



MONTAGUE L MEYER PENSION FUND
2023 IMPLEMENTATION STATEMENT

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Implementation Statement

Montague L Meyer Pension Fund

Purpose of this statement

This implementation statement has been produced by the Trustee of the Montague L Meyer Pension Fund ("the Scheme") to set out the following information over the year to 31 March 2023:

- How the Trustee's policies on exercising rights (including voting rights) and engagement, as set out in the Scheme's Statement of Investment Principles (SIP), have been followed over the year.
- A summary of any changes to the SIP over the period.
- How the SIP has been followed over the year.
- The voting activity undertaken by the Scheme's investment managers on behalf of the Trustee over the year, including information regarding the most significant votes.

Please note investment managers typically report on voting data based on calendar quarters. As such, the voting information within this Statement relates to the 12 months to 31 March 2023, rather than the 12 months to 30 April 2023 (the Scheme's year-end).

Stewardship policy

The Trustee's Statement of Investment Principles in force at March 2023 describes the Trustee's stewardship policy on the exercise of rights (including voting rights) and engagement activities. The version in force at the year-end was last reviewed in August 2020, however the Trustee is currently updating this to reflect the revised investment strategy in June 2023. The latest version has been made available online here:

https://meyertimber.com/uploads/2_MLM_Defined_Benefit_Statement_of_Investment_Principles.pdf

At this time, the Trustee has not set stewardship priorities or themes for the Scheme but will be considering the extent that they wish to do this in due course, in line with other Scheme risks.

How voting and engagement/stewardship policies have been followed

Based on the information provided by the Scheme's investment managers, the Trustee believes that its policies on voting and engagement have been met in the following ways:

- The Scheme invests entirely in pooled funds, and as such delegates responsibility for carrying out voting and engagement activities to the Scheme's fund managers.
- The Trustee, with input from their investment consultant, annually receives and review (through their Implementation Statement), the voting information and engagement policies of their investment managers to ensure alignment with their own policies. The Trustee believes that the voting and engagement activities undertaken by the investment managers on their behalf have been in the members' best interests.

- Having reviewed the above in accordance with their policies, the Trustee is comfortable the actions of the investment managers are in alignment with the Scheme's stewardship policies.

How the SIP has been followed over the year

In the Trustee's opinion, the SIP has been followed over the year in the following ways:

- The Trustee monitors the performance of the fund managers to ensure that they are meeting their stated objectives. Their investment consultant provides updates at Trustee meetings to assist with this process.
- The Trustee reviews the appropriateness of the investment strategy on an ongoing basis and conducts formal strategy reviews periodically. An investment strategy review took place across 2022 and 2023 for the Defined Benefit (DB) Section of the Scheme. Implementation of the updated investment strategy was completed after the Scheme year end date (31 March 2023).
- The Trustee held the view that the funds invested in were managed over the year in accordance with their views on financially material factors.
- The SIP is reviewed alongside any changes to underlying funds or investment strategy (and at least every three years). The SIP is currently being updated to reflect changes to the investment strategy which took place after the Scheme year end. The SIP was previously reviewed in August 2020 to reflect new regulation in relation to documenting manager arrangements and providing an extended stewardship policy.
- The Trustee made no new manager appointments over the year.

Approved by the Trustee of the Montague L Meyer Pension Fund on 23 November 2023

Voting Data

This section provides a summary of the voting activity undertaken by the investment managers within the Scheme's Portfolio on behalf of the Trustee over the year to 31 March 2023. The Leveraged Liability Driven Investment (LDI) and corporate bond holdings with Legal & General Investment Management ("LGIM") have no voting rights.

Manager	BlackRock	Schroders
Fund name	BlackRock Dynamic Diversified Growth Fund	Schroder Life Diversified Growth Fund
Structure	Pooled	
Ability to influence voting behaviour of manager	The pooled fund structure means that there is limited scope for the Trustee to influence the manager's voting behaviour.	
No. of eligible meetings	893	1,290
No. of eligible votes	11,775	15,823
% of resolutions voted	92%	95%
% of resolutions abstained	1%	0%
% of resolutions voted with management¹	94%	89%
% of resolutions voted against management¹	5%	10%
Proxy voting advisor employed^{1*}	Institutional Shareholders Services (ISS) and Glass Lewis	Institutional Shareholders Services (ISS)
% of resolutions voted against proxy voter recommendation	0%	2%

Source: BlackRock, Schroders

*BlackRock noted that they do not follow any single proxy research firm's voting recommendations and in most markets, they primarily use the proxy research firms to synthesise corporate governance information and analysis into a more useable format for their investment stewardship analysts to identify and prioritise those companies where their own additional research and engagement would be beneficial.

¹ As a percentage of the total number of resolutions voted on

Significant votes

The change in Investment and Disclosure Regulations that came into force from October 2020 requires information on significant votes carried out on behalf of the Trustee over the year to be set out. The guidance does not currently define what constitutes a "significant" vote. However, recent guidance states that a significant vote is likely to be one that is linked to one or more of a scheme's stewardship priorities or themes.

At this time, the Trustee has not set stewardship priorities or themes for the Scheme, but will be considering the extent that they wish to do this in due course, in line with other Scheme risks. So, for this Implementation Statement, the Trustee has asked the investment managers to determine what they believe to be a "significant vote". The Trustee has not communicated voting preferences to their investment managers over the period, as the Trustee is yet to develop a specific voting policy. In future, the Trustee will consider the most significant votes in conjunction with any agreed stewardship priorities or themes.

BlackRock and Schroders have provided a selection of over 80 and 1000 votes, respectively, which they believe to be significant. In the absence of agreed stewardship priorities or themes, as well as approximate sizes of holdings, the Trustee has selected 3 votes that cover a range of themes to represent what it considers the most significant votes cast on behalf of the Scheme.

A summary of the significant votes provided is set out below.

BlackRock, Dynamic Diversified Growth Fund

	Vote 1	Vote 2	Vote 3
Company name	Petroleo Brasileiro SA	Santos Limited	Equinor ASA
Date of vote	13 April 2022	3 May 2022	11 May 2022
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	Data not provided by the manager		
Summary of the resolution	Percentage of Votes to Be Assigned - Elect Marcio Andrade Weber as Independent Director	Approve the Amendments to the Company's Constitution	Increase Investments in Renewable Energy, Stop New Exploration in Barents Sea, Discontinue International Activities and Develop a Plan for Gradual Closure of the Oil Industry
How the manager voted	Abstain	Against	Do Not Vote
Rationale for the voting decision	Abstain due to lack of sufficient information at the time of voting	Shareholder proposals best facilitated through regulatory changes	BlackRock believe the proposal is not in shareholders' best interests
Outcome of the vote	Pass	Fail	Fail
Implications of the outcome	Data not provided by the manager		
Criteria on which the vote is considered "significant"	Data not provided by the manager		

Schroders, Schroder Life Diversified Growth Fund

	Vote 1	Vote 2	Vote 3
Company name	Broadcom Inc.	Salesforce, Inc.	KLA Corporation
Date of vote	4 April 2022	9 June 2022	2 Nov 2022
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	Data not provided by the manager		
Summary of the resolution	Elect Director Harry L. You	Oversee and Report a Racial Equity Audit	Report on GHG Emissions Reduction Targets Aligned with the Paris Agreement Goal
How the manager voted	Against	For	For
Rationale for the voting decision	Nominee sits on a number of external boards which Schroders believe may impact their role	Schroders believe such a report will help to identify any shortcomings in the company's policy and practice in relation to racial equity and inclusion	Schroders believe the proposal to be in the best interest of shareholders to better understand how the company is managing its transition.
Outcome of the vote	Pass	Fail	Fail
Implications of the outcome	Data not provided by the manager		
Criteria on which the vote is considered "significant"	Vote relates to governance and is a vote against management	Vote relates to environmental & social themes, governance and is a vote against management	Vote relates to environmental & social themes and is a vote against management

Fund level engagement

The investment managers may engage with investee companies on behalf of the Trustee. The table below provides a summary of the engagement activities undertaken by each manager during the year for the relevant funds.

Engagement activities are limited for the Scheme's LDI funds due to the nature of the underlying holdings, so engagement information for these assets have not been shown.

Manager	LGIM		Schroder	BlackRock
Fund name	Active Corporate Bond - All Stocks - Fund	Absolute Return Bond Fund	Schroder Life Diversified Growth Fund	Dynamic Diversified Growth Fund
Number of engagements undertaken on behalf of the holdings in this fund in the year	91	133	>1,000	383
Number of entities engaged on behalf of the holdings in this fund in the year	40	69	>600	222

Manager	LGIM	Schroder	BlackRock
Number of engagements undertaken at a firm level in the year	1,088	>2,800	3,963

Examples of engagement activity undertaken over the year to 31 March 2023

Manager	Engagement example
LGIM	<p>Macquarie Asset Management</p> <p>LGIM arranged a call with Macquarie Asset Management, Southern Water's majority shareholder, to share its views following press attention towards UK water companies and their focus on environmental performance. This builds on LGIM's previous engagement, including with management at other companies in the sector such as Thames Water and with the regulator, Ofwat. LGIM also signed up to the Ceres investor-led 'Valuing Water Finance Initiative', aimed at engaging water users and polluters to address water risks and protect this precious and essential natural resource.</p> <p>LGIM continues to limit its exposure to the bonds of weaker companies in the sector, pending evidence on progress on operational and financial issues. Press reports indicate that Thames Water has hired advisors to explore financing options. LGIM directly engages when companies are marketing bonds, and also amplifies its voice through its leading role with other sector stakeholders such as regulators and industry bodies as part of LGIM's broader aim to improve ESG factors at individual companies and across global markets.</p>
Schroders	<p>Ubisoft Entertainment</p> <p>Schroders engaged with Ubisoft Entertainment on the topic of board gender diversity. Schroders expect to see improving trends in percentage of women in the workforce, management and board in line with company targets.</p> <p>Following these engagements, the percentage of females at Ubisoft Entertainment in the workforce, management, top management all increased from March 2020 to March 2021. In addition, board gender diversity increased. Schroders have marked the company as "almost" as they want to see sustained improvement.</p>
BlackRock	<p>BlackRock's engagement topics include:</p> <p>Board Composition & Effectiveness, Board Gender Diversity, Business Oversight/Risk Management, Effective Management, Corporate Strategy, Governance Structure, Remuneration, Climate Risk Management, Environmental Impact Management, Operational Sustainability, Human Capital Management and Social Risks and Opportunities.</p>

Montague L Meyer Pension Fund - Defined Contribution Section

Statement of Investment Principles - Implementation Statement

The purpose of this Statement is to provide information, which is required to be disclosed in accordance with the Occupational and Personal Pension Schemes (Disclosure of Information) Regulations 2013, as subsequently amended, including amendments to transpose the EU Shareholder Rights Directive (SRD II) into UK law. In particular, it confirms how the investment principles, objectives and policies of the Trustee's Statement of Investment Principles (SIP) dated September 2020 for the DC section have been implemented. The SIP provides further background details on investment arrangements and should be read in conjunction with the Trustee's Chair's Statement dated 30 April 2023.

It also includes the Trustee's voting and engagement policies, as well as details of any review of the SIP during the year, subsequent changes made with the reasons for the changes (if any). A description of the voting behaviour during the year, either by or on behalf of the Trustee, or if a proxy voter was used, is also included within this Statement.

This Statement covers the period 1 May 2022 to 30 April 2023.

Investment objectives of the Scheme

The Trustee's investment objectives with regard to investing the Scheme's assets as set out on page 5 of the September 2020 DC SIP are:

- To provide a range of funds which broadly satisfies the differing risk profiles of all members;
- To provide a suitable default investment option for members who do not select their own funds, designed to be appropriate for what the Trustees believe to be a typical scheme member;
- To operate a range of life-styling options to cater for members' different needs and timescales.

Investment managers and funds in use

In alignment with the Scheme's investment objectives, the Trustee has put into effect the strategic asset allocation for the DC Section outlined in the table below:

DC Section

Asset Class	Manager	Fund
Global Equities	LGIM	LGIM Global Equity (70:30) Index Fund
	LGIM	LGIM Global Equity Fixed Weights (50:50) Index Fund
	LGIM	UK Equity Index Fund
Diversified Growth Funds	LGIM	LGIM Diversified Fund
Cash	LGIM	LGIM Cash Fund
Investment Grade Credit	LGIM	LGIM AAA-AA-A Corporate Bond All Stocks Index Fund
Government Bonds	LGIM	LGIM Over 15 Year Gilts Index Fund
	LGIM	LGIM Over 5 Year Index-Linked Gilts Index Fund

Source: Underlying investment manager and Broadstone calculations.

The Default Lifestyle Strategy targets cash at retirement, and is set out below:

DC Section – Default Lifestyle Strategy

Period prior to member's normal retirement age	Investment Approach
Up to 10 years prior to Normal Retirement Age	The approach invests 75% in the Global Equity Fixed Weights (50:50) Index Fund and 25% in the LGIM Diversified Growth Fund.
From 10 years before Normal Retirement Age	The investments are gradually switched into less risky assets so that by age 65 the holdings are invested 100% in the Cash Fund.

Review of the Investment Strategy

The Trustee periodically reviews the investment arrangements of the DC Section. The latest review conducted in November 2022 included a review of the lifestyle strategies and a value for members assessment.

It was deemed appropriate that the default strategy for members continues to target cash at retirement, based on the preferences of the membership profile of the Scheme. In addition, it was proposed that retaining all four of the current lifestyle strategies for existing members was appropriate as the three current alternative lifestyle strategies deliver adequate choice for members in terms of offering different timescales in which to begin de-risking towards retirement.

Investment Governance

DC Section

The Trustee is responsible for making investment decisions and seeks advice as appropriate from Broadstone Pensions Limited ('Broadstone'), as the Trustee's investment consultant.

Governance arrangements, in terms of the constitution of the trustee board, service level agreements with providers, processing of core financial transactions, costs and charges and investment arrangements, are detailed in the Chair's Statement.

The Trustee does not actively obtain views of the membership of the Scheme to help form their policies set out in the SIP as the Scheme is comprised of a diverse membership, which the Trustee expects to hold a broad range of views on ethical, political, social, environmental, and quality of life issues.

There were no changes to the objectives put in place for Broadstone which were last reviewed in November 2022. The Trustee is due to formally review these objectives by November 2025 or earlier.

Trustee Knowledge and Understanding

DC Section

The Trustee board has the appropriate knowledge and understanding to ensure its policies on financially and non-financially material considerations, as well as engagement and voting activities, are and remain appropriate for the Scheme. The Trustee has developed their knowledge and understanding over the year, and further details are set out in the Chair's Statement in the section "Trustee Knowledge and Understanding".

The Trustee Board is represented by an independent professional trustee (ZEDRA Governance Ltd.).

Review of the SIP

The Trustee last reviewed the Statement of Investment Principles (SIP) for the DC Section in September 2020, which were updated to include the Trustee's policies in relation to their arrangements with asset managers:

- How managers are incentivised and remunerated
- How performance is monitored
- Cost monitoring
- Frequency of manager reviews

The Trustee has a policy on financially material considerations relating to ESG issues, including the risk associated with the impact of climate change. In addition, the Trustee has a policy on the exercise of rights and engagement activities, in addition to non-financially material considerations. These policies are set out later in this Statement and are detailed in the Trustee's SIP.

The Trustee's policies on financially and non-financially material considerations, as well as engagement and voting activities, were not updated in the SIP in force during the year.

Trustee Policies

The table below sets out how, and the extent to which, the relevant policies in the Scheme's SIP have been followed:

Requirement	Policy	Implementation of Policy
Financially and Non-Financially Material Considerations	<p>The Trustee believes that good stewardship and environmental, social and governance ("ESG") issues may have a material financial impact on investment returns.</p> <p>The Trustee has given each individual fund manager their full discretion when evaluating ESG issues and in exercising rights, engagement activities, and stewardship obligations attached to the Scheme's investments. However, the extent to which these factors are taken into account by the managers in the selection, retention and realisation of investments is considered by the Trustee as part of the process of selecting organisations with which to invest. The Trustee reserves the right to request from the manager information regarding their actions.</p> <p>The Trustee has taken into consideration the Financial Reporting Council's UK Stewardship Code, and the investment managers all have stated corporate governance policies which comply with these principles. The Trustee does not take any non-financial matters into account in the selection, retention and realisation of investments.</p>	No deviation from this policy over the year to 30 April 2023
Voting Rights and Engagement	The Scheme's voting rights are exercised by each fund manager in accordance with their own corporate governance policies, and taking account of current best practise including the UK Corporate Governance Code and the UK Stewardship Code. The Trustee reserves the right to request from the manager information regarding their voting record.	No deviation from this policy over the year to 30 April 2023

Financially and non-financially material considerations

The Trustee notes that the manner by which financially material ESG factors will be taken into account in an investment strategy or pooled fund offering will depend on the underlying asset classes within the pooled fund offering and the management style (e.g. active or passive).

The Trustee is satisfied that the funds currently invested in by the Scheme are managed in accordance with their views on financially material considerations, as set out below, and in particular with regards to the selection, retention, and realisation of the underlying investments held.

This position is monitored periodically. As part of the monitoring process, the Trustee has access to updates on governance and engagement activities by the investment manager, and input from their investment advisors on ESG matters. These views are also taken into account when appointing and reviewing an investment manager.

The Trustee acknowledges that they are delegating the consideration of financially material factors in relation to determining the underlying holdings to their investment manager, given they are investing in pooled funds.

The Trustee invests across a range of asset classes and styles. The Trustee expects the investment manager to take into account ESG considerations by engaging with the underlying companies and where relevant, by exercising voting rights on these companies.

A summary of the Trustee's views for each asset class in which the Scheme invests is outlined below:

Asset Class	Actively or Passively Managed?	Comments
Global equities	Passive	The Trustee acknowledges that the investment manager must invest in line with specified indices and, therefore, may not be able to disinvest from a particular security if they have concerns relating to ESG. The Trustee also expects the investment manager to engage with their investee companies on ESG issues in order to promote sustainable long term investment returns. This is done by exercising any voting rights attached to the equity investments and engaging directly with investee companies.
Diversified Growth Funds	Active	The Trustee expects the investment manager to take financially material ESG factors into account, given the active management style of the fund and the ability of the manager to use its discretion to generate higher risk adjusted returns. The Trustee also expects its investment manager to engage with the underlying investee companies, where possible, although it appreciates that fixed income assets within the portfolio do not typically attract voting rights.
Government Bonds	Passive	The Trustee believes there is less scope for the consideration of ESG issues to improve risk-adjusted returns in this asset class because of the nature of the investment.
Cash	Passive	The Trustee believes there is limited scope for the consideration of ESG issues to improve risk-adjusted returns in this asset class because of the nature of the investment.
Investment Grade Credit	Passive	The Trustee acknowledges that the investment manager must invest in line with specified indices and, therefore, may not be able to disinvest from a particular security if they have concerns relating to ESG. The Trustee does expect its investment manager to engage with investee companies, where possible, although they appreciate that fixed income assets do not typically attract voting rights.

Voting rights and engagement activities

The Trustee currently invests in pooled investment funds with the investment manager, and they acknowledge that this limits their ability to directly influence the investment manager. In particular, all voting activities have been delegated to the investment manager, as the Trustee does not have any legal right to vote on the underlying holdings, given the pooled nature of the Scheme's investments.

The Trustee has employed Broadstone to assist them in monitoring the voting and engagement activities of their investment manager. The Trustee, with the assistance of Broadstone, concluded that the voting and engagement activity of their investment manager are in line with their policy on voting and engagement.

A summary of the votes made by the investment manager during the Scheme year on behalf of the Trustee (where the investment owns equities) is provided in the tables below. The analysis is based on the latest information available from the investment manager.

Manager	Fund	Resolutions voted on	Total Resolutions Voted:		
			For	Against	Abstained
LGIM**	Global Equity (70:30) Index Fund	70709**	81%	18%	1%
LGIM*	Global Equity Fixed Weights (50:50) Index Fund	41033*	82%	18%	~0%
LGIM*	UK Equity Index Fund	10863*	94%	6%	0%
LGIM**	Diversified Growth Fund	92660**	77%	23%	~0%

*The latest data provided by LGIM is for the period 1 April 2022 to 31 March 2023. **The latest data provided by LGIM is for the period 1 July 2022 to 30 June 2023.

Information regarding proxy voting is detailed below:

- **LGIM** uses ISS's 'ProxyExchange' electronic voting platform for proxy voting services.

Significant votes

The Trustee has requested details of the significant votes made on behalf of the Trustee by the investment manager. In determining significant votes, the investment manager will take into account the criteria provided by the Pensions & Lifetime Savings Association (PLSA) guidance. This includes but is not limited to:

- High profile vote which has such a degree of controversy that there is high client and/or public scrutiny;
- Significant client interest for a vote: directly communicated by clients to the Investment Stewardship team at annual Stakeholder roundtable event, or where we note a significant increase in requests from clients on a particular vote;
- Sanction vote as a result of a direct or collaborative engagement;
- Vote linked to an engagement campaign, in line with Investment Stewardship's 5-year ESG priority engagement themes.

The Trustee has highlighted a significant vote below which has been undertaken on their behalf over the scheme year:

SIGNIFICANT VOTE 1 – LGIM	
Company	<u>Royal Dutch Shell Plc</u>
Date	24 May 2022
% of portfolio invested in firm	3.4% (Global Equity Fixed Weights (50:50) Index Fund)
Resolution	Resolution 20 - Approve the Shell Energy Transition Progress Update
Why significant	LGIM considers this vote significant as it is an escalation of our climate-related engagement activity and our public call for high quality and credible transition plans to be subject to a shareholder vote.
How voted	Against (in line with management)
Manager Comments	<i>"Climate change: A vote against is applied, though not without reservations. We acknowledge the substantial progress made by the company in strengthening its operational emissions reduction targets by 2030, as well as</i>

	<i>the additional clarity around the level of investments in low carbon products, demonstrating a strong commitment towards a low carbon pathway. However, we remain concerned of the disclosed plans for oil and gas production and would benefit from further disclosure of targets associated with the upstream and downstream businesses.”</i>
Vote outcome	Pass (80%)

Engagement activities

The notable engagement activities of the investment manager over the last 12 months is provided below:

- **LGIM** engaged with Macquarie Asset Management, Southern Water’s majority shareholder, to share its views on the topic of water pollution in the UK. This builds on LGIM’s engagement over recent months, including with management at other companies in the sector such as Thames Water and with the regulator, Ofwat. In the first quarter of 2023, LGIM also signed up to the Ceres investor-led ‘Valuing Water Finance Initiative’, aimed at engaging water users and polluters to address water risks and protect this precious and essential natural resource.

Signatories to the UNPRI (United Nations Principles for Responsible Investment) will receive an overall ‘score’ which represents how well ESG metrics are incorporated into managers’ investment processes. The investment managers will submit a transparency report on their processes across different categories which is then assessed by the UNPRI and graded in a formal report.

For the 2021 UNPRI Assessment Reports, scores are presented as a ‘star’ rating ranging from 1 to 5, with more stars representing a higher score.

The latest available UNPRI scores of the Investment Manager are outlined in the table below:

Manager	UNPRI Score
LGIM	★★★★★
<i>Median</i>	★★★

The Trustee also considers the investment managers’ policies on stewardship and engagement when selecting and reviewing an investment manager.

Monitoring of Investment Arrangements

In addition to any reviews of investment managers or approaches, and direct engagement with the investment manager (as detailed above), the Trustee receives performance reports on a regular basis from the investment manager to ensure the investment objectives set out in their SIP are being met.

Approved by the Trustee of the Montague L Meyer Pension Fund on 23 November 2023