

SIMON GROUP PENSION FUND

Implementation Statement for the Year Ended 31 December 2023

Under the Occupational Pension Scheme (Investment) Regulations 2005 (as amended), the Trustee of the Simon Group Pension Fund (the Scheme) is required to include an implementation statement in the Scheme's annual report and accounts, which sets out:

- the voting activity undertaken by the Fund's investment manager on behalf of the Trustee over the year, including information regarding the most significant votes; and
- how the Trustee's policies on exercising rights (including voting rights) and engagement activities have been followed over the year.

Stewardship policy

At this time, the Trustees have not set stewardship priorities / themes for the Fund but will be considering their own stewardship priorities, and how this will feed into their assessment of their investment manager's ESG performance, in due course.

Trustee policies on voting and engagement

The Trustees' Statement of Investment Principles (SIP) in force at 31 December 2023 describes the Trustees' policy on the exercise of rights (including voting rights) and engagement activities as follows:

"The Trustees currently adopt a policy of delegating the exercising of the rights (including voting rights) attached to the Fund's investments to the investment managers. The Trustee also delegates undertaking engagement activities, which include entering into discussions with company management in an attempt to influence behaviour, to the investment managers."

The Trustee's SIP was last reviewed in September 2020 to comply with regulations that came into force on 1 October 2020.

The Trustees agreed to de-risk the Fund's investment strategy to a cashflow matching strategy in June 2023. The Fund financed these changes by divesting its equity holdings in June 2023, and then providing a further injection of around £10m in cash in December 2023 using funds held in the escrow account. The Statement of Investment Principles will therefore be updated in due course to reflect these changes, as well as any agreed policies on stewardship themes within the strategy.

How voting and engagement policies have been followed

The Trustees delegate the management of the Fund's investments to its investment manager, who carries out those delegated functions in accordance with the terms of its mandate and the Fund's stewardship policies. The Trustees also delegate responsibility for carrying out voting and engagement activities to the Fund's investment manager on the same terms.

The Trustees receive reports from the Fund's investment fund manager about the performance of the Fund's investments and how the investment manager has managed the Fund's investments in accordance with the Fund's stewardship beliefs and carried out its other functions.

The Trustees deem the voting and engagement activities carried out by the investment manager are in alignment with the Fund's stewardship beliefs and have asked to see an improvement in the level and reporting of voting activity with the investment manager.

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Voting data

This section provides a summary of the voting activity undertaken by the investment managers within the Fund's equity holdings on behalf of the Trustee over the year 2023. The equity assets were disinvested midway through the year as the Fund transitioned to the cashflow-matching strategy. The bond and cash holdings have no voting rights and limited ability to engage with key stakeholders given the nature of the mandate. As Credit Suisse only votes on corporate action, a number of the fields are marked as N/A.

Manager	Credit Suisse
Fund name	Simon Group Pension Fund
Structure	Pension Fund
Ability to influence voting behaviour of manager	N/A
Number of company meetings the manager was eligible to vote at over the year	Credit Suisse only vote on corporate action. The equity holdings received 25 corporate actions in 2023. There have been no corporate actions on the fixed income holdings over the year.
Number of resolutions the manager was eligible to vote on over the year	Credit Suisse took action on all above mentioned corporate actions
Percentage of resolutions the manager voted on	100% of the corporate actions
Percentage of resolutions the manager abstained from, as a percentage of the total number of resolutions voted on	N/A
Percentage of resolutions voted with management, as a percentage of the total number of resolutions voted on	N/A
Percentage of resolutions voted against management, as a percentage of the total number of resolutions voted on	N/A
Proxy voting advisor employed	N/A
Percentage of resolutions voted contrary to the recommendation of the proxy advisor	N/A

Significant votes

The change in Investment and Disclosure Regulations that came into force from October 2020 requires information on significant votes carried out on behalf of the Trustees over the year to be set out. The guidance does not currently define what constitutes a "significant" vote, so for this Implementation Statement the Trustees have asked the investment managers to determine what they believe to be a "significant vote". They have provided a selection of three votes which they believe to be significant, which we report on below.

The Trustees have not communicated voting preferences to their investment managers over the period, as the Trustees are yet to develop a specific voting policy (and are unlikely to do so given that the Fund is no longer invested in any assets which carry voting rights).

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	Vote 1	Vote 2	Vote 3
Company name	BP	Unilever	RELX
Date of vote	25 May 2023	19 May 2023	12 May 2023
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	0.86%	0.88%	0.88%
Summary of the resolution	Dividend Reinvestment	Dividend Reinvestment	Dividend Reinvestment
How the manager voted	For - Receive GBP cash dividend	For - Receive GBP cash dividend	For - Receive GBP cash dividend
If the vote was against management, did the manager communicate their intent to the company ahead of the vote?	N/A	N/A	N/A
Rationale for the voting decision	Credit Suisse voted for the dividend to be received as cash to allow investment to be made at the managers discretion.	Credit Suisse voted for the dividend to be received as cash to allow investment to be made at the managers discretion.	Credit Suisse voted for the dividend to be received as cash to allow investment to be made at the managers discretion.
Outcome of the vote	Cash to be received	Cash to be received	Cash to be received
Implications of the outcome	Pay date 23 June 2023	Pay date 15 June 2023	Pay date 7 June 2023
Criteria on which the vote is considered "significant"	N/A	N/A	N/A

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Firm level engagement

The investment manager may engage with investee companies on behalf of the Trustees. The table below provides a summary of the engagement activities undertaken by the manager during the year for the relevant funds.

Manager	Credit Suisse
Fund name	Fixed Income Portfolio
Does the manager perform engagement on behalf of the holdings of the fund	Yes
Has the manager engaged with companies to influence them in relation to ESG factors in the year?	Yes – Credit Suisse have discussions with companies on the ESG policies, but they do not actively engage with regards to influencing those policies.
Number of engagements undertaken on behalf of the holdings in this fund in the year	N/A - CIO Equity and Credit do not count company engagements
Number of entities engaged on behalf of the holdings in this fund in the year	As above
Number of engagements undertaken at a firm level in the year	<p>For Credit, CIO covers over 1200 bond issuers worldwide. Analysts typically join company earnings calls and meet with management when possible. Swiss companies are usually met with annually, while meetings with other companies depend on their roadshows or conference opportunities. Analysts also proactively contact companies when needed, but Credit Suisse do not track these interactions.</p> <p>For equities, UBS covers some companies twice: once through Investment Bank research (3500 stocks) and once through GWM research (500 active recommendations). Regular company engagement is a core part of the job, but UBS do not track these interactions as they are a fundamental aspect of their coverage. On 12 June 2023 UBS Group AG acquired Credit Suisse Group AG and now operate as a consolidated banking group.</p>

As noted above, Credit Suisse do not actively engage on the fixed income portfolio but instead have discussions that form part of the fundamental investment process for the fund, as the outcomes help lead to whether to invest or not.