

# **T C Harrison Group Pension Scheme**

## **Statement of Investment Principles – December 2024 (replaces July 2023)**

### **1. Introduction**

The Directors of T C Harrison (Trustees) Limited (the “Trustee Directors”), as the Trustee of the T C Harrison Group Pension Scheme (the “Scheme”) have drawn up this Statement of Investment Principles (“the Statement”) to comply with the requirements of the Pensions Act 1995 (“the Act”), the Occupational Pension Schemes (Investment) Regulations 2005, subsequent legislation and associated requirements. The Statement is intended to affirm the investment principles that govern decisions about the Scheme’s investments. It replaces the Statement of Investment Principles dated July 2023. A separate document detailing the specifics of the Scheme’s investment arrangements, the Statement of Investment Arrangements (“SIA”) has also been drawn up and is available on request.

In preparing this Statement the Trustee Directors have consulted with T C Harrison Group Limited as Scheme Sponsor on behalf of the Participating Employers to ascertain whether there are any material issues of which the Trustee Directors should be aware in agreeing the Scheme’s investment arrangements. The Trustee Directors have also received and considered written professional advice from Mercer Limited (“the Investment Consultant”) in their role as Investment Consultant. The Trustees believe the Investment Consultant meets the requirements of Section 35(5) of the Pensions Act 1995 (as amended).

### **2. Process for Choosing Investments**

The Trustee Directors have considered their objectives for investing the Scheme assets. They have considered their Investment and Funding objectives together to ensure that the two are compatible and supportable.

They have then constructed a portfolio of investments consistent with these objectives and which they hope will deliver the maximum level of return (net of all costs) for the level of risk taken on (considering limitations on the overall complexity of arrangements appropriate to the size of assets under management).

The Trustee Directors take into account what they believe to be financially material considerations over an appropriate time horizon, which can include risk and return expectations as well as Environmental, Social and Governance (“ESG”) issues where these are considered to have a material impact on income, value or volatility of an investment held or the overall portfolio of investments held by the Scheme. Specific considerations are detailed throughout this Statement.

In considering the appropriate investments for the Scheme, the Trustee Directors have obtained and considered written advice from Mercer Limited, in their role as Investment Consultant, whom the Trustee Directors believe to be suitably qualified to provide such advice. The advice received and arrangements implemented are, in the Trustee Directors opinion, consistent with the requirements of Section 36 of the Pensions Act 1995 (as amended).

### 3. **Investment Objectives**

The objectives set out here, and the risks and other factors referenced are those that the Trustee Directors determine to be financially material considerations in relation to the Scheme.

The Trustee Directors are required to invest the Scheme's assets in the best interest of the members, beneficiaries and the Company and in the case of a potential conflict of interest in the sole interest of the members and beneficiaries.

The Trustee Directors have agreed a number of objectives to help guide them in their strategic management of the assets and control of the various risks to which the Scheme is exposed. The Trustee Directors primary objectives are as follows:

- *To make sure that the Trustee Directors can meet their obligations to the beneficiaries of the Scheme, principally on an ongoing basis;*
- *To pay due regard to TC Harrison Group Limited's interests on the size and incidence of any employers' contribution payments and the impact of the Scheme on TC Harrison Group Limited's balance sheet and profit and loss account;*
- *To achieve, over the longer term, a return on the assets that is consistent with the long-term assumptions made by the Actuary in determining the funding of the Scheme's liabilities;*
- *To achieve, over the shorter term, a favourable return against the Scheme's performance benchmark set out in section 6.*

Given the nature of the liabilities, the investment time horizon of the Scheme is potentially long-term.

### 4. **Risk Management and Measurement**

There are various risks to which any pension scheme is exposed which the Trustee Directors believe may be financially material to the Scheme. The Trustee Directors recognise that whilst increasing risk may increase potential returns over a long period, it also increases the risk of a shortfall in returns or reduction in the surplus relative to that required to cover changes in the Scheme's accrued and accruing liabilities especially over the short to medium term. The Trustee Directors have taken advice on the matter and (in light of the objectives noted previously) considered carefully the implications of adopting different levels of risk. The Trustee Directors' policy on risk management over the Scheme's anticipated lifetime is set out below.

The primary risk upon which the Trustee Directors focus is that arising through a mismatch between the Scheme's assets and its liabilities. These are mainly the key strategic investment risks inherent in the current investment strategy and are as follows:

- **Market Risk** (including equities, property and exposure to other growth asset markets) – the risk that equity valuations fluctuate in an uncorrelated way with the value of the liabilities;
- **Interest Rate Risk** – the risk that changes in the value of the assets do not move in line with changes in the value placed on the Scheme's liabilities in response to changes in interest rates;

- Inflation Risk (similar to interest rate risk but concerning inflation);
- Credit Risk – the risk that one party to a financial instrument will cause a financial loss to the Scheme by failing to discharge an obligation;
- Currency Risk – the risk that foreign currency exposure causes asset valuations to fluctuate in an uncorrelated way with the value of the liabilities which are denominated in Sterling.

Considerations specific to Environmental, Social and Governance issues are addressed in Section 11.

To manage investment risks, the Trustee Directors have established an investment policy designed to reduce risk, without damaging the Scheme's long term return prospects, using asset-liability modelling conducted by Mercer which measures the contribution of different risks to overall Value at Risk ("VaR").

In particular:

- Market risk is managed via the strategic allocation to the various asset classes and by holding diversified portfolios (by individual holdings, sectors and market regions) that are complementary in terms of investment style.
- The Trustee Directors acknowledge the interest rate and inflation risks referred to above. To address these risks, the Scheme invests in corporate bonds and a gilt portfolio which focusses on delivering the right level of interest rate and inflation exposure to complement the exposures in the corporate bond portfolio to hedge liability risks.
- The Scheme's gilt portfolio is invested in physical gilts and index-linked gilts on a segregated basis and seeks to reduce the mismatch between the sensitivity of the assets and the liabilities to changes in interest rates and inflation. The long-term level of hedging is 100% of the Scheme's liabilities on a "gilts + 0.5%" secondary funding basis for both the interest rate and inflation sensitivity. The Trustee Directors recognise that the target gilt portfolio will not produce a perfect match for the liability exposures it is aiming to hedge. Furthermore, the Trustee Directors acknowledge that there are different measures for calculating the liabilities that may not be closely matched by the gilt assets held. Credit risk is managed via the strategic allocation and investing in segregated or pooled fund(s) with diversified holdings of bonds that are predominantly of investment grade quality.
- Currency risk is managed through the total allocation to overseas markets and consideration of currency hedging.
- Regarding liquidity risk, the Trustee Directors believe that the majority of the Scheme's investments are realisable at short notice in most prevailing market conditions.

The Trustee Directors recognise the following additional risks and take the following steps to manage risk:

- The risk of equities failing to deliver the level of outperformance expected from them to meet the cost of future service liabilities out of Scheme assets.
- The risk of the Scheme winding-up with insufficient assets to secure accrued liabilities in full with an insurance company.

- The Trustee Directors recognise the risks that may arise from the lack of diversification of investments. Subject to managing the risk from a mismatch of assets and liabilities, the Trustee Directors aim to ensure the asset allocation policy in place results in an adequately diversified portfolio.
- The risk that the day-to-day management of the assets will not achieve the rate of investment return expected by the Trustee Directors. They recognise that the use of an active manager involves such a risk. However, they believe that the risk is outweighed by the potential gains from successful active management.
- Across all of the Scheme's investments, the Trustee Directors are aware of the potential for regulatory and political risks. Regulatory risks arise from investing in a market environment where the regulatory regime may change. This may be compounded by political risk in those environments subject to unstable regimes.

Overall, the Trustee Directors primarily measure and manage investment risk through the investment strategy set out in Section 6 and review the appropriateness of this strategy on a regular basis. Should there be a material change in the Scheme's circumstances, the Trustee Directors will review whether and to what extent the investment arrangements should be altered; in particular, whether the current risk profile remains appropriate.

The documents governing the manager appointments include a number of guidelines which, among other things, are designed to ensure that only suitable investments are held by the Scheme. The managers are prevented from investing in asset classes outside their mandate without the Trustee Directors' prior consent.

## 5. **Portfolio Construction**

The Trustee Directors have adopted the following principles subject to the overriding constraint that at the total Scheme level the expected level of risk is consistent with that detailed in Section 4 and subject to the Trust Deed & Rules:

- There is a role for both active and passive management. **Passive management** involves employing investment managers who aim to deliver a return equal to a chosen benchmark appropriate to the asset class held. **Active management** involves employing investment managers who aim to outperform a benchmark but with a risk that they will underperform. By employing both the Trustee Directors aim to take advantage of active management where they believe it is likely to lead to outperformance net of fees, while using passive management in other areas or alongside active management to control overall manager risk and to manage overall fee levels.
- At the total Scheme level, investments should be **broadly diversified** to ensure there is not a concentration of exposure to any one issuer, to the extent that this is not protected (e.g. by collateral). This restriction does not apply to investment in UK Government debt. Appropriate diversification between markets will also be ensured.

Investment in derivatives is permitted within pooled funds for risk reduction purposes or to facilitate efficient portfolio management (including the reduction of cost or the generation of additional capital or income with an acceptable level of risk).

## 6. **Investment Strategy**

The Trustee's key strategic goal is to reduce risk in the Scheme's assets relative to its liabilities over time. Following expert advice from Mercer Limited, in their role as Investment Consultant, the Trustee Directors have agreed to implement an Investment Strategy:

- To hold sufficient growth assets to support funding on a “gilts +0.25%” technical provisions basis; and
- To reduce the volatility in the funding level by reducing un-hedged liability exposures.

The strategic allocation between growth and matching assets is shown below:

	<b>Benchmark (%)</b>
Growth	5.0
Matching	95.0
<b>Total</b>	<b>100.0</b>

The Trustee Directors believe that this investment strategy is currently appropriate for meeting the objectives set out in Section 3 and for controlling the risks identified in Section 4.

## 7. **Day-to-Day Management of the Assets**

The Trustee Directors have delegated all day-to-day management of the assets, including selection, retention and realisation of investments managed by them, to Investec in their role as Investment Manager. The Trustee Directors have taken steps to satisfy themselves that Investec have the appropriate knowledge and experience for managing the Scheme’s investments and that they are carrying out their work competently.

Policy documentation has been issued to the Trustee Directors by the Investment Manager covering their funds and setting out the investment benchmarks, guidelines and restrictions.

Investec have discretion to make tactical asset allocation changes within the growth portfolio, but not to switch between the growth and the matching portfolio. The Trustee Directors have not received advice from Mercer Limited in their role as Investment Consultant on the suitability of the use of Investec in a manager of managers role.

## 8. **Expected Return**

The Trustee Directors’ main concern is how the assets perform relative to liabilities, which are assessed by reference to the gilt market. Investment performance relative to gilts will depend principally on the performance of individual asset classes and the proportions held in them. The Trustee Directors anticipate that the Scheme will deliver a long-term return that is c.0.55% pa above the return available on Government gilts, although actual performance will deviate from this especially in the short term. This target return has been set, following discussions with the Scheme Actuary, to facilitate the Trustee Directors’ objectives of targeting a return in excess of the prudent return assumed by the Scheme Actuary in determining the technical provisions. This expected long term return should enable the solvency funding level to be at least maintained whilst also providing sufficient returns to cover ongoing expenses and the employer’s costs of future accrual.

Trustee Directors recognise, however, that investment in higher risk assets will result in performance deviating significantly from the Actuary’s assumed return over the short term.

9. **Additional Assets**

Assets in respect of members' additional voluntary contributions are held with Equitable Life Assurance Society and Clerical Medical Investment Group Limited in their with-profits funds. The Scheme also holds cash on deposit with Royal Bank of Scotland / Williams and Glyn.

10. **Selection Retention and Realisation of Investments**

The selection, retention and realisation of assets is carried out in a way consistent with maintaining the Scheme's overall strategic allocation and consistent with the overall principles set out in this statement.

In general, Investec has discretion in the timing of realisations of investments and in considerations relating to the liquidity of those investments. Investec has responsibility for generating cash required for benefit outgo and other expenditure on the instruction of the Trustee Directors.

On a regular basis the Trustee Directors will decide which of their investment portfolios should be the source of disinvestment to meet benefit payments and which of the portfolios will receive investment of any contributions. This decision will be made with an objective to moving the overall asset allocation toward the benchmark allocation.

11. **ESG, Stewardship (including Engagement Activities) and Climate Change**

The Trustee Directors believe that financially material factors, including environmental, social, and corporate governance (ESG) factors, may have a material impact on investment risk and return outcomes, and that good stewardship can create and preserve value for companies and markets as a whole. The Trustee Directors also recognise that long-term sustainability issues, particularly climate change, present risks and opportunities that may apply over the Scheme's investment time horizon and increasingly may require explicit consideration.

The strategic benchmark has been determined using appropriate economic and financial assumptions from which expected risk/return profiles for different asset classes have been derived. These assumptions apply at a broad market level and are considered to implicitly reflect all financially material factors.

The Scheme's growth assets are invested predominantly in pooled vehicles and the day-to-day management of the Scheme's assets has been delegated to the investment manager, including the selection, retention and realisation of investments within their mandates. In doing so the investment manager is expected and encouraged to undertake engagement activities on relevant matters including ESG factors (including climate change considerations) and to exercise voting rights and stewardship obligations attached to the investments, in accordance with their own corporate governance policies and current best practice, including the UK Corporate Governance Code and UK Stewardship Code. This applies to both equity and debt investments, as appropriate, and covers a range of matters including the issuers' performance, strategy, capital structure, management of actual or potential conflicts of interest, risks, social and environmental impact and corporate governance. The Trustee Directors engage with the existing investment manager on these issues through (amongst other things) meetings and periodic correspondence and will monitor investment manager engagement activity (such as voting) periodically. Managers who are FCA registered are expected to report on their adherence to the UK Stewardship Code on an annual basis.

Notwithstanding the above, the Trustee Directors recognise that in passive mandates the choice of benchmark dictates the assets held by the investment manager and that the manager has limited freedom to take account of factors that may be deemed to be financially

material as part of stock selection decision-making. The Trustee Directors accept that the primary role of its passive manager(s) is to deliver returns in line with the market and believe this approach is in line with the basis on which the current strategy has been set.

The Trustee Directors consider how ESG, climate change and stewardship is integrated within investment processes in appointing new investment managers, monitoring existing investment managers and retaining or withdrawing from investment managers. The relative importance of these factors compared to other factors will depend on the asset class being considered. The Trustee Directors will challenge managers who they believe are taking insufficient account of ESG considerations in implementing their mandates.

The Trustee Directors have not set any investment restrictions on the appointed investment manager(s) in relation to particular products or activities, but may consider this in future.

The Trustee Directors will not consider the ESG policies of Additional Voluntary Contributions provider(s) and associated investment funds as these are a small proportion of total assets.

## 12. **Non- Financial Matters**

“Non-financial matters” (where non-financial matters” includes members’ ethical views separate from financial considerations such as financially material ESG issues) are not explicitly taken into account in the selection, retention and realisation of investments. The Trustee Directors would review this policy in response to significant member demand.

## 13. **Investment Manager Arrangements**

*Aligning Investment Manager Appointments with the Trustee Directors’ Investment Strategy, including incentivisation of a suitably medium to long term focus, and duration of appointments:*

Investment managers are appointed based on their perceived capabilities and, therefore, their perceived likelihood of achieving the expected return and risk characteristics for the asset class or specific investment strategy they are selected to manage over a suitably long time horizon. This includes, in relation to active management, appropriate levels of outperformance, and in relation to passive management suitable levels of “tracking error” against a relevant benchmark.

The Trustee Directors seek expert advice in relation to these appointments. This advice may consider factors such as the manager’s idea generation, portfolio construction, implementation and business management, as well as the investment manager’s approach to ESG and engagement activity, as they apply to the specific investment strategy being considered.

The Trustee Directors invest some of the Scheme’s assets in multi-investor pooled investment vehicles and accept that they have little or no ability to specify the risk profile and return targets of the manager other than through the choice of specific vehicles. They will therefore select vehicles that best align with the Trustee Directors’ own policy in terms of investment objectives and guidelines (as set out in relevant governing documents) and, once appointed, will review the appointment should there be any material changes in these terms.

The Trustee Directors invest the remainder of assets on a segregated basis but with investment implementation delegated to the Investment Manager following relatively standardised processes. This standardisation also limits the Trustees ability access a bespoke approach beyond setting objectives for risk and return or strategic asset allocation.

The Trustee Directors make appointments with the view to them being long term (to the extent this is consistent with the Trustee Directors' overall investment time horizon) and there is typically no set duration for the manager appointments. However, appointments can typically be terminated at short notice.

For each appointment, retention is dependent upon the Trustee Directors having ongoing confidence that the investment manager will achieve its investment objective. The Trustee Directors make this assessment taking into account various factors which includes performance to date as well as an assessment of future prospects.

Investment managers are therefore incentivised both to achieve the objectives set for them, which are consistent with the Trustee Directors' policies and objectives, and to ensure that they remain capable of doing so on a rolling basis. This encourages investment managers to take a suitably long term view when assessing the performance prospects of, and engaging with, the equity and debt issuers in which they invest or seek to invest.

#### *Performance Assessment & Fees*

The Trustee Directors receive reporting on asset class and investment manager performance on a regular basis, via a combination of formal independent reports and presentations from the investment manager.

Investment returns (and volatility) are measured on both an absolute basis and relative to one or more suitable benchmarks and targets. Returns are considered net of transaction costs but gross of management fees. In reviewing this performance, the Trustee Directors have ready access to, and are mindful of, the fees paid to managers.

As well as assessing investment returns the Trustee Directors will consider a range of other factors, with the assistance of their investment adviser, when assessing investment managers, which may include:

- Personnel and business change
- Portfolio characteristics (including risk and compatibility with objectives) and turnover
- Voting and engagement activity
- Service standards
- The adviser's assessment of ongoing prospects based on their research ratings

The majority of investment managers are typically remunerated by way of a fee calculated as a percentage of assets under management. In each case, the principal incentive is for the investment manager to retain their appointment (in full), by achieving their objectives, in order to continue to receive the associated fee. The Trustee Directors will consider any performance related fees on a case by case basis and would also consider requesting fee reductions. Investment managers are not remunerated based on portfolio turnover.

#### *Portfolio Turnover Costs*

Turnover costs arise from a) "ongoing" transactions within an investment manager's portfolio and b) "cashflow" costs incurred when investing in or realising assets from a mandate.

The Trustee Directors have not historically monitored investment managers' ongoing transaction costs explicitly but measure these implicitly through ongoing performance



## **TC Harrison Group Pension Scheme -Annual Engagement Policy Implementation Statement**

### **Introduction**

This statement sets out how, and the extent to which, the Engagement Policy in the Statement of Investment Principles ('SIP') produced by the Trustee Directors has been followed during the year to 31 December 2024. This statement has been produced in accordance with The Pension Protection Fund (Pensionable Service) and Occupational Pension Schemes (Investment and Disclosure) (Amendment and Modification) Regulations 2018 and the guidance published by the Pensions Regulator.

### **Investment Objectives of the Scheme**

The Trustee Directors believe it is important to consider the policies in place in the context of the investment objectives they have set. The objectives of the Scheme included in the SIP are as follows:

- *To make sure that the Trustee Directors can meet their obligations to the beneficiaries of the Scheme, principally on an ongoing basis;*
- *To pay due regard to TC Harrison Group Limited's interests on the size and incidence of employers' contribution payments and the impact of the Scheme on TC Harrison Group Limited's balance sheet and profit and loss account;*
- *To achieve, over the longer term, a return on the assets that is consistent with the long-term assumptions made by the Actuary in determining the funding of the Scheme's liabilities;*
- *To achieve, over the shorter term, a favourable return against the Scheme's performance benchmark.*

### **Policy on ESG, Stewardship and Climate Change**

The Scheme's SIP includes the Trustee Directors' policy on Environmental, Social and Governance ('ESG') factors, Stewardship and Climate Change. This policy sets out the Trustee Directors' beliefs on ESG and climate change and the processes followed by the Trustee in relation to voting rights and stewardship. This was last formally reviewed in December 2024, however the Trustee Directors periodically review its appropriateness and the need for updates.

### **Significant Vote Definition**

Following the DWP's consultation response and outcome regarding Implementation Statements on 17 June 2022 ("Reporting on Stewardship and Other Topics through the Statement of Investment Principles and the Implementation Statement: Statutory and Non-Statutory Guidance") one of the areas of interest was the significant vote definition. The most material change was that the Statutory Guidance provides an update on what constitutes a "significant vote".

The Trustee Directors define a significant vote as one that is linked to the Scheme's stewardship priorities/themes. A vote could also be significant for other reasons, e.g. due to the size of holding, however given the nature of the Scheme's holdings, this is unlikely to be a material consideration for the Trustee Directors as the equity allocation is minimal. The Trustee

## Engagement Policy Implementation Statement - T C Harrison Group Pension Scheme

Directors have set out below their criteria for significant votes and are satisfied that these are also captured as high areas of focus in the Investec Stewardship Policy:

- **Environmental (E)** - Climate change (e.g. vote on a company's carbon disclosures)
- **Social (S)**- Human rights (e.g. worker conditions, safety and pay)
- **Governance (G)** - Corporate Governance (e.g. Board quality, diversity, remuneration and inclusion)

### Engagement

The Trustee Directors requested that the investment managers confirm compliance with the principles of the UIC Stewardship Code. As at 31 December 2024, the Scheme's assets are wholly invested with Investec who are signatories of the current UIC Stewardship Code.

The Trustee Directors also required details of relevant engagement activity for the year conducted by the Investec as detailed below.

#### Investec

Given that Investee's focus on maintaining and creating long-term value for their clients and society, they prioritise engagement on topics that are most material to each industry and asset class they invest in. Investec also remain signatories of the UN PRI.

Investee's engagement with companies and funds is driven by a number of broad factors but typically focuses on the below:

- Investment or operational performance
- Gaining a better understanding of the risks and opportunities an investment faces
- ESG related matters, and how a company is addressing or improving these matters
- Changes in management/strategy
- Management incentives and remuneration
- Public controversies
- Capital allocation.

Investee's investment philosophy focuses on finding those companies that can deliver superior risk adjusted returns; high quality businesses that create economic value via excellent products and services, well managed with a prudent nature. They believe that the factors considered above help assess the quality of a company and any changes that could affect an investment thesis.

More specifically on the material ESG matters, Investec have identified the following Thematic Engagement Priorities, to engage on, going forwards. These align with Investec Group's two impact SDGs being on SDG 13 (climate action) and SDG 10 (reduced inequalities).

## Engagement Policy Implementation Statement - T C Harrison Group Pension Scheme

Environmental Factors	Social Factors	Governance Factors
<ul style="list-style-type: none"> <li>Carbon Emissions and Waste Management</li> <li>Resource Use and Environmental Impact of Products &amp; Services</li> </ul>	<ul style="list-style-type: none"> <li>Human Capital (including diversity) and Occupational Health &amp; Safety</li> <li>Data Privacy &amp; Security</li> </ul>	<ul style="list-style-type: none"> <li>Corporate Governance &amp; Business Ethics</li> <li>Product Governance</li> <li>Board Diversity</li> </ul>

### Voting Activity

The Trustee Directors have delegated their voting rights to the investment manager. Investec partner with Institutional Shareholder Services (ISS) to provide governance and voting analysis as an input to assist in Investee's decision making. Investee's central Stewardship Team has oversight over all meetings and ballot items, through access to the ISS platform. They ensure consistency across all votes and manage voting activity in line with deadlines. Investec then use the output of this forensic analysis of ballot papers to shape, but not dictate, their engagement activity around AGMs.

With respect to the Scheme, over the year to 31 December 2024, 5,068 votes were cast across underlying companies within the Investec funds. Of these 4,878 votes (c.96%) were for management and 190 votes (c.4%) were against management. In terms of abstentions, Investec had 20 abstentions.

Investec make no distinction between the significance of votes. Whilst their holdings are greater in some companies and funds than others, and certain votes may garner greater publicity, Investec view all infringements of best practice in a company's relevant jurisdiction as significant.

The Trustee Directors set out below some examples of what they consider to be a significant vote, since it relates to the criteria set out in their definition above.

### Examples of Significant Votes

Company	Rationale for the voting decision	Voting decision
Nike Inc	<p><b>Environment: Environmental Targets</b></p> <p>Vote against the management, supported a shareholder proposal asking Nike to review its sustainability strategy, as the company had missed many of its 2020 targets and then revised or 'restated' them to be less ambitious. This wasn't followed by adequate discussion or disclosure about what the company was going to do next, to minimise its environmental impact. This is important to mitigate against climate change, which can hit revenue and harm assets.</p>	Against

**Engagement Policy Implementation Statement - T C Harrison Group Pension Scheme**

Worldwide Healthcare Trust PLC	<p><b>Governance: Board Independence &amp; Oversight</b></p> <p>Vote against Mr. Borho's re-election, as he is the Fund Manager and should not sit on the board as this could represent a conflict of interests. The Board's responsibility is to hold the Fund Manager accountable and protect the interests of shareholders, and Investec believe this would significantly impair the Board's ability to effectively and independently hold Mr. Borho to account on the performance of the trust. Investec have voted against Mr. Borho's election in the past and engaged with the Board a number of times, to no avail. They therefore escalated their approach by also voting against the Chair, this year.</p>	Against
Apple Inc	<p><b>Social: Pay Gap and Ethical use of AI</b></p> <p>Investec voted against management by supporting a report on the company's median gender/racial pay gap. They supported a similar shareholder proposal last year and hoped to encourage the board to publish Apple's gender and diversity statistics for both their US and its global workforce. Currently, Apple only disclose their UK figures, as is mandatory, but Investec believe further disclosure would benefit shareholders. The proposal received significant support this year and Investec intend to continue voting for such proposals until the company broadens its disclosure.</p>	Against