

# *Implementation Statement, covering the Fund Year from 6 April 2022 to 5 April 2023*

The Trustee of the Fenwick Limited Superannuation Fund (the “Fund”) is required to produce a yearly statement to set out how, and the extent to which, the Trustee has followed the voting and engagement policies in its Statement of Investment Principles (“SIP”) during the Fund Year. This is provided in Section 1 below.

The Statement is also required to include a description of the voting behaviour during the Fund Year by, and on behalf of, the Trustee (including the most significant votes cast by the Trustee or on their behalf) and state any use of the services of a proxy voter during that year.

The Fund did not hold any listed equities either directly or via pooled funds over the period in question and therefore there were no voting opportunities over the period. More detail is provided in Section 3.

In preparing the Statement, the Trustee has had regard to the [guidance](#) on Reporting on Stewardship and Other Topics through the Statement of Investment Principles and the Implementation Statement, issued by the Department for Work and Pensions (“DWP’s guidance”) in June 2022.

## **1. Introduction**

No changes were made to the voting and engagement policies in the SIP during the Fund Year.

The Trustee has, in its opinion, followed the Fund’s voting and engagement policies during the Fund Year.

## **2. Voting and engagement**

The Trustee has delegated to the investment managers the exercise of rights attaching to investments, including voting rights, and engagement with relevant persons such as issuers of debt and equity, stakeholders and other investors about relevant matters such as performance, strategy, capital structure, management of actual or potential conflicts of interest, risks and ESG considerations. However, the Trustee takes ownership of the Fund’s stewardship by monitoring and engaging with managers as detailed below.

As part of its advice on the selection and ongoing review of the investment managers, the Fund’s investment adviser, LCP, incorporates its assessment of the nature and effectiveness of managers’ approaches to financially material considerations (including climate change and other ESG considerations).

The Trustee reviews Responsible Investment (“RI”) fund ratings for the Fund’s investments on a quarterly basis as part of their quarterly performance monitoring report. These ratings are based on managers’ approaches to ESG factors, voting and engagement and are based on LCP’s ongoing manager research programme. These ratings directly affect LCP’s manager and fund recommendations. The Trustee was happy with their review of the RI ratings over the year.

Following the introduction of DWP’s guidance, the Trustee agreed to set stewardship priorities to focus monitoring and engagement with their investment managers on specific ESG factors. In March 2023, the Trustee discussed and agreed stewardship priorities for the Fund which were:

- Climate change
- Corporate transparency

The Trustee communicated these priorities to its managers following Fund Year end.

The Trustee is conscious that responsible investment, including voting and engagement, is rapidly evolving and therefore expects most managers will have areas where they could improve. Therefore, the Trustee aims to have an ongoing dialogue with managers to clarify expectations and encourage improvements.

The Trustee agreed to invest in a new pooled fund, the LGIM Low Carbon Transition Fund (“the LCTF”) during the Fund Year. The Trustee already has investments with LGIM and is comfortable with LCP’s RI assessments of the shortlisted manager. In addition, the Trustee reviewed LCP’s RI assessment of the LCTF. The Trustee seeded the Fund’s investment in the LCTF following Fund Year end. The LCTF tracks an equity index that aims to provide broad exposure to global developed market equity markets, whilst tilting away from stocks that have a high exposure to fossil fuels and towards stocks that focus on green revenues and dynamic decarbonation plans. The focus on climate risks and opportunities aligns with the Trustee’s Stewardship priority of “climate change”.

### 3. Description of voting behaviour during the Fund Year

The Fund did not hold any listed equities either directly or via pooled funds over the period in question. The Fund gains equity exposure through its investments in LGIM's pooled Synthetic Leverage Equity funds. These funds gain equity exposure using derivatives that replicate the exposure of underlying equity indices. As such the Trustee and LGIM were not able to direct how votes are exercised and neither party used proxy voting services over the period in respect of the Fund's investments.

The Trustee contacted the Fund's asset managers who do not hold listed equities to ask if any of the assets held by the Fund had voting opportunities over the period. The managers confirmed there were none.

Therefore, there is no voting behaviour to report on in this Statement.

Following Fund Year end, the Trustee fully redeemed its investment in the Synthetic Leverage Equity funds and seeded a new investment in the LGIM LCTF. As the LCTF invests in physical equity, LGIM will have voting rights in relation to the underlying exposures. The Trustee will therefore report on voting behaviour of LGIM in respect of this fund in next year's Statement.