

# Implementation Statement – DB assets

12 December 2025

## 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 2025.

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](http://www.zpen.info).

The DB SIP in force during the Scheme year ended 30 June 2025 was 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

The Trustee did not review the SIP during the Scheme year ended 30 June 2025 and therefore the SIP has not changed during the year. The last review took place during the year ended 30 June 2024 when 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 its stewardship policy.

This Statement covers the policies included in the DB SIP during the Scheme year end to 30 June 2025.

## 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 both the ZPen and ES Executives' Sections, this is fulfilled by identifying appropriate objectives which reflect the risk and return requirements and 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 March 2025, the Trustee agreed to increase the hedging ratios from 95% to 100% for interest rates and from 90% to 95% for inflation. The strengthening of the hedging basis represented a further increase in the value of liabilities hedged by the Scheme and largely eliminates risks of adverse long term funding changes attributable to interest rates and inflation. The leverage position was broadly maintained through the transfer of cash to the Liability-Driven Investment (LDI) portfolio to be used as collateral, as per the Trustee's agreed collateral buffer. The cash transfer was delivered through the regular Asset Allocation rebalancing activity and a small change in the Strategic Asset Allocation (SAA) with a reduction in the allocation to credit from 16.5% to 16%.

#### Equity Manager Changes

- Following a period of volatile performance in the equity portfolios the Trustee requested a detailed review of equity investment performance and subsequently initiated a Fund Manager search for the Global Emerging Market equity portfolio. The extensive selection exercise was guided by the Scheme investment analysts and considered a significant number of potential managers. Following a detailed assessment of the short-listed candidates, the Trustee selected

- Wellington Management International Ltd (Wellington) as the new asset manager for the Global Emerging Markets portfolio in November 2024.
- A manager on-boarding exercise was completed in the Scheme year and the asset portfolio was transferred from Columbia Threadneedle Investments to Wellington on 28 May 2025.

*Investment Strategy Refinements:*

- The Trustee has previously agreed 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 the previous Scheme year, with a capital call for £62.5m met in full on 1 October 2024.
- The subscription agreement with J.P. Morgan (JPM) was approved and executed in the previous Scheme year, with the capital call for \$80m (£63.2m) met in full on 1 July 2024.
- In November 2024 the Trustee agreed a change to the investment guidelines operated by Insight for the LDI portfolio to deliver a small change in the collateral monitoring metrics which simplifies the process while retaining the agreed collateral buffer.
- In March 2025 the Trustee agreed a revised SAA with a reduced allocation to Credit moving from 16.5% to 16% and an increased allocation to Middle Market Loans moving from 2.5% to 3%. This change was delivered alongside the changes to the interest rate and inflation rate hedging changes set out above.

## **ES Executives' Section**

*Interest rate and inflation hedging ratios:*

- In the previous Scheme year, the Trustee agreed to adopt a formal LDI strategy for the ES Executives' Section ("Exec Section"), utilising advisory services and a range of funds delivered by Columbia Threadneedle Management Limited.
- The target hedging ratio for both interest rates and inflation moved from 90-100% on a gilts + 40bps basis to 100% on the section's technical provisions basis (gilts + 25bps).
- The new LDI strategy was implemented in November 2024.

*Investment Strategy Refinements:*

- As a result of relatively high Gilt yields, low credit spreads and positive interest rates on cash, and following a proposal from the Funding Committee, the Trustee agreed a reduction in credit allocation in March 2025.

A reduction in credit exposure from 35% to 20% was subsequently delivered in June 2025. As a consequence of this change the allocation to Liability-Driven Investments was increased by 6% to 55% to maintain the current hedging ratios.

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](http://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 once during the Scheme year as per the summary on page 2. 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 delivered through monthly cashflows (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 once for both the ZPen and 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 4 April 2025. The agreed hedging targets for the Exec Section were executed 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 the IRM, this includes the investment strategy refinements referred to in the previous section. The Trustee reviewed and approved a revised IRM policy in September 2025 following the final DB Funding Code of Practice being 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. 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-Investment). 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. The five year target reduction period runs to 30 June 2026, the Trustee will work with the Group's global RI team and engage with the external asset management teams to agree and monitor a new RI target for relevant Scheme assets.

#### **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 2025:

#### **Policy & response**

##### **DB assets: ZPen & ES Executives' Sections**

###### *Selecting Managers*

During the previous Scheme year, the Trustee agreed to carry out a search for a fund manager for the Global Emerging Market equity portfolio. The search considered a number of Managers and the assessment process included a full review of the Managers' responsible investment practices and consideration of ESG factors. Consequently, the Funding Committee approved the appointment of Wellington to manage the Global Emerging Markets equity portfolio. The Trustee is comfortable that Wellington has an integrated investment decision process that appropriately incorporates responsible investment practices and consideration of ESG factors.

###### *Asset Restrictions*

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 continued 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-investment)

Additionally, as noted above, the Trustee will develop a new set of RI targets that are aligned with the net-zero ambition and draw on experience from the Zurich Group where a new set of five year carbon reduction targets have been put in place.

###### *Voting & Stewardship*

For the directly held securities, the Trustee delegated voting activities and decisions to CTI and Wellington (the Managers), the equities asset managers. The Trustee reviewed quarterly updates on voting statistics from the Managers 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 the Managers' voting policies are aligned with its own guiding principles. The Managers vote actively at company meetings, applying principles on a pragmatic basis.

CTI views their voting approach 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==>

The voting decisions made by CTI are available on their website seven days after each company meeting.

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>

Wellington's proxy voting policy, guidelines and voting decisions can be found on the following website - [www.wellington.com/en/sustainability/reports-and-policies](http://www.wellington.com/en/sustainability/reports-and-policies)

The Trustee has set 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 Trustee 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 Trustee has decided to focus its 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 is delivered through the following activities:

- 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 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.

#### **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. The key movements are consistent with the previous Scheme year with equity sales and, a number of transactions for the less liquid asset classes, including the M&G European Loan fund as this was overweight according to the agreed SAA. The Funding Committee were informed of any active re-balancing transactions as part of 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, an asset manager search was completed and, as noted above, Wellington was appointed and are now managing The Global Emerging Markets equity portfolio.

#### *Turnover*

The Trustee maintained its position of not setting specific targets on transaction costs. In the previous Scheme year The Trustee commissioned a report from an external provider to provide analysis of the DB asset's transaction costs and turnover for the Scheme year. The transaction cost report for the Scheme year ended 30 June 2024 was reviewed by the Funding Committee in March 2025 with no further action required.

#### *Durations*

None of the agreements with the asset managers ceased during the Scheme year, the agreement with CTI was amended to reflect the transfer of management of the Global Emerging Market fund to Wellington.

#### *Incentives*

There were no material 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 – 24 June 2025 - 26 June 2025**

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 2024/2025 (including policy changes/personnel)
- Stewardship Themes
- An update of the Scheme's net zero ambition and the WACI reduction progress
- TCFD reporting, discussing requirements for the Scheme

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 is 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.

#### **KKR presentation to the Funding Committee – 5 September 2024**

Representatives from KKR presented at the Funding Committee, KKR presented on the following topics:

- Introduction to KKR
- Current Macro Environment
- What is Infrastructure?
- The Diversified Core Infrastructure Fund and Q2 2024 updates
- KKR Sustainable Investing Approach

The Funding Committee were satisfied with KKR's presentation and their responses to the questions it asked. The Funding Committee noted that KKR had provided an explanation of the redemption process and confirmed ongoing support for TCFD reporting disclosures.

#### **JPM presentation to the Funding Committee – 3 March 2025**

Representatives from JPM presented at the Funding Committee, the JPM team presented on the following topics:

- Introduction and Team
- Investment Strategy for the Fund
- Performance metrics
- Geographical presence and outlook

The Funding Committee were satisfied with JPM's presentation and their responses to the questions it asked.

#### **Stewardship Policy**

In September 2024 the Trustee agreed a new Stewardship Policy. The policy replaces the previous Proxy Voting Policy and broadens the focus to encompass both proxy voting and wider engagement with investee companies, hence identifying additional mechanisms for influencing the actions of those companies in which the Scheme has invested.

#### **Exercise of voting rights**

The Trustee operates a proxy voting approach, the approach 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 manager's 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. As discussed in the 'Policy and Response' section, the Trustee met with all of its asset managers during the Scheme year. RI topics continue to be a key area of focus.

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)

In May 2024 the Trustee agreed to reduce equity exposure in the ES Executive section to zero. The following metrics present the voting statistics for the ZPen DB section of the Scheme.

For the ZPen DB Section the equity assets are managed by CTI and Wellington. There are approximately £0.9bn of equities held in total, the majority of these equities at the Scheme year end were held through segregated mandates, with a small element held via pooled equity funds.

The statistics set out below for CTI 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 data for Wellington reflects voting in connection with the direct equity holdings in the Emerging Market portfolio.

The Trustee reviewed quarterly updates on voting statistics from CTI during the Scheme year and for the period since inception for Wellington. During the annual responsible investment meetings, key individual company voting records were challenged. All of the voting decisions are available on the Managers' websites, the relevant links are set out in the Policy and Response section above.

As discussed in the 'Policy and response' section, the Trustee is satisfied that the voting policies for CTI and Wellington are 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.

Wellington have adopted voting policies and procedures it believes are reasonably designed to ensure that proxies are voted in the best interests of clients for which it exercises proxy voting discretion.

The CTI statistics are as follows:

- **Number of meeting eligible to vote: 389**
- **Number of resolutions eligible to vote: 5,409**
- **% of resolutions vote: 100**
- **Of the resolutions on which voted, % voted with management: 94.68**
- **Of the resolutions on which voted, % voted against management: 4.46**
- **Of the resolutions on which voted, % abstained from voting: 0.86**
- **Of the meetings in which voted, % with at least one vote against management: 32.9**
- **Votes relating to Environment: 0.3%, Social: 1.6%, Governance: 97.5%, Mix: 0.6%**

Wellington statistics are as follows:

- **Number of meeting eligible to vote: 27**
- **Number of resolutions eligible to vote: 318**
- **% of resolutions vote: 100**
- **Of the resolutions on which voted, % voted with management: 90.25**
- **Of the resolutions on which voted, % voted against management: 9.75**
- **Of the resolutions on which voted, % abstained from voting: 0**
- **Of the meetings in which voted, % with at least one vote against management: 55.56**

## How significant votes align with the Trustee's stewardship priorities

The Trustee has identified a number of votes as most significant during the Scheme year. These were selected based on factors such as the potential impact of the vote on long-term value, size of the holding and alignment with the Trustee's Stewardship Themes.

For each significant vote, the Trustee considered how the vote outcome supported its Stewardship Themes. All significant votes identified in this Statement during the Scheme year relate to the Trustee's corporate governance Stewardship Theme, reflecting its focus on promoting strong governance practices, board independence, and alignment between executive remuneration and long-term shareholder value.

### Significant votes

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<b>Company name</b>	Equals Group Plc
<b>Date of vote</b>	8 January 2025
<b>Approximate size of portfolio's holding as at the date of the vote (as % of portfolio)</b>	0.04%
<b>Summary of the resolution</b>	Approve Matters Relating to the Recommended Cash Acquisition of Equals Group plc by Alakazam Holdings BidCo Limited
<b>How you voted</b>	Against
<b>Rationale for the voting decision</b>	The Asset Manager does not believe the offer reflects sufficient value for the takeover of the business.
<b>Outcome of the vote</b>	Pass
<b>Implications of the outcome eg were there any lessons learned and what likely future steps will you take in response to the outcome?</b>	Active stewardship (engagement and voting) continues to form an integral part of CTI's research and investment process.
<b>On which criteria have you assessed this vote to be "significant"?</b>	Vote against management

<b>Company name</b>	Diageo Plc
<b>Date of vote</b>	26 September 2024
<b>Approximate size of portfolio's holding as at the date of the vote (as % of portfolio)</b>	0.07%
<b>Summary of the resolution</b>	Approve Remuneration Report
<b>How you voted</b>	Against
<b>Rationale for the voting decision</b>	Vote AGAINST due to concerns with link between pay and performance.
<b>Outcome of the vote</b>	Pass
<b>Implications of the outcome eg were there any lessons learned and what likely future steps will you take in response to the outcome?</b>	Active stewardship (engagement and voting) continues to form an integral part of CTI's research and investment process.

<b>On which criteria have you assessed this vote to be "significant"?</b>	Vote against management
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<b>Company name</b>	Asahi Intecc Co., Ltd.
<b>Date of vote</b>	26 September 2024
<b>Approximate size of portfolio's holding as at the date of the vote (as % of portfolio)</b>	0.27%
<b>Summary of the resolution</b>	Elect Director and Audit Committee Member Moriguchi, Shigeki
<b>How you voted</b>	Against
<b>Rationale for the voting decision</b>	The board should establish one-third board independence to ensure appropriate balance of independence and objectivity. The audit committee should be at least three-fourths independent and companies should strive to make them fully independent.
<b>Outcome of the vote</b>	Pass
<b>Implications of the outcome eg were there any lessons learned and what likely future steps will you take in response to the outcome?</b>	Active stewardship (engagement and voting) continues to form an integral part of CTI's research and investment process.
<b>On which criteria have you assessed this vote to be "significant"?</b>	Vote against management

<b>Company name</b>	Compagnie Financiere Richemont SA
<b>Date of vote</b>	11 September 2024
<b>Approximate size of portfolio's holding as at the date of the vote (as % of portfolio)</b>	0.24%
<b>Summary of the resolution</b>	Re-elect Anton Rupert as Director
<b>How you voted</b>	Against
<b>Rationale for the voting decision</b>	The Asset Manager opposes dual class structures with impaired or enhanced voting rights. The company should amend its structure to allow for equal voting rights among shareholders.
<b>Outcome of the vote</b>	Pass
<b>Implications of the outcome eg were there any lessons learned and what likely future steps will you take in response to the outcome?</b>	Active stewardship (engagement and voting) continues to form an integral part of CTI's research and investment process.
<b>On which criteria have you assessed this vote to be "significant"?</b>	Vote against management