Henry Boot Staff Pension and Life Assurance Scheme - Implementation Report

May 2023

isio.

Background and Implementation Statement

Background

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

Implementation Report

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

The SIP can be found online at the web address: statement-of-investment-principles-november-2021.pdf (henryboot.co.uk)

The Implementation Report details:

- actions the Scheme has taken to manage financially material risks and implement the key policies in its SIP;
- the current policy and approach with regards to ESG and the actions taken with managers on managing ESG risks;
- the extent to which the Scheme has followed policies on engagement covering engagement actions with its fund managers and in turn the engagement activity of the fund managers with the companies in the investment mandate
- voting behaviour covering the reporting year up to 31 December 2022 for and on behalf of the Scheme including the most significant votes cast by the Scheme or on its behalf

Summary of key actions undertaken over the Scheme reporting year

- Over the reporting period, due to heightened volatility in the gilts market, the Trustee sold down assets to support the Scheme's liquidity position and to provide collateral to support the Liability Driven Investment ("LDI") mandate. These actions included redemptions from the Scheme's liquid assets, namely, Walter Scott Long-Term Global Equity Fund. Due to these changes, the Scheme's year-end asset weightings materially deviated from the target asset allocation.
- Following agreement with the Trustee, and due to unprecedent gilt yield rises, the Trustee considered possible ways to increase the Scheme's liquidity position – ensuring there was sufficient capital to meet any additional collateral calls from the Scheme's LDI manager. Subsequently, the Trustee decided to submit a full redemption from the Apollo Total Return Fund. The proceeds from this redemption settled shortly after the reporting period, February 2023
- As volatility within the gilts market decreased towards the end of the year, this, and the Scheme's robust LDI collateral position, led the Trustee to agree to increase the target hedge ratio to c.65% of uninsured Technical Provision on both interest rates and inflation movements (equalising interest rate and inflation movements). This hedge increase activity was finalised over Q4 2022.
- Post reporting period, over Q1 2023, the Trustee agreed to further increase its target hedge ratio from 65% to 75% (on a Technical Provisions basis) with the aim of getting to c.80% over the medium term.

Implementation Statement

This report demonstrates that the Henry Boot Staff Pension and Life Assurance Scheme has adhered to its investment principles and its policies for managing financially material consideration including ESG factors and climate change.

Signed

Position

Date

Managing risks and policy actions DB

Risk / Policy	Definition	Policy	Actions and details on changes to policy
Interest rates and inflation	The risk of mismatch between the value of the Scheme assets and present value of liabilities from changes in interest rates and inflation expectations.	To hedge c.65% of these risks on a Technical Provisions basis.	Due to heightened volatility in the gilts market over Q4 2022, the Scheme sold down liquid assets to support the Scheme's liquidity position and to provide collateral to support the Liability Driven Investment ("LDI") mandate. Over Q4 2022, the Trustee also agreed to increase the Scheme's hedge levels from c.60% to c.65%
Liquidity	Difficulties in raising sufficient cash when required without adversely impacting the fair market value of the investment.	To maintain a sufficient allocation to liquid assets so that there is a prudent buffer to pay members benefits as they fall due (including transfer values), and to provide collateral to the LDI manager.	Maintaining liquidity is crucial for the Scheme. To ensure adequate funds to meet potential collateral calls from the LDI mandate, it is recommended to hold 50% of the LDI mandate's value in liquid and easily redeemable assets.
Market	Experiencing losses due to factors that affect the overall performance of the financial markets.	To remain appropriately diversified and hedge away any unrewarded risks, where practicable.	There have been no changes to policy over the reporting year.

Credit	Default on payments due as part of a financial security contract.	To diversify this risk by investing in a range of credit markets across different geographies and sectors. To appoint investment managers who actively manage this risk by seeking to invest only in debt securities where the yield available sufficiently compensates the Scheme for the risk of default.	There have been no changes to policy over the reporting year.
Environmental, Social and Governance	Exposure to Environmental, Social and Governance factors, including but not limited to climate change, which can impact the performance of the Scheme's investments.	ESG is taken into account as part of Isio's standard due diligence and ongoing research and as such is a consideration in the selection and monitoring of the Scheme's investment managers.	The Scheme monitor the appointed investment managers to ensure that they are managing ESG risks in an appropriate manner. The managers' ESG policies were reviewed and presented to the Trustee in an ESG Manager Summaries report. Further detail provided on the approach of each of the Scheme's investment managers is provided later in this report.
Currency	The potential for adverse currency movements to have an impact on the Scheme's investments.	Currency risk is managed where possible by investing in GBP share classes or implementing currency hedging.	There have been no changes to policy over the reporting year.

Changes to the SIP

Over the 12-month period to 31 December 2022, there were no new policies included within the Scheme's SIP. Over the reporting period, the Scheme did not appoint any new managers or make any changes to the investment strategy or policies, as such the Scheme's SIP was not updated. The Trustee keeps the SIP under ongoing review.

Current ESG policy and approach

ESG as a financially material risk

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

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

Implementing the Current ESG Policy

Areas for engagement	Method for monitoring and engagement	Circumstances for additional monitoring and engagement
Environmental, Social, Corporate Governance factors and the exercising of rights and engagement activity	Through the manager selection process ESG considerations will form part of the evaluation criteria. The Scheme's investment advisor, Isio, will monitor managers' ESG polices on an ongoing basis.	The manager has not acted in accordance with their policies and frameworks.

Areas of assessment and ESG beliefs

Risk Management	1. Integrating ESG factors, including climate change risk, represents an opportunity to increase the effectiveness of the overall risk management of the Scheme 2. ESG factors can be financially material and managing these risks forms part of the fiduciary duty of the Trustee

Approach / Framework	3. The Trustee should understand how asset managers make ESG decisions and will seek to understand how ESG is integrated by each asset manager. 4. ESG factors are relevant to investment decisions in all asset classes. 5. Managers investing in the debt of a company/project/asset, as well as equity, have a responsibility to engage with management on ESG factors.
Reporting & Monitoring	6. Ongoing monitoring and reporting of how asset managers manage ESG factors is important. 7. ESG factors are dynamic and continually evolving; therefore the Trustee will receive training as required to develop their knowledge. 8. The role of the Scheme's asset managers is prevalent in integrating ESG factors; the Trustee will, alongside the investment advisor, monitor ESG in relation to the asset managers' investment decisions.
Voting & Engagement	9. The Trustee will seek to understand each asset managers' approach to voting and engagement when reviewing the asset managers' approach. 10. Engaging is more effective in seeking to initiate change than disinvesting.
Collaboration	11. Asset managers should sign up and comply with common codes and practices such as the UNPRI & Stewardship code. If they do not sign up, they should have a valid reason why. 12. Asset managers should engage with other stakeholders and market participants to encourage best practice on various issues such as board structure, remuneration, sustainability, risk management and debtholder rights.

ESG summary and actions with the investment managers

<table>
<tr><th>Manager - Fund</th><th>ESG Summary</th><th>Key actions identified</th></tr>
<tr><td>PIMCO – Diversified Income Fund</td><td rowspan="4">While PIMCO have firm level ESG policies, the funds do not have any specific ESG-related objectives or stewardship priorities. PIMCO do assess potential issuers and fund holdings for ESG considerations, but these have limited impact on credit selection decisions. ESG reporting within quarterly reports is also limited, with further details only available on request.

The nature of the BRAVO and Tactical Opportunities Funds limits the scope for ESG integration relative to traditional fixed income funds with broader opportunity sets</td><td rowspan="4">PIMCO should consider using an ESG scorecard as part of their due diligence on all funds.

ESG reporting metrics should be included in regular quarterly reports and stewardship priorities for the Fund should be set to guide engagement.</td></tr>
<tr><td>PIMCO - BRAVO III</td></tr>
<tr><td>PIMCO - BRAVO IV</td></tr>
<tr><td>PIMCO – Tactical Opportunities</td></tr>
<tr><td>Apollo - Total Return Fund</td><td>Apollo have expanded their ESG team, who work in partnership with credit investment professionals. ESG considerations are integrated into the Fund's risk management framework and due diligence process. Their internal ESG ratings system has been improved to incorporate sector-specific scoring.

The Fund doesn't currently have a clear stewardship policy or priorities. However, Apollo added a sleeve for 'impact' investments to the Fund in July 2022.</td><td>Apollo should undertake scenario analysis and understand the Fund's portfolio alignment with explicit climate scenario outcomes.

Apollo could establish a stewardship policy and priorities to improve engagement coverage and could become a signatory to the 2020 UK Stewardship Code</td></tr>
<tr><td>Walter Scott – Long Term Global Equity Fund</td><td>Walter Scott's long term investment philosophy focuses on the sustainability of investee companies. The process naturally excludes poor-scoring ESG stocks from the portfolio.</td><td>Walter Scott should set fund-level ESG objectives and use quantifiable metrics.</td></tr>
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	Walter Scott do not have a dedicated ESG team with the responsibility to implement ESG processes falling to each individual member of the research team. They do not directly monitor ESG risks for the fund which therefore impacts the funds reporting capabilities. .	Developing an ESG scorecard for portfolio companies would help assess their ESG credentials. Walter Scott should monitor key ESG metrics for each holding in the portfolio.
Alcentra – European Direct Lending (EDL) Fund I **Alcentra – European Direct Lending (EDL) Fund II**	Alcentra have a Responsible Investment Team who review the output of the quantitative ESG Scorecard and help to integrate ESG into the Funds. ESG metrics are incorporated into Alcentra's quarterly reports and over the previous 12 months have introduced dedicated ESG reports. As the existing EDL funds are fully invested, any future ESG improvements are most likely to be focused on enhanced engagement and stewardship priorities.	Alcentra do not currently have any fund-level ESG priorities and introduce fund-level ESG policies Alcentra could introduce engagement / stewardship objectives and milestones for portfolio companies and provide fund-level engagement data.
Partners Group – Private Markets Credit Strategies 2016 **Partners Group – Private Markets Credit Strategies 2018**	Partners Group have demonstrated growth within their ESG team and practices, although they are lagging behind compared to peers across a number of areas, primarily reporting.	Partners Group could identify Fund level ESG targets and provide a diversity Report and improve diversity reporting metrics. Partners could also adopt engagement targets and include engagement information in quarterly reporting. Partners could report on TFCD Climate Change Metrics and incorporate ESG metrics into quarterly reports
LGIM – Mathcing Core LDI Range	LGIM have evidenced their ability to integrate ESG factors in their LDI fund range through counterparty review and engagement. LGIM's ESG approach brings together granular quantitative and qualitative inputs in order to reflect a full picture of the ESG risks and opportunities embedded within each company. LGIM are working to improve their reporting processes and are looking to provide more granularity on ESG metrics in their standard reporting across all their funds. LGIM have strong commitments to net zero and the decarbonisation framework.	LGIM should include the ESG scoring of counterparties in regular client reporting of LDI Funds.

LGIM – Absolute Return Bonds Fund	LGIM have strong ESG processes in place for the Absolute Return Bond Fund and have taken additional steps to improve, such as providing ESG scores (in addition to TCFD Scope 1 and 2 metrics) for all assets within the portfolio. LGIM continue to collaborate with a range of industry participants to monitor and influence a broad range of ESG topics.	LGIM should set clear engagement objectives and milestones for underlying portfolio companies; engage with a higher proportion of portfolio companies
IFM – Global Infrastructure Fund ("GIF")	IFM have specifically included climate concerns throughout their assessment approach, with quantifiable metrics and targets at Fund level. The GIF is looking to complete its emission reduction plans at the asset level at the earliest opportunity to assess alignment with its net zero targets. The GIF fund now provides TCFD aligned reporting but there is potential for more detail in fund-level ESG metrics scoring and reporting, especially for social scoring	IFM should develop an ESG scorecard approach to quantify ESG risks and improve climate scenario testing at a Fund level.
JP Morgan ("JPM") - Infrastructure Investments Fund ("IIF")	JPM have demonstrated that the Fund has clear ESG policies and priorities in place and that ESG is integrated through all stages of the investment process. The level of ESG integration and reporting by the IIF is above peers in the market.	JPM should include measurable climate and social objectives and social scoring within the scorecard. In addition, JPM could report on ESG specific risks in quarterly reports with greater focus on social issues.

Engagement

The Trustee delegates the day-to-day management of the Scheme's assets to investment managers. Details of the investment managers' engagement actions, including a summary of the engagements for the 12-month period to 31 December 2022, are included below

Manager - Fund	Engagement Summary	Commentary
PIMCO – Diversified Income Fund	Total Engagements: 5 Environmental: 2 Social: 2 Governance: 1	PIMCO integrates ESG considerations across its investment processes, engaging with bond issuers to promote ESG improvement and align with global climate goals. For portfolios with ESG-related objectives, PIMCO aims to engage with issuers to drive sustainable business practices. However, for portfolios without explicit ESG objectives, engagement is focused on material ESG issues that can impact credit profiles. PIMCO's ESG team is integrated across the firm, with a focused ESG Leadership team in place to set priorities and evaluate strategic initiatives. PIMCO also participates in investor collaborative engagement groups, such as Climate Action 100+. **Marks and Spencer ("M&S")-** PIMCO engaged with Marks and Spencer on various topics including agricultural emissions in context of its net zero goal, deforestation, and human and labour rights. Following this engagement, M&S' Head of Sustainability has taken steps to address labour rights disputes and is collaborating with industry associations to investigate and construct a corrective action plan. In terms of agricultural emissions, M&S are focusing on soy and palm oil for their net zero deforestation goal. M&S are also partnering with other members of the Modern Slavery Intelligence Network and the British Retail Consortium to drive effective ways of addressing labour rights disputes in the food and agricultural sector through systemic changes
PIMCO – Tactical Opportunities		

		Sunnova Energy – PIMCO engaged with the CFO of Sunnova Energy ahead of an upcoming solar loan Asset Backed Security deal. Sunnova Energy noted that the increase in people working from home had increased the demand on power continuity – PIMCO also highlighted the trend of solar decentralization, especially in residential customers, as commercial and industrial business still rely heavily on utilities. Sunnova Energy are working with the government and stated that they have sufficient resources to expand domestic manufacturing. PIMCO expects to follow up with the issuer as the relevant regulations continue to evolve.
PIMCO - BRAVO III **PIMCO - BRAVO IV**	PIMCO currently do not provide details of their engagement activities within the BRAVO Funds due to the nature of the Fund. However, at the firm level BRAVO note all relevant ESG related factors are evaluated in the underwriting process and when assessing overall risk/return profile for each investment. Importantly, given the nuances of private market investing, PIMCO has incorporated ESG templates that capture appropriate risk factors into the investment process.	
Apollo - Total Return Fund	Total Engagements: 54 Broad based ESG: 33 Environmental: 14 Social: 3 Governance: 4	Apollo have a clear due diligence and engagement framework. The team continually engage with portfolio companies through discussion with management, and these engagements have been a key driver for the production for formal company ESG reports and Key Performance Indicators. As bond investors, Apollo's voting rights are limited, making it more difficult to engage with portfolio companies in comparison to equity investors. Examples of significant engagements include: **Southwestern Energy Company -** Apollo engaged with Southwestern Energy on the firms ESG efforts and its goals to responsibly develop its natural gas assets. ESG remains a key focus area for the firm's management team and the firm has deploying

		emissions monitors at each pad location to further improve and validate its emissions performance. Apollo will continue to engage with and monitor Southwestern' s actions and responses. **Pacific Gas & Electric Company -** Apollo engaged with senior members of the company's management team on its wildfire mitigation, grid hardening, and system resiliency strategy. Apollo also engaged on customer affordability initiatives and political and regulatory relationships. Apollo will continue to engage with and monitor Pacific Gas & Electric's actions and responses for improvements.
Walter Scott – Long Term Global Equity Fund	Total Engagements: 4 Environmental: 3 Social: 0 Governance: 1	Walter Scott had 112 meetings with equity companies about ESG issues in the 12 months ending in Q2 2022. Engagement responsibilities were managed by the Research Team and Investment Executive, overseen by the Investment Stewardship Committee. Proxy voting decisions were made by the Research Team, following guidelines in their Proxy Voting Policy. The firm had two goals for engagement: Engagement for Information and Engagement for Change. Examples of engagement include: **Booking Holdings** - Walter Scott engaged with the firm on its renumeration plan which was rejected by shareholders at the 2022 AGM. Walter Scott continues to engage with the firm highlighting the reasoning for voting against some of the remuneration plan characteristics. Following engagement, Walter Scott believes to have caused some introspection among the compensation committee at the firm. Walter Scott will continue to engage with and monitor Booking Holdings actions and responses to this **Intuitive Surgical -** Walter Scott engaged with Intuitive Surgical on climate reporting, resulting in the company's commitment to align with TCFD and begin reporting in 2023, with ongoing engagement from Walter Scott.

Alcentra – European Direct Lending (EDL) Fund I **Alcentra – European Direct Lending (EDL) Fund II**	Total Engagements: 91	Alcentra, as a signatory to the Financial Reporting Council's UK Stewardship Code, follows stewardship standards for asset owners and asset managers. While specific fund-level stewardship priorities are not in place, Alcentra's stewardship activities intend to deliver strong, long-term investment returns for clients. The investment team, supported by the monitoring and Responsible Investment team, engages with portfolio companies on ESG-related topics, which are reported in the CRM system. Alcentra also engages with borrowers on ESG topics through an annual ESG questionnaire to assess their approach to managing ESG risks and initiatives in place. Recent examples of engagement include discussions on salary increases for employees, raising wages above the living wage, and implementing pay increases for those on lower pay. Monitoring of ESG issues and risks is ongoing, and Alcentra's ESG engagement efforts are aimed at improving disclosures, understanding risks, and encouraging sustainable practices among issuers in its portfolio companies. Examples of engagement include: **Company A (Consumer markets insights provider) –** Alcentra acts as a shareholder for the company. Through this role Alcentra have attempted to instal ESG as a central pillar to the company's strategy. Alcentra's ownership has led to a strong focus on ESG issues, including improvements in governance, and implementing environmentally responsible practices. **Company B (Pension advisory firm) –** Alcentra engaged with the company by sharing details of an ELFA (European Leverage Finance) lead workshop on Carbon reporting; with three portfolio companies successful in registering their attendance. Following this engagement, Alcentra will circulate the 2023 ESG Questionnaire in March 2023. Alcentra will compare this data to 2022 and will be able to note any improvement in the data reported from those that attended the workshop.

Partners Group – Private Markets Credit Strategies 2016 **Partners Group – Private Markets Credit Strategies 2018**	Total Engagements: 7	Partners Group maintain ongoing contact with the management teams of their portfolio companies, however, given their position as lenders they typically rely on the equity sponsor to report ESG-related concerns and drive ESG improvements. Investing in private companies also reduces the transparency of the information available to assess ESG risks. Examples of engagement include: **Cote Bistro -** Partners Group discussed restructuring-related workstreams which were all completed by June 2022. Work on the value creation initiatives is continuing and progressing to plan. Despite the challenging macro environment characterized by high inflation, tight labour markets and record-low consumer confidence in the UK, Cote's financial performance is encouraging. In line with industry peers, sales are consistently above pre-Covid levels driven by higher average spend per head somewhat offset by footfall still below pre-Covid levels. **Galderma** – Partners Group engaged with management to get a trading update and update on business performance. Following engagement, Galderma continued strong performance with revenues up 10%, largely driven by volume growth in the Aesthetics and Consumer segments. The Company managed to mitigate raw material and freight cost inflation by brand mix improvements, life cycle management and cost cutting programs, increasing gross margins.
LGIM – Matching Core LDI Range	Total Engagement: 34 Environmental: 16 Governance: 15 Social: 2 Other: 1	LGIM view ESG as an essential component to LDI and integrate ESG into their LDI approach on a top-down and bottom–up basis. LGIM engage with regulators, governments, and other industry participants to address long-term structural issues. Alongside analysing ESG-related criteria in the assessment of counterparties through LGIM's proprietary ESG tools.

LGIM – Absolute Return Bonds Fund	Total Engagements: 170 Environmental: 88 Governance: 44 Social: 30 Other: 8 Noted some engagements covered more than one ESG factor	LGIM do not consider engagement on a fund-by-fund basis but do actively approach ESG at a firm level. As such, LGIM do not employ a formal framework for measuring the success of an engagement, as they believe success is difficult to measure and is best reflected in the overall market value of an asset. Examples of significant engagements include: **Sumitomo Mitsui Financial Group -** LGIM engaged with Sumitomo Mistui on climate change decisions at the company. This included disclosing the company's business strategy to align investments with the goals of the Paris Agreement Resolution and the measures to be taken to ensure the company's lending and underwriting are not used for expansion of fossil fuel supply or associated infrastructure. Shareholders resolutions were proposed and LGIM supported both resolutions which did not pass. LGIM continue to engage with the company to monitor actions and to provide assistance in their approach to net zero. **BP PLC: -** LGIM engaged with BP over environmental issues. LGIM engaged with BP to discuss its net zero strategy and implementation, in particular its downstream ambitions and approach to exploration. A shareholder resolution was proposed to back the firms climate strategy. LGIM supported the resolution for this, which passed. LGIM continue to engage and monitor changes being implemented in response to this resolution
IFM – Global Infrastrucutre Fund ("GIF")	IFM does not disclose information about the number of engagements related to their infrastructure fund. However, IFM is actively engaged with 100% of its underlying portfolio assets, working closely with management to establish specific Environmental, Social, and Governance (ESG) action plans. IFM also puts in place governance structures that have responsible investment controls to ensure responsible investment practices are followed.	IFM's Infrastructure Team actively engages with assets held in GIF, focusing on various ESG matters including energy and GHG emissions management, biodiversity, water and waste management, stakeholder engagement, labour relations, safety, health and safety initiatives, customer privacy, diversity, board composition, code of conduct, remuneration, local political structure, and capital structure.

		Arqiva – IFM have engaged with Arqiva on a sustainability framework focused on achieving net zero emissions across Scope 1 and 2 by 2031, enhancing their environmental impact, and reducing waste. With 99% of electricity sourced from renewable sources, Arqiva has made significant progress in reducing their footprint, with only a small portion attributable to fleet, heating, cooling, and electricity from landlords. **Colonial Pipeline -** IFM's engagement led to the Colonial Board forming a shareholder taskforce to develop a comprehensive ESG Program, with input from shareholders and final approval by the Board. Additionally, Colonial and its executives have been recognized for their achievements, including Angie Kolar being named as a Woman of Influence honouree. Since the engagement the company has been recognized with the Safety Excellence Award for their commitment to safety and sustainability.
JP Morgan ("JPM") - Infrastructure Investments Fund ("IIF")	Total Engagements: 3 Environmental: 1 Social: 2	JPM's engagements are conducted primarily with investee companies within the respective portfolios. In 2022, JP Morgan engaged with 1,300+ individual companies not limiting engagement to listed companies. As part of JPM's commitment to playing an active and contributory role to continued development of a well-functioning and sustainable financial system, JPM undertake active engagement with regulators, governments, standard-setters and nongovernmental organisations (NGOs) to advance good governance and responsible investment. Examples of engagements include: **Sonnedix**–JPM works with Sonnedix to continuously monitor human rights issues, its supply chain and meeting the requirements of its Modern Slavery policy to prevent and eradicate forced labour.

El Paso Electic – Through IIF's ownership (100%), asset management and governance structure, the team worked together with management to set specific carbon reduction goals with action plans in place.

Voting (for equity funds only)

As the Scheme invest via fund managers, the managers provided details on their voting actions including a summary of the activity covering the reporting year up to 31 December 2022. The managers also provided examples of any significant votes.

Fund name	Voting summary	Examples of significant votes	Commentary
Walter Scott – Long Term Global Equity Fund	Meetings Voted at: 46 Votes cast: 702 Votes 'For' management; 97.6% Votes 'Against' management: 2.4%	**Jardine Matheson –** Walter Scott voted against a resolution to authorise the issue of additional equity due to the potential to dilute the firm's equity by greater than 10%. This vote was against management's recommendations. This resolution was passed as there was 96.5% votes for the resolution. Walter Scott continue to monitor the situation.	While Walter Scott has voted with management on the majority of its resolution, they have evidenced a series of significant votes in which they have voted against management if they believe it's against current shareholders interest. Notable Walter Scott continue to vote against management when investee companies look to issues new equity.