

# Hydes' Brewery Limited Pension Scheme

## Statement of Investment Principles

This Statement of Investment Principles (“the SIP”) covers the Hydes' Brewery Limited Pension Scheme. Details of the implementation of the Scheme's investment principles are set out in a separate document, the Investment Implementation Document (“IID”).

The Trustees take the Myners Principles into account when making decisions about the Scheme's investment arrangements.

### Investment objective

The Trustees invest the assets of the Scheme with the aim of ensuring that all members' accrued benefits can be paid. The Scheme's funding target is specified in the Statement of Funding Principles, and the Scheme's funding position will be reviewed annually to assess the position relative to the solvency funding target and whether the investment policy remains appropriate to the Scheme's circumstances.

The Scheme's investment objective is to achieve, over the long term, a return on the investments which is consistent with, or better than, the long-term assumptions made by the Trustees in determining the funding of the Scheme. The objective is presently to achieve a return of around 1.6% per annum above the return on UK Government bonds (which are considered to move in a similar fashion to the calculated value of the Scheme's liabilities).

### Investment strategy

The Trustees reviewed the Scheme's investment strategy in 2019 and decided to adopt a revised strategy comprising the following broad asset allocation:

Asset Class	Proportion %	Control Range	Expected Return <sup>(1)</sup> (relative to fixed gilts) %
<b>Return Seeking Assets</b>	<b>65.0</b>	<b>+/- 10.0</b>	-
Diversified Growth	11.0	11.0	3.5
Absolute Return Bonds	44.0	44.0	2.3
Property	10.0	10.0	2.5
<b>Risk Reducing Assets</b>	<b>35.0</b>	<b>+/- 10.0</b>	-
Liability Driven Investment (LDI) (2)	35.0		0.0
<b>Total</b>	<b>100.0</b>		<b>1.6</b>

(1) 10 year assumptions as at 31 December 2019 net of investment management fees

(2) The LDI mandate will utilise leverage in order to hedge a greater proportion of the Scheme's liabilities than the physical amount invested.

The expected returns shown in the above table represent long-term expectations; short-term returns in some asset classes may exhibit considerable variability. The returns shown represent expectations for the asset classes as a whole.

The above investment strategy was derived from careful consideration of the nature and

duration of the Scheme's liabilities, the risks of investing in the various asset classes, and also the strength of the Sponsor's covenant. The Trustees considered the merits of a range of asset classes, including various "alternative assets".

The Trustees recognise that the investment strategy is subject to risk, in particular the risk of a mismatch between the performance of the assets and the calculated value of the liabilities. This risk is monitored by annually assessing the funding position and the characteristics of the assets and liabilities. The risk is managed by investing in assets which are expected to perform in excess of the liabilities over the long term, and also by investing in a suitably diversified portfolio of assets with the aim of reducing volatility relative to the liabilities. The assets of the Scheme consist predominantly of investments admitted to trading on regulated markets.

The Trustees will generally use the flexibility permitted in the investment strategy to either improve the Scheme's expected return on assets for the targeted level of investment risk, and/or reduce the level of expected investment risk for the target return. The Trustees will also use their discretion to take account of market volatility and refrain from incurring excessive transaction costs by over-frequent rebalancing. The Trustees will always consult with the Scheme Sponsor on any fundamental strategic investment changes.

The LDI mandate is in place to hedge approximately 100% of the interest rate and inflation risks inherent in the Scheme's liabilities on the Technical Provisions basis. The LDI weight will fluctuate (possibly materially) as a proportion of the Scheme's assets over time but the hedging level is expected to remain fairly constant. As such the Trustees have a broad control range in place to allow for such movements.

### **Platform Provider**

The Trustees have appointed Mobius Life (the "Platform Provider"), to manage all the assets of the Scheme, as detailed in the Scheme's Investment Implementation Document.

### **Investment mandates**

The Trustees monitor the overall allocation between the investment managers on a regular basis.

All decisions regarding the day-to-day management of assets, including rebalancing decisions, have been delegated to the Platform Provider via a written agreement.

### **Investment Manager Monitoring and Engagement**

The Trustees monitor and engage with the Scheme's investment managers and other stakeholders on a variety of issues. Below is a summary of the areas covered and how the Trustees seek to engage on these matters with investment managers.

Areas for engagement	Method for monitoring and engagement	Circumstances for additional monitoring and engagement
Performance, Strategy and Risk	<ul style="list-style-type: none"> <li>The Trustees receive a 6-monthly performance report which details information on the underlying investments' performance, strategy and overall risks, which are considered at the relevant Trustee meeting.</li> </ul>	<ul style="list-style-type: none"> <li>There are significant changes made to the investment strategy.</li> <li>The risk levels within the assets managed by the investment managers have increased to a level above and beyond the expectations of the Trustees.</li> <li>Underperformance vs the performance objective over the period that this objective applies.</li> </ul>
Environmental, Social, Corporate Governance factors and the exercising of rights	<ul style="list-style-type: none"> <li>The investment managers provide annual reports on how they have engaged with issuers regarding social, environmental and corporate governance issues.</li> </ul>	<ul style="list-style-type: none"> <li>The manager has not acted in accordance with their policies and frameworks.</li> <li>The manager's policies are not in line with the policies of the Trustees in this area.</li> </ul>

Through the engagement described above, the Trustees will work with the investment managers to improve their alignment with the above policies. Where sufficient improvement is not observed, the Trustee may review the relevant investment manager's appointment.

### **Employer-related investments**

The Trustees' policy is not to hold any employer-related investments as defined in the Pensions Act 1995 and the Occupational Pension Schemes (Investment) Regulations 2005, except where the Scheme invests in pooled vehicles that may hold employer-related investments, in which case the total exposure to employer-related investments will not exceed 5% of the Scheme's value.

### **Direct investments**

Direct investments, as distinguished by the Pensions Act 1995, are products purchased without delegation to a fund manager through a written contract. When selecting and reviewing any direct investments, the Trustees will obtain appropriate written advice.

### **Compliance**

This Statement has been prepared in compliance with the Pensions Act 1995, the Pensions Act 2004, and the Occupational Pension Schemes (Investment) Regulations 2005. Before

preparing or subsequently revising this Statement, the Trustees consulted the Sponsor and took appropriate written advice. The Statement is reviewed at least every three years, and without delay after any significant change in investment policy. The Trustees will consult with the Scheme Sponsor on any changes to this Statement.

Signed C A Hyde

Date 28 September 2020

**For and on behalf of the Trustees of the Hydes' Brewery Limited Pension Scheme.**

## **Appendix A – Investment Beliefs**

### **1. Investment strategy is the most important decision and should be based on clear objectives**

Our long term goal is to generate returns required to fund our members' current and future pensions.

Clear objectives are at the heart of our investment strategy. Risk tolerance, return requirement and time frame are our central considerations.

Our strategy should aim to achieve the objectives with a high degree of confidence across a range of possible economic scenarios.

### **2 There's more to robust portfolio construction than diversification alone**

Excessive diversification can introduce inefficiency, cost and fail to protect our portfolio in a downturn.

*Pay-off profile of assets:* We tailor the expected payoff profile of the Scheme's investments around our required objectives.

*True diversification:* We optimise true diversification of underlying risk drivers.

### **3 We aim to select the most appropriate opportunities in the market**

A strategy that buys the right asset, at a fair price, will serve us better than buying the wrong asset at a cheap price.

We consider the most appropriate potential market opportunities in order to help us achieve our long-term objective.

### **4 A long term mind-set can be used to enhance returns**

As a long term investor we pursue incremental growth that rewards adherence to our strategic plan, rather pursuing short term opportunities rewarding speculation.

We will mitigate or manage risks that we are not rewarded for.

Returns are more predictable over a longer time period, as risk is diversified across different economic cycles.

### **5 Excessive costs will erode performance**

An appealing investment opportunity can be wholly undermined by too high a cost base.

Passive management, where viable, is considered the default approach.

Active management is employed where value-add can be expected with confidence.

## **6 Good governance improves our decision making**

We continuously strive to enhance our knowledge of the investment opportunities and risks facing the Scheme.

We monitor the performance of our strategy and investment managers to improve our decision making.

## **7 Our investment process reflects our beliefs on responsibly investing.**

We recognise that positive ESG factors can have a positive influence on the long-term stability and returns of investments. However, mandates are selected with the purpose of maximising the chance of achieving the return objectives as set out in their mandates, which in combination aim to optimise the chance of achieving the Scheme's overall strategic objective.

The extent to which ESG and ethical considerations are taken into account in these decisions is delegated to the investment managers, acting within the guidelines and objectives set by the Trustees where practically possible.

## Appendix B – Risks

A non-exhaustive list of risks and financially material considerations that the Trustees have considered and sought to manage is shown below.

The Trustees adopt an integrated risk management approach. The three key risks associated within this framework and how they are managed are stated below:

<b>Risks</b>	<b>Definition</b>	<b>Policy</b>
Investment	The risk that the Scheme's position deteriorates due to the assets underperforming.	<ul style="list-style-type: none"> <li>• Selecting an investment objective that is achievable and is consistent with the Scheme's funding basis and the Company's covenant strength.</li> <li>• Investing in a diversified portfolio of assets.</li> </ul>
Funding	The extent to which there are insufficient Scheme assets available to cover ongoing and future liability cash flows.	<ul style="list-style-type: none"> <li>• Funding risk is considered as part of the investment strategy review and the actuarial valuation.</li> <li>• The Trustees will agree an appropriate basis in conjunction with the investment strategy to ensure an appropriate journey plan is agreed to manage funding risk over time.</li> </ul>
Covenant	The risk that the Company becomes unable to continue providing the required financial support to the Scheme.	<ul style="list-style-type: none"> <li>• When developing the Scheme's investment and funding objectives, the Trustees take account of the strength of the covenant ensuring the level of risk the Scheme is exposed to be at an appropriate level for the covenant to support.</li> </ul>

The Scheme is exposed to a number of underlying risks relating to the Scheme's investment strategy, these are summarised below:

<b>Risk</b>	<b>Definition</b>	<b>Policy</b>
Interest rates and inflation	The risk of mismatch between the value of the Scheme's assets and present value of liabilities from changes in interest rates and inflation expectations.	To hedge c.100% of these risks on the Scheme's technical provisions basis.
Liquidity	Difficulties in raising sufficient cash when required without adversely impacting the fair market	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

	value of the investment.	to provide collateral to the LDI manager.
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.
Credit	Default on payments due as part of a financial security contract.	To diversify this risk by investing in a range of credit markets across different geographies and sectors. 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.
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.	To appoint managers who account for ESG factors as part of their investment process.
Currency	The potential for adverse currency movements to have an impact on the Scheme's investments.	This is left to the discretion of the investment manager to deem whether currency hedging is appropriate.
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.

## Appendix C

The Trustees have the following policies in relation to the investment management arrangements for the Scheme:

<p><b>How the investment managers are incentivised to align their investment strategy and decisions with the Trustees policies.</b></p>	<ul style="list-style-type: none"> <li>As the Scheme is invested in pooled funds, there is not scope for these funds to tailor their strategy and decisions in line with the Trustees policies. However, the Trustees invest in a portfolio of pooled funds that are aligned to the strategic objective.</li> </ul>
<p><b>How the investment managers are incentivised to make decisions based on assessments of medium to long-term financial and non-financial performance of an issuer of debt or equity and to engage with them to improve performance in the medium to long-term.</b></p>	<ul style="list-style-type: none"> <li>The Trustees review the investment managers' performance relative to medium and long-term objectives as documented in the investment management agreements.</li> <li>The Trustees will monitor the investment managers' engagement and voting activity on an annual basis as part of the implementation statement that supplements the Scheme's annual report and accounts. By doing this, the Trustees may indirectly incentivise the investment managers to make decisions based on non-financial information.</li> </ul>
<p><b>How the method (and time horizon) of the evaluation of investment managers' performance and the remuneration for their services are in line with the Trustees policies.</b></p>	<ul style="list-style-type: none"> <li>The Trustees review the performance of all the Scheme's investments on a net of cost basis to ensure a true measurement of performance versus investment objectives.</li> </ul>
<p><b>The method for monitoring portfolio turnover costs incurred by investment managers and how they define and monitor targeted portfolio turnover or turnover range.</b></p>	<ul style="list-style-type: none"> <li>The Trustees do not directly monitor turnover costs. However, the investment managers are incentivised to minimise costs as they are measured on a net of cost basis.</li> </ul>
<p><b>The duration of the Scheme's arrangements with the investment managers</b></p>	<ul style="list-style-type: none"> <li>The duration of the arrangements is considered in the context of the type of fund the Scheme invests in.</li> <li>For open ended funds (in which the Scheme invests), the duration is flexible and the Trustees will from time-to-time consider the appropriateness of these investments and whether they should continue to be held.</li> </ul>

**Implementation Statement for the year to 5 April 2021**  
**Hydes' Brewery Limited Pension Scheme ('the Scheme')**

**Introduction**

This statement describes the voting and engagement policies the Trustees of the Hydes' Brewery Limited Pension Scheme (the Trustees) along with a summary of voting and engagement behaviour related to the Scheme's investments over the 12-month period to 5 April 2021.

This Implementation Report is to provide evidence that the Scheme continues to follow and act on the principles outlined in the signed Statement of Investment Principles 28 September 2020 ('the SIP'). This report details:

- Actions the Trustees have taken to manage financially material risks and implement the key policies in the SIP;
- The current policy and approach with regards to Environmental, Social and Governance (ESG) factors and the actions taken with managers on managing ESG risks; and
- The extent to which the Trustees have followed policies on engagement, covering engagement actions with their fund managers and in turn the engagement activity of the fund managers with the companies in which they invest.

The SIP can be found at the following link:

[Hydes' Brewery Limited Pension Scheme \(hydesbrewery.com\)](https://www.hydesbrewery.com)

**Summary of key actions undertaken over the Scheme reporting year**

There were no changes to the Scheme's target asset allocation over the reporting period. During the year, the Scheme switched its holdings in the BlackRock Fixed Income Global Opportunities Fund to the GBP hedged share class.

**Implementation Statement**

This report demonstrates that Hydes' Brewery Limited Pension Scheme has adhered to its investment principles and its policies for managing financially material considerations including ESG factors and climate change.

## Managing risks

Risk / Policy	Definition	Policy	Actions
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 hedge c.100% of these risks on the Scheme's technical provisions basis.	The Scheme's hedge level remained consistent over the 12 months.
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.	The Scheme's investments are held on the Mobius Life platform. The funds are all daily dealt apart from the Scheme's holdings in the Aviva Lime Property Fund, which is monthly dealt.
Market	Experiencing losses due to factors that affect the overall performance of the financial markets.	To remain appropriately diversified and hedge away unrewarded risks, where affordable and practicable.	The Scheme maintains exposure to several markets by being invested in a diverse range of asset classes.
Credit	Default on payments due as part of a financial security contract.	To diversify this risk by investing in a range of credit markets across different geographies and sectors.  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.	The Scheme invests in managers that are diversified by sector and sub asset class.
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.	To appoint managers who account for ESG factors as part of their investment process.	ESG actions undertaken: <ul style="list-style-type: none"> <li>This updated ESG policy was reviewed by the Trustee as part of the SIP and IID update in September 2020</li> </ul> More details of the ESG policy and how it was implemented are presented later in this report.
Currency	The potential for adverse currency movements to have an impact on the Scheme's investments.	This is left to the discretion of the investment manager to deem whether currency hedging is appropriate.	Each of the Scheme's investments are GBP denominated. All currency exposure is therefore hedged by managers.

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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.	There has been no change in this policy over the last 12 months.
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## Changes to the SIP

### Policies added to the SIP

Date updated: 28 September 2020

How the investment managers are incentivised to align their investment strategy and decisions with the Trustees policies.

- As the Scheme is invested in pooled funds, there is not scope for these funds to tailor their strategy and decisions in line with the Trustees policies. However, the Trustees invest in a portfolio of pooled funds that are aligned to the strategic objective.

How the investment managers are incentivised to make decisions based on assessments of medium to long-term financial and non-financial performance of an issuer of debt or equity and to engage with them to improve performance in the medium to long-term.

- The Trustees review the investment managers' performance relative to medium and long-term objectives as documented in the investment management agreements.
- The Trustees will monitor the investment managers' engagement and voting activity on an annual basis as part of the implementation statement that supplements the Scheme's annual report and accounts. By doing this, the Trustees may indirectly incentivise the investment managers to make decisions based on non-financial information.

How the method (and time horizon) of the evaluation of investment managers' performance and the remuneration for their services are in line with the Trustees' policies.

- The Trustees review the performance of all the Scheme's investments on a net of cost basis to ensure a true measurement of performance versus investment objectives.

The method for monitoring portfolio turnover costs incurred by investment managers and how they define and monitor targeted portfolio turnover or turnover range.

- The Trustees do not directly monitor turnover costs. However, the investment managers are incentivised to minimise costs as they are measured on a net of cost basis.

The duration of the Scheme's arrangements with the investment managers

- The duration of the arrangements is considered in the context of the type of fund the Scheme invests in.
- For open ended funds (in which the Scheme invests), the duration is flexible and the Trustees will from time-to-time consider the appropriateness of these investments and whether they should continue to be held.

## Implementing the current ESG policy and approach

### ESG as a financially material risk

The SIP describes the Scheme's policy with regarding to ESG as a financially material risk. This page details how the Scheme's ESG policy is implemented, while the following page outlines Isio's assessment criteria as well as the ESG beliefs used in evaluating the Scheme's managers' ESG policies and procedures. The rest of this statement details our view of the managers, our actions for engagement and an evaluation of the stewardship activity.

The below table outlines the areas which the Scheme's investment managers are assessed on when evaluating their ESG policies and engagements. The Trustee intend to review the Scheme's ESG policies and engagements periodically to ensure they remain fit for purpose.

### Implementing the Current ESG Policy

Areas for engagement	Method for monitoring and engagement	Circumstances for additional monitoring and engagement
Environmental, Social, Corporate Governance factors and the exercising of rights and engagement activity	<ul style="list-style-type: none"><li>The investment managers provide annual reports on how they have engaged with issuers regarding social, environmental and corporate governance issues.</li></ul>	<ul style="list-style-type: none"><li>The manager has not acted in accordance with their policies and frameworks.</li><li>The manager's policies are not in line with the policies of the Trustees in this area.</li></ul>

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## Engagement and Voting

Please see attached document from Mobius Life for details on engagement and voting actions including a summary of the activity for the 12 months to 5 April 2021. The platform provider also provided examples of any significant votes where possible

# Hydes' Brewery Limited Pension Scheme

ESG Report

31/03/2021

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## Scheme Summary

Policy Number:  
Statement Date:

IS0009033  
31/03/2021

Funds	Holdings	Unit Price	Value	%	Fund Manager ESG Credentials	Engagement & Voting Records
BMO LDI Nominal Dynamic LDI Fund	448,640	2.326258	1,043,653	5.97%	Yes	Engagement Only
BMO LDI Short Profile Real Dynamic LDI Fund	1,816,866	2.091004	3,799,075	21.72%	Yes	Engagement Only
Standard Life GARS Pension Fund	20,561	102.085964	2,098,961	12.00%	Yes	Yes
BlackRock FM Fixed Income Global Opportunities Fund	0	95.872361	0	0.00%	Yes	No
BlackRock GF Fixed Income Global Opportunities Fund Hedged	38,077	106.699905	4,062,777	23.23%	Yes	No
M&G Total Return Credit Investment Fund	39,598	107.554143	4,258,878	24.35%	Yes	Engagement Only
Aviva Investors Lime Property Monthly Fund	21,076	105.749495	2,228,753	12.74%	Yes	Engagement Only
<b>Total</b>			<b>17,492,096</b>	<b>100.00%</b>		

### Disclaimer:

This report has been designed by Mobius Life to support Pension Schemes. Mobius Life understand the information produced in this report may be used as an input for an implementation statement but are not responsible for producing the implementation statement. The information contained in this report has been provided to Mobius Life by external fund managers and Mobius Life accepts no responsibility or liability for its accuracy.

Mobius Life Limited provides information on our products and services to enable you to make your own investment decisions, and this document should not be regarded as a personalised recommendation. The value of investments may go down as well as up and investors may not get back the amount originally invested. Asset allocations and choice of asset managers may change without notification. In the event of a redemption suspension being invoked by a third party (the underlying investment), Mobius Life Limited reserves the right to delay cancellation of the Units in that fund for the same period as the underlying investment. Currency exchange rates may cause the value of overseas investments to rise or fall. Where a fund is invested with another life company by means of a reinsurance arrangement, the risk of default by the reinsurer is borne by policyholders who invest in the relevant fund. Investing in emerging markets involves a high degree of risk and should be seen as long term in nature. Investing in derivatives are generally considered to have a higher degree of risk compared to an investment in a physical asset and thus should be made with caution, especially for less experienced investors.

## Fund Manager ESG Credentials

Questions	BMO	Aberdeen Standard
Do you have an ESG policy that is integrated into the investment process?	Yes	Yes
Do you have a firm ESG rating?	Bank of Montreal (aka BMO Financial Group), our parent company, is rated as follows: MSCI ESG – AA Sustainalytics – 85.9 (out of 100) Robeco SAM – 77 ISS Quality score – 1 (1 being best, 10 being worst) CDP Climate Score – 7	Yes - MSCI: AA
Please provide your UNPRI survey scores	2020 scores: Strategy & Governance: A+ Listed Equity - Incorporation: A+ Listed Equity - Active Ownership: A+ Fixed Income - SSA: A Fixed Income - Corporate Financial: A Fixed Income - Corporate Non-Financial: A Private Equity: A Property: B	2020 scores: Strategy & Governance: A+ Private Equity: A Listed Equity - Incorporation: A+ Listed Equity - Active Ownership: A Fixed Income - SSA: A+ Fixed Income - Corporate Financial: A+ Fixed Income - Corporate Non-Financial: A+ Property: A+

<p>Do you have a Climate Change policy that is integrated into the investment process?</p>	<p>Yes</p>	<p>Our Blueprint states our commitment to responsible investing. Environmental, social and governance (ESG) considerations have been an integral part of our decision-making process for almost 30 years. We believe that, by putting ESG factors at the heart of our investment processes, we can generate better outcomes for our clients, society and the wider world.</p>
<p>Are Senior Management accountable for ESG or Climate Change risks?</p>	<p>Yes. For example, senior management will have workplace diversity targets incorporated in their objectives.</p>	<p>Yes</p>
<p>Do you have a dedicated team that considers ESG and Climate Change related factors?</p>	<p>Yes</p>	<p>Yes - Central ESG Investment Function</p>

<p>Do you rely on any third parties to provide ESG and Climate Change related analysis/research?</p>	<p>We utilise a wide range of service providers across our business, including MSCI ESG, Institutional Shareholder Services (ISS), Investment Association's Institutional Voting Information Service (IVIS), broker research, proxy insight, Sustainalytics, Bloomberg and Non-Governmental Organisations (NGOs). Our research is also informed by our networks that may provide briefings and publications, including the UN PRI, International Corporate Governance Network (ICGN) and Asian Corporate Governance Association (ACGA).</p> <p>We are currently in the process of selecting a new, additional data provider that will specifically enable us to deepen our analysis of climate change risks. In addition, we are in the process of selecting a partner to enable rolling out our SDG income stream mapping to client portfolios.</p>	<p>Yes - MSCI, Sustainalytics, ISSEthix, Trucost, Vivid Economics</p>
<p>Do you create your own ESG or Climate Change related scores?</p>	<p>Yes, we apply our own in-house ESG scoring system, often using market ESG data inputs.</p>	<p>Yes - ESG House Score</p>
<p>Does your company have a policy on equality and diversity in the workplace?</p>	<p>We have a global diversity and inclusion working group focusing on race, gender, orientation, age and social background. We have set up targets for a gender-balanced population in which 40-60% of our employees are female and 40-60% are male. We also participate in a number of industry initiatives such as Girls Who Invest, The Diversity Project and we are a signatory to the 30% Club.</p>	<p>Yes</p>

<p>Do you provide any reporting publicly or to clients with regard to ESG and Climate Change related issues? How often?</p>	<p>Yes, we provide an annual review of our Responsible Investment practice, annual impact reports for our responsible funds, quarterly updates and ad hoc (c.monthly) investment viewpoints.</p>	<p>Yes - we publish our Quarterly ESG (Engagement) reports on our Responsible Investing website. Moreover, we issue dedicated fund-level ESG reports to many of our clients on a semi-annual basis.</p>
<p>Do ESG related factors get considered with respect to performance management of investment companies and funds?</p>	<p>Yes. The Global Equities team considers ESG factors directly in the analysis of the business model and in the assessment of management quality and flex assumptions and discount rates based on these factors where appropriate. To flag key ESG risks and opportunities, the Global Equities team works with the RI team and an important data source that we use MSCI ESG Research ratings and analysis. The MSCI ESG approach identifies key issues by industry for each company and rates companies on social, environmental and governance performance both in absolute terms and relative to their specific industry.</p>	<p>Yes</p>
<p>Are you signatories of the FRC UK Stewardship Code or equivalent?</p>	<p>Yes</p>	<p>Yes</p>

## Fund Manager ESG Credentials

Questions	BlackRock	M&G
<p>Do you have an ESG policy that is integrated into the investment process?</p>	<p>Yes, our ESG investment statement details our commitment to integrate sustainability insights—often referred to as ESG, or environmental, social and governance, insights—into our investment processes as a tool to identify risks and opportunities that are often not captured by traditional financial metrics. It explains our ESG integration philosophy, discusses the roles and responsibilities for ESG integration work and the governance structure for these activities, and provides an overview of our approach to ESG integration. This statement applies to all investment divisions and investment teams at the firm, and therefore applies to all assets under management and assets under advisory. The statement is reviewed at least annually and is updated when necessary to reflect changes to our approach or our business.</p> <p>All investment groups within BlackRock have developed strategy-level and platform-level sustainable investment or ESG integration policies or statements covering their investment activities. Our global statement underpins these and provides a cohesive structure for sustainable investing at BlackRock.</p>	<p>Yes</p>
<p>Do you have a firm ESG rating?</p>	<p>We do not provide our ESG ratings due to licensing reasons, but as a large asset manager we should have ratings from most large providers of ESG ratings.</p>	<p>Yes</p>
<p>Please provide your UNPRI survey scores</p>	<p>2020 scores:            Strategy &amp; Governance: A+            Listed Equity - Incorporation: A+            Listed Equity - Active Ownership: A+            Fixed Income - SSA: A+            Fixed Income - Corporate Financial: A+            Fixed Income - Corporate Non-Financial: A+            Fixed Income - Securitised: A            Private Equity: A+            Property: A+            Infrastructure: A+</p>	<p>2020 scores:            Strategy &amp; Governance: A+            Listed Equity - Incorporation: A+            Listed Equity - Active Ownership: A+            Fixed Income - SSA: A+            Fixed Income - Corporate Financial: A+            Fixed Income - Corporate Non-Financial: A+            Fixed Income - Securitised: A            Property: A            Infrastructure: A+</p>

<p>Do you have a Climate Change policy that is integrated into the investment process?</p>	<p>While we do not have a climate change policy per se, we do call for all of our investors to include climate risk considerations where relevant into their portfolios. As part of this in our sustainability risks disclosure for Article 3 of SFDR we disclosed how we were considering climate risk in our portfolios.</p> <p>More tangibly, this year we have included climate considerations in our capital market assumptions. The Capital Market Assumptions (CMAs) are long-term estimates of asset class risk and return that are produced by BII on a quarterly basis. The CMAs are provided to internal investment solutions, consulting, and sales enablement teams for asset allocation, portfolio construction, and analysis purposes and are also published on the external BlackRock website for institutional clients to view. Internally, the CMAs are one of the primary components used to construct strategic asset allocations following a process that is curated by the BlackRock Investment Institute. This year we have incorporated climate awareness into our CMAs. BlackRock believes that there is not a single company whose business model won't be profoundly affected by the transition to a net zero economy. In the event that a transition does not occur in the next two decades, we estimate a cumulative economic loss of 25%, due to the damages and productivity loss associated with extreme and chronic weather events.</p>	<p>Yes</p>
<p>Are Senior Management accountable for ESG or Climate Change risks?</p>	<p>Yes, BlackRock has a dedicated Sustainable Investing team which oversees the firm's global efforts on sustainable investing. The BlackRock Sustainable Investing team partners with investment professionals to deliver innovative products and solutions, integrate sustainability considerations across investment processes, and drive sustainable investing research efforts. The BlackRock Sustainable Investing team works closely with the BlackRock Risk and Quantitative Analysis Group to ensure high-quality ESG integration across investment teams as well as with the BlackRock Investment Stewardship team and the Corporate Sustainability team to ensure a holistic approach to sustainability at BlackRock.</p> <p>All investment professionals are responsible for ensuring that ESG considerations are considered within BlackRock's investment practices. Senior representatives from each investment team across the firm lead in this effort, with support given by one or more representatives from investment groups across the firm, who work together to advance ESG research and integration, support active ownership, and develop sustainable investment strategies and solutions.</p>	<p>Yes</p>
<p>Do you have a dedicated team that considers ESG and Climate Change related factors?</p>	<p>Yes, the Sustainable Investing platform team was launched in 2015 to unify BlackRock's approach to sustainable investing and serve investors who seek solutions that deliver targeted financial and sustainability outcomes. Since then, the team has built out a global suite of sustainable investment strategies, ranging across asset classes, vehicles, and investment styles.</p> <p>The BlackRock Sustainable Investing team consists of 39 professionals across eight offices globally (as at 31 January 2021) who are dedicated to providing our firm and our clients with a clear picture of the relationship between sustainability issues, risk and long-term financial performance. The team acts as a central authority on sustainable investing, with team members dedicated to serving clients regionally, enacting ESG integration policies, and building analytics and offerings within Aladdin. The team also houses a dedicated research unit, which seeks to produce specific insights from ESG materiality to portfolio implementation methodologies to share across our investment teams and further drive our ESG integration efforts to enhance risk-adjusted return.</p> <p>While this team provides a functional centre of excellence for sustainable investing, each individual team takes responsibility to integrate ESG considerations in the way that is most material for their investment process.</p>	<p>Yes</p>

<p>Do you rely on any third parties to provide ESG and Climate Change related analysis/research?</p>	<p>Currently, BlackRock leverages third-party ESG data in addition to in-house research in order to gather company-level information on key ESG indicators.</p> <p>Our third-party sources include MSCI, ISS-Ethix, RepRisk, Sustainalytics, Refinitiv, Bloomberg, and others listed below. We routinely engage with investment research providers about our views on emerging issues and the type of research we would find useful.</p> <p>Providers*: MSCI, Sustainalytics, Refinitiv, Bloomberg, RepRisk, Verisk Maplecroft, ISS-Ethix, SASB, CDP and Rhodium.</p> <p>* While BlackRock leverages the above third-party sources to conduct ESG research, not all data sources are currently available within Aladdin tools.</p>	<p>Yes - 472, CarbonWise, Eikon, ISS, MSCI, PACTA, RepRisk, Sustainalytics, UNEP FI</p>
<p>Do you create your own ESG or Climate Change related scores?</p>	<p>Yes, sustainability-related macro-trends – such as the transition to a low-carbon economy – are powerful, transformative forces that have the potential to change our society, businesses and the global economy at large. The complex risks and opportunities associated with these trends are materializing and will continue to accelerate in the medium term. We believe that there are resulting winners and losers, and with that in mind, we have developed a proprietary ESG scoring framework to capture companies' likelihood of mitigating risks and capturing opportunities associated with sustainability factors.</p> <p>This framework, the Sustainable Investing Materiality BlackRock Assessment ("SIMBA"), combines quantitative and qualitative research using a systematic data driven approach to deliver unique ESG investment insights. It leverages multiple sources of data, including proprietary BlackRock information, and takes over 250 individual KPIs that capture the sustainable characteristics of companies across environmental, social and governance themes.</p> <p>We combine BlackRock fundamental views with SASB's Materiality Map and empirical evidence to determine the weights of the 15 descriptors across the market. These descriptors are then combined to produce a unique SIMBA score per company. The framework currently covers 34 industries; with companies within those industries compared to their peers and ranks allowing for identification of winners and losers within an industry.</p>	<p>Yes</p>
<p>Does your company have a policy on equality and diversity in the workplace?</p>	<p>Inclusion and diversity are critical to BlackRock's mission to create better financial futures for clients. By harnessing the different backgrounds and experiences of our people, we challenge the status quo, inspire innovation, and create better outcomes for our clients and ourselves.</p> <p>To do so, we must provide the leadership and answers our clients need to navigate today's investment world. Since its founding, BlackRock has applied four principles to guide this mission. These principles provide a shared understanding of who we are, what we stand for, and how we conduct ourselves. We strive to abide by these principles in leading ourselves, leading each other, and leading the business.</p> <ol style="list-style-type: none"> <li>1. We are a fiduciary to our clients</li> <li>2. We are passionate about performance</li> <li>3. We are one BlackRock</li> <li>4. We are innovators</li> </ol> <p>It is our belief that diversity and inclusion complement each other. Critical mass can help a less powerful group feel more empowered, and extraordinary people from all backgrounds are likely to choose a firm that proves it is truly inclusive.</p>	<p>Yes</p>

<p>Do you provide any reporting publicly or to clients with regard to ESG and Climate Change related issues? How often?</p>	<p>As an investor and advocate for greater transparency, BlackRock is committed to providing meaningful sustainability information to stakeholders. We publicly disclose information about our sustainability and governance, social, and environmental practices through BlackRock's Annual Report, Proxy Statement, Investment Stewardship Annual Report, BIS Sustainability Report, ESG Investment Statement, PRI Transparency Report, BlackRock's Sustainability website, and the public disclosure of our 2018-2019 Consolidated EEO-1 Reports.</p> <p>We report on our carbon emissions annually through the CDP Climate Change questionnaire and provide an overview of BlackRock's strategy for managing the carbon footprint of our operations, including targets and progress towards those targets, in our Carbon Footprint Factsheet.</p> <p>We have published two disclosures aligned to the SASB framework, which includes inclusion and diversity data and our progress. Our 2019 SASB Disclosure can be found on BlackRock's Sustainability website. We also published our inaugural TCFD report at the end of 2020.</p>	<p>Yes, quarterly, semi-annually and annually</p>
<p>Do ESG related factors get considered with respect to performance management of investment companies and funds?</p>	<p>Yes</p>	<p>Yes</p>
<p>Are you signatories of the FRC UK Stewardship Code or equivalent?</p>	<p>Yes, BlackRock is a Tier 1 signatory to the UK Stewardship Code and has been a signatory since April 2010. We are aware of the expectations inherent in the 2020 revision of the Code and are working towards reporting in line with those expectations by (if not before) the FRC's deadline of 31 March 2021. Our statement on compliance can be found on our website.</p> <p>As a fiduciary investor, BlackRock undertakes all investment stewardship engagements and proxy voting to understand and hold company leadership accountable for their actions that impact the value of our clients' assets. Our programme applies to companies in all sectors and geographies, and irrespective of whether a holding is index only or index and active. BlackRock's stewardship activities are carried out by BlackRock Investment Stewardship, which is positioned as an investment function.</p>	<p>Yes</p>

### Fund Manager ESG Credentials

Questions	Aviva
<p>Do you have an ESG policy that is integrated into the investment process?</p>	<p>Yes</p>
<p>Do you have a firm ESG rating?</p>	<p>Yes</p>
<p>Please provide your UNPRI survey scores</p>	<p>2020 scores:            Strategy &amp; Governance: A+            Listed Equity - Incorporation: A+            Listed Equity - Active Ownership: A+            Fixed Income - SSA: A            Fixed Income - Corporate Financial: A            Fixed Income - Corporate Non-Financial: A            Property: A            Infrastructure: A+</p>

<p>Do you have a Climate Change policy that is integrated into the investment process?</p>	<p>Yes</p>
<p>Are Senior Management accountable for ESG or Climate Change risks?</p>	<p>Yes, our firm-wide Responsible Investment Philosophy is reviewed and approved by the Aviva Investors Holdings Limited ('AIHL') Board. Responsibility for implementation rests with the Executive Committee and heads of investment functions. The Chief Investment Officers ('CIOs') for all our asset class capabilities are part of the Committee, in addition to representatives from our Global Client Solutions, including product strategy, sales and marketing to ensure our client's voice is strongly represented.</p>
<p>Do you have a dedicated team that considers ESG and Climate Change related factors?</p>	<p>Yes</p>

<p>Do you rely on any third parties to provide ESG and Climate Change related analysis/research?</p>	<p>Yes, we use research from external research providers to keep us fully informed and to allow us to integrate ESG data into our investment processes. This external research supplements the internal analysis/research conducted by our ESG Corporate Research and the Real Assets ESG Research teams, which is our main source.</p> <p>Bloomberg: Provides ESG data and main platform for dissemination of our internal ESG metrics and research to the investment desks  CDP: Provides specialist ESG data  Vigeo EIRIS: Provides specialist ESG data and research  Institutional Shareholder Services ('ISS'): Provides specialist ESG data and research and main platform for submitting our votes  MSCI: Provides specialist ESG data and research  Carbon Intelligence: Provides specialist ESG data and research for Real Assets  BBP: Operates the Real Estate Environmental Benchmark ('REEB')  Hatch: Social Impact specialist</p>
<p>Do you create your own ESG or Climate Change related scores?</p>	<p>Yes, ESG Elements is our proprietary ESG scoring methodology and was released in May 2020 (replacing a previous scoring system). The score harnesses underlying ESG data provided by MSCI, from which our in-house data scientists have identified the ESG factors that have the most influence over the financial market performance of individual industry sectors. We also include numeric representations for our voting activities. For each company where MSCI data is available this translates into a score from 0 (low) to 10 (high). The score is an effective tool to alert portfolio managers of all ESG considerations and how those have changed over time, prompting further analysis. The score may also be used by the portfolio management team to track how a portfolio's overall ESG score has varied through time. The Elements scores are made available to our credit and equity analysts and portfolio managers via Aladdin. This data is also made available to the real assets team and will be used when ESG 'higher risk indicators' have been flagged for investigation. In Real Estate Equity and Long Income, our data is collected and processed by our consultant partners Carbon Intelligence. The Carbon Intelligence team works with our network of Property Managers to gather and collate data from each individual asset, then report that data on a monthly, quarterly and annual basis to Aviva Investors Real Assets ('AIRA'). For AIRA real estate finance our data is collected by our origination teams as part of the due diligence process. In Infrastructure Equity, we carry out an annual appraisal of carbon avoidance generated through our investments. This is carried out by consultants Carbon Intelligence and is collated following the end of each calendar year. In addition, the Infrastructure Income Fund is a participant in GRESB and submits the fund, plus circa five of our most significant underlying assets, to the benchmark on an annual basis.</p>
<p>Does your company have a policy on equality and diversity in the workplace?</p>	<p>Yes</p>

<p>Do you provide any reporting publicly or to clients with regard to ESG and Climate Change related issues? How often?</p>	<p>Yes, annually</p>
<p>Do ESG related factors get considered with respect to performance management of investment companies and funds?</p>	<p>Yes</p>
<p>Are you signatories of the FRC UK Stewardship Code or equivalent?</p>	<p>Yes, Aviva Investors was a founding signatory to the Stewardship Code. We have supported the development of good governance in the UK and beyond for many years and will continue to do so. We support the UK Stewardship Code and believe that the Code enhances the quality of engagement between institutional investors and companies.</p>

## Engagement

Activity	BMO LDI Nominal Dynamic LDI Fund	BMO LDI Short Profile Real Dynamic LDI Fund	Standard Life GARS Pension Fund
How many engagements have you had with companies in the past 12 months?	74 (This figure refers to all BMO LDI portfolios.)	74 (This figure refers to all BMO LDI portfolios.)	1506 (This figure has been provided in relation to the year ending 30th June 2021.)
How many engagements were made regarding climate change?	<b>H1 2020</b> Climate Change: 75.00% Environmental Stewardship: 12.50% Corporate Governance: 12.50%	<b>H1 2020</b> Climate Change: 75.00% Environmental Stewardship: 12.50% Corporate Governance: 12.50%	603 (40%) (This figure has been provided in relation to the year ending 30th June 2021.)
How many engagements were made regarding board diversity?	<b>H2 2020</b> Climate Change: 66.67% Labour Standards: 16.67% Corporate Governance: 16.67%	<b>H2 2020</b> Climate Change: 66.67% Labour Standards: 16.67% Corporate Governance: 16.67%	We do not report on these specific issues
How many engagements were made regarding waste reduction?			We do not report on these specific issues
How many engagements were made regarding financials?			We do not report on these specific issues
How many engagements were made regarding other issues?			Data not provided
Which form of engagement is most representative of the approach taken for this fund over the last 12 months: 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 (BMO have provided this information at firm wide level.)
Please discuss some of the key engagements and outcomes from the last 12 months.	<p><b>Credit Suisse Group AG</b> Published the bank's results for the climate-alignment test, an initiative facilitated by the Swiss Federal Office for the Environment. This is a major step for the bank that has been lagging its Swiss and international peers in climate risk reporting. This is also relevant for the bank's TCFD reporting, which we have been engaging on for a while.</p> <p><b>HSBC Holdings PLC</b> Replied to the Workforce Disclosure Initiative's (WDI) annual survey. The WDI is a multi-stakeholder initiative calling for enhanced workforce data that allows investors to better assess companies' workforce initiatives and engage on specific topics. The WDI has been sending out an annual survey since 2017. The participation is an important step to overall enhance management of workforce-related issues.</p> <p><b>JPMorgan Chase &amp; Co</b> Committed to align its entire financing portfolio to the goals of the Paris Agreement, and to regularly report on progress. As the largest US bank, with a rather large fossil fuel financing book, this commitment shows clear climate leadership. We have engaged the company on their environmental and climate risk management practices for their lending portfolio in the past.</p>	<p><b>Credit Suisse Group AG</b> Published the bank's results for the climate-alignment test, an initiative facilitated by the Swiss Federal Office for the Environment. This is a major step for the bank that has been lagging its Swiss and international peers in climate risk reporting. This is also relevant for the bank's TCFD reporting, which we have been engaging on for a while.</p> <p><b>HSBC Holdings PLC</b> Replied to the Workforce Disclosure Initiative's (WDI) annual survey. The WDI is a multi-stakeholder initiative calling for enhanced workforce data that allows investors to better assess companies' workforce initiatives and engage on specific topics. The WDI has been sending out an annual survey since 2017. The participation is an important step to overall enhance management of workforce-related issues.</p> <p><b>JPMorgan Chase &amp; Co</b> Committed to align its entire financing portfolio to the goals of the Paris Agreement, and to regularly report on progress. As the largest US bank, with a rather large fossil fuel financing book, this commitment shows clear climate leadership. We have engaged the company on their environmental and climate risk management practices for their lending portfolio in the past.</p>	<p><b>HSBC</b> <b>Topics:</b> Climate change/GHG emissions &amp; business model resilience <b>Issue:</b> Voting resolution on climate-change approach <b>ESG Impact on Investment Thesis:</b> Chose to support climate-change resolution</p> <p>During the quarter, the bank faced a resolution coordinated by the NGO group Share Action and multiple asset owners and asset managers. The resolution included the support of a group of 15 institutional investors representing \$2.4 trillion in assets and 117 individual filers, coordinated by Share Action. The resolution requested that HSBC set and publish a strategy detailing short, medium and long-term targets to reduce its exposure to fossil-fuel assets on a timeline aligned with the goals of the Paris agreement. It was proposed that the group begin this process by reducing its exposure to lending linked to coal. We had numerous discussions with Share Action in relation to the proposal. We are supportive of move toward alignment with the Paris goals. However, we also recognised that HSBC already had numerous strategies in place to achieve this and questioned if this approach would marry with existing strategies. We believed that there was a common goal to address climate change between HSBC and the proponents of the resolution and encouraged all parties to find common ground. After constructive discussion between Share Action and HSBC, the proponents withdrew their resolution. HSBC committed to propose a special resolution on climate change at its upcoming Annual General Meeting on 28 May 2021.</p>

## Voting

Activity	BMO LDI Nominal Dynamic LDI Fund	BMO LDI Short Profile Real Dynamic LDI Fund	Standard Life GARS Pension Fund
Do you conduct your own votes?	Not applicable for this fund	Not applicable for this fund	Yes
Do you use a third party to vote on your behalf?	Not applicable for this fund	Not applicable for this fund	No (We use a third party platform, ISS Proxy Exchange, to make vote instructions)
How many votes were proposed across the underlying companies in the fund?	Not applicable for this fund	Not applicable for this fund	3365
How many times did you vote in favour of management?	Not applicable for this fund	Not applicable for this fund	2890 (87.47%)
How many times did you vote against management?	Not applicable for this fund	Not applicable for this fund	414 (12.53%)
How many votes did you abstain from?	Not applicable for this fund	Not applicable for this fund	4 (0.12%)
Please discuss some of the key votes and outcomes from the last 12 months.	Not applicable for this fund	Not applicable for this fund	<p><b>Alimentation Couche-Tard Inc. 16/09/2020</b>  <b>Proposal:</b> Integrate ESG Criteria into in Establishing Executive Compensation  <b>Mgmt rec:</b> Against  <b>ISS rec:</b> Against  <b>How we voted:</b> Against  <b>Rationale:</b> The company has board and management level oversight of its environmental and social responsibility policies and provides quantitative sustainability metrics in their sustainability report with clear targets and a formal commitment to make significant and sustainable progress by 2025/2030.</p> <p><b>The Home Depot, Inc. 21/05/2020</b>  <b>Proposal:</b> Prepare Employment Diversity Report and Report on Diversity Policies  <b>Mgmt rec:</b> Against  <b>ISS rec:</b> For  <b>How we voted:</b> For  <b>Rationale:</b> The company has made progress in recent years and discloses relevant policies and certain data related to workforce diversity; however, producing a report aligned with the EE0-1 report would provide shareholders more detailed and comparable diversity data without being unduly onerous. For diversity data to be more meaningful it is important that reporting is sufficiently standardised to enable benchmarking and comparison with peers.</p>

Other	BMO LDI Nominal Dynamic LDI Fund	BMO LDI Short Profile Real Dynamic LDI Fund	Standard Life GARS Pension Fund
Do you monitor the carbon emission levels or similar of the underlying companies in the fund?	BMO has adopted as a founding member of the Net Zero Asset Managers Alliance. We will also engage with companies in the food industry to drive climate-smart agricultural practices that curb carbon emissions while helping build supply chain resilience, and with the real estate industry to develop quality, accessible and energy-efficient buildings.	BMO has adopted as a founding member of the Net Zero Asset Managers Alliance. We will also engage with companies in the food industry to drive climate-smart agricultural practices that curb carbon emissions while helping build supply chain resilience, and with the real estate industry to develop quality, accessible and energy-efficient buildings.	No (not proactively but we can and are continuing the develop the tools to do so)
What is the target turnover rate for the portfolio?	Not applicable for this fund	Not applicable for this fund	We don't monitor or calculate turnover of instruments within GARS but at the strategy level we would expect the turnover to be around 33%.
What was the actual turnover rate over the last 12 months?	Not applicable for this fund	Not applicable for this fund	Not available

## Engagement

Activity	BlackRock FM Fixed Income Global Opportunities Fund	BlackRock GF Fixed Income Global Opportunities Fund Hedged
How many engagements have you had with companies in the past 12 months?	Data not provided	Data not provided
How many engagements were made regarding climate change?	Data not provided	Data not provided
How many engagements were made regarding board diversity?	Data not provided	Data not provided
How many engagements were made regarding waste reduction?	Data not provided	Data not provided
How many engagements were made regarding financials?	Data not provided	Data not provided
How many engagements were made regarding other issues?	Data not provided	Data not provided
Which form of engagement is most representative of the approach taken for this fund over the last 12 months: 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	Data not provided	Data not provided
Please discuss some of the key engagements and outcomes from the last 12 months.	<p>It is our belief that effective disclosure can lead to real change in how companies are managed for the benefit of all stakeholders. The Investment Stewardship team are key partners for all investment teams at BlackRock. Our Investment Stewardship efforts, including our direct engagement and voting activities, encourage companies to deliver long-term, sustainable growth and returns for our clients. Partnership across teams at BlackRock ensures we can leverage insights and knowledge, and bring the voice of all stakeholders, including corporate bond holders, to the table. As a significant manager of fixed income assets, we are careful to ensure that our impact in the broad fixed income market ecosystem is consistent with our sustainable objectives, driving positive change, maintaining or promoting high standards and best practice. Activities in the global capital markets can be particularly impactful when companies are seeking new and innovative types of funding in addition to day to day refinancing. The green financing market has exploded in the last few years and we have dedicated substantial resource to working with issuers and underwriters, providing proprietary ratings and analysis of green, social and sustainable issues, and providing measurement of impact. Our footprint in the fixed income markets also means that we have substantial opportunity to engage with sovereigns and debt management offices, issuers of securitised bonds, rating agencies, index providers, as well as partnering with our public policy teams regarding ESG regulation, policy and disclosure. We can also play a role in promoting awareness, disclosure, fostering debate, and highlighting risks, across various financial market participants.</p>	<p>It is our belief that effective disclosure can lead to real change in how companies are managed for the benefit of all stakeholders. The Investment Stewardship team are key partners for all investment teams at BlackRock. Our Investment Stewardship efforts, including our direct engagement and voting activities, encourage companies to deliver long-term, sustainable growth and returns for our clients. Partnership across teams at BlackRock ensures we can leverage insights and knowledge, and bring the voice of all stakeholders, including corporate bond holders, to the table.</p> <p>As a significant manager of fixed income assets, we are careful to ensure that our impact in the broad fixed income market ecosystem is consistent with our sustainable objectives, driving positive change, maintaining or promoting high standards and best practice. Activities in the global capital markets can be particularly impactful when companies are seeking new and innovative types of funding in addition to day to day refinancing. The green financing market has exploded in the last few years and we have dedicated substantial resource to working with issuers and underwriters, providing proprietary ratings and analysis of green, social and sustainable issues, and providing measurement of impact.</p>

## Voting

Activity	BlackRock FM Fixed Income Global Opportunities Fund	BlackRock GF Fixed Income Global Opportunities Fund Hedged
Do you conduct your own votes?	Not applicable for this fund	Not applicable for this fund
Do you use a third party to vote on your behalf?	Not applicable for this fund	Not applicable for this fund
How many votes were proposed across the underlying companies in the fund?	Not applicable for this fund	Not applicable for this fund
How many times did you vote in favour of management?	Not applicable for this fund	Not applicable for this fund
How many times did you vote against management?	Not applicable for this fund	Not applicable for this fund
How many votes did you abstain from?	Not applicable for this fund	Not applicable for this fund
Please discuss some of the key votes and outcomes from the last 12 months.	Not applicable for this fund	Not applicable for this fund

Other	BlackRock FM Fixed Income Global Opportunities Fund	BlackRock GF Fixed Income Global Opportunities Fund Hedged
Do you monitor the carbon emission levels or similar of the underlying companies in the fund?	Yes	Yes
What is the target turnover rate for the portfolio?	Typically, the Fund's turnover is in the range 150-200% p.a.	Typically the fund's turnover is in the range of 150-200% p.a.
What was the actual turnover rate over the last 12 months?	145.21%	145.21%

## Engagement

Activity	M&G Total Return Credit Investment Fund	Aviva Investors Lime Property Monthly Fund
How many engagements have you had with companies in the past 12 months?	16	32 These engagements have been regarding the collection of data for GRESB and ongoing analysis of the ESG credentials of the portfolio
How many engagements were made regarding climate change?	6 (37.5%)	Data not provided
How many engagements were made regarding board diversity?	0 (0%)	Data not provided
How many engagements were made regarding waste reduction?	0 (0%)	Data not provided
How many engagements were made regarding financials?	1 (6.2%)	Data not provided
How many engagements were made regarding other issues?	9 (56.3%)	Data not provided
Which form of engagement is most representative of the approach taken for this fund over the last 12 months: 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	Data not provided	Data not provided
Please discuss some of the key engagements and outcomes from the last 12 months.	<p><b>Sainsbury's</b> We engaged with Sainsbury's to gain full insight into its approach for dealing with modern slavery in its supply chains, and about industry initiatives which had been beneficial to it in order to improve its prevention and remediation efforts.</p> <p>We discussed the training measures and technology used by the company to identify potential 'hot spots' or cases of modern slavery, and heard about the support provided to people where issues have been identified, such as help in finding a new role and emotional support.</p> <p><b>GlaxoSmithKline</b> We identified three priority areas for engagement: to discuss its climate change strategy, to understand current efforts to tackle anti-microbial resistance and to enquire into supply chain transparency.</p> <p>A key outcome was understanding how the company is aligning its reporting to the UN Sustainable Development Goals (SDGs), and a keen willingness to engage further with us on carbon pricing and use of science-based targets. The board now aims to focus more on environmental issues, will decide what environmental positioning it wants to add and build from the ground up. The company does not yet have any climate-related targets linked to incentivisation, but has flagged this to the remuneration committee.</p>	<p><b>Cadent</b> In August 2020, the Fund competed on Cadent in Coventry. This is the development of a new 94,087 sq.ft. office building in Ansty Park one of the most successful business technology parks in the UK. As part of the transaction, an internal ESG risk assessment was undertaken, rating Plot 1a as low risk, helping to create a sustainable and secure investment for the Fund. Cadent is committed to carbon neutrality by 2050 and is testing long term low-carbon alternatives to natural gas. This has helped contribute to them achieving an MSCI Environmental Social Governance (ESG) rating of AAA.</p> <ul style="list-style-type: none"> <li>- The building is targeting an Energy Performance Certificate (EPC) 'A' rating and a Building Research Establishment Assessment Method (BREEAM) "Very Good" rating</li> <li>- The facility and the wider development will embed high sustainable specifications, in line with Cadent Gas Limited's ESG principles - including installing solar photovoltaic panels on the roof, rainwater harvesting mechanism, optimising natural lighting and electric vehicles charging points.</li> <li>- 80% off all fit-out materials are to be procured and manufactured from within a 100-mile radius, and include recycled content where possible.</li> </ul>

## Voting

Activity	M&G Total Return Credit Investment Fund	Aviva Investors Lime Property Monthly Fund
Do you conduct your own votes?	Yes	Not applicable for this fund
Do you use a third party to vote on your behalf?	No	Not applicable for this fund
How many votes were proposed across the underlying companies in the fund?	Not applicable for this fund	Not applicable for this fund
How many times did you vote in favour of management?	Not applicable for this fund	Not applicable for this fund
How many times did you vote against management?	Not applicable for this fund	Not applicable for this fund
How many votes did you abstain from?	Not applicable for this fund	Not applicable for this fund
Please discuss some of the key votes and outcomes from the last 12 months.	Not applicable for this fund	Not applicable for this fund

Other	M&G Total Return Credit Investment Fund	Aviva Investors Lime Property Monthly Fund
Do you monitor the carbon emission levels or similar of the underlying companies in the fund?	Yes, carbon intensity exposures are monitored on a quarterly basis, however the measure is fairly limited for securitised assets	Yes, the vast majority of the leases held within the Lime Property Fund are Full Repairing and Insuring ('FRI') leases and as such we do not have operational control over these assets. We do however engage with tenants as much as possible to monitor the carbon emissions of the buildings.
What is the target turnover rate for the portfolio?	No target	Not applicable for this fund
What was the actual turnover rate over the last 12 months?	-15.57%	Not applicable for this fund