

# The Faculty of Advocates Retirement and Death Benefits Plan

## Trustee Implementation Statement 2022

### Background and Trustee Policy

1. As a defined benefit pension scheme Faculty of Advocates Retirement Defined Benefit Scheme ("FOA"), requires our investment managers to confirm their adherence with the Trustees policy on shareholder engagement. As set out in the Statement of Investment Principles ("SIP"), dated August 2020, the Trustees have the following policy: -

#### 1.1. Shareholder Engagement

*The Trustees have considered the Institutional Shareholders' Committee code and their policy is to adopt the code and delegate responsibility for implementation to the Investment Manager.*

*The Trustee considers the Investment Managers existing shareholder engagement policy to be appropriate for the current objectives of the Scheme. Should the Trustees wish to pursue a specific shareholder engagement policy in regards to a specific company, industry or broad governance item this will be communicated to the Investment Manager.*

*In order to monitor the shareholder engagement actions of the Investment Manager the Trustee requires them to provide an annual disclosure of their shareholder engagement activities.*

Please refer to appendix 1 for a full copy of the SIP statement.

### Investment Manager Policy

2. Our Investment Managers, LGT Wealth Management UK LLP ("LGT") (formerly LGT Vestra LLP) have advised they adopt the current policy regards to the Shareholder Engagement and voting rights: -

#### 2.1. Shareholder Engagement

*As a wealth manager, our primary duty is to maximise investment returns for our clients whilst operating within the confines of our contractual obligations and the objectives, goals and other parameters we have agreed with our clients. We look to achieve this through our sound and thorough approach to identifying suitable investment opportunities.*

*Investment opportunities are identified through comprehensive financial analysis but other aspects of the company or fund may be given consideration. Those factors include:*

- Corporate governance
- Strategy
- Culture
- Non-financial performance and risks
- Capital structure
- Social and environmental impact

*The significance assigned to these factors is considered on a case-by-case basis at the discretion of our in-house Research team. Effective monitoring of investee companies and funds is fundamental to fulfilling our responsibility to our clients. Each company or fund's ability to*

*create, sustain and protect value is central to our investment process. Therefore, we continually assess the performance and management of companies and funds in which we have invested on behalf of our clients to determine if our clients' interests are being served.*

## 2.2. Voting Rights

*LGT supports clients in exercising their right to vote where deemed appropriate. From time to time, our research analysts identify a significant issue which could have an impact on the holdings of our clients. When this occurs, LGT exercises the vote on behalf of shares held by our clients through our nominee. Where clients identify a vote where they wish to exercise their rights, they may instruct us to vote on their behalf and we will cast a vote for the shares held by them through our nominee.*

*We have partnered with Institutional Shareholder Services (“ISS”), a leading provider of corporate governance and responsible investment solutions, market intelligence, fund services, and editorial content for institutional investors globally. This enables LGT to vote on ESG issues across all equity and investment trust holdings on LGT approved lists. The results of voting activity is published annually, allowing our clients to better understand the breakdown of votes.*

*We regularly report investment activity to our clients, and where it is requested by a client, we will report details of our voting activities.*

*Full details of our Stewardship policy is available via the following weblink as is our active ownership report and voting activity*

*<https://www.lgtwm.com/en/publications/literature/#tabsContainer3>*

*[https://www.lgtwm.com/shared/.content/publikationen/lgt-wm-downloads/annual\\_reports/LGT-Wealth-Management\\_Active-ownership-report-2021\\_en.pdf](https://www.lgtwm.com/shared/.content/publikationen/lgt-wm-downloads/annual_reports/LGT-Wealth-Management_Active-ownership-report-2021_en.pdf)*

### Compliance statement

3. During the period, the Investment Managers have confirmed they have been in full compliance with both the Trustee's policy set out under item 1, and their own internal policies as detailed in item 2.

Over the period our Investment Managers have confirmed full compliance with this policy at all times.

### Voting actions during period

4. During the period the Investment Managers have advised they undertook the following voting activity (see link), none were considered material or **significant**.

*[https://www.lgtwm.com/shared/.content/publikationen/lgt-wm-downloads/annual\\_reports/LGT-Wealth-Management\\_Active-ownership-report-2021\\_en.pdf](https://www.lgtwm.com/shared/.content/publikationen/lgt-wm-downloads/annual_reports/LGT-Wealth-Management_Active-ownership-report-2021_en.pdf)*

5. The Investment Manager defines **significant** votes as votes which directly affect shareholders equity holdings or value. For example, stock splits, mergers and acquisitions, rights issues. For bond holders, significant votes relate to changes to covenants and other related protections.

### Future changes in Investment Manager processes

6. From Q3 2021 the Investment Managers partnered with the afore-mentioned ISS for all proxy-voting services. This enables the Investment Manger to vote systematically on issues across all internally approved equity and investment trust holdings at AGMs and EGMs.

Such issues include voting against excessive remuneration, regular change of auditors, entrenched boards, board diversity, accountability and responsibility of the board on other ESG topics as well as advocating ESG disclosures.

The above link shows the voting activity, which is published annually, and as well as reporting whether 'for or' 'against' also illustrates the breakdown of votes by theme.

**Important information**

*LGT Wealth Management UK LLP is authorised and regulated by the Financial Conduct Authority ("FCA"). Our regulation details are set out in the FCA register: Firm Reference No: 471048; [register.fca.org.uk/](https://register.fca.org.uk/). Registered in England and Wales: OC329392. Registered office: 14 Cornhill, London, EC3V 3NR. LGT Wealth Management Jersey Limited is incorporated in Jersey and is regulated by the Jersey Financial Services Commission in the conduct of Investment Business and Funds Service Business. Registration number: 102243; [www.jerseyfsc.org/industry/regulated-entities](http://www.jerseyfsc.org/industry/regulated-entities), Registered office: 30-32 New Street, St Helier, Jersey, JE2 3TE. LGT Wealth Management US Limited is authorised and regulated by the Financial Conduct Authority and is a Registered Investment Adviser with the US Securities & Exchange Commission ("SEC"). Our regulation details are set out in the FCA register: Firm Reference No: 585547; [register.fca.org.uk/](https://register.fca.org.uk/) and the SEC Investment Adviser Public Disclosure: [www.adviserinfo.sec.gov/IAPD/Default.aspx](http://www.adviserinfo.sec.gov/IAPD/Default.aspx). Registered in England and Wales: 06455240. Registered Office: 14 Cornhill, London, EC3V 3NR.*

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*Updated June 2022/ LGT Wealth Management UK LLP*