

Implementation Statement

UCAS Pension and Life Assurance Scheme (1993)

Scheme year end 31 July 2020

Purpose of the Implementation Statement

The Implementation Statement has been prepared by the Trustees of the UCAS Pension and Life Assurance Scheme ("the Scheme") and sets out:

- How the Trustees' policies on exercising rights (including voting rights) and engagement policies have been followed over the year.
- The voting behaviour of the Trustees, or that undertaken on their behalf, over the year to 30 June 2020. The voting behaviour is not given over the Scheme year end to 31 July because investment managers only report on this data quarterly, we have therefore given the information over the year to 30 June 2020.

How voting and engagement policies have been followed

The Trustees consider their voting and engagement policies have been met in the following ways:

- At the Scheme year-end, the Scheme's investment managers were: BMO Global Asset Management, Baillie Gifford & Co, and State Street Global Advisors. The Trustees regularly consider the performance of the funds and any significant developments that arise. Over the Scheme year the Trustees reviewed the ESG and Stewardship considerations in relation to their investment managers, and following this made the strategic decision to invest in an ESG-focussed global equity fund with State Street as opposed to a market-capitalisation weighted fund.
- The Scheme invests entirely in pooled funds, and as such delegates responsibility for carrying out voting and engagement activities to the Scheme's investment managers.
- The Trustees undertook an initial review of the stewardship and engagement activities of the current managers in September 2019 and were satisfied that their policies were reasonable and in alignment with the Trustees' own policies, however the Trustees believed that more could be done and hence decided to invest in an ESG-focussed global equity fund.
- Having reviewed the above in accordance with their policies, the Trustees are comfortable the actions of the Scheme's investment managers are in alignment with the Scheme's ESG and Stewardship policies.

The table below provides an indication of the asset manager' overall voting and engagement.

Voting Data

The voting data collated for Scheme is given over the year to 30 June 2020.

The voting data provided by Baillie Gifford is specific for the pooled version of the Multi-Asset Growth Fund, which the Scheme invests in.

The voting data provided by State Street is specific for the pooled version of the World ESG Equity Index Fund, which the Scheme was invested in for a majority of the period under review.

Manager	State Street	Baillie Gifford
Fund name	State Street MPF World ESG Equity Index Sub-Fund (after 13 November 2019). Data provided is in respect of this fund over the whole period.	Baillie Gifford Multi-Asset Growth Fund
Asset Class	A portfolio of Passive Regional Equity Funds (before 13 November 2019) ESG-focussed passive global equity fund (after 13 November 2019)	Diversified Growth Fund
Structure	Pooled	
Ability to influence voting behaviour of manager	The pooled fund structure means that there is limited scope for the Trustees to influence the manager's voting behaviour.	
Number of resolutions the manager was eligible to vote at over the year	21,379	539
What % of resolutions did you vote on for which you are eligible?	99.7%	99.8%
What % of resolutions, for which you were eligible to vote, did you abstain from?	0.3%	0.2%
Of the resolutions, on which you voted, what % did you vote with management?	90.4%	93.1%
Of the resolutions, on which you voted, what % did you vote against management?	9.6%	6.9%
What % of resolutions, on which you did vote, did you vote contrary to the recommendation of your proxy advisor? (if applicable)	State Street use Institutional Shareholder Services ("ISS") as their proxy voting advisor. State Street did not provide this data.	Baillie Gifford use Glass Lewis and ISS as proxy voting advisors. Baillie Gifford do not keep a record of this, however they have confirmed that 100% of the votes cast were manually reviewed.

There are no voting rights attached to the other assets held by the Scheme, which include liability driven investment and bonds, therefore no voting information is shown for the above assets.

Significant votes

For the first year of implementation statements we have delegated to the investment managers to define what a “significant vote” is.

Data on significant votes was requested from Baillie Gifford and State Street. However, this has not been provided in a usable format. The Trustees’ investment consultant is liaising with the managers to improve delivery of the data in future, and we understand that the managers are working to improve their disclosures.

There are no voting rights attached to the Scheme’s investments with BMO, and therefore no voting data is shown for these assets.

Fund level engagement

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

Manager	State Street	Baillie Gifford	BMO
Fund name	State Street MPF World ESG Equity Index Sub-Fund (after 13 November 2019) A portfolio of Passive Regional Equity Funds (before 13 November 2019)	Baillie Gifford Multi-Asset Growth Fund	Global Absolute Return Bond Fund
Asset Class	ESG-focussed passive global equity fund (after 13 November 2019) Passive Regional Equity (before 13 November 2019)	Diversified Growth Fund	Absolute Return Bonds
Does the manager perform engagement on behalf of the holdings of the fund	Yes	Yes	Yes
Number of engagements undertaken at a firm level in the year	<i>Data not provided</i>	543 engagements with 388 companies	1,513 engagements

Summary

Based on the information received, the Trustees believe that the investment managers have acted in accordance with the Scheme’s stewardship policies. The Trustees are supportive of the key voting action taken by the applicable investment managers over the period to encourage positive governance changes in the companies in which the managers hold shares.

The Trustees and their investment consultant are working with the investment managers to provide additional information in the future, including where indicated above, in order to enhance their ability to assess the investment managers’ actions.

**Prepared by the Trustees of the UCAS Pension and Life Assurance Scheme (1993)
November 2020**