



The Grove Europe Pension Scheme

05 April 2025

Background and Implementation Statement

Background

The regulatory landscape continues to evolve as ESG becomes increasingly important to regulators and society. The Department for Work and Pensions ('DWP') has increased the focus around Environmental, Social and Governance ('ESG') policies and stewardship activities by issuing further regulatory guidance relating to voting and engagement policies and activities. These regulatory changes recognise the importance of managing ESG factors as part of a Trustee's fiduciary duty.

Implementation Report

This implementation report provides evidence that Grove Europe Pension Scheme continues to follow and act on the principles outlined in the Statement of Investment Principles ('SIP').

The SIP can be found online at the web address

<https://www.isio.com/app/uploads/2025/05/Grove-SIP-2025-Clean.pdf> and changes to the SIP over the year are detailed on the following pages.

This Implementation Report details:

- Actions the Trustee of The Grove Europe Pension Scheme has taken to manage financially material risks and implement the key policies in its SIP
- the current policy and approach with regards to ESG and the actions taken with managers on managing ESG risks
- the extent to which the Trustee of The Grove Europe Pension Scheme has followed policies on engagement covering engagement actions with its fund managers and in turn the engagement activity of the fund managers with the companies in the investment mandate (note that this detail is covered by the attached report, provided by Mobius)
- voting behaviour covering the reporting year up to 05 April 2025 for and on behalf of The Grove Europe Pension Scheme including the most significant votes cast by The Grove Europe Pension Scheme or on its behalf (note that this detail is covered by the attached report, provided by Mobius).

Summary of key actions undertaken over the Scheme reporting year

Over the reporting period, the Trustee, with the help of its investment advisor, completed a review of the Scheme's investment strategy and elected to target a Gilts + 1.5% p.a. expected return in the investment portfolio. To achieve this the Trustee decided to invest in two new asset-backed securities funds and a multi-asset credit fund. The strategy updates were funded using proceeds from the sales of the Scheme's two diversified growth funds. This activity was intended to move the Scheme away from higher volatility assets (equity) towards more stable contractual assets (credit).

The Trustee also updated the liability hedging portfolio over the year to target a 100% hedge to interest rates and inflation on the Scheme's Technical Provisions basis.

Implementation Statement

This report demonstrates that the Trustee of The Grove Europe Pension Scheme has adhered to its investment principles and its policies for managing financially material considerations including ESG factors and climate change.

Signed

Position

Date

Managing risks and policy actions

Risk / Policy	Definition	Policy	Actions and details on changes to policy
Interest rates and inflation	The risk of mismatch between the value of the Scheme assets and present value of liabilities from changes in interest rates and inflation expectations.	To broadly hedge c.100% of the interest rate and inflation risks in the uninsured Technical Provisions liability.	<p>Over the reporting period, the Trustee increased the Scheme's liability hedge to target a 100% hedge ratio to both interest rates and inflation on the Scheme's Technical Provision basis.</p> <p>The Scheme continued to invest in nominal and index-linked LDI funds with Insight, to protect the Scheme's Technical Provisions funding level against adverse movements in interest rates and inflation.</p>
Liquidity	Difficulties in raising sufficient cash when required without adversely impacting the fair market value of the investment.	To maintain a sufficient allocation to liquid assets so that there is a prudent buffer to pay members' benefits as they fall due (including transfer values), and to provide collateral to the LDI manager.	<p>The majority of the Scheme's assets are traded daily, providing sufficient liquidity for both member benefit payments, and as LDI collateral support.</p> <p>When completing the review of the investment strategy the Trustee implemented three funds that all provide daily liquidity.</p>
Market	Experiencing losses due to factors that affect the overall performance of the financial markets.	To remain appropriately diversified and hedge away any unrewarded risks, where practicable.	<p>The Scheme continues to maintain diversification within its asset portfolio through its investments across a breadth of asset classes, including credit funds and private markets.</p> <p>The three new funds that the Trustee invested in over the year provide sufficient diversification and are exposed to a large number of positions and a range of sub asset-classes.</p>

Credit	Default on payments due as part of a financial security contract.	To appoint investment managers who actively manage this risk by seeking to invest only in debt securities where the yield available sufficiently compensates the Scheme for the risk of default.	<p>The three new credit funds that the Trustee invested in over the year are diversified across a breadth of geographies and sectors.</p> <p>The Scheme employs professional investment managers to manage credit risk on its behalf.</p>
Environmental, Social and Governance	Exposure to Environmental, Social and Governance factors, including but not limited to climate change, which can impact the performance of the Scheme's investments.	ESG is taken into account as part of Isio's standard due diligence and ongoing research and as such is a consideration in the selection of the Scheme's investment managers.	Further detail provided later in this report.
Currency	The potential for adverse currency movements to have an impact on the Scheme's investments.	To invest in funds that hedge the majority of currency risk as far as practically possible.	All the Scheme's investments are in GBP denominated share classes.
Non-financial	Any factor that is not expected to have a financial impact on the Scheme's investments.	Non-financial matters are not taken into account in the selection, retention or realisation of investments.	No actions were taken over the period.

Changes to the SIP

There have been no changes to the SIP over the period to 5 April 2025. Following the end of the reporting period the Trustee made changes to the SIP to reflect the new investment strategy implemented in Q1 2025.

Current ESG policy and approach

ESG as a financially material risk

The SIP describes the Scheme's policy with regards to ESG as a risk given it could have a material impact on investment risk and return outcomes. The Trustee also recognises that long-term sustainability issues, particularly climate change, present risks and opportunities that increasingly may require explicit consideration. This section details how the Scheme's ESG policy is implemented.

The assets of the Scheme are invested in pooled vehicles through the Mobius Life Platform and the Trustee accepts that pooled investments will be governed by the individual policies of the investment manager. These policies are reviewed as part of the consideration of pooled investments. As such, the Trustee has given its investment managers full discretion in evaluating ESG factors, including climate change considerations, exercising voting rights and stewardship obligations attached to the investments, in accordance with their own corporate governance policies and current best practice, including the UK Corporate Governance Code and UK Stewardship Code.

The Trustee is increasingly considering how ESG, climate change and stewardship is integrated within investment processes in appointing new investment managers and monitoring the existing investment managers. The Trustee will consider the ESG ratings provided by its Investment Advisor how the investment manager embeds ESG factors into its investment process.

Engagement and Voting

The Trustee has appointed Mobius Life as the platform provider. Mobius Life has adopted the managers' definitions of significant votes and given the Trustee has not set any stewardship priorities, Mobius have not collected feedback on these. The managers have provided examples of votes they deem to be significant, and Mobius Life has shown the votes relating to the greatest exposure within the Scheme's investment. When requesting data annually, Mobius Life informs the managers what they deem most significant.

Please see the documents provided by Mobius Life overleaf for details on engagement and voting actions including a summary of the activity, covering the 12-month period ending 5 April 2025.

Fund Manager Product Response

Activity	Insight Liquid ABS Fund		
Do you undertake Engagements for this fund?	Yes	How many engagements have you had with companies in the past 12 months?	60
<p>Which form of engagement is most representative of the approach taken for this fund over the last 12 months:</p> <ul style="list-style-type: none"> • Sending standardised letters to companies Sending bespoke letters to companies • Standard period engagement with companies • Active private engagement on specific issues • Active public engagement on specific issues 	<p>As a leader in investment management, Insight understands that we must demonstrate the highest standards of accountability and transparency in our stewardship programme. We have an unwavering commitment to stewardship. We believe effective stewardship includes taking clients' needs into account and working for the benefit of all stakeholders. Given Insight's business focus on risk management, liability driven investment (LDI) and fixed income, for clients with very long-term investment horizons, our activity looks different when compared to the activity of many of our peers in the investment management industry, which focus largely on equities. We aim for transparency across all our activities, and collaborate with stakeholders where we believe we can maximise the impact of our engagement.</p> <p>Engagement with issuers is a key part of our credit analysis and monitoring and complements our approach to responsible investment. As a matter of policy, our credit analysts regularly meet with issuers to discuss ESG related and non-ESG related issues. Given the size and depth of our credit analyst resource, one of the key inputs into our ESG analysis is the direct information which we receive from companies via engagements that take place. We also have a dedicated stewardship programme, which includes our prioritised ESG engagement themes. Our prioritised themes for this year are climate change, natural capital and labour management (human rights in the case of sovereign issuers). We use a research-led approach to identify poor performers to initiate targeted engagement to encourage positive improvements across each of these themes.</p> <p>With regards to our holdings in corporate bonds, in 2023, Insight conducted 992 engagements with corporate bond issuers, including derivative counterparties, the majority of which incorporated discussions of environmental, social and governance (ESG) issues. We also work with governments, companies and civil society organisations to build knowledge and awareness, to share expertise and to create a common voice on these issues when engaging with stakeholders in relations to our clients' investments. In recent years we have engaged with the industry on the transition from LIBOR, central clearing for European pension schemes, RPI reform, with the Office of the Prime Minister and Department for Energy Security and Net Zero in the UK, UN PRI on responsible investment 'progression pathways' and successfully petitioning for a 'mixed goals' UK SDR sustainability label.</p> <p>Our engagements are focused on creating positive change at the organisations we invest in. In determining the nature and objectives of an engagement relating to ESG factors, we adopt a Double Materiality Framework, whereby our approach is to categorise different themes to describe whether they have a greater impact in terms of their Financial Materiality or their Environmental & Social</p>	<p>Please discuss some of the key engagements and outcomes from the last 12 months.</p>	-

Fund Manager Product Response

Activity	Insight Liquid ABS Fund		
	<p>Materiality. Each potential engagement theme is prioritised by magnitude of importance to both enterprise financial value and societal stakeholders. Using a Double Materiality framework helps us to categorise the importance of different topics in their implications for an investments' financial value (financial materiality) and for how that investment may impact the world at large (environmental and social materiality).</p> <p>We are focused on driving positive change throughout the market at both an individual issuer level and also market wide, as evidenced by our membership to an extensive list of working groups and initiatives outlined on the next sheet. In particular, our involvement with Climate Action 100+: where the world's largest investors have united for change, aligns investor engagement to encourage the world's largest carbon emitting companies to take action on climate change.</p>		
Do you engage in voting for this fund?	No	Please provide details on why you do not engage in voting for this fund.	Liquidity Fund
Do you monitor the carbon emission levels or similar of the underlying companies in the fund?	Yes	What was the actual turnover rate over the last 12 months?	

Activity	Insight LDI Funds		
Do you undertake Engagements for this fund?	Yes		
How many engagements have you had with companies in the past 12 months?	126	How many engagements were made regarding environmental topics?	64
How many engagements were made regarding social topics?	38	How many engagements were made regarding governance topics?	26
<p>Which form of engagement is most representative of the approach taken for this fund over the last 12 months:</p> <ul style="list-style-type: none"> • Sending standardised letters to companies • Sending bespoke letters to companies • Standard period engagement with companies • Active private engagement on specific issues • Active public engagement on specific issues 	<p>As a leader in investment management, Insight understands that we must demonstrate the highest standards of accountability and transparency in our stewardship programme. We have an unwavering commitment to stewardship. We believe effective stewardship includes taking clients' needs into account and working for the benefit of all stakeholders. Given Insight's business focus on risk management, liability driven investment (LDI) and fixed income, for clients with very long-term investment horizons, our activity looks different when compared to the activity of many of our peers in the investment management industry, which focus largely on equities. We aim for transparency across all our activities, and collaborate with stakeholders where we believe we can maximise the impact of our engagement.</p> <p>Engagement with issuers is a key part of our credit analysis and monitoring and complements our approach to responsible investment. As a matter of policy, our credit analysts regularly meet with issuers to discuss ESG related and non-ESG related issues. Given the size and depth of our</p>	How many engagements were made regarding other issues?	11

Fund Manager Product Response

Activity	Insight LDI Funds		
	<p>credit analyst resource, one of the key inputs into our ESG analysis is the direct information which we receive from companies via engagements that take place. We also have a dedicated stewardship programme, which includes our prioritised ESG engagement themes. Our prioritised themes for this year are climate change, natural capital and labour management (human rights in the case of sovereign issuers). We use a research-led approach to identify poor performers to initiate targeted engagement to encourage positive improvements across each of these themes.</p> <p>With regards to our holdings in corporate bonds, in 2023, Insight conducted 992 engagements with corporate bond issuers, including derivative counterparties, the majority of which incorporated discussions of environmental, social and governance (ESG) issues. We also work with governments, companies and civil society organisations to build knowledge and awareness, to share expertise and to create a common voice on these issues when engaging with stakeholders in relations to our clients' investments. In recent years we have engaged with the industry on the transition from LIBOR, central clearing for European pension schemes, RPI reform, with the Office of the Prime Minister and Department for Energy Security and Net Zero in the UK, UN PRI on responsible investment 'progression pathways' and successfully petitioning for a 'mixed goals' UK SDR sustainability label.</p> <p>Our engagements are focused on creating positive change at the organisations we invest in. In determining the nature and objectives of an engagement relating to ESG factors, we adopt a Double Materiality Framework, whereby our approach is to categorise different themes to describe whether they have a greater impact in terms of their Financial Materiality or their Environmental & Social Materiality. Each potential engagement theme is prioritised by magnitude of importance to both enterprise financial value and societal stakeholders. Using a Double Materiality framework helps us to categorise the importance of different topics in their implications for an investments' financial value (financial materiality) and for how that investment may impact the world at large (environmental and social materiality).</p> <p>We are focused on driving positive change throughout the market at both an individual issuer level and also market wide, as evidenced by our membership to an extensive list of working groups and initiatives outlined on the next sheet. In particular, our involvement with Climate Action 100+: where the world's largest investors have united for change, aligns investor engagement to encourage the world's largest carbon emitting companies to take action on climate change.</p>		
Please discuss some of the key engagements and outcomes from the last 12 months.	<p>Morgan Stanley-Q4 2024</p> <p>US61748UAF93</p> <p>Environment- Natural Resource use/impact Environment- Climate change</p> <p>The issuer is a global financial services firm which originates, trades, manages and distributes capital</p>		

Fund Manager Product Response

Activity	Insight LDI Funds		
	<p>for governments, institutions and individuals</p> <p>The issuer provided answers to our Counterparty Sustainability Assessment Questionnaire in Q2 2024. We have used these responses to conduct benchmarking of our 25 largest banking counterparties to understand how ESG risks are managed by the organisation. We produced a feedback report for the issuer which was based on comparing responses from the benchmarking exercise, where we analysed discrepancies between counterparty responses to the questions. We engaged with the issuer to discuss our analysis on the issuer's responses to our counterparty ESG questionnaire where it has historically performed poorly. The engagement focused on issuer's disclosures on the impact of financing on natural capital, specifically deforestation, and the issuer's commitment to decarbonisation initiatives via green and social bond issuance</p> <p>This engagement is aligned to SDG 13 Climate Action and SDG 14 Life Below Water.</p> <p>Whilst the issuer did not perform well in the counterparty questionnaire, due to weak policies and disclosures, it has actively engaged with us and provided access to several senior-level stakeholders at the bank. We appreciate the issuer facilitating a productive discussion. We believe the issuer has made some progress in several areas, on sustainable financing and natural capability considerations. However, disclosures in these areas are poor, and the issuer has failed to set exclusions or highlight red lines for clients, particularly regarding deforestation. We have recommended that exclusions are implemented. Overall, we are comfortable that, despite some of the issues the corporate face, they are more engaged than some of their counterparts. We issued a feedback report to the issuer, and we look forward to continuing our engagement in the future</p>		
Do you engage in voting for this fund?	No	Please provide details on why you do not engage in voting for this fund.	LDI Fund
Do you monitor the carbon emission levels or similar of the underlying companies in the fund?	Yes	What was the actual turnover rate over the last 12 months?	

Activity	Insight Liquidity Fund		
Do you undertake Engagements for this fund?	Yes		
How many engagements have you had with companies in the past 12 months?	6	How many engagements were made regarding environmental topics?	2
How many engagements were made regarding social topics?	2	How many engagements were made regarding governance topics?	1

Fund Manager Product Response

Activity	Insight Liquidity Fund		
<p>Which form of engagement is most representative of the approach taken for this fund over the last 12 months:</p> <ul style="list-style-type: none"> • Sending standardised letters to companies • Sending bespoke letters to companies • Standard period engagement with companies • Active private engagement on specific issues • Active public engagement on specific issues 	<p>As a leader in investment management, Insight understands that we must demonstrate the highest standards of accountability and transparency in our stewardship programme. We have an unwavering commitment to stewardship. We believe effective stewardship includes taking clients' needs into account and working for the benefit of all stakeholders. Given Insight's business focus on risk management, liability driven investment (LDI) and fixed income, for clients with very long-term investment horizons, our activity looks different when compared to the activity of many of our peers in the investment management industry, which focus largely on equities. We aim for transparency across all our activities, and collaborate with stakeholders where we believe we can maximise the impact of our engagement.</p> <p>Engagement with issuers is a key part of our credit analysis and monitoring and complements our approach to responsible investment. As a matter of policy, our credit analysts regularly meet with issuers to discuss ESG related and non-ESG related issues. Given the size and depth of our credit analyst resource, one of the key inputs into our ESG analysis is the direct information which we receive from companies via engagements that take place. We also have a dedicated stewardship programme, which includes our prioritised ESG engagement themes. Our prioritised themes for this year are climate change, natural capital and labour management (human rights in the case of sovereign issuers). We use a research-led approach to identify poor performers to initiate targeted engagement to encourage positive improvements across each of these themes.</p> <p>With regards to our holdings in corporate bonds, in 2023, Insight conducted 992 engagements with corporate bond issuers, including derivative counterparties, the majority of which incorporated discussions of environmental, social and governance (ESG) issues. We also work with governments, companies and civil society organisations to build knowledge and awareness, to share expertise and to create a common voice on these issues when engaging with stakeholders in relations to our clients' investments. In recent years we have engaged with the industry on the transition from LIBOR, central clearing for European pension schemes, RPI reform, with the Office of the Prime Minister and Department for Energy Security and Net Zero in the UK, UN PRI on responsible investment 'progression pathways' and successfully petitioning for a 'mixed goals' UK SDR sustainability label.</p> <p>Our engagements are focused on creating positive change at the organisations we invest in. In determining the nature and objectives of an engagement relating to ESG factors, we adopt a Double Materiality Framework, whereby our approach is to categorise different themes to describe whether they have a greater impact in terms of their Financial Materiality or their Environmental & Social Materiality. Each potential engagement theme is prioritised by magnitude of importance to both enterprise financial value and societal stakeholders. Using a Double Materiality framework helps us to categorise the importance of different topics in their implications for an investments' financial value (financial materiality) and for how that investment may</p>	<p>How many engagements were made regarding other issues?</p>	<p>0</p>

Fund Manager Product Response

Activity	Insight Liquidity Fund		
	<p>impact the world at large (environmental and social materiality).</p> <p>We are focused on driving positive change throughout the market at both an individual issuer level and also market wide, as evidenced by our membership to an extensive list of working groups and initiatives outlined on the next sheet. In particular, our involvement with Climate Action 100+ : where the world's largest investors have united for change, aligns investor engagement to encourage the world's largest carbon emitting companies to take action on climate change.</p>		
Please discuss some of the key engagements and outcomes from the last 12 months.	<p>The Bank of Nova Scotia - Q4 2022 XS2596369657 1.07%</p> <p>Environment - Climate change, Governance - Remuneration and Strategy, Financial and Reporting - Strategy/purpose</p> <p>"The Bank of Nova Scotia (BNS) is a Canadian multinational banking and financial services institution headquartered in Toronto. It is one of Canada's Big Five banks.</p> <p>We engage with BNS as part of our counterparty engagement programme to understand its ESG capabilities; and to provide high level feedback on a recently completed questionnaire and to discuss the areas of underperformance in more detail.</p> <p>BNS was one of the top financiers of fossil fuels from 2016-2021 and we found that the bank has weak fossil fuel financing policies compared to its peers. Their published statements for coal and Arctic financing are very brief in comparison with other banks. Whilst they do not finance standalone projects for thermal coal or coal power generation, existing mining and utility clients continue to be supported and their policy does not include a full coal phase out date.</p> <p>This engagement is aligned to SDG7 Affordable and clean energy, SDG9 Industry, innovation and infrastructure and SDG13 Climate Action."</p> <p>"Engagements with BNS were conducted on 22 June 2022 by our Credit Analyst at a 121 private meeting with their Investor Relations team and separately on 14 Oct 2022 by our Senior Stewardship Analyst on a 121 telephone call with their Corporate Social Responsibility team.</p> <p>BNS signed up to the Net Zero Banking Alliance in October 2021 when they started the process of setting sector-based carbon intensity reduction targets. They took longer than some peers as they wanted to build this expertise in house by hiring new skilled employees, purchased a data provider and validated the data.</p> <p>BNS' impact lending target is below many other peers we surveyed. Its climate financing target of \$350 billion by 2030 is much smaller than many other banks. BMO is a similar size bank to BNS and has a target to mobilise \$400 billion towards sustainable finance by 2025.</p> <p>BNS links ESG performance to executive remuneration but has used mainly qualitative metrics to date. "</p> <p>"We challenged the bank on the areas of underperformance</p>		

Fund Manager Product Response

Activity	Insight Liquidity Fund		
	<p>in the questionnaire relative to its peers. BNS was receptive to our comments. We will provide feedback and monitor the progress of our feedback over time.</p> <p>They now have set targets using 2019 as a baseline across 4 sectors: Oil & Gas, Power & Utilities, Residential Mortgages and Agriculture. The decarbonisation strategies for the latter two are in an earlier stage due to challenges with data availability.</p> <p>BNS argued its target is specifically climate-focused whereas other banks have more of a general sustainable finance target.</p> <p>It is also starting to transition from qualitative towards quantitative metrics with regards to executive remuneration to make the approach more robust and transparent.</p>		
Do you engage in voting for this fund?	No	Please provide details on why you do not engage in voting for this fund.	Liquidity Fund
Do you monitor the carbon emission levels or similar of the underlying companies in the fund?	Yes	What was the actual turnover rate over the last 12 months?	

Activity	Aegon European ABS Fund		
Do you undertake Engagements for this fund?	Yes	Please discuss some of the key engagements and outcomes from the last 12 months.	Exhibit 8 - Aegon Euro ABS engagement examples
How many engagements have you had with companies in the past 12 months?	115	How many engagements were made regarding environmental topics?	26
How many engagements were made regarding social topics?	4	How many engagements were made regarding governance topics?	26
Which form of engagement is most representative of the approach taken for this fund over the last 12 months: <ul style="list-style-type: none"> Sending standardised letters to companies Sending bespoke letters to companies Standard period engagement with companies Active private engagement on specific issues Active public engagement on specific issues 	Sending bespoke letters to companies, Standard period engagement with companies	How many engagements were made regarding other issues?	59
Do you engage in voting for this fund?	Yes		
Do you use a third party to vote on your behalf? If Yes, please provide the details of your provider and any comments	Aegon AM uses several services from Institutional Shareholder Services Inc. (ISS) to facilitate its proxy voting process. These services are comprised of the online voting platform where the firm casts its votes, reporting and disclosure tools and benchmark and customized voting advice. ISS provides us with recommendations based on a customized voting policy for Dutch companies and recommendations based on the ISS Sustainability policy for	Do you conduct your own votes?	Yes

Fund Manager Product Response

Activity	Aegon European ABS Fund		
	<p>all other companies. We vote all meetings where practically possible. We monitor the voting process and can decide in individual cases to deviate from the ISS recommendation. All voting rationales are publicly disclosed on our website.</p> <p>Aegon AM uses several services from Institutional Shareholder Services Inc. (ISS) to facilitate its proxy voting process. These services are comprised of the online voting platform where the firm casts its votes, reporting and disclosure tools and benchmark and customized voting advice. ISS provides us with recommendations based on a customized voting policy for Dutch companies and recommendations based on the ISS Sustainability policy for all other companies. We vote all meetings where practically possible. We monitor the voting process and can decide in individual cases to deviate from the ISS recommendation. All voting rationales are publicly disclosed on our website.</p> <p>Aegon AM uses several services from Institutional Shareholder Services Inc. (ISS) to facilitate its proxy voting process. These services are comprised of the online voting platform where the firm casts its votes, reporting and disclosure tools and benchmark and customized voting advice. ISS provides us with recommendations based on a customized voting policy for Dutch companies and recommendations based on the ISS Sustainability policy for all other companies. We vote all meetings where practically possible. We monitor the voting process and can decide in individual cases to deviate from the ISS recommendation. All voting rationales are publicly disclosed on our website.</p>		
How many times did you vote in favour of management?	9	How many votes were proposed across the underlying companies in the fund?	9
How many votes did you abstain from?	0	How many times did you vote against management?	0
<p>Do you have a vote you consider the most significant for this fund?:</p> <ul style="list-style-type: none"> Company name Date of the Vote Summary of the resolution On which criteria have you assessed this vote to be 'most significant'? Approximate size of the fund's/ mandate's holding as a the date of the vote How did you vote? Rationale of the voting decision Outcome of the vote 	<p>Yes</p> <ul style="list-style-type: none"> EMACP 2007-1 2024-10-01 Resolution to exercise the put option Voting is very rare for ABS, we treat all votes as significant. in favour Attractive terms leading to a higher value of the investment Resolution was accepted N/A 	<p>Do you have a vote you consider the second most significant for this fund?:</p> <ul style="list-style-type: none"> Company name Date of the Vote Summary of the resolution On which criteria have you assessed this vote to be 'second most significant'? Approximate size of the fund's/ mandate's holding as a the date of the vote How did you vote? Rationale of the voting decision Outcome of the vote 	<p>Yes,</p> <ul style="list-style-type: none"> NGATE 2007-3X 2025-01-01 Resolution to adjust the legal documentation to comply with the new regulation to transition the reference rate from libor to sonia Yes in favour Administrative change to comply with updated regulation Resolution was accepted

Fund Manager Product Response

Activity		Aegon European ABS Fund	
<ul style="list-style-type: none"> Where you voted against management, did you communicate your intent to the company ahead of the vote? 		<ul style="list-style-type: none"> Where you voted against management, did you communicate your intent to the company ahead of the vote? 	<ul style="list-style-type: none"> N/A
<p>Do you have a vote you consider the third most significant for this fund?:</p> <ul style="list-style-type: none"> Company name Date of the Vote Summary of the resolution On which criteria have you assessed this vote to be 'third most significant'? Approximate size of the fund's/ mandate's holding as a the date of the vote How did you vote? Rationale of the voting decision Outcome of the vote Where you voted against management, did you communicate your intent to the company ahead of the vote? 	<p>Yes</p> <ul style="list-style-type: none"> ERNA 2024-04-01 Resolution to extend the term of bond in return for a higher coupon and other favourable terms Voting is very rare for ABS, we treat all votes as significant. in favour Attractive terms leading to a higher value of the investment Resolution was accepted N/A 	<p>Do you have a vote you consider the fourth most significant for this fund?:</p> <ul style="list-style-type: none"> Company name Date of the Vote Summary of the resolution On which criteria have you assessed this vote to be 'fourth most significant'? Approximate size of the fund's/ mandate's holding as a the date of the vote How did you vote? Rationale of the voting decision Outcome of the vote Where you voted against management, did you communicate your intent to the company ahead of the vote? 	<p>Yes</p> <ul style="list-style-type: none"> PNERA 2024-06-01 Resolution to extend the term of bond in return for a higher coupon and other favourable terms Voting is very rare for ABS, we treat all votes as significant. in favour Attractive terms leading to a higher value of the investment Resolution was accepted N/A
<p>Do you have a vote you consider the fifth most significant for this fund?:</p> <ul style="list-style-type: none"> Company name Date of the Vote Summary of the resolution On which criteria have you assessed this vote to be 'fifth most significant'? Approximate size of the fund's/ mandate's holding as a the date of the vote How did you vote? Rationale of the voting decision Outcome of the vote Where you voted against management, did you communicate your intent to the company ahead of the vote? 	<p>Yes</p> <ul style="list-style-type: none"> DECO 2019-VIVA 2024-06-01 Resolution to extend the term of bond in return for a higher coupon and other favourable terms Voting is very rare for ABS, we treat all votes as significant. in favour Attractive terms leading to a higher value of the investment Resolution was accepted N/A 	<p>Do you have a vote you consider the sixth most significant for this fund?:</p> <ul style="list-style-type: none"> Company name Date of the Vote Summary of the resolution On which criteria have you assessed this vote to be 'sixth most significant'? Approximate size of the fund's/ mandate's holding as a the date of the vote How did you vote? Rationale of the voting decision Outcome of the vote Where you voted against management, did you communicate your intent to the company ahead of the vote? 	<p>Yes</p> <ul style="list-style-type: none"> TAURS 2021-2 SP 2024-09-01 Resolution to extend the term of bond in return for a higher coupon and other favourable terms Voting is very rare for ABS, we treat all votes as significant. in favour Attractive terms leading to a higher value of the investment Resolution was accepted N/A
<p>Do you have a vote you consider the seventh most significant for this fund?:</p> <ul style="list-style-type: none"> Company name Date of the Vote Summary of the resolution On which criteria have you assessed this vote to be 'seventh most significant'? Approximate size of the fund's/ mandate's holding as a the date of the vote How did you vote? Rationale of the voting decision Outcome of the vote Where you voted against management, did you communicate your intent to the company ahead of the vote? 	<p>Yes,</p> <ul style="list-style-type: none"> PURPLE FINANCE CLO 2 2024-10-01 Resolution to provide consent, after the collateral manager merged with another collateral manager, to transfer of the CLO collateral management to the new entity Voting is very rare for ABS, we treat all votes as significant. in favour The new combined collateral management has more scale than the original one Resolution was accepted N/A 	<p>Do you have a vote you consider the eighth most significant for this fund?:</p> <ul style="list-style-type: none"> Company name Date of the Vote Summary of the resolution On which criteria have you assessed this vote to be 'eighth most significant'? Approximate size of the fund's/ mandate's holding as a the date of the vote How did you vote? Rationale of the voting decision Outcome of the vote Where you voted against management, did you communicate your intent to the company ahead of the vote? 	<p>Yes</p> <ul style="list-style-type: none"> Polaris 2021-1 and 2022-1 2024-12-02 Consent solicitations to keep up to 10% of product switches in these transactions. Voting is very rare for ABS, we treat all votes as significant. in favour Administrative change to comply with updated regulation Resolution was accepted n/a
<p>Do you monitor the carbon emission levels or similar of</p>	Yes.	<p>What was the actual turnover rate over the last 12 months?</p>	0

Fund Manager Product Response

Activity	Aegon European ABS Fund		
the underlying companies in the fund?			

Activity	M&G Total Return Credit Investment Fund		
Do you undertake Engagements for this fund?	Yes		
How many engagements have you had with companies in the past 12 months?	10	How many engagements were made regarding environmental topics?	7
How many engagements were made regarding social topics?	2	How many engagements were made regarding governance topics?	1
Which form of engagement is most representative of the approach taken for this fund over the last 12 months: <ul style="list-style-type: none"> • Sending standardised letters to companies • Sending bespoke letters to companies • Standard period engagement with companies • Active private engagement on specific issues • Active public engagement on specific issues 	Sending bespoke letters to companies, Active public engagement on specific issues, Standard period engagement with companies	How many engagements were made regarding other issues?	0
Please discuss some of the key engagements and outcomes from the last 12 months.	<p>Engagement with: AIB GROUP PLC</p> <p>Objective: We met with Irish Bank AIB to discuss the process it went through to have its near-term decarbonisation targets SBTi approved (as one of the few banks to have done so). The idea was to apply the lessons learned by AIB to other financial holdings that are finding validation difficult. As part of this meeting, we encouraged the bank to also have its net zero targets approved by SBTi, as well as regularly reporting on the outcomes of its scope 3 engagement programme, particularly as relates to its loan book.</p> <p>Result: AIB provided a good overview of the steps it had taken, the most important of which was initially getting internal stakeholders on board to allow for a smooth process, and working closely with SBTi on areas of uncertainty or concern. The bank confirmed that its intention was to get its net zero target approved, and was positive on the idea of reporting on its scope 3 engagement. This, it said, could eventually look at other ways of encouraging loan customers to decarbonise - in terms of incentives - while regulation was also helping to drive this, particularly CSRD. We had several other requests to put to the bank, particularly in terms of disclosure, but overran. We agreed to a follow-on meeting later in the year.</p> <p>Action taken: We met with the bank's chief strategy and sustainability officer, as well as a member of the investor relations team.</p> <p>Engagement with: DXC TECHNOLOGY CO</p>		

Fund Manager Product Response

Activity	M&G Total Return Credit Investment Fund		
	<p>Objective: To encourage DXC to increase board level gender diversity to 33% in line with our voting policy</p> <p>Result: We await to hear back from the company and will update in due course</p> <p>Action taken: M&G sent an letter to the company to make our expectations known</p>		
Do you engage in voting for this fund?	No	Please provide details on why you do not engage in voting for this fund.	Not applicable as fixed income product
Do you monitor the carbon emission levels or similar of the underlying companies in the fund?	<p>Yes, we do monitor carbon emissions levels of underlying companies in our fund. Emissions metrics across our portfolios have been calculated based on the Partnership for Carbon Accounting Financials (PCAF) principles.</p> <p>Metric Description:</p> <ul style="list-style-type: none"> * Financed carbon emissions (FCE) Scope 1 and 2 (ktCO₂e) * Financed carbon emissions (FCE) Scope 3 (ktCO₂e) * Carbon footprint Scope 1 and 2 (tCO₂e/£m invested) * Carbon footprint Scope 3 (tCO₂e/£m invested) * Weighted average carbon intensity (WACI) Scope 1 and 2 (tCO₂e/£m sales) * Weighted average carbon intensity (WACI) Scope 3 (tCO₂e/£m sales) <p>In addition to backward-looking metrics mentioned above, which indicates the current emissions profile of an asset or portfolio, we also use forward-looking metrics to assess transition alignment and potential impacts on asset values over time by leveraging scenario analysis tools. The key forward-looking metrics that we monitor for public assets are:</p> <ul style="list-style-type: none"> • Implied temperature rise (ITR): this metric allows a user to quickly gauge if a portfolio and issuer's GHG emissions' trajectory is aligned with the Paris Agreement through sub-industry and regional benchmark comparisons. It is a simplified tool allowing us to assess the transition profile of the companies we invest in and their progress toward driving down greenhouse gas emissions, while also measuring the effect of any changes we make to our portfolios during the year. • Climate adjusted value (CAV): this metric is equivalent to value at risk (VaR), but is calculated on a bottom-up basis, by assessing the impact of different climate scenarios on an issuer's financial position, which we disclose by industry. 	What was the actual turnover rate over the last 12 months?	

Fund Manager Product Response

Activity	Partners Group Generations Fund		
Do you undertake Engagements for this fund?	Yes	Please discuss some of the key engagements and outcomes from the last 12 months.	
How many engagements have you had with companies in the past 12 months?	1	How many engagements were made regarding environmental topics?	1
How many engagements were made regarding social topics?	1	How many engagements were made regarding governance topics?	1
Which form of engagement is most representative of the approach taken for this fund over the last 12 months: <ul style="list-style-type: none"> • Sending standardised letters to companies • Sending bespoke letters to companies • Standard period engagement with companies • Active private engagement on specific issues • Active public engagement on specific issues 	Active private engagement on specific issues	How many engagements were made regarding other issues?	1
Do you engage in voting for this fund?	Yes		
Do you use a third party to vote on your behalf? If Yes, please provide the details of your provider and any comments	Yes As a private markets firm, we have very limited exposure to voting activity. Partners Group uses a proxy advisor for its limited listed investments, working with one of the major proxy advising companies in the world - Glass Lewis. Glass Lewis does in-depth research on each ballot item and recommends voting in line with the list of guidelines best practice and considering local market standards. Glass Lewis also votes primarily according to Partners Group's Proxy Voting Policy. Glass Lewis does in-depth research on each ballot item and recommends voting in line with the list of guidelines best practice and considering local market standards. Glass Lewis also votes primarily according to Partners Group's Proxy Voting Policy.	Do you conduct your own votes?	We integrate sustainability into governance, risk management, and performance tracking across our investments. Sustainability Governance Reviews (SGRs) are conducted semi-annually for control private equity and infrastructure investments, while sustainability data collection covers 100% of AuM annually. Incident reporting, engagement strategies, and proxy voting ensure sustainability considerations drive decision-making across all asset classes.
How many times did you vote in favour of management?	59	How many votes were proposed across the underlying companies in the fund?	66
How many votes did you abstain from?	3	How many times did you vote against management?	4

Fund Manager Product Response

Activity	Partners Group Generations Fund		
Do you have a vote you consider the most significant for this fund?: <ul style="list-style-type: none"> Company name Date of the Vote Summary of the resolution On which criteria have you assessed this vote to be 'most significant'? Approximate size of the fund's/ mandate's holding as a the date of the vote How did you vote? Rationale of the voting decision Outcome of the vote Where you voted against management, did you communicate your intent to the company ahead of the vote? 	N/A		
Do you monitor the carbon emission levels or similar of the underlying companies in the fund?	Yes, for all investments in the strategy we collect carbon data on a best effort basis.	What was the actual turnover rate over the last 12 months?	11

Activity	BNY Mellon Global Dynamic Bond Fund		
Do you undertake Engagements for this fund?	Yes		
How many engagements have you had with companies in the past 12 months?	5	How many engagements were made regarding environmental topics?	6
How many engagements were made regarding social topics?	1	How many engagements were made regarding governance topics?	1
Which form of engagement is most representative of the approach taken for this fund over the last 12 months: <ul style="list-style-type: none"> Sending standardised letters to companies Sending bespoke letters to companies Standard period engagement with companies Active private engagement on specific issues Active public engagement on specific issues 	As stewards of capital Newton Investment Management is committed to the responsible allocation, management and oversight of capital to create long-term value for beneficiaries and other stakeholders. We use three main stewardship tools to help us meet our commitment to our clients: engagement with issuers, voting at shareholder meetings, and advocacy within the wider marketplace. Of these three tools, engagement is the most central (see our definition above). Our voting activity supports our engagements, where relevant, and will reflect our view on how the company is managing its particular risks. Through our advocacy efforts, we participate in market and/or industry level initiatives to influence the landscape to help shape the framework in which companies operate in a way which we believe to be in the best interests of our clients. Our advocacy will often link to the themes on which we are engaging with companies, and on which we believe progress will help address market-wide or systemic risks. As an active investor, Newton takes on a stewardship role for the capital entrusted to us by our clients. We do so with the aim of protecting (reducing risks) and potentially enhancing long-term shareholder value. For our engagement with issuers, we set clear and outcome-focused objectives (which can be set to improve disclosures	How many engagements were made regarding other issues?	0

Fund Manager Product Response

Activity	BNY Mellon Global Dynamic Bond Fund		
	<p>and/or encourage certain actions) which can be evaluated over a suitable time horizon and can be linked back to a relevant investment thesis.</p> <p>Our engagements are led or sponsored by the investment teams, as those making the capital-allocation decisions are best placed to drive successful engagement outcomes. Our dedicated stewardship team provides guidance on setting objectives for each engagement, including milestones where appropriate.</p>		
<p>Please discuss some of the key engagements and outcomes from the last 12 months.</p>	<p>Barclays Plc</p> <p>GB0031348658</p> <p>0.446%</p> <p>Environment - Climate change</p> <p>Robust disclosures on the bank's client transition framework (CTF) including details around its scoring methodology including factors such as sub-targets used for sectoral assessment and material topics used for scoring are very crucial to help investors understand the effectiveness of its client transition framework. Further, robust disclosure on the bank's client engagement process, including major topics of discussion and expectation around best in class practices is useful for investors to understand how the bank's client transition framework is working in practice.</p> <p>The transition of high-emitting clients is important for the bank because it helps in a phased approach to wind down financing fossil fuels while balancing the current energy needs.</p> <p>High-emitting sectors face long-term structural challenges, transitioning these clients towards more sustainable practices can enhance their financial stability and in turn safeguard the bank's loan book and help the operating model remain resilient.</p> <p>Context: Barclays has improved its CTF considerably over the years by providing information on its overall scoring methodology, governance structure and broad parameters it uses to assess clients. However, investors would gain more comfort if they understand the material parameters or risk indicators it uses to assess a specific sector.</p> <p>Takeaways: - Barclays highlighted its overall approach to use the CTF to identify clients that need more help to transition and then seeks to engage with them. - We highlighted we are appreciative of the direction of travel but conveyed some aforementioned points that would increase confidence in the CTF further. , E - Climate transition risk and net zero strategy = Context: Barclays has improved its CTF considerably over the years by providing information on its overall scoring methodology, governance structure and broad parameters it uses to assess clients. While the bank has highlighted it engages with its clients, more disclosures around its engagement process with a focus on key topics of discussion and expectations</p>		

Fund Manager Product Response

Activity	BNY Mellon Global Dynamic Bond Fund		
	<p>around best in class practice would provide investors more comfort.</p> <ul style="list-style-type: none"> - Barclays highlighted that it regularly reviews client's disclosures and actions on transition and engages with them if it feels it can add value, it seeks to work with them and help them transition in the long-term. - We highlighted that the best in class practices or key topics it discusses without disclosing competitive information would be beneficial for shareholders to assess the bank's actions. <p>We remain comfortable with the bank's overall approach to climate transition and our feedback was acknowledged by the bank to provide more disclosure on specific parameters or metrics used to analyze sub-sectors under the CTF.</p> <p>We remain comfortable with the bank's overall approach to climate transition and our feedback was acknowledged by the bank to provide more disclosure on its overall engagement process under the CTF.</p> <p>Next Steps We will monitor the bank's update on its broader transition plan later this year and aim to engage again by early next year.</p>		
Do you engage in voting for this fund?	No	Please provide details on why you do not engage in voting for this fund.	Fixed Income
Do you monitor the carbon emission levels or similar of the underlying companies in the fund?	Yes	What was the actual turnover rate over the last 12 months?	

Important Information

Mobius Life Limited (Mobius Life) has prepared this report for professional advisers and institutional investors only. The purpose of this report is to provide information on Mobius Life's own products and services and nothing in this presentation, or any supporting material, should be regarded as a personal recommendation. This report is not intended for onward transmission.

The value of investments, and the income from them, may go down as well as up and investors may not get back the amount originally invested. Where an investment is denominated in a currency other than sterling, changes in exchange rates between currencies may cause investment values or income to rise or fall. Past performance should not be seen as a reliable indicator of future results. Any past performance quoted is based on dealing valuations.

Within a fund, the asset allocations and choice of asset managers are at the discretion of Mobius Life and may change without notification to the investor.

Where a fund is invested with another Life Company by means of a reinsurance arrangement, Mobius Life monitors the way the reinsurer manages its business, but does not guarantee the solvency of the reinsurer, so the risk of default by the reinsurer is borne by policyholders who invest in the relevant fund(s).

A Liability Driven Investment (LDI) is a specialist fund that uses sophisticated techniques to meet its objective. An LDI fund may invest in a range of assets such as derivatives, swaps and bonds which individually may have a high degree of risk, be difficult to sell in stressed markets and/or be unregulated by the Financial Conduct Authority. Leverage is used as part of the management of an LDI fund, this can increase the overall volatility of the fund and any events that adversely affect the value of an investment would be magnified to the extent that leverage is employed.

All information is sourced to Mobius Life unless otherwise stated.

Mobius Life Limited is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. Mobius Life Administration Services is not authorised or regulated.

Mobius Life Limited (Registered No. 3104978) and Mobius Life Administration Services (Registered No. 5754821) are registered in England and Wales at: 2nd Floor, 2 Copthall Avenue, London EC2R 7DA.



Mobius - Six times Professional Pensions UK Pensions Awards winner 2019 - 2024

