

GAM (UK) Limited Pension and Life Assurance Scheme

Implementation Statement

For year ended 31 March 2023

The GAM (UK) Limited Pension and Life Assurance Scheme

Annual Implementation Statement for year ending 31 March 2023

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 2023 (“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 2023).

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 March 2023 as well as 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 2023. 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:	835
	Percentage of eligible votes cast:	100%
	Percentage of votes with management:	95.81%
	Percentage of votes against management:	3.83%
	Percentage of votes abstained from:	0.36%
	Percentage of resolutions, where voted, contrary to the recommendation of the proxy adviser	5.75%
Most significant votes cast	Company	Linde Plc
	Size of holdings	4.48%
	Resolution	Ratify PricewaterhouseCoopers as Auditors
	Vote Cast	Against Vote against management – Did not communicate intent to vote against management ahead of vote
	Rationale for voting decision	An Oppose vote is recommended as the current auditor has been in place in excess of 20 years.
	Outcome of vote	7.9% dissent
	Reason significant	Vote against management and ISS
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:	4,307
	Percentage of eligible votes cast:	98%
	Percentage of votes with management:	79.2%
	Percentage of votes against management:	20.8%
	Percentage of votes abstained from:	0%
	Percentage of resolutions, where voted, contrary to the recommendation of the proxy adviser	1.2%
Most significant votes cast	Company	Ansys, Inc.
	Size of holdings	Not provided
	Resolution	Declassify the Board of Directors
	Vote Cast	Against Management
	Rationale for voting decision	A vote for this proposal is warranted because the declassification would enhance board accountability.
	Outcome of vote	Pass A majority of votes cast were in support of this shareholder proposal. We shall be monitoring the response from the company, given the significant support.
	Reason significant	Aggregate percentage of votes against management exceeded 89% of votes cast
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 – XTrackers MSCI Japan ESG Screened

Voting activity	Number of votes eligible to cast:	2569
	Percentage of eligible votes cast:	100%
	Percentage of votes with management:	76%
	Percentage of votes against management:	22%
	Percentage of votes abstained from:	2%
	Percentage of resolutions, where voted, contrary to the recommendation of the proxy adviser	N/A
Most significant votes cast	Company	Concordia Financial Group, Ltd.
	Size of holdings	N/A
	Resolution	Elect Director Oishi, Yoshiyuki
	Vote Cast	Against
	Rationale for voting decision	A vote against is warranted because the candidate is not sufficiently qualified or unsuitable for the position because the company is involved in severe ESG controversies or fails to take climate action. The company is on the DWS ESG Rating watchlist.
	Outcome of vote	N/A
	Reason significant	Implications on corporate governance
Use of proxy voting	DWS utilizes the services of two proxy voting advisors – Institutional Shareholder Services Europe Limited (“ISS”) and IVOX Glass Lewis GmbH. Both service providers analyze general meetings and their agendas based on the firm’s dedicated proprietary Corporate Governance and Proxy Voting Policy 2023 and provide DWS with voting recommendations and their rationale. Whereas IVOX Glass Lewis provides DWS with recommendations for the general meetings of German-listed companies only, ISS covers international general meetings and provides DWS with an online platform to support DWS’s proxy voting process. All relevant items on the agenda of shareholder meetings of Investee Companies	

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	<p>are examined individually and, where necessary, certain DWS function decide on issues on a case-by-case basis in the best interest of the firm's clients. For the agenda items where the responsible DWS portfolio manager or analyst proposes a recommendation that differs from the Corporate Governance and Proxy Voting Policy 2023, DWS's Proxy Voting Group is the ultimate decision-making body. This group is composed of senior DWS managers from relevant departments to ensure an effective, timely, and consistent voting process. The Proxy Voting Group decides whether a recommendation to change the vote against the aforementioned policy is acceptable.</p>
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Manager / Fund – iShares Core S&P 500 UCITS ETF

Voting activity	Number of votes eligible to cast:	6,732
	Percentage of eligible votes cast:	99%
	Percentage of votes with management:	96%
	Percentage of votes against management:	3%
	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	Amazon.com, Inc.
	Size of holdings	Not provided
	Resolution	Report on Efforts to Reduce Plastic Use
	Vote Cast	For
	Rationale for voting decision	The company does not meet our expectations for disclosure of natural capital policies and/or risk.
	Outcome of vote	Fail
	Reason significant	Implications on climate change
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</p>	

	<p>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 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:	18,716
	Percentage of eligible votes cast:	97%
	Percentage of votes with management:	88%
	Percentage of votes against management:	11%
	Percentage of votes abstained from:	4%
	Percentage of resolutions, where voted, contrary to the recommendation of the proxy adviser	0%
Most significant votes cast	Company	Banco de Chile SA
	Size of holdings	Not provided
	Resolution	Elect Andronico Luksic Craig as Director
	Vote Cast	Against
	Rationale for voting decision	Nominee serves on an excessive number of public company boards, which we believe raises substantial concerns about the director's ability to exercise sufficient oversight on this board.
	Outcome of vote	Pass
	Reason significant	Implications on corporate governance
	<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-</p>	

<p>Use of proxy voting</p>	<p>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 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:	1245
	Percentage of eligible votes cast:	100%
	Percentage of votes with management:	89.16%
	Percentage of votes against management:	10.84%
	Percentage of votes abstained from:	0.00%
	Percentage of resolutions, where voted, contrary to the recommendation of the proxy adviser	7.63%
Most significant votes cast	Company	The Kraft Heinz Company
	Size of holdings	>1% IVZ Ownership
	Resolution	Report on Metrics and Efforts to Reduce Water Related Risk
	Vote Cast	Against (In line with Management)
	Rationale for voting decision	A vote AGAINST this proposal is warranted because the requested report would not provide shareholders with information on water risk to the company's operations that is substantially different than what the company already discloses, and shareholders would likely benefit from the company continuing its current efforts to address water risk in its supply chain.
	Outcome of vote	Fail 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:	11637
	Percentage of eligible votes cast:	97%
	Percentage of votes with management:	94%
	Percentage of votes against management:	5%
	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	Concerns with plan structure.
	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.	