

Royal College of Music Pension and Assurance Scheme

Implementation Statement

Year Ending 31 July 2024

Glossary

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| ESG | Environmental, Social and Governance |
| Investment Adviser | First Actuarial LLP |
| LGIM | Legal & General Investment Management |
| Scheme | Royal College of Music Pension and Assurance Scheme |
| Scheme Year | 1 August 2023 to 31 July 2024 |
| SIP | Statement of Investment Principles |
| UNPRI | United Nations Principles for Responsible Investment |

Introduction

This Implementation Statement reports on the extent to which, over the Scheme Year, the Trustee has followed its policy relating to the exercise of rights (including voting rights) attaching to the Scheme’s investments. In addition, the Implementation Statement summarises the voting behaviour of the Scheme’s investment managers and includes details of the most significant votes cast and the use of the services of proxy voting advisers.

In preparing this statement, the Trustee has considered guidance from the Department for Work & Pensions which was updated on 17 June 2022.

However, at the start of the Scheme Year the Trustee disinvested from all funds which included an allocation to equities and, since voting relates to equity investments, the Trustee has not reviewed any voting behaviour in the preparation of this Implementation Statement.

The Trustee's Policy Relating to the Exercise of Rights

Summary of the Policy

The Trustee's policy in relation to the exercise of rights (including voting rights) attaching to the investments is set out in the SIP. The SIP was updated during the Scheme year to reflect changes made to the Scheme's investment strategy, but wording relating to the exercise of rights was not revised. A summary of this wording is as follows:

- The Trustee believes that good stewardship can help create, and preserve, value for companies and markets as a whole.
- The Trustee invests in pooled investment vehicles and therefore accepts that ongoing engagement with the underlying companies (including the exercise of voting rights) will be determined by an investment Manager own policies on such matters.
- When selecting a fund, the Trustee considers amongst other things, the investment manager's policy in relation to the exercise of the rights (including voting rights) attaching to the investments held within the fund.
- When considering the ongoing suitability of an investment manager, the Trustee (in conjunction with its Investment Adviser) will take account of any particular characteristics of that manager's engagement policy that are deemed to be financially material.
- The Trustee will normally select investment managers who are signatories to the UN Principles for Responsible Investment (UNPRI).
- If it is identified that a fund's investment manager is not engaging with companies the Trustee may look to replace that fund. However, in the first instance, the Trustee would normally expect its Investment Adviser to raise the Trustee's concerns with the investment manager.

Has the Policy Been Followed During the Scheme Year?

Although the Trustee does not hold funds which invest in equities, the Trustee's policy regarding the exercise of rights remains unchanged and would be applied if a fund with equity exposure were to be selected in the future, although such a change is not anticipated.

- There has been no change to the Trustee's belief regarding the importance of good stewardship.
- The Scheme's invested assets remained invested in pooled funds over the period.
- The Trustee did not select any new funds during the period.
- The investment Managers used by the Scheme are signatories to the UNPRI.

Conclusion

The Trustee is satisfied that, over the course of the Scheme Year, they complied with the policy relating to the exercise of rights (including voting rights) attaching to the investments. None of the assets held by the Scheme for the majority of the Scheme Year had voting rights attached and therefore an assessment of voting behaviour was not required in the preparation of this Implementation Statement.

Jacquiline Woods

Date: 15 October 2024

Agreed as the Trustee of the Royal College of Music Pension and Assurance Scheme