

# Implementation Statement

**Statement of Compliance with the Stewardship Policy of Conservative Agents' Superannuation Fund ("the Fund") for the year ending 31 March 2024.**

## Introduction

This is the Trustees' statement prepared in accordance with the requirements of the Occupational Pension Schemes (Investment and Disclosure) (Amendment) Regulations 2019. This statement sets out how the Trustees have complied with the Fund's Stewardship Policy during the period from 1 April 2023 to 31 March 2024.

## Stewardship policy

The Trustees' Stewardship Policy as stated in the Statement of Investment Principles sets out how the Trustees will behave as an active owner of the Fund's assets which includes the Trustees' approach to;

- the exercise of voting rights attached to assets; and
- undertaking engagement activity, including how the Trustees monitor and engage with the Fund's investment managers and any other stakeholders.
- The Fund's Stewardship Policy is reviewed periodically in conjunction with reviews of the Fund's Statement of Investment Principles (SIP). The last review was last completed in March 2023.

You can review the Fund Stewardship Policy which can be found within the Fund's Statement of Investment Principles, at [statement-of-investment-principles.pdf \(casf.uk\)](#)

The Trustees have delegated voting and engagement activity in respect of the underlying assets to the Fund's investment managers. The Trustees believe it is important that its investment managers take an active role in the supervision of the companies in which they invest, both by voting at shareholder meetings and engaging with the management on issues which affect a company's financial performance.

The Fund's direct exposure to equity holdings is limited to the Vanguard Global Equity exchange-traded fund (ETF). The other holdings of the Fund are either credit mandates without voting rights or are invested in a fund of fund structure such as the Partners Master Portfolio where Partners are an intermediary between the Trustees and the managers that directly invest in equities. In this case the monitoring of the stewardship decisions of the underlying managers is the responsibility of Partners Capital. The Trustees, or their investment adviser on their behalf, challenge the managers on issues of stewardship and engagement where appropriate.

The Trustees speak regularly about matters that impact the Fund and its investments and adopt a consistent investment policy and approach. They have a broad range of skill sets and experience, and with input and advice from their investment advisers, this allows effective decision making and challenge to managers. The Trustees monitor its compliance with its Stewardship Policy and are satisfied that it has complied with the Fund's Stewardship Policy over the last year.

**Implementation Statement (continued)****Voting activity**

The Trustees seek to ensure that its managers are exercising voting rights and, where appropriate, to monitor voting patterns.

The Fund has direct investment in equity assets through the Vanguard Global Equity ETF. The table below sets out how votes were cast to year ending 31 March 2024 by Vanguard.

	Vanguard Global Equity ETF
Proportion of Fund assets as at 31/03/2024	7.5%
No. of meetings eligible to vote at during the year	5,386
No. of resolutions eligible to vote on during the year	54,988
% of resolutions voted	98%
% of resolutions voted with management	94%
% of resolutions voted against management	5%
% of resolutions abstained	1%
% of meetings with at least one vote against management	28%

Resolutions which Vanguard voted against management over the Fund year were often in relation to governance issues, remuneration and appointments to the board of directors.

**Significant votes**

The following votes have been identified as of particular significance by Vanguard. Vanguard highlight these because they involved a vote at a company in which Vanguard holds a meaningful ownership position, the vote conveys their perspective on an important governance topic or communicates their view of positive progress, or lack of it, by a company and its board.

**Meta Platforms Inc., Political lobbying proposal**

Vanguard voted against a shareholder proposal on the ballot at Meta's 2023 annual meeting which sought additional disclosure of the company's lobbying payments and policies. In advance of the 2023 annual meeting, Vanguard engaged with Meta leaders and discussed political spending and lobbying. During this engagement activity, Meta leaders shared plans to enhance the company's disclosures on this topic, in terms of board oversight of political activity and provide the appropriate level of disclosure concerning lobbying-related activities and trade association memberships. As a result of these plans, Vanguard believed that the board had sufficient oversight of Meta's political spending and lobbying activities, therefore, Vanguard ultimately did not support the proposal in 2023.

**Berkshire Hathaway Inc., Climate risk shareholder proposal**

Vanguard voted in support of a shareholder proposal in 2023 that sought annual proxy statements disclosures of how the company manages climate risk, including how the Audit Committee oversees this risk, whether and how the company is testing the effects of climate-related risks on its business, and director competencies with regard to climate. Vanguard's support of this proposal was driven by the assessment that climate risk presented a material financial risk to the company, that additional information about the board's oversight of climate risk would be decision-useful for investors, and that the proposals provided the board and management with sufficient latitude in how to implement the proposals.

**Implementation Statement (continued)****Wells Fargo & Co., Report on Workplace Harassment and Discrimination proposal**

Vanguard voted in favour of a shareholder proposal that requested the board oversee an annual report describing and quantifying the effectiveness and outcomes of Wells Fargo's efforts to prevent harassment and discrimination against its protected classes of employees.

Vanguard's analysis of the proposal at Wells Fargo found that risks related to employee harassment and discrimination had materialised at the company, as evidenced by federal law enforcement and regulatory agencies' investigations, the fact that the company had been ordered to pay damages in connection with claims by company employees, and negative media attention related to the topic. While Wells Fargo had provided some disclosures related to allegations of harassment and discrimination, Vanguard determined that there was an opportunity for the company to provide additional information to enable shareholders to fully understand the true magnitude of issues that could impact shareholder returns. As a result, the Vanguard-advised funds supported this shareholder proposal.

**Engagement activity**

Managers can be challenged both directly by the Trustees or their investment adviser on the impact of any significant issues including, where appropriate, ESG issues that may affect the prospects for return from the portfolio. The following table summarises the activity over the year to 31 March 2024.

Fund	Highlights of Engagement
Partners Master Portfolio	<ul style="list-style-type: none"> <li>The Trustees receive bi-annual investment monitoring reporting from the investment adviser which highlight key issues impacting the manager's performance.</li> </ul>
Vanguard Global Equity	<ul style="list-style-type: none"> <li>As a passively managed exchange-traded fund, the Trustees do not regularly hold meetings with the manager.</li> <li>The fund falls under the growth portfolio with oversight by Partners Capital.</li> <li>The Trustees monitor the voting record and key engagements of the manager annually.</li> </ul>
M&G Credit Opportunity IV  Oakhill Diversified Credit Fund  Barings High Yield Credit Fund	<ul style="list-style-type: none"> <li>The Trustees receive bi-annual investment monitoring reporting from the investment advisers which highlight key issues impacting the manager's performance, including ESG matters that might affect credit selection.</li> </ul>

**Implementation Statement (continued)****Summary of manager engagement activity**

The Trustees receive annual reporting on Vanguard's engagement activity. The following table summarises the key engagement activity for the 12-month period ending 31 December 2023.

Number of engagements	Topic engaged on
Board composition	1,035
Oversight of strategy and risk	899
Executive compensation	675
Shareholder rights	243

The manager carried out 2,852 engagements over 2023. Engagements primarily focused on board composition, oversight of strategy and risk, executive compensation and shareholders rights.

**Use of a proxy adviser**

Vanguard does not vote in lockstep with recommendations from proxy advisers such as Institutional Shareholder Services or Glass Lewis. Data from proxy advisors serve as one of many inputs into the research process. Even when a fund's vote happens to be consistent with a proxy advisor's recommendation, that decision is made independently. Their Investment Stewardship team evaluates proposals and casts Vanguard's funds' votes in accordance with Vanguard's voting guidelines.

**Review of policies**

The Trustees take a proportionate approach to reviewing the managers' RI policies. With support from their investment adviser, reviews consider the managers' broader approach to responsible investment issues in addition to considering any change in approach by the manager. The Trustees' investment adviser maintains in-house RI ratings for the Fund's managers and notify the Trustees of any changes in the rating based on their regular research of the managers.

The Trustees remain satisfied that the responsible investment policies of the managers and, where appropriate, the voting policies remain suitable for the Fund.