

Implementation Statement

Professional Footballers' Pension Scheme (Income and 2011 Sections)

Scheme year ended 31 July 2020

This statement sets out the Trustees' approach and implementation of the Environmental, Social and Governance ("ESG") policies set out in the Statement of Investment Principles over the year to 31 July 2020.

The voting behaviour is not given over the Scheme year end to 31 July because investment managers largely only report this data quarterly, we have therefore given the information over the year to 30 June 2020.

Investment manager and funds in use

The Scheme's funds are invested via both the Mobius Platform and Standard Life Platform. The investment funds used for the Scheme together with the underlying managers as at 31 July 2020 are set out in the table below.

The Trustees offer a default strategy for each of the 2011 Section and Income Sections of the Scheme. Details of these strategies can be found in the SIP of each section which is available online.

<https://www.thepfa.com/players/pensions/scheme-downloads>

Any funds that are used within the default strategy of the 2011 Section are highlighted **green** in the below table, and any funds used within the default strategy of the Income Section are highlighted **purple**.

Platform	Investment manager	Fund
Mobius Life	Newton Investment Management	Newton Global Dynamic Bond Fund
		Newton Real Return Fund
	Aberdeen Standard Investments	Aberdeen Standard Global Absolute Return Strategies Pension Fund
	Insight Investment	Insight Broad Opportunities Fund
	Invesco Asset Management	Invesco Global Targeted Returns Pension Fund
Aberdeen Standard Investments	Vanguard Asset Management	Vanguard FTSE UK All Share Equity Index
		Vanguard FTSE Developed Europe ex UK Equity Index
		Vanguard Japan Equity Stock Index
		Vanguard Asia Pacific ex Japan Equity Stock Index
		Vanguard US Equity Stock Index
	Standard Life	Vanguard UK Government Bond Index
		Pooled Property Fund
		Global Equity (50:50) Fund
		Global Equity (50:50) Tracker Fund
		Global Equity Select (60:40) Fund
		SLI Global Equity

North American Equity
Asia Pacific ex Japan Equity
Japanese Equity
European Equity
UK Equity
UK Equity Select
Overseas Equity Fund
Overseas Equity Tracker Fund
Ethical Equity
Multi-Asset Managed (20% - 60% Shares)
Global Absolute Return Strategies (GARs) Pension Fund
Managed Fund
Corporate Bond Fund
Index-Linked Bond Fund
Long Corporate Bond Fund
UK Mixed Bond Fund
Long Bond
Global Bond
UK Gilt Fund
Deposit and Treasury Fund
Money Market Fund

Voting and engagement policies

The Scheme invests entirely in pooled funds, and as such delegates' responsibility for carrying out voting and engagement activities to the Scheme's investment managers. The Trustees monitor the engagement and voting activities of the managers by receiving ESG reports and training from the Trustees' investment consultant, and discussing these at regular Trustee meetings.

The Trustees reviewed the default investment strategies within the year under review and have agreed to implement a new default strategy for both sections. The default strategy review incorporated ESG considerations for the shortlisted, and ultimately selected, managers. A notable example is the use of LGIM's Future World Funds instead of standard market capitalisation index tracking equity funds. The Future World Funds take into account ESG factors when investing, instead of investing across all companies (weighted by market capitalisation) included in the index.

The Trustees have reviewed the available voting data from the Scheme's managers and investment funds over the year under review. The Trustees are comfortable that the managers are undertaking their voting and engagement in line with the Trustees' policies as far as the reporting is available.

The voting data collated for the Scheme is given in the table on the following page. The voting data shown is for the funds within the Scheme's default investment strategy. These funds make up a majority of the Scheme's assets.

Voting Data

The voting data collated for the below funds is given over the year to 30 June 2020.

All of the below investment managers engage with companies at a firm level; voting data is therefore provided at a firm level.

Manager	Newton Investment Management	Aberdeen Standard Investments	Invesco Asset Management	Aviva Investors
Fund names	Diversified Growth: Newton Real Return Fund	Diversified Growth: Aberdeen Standard GARs Passive equities: Standard Life Vanguard FTSE UK All Share Index	Diversified Growth: Invesco Global Targeted Return Fund	Diversified Growth: Aviva Multi-Strategy Target Return Fund
Structure	Pooled			
Ability to influence voting behaviour of manager	The pooled fund structure means that there is limited scope for the Trustees to influence the manager's voting behaviour.			
Number of resolutions the manager was able to vote at over the year	7,810	58,869	4,584	68,919
Percentage of resolutions the manager voted on*	97.8%	100%	94.4%	97.9%
Percentage of resolutions the manager abstained from*	0.3%	2.0%	0.0%	2.1%
Percentage of resolutions voted <i>against</i> management, as a percentage of the total number of resolutions voted on	15.9%	13%	6.5%	24.7%
Percentage of resolutions voted contrary to the recommendation of the proxy advisor	10.9%	2.6%	4.5%	17%

**as a percentage of possible votes*

Source: Newton Investment Management, Aberdeen Standard Investments, Invesco Asset Management, Aviva Investors

There are no voting rights attached to the other assets held by the Scheme's other default investments, which include investment in the Newton Global Dynamic Bond Fund and Insight Broad Opportunities Fund. These funds do not hold equities.

Significant votes

The Trustees have delegated to the investment managers to define what a "significant vote" is.

Data on significant votes was requested from the Scheme's investment managers. However, this has not been provided in a usable format. The Trustees' investment consultant is liaising with the managers to improve delivery of the data in future, and we understand the managers are working to improve their disclosures.

Fund level engagement

The investment managers may engage with their investee companies on behalf of the Trustees. The table below provides a summary of the engagement activity undertaken by each manager during the year for the relevant funds. The information is given over the year to 30 June 2020.

Manager	Newton Investment Management	Aberdeen Standard Investments	Invesco Asset Management	Aviva Investors	Insight Investment
Fund name(s)	<p>Diversified Growth: Newton Real Return Fund</p> <p>Credit: Newton Global Dynamic Bond Fund</p>	<p>Diversified Growth: Aberdeen Standard GARs</p> <p>Passive equities: Standard Life Vanguard FTSE UK All Share Index</p>	<p>Diversified Growth: Invesco Global Targeted Return Fund</p>	<p>Diversified Growth: Aviva Multi-Strategy Target Return Fund</p>	<p>Credit: Insight Broad Opportunities Fund</p>
Does the manager perform engagement on behalf of the holdings of the fund			Yes		
Number of engagements undertaken at a firm level in the year	Engaged with 89 companies	1,651	2,440	4,401	741

Source: Newton Investment Management, Aberdeen Standard Investments, Invesco Asset Management, Aviva Investors, Insight Investment

The Trustees believe there is less scope for engagement in relation to the Aberdeen Standard Deposit and Treasury Fund, and therefore there is no information shown above for this Fund.

Strategy review

There were no changes implemented to the Scheme's platform provider, the default investment strategies for members in the Scheme, or self-select options available to members in the Scheme over the year to 31 July 2020.

The Trustees reviewed the Scheme's default investment strategy and self-select range during the year under review. Implementation of the agreed changes were not conducted until after the Scheme year-end. The first phase of this transition for the 2011 Section was completed in October 2020 with the second phase due to complete at the beginning of 2021.

The Trustees, with advice from their investment consultant, have also considered the funds with an ESG focus that are available to members of the Scheme on the Mobius platform. As part of this some of the new default funds selected as part of the strategy review have a specific ESG focus.

Scheme governance

Governance arrangements, in terms of the constitution of the Board of Trustees, service level agreements with providers, processing of core financial transactions, costs and charges, and investment arrangements, are detailed in the Chair's Statement.

The Trustees are responsible for making investment decisions, and seek advice as appropriate from Barnett Waddingham LLP, as the Trustees' investment consultant.

There were no changes to the objectives put in place for Barnett Waddingham LLP in 2019. The Trustees are due to formally review these objectives in December 2020.

Statement of Investment Principles

The Statement of Investment Principles was last updated in September 2020 to allow for an update for the Scheme's ESG policies as required under legislation.

Prior to this, the SIP was updated in September 2019 to again reflect additional policies on ESG as required under legislation. These new policies are reported on in this Statement.

Monitoring of investment managers

The Trustees receive quarterly monitoring reports from their investment consultant which analyse the Scheme's assets, investment manager performance and performance of the default strategies. This report is discussed at quarterly Trustee meetings and additional investment sub-committee meetings where appropriate.

The Trustees reviewed the investment managers as part of the default investment strategy review over the period under review.

Non-financially material considerations

The Trustees policy is to take into account only financially material considerations in setting their default strategy, but the Trustees may take non-financially material considerations into account when providing self-select options for members.

Summary

Based on the information received, the Trustees believe that the investment managers have acted in accordance with the Scheme's stewardship policies. The Trustees are supportive of the voting and engagement action taken by the applicable investment managers over the period.

The Trustees and their investment consultant (along with the investment industry as a whole) are working with the investment managers to provide additional voting and engagement information in the future. This will enhance the Trustees' ability to assess the investment managers' stewardship and engagement with investee companies on their behalf.

Prepared by the Trustees of the Professional Footballers' Pension Scheme

November 2020