

Voting policy



Framework

At Ruffer, we endorse the Financial Reporting Council's definition of stewardship in its proposed revision of the Stewardship Code as '...the responsible allocation and management of capital across the institutional investment community to create sustainable value for beneficiaries, the economy and society.'¹

We act as stewards of our clients' assets and so we use our professional judgement to determine when to engage and how to vote at shareholder meetings to best protect the economic interest of our clients while being cognisant of the impact on all stakeholders.

We take the opportunity to vote seriously, as it enables us to encourage boards and management teams to consider and address areas that we are concerned about. We review local best practices and corporate governance codes when voting clients' shares, and actively consider companies' explanations for not complying with best practice to ensure that we vote in the best interests of our clients.

Policy

It is Ruffer's policy to vote on Annual General Meeting (AGM) and Extraordinary General Meeting (EGM) resolutions, including shareholder resolutions, as well as corporate actions. This policy is subject to materiality considerations and applies unless voting is not in our clients' best interests (for example, in markets where share blocking applies) or where, after due consideration, not casting a vote is the preferred course of action.² Ruffer

applies this policy to both domestic and international shares, reflecting the global nature of our investment approach.

To apply this policy, we work with various industry standards, organisations and initiatives and actively participate in debates within the industry, promoting the principles of active ownership and responsible investment. For example, we are signatories to the Principles for Responsible Investment (PRI), participate in the Remuneration and Share Schemes Committee at the Investment Association and, through our commitment to Climate Action 100+, have co-filed resolutions where we felt this was the most appropriate course of action.

Process

Ruffer has internal voting guidelines as well as access to proxy voting research, currently from Institutional Shareholder Services (ISS), to assist in the assessment of resolutions and the identification of contentious issues. Although we are cognisant of proxy advisers' voting recommendations, we do not delegate or outsource our stewardship activities when deciding how to vote on our clients' shares.

Research analysts are responsible, supported by our responsible investment team, for reviewing the relevant issues on a case-by-case basis and exercising their judgement, based upon their in-depth knowledge of the company. If there are any controversial resolutions, a discussion is convened with senior investment staff and, if agreement cannot be reached, there is an option to escalate the decision to the Head of Research or the Chief Investment Officer. We look to discuss with companies any relevant or material issue that could impact

¹ Proposed Revision to the UK Stewardship Code. Annex A – Revised UK Stewardship Code. January 2019

² Share blocking restricts investors that intend to vote at an AGM or EGM from selling their shares for a specified amount of time

our investment. We will ask for additional information or an explanation, if necessary, to inform our voting discussions. If we decide to vote against the recommendations of management, we will endeavour to communicate this decision to the company before the vote along with our explanation for doing so.

Collaborative engagement can also provide a platform to engage on wider sector, regulatory and policy matters with investors and other stakeholders. Ruffer is open to working alongside other investors on both policy and company specific matters. The decision to collaborate on company specific matters will be judged on a case-by-case basis by the responsible investment team with input from research analysts and portfolio managers as well as the legal and compliance teams (taking in consideration the UK concert party rules (and overseas equivalents)).

Ruffer engages regularly with the Investment Association and the Institutional Investor Group on Climate Change (IIGCC). Through our commitment to Climate Action 100+ we have collaborated extensively with other investors or asset owners engaging with a number of European and American companies, including making statements at AGMs and co-filing shareholder resolutions.

Conflict of interest

Ruffer is a partnership, and this structure aligns our interests with those of our clients. Our senior staff share in the long-term profitability of the firm, so they are interested in investment returns and client relationships that are sustainable. Where conflicts of interest on voting or engagement exist between Ruffer, and/or a particular client and our wider client base, it is Ruffer's policy to act in the best interests of all our clients. Ruffer has identified a potential conflict of interest when voting on in-house funds, such as the Ruffer Investment Company and Ruffer

UCITS. Ruffer ensures that the managers of the relevant fund are excluded from the voting decision making process for the fund they manage (although they are allowed to explain the reasons why they think the vote should be supported). In order to further eliminate potential conflict of interests, the justifications and the decision making process on every item are clearly documented.

Reporting

Since 2015 we have published an annual ESG report, which presents our approach to responsible investment and stewardship activities in detail. The report includes aggregated quantitative and qualitative voting data, detailed case studies in relation to our engagement activities, and an overview of the engagement themes that were prevalent throughout the year.

It is not Ruffer's policy to disclose publicly its voting records in the same way it is not our policy to disclose publicly our holdings (except where required to do so for regulatory purposes), as we regard this information as confidential. We review Ruffer's voting results on a quarterly basis. We currently regard these processes as sufficient but we review the necessity of an external audit on an annual basis.

Ruffer can also provide clients with specific information on stewardship activities. These reports can include a statistical summary of the number and types of resolutions we have opposed, a detailed report listing all the resolutions we voted on and a summary of our engagement highlights and key ESG issues. We also provide our PRI Assessment Report on request.