NMR Pension Fund

Implementation Statement

For year ending 31 March 2022

August 2022

This implementation statement covers and references the DB Section of the Fund and the Fund's DB SIP only.

Separate documentation is available for the DC Section of the Fund.

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Section 1: Introduction

This document is the Annual Implementation Statement (the “Statement”) prepared by the Trustees of the NMR Pension Fund (the “Fund”) covering the “Fund Year” from 1 April 2022 to 31 March 2022 in relation to the Statement of Investment Principles (“SIP”).

The purpose of this statement is to:

- set out the extent to which, in the opinion of the Trustees, the Trustees’ engagement policies set out within the Fund’s Statement of Investment Principles (“SIP”) required under section 35 of the Pensions Act 1995 have been followed during the year
- describe the voting behaviour by, or on behalf of, the Trustees over the year.

The Fund makes use of a wide range of investments; therefore, the principles and policies in the SIP are intended to be applied in aggregate and proportionately, focussing on areas of maximum impact. The Trustees confirm that the investments which the Fund holds were chosen in line with the requirements of s36 of the Pensions Act 1995.

A copy of this implementation statement is made available on the following website: https://www.rothschildandco.com/en/legal/nmr-pension-fund/

Please note, the Fund’s SIP was updated once over the Fund Year, with two relevant SIPs over the Fund Year:

1. July 2020 – this was the version in place as at the start of the Fund Year.
2. September 2021 – the Fund’s SIP was updated to reflect general updates as part of the Trustee’s annual SIP review as well as to reflect that over the Fund Year, the Trustee formalised beliefs on responsible investing and developed a responsible investment policy.

The September 2021 SIP is the version referenced in the following sections of this document, where we set out how the principles have been implemented.

Section 2: Adherence to the SIP

In this section, we provide an overview of the Trustees' DB Investment Objectives and set out how the Trustees' engagement policies as detailed in the SIP have been followed throughout the Fund Year.

Investment Objectives

The Statement of Investment Principles sets out the principal responsibilities and investment policy objectives of the Trustees for the Fund. The Trustees are satisfied that the high-level objectives, as set out in the SIP, have been followed.

Specifically, as part of analysis carried out in September 2021, the Trustees reviewed whether the Fund's strategic asset allocation can be expected to generate sufficient returns over the long term. Following this, the Trustees are satisfied that the Fund's asset allocation remains consistent with the agreed funding plan for the Fund and with risk relative to liabilities being appropriately managed through regular reviews and monitoring.

As the Trustees review the Actuarial Valuation of the Fund over 2022, the Trustees will undertake a further review of the Fund's strategy in light of the Trustees' objectives.

Engagement Policies

The section below highlights the specific policies of the Trustee in relation to engagement and details how they have been implemented during the Fund Year. Detail on engagement activity is set out later within this statement.

To oversee the Trustees' responsible investment activities, a responsible investing committee has been established. This "Pensions Responsible and Sustainable Investment Committee" (PRSIC) is made up of 3 Trustee members and meets at least quarterly, with a mandate to report to the Fund's Pensions and Investment Sub-Committee. During the year, the Trustees have developed a responsible investment policy that sets out the approach adopted by the Trustees with respect to engagement and ESG. Further detail of the PRSIC and the engagement activities of the Trustees are set out below.

During the Fund Year the Trustees have engaged with the Fund's investment managers and investment consultant on topics consistent with their sustainable investment beliefs as well as the views of the Sponsor. For example, as set out below, the Trustees have engaged with two investment managers regarding their policies on climate change, which the Trustees consider to be the biggest ESG risk to the Fund over the short term, as well as being recognised as a risk by the Sponsor as outlined within its responsible investment policy.

The Fund has two segregated mandates invested in secure income assets (SIAs) and liability driven investments (LDI) respectively. Whilst the holdings within both mandates do not have voting rights attached, the Trustees have given the Fund's LDI manager discretion to add green gilts to the Fund's portfolio. In addition, the Trustees are in the process of updating the SIA mandate's guidelines to reflect the manager's thermal coal exclusions policy.

The Trustees regard collaborative investor intitatives to be important in driving change and as noted below, expect their managers to be able to explain in cases where they are not a signatory of the PRI. The Trustees themselves have reviewed the requirements for the Fund to become a signatory of PRI and agreed to sign up during the Fund Year. The Trustee expects to make its first submission to the PRI during the course of 2023.

Policy area	Approach and actions taken over the Fund Year
Section 15, 17 & 20 **Set general investment policy, but delegate the responsibility for selection of specific investments to appointed investment managers**	The Trustees, upon advice from their investment consultant, set the strategic asset allocation in line with the Fund's overall objectives. As of the date of this statement, the Fund's strategic asset allocation is 51.0% return-seeking assets and 49.0% liability-matching assets. No changes to the strategic asset allocation were made over the Fund Year however the Trustees have undertaken temporary de-risking in order to reduce funding level volatility during the Actuarial Valuation process. Selection of specific investments remains delegated to the Fund's investment managers and the Trustees review the performance of the managers against appropriate benchmarks on a quarterly basis.
Section 16 **Prior to appointing an investment manager, the Trustees will seek to understand the manager's approach to sustainable investment (including engagement)**	Over the Fund Year, the Trustees appointed a new illiquid credit manager. As part of the manager selection process, the Trustees reviewed how the strategy integrates Environmental, Social and Governance (ESG) factors into portfolio management through information provided by the Fund's investment consultant. This strategy was considered to have strong ESG credentials as it allocates debt financing to renewable infrastructure projects, including solar, wind and reycycling facilities.
Section 19 **The Trustees expect their investment managers to use their engagement activity to drive improved performance** **The Trustees expect investment managers to consider relevant matters including capital structure of investee companies, actual and potential conflicts and other stakeholders**	The Trustees monitor the Fund's investment managers' engagement activities through annual sustainable investment reviews, with the last review being undertaken in February 2022. In addition, the Trustees review the voting activity managers have undertaken on the Fund's behalf. As part of this the Trustees consider quantitative and qualitative aspects to voting, such as how many votes managers voted on for which they were eligible and what the manager deems to be a significant vote.
Sections 21, 22 & 28 **Pay managers an ad valorem fee which includes consideration of long-term factors and engagement** **Review costs incurred for managing the Fund's assets at least annually, including turnover costs**	The Trustees review the costs and charges associated with their investment arrangements annually, which include transaction costs, operating expenses and other charges as provided by their investment consultant under MiFID II regulations. For the Fund's private markets and illiquid credit portfolios, which comprise multiple managers and more complex fee structures, the Trustees consider asset management charges and performance fees paid on an annual basis as part of their monitoring of these mandates. The Trustees, alongside their investment consultant, reviewed the turnover for the Fund's mandates based on the 2021 Fund Year end in September 2021 and where turnover exceeded the manager and/or the

	investment consultant's expectations, sought the rationale for this to ensure it was comfortable with the manager's approach. Following the end of the 2022 Fund Year, the Fund's investment consultant has commenced work on gathering investment manager turnover information with a view to providing analysis to the Trustees for consideration later in 2022.
Section 23 **The Trustees review that their managers are taking steps to integrate ESG**	The Trustees regard proper consideration and integration of sustainable investment ('SI') and stewardship to be of critical importance to the achievement of the Fund's objectives. As part of reviewing whether the Fund's managers are taking steps to integrate ESG the Trustees have considered the following over the Fund Year: • Investment consultant's SI reports – These set out the investment consultant's views on ESG integration, voting (where applicable) and engagement for that strategy. Where applicable, these reports include commentary on a manager's voting and engagement activities over a 12-month period and detail of the strengths and weaknesses in their approach. • Investment consultant's SI dashboard – This sets out the ESG metrics of the Fund's portfolio, including information on the carbon emissions of the Fund's investments and how climate change may impact the portfolio, as well as social and governance risks to the Fund's assets. • Peer group comparison – As part of their monitoring, the Trustees have benchmarked their approach and the Fund to UK institutional peers. In addition to the above, the PRSIC and the Fund's investment consultant meet at least quarterly to discuss responsible investing matters of the Fund and whether the Fund's manager's are effectively integrating ESG. As set out in further detail within the engagement section of this statement, where the PRSIC does not regard a manager to be taking steps to integrate ESG appropriately, it has invited the manager to an investment committee meeting to discuss this matter with the manager in futher detail. As noted previously for any new strategies considered or selected over the Fund Year, the Trustees have explicitly considered the ESG credentials of the fund.
Section 24 **The Trustees expect their investment managers to consider a range of sustainable investment factors including climate change**	The Trustees review how ESG factors are incorporated into the Fund's current investments through reviewing their investment consultant's SI reports. In addition, the Trustees have reviewed analysis prepared by the Fund's investment consultant that sets out a number of metrics for the aggregate portfolio and how these score relative to comparators. It has also considered climate focused solutions as part of considering how to decrease the carbon emissions of the Fund's investments.

	As part of the DWP climate regulations that impact the Fund from 1 October 2022, the Trustees have reviewed holdings level analysis on the Fund's portfolio and agreed a number of climate metrics to monitor for the Fund. The Trustee will produce reporting on these metrics in 2023 under the TCFD framework, with a view to reducing the carbon emissions associated with the Fund's investments over time.
Section 25 **The Fund's investment managers are encouraged to sign up to UN PRI and where they are not signatories, outline why this is not the case**	The Fund's investment managers are encouraged to sign up to the PRI where applicable and possible to do so. Whether an investment manager is signed up to the PRI is set out in the investment consultant's SI reports alongside other initiatives that a manager may be part of, which the Trustees review on an annual basis. In August 2021, the Trustees asked all managers who were not a PRI signatory to comment on their rationale for this. The Trustees were satisfied that those that are not signatories are either in the process of becoming a signatory or evaluating the actions required to sign up. The Trustees note that for some managers it is not practical for them to become a signatory.
Section 26 **Maintaining alignment by providing the Fund's investment managers with a copy of the most recent SIP with the managers to confirm the Fund's assets are managed in line with the SIP**	The Fund's investment consultant has provided the investment managers with a copy of the Fund's SIP and is collating responses to share with the Trustees on compliance with the policies set out.
Section 27 **Engage with a manager further to encourage alignment between a manager's portfolio and the Trustee's policies in the event of misalignment**	As part of regular manager monitoring, the Trustees review information on performance targets and their investment consultant's skill assessments of each manager where available. These skill assessments provide ratings and commentary on the Fund manager's approach, portfolio management, opportunity set, investment professionals, alignment between investment professionals and the fund's objectives, the firm and the team's stability.
Consider terminating an investment manager should alignment be deemed to remain unsatisfactory following engagement	These reports are then discussed with the Trustees with any material changes that may impact the ability to manage a strategy being reported to the Trustees on a quarterly basis and more frequently if required. Over the Fund Year the Trustees have not terminated their agreement with a manager on ESG grounds, however detail of the Trustees' engagement with the Fund's managers to encourage alignment is set out in more detail below.

Section 4: Voting and engagement

The Trustees have delegated the day-to-day ESG integration and stewardship activities (including voting and engagement) to their investment managers. However, the Trustees recognise that they retain ultimate responsibility for the actions of the Fund's investment managers and undertake monitoring as part of assessing whether they are appropriately considering ESG risks and opportunities. Where a manager has been identified as not appropriately integrating ESG, the Trustees will engage with the manager. Further detail of the Trustees' engagements over the Fund Year is set out below.

Overall, following the review carried out this year, the Trustees remained comfortable with the investment managers' approaches to ESG integration and noted no cause for concern outside of the investment managers referred to below in this statement.

Engagement activity

Over the Fund Year the Trustees directly engaged with two managers where they believed they may not be appropriately considering ESG risks and opportunities.

1. Illiquid credit manager engagement

Background

In 2021 the Trustees reviewed the exposures of the Fund's portfolio to understand whether any of the Fund's managers invested in sectors that contradicted the exclusionary approach taken by the Sponsor. The analysis found that this manager invested c.1% of the portfolio in an Indian coal plant and in addition to this, the Fund's investment consultant viewed the engagement approach by the manager to be weak, therefore the Trustees invited the manager to a meeting in September 2021 to discuss this further. The Trustee's investment consultant also discussed the Trustees' concerns with the manager.

Engagement

The Trustees explained their concerns to the manager regarding the investment in a coal plant, citing the environmental and social risks associated with the investment. The Trustees asked the manager to explain how it assessed the potential risks of the investment and discussed the managers' approach to engagement activities more broadly, setting out an expectation that the manager should be proactively seeking opportunities to engage with portfolio companies.

Following this discussion, the Trustees agreed to monitor the strategy's ESG integration and performance, noting that improvements could take time.

Outcome

The manager sold the Indian coal plant exposure in March 2022, which has alleviated some of the Trustees' concerns with regards to the strategy. The Trustees continue to monitor the manager through its regular SI reporting and the Trustees' investment consultant has been pushing the manager to improve its engagement activities. The Trustees' investment consultant has established check-in points with the manager as part of escalating the concerns over engagement over 2022.

2. Emerging market debt manager engagement

Background

In 2021 the Trustees reviewed the exposures of the Fund's portfolio to understand whether any of the Fund's managers invested in sectors that contradicted the exclusionary approach taken by the Sponsor. The analysis found that this manager had a c.2% exposure to companies may breach fundamental principles, primarily in the field of labour disputes, community relationships and governance. In addition the manager also had a c.2% exposure to coal powerplants primarily located in India, South Africa and Indonesia. The Trustees invited the manager to a meeting in May 2022 to discuss its concerns further.

Engagement

The Trustees explained their concerns to the manager regarding the exposures and noted the manager's efforts to reduce or remove the exposures: the strategy was moving towards an exclusionary approach whereby assets with over 30% of revenue derived from thermal coal would not be invested in and this was expected to be written into the strategy's prospectus later in 2022. This would result in disinvestment of a single holding. A further holding that would breach the framework is unable to be sold due to Russian sanctions.

Outcome

Whilst the Trustees noted that they would continue to monitor the strategy, it was noted that the manager is making reasonable efforts to improve its ESG integration, including making several new ESG hires as well as portfolio changes that reduce the ESG risks of the strategy.

Voting activity

As part of monitoring the stewardship of the Fund's investments, below sets out the voting activities of the Fund's investment managers. This includes any votes cast on the Trustees' behalf, detail on the investment managers' use of proxy voting and examples of votes cast that they deem to be significant. For some of the Fund's underlying investment strategies where voting is less applicable, activity has not been included.

The table below reflects the voting data as provided by the Fund's investment managers. Where details of multiple significant votes were provided, the Trustees have adopted an approach, where possible, of setting out examples of where shareholder votes have made an impact or votes by shareholders that have encouraged the holding company to change its behaviour as a result.

The Trustees believe that stewardship that has the potential to drive positive change for investors is in member interests and believes it to be of increased importance given the Fund is considered to be a long term investor.

Significant voting data

Manager Name & Strategy: Lindsell Train Global Equity

Voting activity for strategy (please note some of the figures below may not sum to 100% because of rounding)

Eligible votes to cast: 375

% of eligible votes cast: 100%

% of votes with management: 98.1%

% of votes against management: 1.4%

% of votes withstained from: 0.5%

Most significant votes cast

Company: Walt Disney

Approximate % size of holding (as a % of investment in the strategy): 4.8%

Resolution: Advisory vote on Executive compensation (Renumeration)

Vote cast: Against management. Management was informed of the manager's voting decision prior to the vote.

Rationale for voting decision: The manager believes Disney could foster greater shareholder alignment through improved compensation structures. During both 2020 and 2021 the manager escalated its engagement relating to matters of remuneration and wrote to management outlining the rationale for voting against resolutions concerning compensation at their annual general meetings.

Outcome of the vote: The resolution was approved

Rationale for inclusion as a significant vote: The manager has outlined that it regards this vote to be significant because it engaged extensively with the portfolio company before the vote was made. The Trustees regard any vote to encourage greater alignment between the portfolio company and investor interests to be significant and of benefit to members within the Fund.

Use of proxy voting: The manager appointed Glass Lewis (GL) during 2020 to aid the administration of proxy voting and provide additional support in this area, however the manager has outlined that the portfolio managers of the strategy maintain final decision making responsibility and the manager does not default to GL's advice/suggested vote. The manager votes in line with its proxy voting policy and may consider GL's recommendation and/or research as part of its decision making.

Type of voting policy followed (Trustee or manager specific): Manager specific. The Trustees do not have a bespoke voting policy in place for the strategy given the strategy is a pooled fund. However the strategy to which the Trustees invest is highly rated by the Fund's investment consultant who regards the manager to be best in class and to have appropriate voting and engagement policies in place on behalf of investors. The Trustees approach is to review the information provided by the Fund's investment consultant on voting as part of reviewing the Fund's annual implementation statement. If the Trustees or the Fund's investment consultant deem that the manager has an unsatisfactory approach to stewardship they will engage with the manager to encourage them to improve their practice.

Manager voting policy: https://www.lindselltrain.com/application/files/7016/2636/5586/Lindsell_Train_-_Proxy_Voting_Policy_-_March_2021.pdf

Additional voting information to be provided by the manager? No further information to be provided

Manager Name & Strategy: Genesis Emerging Market Equity

Voting activity for strategy (please note some of the figures below may not sum to 100% because of rounding)

Eligible votes to cast: 1,362

% of eligible votes cast: 98.2%

% of votes with management: 87.1%

% of votes against management: 9.8%

% of votes withstained from: 3.1%

Most significant votes cast

Company: Aptus Value Housing Finance India Ltd

Approximate % size of holding (as a % of investment in the strategy): 0.2%

Resolution: Approve Revision in the Remuneration of M Anandan as Chairman and Managing Director (Renumeration)

Vote cast: Against management. Management was not informed of the manager's voting decision prior to the vote.

Rationale for voting decision: The manager regards the pay quantum to be excessive and there is and has outlined there is a lack of sufficient information to assess the fairness of the proposed pay structure.

Outcome of the vote: The resolution was approved

Rationale for inclusion as a significant vote: The manager has outlined that it regards this vote to be significant because it is a vote against management. The Trustees regard any vote to encourage greater alignment between the portfolio company and investor interests to be significant and of benefit to members within the Fund.

Use of proxy voting: The manager uses Institutional Shareholder Services, Inc. (ISS) to execute votes, keep various records necessary for tracking proxy voting materials and provide proxy research and recommendations. Although ISS executes the manager's proxy voting, the voting decisions are made by the manager's portfolio managers.

Type of voting policy followed (Trustee or manager specific): Manager specific. The Trustees do not have a bespoke voting policy in place for the strategy given the strategy is a pooled fund. However the strategy to which the Trustees invest is highly rated by the Fund's investment consultant who regards the manager to be best in class and to have appropriate voting and engagement policies in place on behalf of investors. The Trustees approach is to review the information provided by the Fund's investment consultant on voting as part of reviewing the Fund's annual implementation statement. If the Trustees or the Fund's investment consultant deem that the manager has an unsatisfactory approach to stewardship they will engage with the manager to encourage them to improve their practice.

Manager voting policy: https://reporting.unpri.org/Download.aspx?id=3933014d-21cd-4dba-a26f-f6d084464536

Additional voting information to be provided by the manager? No further information to be provided

Manager Name & Strategy: Metropolis (via AMX platform) Global Equity

Voting activity for strategy (please note some of the figures below may not sum to 100% because of rounding)

Eligible votes to cast: 377

% of eligible votes cast: 100%

% of votes with management: 93.4%

% of votes against management: 6.6%

% of votes withstained from: nil

Most significant votes cast

Company: Alphabet

Approximate % size of holding (as a % of investment in the strategy): 8.9%

Resolution: Assess Feasibility of Including Sustainability as a Performance Measure for Senior Executive Compensation (Renumeration)

Vote cast: For. Management was informed of the manager's voting decision prior to the vote.

Rationale for voting decision: The manager regards this vote to be significant because it regards Alphabet to have a good track record in sustainability and has demonstrated robust disclosure regarding diversity and inclusion, however the manager does not think it would be overly onerous for the company to prepare a report assessing the feasibility of integrating sustainability metrics, including metrics regarding diversity among senior executives, into performance measures. The manager believes shareholders would benefit from understanding the feasibility of implementing such measures. The Trustees regard this to be a significant vote because they view any proposal to encourage increased transparency with regards to sustainable investing matters positively. The Trustees regard it to be in members' best interests because increased transparency on these matters can drive improvements on sustainable investing practices and improve financial outcomes for members.

Outcome of the vote: The resolution was not approved.

Rationale for inclusion as a significant vote: Human and civil rights issues are particularly important for the company's reputation. Metropolis therefore supported the proposal because they believe it would be beneficial for shareholders to have at least one member of the Alphabet Board who is a widely recognized expert in human and civil rights matters. Metropolis would wish for this member to also have exceptional business expertise, but believe Alphabet should be able to attract a professional with both.

Use of proxy voting: The manager uses ISS's research and takes this into consideration when determining how to vote.

Type of voting policy followed (Trustee or manager specific): Manager specific. The Trustees do not have a bespoke voting policy in place for the strategy given the strategy is a pooled fund. However the strategy to which the Trustees invest is highly rated by the Fund's investment consultant who regards the manager to be best in class and to have appropriate voting and engagement policies in place on behalf of investors. The Trustees approach is to review the information provided by the Fund's investment consultant on voting as part of reviewing the Fund's annual implementation statement. If the Trustees or the Fund's investment consultant deem that the manager has an unsatisfactory approach to stewardship they will engage with the manager to encourage them to improve their practice.

Manager voting policy: https://mbp-images.s3.amazonaws.com/wp-content/uploads/sites/2/2020/07/Metropolis-Capital-Proxy-Voting-Policy-31-03-2021-Board-Approved-14-05-2021.pdf

Additional voting information to be provided by the manager? No further information to be provided

<u>Manager Name & Strategy: Ardervora (via AMX platform) Global Equity</u>

Voting activity for strategy (please note some of the figures below may not sum to 100% because of rounding)

Eligible votes to cast: 2,952

% of eligible votes cast: 100%

% of votes with management: 91.6%

% of votes against management: 8.2%

% of votes withstained from: 0.2%

Most significant votes cast

Company: Autozone Inc.

Approximate % size of holding (as a % of investment in the strategy): 0.6%

Resolution: Report on GHG Targets and Alignment with Paris Agreement (Climate)

Vote cast: For. Management was not informed of the manager's voting decision prior to the vote.

Rationale for voting decision: The manager believes that adoption of this proposal will better ensure the Company's resilience to climate-related disruptions.

Outcome of the vote: The resolution was approved.

Rationale for inclusion as a significant vote: The manager has outlined this to be a significant vote because it is the resolution that had the eighth highest percent of shareholders voting against management's recommendation within the reporting period. The Trustees believe this to be a significant vote because it believes climate change represents one of the single biggest sustainability risks and therefore supports increased attention and disclosure in this area. The Trustees believe that increased disclosures on climate risks are in members' best interests because of the physical and transition risks that climate change represents to members within the Fund.

Use of proxy voting: The manager uses GL as a proxy administrator to vote proxies on behalf of the various funds and accounts it manages. The manager votes in line with GL's proxy voting guidelines which can be viewed at: www.glasslewis.com/guidelines.

Type of voting policy followed (Trustee or manager specific): Manager specific. The Trustees do not have a bespoke voting policy in place for the strategy given the strategy is a pooled fund. However the strategy to which the Trustees invest is highly rated by the Fund's investment consultant who regards the manager to be best in class and to have appropriate voting and engagement policies in place on behalf of investors. The Trustees approach is to review the information provided by the

Fund's investment consultant on voting as part of reviewing the Fund's annual implementation statement. If the Trustees or the Fund's investment consultant deem that the manager has an unsatisfactory approach to stewardship they will engage with the manager to encourage them to improve their practice.

Manager voting policy: https://reporting.unpri.org/Download.aspx?id=3ee5e410-54c6-4994-b646-a920021273b3

Additional voting information to be provided by the manager? No further information to be provided

Manager Name & Strategy: Brown Advisory Global Leaders Fund

Voting activity for strategy (please note some of the figures below may not sum to 100% because of rounding)

Eligible votes to cast: 387

% of eligible votes cast: 100%

% of votes with management: 89.9%

% of votes against management: 10.1%

% of votes withstained from: 0.0%

Most significant votes cast

Company: Booking Holdings Inc.

Approximate % size of holding (as a % of investment in the strategy): 2.6%

Resolution: Report on Annual Climate Transition

Vote cast: For. Management was not informed of the manager's voting decision prior to the vote.

Rationale for voting decision: Brown believe that voting for this shareholder proposal was warranted as additional information on the company's climate transition plan would allow shareholders to better assess the climate change risk management practices of the company. This was against the management recommendation

Outcome of the vote: The resolution was passed.

Rationale for inclusion as a significant vote: Determined by the judgement of relevant investment professionals and the ESG research teams based on exposure, relationship to investment thesis, and other relevant factors.

Use of proxy voting: The manager uses ISS's research and takes this into consideration when determining how to vote.

Type of voting policy followed (Trustee or manager specific): Manager specific. The Trustees do not have a bespoke voting policy in place for the strategy given the strategy is a pooled fund. However the strategy to which the Trustees invest is highly rated by the Fund's investment consultant who regards the manager to be best in class and to have appropriate voting and engagement policies in place on behalf of investors. The Trustees approach is to review the information provided by the Fund's investment consultant on voting as part of reviewing the Fund's annual implementation statement. If the Trustees or the Fund's investment consultant deem that the manager has an unsatisfactory approach to stewardship they will engage with the manager to encourage them to improve their practice.

Manager voting policy: https://www.brownadvisory.com/sites/default/files/Proxy%20Voting%20Policy_0.pdf

Additional voting information to be provided by the manager? No further information to be provided

Manager Name: LGIM

Strategy: LGIM MSCI World Adaptive Capped 2x Index Fund

Voting activity for strategy (please note some of the figures below may not sum to 100% because of rounding)

Eligible votes to cast: 22,576

% of eligible votes cast: 99.8%

% of votes with management: 79.4%

% of votes against management: 20.3%

% of votes withstained from: 0.3%

Most significant votes cast

Company: ExxonMobil

Approximate % size of holding (as a % of investment in the strategy): 0.2%

Resolution: Elect Director Geoffry Goff

Vote cast: For. LGIM publicly communicates its vote instructions on its website with the rationale for all votes against management. It is their policy not to engage with our investee companies in the three weeks prior to an AGM as their engagement is not limited to shareholder meeting topics.

Rationale for voting decision: In 2019, ExxonMobil was removed from select LGIM strategies, sanctions applied under LGIM's Climate Impact Pledge engagement programme. LGIM acknowledges steps taken by the company around carbon disclosure and targets, but remain concerned with the strength of the Exxon's sustainability and capital-allocation strategy, as the risks of the energy transition become increasingly apparent. That is why LGIM support activist investor Engine No. 1's proposals for board refreshment, as the experience and skills of the proposed four candidates would, in their view, make a positive contribution to board effectiveness and oversight, providing much-needed constructive challenge at a time of industry disruption.

Outcome of the vote: The resolution was passed.

Rationale for inclusion as a significant vote: LGIM consider this vote to be significant as they took the rare step of publicly pre-declaring it before the shareholder meeting. Publicly pre-declaring their vote intention is an important tool for our engagement activities. LGIM decide to pre-declare their vote intention for a number of reasons, including as part of our escalation strategy, where we consider the vote to be contentious, or as part of a specific engagement programme.

<u>Strategy: LGIM Heitman Global Prime Property Securities Fund</u>

Voting activity for strategy (please note some of the figures below may not sum to 100% because of rounding)

Eligible votes to cast: 1,052

% of eligible votes cast: 100.0%

% of votes with management: 84.8%

% of votes against management: 15.0%

% of votes withstained from: 0.2%

Most significant votes cast

Company: PSP Swiss Property AG

Approximate % size of holding (as a % of investment in the strategy): 1.43%

Resolution: Reelect Luciano Gabriel as Board Chairman

Vote cast: Against. LGIM publicly communicates its vote instructions on its website with the rationale for all votes against management. It is their policy not to engage with our investee companies in the three weeks prior to an AGM as their engagement is not limited to shareholder meeting topics.

Rationale for voting decision: A vote against is applied as LGIM expects a company to have a diverse board, with at least 25% of board members being women. They expect companies to increase female participation both on the board and in leadership positions over time.

Outcome of the vote: The resolution was passed.

Rationale for inclusion as a significant vote: LGIM views gender diversity as a financially material issue for our clients, with implications for the assets we manage on their behalf.

Strategy: LGIM AAA-AA-A Corporate Bond All Stocks Index Fund

Voting activity for strategy (please note some of the figures below may not sum to 100% because of rounding)

Eligible votes to cast: 3

% of eligible votes cast: 100.0%

% of votes with management: 100.0%

% of votes against management: 0.0%

% of votes withstained from: 0.0%

LGIM noted that there were no significant votes made in relation to the securities held by this fund in the period 1 April 2021- 31 March 2022.

Strategy: LGIM RAFI Fundamental Global Reduced Carbon Pathway Equity Index Fund

Voting activity for strategy (please note some of the figures below may not sum to 100% because of rounding)

Eligible votes to cast: 43,863

% of eligible votes cast: 99.7%

% of votes with management: 80.6%

% of votes against management: 18.6%

% of votes withstained from: 0.8%

Most significant votes cast

Company: Apple Inc.

Approximate % size of holding (as a % of investment in the strategy): 2.5%

Resolution: Report on Civil Rights Audit

Vote cast: For. LGIM publicly communicates its vote instructions on its website with the rationale for all votes against management. It is their policy not to engage with our investee companies in the three weeks prior to an AGM as their engagement is not limited to shareholder meeting topics.

Rationale for voting decision: A vote in favour is applied as LGIM supports proposals related to diversity and inclusion policies as they consider these issues to be a material risk to companies.

Outcome of the vote: The resolution was passed

Rationale for inclusion as a significant vote: LGIM views gender diversity as a financially material issue for their clients, with implications for the assets we manage on their behalf.

Strategy: LGIM World Developed Equity Index Fund

Voting activity for strategy (please note some of the figures below may not sum to 100% because of rounding)

Eligible votes to cast: 30,430

% of eligible votes cast: 99.9%

% of votes with management: 80.2%

% of votes against management: 19.6%

% of votes withstained from: 0.3%

Most significant votes cast

Company: AT&T

Approximate % size of holding (as a % of investment in the strategy): 0.4%

Resolution: Advisory vote to Ratify name executive officers' compensation

Vote cast: Against. LGIM publicly communicates its vote instructions on its website with the rationale for all votes against management. It is their policy not to engage with our investee companies in the three weeks prior to an AGM as their engagement is not limited to shareholder meeting topics.

Rationale for voting decision: LGIM identified serious issues with the structure and quantum of AT&T's executive remuneration. In particular, the $48 million sign-on equity award to the incoming CEO of its Warner Media division and a $9 million retention grant to the General Counsel of $9 million USD. The awards and payments made by AT&T did not meet LGIM's expectations of fair and balanced remuneration both in respect to their magnitude and the lack of performance criteria.

Outcome of the vote: The resolution did not pass.

Rationale for inclusion as a significant vote: LGIM considers this vote to be significant as a majority of investors (51.7%) voted against the advisory resolution, sending a strong signal to management that its remuneration policy needs revision.

Use of proxy voting: LGIM's Investment Stewardship team uses ISS's 'ProxyExchange' electronic voting platform to electronically vote clients' shares. All voting decisions are made by LGIM and LGIM do not outsource any part of the strategic decisions. To ensure LGIM's proxy provider votes in accordance with LGIM's position on ESG, LGIM have put in place a custom voting policy with specific voting instructions.

Type of voting policy followed (Trustee or manager specific): Manager specific. The Trustees do not have a bespoke voting policy in place for the strategy given the strategy is a pooled fund. However the strategy to which the Trustees invest is highly rated by the Fund's investment consultant who regards the manager to be best in class and to have appropriate voting and engagement policies in place on behalf of investors. The Trustees approach is to review the information provided by the Fund's investment consultant on voting as part of reviewing the Fund's annual implementation statement. If the Trustees or the Fund's investment consultant deem that the manager has an unsatisfactory approach to stewardship they will engage with the manager to encourage them to improve their practice.

Manager voting policy: https://www.lgim.com/uk/en/capabilities/investment-stewardship/

Section 5: Summary and conclusions

We consider that all engagement policies and principles within the Fund's SIP were adhered to over the Fund Year.