Knight Frank Staff Pension Fund

Engagement Policy Implementation Statement for the year ending 31 December 2020

Introduction

The Trustee Directors (the “Directors”) of the Knight Frank Staff Pension Fund (the “Fund”) have a fiduciary duty to consider their approach to the stewardship of the investments, to maximise financial returns for the benefit of members and beneficiaries over the long term. The Directors can promote an investment’s long-term success through monitoring, engagement and/or voting, either directly or through their investment managers.

This statement sets out how, and the extent to which, in the opinion of the Directors, the policies (set out in the Statement of Investment Principles) on the exercise of rights (including voting rights) attaching to the investments, and engagement activities have been followed during the year ending 31 December 2020. This statement also describes the voting behaviour by, or on behalf of, the Directors.

The Directors, in conjunction with their investment consultant, appoint their investment managers and choose the specific pooled funds to use in order to meet specific policies. They expect that their investment managers make decisions based on assessments about the financial characteristics of underlying investments (including environmental, social and governance (ESG) factors), and that they engage with issuers of debt or equity to improve their performance (and thereby the Fund’s performance) over an appropriate time horizon.

The Directors have decided not to take non-financial matters into account when considering their policy objectives.

Stewardship - monitoring and engagement

The Directors recognise that investment managers’ ability to influence the companies in which they invest will depend on the nature of the investment.

The Directors’ policy is to delegate responsibility for the exercising of rights (including voting rights) attaching to investments to the investment managers and to encourage the managers to exercise those rights.

The Directors also delegate responsibility for engaging and monitoring investee companies to the investment managers and expect the investment managers to use their discretion to maximise financial returns for members and others over the long term.

As all of the investments are held in pooled vehicles, the Directors do not envisage being directly involved with peer to peer engagement in investee companies.
Investment manager engagement policies

The Fund's investment managers are expected to have developed and publicly disclosed an engagement policy. This policy, amongst other things, provides the Directors with information on how each investment manager engages in dialogue with the companies it invests in and how it exercises voting rights. It also provides details on the investment approach taken by the investment manager when considering relevant factors of the investee companies, such as strategy, financial and non-financial performance and risk, and applicable social, environmental and corporate governance aspects.

Links to each investment manager’s engagement policy or suitable alternative is provided in the Appendix.

These policies are publicly available on each investment manager’s website.

Exercising rights and responsibilities

The Directors recognise that different investment managers should not be expected to exercise stewardship in an identical way, or to the same intensity.

The investment managers are expected to disclose annually a general description of their voting behaviour, an explanation of the most significant votes cast and to report on the use of proxy voting advisers. The investment managers publish online the overall voting records of the firm on a regular basis.

All the investment managers use proxy advisers for the purposes of providing research, advice or voting recommendations that relate to the exercise of voting rights.

The Directors do not carry out a detailed review of the votes cast by or on behalf of their investment managers but rely on the requirement for their investment managers to provide a high-level analysis of their voting behaviour.

The Directors consider the proportion of votes cast, and the proportion of votes against management to be an important (but not the only) consideration of investor behaviour.

The latest available information provided by the investment managers are as follows:

<table>
<thead>
<tr>
<th>Investment manager</th>
<th>Period</th>
<th>Proportion of votes cast</th>
<th>Proportion of votes against management</th>
</tr>
</thead>
<tbody>
<tr>
<td>Legal &amp; General Investment Management</td>
<td>01/01/2020 – 31/12/2020</td>
<td>98.8%</td>
<td>17.3%</td>
</tr>
<tr>
<td>Ruffer LLP</td>
<td>01/01/2020 – 31/12/2020</td>
<td>98.2%</td>
<td>5.5%</td>
</tr>
</tbody>
</table>

Directors' assessment

The Directors have reviewed the investment managers’ policies relating to engagement and voting and how they have been implemented and have found them to be acceptable at the current time.
The Directors recognise that engagement and voting policies, practices and reporting, will continue to evolve over time and are supportive of their investment managers being signatories to the United Nations’ Principles for Responsible Investment and the Financial Reporting Council’s UK Stewardship Code 2020.
Alignment Policy Implementation Statement for the year ending 31 December 2020

Appendix

Links to the Engagement Policies for each of the investment managers can be found here:

<table>
<thead>
<tr>
<th>Investment manager</th>
<th>Engagement Policy (or suitable alternative)</th>
</tr>
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