

# **IMPLEMENTATION STATEMENT**

## **The Trustees of The London Clinic Limited 1974 Retirement Fund**

The Trustee of 'The Trustees of The London Clinic Limited 1974 Retirement Fund' has prepared this implementation statement in compliance with the governance standards introduced under the Investment Regulations. Its purpose is to demonstrate how the Fund has followed the policy on voting, stewardship and engagement as set out in the Fund's Statement of Investment Principles (SIP). This statement covers the period 1 January 2021 to 31 December 2021. From 30 November 2021 the Trustee appointed SEI Investments (Europe) Ltd as the fiduciary manager to manage the assets.

### **A. Voting and Engagement Policy**

There were two investment managers acting on the Trustee's behalf up to 30 September 2021: Insight, and Partners Capital. Both managers are signatories to the UK Stewardship code.

During the year, the Trustee delegated responsibility for carrying out voting and engagement activities to the Fund's fund managers in accordance with the policies recorded in the SIP.

As the Partners Capital portfolio is implemented through investment in third-party Asset Managers' funds, stewardship responsibilities have entailed working with those third-party Asset Managers to encourage good stewardship and responsible investment.

Following on from 30 September 2021 to 31 December 2021 SEI were appointed fiduciary manager where the policy as set out in the SIP in respect of voting, stewardship and engagement is in summary as follows:

- i. The Fund only invests via third party pooled investment funds, meaning that the Fund's investments are pooled with those of other investors. It can be harder for those invested in pooled funds to exert their influence, given the other investors with a stake, but the Trustee still monitors and engages as much as possible.
- ii. Voting decisions on stocks are delegated to the investment manager of the pooled funds held by the Fund.
- iii. SEI, the Scheme's Fiduciary Manager, or the investment manager of a third party pooled fund, has full discretion for undertaking engagement activities in respect of the investments.
- iv. SEI will report on voting and engagement activity to the Trustee on a periodic basis together with its adherence to the UK Stewardship Code. The Trustee will consider whether the approach taken was appropriate or whether an alternative approach is necessary.
- v. The Trustee will assess the Fiduciary Manager's performance against objectives annually including how well the Fiduciary Manager is aligned with the SIP in terms of ESG factors.

The Trustee is of the opinion that this policy has been followed during the year. In light of the above and otherwise, the Trustee has considered their policy in regard to voting and stewardship and concluded that

- The current policy is appropriate and no further action is required at this stage, albeit the Trustee will continue to monitor the performance of this policy and SEI's performance in the future.

## B. Voting Record

Due to the nature of the funds held with Insight, the Trustee does not have any voting rights in relation to money managed by them. As the Partners Capital portfolio is implemented through investment in third-party Asset Managers' funds, any voting has occurred at the Asset Manager level. Partners Capital themselves do not hold stocks and thus have not exercised any voting rights on the Trustee's behalf during the year.

The voting behaviour for the BMO Responsible Global Equity Fund from 1 November to 31 December 2021 is shown in the table below.

Fund Name	BMO Responsible Global Equity Fund
ISIN	
Number of Votable Meetings	51
Number of Votable Items	676
% of Items Voted	98%
% of votes with management	83%
% of votes against management	17%
In what % of meetings, for which you did vote, did you vote at least once against management?	76%
What % of resolutions, on which you did vote, did you vote contrary to the recommendation of your proxy adviser? (if applicable)	16%

## C. Significant Votes

A highlight of some of the significant votes during the period are shown in the table below.

Company Name	Held in Fund(s)	Theme	Description
CSL Limited	BMO Responsible Global Equity Fund	Governance	We voted support of 'Advisory Vote to Ratify Named Executive Officers' Compensation' given the improvements we've seen on the FY2021 disclosure. However, it hasn't fully addressed our concerns, especially on the overall quantum. We noticed that the company is to

			make enhancement in next year and we hope that our concerns will be addressed.
CSL Limited	BMO Responsible Global Equity Fund	Governance	<p>We voted against the proposal to 'Approve Share Plan Grant' due to several reasons;</p> <ul style="list-style-type: none"> <li>• The quantum of the award is excessive,</li> <li>• The seven-year performance period for the ROIC performance measures includes four prior years' performance outcomes that are already known and achieved and may allow the performance targets to be achieved with lower performance over three prospective years – this structure may provide for greater certainty of vesting, with the potential of smoothing or duplicating the executive reward for performance that has already been achieved,</li> <li>• The maximum ROIC hurdle has been reduced from 23 percent in the FY21 LTI grant to 21.4 percent, whereas the threshold ROIC remains unchanged at 20 percent – this also represents a very narrow range of performance,</li> <li>• The Investment Hurdle Rate (IHR) gateway measure continues not to be disclosed,</li> <li>• The Earnings Per Share growth targets have been set at an insufficiently challenging level with a threshold set at 5 percent.</li> </ul>

## D. Engagement

### **BMO Responsible Global Equity Fund**

A highlight of some of the Engagement Activity during the period are shown in the table below for the BMO Responsible Global Equity Fund.

Year and Quarter	From 01/10/2021 to 31/12/2021
<b>Engagement Stats</b>	
Engagements	18
Companies Engaged	14
Milestones achieved	7
Countries covered	7
% of portfolio value engaged	27%

Companies Engaged by Country	Number	%
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Europe	7	50%
North America	4	29%
Asia (ex Japan)	0	0%
Japan	3	21%
Other	0	0%
<b>Total</b>	<b>14</b>	<b>100%</b>

	Companies Engaged by Issue		Milestones Achieved by Issue	
	Number	%	Number	%
Climate Change	12	27%	2	29%
Environmental Standards	8	18%	1	14%
Business Conduct	1	2%	0	0%
Human Rights	0	0%	0	0%
Labour Standards	10	23%	2	29%
Public Health	4	9%	1	14%
Corporate Governance	9	20%	1	14%
<b>Total</b>	<b>44</b>	<b>100%</b>	<b>7</b>	<b>100%</b>

UN's Sustainable Development Goals	Engagements by the UN's Sustainable Development Goals		Milestones by the UN's Sustainable Development Goals	
	Sum	%	Sum	%
1 No Poverty	0	0%	0	0%
2 Zero Hunger	0	0%	0	0%
3 Good Health and Wellbeing	0	0%	1	14%
4 Quality Education	1	3%	0	0%
5 Gender Equality	4	13%	1	14%
6 Clean Water and Sanitation	1	3%	1	14%
7 Affordable and Clean Energy	0	0%	0	0%
8 Decent work and Economic Growth	4	13%	0	0%
9 Industry Innovation and Infrastructure	1	3%	0	0%
10 Reduced Inequalities	1	3%	0	0%
11 Sustainable Cities and Communities	0	0%	0	0%
12 Responsible Consumption and Production	10	32%	2	29%
13 Climate Action	4	13%	2	29%
14 Life below water	0	0%	0	0%
15 Life on Land	0	0%	0	0%
16 Peace, justice and strong institutions	0	0%	0	0%

17 Partnerships for the Goals	0	0%	0	0%
No SDG	5	16%	0	0%
<b>Total</b>	<b>18</b>	<b>100%</b>	<b>18</b>	<b>100%</b>

Source: BMO

Signed



Trustee of The Trustees of The London Clinic Limited 1974 Retirement Fund

Dated

1/6/2022