

A woman with blonde hair, wearing a light-colored sweater, is standing and smiling while talking to a man. The man is sitting at a desk, wearing a light-colored shirt and a patterned vest. He is looking at a laptop on the desk. On the desk, there is also a calculator, a yellow mug, and a red cup. The background is a blurred office setting.

Gray & Adams Pension Scheme (“the Scheme”) Implementation Statement

1 May 2022 – 30 April 2023

SPENCE

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Executive Summary

An Implementation Statement ('Statement') has been prepared in accordance with applicable legislation, taking into account guidance from The Pensions Regulator for the period from 1st May 2022 through to 30th April 2023 ('the Scheme Year').

The Scheme underwent a buy-in transaction with Legal and General in August 2022 and has not held any pooled investment assets since this date. The information provided in this Statements therefore concerns the investments held during 2022 before the buy-in transaction took place and therefore the investment period was shorter than the Scheme Year.

The Statement sets out how, and the extent to which, the Trustee policy in relation to exercising voting rights has been followed during the investment period by describing the voting behaviour on behalf of the Trustee of the Scheme.

The Trustee has used Minerva Analytics ('Minerva') to obtain voting and investment engagement information (VEI) on the Scheme's behalf.

This Statement includes Minerva's report on key findings on behalf of the Trustee over the Scheme Year.

A summary of the key points are set out below.

BlackRock

It was determined by Minerva that the Scheme's holdings had no voting or engagement information to report due to nature of the underlying holdings. However, Minerva did note that they were sceptical with regards to BlackRock's position in relation to engagement reporting since they have seen other bond managers providing reporting. This concern has been raised with the manager and Minerva will continue to chase for a response.

BNY Mellon

The Trustee believes their voting and engagement policies were followed. However, Minerva noted the manager does not have a formal bond voting policy. In instances where bonds have voting rights, typically in relation to corporate actions, a case-by-case approach to determine the votes to cast is adopted. Given the nature of the investments in this fund, Minerva has concluded that the manager's approach is therefore in the best financial interest of the Scheme beneficiaries. BNY Mellon provided engagement information, albeit for a different period than the Scheme's investment holding period (covering 01/01/22 to 31/12/22 rather than 01/05/22 to 30/04/23) and from this, Minerva was able to confirm that the manager's engagement activity was in line with the Trustee's own policies. Note that whilst there was some voting activity for the Global Dynamic Fund, the manager didn't report any significant votes.

Legal and General Investment Management

In relation to the LGIM Cash Fund and the LGIM Investment Grade Corporate Bond Over 15 Year Index Fund it was determined that the Scheme's holdings had no voting information to report due to the nature of the underlying holdings. LGIM did however provide engagement information at fund level but only included summarised information. Minerva believes that their engagement approach is in line with the Scheme's approach.

It was determined that the Scheme's holdings in the LGIM Matching Core LDI Funds had no voting or engagement information to report due to nature of the underlying holdings.

Annuities

The Scheme invests in annuities and given the nature of the policy, the Trustee's view is that voting and engagement practices of the provider do not need to be covered.

Final Comments

Since last year, there has been an improvement in the information provided from LGIM. However, Minerva believes that there could be a higher level of detail provided regarding individual engagements. BNY Mellon continued to provide good levels of information.

Minerva will seek any outstanding information and will agree a way forward on any actions identified with the Trustee once this information is available.

1. SIP Disclosures

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

- Financially Material Considerations
- Non-Financial Considerations
- Investment Manager Arrangements

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

1.1 Financial Material Considerations

The Trustee has 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 Scheme for members. It believes that financially material considerations (including climate change) are implicitly factored into the expected risk and return profile of the asset classes it is investing in.

In endeavouring to invest in the best financial interests of the beneficiaries, the Trustee has elected to invest through pooled funds. The Trustee acknowledges that it cannot directly influence the environmental, social and governance policies and practices of the companies in which the pooled funds invest.

However, the Trustee does expect its fund managers and investment consultant to take account of financially material considerations when carrying out their respective roles.

The Trustee accepts that the Scheme's assets are subject to the investment manager's own policy on socially responsible investment. The Trustee will assess that this corresponds with its responsibilities to the beneficiaries of the Scheme with the help of its 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 Trustee will only invest with investment managers that are signatories to the United Nations Principles of Responsible Investment ('UN PRI') or other similarly recognised standards.

The Trustee 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 Scheme and its investments;
- Use ESG ratings information provided by its investment consultant, to assess how the Scheme's investment managers take account of ESG issues; and
- Request that all of the Scheme's investment managers provide information about their ESG policies, and details of how they integrate ESG into their investment processes, via its investment consultant.

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

1.2 Non-Financial Considerations

The Trustee has not considered non-financially material matters in the selection, retention and realisation of investments.

1.3 Investment Manager Arrangements

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

The Scheme invests in pooled funds and so the Trustee acknowledges that the funds' investment strategies and decisions cannot be tailored to the Trustee's policies. However, the Trustee sets its investment strategy and then select managers that best suits its strategy taking into account the fees being charged, which acts as the fund manager's incentive.

The Trustee uses 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 Trustee selects 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 that it invests in.

The Trustee will monitor the managers' engagement and voting activity on an annual basis as they believe this can improve long term performance. The Trustee expects its 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 Trustee acknowledges that in the short term, these policies may not improve the returns it achieves, but do expect that those companies with better financial and non-financial performance over the long term will lead to better returns for the Scheme.

The Trustee believes that the annual fee paid to the fund managers incentivises them to do this.

If the Trustee feels 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 investment managers' performance and the remuneration for asset management services are in line with the Trustee's policies

The Trustee reviews the performance of each fund quarterly on a net of fees basis compared to its objective.

The Trustee assesses the performance periods of the funds, where possible, 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 Trustee's policies.

How the Trustee monitors portfolio turnover costs incurred by the investment managers, and how they define and monitor targeted portfolio turnover or turnover range

The Trustee monitors the portfolio turnover costs on an annual basis.

The Trustee 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 Trustee has delegated the responsibility of monitoring portfolio turnover costs and target portfolio turnover to its investment consultant.

The duration of the arrangement with the investment managers

The Trustee plans to hold each of their investments for the long term but will keep this under review.

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

2. Sourcing of Voting and Engagement Information

This section sets out the availability of the information Minerva initially requested from the Scheme's managers, to facilitate the preparation of this report:

Table 2.1: Summary of Available Information

Fund / Product Manager	Investment Fund / Product	Voting Information	Significant Votes	Engagement Information
BlackRock	Corporate Bond Up to 5 Years Index Fund	No Info to Report	No Info to Report	No Info to Report
BNY Mellon	Newton Global Dynamic Bond Fund	Partial Info Available	No Info to Report	Full Information Available
LGIM	Cash Fund	No Info to Report	No Info to Report	No Info to Report
	Investment Grade Corporate Bond Over 15 Year Index Fund	No Info to Report	No Info to Report	No Info to Report
	LDI Matching Core Funds (3 funds)	No Info to Report	No Info to Report	No Info to Report

* LGIM have requested that a Disclaimer be shared, which should be read in relation to any stewardship information provided by them. It can be found at the end of this report.

Table Key

Full Information Available	The manager has provided either a PLSA Voting Template or voting data that precisely matches the specific investment's holding / reporting period.
Partial Information Available	The manager has provided either a PLSA Voting Template or voting data that partially matches the specific investment's holding / reporting period.
No Information to Report	The manager has explicitly stated that there is no voting or engagement information to report for this specific investment or that it is not expected there will be any voting or engagement information to report due to the nature of the underlying investments.
No Information Provided	At the time of preparing this report, the manager has either not formally responded to the information request or has not provided information when we believe there should be information.

Minerva says

Voting Activity	There was voting information disclosed for the Scheme's investment in the BNY Mellon Newton Global Dynamic Bond Fund
Significant Votes	There was no 'Significant Vote' information disclosed for the Scheme's investments
Engagement Activity	<p>There was reportable engagement information provided for the Scheme's investments with the following managers:</p> <ul style="list-style-type: none">- BNY Mellon Newton Global Dynamic Bond Fund- LGIM Cash Fund- LGIM Investment Grade Corporate Bond Over 15 Year Index Fund

3. Voting and Engagement

The Trustee is required to disclose the voting and engagement activity over the Scheme year. The Trustee have used Minerva Analytics ('Minerva') to obtain voting and investment engagement information (VEI) on the Scheme's behalf.

This statement provides a summary of the key information and summarizes Minerva's findings on behalf of the Scheme over the Scheme's reporting year.

The voting and engagement activity undertaken by the Scheme's managers, as reported by them and set out in this document, has been in the scheme members' best interests insofar that it demonstrates that the Scheme's managers have undertaken stewardship activity they deem to be appropriate and proportionate in the oversight and management of the Scheme's investments.

Voting and Engagement Policy and Funds

The Trustee's policy on Stewardship from the Scheme's SIP is set out below:

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

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

The Trustee also expects the fund 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 Trustee will engage with the investment manager, with the help of its investment consultant, to influence the investment manager's policy. If this fails, the Trustee will review the investments made with the investment manager.

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

The following table sets out:

- The funds and products in which the Scheme was invested during the Scheme's reporting period;
- The holding period for each fund or product; and
- Whether each investment manager made use of a 'proxy voter', as defined by the Regulations

Table 3.1: Scheme Investment / Product Information

Fund / Product Manager	Investment Fund / Product	Investment Made Via	Fund / Product Type	Period Start Date	Period End Date	'Proxy Voter' Used?
BlackRock	Corporate Bond Up To 5 Years Index Fund	Mobius Platform	DB Fund	01/05/22	10/08/22	N/A
BNY Mellon	Newton Global Dynamic Bond Fund	Mobius Platform	DB Fund	01/05/22	19/07/22	N/A
LGIM	Cash Fund	Mobius Platform	DB Fund	01/05/22	09/08/22	N/A
	Investment Grade Corporate Bond Over 15 Year Index Fund	Mobius Platform	DB Fund	01/05/22	09/08/22	N/A
	LDI Matching Core Fund (3 funds)	Mobius Platform	DB Fund	01/05/22	12/08/22	N/A

Proxy Voter Identified	Proxy Voter Not Confirmed	N/A
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Minerva says

As shown in the table above:

The investments shown as 'N/A' had no listed equity voting activity associated with them, and so had no need for a 'proxy voter'.

4. Exercise of Voting Rights

The following tables show a comparison of each of the Scheme's relevant manager(s) voting activity versus the Trustee's policy (which in this instance is the manager's own policy).

Table 4.1: BNY Mellon's Approach to Voting

Asset manager	BNY Mellon (Newton)
Relevant Scheme Investment(s)	Newton Global Dynamic Bond Fund
Key Points of Manager's Voting Policy	Newton have confirmed to us that they do not have a formal bond voting policy as such. Typically, bonds do not have the same kind of voting rights associated with them as listed equities. Any votes cast tend to be in relation to corporate actions that require a case-by- case approach to determine the votes to cast.
Is Voting Activity in Line with the Scheme's Policy?	<p>Yes</p> <p>By voting in the specific manner that they have in relation to corporate actions on investments, we believe that the manager is doing so in the best financial interests of the Scheme beneficiaries.</p>

Minerva says

BNY Mellon (Newton) confirmed that they do not have a formal bond voting policy.

From the information available, we believe that the voting approaches are consistent with the Scheme's voting approach expectations of its investment managers.

5. Manager Voting Policy

As the current approach of the Scheme is to use the voting policy of the external asset managers, it is important that these policies are independently reviewed to ensure that they match current good practice and the general stewardship expectations set by the Scheme. Well-managed companies that operate in a commercially, socially and environmentally responsible manner are expected to perform better over the longer term, as the Scheme believe that adopting such an approach will allow each company's management to identify, address and monitor the widest range of risks associated with their specific business.

Set out in the following table is Minerva's independent assessment of the Scheme's managers' publicly available voting policies, in the context of current good practice as represented by the ICGN Voting Guidelines, whilst also bearing the Scheme's stewardship expectations in mind. This has been done for each manager where they have identified voting activity on behalf of the Scheme.

We have assessed each manager's policy individually, looking at it from Minerva's perspective of seven 'Voting Policy Pillars' that are at the core of our proxy voting research process, and which we have developed over the last 25 years. In using this well-tried approach, the Scheme can be sure that their investment managers voting policies are being carefully considered against current good practice.

Table 5.1: Voting Policy Alignment

Manager Voting Policy Alignment with Current Good Practice							
Investment Manager	Audit & Reporting	Board	Capital	Corporate Actions	Remuneration	Shareholder Rights	Sustainability
BNY Mellon (Newton)	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Comments	Newton have confirmed that they do not have a formal bond voting policy. Typically, bonds do not have the same kind of voting rights associated with them as listed equities. Any votes cast tend to be in relation to corporate actions that require a case-by-case approach to determine the votes to cast.						

Table Key

Aligned	This aspect of the manager's voting policy is aligned with good practice
Limited Disclosures	This policy pillar could only be partially assessed on the information available in the manager's voting policy
No Disclosures	This policy pillar could not be assessed due to a lack of information in the manager's voting policy
Not Available	The manager's voting policy was not disclosed for analysis by Minerva

Minerva says

For the Scheme's managers that responded to our information requests by providing voting information:

BNY Mellon (Newton) confirmed that they do not have a formal voting policy for bond investments.

6. Manager Voting Behaviour

The Trustee believes that responsible oversight of investee companies is a fundamental duty of good stewardship. As such, it expects the Scheme'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.

The table below sets out the voting behaviour as disclosed by the each of the Scheme's managers:

Table 6.1: Manager Voting Behaviour

Manager		No of meetings		No of Resolutions			
		Eligible for Voting	Eligible for Voting	% Eligible Voted	% Voted in Favour	% of Voted Against	% Abstain
BNY Mellon	Newton Global Dynamic Fund	1	10	100%	100%	0%	0%
	Comments						
	<p>The manager provided a summarised voting record for the Global Dynamic Bond Fund for the period from 01/01/22 to 31/12/22, rather than for the Scheme's specific investment holding period.</p> <p>From the summarised information provided, we can see that the manager has voted at all investee company meetings for the Fund, which is in line with the Trustee's expectations of their managers.</p>						

Table Key

Available Information	Matches the Scheme's specific reporting period / investment holding period
Available Information	Is for a different period than the Scheme's reporting period / investment holding period.
Information	Was not provided by the manager
Not Applicable	

Minerva says

For the Scheme's managers that responded to our information requests by providing voting information, we believe that they have followed the Scheme's requirements in relation to voting activity, as stated in the Scheme's SIP:

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

7. Significant Votes

Set out in the following section are 5 examples of the Scheme's manager(s) voting behaviour from the relevant fund(s) in which the Scheme was invested. A 'Significant

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

1. Identified by the manager themselves as being of significance;
2. Contradicts local market best practice (e.g., the UK Corporate Governance Code in the UK);
3. Is one proposed by shareholders that attracts at least 20% support from investors;
4. Attracts over 10% dissenting votes from shareholders.

Where the manager has not provided sufficient data to identify 'Significant Votes' based on criteria 2-4 above, we have used manager-identified examples:

Table 7.1: BNY Mellon (Newton's) Significant Votes'

Manager	Fund	Company Name	Date of Vote	Approx size of holding (as % of Fund)	Summary of Resolution	Voting Actions	Outcome of Vote
Why a significant vote?							
Manager's Vote Rationale							
Were Votes against Company Management communicated to the company ahead of the Meeting?							
Next Steps / Implications of the Outcome							
Relevance to Manager's stated policy							
There were no reported 'Significant Votes' for any of the Scheme's investments							

Minerva says

As there was no reported voting activity for any of the Scheme's investment, it follows that there are no 'Significant Votes' to report.

8. Manager Engagement Information

The Trustee has set the following expectation in the Scheme's SIP in relation to its managers engagement activity:

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

The Trustee also expects the fund 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 Trustee will engage with the investment manager, with the help of its investment consultant, to influence the investment manager's policy. If this fails, the Trustee will review the investments made with the investment manager.

The Trustee believes that an important part of responsible oversight is for the Scheme'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 Scheme's managers to engage with investee companies where they have identified any such issues.

The following table(s) summarises the engagement activity of the manager(s):

Table 8.1: Summary of Engagement Information Provided

Manager	Engagement Information Obtained?	Level Available Information	Info Covers Scheme's Reporting Period?	Comments
BNY Mellon	YES	FUND	YES	The manager provided detailed fund level engagement information that included the Scheme's reporting period.
LGIM	Yes	FUND	YES	The manager provided basic fund level information that included the Scheme's reporting period.

Table Key

A positive result	The manager has provided engagement information / fund level info available / matches the Scheme's reporting / investment holding period.
A partial result	We had to try to source engagement information / firm level info available / does not match the Scheme's reporting / investment holding period.
A negative result	No engagement information was located at any level

BNY Mellon				Breakdown of Engagement Topics Covered				Outcome	
Fund(s)	Period Start	Period End	No of Engagements	Environmental	Social	Governance	Other	Resolved	Open
Newton Global Dynamic Bond Fund	01/05/22	19/07/22	12	33.3%	8.4%	33.3%	25.0%	60.0%	40.0%
Aspect of Engagement Activity	Details								
	<p>BNY states in its latest stewardship policy disclosure statement that each of the investment managers has its own unique engagement policy with issuers in all of the jurisdictions in which they invest. Accordingly, Newton's 'Responsible Investment Policies and Principles' report from April 2022 has the following to say with regards the manager's engagement approach:</p> <p><i>'We have long been active stewards of our clients' assets. Undertaking considered engagement activities and exercising voting rights globally are the primary drivers to being effective stewards.'</i></p> <p><i>Intrinsic to the understanding of the potential of an investment in a company, whether via equity or fixed income, is an appreciation of the quality of the company's management, its structure, the appropriateness of its internal controls and the assurance that ESG matters are managed in the creation of long-term investor value.</i></p>								
Key Points of the Manager's	We believe that responsibly managed companies should be better placed to achieve sustainable competitive advantage and provide strong long-term growth. With respect to investments in sovereign securities (typically government bonds), we consider factors such as whether the government's policy objectives can support ESG-focused initiatives and the sustainability of any expenditure plans.								

BNY Mellon	Breakdown of Engagement Topics Covered	Outcome
Engagement Policy	<p>Our fundamental view is that a considered approach to ESG analysis enhances our investment process, and that this is particularly the case for corporate investments. This process includes identifying the ESG risks and opportunities faced by a company and ensuring that these challenges are well managed within the company's business strategy. Engagement can play a crucial role in helping achieve this understanding and to influence change'</p> <p>From Newton's most recent 'Responsible Investment and Stewardship' report the manager identified the following key engagement themes:</p> <ul style="list-style-type: none"> - Environmental: Biodiversity / Carbon management / Climate change / Management systems / Pollution / Product life cycle / Water - Social: Business ethics / Cybersecurity / Health and safety / Human capital management / Product access / Product suitability / Stake holder relations / Supply chain - Governance: Audit and internal controls / Board leadership / Related-party transactions / Remuneration / Shareholder communications / Shareholder rights / Strategy and risk / Tax 	
Additional information on Engagements provided by the Manager	<p>Whilst the manager provided a list of engagements undertaken on investments in the fund during the Scheme's holding period, no additional information was provided in terms of:</p> <ul style="list-style-type: none"> - engagement objectives - collaborative engagements - process for escalating ineffective engagement and - whether any fintech solution was used to facilitate engagement 	
Comparison of the Manager's Engagement Activity vs the Trustee's policy	<p>An example of a reported engagement for the Global Dynamic Bond Fund is:</p> <p>26/05/22 - Nationwide Building Society – Engagement on Environmental, Governance and Other Issues</p> <p>Engagement Activity: <i>'We met the company to discuss two material environmental and social issues: first, the company's transition toward a green mortgage book and the rationale behind the slow initial traction of its green home initiative, and second, how it offers and manages flexible working practices for employees. Following the widespread working from home as a result of the Covid-19 pandemic, we believe many companies will need to offer some degree of flexibility to continue to attract and retain the best talent, particularly where peers are doing so.'</i></p> <p>Engagement Outcome: 'Resolved'.</p>	
Is Engagement Activity in line with the Trustee's Policy?	<p>The engagement activity appears consistent with the Manager's stated engagement approach, and so is also consistent with the Scheme's approach.</p>	

LGIM				Breakdown of Engagement Topics Covered				Outcome	
Fund(s)	Period Start	Period End	No of Engagements	Environmental	Social	Governance	Other	Resolved	Open
Cash Fund	01/05/22	09/08/22	4	25.0%	50.0%	25.0%	0%	Not Stated	Not Stated
Investment Grade Corporate Bond Over 15 Year Index Fund	01/05/22	09/08/22	27	51.9%	7.4%	22.2%	18.5%	Not Stated	Not Stated
Aspect of Engagement Activity Details									
Key Points of the Manager's Engagement Policy	<p>LGIM's Investment Stewardship team focuses on client outcomes and broader societal and environmental impacts in its engagements with companies, taking the following six step approach:</p>								
	<p>LGIM's Investment Stewardship team focuses on client outcomes and broader societal and environmental impacts in its engagements with companies, taking the following six step approach:</p> <ol style="list-style-type: none"> 1. Identify the most material ESG issues 2. Formulate a strategy 3. Enhance the power of engagement (e.g., through public statements) 4. Collaborate with other stakeholders and policymakers 5. Vote 6. Report to shareholders 								
	<p>From LGIM's most recent Active Ownership Report the manager has identified the following as their top 5 engagement topics:</p> <ol style="list-style-type: none"> 1. Climate Change 2. Remuneration 3. Diversity (Gender and Ethnicity) 4. Board Composition 								

LGIM	Breakdown of Engagement Topics Covered	Outcome
	5. Strategy	
Additional information on Engagements provided by the Manager	<p>Whilst the manager provided a list of engagements undertaken on investments in the fund during the Scheme's holding period, no additional information was provided in terms of:</p> <ul style="list-style-type: none"> - engagement objectives - collaborative engagements - process for escalating ineffective engagement and - whether any fintech solution was used to facilitate engagement 	
Comparison of the Manager's Engagement Activity vs the Trustee's policy	<p>Set out below is an example of engagement activity reported by LGIM in the Investment Grade Corporate Bond Over 15 Year Index Fund:</p> <p>16/05/22 - Australia & New Zealand Banking Group Ltd – Environmental and Governance-themed Engagement Activity</p> <p>Engagement Type: Face to face.</p> <p>Issue Theme: Climate Change / Remuneration</p> <p>Engagement Details: Not provided.</p> <p>Engagement Outcome: Not provided.</p>	
Is Engagement Activity in line with the Trustee's Policy?	<p>Whilst we believe that the manager's engagement approach is consistent with the Scheme's approach, we believe that the manager should be able to provide more information relating to engagements undertaken at fund level.</p>	

Minerva says

As can be seen from the previous tables, the Scheme's managers' 'Engagement Activity' appears to comply with their own engagement approaches, and so also complies with the Scheme's approach.

9. Conclusion

9.1 Assessment of Compliance

In this report, Minerva has undertaken an independent review of the Scheme's external asset managers' voting and engagement activity. The main objective of the review is for Minerva to be in a position to say that the activities undertaken on the Scheme's behalf by its agents are aligned with its own policies.

Set out in the following table is Minerva's assessment of each manager's compliance with the Scheme's approach:

Table 9.2: Summary Assessment of Compliance

Does the Manager's Reported Activity Follow the Scheme's Policy:							
Fund / Product Manager	Investment Fund/Product	For Voting Activity	Significant Votes Identified	Engagement Activity	Use of a 'Proxy Voter?'	2020 UK Stewardship Code Signatory?	Overall Assessment
BlackRock	Corporate Bond Up to 5 Years Index Fund	N.I.R.	N.I.R.	N.I.R.	N/A	YES	N.I.R.
BNY Mellon	Newton Global Dynamic Bond Fund	YES	N.I.R.	YES	N/A	YES	COMPLIANT
LGIM	Cash Fund	N.I.R.	N.I.R.	YES	N/A	YES	COMPLIANT
	Investment Grade Corporate Bond Over 15 Year Index Fund	N.I.R.	N.I.R.	YES	N/A		COMPLIANT.
	LDI Matching Core Fund (3 Funds)	N.I.R.	N.I.R.	N.I.R.	N/A		N.I.R.

* LGIM have requested that a Disclaimer be shared, which should be read in relation to any stewardship information provided by them. It can be found at the end of this report.

Table Key

A positive result	Manager's reported activity follows the Scheme's expectations.
An issue exists	AN issue exists e.g., the information provided does not match the Scheme's reporting / investment holding period.
No voting	Manager has confirmed that there is no voting, 'Significant Votes' or engagement information to report (N.I.R.)
Negative Outcome	No information provided (N.I.P.); Manager is not a signatory to the UK Stewardship Code 2020
Not Applicable	There has been no 'Proxy Voter' used due to the nature of the investments held

Overall Assessment

Minerva says

We believe that the Scheme's managers have broadly complied with the Scheme's Voting and Engagement requirements of them. Notes

1. The preceding table shows that Minerva has been able to determine that:
 - There was nothing to report for a number of the Scheme's investments, due to the nature of those investments (e.g., LGIM LDI Funds)
 - For the managers where Voting and 'Significant Vote' information was available, their overall approaches are in step with the Scheme's requirements
 - For the managers where Engagement information was available, their overall approaches are also in step with the Scheme's requirements
2. All of the Scheme's investment managers are Signatories to the UK Stewardship Code.
3. We remain somewhat disappointed with the limited engagement information provided by LGIM. Whilst they are now able to provide information on engagements undertaken in individual funds, they do not provide much in the way of details concerning the individual engagements.
4. We are also slightly skeptical with regards BlackRock's position on their being no reportable engagements in the Corporate Bond Up To 5 Years Index Fund, given our experience with the reporting provided by other corporate bond managers. We have raised this with both them and Mobius, but as yet have not had a response from either.

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