Ninety One

Previously Investec Asset Management

Annual stewardship report

1 April 2019 to 31 March 2020

a better

"At Ninety One, we believe our purpose is to invest for a better tomorrow.

That tomorrow will only be better if it is sustainable and makes a positive difference to people and planet."

Hendrik du Toit
Chief Executive Officer

tomorrow

Contents

Welcome

Welcome

The financial year to 31 March 2020 was a momentous year for Ninety One. We ended our twenty-ninth year in business with record earnings growth, a quality client base from across the world, and a highly motivated and experienced leadership team, but challenged by the enormous economic and market consequences of the COVID-19 pandemic.

What remains the same is our core objective, which is to invest the assets entrusted to us by our clients so that we meet their investment objectives. We are active (not passive or activist) investors. We believe that effective boards and management that are aligned with our long-term objectives should be supported.

We invest our clients' assets as responsible investors with a declared commitment to active stewardship, including engagement and the integration of environmental, social and governance (ESG) issues throughout the business. It is clearer than ever that we need to consider a broad range of extra-financial issues to continue to provide strong returns for our clients. The top five risks outlined by the World Economic Forum in January 2020 all relate to the environment: extreme weather, climate-action failure, natural disasters, biodiversity loss and human-made environmental disasters. The same report included infectious disease in the top 10 risks in terms of impact; at the time of writing, we are all experiencing precisely what this means, with the coronavirus outbreak still far from contained. This global challenge is directing shareholders' attention to issues such as labour management, supply-chain processes and leadership, reinforcing why they are critical considerations for investors. But while the pandemic has disrupted markets and economies, it has also brought out a sense of collective responsibility and a desire to work together to protect lives and livelihoods.

Reports from non-governmental organisations (NGO) and the scientific community continue to warn that "unsustainable human activity is pushing the planet's natural systems that support life on Earth to the edge[1]". In October 2018, the world's leading climate scientists estimated that there are only a dozen years for global warming to be kept to a maximum of 1.5°C. Even half a degree of warming above that will significantly worsen the risks of drought, floods, extreme heat and poverty for hundreds of millions of people. The landmark Intergovernmental Panel on Climate Change (IPCC) report set out the enormous systematic risks of inaction. But it also offered hope, in highlighting that cost-effective solutions exist to avoid a full-blown crisis. These would require what Professor Jim Skea, co-chair of the IPCC working group on mitigation, called "an unprecedented shift in energy systems and transport". We believe the investment community has a significant role to play in enabling this transition. For investors, gaining exposure to the companies that will drive and benefit from it should not only help them mitigate the associated risk in their portfolios, but would also allocate their capital responsibly to meet the needs of future generations.

We believe that capital markets, investors and society in general will gain from a greater focus on sustainable development. Engagement and advocacy work directly with stock exchanges, regulators and policymakers is key to tackling the challenge.

Hendrik du Toit
Chief Executive Officer

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1. https://wwf.panda.org/knowledge_hub/all_publications/living_planet_report_2018/

Welcome

A year in review

2019/2020
Highlights from the reporting year

ESG integration and investments

- Continued improvement in ESG integration across all investment teams.
- Launch of the UK-domiciled OEIC Global Environment Fund.
- Award for 'Best Initiative for ESG Investment Process' in the Environmental Finance Awards for our Global Environment Fund.
- US$242 million of new loan commitments over 2019 by the Emerging Africa Infrastructure Fund (EAIF), in projects in Gabon, Ghana, Guinea, Côte d'Ivoire, Kenya, Mozambique and Uganda.
- Report produced in collaboration with WWF to assess the uses of geo-spatial research in monitoring environmental risks.
- 47 clients welcomed to our Sustainability Workshop.

Active ownership

- 241 engagements (of various levels and including proxy related engagements) spanning 32 markets.
- Joined the Transition Pathway Initiative and signed the Just Transition Statement.
- Signed the Global Investor Statement to Governments on Climate Change.
- 17,190 votes cast across 1,384 shareholder meetings.

Other

- Rated A+ by PRI for Strategy & Governance and applicable listed asset classes (Appendix B).
- Became a supporter/signatory to a number of global stewardship initiatives, including the Singapore Stewardship Principles, Hong Kong Principles of Responsible Ownership, Japanese Stewardship Code, Korea Stewardship Code and the ISG US Stewardship Principles[2].
- Reviewed and updated our firm-wide controversial-weapons exclusion list.
- Became a founding supporter of the Impact Investing Institute in the UK.

2020/2021
Our focus for next year

For 2020-2021, we will focus on:

- Reporting against the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).
- Expanding our advocacy efforts.
- Deepening the understanding and quality of ESG integration across all investment teams.
- Further improving investment-team subject knowledge through training and workshops.
- Updating our internal carbon tool to improve investment teams' understanding of climate risk.
- Formally embedding ESG into the investment risk function.

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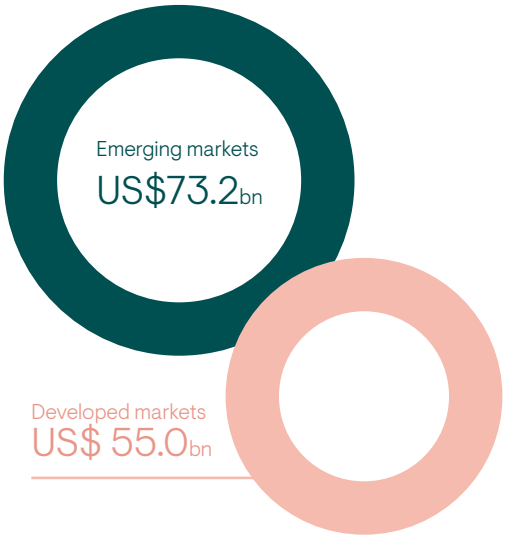
2. We are already a signatory/endorser of the UK Stewardship Code and CRISA Code.

Our stewardship commitment

During the last month of the 2020 financial year, we successfully demerged from Investec, listed on the London and Johannesburg stock exchanges, and rebranded as Ninety One. Significantly, all staff are now shareholders and the people who work in the firm collectively own more than 21% of the equity of Ninety One. This was a pivotal period in the evolution of our business. While these developments support our proposition as an independent investment manager with significant employee ownership, it is important to emphasise the stability and continuity of our long-term strategy, which underpin the success of our business.

Figure 1: Assets under management by Investment orientation

Strategy type



Diversified offering across all asset classes

US$56.8bn	US$37.8bn	US$22.6bn	US$3.2bn
Equity	Fixed Income	Multi-Asset	Alternative

Source: AUM as at 31 March 2020, numbers are unaudited. Excluding SA Fund Platform and additional administration assets. Figures may not add up to 100% due to rounding.

Our commitment to stewardship is unchanged: we aim to preserve and grow the real purchasing power of the assets entrusted to us by our clients over the long term. In fulfilling this purpose, we assume a stewardship role, including the effective exercise of our clients' ownership rights. We monitor, evaluate and, if necessary, actively engage or withdraw investments, with the goal of preserving or adding value to our clients' portfolios.

Our commitment and approach to stewardship is underpinned by a robust stewardship policy, which outlines our key priorities and principles (available online). All our ESG-related policies and activities are governed by our internal Investment Governance Committee (IGC).

Our policies have not changed during the reporting period. Five core principles continue to guide our stewardship efforts:

1. Disclose how we discharge our stewardship duties through publicly available policies and reporting.

2. Address internal governance of effective stewardship, including conflicts of interest and potential obstacles.

3. Support a long-term investment perspective by integrating ESG considerations, engaging with portfolio companies, escalating issues, and monitoring material ESG risks and opportunities.

4. Exercise our clients' ownership rights responsibly, including engagement and voting rights.

5. Where appropriate, act alongside other investors.

Our purpose, culture and investment beliefs

Ninety One has always been a purposeful business. We began in 1991 with the aim of making a positive difference to our clients and the country in which we were founded, South Africa. Since then, we have expanded our business globally and extended our ambition. Today, we articulate our purpose as follows: 'Better firm, Better investing, Better world'. This aspiration guides our strategic decision making, our culture and our daily endeavours.

The culture at Ninety One reflects our shared values. It promotes a healthy environment for debate and the exchange of views, and serves as the foundation for our pursuit of enduring investment performance and outstanding client service. The overriding value that underpins our culture is 'do the right thing'. Our culture and commitment to the five stewardship principles help us ensure the effective stewardship of our clients' assets.

We believe the privilege of being trusted with our clients' capital carries with it a responsibility to contribute to a sustainable future. We aim to make a positive difference to people and the planet, while delivering long-term investment returns. We do so through a robust and comprehensive integration of ESG analysis and research into our investment processes. This is outlined further in the 'ESG integration and investments' section.

We strive to deliver the highest standards of client service. Client-management teams work with our clients to identify their requirements, including their stewardship and responsible investing needs. We believe that being transparent about our stewardship approach is important, and this is reflected in our reporting to clients. Through thought-provoking content, training, events and partnerships, we aim to help our clients tackle the issues that are impacting their investments today and will do so in the future. We report on our responsible-investing activities in a number of ways, including via our annual stewardship report and PRI reporting.

Better firm

We aim to achieve excellence over the long term through organic improvement over time.

History of growing assets under management; stable investment teams with long industry and firm experience.

Better investing

Long-term investment excellence is our primary focus and is non-negotiable. Our purpose is to provide our clients with an investment offering that allows them to achieve their financial goals.

29-year pedigree managing a range of asset classes, with a strong active return record. As at the end of December 2019, our one- and three-year firm-wide outperformance stood at 81% and 71% respectively.

Better world

We are dedicated to building a better world by investing our clients' capital responsibly with responsible users of that capital, through our engagement with society and by the way we behave as a firm.

Active steward of capital, with ESG integrated across all investment strategies; dedicated sustainability solutions.

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Past performance is not a reliable indicator of future results, losses may be made.

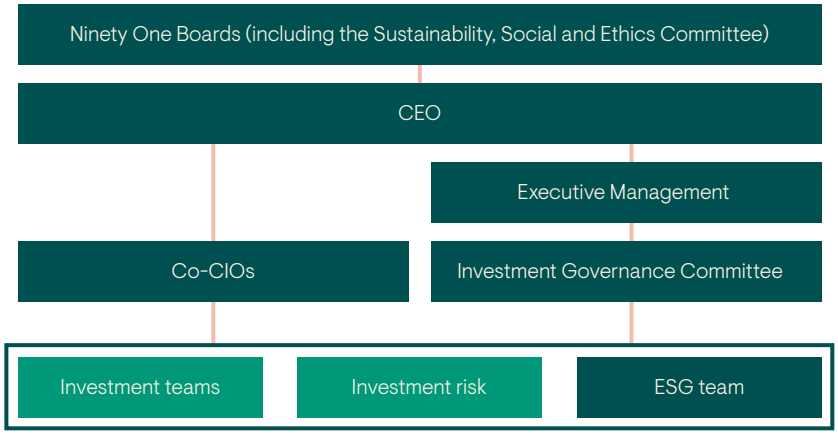
of change

Our governance structure

Executives are accountable to the Ninety One board for strategy implementation, including with respect to sustainable investing and stewardship. Putting sustainability at the core of the business model is one of Ninety One's four strategic priorities.

Senior executives, including the CEO, Co-CIOs and the General Counsel, serve on the Investment Governance Committee (IGC). This senior committee is the custodian of Ninety One's approach to stewardship and is ultimately responsible for applying our stewardship responsibilities across all investments. The Global Head of ESG and Head of ESG Engagement report to the IGC each quarter on responsible investment and stewardship activity across the business. The Committee reports to the Global Executive Management team.

Figure 2: Governance structure



Each of our investment capabilities uses a distinctive investment process that reflects its investment philosophy. However, all of our investment processes integrate material ESG factors and identify engagement opportunities based on investment priorities. Our investment teams are supported by our ESG team led by Therese Niklasson, Global Head of ESG, which comprises experienced professionals.

We believe that Ninety One's culture of accountability and our focus on results, together with an effective governance structure, have further improved our stewardship policies, processes and outcomes over the last 12 months. By expanding the risk function to also cover ESG issues, we believe we will increase the investment teams' accountability for ESG through improved measurement and structured reporting to the CIO office.

Tackling the big issues

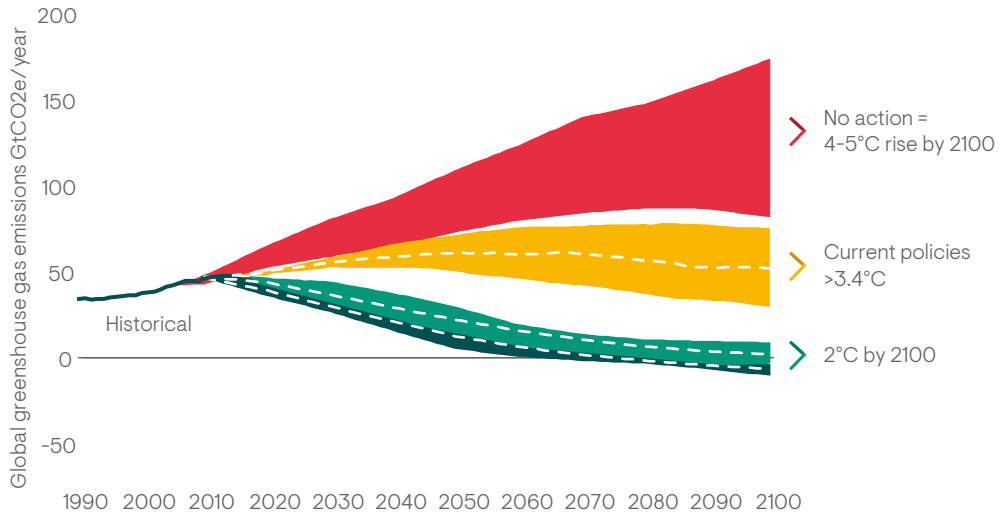
Alongside stakeholders across the industry, we seek to address sustainability issues and related market-wide systemic risks that have wide-reaching implications on society, the environment, and the economy. We believe that the Sustainable Development Goals ('SDGs') provide a useful and durable framework for investors to approach the shift we are seeing towards a more equitable society and a less carbon intensive economic model.

Climate change

The past year has seen a significant focus worldwide on climate change, but there was little progress in reducing global emissions. The concentration of carbon dioxide in the atmosphere increased to 413 parts per million (ppm)[3] at the end of March 2020, from 410 ppm in March last year and 369 ppm at the beginning of this century.

Current policies have not changed materially. Forecasts estimated by the Climate Action Tracker Project shows that current policies will still put us on a 3.4°c warming, well above what is needed.

Figure 3: 2100 warming projections



Source: Climate Action Tracker Project, 2017, *UN IPCC estimates, 2016 – 2035, https://www.climate-kic.org/news/no-more-excuses-financing-1-5c

Wildfires, flooding and extreme weather are raising awareness of the climate crisis, but action needs to accelerate rapidly.

Our work over the year considering the implications of climate change and the destruction of natural capital is outlined overleaf. We believe investors have a significant role to play as active owners of corporations in the transition to a low carbon economy.

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3. Concentration of carbon dioxide in the atmosphere measured in micro-mol CO2 per mole (ppm)

During the year, we continued our efforts through advocacy groups, company engagements and research to understand and respond to the investment implications of climate change. Notable developments during the year included:

1. We signed the Global Investor Statement to Governments on Climate Change, tabled at COP25 in December 2019. The statement urges governments to tackle the global climate crisis and proposes phasing out thermal coal, taxing carbon pollution, ending fossil-fuel subsidies, and driving more far-reaching industrial change.

2. Our sovereign debt team, together with the London School of Economics, published a paper on the opportunity presented by sovereign debt restructuring in Argentina to direct investment into a climate-sustainable future.

3. We worked on our Task Force on Climate-related Financial Disclosures ('TCFD') response and expect to disclose in line with the TCFD recommendations in the 2021 financial year.

Natural capital

Deforestation and the degradation of biodiversity and productive land masses is a major concern for investors. With WWF, we co-authored a report, 'Satellites and sustainability: new frontiers in sovereign debt investing', highlighting the potential uses of geo-spatial data by investors. The report argues that "advances in geo-spatial data and satellite imagery could help sovereign debt investors better assess and manage environmental risks[4]."

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4. https://wwf-sight.org/satellites-and-sustainability-new-frontiers-in-sovereign-debt-investing/


ESG integrat
has evolved
the last deca

ESG integration and investments

Over the reporting year we focused on three areas:

- Deeper integration of ESG considerations into investment processes.
- Improving our understanding of climate risk.
- Better integration of engagement in our investment culture.

After several years of working on integration, these three priorities have emerged as the critical tenets of an integrated active investment approach to ESG. Almost every client now requests ESG-related information, an indication of the importance attached to it. The vast majority ask about our approach to climate risk, and an increasing number request examples of our engagements on societal and environmental issues. The nature and depth of the questions that we receive are very encouraging. While there is no universal understanding of ESG, there is clear convergence on the view that ESG considerations should be part of the way we do business.

In terms of practical actions, teams across the business have conducted teach-ins on topics including the opioid crisis, natural capital and spatial data, climate-risk integration, the ever-changing ESG and sustainability data landscape, and the implications of upcoming regulation. The ESG team ensures that the business has an appropriate ecosystem to support ESG integration, as well as knowledge-sharing around ESG and sustainability considerations.

Progress in ESG integration

Our ESG integration has evolved over the last decade – not least because client expectations and markets have changed, and the issues we are trying to understand from an investment perspective, such as climate change, have become more urgent and complex. As an industry, we are getting better at understanding and assessing the materiality of ESG issues. But we continue to be challenged by the lack of standardisation of, and global access to, ESG data. We also believe that markets worldwide are not yet uniformly factoring in ESG issues. For all these reasons, ESG integration will continue to be a work in progress.

Over the period, the ESG and investment teams prioritised where they believed they could make meaningful progress. We continued working on our ESG-integration best-practice assessments, which have allowed us to further understand how the investment teams are positioned, the quality and consistency of ESG integration, and any gaps that need to be addressed. These assessments followed a common framework, but took into account asset-class and strategy nuances.

It is important to note that we look to integrate ESG in a way that complements each investment and research process. We would also acknowledge that Ninety One's investment capabilities are at different stages of their journeys towards a truly integrated ESG approach. Figure 4 provides a high-level overview of each capability's ESG integration with respect to:

1.

Fundamental research

Our investment capabilities all take an integrated approach to ESG analysis. Given the differences between strategies, asset classes and regions, the way this analysis is carried out varies across investment teams. But all teams concluded last year that improvements in disclosure, data and alternative information sources offer scope to challenge the depth and quality of ESG research. This highlighted the need for upskilling and training.

2.

Portfolio management

Our investment teams have access to various data sources to monitor ESG developments. We continue to discuss how we can make ESG data analysis a more formal part of the research process. Embedding ESG data and tools into other processes around our business, such as investment risk monitoring, will promote consistency of data throughout the organisation.

3.

Engagement

Engagements are driven by an investment team's individual strategy and priorities. Some approach engagement systematically, while others engage as issues arise. Increasingly, teams are tending towards a more systematic approach. Most have a track record of both proactive and reactive engagements.

Figure 4: Overview of ESG integration

	Prior to investing	Monitoring	Active ownership	
Asset class	Fundamental research	Portfolio management	Engagement	**Example of key focus**
Equity	Materiality-based integrated ESG analysis	In-house capability to monitor and alert for changes in ESG information	Investment teams' engagement priorities	Our equity teams focused on targeted engagements to improve shareholder value, and thematic engagement focused on carbon, including through the Carbon Disclosure Project. We also improved the ESG information available to analysts. Our listed property equity team focused on engagement with corporates, regulators and other bodies to improve governance in its South African universe.
Multi-Asset				The Multi-Asset team participated in collaborative engagements.
Fixed Income	Integrated scorecard approach	In-house capability to monitor and alert for changes in ESG information and Quarterly sovereign ESG reviews and scorecard updates		The emerging market sovereign debt team focused on detailed analysis of country-level data; co-operation with NGOs on thematic topics; and engagement with policymakers. Corporate-debt teams improved ESG assessments for new credits and focused on understanding the data landscape to improve coverage, especially in emerging markets.
Alternatives (private markets)	ESG assessment for assets defined by respective management systems	Monitoring needs defined following extensive due diligence exercise	Portfolio companies are actively managed through management representation and/or lenders' consortia (legal undertakings)	The private investments and infrastructure teams spent time improving impact measurement.

Data and service providers to support an integrated approach

We work to keep up to date with the ever-changing ESG and sustainability data landscape. The ESG team helps the investment teams understand what data is available. Over the reporting year, we met with over 20 service providers to consider coverage and data quality, and to distinguish between data aggregators, raw-data providers and niche-data providers. Increasingly, we are seeing value in the use of niche data, such as geo-spatial data. The business regularly reviews and monitors existing service providers to ensure that their services are the best fit for our needs.

Several studies[5] have confirmed that ratings providers' ESG assessments of companies are not correlated – one may rate a company poorly, while another may rate it above average. In our view, ESG ratings should not be used to make investment decisions and should instead be used to inform fundamental research.

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5. https://www.ft.com/content/0bd9d2ea-5c15-11ea-8033-fa40a0d65a98?desktop=true&segmentId=7c8f09b9-9b61-4fbb-9430-9208a9e233c8#myft:notification:daily-email:content

Case studies

Integration case studies

Case study 1: **Fixed income**

Our Emerging Market Fixed Income teams have always considered ESG issues, particularly governance matters. With improving disclosure and data, we are able to better assess environmental and social considerations in emerging markets. The examples below indicate where ESG considerations have played a more prominent role in our decision-making.

Sovereign debt

- **Turkey:** We retained a general underweight bias to Turkish assets over much of 2019, in part reflecting concerns around ongoing deterioration in the country's governance and institutional resilience. More generally, ESG scores have been strongly negative.
- **Peru:** We maintained an overweight bias to Peruvian bonds for most of the year, in part reflecting positive views around the central bank's strong institutional independence and credibility. Our overall ESG scores for Peru were positive over the year.
- **Lebanon:** In strategies with hard currency debt exposure, we did not own any Lebanese debt, in large part due to very negative ESG scores on the back of weak governance, high levels of corruption and poor social outcomes. These factors came to the fore in the second half of 2019, where a large protest movement led to a political and economic crisis, which ultimately ended in a debt restructuring in February 2020.

Corporate debt

- In September 2019, we decided not to participate in Indian mining company Vedanta's new issue due to a number of ESG concerns. Our analysis identified adverse environmental concerns about the company's proposed copper smelter, which was strongly protested against, as well as previous poor environmental practices that had a material impact on operations. For example, the company's Goa operations had been suspended due to endangering the surrounding environment, thus posing a threat to the company's ability to secure future social licences and revenue streams. We also found poor health & safety procedures, with numerous workplace injuries and deaths.
- Lastly, our research highlighted that Vedanta lacked the robust corporate governance structures necessary to correct these issues and plan for a more sustainable future.

Case study 2: **Equities**

Our Equity teams integrate ESG throughout their investment processes. We show below how ESG analysis informed the consideration of an investment in a French building-materials group Saint Gobain, which was rejected on the basis of the identified social risks:

- Asbestos claims in the US and France have weighed on the company's free cashflow for the best part of two decades and, while much reduced, new claims continue to arise.
- Of greater concern was the fact that the company owned a manufacturer of insulation that was used in Grenfell Tower, a high-rise residential block in London that caught fire in 2017 with the loss of 72 lives. Phase one of the public inquiry (released in October 2019) concluded that it was "more likely than not" that insulation contributed to the spread of the fire. Subsequent media reports alleged incorrect marketing of the product (denied by the manufacturer).
- Phase two of the report is not expected before 2022, creating limited visibility. Victims' families launched legal action against the insulation manufacturer, which (at the time of the analysis) was ongoing.
- Surveys revealed that materials similar to those used on Grenfell Tower have been applied to many other high-rise residential buildings in the UK. This creates risks to the company's reputation and ability to generate free cashflow.

Private markets

A year in review

Private markets investments generally entail more ESG-related risks, as they provide direct financing to both greenfield and brownfield assets. We have made significant progress over the reporting period in integrating ESG considerations and understanding ESG-related risks within our private markets funds. As at 31 March 2020, Ninety One managed approximately US$1.6 billion in African private equity, real estate, infrastructure and credit.

Emerging Africa Infrastructure Fund

The Emerging Africa Infrastructure Fund (EAIF) is a debt fund focused on corporate debt in the nine infrastructure sectors it lends to: affordable housing; energy generation; telecoms and digital; water and waste; infrastructure components; gas transport and storage; transport; agribusiness; and infrastructure allied to mining. It lends from US$10-65 million across Africa and can lend in euros. The Fund encourages, stimulates and mobilises private-sector capital through its flexible terms of business and its role as a 'patient lender'. It has established a reputation as a skilled, dependable and progressive lender. EAIF's primary objective is to contribute to the alleviation of poverty in Africa by supporting infrastructure projects that help lay the foundations for sustainable economic development. Since 2002, it has supported over 80 projects in 21 African countries.

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See link to view all the UN Sustainable Development Goals: https://www.undp.org/content/undp/en/home/sustainable-development-goals.html

EAIF is funded by the governments of the UK, The Netherlands, Switzerland and Sweden. It raises debt capital from public and private sources. In 2019, EAIF made US$242 million of new loan commitments in projects in Gabon, Ghana, Guinea, Côte d'Ivoire, Kenya, Mozambique and Uganda. Some highlights:

- Eight projects backed in four sectors in seven African countries
- 65MW of renewable energy for Kenya, Uganda and Tanzania
- Anchor investor in EAIF's first affordable housing transaction
- EAIF-backed projects creating 370 new direct permanent jobs and 7,500 in the construction industry
- Loan portfolio up 16%; on track to exceed US$1 billion in commitments in 2020

Africa Private Equity

Ninety One's Africa Private Equity funds invest across sectors that develop African businesses, improving investee companies' operations through close partnerships with management teams. The Africa Frontier Private Equity Fund 2 specialises in growth capital and buyout investments in mid-sized companies in Africa, with a focus on sub-Saharan Africa. The Fund focuses significantly on consumer-facing sectors and support services, and aims to take substantial minority or controlling shareholdings in portfolio companies.

A lack of long-term private investment has slowed growth in Africa's expanding consumer sector, and entrepreneurs have struggled to grow their businesses and access new market opportunities. The Fund provides strategic and operational expertise to investee companies, supporting wider economic growth and job creation. During the year under review, the Fund made one new investment:

- **Spinneys Egypt:** a supermarket business offering fresh food, household goods and general merchandise in hygienic, refrigerated and temperature-controlled conditions. It works with over 1,000 business partners, which make daily deliveries to provide Spinneys' customers with a wide range of products from local and international brands. Supplies are all bought from local providers (not imported directly) and c.65% of them are locally sourced, with c.35% indirectly imported via importers/distributors. Spinneys Egypt has established key performance indicators (KPIs) to evaluate the environmental and social performance of its operations. Key KPIs tracked include staff turnover, energy use and staff accidents.

African Credit Opportunities Fund

The Africa Credit Opportunities Fund (ACOF) has been providing credit to African companies for the past five years. Its mandate adheres to International Finance Corporation (IFC) environmental and social performance standards, as well as to the objective of developing capital markets. ACOF plays a key role in the development of the debt capital markets across Africa by creating new asset classes, acting as an anchor investor, and providing liquidity in the primary and secondary markets. ACOF backs leading infrastructure projects, companies and sponsors to facilitate the provision of African infrastructure, including power, renewable energy, telecoms, transport, aviation and social infrastructure. ACOF will reach the end of the reinvestment period in Q3 2020. The Fund has had an exceptionally active last 12 months, making 27 investments (over 50% of the Fund) of which seven were in new counterparties:

- **Dangote Industries:** Dangote Refinery will produce sufficient petrol to meet the daily needs of Nigeria. Petroleum exports will boost dollar income for the country and help balance the fiscus of the country.
- **GHL Bank:** GHL originates mortgages through bank liquidity facilities, refinancing by pledging collateral for new facilities, and provides access to long-term affordable mortgages. It actively assists in reducing the housing shortage in Ghana, as well as helping to create jobs in construction.
- **Helios Investment Partners (HIP) Fund III:** HIP's portfolio companies have added 6,000 jobs since 2008. The investment provides a transparent and conservative entry point to support leading African mid-market businesses.
- **Kenya Power:** The business is the cornerstone of the energy sector in Kenya. Its long-term financial sustainability is essential for the stability and continued growth of the sector, which in turn affects the economy as a whole.
- **Ecobank Transnational Incorporated:** Ecobank contributes to reducing the poverty gap by stimulating investment-led economic growth in host countries. Ecobank invests in infrastructure development to drive industrialisation and technological innovation in an environmentally friendly, socially acceptable and energy efficient manner.
- **Equity Group Holdings:** Equity Group uses financial services and non-financial means to alleviate hardship, offering multiple pathways out of poverty. It has supported 77,117 households and an estimated 300,000 individuals, who have benefited from clean energy products such as solar and clean-cook stoves. It has empowered 1.7 million women and young people in Kenya with financial literacy skills.
- **United Bank for Africa:** The UBA Foundation is involved in facilitating educational projects and bridging the literacy gap across Africa. UBA is committed to contributing towards inclusive growth and the sustainable development of the economies where it operates.

Growthpoint Investec African Property Fund

Ninety One has partnered with Growthpoint Properties to create a pan-African Real Estate Investment Trust, which has been seed funded by the International Finance Corporation (IFC). Growthpoint Investec African Property Fund (GIAP) is expected to support the development of capital markets for real estate as an asset class across the countries in which it operates, thereby contributing to the wide-ranging developmental impact which the real estate sector can have in such markets.

GIAP has significantly advanced the execution of its strategy to aggregate a quality portfolio of prime income-producing commercial assets in select cities across Africa. GIAP announced at the end of 2019 that it had successfully concluded the acquisition of 100% of RMB Westport Real Estate Development Fund Limited (RMB Westport), the entity which houses the assets developed and owned by RMB Westport's inaugural property development fund.

This transaction follows the recently announced GIAP acquisitions of Achimota Retail Centre in Ghana and Manda Hill Shopping Centre in Zambia, which were acquired in June and July 2019. The acquisition of the RMB Westport portfolio is a significant leap for the business and gives GIAP an asset base of approximately US$500 million and a presence across a number of Sub-Saharan African countries, with the majority of exposure in key cities in Ghana, Nigeria and Zambia. GIAP expects to announce progress regarding further acquisitions in due course.

Active ownership

Engagement

As a business, we are active (not passive or activist) investors. We believe that effective boards and management that are aligned with our long-term objectives should be supported.

Our global engagement policy is driven by a clear purpose to preserve and grow the real value of the assets entrusted to us by our clients over the long term. The following section explains how that policy has been implemented over the reporting period.

Ninety One seeks to ensure company boards focus on creating and preserving sustainable value. Investing client capital in an uncertain future requires each investment team to include governance as part of its fundamental analysis. A low level of governance comfort requires engagement to justify the investment.

Engagements take place as an integral part of the investment process, with the investment teams initiating engagement based on their investment processes and priorities. The ESG team provides engagement advice and targets material ESG themes and specific holdings that are significant to Ninety One and our clients. The team is accountable to executive leadership through the Investment Governance Committee for policy implementation and engagement on a quarterly basis.

Our engagements are broadly categorised into three areas:

- **Strategic** – to bring about change and enhance return.
- **ESG communications** – to improve information, reinforce our voting rights and communicate voting decisions.
- **Theme-based** – to focus on specific themes to reduce risk, improve information and link to our advocacy efforts.

Our strategic engagement approach

Identify

- Fundamental investment analysis
- Proxy voting
- News flow
- Crises
- Client requirements
- Material holdings

Plan

- Clear engagement purpose and objectives (examples included in the case study section)
- Discuss engagement options, including various methods
- Consider investor collaboration
- Develop a strategic plan

Engage

- Begin dialogue
- Build professional relationship
- Explain concern and the opportunity
- Seek company commitment
- Revise plan and escalate if appropriate
- Secure commitment

Monitor & Report

- Document purpose, strategy and all dialogue
- Realise the engagement goal
- Record the engagement outcome
- Report to the Investment Governance Committee (IGC)
- Report to clients

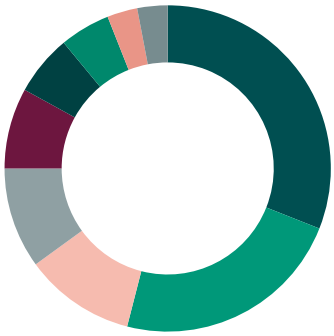
Engagement

Overview

During the year, we took part in 241 engagements. Many of the engagements were initiated following matters identified in our fundamental investment and voting analysis. We continue to focus on ensuring active ownership is aligned with ESG integration. Effective fundamental analysis that integrates material ESG factors helps ensure early identification of significant issues and resolutions that need attention at the next AGM. In addition, the assessment of governance or leadership culture is critical to our investment capabilities' investment processes. Sound governance improves confidence in our analysts' earnings forecasts and helps protect client capital.

Figure 5: Engagement by category and region

Engagement by category

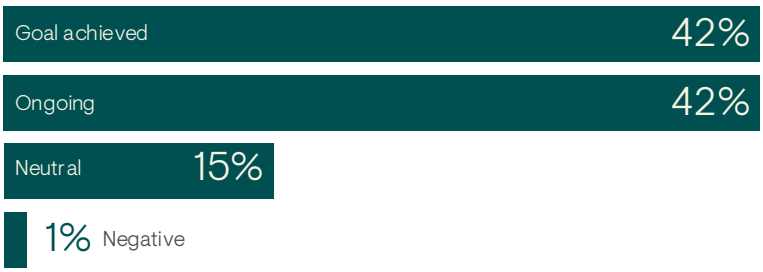


- Remuneration, 31%
- Board composition, 23%
- General governance, 11%
- Environmental concerns (inc climate change), 10%
- Capital management, 8%
- General ESG, 6%
- Social impact concerns, 5%
- Audit, 3%
- Shareholder rights, 3%

Engagement by region

- Africa, 31%
- Europe, 29%
- Americas, 24%
- Asia Pacific, 17%

Engagement outcomes



Source: Ninety One, data for period 01.04.19 to 31.03.20. Key: Ongoing = Ninety One is still engaging with company on issue. Neutral = Outcome of a communication where no response is expected i.e., a communication informing a company of a final voting decision.

Figure 6: Engagement methods for the reporting period

Engagement options	Extent of use	Asset class
Letter to the board	Always; global	Equity, Corporate Debt
Letter to the executive team	Most engagements, no regional difference	Equity, Corporate Debt
Generic letter	Only for theme-based engagement; global	Equity, Sovereign Fixed Income
Annual corporate governance dialogue by company or investor	Regular dialogue globally	Equity
Focused, targeted dialogue with chairman, LID or executive	When required, global	Equity
Public statement	Not necessary	Equity
AGM attendance and questions	Required for material engagements globally	Equity
Shareholder resolution	We did not make use of a shareholder resolution	Equity
Collaboration	Employed for theme-based engagement globally	Equity, Sovereign Fixed Income

Source: Ninety One, 31 March 2020

Engagement conflicts of interest

The Investment Governance Committee, in cooperation with the Global Conflicts Committee, deals with any conflicts of interest that may arise between Ninety One's business interests and the fiduciary duty it has as a custodian of client capital.

For further information, please refer to the 'Conflicts of interest' section in our Stewardship Policy.

Case studies

Case study 1: **Sasol**
Strategic leadership, capital management & emission transparency

Identify	Poor capital allocation and management have destroyed value for investors in this South African energy and chemicals company. It is essential that investors have confidence in the executive management team and trust their management of capital on behalf of our clients. In addition, access to transparent disclosure of climate-change risk and opportunities is essential for investors to integrate this information into their earnings projections.
Plan	Engagement goal: – Change executive management – Adjust executives' variable remuneration appropriately for the destruction in shareholder value – Encourage the company to use the TCFD framework to disclose climate-change risk and opportunity. Develop strategy to appropriately deal with material climate-change risk, including expected increasing cost of carbon
Engage	We have engaged with Sasol on a variety of governance-related matters, including remuneration, TCFD disclosure and the joint executive structure. The company committed to use the TCFD framework and reinforced this commitment in its 2018 integrated report. We wrote to the chairman and engaged, requesting executive-management change and appropriate adjustment to variable remuneration.
Outcome	On 28 October 2019, Sasol reported on the findings of the board review and the action taken. The joint CEOs were awarded zero as the value of their short-term incentive and agreed to a mutual separation from the company from 31 October 2019. In addition, a climate-change report was published. We engaged with management to encourage a clear climate-change strategy in alignment with the goals of the Paris Agreement. Material elements of the engagement achieved through escalation of our engagement with the chairman and board. **Ongoing**

Case study 2: **Gold miners**
Scope 3 emissions disclosure

Identify

We need to better understand gold companies' climate-risk exposure and believe disclosure needs to improve to allow investors to understand these businesses' full carbon footprint, particularly the indirect emissions from their supply chains and products and services once they are sold (Scope 3).

Scope 3 emissions are an important component of a company's full carbon footprint, and while likely to be small for gold producers (due to limited 'use of product' emissions), it is important the gold sector moves forward with other global sectors in improving disclosure of Scope 3. Greenhouse gas emissions in other sectors may be hidden in the value chain. Gold producers should demonstrate the lower relative emissions within their own value chain, allowing for fair comparison of emissions data across sectors. The relative performance of the gold sector will be much improved versus a comparison on just direct carbon emissions and emissions from the generation of purchased energy (Scope 1 & 2). By not reporting Scope 3, gold companies run the risk of generalist investors assuming the worst and automatically excluding them during the screening process. Only by understanding the full carbon footprint can accurate reduction targets be set and performance tracked over time. Lowering gold's carbon footprint will ensure gold, and its producers, remain relevant in an increasingly climate-aware world. Climate change creates uncertainty around the reputation and relevance of the gold sector, and comprehensive emissions reporting will be perceived positively by the broader investment community.

Plan

Engagement goal:

- Increase Scope 3 disclosure across the gold sector.

Engage

Letters have been sent to each of the relevant holdings in the Global Gold portfolio.

Outcome

Responses so far have been broadly positive, with some committing to include reporting on some Scope 3 categories as early as next year.

Ongoing

Case studies

Case study 3: **MultiChoice**
Remuneration

Identify	A need for better governance, including incentivisation, to enable greater exposure to this South African multichannel digital television and entertainment company.
Plan	Engagement goal: – Improve poor incentive system to align with strategy and encourage the creation of sustainable value.
Engage	We engaged extensively with individuals responsible for the remuneration policies and implementation, including the chair of the Remuneration Committee. We felt that escalation of the issue was necessary, which led us to vote against the remuneration policy and implementation report at the 2019 AGM. We communicated our rationale for our voting decision to the company. In early 2020, the company presented an improved remuneration policy. Our dialogue on the changes helped lead to further change and improvement in the long-term incentive structure.
Outcome	A revised and improved remuneration policy is now in place to align with company strategy, including an amendment to the incentive structure where restricted shares will vest over five years, rather than the originally proposed three years. **Goal achieved**

Case study 4: **McKesson**
Collaborative engagement on governance and business integrity

Identify	We believed the company had not adequately dealt with the distribution of opioids in the US. As a drugs distributor, it was expected to report suspicious flows of controlled substances. McKesson failed to do this and has subsequently been the subject of several lawsuits. Potential future costs from lawsuits were an investment concern. Reputational damage would not ease until governance was changed and investors believed there was board accountability. Risk of future behaviour / oversight issues remained high absent board change.
Plan	Engagement goal: – Two directors to leave the board and a new independent chairman to join. The chair of the audit committee had been on the board for 15 years and was responsible for addressing monitoring following the first lawsuit. This monitoring failed, leading to a further lawsuit. There appeared to be no accountability for this.
Engage	We spoke to 15 shareholders and persuaded three to co-sign a letter ahead of the AGM. Some of the investors opted to engage separately with the company. Our letter highlighted investors' concern over the lack of board accountability and the need for governance change. At the AGM, we voted against the re-election of the Audit Committee chair and an additional long-standing Audit Committee member, and against the re-election of the chairman. At the AGM, 13% of shareholders voted against the chairman and about 60% of shareholders voted against the executive officers' compensation.
Outcome	**Ongoing**

Proxy voting

Our approach

Ninety One votes at shareholder meetings throughout the world as a matter of policy and principle. We believe that once we become investors (i.e., owners of a company) we assume a critical fiduciary responsibility on behalf of our clients by consistently exercising our proxy voting rights in company general meetings by either support or sanction. Our 'Ownership Principles and Proxy Voting Guidelines' establish our voting and engagement approach, which applies across all of our equity holdings. Although our proxy voting guidelines apply globally, we recognise regional differences. In markets where the codes are still evolving and not yet fully aligned with global best practice, we take this into account. In these markets, we aim to engage actively with policymakers, regulators and stock exchanges, together with other global and local investors, to address more critical potential shortcomings.

We use an external proxy-research and vote-execution service provided by Institutional Shareholder Services (ISS). ISS delivers its benchmark research and Ninety One's custom policy research. The research is discussed between the ESG team and the investment team to come to a unanimous voting decision in the best interests of clients; i.e., we do not apply the ISS default recommendations.

We understand that some clients may have their own policies, which may differ from our policy. For clients invested in segregated portfolios, we are able to put mechanisms in place to ensure adherence to client-specific voting guidelines. We do not take part in stock lending, so this does not affect our voting process.

Our voting overview

97%
of meetings voted[6]

1,384
meetings voted

17,190
proposals

59
countries

—

6. Note that we have excluded companies that were not held at the time of voting and those that we did not vote due to a conflict of interest. We aim to cast a voting decision across 100% of our holdings, which may be a 'do not vote' decision for several reasons including share-blocking restrictions or power-of-attorney restrictions.
Source: Ninety One, ISS ProxyExchange. Data is for the 12 months to end March 2020.

Overview

In 2019/20, we made vote recommendations at 1,384 shareholder meetings worldwide, analysing 17,190 resolutions in accordance with Ninety One's voting policy. At 492 of these meetings (32%) we voted against/abstain/withhold on one or more resolutions. On a resolution-by-resolution basis, we voted 'for' on 94% of the resolutions, and cast a dissenting vote (against, abstain or withhold) on the remaining 6% of resolutions. Note that voting records can be accessed on our website and we plan to add our rationales for dissenting votes over the coming year.

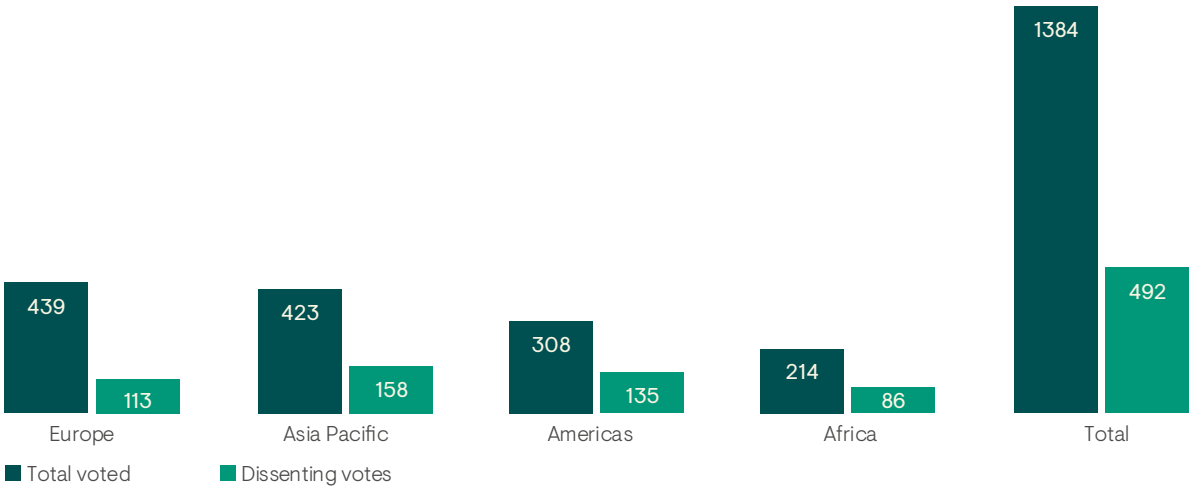
Figure 7: Votes cast on a per resolution basis

Votes FOR, 94%
Votes AGAINST, 5%
Votes ABSTAIN, 0.8%
Votes WITHHELD, 0.2%

Figure 8: Votes cast per region

Europe, 32%
Asia Pacific, 31%
Americas, 22%
Africa, 15%

Figure 9: Number of votes cast (on a per-meeting basis) by region vs. number of meetings with at least one dissenting* vote



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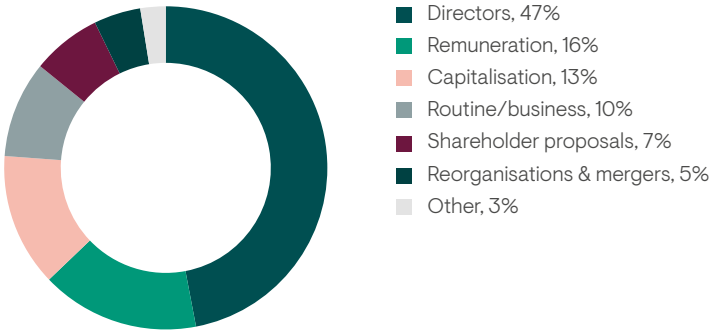
*Dissenting means against/abstain/withhold.
Sources for Figures 7, 8 and 9: Ninety One, ISS ProxyExchange. Data is for the 12 months to end March 2020. Figures may not add up to 100% due to rounding.

Globally, c.47% of all votes against related to directors. We regard the governance of companies, and hence the board, as crucial for the protection and enhancement of shareholder value. We believe that owners have a responsibility to work with the board to motivate the company to create sustainable value, reinforce the board's mandate, and ensure the quality and accountability of the board.

Figure 10: Global breakdown of votes against on a per resolution basis

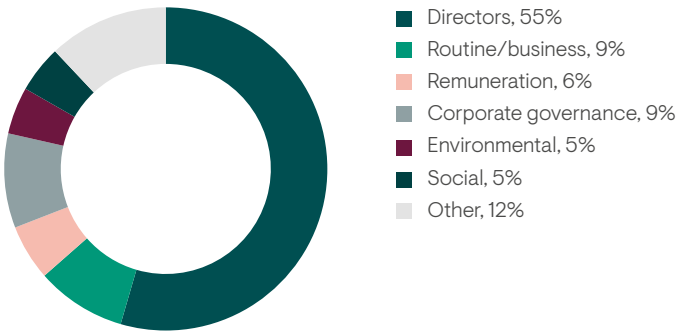


Shareholder proposals

Shareholder proposals enable shareholders to recommend or require that a company and/or its board of directors take a specific action. They complement direct engagement and letter-writing campaigns. They are key shareholder rights across the globe, although there are myriad differences in submission requirements due to countries' varying legal frameworks.

Over the reporting period, we voted on 311 shareholder proposals. We supported a significant number of them (75%) because they sought to improve ESG practices, were targeted and focused, and were neither too prescriptive nor too vague in their requests. We did not support shareholder proposals that were not in the best interests of all shareholders or that lacked sufficient detail.

Figure 11: Breakdown of shareholder proposals voted in favour on a per resolution basis



Sources for Figures 10 and 11: Ninety One, ISS ProxyExchange. Data is for the 12 months to end March 2020. Figures may not add up to 100% due to rounding.

Case studies

Voting case studies

We have included a summary of our most 'significant' votes over the period. We defined these as votes where there was significant client, media or political interest, those of a thematic nature (i.e., climate change), and significant corporate transactions.

Investec Group — South African bank and wealth manager

Overview	AGM on 8 August 2019. Investec Ltd: 36 voting items, all management resolutions including directors-related, capitalisation, remuneration and routine business. Investec PLC: 11 voting items, all management resolutions including directors-related, capitalisation, remuneration and routine business.
Process	In keeping with Ninety One's process for managing potential conflicts of interest, we deferred voting decisions to our clients. Investec Ltd: Ninety One cast a 'do not vote'. Investec PLC: We contacted clients to ask how they wished to vote, subsequently submitting votes on behalf of each client. We cast a 'did not vote' for those clients that did not express an intention.
Outcome	Investec Ltd: Most resolutions were passed. Investec PLC: Items were voted as per clients' instructions. Most resolutions were passed.

Naspers — South African internet group

Overview	AGM on 23 August 2019. Several voting items, all management resolutions including directors-related, capitalisation, remuneration and routine business. Extraordinary general meeting (EGM) on 23 August 2019. One management proposal related to capitalisation.
Process	We continue to monitor less severe conflict-of-interest risks in the instances of Ninety One/Investec board members, senior employees and/or client senior employees serving on the boards of other publicly listed companies. To identify early conflicted meetings, the ESG team maintains a map of board memberships.
Outcome	For the AGM and EGM, the ESG team voted the meeting as per client instructions. For both meetings, resolutions were passed by majority support in South Africa.

BHP Group PLC — Anglo-Australian multinational miner

Overview	AGM on 17 October 2019. Several voting items, including 20 management resolutions and two shareholder resolutions.
Process	The shareholder resolution of interest was to 'approve Suspension of Memberships of industry associations that are involved in lobbying inconsistently with the Goals of the Paris Agreement'. Following detailed discussions between Ninety One's ESG team and the investment team that held BHP, we decided to not support this proposal as we were satisfied, at that point, with management's membership review process and commitment to improve disclosure on memberships and its Paris Agreement commitments.
Outcome	The shareholder resolution did not pass, only receiving minority votes in support.

Standard Bank — South African financial services group

Overview	AGM on 30 May 2019. Multiple voting items, with 19 management resolutions and three shareholder resolutions all relating to greenhouse gas emissions.
Process	We considered what outcome would be in the best long-term interests of our clients. These voting decisions were reviewed by Ninety One's senior management and head of investment capabilities. We supported the proponents' goal to raise transparency and improve reporting of material information, but preferred to give the company time to develop internal disclosures consistent with TCFD guidelines. Consequently, we abstained on the climate-reporting resolution and supported the public policies resolution.
Outcome	The resolution to 'adopt and publicly disclose a policy on lending to Coal-fired Power Projects and Coal Mining Operations' was passed with a majority.

Tongaat Hulett — South African agricultural and agri-processing business

Overview	Meeting held for written consent on 7 January 2020. Three voting items, all management resolutions, including a request to 'authorize Board to Ratify and Execute approved resolutions'.
Process	Based on the view that Tongaat needs to go through a material restructuring, we decided to support all resolutions. Voting decisions were reviewed by senior management and heads of investment capabilities to confirm they supported the long-term sustainability of the company.
Outcome	All three resolutions passed with majority support.

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Outcome source: Proxy Insight

Voting conflicts of interest

Ninety One has established processes to manage potential conflict-of-interest issues through the voting process. These conflicts can vary in nature and we respond to each case individually, following a strict process. In some instances, we would refrain from taking the voting decision ourselves and instead defer the decision to our clients. An example would be voting on holdings in listed Ninety One-managed funds and Ninety One Plc/Ltd. Other, less severe conflict-of-interest risks could be instances of Ninety One board members, Ninety One senior employees and/or client senior employees serving on the boards of other publicly listed companies. Please refer to the Investec and Naspers case studies.

For further information please refer to the 'Conflicts of Interest' section in our Ownership Policy and Proxy Guidelines document.

Rights and responsibilities for fixed income assets

We exercise our rights and responsibilities for credit instruments in a number of ways:

- We are often a member of bond or loan syndicates, and as such amendments to the documentation or indentures are typically facilitated through the facility agent or arranging bank. We thoroughly review any borrower requests or amendments and then submit our vote or signed amendment through the relevant channel.
- To the extent there is the potential impairment of a holding, a coordinating committee is usually formed to represent the interests of the bond or loan holders. This committee is typically made up of the largest lenders and to the extent we fall into that category we would be happy to represent our interests accordingly. This committee then negotiates with the borrower or any restructuring officer to ensure a fair outcome for lenders.
- Each analyst reviews any bond or loan prospectus ahead of investment. We also use a third-party legal service called Xtract, which comprehensively reviews all bond and loan documentation, flagging potentially relevant terms in the documentation.

Appendices

Appendices

Appendix A

Assurance of stewardship policies and processes

We have largely taken internal assurance of our stewardship activities. Our stewardship-related policy documents are reviewed by our ESG team on an annual (Ownership and Proxy Voting Guidelines) or biennial (Stewardship Policy) basis, and are tabled for review and approval by the Global Policies Committee, which comprises senior members of the business from Executive Management, Legal, Compliance, Company Secretarial and Operations (oversight and risk). Any material changes to the policies are also reviewed and approved by the Investment Governance Committee, a senior and experienced committee that is the custodian of Ninety One's approach to stewardship and that meets quarterly. Its remit covers the continued enhancement and management of Ninety One's stewardship position and oversees the implementation and effectiveness of the related policies. This includes tracking active ownership activity (voting and engagement) and assessing any disputes, outcomes and learning experiences that may enrich the stewardship policy. In addition, we have received external assurance of the controls covering our proxy voting process, which are reviewed annually by KPMG as part of the internal controls report (AAF 01/06).

As outlined in the ESG integration and investments section of this report, the ESG team regularly reviews the progress that investment teams are making in terms of ESG integration and highlights areas for improvement.

In such a changing space, the continuous review of stewardship and ESG-related activity and the accountability to various senior committees have led to the improvement of policies and processes over time. We understand that higher levels of assurance provide greater confidence that reported information and data is reliable, and so we will continue to discuss how we can better assure our processes.

Our marketing-compliance team has reviewed this report to make sure that it is clear, fair and balanced.

Ninety One's Chief Executive Officer, Hendrik du Toit, has reviewed the 2020 Stewardship Report ensuring alignment with the outcomes reported to the IGC, while ensuring fair, balanced and clear reporting.

Appendix B

Principles for Responsible Investment

The PRI is the world's leading proponent of responsible investment.

It works to understand the investment implications of ESG factors and to support its international network of investor signatories in incorporating these factors into their investment and ownership decisions. The PRI acts in the long-term interests of its signatories, of the financial markets and economies in which they operate, and ultimately of the environment and society as a whole.

The PRI is truly independent. It encourages investors to use responsible investment to enhance returns and better manage risks, but does not operate for its own profit. It engages with global policymakers but is not associated with any government.

It is supported by, but not part of, the United Nations. https://www.unpri.org/

Principle for Responsible Investment Assessment ratings

Ninety One (previously Investec Asset Management) has been a signatory to the PRI since 2008. As such, we are required to report annually on our responsible investment practices through the PRI Transparency report.

The assessment of the Transparency report aims to fulfil three main objectives:

- Facilitate learning and development, outlining how signatories' implementation of responsible investment compares year-on-year, across asset classes, and with peers at the local and global level.
- Identify how signatories can improve their responsible investing practices.
- Allow asset owners to focus their discussions with investment managers on responsible investment activities and capabilities.

A summary of our results for our directly managed assets, over the last three years, is shown in Figure 12. In 2019, we achieved an A+ rating for a number of categories, including Strategy & Governance and our listed asset classes.

Figure 12

PRI Assessment module	2017	2018	2019	2019 Median score
Strategy and Governance	A+	A+	A+	A
Listed Equity – Incorporation	A	A	A+	B
Listed Equity – Active Ownership	A	A	A+	B
Fixed Income – SSA (sovereign)	A	A	A+	B
Fixed Income – Corporate Financial	B	B	A+	B
Fixed income – Corporate Non-Financial	B	B	A+	B
Private Equity	A	A	A	B
Infrastructure	-	A	A	A

Source: PRI Assessment report.

The PRI Assessment scores are based on our response within the PRI Transparency report, which is available on the PRI website via the following link:
https://www.unpri.org/signatories/investec-asset-management/1342.article

Please see the following link which provides further information around the scoring methodology:
https://www.unpri.org/signatories/about-pri-assessment/3066.article

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Past performance is not a guide to future performance.

Appendix C

Alignment with UK Stewardship & CRISA Code

UK Stewardship Code

The UK Stewardship Code aims to set high stewardship standards for asset managers, asset owners and the service providers that support them. First published in July 2010, the Code was revised in September 2012 and again in October 2019. The UK Stewardship Code 2020 is a substantial and ambitious revision to the 2012 edition of the Code which took effect from 1 January 2020.

The new Code consists of 12 principles for asset managers and asset owners and sets high expectations of those investing money on behalf of UK savers and pensioners. We will remain a signatory to the current UK Stewardship Code until the first list of signatories to the 2020 Code is published in 2021. The FRC will begin accepting applications for the new code in Q1 2021, for the period 1 January 2020 to 31 December 2020. Please note that our reporting period runs from 1 April until the 31 March and we will apply to become a signatory in Q2 2021.

CRISA Code

The Code for Responsible Investing in South Africa (CRISA) gives guidance on how the institutional investor should execute investment analysis and investment activities and exercise rights to promote sound governance. There are five key principles as outlined opposite:

CRISA principles	
1. An institutional investor should incorporate sustainability considerations, including environmental, social and governance, into its investment analysis and investment activities as part of the delivery of superior risk-adjusted returns to the ultimate beneficiaries.	Our Stewardship Policy outlines our commitment to stewardship and how we incorporate sustainability or ESG considerations into our investment activities.
2. An institutional investor should demonstrate its acceptance of ownership responsibilities in its investment arrangements and investment activities.	Our Ownership Policy and Proxy Guidelines outline our acceptance of ownership responsibilities.
3. Where appropriate, institutional investors should consider a collaborative approach to promote acceptance and implementation of the principles of CRISA and other codes and standards applicable to institutional investors.	We serve on the following governance organisations and working committees to promote CRISA: — The CRISA Committee — The ASISA Responsible Investment Standing Committee — The IODSA Remuneration Forum — The Board of Governors of the International Corporate Governance Network (ICGN
4. An institutional investor should recognise the circumstances and relationships that hold a potential for conflicts of interest and should proactively manage these when they occur.	Our Stewardship Policy sets out our approach to managing conflicts of interest on page 17 (7.8).
5. Institutional investors should be transparent about the content of their policies, how the policies are implemented and how CRISA is applied to enable stakeholders to make informed assessments.	We have several policies that govern our stewardship activities: — Stewardship Policy — Ownership Policy and Proxy Guidelines

Note that we are also a supporter of several other global stewardship codes, as outlined below, and our compliance statements can be found on our website.

— Singapore Stewardship Principles

— Hong Kong Principles of Responsible Ownership

— Japanese Stewardship Code

— Korea Stewardship Code

— ISG US Stewardship Principles

Appendix D

Engagements list

The following list shows the companies that we engaged with over the reporting period:

58.com
Acacia Mining PLC
Adecco SA
Afinitas Limited
Afrimat Ltd
Alamos Gold Inc
Alfa Laval AB
Allied Electronics Corp Ltd
Amazon.com Inc
AMBEV SA
Anglogold Ashanti Ltd
Anhui Conch Cement Co Ltd
AO Smith
Aristocrat Leisure Ltd
Atacadao SA
Autohome Inc
AVI Ltd
Avon Products Inc
Banco do Brasil S/A
Barclays Africa Group Ltd
Barclays Botswana
Barrick Gold Corp
Bawag
Bayer AG
Beiersdorf AG
Bell Equipment Ltd
BHP Billiton PLC
Booking Holdings
Capita PLC
Chacha Food
Check Point Software Technology
China Everbright International Ltd
China National Petroleum Corp
Google Inc
Grafton Group PLC
Grupo Aeroportuario del Sureste SAB de CV
Guangdong Investment Ltd
GVC Holdings PLC
Hanesbrands Inc
Headlam Group PLC
Hexpol AB
Hipgnosis
Hochschild Mining PLC
Homeserve PLC
Hospitality Property Fund A
Hyprop investments Ltd
IMImobile PLC
Impala Platinum
Imperial Holdings
Informa PLC
Intercontinental Exchange Inc
Interfor
Intertrust NV
Invicta Holdings Ltd
IQVIA Holdings
Itausa-Investimentos Itau S/A
Japan Steel Works Ltd
Johnson & Johnson
JSE Ltd
Jumbo SA
Just Eat
JustShare
KB Financial Group Inc
KB Home
Kingfisher PLC
Kirkland Lake Gold Inc
Noble Energy Inc
Northern Star Resources
Novatek Microelectronics Corp
OceanaGold Corp
Old Mutual PLC
Omnia Holdings Ltd
Orange Life Insurance Ltd
Osisko Mining Corp
Pan American Silver Corp
Peregrine
Pick 'n Pay Stores Ltd
Play Communications
Plus500 Ltd
Polymetal
Pretium Resources
PSG Group Ltd
Quilter PLC
Range Resources Corp
RCL Foods
Redefine Properties Ltd
Resilient Property Income
Resolute Mining Ltd
RMB Holdings Ltd
Ryanair Holdings PLC
S&T AG
Samsung Electronics Co Ltd
Sanlam Ltd
Santam Ltd
Saracen Minerals
Sasol Ltd
Securitas AB
Sefalana
Shanghai Stock Exchange

58.com
Acacia Mining PLC
Choppies Enterprises Ltd
Cielo S/A
Clarkson PLC
Cochlear Ltd
Coeur Mining Inc
Compagnie Financiere Richemont S.A.
Council Institutional Investors
Countrywide PLC
Croda International PLC
Datatec Ltd
Delta Property Fund Ltd
doBank
Elektron Technology PLC
Emira Property Fund
Emlak Konut Gayrimenkul Yatirim Ortakligi AS
Engen Botswana
Equites Property Fund
EssilorLuxottica
Evolution Gaming Group AB
Evolution Mining
Experian PLC
First National Bank Botswana
First Solar Inc
FirstRand Ltd
FNB Namibia Holdings Ltd
Fortress REIT B
Franco-Nevada Corp
G4S Security Services
Gamesys Group PLCPLC
Gemfields
Google Inc
Grafton Group PLC
KLX Energy Services Holdings
KT&G Corp
Letshego Holdings Ltd
LG Household & Health Care Ltd
Li Ning Company Limited
Libstar
Longi Green Energy Technology
LSL Property Services PLC
M. Dias Branco S/A
Marsh & McLennan Cos.
Master Drilling Group Ltd
McCarthy & Stone
McKesson Corp
Mears Group PLC
Mediclinic International Ltd
Medtronic
Melexis NV
Metair Investments Ltd
Metalurgica Gerdau S.A.
MicroStrategy Incorporated Class A
Ministry of Finance (Japan)
Motus
Mr Price Group Limited
MTN Group
Multichoice
Naspers Ltd
National Assembly Research Service
Nedbank Group Ltd
Newcrest Mining Ltd
Newmont Mining Corp
Noble Energy Inc
Northern Star Resources
Sibanye Gold
Smith & Nephew PLC
SSR Mining Inc
Standard Bank Group
Standard Chartered PLC
Steinhoff Intl Holdings NV
Superdry, Value Capability
Taiwan Semiconductor Manufacturing Co. Ltd
Technicolor SA
Teleperformance
Ternium SA
The Foschini Group Ltd
Thermo Fisher Scientific Inc
Tongaat Hulett Ltd
Transunion
Truworths Int Ltd
Tullow Oil PLC
Turnstar
UniCredit S.p.A.
Valero Energy Corp
Van Lanschot Kempen
VeriSign Inc
Vukile Property Funds Ltd
Want Want China Holdings Ltd
Westgold Resources Ltd
Woolworths Holdings Ltd
Worldpay, Inc
Wuliangye Yibin CO Ltd
Wuxi Lead Intelligent Equipment
Xinyi Solar Holdings

Appendix E

The following table summarises the organisations we are members of and the role we have played.

Organisation	Date joined	Our role
The Asian Corporate Governance Association (ACGA)	2013	We are an active participant in the organisation including attending the annual conference, participating in collaborative engagements, consultations, delegations and regular conference calls.
Association for Savings and Investment (ASISA)	2008	We actively participate in collaborative engagements and work groups and serve on the Responsible Investment Committee. Thabo Khojane, Managing Director for our South African business, is Chairman of ASISA.
Business & Sustainable Development Commission	2016	Our CEO, Hendrik du Toit, was a member of the commission.
The Carbon Disclosure Project (CDP) – climate change, forest and water	2010	We are an active signatory involved in engagement with companies regarding their disclosure to the project.
Climate Action 100+	2018	We are involved in collaborative engagement efforts with companies to ensure that they are minimising and disclosing the risks presented by climate change.
Coalition for Inclusive Capitalism	2016	Our CEO, Hendrik du Toit, is a member of the working group that looks to engage leaders across business, government and civil society in their efforts to make capitalism more dynamic, sustainable and inclusive.
Council of Institutional Investors (CII)	2018	We are a member of the International Governance Committee, providing our views of governance best practice.
FAIRR	2019	We actively participate in collaborative conversations to identify and engage on material ESG risks and opportunities in global protein supply chains.
Institute of Directors in Southern Africa (IoDSA)	2015	We serve on the Remuneration Committee Forum where we contribute to Remuneration Committee position papers and from time to time take part in panel discussions to build awareness of new Remuneration Committee guidance.
Institutional Investors Group on Climate Change (IIGCC)	2018	We are an active participant in the organisation which includes participating in engagements (i.e., CA100+ engagement) and providing information for thought papers.
The Investment Association (UK)	2002	We are full members and take part in various working groups. Kim McFarland, Ninety One's Finance Director, serves on the Board. Tom Nelson, Head of Natural Resources, sits on the Sustainability and Responsible Investment Committee.
The Investor Forum	2017	We regularly meet with the forum and participate in targeted strategic governance engagements.

Organisation	Date joined	Our role
The Asian Corporate Governance Association (ACGA)	2013	We are an active participant in the organisation including attending the annual conference, participating in collaborative engagements, consultations, delegations and regular conference calls.
International Corporate Governance Network (ICGN)	2015	Our head of engagement, David Couldridge serves on the ICGN Board, which includes influencing the development of global governance and stewardship policy. We are also a member of the Board Governance Committee and the Audit & Finance Board Committee. We attend various conferences/forums.
Impact Investing Institute	2019	We are a founding supporter of the initiative.
PRI	2008	We are an active signatory and participate in workstreams, collaborative efforts and present at events hosted by the PRI. We attend the annual PRI in-person event and have taken part in various collaborative engagements.
SDG Center for Africa	2016	Our CEO, Hendrik du Toit, sits on the board of directors that oversees the organisation's work to support governments, civil society, businesses and academic institutions in achieving the Sustainable Development Goals in Africa.
Sustainable Development Solutions Network	2014	Our CEO, Hendrik du Toit, sits on the leadership council that oversees the work of the network.
Transition Pathway Initiative (TPI)	2019	We pledge support to the initiative and use the data to support our ongoing efforts to better understand climate-change risks and opportunities.

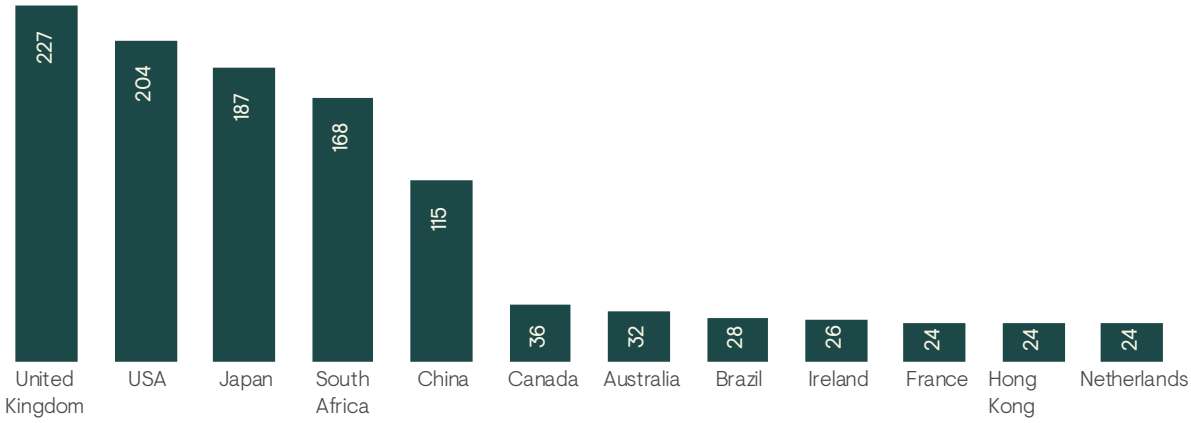
Appendix F

The following charts illustrate additional breakdowns of our proxy voting data over the reporting period.

Figure 13: Votes cast on a per-meeting basis

- Meetings with all resolutions voted in favour, 68%
- Meetings with at least 1 dissenting vote*, 32%

Figure 14: Top 10 countries by number of meetings



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*Dissenting means against/abstain/withhold.
Sources for figures : Ninety One, ISS ProxyExchange. Data is for the 12 months to end March 2020.

Figure 15: Votes against by topic and region (as percentage of votes against management)

	Directors	Remuneration	Capitalisation	Routine/ business	Shareholder proposals	Reorganisations & mergers	Other*
Globally	47%	16%	13%	10%	7%	5%	3%
Regional							
Africa	22%	32%	16%	18%	1%	12%	0%
Americas	62%	10%	10%	2%	13%	1%	2%
Asia Pacific	51%	6%	19%	3%	5%	9%	6%
Europe	43%	22%	10%	19%	5%	1%	1%

*Other includes anti-takeover, preferred/bondholder and social proposals.

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Sources for figures: Ninety One, ISS ProxyExchange. Data is for the 12 months to end March 2020.

About Ninety One

We are an independent, active global asset manager dedicated to delivering compelling outcomes for our clients.

Since we started in '91 in an emerging market, we learned the importance of recognising and embracing change and uncertainty. It's taught us that active investing can be a force for good. It's also given us a different perspective on the issues that matter – from how we invest sustainably, to the major thematic and structural challenges facing investors. Today we offer distinctive investment strategies spanning equities, fixed income, multi-asset and alternatives to help institutional investors, those advising others and individuals navigate an ever-changing world. Our corporate structure ensures employees are stakeholders in the firm and with our founding leadership still in place, we are well positioned to offer stability and a long-term outlook for our clients.

We focus on where we can make a real difference for our clients. We work with clients based all over the world who have entrusted us to manage US$128.2 billion in assets (as at 31 March 2020).

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Investment involves risk; losses may be made.

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