

GAM (UK) Limited Pension and Life Assurance Scheme

Implementation Statement

For year ended 31 March 2024

The GAM (UK) Limited Pension and Life Assurance Scheme

Annual Implementation Statement for year ending 31 March 2024

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 2024 (“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 March 2024).

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

This statement considers the items outlined above by reference to the content of the SIP dated March 2023.

The Statement has been prepared in accordance with the requirements of the Occupational Pension Schemes (Investment and Disclosure) (Amendment) Regulations 2019.

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, the Trustee sends a copy of the Scheme’s SIP to all of the Scheme’s investment managers following any policy updates to keep managers informed of the Trustee’s latest policies, in particular around sustainable investment. The SIP updated in March 2023 was not sent to managers as it did not make any policy changes. 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 Economic, Social and Governance (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 materially 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 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.

The Scheme is invested across a diverse range of asset classes which carry different ownership rights, for example fixed income whereby these holdings do not have voting rights attached. Therefore, voting information was only requested from the Scheme's equity managers as here there is a right to vote as an ultimate owner of a stock. Responses received are provided in the table below. Where managers provided multiple examples of votes, one of those deemed most significant by the Trustee have been shown 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 2024. 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.

Manager / Fund - GAM Star Continental European Equity

Voting activity	Number of votes eligible to cast:	884
	Percentage of eligible votes cast:	100%
	Percentage of votes with management:	96.38%
	Percentage of votes against management:	3.62%
	Percentage of votes abstained from:	0.34%
	Percentage of resolutions, where voted, contrary to the recommendation of the proxy adviser	4.98%
Most significant votes cast	Company	LVMH Moët Hennessy Louis Vuitton SE
	Size of holdings	5.07%
	Resolution	Approve issuance of equity or equity-linked securities for qualified investors, up to aggregate nominal amount of EUR 20 million
	Vote Cast	Against Vote against management – Did not communicate intent to vote against management ahead of vote
	Rationale for voting decision	The authority sought exceeds GAM's limit of 10% for issuances without pre-emptive rights.
	Outcome of vote	Passed – 19.7% dissent
	Reason significant	Dissent level and vote against management.
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:	7,146
	Percentage of eligible votes cast:	99%
	Percentage of votes with management:	81.37%
	Percentage of votes against management:	18.62%
	Percentage of votes abstained from:	0.01%
	Percentage of resolutions, where voted, contrary to the recommendation of the proxy adviser	1.80%
Most significant votes cast	Company	AbbVie Inc.
	Size of holdings	Not provided
	Resolution	Adopt Simple Majority Vote
	Vote Cast	Against Management
	Rationale for voting decision	We will support proposals that reduce supermajority voting limits.
	Outcome of vote	Pass As the proposal has received majority support, we will follow up with the company and monitor whether the resolution is implemented prior to the 2024 AGM
	Reason significant	Shareholder proposal received more than 50% support.
Use of proxy voting	ISS. Voting recommendations based upon UBS AM bespoke voting policy	

PLSA Manager voting – GAM Multistock EM Equity

Voting activity	Number of votes eligible to cast:	1,684
	Percentage of eligible votes cast:	100%
	Percentage of votes with management:	88.06%
	Percentage of votes against management:	12%
	Percentage of votes abstained from:	4.10%
	Percentage of resolutions, where voted, contrary to the recommendation of the proxy adviser	2.49%
Most significant votes cast	Company	Welspun Living Limited
	Size of holdings	0.86%
	Resolution	Approve Appointment and Remuneration of Rajesh Mandawewala as Executive Vice Chairman and Dipali Goenka as Managing Director & CEO
	Vote Cast	Against Management
	Rationale for voting decision	The executive pay for 2022 is considered excessive for market standards and the Company has not provided any information on the reasonableness of this pay structure and how it is benchmarked in the Indian context. Further, fixed pay for the executives have been increased significantly without a compelling rationale.
	Outcome of vote	Passed – 10.10% Dissent
Use of proxy voting	Reason significant	We generally expect executive pay levels not to be disproportionate compared to the rest of the company workforce, its sector, or the country it operates in. We also expect adequate explanation on salary increases, particularly when they are sizeable.
	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 – XTrackers MSCI Japan ESG Screened

Voting activity	Number of votes eligible to cast:	2478
	Percentage of eligible votes cast:	100%
	Percentage of votes with management:	58.3%
	Percentage of votes against management:	41.5%
	Percentage of votes abstained from:	0.2%
	Percentage of resolutions, where voted, contrary to the recommendation of the proxy adviser	N/A
Most significant votes cast	Company	TOSHIBA Corp.
	Size of holdings	Not provided
	Resolution	Approve reverse stock split to squeeze out minority shareholders
	Vote Cast	Against
	Rationale for voting decision	Not provided
	Outcome of vote	Not provided
	Reason significant	Voted against management recommendation
Use of proxy voting	We utilise the services of two proxy advisors: Institutional Shareholder Services Europe Limited (ISS) and IVOX Glass Lewis GmbH. Both service providers analyse general/extraordinary meeting agendas and provide voting recommendations based on our proprietary Corporate Governance and Proxy Voting Policy.	

Manager / Fund – iShares Core S&P 500 UCITS ETF

Voting activity	Number of votes eligible to cast:	7,217
	Percentage of eligible votes cast:	99%
	Percentage of votes with management:	98%
	Percentage of votes against management:	1%
	Percentage of votes abstained from:	0%
	Percentage of resolutions, where voted, contrary to the recommendation of the proxy adviser	0%
Most significant votes cast	Company	Broadcom Inc.
	Size of holdings	Not provided
	Resolution	Advisory Vote to Ratify Named Executive Officers' Compensation
	Vote Cast	Against
	Rationale for voting decision	Pay is not aligned with performance and peers.
	Outcome of vote	Fail
Use of proxy voting	Reason significant	Not provided
	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.	

Manager / Fund – iShares Emerging Markets ESG Enhanced UCITS ETF

Voting activity	Number of votes eligible to cast:	15,854
	Percentage of eligible votes cast:	97%
	Percentage of votes with management:	87%
	Percentage of votes against management:	12%
	Percentage of votes abstained from:	3%
	Percentage of resolutions, where voted, contrary to the recommendation of the proxy adviser	0%
Most significant votes cast	Company	Zhejiang Expressway Co., Ltd.
	Size of holdings	Not provided
	Resolution	Amend Articles of Association
	Vote Cast	Against
	Rationale for voting decision	On balance, we find that shareholders' rights are likely to be diminished in material ways under the new Charter/Articles/Bylaws.
	Outcome of vote	Withdrawn
	Reason significant	Not provided
Use of proxy voting	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 decisions.	

Manager / Fund – Invesco EQQQ Nasdaq-100

Voting activity	Number of votes eligible to cast:	1349
	Percentage of eligible votes cast:	100%
	Percentage of votes with management:	92.44%
	Percentage of votes against management:	7.56%
	Percentage of votes abstained from:	0.00%
	Percentage of resolutions, where voted, contrary to the recommendation of the proxy adviser	5.71%
Most significant votes cast	Company	Analog Devices, Inc.
	Size of holdings	>1% IVZ Ownership
	Resolution	Adopt Simple Majority Vote
	Vote Cast	For (Against Management)
	Rationale for voting decision	A vote FOR this proposal to reduce the supermajority vote requirement is warranted.
	Outcome of vote	Pass The outcome of the vote meets our voting intention. Therefore, we didn't take further action beyond our continuous engagement and dialogue with the company, as appropriate.
	Reason significant	>1% IVZ Ownership and Includes Key ESG proposal
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 .	

Manager / Fund – Vanguard FTSE Developed Europe UCITS ETF

Voting activity	Number of votes eligible to cast:	10,880
	Percentage of eligible votes cast:	97%
	Percentage of votes with management:	95%
	Percentage of votes against management:	4%
	Percentage of votes abstained from:	0%
	Percentage of resolutions, where voted, contrary to the recommendation of the proxy adviser	0%
Most significant votes cast	Company	LVMH Moet Hennessy Louis Vuitton SE
	Size of holdings	N/A
	Resolution	Approve Compensation Report of Corporate Officers
	Vote Cast	Against
	Rationale for voting decision	Concern regarding compensation/remuneration
	Outcome of vote	Pass
	Reason significant	N/A
Use of proxy voting	Vanguard Investment Stewardship utilizes the Institutional Shareholder Services (ISS) ProxyExchange platform for the execution of our votes. We have developed a robust custom policy that ISS has implemented on our behalf along with rigorous controls and oversight mechanisms to ensure the accurate application of the Vanguard policy.	