

The Pensions Trust 2016

Annual Report and Financial Statements 2023

Pension Scheme Registration Number 12013479



Contents

Trustee and Advisors.....	1
Trustee’s Report.....	3
Statement of Trustee’s responsibilities	13
Independent auditors’ report to the Trustee of The Pensions Trust 2016.....	15
Financial Statements.....	19
Notes to the Financial Statements.....	21
Independent auditors’ statement about contributions to the Trustee of The Pensions Trust 2016 ...	43
Summary of Contributions.....	45
Summary of Actuarial Certificates	47

[Appendices](#)

Appendix 1 - SIP Implementation Statement	49
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Trustee and Advisors

Trustee	Verity Trustees Limited
Chair of the Trustee Board	Joanna Matthews
Co-opted Directors	Joanna Matthews – Independent Chair David Robertson (resigned 30 September 2023)
Employer-Nominated Directors	Jonathan Wheeler Paul Oldroyd Jonathan Cawthra Dean Waddingham (appointed 1 October 2022)
Member-Nominated Directors	Thomas Hague Linda Henry Helen Astle (appointed 1 October 2022) Chris Roles (appointed 1 October 2022)
Scheme Actuary	Michael Kelly FIA Mercer Limited
In-House Actuary	Robert Archer FIA
Independent Auditors	PricewaterhouseCoopers LLP
Legal Advisors	Linklaters LLP CMS Cameron McKenna Nabarro LLP
Bankers	Barclays Bank plc
Investment Managers	abrdn Alternative Funds Limited Alcentra Limited Apollo Global Management, LLC Ares Management LLC Ashmore Investment Management Limited BlackRock Investment Management (UK) Limited Chorus Capital Limited Christofferson, Robb & Company LLC Foresight Group Holdings PLC Hayfin PT LP IFM Investors Pty, Limited King Street Capital Management L.P. KKR & Co. Inc.

Trustee and Advisors (continued)

	Legal & General Assurance (Pensions Management) Limited Man Group PLC Nephila Capital Limited Ownership Capital B.V. Pacific Investment Management Company LLC Partners Group RBC Global Asset Management (UK) Limited Royal London Asset Management Limited Ruffer LLP Sands Capital Management, LLC Siguler Guff & Company, LP Standard Life Assurance Limited Stonepeak Holdings LLC Vontobel Asset Management SA (formerly TwentyFour Asset Management LLP) Wellington Management International Limited
External AVC Policy Providers	See listing in Note 16
Insurance Policy Providers	See listing in Note 15
Investment Consultants	Mercer Investment Consulting Redington Investments Limited
Custodian	The Northern Trust Company
Custody Consultants	Thomas Murray Data Services
Address for enquiries	TPT Retirement Solutions Verity House 6 Canal Wharf Leeds West Yorkshire LS11 5BQ Email: enquiries@tpt.org.uk Website: www.tpt.org.uk

Trustee's Report

For the year ended 30 September 2023

Verity Trustees Limited (the "Trustee") presents its Annual Report on The Pensions Trust 2016 (the "Trust"), together with the Financial Statements of the Trust for the year ended 30 September 2023.

Trust Constitution and Management

The Trust is governed by Verity Trustees Limited, the sole corporate Trustee. As at 30 September 2023, the Trustee Board consisted of ten Directors, four of whom are nominated by the members, four by the employers and two Directors co-opted onto the Trustee Board by the member and employer-nominated Directors. From 1 October 2023 the number of Directors decreased to nine following the resignation of David Robertson as a co-opted Director. Under the Rules of the Trust, the Trustee can appoint up to 3 co-opted Directors. The Trustee Board has decided not to appoint any further co-opted Directors at this time.

On 2 October 2023 the Trustee entered into a contract with TPT Retirement Solutions Limited ("TPTRSL") for the provision of pensions management and administration services and appointed TPT Investment Management Limited ("TPTIM") as a Fiduciary Investment Manager. TPTRSL is a wholly owned subsidiary of the Trustee and TPTIM is a wholly owned subsidiary of TPTRSL.

David Robertson is the Chair of TPTRSL and is responsible for the provision of services to the Trustee. He has therefore stepped down as a co-opted Director to avoid any potential conflict of interest.

Verity Trustees Limited is also the corporate Trustee of The Pensions Trust. The Pensions Trust and The Pensions Trust 2016, continue to operate under the name TPT Retirement Solutions ("TPT"). Directors of Verity Trustees Limited, other than those who are co-opted, can be nominated by members and employers of either Trust.

The Articles of Association of the corporate Trustee and the Rules of the Trust contain provisions for the appointment and removal of Trustee Directors.

Joanna Matthews was the Independent Chair of the Trustee Board for the year ended 30 September 2023.

Prior to entering into the contract for the provision of pensions management and administration services with TPTRSL, TPT operated a two-tier governance structure. The supervisory Trustee Board appointed and held to account a Management Oversight Board which held delegated authority to make decisions about the operation of TPT and to oversee its day-to-day running. There were four members of the Management Oversight Board, all independent non-executives. For the Trust year ended 30 September 2023, David Robertson was the Chair of the Management Oversight Board. Until 1 October 2023 he was also a co-opted Director of Verity Trustees Limited. The other members of the Management Oversight Board as at 30 September 2023 were Michael Balfour,

Trustee's Report (continued)

Richard Coates and Colin Richardson who are also the respective Chairs of the Investment, Audit Risk & Compliance, and Funding Committees.

The Trustee has appointed professional advisors and other organisations to support it in delivering the Trust's objectives. These individuals and organisations are listed on pages 1 to 2. The Trustee has written agreements in place with each of them. From 2 October 2023, this includes TPTRSL and TPTIM.

The Trust is a centralised occupational pension fund for non-associated employers ("employers"). There are 10 (2022: 10) segregated schemes ("schemes") within the Trust as at 30 September 2023.

The individual schemes and the asset values as at 30 September 2023 are detailed below:

	2023	2022
	£'000	£'000
Coventry Building Society Staff Superannuation Scheme ^{1,2}	139,701.5	170,231.3
Cambridge Building Society Retirement Plan ^{1,2}	11,897.7	13,130.5
Darlington Building Society Pension Plan ^{1,2}	18,169.8	21,928.8
Frank Roberts & Sons Pension Scheme ^{1,2}	16,435.8	18,561.9
Hinckley and Rugby Building Society Defined Benefit Pension Scheme ^{1,2}	18,491.3	21,712.0
Medicash Pension Fund ^{1,2}	12,745.5	15,104.1
National Counties Building Society Pension Scheme ¹	20,708.7	21,672.6
Seabourne Pension Scheme ^{1,2}	5,621.9	6,253.4
Together Working for Wellbeing Pension Scheme ^{1,2}	15,152.8	10,809.1
Waterloo Housing Association Benefit Plan ^{1,2}	9,454.8	17,618.5
	268,379.8	317,022.2

¹ Closed to new entrants

² Closed to future defined benefit accrual

Current Economic Environment

Over the past year there has been a continued rise in the Bank of England base rate, rising from 2.25% on 1 October 2022 to 5.25% on 30 September 2023, as the Bank sought to bring inflation back towards its target of 2%. This increase, and the associated rise in UK government bond yields, meant that it was necessary to post collateral to the assets used to manage the interest rate and inflation risk present in the Trust's liabilities.

Globally, inflation and the tightening of monetary policy is the primary risk to economic expansion, and in turn asset prices. Labour markets, particularly in the US which is a key driver of global economic activity, continue to be tight and consumer demand is holding up well despite the increase in global interest rates, which provides little room for immediate interest rate cuts. The increase in borrowing costs as a result of high global interest rates will eventually feed through into the corporate sector, which may lead to pressure on profitability and increased defaults on corporate debt as companies

Trustee's Report (continued)

are required to pay higher rates of interest as they refinance existing debt. This trend may also feed through to the consumer through the mortgage market, placing pressure on consumer demand.

The Trustee retains a well-diversified portfolio in order to mitigate these associated risks.

Financial Developments and Financial Statements

The Financial Statements included in this annual report are the accounts required by the Pensions Act 1995. The Financial Statements set out on pages 19 to 42 have been prepared and audited in compliance with regulations made under sections 41(1) and (6) of that Act.

The summary financial performance of the Trust is as follows:

	30 Sept 2023	30 Sept 2022
	£'000	£'000
Contributions Receivable	7,132.9	8,976.7
Transfers In and Other Income	-	22,964.4
Benefits Paid or Payable	(12,617.8)	(12,296.5)
Transfers Out to Other Schemes	(718.5)	(1,927.4)
Administrative Expenses (incl. PPF levy)	(1,371.8)	(1,183.7)
Net (Withdrawals)/Additions from dealings with Members	(7,575.2)	16,533.5
Investment Income	9,497.2	7,426.6
Change in Market Value of Investments	(48,513.4)	(154,668.8)
Investment management expenses	(2,051.0)	(1,842.0)
Net Return on Investments	(41,067.2)	(149,084.2)
Net (Decrease) in the Trust during year	(48,642.4)	(132,550.7)
Net Assets at beginning of year	317,022.2	449,572.9
Net Assets at end of year	268,379.8	317,022.2

Developments affecting the financial performance of the Trust during the year include:

- Contributions receivable have decreased by 20.5% when compared to the prior year, from £8,976.7k to £7,132.9k. Normal contributions, deficit funding and contributions towards administrative expenses have all increased in the year, with the overall decrease being attributed to a lump sum contribution of £3,500.0k paid by National Counties Building Society Pension Scheme in the prior year.
- Within Benefits Paid or Payable, the pensions payable have increased by 8.3% from £9,882.4k to £10,701.0k.
- Transfers Out to Other Schemes shows a decrease in the current year, due to a small number of large individual member transfers from the Coventry Building Society Staff Superannuation Scheme in the prior year.

Trustee's Report (continued)

- There was a negative return on investments during the year to 30 September 2023 of 14.9% (2022: negative return of 30.6%). Further details on investment performance can be found on page 10.

Membership and Benefits

As at the year end, there were 10 (2022: 10) participating employers.

The change in membership during the year is as follows:

	Active Members	Deferred Members	Pensioners	Beneficiaries	Total
At the start of the year	79	1,842	1,419	130	3,470
New members	-	-	-	-	-
Members retiring	-	(64)	64	-	-
Members leaving prior to pension age	(8)	8	-	-	-
Members leaving with refunds	-	-	(1)	(1)	(2)
Transfers out	(2)	(14)	(20)	(1)	(37)
Full commutations	-	(3)	(1)	-	(4)
Deaths	-	(2)	(18)	(4)	(24)
New beneficiaries	-	-	-	13	13
Reclassifications	1	-	2	-	3
At the end of the year	70	1,767	1,445	137	3,419

The above membership reflects the number of records held rather than individual members.

Included in the above are 70 (2022: 73) pensioners and beneficiaries whose benefits are secured by annuities. Included within the number of active members are 32 (2022: 34) paid-up members. Paid-up members are members who are still in employment but are not contributing to the Trust, though they still maintain a salary link.

Pension Increases

The Rules make provision for increases to pensions in payment and deferred pensions. The increases applied depend on when the benefits were accrued and under which pension scheme. Decisions on increases are made in accordance with the provisions of each scheme, taking into account the financial position of the scheme, other relevant factors and the interests of all the categories of beneficiaries. Where pensions in payment are increased annually, this is normally by at least Limited Price Indexation (LPI), which means that the increase is capped at a maximum of either 2.5% or 5.0%, depending upon when the benefits were accrued.

Trustee's Report (continued)

The table below summarises the most recent increases applied:

	Minimum	Maximum	Average
Effective date			
Pensions in payment			
6 April 2023	0.0%	5.0%	3.1%
6 April 2022	0.0%	5.0%	3.2%

There have been no discretionary increases awarded during the reporting period (2022: none).

Transfer Values

Cash equivalents paid during the year with respect to transfers have been calculated and verified in the manner prescribed by the Pensions Act 1993 and do not include discretionary benefits. Following receipt of an insufficiency report from the Scheme Actuary, transfer values payable from the Frank Roberts & Sons Pension Scheme are currently reduced due to the level of underfunding in the scheme.

Report on Actuarial Liabilities

As required by Financial Reporting Standard 102, the financial reporting standard applicable in the United Kingdom and the Republic of Ireland ('FRS 102'), the Financial Statements do not include liabilities in respect of promised retirement benefits.

Under section 222 of the Pensions Act 2004, every scheme within the Trust is subject to the Statutory Funding Objective, which is to have sufficient and appropriate assets to cover its technical provisions, which represent the present value of benefits to which members are entitled based on pensionable service to the valuation date. This is assessed at least every three years using assumptions agreed between the Trustee and the employer and set out in the Statement of Funding Principles, a copy of which is available to scheme members on request from the address for enquiries on page 2.

The Trust's schemes are usually valued once every three years. Details of the individual schemes' actuarial valuation certifications are contained in the Summary of Actuarial Certificates section of the annual report on pages 47 and 48. In the years in between full actuarial valuations, an actuarial update is prepared by the Scheme Actuary. The actuarial update is a roll-forward of the full actuarial valuation.

The aggregate valuation of all the Trust's schemes at 30 September 2022 (the latest aggregate valuation available) is the sum total of either the full actuarial valuations at that date or the latest actuarial update.

Trustee's Report (continued)

	2022	2021
	£'000	£'000
Valuation date 30 September		
Value of Technical Provisions	363,382.2	497,676.0
Value of Assets Available to meet Technical Provisions ¹	310,232.8	440,146.0
as a percentage of Technical Provisions	85.4%	88.4%

¹Note: In accordance with SORP 2018, the value of assets available to meet technical provisions is as at the date of the related actuarial valuation.

The value of technical provisions is based on the Pensionable Service accrued to the valuation date and assumptions about various factors that will influence each scheme in the future, such as the levels of investment returns and pay increases, when members will retire and how long members will live. The method and significant actuarial assumptions used in general for the 2022 valuations are shown below, although there may be isolated Scheme-specific variations:

Method

The actuarial method used in the calculation of the technical provisions is the Projected Unit Method, with a control period of one year for open schemes and of duration to Normal Pension Age for schemes closed to new entrants.

Significant Actuarial Assumptions

Discount Interest Rate: Scheme-specific set by reference to a fixed interest gilt curve at the valuation date, with an adjustment for expected outperformance from scheme assets.

Future Retail Price Inflation: Set by reference to a market-implied inflation curve as derived from gilt prices at the valuation date.

Future Consumer Price Inflation: Retail Price Inflation less 1.0% per annum until 2030 and then less 0.0% per annum thereafter.

Pension Increases: Derived from the term-dependent rates for future retail or consumer price inflation, allowing for the caps and floors on pension increases according to the provisions of the schemes' rules.

Pay Increases: General pay increases of 2.0% per annum above the rates for future consumer price inflation, with some scheme-specific variations.

Mortality: Mortality and morbidity tables produced by the CMI (Continuous Mortality Investigation) with the support of the Institute and Faculty of Actuaries are used. No allowance is made for the period pre-retirement. For the period post-retirement, a scheme-specific loading to the S2Px tables is used, with future improvements based on CMI tables with a long-term scaling factor of 1.50% for males and 1.25% for females and an A parameter of 0.25% for males and females. Where CMI_2021 is used, a W21 parameter of 10% is also used.

Trustee's Report (continued)

Recovery Plan

The arrangements for each scheme are formalised in Schedules of Contributions that are certified by the Scheme Actuary. Details of the date of certification of each schedule can be found on page 48. A copy of the example certificate can be found on page 47.

GMP Equalisation

The Trustee is currently reviewing, with its advisors, the impact of a High Court ruling made in October 2018, as well as a follow-on judgement in November 2020, concerning Guaranteed Minimum Pension (GMP) Equalisation. Further details of this can be found in note 24.

Regulation and Governance

The Pensions Trust 2016 is regulated by The Pensions Regulator. The Trustee has in place policies and processes to enable it to monitor compliance with applicable laws and regulations.

Investment Management

Investment Strategy and Principles

The Trustee is responsible for determining the Trust's investment strategy.

In accordance with section 35 of the Pensions Act 1995, the Trustee has agreed a Statement of Investment Principles ("SIP"). The version in place at 30 September 2023 was approved in October 2021. A copy of the SIP may be obtained from the address for enquiries on page 2 or can be found on TPT's website.

Trustees of most schemes with 100 or more members, such as Verity Trustees Limited, must include an Implementation Statement for all Annual Report and Accounts produced on or after 1 October 2020. The Implementation Statement requirements differ between DC/hybrid schemes and pure DB schemes, but the statement must set out information about how the Trustee has put its SIP into practice, particularly in relation to stewardship and engagement. The Trustee is required to set out its opinion on how its policy and the SIP have been followed; to describe voting behaviour; and to explain any change to the SIP and the reason for it. The Trustee must also publish the Implementation Statement online and inform members about its availability.

A copy of the Implementation Statement can be found in Appendix 1 on pages 49 to 73.

Management and Custody of Investments

The Trustee has delegated the management of its investments to professional Investment Managers which are listed on pages 1 and 2. These managers, which are regulated by the appropriate regulatory body in their country of operation, such as the Financial Conduct Authority in the United Kingdom, manage the investments within the restrictions set out in investment management agreements which are designed to ensure that the objectives and policies set out in the SIPs are followed.

Trustee's Report (continued)

The mandates put in place by the Trustee specify how rights attaching to the Trust's segregated investments are acted upon. These include active voting participation and a requirement to consider environmental, social and governance ("ESG") and wider stewardship factors when making investment decisions. The Trustee has less influence over the underlying investments within pooled investment vehicles held by the Trust but reviews the managers' policies and statements of compliance in respect of these matters.

The Trustee is committed to being a Responsible Investor, an approach which seeks to integrate ESG considerations into investment management processes and ownership practices.

Of the environmental risks that the Trustee considers, climate change potentially presents the most material long-term risk and, in line with the recommendations set out in the Financial Stability Board's Task Force on Climate-related Financial Disclosures, we have disclosed the Trust's approach to climate-risk management on TPT's website.

The Trustee has appointed The Northern Trust Company to keep custody of the Trust's DB investments, other than:

- Pooled investment vehicles and qualifying investment funds, where the manager makes its own arrangements for custody of underlying investments;
- Additional Voluntary Contributions and other investments which are in the form of insurance policies, where the master policy documents are held by the Trustee.

Investment Performance

The performance of the Trust's investments compared to benchmark is summarised in the table below. The Trust manages and monitors its DB investments in one main portfolio.

The Trust further manages and monitors its main DB portfolio in three separate portfolios: the Growth Assets portfolio, the Matching-Plus portfolio ("MPP"), and the Liability Driven portfolio ("LDI"). The weightings attributed to each of these portfolios will depend on the characteristics of each scheme.

There was a negative return on investments of 14.87% in the year to 30 September 2023 (2022: negative return of 30.61%).

The performance of the Trust's investments compared to benchmark is summarised in the following table.

Trustee's Report (continued)

Annualised return over:	Portfolio allocation	1 Year	3 Years	5 Years
Growth Assets	14%	1.64%	7.11%	6.16%
<i>Benchmark¹</i>		<i>8.40%</i>	<i>5.87%</i>	<i>5.52%</i>
Matching-Plus²	40%	(7.71)%	(4.19)%	-
<i>Benchmark³</i>		<i>4.50%</i>	<i>(4.19)%</i>	-
Liability Driven Investments⁴	46%	(27.34)%	(40.17)%	(19.76)%
<i>Benchmark⁵</i>		<i>(35.26)%</i>	<i>(50.12)%</i>	<i>(28.05)%</i>
Main Portfolio	100%	(14.87)%	(15.63)%	(5.59)%

¹The aim of the Growth Assets Portfolio is to outperform cash + 4.25% per annum over rolling 5 year periods (subject to volatility constraint). The benchmark in the table above represents the cash + 4.25% objective.

²The Matching-Plus Portfolio was separated out from Growth Assets Portfolio on 31 December 2018, hence it lacks a five year track record.

³The aim of the Matching-Plus Portfolio is to outperform the ICE BoA UK gilts 1-15 year benchmark + 1.4%. The benchmark in the table above represents this objective.

⁴These assets employ leverage and are managed to change in line with the liabilities they cover, therefore they may show large movements on an absolute basis.

⁵The LDI benchmark reported is a fund-weighted composite of underlying account benchmarks.

The reduction in Trust assets over the year to 30 September 2023 is attributable to the rise in government bond yields over the period, which has had a materially negative impact on the LDI assets. The absolute decline in the value of the LDI assets approximately matched the fall in the value of the liabilities of the schemes.

Further details on investment performance, including against targets rather than benchmarks, for example, can be found in the Annual Review which is available on TPT's website.

Employer-Related Investments

The Trust invests in various housing bonds, whose underlying borrowers are drawn from a pool of registered social landlords. The names of the actual borrowers are not disclosed and can vary over time. Waterloo Housing Association is the only registered social landlord which participates in the Trust which could be an Employer Related Investment. However, the Trust's holdings in bonds relating to Waterloo Housing Association as at 30 September 2023 was £nil (2022: £nil).

Trustee's Report (continued)

Employer-Related Investments include contributions that were received later than the due date set out on the Schedules of Contributions. As at 30 September 2023, there were no (2022: £240.2k) late contributions outstanding. This represents 0.0% of net assets (2022: 0.1%).

Statement of Trustee's responsibilities

The Trustee's responsibilities in respect of the Financial Statements

The Financial Statements, which are prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including the Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102"), are the responsibility of the Trustee. Pension scheme regulations require, and the Trustee is responsible for ensuring, that those Financial Statements:

- show a true and fair view of the financial transactions of the Trust during the Trust year and of the amount and disposition at the end of the Trust year of its assets and liabilities, other than liabilities to pay pensions and benefits after the end of the Trust year; and
- contain the information specified in Regulation 3A of the Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996, including making a statement whether the financial statements have been prepared in accordance with the relevant financial reporting framework applicable to occupational pension schemes.

In discharging these responsibilities, the Trustee is responsible for selecting suitable accounting policies, to be applied consistently, making any estimates and judgements on a prudent and reasonable basis, and for ensuring that the financial statements are prepared on a going concern basis unless it is inappropriate to presume that the Trust will continue as a going concern.

The Trustee is also responsible for making available certain other information about the Trust in the form of an annual report.

The Trustee has a general responsibility for ensuring that accounting records are kept and for taking such steps as are reasonably open to it to safeguard the assets of the Trust and to prevent and detect fraud and other irregularities, including the maintenance of an appropriate system of internal control.

The Trustee is also responsible for the maintenance and integrity of the TPT Retirement Solutions website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The Trustee's responsibilities in respect of contributions

The Trustee is responsible under pensions legislation for preparing, and from time to time reviewing and if necessary revising, a schedule of contributions showing the rates of contributions payable to the Trust by or on behalf of employers and the active members of the Trust and the dates on or before which such contributions are to be paid.

The Trustee is also responsible for keeping records in respect of contributions received in respect of any active member of the Trust and for adopting risk-based processes to monitor whether contributions that fall due to be paid are paid into the Trust in accordance with the schedule of contributions.

Statement of Trustee's responsibilities (continued)

Where breaches of the schedule occur, the Trustee is required by the Pensions Acts 1995 and 2004 to consider making reports to the Pensions Regulator and to members.

Further Information

Requests for additional information about the Trust generally, or queries relating to members' own benefits, should be made to the address for enquiries on page 2.

Approval

The Trustee's Report on pages 3 to 12 was approved and signed for and on behalf of the Trustee on 20 March 2024.

Joanna Matthews
Independent Chair
Verity Trustees Limited

Independent auditors' report to the Trustee of The Pensions Trust 2016

Report on the audit of the Financial Statements

Opinion

In our opinion, The Pensions Trust 2016's Financial Statements:

- show a true and fair view of the financial transactions of the Trust during the year ended 30 September 2023, and of the amount and disposition at that date of its assets and liabilities, other than liabilities to pay pensions and benefits after the end of the year;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- contain the information specified in Regulation 3A of the Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996.

We have audited the Financial Statements, included in the Annual Report and Financial Statements, which comprise: the Statement of Net Assets (available for benefits) as at 30 September 2023; the Fund Account for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the Trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Trust's ability to continue as a going concern for a period of at least twelve months from when the Financial Statements are authorised for issue.

In auditing the Financial Statements, we have concluded that the Trustee's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the Trust's ability to continue as a going concern.

Independent auditors' report to the Trustee of The Pensions Trust 2016 (continued)

Our responsibilities and the responsibilities of the Trustee with respect to going concern are described in the relevant sections of this report.

Reporting on other information

The other information comprises all the information in the Annual Report and Financial Statements other than the financial statements, our auditors' report thereon and our auditors' statement about contributions. The Trustee is responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or any form of assurance thereon.

In connection with our audit of the Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

Responsibilities for the Financial Statements and the audit

Responsibilities of the Trustee for the Financial Statements

As explained more fully in the Statement of Trustee's responsibilities, the Trustee is responsible for ensuring that the financial statements are prepared in accordance with the applicable framework and for being satisfied that they show a true and fair view. The Trustee is also responsible for such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In the preparation of the financial statements, the Trustee is responsible for assessing the Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustee either intends to wind up the Trust, or has no realistic alternative but to do so.

Auditors' responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

Independent auditors' report to the Trustee of The Pensions Trust 2016 (continued)

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the Trust and its environment, we identified that the principal risks of non-compliance with laws and regulations related to the administration of the Trust in accordance with the Pensions Acts 1995 and 2004 and regulations made under them, and codes of practice issued by the Pensions Regulator; and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered the direct impact of these laws and regulations on the financial statements. We evaluated incentives and opportunities for fraudulent manipulation of the financial statements, including the risk of override of controls, by the Trustee and those responsible for, or involved in, the preparation of the underlying accounting records and financial statements, and determined that the principal risks were related to posting inappropriate journals to conceal misappropriation of assets and inappropriate adjustments of asset valuations. Audit procedures performed by the engagement team included:

- Testing journal entries where we identified particular fraud risk criteria.
- Obtaining independent confirmations of material investment valuations and cash balances at the year end.
- Testing estimates and judgements made in the preparation of the financial statements for indicators of bias.
- Reviewing meeting minutes, any correspondence with the Pensions Regulator, and significant contracts and agreements.
- Holding discussions with the Trustee to identify significant or unusual transactions and known or suspected instances of fraud or non-compliance with applicable laws and regulations.
- Assessing financial statement disclosures, and agreeing these to supporting evidence, for compliance with the Pensions Acts 1995 and 2004 and regulations made under them.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the Financial Statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Independent auditors' report to the Trustee of The Pensions Trust 2016 (continued)

Use of this report

This report, including the opinion, has been prepared for and only for the Trustee as a body in accordance with section 41 of the Pensions Act 1995 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

Edinburgh

20 March 2024

Financial Statements

Fund Account

For the year ended 30 September 2023

	Note	2023 £'000	2022 £'000
Employer Contributions		7,008.8	8,854.6
Employee Contributions		124.1	122.1
Total Contributions	5	7,132.9	8,976.7
Transfers in	6	-	22,964.4
		7,132.9	31,941.1
Benefits Paid or Payable	7	(12,617.8)	(12,296.5)
Transfers Out to Other Schemes	8	(718.5)	(1,927.4)
Administrative Expenses	9	(1,371.8)	(1,183.7)
		(14,708.1)	(15,407.6)
Net (Withdrawals)/additions from dealings with Members		(7,575.2)	16,533.5
Net Return on Investments			
Investment Income	10	9,497.2	7,426.6
Change in Market Value of Investments	11	(48,513.4)	(154,668.8)
Investment Management Expenses	12	(2,051.0)	(1,842.0)
		(41,067.2)	(149,084.2)
Net (Decrease) in the Trust		(48,642.4)	(132,550.7)
Opening Net Assets		317,022.2	449,572.9
Closing Net Assets available for benefits		268,379.8	317,022.2

The notes on pages 21 to 42 form part of these Financial Statements.

Financial Statements (continued)

Statement of Net Assets (available for benefits)

As at 30 September 2023

	Note	Total 2023 £'000	Total 2022 £'000
Investment Assets			
Equities	11	967.9	704.0
Bonds	11	7,869.3	6,489.2
Pooled Investment Vehicles	13	240,687.9	302,656.3
Derivatives	14	88.5	192.7
Insurance Policies	15	5,186.4	5,700.9
AVC Investments	16	261.1	332.0
Cash and Cash Equivalents	17	1,892.2	905.5
Other Investment Balances	17	11,922.4	1,498.9
		268,875.7	318,479.5
Investment Liabilities			
Derivatives	14	(772.3)	(2,195.8)
Cash and Cash Equivalents	17	-	(16.3)
Other Investment Balances	17	(38.2)	(1.7)
		(810.5)	(2,213.8)
Total Net Investments		268,065.2	316,265.7
Current Assets	21	1,389.0	1,732.0
Current Liabilities	22	(1,074.4)	(975.5)
Total Net Assets (available for benefits)		268,379.8	317,022.2

The Financial Statements summarise the transactions of the Trust and deal with the net assets at the disposal of the Trustee. They do not take account of obligations to pay pensions and benefits which fall due after the end of the Trust's financial period. The actuarial position of the defined benefit schemes, which does take account of such obligations, is dealt with in the Report on Actuarial Liabilities on pages 7 to 9 of the Annual Report. These Financial Statements should be read in conjunction with this Report.

The notes on pages 21 to 42 form part of these Financial Statements.

The Financial Statements on pages 19 to 42 have been approved and signed for and on behalf of the Trustee on 20 March 2024.

Joanna Matthews
Independent Chair
Verity Trustees Limited

Notes to the Financial Statements

For the year ended 30 September 2023

1. General Information

The Trust is a centralised occupational pension fund for non-associated employers established as a trust under English Law.

The address of the Trust's principal office is 6 Canal Wharf, Leeds, West Yorkshire, LS11 5BQ. The Trust is registered in the United Kingdom.

The Trust is a defined benefit ("DB") scheme, which is closed to new members but some members maintain a salary link to their benefits upon retirement.

The Trust is a registered pension scheme under Chapter 2, Part 4 of the Finance Act 2004. This means that contributions by employers and employees are normally eligible for tax relief and income and capital gains earned by the scheme receive preferential tax treatment.

2. Basis of Preparation

The individual Financial Statements of The Pensions Trust 2016 have been prepared in accordance with the Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996, Financial Reporting Standard (FRS) 102 - The Financial Reporting Standard applicable in the UK and Republic of Ireland issued by the Financial Reporting Council ("FRS 102") and the guidance set out in the Statement of Recommended Practice "Financial Reports of Pension Schemes" (revised June 2018) ("the SORP").

3. Accounting Policies

The principal accounting policies of the Trust, which have been applied consistently, are as follows:

a. Currency

The Trust's functional currency and presentational currency is pounds sterling (GBP).

Assets and liabilities in foreign currencies are expressed in sterling at the rates of exchange ruling at the year end. Foreign currency transactions are translated into sterling at the spot exchange rate at the date of the transaction.

Gains and losses arising on conversion or translation are dealt with as part of the change in market value of investments.

b. Contributions and Other Income

- i. Employees' normal contributions and Additional Voluntary Contributions (AVCs) remitted by the employer are accounted for on an accruals basis when deducted from pay.

Notes to the Financial Statements (continued)

- ii. Employers' normal contributions remitted by the employer that are expressed as a rate of pensionable salary are accounted for on the same basis as employees' contributions, otherwise they are accounted for in the period they are due under the Schedules of Contributions.
- iii. All contributions payable under salary sacrifice arrangements are classified as employer contributions.
- iv. Employer deficit funding contributions are accounted for on the due dates on which they are payable in accordance with the Schedules of Contributions and recovery plan under which they are being paid.
- v. Special contributions include employer debt on withdrawal contributions (Section 75 debts) which are accounted for on the due dates on which they are payable with provision made where there is uncertainty of receipt.
- vi. Other income is recognised on an accruals basis.

c. Transfers from and to Other Schemes

- i. Group and individual transfers in are accounted for on an accruals basis, which is normally the earlier of when member liability is accepted by the Trust or the transfer value is paid.
- ii. Individual transfers out are accounted for on an accruals basis, which is normally when the transfer value is paid and member liability is discharged.
- iii. Where members of new schemes hold externally operated AVC policies, the transfer value is accounted for when the policy is transferred into the name of the Trustee. Payments out to members are made when payments are received from the policy operator.

d. Benefits and Payments to and on Account of Leavers

- i. Pensions in payment, including pensions funded by annuity contracts, are accounted for in the period to which they relate.
- ii. Where members can choose whether to take their benefits as a full pension or as a lump sum with reduced pension, retirement benefits are accounted for on an accruals basis on the later of the date of retirement or the date the option is exercised.
- iii. Other benefits are accounted for on an accruals basis on the date of leaving or death as appropriate. Refunds and opt-outs are accounted for when the Trustee is notified of the member's decision to leave the Trust.

Notes to the Financial Statements (continued)

- iv. Where the Trustee agrees or is required to settle tax liabilities on behalf of a member (such as where lifetime or annual allowances are exceeded) with a consequent reduction in that member's benefit received from the Trust, any taxation due is accounted for on the same basis as the event giving rise to the tax liability and shown separately within benefits.

e. Administrative and Other Expenses

- i. The Trustee of The Pensions Trust 2016, Verity Trustees Limited, is also the Trustee of The Pensions Trust. The Pensions Trust incurs all administrative and investment management expenses relating to The Pensions Trust 2016 and recharges these on a monthly basis.
- ii. Expenses which relate specifically to individual schemes are allocated to the appropriate scheme on an accruals basis.
- iii. Investment management expenses and administrative expenses, other than those relating specifically to a particular scheme, are allocated on the basis of asset values and member numbers, as appropriate.

f. Investment Income and Expenditure

- i. Income from equities and any pooled investment vehicles which distribute income is accounted for on an accruals basis on the date stocks are quoted ex-dividend or, in the case of unquoted instruments, when the dividend is declared.
- ii. Income from bonds is accounted for on an accruals basis and includes income bought and sold on purchases and sales of bonds. Interest on cash and short-term deposits and income from other investments are accounted for on an accruals basis.
- iii. Interest is accrued on a daily basis.
- iv. Investment income is reported net of attributable tax credits but gross of withholding taxes, which are accrued in line with the associated investment income.
- v. Income arising from annuity policies is included in investment income. Income from annuities is accounted for on an accruals basis.
- vi. The change in market value of investments during the year comprises all increases and decreases in the market value of investments held at any time in the year, i.e. profits and losses realised on sales of investments during the year and unrealised changes in market value on amounts held at the end of the year. In the case of pooled investment vehicles which are accumulation funds, where income is

Notes to the Financial Statements (continued)

reinvested within the fund without issue of further units, change in market value also includes such income.

- vii. Transaction costs are included in the cost of purchases and sale proceeds. Transaction costs include costs charged directly to the Trust such as fees, commissions, stamp duty and other fees. Other investment management expenses are accounted for on an accruals basis and shown separately within net returns on investments.

g. Investments

Investment assets and liabilities are included in the Financial Statements at fair value. Where separate bid and offer prices are available, the bid price is used for investment assets and the offer price for investment liabilities. Otherwise, the closing single price or most recent transaction price is used.

- i. Readily traded investments (equities, bonds and certain pooled investments) are stated at the bid price or the last traded price, depending on the convention of the stock exchange on which they are quoted.
- ii. Where quoted or unquoted unit prices are not available, the Trustee adopts valuation techniques appropriate to the class of investment. Details of the valuation techniques and principal assumptions are given in the notes to the Financial Statements where used.
- iii. Where the value of a pooled investment vehicle ("PIV") is primarily driven by the fair value of its underlying investments, the net asset value advised by the fund manager is normally considered a suitable approximation to fair value unless there are restrictions or other factors which prevent realisation at that value, in which case adjustment is made.
- iv. Over-the-counter ("OTC") derivatives are stated at fair value estimated using pricing models and relevant market data as at the year end date. Forward foreign exchange contracts are valued by determining the gain or loss that would arise from closing out the contract at the reporting date by entering into an equal and opposite contract at that date. All gains and losses arising on derivative contracts are reported within 'change in market value'.
- v. Insurance policies purchased for retired members in their own names fully discharge the Trust's liability to those members and are therefore not included in these Financial Statements. The individuals are removed from membership records and the cost of purchasing the annuities is reported within payments to and on account of leavers as the former members do not have their pension paid by the Trust.

Notes to the Financial Statements (continued)

- vi. Insurance policy assets which provide benefits for members, but which are in the name of the Trustee, as detailed in note 15, are valued by the Scheme's Actuary based on the expected future pensioner benefit payments covered by the contract, discounted back to the financial year end using assumptions agreed by the Trustee on advice from the Scheme Actuary. The assets are assumed to be equal to the actuarial liability at the valuation date.
- vii. AVCs are invested in accordance with members' instructions.

h. Critical Accounting Judgements and Estimation Uncertainty

- i. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.
- ii. The Trustee makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the actual results. For the Trust, the Trustee believes the only estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year are related to the valuation of the Trust investments and, in particular, those classified in Level 3 of the fair-value hierarchy. Explanation of the key assumptions underpinning the valuation of investments is included within (g) above and within notes 15, 19 and 20. The Trustee does not consider there to be any critical judgements.

4. Analysis of Fund Account

	Year ended 30 Sept 2023 £'000	Year ended 30 Sept 2022 £'000
Total Income	7,132.9	31,941.1
Total Payments	(14,708.1)	(15,407.6)
Net (withdrawals)/additions from dealing with Members	(7,575.2)	16,533.5
Net Return on Investments	(41,067.2)	(149,084.2)
Net Decrease in the Trust	(48,642.4)	(132,550.7)
Opening Net Assets	317,022.2	449,572.9
Closing Net Assets (available for benefits)	268,379.8	317,022.2

Notes to the Financial Statements (continued)

5. Contributions

	Year ended 30 Sept 2023 £'000	Year ended 30 Sept 2022 £'000
Employer Contributions		
Normal	880.6	291.5
Administrative expenses	1,250.3	1,223.5
Deficit funding	4,877.9	3,839.6
Special	-	3,500.0
	7,008.8	8,854.6
Employee Contributions		
Normal	124.1	122.1
	124.1	122.1
	7,132.9	8,976.7

Deficit funding: An actuarial valuation of each DB scheme will be carried out every three years. Deficit funding represents payments by schemes to eliminate past service deficits in accordance with the Schedules of Contributions prepared by the Actuary.

Special Contributions: These are paid by employers in addition to the deficit funding requirements identified in the Schedules of Contributions.

Total future commitments as at 30 September 2023.

	£'000
Due in 1 year	4,389.3
Due in 1 - 2 years	4,646.8
Due in 2 - 5 years	13,872.1
Due in > 5 years	17,112.9
TOTAL	40,021.1

Deficit recovery periods differ between Schedules of Contributions. The shortest deficit recovery period is three years, with the longest being 23 years.

During the year, there were four (2022: eight) instances of late payments relating to one (2022: one) employer. Further details can be found in the Summary of Contributions on page 45.

Notes to the Financial Statements (continued)

6. Transfers In

	Year ended 30 Sept 2023 £'000	Year ended 30 Sept 2022 £'000
Group Transfers in:		
Cash - Cambridge Building Society Retirement Plan	-	20,841.4
Cash - Coventry Building Society Staff Superannuation Scheme	-	2,000.0
Insurance policies - Cambridge Building Society Retirement Plan	-	123.0
	-	22,964.4

7. Benefits Paid or Payable

	Year ended 30 Sept 2023 £'000	Year ended 30 Sept 2022 £'000
Pensions	10,701.0	9,882.4
Commutations and Lump Sum Retirement Benefits	1,839.9	2,414.1
Lump Sum Death Benefits	53.0	-
Taxation	23.9	-
	12,617.8	12,296.5

8. Transfers Out to Other Schemes

	Year ended 30 Sept 2023 £'000	Year ended 30 Sept 2022 £'000
Individual Transfers Out to Other Schemes	718.5	1,927.4
	718.5	1,927.4

9. Administrative Expenses

	Year ended 30 Sept 2023 £'000	Year ended 30 Sept 2022 £'000
Monthly Management Charge	1,089.5	970.5
Pension Protection Fund Levy	175.2	183.1
Scheme Specific Expenses	107.1	30.1
	1,371.8	1,183.7

The monthly management charge represents the amounts paid to The Pensions Trust in respect of the administration and management of the Trust.

Notes to the Financial Statements (continued)

10. Investment Income

	Year ended 30 Sept 2023	Year ended 30 Sept 2022
	£'000	£'000
Income from Equities	13.7	5.6
Income from Bonds	523.9	470.8
Income from PIVs	8,302.4	6,511.4
Income from Insurance Policies	467.8	438.8
Income from Cash	189.4	-
	9,497.2	7,426.6

11. Reconciliation of Net Investments

	Value at 1 Oct 2022	Purchases at cost and derivative payments	Sale Proceeds and derivative receipts	Change in market value	Value at 30 Sept 2023
	£'000	£'000	£'000	£'000	£'000
Equities	704.0	2,102.6	(1,866.0)	27.3	967.9
Bonds	6,489.2	4,116.7	(2,047.0)	(689.6)	7,869.3
Pooled Investment Vehicles	302,656.3	247,030.4	(248,185.2)	(60,813.6)	240,687.9
Derivatives - Net	(2,003.1)	1,965.2	(2,532.1)	1,886.2	(683.8)
Insurance Policies	5,700.9	-	-	(514.5)	5,186.4
AVC Investments	332.0	-	(0.7)	(70.2)	261.1
	313,879.3	255,214.9	(254,631.0)	(60,174.4)	254,288.8
Cash	889.2				1,892.2
Other Investment Balances (net)	1,497.2				11,884.2
Total Investments	316,265.7				268,065.2

The change in market value in the table above excludes movements in respect of Cash and Cash Equivalents, largely due to foreign exchange fluctuations and reclassifications to Other Investment Balances for pending trades. The total change in market value of investments reported in the Fund Account for the year is £(48,513.4)k.

Indirect transaction costs are included in the cost of purchases and deducted from sale proceeds.

Notes to the Financial Statements (continued)

Direct transaction costs analysed by main asset class and type of cost are as follows:

	2023		
	Fees	Commission	Total
	£'000	£'000	£'000
Equities	1.4	0.9	2.3
Commodities	-	0.1	0.1
	1.4	1.0	2.4

	2022		
	Fees	Commission	Total
	£'000	£'000	£'000
Equities	4.4	3.8	8.2
Commodities	0.6	0.1	0.7
	5.0	3.9	8.9

12. Investment Management Expenses

	Year ended	Year ended
	30 Sept 2023	30 Sept 2022
	£'000	£'000
Management, Administration and Custody	2,051.0	1,842.0
	2,051.0	1,842.0

The Trust paid £519.1k (2022: £362.7k) in the year to The Pensions Trust in respect of the administration, management and custody of the Trust's investments. The increase is reflective of inflationary increases of running the Trust.

13. Pooled Investment Vehicles

	2023	2022
By type:	£'000	£'000
Equities	2,392.1	10,085.2
Bonds	127,663.6	133,517.8
Property	28,349.8	38,534.3
Hedge Funds	7,458.0	12,126.9
Venture Capital and Partnerships	64,877.0	99,644.3
Cash	9,703.1	8,747.8
Commodities	244.3	-
	240,687.9	302,656.3

Notes to the Financial Statements (continued)

14. Derivatives

Outstanding derivative financial instruments at the year end are summarised as follows:

Forward Foreign Currency

Type:	Expires within	Notional Value £'000	2023	
			Fair Value	
			Asset £'000	Liability £'000
Buy EUR for GBP (4 contracts)	1 Year	462.9	1.3	(0.1)
Buy GBP for EUR (18 contracts)	1 Year	1,880.0	1.9	(9.3)
Buy GBP for JPY (15 contracts)	1 Year	148.7	1.5	(0.9)
Buy GBP for USD (14 contracts)	1 Year	18,887.6	-	(761.8)
Buy JPY for GBP (7 contracts)	1 Year	62.7	0.2	(0.2)
Buy USD for GBP (7 contracts)	1 Year	5,026.3	83.6	-
Total 2023		26,468.2	88.5	(772.3)
Total 2022		47,578.0	192.7	(2,195.8)

The notional value represents the sterling value of the foreign currency amount of the contract translated at the year-end spot rate.

Objectives and Policies for Holding Derivatives

The Trustee has authorised the use of derivative financial instruments by its Investment Managers as part of its investment strategy as follows:

- Forward Foreign Currency: The Trustee uses forward contracts primarily for the purposes of currency risk management.

15. Insurance Policies

The Trustee holds insurance policies with Rothesay Life, Canada Life, Aviva Life, Prudential and a number of sundry insurers, as noted below, which provide annuity income to cover pensions for certain members and their beneficiaries. The valuation of these policies is completed by TPT's in-house Actuary.

	2023 £'000	2022 £'000
Insurance policies with Rothesay Life	2,582.2	2,837.3
Insurance policies with Canada Life	1,767.2	1,907.7
Insurance policies with Aviva Life	511.1	596.7
Insurance policies with Prudential	270.0	299.1
Insurance policies with Phoenix Life	30.8	33.2
Insurance policies with Scottish Widows	25.1	26.9
	5,186.4	5,700.9

Notes to the Financial Statements (continued)

The following table summarises the main financial and demographic assumptions used for the valuations of insurance policies as at 30 September 2023 and 30 September 2022:

Scheme funding assumptions	2023 Nominal (%pa)	2022 Nominal (%pa)
Valuation discount rate	Gilt Curve plus 0.5%	Gilt Curve plus 0.5%
Price inflation (RPI)	RPI Inflation Curve	RPI Inflation Curve
Pension increases (where not fixed):		
In line with RPI up to 5% p.a.	In line with inflation assumptions with relevant caps and collars, and adjusted in line with statistical distribution for increases in payment. The model used is Black-Scholes with 1.75% p.a. volatility.	
In line with RPI up to 2.5% p.a.		
Post retirement mortality:		
Base Table	106% of S3PMA (males) and 106% of S3PFA (females) projected to the valuation date	106% of S3PMA (males) and 106% of S3PFA (females) projected to the valuation date
Improvements to mortality	CMI_2022 (A=0.25%) [S=7, 1.50%] for males CMI_2022 (A=0.25%) [S=7, 1.25%] for females W2020 = W2021 = 0% W2022 = 25%	CMI_2021 (A=0.25%) [S=7, 1.50%] for males CMI_2021 (A=0.25%) [S=7, 1.25%] for females W2020 = 0% W2021 = 10%

16. AVC Investments

Money purchase AVCs are held within the Trust and are detailed below.

	2023 £'000	2022 £'000
AVC Investments with Coventry Building Society	114.6	186.0
AVC Investments with Scottish Widows Limited	81.1	81.1
AVC Investments with Legal & General Assurance (Pensions Management) Limited	40.2	38.5
AVC Investments with Utmost Life and Pensions Limited	10.6	11.5
AVC Investments with Phoenix Life Limited	9.5	9.5
AVC Investments with Aviva Life & Pensions UK Limited	5.1	5.4
	261.1	332.0

Notes to the Financial Statements (continued)

17. Cash and Other Investment Balances

	2023	2022
	£'000	£'000
Cash – Sterling	1,838.4	890.1
Cash – Foreign Currency	53.8	15.4
	1,892.2	905.5
Cash - Overdrawn Balance*	-	(16.3)
	-	(16.3)
Accrued Investment Income	221.9	104.7
Pending transactions	11,700.5	1,394.2
	11,922.4	1,498.9
Amounts due from Brokers	174.4	-
Amounts due to Brokers	(212.6)	(1.7)
	(38.2)	(1.7)
	13,776.4	2,386.4

*As a result of significant market volatility, short-term overdraft facilities were used as at 30 September 2022 to ensure increased collateral calls on the Trust's LDI funds were met at short notice.

18. Concentration of Investments

The following investments exceeded 5% of the Trust's net assets at the financial year end.

	2023		2022	
	Value		Value	
	£'000	%	£'000	%
Blackrock Investment Management (UK) Ltd - LMF Long Real Profile Fund	44,662.8	17.0	26,918.9	8.5
Standard Life Investment Ltd - Long lease Property Series 5	28,349.8	10.8	39,754.7	12.5
Ares Secured Income Fund	25,341.7	9.7	40,348.5	12.7
Blackrock Investment Management (UK) Ltd - LMF Long Nominal Profile Fund	24,135.8	9.2	25,134.0	7.9
Blackrock Investment Management (UK) Ltd - LMF Short Nominal Profile Fund	19,838.3	7.6	-	-
Blackrock Investment Management (UK) Ltd - LMF Short Real Profile Fund	19,068.6	7.3	31,595.5	9.9
Royal London Asset Management Ltd - UK Corporate Bond	11,666.3	4.4	36,883.9	11.6

Notes to the Financial Statements (continued)

19. Fair Value of Investments

The fair value of investments has been determined using the following hierarchy.

Investment Category	Description
Level 1	The unadjusted quoted price in an active market for identical assets or liabilities that the entity can access at the measurement date.
Level 2	Inputs other than quoted prices included in level 1 that are observable (i.e. developed using market data) for the asset or liability, either directly or indirectly.
Level 3	Inputs are unobservable (i.e. for which market data is unavailable) for the asset or liability.

The Trust's investment assets and liabilities have been included at fair value within these categories as follows:

Pooled investment vehicles which are traded regularly are generally included in level 2. Where the absence of regular trading or the unsuitability of recent transaction prices as a proxy for fair values applies, valuation techniques are adopted and the vehicles are included in level 3 as appropriate.

The value of other pooled investment vehicles which are unquoted or not actively traded on a quoted market is estimated by the Trustee. Where the value of the pooled investment vehicle is primarily driven by the fair value of its underlying assets, the net asset value advised by the fund manager is normally considered a suitable approximation to fair value unless there are restrictions or other factors which prevent realisation at that value, in which case adjustments are made. No such adjustments have been made to the valuations at 30 September 2023 (2022: none).

Notes to the Financial Statements (continued)

Category:				2023
	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Investment Assets				
Equities	967.9	-	-	967.9
Bonds	2,144.4	5,724.9	-	7,869.3
Pooled Investment Vehicles	-	169,900.7	70,787.2	240,687.9
Derivatives	-	-	88.5	88.5
Insurance Policies	-	-	5,186.4	5,186.4
AVCs	-	261.1	-	261.1
Cash and Cash Equivalents	1,892.2	-	-	1,892.2
Other Investment Balances	11,922.4	-	-	11,922.4
	16,926.9	175,886.7	76,062.1	268,875.7
Investment Liabilities				
Derivatives	-	-	(772.3)	(772.3)
Cash and Cash Equivalents	(38.2)	-	-	(38.2)
	(38.2)	-	(772.3)	(810.5)
Total Investments	16,888.7	175,886.7	75,289.8	268,065.2

Analysis for the prior year end is as follows:

Category:				2022
	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Investment Assets				
Equities	700.1	3.9	-	704.0
Bonds	127.5	6,361.7	-	6,489.2
Pooled Investment Vehicles	-	192,405.2	110,251.1	302,656.3
Derivatives	-	-	192.7	192.7
Insurance Policies	-	-	5,700.9	5,700.9
AVCs	-	332.0	-	332.0
Cash and Cash Equivalents	905.5	-	-	905.5
Other Investment Balances	1,498.9	-	-	1,498.9
	3,232.0	199,102.8	116,144.7	318,479.5
Investment Liabilities				
Derivatives	-	-	(2,195.8)	(2,195.8)
Cash and Cash Equivalents	(16.3)	-	-	(16.3)
Other Investment Balances	(1.7)	-	-	(1.7)
	(18.0)	-	(2,195.8)	(2,213.8)
Total Investments	3,214.0	199,102.8	113,948.9	316,265.7

Notes to the Financial Statements (continued)

20. Investment Risks

Types of Risk Relating to Investments

FRS 102 requires the disclosure of information in relation to certain investment risks. These risks are set out by FRS 102 as follows:

Credit Risk: The risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

Market Risk: The risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.

- **Currency Risk:** This is the risk that the fair value or future cash flows of a financial asset will fluctuate because of changes in foreign exchange rates.
- **Interest Rate Risk:** This is the risk that the fair value or future cash flows of a financial asset will fluctuate because of changes in market interest rates.
- **Other Price Risk:** This is the risk that the fair value or future cash flows of a financial asset will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

In the following table, the risk noted affects the asset class [●] significantly, [◐] partially or [○] hardly/ not at all.

	Credit Risk	Market Risk			2023	2022
		Currency Risk	Interest Rate Risk	Other Price Risk	£'000	£'000
Equities	○	◐	○	●	967.9	704.0
Bonds	●	◐	●	◐	7,869.3	6,489.2
Pooled Investment Vehicles					240,687.9	302,656.3
Direct exposure	●	○	○	○		
Indirect exposure	◐	◐	◐	◐		
Derivatives	◐	◐	●	◐	(683.8)	(2,003.1)
Insurance Policies	◐	○	●	○	5,186.4	5,700.9
AVC Investments	◐	◐	◐	◐	261.1	332.0
Cash and Other Investment Balances	●	◐	●	○	13,776.4	2,386.4
					268,065.2	316,265.7

Notes to the Financial Statements (continued)

Investment Strategy

In the year under review, the Trustee's objective was to maintain a portfolio of suitable assets of appropriate liquidity which generate investment returns sufficient to meet, together with future contributions, the benefits payable under the Rules as they fall due.

The Trust is a multi-employer pension scheme that provides tailored investment solutions for a number of underlying DB sections. In order to achieve its objective, the Trustee constructs pools of assets that are then used to determine scheme specific investment strategies tailored to meet their individual set of liabilities.

The Trustee has delegated the power to set investment strategy to its Investment Committee and Funding Committee. In summary, the Investment Committee determines the strategic asset allocation and fund selection, after taking advice from the Trust's independent investment consultants, for the various pools of assets from which the scheme-specific strategies are drawn. The Funding Committee sets scheme-specific asset allocation strategies at the same time as assessing scheme-specific funding needs.

When constructing the pools of assets from which scheme specific investment strategies are drawn the Investment Committee considers a number of factors including, but not limited to, the expected risk and return of each asset class, diversification benefits, liquidity requirements and fees. In order to support its decision-making the Investment Committee takes independent advice from the Trust's investment consultants, as well as receiving input from the Trust's Chief Investment Officer.

In October 2022, the Trustee reviewed a set of 10 Investment Beliefs that the Investment Committee must use as a framework when making decisions and agreeing the investment strategy. These Investment Beliefs can be found on the Trust's website.

In October 2022, the Trustee also reviewed a set of 9 Responsible Investment Principles which are used in conjunction with the Investment Beliefs to inform the investment strategy. The Responsible Investment Principles can be found on the Trust's website.

The Trustee employs third-party fund managers to implement the investment strategy, meaning that the Trust does not manage any money in-house. The Trust uses a combination of both passive and active investments depending on the perceived ability to add value in the relevant area. Fund managers are monitored on an ongoing basis by both the Investment Committee and the in-house Investment Management Team, and are met with at least annually.

When considering the investment strategy on a scheme specific basis for each section of the Trust, the Funding Committee takes into account a number of considerations such as the strength of the employer covenant, the long-term liabilities of the scheme, the appetite for investment risk and the funding strategy agreed with the employer(s). These are reviewed at least every three years in line with the scheme's valuation to ensure that the strategy remains appropriate.

Notes to the Financial Statements (continued)

Credit Risk

The Trust is subject to direct credit risk because it invests in bonds, forward foreign exchange contracts and has cash equivalents. The Trust also invests in pooled investment vehicles and is therefore directly exposed to credit risk in relation to the provider of the pooled investment vehicle and also indirectly exposed to credit risks arising on some of the financial instruments held by the pooled investment vehicles.

A summary of exposures to credit risk is given in the following table. The notes below explain how this risk is managed and mitigated for the different asset classes.

	2023	2022
	£'000	£'000
Investments exposed to Credit Risk		
Bonds	7,869.3	6,489.2
Pooled Investment Vehicles:		
Bond Funds (Direct and Indirect)	127,663.6	133,517.8
Other Funds (Direct Risk only)	113,024.3	169,138.5
Derivatives:		
Assets	88.5	192.7
Liabilities	(772.3)	(2,195.8)
Insurance Policies	5,186.4	5,700.9
AVC Investments	261.1	332.0
Cash and Other Investment Balances	13,776.4	2,386.4
	267,097.3	315,561.7

Credit risk arising on bonds held directly is mitigated by ensuring that the investment manager has a suitable framework in place for assessing the creditworthiness of the counterparty and that the credit rating of the bonds matches the desired risk profile of the mandate.

The Trustee considers financial instruments or counterparties to be of investment grade if they are rated at BBB– or higher by S&P or Fitch or rated at Baa3 or higher by Moody's.

Direct credit risk arising from pooled investment vehicles is mitigated by the underlying assets of the pooled arrangements being ring-fenced from the pooled manager, the regulatory environments in which the pooled managers operate and diversification of investments amongst a number of pooled arrangements.

Indirect credit risk arises in relation to underlying investments held in a number of the pooled investment vehicles. This risk is mitigated by ensuring that appropriate due diligence is carried out on the pooled manager's investment process at appointment.

Credit risk also arises on forward currency contracts where there are no collateral arrangements; however, all counterparties are required to be at least investment grade.

Cash on deposit is held within financial institutions that have an investment grade credit rating.

Notes to the Financial Statements (continued)

A summary of pooled investment vehicles by type of arrangement is as follows:

	2023	2022
Legal nature of the pooled arrangements:	£'000	£'000
Partnerships	63,476.1	97,194.0
Authorised Unit Trust	107,731.3	87,319.1
Open ended investment company	19,549.3	54,358.8
Unit linked insurance contracts	35,101.6	51,223.3
Exchange Traded Commodities	313.2	-
Cash	9,703.1	8,747.8
Closed ended funds	1,678.3	2,450.3
Société d'Investissement à capital variable (SICAV)	3,135.0	1,363.0
	240,687.9	302,656.3

Currency Risk

- The Trust is subject to currency risk because some of the investments are held in overseas markets, either as segregated investments (direct exposure) or via pooled investment vehicles (indirect exposure). To mitigate this risk, the Trustee has put in place a currency hedging arrangement and hedges the exposures to the major currencies, being USD, EUR (as a proxy for European currency exposure) and JPY in line with the percentages below:
- Developed market equities: 70%
- Emerging market debt: 70%
- Other asset classes: 100%

Some assets recognise the currency risk as part of the overall fund strategy and therefore it is recognised that no additional hedging is required in respect of these assets.

The net currency exposure at the current and previous year ends was as follows.

				2023	2022
	Direct	Indirect		Net	Net
	Exposure	Exposure	Hedging	Exposure	Exposure
	£'000	£'000	£'000	after	after
				Hedging	Hedging
				£'000	£'000
Euros (EUR)	39.3	45.4	(180.7)	(96.0)	(0.7)
US Dollars (USD)	376.3	89,020.4	(2,049.2)	87,347.5	816.8
Japanese Yen (JPY)	71.2	6.3	(110.0)	(32.5)	58.6
Other Currencies	131.2	-	-	131.2	17.9
	618.0	89,072.1	(2,339.9)	87,350.2	892.6

Notes to the Financial Statements (continued)

Interest Rate Risk

The Trust is subject to interest rate risk because some of the investments are held in bonds or interest rate swaps (either segregated investments or through pooled investment vehicles), and cash.

A summary of exposures to interest rate risk is given in the following table:

	2023	2022
	£'000	£'000
Investments exposed to Interest Rate Risk		
Bonds	7,869.3	6,489.2
Pooled Investment Vehicles:		
Bond Funds (Direct and Indirect)	127,663.6	133,517.8
Derivatives:		
Assets	88.5	192.7
Liabilities	(772.3)	(2,195.8)
Insurance Policies	5,186.4	5,700.9
AVC Investments	261.1	332.0
Cash and Other Investment Balances	13,776.4	2,386.4
	154,073.0	146,423.2

Other Price Risk

The Trust is subject to other price risk, principally in relation to the growth assets which include directly held equities, equities held through pooled or segregated vehicles, commercial property, unlisted infrastructure and a range of strategies that aim to produce absolute returns in all market environments. There is also more limited exposure to other price risk within the Matching-Plus Portfolio, principally in relation to the allocation to commercial property.

The Trustee manages this exposure to overall price movements by constructing a diverse portfolio of investments across various markets.

A summary of exposures to other price risk is given in the following table:

	2023	2022
	£'000	£'000
Investments exposed to Other Price Risk		
Equities	967.9	704.0
Bonds	7,869.3	6,489.2
Pooled Investment Vehicles:		
Other Funds (Indirect)	113,024.3	169,138.5
Derivatives:		
Assets	88.5	192.7
Liabilities	(772.3)	(2,195.8)
AVC Investments	261.1	332.0
	121,438.8	174,660.6

Notes to the Financial Statements (continued)

21. Current Assets

	2023	2022
	£'000	£'000
Contributions due in respect of:		
Employers	301.8	198.3
Employees	10.3	10.6
Prepayments	-	66.3
Other debtors	8.8	1,456.8
Cash	1,068.1	-
	1,389.0	1,732.0

22. Current Liabilities

	2023	2022
	£'000	£'000
Unpaid Benefits	0.8	206.6
Tax Deducted from Pensions	167.9	145.0
Other Creditors	76.7	-
Accrued Expenses	829.0	623.9
	1,074.4	975.5

23. Related Party Transactions

Key management personnel

The Trustee, Verity Trustees Limited, is also the Trustee of The Pensions Trust. All of the Trustee Directors serve as Trustee Directors for each Trust.

Employer-Related Investments

The Trust invests in various housing bonds, whose underlying borrowers are drawn from a pool of registered social landlords. The names of the actual borrowers are not disclosed and can vary over time. Waterloo Housing Association is the only registered social landlord which participates in the Trust which could be an Employer Related Investment. However, the Trust's holdings in bonds relating to Waterloo Housing Association as at 30 September 2023 was £nil (2022: £nil).

Employer-Related Investments include contributions that were received later than the due date set out on the Schedules of Contributions. As at 30 September 2023, there were no (2022: £240.2k) late contributions outstanding. This represents 0.0% of net assets (2022: 0.1%).

Notes to the Financial Statements (continued)

The Pensions Trust

The Trust paid £998.7k (2022: £886.3k) to The Pensions Trust in the year in respect of the administration and management of the Trust over the period 1 October 2022 to 31 August 2023. A further £90.8k is due in respect of September 2023 and is included as a creditor (2022: £84.2k).

The Trust paid £519.1k (2022: £326.7k) in the year to The Pensions Trust in respect of the administration, management and custody of the Trust's investments over the period 1 October 2022 to 31 August 2023. A further £46.2k is due in respect of September 2023 and is included as a creditor (2022: £36.7k).

24. Contingencies, Commitments and Other Contractual Arrangements

As at 30 September 2023 there were no contingent assets at the year end. The Trust was party to one (2022: one (restated)) other contractual arrangement in relation to one employer (2022: one employer (restated)) that participate in the Trust.

As at 30 September 2023 the Trust had the following contingent liability:

GMP Equalisation

Between 1978 and 2016, it was possible to contract out of part of the State Pension by being a member of an occupational pension scheme that met certain conditions. Where the scheme was contracted out, members and the employer paid a reduced rate of National Insurance to reflect the fact that the Scheme would provide benefits to replace some of the members' state pension rights. Between 1978 and 1997, contracted out defined benefit schemes were required to provide a Guaranteed Minimum Pension for each member. From 1997 to 2016 different rules applied.

In October 2018, the High Court determined that benefits provided to members who had contracted out of their pension scheme must be recalculated to reflect the equalisation of state pension ages between May 1990 and April 1997 for both men and women. On 20 November 2020, the High Court issued a follow-on judgement in the Lloyds case and ruled that pension schemes will also need to revisit individual transfer payments made since 17 May 1990 to consider if any additional value is due as a result of GMP equalisation.

The Trustee is aware that this issue will affect each of the previously contracted out defined benefit schemes in the Trust and will be considering this matter at future meetings during which decisions will be made as to the next steps. An approximate allowance has been made in each affected scheme's actuarial valuation, with the typical impact being a less than 2% increase in liabilities.

Commitments

The Trust has made capital commitments in respect of a number of direct lending, infrastructure and risk-sharing funds. The balance of the commitments can be drawn down by the Investment Manager when required to fund purchases and costs.

Notes to the Financial Statements (continued)

At the year end, the outstanding commitments were:

	2023 Committed (Local CCY)*	Outstanding at 30 Sept 23 (Local CCY)	2022 Committed (Local CCY)	Outstanding at 30 Sept 22 (Local CCY)
Direct Lending	£21,700.0k	-	£22,956.8k	£424.2k
Distressed Opportunities	\$27,000.0k	\$1,417.3k	\$27,000.0k	\$1,704.3k
Risk Sharing	\$3,500.0k	-	\$3,500.0k	\$3.2k
Renewable Infrastructure	€2,100.0k	€814.5k	€2,100.0k	€1,254.4k
Renewable Infrastructure	\$2,500.0k	\$1,922.1k	\$2,500.0k	\$2,213.4k

*£ (GBP), \$ (USD), € (EUR)

25. Subsequent Events

On 2 October 2023, the Trustee entered into a Pensions Management Service Agreement (“PMSA”) with TPT Retirement Solutions Limited (“TPTRSL”) and a Fiduciary Management Agreement (“FMA”) with TPT Investment Management Limited (“TPTIM”).

TPTIM was incorporated on 7 December 2022 and is a wholly owned subsidiary of TPTRSL.

As part of the corporate restructure, the transfer of Verity Trustees Limited staff to TPTRSL took place on 2 October 2023, through a TUPE process. In addition, Asset Transfer Agreements (“ATA’s”) were entered into between the Trustee and TPTRSL, and the Trustee and TPTIM, resulting in a transfer of assets and liabilities to the trading companies.

On 1 December 2023 Heywood and Partners Ltd Pension Scheme transferred to the Trust with an AUM of £12,888.6k.

Independent auditors' statement about contributions to the Trustee of The Pensions Trust 2016

Statement about contributions

Qualified opinion

In our opinion, except for the matters described in the basis for qualified opinion paragraph below, the contributions required in accordance with the schedules of contributions certified by the Scheme actuary for the Trust year ended 30 September 2023 as reported in The Pensions Trust 2016's summary of contributions have, in all material respects, been paid in accordance with the schedules of contributions certified by the Trust actuary on the respective dates listed in the summary of contributions.

We have examined The Pensions Trust 2016's summary of contributions for the Trust year ended 30 September 2023 which is set out on page 45.

Basis for qualified opinion

The summary of contributions discloses details of the late contributions which have led us to qualify our opinion.

Our examination involves obtaining evidence sufficient to give reasonable assurance that contributions reported in the summary of contributions have, in all material respects, been paid in accordance with the relevant requirements. This includes an examination, on a test basis, of evidence relevant to the amounts of contributions payable to the Trust under the schedules of contributions, and the timing of those payments.

Responsibilities for the statement about contributions

Responsibilities of the Trustee in respect of contributions

As explained more fully in the statement of Trustee's responsibilities, the Trust's Trustee is responsible for preparing, and from time to time reviewing and if necessary revising, a schedule of contributions and for monitoring whether contributions are made to the Trust by employers in accordance with relevant requirements.

Auditors' responsibilities in respect of the statement about contributions

It is our responsibility to provide a statement about contributions and to report our opinion to you.

Use of this report

This report, including the opinion, has been prepared for and only for the Trustee as a body in accordance with section 41 of the Pensions Act 1995 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Independent auditors' statement about contributions to the Trustee of The Pensions Trust 2016 (continued)

PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

Edinburgh

20 March 2024

Summary of Contributions

During the year ended 30 September 2023, the contributions required to be paid to the Trust were as follows:

	£'000
Contributions required in accordance with the Schedules of Contributions certified by the Scheme Actuary	
Deficit funding	4,191.2
Scheme expenses	1,137.5
Employer normal contributions	880.6
Member normal contributions	124.1
As reported on by the Trust's Auditors	6,333.4
Other contributions	
Deficit funding	686.7
Scheme expenses	112.8
Total contributions paid in addition to the Schedules of Contributions	799.5
Total contributions as reported per the Fund Account	7,132.9

The Schedules of Contributions in place during the year are as follows:

Scheme	Date of most recent Actuarial Certification of Schedule of Contributions
Coventry Building Society Staff Superannuation Scheme	26/11/2020
Darlington Building Society Pension Plan	12/08/2019
Darlington Building Society Pension Plan	09/12/2022
Frank Roberts & Sons Pension Scheme	12/12/2018
Frank Roberts & Sons Pension Scheme	18/10/2022
Hinckley & Rugby Building Society Defined Benefit Pension Scheme	15/10/2020
National Counties Building Society Pension Scheme	17/12/2021
Medicash Pension Fund	23/10/2020
Seabourne Pension Scheme	30/09/2021
Together Working for Wellbeing Pension Scheme	30/11/2022
Waterloo Housing Association Benefit Plan	17/12/2021

Contributions relating to periods before a Schedule of Contributions has been certified are included within other contributions and not reported on by the Auditors.

Summary of Contributions (continued)

The Schedules of Contributions certified by the Scheme Actuary post year-end are as follows:

Scheme	Date of Actuarial Certification of Schedule of Contributions
Medicash Pension Fund	14/11/2023
Cambridge Building Society Retirement Plan	14/12/2023
Coventry Building Society Staff Superannuation Scheme.	20/12/2023
Hinckley & Rugby Building Society Defined Benefit Pension Scheme	13/12/2023

During the year one employer (2022: one) remitted contributions later than the date set out in the Schedules of Contributions. In respect of the year ended 30 September 2023, there were four late payments (2022: eight), representing £107.5k contributions (2022: £245.8k).

Approved by and signed for and on behalf of the Trustee on 20 March 2024.

Joanna Matthews
Independent Chair
Verity Trustees Limited

Summary of Actuarial Certificates

The Pensions Trust is a multi-employer pension scheme, where the Scheme's Actuary has signed actuarial certificates. The following two statements have been given by the Actuary together with the signature and details of the Actuary.

Statement 1

I certify that, in my opinion, the calculation of the scheme's technical provisions as at 30 September 202X is made in accordance with regulations under section 222 of the Pensions Act 2004. The calculation uses a method and assumptions determined by the Trustee of the scheme and set out in the Statement of Funding Principles dated (i.e. signed on behalf of the Trustee on) [Date].

Statement 2

Adequacy of rates of contributions

1. I certify that, in my opinion, the rates of contributions shown in this Schedule of Contributions are such that –

the Statutory Funding Objective could have been expected on 30 September 202X to be met by the end of the period specified in the recovery plan dated (i.e. signed on behalf of the Trustee on) [Date].

Adherence to statement of funding principles

2. I hereby certify that, in my opinion, this Schedule of Contributions is consistent with the Statement of Funding Principles dated (i.e. signed on behalf of the Trustee on [Date]).

The certification of the adequacy of the rates of contributions for the purpose of securing that the Statutory Funding Objective can be expected to be met is not a certification of their adequacy for the purpose of securing the scheme's liabilities by the purchase of annuities, if the scheme were to be wound up.

The dates of the last triennial actuarial valuation and the dates of the Actuary's certification of that valuation for each pension scheme are listed below.

In interim years where no triennial actuarial valuation is required, an Actuarial Report is produced to provide an update on the funding position of the scheme. The date of the latest Actuarial Report for each scheme is detailed in the below table.

Summary of Actuarial Certificates (continued)

Scheme	Year of Triennial Valuation as at 30 September	Date of Certification of Schedule of Contributions	Date of Actuarial Report
Darlington Building Society Pension Plan	2021	09/12/2022	30/9/2022
Hinckley and Rugby Building Society Defined Benefit Pension Scheme	2022	13/12/2023	30/9/2021
Medicash Pension Fund	2022	14/11/2023	30/9/2021
Coventry Building Society Staff Superannuation Scheme	2022	20/12/2023	30/9/2021
Seabourne Holdings Limited Retirement Benefits Scheme	2020	30/09/2021	30/09/2021
National Counties Building Society Pension Scheme	2020	17/12/2021	30/9/2021
Waterloo Housing Association Benefit Plan	2020	17/12/2021	30/9/2021
Frank Roberts & Sons Pension Scheme	2020	18/10/2022	30/9/2022
Together Working for Wellbeing Pension Scheme	2021	30/11/2022	30/9/2022
Cambridge Building Society Retirement Plan	2022	14/12/2023	30/9/2021

Copies of the above certificates are available on request from the address for enquiries on page 2.

Appendix 1 - SIP Implementation Statement

The Pensions Trust 2016 (TPT2016) - SIP Implementation Statement

Introduction

This Statement of Investment Principles (“SIP”) Implementation Statement (“the Statement”) has been prepared by Verity Trustees Limited as the Trustee of The Pensions Trust 2016 (“the Trustee”) and relates to The Pensions Trust 2016 (“TPT2016”).

This Statement is produced by the Trustee as required by the Occupational and Personal Pension Schemes (Disclosure of Information) Regulations 2013 (as amended). The regulations state that the implementation statements must (amongst other matters):

- set out how, and the extent to which, in the opinion of the Trustee, the statement of investment principles (“SIP”) has been followed during the year;
- describe any review of, and explain any changes made to, the SIP during the year; and
- describe the voting behaviour by, or on behalf of, the Trustee (including the most significant votes cast by the Trustee or on their behalf) during the year and state any use of the services of a proxy voter during that year.

Based on regulatory requirements, the Statement covers the period from 1st October 2022 to the end of TPT2016’s financial year on 30th September 2023.

The Statement is split into three sections:

1. an overview of the Trustee’s actions and highlights during the period covered;
2. the policies set out in TPT2016’s SIP and the extent to which they have been followed in the reporting period; and
3. the voting behaviour and significant votes undertaken by the fund managers on behalf of TPT2016.

SIP Updates

The Trustee reviews the SIP annually. For the period under review, the Trustee reviewed the SIP on 13 October 2022 (the SIPs were subsequently reviewed and approved on 10 October 2023). The review takes into account new guidance and regulations as well as best practices inherent in the Trustee’s investments and wider stakeholder remit. There were no significant changes to the SIP for the period under review.

Overview of Trustee’s Actions

Investment Objectives and Strategy

TPT2016’s agreed strategic asset allocation reflects the Trustee’s view of the most appropriate investments, balancing risk/reward characteristics of the funds TPT2016 is invested in, to support participating scheme’s full funding objectives.

During the reporting period, there was no change to TPT2016's overall investment objectives. However, due to the master trust nature of TPT2016, the investment strategy of each participating scheme is reflective of the integrated approach towards assessing risk (for its defined benefit schemes), considering areas such as investment risk, and covenant support.

In order to implement the investment strategy each participating scheme holds a tailored combination of the Growth Asset Portfolio ("GAP") Matching-Plus Portfolio ("MPP") and Liability Driven Investments ("LDI"). The GAP and MPP are made up of a number of underlying sub-portfolios that allocate to the major asset classes, such as equities and credit, as well as a range of diversifiers such as insurance-linked securities.

During the reporting period, the following strategy changes were made:

- The Trustee removed the Nephila Insurance-linked securities mandate, reallocating to market-neutral mandates;
- The Trustee invested into and withdrew funds from the Wellington Global High Yield Bonds mandate in line with pre-agreed spread triggers;
- The wind-down of the CBRE Value Add portfolio was initiated;
- The Trustee transferred the one scheme out of the LGIM LDI mandate and closed that mandate.

Trustee's policies for investment managers

The Trustee relies on investment managers for the day-to-day management of TPT2016's assets but retains control over TPT2016's investment strategy.

The Trustee makes use of both pooled investment vehicles as well as segregated mandates with its asset managers. TPT2016's assets that are invested in a segregated manner have the Trustee's specified terms within the investment agreements, for example, TPT2016's Voting and Engagement policy and specific restricted investments (e.g. controversial weapons). TPT2016's assets that are invested in pooled investment vehicles have standardised fund terms. Further to this, TPT2016 has negotiated side letters which set out further restrictions including excluded investments. The Trustee has not received notifications from its relevant investment managers of any material changes to the pooled fund terms over the scheme year.

The Trustee has negotiated new terms for LGIM LDI, CRC Fund V, and Chorus Fund V; these are three new mandates that the Trustee has invested into over the reporting period.

Final Remarks

As demonstrated in the following sections of this Statement, the actions the Trustee has undertaken during the relevant reporting period reflect the policies within TPT2016's SIP.

The responsibility for managing TPT2016's holdings is delegated to its fund managers. TPT believes that investment managers are well placed to engage with invested companies on environmental, social and governance ("ESG") matters, given their knowledge of the company and the level of access they have to company management. This is also a pragmatic approach because of the

number of stocks owned by TPT, and the amount of time corporate entities have available for single investors. However, TPT sets out its expectations to its asset managers in terms of Corporate Governance via its Voting and Engagement Policy document and adherence to the PLSA Stewardship & Voting Guidelines, as well as its SIP.

The Trustee believes that it should act as a responsible steward of the assets in which TPT invests as this can improve the longer-term returns of its investments. The Trustee notes that sustainable financial outcomes are better leveraged when supported by good governing practices, such as board accountability.

Review of SIP Policies

Policy	Has the policy been followed?	Evidence
Appointments and Delegation		
<p>The Trustee’s Investment Committee (the “IC”) has delegated day-to-day investment management to authorised managers and has taken steps to satisfy itself that the managers have the appropriate knowledge and experience for managing the Trustee’s investments. These appointments are regularly reviewed. The details of individual managers are published each year in the investment report within the Trustee’s Annual Report.</p>	<p>Yes, the Trustee is satisfied that this policy has been followed.</p>	<p>The Trustee continues to monitor the manager ratings in an annual agenda-led meeting. Following this a manager factsheet, meeting notes, updated research notes and a manager profile (covering performance are produced.</p>

Policy	Has the policy been followed?	Evidence
Investment Beliefs		
<p>The Trustee has agreed on a set of Investment Beliefs that the IC and CIO use as a framework when making decisions and agreeing on investment strategy. The Investment Beliefs are reviewed annually and published each year and are made available on TPT2016's website</p> <p>The Trustee regularly reviews the asset allocation of its DB investments in line with its Responsible Investment Framework ("RI Framework"), available on TPT2016's website, to ensure the security, liquidity, quality, and profitability of the DB portfolio as a whole and to ensure DB investments are appropriately diversified.</p>	<p>Yes, the Trustee is satisfied that this policy has been followed.</p>	<p>The Trustee Board approved a set of RI Principles during Q1 (Jan-Mar) 2022, which supplements the Investment Beliefs.</p> <p>The Investment Beliefs were reviewed on 13 October 2022</p>
Investment Strategies		
<p>The Growth Asset and Matching-Plus Portfolios both aim to be well diversified between asset classes and return drivers. The strategy for each scheme is reviewed at least every three years to ensure it remains appropriate.</p> <p>The Trustee reviews the risk and return objectives for the Growth Asset and Matching-Plus Portfolios on a periodic basis to ensure they are consistent with scheme objectives.</p>	<p>Yes, the Trustee is satisfied that this policy has been followed.</p>	<p>The strategy for each participating scheme is subject to at least one strategy review after the triennial valuations.</p>

Policy	Has the policy been followed?	Evidence
Management and Risk (1/2)		
<p>Investments are held by Custodians (or property deeds are held directly). Only designated persons can authorise the transfer of assets between managers. Each investment manager executes its own stock selection policy within asset allocation control targets agreed with the IC. The discretionary managers determine the investments held, subject to objectives agreed upon and reviewed from time to time. Some assets are readily marketable and investments may be realised from time to time as required to provide funds in order to make payment of benefits. Formal meetings are held regularly with the investment managers and custodians. By using a number of investment managers, the risk attached to adverse performance by any one manager is reduced. Derivative contracts can only be used with the prior agreement of the IC.</p>	<p>Yes, the Trustee is satisfied that this policy has been followed.</p>	<p>Formal meetings are held with the investment managers according to a predetermined schedule.</p> <p>The meeting dates with the custodian within the reporting period were as follows:</p> <ul style="list-style-type: none"> • 20th December 2022 • 3rd April 2023 • 13th July 2023
Management and Risk (2/2)		
<p>The risks, as per stated in the SIP are assessed and monitored regularly.</p>	<p>Yes, the Trustee is satisfied that this policy has been followed.</p>	<p>The SIP lists a number of risk factors that the Trustee believes may result in a failure to meet the agreed objectives. The Trustee monitors and manages these risks factors through measures specific to each risk on a quarterly basis.</p>

Policy	Has the policy been followed?	Evidence
Responsible Investment (including ESG factors) and non-financial matters (1/2)		
<p>The Trustee is committed to being a responsible investor in line with its legal duties under the Investment Regulations. Responsible Investment is an approach which seeks to integrate ESG considerations into investment management and ownership practices.</p>	<p>Yes, the Trustee is satisfied that this policy has been followed.</p>	<p>The RI Framework outlines the policies that relate the Trustee’s duties under the Investment Regulation, including its approach to voting, engagement and climate risk.</p> <p>The Trustee publishes the following in the RI section of TPT’s website, further highlighting its commitment:</p> <ul style="list-style-type: none"> • the latest Task Force on Climate-related Financial Disclosures (“TCFD”) report; • a list of membership/signatories to relevant bodies.
Responsible Investment (including ESG factors) and non-financial matters (2/2)		
<p>The Trustee Board delegates responsibility for implementation of the RI Framework to the IC. In order to ensure the ongoing suitability of the Trustee’s approach to Responsible Investment the RI Framework is reviewed annually by both the IC and the Trustee Board.</p>	<p>Yes, the Trustee is satisfied that this policy has been followed.</p>	<p>For the period under review, the RI Framework was reviewed on 13 October 2022 and again on 8 December 2022. No material changes were made.</p>

Policy	Has the policy been followed?	Evidence
Fund Manager Selection and Monitoring (1/2)		
<p>The Trustee incorporates its expectations on ESG and climate change in the manager selection process to ensure that it understands the extent to which ESG is integrated into the investment philosophy and process. It also incorporates specific requirements for ESG capabilities and reporting into its operational due diligence and into the Investment Management Agreements put in place which are tailored according to the particular mandate.</p>	<p>Yes, the Trustee is satisfied that this policy has been followed.</p>	<p>IMAs for several mandates incorporate specific requirements for ESG capabilities and reporting. The requirements include:</p> <ul style="list-style-type: none"> • consideration of climate risk in decision making. • exclusion of controversial weapons. • commitment to provide ESG reporting. • commitment to incorporate relevant ESG factors into decision making and provide ESG reporting.
Fund Manager Selection and Monitoring (2/2)		
<p>The Investment Management Team (“IMT”) discusses the approach of the Trustee’s incumbent managers to stewardship, climate change and ESG risks as part of the manager monitoring process and requires the managers to report back on their Responsible Investment activities on a regular basis.</p>	<p>Yes, the Trustee is satisfied that this policy has been followed.</p>	<p>The managers’ report on their RI activities, including their approach to stewardship, climate change and ESG risks via annual reviews.</p>
<p>The IR manager ratings are reported on a quarterly basis to the IC as an integrated part of its manager monitoring dashboard.</p>	<p>Yes, the Trustee is satisfied that this policy has been followed.</p>	<p>The IMT acts on behalf of the Trustee and reporting is done on a quarterly basis via a manager dashboard system.</p>

Policy	Has the policy been followed?	Evidence
Environmental, Social and Governance Factors (1/2)		
<p>The Trustee will review the carbon risk at both the over-arching portfolio and underlying fund level on a regular basis to understand where risks might arise. This review may include carbon foot printing, scenario analysis and the use of other metrics. Where appropriate, this analysis will be used to inform our long-term investment strategy and also to meet the disclosure requirements that the Trustee has committed to by signing the Montreal Pledge. The Trustee is also committed to working towards compliance with the recommendations made by the Financial Stability Board (“FSB”) TCFD and will use the guidance it sets out for asset owners as the framework for reporting on climate change.</p>	<p>Yes, the Trustee is satisfied that this policy has been followed.</p>	<p>Over the reporting period, the Trustee conducted climate scenario analysis to stress-test the Trustee’s DB portfolio against climate-change risks. The Trustee tested the portfolios against three scenarios; Orderly Net Zero, Disorderly Net Zero and a Failed Transition. This scenario analysis was completed in compliance with the TCFD reporting guidance.</p> <p>The Trustee also conducted carbon foot printing of the DB portfolio in order to quantify climate risk.</p>
Environmental, Social and Governance Factors (2/2)		
<p>The Trustee incorporates climate change expectations and reporting requirements into new mandates where appropriate and makes sure this is part of ongoing manager monitoring and reporting. The Trustee will actively encourage its managers to consider reporting in line with the FSB TCFD recommendations.</p>	<p>Yes, the Trustee is satisfied that this policy has been followed.</p>	<p>Specific ESG and climate change expectations were considered when appointing these new mandates.</p>

Policy	Has the policy been followed?	Evidence
Social Factors		
<p>The Trustee carries out regular reviews of its portfolio to ensure adherence with its approach to restricting investments in controversial weapons.</p>	<p>Yes, the Trustee is satisfied that this policy has been followed.</p>	<p>The Trustee ensures that adherence to the approach to restricting investments in controversial weapons is written into the relevant IMAs. The RI Framework includes the criteria for identifying companies in which investment should be avoided. For the period under review, the Framework was reviewed on 13 October 2022 and again on 8 December 2022.</p>
Governance Factors		
<p>The Trustee will assess companies in its portfolio of assets for breaches of generally recognised responsibilities and norms under the United Nations Global Compact and UN treaties and for other behaviours which are deemed unsustainable, considering the risks specific to the relevant sector(s) in which the company operates. The Trustee may use one or more external screening agent(s) to assist in this review.</p>	<p>Yes, the Trustee is satisfied that this policy has been followed.</p>	<p>The Trustee is aware that the assessment of companies in its portfolio of assets for breaches of generally recognised responsibilities and norms under the UN treaties is an evolving area.</p> <p>The Trustee has actively engaged in training sessions on wider RI practices, which will inform TPT's implementation of this policy in the future.</p>

Policy	Has the policy been followed?	Evidence
Engagement (1/2)		
<p>There may be occasions when engagement topics identified by the Trustee overlap with engagement efforts of its investment managers. In these situations, the Trustee will seek to undertake joint engagement activities with investment managers.</p>	<p>Yes, the Trustee is satisfied that this policy has been followed.</p>	<p>Although primary responsibility for corporate engagement activities is delegated to its investment managers, it is part of the Trustee’s policy to consider undertaking joint engagement activities with investment managers when relevant. The Trustee is also a member of several collaborative engagement initiatives – many of which managers are also signatories of which strengthens the collective voice.</p>
Engagement (2/2)		
<p>The Trustee recognises that, as a responsible asset owner, it should, wherever practicable given time and resources, support initiatives which aim to improve the regulatory and operational environment for all investors. As part of this, the Trustee will participate in collaborative engagements with other asset owners which it sees as furthering the aims and objectives of its investment beliefs and its RI Framework. As part of its effort in this area, the Trustee is committed to joining collaborative engagements through its association with organisations such as the PRI, the PLSA, and the Institutional Investors Group on Climate Change (“IIGCC”). This list is not considered to be exhaustive.</p>	<p>Yes, the Trustee is satisfied that this policy has been followed.</p>	<p>The Trustee remains a signatory of the PRI.</p> <p>The Trustee joined several industry initiatives including the 30% Club, the Investor Alliance on Human Rights, Climate Action 100+, and the Investor Policy Dialogue on Deforestation.</p>

Policy	Has the policy been followed?	Evidence
Codes and Industry Initiatives		
<p>The Trustee also aims to engage on relevant policy issues alongside other like-minded, responsible investors. To support the Trustee’s work in this regard it is a member of the IIGCC and the UK Sustainable Investment and Finance Association (“UKSIF”).</p>	<p>Yes, the Trustee is satisfied that this policy has been followed.</p>	<p>The Trustee remains a member of the IIGCC and UKSIF.</p>
Non-financial Matters		
<p>The Trustee will review its policy on non-financial matters on an annual basis.</p>	<p>Yes, the Trustee is satisfied that this policy has been followed.</p>	<p>TPT2016 have an Ethical Investment Framework that was adopted following consultation with key member organisations. The framework is aimed applying a standard set of ethical criteria to TPT2016’s Ethical Funds to address ethical preferences that have been highlighted to TPT2016 as being important to some member organisations, and likely shared by a sub-set of members. For the period under review, the RI Framework was reviewed on 13 October 2022 and again on 8 December 2022. No material changes were made.</p>
Compliance		
<p>The IC requires all investment managers to confirm, through their reporting, that the investments are diversified and suitable, and that they have complied with the principles set out in the DB SIP. The Trustee will review the DB SIP annually and without delay after any significant change in investment policy.</p>	<p>Yes, the Trustee is satisfied that this policy has been followed.</p>	<p>The SIP was updated before 1 October 2019 to reflect the Trustee’s view on stewardship and financially material risks such as ESG, including climate change.</p> <p>Subsequent revisions to the SIP were published on an annual basis to comply with further regulatory changes.</p>

Overview of the Trustee's voting and engagement policies

Voting

TPT aims to vote its shares in all markets where practicable. In the normal course of events it delegates this activity to its investment managers.

That said, TPT retains the right (where possible) to direct its investment managers to vote in a particular way which it believes is in the best interest of its members. TPT expects its managers to use their best endeavours to facilitate the implementation of client voting decisions. This right is most noteworthy in situations where the voting decision taken on a resolution would enable TPT to better implement the commitments set out within this Framework.

TPT expects its investment managers to exercise its voting rights, on behalf of TPT, in line with this document and/or consistent with the Corporate Governance Policy and Voting Guidelines issued by the Pension and Lifetime Savings Association (PLSA). Although the PLSA guidelines focus solely on voting at UK companies, they reference support for the G20/ OECD Corporate Governance Principles and the ICGN Global Governance Principles. TPT expects its investment managers to use these guidelines when voting in markets outside the UK. In some cases where TPT deems the Investment Manager to have voting policies that better reflect TPT's approach to Responsible Investment than those set out by the PLSA, the IMT may choose to instruct the Investment Manager to vote in line with the Investment Manager's own policy.

TPT has an active securities lending programme which can sometimes prevent it from voting all of its shares. Where there is a contentious vote or a vote relating to TPT's engagement activities, TPT may choose to recall or restrict the amount of stock lent. This decision will be considered on a case by case basis with counsel from the relevant investment manager(s).

The Trustee has not set up an expression of wish on voting but takes stewardship into account in selecting, monitoring and retaining its investment managers. Investment managers are required to submit data on a quarterly basis regarding their recent voting activities. This data is reviewed and meetings are held in order to discuss alignment with our stewardship priorities and preferred approach to determine significant votes.

Engagement

TPT's approach to engagement applies to equity and corporate bond holdings and consists of four elements:

Engagement by investment managers: TPT delegates primary responsibility for its corporate engagement activities to its investment managers. TPT believes that investment managers are best placed to engage with invested companies on ESG matters, given their knowledge of the company and the level of access they have to company management. This is a pragmatic approach because of the number of stocks owned by TPT, and the amount of time corporate entities have available for single investors. TPT expects its managers to engage on environmental, social and governance matters where they are considered material and relevant to the investment case. It also expects its managers to respond to specific requests the TPT might have.

Joint engagements with investment managers: There may be occasions when engagement topics identified by TPT overlap with engagement efforts of its investment managers. In these situations, TPT will seek to undertake joint engagement activities with investment managers. TPT believes that by having both an asset owner and an investment manager at the table to talk about an issue, significant weight is added to the discussion.

Collaborative engagements: TPT recognises that as a responsible asset owner, it should, wherever practicable given time and resources, support initiatives which aim to improve the regulatory and operational environment for all investors. As part of this, TPT will participate

in collaborative engagements with other asset owners which it sees as furthering the aims and objectives of its investment beliefs and its Responsible Investment Framework. As part of its efforts in this area TPT is committed to joining collaborative engagements through

its association with organizations such as the PRI, the PLSA and the Institutional Investors Group on Climate Change (IIGCC). This list is not considered to be exhaustive.

Direct engagements

On occasions, an issue may arise where TPT believes it is necessary to directly engage with companies on particular ESG related issues.

Engagement priorities

TPT's corporate engagement priorities are based on an understanding of where material ESG risk lies in the portfolio. TPT asks its investment managers to report back on their engagement activities on a periodic basis.

Communication and reporting

TPT provides regular updates on how it implements this Framework to the Investment Committee. It also publishes information on its website as part of its annual update on Responsible Investment.

TPT also shares information on its Responsible Investment activities via regular member and employer reporting channels.

How have the policies been followed for TPT?

The Trustee recognises the value of voting and engagement as tools for influencing corporate behaviour in addition to protecting the financial value of investments. As part of its wider due diligence of the implementation of investment strategies, the Trustee requests information to demonstrate that each manager is exercising good stewardship and undertakes a dialogue with the relevant investment managers to ensure that the voting and engagement they undertake on behalf of TPT is consistent with its Responsible Investment Framework.

The following sections describe the voting activity undertaken by the investment managers on TPT's behalf, which was reflective of the Trustee's policy with high voting rates, voting behaviour consistent with corporate governance best practice and a strong climate focus, which is a key stewardship priority for the Trustee.

Voting Statistics

Investment Manager	Legal and General Investment Management							Man Group	Ownership Capital
	Ethical UK Equity Index	Ethical Global	UK Equity Index	North America Equity Index	Europe (ex UK) Equity Index	Asia Pacific (ex Japan) Developed Equity Index	Japan Equity Index		
Fund								Man Risk Premia SPC	Long-Horizon Equity
How many meetings were you eligible to vote at?	240	1135	660	559	486	429	503	668	20
How many resolutions were you eligible to vote on?	4427	16486	10239	7628	8045	3091	6032	8417	324
What % of resolutions did you vote on for which you were eligible?	99.98%	99.90%	99.98%	99.76%	99.91%	100.00%	100.00%	96.59%	100.00%
Of the resolutions on which you voted, what % did you vote with management?	94.37%	81.36%	94.30%	65.11%	81.18%	73.70%	88.06%	79.41%	86.00%
Of the resolutions on which you voted, what % did you vote against management?	5.63%	18.44%	5.70%	34.88%	18.40%	26.30%	11.94%	20.18%	11.00%
Of the resolutions on which you voted, what % did you vote to abstain?	0.00%	0.20%	0.00%	0.01%	0.42%	0.00%	0.00%	0.50%	3.00%
In what % of meetings, for which you did vote, did you vote at least once against management?	44.77%	75.42%	41.49%	98.03%	80.86%	75.29%	70.38%	73.50%	85.00%
What % of resolutions, on which you did vote, did you vote contrary to the recommendation of your proxy adviser? (if applicable)	4.29%	13.93%	4.50%	28.70%	11.01%	16.40%	9.71%	11.77%	9.00%

Voting Statistics

Investment Manager	RBC Global Asset Management			Ruffer LLP	Sands Capital Management
	Emerging Markets Equity SRI	Emerging Markets Equity ex-China	China Equity	PEN008	Global Growth
How many meetings were you eligible to vote at?	72	67	56	30	36
How many resolutions were you eligible to vote on?	679	627	483	421	406
What % of resolutions did you vote on for which you were eligible?	100.00%	100.00%	100.00%	100.00%	100.00%
Of the resolutions on which you voted, what % did you vote with management?	93.52%	93.78%	88.20%	92.87%	96.30%
Of the resolutions on which you voted, what % did you vote against management?	6.48%	6.22%	11.80%	3.57%	3.70%
Of the resolutions on which you voted, what % did you vote to abstain?	2.50%	6.54%	0.00%	3.56%	0.00%
In what % of meetings, for which you did vote, did you vote at least once against management?	33.33%	35.82%	41.07%	43.3%	22.20%
What % of resolutions, on which you did vote, did you vote contrary to the recommendation of your proxy adviser? (if applicable)	2.21%	2.39%	0.00%	7.6%	14.00%

Most Significant Votes

Asset Manager	Legal and General Investment Management	Legal and General Investment Management
Company name	Glencore Plc	Experian Plc
Date of vote	2023-05-26	2023-07-19
Approximate size of fund's/mandate's holding as at the date of the vote	2.41%	1.17%
Summary of the resolution	Resolution 19: Shareholder resolution "Resolution in Respect of the Next Climate Action Transition Plan"	Resolution 14: Re-elect Mike Rogers as Director
How you voted	For	Against
Where you voted against management, did you communicate your intent to the company ahead of the vote?	LGIM co-filed this shareholder resolution and pre-declared its vote intention for this meeting on the LGIM Blog. As part of this process, there was regular communication with the company ahead of the meeting.	LGIM publicly communicates its vote instructions on its website the day after the company meeting, with a rationale for all votes against management. It is our policy not to engage with our investee companies in the three weeks prior to an AGM.
Rationale for the voting decision	In 2021, Glencore made a public commitment to align its targets and ambition with the goals of the Paris Agreement. However, it remains unclear how the company's planned thermal coal production aligns with global demand for thermal coal under a 1.5°C scenario. Therefore, LGIM has co-filed this shareholder proposal (alongside Ethos Foundation) at Glencore's 2023 AGM, calling for disclosure on how the company's thermal coal production plans and capital allocation decisions are aligned with the Paris objectives. This proposal was filed as an organic escalation following our multi-year discussions with the company since 2016 on its approach to the energy transition.	Diversity: A vote against is applied due to the lack of gender diversity at executive officer level. LGIM expects executives officers to include at least 1 female.
Outcome of the vote	Fail	Pass
Implications of the outcome	LGIM will continue to engage with the company and monitor progress.	LGIM will continue to engage with our investee companies, publicly advocate our position on this issue and monitor company and market-level progress.
On which criteria have you assessed this vote to be "most significant"?	Pre-declaration and Engagement: LGIM considers this vote to be significant as LGIM co-filed this shareholder resolution as an escalation of our engagement activity, targeting some of the world's largest companies on their strategic management of climate change.	Thematic - Diversity: LGIM views gender diversity as a financially material issue for our clients, with implications for the assets we manage on their behalf.

Most Significant Votes

Asset Manager	Legal and General Investment Management	Man Group
Company name	InterContinental Hotels Group Plc	Mitsubishi Corporation
Date of vote	2023-05-05	06/2023
Approximate size of fund's/mandate's holding as at the date of the vote	0.39%	N/D
Summary of the resolution	Resolution 5d - Re-elect Graham Allan as Director	Shareholder Proposal Regarding Aligning Business Strategy to the Paris Agreement
How you voted	Against	Against Management
Where you voted against management, did you communicate your intent to the company ahead of the vote?	LGIM publicly communicates its vote instructions on its website the day after the company meeting, with a rationale for all votes against management. It is our policy not to engage with our investee companies in the three weeks prior to an AGM.	No
Rationale for the voting decision	Deforestation Policy: A vote against is applied as the company is deemed to not meet minimum standards with regard to LGIMs deforestation policy.	Favour increased disclosure
Outcome of the vote	Pass	Fail
Implications of the outcome	LGIM will continue to engage with our investee companies, publicly advocate our position on this issue and monitor company and market-level progress.	Man's policy is particularly supportive of positive environmental and social-related shareholder proposals and the Stewardship Team reviews all shareholder proposals to ensure that our voting instructions are appropriate and aligned with the promotion of higher ESG principles and standards. We think that active voting, particularly through shareholder proposals, is essential to our stewardship responsibilities and a powerful way of making our investee companies to think and act on important topics.
On which criteria have you assessed this vote to be "most significant"?	Thematic - Nature: LGIM considers this vote to be significant as it is applied under our engagement program on deforestation, targetting companies in high-risk sectors.	ESG Shareholder proposal

Most Significant Votes

Asset Manager	Man Group	Ownership Capital
Company name	Metro Inc	Bio-Techne
Date of vote	1/24/2023	27/10/2022
Approximate size of fund's/mandate's holding as at the date of the vote	N/D	3.40%
Summary of the resolution	Shareholder Proposal Regarding Human Rights Impact Assessment	Advisory Vote to Ratify Named Executive Officers' Compensation
How you voted	For	Against
Where you voted against management, did you communicate your intent to the company ahead of the vote?	No	Yes
Rationale for the voting decision	Favor improved human/political rights policies/disclosure.	Amongst other topics, we had engaged with the company regarding the adoption of a clear clawback policy, and we were encouraged to see this achieved. However, we also engaged on the addition of a returns based performance metric such as ROIC/ROI/ROA, for its LTIPS. This has not been achieved and the metrics still remain the same across its long term and short term awards. As such we vote Against. Performance based awards and Time based awards also sit at 50% / 50% weighting for short term and long term awards which is suboptimal.
Outcome of the vote	Fail	For
Implications of the outcome	Man's policy is particularly supportive of positive environmental and social-related shareholder proposals and the Stewardship Team reviews all shareholder proposals to ensure that our voting instructions are appropriate and aligned with the promotion of higher ESG principles and standards. We think that active voting, particularly through shareholder proposals, is essential to our stewardship responsibilities and a powerful way of making our investee companies to think and act on important topics.	Man's policy is particularly supportive of positive environmental and social-related shareholder proposals and the Stewardship Team reviews all shareholder proposals to ensure that our voting instructions are appropriate and aligned with the promotion of higher ESG principles and standards. We think that active voting, particularly through shareholder proposals, is essential to our stewardship responsibilities and a powerful way of making our investee companies to think and act on important topics.
On which criteria have you assessed this vote to be "most significant"?	ESG Shareholder proposal	Appropriate compensation is a key element for appropriate governance. If we deem thresholds are too simplistic it is our right as shareholders to try and remedy that.

Most Significant Votes

Asset Manager	Ownership Capital	RBC Global Asset Management
Company name	Edwards Lifesciences	Raia Drogasil
Date of vote	11/05/2023	04/19/2023
Approximate size of fund's/mandate's holding as at the date of the vote	5.30%	1.9%
Summary of the resolution	Require Independent Board Chair	Elect Directors
How you voted	Against	Against
Where you voted against management, did you communicate your intent to the company ahead of the vote?	No	No
Rationale for the voting decision	The company has split the CEO and Chairman role with the retirement of the long-standing CEO. The company has also maintained the position of lead independent director in the board which we deem sufficient.	A vote AGAINST this item is warranted because: * The proposed board's level of independence fails to meet the expectations of institutional investors; and * The company has bundled the election of directors under a single item, preventing shareholders from voting individually on each nominee.
Outcome of the vote	Fail	Pass
Implications of the outcome	We will continue to encourage best-in-class governance structure	No specific implications.
On which criteria have you assessed this vote to be "most significant"?	This is significant because board refresh and diversity ensure appropriate oversight, independence and improved governance.	Based on the impact to shareholder rights.

Most Significant Votes

Asset Manager	Sands Capital Management	Sands Capital Management
Company name	CP All Public Company Limited	Amazon.com, Inc.
Date of vote	21/04/2023	24/05/2023
Approximate size of fund's/mandate's holding as at the date of the vote	0.70%	4.90%
Summary of the resolution	Elect Prasert Jarupanich, Pittaya Jearavisitkul, Piyawat Titasattavorakul, Umroong Sanphasitvong, and Narong Chearavanont as Directors	Human Rights Risk Assessment
How you voted	Against	For
Where you voted against management, did you communicate your intent to the company ahead of the vote?	Yes	No. We engaged with the company on the topics of labour, health and safety before the vote.
Rationale for the voting decision	All 5 board nominees are considered insiders, which led to our vote against them. We have engaged with CP All on board independence since 2014 with no real progress. Governance concerns at CP All subsequently led to the decision to exit our position in the company.	We believe this issue has reached a level of importance, where a report could be useful. While we agree that Amazon is committed to responsibly using its technology products and services, and has taken steps to address illegal and discriminatory use, the primary mechanism has been through customer contractual requirements and policies. Given the proliferation and importance of artificial intelligence and machine learning, this topic is one where Amazon has an opportunity to be a thought leader through transparency.
Outcome of the vote	Pass	Fail
Implications of the outcome	This was an escalation after a few years of engagement on the topic.	Similar to last year, we will continue to monitor this issue and if needed, continue our engagement with the company.
On which criteria have you assessed this vote to be "most significant"?	The criteria we selected to assess the "significance" of the vote were the dissent level, shareholder proposals we voted FOR, times we voted AGAINST management or ISS, historical votes on similar proposals, and overall relevance to the strategy.	The criteria we selected to assess the "significance" of the vote were the dissent level, shareholder proposals we voted FOR, times we voted AGAINST management or ISS, historical votes on similar proposals, and overall relevance to the strategy.

Voting Policy Analysis

Investment Manager	Legal and General Investment Management
<p>What is your policy on consulting with clients before voting?</p>	<p>LGIM’s voting and engagement activities are driven by ESG professionals and their assessment of the requirements in these areas seeks to achieve the best outcome for all our clients. Our voting policies are reviewed annually and take into account feedback from our clients.</p> <p>Every year, LGIM holds a stakeholder roundtable event where clients and other stakeholders (civil society, academia, the private sector and fellow investors) are invited to express their views directly to the members of the Investment Stewardship team. The views expressed by attendees during this event form a key consideration as we continue to develop our voting and engagement policies and define strategic priorities in the years ahead. We also take into account client feedback received at regular meetings and/ or ad-hoc comments or enquiries.</p>
<p>Please provide an overview of your process for deciding how to vote.</p>	<p>All decisions are made by LGIM’s Investment Stewardship team and in accordance with our relevant Corporate Governance & Responsible Investment and Conflicts of Interest policy documents which are reviewed annually. Each member of the team is allocated a specific sector globally so that the voting is undertaken by the same individuals who engage with the relevant company. This ensures our stewardship approach flows smoothly throughout the engagement and voting process and that engagement is fully integrated into the vote decision process, therefore sending consistent messaging to companies.</p>
<p>How, if at all, have you made use of proxy voting services?</p>	<p>LGIM’s Investment Stewardship team uses ISS’s ‘ProxyExchange’ electronic voting platform to electronically vote clients’ shares. All voting decisions are made by LGIM and we do not outsource any part of the strategic decisions. Our use of ISS recommendations is purely to augment our own research and proprietary ESG assessment tools. The Investment Stewardship team also uses the research reports of Institutional Voting Information Services (IVIS) to supplement the research reports that we receive from ISS for UK companies when making specific voting decisions.</p> <p>To ensure our proxy provider votes in accordance with our position on ESG, we have put in place a custom voting policy with specific voting instructions. These instructions apply to all markets globally and seek to uphold what we consider are minimum best practice standards which we believe all companies globally should observe, irrespective of local regulation or practice.</p> <p>We retain the ability in all markets to override any vote decisions, which are based on our custom voting policy. This may happen where engagement with a specific company has provided additional information (for example from direct engagement, or explanation in the annual report) that allows us to apply a qualitative overlay to our voting judgement. We have strict monitoring controls to ensure our votes are fully and effectively executed in accordance with our voting policies by our service provider. This includes a regular manual check of the votes input into the platform, and an electronic alert service to inform us of rejected votes which require further action.</p>
<p>Voting Policy Document</p>	<p><u>Yes</u></p>

Voting Policy Analysis

Investment Manager	Man Group
<p>What is your policy on consulting with clients before voting?</p>	<p>As part of our commitment to stewardship, we maintain a custom voting policy. Our custom voting policy seeks to encourage good corporate governance practices and promote ESG standards, whilst taking into consideration both company specific circumstances and broader market differences. We understand that not all companies can fit a single model of governance and that best practice, regulatory requirements and corporate governance codes within different markets require a balanced and bespoke voting approach. We endeavour to conduct a fair level of research and consider the context and explanations provided by investee companies when making voting decisions. Nevertheless, our voting policy also comprises global best practice guidelines and areas of focus that we believe should be considered across all regions. Our aim is to vote at all meetings for our holdings where we have the legal right to do so. Where applicable, we will vote in accordance with our custom voting policy, unless specifically instructed to vote otherwise by a Portfolio Management Team or Client. If a Portfolio Management Team or Client provides Man Group with specific instructions as to the manner in which a proxy should be voted, we will follow such instructions.</p>
<p>Please provide an overview of your process for deciding how to vote.</p>	<p>As stated, we follow our custom voting policy when determining how to vote, unless we receive specific instructions from a Portfolio Management Team or Client. Given the number and diversity of investment teams at Man Group, we recognise that situations may arise in which investment teams form differing opinions on a proxy vote. In such circumstance, Man Group maintains a process designed to consider all perspectives, weighing them against management recommendations, recommendations from our proxy vote provider, the advice of Man Group's Stewardship Team and, when required, guidance from our Stewardship Committee, in order to arbitrate a decision that is transparent and in line with best practice. Man Group's Stewardship Team maintains documentation of all proxy voting decisions which are contrary to Man Group's custom voting policy. These are reviewed by the Stewardship Committee on a quarterly basis.</p>
<p>How, if at all, have you made use of proxy voting services?</p>	<p>Information and Recommendations - Man Group appointed Glass Lewis as its proxy service provider. We use Glass Lewis's voting platform 'Viewpoint' to vote our shares electronically, receive research reports and custom voting recommendations. We have monitoring controls in place to ensure that the recommendations provided are in accordance with our custom voting policy and that our votes are timely and effectively instructed. Specifically, our voting framework employs screening to identify high-value positions and the Stewardship Team manually reviews the pre-populated votes for such positions. In addition to this manual check, we also have in place electronic alerts to inform us of votes against our policy, votes that need manual input and rejected votes that require further action.</p>
<p>Voting Policy Document</p>	<p>Yes</p>

Voting Policy Analysis

Investment Manager	Ownership Capital
What is your policy on consulting with clients before voting?	Because we view voting as one of our engagement tools, we currently vote our own shares according to our own guidelines. This makes us less prone to mistakes and more consistent with our dialogue with the management teams of our portfolio companies. However, we are always open to discussing voting with our clients, if requested.
Please provide an overview of your process for deciding how to vote.	Our investment team decides how to vote based on the firm's view of corporate governance best practice and our knowledge of each company's business situation. We supplement this through an ongoing dialogue with management. The recommendations are collected by one member of the investment team, responsible for the screening of the recommendations against the internal voting policy and checking for consistency against previous voting activity. Once this screening is successfully performed, the voting instructions are sent to the proxy voting platform.
How, if at all, have you made use of proxy voting services?	We use the ISS platform for voting and reporting.
Voting Policy Document	Yes

Voting Policy Analysis

Investment Manager	RBC Global Asset Management
What is your policy on consulting with clients before voting?	RBC Global Asset Management (RBC GAM)'s final voting decisions are independent and voting rests solely with RBC GAM. In order to ensure that our votes are entered with our clients' best interests in mind, the RBC GAM Responsible Investment (RI) team reviews every voting proposal to ensure that proxy advisory firm's recommendation reflects our Guidelines' intention.
Please provide an overview of your process for deciding how to vote.	<p>Our internal expertise and leading independent research firms have established our Proxy Voting Guidelines to govern the exercise of our voting rights. We review and update our Guidelines on an ongoing basis as corporate governance best practices evolve.</p> <p>Our Guidelines are published for the information of our clients and to assist issuers in understanding the message we have sent or intend to send through the exercise of proxy voting rights.</p> <p>While we will generally vote proxies in accordance with the Guidelines, there may be circumstances where we believe it is in the best interests of our clients for us to vote differently than as contemplated by the Guidelines, or to withhold a vote or abstain from voting.</p> <p>In the event of a perceived or actual conflict of interest involving the exercise of proxy voting rights, we follow procedures to ensure that a proxy is exercised in accordance with our Guidelines, uninfluenced by considerations other than the best interests of our portfolios. Please refer to our proxy voting guidelines for details of specific factors we consider when voting.</p>
How, if at all, have you made use of proxy voting services?	<p>RBC GAM retains the services of Institutional Shareholder Services (ISS) to provide proxy research and issue custom voting recommendations based on our Guidelines. We make each voting decision independently, in accordance with our Proxy Voting Guidelines. These custom guidelines provide an overview of the principles we support and how we will vote on particular issues. They are updated yearly to reflect our views on emerging trends in corporate governance and responsible investment.</p> <p>In addition to research provided by ISS, RBC GAM has also retained Glass Lewis & Co. to provide proxy research.</p>
Voting Policy Document	Yes

Voting Policy Analysis

Investment Manager	Ruffer LLP
What is your policy on consulting with clients before voting?	Ruffer, as a discretionary investment manager, does not have a formal policy on consulting with clients before voting. However, we can accommodate client voting instructions for specific areas of concerns or companies where feasible.
Please provide an overview of your process for deciding how to vote.	Please see Ruffer's Responsible Investment policy: https://www.ruffer.co.uk/-/media/ruffer-website/files/downloads/esg/ruffer-ri-policy.pdf
How, if at all, have you made use of proxy voting services?	<p>Ruffer's proxy voting advisor is Institutional Shareholder Services (ISS). We have developed our own internal voting guidelines, however we take into account issues raised by ISS, to assist in the assessment of resolutions and the identification of contentious issues. Although we are cognisant of proxy advisers' voting recommendations, we do not delegate or outsource our stewardship activities when deciding how to vote on our clients' shares.</p> <p>Each research analyst, supported by our responsible investment team, reviews the relevant issues on a case-by-case basis and exercises their judgement, based on their in-depth knowledge of the company. If there are any controversial resolutions, a discussion is convened with senior investment staff and, if agreement cannot be reached, there is an option to escalate the decision to the Head of Research or the Chief Investment Officer.</p> <p>As discussed above, we do use ISS as an input into our decisions. In the 12 months to 30 September 2023, of the votes in relation to holdings in the Ruffer Absolute Return Fund we voted against the recommendation of ISS 7.62% of the time.</p>
Voting Policy Document	Yes

Final Remarks

The reporting period for this Statement covers 1st October 2022 to 30th September 2023. Any actions undertaken by the Trustee after this date will be covered in the next Statement.