

Stanley Gibbons Holdings PLC Pension and Assurance Scheme (“The Scheme”) - Investment Accounting Disclosures

Trustee Policies

This section sets out the policies in the Statement of Investment Principles (‘SIP’) in force at the Scheme year end, relating to the following:

- Financially Material considerations
- Non-Financially Material considerations

Stewardship including the exercise of voting rights and engagement activities is set out in the ‘Voting and Engagement’ section.

The Trustee updated the SIP after the Scheme year end to include policies required by the Occupational Pension Schemes (Investment and Disclosure) (Amendment) Regulations 2019 and will include those policies going forward.

Financially Material considerations

The Trustee recognises the relevance of financially material factors such as environmental, social and governance issues as part of the investment process to determine a strategic asset allocation. It believes, however, that financially material considerations are implicitly factored into the expected risk and return profile of the asset classes it is investing in. It also believes it is currently impractical for a scheme of this size to accurately quantify such risks and returns. As such, the Trustee has not made an explicit allowance for risks associated with climate change. The Trustee also believes that it is relevant that in investing in the best financial interests of the beneficiaries, it has elected to invest through pooled funds. The Trustee acknowledges, therefore, that they cannot directly influence the environmental, social and governance (“ESG”) policies and practices of the companies in which the pooled funds invest. However, the Trustee does expect their investment managers to take account of financially material considerations and will seek relevant information as a part of the process of monitoring investment performance.

The Trustee accepts that the Scheme’s assets are subject to the investment managers’ own policies on socially responsible investment. The Trustee will consider reports from the managers to be satisfied that those policies correspond with the Trustee’s responsibilities to the beneficiaries of the Scheme.

An assessment of the ESG and responsible investment policies forms part of the manager selection process when appointing managers after the date of this SIP and these policies will also be reviewed regularly for existing managers. If any manager views prove to be inconsistent with the Trustee’s policies, then the Trustee may look to replace them.

Non-Financially Material considerations

The Trustee has decided not to consider non-financially material matters in the investment process.

Voting and Engagement

The Trustee is required to disclose the voting and engagement activity over the Scheme year. The Trustee has appointed Minerva Analytics ('Minerva') to obtain voting and investment engagement information ('VEI') on the Scheme's behalf.

This statement provides a summary of the key information and summarises Minerva's findings on behalf of the Scheme over the Scheme year.

Voting and Engagement Policy and Funds

The Trustee policy on stewardship is as set out below in the SIP dated August 2019:

The Trustee's policy on the exercise of rights attaching to investments, including voting rights, is that these rights should be exercised by the investment manager on the Trustee's behalf.

Where this primary consideration is not prejudiced, the investment manager is expected to take account, where it believes appropriate, of environment, social, and governance factors in the exercise of such rights. The Trustee will regularly review the investment managers' voting policies and consider if they are appropriate.

The Trustee has had due regard to the Financial Reporting Council's UK Stewardship Code to the extent that it is relevant to individual managers and their mandates. All the investment managers have published corporate governance policies. The Trustee has been advised that these policies are appropriate for each manager in view of the investments they manage.

The table below sets out the funds the Scheme invested in over the Scheme year and states the use of a proxy voter.

Fund / Product Manager	Investment Fund/Product	Made Via	Scheme / Inv Type	Requested Info Date Range	'Proxy Voter' Used?
Columbia Threadneedle	Threadneedle Pensions Property Fund	Platform	DB Fund	01/07/19 - 30/06/20	N/A
LGIM	LGIM Cash Fund	Platform	DB Fund	23/04/20 - 30/06/20	N/A
LGIM	LGIM Dynamic Diversified Fund	Platform	DB Fund	01/07/19 - 30/06/20	ISS
LGIM	LGIM Investment Grade Corporate Bonds Over 15 Year Fund	Platform	DB Fund	01/07/19 - 30/06/20	N/A
LGIM	LGIM LDI Matching Core Funds	Platform	DB Fund	01/07/19 - 30/06/20	N/A
LGIM	LGIM World Equity Index Fund	Platform	DB Fund	01/07/19 - 30/06/20	ISS
LGIM	LGIM World Equity Index Fund – GBP Currency Hedged	Platform	DB Fund	01/07/19 - 30/06/20	ISS
Payden & Rygel	Payden Absolute Return Bond Fund	Platform	DB Fund	01/07/19 - 30/04/20	N/A
Vontobel	TwentyFour Strategic Income Fund	Platform	DB Fund	01/07/19 - 30/06/20	N/A
Legal & General	L&G AVCs	Direct	DC - AVC	01/07/19 - 11/02/20	?
Legal & General	L&G Insured Annuities	Direct	Annuity	01/07/19 - 30/06/20	?

⚠ Not confirmed by Manager N/A = not applicable

ISS is a proxy voting service.

Exercise of voting rights

The voting activity was requested from all of the Scheme's managers, where appropriate. Legal & General Investment Management ('LGIM') provided a response, but Minerva were unable to use the data to conclude if the manager had followed its own policy. Please see section on 'Outstanding Information' for further details.

The Trustee has established with the help of its Investment Consultant that LGIM's voting policies are aligned with the Trustee's own policies. However, Minerva were unable to confirm if the manager followed its own voting policies.

Manager Voting Behaviour

The Trustee believes that responsible oversight of investee companies is a fundamental duty of good stewardship. As such, it expects the Scheme's managers to vote at the majority of investee company meetings every year, and to provide sufficient information as to allow for the independent assessment of their voting activity.

The table below sets out the voting behaviour of each manager where disclosed by the manager.

Manager	Fund	No. of Meetings	No. of Resolutions				
		Eligible for Voting	Eligible for Voting	% Eligible Voted	% Voted in Favour	% of Voted Against	% Abstain
LGIM	LGIM Dynamic Diversified Fund	8,053	84,927	97.1%	82.2%	17.5%	0.3%
	LGIM World Equity Index Fund & GBP Currency Hedged variant	2,436	29,940	98.1%	82.8%	17.1%	0.1%
Vontobel	TwentyFour Strategic Income Fund	?	?	?	?	?	?

⚠ Not confirmed by Manager

The most significant votes cast was requested by Minerva from all the Scheme's managers, where appropriate, but none of the managers were able to provide the relevant information required for the analysis in time. Please see section on 'Outstanding Information' for further details.

Manager Engagement Information

The Trustee believes that an important part of responsible oversight is for the Scheme’s investment managers to engage with the senior management of investee companies on any perceived risks or shortcomings – both financial and non-financial – relating to the operation of the business, with a specific focus on ESG factors. As such, they expect the Scheme’s managers to engage with investee companies where they have identified any such issues.

The table below summarises the engagement activity of the managers that provided information.

			Summary of Company Engagement Activity									Outcomes	
			Corporate Governance						Sustainability				
Manager	Fund	No.	Strategy	Audit & Report.	Board	Capital	Corp. Action	Remun	Shrhdr Rights	Envir.	Social	Resolved	Open
LGIM	Firm-level data only	739	13%	2%	19%	3%	3%	28%	2%	34%	37%	?	?
Vontobel	TwentyFour Strategic Income Fund	9	22%	0%	11%	11%	0%	11%	22%	22%	44%	67%	33%

 Not confirmed by Manager

Vontobel have provided a few high-level examples of the engagements in the table below:

Companies	Details of the Engagements
Turkish Corporates	Vontobel decided to exit positions in Turkish corporates due to Governance issues at a country level
Petróleos Mexicanos	Vontobel wrote to the company to get further details on articles in the press regarding deaths from pipeline explosions and concerns over pay and labour rights. We are yet to receive a response and as such note the lack of engagement from the management and IR and adjust our ESG score for the company accordingly.
Just Group	Vontobel had a general company update meeting with Just Group, where they discussed the topic of diversity as a key issue. Vontobel reported that they were happy with management’s response, as they were already aware of the problem and were actively trying to recruit for the board with that in mind.

Outstanding Information

This section sets out the status of outstanding information Minerva have requested.

Fund / Product Manager	Investment Fund/Product	Information Request Acknowledged	Voting Info Available?	Engagement Info Available	Info Rec'd by Minerva Deadline
Columbia Threadneedle	Threadneedle Pensions Property Fund	✔*	✔	✔	✔
LGIM	LGIM Cash Fund	✔*	✔	✔	✔
LGIM	LGIM Dynamic Diversified Fund	✔*	✔	✔	✘
LGIM	LGIM Investment Grade Corporate Bonds Over 15 Year Fund	✔*	?	?	✘
LGIM	LGIM LDI Matching Core Funds	✔*	✔	✔	✔
LGIM	LGIM World Equity Index Fund	✔*	✔	✔	✘
LGIM	LGIM World Equity Index Fund – GBP Currency Hedged	✔*	✔	✔	✘
Payden & Rygel	Payden Absolute Return Bond Fund	✔*	✔	✔	✔
Vontobel	TwentyFour Strategic Income Fund	✔*	?	✔	✔
Legal & General	L&G AVCs	✔	?	?	✘
Legal & General	L&G Insured Annuities	✔	?	?	✘

✔ Positive response ✔ Partial response* ✘ Negative response ? Not confirmed by Manager ✔ No VEI information to report

* The partial response refers to Minerva requesting data via Mobius, who acknowledged the request, but the managers did not provide a direct response to Minerva.

Minerva is continuing to engage with the relevant managers on the identification and provision of any missing VEI information and will provide the Scheme with an update as soon as all of the managers have formally reported back, and any information provided has then been analysed.

Conclusion

This statement has shown that partial information has been provided by many of the managers. Minerva will seek any outstanding information and will agree a way forward on any actions identified with the Trustee once this information is available.

With the help of its Investment Consultant the Trustee will also engage with managers for asset classes such as bonds, property and LDI to see if any engagement information can be provided going forward.