

# UBS (UK) Pension and Life Assurance Scheme ('the Scheme')

## Annual Implementation Statement for the Year Ended 30 June 2024 – DB Section

### Introduction

This statement, written for the benefit of the Members of the UBS (UK) Pension and Life Assurance Scheme (the "Scheme"), sets out how, and the extent to which, the Statement of Investment Principles ("SIP") produced by the Trustee has been followed during the year running from 1 July 2023 to 30 June 2024 (the "Scheme Year") in the **Defined Benefit ("DB") Section of the Scheme**. Member AVC benefits invested in AVC policies do not fall within the scope of this Statement.

The SIP is a document drafted by the Trustee in order to help govern the Scheme's investment strategy. It details a range of investment-related policies, a summary of which is included below, alongside the relevant actions taken by the Trustee in connection with each of these policies.

This statement has been produced in accordance with the Pensions Act 1995, the Occupational Pension Schemes (Investment and Disclosure) (Amendment) Regulations 2019 / 982 and the Pension Protection Fund (Pensionable Service) and the Occupational Pension Schemes (Investment and Disclosure) (Amendment and Modification) Regulations 2018 / 988.

Sections 1.1 and 1.2 of this statement set out the investment objectives of the Scheme and changes that have been made to the SIP during the Scheme Year, respectively. Section 1.3 of this statement sets out how, and the extent to which, the policies in the part of the SIP which relates to the DB Section have been followed.

**The Trustee can confirm that all policies in the SIP which relate to the DB Section have been followed in the Scheme Year.**

The Appendix includes engagement examples and key voting activities of the underlying investment managers within the DB Section of the Scheme, and how the voting activities align with the Trustee Stewardship Priorities.

## 1. Statement of Investment Principles

### 1.1. Investment Objectives of the Scheme

The Trustee believes that it is important to consider the policies set out in the SIP in the context of the investment objectives that it has set.

The Trustee's primary objective for the DB Section is as follows:

- To invest the DB Section's assets in the best interests of the members and beneficiaries and with regard to the Principal Employer's interests, and in the case of a potential conflict of interest in the sole interest of the members and beneficiaries.

This objective requires taking a degree of investment risk and the part of the SIP which relates to the DB Section describes the ways in which the Trustee seeks to manage such risk exposures. In addition, the Trustee is required to consult with the sponsoring employer on the nature of the DB Section's investment strategy and consider its views. This process helps to inform a suitable investment time horizon and the extent of funding support available.

## 1.2. Review of the SIP

During the year to 30 June 2024, the Trustee reviewed and amended the Scheme's SIP, taking formal advice from its Investment Consultant, Mercer Limited ("Mercer"). This Statement is based on the SIP dated March 2024. The part of the SIP which relates to the DB Section was subsequently updated in September 2024, after the Scheme Year end, and the current version can be found online at:

<https://epa.towerswatson.com/accounts/UBS/public/scheme-information/>.

The key changes to the part of the SIP which relates to the DB Section were as follows:

- A revision to the target benchmark strategy, which maintains a lower level of investment risk owing to the prevailing return requirements. The changes were to reduce the Equities and Alternatives allocations by 9.5% and 3.5% of assets respectively, and to increase the Bonds allocation by 13% of assets. This resulted in a final target allocation of 9.0% in Equities, 12.5% in Alternatives and 78.5% in Bonds.
- The Bonds allocation rebalancing range was widened to reflect the increased volatility in gilt yields.
- The description of the discount rate approach was updated to reflect the 2023 actuarial valuation.

## 1.3. Assessment of how the policies in the SIP have been followed for the Scheme Year

The information provided in this statement highlights the work undertaken by the Trustee during the year, and longer term where relevant, and sets out how this work followed the Trustee's policies in the SIP.

**In summary, it is the Trustee's view that the policies in the SIP have been followed during the Scheme Year.**

## 2. Investment Mandates

### Securing compliance with the legal requirements about choosing investments

#### Policy

As required by legislation, the Trustee consults a suitably qualified person when making investment selections by obtaining written advice from its Investment Consultant. The policy is detailed in Section 1 (Introduction) of the part of the SIP which relates to the DB Section.

The Trustee receives advice from its Investment Consultant on any investments prior to implementation. The advice received and arrangements implemented are, in the Trustee's opinion, consistent with the requirements of Section 35 & 36 of the Pensions Act 1995 (as amended). The Trustee also consults with the sponsoring employer (UBS AG) where appropriate.

#### How has this policy been met over the Scheme Year?

No new investment mandates were implemented over the Scheme Year in the DB Section. The Trustee did however terminate the Scheme's Emerging Markets Debt allocation as part of a de-risking exercise and transferred the proceeds to the LDI portfolio. As part of this exercise the Trustee also reduced the Scheme's synthetic equity exposure. Later in the year the Trustee invested an amount of surplus cash into one of the Scheme's existing Secured Finance portfolios, and subsequently switched this portfolio to a share class that is expected to distribute a greater amount of income and maturity proceeds going forward.

The Trustee's decisions took account of the suitability of the changes in the context of its strategic objectives (in terms of risk and expected return) following an assessment of a range of possible alternative approaches.

## **Types of investments that the Trustee can hold**

### **Policy**

The investment strategy should take into account the objectives of the Scheme and, in the case of the DB Section, its liabilities.

The DB Section policy is to invest in a broadly diversified manner, with the use of derivatives permitted provided they contribute to risk reduction or facilitate efficient portfolio management. Further details are set out in Section 2 (Investment Objectives) and Section 3 (Portfolio Construction) of the part of the SIP which relates to the DB Section.

### **How has this policy been met over the Scheme Year?**

A range of asset classes are included within the DB Section's strategic investment policy.

These include developed market equities, property, corporate bonds, secured finance, infrastructure debt and government bonds.

During the Scheme Year, the Trustee regularly considered the range of investments held and how each of them contributes to the Trustee's overall strategic objectives.

## **Realisation of Investments**

### **Policy**

The Trustee's policy is that there should be sufficient liquidity within the Scheme's assets to meet short-term cashflow requirements in the majority of foreseeable circumstances, so that realisation of assets will not disrupt the Scheme's overall investment policy.

The investment managers have discretion in the timing of realisations of investments and in considerations relating to the liquidity of those investments, within their mandates. They also have responsibility for generating cash, when instructed to do so, as and when required for benefit payments and expenses.

### **How has this policy been met over the Scheme Year?**

The Trustee has defined a strategic cash buffer, which acts as the minimum level of liquidity that it plans to hold in order to satisfy the cashflow requirements of the DB Section.

The Administrator notifies the Trustee of the forthcoming cashflow needs on a monthly basis, following which the existing cash buffer is used to source the required funds.

The Trustee complements this monthly process with a weekly review of the available cash.

The DB Section's fixed income managers distribute income where possible in order to support cashflow needs. In the short-term, additional cash can be raised, if required, and subject to sufficient collateral being available, from the DB Section's LDI mandate with BlackRock.

These processes were all followed over the Scheme Year.

### 3. Environmental, Social and Governance (“ESG”)

#### **Financial and non-financial considerations and how those considerations are taken into account in the selection, retention and realisation of investments**

##### **Policy**

The Scheme’s SIP outlines the Trustee’s beliefs on ESG factors (including climate change). Further details are included in Section 8 of the part of the SIP which relates to the DB Section. The Trustee keeps its policies under regular review.

The Trustee considers risk from a number of perspectives and believes a number of ESG-related risks may be financially material. The Trustee assesses these risks over the appropriate time horizon for the DB Section. The Trustee expects that investment managers evaluate ESG factors, including climate change considerations, and exercise voting rights and stewardship obligations attached to investments, in accordance with their own corporate governance policies, taking account of current best practice including the UK Corporate Governance Code and the UK Stewardship Code. The Trustee expects that ESG considerations are embedded into each investment manager’s investment decision-making process and the extent of integration as well as a review of each manager’s policies is considered annually by the Trustee.

Member views are not taken into account in the selection, retention and realisation of investments. This is typical for most DB schemes where investment decisions are primarily driven by factors such as the funding position of the Scheme, the risk tolerance of the Trustee and the Employer, and the ability and willingness of the Principal Employer to fund any future deficits.

##### **How has this policy been met over the Scheme Year?**

The Trustee has adopted a Climate Change Policy, which sets out its support of the Paris Agreement in order to avoid the worst impacts of climate change by limiting global warming to well below 2°C above pre-industrial levels and pursuing efforts to limit it to 1.5°C within the context of its fiduciary responsibilities. In addition, the Trustee is a member of the Institutional Investors Group on Climate Change.

The Trustee did not take account of Members’ views in the selection, retention and realisation of investments over the Scheme Year in line with its policy for the DB Section.

### 4. Voting and Engagement Disclosures

#### **The exercise of the rights (including voting rights) attaching to the investments and undertaking engagement activities in respect of the investments (including the methods by which, and the circumstances under which, the Trustee would monitor and engage with relevant persons about relevant matters)**

##### **Policy**

The Trustee’s policy is to delegate responsibility for the exercising of rights (including voting rights) attaching to the Scheme’s investments to the investment managers. Further details are set out in Section 8 of the part of the SIP which relates to the DB Section (Responsible Investment and Corporate Governance).

In addition, it is the Trustee’s policy to obtain reporting on voting and engagement and to periodically review the reports to ensure the policies are being met.

##### **How has this policy been met over the Scheme Year?**

Following the DWP’s consultation response and outcome regarding Implementation Statements on 17 June 2022, updated guidance was produced, which is effective for all scheme year ends on or after 1 October 2022. The updated guidance requires trustees to include a description of what they believe to be a significant vote within the Implementation Statement. The voting information should also include details

explaining why each vote has been categorised as significant, what the vote was, and why the manager voted in the way it did. The Trustee has defined a significant vote as one which meets the following materiality parameter as well as one or more of the following stewardship priorities (where available):

- **Materiality:** the size of the holding within the UBS AM Climate Aware World Equity Fund is more than 1% of that fund.
- **Stewardship priorities:** relates to one or more of the following areas of focus:
  - **Environment:**
    - Biodiversity: addressing the impact of biodiversity loss
    - Climate change: low-carbon transition and physical damage resilience
  - **Social:**
    - Human rights: modern slavery, pay and safety in workforce and supply chains and abuses in conflict zones
  - **Governance:**
    - Diversity, Equity and Inclusion (DEI): inclusive and diverse decision making and ensure equal voting rights
    - Board Governance: Chair tenure, independence, remuneration practices

The Appendix includes examples of engagement activity undertaken by the Scheme's equity manager and provides details of the significant votes cast on behalf of the Trustee by the investment manager during the Scheme Year. The Trustee did not inform the investment manager of what it considered to be a 'significant vote' in advance of voting.

The Trustee believes that ESG (including climate change) 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 keeps the topic of corporate governance and responsible investment under periodic review. This policy is regularly assessed to ensure that it is applicable, appropriate and with the aim of keeping it in line with expectations of the majority of the membership. These beliefs underpin the Trustee's policies on voting and engagement and are based on the overall time horizon for the DB Section.

The Trustee expects that voting rights are exercised by the appointed investment managers in accordance with their own corporate governance policies and taking account of current best practice including the UK Corporate Governance Code and the UK Stewardship Code. The undertaking of engagement activities in respect of investments is also delegated to investment managers.

The Trustee reviews the investment managers' policies and engagement activities (where applicable) on an annual basis and did so during the Scheme Year.

The Trustee does not use the direct services of a proxy voter. The investment manager may retain proxy voting services for the physical exercise of voting rights and for supporting voting research.

The Scheme does not have a stock lending programme in place. Any activity related to stock lending and its interaction with voting would be at discretion of the specific investment manager.

## 5. Monitoring the Investment managers

### Incentivising asset managers to align their investment strategies and decisions with the Trustee's policies

#### Policy

The Trustee's policy is set out in Sections 4 (Risk Management and Measurement) and 9 (Aligning Investment Manager Appointments with Investment Strategy) of the part of the SIP which relates to the DB Section.

### **How has this policy been met over the Scheme Year?**

As noted in the part of the SIP which relates to the DB Section, the documents governing the manager appointments include a number of guidelines, which, amongst other things, are designed to ensure that only suitable investments are held by the Scheme as well as ensuring alignment between the investment managers' incentives and the Trustee's objectives. The terms of the Agreements do not allow the investment managers to do anything that could be considered to be "speculative" or "trading" by the financial services and tax authorities.

The Trustee will review an appointment if the investment objective for an underlying manager's fund changes to ensure it remains appropriate and consistent with the Trustee's wider investment objectives.

## **Evaluation of asset managers' performance and remuneration for asset management services**

### **Policy**

The Trustee's policy is set out in Section 9 (Evaluating Investment Manager Performance) of the part of the SIP which relates to the DB Section.

### **How has this policy been met over the Scheme Year?**

Annual due diligence meetings are held to review, among other things, the investment performance of the Scheme's investment managers.

Performance metrics for all of the Scheme's investment mandates were reported to the Investment Committee on a quarterly basis both at an asset class and investment manager level. Investment manager remuneration is also reported to the Investment Committee on a quarterly basis.

## **Monitoring portfolio turnover costs**

### **Policy**

The Trustee's policy is set out in Section 9 (Portfolio Turnover Costs) of the part of the SIP which relates to the DB Section.

### **How has this policy been met over the Scheme Year?**

The Trustee did not explicitly monitor portfolio turnover costs. Investment manager performance was reported and evaluated net of all fees and transaction costs (costs incurred as a result of buying and/or selling assets), and where possible, performance objectives for investment managers were set on a net basis. In this way, managers were incentivised to keep portfolio turnover costs to the minimum required to meet or exceed their objectives.

## **The duration of the arrangements with asset managers**

### **Policy**

The Trustee is a long-term investor and does not seek to change the investment arrangements on a frequent basis. Further details of the Trustee's policy are set out in Section 9 (Duration of Arrangement with Managers) of the part of the SIP which relates to the DB Section.

### **How has this policy been met over the Scheme Year?**

The focus of performance assessments is on longer-term outcomes. The Trustee would not ordinarily expect to terminate a manager's appointment based purely on short-term performance.

All changes to investment arrangements during the Scheme Year were as a result of strategic changes to the investment policy. A summary of the key asset movements is provided in the next section.

## 6. Strategic Asset Allocation

### Kinds of investments to be held, the balance between different kinds of investments and expected return on investments

#### Policy

The Trustee's policy on the kinds of investments to be held and the balance between different kinds of investments can be found under the following sections of the part of the SIP which relates to the DB Section:

- Investment Objectives (Section 2)
- Portfolio Construction (Section 3)
- Investment Strategy (Section 5)

#### How has this policy been met over the Scheme Year?

The Scheme's investment arrangements were reviewed over the year to 30 June 2024 following which a number of changes were agreed.

Following this review, the policy in place had a 9.0% weighting to equities, 12.5% to alternative assets and 78.5% to bonds. Rebalancing ranges were subsequently refined, with equities permitted to deviate by +/- 2%, alternative assets between 0.0% and 16.5% and bonds between 74.5% and 90.0%. For efficient portfolio management purposes, a synthetic equity mandate is used for a portion of the equity exposure with capital being utilised from the LDI portfolio.

The asset allocation and rebalancing ranges are monitored on a weekly basis, allowing for estimated performance and significant cashflows.

Over the year, there were a number of key changes:

1. Assets were transferred from the UBS AM Climate Aware Equity (GBP hedged) Fund to the BlackRock LDI portfolio following a rebalancing trigger being hit.
2. The LGIM Emerging Markets Debt Fund was terminated as part of a de-risking exercise. The cash proceeds were transferred to the BlackRock LDI portfolio.
3. As part of this de-risking exercise, synthetic equity exposure managed by BlackRock was reduced.
4. The Scheme's interest rate and inflation hedge ratios were increased to 94% of liabilities (as measured on the "Long Term Objective" basis).
5. An amount of surplus cash was invested in the Insight Secured Finance Fund following a rebalancing trigger being hit.
6. The Scheme's investment in the Insight Secured Finance Fund was switched to a share class that is expected to distribute a greater amount of income and maturity proceeds.

The target investment return for the DB Section is a function of the strategic investment policy, as described above. Monitoring of investment performance is conducted at each quarterly Investment Committee meeting. Performance is measured primarily with reference to the DB Section's funding position on 3 key measures:

1. The Technical Provisions basis (TP), as defined by the Scheme Actuary.
2. The Sponsor's IFRS accounting basis, which determines whether deficit recovery contributions are payable under the Framework Agreement on this basis.
3. The Long Term Objective basis (LTO), which the Trustee has defined as its secondary funding objective and which also determines whether contributions are paid into the Scheme.

Based on asset values as at 30 June 2024, the DB Section's funding level was 102.7% on the TP basis, 117.9% on the IFRS basis and 97.0% on the LTO basis.

In addition, investment managers' performance is also reviewed relative to each manager's respective benchmark, where applicable. Over the 3 years to 30 June 2024, the DB Section overall returned -8.5% p.a. (net of fees) relative to a benchmark return of -8.7% p.a.

## **Risks, including the ways in which risks are to be measured and managed**

### **Policy**

The Trustee recognises a number of risks are involved in the investment of the assets of the DB Section and that the choice of and allocation to investments can help to mitigate these risks. Details of these risks and how they are measured and managed can be found in Section 4 (Risk Management and Measurement) of the part of the SIP which relates to the DB Section.

The Trustee considers both quantitative and qualitative measures for a number of risks on an ongoing basis when deciding investment policies, strategic asset allocation, and the choice of asset classes, funds, and asset managers.

### **How has this policy been met over the Scheme Year?**

Investment risks are measured through a range of metrics such as Value at Risk, economic risk, liquidity and the overall likelihood of achieving the target level of funding by 2033 (the Trustee's target date). In addition, the Trustee reviews the Sponsor covenant, the quantum and make-up of assets in the Funding Collateral Pool, and the alignment of the DB Section's investment strategy with the strategic policy. These details were captured within the quarterly risk monitoring report presented to the Trustee during the Scheme Year.

Separately, the Trustee maintains a Risk Register which outlines the risks to the DB Section and the internal controls that the Trustee has put in place to mitigate such risks. This document is reviewed quarterly.

In response to the gilt crisis of Autumn 2022 and subsequent regulatory developments, as well as changes to the Scheme's investment strategy, the Trustee continued to review and make enhancements to both the LDI portfolio and the Trustee's collateral waterfall with the intention of improving the resilience of both the LDI portfolio and the wider Scheme to adverse market events. This included establishing the ability to trade credit repurchase agreements if required.



## Appendix

### Examples of Engagement Activity by the Scheme's Equity Investment Manager

The Trustee has delegated its voting rights to UBS Asset Management (UBS AM) as the manager of the physical equity mandate and does not use the services of a proxy voter. Below is an example of engagement activity undertaken by UBS AM during the Scheme Year.

#### UBS AM engaged with Starbucks

Starbucks has experienced on-going allegations and strikes from its US workforce in connection with infringements of their rights to unionize and participate in collective bargain practices. The National Labour Relations Board (NLRB) have outlined that complaints have included that the company has adopted an anti-union approach and used retaliation against individuals or stores. UBS AM encourages companies to fully respect the International Labour Organisation (ILO) Declaration on Fundamental Principles and Rights at Work, including freedom of association and the effective recognition of the right to collective bargaining.

To get a clearer understanding of the current status, UBS AM engaged with the company and also attended a meeting held by a group of shareholders that had filed a resolution at the AGM that was seeking the company to commission a third-party assessment on its commitment to worker rights. The company outlined in dialogue with UBS AM that even though they fully honour the NLRB process, they disagree with the allegations.

After careful review of both the company and shareholder viewpoints on the subject, UBS AM decided to support the proposal. UBS AM expects board members to protect and enhance the brand and reputation of the company, and feels that the allegations around anti-union practices toward employees are a clear reputational risk to the company. UBS AM believes that a third-party assessment would benefit shareholders in understanding where the implementation of company policies is falling short and how they can be remedied moving forward. The proposal passed at the AGM held on 23rd March, with majority support of 53%. Following this outcome, UBS AM will continue to engage with the company on this topic and monitor what steps management is taking to eradicate practices that do not align with policies.

#### Voting Activity during the Scheme Year

Set out below is a summary of voting activity for this reporting period relating to the equity investment manager used by the DB Section of the Scheme.

	<b>UBS AM Climate Aware World Equity</b>
<b>Number of meetings eligible to vote</b>	1,336
<b>Number of resolutions eligible to vote</b>	17,927
<b>Number of eligible resolutions where votes cast (%)</b>	98.6%
<b>Votes with management (%)</b>	88.5%
<b>Votes against management (%)</b>	10.0%
<b>Abstentions (%)</b>	0.1%

*Source: UBS AM, data may not sum due to rounding. Number of proposals eligible to vote includes number of votes in favour/ against management, number of votes abstained and number of "unvoted" where eligible.*

## Most significant votes

The Trustee has defined a significant vote as detailed in Section 4 of this Implementation Statement. The following table details the managers votes undertaken during the Scheme year that meet this definition.

### DB Section – UBS Climate Aware World Equity Fund

Company	Size of Holding*	Summary of resolution	Date of vote	How the manager voted	If against the company, was the intent communicated ahead of the vote?	Why vote is significant	Rationale of manager vote	Vote outcome
Microsoft Corp	5.1%	Report on Gender-Based Compensation and Benefits Inequities	07/12/2023	Against (Supported Management)	-	Diversity, Equity and Inclusion (DEI)	N/A	Failed
		Report on Climate Risk in Retirement Plan Options	07/12/2023	Against (Supported Management)	-	Climate Change	The US Department of Labor has not finalized its rule on climate-related financial risk and the retirement plan offerings appear to be broad enough to accommodate employees' desires to incorporate greater environmental and social considerations than the default plan.	Failed
		Report on Risks of Operating in Countries with Significant Human Rights Concerns	07/12/2023	For (Against Management)	No	Human Rights	Shareholders would benefit from increased disclosure regarding how the company is managing human rights-related risks in high-risk countries.	Failed
Apple Inc	4.7%	Report on Median Gender/Racial Pay Gap	28/02/2024	For (Against Management)	No	Diversity, Equity and Inclusion (DEI)	Manager will support proposals that seek the disclosure of the median pay gap.	Failed
		Report on Congruency of Company's Privacy and Human Rights Policies with its Actions	28/02/2024	Against (Supported Management)	-	Human Rights	Apple appears to provide shareholders with sufficient disclosure to assess its management of risks related to its operations in high-risk markets and to have policies and oversight mechanisms in place that seem to address human rights concerns raised by the proponent.	Failed
Alphabet Inc.	3.0%	Amend Bylaw regarding Stockholder Approval of Director Compensation	07/06/2024	Against (Supported Management)	-	Board Governance	N/A	Failed
		Report on Climate Risk in Retirement Plan Options	07/06/2024	Against (Supported Management)	-	Climate Change	N/A	Failed
		Elect Directors John L. Hennessy and Frances H. Arnold	07/06/2024	Against (Against Management)	No	Diversity, Equity and Inclusion (DEI)	Lack of gender diversity. The board has not added a new appointee in the past year and has multiple long-tenured directors, indicating a lack of commitment to board refreshment.	Passed
		Elect Director Robin L. Washington	07/06/2024	Against (Against Management)	No	Board Governance	The manager opposed as shareholders were not given opportunity to vote on pay.	Passed

Company	Size of Holding*	Summary of resolution	Date of vote	How the manager voted	If against the company, was the intent communicated ahead of the vote?	Why vote is significant	Rationale of manager vote	Vote outcome
Amazon.com	2.6%	Report on Median and Adjusted Gender/Racial Pay Gaps	22/05/2024	Against (Supported Management)	-	Diversity, Equity and Inclusion (DEI)	The company provides disclosure on pay on equivalent work that point to no meaningful differences in pay.	Failed
		Report on Impact of Climate Change Strategy consistent with Just Transition Guidelines	22/05/2024	Against (Supported Management)	-	Climate Change	While broadening use of AI will have an impact, this is not specific to or driven by their climate strategy. On this basis, we do not see a clear rationale for supporting a resolution asking for impact of their climate plan using JT principles.	Failed
		Report on Efforts to Reduce Plastic Use	22/05/2024	For (Against Management)	No	Climate Change	Shareholders would benefit from additional information on how the company is managing risks related to the creation of plastic waste.	Failed
		Disclose All Material Scope 3 GHG Emissions	22/05/2024	For (Against Management)	No	Climate Change	We will support proposals that seek to promote greater disclosure and transparency in corporate environmental policies as long as: a) the issues are not already effectively dealt with through legislation or regulation; b) the company has not already responded in a sufficient manner; and c) the proposal is not unduly burdensome or overly prescriptive.	Failed
		Elect Director Edith W. Cooper	22/05/2024	Against (Against Management)	No	Board Governance	Lack of responsiveness to remuneration concerns.	Passed
Meta Platforms Inc	1.6%	Report on Human Rights Risks in Non-US Markets	29/05/2024	Against (Supported Management)	-	Human Rights	N/A	Failed
		Report on Human Rights Impact Assessment of Targeted Advertising	29/05/2024	For (Against Management)	No	Human Rights	Request for additional reporting is reasonable.	Failed
		Report on Framework to Assess Company Lobbying Alignment with Climate Goals	29/05/2024	For (Against Management)	No	Climate Change	The proposal would further enable shareholders to determine the strength of company policy, strategy and actions in regards to climate change.	Failed
		Elect Directors Marc L. Andreessen, Andrew W. Houston and Tony Xu	29/05/2024	Withhold (Against Management)	No	Board Governance	Member of the Remuneration Committee and therefore accountable for the several concerns on executive pay and for the absence of yearly “a say-on-pay” proposal on the ballot.	Passed
		Elect Director Peggy Alford	29/05/2024	Withhold (Against Management)	No	Board Governance	The manager opposes as shareholders were not given opportunity to vote on pay.	Passed
		Elect Director Robert M. Kimmitt	29/05/2024	Withhold (Against Management)	No	Board Governance	As Lead Independent Director he also must be held accountable for the persistent and severe concerns over executive compensation and several governance concerns.	Passed

Company	Size of Holding*	Summary of resolution	Date of vote	How the manager voted	If against the company, was the intent communicated ahead of the vote?	Why vote is significant	Rationale of manager vote	Vote outcome
Berkshire Hathaway Inc	1.1%	Report on Efforts to Measure, Disclose and Reduce GHG Emissions Associated with Underwriting, Insuring, and Investing	04/05/2024	For (Against Management)	No	Climate Change	We will support proposals that seek to promote greater disclosure and transparency in corporate environmental policies as long as: a) the issues are not already effectively dealt with through legislation or regulation; b) the company has not already responded in a sufficient manner; and c) the proposal is not unduly burdensome or overly prescriptive.	Failed
		Report on Effectiveness of Diversity, Equity, and Inclusion Efforts	04/05/2024	For (Supported Management)	-	Diversity, Equity and Inclusion (DEI)	Request for additional reporting is reasonable.	Failed
		Elect Directors Thomas S. Murphy, Jr., Stephen B. Burke and Kenneth I. Chenault	04/05/2024	Withhold (Against Management)	No	Board Governance	As member of the Nomination, Remuneration and Governance Committee, the nominee has responsibility for governance concerns at the company.	Passed
		Elect Director Warren E. Buffett	04/05/2024	Withhold (Against Management)	No	Climate Change	Failure to align climate targets with capital expenditure plans, financial statements, policy influence activities, disclosures, and/or compensation incentives.	Passed
Eli Lilly & Co	1.1%	Declassify the Board of Directors	06/05/2024	For (Supported Management)	-	Board Governance	N/A	Failed
		Report on Effectiveness of Diversity, Equity, and Inclusion Efforts	06/05/2024	Against (Supported Management)	-	Diversity, Equity and Inclusion (DEI)	The company currently discloses their DEI goals, policies and programs, in addition to quantitative statistics on how the company is progressing across various diversity areas. The current level of disclosure allows shareholder to evaluate the effectiveness of DEI efforts and additional reporting would not provide value.	Failed
		Adopt a Comprehensive Human Rights Policy	06/05/2024	Against (Supported Management)	-	Human Rights	The company currently reports their human rights policy for both internal operations and supplier expectations in their ESG Report and Supplier Code of Business Conduct, including their commitment to enabling affordable access to their medicines and adhering to the UNGC principles on Human Rights, which covers all the items the proponent is requesting.	Failed

Source: UBS AM

\* As at 30 June 2024 as holding size at the date of the relevant vote was unavailable.