

The GAM (UK) Limited Pension and Life Assurance Scheme

Implementation Statement

For year ending 31 March 2022

The GAM (UK) Limited Pension and Life Assurance Scheme

Annual Implementation Statement for year ending 31 March 2022

Overview

This document is the Annual Implementation Statement (the “statement”) prepared by the Trustee of the GAM (UK) Limited Pension and Life Assurance Scheme (the “Scheme”), covering the year to 31 March 2022 (“the year”).

The purpose of this statement is to:

- Set out the extent to which, in the opinion of the Trustee, the terms of the Scheme’s Statement of Investment Principles (the “SIP”) and therein, the Trustee’s voting and engagement policies, have been followed during the year.
- Describe the voting behaviour (including “most significant” votes) by, or on behalf of, the Trustee and state any use of services of a proxy voter during that year.

A copy of this statement will be made available on the following website alongside the most recent SIP (which is dated December 2021).

www.gam.com/en/legal/ukgam-pension

As the SIP was amended during the year, this statement considers the items outlined above by reference to the content of the previous SIP which applied prior to December 2021 as well as the SIP dated December 2021.

Adherence to the Trustee’s engagement and voting policies

The Trustee’s policies in relation to engagement and voting are set out in the SIP. The key policies that were in place for the year are stated below alongside commentary on compliance over the period:

Monitoring

- *To maintain alignment, managers are provided with the most recent version of the Scheme’s Statement of Investment Principles on an annual basis and are required to confirm that the management of the assets is consistent with those policies relevant to the mandate in question.*
- *The Trustee will meet regularly with the Investment Managers to satisfy themselves that the Investment Managers continue to carry out their work competently, have the appropriate knowledge and experience to manage the assets of the Scheme and maintain alignment with the Trustee’s policies. If the Trustee in conjunction with its Advisers is not satisfied with an Investment Manager it will require that the Investment Manager takes such steps to satisfy it in this respect, or it will remove the Investment Manager and appoint another.*
- *For most of the Scheme’s investments, the Trustee expects the Investment Managers to invest with a medium to long time horizon, and to use their engagement activity to drive improved financial and non-financial performance over these periods*

To incentivise the Investment Managers to maintain alignment of investment strategy and decisions with the policies, managers have been provided with the most recent version of the Scheme’s SIP and each has confirmed that the management of the assets is consistent with those policies relevant to the mandate in question. Furthermore, the Investment Manager Agreement in place with the Scheme’s return-seeking asset Investment Manager includes a requirement to exercise their powers of investment with a view to giving effect to the SIP so far as reasonably practicable.

The Trustee assesses the performance and the ongoing suitability of the Scheme's Investment Managers through regular reporting. The Trustee or its representatives meet with each Investment Manager on a regular basis to discuss their performance, activity and any wider issues. The Trustee's Investment Advisers also assist in monitoring the Investment Managers, both in the form of written reports and attendance at meetings, and have engaged with the relevant Investment Managers over the year to investigate how they consider ESG and other factors.

No issues were identified in the year.

No new Investment Managers were appointed over the year.

Corporate Governance

- *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 Managers on the Trustee's behalf, having regard to the best financial interests of the members. The Trustee has been made aware of each Investment Manager's corporate governance policy and has delegated the exercise of such rights to the Investment Managers.*

Voting activities of the Scheme's relevant investment managers is set out later in this Statement.

Socially responsible investing, stewardship and sustainability

- *The Trustee recognises that sustainable investment factors, such as (but not limited to) environmental (including climate change related risks), social and governance (ESG) matters are financially material over the long-term. The Trustee takes account of financially material risks and opportunities in consultation with its advisers and discussion with its existing and prospective Investment Managers. All risks and opportunities are considered for materiality and impact within a broad risk management framework, which takes account of members' investment time horizons and objectives.*
- *The Trustee's policy is that day-to-day decisions relating to the investment of Scheme assets is left to the discretion of its Investment Managers. This includes consideration of all financially material factors and other relevant matters, including capital structure of investee companies, actual and potential conflicts, other stakeholders and the ESG impact of underlying holdings. The Trustee explores these factors with its Investment Managers to understand how they exercise these duties in practice*
- *When considering the appointment of new managers, and when reviewing existing managers, the Trustee, together with the Investment Adviser, looks to take account of the approach taken by managers with respect to sustainable investing including voting policies and engagement where relevant.*
- *The Trustee expects the Scheme's Investment Managers to have effective stewardship, both through voting and engagement. The Trustee delegates the responsibility for the stewardship activities (including voting rights and engagement activities) attaching to the investments to the Scheme's Investment Managers.*

Voting activities of the Scheme's relevant Investment Managers are set out later in this Statement.

UK Stewardship Code

- *The Trustee recognises the Financial Reporting Council's UK Stewardship Code as best practice and encourage its Investment Managers to comply with the UK Stewardship Code or explain where they do not adhere to this policy.*

The Scheme's Investment Managers are all signatories of the UK Stewardship Code

Conclusion

Through its monitoring processes, the Trustee did not identify any issues of non-compliance with the policies outlined in the SIP, and therefore no remedial actions were required over the year.

In the opinion of the Trustee, its policies in relation to undertaking engagement activities and its policies in relation to the exercise of the rights (including voting rights) attaching to the investments were adhered to over the Scheme year.

Voting behaviour

As part of monitoring the stewardship of the Scheme's investments, the table below sets out the voting activities of the Scheme's Investment Managers. This includes any votes cast on the Trustee's behalf, detail on the Scheme's Investment Managers' use of proxy voting and examples of votes cast that they deem to be significant. Some of the Scheme's underlying investment strategies, such as fixed income, derivatives (where these holdings do not have voting rights attached), property or infrastructure (where voting is not applicable as the strategy will bring with it a high level of ownership and control), have been excluded from the table below.

The table details the voting behaviour of the relevant investment managers, and highlights a selection of "significant votes" as set out by the managers, over the 12 months to 31 March 2022. The significance of votes is determined by the Scheme's Investment Managers with guidance provided by the Pension and Lifetime Savings Association (PLSA), including consideration of the potential impact on financial outcome, the potential impact on stewardship outcome, the size of holding and whether the vote was high-profile or controversial.

By the date of issue of this statement, voting data for three funds in which the Scheme invests had not yet been provided by the investment managers. Combined these funds made up less than 5% of the Scheme's investments. The Trustee and its advisors will continue to pursue this information and will assess this for consistency with policies when it arrives. If no information is ultimately forthcoming then the Trustee may consider its continued investment in such funds. We note two of these funds provided voting data or engagement information to 31 March 2021 as set out in the previous year's implementation statement (Lyxor MSCI China, SPDR S&P 500), and one of these funds is a new investment with an existing manager (iShares MSCI USA ESG Enhanced).

Manager / Fund - Amundi Index MSCI Europe

Voting activity	Number of votes eligible to cast:	2466
	Percentage of eligible votes cast:	93%
	Percentage of votes with management:	88%
	Percentage of votes against management:	12%
	Percentage of votes abstained from:	2%
Most significant votes cast	No significant votes to report for the reporting period (as determined at Amundi level).	
Use of proxy voting	The team uses the ISS ProxyExchange platform to send its voting instructions. Analysis from ISS, Glass Lewis, and Proxinvest is available to more efficiently identify problematic resolutions, while retaining complete autonomy from their recommendations. ISS also provides customized voting recommendations based on Amundi's voting policy.	

Manager / Fund - GAM Emerging Market Equities

Voting activity	Number of votes eligible to cast:	213
	Percentage of eligible votes cast:	100%
	Percentage of votes with management:	81%
	Percentage of votes against management:	15%
	Percentage of votes abstained from:	4%
Most significant votes cast	Company	Rio Tinto
	Size of holdings	Not provided
	Resolution	Approve Remuneration Report for UK Law Purposes
	Vote Cast	Against Vote against management – Did not communicate intent to vote against management ahead of vote
	Rationale for voting decision	The Company has allowed the former CEO to retain a significant proportion of his outstanding LTIP awards, subject to pro-rating for time and performance. Malus provisions should have been applied following the failures in risk oversight and governance at the Juukan site. This constitutes a "catastrophic environment event" which has "had a material effect on the reputation" of Rio Tinto, as defined in the malus and clawback provisions of the 2018 remuneration policy.
Outcome of vote	Failed resolution, vote against management. We have engaged with Rio around the concerns over impacts of its operation on communities and environment	
Use of proxy voting	We use ISS and have developed a GAM custom policy which ISS implement on our behalf. Highlights of our approach to voting is available in our Corporate Governance and Proxy Voting Principles.	

Manager / Fund - GAM Star Continental European Equity

Voting activity	Number of votes eligible to cast:	928
	Percentage of eligible votes cast:	100%
	Percentage of votes with management:	97%
	Percentage of votes against management:	3%
	Percentage of votes abstained from:	0.10%
Most significant votes cast	Company	Alcon Inc.
	Size of holdings	Not provided
	Resolution	Approve Remuneration Report (Non-Binding)
	Vote Cast	Against Vote against management – Did not communicate intent to vote against management ahead of vote
	Rationale for voting decision	The company has made discretionary adjustments to the remuneration system, which might potentially lead to excessive pay practices. The company's level of disclosure makes it difficult to assess the rigor of the underlying remuneration system.
	Outcome of vote	55.6% dissent
Use of proxy voting	We use ISS and have developed a GAM custom policy which ISS implement on our behalf. Highlights of our approach to voting is available in our Corporate Governance and Proxy Voting Principles	

Manager / Fund – GAM Star Japan Leaders

Voting activity	Number of votes eligible to cast:	263
	Percentage of eligible votes cast:	100%
	Percentage of votes with management:	97%
	Percentage of votes against management:	3%
	Percentage of votes abstained from:	0%
Most significant votes cast	Company	Shin-Etsu Chemical Co., Ltd.
	Size of holdings	
	Resolution	Elect Director Frank Peter Popoff
	Vote Cast	Against Vote against management - Did not communicate intent to vote against management ahead of vote
	Rationale for voting decision	Given the lack of independence on the Board, we voted against the two non-independent directors standing for re-election, including the Chairman of the nomination committee. This concerns is reinforced by the lack of board gender diversity, the ageing board and the lack of director annual election system.
	Outcome of vote	69% Support We have been engaging with the company with regard to board composition and diversity. As a result of these concerns we have implemented new gender diversity and age limit guidelines for proxy voting at Japanese corporations in 2022
Use of proxy voting	We use ISS and have developed a GAM custom policy which ISS implement on our behalf. Highlights of our approach to voting is available in our Corporate Governance and Proxy Voting Principles	

Manager / Fund - UBS ESG S&P 500 UCITS ETF

Voting activity	Number of votes eligible to cast:	4,077
	Percentage of eligible votes cast:	100%
	Percentage of votes with management:	76.8%
	Percentage of votes against management:	23.2%
	Percentage of votes abstained from:	0%
Most significant votes cast	Company	Chevron Corporation
	Size of holdings	Not provided
	Resolution	Reduce Scope 3 Emissions
	Vote Cast	Against Management
	Rationale for voting decision	The company has shown progress against our climate engagement objectives, but it is still lagging behind its European peers in defining long term targets and conducting scenario analysis.
	Outcome of vote	Pass Following the positive vote from shareholders, we shall be continuing our engagement with the company in regard to their future looking strategy.
Use of proxy voting	UBS AM retain the services of Institutional Shareholder Services (ISS) for the physical exercise of voting rights and for supporting voting research. UBS retain full discretion when determining how to vote at shareholder meetings.	

Manager / Fund - First Sentier Global Listed Infrastructure

Voting activity	Number of votes eligible to cast:	668
	Percentage of eligible votes cast:	100%
	Percentage of votes with management:	87%
	Percentage of votes against management:	10%
	Percentage of votes abstained from:	3%
Most significant votes cast	Company	AENA
	Size of holdings	3.56%
	Resolution	Advisory Vote on Climate Action Plan (2021-2030)
	Vote Cast	Against the proposal Against Management - Intent to vote against management communicated ahead of vote.
	Rationale for voting decision	Having supported an AENA shareholder resolution in 2020 to encourage commitments and increase disclosure related to risks of climate change, we voted against this proposal. While the proposed climate related targets and disclosures are much improved, they still lag best practice. This vote followed our call with the AENA Sustainability team.
	Outcome of vote	Passed We will continue to lobby and engage with companies to encourage greater transparency, including on the topic of climate change-related risks.
Use of proxy voting	We utilise the proxy voting services of Glass Lewis. Their recommendations are considered as part of the team's decision-making process in relation to casting proxy votes. Glass Lewis to maintain records of our proxy voting history.	

Manager / Fund - Legg Mason ClearBridge Infrastructure Value

Voting activity	Number of votes eligible to cast:	50
	Percentage of eligible votes cast:	100%
	Percentage of votes with management:	97.65%
	Percentage of votes against management:	2.35%
	Percentage of votes abstained from:	0%
Most significant votes cast	Company	NextEra Energy Partners, LP
	Size of holdings	0.94%
	Resolution	Elect Director James L. Robo
	Vote Cast	For
	Rationale for voting decision	Vote for as per CBI proxy policy
	Outcome of vote	Passed
Use of proxy voting	ClearBridge engages external consultant Institutional Shareholder Services Inc. ("ISS") to assist with the voting rights process, however ClearBridge has a custom proxy policy which includes information on proxy voting on ESG matters.	

Manager / Fund – XTrackers MSCI Japan ESG Screened

Voting activity	Number of votes eligible to cast:	4491
	Percentage of eligible votes cast:	54%
	Percentage of votes with management:	72%
	Percentage of votes against management:	13%
	Percentage of votes abstained from:	15%
Most significant votes cast	Company	Nomura Holdings, Inc
	Size of holdings	0.42%
	Resolution	Elect Director Shimazaki, Noriaki
	Vote Cast	Against Against Management - Intent to vote against management communicated ahead of vote.
	Rationale for voting decision	The company posted a loss of JPY 245.5 billion from margin call defaults by US-based Archegos Capital Management in the fiscal year which ended March 31, 2021. The candidate is a member of the audit, remuneration, governance or nomination committee, and the respective committee has made important decisions that contradict the best practice rules for corporate governance or interests of shareholders.
	Outcome of vote	Pass Sent letter to the company for engagement
Use of proxy voting	We utilize the services of two service providers: Institutional Shareholder Services Europe Limited (“ISS”) and IVOX Glass Lewis GmbH. Both service providers analyse general meetings and their agendas based on our proprietary voting policy and provide us with voting recommendations and rationales. The voting follows a four-eye principle approach, whereby investment professionals and/or members of the Corporate Governance Centre provide voting proposals, and the members of the Corporate Governance Centre on behalf of DWS Investment GmbH provide the final approval for the votes to be instructed.	

Manager / Fund - iShares Core S&P500 UCITS ETF

Voting activity	Number of votes eligible to cast:	6,670
	Percentage of eligible votes cast:	99%
	Percentage of votes with management:	95%
	Percentage of votes against management:	4%
	Percentage of votes abstained from:	0%
Most significant votes cast	Company	Dow Inc.
	Size of holdings	Not provided
	Resolution	Provide Right to Act by Written Consent
	Vote Cast	Against
	Rationale for voting decision	Shareholders should have the right to act without waiting for the company to call a shareholder meeting. At this company, shareholders already have the right to act by calling a special meeting.
	Outcome of vote	Fail
Use of proxy voting	<p>We use Institutional Shareholder Services' (ISS) electronic platform to execute our vote instructions, manage client accounts in relation to voting and facilitate client reporting on voting. In certain markets, we work with proxy research firms who apply our proxy voting guidelines to filter out routine or non-contentious proposals and refer to us any meetings where additional research and possibly engagement might be required to inform our voting decision.</p> <p>BlackRock votes annually at approximately 16,000 shareholder meetings, taking a case-by-case approach to the items put to a shareholder vote. Our analysis is informed by our internally developed proxy voting guidelines, our pre-vote engagements, research, and the situational factors at a particular company. We aim to vote at all shareholder meetings of companies in which our clients are invested. In cases where there are significant obstacles to voting, such as share blocking or requirements for a power of attorney, we will review the resolutions to assess the extent of the restrictions on voting against the potential benefits. We generally prefer to engage with the company in the first instance where we have concerns and give management time to address the issue. We will vote in favour of proposals where we support the approach taken by a company's management or where we have engaged on matters of concern and anticipate management will address them. BlackRock will vote against management proposals where we believe the board or</p>	

	<p>management may not have adequately acted to and advance the interests of long-term investors. We ordinarily refrain from abstaining from both management and shareholder proposals, unless abstaining is the valid vote option (in accordance with company by-laws) for voting against management, there is a lack of disclosure regarding the proposal to be voted, or an abstention is the only way to implement our voting intention. In all situations the economic interests of our clients will be paramount. Our voting guidelines are intended to help clients and companies understand our thinking on key governance matters. They are the benchmark against which we assess a company's approach to corporate governance and the items on the agenda to be voted on at the shareholder meeting. We apply our guidelines pragmatically, taking into account a company's unique circumstances where relevant. We inform our vote decisions through research and engage as necessary. We review our voting guidelines annually and update them as necessary to reflect changes in market standards, evolving governance practice and insights gained from engagement over the prior year.</p> <p>BlackRock voting guidelines:</p> <ul style="list-style-type: none">• Australian securities• Hong Kong securities• Asia ex Japan and Hong Kong securities• Latin America securities (in English and Spanish)• Canadian securities• Europe, Middle Eastern and African (EMEA) securities• US securities• Chinese securities (in English and Simplified Chinese)• Japanese securities (in English and Japanese) <p>Our market-specific voting guidelines are available on our website at https://www.blackrock.com/corporate/about-us/investment-stewardship#principles-and-guidelines</p>
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Manager / Fund - iShares Emerging Markets ESG Enhanced UCITS ETF

Voting activity	Number of votes eligible to cast:	15527
	Percentage of eligible votes cast:	96%
	Percentage of votes with management:	90%
	Percentage of votes against management:	9%
	Percentage of votes abstained from:	5%
Most significant votes cast	Company	China Tower Corporation Limited
	Size of holdings	
	Resolution	Elect Deng Shiji as Director and Authorize Board to Fix His Remuneration
	Vote Cast	Against
	Rationale for voting decision	Vote AGAINST director due to concerns of gender-related diversity at the board level
	Outcome of vote	Pass
Use of proxy voting	<p>We use Institutional Shareholder Services' (ISS) electronic platform to execute our vote instructions, manage client accounts in relation to voting and facilitate client reporting on voting. In certain markets, we work with proxy research firms who apply our proxy voting guidelines to filter out routine or non-contentious proposals and refer to us any meetings where additional research and possibly engagement might be required to inform our voting decision.</p> <p>BlackRock votes annually at approximately 16,000 shareholder meetings, taking a case-by-case approach to the items put to a shareholder vote. Our analysis is informed by our internally developed proxy voting guidelines, our pre-vote engagements, research, and the situational factors at a particular company. We aim to vote at all shareholder meetings of companies in which our clients are invested. In cases where there are significant obstacles to voting, such as share blocking or requirements for a power of attorney, we will review the resolutions to assess the extent of the restrictions on voting against the potential benefits. We generally prefer to engage with the company in the first instance where we have concerns and give management time to address the issue. We will vote in favor of proposals where we support the approach taken by a company's management or where we have engaged on matters of concern and anticipate management will address them. BlackRock will vote against management proposals where we believe the board or</p>	

<p>Use of proxy voting</p>	<p>management may not have adequately acted to and advance the interests of long-term investors. We ordinarily refrain from abstaining from both management and shareholder proposals, unless abstaining is the valid vote option (in accordance with company by-laws) for voting against management, there is a lack of disclosure regarding the proposal to be voted, or an abstention is the only way to implement our voting intention. In all situations the economic interests of our clients will be paramount. Our voting guidelines are intended to help clients and companies understand our thinking on key governance matters. They are the benchmark against which we assess a company's approach to corporate governance and the items on the agenda to be voted on at the shareholder meeting. We apply our guidelines pragmatically, taking into account a company's unique circumstances where relevant. We inform our vote decisions through research and engage as necessary. We review our voting guidelines annually and update them as necessary to reflect changes in market standards, evolving governance practice and insights gained from engagement over the prior year.</p> <p>BlackRock voting guidelines:</p> <ul style="list-style-type: none">• Australian securities• Hong Kong securities• Asia ex Japan and Hong Kong securities• Latin America securities (in English and Spanish)• Canadian securities• Europe, Middle Eastern and African (EMEA) securities• US securities• Chinese securities (in English and Simplified Chinese)• Japanese securities (in English and Japanese) <p>Our market-specific voting guidelines are available on our website at https://www.blackrock.com/corporate/about-us/investment-stewardship#principles-and-guidelines</p>
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Manager / Fund - Invesco EQQQ Nasdaq-100

Voting activity	Number of votes eligible to cast:	1193
	Percentage of eligible votes cast:	100%
	Percentage of votes with management:	88.52%
	Percentage of votes against management:	11.48%
	Percentage of votes abstained from:	0.08%
Most significant votes cast	Company	Synopsys, Inc
	Size of holdings	>1% IVZ Ownership
	Resolution	Reduce Ownership Threshold for Shareholders to Call special Meeting.
	Vote Cast	For Against Management - Dialogue with portfolio companies is a core part of the investment process. Invesco may engage with investee companies to discuss ESG issues throughout the year or on specific ballot items to be voted on. In some instances we may choose to communicate our voting intentions to company's ahead of the shareholder meeting, where appropriate.
	Rationale for voting decision	A vote this proposal to provide shareholders with the right to call special meetings is warranted.
	Outcome of vote	Fail The outcome of the vote did not meet our desired voting intention. We will continue to monitor the company on this issue and engage as necessary.
Use of proxy voting	For information on Invesco's use of third-party proxy advisory firms, please see our Policy Statement on Global Corporate Governance and Proxy Voting publicly available on our website: https://www.invesco.com/corporate/about-us/esg .	