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| Aberystwyth University  Pension & Assurance Scheme (the ‘Scheme’) |
| Implementation Statement  October 2024 |

Introduction

The Trustee is required to make publicly available online a statement (“the Implementation Statement”) covering the Aberystwyth University Pension & Assurance Scheme (the ‘Scheme’) in relation to the Scheme’s Statement of Investment Principles (the “SIP”).

This Implementation Statement relates to the legacy strategy that was in force under the advice of Mercer Limited (‘Mercer’) (referred to as the Investment Consultant throughout this document) until June 2024. The Trustees of the Aberystwyth University Pension & Assurance Scheme have since appointed Schroders IM Limited (‘Schroders’) as their Investment Manager and Adviser. This document outlines how the Engagement Policy in the Statement of Investment Principles (SIP) was followed during the year to 31 July 2024, under the stewardship of Mercer. Moving forward, the Trustees will adopt Schroders' policies and strategies to ensure alignment with the Scheme’s long-term objectives and ESG priorities.

This Implementation statement sets out how, and the extent to which, the Engagement Policy in the Statement of Investment Principles (‘SIP’) produced by the Trustees, has been followed during the year to 31 July 2024.

This statement has been prepared in accordance with The Pension Protection Fund (Pensionable Service) and Occupational Pension Schemes (Investment and Disclosure) (Amendment and Modification) Regulations 2018 (as amended) and the guidance published by the Pensions Regulator. This statement does not include Additional Voluntary Contributions as these are not considered significant in relation to the overall investments of the Scheme.

# Investment Objectives of the Scheme

The Trustees believe it is important to consider the policies in place in the context of the investment objectives they have set. The Trustees’ objective, as set out in the SIP, is to invest the Scheme’s assets in the best interests of the members and beneficiaries. Within this framework, the Trustees have agreed several objectives to help guide them in their strategic management of the assets and control of the various risks to which the Scheme is exposed.

The Trustees’ investment policy is guided by their aim to generate an investment return, over the long-term, which is consistent with the long-term actuarial assumptions under which the funding plan has been agreed. The Trustees are prepared to take some risks to achieve this objective, including investing in equities, alternative assets and non-government bonds, and by using active fund managers to manage some of the Scheme’s assets. The Trustees’ ability and willingness to take such risk is subject to the principles outlined in Section 5 of the SIP.

# Review of the SIP

The Trustees reviewed the Scheme’s SIP over the year under review. The SIP was updated to reflect the Trustees’ key stewardship priorities, as well as to expand upon the list of risks to which the Scheme is exposed. The SIP was last signed in November 2023. Following the appointment of Schroders as investment Manager and Advisor the SIP is in the process of being updated and is expected to be agreed in October 2024.

# Policy on ESG, Stewardship and Climate Change

The Scheme’s SIP includes the Trustees’ policy on ESG factors, including stewardship and climate change. This policy sets out the Trustees’ beliefs on ESG and climate change and the processes followed by the Trustees in relation to voting rights and stewardship. The Trustees do not consider non-financial matters when assessing the overall investment strategy and managers. Members' views (including those on non-financial matters, such as members' ethical views, which the Trustees consider to be separate from financial considerations such as financially material ESG issues) are not explicitly taken into account in the selection, retention and realisation of investments.

The Trustees have given the appointed investment managers full discretion in evaluating ESG factors, including climate change considerations, and exercising voting rights and stewardship obligations (including engagement) 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. Apart from those exercised by the investment managers on behalf of the Trustees, no additional engagement activities were undertaken and the Trustees do not use the direct services of a proxy voter.

The following work was undertaken during the year to 31 July 2024 relating to the Trustees’ policy on ESG factors, including stewardship and climate change, particularly focusing on how the Trustees’ engagement and voting policies were followed and implemented during the year. The Trustees are comfortable with the way the Scheme’s investment managers engaged (including the exercising of any voting rights) with investee companies during the Scheme year.

# Engagement and Voting Activity

The Trustees do not hold securities directly, but instead invest in pooled investment vehicles. The Scheme has no direct ownership of the underlying securities in which the pooled funds invest and therefore no voting rights in relation to the Scheme’s investments. The Trustees have given the investment managers full discretion for exercising the voting rights and stewardship obligations attached to the underlying investments of the funds. An investment performance report is reviewed by the Trustees on a quarterly basis, which includes the investment consultant’s general and ESG specific ratings for the strategies in which the Scheme invests. Should any of the investment consultant’s ratings be downgraded, the Trustees would review the reasons for the change. The Trustees might also decide to engage with the investment manager to understand if the manager’s ESG policies are still aligned with the Trustees’ policies. No such review was required over the year under review and the Trustees were satisfied that the investment consultant’s ESG ratings assigned to the strategies in which the Scheme invests remained acceptable.

In addition, the Trustees review the appointed investment managers’ policies and engagement activities (where applicable) on an annual basis and have considered the managers’ latest reporting in this regard over the course of the year. Several of the Scheme’s investment managers produce quarterly reports, which include details of ESG considerations and how the managers engage with underlying investee companies. The Trustees (with help from the investment consultant) will also consider how ESG factors are integrated into the manager’s decision-making process when implementing any new investments or manager appointments. The Trustees did not appoint any new managers over the period.

To implement the desired strategy, the Trustees appoint investment managers that are signatories to the UN Principles for Responsible Investment (‘PRI’) and the Financial Reporting Council’s UK Stewardship Code wherever this is possible. All the Scheme’s current managers are signatories to both the PRI and the UK Stewardship Code at the time of writing.

Following the Department of Work and Pensions’ consultation response and outcome regarding Implementation Statements on 17 June 2022, updated guidance was produced which is effective for all scheme year ends on or after 1 October 2022. The updated guidance requires trustees to include a description of what constitutes a significant vote within Implementation Statements (amongst other things). A significant vote is defined within the updated guidance as one that is linked to the Scheme’s stewardship priorities/themes, although a vote could also be significant for other reasons, e.g. due to the size of holding. The Trustees’ definition of what represents a significant vote is based on the following key stewardship priorities/themes:

* Climate change – For example, a vote requiring publication of a strategy that is aligned with the Paris

Agreement.

* Biodiversity – For example, a vote to influence a company to address the impact of biodiversity loss.
* Community outreach – For example, a vote that relates to how the entity interacts with the communities in which it operates.
* Board diversity – For example, a vote against the Chair of the nomination committee where the board is

not sufficiently diverse or a vote against a director who is not independent.

The Trustees determined these priorities based on their ESG beliefs, considering the University’s values, objectives and sustainability targets. The Trustees only consider a vote to be significant if it relates to a holding that represents at least 1% of the relevant fund (where data is available). The investment managers are aware of the Trustees’ policies on stewardship and engagement.

The remainder of this statement contains further information in relation to the voting and engagement activity carried out by the Scheme’s investment managers on the Trustees’ behalf over the course of the year.

Invesco

The Invesco Global Targeted Returns Fund closed in Q1 2024. However Invesco have provided the below information for the period from 31 July 2023 to the date of closure of the Fund.

The Invesco Global Targeted Returns Fund was eligible to vote at 24 meetings, which included 221 resolutions over the period. Of these resolutions, Invesco voted with management 96% of the time. None of the votes were deemed to be significant based on the Trustees’ definition of what constitutes a significant vote. The Trustees consider the following votes to be significant, based on the aforementioned definition of what the Trustees believe constitutes a significant vote.

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| **Company** | **Approx. size of holding** | **Stewardship priority** | **Summary of resolution** | **Date** | **How Invesco voted** | **Manager rationale** | **Outcome** |
| **Ming Yang Smart Energy Group Co., Ltd.** | >1% | Board diversity | Company resolutions to elect Directors | 20  September 2023 | For  (in line with management) | No significant concerns were identified. | Resolutions passed |

Insight

The Insight Broad Opportunities Fund seeks to generate long-term capital growth through dynamic allocation across a variety of asset classes. The strategy adopts a global macro approach and uses derivatives, market index-based securities, listed closed-end investment companies (direct holdings) and pooled funds to gain the desired exposure to each of the underlying asset classes.

The asset classes accessed in the strategy offer different ways to adopt a responsible investment approach. Insight use derivative instruments extensively and have long been proponents of developing these markets to support responsible investors. Following an extensive review of instruments, Insight began using ESG- screened equity derivatives early in 2020.

* In fixed income, to access certain exposures the strategy can invest in Insight-managed pooled vehicles. For such capabilities, ESG considerations are a fundamental part of Insight’s corporate and sovereign research and engagement processes.
* The strategy’s direct holdings in listed closed-end infrastructure companies provide a different scope for engagement than market-based exposures. In 2020, Insight collaborated with an external entity to develop a proprietary ESG questionnaire for the strategy’s infrastructure holdings. The questionnaire helps to assess ESG credentials across different sectors and to identify areas for future engagement. In relation to the portfolio’s 11 infrastructure holdings, Insight undertook 12 engagements during the 12-month period to the 30 June 2024.

As active owners of the strategy’s direct holdings, Insight exercise their stewardship role through regular engagement with investee management and company boards to discuss a range of relevant issues including governance, strategy and implementation of a responsible investment approach. The Insight Broad Opportunities Fund was eligible to vote at 12 meetings, which included 160 resolutions over the year to 30 June 2024. Of these resolutions, Insight voted with management 100% of the time. None of the votes were deemed to be significant based on the Trustees’ definition of what constitutes a significant vote.

Insight uses Minerva Analytics to analyse any resolutions against their specific voting policy templates. Minerva reviews each vote against Insight’s specific criteria and provides a recommendation for each item. Insight votes in line with the recommendations of the proxy-voting agent.

CBRE

As a property fund of funds, the underlying assets in which the Fund invests carry no voting rights. However, following a review of the Fund’s Sustainability Scorecard, which CBRE use as an internal tool to measure performance relative to other funds, CBRE identified potential areas for improvement. CBRE engaged with the underlying fund managers to understand how they would look to improve performance on a variety of ESG- related data points, including building certifications, net zero carbon targets, GRESB performance and utility data coverage. All the underlying fund managers provided sufficient responses to CBRE regarding the measures they would be undertaking to further improve ESG performance. CBRE note that engagement is increasingly limited for the Fund as it has been in wind down since March 2020.

Columbia Threadneedle

As a liability driven investment manager, the underlying assets in which the funds invest carry no voting rights and there is limited scope for engagement. However, Columbia Threadneedle has a strong engagement program with their counterparties and responsible investing is a core component of Columbia Threadneedle’s beliefs.

LGIM

As a bond manager, the underlying assets in which the funds invest carry no voting rights. However, as a firm, LGIM believe that responsible investing is crucial to mitigating risk, capturing opportunities and strengthening long-term returns. Active engagement with companies and policymakers is a key component of their approach.

The Trustee is satisfied that the voting and engagement activities undertaken by the Investment Consultant and the Underlying Investment Managers align with the stewardship priorities the Trustee has determined during the Scheme Year, hence the Trustee believe it has satisfactorily implemented the Stewardship Policy stated in the Scheme’s SIP.