

## **Marks & Clerk Retirement and Death Benefits Scheme ('the Scheme') – Implementation Statement 6<sup>th</sup> April 2021 – 5 April 2022**

An Implementation Statement ('Statement') has been prepared in accordance with applicable legislation, taking into account guidance from The Pensions Regulator for the period from 6<sup>th</sup> April 2021 – 5<sup>th</sup> April 2022 ('the Scheme Year').

The Statement sets out the how, and the extent to which, the Trustee policy in relation to exercising voting rights has been followed during the year 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.

### **BNY Mellon (Newton)**

The Trustee believes its voting and engagement policies were followed. However, the following points were noted:

- BNY Mellon disclosed they did not exercise their votes for ETF holdings in their Fund as they deemed that the resolutions were not sufficiently contentious and wanted to retain freedom to trade the securities as voting would mean that there would be periods of time when they couldn't trade. The Trustee believes this is reasonable so as to retain the ability to buy and sell the ETFs.
- Minerva noted the manager does not have a formal bond voting policy.

### **Legal and General Investment Management ('LGIM')**

In relation to LGIM's Diversified Fund, World Emerging Markets Equity Index Fund and World Equity Index Fund (including GBP hedged variant), voting information was provided but for a different reporting period. Minerva was able to confirm that the manager's voting policies and disclosures broadly comply with the International Corporate Governance Network (ICGN) Voting Guidelines Principles and good corporate governance practices. They were also able to confirm the manager's voting activity has followed the Trustee's policy. LGIM's engagement information was provided at a firm level but not specifically for the Funds the Scheme invests in or the correct reporting period. The Trustee will continue to encourage LGIM to provide fund level information but acknowledges that the information provided was in line with its own policies.

In relation to LGIM's Matching Core LDI Funds and Managed Property Fund, it was determined that the Scheme's holdings had no voting or engagement information to report due to nature of the underlying holdings.

### **Payden & Rygel**

Payden & Rygel have not yet responded to the request for information. However, due the nature of the underlying holdings, it is unlikely that the fund would have any voting information to report.

**Vontobel**

Minerva was able to determine that Vontobel has followed the Trustee's engagement policies. There was no voting information to report due to the nature of the underlying holdings.

**AVCs**

The Scheme holds AVCs and the Trustee has determined they will not be covered in this Statement on the grounds of materiality.

Since last year, there has been some improvement in the information provided from LGIM who had previously provided limited engagement information. However, further improvement is needed to provide this information at fund level and to provide both voting and engagement information in line with the Scheme's reporting period. Payden & Rygel did not provide a response, but the Trustee is aware that they previously had no voting or engagement information to report.

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