



# Lopex Group Pension Scheme ("the Scheme") Implementation Report

August 2024

# Background and Implementation Statement

## Background

The regulatory landscape continues to evolve as ESG becomes increasingly important to regulators and society. The Department for Work and Pensions ('DWP') has increased the focus around ESG policies and stewardship activities by issuing further regulatory guidance relating to voting and engagement policies and activities. These regulatory changes recognise the importance of managing ESG factors as part of a Trustee's fiduciary duty.

## Implementation Report

This implementation report is to provide evidence that the Scheme continues to follow and act on the principles outlined in the SIP.

The SIP can be found online at the web address [https://pensions.uk.havas.com/Doc/Lopex\\_Group\\_Pension\\_Scheme\\_-\\_Statement\\_of\\_Investment\\_Principles\\_-\\_April\\_2023.pdf](https://pensions.uk.havas.com/Doc/Lopex_Group_Pension_Scheme_-_Statement_of_Investment_Principles_-_April_2023.pdf). Changes to the SIP are detailed on the following page.

The Implementation Report details:

1. actions the Scheme has taken to manage financially material risks and implement the key policies in its SIP
2. the current policy and approach with regards to ESG and the actions taken with managers on managing ESG risks
3. the extent to which the Scheme has followed policies on engagement covering engagement actions with its fund managers and in turn the engagement activity of the fund managers with the companies in the investment mandate
4. voting behaviour covering the reporting year up to 5 April 2024 for and on behalf of the Scheme including the most significant votes cast by the Scheme or on its behalf

### **Summary of key actions undertaken over the Scheme reporting year**

- There are no significant actions taken by the Trustees over the year. The Trustees continue to monitor and discuss ESG and climate change as part of regular Trustee meetings.
- Post 5 April 2024, the Trustees took several actions to rebalance the investment strategy back in line with its strategic benchmark, including retooling the Scheme's liability hedge to reflect the Scheme Actuary's latest best estimate of the Scheme's liability profile and rebalancing the Scheme's growth assets back in line with target.
- The Trustees continue to engage with their advisors on ESG, including the latest regulatory guidance and updates.

### **Implementation Statement**

This report demonstrates that the Lopex Group Pension Scheme has adhered to its investment principles and its policies for managing financially material considerations including ESG factors and climate change over the 12 months to 5 April 2024.

**Approved and adopted by the Trustees of the Lopex Group Pension Scheme.**

# Managing risks and policy actions

The Trustee has identified the following risks that it has considered in the Scheme's SIP. These risks and the Trustee's policies are set out in the tables below. The key actions the Trustee has taken over the accounting year to address some of these risks have been highlighted in the tables.

## Defined Benefit (DB) Section

Risk / Policy	Definition	Policy	Actions
<b>Interest rates and inflation</b>	The risk of mismatch between the value of the Scheme assets and present value of liabilities from changes in interest rates and inflation expectations.	To target a hedge of 100% of the Scheme's liabilities valued on a Technical Provisions basis.	Following the period covered by this report, in April 2024 the Trustees updated the Scheme's LDI mandate to reflect the Scheme Actuary's latest best estimate of the Scheme's liability profile on a Technical Provisions basis.
<b>Liquidity</b>	Difficulties in raising sufficient cash when required without adversely impacting the fair market value of the investment.	To maintain a sufficient allocation to liquid assets so that there is a prudent buffer to pay members benefits as they fall due (including transfer values).	No actions or changes to policy. The Scheme invests exclusively in daily and weekly dealt funds.
<b>Market</b>	Experiencing losses due to factors that affect the overall performance of the financial markets.	To remain appropriately diversified and hedge away unrewarded risks, where affordable and practical.	No actions or changes to policy.
<b>Credit</b>	Default on payments due as part of a financial security contract.	The Scheme diversifies this risk by investing in asset classes that are diversified across different sectors.	No actions or changes to policy.

<b>Environmental, Social and Governance (ESG)</b>	<p>Exposure to ESG factors, including but not limited to climate change, which can impact the performance of the Scheme's investments.</p>	<p>To appoint managers who satisfy the following criteria, unless there is a good reason why the manager does not satisfy each criteria:</p> <ol style="list-style-type: none"> <li>1. Responsible Investment ('RI') Policy / Framework</li> <li>2. Implemented via Investment Process</li> <li>3. A track record of using engagement and any voting rights to manage ESG factors</li> <li>4. ESG specific reporting</li> <li>5. UN PRI Signatory</li> <li>6. UK Stewardship Code signatory</li> </ol> <p>The Trustee monitor the managers on an ongoing basis.</p>	<p>Further detail provided later in this report.</p>
<b>Currency</b>	<p>The potential for adverse currency movements to have an impact on the Scheme's investments.</p>	<p>The Trustees delegate responsibility of currency hedging decisions to the respective investment managers, within constraints imposed by the agreed investment guidelines.</p> <p>The Trustees also hedge currency risks where deemed appropriate, following advice from investment advisers.</p>	<p>No actions or changes to policy.</p> <p>All mandates are invested in a GBP Sterling share class. Where the Trustees use active management, the manager is permitted to make decisions concerning the appropriate level of currency hedging.</p>

## Defined Contribution (DC) Section

The investments offered through the DC Section have been chosen, in part, to help members mitigate the risks below through appropriate fund selection.

Risk / Policy	Definition	Policy	Actions
<b>Inflation</b>	The risk that the investment return over members' working lives does not keep pace with inflation.	To make funds available to maximise the real value of each member's investments.	<p>There were no changes to the policy over the reporting year.</p> <p>The Trustees monitor performance on an ongoing basis and conduct a Triennial Strategy review in order to review and manage this risk.</p> <p>The Trustees completed a triennial review of the ongoing suitability of the investment arrangements shortly after the Scheme Year covered by this report.</p>
<b>Conversion</b>	The risk that relative market movements in the years just prior to retirement lead to a substantial reduction in the member's pension pot, to be converted into a fixed or flexible income stream.	To ensure that lower risk bond and cash options are available for members nearing retirement. Within the default, Prudential are responsible for investing the assets in a way that generate long term smoothed returns that grow a member's pot.	<p>There were no changes to the policy over the reporting year.</p> <p>The Trustees ensure a suitable range of options are available to members and conduct a Triennial Strategy review in order to review and manage this risk.</p> <p>The Trustees completed a triennial review of the ongoing suitability of the investment arrangements shortly after the Scheme Year covered by this report.</p>
<b>Opportunity cost</b>	The risk that members end up with insufficient funds at retirement with which to secure a reasonable income through not having taken enough risk whilst the opportunity was available.	To maximise the real return of each member's investments when the member's retirement is far away. Within the default strategy, Prudential are responsible for investing the assets in a way that generate long term smoothed returns that grow a member's pot.	<p>There were no changes to the policy over the reporting year.</p> <p>The Trustees review the suitability of the default strategy by conducting a Triennial review. Reviews are undertaken at least every three years.</p> <p>The Trustees completed a triennial review of the ongoing suitability of the investment arrangements shortly after the Scheme Year covered by this report.</p>

Manager	The risk that the chosen investment manager underperforms the benchmark against which the investment manager is assessed.	To monitor and review manager performance on at least a triennial basis, and to make changes as required if material underperformance is observed.	<p>There were no changes to the policy over the reporting year.</p> <p>The Trustees review Prudential's performance on an ongoing basis.</p> <p>The Trustees monitor Prudential's compliance with the required service levels in respect of core financial transactions, including fund switches and transfers out of the Scheme.</p>
	Capital	The risk of a fall in the value of the member's fund.	<p>To ensure a suitable range of funds and options are available to ensure investments are diversified.</p> <p>There were no changes to the policy over the reporting year.</p> <p>The Trustees ensure a suitable range of options are available to members. This is also addressed in the Triennial strategy review.</p> <p>The Trustees completed a triennial review of the ongoing suitability of the investment arrangements shortly after the Scheme Year covered by this report.</p>



# Changes to the SIP

Over the period to 5 April 2024, the Trustee made changes to the SIP to reflect recent regulatory requirements as well as non-material formatting / wording changes. Details of the changes can be found below.

## Updates to the SIP

Date updated: 27 April 2023

### **Liquidity & Cashflow**

- Following the gilts crisis in September 2022 and subsequent rise in gilt yields, regulators have issued guidance for pension schemes. This focusses on schemes that use liability hedging as part of their investment strategy, and the readily available assets ("collateral") required to support these arrangements.
- The Trustees updated the SIP to acknowledge the order of priority for collateral to be called from their "return-seeking" investments in the event of a collateral need.
- The Plan has an automatic collateral waterfall in place consisting firstly of the LGIM Sterling Liquidity Fund, and secondly the M&G Total Return Credit Investment Fund. In such a circumstance that collateral is required outside of these investments the Trustees will take appropriate advice.

### **Voting Policy - How the Trustees expect investment managers to vote on their behalf**

- The Trustees updated their policy to acknowledge, via their investment advisers, responsibility for the voting policies that are implemented by the Scheme's investment managers on their behalf.

### **Engagement Policy - How the Trustees will engage with investment managers, direct assets and others about 'relevant matters'**

- The Trustees updated their policy to acknowledge, via their investment advisers, they will engage with managers to monitor accordance with their stewardship priorities. At the time of preparing this statement, the Trustees have not set specific stewardship priorities.



# Implementing the current ESG policy and approach

## ESG as a financially material risk

The SIP describes the Scheme's policy regarding ESG as a financially material risk, and this page details how the Scheme's ESG policy is implemented. The following page outlines Isio's assessment criteria used in evaluating the Scheme's managers' ESG policies and procedures. The remainder of this statement details our view of the managers, our actions for engagement and an evaluation of the stewardship activity.

The Trustees delegate the management and monitoring of ESG risks and engagement to the investment managers. The below table outlines the areas which the Scheme's investment managers are assessed on when evaluating their ESG policies and engagements. The Trustees intend to review the Scheme's ESG policies and engagements periodically to ensure they remain fit for purpose.

### Implementing the Current ESG Policy

Areas for engagement	Method for monitoring and engagement	Circumstances for additional monitoring and engagement
Environmental, Social, Corporate Governance factors and the exercising of rights and engagement activity	<ul style="list-style-type: none"><li>The Scheme's investment advisor Isio will monitor the managers' ESG policies on an ongoing basis.</li><li><b>DB Section specifically:</b> ESG considerations will form part of the manager selection process via evaluation criteria.</li></ul>	<ul style="list-style-type: none"><li>The manager has not acted in accordance with their policies and frameworks.</li></ul>

### Areas of assessment and ESG beliefs

<b>Risk Management</b>	<ol style="list-style-type: none"> <li>1. ESG factors are important for risk management and can be financially material. Managing these risks forms part of the fiduciary duty of the Trustees.</li> <li>2. The Trustees believe that ESG integration leads to better risk adjusted outcomes and want a positive ESG tilt to the investment strategy.</li> </ol>
<b>Approach / Framework</b>	<ol style="list-style-type: none"> <li>3. The Trustees want to understand how asset managers integrate ESG within their investment process and in their stewardship activities.</li> <li>4. The Trustees believe that sectors aiming for positive social and environmental impacts may outperform as countries transition to more sustainable economies. Where possible the investment strategy will allocate to these sectors.</li> <li>5. The Trustees will consider the ESG values and priority areas of the stakeholders and sponsor and use these to set ESG targets.</li> </ol>
<b>Voting &amp; Engagement</b>	<ol style="list-style-type: none"> <li>6. ESG factors are relevant to all asset classes and, whether equity or debt investments, managers have a responsibility to engage with companies on ESG factors.</li> <li>7. The Trustees believe that engaging with managers is more effective to initiate change than divesting and so will seek to communicate key ESG actions to the managers in the first instance.</li> <li>8. The Trustees want to understand the impact of voting &amp; engagement activity within their investment mandates.</li> </ol>
<b>Reporting &amp; Monitoring</b>	<ol style="list-style-type: none"> <li>9. ESG factors are dynamic and continually evolving, therefore the Trustees will receive training as required to develop their knowledge.</li> <li>10. The Trustees will seek to monitor key ESG metrics within their investment portfolio to understand the impact of their investments.</li> </ol>
<b>Collaboration</b>	<ol style="list-style-type: none"> <li>11. Asset managers should be actively engaging and collaborating with other market participants to raise ESG investment standards and facilitate best practices as well as sign up and comply with common codes such as UNPRI and TCFD.</li> <li>12. The Trustees should seek to sign up to a recognised ESG framework to collaborate with other investors on key issues.</li> </ol>

# Engagement

As the Scheme's DB and DC Sections invest via fund managers, the managers provided details on their engagement actions including a summary of the engagements by category for the 12 months to 5 April 2024. Please note that not all categories sum to the number of total engagements, as some engagements covered more than one ESG area.

## Defined Benefit (DB) Section

Manager, fund name and Engagement summary	Commentary
<b>BlackRock, Dynamic Diversified Growth Fund</b>  Total Engagements: 331 Environmental: 90 Social: 126 Governance: 309	<p>BlackRock engage with companies via their Investment Stewardship team (the 'BIS' team) to provide feedback and inform their voting decisions.</p> <p>Examples of significant engagements include:</p> <p><b>Tesla Inc</b></p> <p>BlackRock have engaged with Tesla Inc in a variety of ways over the reporting year to discuss matters across the ESG spectrum. Their engagements have largely focused on discussions that fall under the broader theme of 'Social', covering Tesla's approach to human capital management, supply chain labour management and social risks/opportunities.</p> <p>The engagements are consistent with BIS's engagement priority of 'Company Impact on People' which looks to ensure portfolio companies are investing in the relationships that are critical to their ability to meet their strategic objectives and support their ability to deliver durable, long term financial performance.</p> <p><b>L'Oréal</b></p> <p>BlackRock engaged with L'Oréal on multiple occasions to discuss a range of sustainable social and governance business matters. BlackRock noted that engagements with L'Oréal covered the company's board composition and effectiveness, remuneration and a range of social matters which included social risks and opportunities. The engagements align with BIS's engagement priority of 'Strategy, Purpose and Financial Resilience' which looks to understand how boards and management are aligning their business decision-making with the company's purpose and adjusting strategy and/or capital allocation plans as business dynamics change.</p>

<p><b>LGIM, Diversified Fund</b></p> <p>Total Engagements: 1,643 Environmental: 1,162 Social: 178 Governance: 265 Other: 38</p>	<p>LGIM's Investment Stewardship team manage the voting and engagement across all funds, leveraging all possible capital to maximise effectiveness.</p> <p>LGIM share their finalised ESG ratings/scorecards with companies, identifying which metrics are used, LGIM's key focus areas and suggestions to companies that could improve their score.</p>
<p><b>LGIM, Matching Core LDI Fund Range (including Sterling Liquidity Fund)</b></p> <p><i>Matching Core Fix Short</i> <i>Matching Core Fix Long</i> <i>Matching Core Real Short</i> <i>Matching Core Real Long</i></p> <p>LGIM currently has not yet provided numerical data of engagement activity within the Matching Core LDI Funds.</p>	<p>LGIM believe effective stewardship involves working with companies, regulators, policymakers, peers and other stakeholders around the world to tackle systemic issues, material risks and opportunities as well as collaboration with industry experts to identify future challenges.</p> <p><b>APA Group</b></p> <p>LGIM engaged with APA Group, Australia's largest energy infrastructure business, following it being identified as significantly lagging LGIM's expectations on climate related lobbying activities.</p> <p>LGIM expect companies to introduce credible transition plans that are consistent with the Paris goal of limiting the global average temperature increase to 1.5°C, and inclusion of disclosure of related Greenhouse Gas ('GHG') emissions over the short, medium, and long-term.</p> <p>LGIM considered APA's proposed climate transition plan to be insufficient to meet their guidelines and voted against their proposal. In Q1 2024, following LGIM's engagement, APA confirmed they would expand the goals underlying their transition plan in the 2025 refresh of their Climate Transition Plan and have outlined their proposed reduction pathway.</p>
<p><b>M&amp;G, Total Return Credit Investment Fund</b></p> <p>Total Engagements: 12 Environmental: 8 Social: 2 Governance: 2</p>	<p>M&amp;G has a well-integrated sustainable investment policy to ensure ESG considerations are incorporated across all stages of the investment process.</p> <p>Examples of significant engagements include:</p> <p><b>Brambles Finance Plc.</b></p> <p>M&amp;G engaged with Brambles Finance Plc, an Australian sustainable logistics business, to request the company more explicitly link remuneration KPIs (Key Performance Indicators) to sustainability targets, to reflect the company's role as a promoter of, and practitioner in, the circular economy. M&amp;G also encouraged the company to commit to net zero through the SBTi ('Science-Based Targets initiative'), as though they have a near term SBTi approved 1.5° target they have not yet committed to a net zero target through the initiative. In addition, M&amp;G asked Brambles to consider reporting on specific milestones on the path to achieving the goals of its decarbonisation strategy, with specific ties to remuneration.</p> <p>Brambles were receptive to M&amp;G's recommendations and plan to discuss considerations for more granular milestones connected to its decarbonisation strategy with M&amp;G's Head of Sustainability.</p>

## Defined Contribution (DC) Section

<b>DC Section</b>	<b>Engagement example (environment):</b>
<p data-bbox="480 275 788 336"><b>Prudential With-Profits Cash Accumulation Fund</b></p> <p data-bbox="480 369 788 495"><b>Total engagements: 1,235</b> <b>Environmental: 402</b> <b>Social: 339</b> <b>Governance: 683</b></p> <p data-bbox="480 528 788 714">The fund management has been delegated to a number of fund managers, including M&amp;G Investment Management and Lazard Asset Management.</p> <p data-bbox="480 748 788 934">These managers are responsible for engaging with the companies that they purchase investments in, and are overseen by Prudential.</p>	<p data-bbox="805 275 1514 584">M&amp;G met with Irish Bank AIB to discuss the process it went through to have its near-term decarbonisation targets Science Based Targets initiative ('SBTi') approved (as one of the few banks to have done so). The idea was to apply the lessons learned by AIB to other financial holdings that are finding validation difficult. As part of this meeting, M&amp;G encouraged the bank to also have its net zero targets approved by SBTi, as well as regularly reporting on the outcomes of its scope 3 engagement programme, particularly with reference to its loan book.</p> <p data-bbox="805 618 1514 651"><b>Engagement example (Social):</b></p> <p data-bbox="805 685 1514 1025">Lazard engaged with Ternium as academic and NGO reports have alleged that Ternium could have been involved in or linked to the disappearance of two community leaders / environmentalists at the Aquila mine site. The disappearance led to protests and blockades at the mine site last year. As such, Lazard engaged with the company on the topic to better understand the merit of these accusations. As far as Lazard can see at this current time, the alleged linkage between the company and the disappearance is lacking merits. However, they will continue to monitor the issue and engage as needed.</p>

# Voting

As the Scheme's DB and DC Sections invest via fund managers the managers provided details on their voting actions including a summary of the activity covering the reporting year up to 5 April 2024.

The Trustees have adopted the managers definition of significant votes and have not set stewardship priorities. The managers have provided examples of votes they deem to be significant.

Please note, this section does not apply to the LGIM Matching Core LDI Fund Range, LGIM Sterling Liquidity Fund, or M&G Total Return Credit Investment Fund. This is because these funds do not actively hold equity that carries shareholder voting rights.

## Defined Benefit (DB) Section

Manager, fund name	Voting Summary	Examples of significant votes
<b>BlackRock, Dynamic Diversified Growth Fund</b>	<p>Voteable Proposals<sup>1</sup>: 7,166</p> <p>Proposals Voted: 94.4%</p> <p>Votes For: 85.2%</p> <p>Votes Against: 6.3%</p> <p>Votes Abstained: 1.6%</p> <p>Votes Withheld: 0.2%</p> <p>BlackRock's proxy voting process is led by the BlackRock Investment Stewardship Team (BIS) which consists of regional teams. BlackRock use Institutional Shareholder Services (ISS), an electronic platform, to access voting research and to execute their vote instructions.</p> <p>BlackRock aims to engage with the company in the first instance to give management time to address the issue, however, they are not afraid to vote against companies where they believe the Board or management have</p>	<p><b>Broadcom, Inc</b></p> <p>BlackRock engaged with Broadcom regarding their executive compensation practices. During discussions, issues such as the company's long-term incentive plan, the prolonged use of exceptional awards, and the lack of a clawback policy were highlighted. BlackRock noted that despite the company's successful performance, outpacing the S&amp;P 500 by over 5.5% annually for the previous five fiscal years, the company's intention to institute a clawback policy was received positively.</p> <p>However, BlackRock raised concerns over a proposal for a special equity award in fiscal year 2022. It was agreed that such special awards should be limited, and when given, several factors including the scale, structure, recipients, alignment with shareholder value, and the company's historical usage should be considered. The 2022 award, intended to honour exceptional achievement tied to strategic priorities that year and was valued at \$10 million.</p> <p>BlackRock deemed the company to have failed to disclose specific performance criteria for this award, resulting in a lack of clarity on how</p>

<sup>1</sup> In cases of different votes submitted across ballots for a given meeting, votes cast are distinctly counted by type per proposal where total votes submitted may be higher than unique proposals voted.

	<p>not acted in the interests of long-term investors.</p> <p>compensation policies align with corporate strategy and financial value. The performance period's limited length of one year also raised concerns. CEO succession planning was raised as one of the award's objectives, however BlackRock view this as a standard executive responsibility.</p> <p>Additionally, a potential successor's departure to lead another company highlighted the elevated risk in relation to succession planning. BlackRock subsequently requested further information on the board's effective approach to succession planning going forward. Given these concerns, primarily centred on the emphasis on short-term targets and the lack of detailed information on compensation, BIS decided against supporting the say on pay proposal and the election of the members of the Compensation Committee.</p>
<p><b>LGIM, Diversified Fund</b></p>	<p>Voteable Proposals: 93,090</p> <p>Proposals Voted: 99.8%</p> <p>Proposal voted with management: 76.6%</p> <p>Proposals voted against management: 23.1%</p> <p>Abstain votes: 0.3%</p> <p>LGIM's Investment Stewardship team uses International Shareholder Services' (ISS) 'Proxy Exchange' electronic voting platform to electronically vote in line with LGIM's policies.</p> <p>All voting decisions are made by LGIM, and they do not outsource any part of the strategic decisions. To ensure the proxy provider votes in accordance with LGIM's position on ESG, they put in place a custom voting policy with specific voting instructions.</p> <p><b>Toyota Motor Corp.</b></p> <p>LGIM voted for a resolution to amend to report on Corporate Climate Lobbying aligned with the Paris Agreement, against management recommendation.</p> <p>LGIM view climate lobbying as a crucial part of enabling the transition to a net zero economy and believe that companies should advocate for public policies that support global climate ambitions.</p> <p>The resolution was not passed however LGIM note that there has been progress made in relation to its climate lobbying disclosures, though additional transparency is necessary. This vote was made in line with LGIM's expectations around companies using their influence positively and advocate for broader improvements of ESG factors and they will continue to engage with the company and monitor their progress on reporting.</p> <p><b>Amazon</b></p> <p>LGIM voted for the resolution to report on median and adjusted gender/racial pay gaps, against management recommendation.</p> <p>LGIM note that though the resolution was not passed they expect companies to disclose meaningful information on their gender pay gaps and the initiatives that apply to closing any stated gaps. LGIM deem these disclosures to be key to investors assessing the progress of a company's diversity and inclusion initiatives.</p> <p>LGIM will continue to engage with Amazon on its diversity data disclosure and will monitor its progress.</p>



## Defined Contribution (DC) Section

### Prudential, With-Profits Cash Accumulation Fund

Meetings eligible to vote at: 5,771

Resolutions eligible to vote on: 65,638

Resolutions voted: 98.4%

Votes for management: 92.0%

Votes against management: 7.0%

Abstained from voting: 1.0%

The fund management has been delegated to a number of fund managers, including M&G Investment Management and Lazard Asset Management. The voting is carried out by those fund managers.

Each fund manager will use their own approach to determine the most significant votes. For this consolidated return, the approach taken is to consider all of the votes provided by the managers and include those with the largest exposure.

M&G has provided a list of the most significant votes from each delegated manager.

### Taiwan Semiconductor Manufacturing Co. Ltd.

- Date of vote: **June 6, 2023.**
- Reasoning for significant vote: **Lazard considered any management proposals where they voted against management to be a significant vote.**
- Approximate size of the scheme's / mandate's holding: **0.7%.**
- Summary of the resolution: **Management - amend procedures for endorsement and guarantees.**
- How the manager voted: **Against management.**
- An explanation of the rationale for the voting decision: **Lazard believed that no compelling rationale was provided to amend the procedures and may expose the company to unnecessary risks.**

### Shell Plc.

- Date of vote: **June 29, 2023.**
- Reasoning for significant vote: **Lazard considered any management proposals where they voted against management to be a significant vote.**
- Approximate size of the scheme's / mandate's holding: **0.1%.**
- Summary of the resolution: **Re-elect Aarthi Subramanian as Director.**
- How the manager voted: **Against management.**
- An explanation of the rationale for the voting decision: **Lazard voted against the resolution as they considered the nominee to not be independent as they serve on the Audit Committee.**

