

Implementation Statement – DB assets

16 January 2025



1. Background

This statement has been prepared by the Trustee of Zurich Financial Services UK Pension Scheme (“the Scheme”) to demonstrate how, and the extent to which, the policies relating to stewardship and engagement in the Scheme’s DB Statement of Investment Principles (“DB SIP”) have been implemented during the year ended 30 June 2024.

This document (the Statement) has been prepared in accordance with the requirements of the Occupational Pension Schemes (Investment and Disclosure) (Amendment) Regulations 2019 and will be included in the Scheme’s Report and Accounts and published on www.zpen.info.

The DB SIPs in force during the Scheme year ended 30 June 2024 were prepared in accordance with all relevant legislation in-force at the date of the approvals. The DB SIP outlines the principles and policies governing investment decisions made by, or on behalf of the Trustee for the management of the DB assets and the Trustee’s policy for complying with Sections 35 and 36 of the Pensions Act 1995 and subsequent legislation.

Review of the DB SIP during the year

During the year ended 30 June 2024 the Trustee agreed to adopt non-statutory guidance issued by the Department of Work and Pensions (DWP) to reflect both evolving best practice on stewardship and demonstrate greater ownership by the Trustee of their stewardship policy. The DB SIP was amended to include:

- Stewardship Themes: Incorporated broad wording on the development and use of Stewardship Themes, with detailed themes to be included in the Implementation Statement and expectations set through the Trustee’s net zero ambition.
- Monitoring Managers: To reflect that Stewardship Themes will be integrated into asset manager monitoring, with plans to develop a formal monitoring and engagement framework for reporting and oversight.
- Escalation: Expanded wording on escalation, suggesting the use of unsatisfactory stewardship by asset managers as a possible basis for termination, to be monitored alongside the updated asset manager monitoring process.

The DB SIP was updated in 2023 and reviewed by the Trustee’s investment advisers to ensure it continued to comply with all statutory requirements. Following this, the DB SIP was formally approved by the Trustee on 27 September 2023.

This Statement covers the policies included in the DB SIPs during the Scheme year end to 30 June 2024.

2. How have the policies in the SIP been followed over the year?

In the opinion of the Trustee, the policies set out in the DB SIP have been adhered to throughout the year for the Scheme. The rest of this statement explains how and the extent to which these policies have been adhered to.

Policies for choosing and realising investments, and the kinds of investments to be held

The DB SIP outlines the Trustee’s principles and policies for choosing investments and the kind of investments to be held. In selecting investments, the Trustee obtains and considers written advice from a regulated investment adviser.

For the ZPen and ES Executives’ Sections, this is fulfilled by identifying appropriate objectives which reflect the risk and return requirements and then constructing a portfolio of investments to meet these objectives. In the Scheme year, the Trustee made a number of changes to the investment strategy:

ZPen Section

Interest rate and inflation hedging ratios:

- In September 2023, the Trustee agreed to maintain the hedging ratios at 90% for interest rates and 85% for inflation, but based on a stronger basis (gilts + 65bps). This adjustment was triggered by an improved funding position due to continued increases in gilt yields. The strengthening of the hedging basis represented a significant increase in the value of liabilities hedged by the Scheme.
- The leverage position was maintained by reducing equities by 5%, with the 5% transferred to the Liability-Driven Investment (LDI) portfolio to be used as collateral, as per the Trustee’s agreed collateral buffer.
- In June 2024, further hedging was agreed by the Trustee, increasing both interest rate and inflation hedging by an additional 5% to 95% and 90% respectively.
- This was achieved by reducing the equity allocation by 2% and the European Loans fund allocation by 1%.

Investment Strategy Refinements:

- In the previous Scheme year, the Trustee agreed to an allocation of 2.5% of the section's assets to infrastructure equity, with an intent to subscribe to approximately £125m of investments across two asset managers.
- The subscription agreement with Kohlberg Kravis Roberts (KKR) was approved and executed in December 2023 for a commitment of £62.5m, which is due to be called in October 2024.
- The subscription agreement with J.P. Morgan (JPM) was approved and executed in June 2024 for a commitment of \$80m, with the capital call met in full on 1 July 2024.
- An equity review was conducted during the Scheme year. This was agreed in May 2024 and executed in June 2024, resulting in the following changes:
 - Increased exposure to Europe and North America by 7.5% each.
 - Decreased exposure to Global Small Caps, Global Emerging Markets, and the UK by 5% each.

ES Executives' Section

Interest rate and inflation hedging ratios:

- In June 2024, the Trustee agreed to adopt a formal LDI strategy for the ES Executives' Section ("Exec Section").
- The target hedging ratio for both interest rates and inflation will move from 90-100% on a gilts + 40bps basis to 100% on the section's technical provisions basis (gilts + 25bps).

Investment Strategy Refinements:

- Due to the strong funding position of the Exec Section, the Trustee agreed to move the remaining 5% of equities to cash to protect the surplus.
- This new investment strategy was executed in November 2024.

No changes to the DB SIP were required due to these amendments. Formal advice was provided by regulated investment advisers confirming the suitability of the investments under Section 36 of the Pensions Act 1995.

The DB Investment Policy Implementation Document (IPID) was updated to reflect the amendments to the Strategic Asset Allocation (SAA) for both the ZPen and Exec sections.

Throughout the year, the asset managers had discretion in the timing of realisation of investments.

The asset allocation is reviewed for all arrangements on a quarterly basis via the Funding Committee. The DB assets are also referred to the Trustee board on a quarterly basis and are reviewed regularly by the ZPen team and the Trustee's investment analyst. Any re-balancing that takes place outside of the monthly outflows is reported to the Funding Committee and the Trustee board on a quarterly basis. The Trustee is comfortable that over the year the investments held were consistent with the policies set out in the DB SIP.

For more information on how the Scheme's investments are governed, please see the Report and Accounts at www.zpen.info.

Policies on managing and measuring risk, and expected returns

DB assets: ZPen & ES Executives' Sections

The Trustee's objectives are to:

- invest in assets of appropriate quality and liquidity which meet, together with contributions from the employers, the benefits the Scheme provides as and when they fall due, as set out in the Trust Deed and Rules and
- to manage the investment risk relative to the agreed levels to which the Trustee is prepared to expose the Scheme.

The Trustee believes by fulfilling its objectives and by adhering to the policies in the DB SIP it ensures that assets are invested in the best interests of members and their beneficiaries.

During the year, the Trustee monitored the return on assets on a quarterly basis. The SAA for the ZPen section was amended twice during the Scheme year as per the summary on page 71. Assets were monitored and re-balanced in line with the agreed policy, to the agreed SAA applicable at that point of the Scheme year. Where possible, re-balancing was done with monthly outflows (for example, pensioner payroll) to reduce unnecessary transaction costs.

The Trustee sets target hedging ratios for interest rates and inflation in order to manage interest rate and inflation risk. The target hedging ratios were amended twice for the ZPen Section and once for the Exec Section during the Scheme year. Interest rates and inflation represent a market risk for the Scheme on an economic basis, and hedging reduces these risks. The revised investment guidelines to execute the new hedging targets for the ZPen Section were signed on 11 October 2023 and 4 June 2024 respectively. The Exec Section executed the

agreed hedging targets in November 2024. The Trustee has an Integrated Risk Management (IRM) policy that it adheres to. Risk monitoring has been reported to the Trustee board via the Funding Committee on a quarterly basis. Any investment strategy decisions are taken in the context of IRM, this includes the investment strategy refinements referred to in the previous section. The Trustee reviewed and approved a revised IRM policy in June 2024. The Trustee agreed to review the IRM policy in more detail once the final Funding Code of Practice was released.

Responsible Investment (RI) Strategy

As a long term investor, the Trustee has agreed that the Scheme should be an active responsible investor. The Trustee has agreed five responsible investment principles:

- We believe that incorporating ESG factors into investment decisions improves long term risk-adjusted returns
- We are an active owner – we vote proxies and engage, where appropriate
- We take a pragmatic approach to responsible investments – we focus on what matters most
- We note Zurich Group's strategy and will leverage its global resources where it makes sense
- We will evolve our responsible investment approach over time – and acknowledge that we will never be done

The RI policy links to the DB SIP objectives in the following ways:

- Achieving long-term sustainable returns: Incorporating ESG factors into investment decisions aligns with the DB SIP objective of achieving long-term sustainable returns.
- Managing risks: Focusing on what matters most and leveraging Zurich Group's global resources enhances the overall risk management framework.
- Stewardship and engagement: Active ownership and engagement align with the DB SIP objective of stewardship, leading to better long-term outcomes.
- Alignment with beneficiaries' interests: The policy ensures that the investment strategy aligns with the values and interests of the beneficiaries.
- Continuous improvement: Acknowledging that the responsible investment approach will evolve over time aligns with the DB SIP objective of maintaining a dynamic and responsive investment strategy.

During the latest Scheme year the Trustee has continued its focus on climate change risks and opportunities as a result of the responsible investment (RI) strategy development as well as changing regulatory requirements. The Trustee publishes a TCFD report on an annual basis, describing governance, strategy, metrics and targets and risk management of climate change risks and opportunities. The TCFD report is included in the Responsible Investment section of the Scheme's website [www.zpen.info/Library/Responsible Investment](http://www.zpen.info/Library/Responsible%20Investment). The Trustee continues to monitor the progress on its 25% weighted average carbon intensity (WACI) reduction target over 5 years for its equity and corporate bond portfolios.

Policies on the exercise of voting rights and undertaking engagement activities

The Trustee's specific strategy on engagement is summarised below, together with its assessment of how, and the extent to which, this has been implemented over the Scheme year to 30 June 2024:

Policy & response

DB assets: ZPen & ES Executives' Sections

Selecting Managers

During the Scheme year, the Trustee agreed to amend the strategic asset allocation of the Exec Section as it formally adopted an LDI benchmark. The proposal was for the Trustee to appoint Columbia Threadneedle Investments (CTI) as the asset manager for the LDI portfolio. The Funding Committee agreed that CTI was the most suitable asset manager for this allocation and was satisfied with their approach to responsible investment practices and consideration of ESG factors. Consequently, the Funding Committee approved the appointment of CTI to manage the LDI benchmark. The Trustee has an established relationship with CTI as it already manages approximately 30% of the Scheme's assets, and therefore a full search was not undertaken. Any reference to "Managers" refers to all of the Scheme's asset managers. This is the wording taken directly from the DB SIP. Financially material considerations. During the Scheme year, the Trustee continued to operate its restriction list with regard to companies exposed to coal and oil for directly held equities and bonds. The restriction list is updated on a quarterly basis and has been shared with the equity and bond asset managers. There were no exceptions noted to the restriction list during the Scheme year.

Following the Trustee setting a target for its equity and corporate bond portfolios to reduce its WACI by 25% over 5 years, the Trustee has also been working with its asset managers to progress a net zero ambition. The Trustee recognises its duty to manage climate change and other sustainability risks, and therefore has set an ambition to actively tackle climate change as both a risk and an opportunity. The Trustee has an ambition for the Scheme to achieve net zero by 2050 or earlier. The net zero ambition covers the ZPen DB section assets and the Trustee's operations, more information is included in the Responsible Investment section of the Scheme's website [www.zpen.info/Library/Responsible Investment](http://www.zpen.info/Library/Responsible%20Investment).

Additionally, the Trustee will work with Zurich Group to understand its plans for the following 5 years after the initial 5-year target is completed.

Voting & Stewardship

For the directly held securities, the Trustee delegated voting activities and decisions to CTI, the equities asset manager. All of the voting decisions are available on the CTI's website seven days after each company meeting. The Trustee reviewed quarterly updates on voting statistics from CTI during the Scheme year.

Taking into account the periodic reviews and the responses given to the questions raised during the annual responsible investment meeting, the Trustee is satisfied that CTI's voting policy is aligned with its own guiding principles. CTI votes actively at company meetings, applying principles on a pragmatic basis. CTI views this as one of the most effective ways of signalling approval (or otherwise) of a firm's governance, management and strategy. CTI's RI team makes the final voting decisions in collaboration with the firm's portfolio managers and analysts. CTI's proxy voting dashboard can be found on the following website –

<https://vds.issgovernance.com/vds/#/Mjc3NQ==>

CTI's proxy voting policy can be found on the following website –

<https://www.columbiathreadneedleus.com/binaries/content/assets/cti/public/1.-proxy-voting-policy.pdf>

The Trustee agreed its Stewardship Themes for the DB assets:

- Climate and energy transition, this includes climate policies, net zero targets, climate litigation, carbon capture storage technologies, global summits, green hydrogen and nuclear
- Food and materials transition, this includes biodiversity, circular economy and sustainable food.
- Corporate governance, ensuring companies are well governed in order to manage the risks and challenges inherent in business.

The Trustees considers that stewardship is an important tool for managing risk and improving the financial outcomes of the Scheme. Recognising the broad scope of Responsible Investment, the Trustees have decided to focus their engagements on a few key Stewardship Themes. The selected themes are believed to increasingly shape the economic and investment landscape. As a result, reporting and engagement efforts are expected to continue concentrating on these areas. This includes:

Focused engagements and reporting on these themes to manage risk and improve financial outcomes.

- Received quarterly reports from asset managers including information on their responsible investment policies and actions.
- Asset managers present quarterly as part of the standard governance procedures, this includes responsible investment reporting
- Periodically asset managers are invited to present at the Funding Committee.
- Reviewed the significant votes cast by asset managers as part of the production of this statement and the current voting policy.
- Reviewed the performance of the asset managers on a quarterly basis, with a focus on the longer-term outcomes of the investments held.
- Monitored adherence to current policies in the area of stewardship and engagement.
- The Trustee identified no material concerns during the year in relation to current policies in the area of stewardship and engagement.

Engagement

The Trustee continues to meet with its asset managers on a regular basis and RI remains a standing item for the majority of asset managers. RI is discussed less regularly with the Liability Driven Investment (LDI) manager, Insight, due to the limited scope of its investments (mainly Gilts). For more information about the meetings with asset managers, including examples of meetings which have taken place and matters that the Trustee has raised with asset managers, please see the below section entitled 'Engagement with Managers'.

Non-financial matters

The restriction list to exclude the investment in the debt and equity of companies involved in the manufacture of UN-sanctioned weapons is updated on a quarterly basis and has been shared with the equity and bond asset managers quarterly. There were no exceptions noted to the restriction list during the Scheme year.

Member engagement

The Trustee maintained its position on soliciting member views on non-financial matters in their investment decision making between the effective date of the SIP and the Scheme year end.

The realisation of investments

The Trustee operates an investment re-balancing process which is set out in the DB IPID. The management of the re-balancing process is delegated to the ZPen Finance and Investment team. During the Scheme year there was a relatively high frequency of re-balancing activity due to the investment strategy changes that took place during the Scheme year. Aside the equity sales, a number of transactions took place for the less liquid asset classes, including the M&G European Loan fund as this was overweight according to the agreed SAA. Any active re-balancing transactions were communicated with the Funding Committee within the standing investment management agenda item.

The expected return from investment and performance measurements

The Trustee continues to monitor the performance of the DB assets on a quarterly basis. The Funding Committee considers the performance of the assets and takes additional actions if necessary. During the Scheme year, work continued on the review of the equity mandate that stemmed from a Funding Committee request to provide further analysis on equity performance. As a result, the geographical allocation of the portfolio was amended as summarised on page 71. In addition, an asset manager search is underway to find a suitable replacement for one of the portfolios due to long term underperformance. It is expected a replacement will be appointed during the Scheme year ending 30 June 2025.

Turnover

The Trustee maintained its position of not setting specific targets on transaction costs. The Trustee commissioned a report from an external provider to provide analysis on the DB asset's transaction costs and turnover for the Scheme year. During the Scheme year, the transaction cost report for the Scheme year ended 30 June 2023 was reviewed by the Funding Committee. There were a number of follow up actions that were raised by the report. The Pension Investment Manager and Finance and Investment Manager discussed these with the relevant asset managers to their satisfaction and shared the outcome with the Funding Committee. The Trustee has commissioned a transaction cost report for the latest Scheme year end and will consider this once it has been received.

Durations

None of the agreements with the asset managers ceased during the Scheme year.

Incentives

There were no changes to the current fee arrangements during the Scheme year. In the Trustee's opinion all of the asset managers are incentivised to act in accordance with the Trustee's policies and in the best interest of the Scheme and its beneficiaries.

Engagement with Managers

The Trustee engages with the asset managers regularly. This includes engagements through the Funding Committee and meetings with Trustee and ZPen team representatives. The Trustee has found direct meetings with asset managers is the most effective ways to engage on responsible investment and voting records.

Annual Responsible Investment meetings – 22 May 2024 – 23 May 2024

The annual Responsible Investment meetings consisted of four attendees representing the Trustee. This included the nominated Trustee for responsible investment, the ZPen Finance and Investment Manager, Investment Governance Manager and the Trustee's Pension Investment Manager. The attendees were briefed ahead of each asset manager meeting with key information on each mandate in order to facilitate discussions.

The meetings all followed a similar format and were structured to discuss four main topics, these were:

- Responsible investment updates through 2023/2024 (including policy changes/personnel)
- TCFD reporting, discussing requirements for the Scheme
- Stewardship Themes
- An update of the Scheme's net zero ambition and the WACI reduction progress

The Scheme's requirements were discussed in respect of different asset classes and ways of measuring the Scheme's climate change risks and opportunities. All asset managers provided an update on any net zero targets, both for investments and operations, this information was especially helpful as the Trustee has an ambition to become net zero by 2050. Specific engagement examples and voting activities were also challenged with the respective asset managers. From each meeting conclusions were drawn and next steps determined to follow up on.

M&G presentation to the Funding Committee – 16 May 2024

Representatives from M&G presented at the Funding Committee, M&G were asked to present on the following topics:

- Market update
- Portfolio update for corporate bonds and senior loans, including M&G's position on Thames Water
- Engagement case studies
- Sustainability data

The Funding Committee were satisfied with M&G's presentation and their responses to the questions it asked. The Funding Committee noted that the portfolio performance for both mandates was positive and that sustainability data availability had improved in recent years.

Exercise of voting rights

Voting policy

The Trustee operates a proxy voting policy, the policy operates with the following principles:

- The Trustee is ultimately responsible for exercising voting rights efficiently and in line with its mandate to generate superior risk-adjusted economic returns on the investments for the benefit of the Scheme's members. No consideration shall be given to an investee company's potential business relationships to Zurich outside of the Scheme.
- The safety of the underlying investment and obtaining the sustained generation of long-term economic return generated by the shares are the primary objectives in determining how votes are exercised. In the process, due attention shall be paid to the assessment of ESG issues
- As a long-term investor, the Scheme does apply a longer-term focus, and expects asset managers to vote in order to support the investee companies' strong and sustainable governance, as well as a long-term oriented strategy and its implementation. Long-term value creation is preferred over short-term gains.
- Voting rights for financial investments shall be exercised actively following clearly defined voting guidelines.
- However, where economic costs of exercising voting rights are not commensurate with expected benefits, voting may be refrained from.

As all of the Scheme's assets are externally managed, the Trustee reviews the asset managers' applicable proxy voting policies every three years or more frequently if there are any material changes. If these are in alignment with the guiding principles described above, the Trustee will delegate the authority to exercise voting rights to the asset managers. mmAs discussed in the 'Policy and Response' section, the Trustee met with all of its asset managers during the Scheme year, with RI as a key topic for the majority of meetings.

The Scheme has two types of equity structures within the ZPen & ES Executives' sections.

- Segregated mandates in segregated custody accounts (DB)
- Pooled mandates in segregated custody accounts (DB)

The table below sets out the portfolios that contain equities.

Across ZPen DB & the ES Executives' Section all equity assets are held by CTI. There are approximately £1.1bn of equities held in total, the majority of these equities at the Scheme year end were held through segregated mandates, and small holding of equities were held via pooled funds. The statistics for the DB assets will reflect the fact that CTI would have voted on behalf of the Trustee (through the segregated custody accounts) and as fund managers (through the pooled funds).

The Trustee reviewed quarterly updates on voting statistics from CTI during the Scheme year. During the annual responsible investment meetings, key individual company voting records were challenged. All of the voting decisions are available on the CTI's website seven days after each company meeting.

As discussed in the 'Policy and response' section, the Trustee is satisfied that CTI's voting policy is aligned with its own guiding principles. CTI votes actively at company meetings, applying principles on a pragmatic basis. CTI views this as one of the most effective ways of signalling approval (or otherwise) of a firm's governance, management and strategy. CTI's RI team makes the final voting decisions in collaboration with the firm's portfolio managers and analysts.

The key statistics and significant votes for CTI are shown on in the **significant votes section**.

DB assets	% of Scheme equity assets
Fund 1 (ZPen)	99.3 %
Fund 5.1 (ES Executives')	0.7%

Fund 1

CTI's statistics showed the following:

- Number of meeting eligible to vote: 521
- Number of resolutions eligible to vote: 7,440
- % of resolutions vote: 99.5
- Of the resolutions on which voted, % voted with management: 93.1
- Of the resolutions on which voted, % voted against management: 5.7
- Of the resolutions on which voted, % abstained from voting: 1.2
- Of the meetings in which voted, % with at least one vote against management: 38.8
- Votes relating to Environment: 0.31%, Social: 1.77%, Governance: 97.27%, Mix: 0.65%

Fund 5.1

CTI's statistics showed the following:

- Number of meeting eligible to vote: 395
- Number of resolutions eligible to vote: 5,355
- % of resolutions vote: 99.1
- Of the resolutions on which voted, % voted with management: 92.6
- Of the resolutions on which voted, % voted against management: 6.7
- Of the resolutions on which voted, % abstained from voting: 0.7
- Of the meetings in which voted, % with at least one vote against management: 42.5
- Votes relating to Environment: 0.46%, Social: 1.87%, Governance: 96.9%, Mix: 0.77%

Significant votes

Company name	Amazon.com Inc.
Date of vote	22 May 2024
Approximate size of portfolio's holding as at the date of the vote (as % of portfolio)	0.73%
Summary of the resolution	Report on Median and Adjusted Gender/Racial Pay Gaps
How you voted	For
Rationale for the voting decision	The proposed enhanced disclosure would help the board and shareholders better assess existing and potential future risks related to human capital management.
Outcome of the vote	Fail
Implications of the outcome eg were there any lessons learned and what likely future steps will you take in response to the outcome?	Active stewardship (engagement and voting) continues to form an integral part of CTI's research and investment process.
On which criteria have you assessed this vote to be "significant"?	Vote against management on certain environmental or social proposals & >20% dissent

Company name	Huntington Ingalls Industries, Inc.
Date of vote	1 May 2024
Approximate size of portfolio's holding as at the date of the vote (as % of portfolio)	0.27%
Summary of the resolution	Publish Climate Transition Plan and Science-Based GHG Reduction Targets
How you voted	For
Rationale for the voting decision	CTI are supportive of requests to enhance disclosure and transparency concerning climate risk so long as the resolution does not directly circumvent management discretion or seek to entirely redefine the company's existing business strategy. To meet the ambition of the Paris Agreement and avoid massive risk to shareholder value, corporations should demonstrate the nexus between their climate aspirations and business strategy via disclosure of credible Paris or 1.5 degree-aligned emissions reduction targets. Current disclosure does not sufficiently provide investors such information.
Outcome of the vote	Fail
Implications of the outcome eg were there any lessons learned and what likely future steps will you take in response to the outcome?	Active stewardship (engagement and voting) continues to form an integral part of CTI's research and investment process.
On which criteria have you assessed this vote to be "significant"?	Vote against management on certain environmental or social proposals & >20% dissent

Company name	Mastercard Incorporated
Date of vote	18 June 2024
Approximate size of portfolio's holding as at the date of the vote (as % of portfolio)	0.32%
Summary of the resolution	Report on Lobbying Payments and Policy
How you voted	For
Rationale for the voting decision	Enhanced controls over and disclosure of company and trade association lobbying is a growing good practice. Transparency around the company's primary lobbying issues and positions, as well as its key relationships with trade associations that engage on lobbying on its behalf, is advisable.
Outcome of the vote	Fail
Implications of the outcome eg were there any lessons learned and what likely future steps will you take in response to the outcome?	Active stewardship (engagement and voting) continues to form an integral part of CTI's research and investment process.
On which criteria have you assessed this vote to be "significant"?	Vote against management on certain environmental or social proposals & >20% dissent

Company name	Eli Lilly and Company
Date of vote	6 May 2024
Approximate size of portfolio's holding as at the date of the vote (as % of portfolio)	0.32%
Summary of the resolution	Report on Effectiveness of Diversity, Equity, and Inclusion Efforts
How you voted	For
Rationale for the voting decision	The company should disclose its demographic workforce data as per the EEO-1 requirement. This will help to increase transparency and aid shareholders in assessing the effectiveness of the company's stated efforts to address related human capital material risks and opportunities.
Outcome of the vote	Fail
Implications of the outcome eg were there any lessons learned and what likely future steps will you take in response to the outcome?	Active stewardship (engagement and voting) continues to form an integral part of CTI's research and investment process.
On which criteria have you assessed this vote to be "significant"?	Vote against management on certain environmental or social proposals & >20% dissent

Company name	The Goldman Sachs Group, Inc.
Date of vote	24 April 2024
Approximate size of portfolio's holding as at the date of the vote (as % of portfolio)	1.37%
Summary of the resolution	Report on Pay Equity
How you voted	For
Rationale for the voting decision	The proposed enhanced disclosure would help the board and shareholders better assess existing and potential future risks related to human capital management.
Outcome of the vote	Fail
Implications of the outcome eg were there any lessons learned and what likely future steps will you take in response to the outcome?	Active stewardship (engagement and voting) continues to form an integral part of CTI's research and investment process.
On which criteria have you assessed this vote to be "significant"?	Vote against management on certain environmental or social proposals & >20% dissent