

Hoburne Pension Fund (the 'Fund') - Investment Accounting Disclosures

Trustees' Policies

This section sets out the policies in the Statement of Investment Principles ('SIP') in force at the Fund year end, relating to the following:

- Financially Material considerations
- Non-Financial matters
- Investment Manager Arrangements

Stewardship including the exercise of voting rights and engagement activities is set out in the 'Voting and Engagement' section.

Financially Material considerations

The Trustees have considered financially material factors such as environmental, social and governance ('ESG') issues as part of the investment process to determine a strategic asset allocation over the length of time during which the benefits are provided by the Fund for members. An estimate of the potential time horizon is included in the Appendix of the Fund's SIP and will be reviewed at least every 3 years when the investment strategy is reviewed. The Trustees believe that ESG factors (including climate change risks) can potentially have a material positive or negative financial impact on the Fund.

In endeavouring to invest in the best financial interests of the beneficiaries, the Trustees have elected to invest through pooled funds. The Trustees acknowledge that they cannot directly influence the environmental, social and governance policies and practices of the companies in which the pooled funds invest. However, the Trustees do expect their fund managers and investment consultant to take account of financially material considerations when carrying out their respective roles.

The Trustees accept that the Fund's assets are subject to the investment managers' own policies on socially responsible investment. The Trustees will assess that these correspond with their responsibilities to the beneficiaries of the Fund with the help of their investment consultant.

An assessment of the ESG and responsible investment policies forms part of the manager selection process when appointing new managers and these policies are also reviewed regularly for existing managers with the help of the investment consultant. The Trustees expect the investment managers to adhere to the United Nations Principles for Responsible Investment (UNPRI) or to otherwise evidence that they adopt best industry practice on ESG and Stewardship.

The Trustees will monitor financially material considerations through the following means:

- *Obtain training where necessary on ESG considerations in order to understand fully how ESG factors including climate change could impact the Fund and its investments;*
- *Use ESG ratings information provided by its investment consultant, to assess how the Fund's investment managers take account of ESG issues; and*
- *Request that all of the Fund's investment managers provide information about their ESG policies, and details of how they integrate ESG into their investment processes, via its investment consultant.*

Dalriada. A better way

If the Trustees determine that financially material considerations have not been factored into the investment managers' process, they will take this into account on whether to select or retain an investment.

Non-Financially Material considerations

The Trustees have not considered non-financial material matters in the selection, retention and realisation of investments.

Investment Manager Arrangements

Incentives to align investment managers' investment strategies and decisions with the Trustees' policies

The Fund invests in pooled funds and so the Trustees acknowledge the fund's investment strategy and decisions cannot be tailored to the Trustees' policies. However, the Trustees set their investment strategy and then selects managers that best suits its strategy taking into account the fees being charged, which acts as the fund managers incentive.

The Trustees use the fund objective/benchmark as a guide on whether its investment strategy is being followed and monitors this regularly.

Incentives for the investment managers to make decisions based on assessments about medium to long-term financial and non-financial performance of an issuer of debt or equity and to engage with issuers of debt or equity in order to improve their performance in the medium to long-term

The Trustees select managers based on a variety of factors including investment philosophy, and process, which it believes should include assessing the long term financial and non-financial performance of the underlying company.

The Trustees also consider the managers voting and ESG policies and how it engages with the company as it believes that these factors can improve the medium to long-term performance of the investee companies.

The Trustees will monitor the fund managers' engagement and voting activity on an annual basis as they believe this can improve long term performance. The Trustees expect their managers to make every effort to engage with investee companies but acknowledges that their influence may be more limited in some asset classes, such as bonds, as they do not have voting rights.

The Trustees acknowledge that in the short term, these policies may not improve the returns it achieves, but do expect those companies with better financial and non-financial performance over the long term will lead to better returns for the Fund.

The Trustees believe the annual fee paid to the fund managers incentivise them to do this.

If the Trustees feel that the fund managers are not assessing financial and non-financial performance or adequately engaging with the companies they are investing in, it will use these factors in deciding whether to retain or terminate a manager.

How the method (and time horizon) of the evaluation of the fund managers' performance and the remuneration for asset management services are in line with the Trustees' policies

The Trustees review the performance of each fund quarterly on a net of fees basis (where this is possible) compared to its objective.

Dalriada. A better way

The Trustees assess the performance periods of the funds over at least a 3-5 year period when looking to select or terminate a manager, unless there are reasons other than performance that need to be considered.

The fund managers' remuneration is considered as part of the manager selection process and is also monitored regularly with the help of its investment consultant to ensure it is in line with the Trustees' policies.

How the Trustees monitor portfolio turnover costs incurred by the fund managers, and how they define and monitor targeted portfolio turnover or turnover range

The Trustees, with the help of their investment consultant, monitor the portfolio turnover costs on an annual basis.

The Trustees defines target portfolio turnover as the average turnover of the portfolio expected in the type of strategy the manager has been appointed to manager. This is monitored on an annual basis.

The duration of the arrangement with the fund managers

The Trustees plan to hold each of its investments for the long term but will keep this under review.

Changes in investment strategy or change in the view of the fund manager can lead to the duration of the arrangement being shorter than expected.

Voting and Engagement

The Trustees are required to disclose the voting and engagement activity over the Fund year. The Trustees have appointed Minerva Analytics ('Minerva') to obtain voting and investment engagement information ('VEI') on the Fund's behalf.

This statement provides a summary of the key information and summarises Minerva's findings on behalf of the Fund over the Fund year.

Voting and Engagement Policy and Funds

The Trustees' policy on stewardship is as set out below in the SIP dated September 2020:

The Trustees' policy on the exercise of rights attaching to investments, including voting rights, is that these rights should be exercised by the investment managers on the Trustees' behalf, having regard to the best financial interests of the beneficiaries.

The investment managers should engage with companies to take account of ESG factors in the exercise of such rights as the Trustees believe this will be beneficial to the financial interests of members over the long term. The Trustees will review the investment managers' voting policies, with the help of its investment consultant, and decide if they are appropriate.

The Trustees also expect the investment manager to engage with investee companies on the capital structure and management of conflicts of interest.

If the policies or level of engagement are not appropriate, the Trustees will engage with the investment manager, with the help of their investment consultant, to influence the investment managers' policy. If this fails, the Trustees will review the investments made with the investment manager.

Dalriada. A better way

The Trustees have taken into consideration the Financial Reporting Council's UK Stewardship Code and expect investment managers to adhere to this where appropriate for the investments they manage.

The table below sets out the funds the Fund invested in over the Fund year and states the use of a proxy voter.

Fund / Product Manager	Investment Fund/Product	Investment Made Via	Scheme / Inv Type	Period Start Date	-	Period End Date	'Proxy Voter' Used?
BMO	Nominal Dynamic LDI Fund	Mobius	DB Fund	14/02/20	-	30/11/20	—
BMO	Real Dynamic LDI Fund	Mobius	DB Fund	14/02/20	-	30/11/20	—
Jupiter	Strategic Bond Fund	Mobius	DB Fund	14/02/20	-	30/11/20	?
LGIM	Core Plus Fund	Mobius	DB Fund	01/12/19	-	26/02/20	?
LGIM	Dynamic Diversified Fund	Mobius	DB Fund	13/02/20	-	30/11/20	✓ ISS
LGIM	FTSE Developed Core Infrastructure Index Fund	Mobius	DB Fund	01/12/19	-	20/02/20	?
LGIM	Global Equity Market Weights (30:70) Index Fund - GBP 75% Currency Hedged	Mobius	DB Fund	13/02/20	-	30/11/20	✓ ISS
LGIM	Global Real Estate Equity Index Fund	Mobius	DB Fund	01/12/19	-	20/02/20	?
LGIM	High Yield Bond Fund	Mobius	DB Fund	01/12/19	-	20/02/20	—
LGIM	Managed Property Fund	Mobius	DB Fund	01/12/19	-	30/11/20	—
LGIM	Over 15 Year Gilts Index Fund	Mobius	DB Fund	01/12/19	-	20/02/20	—
LGIM	Private Equity Passive Fund	Mobius	DB Fund	01/12/19	-	20/02/20	?
LGIM	UK Equity Index Fund	Mobius	DB Fund	01/12/19	-	20/02/20	✓ ISS
LGIM	Under 15 Year Index-Linked Gilts Index Fund	Mobius	DB Fund	01/12/19	-	20/02/20	—
LGIM	World (ex UK) Equity Index Fund	Mobius	DB Fund	01/12/19	-	20/02/20	✓ ISS
LGIM	World Emerging Markets Equity Index Fund	Mobius	DB Fund	01/12/19	-	20/02/20	✓ ISS
ReAssure	AVCs	Direct	DC - AVCs	01/12/19	-	30/11/20	?
Legal & General	Annuity	Direct	Annuity	01/12/19	-	30/11/20	?

✓ Confirmed by Manager

? Not Confirmed by Manager

— Not Applicable

— Indicates that the specific fund or product does not have voting information to report, and as a result there is no 'Proxy Voter' to confirm

ISS is a proxy voting service.

Exercise of voting rights

The voting activity was requested from all of the Fund's managers, where appropriate. Information was obtained from Legal and General Investment Managers ("LGIM") in part, however no information was forthcoming from Jupiter, ReAssure and Legal & General Assurance Society ("LGAS"). Please see section on 'Outstanding Information' for further details. It was determined that the Fund's holdings in bonds (Jupiter, LGIM), physical property (LGIM) and liability driven investments ('LDI') (BMO) have no voting information to report.

Based on data obtained from LGIM, Minerva was able to conclude that the manager had followed the Trustees' policy for the following funds: Dynamic Diversified, Global Equity Market Weights (30:70), UK Equity, World (Ex UK) and World Emerging Market Equity Index Funds. They also concluded that all of LGIM's manager voting policies aligned with current good practice.

Manager Voting Behaviour

The Trustees believe that responsible oversight of investee companies is a fundamental duty of good stewardship. As such, it expects the Fund's managers to vote at the majority of investee company meetings every year, and to provide sufficient information as to allow for the independent assessment of their voting activity.

Dalriada. A better way

The table below sets out the voting behaviour of each manager where disclosed by the manager.

Manager	Fund	No. of Meetings	No. of Resolutions				
		Eligible for Voting	Eligible for Voting	% Eligible Voted	% Voted in Favour	% of Voted Against	% Abstain
LGIM	Dynamic Diversified Fund	7,600	81,093	99.9%	84.3%	15.0%	0.7%
	Global Equity Market Weights (30:70) Index Fund - GBP 75% Currency Hedged	4,523	51,736	97.7%	84.5%	15.1%	0.4%
	UK Equity Index Fund	846	11,859	99.6%	93.6%	6.4%	0.0%
	World (ex UK) Equity Index Fund	2,286	27,184	97.9%	81.5%	18.4%	0.1%
	World Emerging Markets Equity Index Fund	4,346	37,948	99.8%	85.6%	12.9%	1.5%

Please note that LGIM is currently unable to provide Fund-specific holding period voting reporting, and so instead provided voting information on the five funds identified above that is not aligned with the investment periods under review. The data shown for the Dynamic Diversified and Global Equity Market Weights Funds is for the 12 month period to 31/12/20, and the data shown for the UK Equity, World (Ex UK) and Word Emerging Markets Funds is for the 12 month period to 31/03/20.

Significant Votes

Set out in the tables overleaf is a summary of the Fund's manager's significant voting behaviour.

A 'Significant Vote' relates to any resolution at a company that meets one of the following criteria:

- contradicts local market best practice (e.g., the UK Corporate Governance Code in the UK)
- is one proposed by shareholders that attracts at least 20% support from investors; and
- attracts over 10% dissenting votes from shareholders.

Dalriada. A better way

Manager	Fund(s)	Company Name	Date of Vote	Summary of Resolution	For / Against / Abstain	Outcome of Vote	Why Significant?	Manager's Vote Rationale
LGIM	Dynamic Diversified Fund	Qantas Airways Limited	23/10/20	Resolution 3 Approve participation of Alan Joyce in the Long-Term Incentive Plan Resolution 4 Approve Remuneration Report.	LGIM voted against resolution 3 and supported resolution 4.	About 90% of shareholders supported resolution 3 and 91% supported resolution 4. The meeting results highlight LGIM's stronger stance on the topic of executive remuneration, in our view.	It highlights the challenges of factoring in the impact of the COVID situation into the executive remuneration package.	The COVID crisis has had an impact on the Australian airline company's financials. In light of this, the company raised significant capital to be able to execute its recovery plan. It also cancelled dividends, terminated employees and accepted government assistance. The circumstances triggered extra scrutiny from LGIM as we wanted to ensure the impact of the COVID crisis on the company's stakeholders was appropriately reflected in the executive pay package. In collaboration with our Active Equities team, LGIM's Investment Stewardship team engaged with the Head of Investor Relations of the company to express our concerns and understand the company's views. The voting decision ultimately sat with the Investment Stewardship team. We supported the remuneration report (resolution 4) given the executive salary cuts, short-term incentive cancellations and the CEO's voluntary decision to defer the vesting of the long-term incentive plan (LTIP), in light of the pandemic. However, our concerns as to the quantum of the 2021 LTIP grant remained, especially given the share price at the date of the grant and the remuneration committee not being able to exercise discretion on LTIPs, which is against best practice. We voted against resolution 3 to signal our concerns.
		Whitehaven Coal	22/10/20	Resolution 6 Approve capital protection. Shareholders are asking the company for a report on the potential wind-down of the company's coal operations, with the potential to return increasing amounts of capital to shareholders.	LGIM voted for the resolution.	The resolution did not pass, as a relatively small amount of shareholders (4%) voted in favour. However, the environmental profile of the company continues to remain in the spotlight: in late 2020 the company pleaded guilty to 19 charges for breaching mining laws that resulted in significant environmental harm. As the company is on LGIM's Future World Protection List of exclusions, many of our ESG-focused funds and select exchange-traded funds were not invested in the company.	The vote received media scrutiny and is emblematic of a growing wave of green shareholder activism.	The role of coal in the future energy mix is increasingly uncertain, due to the competitiveness of renewable energy, as well as increased regulation: in Q4 2020 alone three of Australia's main export markets for coal - Japan, South Korea and China - have announced targets for carbon neutrality around 2050. LGIM has publicly advocated for a 'managed decline' for fossil fuel companies, in line with global climate targets, with capital being returned to shareholders instead of spent on diversification and growth projects that risk becoming stranded assets. As the most polluting fossil fuel, the phase-out of coal will be key to reaching these global targets.
LGIM	Dynamic Diversified Fund UK Equity Fund	International Consolidated Airlines Group	07/10/20	Resolution 8: Approve Remuneration Report' was proposed at the company's annual shareholder meeting held on 7 September 2020.	We voted against the resolution.	28.4% of shareholders opposed the remuneration report.	LGIM considers this vote significant as it illustrates the importance for investors of monitoring our investee companies' responses to the COVID crisis.	The COVID-19 crisis and its consequences on international transport have negatively impacted this airline company's financial performance and business model. At the end of March 2020, LGIM addressed a private letter to the company to state our support during the pandemic. We also encouraged the board to demonstrate restraint and discretion with its executive remuneration. As a result of the crisis, the company took up support under various government schemes. The company also announced a 30% cut to its workforce. On the capital allocation front, the company decided to withdraw its dividend for 2020 and sought

Dalriada. A better way

Manager	Fund(s)	Company Name	Date of Vote	Summary of Resolution	For / Against / Abstain	Outcome of Vote	Why Significant?	Manager's Vote Rationale
								shareholder approval for a rights issue of 2.75 billion at its 2020 AGM in order to strengthen its balance sheet. The remuneration report for the financial year to 31 December 2019 was also submitted to a shareholder vote. We were concerned about the level of bonus payments, which are 80% to 90% of their salary for current executives and 100% of their salary for the departing CEO. We noted that the executive directors took a 20% reduction to their basic salary from 1 April 2020. However, whilst the bonuses were determined at the end of February 2020 and paid in respect of the financial year end to December 2019, LGIM would have expected the remuneration committee to exercise greater discretion in light of the financial situation of the company, and also to reflect the stakeholder experience (employees and shareholders). Over the past few years, we have been closely engaging with the company, including on the topic of the succession of the CEO and the board chair, who were long-tenured. This engagement took place privately in meetings with the board chair and the senior independent director. This eventually led to a success, as the appointment of a new CEO to replace the long-standing CEO was announced in January 2020. A new board chair: an independent non-executive director, was also recently appointed by the board. He will be starting his new role in January 2021.
LGIM	Dynamic Diversified Fund	Lagardere	05/05/20	Shareholder resolutions A to P. Activist Amber Capital, which owned 16% of the share capital at the time of engagement, proposed 8 new directors to the Supervisory Board (SB) of Lagardere, as well as to remove all the incumbent directors (apart from two 2019 appointments).	LGIM voted in favour of five of the Amber-proposed candidates (resolutions H,J,K,L,M) and voted off five of the incumbent Lagardere SB directors (resolutions B,C,E,F,G).	Even though shareholders did not give majority support to Amber's candidates, its proposed resolutions received approx. between 30-40% support, a clear indication that many shareholders have concerns with the board. (Source: ISS data)	LGIM noted significant media and public interest on this vote given the proposed revocation of the company's board.	Proposals by Amber were due to the opinion that the company strategy was not creating value for shareholders, that the board members were not sufficiently challenging management on strategic decisions, and for various governance failures. The company continues to have a commandite structure; a limited partnership, which means that the managing partner has a tight grip on the company, despite only having 7 % share capital and 11% voting rights. LGIM engages with companies on their strategies, any lack of challenge to these, and with governance concerns. The company strategy had not been value-enhancing and the governance structure of the company was not allowing the SB to challenge management on this. Where there is a proxy contest, LGIM engages with both the activist and the company to understand both perspectives. LGIM engaged with both Amber Capital, where we were able to speak to the proposed new SB Chair, and also Lagardere, where we spoke to the incumbent SB Chair. This allowed us to gain direct perspectives from the individual charged with ensuring their board includes the right individuals to challenge management.
LGIM	Dynamic Diversified Fund UK Equity Fund	Pearson	18/09/20	'Resolution 1: Amend remuneration policy' was proposed at the company's special shareholder meeting, held on 18 September 2020.	We voted against the amendment to the remuneration policy.	At the EGM, 33% of shareholders voted against the co-investment plan and therefore, by default, the appointment of the new CEO.	Pearson has had strategy difficulties in recent years and is a large and well-known UK company. Given the unusual approach taken by the company and our outstanding concerns, we deem this vote to be significant.	Pearson issued a series of profit warnings under its previous CEO. Yet shareholders have been continuously supportive of the company, believing that there is much value to be gained from new leadership and a fresh approach to their strategy. However, the company decided to put forward an all-or-nothing proposal in the form of an amendment to the company's remuneration policy. This resolution at the extraordinary general meeting (EGM) was seeking shareholder approval for the grant of a co-investment award, an unusual step for a UK company, yet if this resolution was not passed the company confirmed that the proposed new CEO would not take up the CEO role. This is an unusual approach and many shareholders felt backed into a corner, whereby they were keen for the company to appoint a new CEO, but were not happy with the plan being proposed.

Dalriada. A better way

Manager	Fund(s)	Company Name	Date of Vote	Summary of Resolution	For / Against / Abstain	Outcome of Vote	Why Significant?	Manager's Vote Rationale
								However, shareholders were not able to vote separately on the two distinctly different items, and felt forced to accept a less-than-ideal remuneration structure for the new CEO. LGIM spoke with the chair of the board earlier this year, on the board's succession plans and progress for the new CEO. We also discussed the shortcomings of the company's current remuneration policy. We also spoke with the chair directly before the EGM, and relayed our concerns that the performance conditions were weak and should be re-visited, to strengthen the financial underpinning of the new CEO's award. We also asked that the post-exit shareholding requirements were reviewed to be brought into line with our expectations for UK companies. In the absence of any changes, LGIM took the decision to vote against the amendment to the remuneration policy.
LGIM	Dynamic Diversified Fund UK Equity Fund	SIG plc.	09/07/20	'Resolution 5: Approve one-off payment to Steve Francis' proposed at the company's special shareholder meeting held on 9 July 2020.	We voted against the resolution.	The resolution passed. However, 44% of shareholders did not support it. We believe that with this level of dissent the company should not go ahead with the payment.	The vote is high-profile and controversial.	The company wanted to grant their interim CEO a one-off award of £375,000 for work carried out over a two-month period (February - April). The CEO agreed to invest £150,000 of this payment in acquiring shares in the business, and the remaining £225,000 would be a cash payment. The additional payment was subject to successfully completing a capital-raising exercise to improve the liquidity of the business. The one-off payment was outside the scope of their remuneration policy and on top of his existing remuneration, and therefore needed shareholder support for its payment. LGIM does not generally support one-off payments. We believe that the remuneration committee should ensure that executive directors have a remuneration policy in place that is appropriate for their role and level of responsibility. This should negate the need for additional one-off payments. In this instance, there were other factors that were taken into consideration. The size of the additional payment was a concern because it was for work carried over a two-month period, yet was equivalent to 65% of his full-time annual salary. £225,000 was to be paid in cash at a time when the company's liquidity position was so poor that it risked breaching covenants of a revolving credit facility and therefore needed to raise additional funding through a highly dilutive share issue.
LGIM	Dynamic Diversified Fund UK Equity Fund	Barclays	07/05/20	Resolution 29 - Approve Barclays' Commitment in Tackling Climate Change Resolution 30 - Approve ShareAction Requisitioned Resolution	LGIM voted for resolution 29, proposed by Barclays and for resolution 30, proposed by ShareAction.	Resolution 29 - supported by 99.9% of shareholders Resolution 30 - supported by 23.9% of shareholders (source: Company website)	Since the beginning of the year there has been significant client interest in our voting intentions and engagement activities in relation to the 2020 Barclays AGM. We thank our clients for their patience and understanding while we undertook sensitive discussions and negotiations in private. We consider the outcome to be extremely	The resolution proposed by Barclays sets out its long-term plans and has the backing of ShareAction and co-filers. We are particularly grateful to the Investor Forum for the significant role it played in coordinating this outcome.

Manager	Fund(s)	Company Name	Date of Vote	Summary of Resolution	For / Against / Abstain	Outcome of Vote	Why Significant?	Manager's Vote Rationale
							positive for all parties: Barclays, ShareAction and long-term asset owners such as our clients.	
LGIM	Dynamic Diversified Fund UK Equity Fund	Rank Group	11/11/20	Resolution 2 Approve the remuneration report; and resolution 3 Approve remuneration policy.	LGIM supported both resolutions.	90.79% of shareholders supported resolution 2 and 96.4% supported resolution 3. However, it should be noted that a majority shareholder owned 56.15% of the voting rights shortly before the time of the vote. This remains an interesting outcome given the recommendation of a vote against both resolutions by influential proxy voting agency ISS.	It illustrates the complexity of remuneration practices and the importance of engagement. The media also expected this shareholder meeting would trigger a substantial amount of votes against.	The company and its stakeholders have been impacted by the COVID crisis. As an active owner and responsible investor, LGIM wants to ensure this is reflected in the executive remuneration package paid for this year. In addition, in 2018 the company granted 'block awards' long-term incentives (LTI) to the executives and committed not to grant any LTI awards until financial year 2022. After review of the remuneration policy, the remuneration committee asked shareholders to adopt a new LTI structure with the first award under this plan to be made in the 2021 financial year. We decided to support the remuneration report, which looks back at the remuneration earned during the financial year. We noted the remuneration committee's decision to apply a 20% deduction and cancel the planned increase of salaries of the executives and fees of the board members. No annual bonus was granted, given the performance of the company. LGIM was comfortable that the impact of COVID-19 had been appropriately reflected in the remuneration of the executives and therefore decided to support the remuneration report. Regarding the remuneration policy, our direct engagement with the company allowed us to better understand the rationale for the proposed changes to the LTIP. We took into account their concerns around retention, and the fact that there would be a substantial gap in the vesting of any long-term incentives if this plan was not approved. Notably, that the structure of the proposed LTIP was in line with LGIM's remuneration principles.
LGIM	Dynamic Diversified Fund UK Equity Fund	Plus500 Ltd.	16/09/20	'Resolution 17: Approve Special Bonus Payment to CFO Elad Even-Chen' at the company's special shareholder meeting held on 16 September 2020.	We voted against the special bonus based on the belief that such transaction bonuses do not align with the achievement of pre-set targets. Separately, LGIM also voted against an amendment to the company's remuneration policy, which continues to allow for the flexibility to make one-off awards and offers long-term incentives that remain outside best market practice in terms of long-term performance alignment.	Given the level of shareholder dissent, Resolution 17 was withdrawn ahead of the AGM, while all the other resolutions were passed. The company stated that: 'The board and the remuneration committee consider that a bonus is appropriate given the outstanding efforts of [the CFO]. As such, Plus500 intends to again propose the resolution for shareholder approval at the EGM to cover 2021 director pay (as is required under Israeli law).	There was a level of media interest regarding the withdrawal of the resolution. This, combined with the other shortcomings of this company in relation to the expectations of a company listed in London, make this a significant vote. Shareholder dissent to the resolution was sufficiently high that the proposal was withdrawn ahead of the AGM; this will result in the company being included in the UK Investment Association's Public Register.	At its AGM on 16 September 2020, Plus500 proposed a number of pay-related proposals for shareholder approval. Amongst these, the board recommended the approval of a substantial discretionary bonus offered to the CFO of around 74.2 million (around \$1.2 million), for his successful work with Israeli tax authorities over a number of years, resulting in a significant tax-saving for shareholders. The bonus is in addition to his annual variable pay and outside the normal bonus structure. LGIM does not support one-off discretionary bonuses (or transaction bonuses) as these are not within the approved policy to reward the achievement of pre-set targets. Moreover, discussions with tax authorities and the obtaining of preferential tax structures for the company are seen as part of a CFO's day-to-day job and should not be remunerated separately. Instead, a preferential tax treatment will benefit future performance and will therefore be rewarded within annual bonus and long-term incentives in future performance years.

Dalriada. A better way

Where the manager has not provided the level of data to identify the 'Significant Votes' based on the criteria explained above, Minerva has applied the definition provided by the managers themselves.

Manager Engagement Information

The Trustees believe that an important part of responsible oversight is for the Fund's investment managers to engage with the senior management of investee companies on any perceived risks or shortcomings – both financial and non-financial – relating to the operation of the business, with a specific focus on ESG factors. As such, they expect the Fund's managers to engage with investee companies where they have identified any such issues.

The table below summarises the engagement activity of the managers that provided information. No other manager data was available other than what BMO has provided.

			Summary of Company Engagement Activity									Outcomes	
			Corporate Governance							Sustainability			
Manager	Fund	No.	Strategy	Audit & Report	Board	Capital	Corp. Action	Remun	Shareholder Rights	Envir.	Social	Resolve	Open
BMO	Nominal Dynamic LDI Fund	13	-	-	6%	-	-	-	-	59%	35%	?	?
	Real Dynamic LDI Fund		-	-	6%	-	-	-	-	59%	35%	?	?

Outstanding Information

This section sets out the status of outstanding information Minerva have requested.

Fund / Product Manager	Investment Fund/Product	Information Request Acknowledged	Voting Info Available?	Engagement Info Available?	Info Rec'd by Minerva Deadline
BMO	Nominal Dynamic LDI Fund	✓	✓	✓	✓
BMO	Real Dynamic LDI Fund	✓	✓	✓	✓
Jupiter	Strategic Bond Fund	✓*	?	?	✗
LGIM	Core Plus Fund	✓*	?	?	✗
LGIM	Dynamic Diversified Fund	✓	✓	✗	✓
LGIM	FTSE Developed Core Infrastructure Index Fund	✓*	?	?	✗
LGIM	Global Equity Market Weights (30:70) Index Fund - GBP 75% Currency Hedged	✓	✓	✗	✓
LGIM	Global Real Estate Equity Index Fund	✓*	?	?	✗
LGIM	High Yield Bond Fund	–	✓	✓	✓
LGIM	Managed Property Fund	–	✓	✓	✓
LGIM	Over 15 Year Gilts Index Fund	–	✓	✓	✓
LGIM	Private Equity Passive Fund	✓*	?	?	✗
LGIM	UK Equity Index Fund	✓	✓	✗	✓
LGIM	Under 15 Year Index-Linked Gilts Index Fund	–	✓	✓	✓
LGIM	World (ex UK) Equity Index Fund	✓	✓	✗	✓
LGIM	World Emerging Markets Equity Index Fund	✓	✓	✗	✓
ReAssure	AVCs	✗	?	?	✗
Legal & General	Annuity	✓	?	?	✗

✓ Positive response ✓* Partial response ✗ Negative response ? Not confirmed by Manager ✓ No VEI information to report – Not Applicable

– Indicates that from previous communications the manager has stated that there is no voting or engagement information to report for this investment, and so they were not specifically requested in this instance

✓* Indicates a partial response, in that whilst Mobius acknowledged our VEI request, the manager they then contacted has not responded to us

Minerva is continuing to engage with the relevant managers on the identification and provision of any missing VEI information and will provide the Fund with an update as soon as all of the managers have formally reported back, and any information provided has then been analysed.

Dalriada. A better way

Conclusion

Minerva could confirm that some of the LGIM funds had followed the Trustees' voting policy from the information provided. However, no information on engagement activity was provided by them.

This statement has shown that partial or no information has been provided by some of the managers, AVC and annuity providers. Minerva will seek any outstanding information and will agree a way forward on any actions identified with the Trustees once this information is available.