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First Actuarial’s Implementation Statement service

Under new legislation, trustees must include an Implementation Statement in their scheme’s next annual report and accounts.

The Implementation Statement opens trustees and investment managers up to close scrutiny on shareholder voting. Trustees must demonstrate that they are following their stated approach to stewardship, as set out in the Statement of Investment Principles (SIP). They must also record how investment managers have voted on the scheme’s behalf, paying particular attention to significant votes.

The Pensions Regulator is clear that the Implementation Statement should be a thorough review of activities, rather than a tick-box report. Hosted on a public website, your Implementation Statement must be robust enough to withstand scrutiny.

If you’re concerned about this latest compliance exercise and what it means for your scheme, we can help.

First Actuarial’s unique approach

We can produce your scheme’s Implementation Statement at low cost and with minimal effort on your part. Based on rigorous data analysis, our unique step-by-step approach will keep you compliant.

Besides the Implementation Statement, we will also provide a SIP Compliance Checklist and an Annual Voting Report to give your scheme

- A clear audit trail
- Evidence of a robust process
- The details needed to respond to regulatory and public questioning.

Our approach represents a new and meaningful way of scrutinising investment managers. We expect some trustees to open up a dialogue with their investment managers about voting behaviour as a result. This is exactly why the legislation has been introduced.

The service is open to all schemes, including those where First Actuarial does not provide services.

4 steps to a fully compliant Implementation Statement

Our unique approach will give your scheme a fully compliant Implementation Statement in 4 simple steps, with minimal cost and effort on your part.

Step 1 – Data Analysis

Every quarter, we analyse a dataset of thousands of votes held by companies listed in the UK, Europe and the US. We group these votes into different categories, with the significant votes being the most closely contested ones.

This yields more meaningful insights than asking investment managers to select the votes they consider significant. At best, inconsistencies between managers' selections would prevent us from comparing their voting records. At worst, managers may 'cherry pick' votes to present themselves in a positive light.

Step 2 – Annual Voting Report

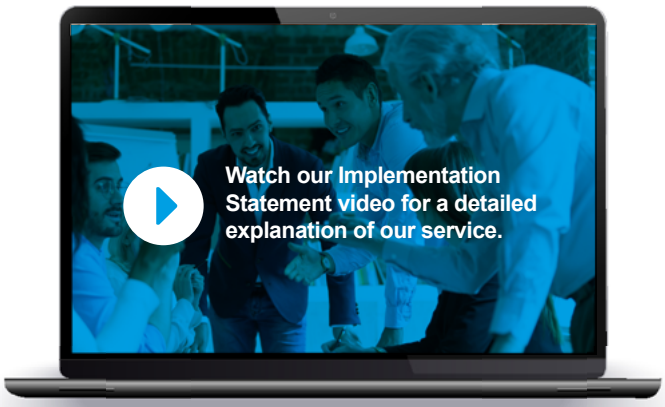
In this report, we consider the voting records of the scheme's investment managers, and present our significant votes analysis. This includes a comparison of how each manager compares to their peers in significant votes. Where relevant, we will also include explanations provided by the managers in response to queries we have raised with them based on our analysis.

Step 3 – SIP Compliance Checklist

We will provide a checklist, in which we identify relevant clauses from the SIP and assess how well your scheme has complied with each one. There will be space for you to expand on our assessment if you wish. For schemes with a Defined Contribution section, we make a fuller assessment, in line with the legal requirements of the Implementation Statement.

Step 4 – Implementation Statement

Finally, we will provide the Implementation Statement itself, which will contain summary information from the Annual Voting Report and the SIP Compliance Checklist. Trustees will need to make this publicly accessible.



Get in touch

To find out more about our service, please contact the **First Actuarial stewardship team.**



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