VOTING AND ENGAGEMENT ACTIVITY

Welcome to your Quarterly Report's Engagement Activity section. We engaged with several companies over the quarter, examples of which we give below.

The summaries below are based on our internal research and analysis through engaging with each company on what we consider to be their material issues. The information has been included to evidence our ESG integration process. In each case, it is our view being presented and the information should not be relied upon.

The resiliency scores of "high", "average" or "low" provide a simplified indication of the more detailed scoring system we apply as part of our investment process.

The conviction scores provide a general indication of any changes in the absolute conviction levels we have in a particular holding. We use a sliding absolute scale in our investment process and scores of "higher" or "lower" in this report do not necessarily translate to "high" or "low" absolute conviction scores. The changes noted in this report reflect a change in conviction based on the recent quarter, which might not result in a change in weighting, especially if we expect further progress on engagement issues.

HomeServe

We met with HomeServe, a provider of home emergency repair services, in May 2021.

Investment rationale

HomeServe sells subscription-based home assistance products to homeowners (mainly in plumbing, heating and electricals). We see potential in this group in that its core membership business should grow significantly as it establishes further utility partnerships in America; there is incremental margin opportunity in its core business; and the group's Home Experts business (Checkatrade and eLocal) has the scope to become a home improvement platform linking what is currently a fragmented connection between supply and demand between consumers and traders. Checkatrade is now three times the size of its nearest competitor with material scope to generate network effects.

Areas of engagement	Potential impacts
Insurance price setting	Social
More equitable treatment / services to traders on the group's platform	Social

Objectives of engagement

- To understand how the group's Home Experts division will reach profitability
- To understand the growth trade-off between mature and growing markets

Key issues and discussion

1. **Stabilisation of the UK membership business (which has been gradually reducing in size)**
   - During the quarter, we engaged HomeServe on the various options for customer acquisition. Historically, customer acquisition has been primarily through water utilities but is now expanding to energy utilities and direct to consumer (DTC) from the group's website. Our engagements have enabled us to have a better understanding of the marketing choices the group is making on a global basis, why the group is allocating resource to other countries, and why the group has allowed its UK business to experience natural attrition, especially since the UK is the group's most mature market where HomeServe has concentrated marketing. The group is now getting a better return on its marketing by focusing its marketing budget on other countries where few people have seen membership offers.
2. **Scaling of Checkatrade platform and the path to profitability for Home Experts**

- We discussed the support that HomeServe offers its tradespeople. HomeServe provided free subscriptions to its tradespeople to help preserve the number of specialists on the platform, particularly during the pandemic. The group also plans to grow its platform by using TV, play-per-click and freemium, whereby traders can include some of their details on the platform and get limited free referrals. These steps have helped boost confidence in the group's profitability over the next 12 months.

3. **Growth of US business where the business has an opportunity for penetration**
    - The group's US business seemed to stall at its half year (November 20) but has since established new partners and resumed marketing accelerating business in the second half of the year. We discussed the group's strategy for reaching more utility (affinity) partners as well as the metrics (KPIs) by which the group plans to measure the effectiveness of acquiring partners and growing memberships. There is a long runway for growth in these areas.

Our requests: N/A

Outcomes

- Following our engagement, HomeServe will consider if there are more relevant KPIs it should publish for its US business
- In terms of providing better assistance to its tradespeople, HomeServe is also working on an algorithm that distributes needs more widely and equitably to the traders on its platform

Escalated issue(s): None

Any impacts on proxy voting: No

Resiliency: Average

HomeServe is essentially a platform business linking third party trades, insurance, and utility providers with end consumers around a service (repair) model, utilising branded, original equipment manufacturer components. One potential area of concern is the fact that insurance pricing practices are to set low initial premiums (which are loss-making) followed by price rises after the initial year. The FCA is currently investigating this practice across the insurance industry. HomeServe has been previously fined (in 2014) for this practice and has responded by simplifying its pricing structures.

Conviction: Unchanged during the quarter

We have high conviction in the group's core business which has a long track record of execution through all economic environments. While the profitability of HomeExpert is less certain, management have allocated significant capital to the venture. Whether or not the HomeExpert business succeeds will lie in the number of paying traders the group manages to acquire on the platform.

<u>Daily Mail and General Trust (DMGT)</u>

We met with the CEO, FD & Investor Relations (IR) at DMGT, the multi-national media company, in June 2021 as well as dialogue with IR over the quarter.

Investment rationale

DMGT is a media conglomerate of well-invested and predominantly digital private businesses where we believe the sum of the parts significantly exceeds the stock market valuation of the group. There is a focus on highly attractive data and information assets - notably RMS Insurance Risk modelling software is attractive. Investors have wrongly focused on the structural decline of the printed newspapers, but the digital equivalent is now making a material profit contribution. Evidence from the disposals of Genscape & Hobsons validates the inherent value within DMGT. The key value drivers are the group's 20% stake in Cazoo - listing in the US in July21; RMS, which could be worth more than the value of DMGT in 2-3 years' time; Trepp, which provides data for the commercial property market; and particularly Landmark, a data/services platform for housing transaction market. All have huge potential to grow. We expect stronger sales growth after a period of investment which will lead to a re-appraisal of DMGT's valuation.

Areas of engagement	Potential impacts
Requested employee engagement and staff turnover numbers (for RMS)	Social
Plans for capital allocation	Social

Objectives of engagement

- To discuss the group's capital allocation, particularly, whether management is likely to invest the cash at a time of high valuations of digital assets or if the cash will be returned to shareholders
- To understand progress on the group's property information business, Landmark, which is launching a portal to speed up residential property transactions
- To gauge the reception from RMS customers of the new tech platform and its functionality. Are they more or less confident that growth will accelerate from October 2021
- To assess whether RMS employees are unhappy with changes made in recent years and is there a risk of a drain of talent in the business

Key issues and discussion

1. **Potential further capital destruction in developing next generation software assets within RMS, which fail to make a return**
    - We engaged DMGT on the risk around the progress of the new tech platform. The group points to clear evidence that customers are embracing the new platform which is functioning well and giving customers comfort in buying new modules from RMS. They continue to see a steady acceleration of revenue growth from Q4 21.
2. **After significant historic capital misallocation by the group's previous management, the new strategy might not succeed**
    - DMGT is like a private equity or venture capital business. Over the last 2-3 years, it is clear that the new management has developed a more focused strategy and been proactive with and invested behind the businesses in which it invests. We engaged the group on investing surplus cash at high valuations risking the destruction of capital. Management was keen to stress they are in no hurry to invest and they have been demonstrating in recent years effective deployment of capital into its various businesses and selling assets at good prices. The group wishes to invest in interesting businesses counter-cyclically and will be opportunistic, citing the recent acquisition of *New Scientist.*
3. **The next generation software platform could address a broader market than the current Catastrophe Risk insurance market it currently reaches, pointing to incremental high margin growth**
    - The group is starting to see evidence that their next generation solutions are effectively addressing a broader market. DMGT is breaking into new markets, modelling catastrophes around the world, and assessing the risks inherent across businesses and countries (e.g., supply chain or cyber risks) thereby increasing the size of its addressable market.

Our requests

- We requested a call with the CEO of RMS direct and details of staff turnover, requests that they have so far not met.

Outcomes: N/A

Escalated issue(s): None

Any impacts on proxy voting: No

Resiliency score: Above average

DMGT operates a capital light, intellectual property rich model offering solutions designed to improve outcomes in fields including education, insurance, and buildings/environment. The group’s 10-year LTIP will pay out on a pro rata basis if there is a change in control, which is more positive than expected. Governance continues to be an area of potential concern, given the Rothermere shareholding and control over voting rights. There has also been a lack of transparency in the past, but this is improving.

Conviction score: Unchanged during the quarter

DMGT has made significant progress simplifying its business with the disposals of Genscape, Hobsons, the distribution of Euromoney, and the sale of various smaller property information assets. It has also refreshed the management team at RMS (by replacing the founder). While its turnaround plan is coherent, we do not yet possess operational data/trends to suggest the transformation will be successful, although management’s confidence levels have increased and we should start to see evidence of the turnaround by end 2021. Cazoo listing in the US also provides material valuation support and a catalyst for the shares.

VOTING RECORD SUMMARY

Please see below a breakdown of the meetings and resolutions which pertain to your portfolio. Majedie's Proxy Voting Principles document can be found on the Responsible Capitalism section of our website.

SUMMARY	VOTES	PERCENT
Number of meetings voted at this period	88	
Number of resolutions	1,392	
Where we voted in line with Management	1,345	96.6
Where we have not voted in line with Management	47	3.4

Source: Majedie, ISS (Institutional Shareholder Services)

The table below is a breakdown of the number of resolutions where we have either voted against Management or abstained.

CATEGORY	AGAINST MANAGEMENT	ABSTAIN
Antitakeover Related	0	0
Capitalization	0	0
Directors Related	9	1
Miscellaneous	0	0
Non-Salary Comp.	10	0
Reorg. and Mergers	0	0
Routine/Business	27	0
Total	46	1

Sources: Majedie, ISS (Institutional Shareholder Services)

VOTING RECORD DETAILS

SECURITY NAME	MEETING DATE	MEETING TYPE	MAJEDIE VOTE
4IMPRINT GROUP	18 May 2021	AGM	Voted for all
ACCSYS TECHNOLOGIES	25 May 2021	EGM	Voted for all
ADVANCED MEDICAL SOLUTIONS	08 Jun 2021	AGM	Voted for all
ANGLO AMERICAN	05 May 2021	EGM	Voted for all
ANGLO AMERICAN	05 May 2021	Court	Voted for all
ANGLO AMERICAN	05 May 2021	AGM	Voted for all
ASCENTIAL	06 May 2021	AGM	Against Resolution 18
ASTRAZENECA	11 May 2021	EGM	Voted for all
ASTRAZENECA	11 May 2021	AGM	Against Resolutions 7, 8, 14
BAE SYSTEMS	06 May 2021	AGM	Against Resolution 18
BARCLAYS	05 May 2021	AGM	Against Resolutions 17, 29
BARRICK GOLD	04 May 2021	AGM/EGM	Voted for all
BOKU	19 May 2021	AGM	Against Resolution 5
BOOHOO GROUP	18 Jun 2021	AGM	Against Resolution 10
CAIRN ENERGY	11 May 2021	AGM	Against Resolution 2
CENTRAL ASIA METALS	21 May 2021	AGM	Voted for all
CENTRALNIC	03 Jun 2021	AGM	Against Resolution 4
CENTRICA	10 May 2021	AGM	Against Resolution 14
CERES POWER HOLDINGS	17 Jun 2021	AGM	Voted for all
CITY PUB GROUP	28 Jun 2021	AGM	Against Resolution 7
CONVATEC	07 May 2021	AGM	Against Resolution 16
DIRECT LINE INSURANCE	13 May 2021	AGM	Against Resolution 15
DOMINO'S PIZZA	22 Apr 2021	AGM	Against Resolution 18
EBAY	15 Jun 2021	AGM	Against Resolution 4
ELIXIRR INTERNATIONAL	16 Jun 2021	AGM	Against Resolution 12
EMIS GROUP	06 May 2021	AGM	Against Resolution 14
EQUIFAX	06 May 2021	AGM	Voted for all
ESSENTRA	20 May 2021	AGM	Voted for all
ETSY	11 Jun 2021	AGM	Voted for all
FEVERTREE DRINKS	20 May 2021	AGM	Voted for all
FIRSTGROUP	27 May 2021	EGM	Voted for all
FULLER SMITH & TURNER	20 Apr 2021	EGM	Voted for all (Resolution 1)
FULLER SMITH & TURNER	20 Apr 2021	EGM	Voted for all (Resolutions 1 and 2)
GAMMA COMMUNICATIONS	20 May 2021	AGM	Abstain on Resolution 11
GLOBALDATA	20 Apr 2021	AGM	Against Resolutions 1, 7
GREGGS	14 May 2021	AGM	Voted for all
GRESHAM COMPUTING	10 May 2021	AGM	Voted for all
GRESHAM COMPUTING	21 Jun 2021	EGM	Voted for all
GRESHAM HOUSE	12 May 2021	AGM	Voted for all
HILL AND SMITH HLDGS	25 May 2021	AGM	Against Resolution 18
HILTON FOOD	24 May 2021	AGM	Voted for all
HSBC	28 May 2021	AGM	Against Resolutions 6, 16
INSTEM	27 May 2021	AGM	Voted for all

SECURITY NAME	MEETING DATE	MEETING TYPE	MAJEDIE VOTE
JTC	26 May 2021	AGM	Voted for all
JUDGES SCIENTIFIC	26 May 2021	AGM	Voted for all
KONINKLIJKE KPN	14 Apr 2021	AGM	Voted for all
LEGAL & GENERAL	20 May 2021	AGM	Against Resolution 18
LONDON STOCK EXCHANGE	28 Apr 2021	AGM	Against Resolutions 3, 19
MARLOWE HOLDINGS	25 May 2021	EGM	Voted for all
MARSHALLS	12 May 2021	AGM	Voted for all
MATTIOLI WOODS	16 Jun 2021	EGM	Voted for all
MEARS GROUP	29 Jun 2021	AGM	Voted for all
MONDI	06 May 2021	AGM	Voted for all
NATWEST	28 Apr 2021	AGM	Against Resolution 23
NEWMONT GOLDCORP	28 Apr 2021	AGM	Voted for all
NEXT	20 May 2021	AGM	Voted for all
NEXT FIFTEEN COMMUNICATIONS	24 Jun 2021	AGM	Against Resolution 10
NXP SEMICONDUCTORS	26 May 2021	AGM	Against Resolutions 3b, 3g, 3h, 3l, 9
PHILIPS ELECTRS (KON.)	06 May 2021	AGM	Voted for all
POLYPIPE	20 May 2021	AGM	Voted for all
PORVAIR	20 Apr 2021	AGM	Voted for all
RECKITT BENCKISER	28 May 2021	AGM	Against Resolution 18
RELX	22 Apr 2021	AGM	Voted for all
RESTORE	27 May 2021	AGM	Voted for all
RIO TINTO	09 Apr 2021	AGM	Against Resolutions 3, 4, 5, 16
ROYAL DUTCH SHELL	18 May 2021	AGM	Against Resolution 21
SERCO	21 Apr 2021	AGM	Against Resolution 19
SMITH AND NEPHEW	14 Apr 2021	AGM	Voted for all
SPIRENT COMMUNICATIONS	28 Apr 2021	AGM	Voted for all
ST MODWEN PROPERTIES	01 Apr 2021	AGM	Voted for all
ST. JAMES'S PLACE	14 May 2021	AGM	Voted for all
STANDARD CHARTERED	12 May 2021	AGM	Against Resolution 19
STRIX GROUP	27 May 2021	AGM	Voted for all
STV GROUP	29 Apr 2021	AGM	Voted for all
SUMO GROUP	17 Jun 2021	AGM	Against Resolution 11
TAYLOR WIMPEY	22 Apr 2021	AGM	Against Resolution 20
TEAM17 GROUP PLC	10 Jun 2021	AGM	Voted for all
TESCO	25 Jun 2021	AGM	Against Resolution 24
TOTAL	28 May 2021	AGM/EGM	Voted for all
TT ELECTRONICS	13 May 2021	AGM	Against Resolution 12
UNILEVER	05 May 2021	AGM	Against Resolution 18
VECTURA GROUP	27 May 2021	EGM	Voted for all
VECTURA GROUP	27 May 2021	AGM	Against Resolution 13
WEIR GROUP	29 Apr 2021	AGM	Voted for all
WM MORRISON	10 Jun 2021	AGM	Against Resolution 15
WPP	09 Jun 2021	AGM	Voted for all

SECURITY NAME	MEETING DATE	MEETING TYPE	MAJEDIE VOTE
XP POWER	20 Apr 2021	AGM	Voted for all
ZOTEFOAMS	26 May 2021	AGM	Voted for all

Source: Majedie