

Implementation Statement

Bidwells Life and Assurance Pension Scheme

Scheme year ended 31 October 2020

This statement sets out:

- How the Trustees' policies on exercising rights (including voting rights) and engagement policies have been followed over the year to 31 October 2020 (or where available); and
- The voting behaviour of the Trustees, or that undertaken on their behalf, over the year to 31 October 2020 (or where available).

How voting and engagement policies have been followed

The Scheme invests entirely in pooled funds, and as such delegates responsibility for carrying out voting and engagement activities to the Scheme's fund managers.

The Trustees have reviewed the stewardship and engagement activities of the current managers during the year and were satisfied that their policies were reasonable and no remedial action was required during the period.

Each year the Trustees receive and review voting information and engagement policies from the asset managers, which they review to ensure alignment with their own policies.

Having reviewed the above in accordance with their policies, the Trustees are comfortable the actions of the fund managers are in alignment with the Scheme's stewardship policies.

Voting Data

The Scheme's equity exposure are achieved through a pooled diversified growth fund managed by Baring Asset Management (Barings) and a pooled liability-driven funds managed by Aberdeen Standard Investments (Aberdeen Standard) and BMO Investment Management (BMO). The investment managers of these funds vote on behalf of the Trustees.

The table below provides a summary of the voting activity undertaken by Barings during the year.

Manager	Barings Asset Management
Fund name	Dynamic Asset Allocation Fund
Structure	Pooled
Ability to influence voting behaviour of manager	The pooled fund structure means that there is limited scope for the Trustees to influence the manager's voting behaviour.
Number of company meetings the manager was eligible to vote at over the year	108

Number of resolutions the manager was eligible to vote on over the year	1153
Percentage of resolutions the manager voted on	98.3%
Percentage of resolutions the manager abstained from	0.4%
Percentage of resolutions voted <i>with</i> management, as a percentage of the total number of resolutions voted on	92.6%
Percentage of resolutions voted <i>against</i> management, as a percentage of the total number of resolutions voted on	7.0%
Percentage of resolutions voted <i>contrary</i> to the recommendation of the proxy advisor	0.6%

*This information is as at quarter end, 30 September 2020, as Barings is unable to provide voting data outside of quarter ends.

The Aberdeen Standard Life Liability Aware Absolute Return III Nominal Profile Fund, though having equity exposure, does not hold any voting rights. The equity exposure in the portfolio is achieved synthetically, i.e. via derivative positions rather than physically holding the shares. As a result, there are no voting rights associated with the equity exposure.

Similarly, the BMO equity-linked LDI funds do have equity market exposure but this is achieved via equity futures held with the fund. Equity futures do not provide voting rights to the holders.

Significant votes

Barings have provided the following summaries of votes that they consider to be most significant for the Scheme.

Barings Asset Management			
Company name	Crystal Amber Fund Ltd	Doric Nimrod Ltd	Tui ag
Date of vote	22/11/2019	21/11/2019	11/02/2020
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	c.0.5%	c.1%	<0.5%
Summary of the resolution	To wind up the company	Removal of the cap on remuneration of the management board	Provide remuneration to the management board
How the manager voted	For	Against	Against
If the vote was against management, did the manager engage with the company ahead of the vote?	Yes	Yes	Yes
Rationale for the voting decision	The company was trading at a discount to NAV	Cost control was needed	The remuneration package for incoming CEO was questionable
Outcome of Vote	Accepted	Withdrawn	Accepted

Source: Barings Asset Management

Fund level engagement

The investment managers may engage with their investee companies on behalf of the Trustees. The table below provides a summary of the engagement activity, where data has been available, undertaken by managers during the year.

Manager	Arcmont Asset Management	BMO Asset Management*	Barings Asset Management	Aberdeen Standard Investments
Fund name	Direct Lending Fund III	Equity-linked Nominal DLDI Fund Equity-linked Real DLDI Fund Sterling Liquidity Fund	Dynamic Asset Allocation Fund	Liability Aware Absolute Return III Nominal Profile Fund
Does the manager perform engagement on behalf of the holdings of the fund	Yes	Yes	n/a	n/a
Has the manager engaged with companies to influence them in relation to ESG factors in the year?	n/a	Yes	n/a	n/a
Number of engagements undertaken on behalf of the holdings in this fund in the year	n/a	10	n/a	n/a
Number of engagements undertaken at a firm level in the year	n/a	1503	n/a	n/a
Examples of engagements undertaken with holdings in the fund	Arcmont Asset Management provided support to Bridgepoint's acquisition of Fishawack, a healthcare agency with global reach, supporting pharmaceutical and biotechnology companies. Given the nature of the service offering, the primary intrinsic ESG concerns for the business were that materials produced for clients must adhere to regulations. There was potential for governance issues when acquiring and integrating businesses into the platform.	BMO has engaged with the Chair of the Toronto Dominion Bank. The objective was to increase representation of independent directors in key board committees. As a result, there have been board refreshment during the year, plus a commitment from the Chairman to honour director term limits.	n/a	n/a

*Engagement data for BMO Asset Management only applies to the Sterling Liquidity Fund and over the 12 months to 30 September 2020

BMO, Aberdeen Standard and Barings were not able to provide engagement data on some or all of their funds.

Summary

Based on the information received, the Trustees believe that the investment managers have acted in accordance with the Scheme's stewardship policies. The Trustees are supportive of the key voting action taken by the applicable fund managers over the period to encourage positive governance changes in the companies in which the managers hold shares.

Agreed by the Trustees of the Bidwells Life and Assurance Pension Scheme

March 2021