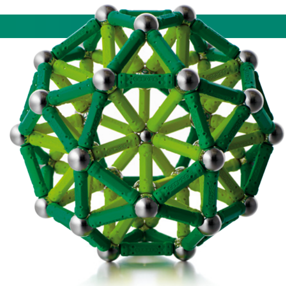
2017 VOTING AND ENGAGEMENT REPORT



FREDDIE **WOOLFE**
HEAD OF RESPONSIBLE INVESTMENT AND STEWARDSHIP

An introduction from Freddie – I am hugely excited to have joined OMGI with a view to developing and implementing further its approach to responsible investment and stewardship. OMGI has a well-established reputation for investment performance, providing an impressive platform from which to start. In my short time here I have seen many examples of responsible investment embedded into the differing investment processes, analysing and engaging on key environmental, social and governance (ESG) topics. That this isn't always described as such, I believe, is an indication of how integral these activities can be to OMGI's investment decisions.

2018 will be a year of developing the foundations already laid. I will be working with Lydia Harvey, ESG risk manager, and the group's investment teams. This will include setting out the responsible investment priorities for OMGI, reviewing and leveraging ESG data further to focus more narrowly on key risks and engagement targets, and accelerating responsible investment integration across the desks. We will also start to report more regularly on responsible investment at OMGI to provide more insight into our activities and priorities, in a way that is honest about our progress and thinking. Our ambition is to build a programme that is innovative and adds value to our investment teams and our clients.

I look forward to keeping you informed of the progress we make.

RESPONSIBLE INVESTMENT: FACTS AND FIGURES

US$68 trillion	22%	300	US$24 trillion
Total assets under management (AUMs) of all signatories to the principles for responsible investment, as at April 2017*.	Since 2006, and up to the current year, these AUMs have risen by a double-digit annual compound growth rate*.	Number of regulations identified across the 50 largest economies urging investors to consider the impact of environmental, social and governance factors on their long-term investments**.	Is the projected figure for global millennial wealth by 2020. Responsible investment considerations are significantly more important to this group than prior generations***.

*Source: PRI website (latest available figures). **Source: PRI/MSCI global guide to responsible investment regulation. ***Source: UBS millennials report 2017/Schroders global investor survey 2016.

During 2017, OMGI formalised its approach to responsible investment and stewardship in a set of principles and policies, which form part of a wider group of statements around our ambitions and purpose. Following the adoption of these principles and policies, this report marks our renewed ambition to implement, and integrate, responsible investment into all of our investment processes.

Q&A: RICHARD BUXTON
CHIEF EXECUTIVE OFFICER

Why has OMGI created responsible investment (RI) principles?
OMGI has a good history of stewardship and long-term investment. Over the last year, as a group, my colleagues and I decided the time was right to formalise our approach and set expectations for ourselves and for the companies in which we invest. These principles reflect how, we believe, value might be added to OMGI's various investment strategies.

It is also clear to me that the expectations of our clients, both current and prospective, are evolving in this area. We want to ensure that we are investing in a way that meets their needs – both in terms of financial returns and in relation to the wider implications of their investments.

What will change in practice?
Much of what we do has been already documented but we recognise there is more to do and we are keen to ensure our approach is aligned with those of our clients. From now on, each desk will take account of the full range of risks and opportunities relevant to its investments – for long-term investors, in particular, this includes governance, environmental and social topics.

A proprietary, value-based approach will not only give us additional information and perspectives but should also give us an investment edge over the market. We are in the process of identifying the issues that we feel are particularly relevant to our investment teams and clients, and will be more public about these going forward.

Will the different investment desks at OMGI adopt the same approach?
The boutique investment style, to which we adhere, means different desks may choose to adopt a differentiated approach – this is not about subtracting from what makes OMGI and its investment strategies so successful. For example, the approach

being adopted by our fundamental equities desks differs from that of our more dynamic funds, or our fixed income desk. We believe that is both necessary and appropriate as we want to adopt an approach that is meaningful, useful and insightful for OMGI's investors rather than a box-ticking exercise.

How is RI resourced at OMGI?
This is a core part of the investment process, and not something that applies to a sub-section of our assets. As a result, all of our investment managers are responsible for ensuring that they are acting as good stewards in implementing the RI policies. In addition, we are delighted to have recruited Freddie Woolfe as our head of responsible investment and stewardship to develop the RI strategy further and work with our teams on stewardship.

As stated previously, Lydia Harvey has also joined OMGI to cover environmental, social and governance risks within our investment risk team. This helps convey that these issues are risks like any others, and where they are material to an investment, then we should be raising them with companies.

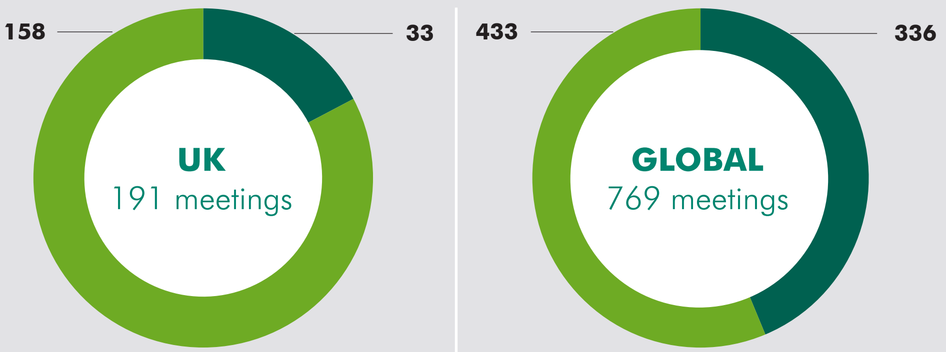
What about voting?
Voting is an important part of being a good steward and, as far as possible, we vote actively across all of our assets. We also work with a proxy voting provider which implements a bespoke policy on our behalf, helping us to ensure that we are focusing our attention on the most salient issues from a voting, as well as engagement perspective.

Below, you will see details of how we have voted over that last year.

Is the increased focus we are seeing today on responsible investment just a phase, or is it here to stay?
We believe this is about making the best, risk-adjusted investment decisions. In that sense, it is certainly not a transient period for OMGI. Clients, regulators, and indeed our own colleagues, feel increasingly that this is the right way to manage investments. Responsible investment is not going away. It is a permanent change, which I welcome.

2017 VOTING ACTIVITY

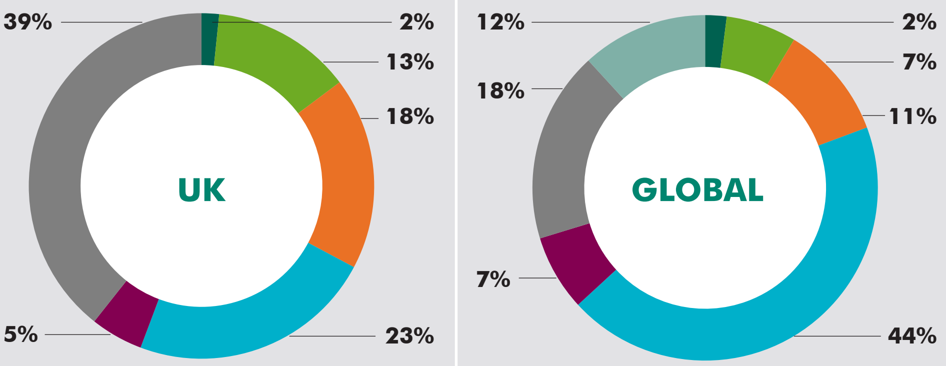
Voting plays an important part in OMGI's stewardship activities, ensuring that we have an annual governance touchpoint with the companies in which we invest on behalf of our clients. Additionally, it allows us to escalate our engagement should we need to, and register our concerns formally by voting against management's recommendations on key issues such as board structure, executive compensation, audit and shareholder rights. Additionally, we are able to offer our support for proposals submitted by other shareholders with a view to aligning the interests of the company and its long-term investors. These proposals can cover a wide range of topics including political contributions, climate change, pay equality and many more.



Breakdown of voting
Over the reporting period* OMGI voted at 769 shareholder meetings globally, supporting management on all resolutions at 433 of them.

In the UK, OMGI voted at 191 shareholder meetings, supporting management on all resolutions at 158 of them.

- Meetings with votes against management
- Meetings with votes for management



Breakdown of resolutions
Globally, our largest number of votes against management's recommendations was connected to concerns over board structure and composition. A more detailed breakdown of the categories of the resolutions where we voted against recommendations of management is provided opposite.

- Amendments to articles or statutes
- Audit and accounts
- Authority to issue shares
- Board structure
- Other
- Remuneration

*The voting data comprises shareholder meetings between 12 January 2017 and 17 November 2017. For full disclosure of OMGI's voting activity by quarter please click on the link: https://www.omglobalinvestors.com/corporate/about-omgi/governance/voting-according-to-our-policy/

ENGAGEMENT HIGHLIGHTS FROM OUR DESK HEADS

We have the opportunity to use our ownership of companies' shares to meet with management teams and boards, to build constructive relationships and where necessary influence them to promote our and our clients' long-term interests. Below we provide some examples of our engagement activity with companies in our portfolios over the year.

UK DESK (LARGE CAP)

UK food producer

An initial turnaround situation performed well for several years then ran into a mix of tougher external headwinds and self-inflicted problems, leading to several profit warnings through 2014/15. Coming into 2017 the business had stabilised but growth was very pedestrian. We had a number of concerns about the pace of return on investments already made, together with succession planning for the chief executive officer (CEO). We met with the new chairman in January to discuss these. After a post-results meeting with the company management in May, these concerns were, if anything, heightened by a disappointing meeting. We met the chairman again in June, focusing on succession and new performance targets for the business. We took comfort from indications that our concerns would be addressed by year end. We met the company again in November after results. Growth remains modest and no new targets have been announced.

UK consumer goods company

Our initial concerns about management, capital discipline and returns, abated partially, but by no means totally, on the appointment of a new chief operating officer (COO). Turnover amongst senior managers remained high, results were more volatile than its peers and management remuneration was too high. A new CEO had been appointed, reversing a previous decision to share the role, the CEO, COO and chief financial officer (CFO) were leaving, although a new CFO had been hired. We met with the chairman in May 2017 to discuss these issues, subsequently notifying the chairman in writing that we were voting against the remuneration report at the AGM. We will monitor the progress of the company under its new leadership team closely.

UK DESK (MID AND SMALL CAP)

UK veterinary pharmaceuticals company

We are conscious, as the business grows and matures, of the need to establish the appropriate governance structures. Accordingly, we started a dialogue with management to argue for the introduction of an independent chairman. As part of that dialogue, we also lobbied for more effective stewardship of issues such as related-party transactions. There were two such instances over the course of the last year (neither of which were detrimental to the financial condition of the business) and we are currently working with the company to ensure the appropriate committees, overseen by suitably independent directors, are established, thus ensuring that such instances do not recur.

UK online payments company

We engaged extensively with the independent directors to give detailed collective consideration to an offer for the company made by a private equity backed consortium. We scrutinised the proposed offer, taking into account regulatory issues across the range of jurisdictions in which the company is active, and gave an irrevocable undertaking in respect of the major part of the shareholding controlled by Old Mutual Global Investors. We are satisfied that the successful offer represents a satisfactory outcome for all stakeholders.

UK financial services company

We met the company's remuneration committee chairman as part of a review of its executive incentive schemes for the next three years' policy vote. The committee is keen to update the policy to ensure the structure remains in line with regulatory requirements and shareholder expectations. Our initial feedback centred on the metrics the company is looking to use to measure executive performance, and proposed alternative measures that we feel represent better the underlying performance and objectives of the business. We will provide additional feedback once the company's proposals have been developed further.

UK financial services company

Having not reviewed its executive compensation schemes since 2010 the company sought our views on a number of proposed changes. These introduce several improvements that bring the pay structures more in line with growing investor expectations on executive compensation schemes and simplify some of the performance metrics. Having met the remuneration committee to discuss the initial proposals, we will formalise our feedback in advance of the committee's final review later in the year.

EUROPEAN DESK (EX-UK)

Financial services company, Germany

In March 2017, the company was subjected to a short-selling attack by a rival company. Having read the rival company's report (which was compiled from public sources and not based on anything company management had divulged) we established that most of its contents were baseless. That said, personnel at the company had left themselves open to criticism in terms of an unaudited (and opaque) NAV, only ever road-showing the chief executive officer and no other company management, and had failed to declare the financial interests of the executives. Having told management of our pressing concerns, the company took steps to rectify these failings; we have since seen a substantial increase in the share price.

Beverage company, the Netherlands

We met with management in June 2017 following speculation of a bid approach being rejected out of hand by the company. We discussed political moves in the Netherlands to extend trade restrictions to Dutch-listed companies and expressed our dislike of protectionism. Management assured us that they were open to bids at the right price and subsequently the company accepted a materially higher offer from the same bidder.

Media and entertainment company, France

The company has undergone a difficult year in terms of reporting and share price performance. We have engaged with management regarding their financial communications, and particularly their profits guidance and its validity. Our expressed view was that by attempting to offer excessive granularity for short-term investors they were damaging the long-term value of the stock.

EMERGING MARKETS DESK

Automotive company, Brazil

In a recent meeting with management we

discussed succession planning and senior management transition with the new chief financial officer. The company aims to promote internally. We learnt that to smooth the transition process he had "shadowed" his predecessor for some 18 months and that his predecessor would be available as a mentor/adviser for a further 12 months. The same change has taken place for the commercial director and is planned for the chief executive officer succession.

Online travel company, China

While it is not abnormal for internet-related companies to offer generous stock based compensation schemes to employees, we expressed concern to management that the level was above average and somewhat excessive for a company of this size. Management assured us that, as a percentage of sales, stock based compensation would come down in the coming years.

Food retailer, India

We voiced concern to management that the company's main supplier of leased fixtures and fittings, was a sister company (same parent company). We noted that any transactions between these two entities would be related-party transactions and could be used to transfer wealth inappropriately at the expense of the company's shareholder interests. The company is audited by Deloitte and management assured us that transactions are done at arm's length.

ASIA-PACIFIC DESK (EX-JAPAN)

Chemical company, China

We met with management in a one-to-one meeting. As the company planned to reduce its capital expenditure requirement over the next few years we asked them how they intended to use the resultant increased cashflow. Would it be used for debt repayment, for dividends or did management have other plans? The company's current debt to equity ratio is around 70%, mostly in short-term debt (although good banking connections and favourable rates of interest have meant they have not had a problem rolling over the debt). The management was aware that investors would prefer lower debt, so the target is to reduce this over time. The debt to assets ratio is currently around 30% (having come down from 52% in the second half of 2014). On the dividend front, the management confirmed that the payout ratio would be no less than 30%, although, depending on capex requirements, this could be increased. During the first half of its accounting year, the company announced a payout ratio to shareholders of 50%.

GOLD & SILVER

A bullion fund, Canada

We strongly objected to a proposed takeover of this bullion fund by a Canadian asset management company. An uplift in the target company's fees to the tune of 30% and a lack of participation in any future NAV premiums were repackaged as a 'good deal' for shareholders. We feel passionate about voting against the takeover, as the move clearly benefits specific parties rather than being in the interests of shareholders overall.

Silver development company, Mexico

Following news of an environmental activist flagging up issues at a silver development project in Mexico, we conducted a thorough investigation into the problem, including a detailed pre-feasibility study and an environmental impact study. The findings suggested that a number of watercourses, streams and rivers could be affected by the footprint of the proposed mine.

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