



Statement of Compliance with the UK Stewardship Code

September 2014

Introduction

SAUL Trustee Company, as trustee of the Superannuation Arrangements of the University of London (“SAUL”), believes that the adoption of good Corporate Governance practice will improve the quality of management and, as a consequence, is likely to increase the returns available to long term investors.

SAUL committed to the principles of the UK Stewardship Code at a meeting of the Board of Directors in September 2014.

If there are any questions about SAUL’s responses to the UK Stewardship Code please contact:

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Principle 1 – Institutional investors should publicly disclose their policy on how they will discharge their stewardship responsibilities

The Superannuation Arrangements of the University of London (“SAUL”) has taken significant steps towards acknowledging its role as an influential long-term shareholder/asset owner. The corporate governance policy, updated and published in 2013, supports (among others) the principles set out in the UK Stewardship Code.

SAUL engages with its investment managers and any other applicable service providers to make sure that they discharge SAUL’s fiduciary shareholder responsibilities in accordance with its corporate governance policy and the UK Stewardship Code, wherever possible. A copy of the Corporate Governance Policy is sent to all the investment managers and service providers as required.

In order to ensure that the fiduciary duties are implemented sufficiently, SAUL has delegated the day-to-day responsibility for its engagement and voting activities to Pensions & Investment Research Consultants Ltd (“PIRC”). The activities of PIRC are monitored and discussed by SAUL on an ongoing basis.

Principle 2 – Institutional investors should have a robust policy on managing conflicts of interest in relation to stewardship which should be publicly disclosed

SAUL has a robust internal conflicts of interest policy in relation to the directors appointed to various internal boards and committees, and members of staff. This policy is not currently available externally.

SAUL expects its investment managers and any other applicable service providers to ensure that they have effective policies in place to manage conflicts of interest. These statements on conflicts of interest from the investment managers and any other applicable service providers are reviewed on an annual basis by SAUL.

Principle 3 – Institutional investors should monitor their investee companies

SAUL delegates day-to-day responsibility for managing its investments to its investment managers. SAUL places reliance on the investment managers to monitor companies and intervene where necessary and to report back on a regular basis on any activity undertaken.

Principle 4 – Institutional investors should establish clear guidelines on when and how they will escalate their stewardship activities

As stated above, SAUL has delegated responsibility for day-to-day investment management to its investment managers. The investment managers, therefore, are expected to escalate their own engagement activities whenever necessary.

On a periodic basis, SAUL will review its investment managers' adherence to the UK Stewardship Code through the managers' own statements of compliance.

Principle 5 – Institutional investors should be willing to act collectively with other investors where appropriate

SAUL has signed up to Principles for Responsible Investment (PRI) and is currently reviewing its position with regards to collaborative engagement with other pension funds and asset owners.

Principle 6 – Institutional investors should have a clear policy on voting and disclosure of voting activity

SAUL has commissioned PIRC to provide quarterly reporting detailing how SAUL has exercised its voting rights. The reporting provided by PIRC contains details on any company which has not complied with the PIRC “best practice” guidelines. If there are any voting issues that are not covered by the SAUL Corporate Governance Policy, PIRC will inform SAUL of such issues and make proposals regarding any action to be taken.

Principle 7 – Institutional investors should report periodically on their stewardship and voting activities

SAUL is aware that under the UK Stewardship Code, transparency of voting and engagement activities is important.

SAUL requires all its investment managers and service providers to report on how they have discharged their stewardship responsibilities under the code.

SAUL is conducting a review of how it reports on its stewardship activities under the code.