

# G.D. Bowes & Sons Limited 1974 Retirement Fund Implementation Statement for the year ended 31 December 2020

## Purpose

---

This Implementation Statement provides information on how, and the extent to which, the Trustees of the G.D. Bowes & Sons Limited 1974 Retirement Fund (“the Fund”) have followed their policy in relation to the exercising of rights attached to the Fund’s investments, and engagement activities during the year ended 31 December 2020 (“the reporting year”).

## Background

---

During the last reporting year, the Trustees received training on Environmental, Social and Governance (“ESG”) issues from their Investment Adviser, XPS Investment (“XPS”) and discussed their beliefs around those issues. This enabled the Trustees to consider how to update their policy in relation to ESG and voting issues which, up until that point, had simply been a broad reflection of the investment managers’ own equivalent policies. The Trustees’ new policy was documented in the updated Statement of Investment Principles dated September 2020.

The Trustees continue to consider how to update their policy in relation to ESG and voting issues.

## The Trustees’ updated policy

---

The Trustees believe that there can be financially material risks relating to ESG issues. The Trustees have delegated the ongoing monitoring and management of ESG risks and those related to climate change to the Fund’s investment managers. The Trustees require the Fund’s investment managers to take ESG and climate change risks into consideration within their decision-making, recognising that how they do this will be dependent on factors including the characteristics of the asset classes in which they invest.

The Trustees have delegated responsibility for the exercise of rights (including voting rights) attached to the Fund’s investments to the investment managers and encourage them to engage with investee companies and vote whenever it is practical to do so on financially material matters including those deemed to include a material ESG and/or climate change risk in relation to those investments.

## Manager selection exercises

---

One of the main ways in which this updated policy is expressed is via manager selection exercises: the Trustees seek advice from XPS on the extent to which their views on ESG and climate change risks may be taken into account in any future investment manager selection exercises.

During the reporting year, there have been no such manager selection exercises.

## Ongoing governance

---

The Trustees, with the assistance of XPS, monitor the processes and operational behaviour of the investment managers from time to time, to ensure they remain appropriate and in line with the Trustees’ requirements as set out in this statement. Further, the Trustees have set XPS the objective of ensuring that any selected managers reflect the Trustees’ views on ESG (including climate change) and stewardship.

## Adherence to the Statement of Investment Principles

---

During the reporting year the Trustees are satisfied that they followed their policy on the exercise of rights and engagement activities to an acceptable degree.

As part of the decision to reduce risk within the investment strategy, the Fund fully disinvested from the Legal & General Investment Management Dynamic Diversified Fund ("LGIM DDF") during Q1 2020. As this fund is exposed to equities, this is the only fund held during the reporting period which carried voting rights. However, as the Fund was fully disinvested early in the reporting period, this has been considered immaterial and therefore voting activity has not been disclosed for the Implementation Statement.

Signed: \_\_\_\_\_, Chair of Trustees

Date: \_\_\_\_\_