

Implementation Statement for the Tilney Pension Fund 1 January 2021 – 31 December 2021

1. Background

The Trustees of the Tilney Pension Fund (“the Fund”) are required to produce a yearly statement to set out how, and the extent to which, the Trustees have followed the Fund’s Statement of Investment Principles (“SIP”) during the previous Fund year. This statement also includes the details of any reviews of the SIP during the year, any changes that were made and reasons for the changes. This is the first implementation statement produced by the Trustees.

A description of the voting behaviour during the year, either by or on behalf of the Trustees, or if a proxy voter was used, also needs to be included within this statement.

This statement should be read in conjunction with the SIP and has been produced in accordance with **The Pension Protection Fund (Pensionable Service) and Occupational Pension Schemes (Investment and Disclosure) (Amendment and Modification) Regulations 2018** and the subsequent amendment in **The Occupational Pension Schemes (Investment and Disclosure) (Amendment) Regulations 2019**.

A copy of the most recent SIP can be found online at:

<https://www.evelyn.com/legal-compliance-regulatory/the-tilney-pension-fund/>

2. Investment Objectives and activity

The Trustees are required to invest the Fund’s assets in the best interest of members, and their main objectives with regard to investment policy are:

- Identify appropriate investment objectives
- Agree the level of risk consistent with meeting the objectives
- Implement an investment strategy and Investment Manager Structure in line with the level of risk and objectives agreed

During the year the Trustees, following advice from their investment consultant, agreed to a new investment strategy that increased the hedging of interest rate and inflation risks to better match the fund’s liabilities whilst also reducing risk. This was achieved by reducing the exposure to equities and increasing the allocation to Liability Driven Investment (“LDI”) fund and Index-Linked Gilts. The Trustees also implemented a dynamic de-risking strategy that will aim to further reduce risk from the fund if they hit a “trigger”, whereby if they are ahead of schedule on their Journey Plan they will implement a lower risk and return portfolio.

The most recent available SIP was fully reviewed and updated during the period (September 2020) to incorporate the Trustees’ policy on Environmental, Social and Governance (“ESG”) factors, stewardship and climate change, as required under new regulations. The Fund is currently in process of updating the SIP to incorporate the above mentioned changes.

3. ESG, Stewardship and Climate Change

The Fund's SIP includes the Trustees' policy on Environmental, Social and Governance ("ESG") factors, stewardship and climate change. This policy sets out the Trustees' beliefs on ESG and climate change, and the processes followed by the Trustees in relation to voting rights and stewardship.

The Trustees will review these further in the next Fund year and provide information in the next implementation statement. The Trustees also intend to review the investment managers' ESG policies including the application of voting rights in the next Fund year.

4. Voting and Engagement

The Trustees are keen that their managers are signatories to the UK Stewardship Code, all of their current managers, apart from LGT, are currently signatories.

The Fund is invested in the following funds and assets:

- Evelyn Partners Direct Equities
- LGT Crown Multi-Alternatives Fund
- Evelyn Partners Direct UK Bonds
- BMO Nominal Dynamic LDI Fund
- BMO Real Dynamic LDI Fund

The Trustees' holdings consist of a mixture of equities and investment grade bonds (which are market-traded and directly held) and pooled investment funds.

The Evelyn Partners Direct Equities Fund and Evelyn Partners Direct UK Bonds Fund are market-traded and directly held.

The BMO Nominal Dynamic LDI Fund and BMO Real Dynamic LDI Fund are pooled funds and the LGT Crown Multi-Alternatives Fund is a segregated share class, but within a pooled strategy. For these funds the Trustees have delegated to their investment managers the exercise of voting rights. Therefore, the Trustees are not able to direct how votes are exercised and the Trustees have not used proxy voting services over the year.

The Trustees were unable to include voting data for some of the pooled funds (BMO Nominal Dynamic LDI Fund and BMO Real Dynamic LDI Fund) due to the funds not holding physical equities, however they will continue to work with their advisers and investment managers with the aim of providing more information in future statements.

a. Description of investment manager's voting processes

LGT Capital Partners

LGT Capital Partners describe their voting process as follows:

"LGT Capital Partners (FL) AG takes this responsibility towards its investors seriously and votes as a proxy for investors in accordance with clearly determined criteria. Any and all voting and creditor rights shall be exercised exclusively in the interest of the investors and market integrity and without having regard to interests of third parties.

Where individual activities are delegated to third parties, the management company shall procure that, in relation to the exercise of membership and creditor rights, provisions are included in the relevant agreements which are in line with this Code of Conduct.

3. Criteria/Guidelines

The favourable management of a company's affairs generally also translates into rising share prices over the long term. As a general rule, any and all measures having the potential to increase the value of the relevant company in the long run will be supported, and any and all steps prejudicing long-term value enhancement will be rejected. It is obligatory in this context, that companies who perceive themselves as well managed comply with the laws and corporate governance codes and also follow the relevant environmental and social standards.

The management company and its delegates rely on the following Socially Responsible Investment (SRI) criteria when exercising voting rights:

- balanced capital and owner structure, shareholders' rights
- qualified management, independent from supervision (corporate governance)
- adequate remuneration structure
- transparent communication

The defined criteria are regularly reviewed and adjusted or extended to account for current developments where necessary.

2. Implementation of voting policy

In exercising voting rights, the management company uses, inter alia, the systems of ISS Institutional Shareholder Services Inc. and takes into account in its decisions the SRI International Proxy Voting Guidelines (SRI Guidelines), which further specify the above-mentioned Socially Responsible Investment criteria. The SRI guidelines as in effect from time to time are available free of charge under www.issgovernance.com, Policy Gateway. A transparent overview over all upcoming shareholders' meetings and annual general meetings is thereby given. Primarily, mandated portfolio managers, who in turn are supervised by the management company, will exercise voting rights.

At shareholders' meetings and/or annual general meetings, the mandated portfolio managers generally exert an influence on the management and business policy of stock corporations in the interest of the investors if and when the management company considers the effort and prospects of success justifiable and if and when it is worth the economic expenditure.

The management company or its delegates actively exercise voting and creditor rights.

Voting rights must be exercised when the following capital thresholds are reached or exceeded:

- 1 per cent: A fund holds one (1) per cent or more of the voting capital of the company. At a shareholder meeting, the voting rights are exercised on a consolidated basis for all investments under the management of the management company.

In addition, voting rights are exercised in relation to portfolio weights and/or the net asset value (NAV) of individual shares or similar interests. Due to the difference in fund structures, votes are cast when the following portfolio ratios (NAV thresholds) are reached or exceeded:

- 2 per cent for single manager funds
- 5 per cent for multi manager funds

The management company or its delegates are entitled, but not obliged, to exercise additional voting rights in their own discretion and shall also take into consideration the SRI guidelines in such events.

The system of ISS Institutional Shareholder Services Inc. makes consolidated voting for and monitoring of all captured funds easier for the management company. The management company also monitors votes cast by delegates from outside the LGT Group.

3. Information to investors

On its homepage, LGT Capital Partners (FL) AG informs investors about the procedures relating to the exercise of voting and membership rights, referring to the ISS’s International Proxy Voting guidelines (SRI Guidelines),

Details about the decisions made on the basis of this policy will be made available to investors free of charge upon request.”

Evelyn Partners

Tilney transferred custody of the assets from Pershing to Evelyn Partners in Q4 2021 and have adopted an active voting and engagement policy in partnership with Glass Lewis. The voting policy can be found here:

https://www.evelyn.com/media/0twph1iu/61625_ep_small_guides_legal_0622_lg03-tsw-voting-policy_p2.pdf

b. Summary of voting behaviour over the year

LTG Capital Partners

A summary of the investment managers’ voting behaviour over the period is provided in the tables below:

	Summary Info
Manager name	LTG Capital Partners
Fund name	Crown Multi-Alternatives Fund
Approximate value of Trustees’ assets	£13.8m
Number of equity holdings in the fund	N/A*
Number of meetings eligible to vote	263
Number of resolutions eligible to vote	2,372
% of resolutions voted	100%
% of resolutions voted with management	87.56%
% of resolutions voted against management	11.89%
% of resolutions abstained	0%

Evelyn Partners

In Q4 2021 Tilney Pension Fund transferred the custody of the Fund's assets from Pershing to Evelyn Partners and will look to adopt an active voting and engagement policy going forward where in the past the policy was that Evelyn Partners does not normally vote on ordinary resolutions. As a result of this transfer in custody there have not been any voting information provided for the Fund during the year, however with the transfer of custody for the next year they will be able to provide voting information where applicable.

c. Most significant votes over the year

LTG Capital Partners

As mentioned under LTG Capital Partners Voting process in section a, Voting rights must be exercised when the following capital thresholds are reached or exceeded:

- 1 per cent: A fund holds one (1) per cent or more of the voting capital of the company. At a shareholder meeting, the voting rights are exercised on a consolidated basis for all investments under the management of the management company.

In addition, voting rights are exercised in relation to portfolio weights and/or the net asset value (NAV) of individual shares or similar interests. Due to the difference in fund structures, votes are cast when the following portfolio ratios (NAV thresholds) are reached or exceeded:

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The management company or its delegates are entitled, but not obliged, to exercise additional voting rights in their own discretion and shall also take into consideration the SRI guidelines in such events.

The system of ISS Institutional Shareholder Services Inc. makes consolidated voting for and monitoring of all captured funds easier for the management company. The management company also monitors votes cast by delegates from outside the LGT Group.

Please see below for the 5 largest votes:

Vote 1	Prologis Inc 29/4/21 Election of directors, executive compensation for 2020 13 voting points (7 FOR, 6 split votes)
Vote 2	Equinix Inc. 26/5/21 Election of directors, approve compensation paid to Executive officers 12 voting points (7 FOR, 5 split votes)
Vote 3	Vonovia SE 16/4/21 Approve allocation of income and dividends, discharge of Mgmt Board and Supervisory Board, Ratify KPMG as auditor 8 voting points (6 FOR, 2 split votes)
Vote 4	Mitsubishi Estate 29/6/21 Election of directors 16 voting points (15 FOR, 1 split vote)

Vote 5	Welltower Inc 26/5/21 Election of directors, ratification of appointment of Ernst & Young 13 voting points (12 FOR, 1 Split vote)

Evelyn Partners

As noted previously, no voting data has been provided for this year therefore the trustees are unable to provide examples of significant votes. With the transfer of custody significant voting information will be provided next year.