

## *STATEMENT OF INVESTMENT PRINCIPLES*

- 1 The principles underlying the investment of the Pension Fund monies should be as follows:
  - 1.1 To ensure that at all times the Trustees have sufficient liquidity to meet the costs of administering the Pension Fund and the costs of the payment of benefits, including the payment of premiums to reinsure any death-in-service benefits.
  - 1.2 Benefits accruing should be matched by real assets such as property and equities, both UK and overseas, which are expected to provide a long-term positive return in real terms, in other words in excess of inflation.

Any investment in overseas stocks does however contain an additional currency risk as the Trustees' liabilities are denominated in sterling.
  - 1.3 ~~Pensions in course of payment should be matched primarily by fixed interest securities providing a regular income stream.~~

If pensions are index-linked, or increase at a specific rate, consideration should be given to purchasing Index-linked Gilts.

Variations from the above investment strategy are most appropriate whilst the Members are accruing benefits, and least appropriate while benefits are in course of payment.
- \* 2 In the selection, retention and realisation of investments no specific social, environmental or ethical considerations are taken into account.
- \* 3 Where specific investments have rights (including voting rights) attaching to them, those rights will be exercised on an individual basis in the manner considered most appropriate at the time, taking into account the interests of the Members at large.
- 4 The Trustees' general policy on complying with the Minimum Funding Requirement is to maintain an acceptable level of risk of the MFR ratio falling below 100% and, in so doing, accept the risk of the requirement to make additional contributions to the Scheme.
- 5 The Trustees will review this Statement when appropriate.

## **Annual Implementation Statement – for scheme year ending 31 March 2020**

### **Mawdsley Brooks & Company Retirement Benefit Scheme**

#### **Introduction**

This document is the Annual Implementation Statement (the "statement") prepared by the Trustees of the Mawdsley Brooks & Company Retirement Benefit Scheme (the "Scheme") covering the scheme year to 31 March 2020.

The purpose of this statement is to:

- Set out the extent to which, in the opinion of the Trustees, the engagement policy under the Scheme's Statement of Investment Principles ("SIP") has been followed during the year
- Describe the voting behaviour by, or on behalf of, the Trustees over the year.

A copy of this implementation statement will be made available on the following website [www.mawdsleys.co.uk](http://www.mawdsleys.co.uk) and included in the Trustees' annual report and scheme accounts for the year to 31 March 2020.

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This is the first year of the Scheme providing an implementation statement and the format of the statement is expected to evolve over time as practices are established.

#### **Trustees' voting and engagement policy**

In line with the Trustees' Statement of Investment Principles, the Trustees are being advised by Lasenby Knox Ltd on the investment portfolio of the Scheme. The Scheme's assets are entirely invested in regulated actively managed collective funds.

Due to the passive nature of the Scheme's investments, the Trustees recognise that no material decisions are taken by the investment manager on the holdings to be included in the portfolio. However, the Trustees expect that the extent to which social, environmental or ethical issues may have a fundamental impact on the portfolio will be taken into account by the investment manager in the exercise of their delegated duties.

The Scheme's investment manager is not signed up to the UK FRC Stewardship Code. The Trustees will monitor the advice given by its investment adviser on a regular basis.

The Trustees met with the investment manager during the year to discuss relevant matters and sustainable investment. The Trustees are satisfied that the manager is engaging with the investee companies in a manner aligned with the Scheme's long-term investment objectives.

The Trustees' policy is to delegate responsibility for the exercising of rights (including voting rights) attaching to investments to the investment manager.

#### **Summary of voting over the year to 31 March 2020**

The Scheme's equity investments are managed by 12 of the 14 underlying collective investment fund manager companies and the Trustees believe each of these fund manager companies has a strong and robust investment process.

Any voting rights arising from equity investments during the year to 31 March 2020 will be taken up by the underlying collective investment management company.

Accordingly, there were no votes exercised during the year to 31 March 2020 by either the investment manager or the Trustees.

In the Trustees' opinion, the Statement of Investment Principles has been followed during the year to 31 March 2020.

The Trustees of the Mawdsley Brooks & Company Retirement Benefit Scheme

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