

# STANDEX UK RETIREMENT PLAN IMPLEMENTATION STATEMENT (“THE STATEMENT”)

## 1) Introduction

This statement sets out how, and the extent to which, the Statement of Investment Principles (‘SIP’) produced by the Trustee Directors has been followed during the year to 31 May 2021(“Plan Year”). This statement has been produced in accordance with the Occupational Pension Schemes (Investment and Disclosure) (Amendment and Modification) Regulations 2018 (as amended) and the guidance published by the Pensions Regulator. The table later in the document sets out the extent to which (and how), the policies in the DC Section of the SIP have been followed.

This statement is based on, and should be read in conjunction with, the relevant versions of the SIP that were in place for the Plan Year.

Sections 2.1 and 2.2 of this statement set out the investment objectives of the Plan and changes which have been made to the SIP during the Plan Year, respectively. Section 2.3 sets out details of the last investment strategy review. Section 2.4 sets out how, and the extent to which, the policies in the SIP have been followed.

**The Trustee Directors can confirm that all policies in the SIP have been followed in the Plan Year.**

A copy of the SIP is available at: <https://standex.com/about/other-documents/>

Appendix A includes information on the engagement and key voting activities of the underlying investment managers.

## 2) Statement of Investment Principles

### 2.1 Investment Objectives of the DC Section of the Plan

The Trustee Directors recognise that individual members have differing investment needs and that these may change during the course of their working lives. They also recognise that members have differing attitudes to risk. The Trustee Directors believe that members should make their own investment decisions based on their individual circumstances. The Trustee Directors’ principal investment objective is to make available a suitable range of pooled investment vehicles to enable members to make adequate provision for their retirement. The Trustee Directors also recognise that members may not believe themselves qualified to take investment decisions. In particular, the objectives are:

- a. Offering members a ‘Lifestyle’ approach for the default investment strategy and ensuring that the other investment strategy options allow members to plan for their specific retirement objectives.
- b. Making available a range of pooled investment funds on a self-select basis which serve to meet the varying investment needs and risk tolerances of DC Section members. This includes offering both passively and actively managed investment funds.
- c. To provide funds offering potential for high long-term real rates of return (i.e. in excess of price and wage inflation) for those members prepared to accept investment risk.
- d. To provide funds offering protection for members’ accumulated assets against sudden (and sustained) reductions in capital values or in the amount of pension that can be purchased.
- e. To consider the cost and complexity of the Plan in terms of administration and communication.

- f. To offer members sufficient choice to tailor their investments to their own personal and financial circumstances.
- g. To establish a default investment strategy to ensure that all members of the Plan make contributions towards their retirement fund, regardless of whether or not they make a choice of which fund to invest in.
- h. Providing general guidance as to the purpose of each investment option.
- i. Encouraging members to seek independent financial advice from an appropriate party in determining the most suitable option for their individual circumstances.

The policies set out in the SIP are intended to help meet the overall investment objectives of the Plan. Detail on the Trustee Directors' objectives with respect to the default option, the alternative lifestyle options and the self-select fund range are outlined in the SIP.

## **2.2 Review of the SIP**

During the reporting year the Trustee Directors reviewed the Plan's SIP. A revised SIP was updated in September 2020 reflecting changes to the default investment arrangement and new requirements under The Occupational Pension Scheme (Investment and Disclosure) (Amendment) Regulations 2019 relating to the following:

- How the arrangement with the asset managers incentivises the asset managers to align investment strategies and decisions with the Trustee Director's policies in SIP.
- How that arrangement incentivises the asset managers to make decisions based on assessments about medium to long-term financial and non-financial performance of an issuer of debt or equity and to engage with issuers of debt or equity in order to improve their performance in the medium to long-term.
- How the method (and time horizon) of the evaluation of asset managers' performance and the remuneration for asset management services are in line with the policies mentioned in the SIP.
- How the Trustee Directors monitor portfolio turnover costs incurred by the asset managers and how they define and monitor targeted portfolio turnover or turnover range.
- The duration of the arrangement with the asset managers.

Additionally, the SIP continues to reflect the requirements under The Occupational Pension Scheme (Investment and Disclosure) Regulations 2018 relating to the following:

- How the Trustee Directors take account of financially material considerations (including Environmental, Social and Governance (ESG) considerations and explicitly climate change)
- The extent to which non-financial matters are taken into account
- The approach to the stewardship of investments

The Trustee Directors' policy relating to the above are included in the table on pages 8-11 of the SIP.

## **2.3 Investment Strategy Review**

The default investment option is reviewed at least triennially as part of the Trustee Director's investment strategy review. In 2017, the Trustee Directors (in consultation with their advisers) reviewed the Plan's investment strategy. Considering the Plan's membership and investments along with other options available under the current provider, the Trustee Directors decided that the default should change from targeting annuity purchase to one that targets income drawdown. Members were due to receive a communication detailing these changes in early 2019. However, there were further changes announced affecting the services and governance of the investment provider, Aegon, that prompted the Trustee

Directors to re-evaluate and consider whether a more comprehensive review of the Plan's DC section was warranted. After reviewing the previous decision and the Trustee Directors gave additional consideration at the May 2019 Trustee meeting, including verifying the continued validity of the investment strategy advice given as part of the investment strategy review in 2017, the Trustee Directors decided to continue with the change in default. The implementation was revised for Q4 2019. As such, although no review was undertaken during the year, changes to the Plan's default investment option were implemented in early 2020.

In addition to the above, following the Plan year end, the sponsoring employer has completed the last stages of setting up a new DC pension scheme with the Fidelity Master Trust, which they will use to comply with their auto enrolment duties from 1 December 2021. Therefore the Plan closed to future DC contributions from this time. The Trustee Directors are planning to transfer the deferred DC assets to the Fidelity Master Trust in early 2022.

#### **2.4 Assessment of how the Policies in the SIP have been followed for the year to 31 May 2021**

The information provided in this section highlights the work undertaken by the Trustee Directors during the year, and longer term where relevant, and sets out how this work followed the Trustee Directors' policies in the SIP, relating to the DC section of the Plan.

In summary, it is the Trustee Directors' view that the policies in the SIP have been followed during the Plan Year.

#### **Policy Requirements over the year to 31 May 2021**

	<b>Requirement</b>	<b>Policy</b>	<b>In the year to 31 May 2021</b>
1	Securing compliance with the legal requirements about choosing investments	<i>The Trustee Directors will obtain advice from their investment adviser, who can provide expert advice enabling the Trustee Directors to choose investment vehicles that can fulfil the Plan's investment objectives. In the Trustee Directors opinion, this is consistent with the requirements of Section 36 of the Pensions (Northern Ireland) Order 1995. The Trustee Directors also refer to this Statement before making any investment decisions.</i>	With assistance and a note of advice from their investment advisers, the Trustee Directors undertook an investment strategy review of the default arrangement in 2017, as part of the triennial regulatory investment review, the review covered the DC Section investment arrangement, including the performance and the strategy of the default arrangement and the DC Section. As a result of this review, the Trustee Directors decided that the default should change from targeting annuity purchase to one that targets income drawdown. Implementation of this decision was delayed due to overhauling business activities by the provider, Aegon. Due to the potential implications, the Trustee Directors undertook a further review in 2019 which included revisiting the 2017 decision and considered whether the proposal would continue to be appropriate for the Plan. The change was implemented in early 2020. The Trustee Directors have not made any changes to the default strategy in the current Plan Year.

			<p>The sponsoring employer has completed the last stages of setting up a new DC pension scheme with the Fidelity Master Trust, which they will use to comply with their auto enrolment duties from 1 December 2021. Therefore the Plan closed to future DC contributions from this time. The Trustee Directors are planning to transfer the deferred DC assets to the Fidelity Master Trust in early 2022.</p>
2	Kinds of investments to be held	<p><i>A range of asset classes are included within the default investment option (within the blended funds used), including: developed market equities, emerging market equities, money market investments, diversified growth funds and pre-retirement funds. It is the Trustee's policy to utilise both active and passive management within the default investment option, depending on the asset class.</i></p> <p><i>The default investment options invest in developed market equities, emerging market equities, money market investments, diversified growth funds and pre-retirement funds. Both active and passive management funds are used.</i></p> <p><i>Making available a range of pooled investment funds on a self-select basis which serve to meet the varying investment needs and risk tolerances of DC Section members. This includes offering both passively and actively managed investment funds.</i></p>	<p>The default investment option was subject to its formal triennial review in 2017. Although this review was not undertaken during this Plan Year, it represents an important exercise for the Trustee Directors that covers the majority of the investment policies the Trustee Directors have in place. The investments (fund type, management style and asset allocations) used in the default strategy and self-select fund range were reviewed as part of this exercise.</p> <p>The Trustee Directors (in consultation with their advisers) decided that the default should change from targeting annuity purchase to one that targets income drawdown. They also decided to retain the annuity targeting lifestyle strategy as a self-select option for members. Both of these changes were implemented in early 2020.</p> <p>The self-select fund range available to members over the period was as follows:</p> <ul style="list-style-type: none"> <li>- Aegon Growth Tracker (Flexible Target) Lifestyle</li> <li>- Aegon Growth Tracker (Annuity Target) Lifestyle</li> <li>- Aegon Growth Tracker (Cash Target) Lifestyle</li> <li>- BlackRock Aquila 50/50 Global Equity Index</li> <li>- Schroders Global Emerging Markets</li> <li>- Baillie Gifford Diversified Growth</li> <li>- BlackRock Over 15 Years Gilts</li> </ul>

			<ul style="list-style-type: none"> <li>- BlackRock Over 5 Years Index Linked Gilts</li> <li>- BlackRock Retirement</li> <li>- Aegon Cash</li> </ul> <p>Furthermore, there are the following legacy funds which were not accepting contributions over the Plan Year:</p> <ul style="list-style-type: none"> <li>- Aegon UK Government Bond</li> <li>- Aegon Index Linked</li> <li>- Scottish Equitable Retirement</li> </ul> <p>The range of investment options remains consistent with the policies set out in the Plan's SIP.</p>
<p>3</p>	<p>The balance between different kinds of investments</p>	<p><i>In designing the default option, the Trustee Directors have explicitly considered the trade-off between expected risk and return. This is the main consideration when determining the balance between different kinds of investments.</i></p> <p><i>Members can combine these funds in any proportion to determine their own investment strategy. The balance between funds will affect the expected return on member's assets and should be related to the member's own risk appetite and tolerances.</i></p>	<p>The strategic asset allocation of the default investment option is reviewed on a triennial basis. The date of the last review was 2017. A review of the self-select options also formed part of the triennial investment review. The Trustee Directors (in consultation with their advisers) decided that the default should change from targeting annuity purchase to one that targets income drawdown. They also decided to retain the annuity targeting lifestyle strategy as a self-select option for members. Both of these changes were implemented in early 2020. The Trustee Directors have not made any changes to the default strategy in the current Plan Year.</p> <p>The range of investment options remains consistent with the policies set out in the Plan's SIP.</p> <p>The Trustee Directors have previously operated a system of monitoring investment performance via quarterly investment reports. However, subsequent changes have led to the provider being unwilling to provide Plan-specific investment reports yet the public factsheets for the funds continue to be available quarterly. Currently, the Trustee Directors receive an Annual Value for Members (VfM) report from its adviser where it covers the monitoring of</p>

			<p>investment performances of the arrangements in the Plan.</p> <p>The sponsoring employer has now completed the last stages of setting up a new DC pension scheme with the Fidelity Master Trust, which they will use to comply with their auto enrolment duties from 1 December 2021. Therefore the Plan closed to future DC contributions from this time. The Trustee Directors are planning to transfer the deferred assets to the Fidelity Master Trust in early 2022.</p>
<p>4</p>	<p>Risks, including the ways in which risks are to be measured and managed</p>	<p><i>The Trustee Directors regard “risk” as the likelihood of failing to achieve the objectives set out above and seeks to minimise these risks, so far as is possible. The Trustee Directors have considered risk from a number of perspectives. Including, Inflation, currency, liquidity, credit, price and investment manager.</i></p>	<p>As detailed in Section 4.1.2 of the SIP, the Trustee Directors consider risk from a number of perspectives when deciding investment policies, strategic asset allocation and the choice of investment managers / funds / asset classes.</p> <p>The Plan maintains a risk register of the key risks, including the investment risks. This rates the impact and likelihood of the risks and summarises existing mitigations and additional actions. This is reviewed at each Trustee meeting.</p>
<p>5</p>	<p>Expected return on investments</p>	<p><i>The Trustee’s principal investment objective is to make available a suitable range of pooled investment vehicles to enable members to make adequate provision for their retirement.</i></p> <p><i>To provide funds offering potential for high long-term real rates of return (i.e. in excess of price and wage inflation) for those members prepared to accept investment risk.</i></p> <p><i>To provide funds offering protection for members’ accumulated assets against sudden (and sustained) reductions in capital values or in the amount of pension that can be purchased.</i></p> <p><i>To consider the cost and complexity of the Plan in terms</i></p>	<p>As part of their annual VfM assessment, the Trustee Directors considered the fund investment returns based on the fund factsheets which are published publicly. These factsheets include performance against relevant benchmarks.</p> <p>The annual VfM report also included analysis of how each investment manager is delivering against their specific mandates. During the Plan Year ending 31 May 2021, the value for members assessment was completed in December 2020 for the period to 30 June 2020 (reflecting the availability of data at a quarterly end point).</p>

		<p><i>of administration and communication.</i></p> <p><i>To offer members sufficient choice to tailor their investments to their own personal and financial circumstances.</i></p>	
6	Realisation of investments	<p><i>The DC Section's invested assets are invested in funds that are daily-dealt pooled investment arrangements. These pooled investment arrangements are themselves regulated and underlying investments are in regulated markets, and therefore should be realisable at short notice, based on member demand.</i></p> <p><i>In general the investment managers have discretion in the timing of realisations of investments and in considerations relating to the liquidity of those investments, subject to not exceeding the Trustee Directors powers as set out in the Trust Deed and Rules. It is the responsibility of Investment managers to generate cash to meet any benefit outgoings, as advised by the Trustee Directors.</i></p>	<p>The Trustee Directors receive Plan management reports on a quarterly basis. Aegon have internal SLAs well within legal timescale and have reported annual progress against the SLAs to the Trustee Directors. As confirmed in the Chair's Statement, the Trustee Directors are satisfied that all requirements were met throughout the year – 84.3% across all SLAs and 95% in relation to financial transaction SLAs were met as at 31 May 2021.</p> <p>All funds are daily dealt pooled investment vehicles, accessed by an insurance contract and should be realizable based on member demand.</p>
7	Financially material considerations over the appropriate time horizon of the investments, including how those considerations are taken into account in the selection, retention and realisation of investments	<p><i>The Trustee Directors have given appointed investment managers full discretion in evaluating ESG factors, including climate change considerations, and exercise voting rights and stewardship obligations attached to the investments, in accordance with their own corporate governance policies and current best practice, including the UK Corporate Governance Code and UK Stewardship Code.</i></p>	<p>The annual VfM assessment completed in December 2020, included ratings (both general and specific Environmental, Social and Governance (ESG)) from the investment advisers that sets out their level of conviction in each appointed manager/strategy to achieve its stated performance objective. Any assigned ESG rating reflects the extent to which the manager/strategy integrated the consideration of ESG factors into their investment process.</p>

		<i>The Trustee Directors have not set any investment restrictions on the appointed investment managers in relation to particular products or activities.</i>	
8	The extent (if at all) to which non-financial matters are taken into account in the selection, retention and realisation of investments	<i>Non-financial matters such as member views are not explicitly taken into account in the selection, retention and realisation of investments.</i>	Not explicitly considered.
9	The exercise of the rights (including voting rights) attaching to the investments	<i>The Trustee Directors have given appointed investment managers full discretion in evaluating ESG factors, including climate change considerations, and exercise voting rights and stewardship obligations attached to the investments, in accordance with their own corporate governance policies and current best practice, including the UK Corporate Governance Code and UK Stewardship Code.</i>	<p>As the Plan invests solely in pooled funds, the Trustee Directors delegate the exercise of their voting rights to the investment manager, on the basis that voting power will be exercised by them with the objective of preserving and enhancing long term shareholder value. The Trustee Directors do not use the direct services of a proxy voter. However, the investment managers may enlist the service of a proxy voter when required. More details can be found in Appendix A of the document.</p> <p>The following funds contain an allocation to equities:</p> <ul style="list-style-type: none"> <li>- Aegon Growth Tracker Lifestyle</li> <li>- BlackRock Aquila 50/50 Global Equity Index (Lifestyle)</li> <li>- BlackRock Aquila 50/50 Global Equity Index</li> <li>- Schroders Global Emerging Markets Fund</li> <li>- Baillie Gifford Diversified Growth Fund</li> </ul>
10	Undertaking engagement activities in respect of the investments (including the methods by which, and the circumstances under which, trustees would monitor and	<i>The Trustee Directors have given appointed investment managers full discretion in evaluating ESG factors, including climate change considerations, and exercise voting rights and stewardship obligations attached to the investments, in accordance with their own corporate governance policies and</i>	<p>As the Plan invests solely in pooled funds, the Trustee Directors require their investment managers to engage with the investee companies on their behalf.</p> <p>For the Plan Year ended 31 May 2021, the Trustee Directors acknowledged the voting activities by the investment managers and have set out further details in appendix A.</p>

	engage with relevant persons about relevant matters)	<i>current best practice, including the UK Corporate Governance Code and UK Stewardship Code</i>	
11	How the arrangement with the asset manager incentivises the asset manager to align its investment strategy and decisions with the trustees policies mentioned in sub-paragraph (b) of the legislation [2-8 of this Statement]	<p><i>The objective when appointing managers is to select a combination of products which together are expected to add value over the benchmark, given its tolerance to risk.</i></p> <p><i>The Trustee Director's policy in relation to investments to be held is set out in section 4 of the SIP.</i></p> <p><i>Managers are chosen based on their capabilities and, therefore, their perceived likelihood of achieving the expected return and risk characteristics required for the asset class being selected.</i></p>	<p>As the Trustee Directors invest predominately in pooled investment funds, it accepts that it cannot specify the risk profile and return targets for these funds. That said, appropriate mandates can be selected to align with the overall investment strategy</p> <p>Some mandates are actively managed and the managers are incentivised through remuneration and have pre agreed performance targets (an appointment will be reviewed following periods of sustained underperformance).</p>
12	How the arrangement incentivises the asset manager to make decisions based on assessments about medium to long-term financial and non-financial performance of an issuer of debt or equity and to engage with issuers of debt or equity in order to improve their performance in the medium to long-term.	<p><i>Managers are aware that their continued appointment is based on their success in delivering the mandate for which they have been appointed to manage. If the Trustee Directors are dissatisfied, then they will look to replace the manager.</i></p>	<p>Some mandates are actively managed and where appropriate, the managers are incentivised through performance targets (an appointment will be reviewed following periods of sustained underperformance). The Trustee Directors will review the appropriateness of using actively managed funds as part of the wider monitoring of the Plan's managers.</p> <p>The annual VfM report includes performance relative to a suitable index used as the benchmark and against the investment manager's stated objectives and target performance (over the relevant time period); and associated remuneration. The Trustee Director's focus is on long-term performance but they may, after taking suitable advice put an investment manager 'on watch' if there are short-term performance concerns.</p> <p>Over the year, the Trustee Directors have received bi-annual fund valuations. Performance was also considered as part of the annual Value for Members assessment carried out in respect of the DC Section.</p>
13	How the method (and time horizon) of the evaluation of	<p><i>The Trustee Directors recognises their time horizon should be viewed at a member</i></p>	<p>The Trustee Directors include a three year performance metric in their annual VfM</p>

	<p>the asset manager’s performance and the remuneration for asset management services are in line with the trustees’ policies mentioned in sub-paragraph (b) of the legislation [2-8 of this Statement]</p>	<p><i>level. As such assets are assumed to be held for a suitably long time, Managers’ performance net of fees is therefore reviewed as part of the annual Value for Members assessment and the Trustee Directors continue to push Aegon for more frequent reporting.</i></p> <p><i>Remuneration is agreed upon prior to manager appointment and is reviewed on a regular basis.</i></p>	<p>report, and considers manager performance over longer time periods.</p> <p>The VfM report includes performance relative to a suitable index used as the benchmark and against the investment manager’s stated objectives and target performance (over the relevant time period); and associated remuneration.</p> <p>No changes were made to the appointed investment managers during the Plan Year. The Trustee Directors remain comfortable with the Plan’s appointed investment managers, for the short term, noting the plans to transfer the deferred DC assets to the Fidelity Master Trust in early 2022.</p>
<p>14</p>	<p>How the trustees monitor portfolio turnover costs incurred by the asset manager, and how they define and monitor targeted portfolio turnover or turnover range.</p>	<p><i>The Trustee’s policy in relation to the monitoring of portfolio turnover costs is set out in section 4.4 of the SIP.</i></p>	<p>During the Plan Year, the Trustee Directors received the VfM report from its investment adviser which included portfolio transaction costs. The VfM report is produced on an annual basis. Fund transaction costs are calculated using the ‘slippage cost methodology’ (as defined in COBS 19.8 of the FCA Handbook). These costs are disclosed in the annual Chair’s Statement available at: <a href="https://standex.com/about/other-documents/">https://standex.com/about/other-documents/</a> and VfM report. The transaction costs for each fund covers the buying, selling, lending and borrowing of the underlying securities in the fund by the investment manager. An investment manager can also factor in anti-dilution mechanisms into the total transaction costs.</p> <p>The Trustee Directors are required to assess these costs for value on an annual basis. However, at present, the Trustee Directors note a number of challenges in assessing these costs:</p> <ul style="list-style-type: none"> <li>- No industry-wide benchmarks for transaction costs exist</li> <li>- The methodology leads to some curious results, most notably “negative” transaction costs</li> <li>- Explicit elements of the overall transaction costs are already taken into account when investment returns are reported, so any assessment must</li> </ul>

			also be mindful of the return side of the costs
15	The duration of the arrangement with the asset manager	<i>There is no set duration for the manager appointment. However, the appointment is regularly reviewed as to its continued suitability and could be terminated either because the Trustee Directors are dissatisfied with the managers' ongoing ability to deliver the mandate promised or because of a change of investment strategy by the Trustee Directors.</i>	<p>The Trustee Directors will retain the investment managers unless there is a change to the overall strategy, a significant change in investment personnel or firm ownership or the appointed managers' mandates are no longer suitable for the Plan. The fund range and default are reviewed on at least a triennial basis.</p> <p>During the year, no funds were removed from the arrangement.</p>

## Appendix A - Voting and Engagement Activity

The Trustee Directors have delegated their voting rights to the investment managers, The Trustee Directors do not use the direct services of a proxy voter. However, the investment managers may enlist the service of a proxy voter when required. The Plan's voting rights are exercised by its investment managers in accordance with their own corporate governance policies, and taking account of current best practice including the UK Corporate Governance Code and the UK Stewardship Code.

The SIP also states "The Trustee Directors have given the investment managers full discretion when evaluating ESG issues and in exercising rights and stewardship obligations attached to Plan's investments".

### Proxy Voting Policy

**Baillie Gifford:** Whilst Baillie Gifford are cognisant of proxy advisers' voting recommendations (ISS and Glass Lewis), the investment manager do not delegate or outsource any of their stewardship activities or follow or rely upon proxy advisers' recommendations when deciding how to vote on clients' shares. All client voting decisions are made in-house. Baillie Gifford vote in line with their in-house policy and not with the proxy voting providers' policies. They also have specialist proxy advisors in the Chinese and Indian markets to provide them with more nuanced market specific information.

### BlackRock:

In summary, proxy research firms help BlackRock deploy their resources to greatest effect in meeting client expectations

- BlackRock sees its investment stewardship program, including proxy voting, as part of its fiduciary duty to and enhance the value of clients' assets, using their voice as a shareholder on their behalf to ensure that companies are well led and well managed
- BlackRock use proxy research firms in their voting process, primarily to synthesise information and analysis into a concise, easily reviewable format so that their analysts can readily identify and prioritise those companies where their own additional research and engagement would be beneficial
- BlackRock do not follow any single proxy research firm's voting recommendations and in most markets, they subscribe to two research providers (ISS and Glass Lewis) and use several other inputs, including a company's own disclosures, in their voting and engagement analysis
- BlackRock also work with proxy research firms, which apply their proxy voting guidelines to filter out routine or non-contentious proposals and refer to them any meetings where additional research and possibly engagement might be required to inform their voting decision
- The proxy voting operating environment is complex and they work with proxy research firms to execute vote instructions, manage client accounts in relation to voting and facilitate client reporting on voting

**Schroder:** Schroder receive research from both ISS and the Investment Association's Institutional Voting Information Services (IVIS) for upcoming general meetings, however this is only one component that feeds into their voting decisions. In addition to relying on their policies Schroder will also be informed by company reporting, company engagements, country specific policies, engagements with stakeholders and the views of portfolio managers and analysts.

It is important to stress that their own research is also integral to their final voting decision; this will be conducted by both their financial and ESG analysts. For contentious issues, their Corporate Governance specialists will be in deep dialogue with the relevant analysts and portfolio managers to seek their view and better understand the corporate context.

Schroder continue to review their voting practices and policies during their ongoing dialogue with their portfolio managers. This has led them to raise the bar on what they consider 'good governance practice.'

### Voting Information

Overview of voting activity, on behalf of the Trustee Directors, for the funds available to members containing equities, where available at the time of writing.

Fund	Underlying Equity Fund	How many meetings were you eligible to vote at?	How many resolutions were you eligible to vote on?	What % of resolutions did you vote on for which you were eligible?	Of the resolutions on which you voted, what % did you vote with management?	Of the resolutions on which you voted, what % did you vote against management?	Of the resolutions on which you voted, what % did you abstain from voting?
Aegon Growth Tracker Lifestyle - Drawdown/ Annuity/Cash	Aegon HSBC Developed World Sustainable Equity Index	783	12,147	100%	91%	9%	0%
	iShares UK Index Tracker	1,204	15,484	99%	93%	6%	2%
	iShares Continental European Equity Tracker	521	7,826	99%	85%	14%	1%
	iShares North American Equity Tracker	664	8,142	99%	95%	4%	0%
	iShares Japan Equity Tracker	507	6,030	100%	97%	2%	0%
	iShares Pacific ex Japan Equity Tracker	644	5,006	100%	88%	11%	0%
	iShares Emerging Markets Equity Tracker	2,454	23,094	100%	90%	9%	3%
BlackRock Aquila 50/50 Global Equity Index (Lifestyle)	N/A	2,693	33,324	99%	92%	7%	0%
BlackRock Aquila 50/50 Global Equity Index							
Schroders Global Emerging Markets Fund	N/A	174	1885	97%	91%	6%	6%
Baillie Gifford Diversified Growth Fund	N/A	144	1477	97%	95%	4%	1%

Note:

- Responses received are for the 12 months to 30 June 2021
- Voting actions may not sum to 100.0% due to a variety of reasons, such as lack of management recommendation, scenarios where an agenda has been split voted, multiple ballots for the same meeting were voted differing ways, or a vote of 'Abstain' is also considered a vote against management.

In determining what constitutes the "most significant" votes for the Plan, the Trustee Directors have considered all funds with equity holdings as at 31 May 2021, and 3 of the 10 most significant votes for each fund disclosed by the investment managers are shown in the tables below. The exception to this is the Aegon Growth Tracker Lifestyle, where just 1 of the 10 most significant votes for each of the 7 underlying equity funds showing in the tables. These funds are managed by Aegon/BlackRock, Schroders and Baillie Gifford.

### Aegon Growth Tracker

Significant vote #1 - Aegon HSBC Developed World Sustainable Equity Index	
Company	Rio Tinto Plc
Summary of the resolution	Approve Remuneration Report for UK Law Purposes
Date	07 April 2021
Criteria for assessing as significant	HSBC voted against the management and selected a range of issues that are representative of our voting guidelines.
How you voted	Against management. HSBC were concerned that the out-going CEO received £5.7 million from vesting of 2016 LTIP. The Remuneration Committee had reduced vesting by £1 million and he had received no bonus due to destruction of Juukan Gorge historic site. Total pay exceeded previous year; HSBC believe committee should have exercised further discretion in light of the severity of the incident.
Vote outcome	Pass

Significant vote #2 - iShares UK Index Tracker	
Company	General Electric Company
Summary of the resolution	Elect Director Edward Garden
Date	04 May 2021
Criteria for assessing as significant	Misalign with BlackRock voting guideline
How you voted	Vote against compensation committee member because pay is not properly aligned with performance and/or peers.
Vote outcome	Pass

Significant vote #3 - iShares Continental European Equity Tracker	
Company	Daimler AG
Summary of the resolution	Elect Timotheus Hoettges to the Supervisory Board
Date	08 Jul 2020
Criteria for assessing as significant	Misalign with BlackRock voting guideline
How you voted	Vote against for serving on over an excessive number of public company boards which BlackRock believe raises substantial concerns about the director's ability to exercise sufficient oversight on this board.
Vote outcome	Pass

Significant vote #4 - iShares North American Equity Tracker	
Company	Johnson & Johnson
Summary of the resolution	Report on Civil Rights Audit
Date	22 Apr 2021
Criteria for assessing as significant	Significant impact on Social matter
How you voted	Voted for as BlackRock is supportive of company's efforts to date on these issues. Proposal support based on nature of the proposal.
Vote outcome	Fail

Significant vote #5 - iShares Pacific ex Japan Equity Tracker	
Company	Woodside Petroleum Ltd.
Summary of the resolution	Elect Christopher Haynes as Director
Date	15 Apr 2021
Criteria for assessing as significant	Misalign with BlackRock voting guideline
How you voted	Against as the Company does not meet BlackRock's expectations of having adequate climate risk disclosures against all 4 pillars of TCFD.2. The Company does not meet BlackRock's expectations of having adequate Scope 3 metrics and targets.
Vote outcome	Pass

Significant vote #6 - iShares Emerging Markets Equity Tracker	
Company	Top Glove Corporation Bhd
Summary of the resolution	Elect Norma Mansor as Director
Date	06 Jan 2021
Criteria for assessing as significant	Misalign with BlackRock voting guideline
How you voted	Voted Against Management. Board has provided inadequate oversight over labor-related, and worker health and safety issues.
Vote outcome	Pass

Note: Example of significant vote is not available for the iShares Japan Equity Tracker Fund. The Trustee Directors are following up with Aegon regarding why the information was not provided for this fund.

### BlackRock Aquila 50/50 Global Equity Index

Significant vote #1	
Company	Tesla, Inc.
Summary of the resolution	Elect Director Robyn Denholm
Date	22 Sep 2020
Criteria for assessing as significant	Misalign with BlackRock voting guideline
How you voted	Voted Against. Nominee has not demonstrated ability to effectively represent shareholders' best interests.
Vote outcome	Pass

Significant vote #2	
Company	Charter Communications, Inc.
Summary of the resolution	Report on Greenhouse Gas Emissions Disclosure
Date	27 Apr 2021
Criteria for assessing as significant	Significant impact on Environmental matter
How you voted	Voted For. Blackrock recognises the company's efforts to date but believe that supporting the proposal may accelerate the company's progress on climate risk management and/or oversight.
Vote outcome	Fail

Significant vote #3	
Company	BP Plc
Summary of the resolution	Approve Shareholder Resolution on Climate Change Targets
Date	12 May 2021
Criteria for assessing as significant	Significant holdings
How you voted	Voted For: BlackRock recognise the company's efforts to date but believe that supporting the proposal may accelerate the company's progress on climate risk management and/or oversight.
Vote outcome	Fail

### Schroders Global Emerging Markets

Significant vote #1	
Company	X5 Retail Group NV
Summary of the resolution	Amend Remuneration Policy for Management Board
Date	12 May 2021
Criteria for assessing as significant	Significant due to voting against management
How you voted	Against. Concerns over the discretionary element to the policy, as well as major concerns with the legacy agreements in place with the CEO which ensure a large guaranteed payout.
Vote outcome	Pass

Significant vote #2	
Company	Naspers Ltd.
Summary of the resolution	Authorise Board to Issue Shares for Cash
Date	21 Aug 2020
Criteria for assessing as significant	Significant due to voting against management
How you voted	Against. The proposed authority could involve the issue of new A ordinary shares, which have multiple voting rights, and therefore perpetuate the Company's dual-class share structure
Vote outcome	Pass

Significant vote #3	
Company	Yandex NV
Summary of the resolution	Reelect Non-Executive Director
Date	28 Jun 2021
Criteria for assessing as significant	Significant due to voting against management
How you voted	Against. Excessive tenure which compromises independent status. As well as sitting on the remuneration committee which has failed to submit a remuneration vote to shareholders.
Vote outcome	Pass

### Baillie Gifford Diversified Growth Fund

Significant vote #1	
Company	LEG IMMOBILIEN AG
Summary of the resolution	Remuneration - Policy
Date	19 Aug 2020
Criteria for assessing as significant	Significant due to voting against management
How you voted	Baillie Gifford opposed the Management Board Remuneration, due to the introduction of the 'Transaction Bonus' as they do not believe that executives should be rewarded for making acquisitions.
Vote outcome	Pass

Significant vote #2	
Company	ADO PROPERTIES S.A.
Summary of the resolution	Amendment of Share Capital
Date	29 Sep 2020
Criteria for assessing as significant	Significant due to voting against management
How you voted	Baillie Gifford opposed the request to increase authorised capital which would permit share issuance without pre-emptive rights, given shares are currently trading at a high discount to NAV and there is no NAV commitment. Baillie Gifford have since sold out of the stock.
Vote outcome	Pass

Significant vote #3	
Company	EDISTON PROPERTY INVESTMENT COMPANY PLC
Summary of the resolution	Remuneration - Policy
Date	23 Feb 2021
Criteria for assessing as significant	Significant due to voting against management
How you voted	Baillie Gifford opposed the resolution to approve the remuneration policy because they are concerned that an additional fee proposed for the Senior Independent Director could impact his independence.
Vote outcome	Pass