

Morgan Stanley UK Group Top Up Pension Plan (the 'Plan')

Annual Statement of Investment Principles Implementation Statement – 31 December 2022

Introduction

This statement, written for the benefit of the members of the Morgan Stanley UK Group Top Up Pension Plan (the "Plan"), sets out how, and the extent to which, the Statement of Investment Principles ('SIP') produced by the Trustee has been followed over the 12 months to 31 December 2022. Member AVC benefits invested in AVC policies do not fall within the scope of this Statement.

The SIP is a document drafted by the Trustee in order to help govern the Plan's investment strategy. It details a range of investment-related policies, a summary of which, for the DC Section, is included in the table below, alongside the relevant actions taken by the Trustee in connection with each of these policies.

As required by the legislation, the Trustee has consulted a suitably qualified person and has obtained written advice from its investment consultant, Mercer Limited ("Mercer"). The Trustee believes the investment consultant meets the requirement of Section 35 (5) of the Pensions Act 1995. The Trustee in preparing this Statement has also consulted the sponsoring Company.

The statement is based on, and should be read in conjunction with, the relevant version of the SIP that was in place for the Plan Year, which was the SIP dated December 2022.

The first two Sections of this statement sets out the investment objectives of the Plan and changes which have been made to the SIP during the Plan Year, respectively.

The third Section of this statement sets out how, and the extent to which, the policies in the DC Section of the SIP have been followed. The Trustee can confirm that all policies in the SIP have been followed during the Plan Year.

A copy of the SIP is available at <https://www.morganstanley.com/disclosures/the-morgan-stanley-uk-group-pension-plan>.

Sections 3 and 4 include information on the engagement and key voting activities of the underlying investment managers within each Section of the Plan.

Statement of Investment Principles

INVESTMENT OBJECTIVES OF THE PLAN

The Trustee believes it is important to consider the policies in place in the context of the objectives they have set. The investment objectives for the DC Section are as follows:

- To make available a range of investment vehicles which serve to adequately meet the varying investment needs and risk tolerances of Plan Members.
- To have the assets managed by investment managers believed to be of high quality, i.e. where there is a suitable level of confidence that the manager/s will achieve their performance objectives.
- To provide a means by which active management can be offered with the flexibility for the Trustee to change managers proactively.
- To monitor the underlying fund range on an ongoing basis and assess whether the Plan's investment options are meeting their objectives.
- To achieve competitive investment management and investment advisor fees.
- To provide a Plan framework which allows the most efficient fund switching possible in order to reduce member's out-of-market risk.

REVIEW OF THE SIP

During 2022, the Trustee made some amendments to the Plan's SIP as a result of modifications made to the Plan's investment arrangements. These modifications include introducing the LGIM Future World Annuity Aware Fund (the MS Pre-Annuity Fund) as a self-select option and introducing the HSBC Islamic Indexation Global Equity Index Fund as a Shariah compliant self-select fund option (the MS Passive Islamic Global Equity Fund).

The revised SIP was signed in December 2022, following formal advice from the Trustee's Investment Consultant (Mercer Limited ("Mercer")).

ASSESSMENT OF HOW THE POLICIES IN THE SIP HAVE BEEN FOLLOWED FOR THE YEAR TO 31 DECEMBER 2022

The information provided in this section highlights the work undertaken by the Trustee during the year, and longer term where relevant, and sets out how this work followed the Trustee's policies in the SIP relating to the DC Section of the Plan.

In summary, it is the Trustee's view that the policies in the SIP have been followed during the Plan Year.

Strategic Asset Allocation

Kinds of investments to be held, the balance between different kinds of investments and expected return on investments

POLICY

The Diversified Default Option is the default investment option for the Plan. It is a form of lifestyle strategy. Lifestyle strategies are designed to meet the objectives of maximising the value of the member's assets at retirement and protecting the member's accumulated assets in the years approaching retirement.

In addition, a range of self-select funds is offered to members within a range of asset classes. It is the policy of the Trustee to offer both actively and passively managed funds depending on the asset class.

HOW HAS THIS POLICY BEEN MET OVER THE PLAN YEAR?

The Growth phase is reviewed at least annually. The Trustee reviewed each aspect of the Active Absolute Return Fund, a blended fund used within the Growth phase, in May 2022. As a result of this review and given poor performance of Abrdn Global Absolute Return Strategies Fund ('GARS'), one of the underlying funds of the Active Absolute Return

Fund, the Trustee agreed to remove this fund and reallocate the Active Absolute Return Fund to be an allocation of 50% to the Nordea 15 Alpha Multi Asset Fund and an allocation of 50% to the Ruffer Diversified Return Fund. This move also replaced the weekly dealt Ruffer Total Return International Fund with the daily dealt Ruffer Diversified Return Fund, for operational simplicity. The implementation of this change took place in July 2022.

Over the Plan year, the Trustee also conducted a review of the main alternative asset classes available in the DC market and a review of the ESG credentials of the fund range.

The Trustee monitors the underlying risks by quarterly investment performance reviews. The Trustee formally reviews the Diversified Default Option at least every three years or immediately following any significant change in investment policy or the Plan's member profile. The last review occurred on September 2021 and encompassed all aspects of the default strategy, in particular, the ongoing appropriateness of the strategy based on member analysis. The conclusions of this review were:

- The Plan is set up to broadly provide a good member outcome for the majority of members, so long as members contribute a sufficient level and the investment returns are in line with or better than the assumptions.
- Drawdown (with a 25% allocation to cash) remained a suitable at-retirement target for the Plan.
- A number of alternative glidepaths were considered, but it was agreed to make no changes to the default glidepath.
- It was agreed to not make available an annuity and cash lifestyles, but to make available a self-select fund which aims to track annuity prices.

The continued suitability of the funds in the self-select fund range was assessed quarterly through performance reporting, once as part of an annual ESG review and through manager meetings (discussed later in this statement).

Expected return on investments

The investment objectives and expected returns of the individual funds are provided in the Investment Policy Implementation Document ("IPID"). In designing the Diversified Default Option, the Trustee has explicitly considered the trade-off between risk and expected returns.

HOW HAS THIS POLICY BEEN MET OVER THE PLAN YEAR?

A monitoring report is reviewed by the Trustee on a quarterly basis, this includes the performance of the funds that make up the Diversified Default Option and the self-select range. The monitoring report includes how each fund has performance against its specific benchmark and target(s). Monthly performance reports are also provided to the Trustee.

Risks, including the ways in which risks are to be measured and managed

POLICY

The Trustee has considered risk from a number of perspectives in relation to the DC Section, including the Diversified Default Option. The Trustee considered both quantitative and qualitative measures as well as how best to manage the various risks facing DC members.

HOW HAS THIS POLICY BEEN MET OVER THE PLAN YEAR?

The Trustee continues to provide a range of investments which enable members to reflect in their selection of funds the level of risk they wish to take in light of their own individual circumstances. In member facing communications, the Trustee highlights a number of risks that a member may face as a result of investing in any particular funds.

The risks below are not exhaustive, but cover the main risks considered by the Trustee to be financially material. A table is provided on Section 4.2. of the SIP outlining the risks, how they are managed and how they are measured.

- Market Risk
- Interest Rate Risk
- Inflation Risk
- Manager Risk
- Mismatch Risk
- Liquidity Risk
- Concentration Risk
- Sponsor Risk
- Exchange Rate Risk
- Environmental, Social and Governance Risk

The Trustee regularly monitors these risks and the appropriateness of the investment in light of the risks described above.

The Trustee is aware that members have differing time horizons within the Plan and as such, offers a lifestyle option that helps to manage a number of risks for members as they approach retirement.

All of the underlying managers remained generally highly rated by the Plan's Investment Consultants during the year, the exception being the Morgan Stanley Global Brands Fund, white labelled as the 'MS Active Global Equity Fund' (which had a B rating at the start of the year). However, given the fund performance, the Trustee continues to be confident of the fund's capability of generating good value for members. Following the Plan year-end, Mercer Research team reviewed this fund and upgraded the rating from B to B+ and ESG 3 to ESG2.

Overall, the Trustee is comfortable with the ratings applied by its Investment Consultant and continues to closely monitor the ratings and any significant developments at each of the underlying investment managers.

Investment Mandates

Securing compliance with the legal requirements about choosing investments

POLICY

As required by the legislation, in considering appropriate investments for the Plan, the Trustee has obtained and considered the written advice of a suitably qualified investment consultant, Mercer Limited ("Mercer"). The advice received and arrangements implemented are, in the Trustee's opinion, consistent with the requirements of Section 36 of the Pensions Act 1995.

HOW HAS THIS POLICY BEEN MET OVER THE PLAN YEAR?

Over the Plan year to 31 December 2022, there were several changes agreed regarding the Self-Select Fund Range and Default Investment Arrangement.

On 1 July 2022, the Trustee restructured the Active Absolute Return Fund. The previous allocation to Abrdn GARS was removed and the weekly dealt version of the Ruffer fund (Ruffer Total Return International) previously in use was replaced with the daily dealt version (Ruffer Diversified Return Fund), in order to reduce the Plan's operational risk. The Active Absolute Fund now comprises an allocation of 50% Nordea 15 Alpha Multi Asset Fund and 50% Ruffer Diversified Return Fund.

Further, on 5 September 2022, the Trustee also decided to add the HSBC Islamic Equity Index available as a self-select option, white labelled as the 'MS Passive Islamic Global Equity Fund'. This change was implemented within the Plan year.

In December 2021 the Trustee decided to replace the BlackRock Institutional Sterling Liquidity Fund with BlackRock LEAF, a cash fund with higher ESG

credentials than the BlackRock Institutional Sterling Liquidity Fund, and to add the Legal and General Investment Management (“LGIM”) Pre-Retirement Fund available as a self-select option, white labelled as the ‘MS Pre-Annuity Fund’. Both changes were implemented in March 2022.

Following a review of investment options undertaken in 2021, the Trustee of the Plan has decided to remove the Genesis Emerging Markets Fund from the range of self-select options and move any savings currently there to the Plan’s Passive Emerging Markets Equity Fund. This transition was completed in 16th February 2022.

The Trustee received written advice from their investment consultant regarding these investment decisions.

Realisation of Investments

POLICY

In general, the Plan’s investment managers have discretion in the timing of realisation of investments and in considerations relating to the liquidity of those investments. The pooled funds in which the Trustee allows members to invest provide the required level of liquidity. Units in these pooled funds are believed to be readily realisable.

HOW HAS THIS POLICY BEEN MET OVER THE PLAN YEAR?

The funds used by the Plan are white labelled funds, some of which are blended funds, accessed via an Investment Platform and are held through a long-term insurance policy issued by Scottish Widows Limited (“Scottish Widows”). The Trustee has legal and beneficial ownership of this policy. These funds invest in predominantly daily traded pooled investment funds which hold liquid assets. The investment funds are commingled investment vehicles which are managed by various investment managers. The selection, retention and realisation of assets within the pooled funds are managed by the respective investment managers in line with the mandates of the funds. There were no liquidity issues over the year.

One investment fund, managed by Ruffer, was dealt weekly, but is blended with two daily dealt investment funds which provided daily liquidity to the blended fund in which it was used. During the Plan year, the Trustee replaced the weekly dealt version previously in use with the daily dealt version.

Monitoring the Investment Managers

Incentivising asset managers to align their investment strategies and decisions with the Trustee’s policies

POLICY

The underlying investment managers are appointed based on their capabilities and, therefore, their perceived likelihood of achieving the expected return and risk characteristics required for the asset class being selected. The underlying investment managers are aware that their continued appointment is based on their success in delivering the mandate for which they have been appointed to manage. If the Trustee is dissatisfied, then they will look to replace the manager.

If the investment objective for a particular manager’s fund changes, the Trustee will review the fund appointment to ensure it remains appropriate and consistent with the Trustee’s wider investment objectives.

HOW HAS THIS POLICY BEEN MET OVER THE PLAN YEAR?

The Trustee reviewed the performance of the Plan’s funds quarterly. Over the Plan year, there was significant market volatility, which had a negative impact on the performance of the funds with an allocation to equity or fixed income, in particular. Nonetheless, the Trustee continues to be confident in the asset managers’ abilities and continues to monitor the funds’ performance (both short term and long term) closely.

Evaluation of asset managers’ performance and remuneration for asset management services

POLICY

The Trustee receives investment manager performance reports on a quarterly basis, which present performance information over a variety of time periods. The Trustee reviews the absolute performance, relative performance against a suitable index used as the benchmark, and against the underlying manager’s stated target performance (over the relevant time period) on a net of fees basis. Whilst the Trustee’s focus is on long-term performance, they also take shorter-term performance into account.

If an underlying manager is not meeting performance objectives, or their investment objectives for the fund have changed, the Trustee may review the suitability of the manager, and change managers where required.

HOW HAS THIS POLICY BEEN MET OVER THE PLAN YEAR?

The Trustee reviewed investment performance at quarterly meetings and informally intra-meeting through monthly performance updates. Whilst the Trustee's focus has been on long-term performance, they also take shorter-term performance into account. 2022 was a challenging year for markets with negative returns for many assets. Despite the negative returns throughout the year due mainly to market conditions, there were no major performance concerns raised in 2022 with the exception of Abrdn GARS, which was removed from the Plan in July 2022. The Trustee reviews the investment manager fees as part of the annual Value for Members assessment.

Incentivising the asset manager to make decisions based on assessments about medium to long-term financial and non-financial performance of an issuer of debt or equity

POLICY

The Trustee considers the investment consultant's assessment of how each underlying investment manager embeds ESG into its investment process and how the manager's responsible investment philosophy aligns with the Trustee's responsible investment policy. This includes the underlying investment managers' policy on voting and engagement. The Trustee will use this assessment in decisions around selection, retention and realisation of manager appointments.

The Trustee aims to meet with 1-2 of the underlying investment managers at each quarterly Investment Committee meeting and challenges decisions made including voting history and engagement activity, as part of the process to ensure the best performance over the medium to long term.

In addition, on an annual basis, it is the Trustee's policy to review the ESG policies of each of the underlying managers in the DC Section along with their voting and engagement records.

HOW HAS THIS POLICY BEEN MET OVER THE PLAN YEAR?

The Trustee's Investment Committee met with 7 of the Plan's managers (plus additional prospective managers) over the year (Threadneedle, Abrdn, Nordea, Ruffer, Western, Sands Capital, BlackRock, Ninety One). In each case, the decision was taken to retain those managers, with the exception of Abrdn where the Trustee decided to remove Abrdn GARS from the Plan.

The Trustee's annual ESG review took place in Q4 2022 and concluded there were no areas of significant concern, as most managers were in the top quartile of the comparable universe (all rated between ESG1 to ESG3); those not in the top quartile are showing improvements in their approach, or are in asset classes where it is harder to demonstrate value at this stage. Voting and engagement records are addressed later in this statement.

Monitoring portfolio turnover costs

POLICY

The Trustee considers the DC Section's portfolio turnover costs as part of the annual Value for Members assessment.

HOW HAS THIS POLICY BEEN MET OVER THE PLAN YEAR?

Over the year, the Trustee considered the DC Section's portfolio turnover costs as part of the annual Value for Members assessment and these are also disclosed in the annual Chair's statement. While the transaction costs provided appear to be reflective of costs expected of the various assets classes and markets that the Plan invests in, there is not as yet any "industry standard" or universe to compare these to. It is worth noting that transaction costs can be negative, thus contributing positively to performance.

The duration of the arrangements with asset managers

POLICY

All the funds are open-ended. The DC Section's funds have no set end date for the arrangement, however, duration is considered as part of regular reviews. The DC Section's Fund Range and Default Diversified Option are reviewed on at least a triennial basis. An underlying manager's appointment may be terminated if it is no longer considered to be optimal nor have a place in the default strategy or general fund range.

HOW HAS THIS POLICY BEEN MET OVER THE PLAN YEAR?

The Trustee reviewed the performance of the Plan's funds quarterly. While the majority of the funds were impacted by market events, the Trustee remains confident in their ability to provide good value for members. There were no concerns over 2022 with the exception of Abrdn GARS, which was removed from the Plan in July 2022 due to continuous underperformance and loss of confidence in the manager's ability to deliver its objectives.

ESG Stewardship and Climate Change

Financial and non-financial considerations and how those considerations are taken into account in the selection, retention and realisation of investments

POLICY

The Trustee believes that environmental social and corporate governance ("ESG") factors may have a material impact on investment risk and return outcomes, and that good stewardship can create and preserve value for companies and markets as a whole. The Trustee also recognises that long-term sustainability issues, particularly climate change, present risks and opportunities that increasingly may require explicit consideration.

HOW HAS THIS POLICY BEEN MET OVER THE PLAN YEAR?

With regards to selection and retention, the Trustee received advice from its investment consultant in relation to several new funds (and the funds to be replaced). In each case, the Trustee received an assessment from its investment consultant in the form of two ratings. These ratings relate to overall belief in the investment fund to achieve its objectives going forward and assessment of the ESG credentials exhibited by both the fund and the fund manager.

With regards to retention, the Trustee reviews annually the ESG policies of each of the underlying managers in the DC Section along with their adherence to the UK Stewardship Code and carbon footprint (measured by Weighted Average Carbon Intensity).

The latest such review took place in Q4 2022 and concluded there were no areas of significant concern, as all funds in which the Plan invests, had ESG ratings broadly in line with or better than the peer group considered. The majority Plan's investment managers are signatories to the UK Stewardship Code, while Sands Capital is not currently a signatory, they have stated their intention to apply for signatory status. The Weighted Average Carbon Intensity ('WACI') of the Plan's Passive Global Equity Fund (used in both the default and self-select range) had worsened slightly as a consequence of energy-related stocks being a higher percentage of the index through a relative increase in their values, but the magnitude of difference was small and no concerns were noted. The WACI of the fund has reduced from c.160.4 to c.133.3.

In addition to the above, during the Plan year, the Trustee started their work to publish the Plan's first Task Force on Climate Related Financial Disclosures

(TCFD) report online by no later than 31 July 2023 for the Morgan Stanley Group UK Pension Plan. While this Plan does not strictly fall under TCFD requirements, the Trustee elected to adhere to the same standards on account of overlap between the investment strategies of the two Plans. The ensuing report represents the culmination of a significant amount of work completed by the Trustee and various other stakeholders to evidence any progress the Plan is making with how climate related factors are considered on behalf of members in the Plan.

In July 2022, the Trustee and Investment Committee carried out an ESG Beliefs Survey for which the results were presented in August 2022. There are no major changes to respondents' views on the role or importance of ESG within the investment strategy, although respondents were more favourable to how ESG has been embedded into the strategy than previous time they took the survey. The Trustee may incorporate the views of members with respect to the fund range offered. Member views have not explicitly been taken into account in the selection, retention and realisation of investments, although feedback received from members is welcomed and considered by the Trustee.

Voting and Engagement Disclosures

The exercise of the rights (including voting rights) attaching to the investments and undertaking engagement activities in respect of the investments (including the methods by which, and the circumstances under which, the Trustee would monitor and engage with relevant persons about relevant matters).

POLICY

The Trustee expects the underlying managers to evaluate ESG factors, including climate change considerations, exercising voting rights and stewardship obligations attached to investments, in accordance with their own corporate governance policies and current best practice, including the UK Corporate Code and UK Stewardship Code.

HOW HAS THIS POLICY BEEN MET OVER THE PLAN YEAR?

The Trustee has delegated their voting rights to the appointed investment managers. Investment managers are expected to provide voting summary reporting on a regular basis, at least annually. Once appointed, the Trustee gives appointed investment managers full discretion in evaluating ESG factors, including climate change considerations, and exercising voting rights and stewardship obligations 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. Adherence to the UK Stewardship Code is assessed annually.

Following the DWP's 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 they believe to be a significant vote within the Implementation Statement. The voting information should also include details explaining why each vote has been categorised as most significant, what the vote was, and why the manager voted in the way it did. The Trustee agreed the below areas of focus for the Plan. For reference, the suggestion is to give more focus to fewer topics with appropriate strength, than to too many topics, which may lead to low impact in the end. Further, all topics are closely linked to UN Sustainable Development Goals ("SGDs"):

- **Environmental:** Climate change: low-carbon transition & physical damages resilience; pollution & natural resource degradation: air, water, land (forests, soils, biodiversity)
- **Social:** Human rights: modern slavery, pay (minimum/living wage etc.) & safety in workforce and supply chains, abuses in conflict zones
- **Governance:** Diversity, Equity and Inclusion (DEI) - inclusive & diverse decision making, executive remuneration and board composition

The following funds contain an allocation to equities:

- Active Sustainable Equity
- Active Diversified Growth*
- Active Diversified Retirement*

- Active Absolute Return
- Passive UK Equity
- Passive Global Equity
- Passive US Equity
- Passive Europe (ex-UK) Equity
- Passive Japan Equity
- Passive Pacific Rim (ex-Japan) Equity
- Passive Emerging Markets Equity
- Passive Islamic Global Equity
- Active Global Growth Equity
- Active Global Equity
- Active Emerging Markets Equity
- Passive Global Small Cap Equity
- Standard Life European Equity Pension Fund (AVC)
- Standard Life Far East Equity Pension Fund (AVC)
- Standard Life International Equity Pension Fund (AVC)
- Standard Life Managed Pension Fund (AVC)
- Standard Life North American Equity Pension Fund (AVC)
- Standard Life Stock Exchange Pension Fund (AVC)
- Standard Life UK Equity Pension Fund (AVC)

*Funds are part of the Diversified Default Option.

As the Plan invests in pooled funds, the Trustee requires its underlying investment managers to engage with the investee companies.

Engagement for the DC Section's investment managers are summarised on the next section. Particular focus is placed on the Passive Global Equity Fund, which represents 31.3% of the Plan's assets as at 31 December 2022.

Examples of Engagement Activity by the Plan's Equity Investment Managers

The following are examples of engagement activity undertaken by the Plan's Equity investment managers.

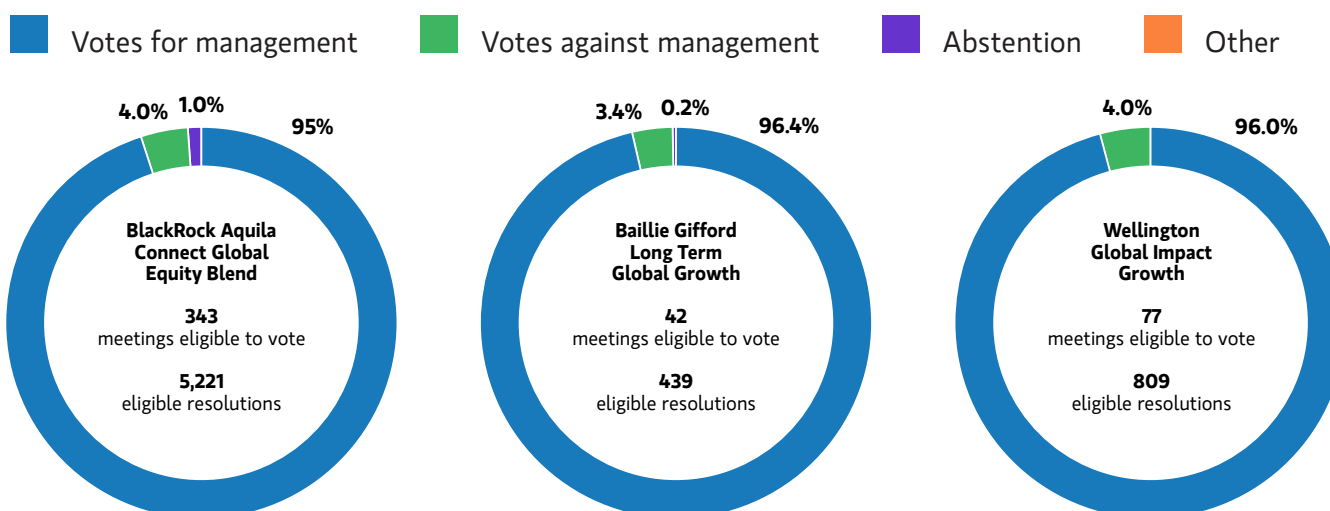
Engagement activity was requested from all AVC providers but has not been received at the completion date of this statement. Voting activity was requested from all AVC providers but only some information was provided by Standard Life for the AVC Funds available.

FUND	NUMBER OF ENGAGEMENTS UNDERTAKEN AT A FIRM LEVEL IN THE YEAR	SPLIT BETWEEN E, S AND G OF ENGAGEMENTS	% OF ENGAGEMENTS PERTAINING TO CLIMATE ISSUES	% OF ENGAGEMENTS PERTAINING TO BOARD DIVERSITY
ACS UK Equity Tracker Fund	2,921 company engagements	E = 55% S = 39% G = 90%	Climate Risk Management: 48% / Environmental Impact Management: 12%	Board Composition & Effectiveness: 47%
Aquila Connect Global Equity Blend	2,158 company engagements	E = 55% S = 39% G = 91%	Climate Risk Management: 47% / Environmental Impact Management: 13%	Board Composition & Effectiveness: 48%
Aquila Connect Global Small Cap Equity	1,018 company engagements	E = 44% S = 33% G = 93%	Climate Risk Management: 38% / Environmental Impact Management: 8%	Board Composition & Effectiveness: 49%
Aquila Connect Emerging Markets	560 company engagements	E = 69% S = 41% G = 93%	Climate Risk Management: 60% / Environmental Impact Management: 23%	Board Composition & Effectiveness: 56%
ACS US Equity Tracker Fund	576 company engagements	E = 61% S = 48% G = 87%	Climate Risk Management: 52% / Environmental Impact Management: 14%	Board Composition & Effectiveness: 36%
KEY THEMES FOR ENGAGEMENT, AS APPLICABLE	Biodiversity; Climate Risk Management; Land Use/Deforestation; Environmental Impact Management; Operational Sustainability; Other company impacts on the environment; Water and Waste; Business Ethics and Integrity; Community relations; Diversity and Inclusion, Health and Safety; Human Capital Management; Indigenous Peoples Rights, Other Human Capital Management issues; Other company impacts on people/human rights; Privacy and Data Security; Social Risks and Opportunities; Supply Chain Labour Management; Board Composition & Effectiveness; Board Gender Diversity; Business Oversight/Risk Management; Corporate Strategy; Executive Management; Governance Structure; Other; Remuneration; Sustainability Reporting.			
Baillie Gifford Long Term Global Growth	73 company engagements	E and S = 36% G = 64%	Climate = 10% / Environmental = 10%	Social matters = 16%
KEY THEMES FOR ENGAGEMENT, AS APPLICABLE	Environmental, Social, Corporate Governance, AGM or EGM Proposals and Executive Remuneration			
HSBC Islamic Global Equity	161 engagements	E = 35% S = 47% G = 60%	Climate = 6% / Risk Management = 2%	Biodiversity & Natural Capital = 6%
KEY THEMES FOR ENGAGEMENT, AS APPLICABLE	Climate Change; Corporate Behaviour; Corporate Governance; Corporate Reporting; Financial Performance; Firm Strategy Purpose; Human Capital Management; Inequality; Labour, Sourcing & Safety; Leadership Chair/CEO; Pollution Waste; Product, Liability & Safety; Remuneration; Risk Management; Shareholder Rights; Strategy & Capital Use; Water/Natural Resources.			
Wellington Global Impact	329 engagements	E = 14%; S = 17%; G = 69%	Product Sustainability/Innovation = 7.4% / Other Environmental = 6.4%	Social = 17.4%
KEY THEMES FOR ENGAGEMENT, AS APPLICABLE	Product Sustainability/Innovation; Other Environmental; Culture/Talent/Labor/Health & Safety/ Ethics; Supply Chain Management; Corporate Culture, Other Social; Long Term Corporate Strategy; General Update/Sales/Margin/Business Trends; Capital/Resource Allocation; Governance/Compensation/Succession/Planning; Other Governance.			
Nordea Alpha 15 MA Fund	71 engagements	E = 44% S = 25% G = 6%	Climate Change = 19% / Environmental = 25%	Board effectiveness – Diversity = 4%
KEY THEMES FOR ENGAGEMENT, AS APPLICABLE	Climate change; Natural resource use/impact; Pollution, Waste; Conduct, culture and ethics; Human and labour rights; Human capital management; Inequality; Public health; Board effectiveness – Diversity; Board effectiveness - Independence or Oversight; Remuneration; Shareholder rights.			

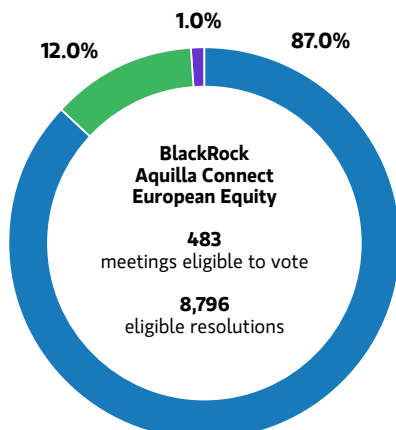
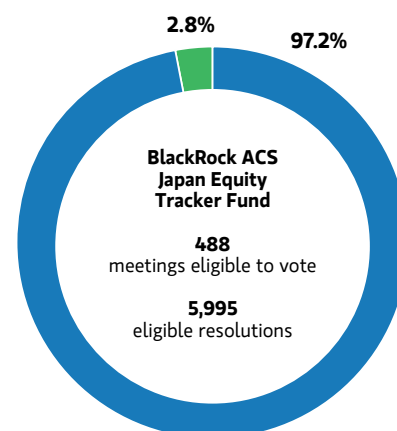
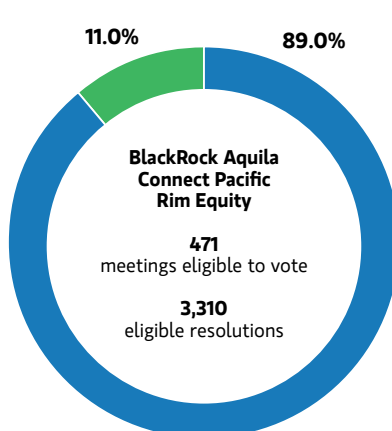
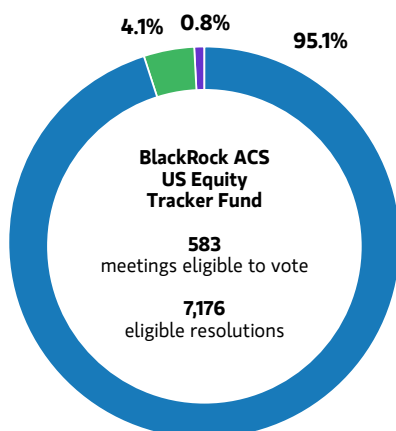
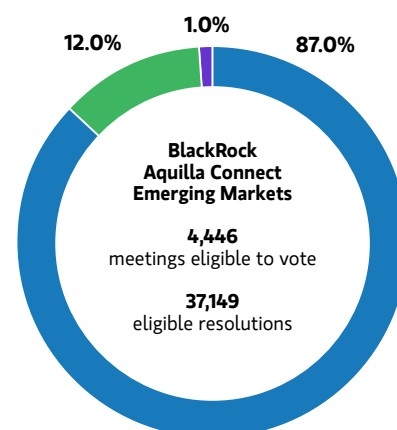
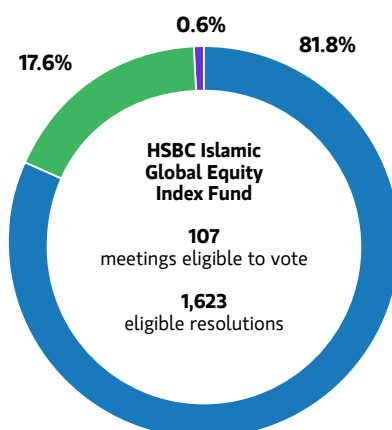
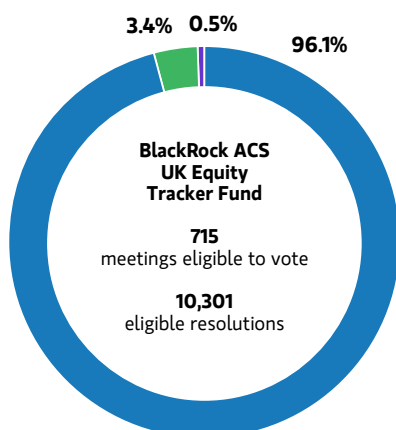
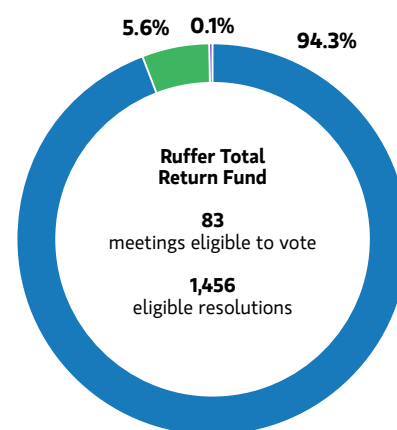
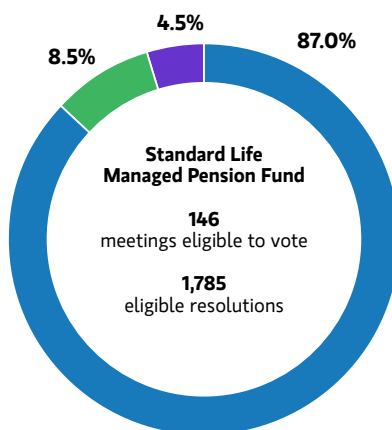
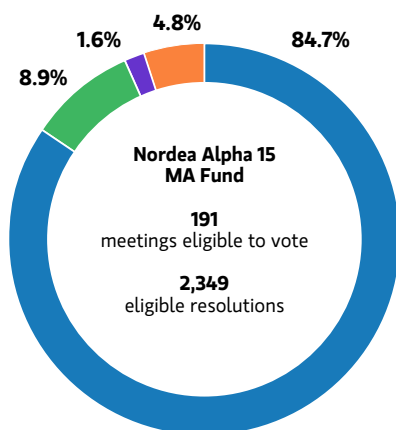
FUND	NUMBER OF ENGAGEMENTS UNDERTAKEN AT A FIRM LEVEL IN THE YEAR	SPLIT BETWEEN E, S AND G OF ENGAGEMENTS	% OF ENGAGEMENTS PERTAINING TO CLIMATE ISSUES	% OF ENGAGEMENTS PERTAINING TO BOARD DIVERSITY
Aquila Connect Pacific Rim Equity	222 company engagements	E = 68% S = 74% G = 94%	Climate Risk Management: 64% / Environmental Impact Management: 23%	Board Composition & Effectiveness: 65%
ACS Japan Equity Tracker	292 company engagements	E = 44% S = 37% G = 97%	Climate Risk Management: 39% / Environmental Impact Management: 5%	Board Composition & Effectiveness: 40%
Aquila Connect European Equity	387 company engagements	E = 51% S = 28% G = 89%	Climate Risk Management: 41% / Environmental Impact Management: 4%	Board Composition & Effectiveness: 55%
KEY THEMES FOR ENGAGEMENT, AS APPLICABLE	Climate Risk Management; Environmental Impact Management; Operational Sustainability; Human Capital Management; Social Risks and Opportunities; Board Composition & Effectiveness; Business Oversight/Risk Management; Corporate Strategy; Executive Management; Governance Structure; Remuneration.			
Ruffer Total Return	17 company engagements	E = 59% S = 24% G = 82%	Climate = 21%	Social matters = 21%
KEY THEMES FOR ENGAGEMENT, AS APPLICABLE	Climate change; Natural resource use/impact; Pollution/Waste; Conduct/Culture/ETHICS; Human/ Labor rights; Human capital management; Inequality; Board effectiveness – Diversity; Board effectiveness – Independence or Oversight; Leadership – Chair/CEO; Remuneration; Shareholders rights; Financial and Reporting – Capital allocation; Financial and Reporting – Reporting; Financial and Reporting – Financial performance; Financial and Reporting – Strategy/purpose; Financial and Reporting – Risk Management.			

Voting Activity during the Plan year

Set out below is a summary of voting activity for this reporting period relating to the relevant strategies in the DC Section of the Plan. Voting activity has been requested from all managers but at the time of writing this report, not all managers have responded. We will continue to chase the managers to receive this information. Votes “for / against management” assess how active managers are in voting for and against management. Purple represents abstention. Orange represents “Other”.



■ Votes for management
 ■ Votes against management
 ■ Abstention
 ■ Other



Source: Standard Life, HSBC, BlackRock, Wellington, Nordea, Ruffer, Baillie Gifford. Figures may not sum to 100% due to rounding. Nordea votes under the "Other" category refer to management say-on-pay (MSOP) votes.

Sample of significant votes

Managers have provided examples of significant votes across the funds previously noted as containing equity. It is not possible to disclose all the information or all of the significant votes in this statement. Therefore, examples of voting activity included in this statement focused on areas described under the previous section. Votes were considered to be significant if they aligned with the Trustee's stewardship priorities. The final outcome column below represents the result of the Resolution after all the votings: Passed (✓) or Not-Passed (×). Further engagement information, including whether votes against management were communicated to the company ahead of the vote and company level holdings information is not available at this time, but the Trustee is working with the investment managers to try and obtain this information for future years.

The column "Holdings in Fund" of the table shows the asset values for the quarter ending of the vote date.

FUND	HOLDINGS IN FUND	COMPANY	DATE	HOW THE MANAGER VOTED	ENGAGEMENT PRIORITY	SUMMARY OF THE RESOLUTION	RATIONALE FOR THE MANAGER VOTE	FINAL OUTCOME
ACS UK Equity Tracker Fund	c.£21.5m (as at 30/06/22)	BP Plc	12/05/22	Against	Environmental (Climate Change)	Approve Shareholder Resolution on Climate Change Targets	BlackRock took the decision to oppose this proposal as it is not in shareholders' best interests at the time.	×
BlackRock Aquila Connect Global Equity Blend	c.£109.1m (as at 30/06/22)	The Home Depot, Inc.	19/05/22	For	Social (Human Rights)	Oversee and Report a Racial Equity Audit	BlackRock believes it is in the best interests of shareholders to have access to greater disclosure on this issue.	✓
BlackRock Aquila Connect Global Equity Blend	c.£109.1m (as at 30/06/22)	Exxon Mobil Corporation	25/05/22	Against	Environmental (Climate Change)	Set GHG Emissions Reduction targets Consistent With Paris Agreement Goal	BlackRock took the decision to oppose this proposal as it is not in shareholders' best interests at the time.	×
ACS US Equity Tracker Fund	c.£38.1m (as at 30/06/22)	Amazon.com, Inc.	25/05/22	Against	Environmental (Climate Change)	Report on Retirement Plan Options Aligned with Company Climate Goals	The company already has policies in place to address the request being made by the proposal, or is already enhancing its relevant policies.	×
ACS US Equity Tracker Fund	c.£38.1m (as at 30/06/2022)	Berkshire Hathaway Inc.	30/04/22	For	Social (Human Rights)	Report on Effectiveness of Diversity Equity and Inclusion Efforts and Metrics	BlackRock recognizes the company does not meet expectations for disclosure of material diversity, equity, and inclusion policies and/or risks.	✓
Baillie Gifford Long Term Global Growth	c.£37.8m (as at 30/09/2022)	TESLA, INC.	04/08/22	For	Social (Human Rights)	Shareholder Resolution – Social	Baillie Gifford supported the resolution requesting additional disclosure on the company's efforts to address harassment and discrimination in the workplace in order to get quantitative disclosure to help understand and monitor the company's efforts.	×

Source: Underlying fund managers

FUND	HOLDINGS IN FUND	COMPANY	DATE	HOW THE MANAGER VOTED	ENGAGEMENT PRIORITY	SUMMARY OF THE RESOLUTION	RATIONALE FOR THE MANAGER VOTE	FINAL OUTCOME
Nordea Alpha 15 MA	c.£12.7m (as at 30/06/22)	Monster Beverage	14/06/22	For	Environmental (Climate Change)	Report on GHG emission reduction targets aligned with the Paris Agreement goal	Nordea think that additional information on the company's efforts to reduce its carbon footprint and align its operations with Paris Agreement goals would allow investors to better understand how the company is managing its transition to a low carbon economy and climate change related risks.	×
Nordea Alpha 15 MA	c.£12.7m (as at 30/06/22)	The TJX Companies	07/06/22	For	Social (Human Rights)	Report on assessing due diligence on human rights in supply chain	Additional information regarding the processes the company uses to assess human rights impacts in its operations and supply chain would allow shareholders to better gauge how well TJX is managing human rights related risks.	×
Ruffer Absolute Return	c.£12.7m (as at 30/06/22)	Equinor ASA	11/05/22	For	Environmental (Climate Change)	Approve Company's Energy Transition Plan	Ruffer voted for Equinor's transition plan once being supportive of their efforts to decarbonise. Ruffer have engaged with the company and discussed their plan and disagree with ISS's assessment. Equinor are one of few companies who have been profitable in aiming to decarbonise and Ruffer will support that.	×
Ruffer Absolute Return	c.£12.7m (as at 30/06/22)	Cigna Corporation	27/04/22	Against	Social (Human Rights)	Report on Gender Pay Gap	Shareholders have enough information to assess how effectively company practices are working to eliminate discrimination in pay and opportunity in its workforce. Therefore, support for this resolution is not warranted at this time.	✓
ACS Japan Equity Tracker	c.£5.5m (as at 30/06/22)	Chubu Electric Power Co., Inc.	28/06/22	Against	Environmental (Climate Change)	Amend Articles to Introduce Provisions concerning Renewable Energy	BlackRock took the decision to oppose this proposal as it is not in shareholders' best interests.	×
ACS Japan Equity Tracker	c.£5.5m (as at 30/06/22)	Chubu Electric Power Co., Inc.	28/06/22	Against	Environmental (Climate Change)	Amend Articles to Require Disclosure of Asset Resilience to a Net Zero by 2050 Pathway	BlackRock took the decision to oppose this proposal as it is not in shareholders' best interests.	×
Aquila Connect European Equity	c.£16.6m (as at 30/06/22)	Equinor ASA	11/05/22	Against	Social (Human Rights)	Action Plan For Quality Assurance and Anti-Corruption	BlackRock believes this proposal it is not in shareholders' best interests.	×
Aquila Connect European Equity	c.£16.6m (as at 30/06/22)	Equinor ASA	11/05/22	Against	Environmental (Climate Change)	Introduce a Climate Target Agenda and Emission Reduction Plan	BlackRock believes this proposal it is not in shareholders' best interests.	×

Source: Underlying fund managers