

Annual Implementation Statement (the “Statement”) – Year Ending 31 December 2022

The Professional Golfers’ Association Scheme 2001 Retirement and Death Benefits Scheme – F48177

Introduction

This Statement, written for the benefit of the members of The Professional Golfers’ Association Scheme 2001 Retirement and Death Benefits Scheme (the “Scheme”) sets out how, and the extent to which, the Statement of Investment Principles (“SIP”) produced by the Trustees has been followed over the 12 months to 31 December 2022. The Scheme is a defined contribution pension plan, which will provide members with a money purchase benefit. This Statement has been produced in accordance with The Occupational Pension Schemes (Investment and Disclosure) (Amendment) Regulations 2019 and the guidance published by the Pensions Regulator. The table later in the document sets out how, and the extent to which, the policies in the SIP have been followed.

The SIP is a document drafted by the Trustees in order to help govern the Scheme’s investment strategy. It details a range of investment-related policies, a summary of which is included in the table below, alongside the relevant actions taken by the Trustees in connection with each of these policies.

As required by the legislation, the Trustees have consulted a suitably qualified person and have obtained written advice from its investment consultant, Mercer Limited (“Mercer”). The Trustees believe the investment consultant meets the requirement of Section 35 (5) of the Pensions Act 1995. In preparing this Statement, the Trustees have also consulted the sponsoring Company.

The statement is based on, and should be read in conjunction with, the relevant version of the SIP that was in place for the Scheme Year, which was the SIP signed in July 2022.

A copy of the SIP is available at: https://www.pga.info/media/4421/f48177-sip-pga_july-2022.pdf

The Professional Golfers' Association Scheme 2001 Retirement and Death Benefits Scheme**Investment Objectives of the Scheme**

The Trustees believe it is important to consider the policies in place in the context of the investment objectives they have set. The objectives of the Scheme, included in the SIP, are as follows:

- To provide a default investment option for members until they make their own investment decisions.
- To make available a range of investment funds that is expected to enable members to select an investment strategy that meets their own individual needs and preferences.
- Offer access to lifestyle strategies, which facilitate diversification and are expected to achieve long-term capital growth.
- Offer funds and lifestyle strategies that enable members to reduce investment risk in the run-up to retirement.
- Offer funds which mitigate the impact of sudden and sustained reductions in capital values or rises in the cost of providing benefits at retirement (cash, annuity purchase or drawdown).

Review of the SIP

The Trustees formally reviewed the SIP during the year and no changes were made as part of the annual review. The SIP was signed in July 2022.

Investment Strategy Review

The default investment option is reviewed at least triennially and the last review was undertaken in December 2021. This review considered the following:

- Analysis of member data to support recommendations;
- Member behaviour and market trends;
- Whether targeting cash remains appropriate for the default;
- Whether the self-select fund range is still appropriate.

The following recommendations were made and agreed by the Trustees:

- Retain the objective of the default investment option as target cash and the two alternative lifestyle strategies targeting annuity and drawdown;
- Continue to offer the My Future Cash Lump Sum strategy as the default, where decisions on asset allocation are delegated to Aviva.
- Consider adding an Islamic/Shariah Equity option to the fund range going forward.

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There were no changes made to the fund range following this review and the Islamic/Sharīah Equity option was not included in the fund range due to Trustees not being aware of any members expressing an interest in this as an equity option. The Trustees agreed to review this going forward.

Assessment of how the policies in the SIP have been followed for the year to 31 December 2022

The information provided in this section highlights the work undertaken by the Trustees during the year, and longer-term where relevant, and sets out how this work followed the Trustees' policies in the SIP, relating to the Scheme as a whole and the default investment arrangement. The SIP is attached as Appendix A and sets out the policies referenced below.

In summary, it is the Trustees' view that the policies in the SIP have been followed during the Scheme year.

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	Requirement	Policy	In the year to 31 December 2022
1	Securing compliance with the legal requirements about choosing investments	<p>(1) Introduction</p> <p><i>Before preparing this Statement of Investment Principles, the Trustees have consulted with the Employer, (The Professional Golfers' Association), and obtained and considered written professional advice from Mercer Limited, the Scheme's investment consultants, regarding the investment arrangements to ensure compliance with the legal requirements about choosing investments (as per section 36 of the Pensions Act 1995).</i></p>	<p>Following the triennial investment strategy review in December 2021, the default investment option was deemed to remain suitable and no changes were made to the Scheme.</p> <p>The recommendations from the review were:</p> <ul style="list-style-type: none"> • Retain the objective of the default investment option as target cash and the two alternative lifestyle strategies targeting annuity and drawdown; • Continue to offer the My Future Cash Lump Sum strategy as the default • Continue with the current growth phase where decisions on asset allocation are delegated to Aviva. • Consider including an Islamic/Sharīah Equity option to the fund range going forward. <p>The Trustees obtained advice from Mercer Limited on the annual review of the Scheme's SIP and this was signed on July 2022.</p> <p>During the Scheme year, the Trustees also reviewed and updated Mercer's Investment Consultant objectives.</p> <p>No investment changes were implemented during the Scheme year.</p>
2	Kinds of investments to be held	<p>(4.2) Default Investment Option</p> <p><i>The default option aims to generate investment returns, in a risk-controlled manner, and has been designed for members who are expected to take their savings as a tax free cash lump sum at retirement.</i></p> <p><i>Lifestyle strategies are designed to meet the conflicting objectives of</i></p>	<p>The default investment option was subject to its formal triennial review in December 2021.</p> <p>The scope for this review covered the analysis of member data to support recommendations; member behaviour and market trends; and whether targeting cash remains appropriate for the default; impact on consolidation of the self-select range. No changes to the type of investments used in the default have been implemented during the year.</p> <p>The next triennial review is due to commence in December 2024 at the latest and could be reviewed earlier if there are material events.</p>

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	Requirement	Policy	In the year to 31 December 2022
		<p>maximising the value of the member's assets at retirement and protecting the member's accumulated assets in the years approaching retirement.</p>	
3	<p>The balance between different kinds of investments</p>	<p>(4.1) Range of Funds The Trustees believe, having taken expert advice, that it is appropriate to offer a range of investment funds and lifestyle strategies to allow members to tailor their own investment strategy. The Trustees have considered both actively and passively managed fund options in the design of the investment strategy. The Trustees also recognise that members may not believe themselves qualified to make investment decisions. As such, the Trustees make available a default investment option.</p>	<p>The Trustees review the fund range as part of quarterly meetings and annual Value for Members' assessment. No changes were made to the range of funds that members could invest in during the year.</p>
4	<p>Risks, including the ways in which risks are to be measured and managed</p>	<p>(3.2) Policies with Regards to Risk and Return In determining the investment arrangements, risk is not considered in isolation, but in conjunction with expected investment returns and outcomes for members. The Trustees have considered return</p>	<p>As detailed on Section 3.2 of the SIP, the Trustees have considered return expectations and risk from a number of perspectives. The list provided in this section is not exhaustive but covers the main risks that the Trustees consider and how these are managed and measured. The Trustees considered these risks when setting the investment strategy and through periodic monitoring of the investment funds throughout the year.</p>

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	Requirement	Policy	In the year to 31 December 2022
5	Expected return on investments	<p>(4.2) Default Investment Option</p> <p>The default investment option manages investment risks through a diversified strategic asset allocation consisting of mainstream asset classes. Risk is not considered in isolation, but in conjunction with expected investment returns and outcomes for members. In selecting the default investment option, the Trustees have explicitly considered the trade-off between risk and expected returns.</p>	<p>The objectives of the default option, and the ways in which the Trustees seek to achieve these objectives, are detailed in Section 4.2 of the SIP.</p> <p>The Trustees have reviewed the asset allocation under My Future funds that are part of the default investment option during the year using the Aviva factsheets, which include risk and return metrics.</p>
6	Realisation of investments	<p>(8) Realisation of assets</p> <p>The Investment Managers have responsibility for the realisation and trading of the underlying assets. The day-to-day activities which the Investment Managers carry out for the Trustees are governed by the arrangements between the Investment Managers and the Provider.</p>	<p>Members' investments and the funds available are traded and priced on a daily basis. The platform provider for the investment fund options is Aviva. The Trustees have taken steps to satisfy themselves that the Provider and underlying fund managers have the appropriate knowledge and experience for managing the Scheme's investments and they are carrying out their work competently.</p> <p>As the assets of the Scheme are invested in pooled fund vehicles underlying the funds offered by Aviva, the investment restrictions applying to these funds are controlled by the underlying managers of the funds – which is Aviva for the default.</p>
7	Financially material considerations over the appropriate time	<p>(6) Socially Responsible Investment</p> <p>The Trustees believe that environmental, social, and corporate</p>	<p>The Trustees reviewed the investment options within the Value for Members' assessment on an annual basis and as part of the investment strategy review on a triennial basis – this includes ratings on funds (both general and specific ESG) from the investment advisers. The last triennial</p>

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	Requirement	Policy	In the year to 31 December 2022
	<p>horizon of the investments, including how those considerations are taken into account in the selection, retention and realisation of investments</p>	<p><i>governance (ESG) factors may have a material impact on investment risk and return outcomes, and that good stewardship can create and preserve value for companies and markets as a whole – which in turn may have a positive impact on member outcomes.</i></p> <p><i>As the assets of the Scheme are invested in pooled funds, the Trustees have given appointed investment managers full discretion in evaluating ESG factors, including climate change considerations, and exercising voting rights and stewardship obligations attached to the investments.</i></p>	<p>investment strategy review was undertaken in December 2021 and the next one is scheduled by December 2024 (or before).</p> <p>The Trustees acknowledged the changes made by Aviva within the My Future Growth Fund, as noted on reports provided and discussed during Trustees' meetings, including the greater integration of ESG focused investments.</p> <p>Voting activity and stewardship are reviewed annually as part of the preparation of this statement. Details of the key votes are included in this statement.</p>
8	<p>The extent (if at all) to which non-financial matters are taken into account in the selection, retention and realisation of investments</p>	<p><i>The Trustees do not explicitly take the views of individual members and beneficiaries of the Scheme into account in relation to ethical considerations, social and environmental impact, or present and future quality of life matters (wording not specifically in the SIP but taken into account when making decisions around investments).</i></p>	<p>Member views are not explicitly taken into account in the selection, retention and realisation of investments. No action was taken in this respect during the year.</p>
9	<p>The exercise of the rights (including voting rights) attaching</p>	<p>(7) Corporate Governance, Voting and Activism</p>	<p>The Trustees have given the appointed investment managers, underlying the Aviva funds, full discretion in evaluating ESG factors, including climate change</p>

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Requirement	Policy	In the year to 31 December 2022
<p>to the investments and undertaking engagement activities in respect of the investments (including the methods by which, and the circumstances under which, trustees would monitor and engage with relevant persons about relevant matters)</p>	<p><i>The Trustees believe that good corporate governance is important and they expect their investment managers to have developed a policy which promotes the concept of good corporate governance and, in particular, a policy of exercising voting rights.</i></p> <p><i>As the assets of the Scheme are invested in wholly insured arrangement with investments in pooled vehicles the Trustees accept that the assets are subject to the investment fund managers' own policies on corporate governance, voting and activism.</i></p> <p><i>The Trustees are able to encourage them to exercise those rights on behalf of members' interests when they believe there could be a potential financial impact on the funds, in accordance with their own corporate governance policies and current best practice, including the UK Corporate Governance Code and UK Stewardship Code.</i></p>	<p>considerations, exercising voting rights and stewardship obligations attached to the investments.</p> <p>Investment managers are expected to provide voting summary reporting on a regular basis (at least annually) and have done so.</p> <p>The following funds contain an allocation to equities:</p> <ul style="list-style-type: none"> - Equity components of My Future – for this scheme this is relevant for My Future Growth and My Future Drawdown as an alternative retirement option: <ul style="list-style-type: none"> • AI UK Equity Index • AI European Equity Index • AI US Equity Index • AI Pacific Rim Equity Index • AI Japanese Equity Index <p>The voting records of the investment managers are summarised in Appendix B.</p> <p>No direct action was needed or taken in relation to challenging managers. The Trustees are reliant on Aviva for raising any areas of concern on their behalf.</p> <p>Following the DWP's consultation response and outcome regarding Implementation Statements on 17 June 2022 updated guidance was produced which is effective for all scheme year ends on or after 1 October 2022.</p> <p>The updated guidance requires trustees to include a description of what they believe to be a significant vote within the Implementation Statement. The voting information should also include details explaining why each vote has been categorised as most significant, what the vote was, and why the manager voted in the way it did.</p> <p>The Trustees have considered what the Scheme's stewardship priorities should be as a result of the new requirements introduced this year for the</p>

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	Requirement	Policy	In the year to 31 December 2022
10	How the arrangement with the asset manager incentivises the asset manager to align its investment strategy and decisions with the trustees policies	<p>(9.1) Aligning Manager Appointments with Investment Strategy</p> <p><i>Investment managers are appointed based on their capabilities and, therefore, their perceived likelihood of achieving the expected return and risk characteristics required for the asset class being selected. These characteristics will differ for each asset class so appointing a single manager may not be the most appropriate approach.</i></p> <p><i>The Trustees will seek guidance from the Investment Consultant, where appropriate, for their forward looking assessment of a manager's ability to perform over a full market cycle. The Investment Consultant's manager research ratings assist with due diligence and are used in decisions around</i></p>	<p>SIP Implementation Statement in relation to 'significant votes' and have decided the following ESG factors should have most focus:</p> <ul style="list-style-type: none"> • Environmental: Climate change with a focus on low carbon transition and physical damages resilience. • Environmental: Pollution & natural resource degradation with a focus on air, water, land (forests, soils and biodiversity) • Governance: Diversity, equity and inclusion in terms of governance and decision making. <p>As the Trustees invest in pooled investment funds, they accept that they cannot specify the risk profile and return targets for these funds.</p> <p>Manager ratings were included in the Value for Members' assessment for the Scheme year. No changes were made to the fund options following the review of this assessment.</p> <p>No new underlying investment managers were appointed during the year.</p>

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	Requirement	Policy	In the year to 31 December 2022
		<p><i>selection, and retention of manager appointments.</i></p> <p><i>The Trustees will review an appointment if the investment objective for a manager's fund changes to ensure it remains appropriate and consistent with the Trustees' wider investment objectives.</i></p>	
11	<p>How the method (and time horizon) of the evaluation of the asset manager's performance and the remuneration for asset management services are in line with the trustees' policies</p>	<p>(9.2) Evaluating Investment Manager Performance</p> <p><i>The Trustees receive investment manager performance at least annually using information provided by Aviva. The Trustees review the absolute performance and relative performance against a suitable index or benchmark.</i></p>	<p>Factsheets were received from Aviva during the year, which were reviewed by the Trustees and discussed during Trustees' meetings. In addition, performance was reviewed within the annual Value for Members' assessment.</p>
12	<p>How the trustees monitor portfolio turnover costs incurred by the asset manager, and how they define and monitor targeted portfolio turnover or turnover range</p>	<p>(9.3) Portfolio Turnover Costs and Manager Turnover</p> <p><i>The Trustees monitor portfolio turnover costs, which are incorporated in the annual costs and charges, on an annual basis as part of its annual value for members' assessment.</i></p> <p><i>The Trustees are long-term investors and are not looking to change the</i></p>	<p>Transaction costs are disclosed in the annual Chair's Statement and Value for Members' assessment. Data has been obtained from Aviva.</p> <p>While the transaction costs provided appear to be reflective of costs expected of the various asset classes and markets that the Scheme invests in, there is not as yet any "industry standard" or universe to compare these to.</p> <p>The Trustees received training on the new additional requirements for Schemes below £100m on the March 2022 meeting with updates as part of News & Views presented during the 2022 meetings.</p>

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	Requirement	Policy	In the year to 31 December 2022
		investment arrangements on a frequent basis.	
13	The duration of the arrangement with the asset manager	<p>(9.3) The Trustees are long-term investors and are not looking to change the investment arrangements on a frequent basis and so will therefore retain an investment manager unless:</p> <p>1) There is a strategic change to the overall strategy that no longer requires exposure to that asset class or manager;</p> <p>2) The basis on which the manager was appointed changes materially (e.g. manager fees or investment process);</p> <p>3) The manager appointed has been reviewed and a decision is taken to terminate the mandate.</p>	<p>The default investment option was subject to its formal triennial review in December 2021. Following this review, no changes to the type of investments used in the default have been implemented in the Scheme year.</p> <p>As part of the triennial review, the Trustees also undertook a review of the alternative lifestyles available to members along with a review of the self-select fund range and no funds were added following this review.</p> <p>There were no changes in investment managers during the year.</p>

Appendix A – Statement of Investment Principles

See above

Appendix B – Voting Activity during the Scheme year

The Trustees have delegated their voting rights to the investment manager. The SIP states “The Trustees have given appointed investment managers, underlying the Aviva funds, full discretion in evaluating ESG factors, including climate change considerations, exercising voting rights and stewardship obligations attached to the investments. The Trustees are able to encourage them to exercise those rights on behalf of members’ interests when they believe there could be a potential financial impact on the funds, in accordance with their own corporate governance policies and current best practice, including the UK Corporate Governance Code and UK Stewardship Code”.

The Trustees have also considered what the Scheme’s stewardship priorities should be as a result of the new requirements introduced this year for the SIP Implementation Statement in relation to ‘significant votes’. The Trustees have decided the following ESG factors should have the most focus:

- Environmental: Climate change with a focus on low carbon transition and physical damages resilience.
- Environmental: Pollution & natural resource degradation with a focus on air, water, land (forests, soils and biodiversity)
- Governance: Diversity, equity and inclusion in terms of governance and decision making.

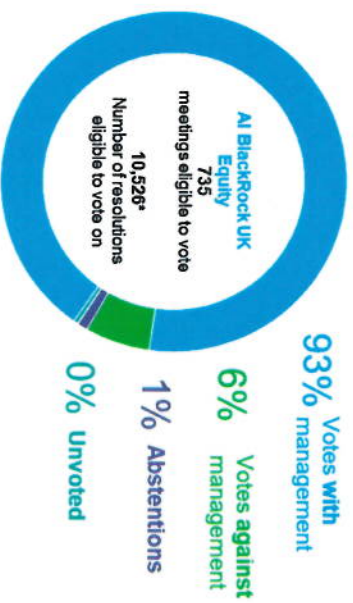
These areas have been selected by the Trustees as they believe them to be the financially material in terms of both risk and opportunity and/or carry most reputational risk and, as a result, areas of focus that are in members’ best interests. Although, the Trustees have not made the investment managers’ aware their stewardship priorities, they note that these priorities are broadly aligned with the areas the Scheme’s investment managers are currently focusing on in terms of voting and engagement.

Overview of voting activity, on behalf of the Trustees, for the funds containing equity.

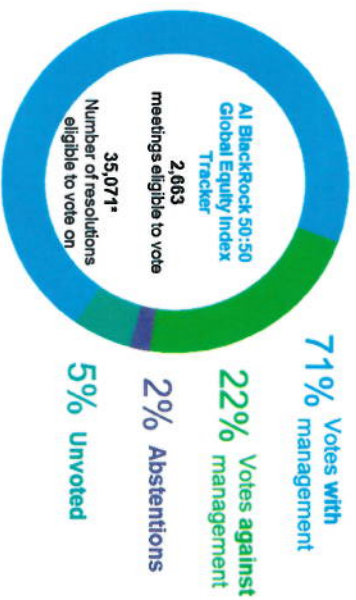
Set out below is a summary of voting activity for this reporting period relating to the relevant strategies of the Scheme. Voting activity has been requested from all managers but at the time of writing this report, not all managers have responded. We will continue to chase the managers to receive this information. Votes “for / against management” assess how active managers are in voting for and against management. Purple represents abstention

Aviva has provided the voting disclosures relating to the funds containing equity. The data relates to the period 1 January 2022 to 31 December 2022.

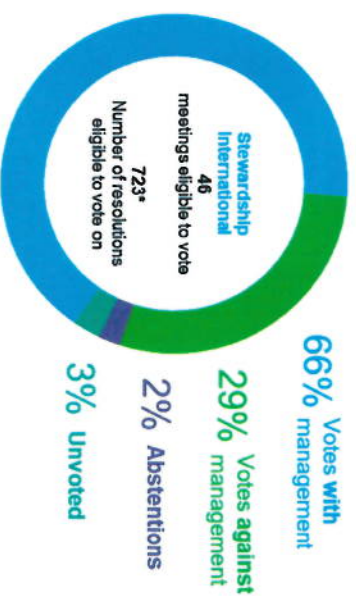
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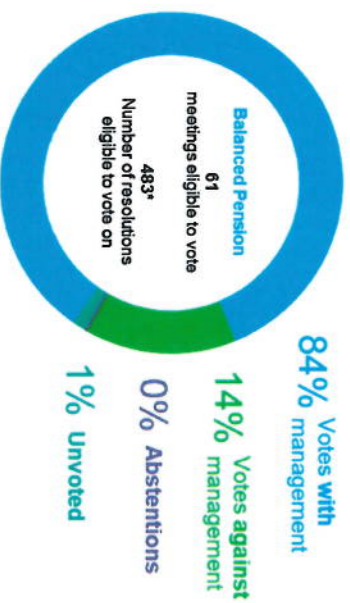
*99.6% of resolutions voted on



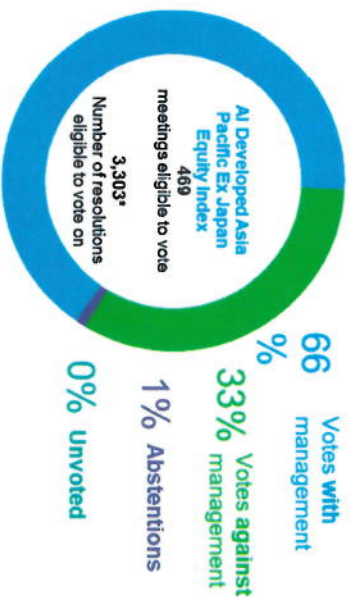
*94.5% of resolutions voted on



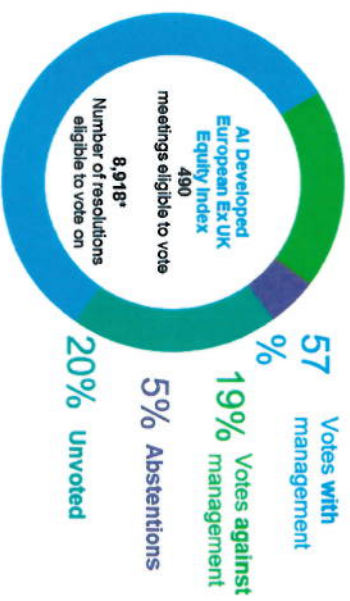
*97.4% of resolutions voted on



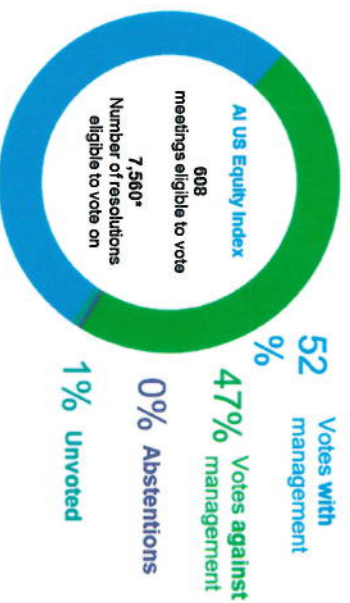
*98.8% of resolutions voted on



*100.0% of resolutions voted on



*80.0% of resolutions voted on



*99.2% of resolutions voted on



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Sample of significant votes

Managers have provided examples of significant votes across the funds previously noted as containing equity. It is not possible to disclose all the information received in this statement. Therefore, examples of voting activity to include in this statement were included focusing on the priority areas for the Trustees. The final outcome column below represents the result of the Resolution after all the votings: Passed (✓) or Not-Passed (✗).

Fund	Company	Approx. Size of Holding at date of vote	Date	How the manager voted	Summary of the Resolution	Priority Area for significance	Rationale for the Manager vote	Final outcome
AI BlackRock UK Equity Fund	STANDARD CHARTERED PLC	0.60	04/05/2022	Against	Approve Net Zero Pathway	Environmental (Climate Change)	This was a climate-related proposal presented by the company's management. The vote against reflected that the Company's relevant Scope 3 targets are not complete. Concerns are raised as to whether the financed emissions targets are suitably aligned to the IEA's NZE2050 pathway and the bank's refusal or complete commitment to stop financing fossil fuel expansion projects is the main reason to be opposed to the plan.	<input checked="" type="checkbox"/>
AI BlackRock 50:50 Global Equity Index Tracker Fund	Home Depot Inc	0.14	19/05/2022	In favour	Report on Efforts to Eliminate Deforestation in Supply Chain	Environmental (Pollution & natural resource degradation)	Aviva supported this resolution as it asked management to assess, report on and reduce key impacts and dependencies on nature for high impact sectors.	<input checked="" type="checkbox"/>
Stewardship International Fund	Mastercard Inc	4.03	21/06/2022	Against	Elect Director Jackson Tai	Governance (Diversity)	Aviva held this director accountable for insufficient female representation on the board, and for being a non-independent member of key committees which should ideally be fully independent.	<input checked="" type="checkbox"/>
Balanced Pension Fund	Sasol Ltd.	N/A	02/12/2022	Against	Approve Climate Change Report	Environmental (Climate Change)	Aviva is not supportive of this report because the targets are not verified or aligned with a 1.5 degree pathway which require emissions to be cut by almost half by 2030. Given the impact the company is having on both national and global emissions, Aviva believes it	<input checked="" type="checkbox"/>

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Fund	Company	Approx. Size of Holding at date of vote	Date	How the manager voted	Summary of the Resolution	Priority Area for significance	Rationale for the Manager vote	Final outcome
AI Developed Asia Pacific Ex Japan Equity Index Fund	BHP Group Ltd	5.10	10/11/2022	Against	Approve Climate Accounting and Audit	Environmental (Climate Change)	The shareholder resolution asked BHP to include a climate sensitivity analysis in the notes to its audited financial statements from the 2023 financial year. This must include a scenario aligned with limiting warming to 1.5°C, quantitative estimates and judgements for all scenarios used, and cover all commodities. Support for this resolution was not warranted on this occasion.	<input checked="" type="checkbox"/>
AI Developed European Ex UK Equity Index Fund	Total Energies SE	1.88	25/05/2022	Abstain	Approve Company's Sustainability and Climate Transition Plan	Environmental (Climate Change)	An abstention was warranted on this occasion as Aviva still lack conviction that current disclosure of targets and emissions meet the goal of limiting global warming to 1.5 degrees, particularly when benchmarked to certain peers.	<input checked="" type="checkbox"/>
AI US Equity Index Fund	McDonalds Corporation	0.52	26/05/2022	In favour	Report on Efforts to Reduce Plastic Use	Environmental (Climate Change)	Support for this proposal was warranted, as shareholders would benefit from additional information on how the company intends to reduce plastic in its business.	<input checked="" type="checkbox"/>

Source: Aviva.