

**IMPLEMENTATION STATEMENT  
THE DAVIES LOSS ADJUSTERS LIMITED LIABILITY PARTNERSHIP LIFE  
ASSURANCE AND PENSION SCHEME**

**1. Introduction**

This is the Implementation Statement for The Davies Loss Adjusters Limited Liability Partnership Life Assurance and Pension Scheme ('the Scheme') and reflects the position as of 5<sup>th</sup> April 2025. The Implementation Statement (Statement) sets out the extent to which the Trustee has followed the voting and engagement policies in the Statement of Investment Principles (SIP). This Statement includes a description of the voting behaviour by and behalf of the Trustee. This Statement should be read in conjunction with the SIP.

The SIP was last updated in April 2023 and reflects the Trustee policies relating to responsible investment, including both financial and non-financial matters that the Trustee considered. This included Environmental, Social and Governance (ESG) considerations. Stewardship was also considered, i.e. voting and engagement, together with the ability of the Trustee to influence the actions of their investment managers. The SIP was reviewed in November 2022 following the latest Scheme Funding Report and updated after consultation with the Employer in April 2023 and remains appropriate at present.

The selection of investment managers was considered including their objectives, fees, basis of charging and how that aligns with the interests of the Scheme to ensure there are no conflicts of interest. The duration of each manager appointment, the ability to terminate their appointment and any conditions of that termination were considered.

As a part of the investment review the sponsoring Employer was consulted on the content of the 2023 SIP and the investment strategy.

**2. Investment Objective**

This is effectively outlined in the SIP.

**3. Investment Strategy**

The Trustee continues to implement the strategy as outlined in the SIP.

**4. Setting the Investment Arrangements**

In managing the assets of the Scheme, the Trustee owns a policy of assurance. As the Grantee of the policy the Trustee has the benefit of the protection offered under the Financial Services Compensation Scheme (FSCS) and the terms of the specific policy of assurance.

**Mobius Life**

The Trustee holds a long term insurance policy with Mobius Life as a part of the Mobius Life long term business fund. As Grantee under the policy the Trustee may pay a premium to Mobius Life who will allocate units to the policy. The allocation of units is notional and references to both units and funds are solely for the purpose of calculating benefits under the policy. Neither the Grantee (which is the Trustee) nor any other person has any right or

interest in the units, the funds or any other specific assets or income of Mobius Life by virtue of the policy.

The wide range of asset classes available to the Trustee was considered and the ease of access to institutional style investment management funds at an acceptable annual management charge. During the past 12 months the Trustee received information and advice on how to achieve their objectives and how to access appropriate investment funds in a secure way.

## **5. Implementation of the Investment Arrangements**

The arrangements are assessed on an ongoing basis at Trustee meetings and by the Trustee's Investment Adviser. This may in part be by face to face meetings where it is practical to do so.

The Trustee is aware of the need to consider the impact of costs and value for money on the long-term performance of the investments in the pooled funds. To reduce cost and the risks associated with 'active' fund management, the Trustee has invested some of the Scheme's assets in passive or index funds.

The funds are accessed via the Mobius Life investment platform using a Trustee Investment Plan. This is technically a policy of assurance and can benefit from aggregation discounts on annual management charges. Reporting is coordinated and this represents a significant benefit to the Scheme.

## **6. Realisation of Investments**

Investments are reviewed on a regular basis in the light of net cash flow requirements. The pooled funds may be accessed daily and the Trustee believes that this supplies adequate liquidity for the Scheme.

## **7. Investment Governance and Financially Material Considerations**

The matter of investment and investment governance is taken seriously by those who manage the Scheme (the Trustee). To this end the Scheme has a Statement of Investment Principles (SIP). This is considered and reviewed periodically as appropriate.

The current SIP was agreed in 2023. The SIP follows an in depth consideration of the environmental, social and governance requirements, considering both financial and non-financial aspects, in respect to the asset types as required in the long term for the Scheme as it matures. The Scheme is investing appropriately against this background and there has not been a need to make further amendments although the Trustee has kept this position under review.

Those that manage the Scheme collectively have the necessary qualifications and appropriate experience for the size of the Scheme. The Trustee meets regularly as required by the business of the Scheme, including investment business. Investment matters are on the agenda for all Trustee regular meetings. The Scheme has access to professional advisers including, but not limited, to an Investment Adviser, Actuary, and Lawyer.

## **8. Approach to Non-Financial Matters**

The Scheme invests in a policy of assurance that accesses pooled pension funds. This is appropriate to a Scheme of this size and brings added security in that the assets are covered by the Financial Services Compensation Scheme.

The Scheme will always prefer an investment that is beneficial to society and the environment over one that is not. In making such a statement the managers of the Scheme are noting that by using pooled investment vehicles they are not the direct owners of the underlying assets. They do however have access (sometimes limited by availability of information) to a copy of the content of the underlying portfolios of the pooled investment managers.

## **9. Strategic Asset Allocation**

During the reporting year the Scheme has followed the asset allocation as outlined in the SIP. Those that manage the Scheme continue to consider that the asset allocation is appropriate and have considered this at their meetings during the year. Where there has been any variation this has been intentional. Such a change to the asset allocation occurred in March 2025 when, on the advice of the Investment Adviser, a tactical derisking of the portfolio occurred.

## **10. Mandate Parameters**

The Scheme has selected pooled pension funds with specific objectives. Each of the pooled funds that the Scheme is invested in has its own specific objective and in selecting these funds the manager of the Scheme received investment advice from a financial adviser of appropriate standing and experience and working for an organisation registered with the Financial Conduct Authority.

When reviewing the investments during the year it was noted that the pooled funds were being managed to their objectives and that the results were as the Scheme expected. The financial standing of the managers of the pooled funds has been considered and noted that it continues to be appropriate. The managers of the pooled funds that the Scheme participates in are required to report to the Prudential Regulatory Authority who in turn supervise the solvency of these managers on behalf of the Bank of England.

The Scheme has considered this position during the year and remains comfortable with the approach in place, including the capital structure and financial standing of the investment managers that the Scheme invests with. Specifically, the Trustee takes considerable comfort by investing in a policy of assurance and the protections that brings.

## **11. Voting Rights and Description of Voting Behaviour During the Year**

Participants in pooled investment funds do not generally acquire rights over the underlying holdings of the pool. There is no direct relationship between the Scheme and the companies whose shares are held within the pooled investment funds. In effect this means that the manager of the pool exercises voting rights on the Trustee's behalf (as a participant in the pool) but without any obligation to consult with the Trustee. The Scheme does not use a proxy voting service, in practice it does not have the right to exercise votes at the general meetings of companies held within the pooled investment funds. Generally, other than for matters of

financial reconstruction, holders of gilts, bonds, physical property and other alternative investments may not have voting rights.

Where the Scheme holds units of investment in pooled equity funds the Scheme can see how the manager has voted in the summary stewardship reports that the manager may produce for information. These matters are currently only reported at overall manager level and not in a specific way in respect to the funds that we invest in. This may change in the future and the Scheme is aware that there are many initiatives in the investment markets generally to improve access information and reporting in this area.

Other than via our investment consultant, it is challenging for the Scheme to influence the manager of a pooled fund on matters of voting for individual companies. The Trustee does however take their responsibilities seriously and note it always has the option to divest from the manager if, in the view of the Scheme and expressed by those who manage it, this is deemed appropriate. Set against this is, an overall fiduciary responsibility of the Trustee is the management of the Scheme assets.

In future years, the Trustee expects managers to provide further summary stewardship reports that highlight key voting issues, particularly around matters of diversity and the environment as regards the underlying holdings in the relevant pooled fund portfolio. Such reports are available for example from Legal and General and Blackrock at a high level by accessing:

[https://prod-epi.lgim.com/landg-assets/lgim/\\_document-library/capabilities/lgim-approach-to-corporate-governance-and-responsible-investment.pdf](https://prod-epi.lgim.com/landg-assets/lgim/_document-library/capabilities/lgim-approach-to-corporate-governance-and-responsible-investment.pdf)

<https://www.blackrock.com/corporate/insights/investment-stewardship>

<https://www.schroders.com/en/global/individual/sustainability/active-ownership/>

Other managers that the Trustee may access have similar information published on the world wide web. The Trustee considers such information in making their decisions under the policy of assurance that they own.

## **12. The Trustee**

At each trustee meeting the Trustee receives an investment presentation from the Investment Adviser on the strategy that they are pursuing and the pooled funds that they participate in. This has included some comment on ESG and where available the wider voting record of their investment manager.

The Trustee group includes experienced individuals with relevant qualifications and practical working experience of investment matters and governance. This method of operation facilitates an excellent understanding at Scheme level of the requirements when exercising 'good governance'.

## **13. Trustee Knowledge and Understanding**

Winterbourne Trustee Services is a specialist professional Independent Trustee and is the sole trustee of the Scheme. As a firm of professional trustees, Winterbourne brings its long

experience and specialist pensions knowledge to what is now a very complex and increasingly legislated area.

#### **14. Processes around Managing Scheme Investments**

Having set a strategic asset allocation this process has revolved mainly around managing the cash flow during the year. In this respect, where funds have been required for additional cashflow, retirements or member transfers, the Trustee has taken appropriate advice and sold investments to provide the necessary liquidity.

#### **15. Holding Advisers and Managers to Account**

The Scheme is managed by the Trustee and in turn take advice where required. Those that act as advisers to the Scheme have objectives to deliver a service and the Trustee group considers the success of this on an ongoing basis. The Investment Adviser has objectives in place that were reviewed in 2024.

No action has been necessary during this year in respect of shortcomings of advisers or service providers to the Scheme. The Trustee notes that the management of a Scheme such as this can be a challenging matter and that in particular budgets must be appropriate. These matters are regularly considered with assistance from the principal employer and the Trustee considers that overall the Scheme functions well, achieving good value from its service providers.

#### **16. Manager Selection, Review and Monitoring**

The Scheme has made no change in its holding of pooled funds during the year. This is intentional. Change can be relatively expensive due to implicit dealing costs in the underlying assets and although not fully transparent such costs are apparent in wholesale rearrangement of assets. The Trustee seeks to avoid such costs.

#### **17. Transparency**

The assets held by the Scheme are transparent and it is anticipated that in future years all transaction costs on the underlying assets of the pooled funds that the Scheme owns assets in will be available for general publication. For monetary instruments such as gilts and fixed interest holdings such costs are implicit in the purchase price of the underlying asset and so are unlikely to be available. The Trustee is aware that the investment industry is considering how to report on such matters and watch for more information in this area. Under the policy of assurance that the Trustee owns there is presently no right to require such information and the investment managers are not yet supplying such information.

#### **18. Conclusion**

The Scheme has managed its assets successfully throughout the period under review. This Implementation Statement should be read in conjunction with the SIP and is supported by ESG and voting information as supplied to the Investment Adviser for the Scheme by the managers of the pooled funds that the Scheme participates in.

## **19. Further Information**

If further information is required on any of the matters covered in the Implementation Statement please contact the Trustee, Winterbourne Trustee Services or the Principal Employer.

**September 2025**

## Appendix

Note, these relate to the fund management group and not to any holdings of the Trustees.

Company name	Deere & Company
ISIN	244199105
Market Cap	US\$127.4 billion (source: ISS, 03 April 2025)
Sector	Industrials: capital goods, machinery
Issue identified	We believe a diverse mix of skills, experience and perspectives is essential for a company and its board to function and perform optimally. Studies demonstrate that a good level of diversity can improve business resilience and decision-making, minimise risks, and improve the sustainability of profit growth which can maximise long-term returns for investors. Our approach to diversity and expectations of companies are set out in our diversity policy.
Resolution Summary	Resolution 4 – Report on Statistical Differences in Hiring Across Race and Gender Resolution 5 – Report on Effectiveness of Efforts to Create a Meritocratic Workplace Resolution 7 – Report on a Civil Rights Audit AGM, 26 February 2025
How LGIM Voted recommendations)	Against resolutions 4 and 5 (in line with management  For resolution 7 (against management recommendation)
Rational	We voted against resolution 4 because the company already discloses data that breaks down its workforce based on race and gender. Furthermore, the code of conduct ensures that all employees are treated fairly and that its workforce should represent the communities they serve. Investors can determine hiring practices from the data the company already provides. Therefore, we considered the proposal request as unnecessary.  We instructed a vote against resolution 5 but please note, as explained below, this resolution was withdrawn. We engaged with the company and were informed that they have not walked back from their policies on equal opportunities, which are reinforced by their code of conduct. In addition, the company's 2024 sustainability disclosures and metrics document provide information on its hiring practices and mentoring programmes for different types of workers, along with workforce data and retention rates. Finally, the company's engagement score shows an improvement in employee sentiment towards the company.  We voted in favour of resolution 7 because we believe such an audit to be a transparent way in which the company can demonstrate that its code of conduct is operating as it should, and that there are no inequalities based on gender or ethnicity, which may cause potential legal and/or financial risks to the company. This is also consistent with our previous voting stance on this topic.
Outcome	Resolution 4 – 97.5% voted against Resolution 5 was withdrawn at a late stage by the proponent,

	<p>following their own engagement with the company, which they felt reconfirmed the company's commitment to the issues being raised. Our vote rationale above (which would have been applied had the resolution stood) expresses similar findings.</p> <p>Resolution 7 – 29.1% voted in favour</p>
Significant Votes	<p>These votes are considered significant due to their relation to our longstanding engagement and published policy positions and expectations regarding diversity.</p>
Company name	easyJet Plc
ISIN	GB00B7KR2P84
Market Cap	US\$4.6 billion (source: ISS, 04 April 2025)
Sector	Industrials: transportation, passenger airlines
Issue identified	<p>We expect company boards to ensure executive directors' pay is fair, balanced and aligned with the strategy and long-term growth and performance of the business. In line with our long-term investment horizon, we expect executive directors' pay to reflect financial performance, operational and strategic measures and to be achieved within a long-term, sustainable framework. Our expectations regarding executive pay at UK companies are published on our website.</p>
Resolution Summary	Resolution 2 – Approve remuneration policy AGM, 13 February 2025
How LGIM voted	Against resolution 2 (against management recommendation)
Rationale	<p>After internal discussions and correspondence with the company, we voted against the remuneration policy based on the following rationale: Shareholder alignment: A vote against was applied because a sufficient proportion of the bonus is not deferred into shares for a period of time. The new Policy allows for bonus deferral to be reduced, including to zero, once directors have achieved their shareholding guidelines. Given management is new and have yet to build up a substantial holding, with shareholding guidelines in line with normal market practice, we did not consider the company's rationale to be compelling, nor is the need apparent within this policy cycle.</p>
Outcome	8.4% voted against
Significant votes	<p>This vote is significant as it relates both to an increasing are of interest in terms of UK remuneration structures and competitiveness, and to our expectations on remuneration , as published in our UK remuneration policy.</p>

## BlackRock Investment Stewardship

The following link covers BlackRock Investment Stewardship

<https://www.blackrock.com/corporate/literature/publication/2024-investment-stewardship-voting-spotlight.pdf>