

Petty, Wood & Company Limited Retirement Benefits Scheme

Implementation Statement

December 2023

1. Introduction

This Implementation Statement explains how the Trustees acted on the principles set out by their Statement of Investment Principles and provides the information that is required to be disclosed in accordance with the Occupational Pension Schemes (Investment and Disclosure) (Amendment) 2019 Regulations. The statement covers the period 1 June 2022 to 31 May 2023.

2. Decision Making Process

The Trustees

The Trustees have met twice in the last 12 months and at each meeting have discussed investment strategy and performance at length. This has been minuted.

3. Investment Strategy

At each Trustee meeting the Investment Strategy was reviewed and discussed. No overall changes to investment strategy or the investment manager were made in during the year.

As at the end of the year our fund assets were split as follows:

Fund Name	Share (%)	
	May 2023	May 2022
M&G PP All Stocks Corporate Bond Fund	21	18
BNYM Global Dynamic Bond Fund	14	11
BNYM Real Return Fund	48	56
CT LDI Nominal Dynamic LDI Fund	5	6
CT LDI Real Dynamic LDI Fund	9	9
Cash balance	3	-
TOTAL	100	100

No significant votes were cast on behalf of the Trustees during the year and there was no use of proxy voter services. BNYM funds are provided by Newton Investment Management, details of their latest stewardship statements are on the following link:

<https://www.newtonim.com/uk-institutional/?redirect=https://www.newtonim.com/uk-institutional/special-document/responsible-investment-and-stewardship-annual-report/>

Columbia Threadneedle and M&G funds are provided by BMO, details of their latest stewardship statements are on the following link:

https://www.bmo.com/ir/archive/en/bmo_ar2022.pdf

4. Corporate Governance

Trustees' policy: *The Trustees wish to encourage best practice in terms of activism. The Trustees accept that by using pooled investment vehicles, the day to day application of voting rights will be carried out by the Investment Managers. Consequently, the Trustees expect the Scheme's Investment Managers to adopt a voting policy that is in accordance with best industry practice.*

There were no changes to the Trustees' policy, nor any departures from their policy, during the year. In particular, all voting activities have been delegated to the Investment Managers as the Trustees do not have any legal right to vote on the underlying holdings, given the pooled nature of the Scheme's investments. The Investment Managers did not make Trustees aware of any voting activity that was in breach of best industry practice during the year.

5. Socially Responsible Investment

The Trustees do not impose social, environmental or ethical considerations on the Investment Managers in relation to the selection, retention and realisation of investments as they believe these might conflict with their overriding responsibilities to the Scheme beneficiaries.

6. Environmental, social and governance (ESG) investment considerations

Financial factors relating to ESG

Trustees' policy: *When considering investment decisions/setting investment strategy, we take into account all factors that are financially material to the performance of an investment including but not limited to ESG considerations. Before we carry out any investment strategy review we first ensure our training and knowledge, and the reports received from the Investment Manager on stewardship activities, scenario analysis and impact on asset allocation are adequate. The Statement of Investment Principles sets down how we operate and is our over-riding guidance. We seek professional advice in investment strategy and expect the Investment Consultant to include ESG considerations, such as climate change over the time horizon of the investment, within their recommendations. If any ESG considerations impact our ability to meet our investment objectives they are fully discussed and deliberated on by the Trustees and conclusions made thereon.*

There were no changes to the Trustees' policy, nor any departures from their policy, during the year. The Trustees note that the manner by which financially material ESG factors will be taken into account in an investment strategy or pooled fund offering will depend on the underlying asset classes within the pooled fund offering and the management style (e.g. active or passive). The Trustees are satisfied that the funds currently invested in by the Scheme are managed in accordance with their views on financially material considerations and in particular with regards to the selection, retention, and realisation of the underlying investments held.

No Investment Strategy review was carried out in the year.

Non-financial factors

Trustees' policy: *There is no legal requirement for trustees to take non-financial factors into account, but we may do so if we have good reason to consider members have a contrary view; we are satisfied that any new investment does not present a risk of significant financial detriment; and the costs involved with making the changes are justified. To date we have not received any communications from members setting out ethical concerns about some individual investments held within the scheme's portfolio. Based on this we have no reason to think that members share a particular view and will therefore not be taking non-financial factors into account. Should any element of that change in the future then we will review our policy accordingly.*

There were no changes to the Trustees' policy, nor any departures from their policy, during the year. The Trustees have not received any communications from members setting out ethical concerns about some individual investments held within the scheme's portfolio during the year.

7. Conflicts of Interest

The Trustees maintain a separate conflicts of interest policy and register.

8. Incentivisation of Investment Managers

Investment Managers continue to be remunerated based on an agreed fixed annual percentage of the asset value for each underlying fund.

9. Fee Structures

The Investment Managers continue to be paid a management fee on the basis of assets under management.

The Investment Consultant continues to be paid on a project basis.

For and behalf of the Trustees of the Petty, Wood & Company Limited Retirement Benefits Scheme

26/3/24

Date



Signed