies plus AIM listed companies that have failed to meet their reporting requirements.

The initiative engaged with 32 FTSE 350 and 126 AIM companies over the year with the majority responding and making the necessary changes to ensure compliance. Following analysis of our shareholding in the targeted companies, we reached out to relevant holdings to reiterate the request to become compliant. We engaged directly with the management of one AIM-listed company and the company responded positively and published their first Modern Slavery Statement.

Principle 11

Signatories, where necessary, escalate stewardship activities to influence issuers.

Where we believe the interests of shareholders or bondholders is potentially being compromised, we aim to engage to encourage appropriate action and protect our clients' interests.

Where engagement does not lead to an appropriate outcome, we may choose to escalate the issue. Issues that require escalation may be identified through a variety of means, including:

- the manager of the fund invested in a company
- the Responsible Investing team
- the internal independent risk team
- another of our fund managers analysing the company
- a service provider of ESG data or research
- the Responsible Investing Oversight Committee
- one of the collaborative engagement initiatives we are a member of
- one of our clients
- media alerts

Once an issue has been identified it will be discussed between the fund manager and the Responsible Investing team to decide upon its materiality. If deemed appropriate, the issue would be raised with the company at the next scheduled meeting. If considered to be of high importance, a meeting with the company will be organised at the earliest possible opportunity.

Initial discussions would, if appropriate, take place on a confidential basis. If a board does not respond constructively and we have concerns about the strategy, performance, governance, remuneration or approach to risks, then we will consider whether to escalate action, for example by:

- Holding additional meetings with management specifically to discuss concerns
- Meeting with the Chairperson, Senior Independent Director or an Independent Director
- Engaging with external shareholders via collaborative initiatives to see if concerns are shared
- Voting against management at the next shareholder meeting

Where appropriate, we may reduce our holding or divest to protect our clients' assets. For example, where we believe the company is unable to satisfactorily resolve the issue or where the issue negatively impacts the long-term sustainability and/or investment outcome for the business.

Our governance framework supports escalation activity where deemed appropriate. This is achieved through the Responsible Investing Oversight Committee who can mandate escalation activity such as engagement, voting or in extreme situations requesting that a fund manager sell a position.

Escalation may differ between investment strategies

Each issue is debated and prioritised on its own merits. If an issue is identified in a company that is held across more than one investment strategy, the relevant fund managers and the Responsible Investing team collaborate, where possible, on the approach and discussions with the company to find a resolution. However, the fund managers are charged with meeting specific investment objectives and therefore a good outcome for one fund may differ to another. These different objectives may result in different fund managers wishing to adopt a different stewardship approach. In these instances, potential conflicts are usually resolved by the fund managers and the Head of Responsible Investing, but if escalation is required, the Chief Investment Officer or the Responsible Investing Oversight Committee will decide. Escalation may differ by asset class, geography and company size

It is generally easier to escalate matters with UK companies than international ones, which is partly due to accessibility. Our funds invest around the world, but a significant amount of the firm's assets under management are held in funds invested in UK listed shares, bonds and third-party funds. We are therefore able to escalate matters more effectively in this region.

We typically own larger percentages of smaller companies compared with the percentage we own of medium and larger sized companies. This means that we expect to have better access and more influence in the smaller sized companies that we invest in. It can be difficult for us to influence larger companies, especially companies outside the UK, where we are a very small investor, but we can still act on behalf of our clients and may elect to collaborate with other investors.

Our multi manager team invests in funds managed by third party managers of all sizes. However, it is expected that large and small fund management companies alike will apply robust ESG practices in the management of their funds and we undertake the same due diligence process with all of them.

Our fixed income team has a ESG integration process, and the fund managers aim to meet with companies, usually during results presentations or when they are issuing bonds. Given corporate voting structures, bondholders generally have minimal influence and if one of our investee companies falls below the minimum criteria the bond will typically be sold, especially if a long maturity.

The outcome of any escalation is key to our decision to retain or sell a holding in a company, although it may result in ongoing monitoring or other escalation activity listed above.

Case study: FRP Advisory Group

The Responsible Investing Oversight Committee review company alignment to responsible and sustainable growth themes. In the case of the proposed alignment of FRP Advisory Group to the 'Sustainable Economy' theme, the Responsible Investing Oversight Committee requested that the fund managers further research and engage with the company to determine the materiality of their ESG consulting practice. Following engagement, it became clear that there is a serious effort by FRP Advisory Group to develop a business line built on genuine expertise and led by an entrepreneurial figure with a strong academic background in the sustainability space. While it is a small business and will, like any new initiative, take time to scale meaningfully, it is a sincere and high-quality effort rather than an opportunistic attempt to utilise non-expert consultants.

Case study: Daikin

The Premier Miton Global Sustainable Growth Fund excludes companies with material obstructions to the United Nations Sustainable Development Goals including those with revenues from activities such as alcohol, tobacco, fossil fuels and armaments. Daikin, a company that manufactures and sells equipment for heating, ventilation, air conditioning and refrigeration systems, disclosed minor revenues from their Defence Systems Division. The fund managers engaged with company management on this matter and while corporate involvement in this division was small and gradually reducing over time, it was clear that there were no plans for its closure due to strong ongoing demand. The decision was therefore made to sell the position.

Case study: Glencore

The fund manager of the Premier Miton UK Value Opportunities Fund met with Glencore to improve their understanding of company activities in the Democratic Republic of Congo. During the meeting, the fund managers realised that the operational risks related to the assets where higher than previously considered due to the level of corruption in the country across the supply chain, appalling working conditions of the artisan miners and the extreme degradation of the environment that was taking place. The assets in Congo are key to Glencore's operations so with the understanding of committed long-term ownership it became too difficult to incorporate into a downside risk assessment. While Glencore remains one of the best operators in the region, the risk was perceived to be too high and therefore the fund managers exited their position.

Principle 12

Signatories actively exercise their rights and responsibilities.

We actively vote at company meetings on corporate resolutions in the best interest of our clients, unless it is not possible to do so, as we consider this an important part of our stewardship responsibilities. By exercising the right to vote, we seek to influence investee companies to behave in a way that promotes good governance, provides stability and financial soundness and therefore contributes to the products investment objectives and in turn good outcomes for consumers.

Our Proxy Voting Policy contains information on our voting guidelines, process as well as factors taken into consideration when voting. Our fund managers are charged with applying this policy in line with their investment strategy and relevant investment objective of the funds that they manage. This policy is reviewed on an annual basis and was last updated in 2024 to add reference to Exchange Traded Funds as well as how bondholders or holders of contracts for difference instruments do not generally get the opportunity to vote. Additional examples of when we would vote against management or abstain from voting have also been included in the latest policy.

This approach has been developed in line with the principles of the FRC's UK Stewardship Code as well as the FCA's Consumer Duty rules. Voting records are published quarterly on our website, and these provide detail on votes cast since 2019. We are also fully compliant with the N-PX requirements set forth by the SEC, ensuring transparency and accountability by disclosing our voting activities in alignment with regulatory expectations.

Our fund managers aim to review all votes. They consider their knowledge of the investee company, company structure, annual report and other disclosures, previous engagement dialogue, proxy voting research and recommendations from ISS as well as considering the investment mandate and the specific nature of the proposal. They may discuss resolutions across investment teams and with other fund managers that also hold shares in the company to ensure consistent voting where appropriate, although fund managers of different funds may make their own decisions to ensure that actions are in the best interests of the investors in their specific funds.

We are typically responsible for all decisions regarding voting on behalf of our clients who are not able to instruct voting activity, although we are happy to engage with clients on their views.

We operate under the ISS Benchmark Policy and receive voting recommendations based on this from ISS, a company which facilitates proxy voting decisions on our behalf. Our fund managers can choose a default for how proxy votes should be cast, such as "Vote with ISS recommendation" or "Vote with management". While we find ISS Benchmark Policy recommendations useful, they are often more cautious than we would them like to be especially in relation to environmental issues. We also find that recommendations for smaller companies are often overly prescriptive.

The Responsible Investing team highlights 'significant votes' to the fund managers for additional analysis. Significant votes are defined as those where aggregated ownership is greater than 5%, resolutions relate to environmental or social matters, shareholders filed the resolution, or where ISS recommends voting against management. Votes where share blocking rules apply, management recommendation is 'NONE' or votes are out of scope of policy are also highlighted.

We do not undertake any stock lending activities, and this approach would require board approval to change. We do not borrow shares to cast votes or undertake any voting that is not aligned with the economic interest we have, in other words "empty voting". Where a fund or product uses contract for differences to gain exposure there is no transfer of vote and therefore no voting rights.

We monitor the voting rights of shares that are owned through ISS, who notify the fund managers and Head of Responsible Investing directly of any changes to voting rights. Understanding the voting rights of shares also forms part of the investment analysis undertaken prior to purchase.

Our voting record is published quarterly on our website provides detail on votes cast since 2019.

Voting activity

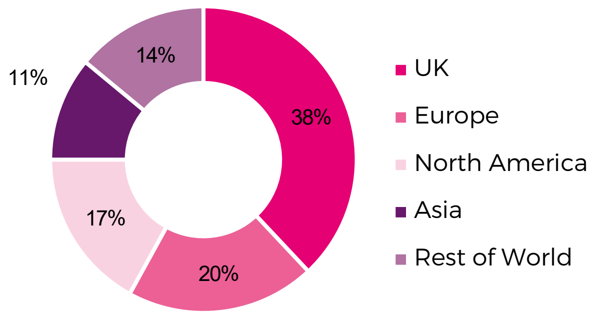
Over the twelve months to the end of December 2024, we voted at 1,133 shareholder meetings across 13,497 unique resolutions. 44,706 resolutions were voted in total due to multiple ballots being cast for company meetings where the company is held across different funds.

The few occasions where no votes were cast were a result of share blocking restrictions. Fund managers aim to vote a proportion of shares in these instances for liquidity purposes and to express their views and exercise their right to vote.

We have made a focused effort over the last three years to increase the percentage of eligible votes cast and this has increased from 95% in 2021 to 99% in 2024. Most company meetings were annual meetings, although circa 6% were special or other meetings, often driven by corporate activity such as mergers and acquisitions. In line with our range of funds, the UK is the largest voting market with Europe, North America and Asia also important markets

	2021	2022	2023	2024
Total number of votable resolutions across ballots	42,364	42,663	43,339	45,022
Total number of resolutions voted across ballots	40,220	41,749	42,813	44,706
% of resolutions voted	95%	98%	99%	99%

Shareholder meeting by company location



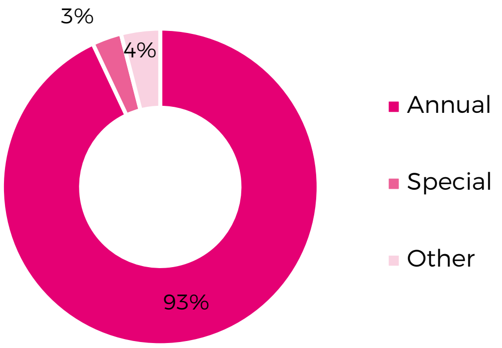
Influence of management recommendations on voting decisions

We will generally invest in companies where we share the management's vision on corporate strategy, customer service and risk mitigation. For this reason, we support management in most resolutions.

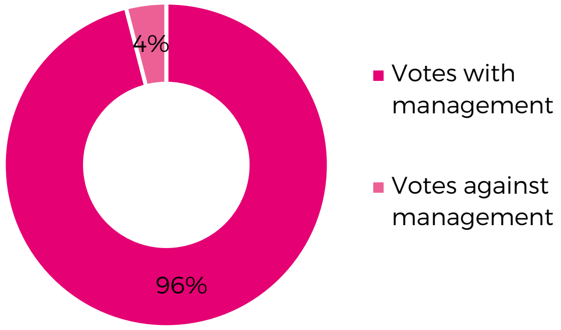
There are occasions when we take a different view on company strategy or a management proposal, and these are normally resolved in dialogue with the company. Where we remain unconvinced by management's rationale, we will vote against the management resolutions.

We supported management at 96% of votable proposals over the period. In 4% of resolutions, we voted against management, and this was primarily related to director nominations and executive remuneration. On director nominations, we voted against proposals where we believed that a board needed to improve independence or diversity or where proposed directors were overboarded. Differences of opinion over excessive remuneration or where there was a lack of transparency in the way incentives were structured led us to vote against management proposals. We also voted against management at a small number of climate related shareholder resolutions and proposals relating to mergers and acquisitions on valuation grounds.

Shareholder meeting by type



Voting by resolutions



Executive remuneration policies at UK companies

We voted against management on remuneration polices at several large UK companies including Rio Tinto, Smith & Nephew, Ashtead Group and Wise with some of these companies receiving sufficient dissent such that additional engagement with shareholders was required. The fund managers of the Premier Miton UK Multi Cap Income Fund generally vote against executive remuneration at FTSE 100 companies given the quantum of pay, although they recognise that companies need to balance shareholder views as well as the requirement to provide sufficient motivation to retain strong leadership and drive company growth and shareholder returns.

Shell

The fund managers of the Premier Miton Monthly Income Fund were among the 22% of shareholders who voted against management's 'Say on Climate' resolution at Shell. While they were pleased with Shell's commitment to become a net zero emissions energy business by 2050, more detail on interim targets as well as how the strategy aligns with the Paris Agreement is still required. Ultimately, the fund managers believe that Shell can maintain a strong investment proposition through the energy transition, and they plan to engage with management on their approach both directly and collaboratively via the CA100+.

Argan

The fund managers of the Premier Miton Pan European Property Share Fund received recommendations from ISS to vote against Argan's management due to concerns around share issuance, the use of restricted share plans and insufficient transparency on variable remuneration. The fund managers engaged with Argan who explained why the flexibility to issue equity is important in the current environment and that historic remuneration levels have been fair and conservative – we agreed with this when compared with peers. The company confirmed their intention to improve the transparency around variable remuneration incentive structures ahead of the next annual report and general meeting. The fund managers subsequently voted in line with management on executive remuneration and the resolution passed. The fund managers also engaged with Argan with regards to a related party transaction that had been flagged by ISS, who recommended voting against Argan's management on this. Argan fully clarified their position, which led to the fund managers voting in line with management.

Empiric Student Property

The fund managers of the Premier Miton Multi-Asset Distribution Fund supported the management resolution to approve the company's two-year Climate Strategy Plan. This resolution was included in response to requests from shareholders and related to a variety of ESG commitments such as enhanced climate risk management, scenario analysis and financial modelling as well as collection of Scope 3 emissions data. While this passed, 25% of shareholders voted against the resolution and therefore the fund managers will monitor the company response. Impact of proxy recommendations on our voting decisions.

Impact of proxy recommendations on our voting decisions

We followed ISS recommendation at 96% of votable resolutions over the period.

4% of resolutions were voted contrary to ISS recommendations. In some cases, there are good commercial and governance reasons why a business proposes something beyond the governance norms, often for a limited term and we therefore sometimes find ISS voting recommendations to be too prescriptive. This is particularly the case with smaller companies, where often our fund managers have a good, long-term relationship with management and a strong understanding of company strategy.

Novo Nordisk

The fund managers of the Premier Miton Global Sustainable Growth Fund supported the re-election of Henrik Poulsen as Vice Chair and Director and Kasim Kutay as Director of Novo Nordisk. ISS recommended abstaining from these votes as the company maintains a share structure with unequal voting rights, and these candidates represent the primary beneficiaries of the superior voting rights. Following engagement, the fund managers understood that this was in relation to the Novo Nordisk Foundation's holding of A shares which have 20 times the voting rights of the publicly traded B shares. According to the Articles of Association of the Foundation, the A shares cannot be divested, and this supports the dual objective to provide commercial research and supporting other scientific and humanitarian purposes. These resolutions ultimately passed with circa 90% of shareholders voting in favour.

MGC Pharmaceuticals

The fund managers of the Premier Miton UK Smaller Companies Fund voted for the resolution to approve issuance of incentive options. The fund managers understand the difficulties in recruiting non-executive directors given the company size and cash restraints and issuing equity is considered a suitable alternative. The resolution passed with 96% of shareholders voting in favour.

Shareholder resolutions

We generally take a cautious approach when considering shareholder resolutions due to concerns around being overly prescriptive on company strategy or individual metrics.

During the year we voted on 243 shareholder resolutions which is an increase on 2023 levels. We supported 85 of those resolutions, specifically where they lead to improved governance, shareholder rights, audits and disclosures. Additionally, we supported several social or environmental related shareholder resolutions including on climate, gender pay gap and recycling.

We supported shareholder proposals at Amazon, Abbvie, Microsoft, Nvidia, Mastercard and Deere across topics such as reporting on lobbying payments and political contributions, move to majority votes and the risks associated with artificial intelligence (AI). Few of these proposals gained sufficient shareholder support with one notable exception being the approval of majority voting at Nvidia.

When assessing shareholder resolutions, we will also review the research from initiatives such as Principles for Responsible Investing and the Institutional Investors Group on Climate Change.

Shell

The fund managers of the Premier Miton UK Multi Cap Income Fund voted against the shareholder resolution at Shell to align its Scope 3 medium-term emissions reduction targets to the goals of the Paris Agreement. This resolution was requisitioned by Follow This. The fund managers are aware that this would require immediate divestment from fossil fuels and believes that forced divestment is the wrong approach to achieving a successful energy transition. This resolution did not pass with 19% of shareholders voting in favour.

“Anti-ESG” shareholder resolutions

We are increasingly aware of a new trend of anti-ESG resolutions, where a shareholder is looking to remove ESG practices. During the year there were 13 ‘anti-ESG’ resolutions at 11 companies and we did not support these.

Deere & Company

The fund managers of the Premier Miton Global Sustainable Growth Fund voted against the anti-ESG shareholder resolution at Deere & Company which asked the company to produce a report on greenhouse gas reduction policies and their impact on revenue generation. The fund managers believe that company management has adopted a considered approach to managing climate risk and that their carbon reduction strategy will not have a negative impact on revenues. This ultimately did not pass with 99% of shareholders voting against the resolution.

Environmental & social resolutions

There are an increasing number of environmental and social resolutions being proposed by management and shareholders at company meetings which we support where appropriate. We reviewed 155 environmental resolutions and supported 58% of these. 729 social resolutions were reviewed, and we supported 80% of these.

Microsoft

The fund managers of the Premier Miton Global Sustainable Growth Fund supported the shareholder resolution at Microsoft to report on AI data sourcing accountability due to risks related to copyright infringement. Although the company discloses information about its assessment of AI risks, the fund managers believe that shareholders would benefit from greater attention to risks related to how the company uses third-party information to train its large language models. 36% of shareholders supported this resolution which provided a indication of shareholder views on the subject to the board.

NextEra Energy

The fund manager of the Premier Miton Global Infrastructure Income Fund supported the shareholder resolution at NextEra Energy to produce a report on its climate lobbying practices. Shareholders requested a report on its framework for identifying and addressing misalignments between the lobbying and policy influence activities and positions, both direct and indirect through trade associations, coalitions, alliances, and other organizations, and its Real Zero strategy. The fund managers supported this resolution as additional disclosure would allow shareholders to better evaluate the company’s lobbying efforts and ensure that it aligns with best practice. 32% of shareholders supported this resolution which provided a indication of shareholder views on the subject to the board.

Management 'Say on Climate' resolutions

We encourage companies to hold regular votes on net zero strategies and during the year we were pleased to see that 9 UK companies and 17 global companies held included these resolutions. We supported majority of these, although abstained at Glencore. This was due to the difficulties of reconciling coal activities with the Paris Agreement goals, especially given the discontinuation of their commitment to cap coal production.

Asset classes other than company shares

In addition to company shares, we apply our voting policy across all assets including Exchange Traded Funds (ETFs), corporate bonds and investment trusts.

Where we can cast votes relating to holdings in bonds issued by companies we will aim to do so. Moreover, we will discuss with the issuers the terms and conditions of individual bonds to obtain the best outcome for holders at the time of issue and as necessary, through the lifetime of a bond.

As investors in investment trusts, we can vote on situations such as winding up or continuation. These are often at the end of extensive discussions on fees, capital structure or directors' positions.

Digital 9 Infrastructure

The fund managers of the Premier Miton Multi-Asset Global Growth Fund were concerned by the difficulties faced by Digital 9 Infrastructure since an initial capital raising left them over levered without access to further funding. The fund managers believed that a refreshed board with more proven skills in being able to effectively oversee a disposal programme of digital assets would be more warranted and therefore voted against the re-election of two of the directors. One of the directors stepped down and the other received greater than 60% votes against re-election.

Voting monitoring

Proxy voting activities are overseen by the Responsible Investing Oversight Committee. Its responsibilities include reviewing proxy voting activity reports, reasons where votes have not been made and discussing any improvements that could be made to the voting process. The Responsible Investing Oversight Committee will discuss voting practices and analyse the voting activity report to ensure that fund level voting activity is meeting expectations.
A list of significant votes is provided on a quarterly basis which includes vote instruction, rationale, outcome and any planned action. This provides assurance that the fund managers seek to act to deliver good outcomes for those invested in the funds and products via their voting activities.

Focus for 2025

Our priorities around stewardship and responsible investing include the following.

- Support Premier Miton funds with sustainability labels as well as those that are unlabelled with sustainability characteristics by undertaking high quality stewardship to help achieve the relevant sustainability objectives.
- Remain supportive of net zero and actively participate in climate related engagement directly with portfolio companies and collaboratively via initiatives such as CA100+, Net Zero Engagement Initiative and CDP Non-Disclosure Campaign.
- Further enhance engagement monitoring, escalation and tracking of outcomes

Internal governance

This report has been reviewed by the Responsible Investing Oversight Committee, which oversees stewardship activities, and has been recommended to the boards of Premier Fund Managers Ltd and Premier Portfolio Managers Ltd for approval.

Contact us:

Website: premiermiton.com

Phone: 0333 456 4560

Email: contactus@premiermiton.com

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