

Aviva Retail Master Trust Trustee Annual Report

for the period
ended 31 May 2024

 AVIVA



Registered number PB391941

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Trustee Annual Report

Dated: 31 May 2024

Scheme Name:	Aviva Retail Master Trust (the “Scheme”) Building 12 Cherrywood Business Park Loughlinstown Dublin 18 D18W2P5
Trustee:	Aviva Retail Master Trust Ireland DAC (the “Trustee”) Address as listed above
Sponsor:	Aviva Life & Pensions Ireland DAC (the “Sponsor”) Address as listed above
Registered Administrator (the “RA”) & Administrator:	Aviva Life & Pensions Ireland DAC Address as listed above
Risk Key Function Holder:	John Lynch, LCP Office 2, Grand Canal Wharf South Dock Road Dublin D04 H583
Internal Audit Key Function Holder:	Nuala Crimmins, Grant Thornton 13 - 18 City Quay Dublin D02 ED70
Participating Employers:	The list of participating employers has been reviewed by the Trustee. The Trustee is satisfied that it reflects all participating employers. Confirmation of participation of a specific employer can be provided to members employed by the relevant employer on request.
Investment Managers:	Aviva Life & Pensions Ireland DAC Aviva Investors Legal & General Investment Managers (LGIM) Cantor Fitzgerald Asset Management DWS Columbia Threadneedle Investments abrdrn For the Self-Directed Investment Option (SDIO), product providers are BCP, Greenman and Broker Solutions and Cantor Fitzgerald
Auditor:	Forvis Mazars Block 3 Harcourt Centre Harcourt Road Dublin 2
Solicitor:	Eversheds Sutherland Earlsfort Terrace, Dublin 2 D02 X668
Reporting Period:	7 November 2022 to 31 May 2024 (the “Reporting Period”)

Introduction

The Trustee has instructed the RA to prepare this Trustee Annual Report (the “Report”). The Report meets the requirements of the Occupational Pension Schemes (Disclosure of Information) (Amendment) Regulations, 2006 [S.I. No. 582 of 2006], as amended (the “Disclosure Regulations”). A similar report will be prepared in respect of subsequent Scheme periods.

Description of the Scheme

The Scheme is established under trust and is governed by a Definitive Trust Deed (“the Trust Deed”) and Rules (“the Rules”) dated 7th November 2022. The Scheme is a defined contribution arrangement for the purposes of the Pensions Act, 1990 and operates as a ‘Master Trust’ established by the Sponsor.

The Scheme has been approved by the Revenue Commissioners under reference SF122859 and has been registered with the Pensions Authority under PB391941.

General Scheme Information

Trustee:

The Trustee of the Scheme during the Reporting Period was:

Name: Aviva Retail Master Trust Ireland DAC

Address: Building 12
Cherrywood Business Park
Loughlinstown
Dublin 18

The Trustee acting at the date the report was signed is **Aviva Retail Master Trust Ireland DAC**.

The Company Directors of Aviva Retail Master Trust Ireland DAC are

1. **Dave Cooney**
2. **Brian Hosford**

Enquiries:

Please refer any enquiries about the Scheme in general or your individual entitlement to benefit under the Scheme to your HR Manager in the first instance or contact Aviva at the above address.

Contributions

Total Contributions received by the Scheme during the Reporting Period.

These contributions have been invested as contributions paid to one or more policies of assurance issued by the Sponsor to the Trustee.

	Total Amount Received €	Employer €	Employee €	AVC €
Regular Contributions	60,094,113	52,204,483	6,640,296	1,249,334
Single Contributions	75,638,682	62,243,134	856,583	12,538,965
Transfer Contributions	232,127,730	203,089,365	29,038,365	-
Total	367,860,525	317,536,982	36,535,244	13,788,299

The Trustee has appropriate procedures in place to ensure that:

- › Contributions payable during the period covered by this report have been received by the Trustee either in accordance with Section 58A of the Pensions Act 1990 where applicable to the contributions and otherwise within 30 days of the end of the Reporting Period.

- › Contributions payable have been paid in accordance with the Rules of the Scheme.

Based on information available to Aviva Life & Pensions Ireland DAC at the date of preparation of this Report:

- › €6,792,139 of contributions paid were treated as being self-invested during the Reporting Period as they were due to the Scheme but were not remitted within 21 days from the end of the month in which the deduction was made.

- › €9,138 of contributions paid were treated as being self-invested during the Reporting Period as they were due to the Scheme but were not remitted within 30 days of the end of the Reporting Period.

The particulars of all self-investment (late and non-payment of contributions in line with the requirements of the Pensions Act) has been subject to audit and is subject to further ongoing review by the Trustee. The Trustee and Registered Administrator have put in place monitoring procedures to mitigate 30-day investment issues.

The specific investment dates for contributions paid are available for members within the contribution section of their Pension Benefit Statement.

Investment Report

All of the relevant benefits of the Scheme are secured under one or more policies of assurance issued by the Sponsor to the Trustee of the Scheme. The Rules of the Scheme allow the Trustee to invest the resources of the Scheme in accordance with directions given by the members.

A copy of the latest Statement of Investment Policy Principles applied to the resources of the Scheme is attached under Appendix I of this Report.

The accumulated value of the policy or policies of assurance issued by Aviva Life & Pensions Ireland DAC to the Trustee was determined at the last day of the Reporting Period covered by this Report, by reference to the value of units in the pension unit fund(s) maintained by Aviva Life & Pensions Ireland DAC. The investment manager’s report is included in this report.

A summary of each investment fund is attached in conjunction with this Report.

Fund Charges

The funds are subject to an annual fund charge ranging from 0.30% to 1.85% p.a. The unit price of the funds as published allows for the accrual of this annual charge. Where a fund invests in another fund(s), additional charges may apply. These charges may vary depending on the specific investments in each fund. Where these charges are applied, they are reflected in the unit price. The fund charge does not include an estimated charge to reflect this. Apart from these charges there are no other investment manager costs borne by the Scheme.

Fund Managers

Aviva Life & Pensions Ireland DAC has appointed

- › Aviva Life & Pensions Ireland DAC
- › Aviva Investors
- › Legal & General Investment Managers (LGIM)
- › Cantor Fitzgerald Asset Management
- › DWS
- › Columbia Threadneedle Investments
- › abrdn

To manage the assets of the funds on its behalf.

For the Self-Directed Investment Option (SDIO), product providers are BCP, Greenman and Broker Solutions and Cantor Fitzgerald

Scheme Membership

	As at 31/05/2024
The number of members in reckonable service:	5,560
The number of members with preserved benefits:	180
Total members covered for death benefits only:	-



Training for Trustee, access to Trustee Handbook and Guidance Notes

The Trustee has access to appropriate training on their duties and responsibilities as trustee of the Scheme. No costs or expenses incurred in relation to such trustee training were met out of the resources of the Scheme in the Reporting Period.

A register of relevant training courses is available to trustees from the Pensions Authority on request (www.pensionsauthority.ie).

The Trustee and the persons charged with the administration of the Scheme have access to the Trustees Handbook produced by the Pensions Authority and the Guidance Notes issued by the Pensions Authority from time to time in accordance with Section 10 of the Pensions Act, 1990.

The Trustee has completed training in accordance with section 59AA of the Pensions Act 1990. The Pensions Act requirement is that every trustee must complete Trustee training every two years. A newly appointed Trustee must complete trustee training within six months of their appointment.

Procedure for Internal Resolution of Disputes

A copy of the procedures for dealing with complaints made by actual or potential beneficiaries of the Scheme and the resolution of disputes of fact or law between actual or potential beneficiaries and the persons responsible for the management of the Scheme is available on request from the Trustee. An information leaflet entitled “What can the Financial Services and Pensions Ombudsman do for you?” is available free of charge from the Financial Services and Pensions Ombudsman (www.fspo.ie).

Scheme Changes

Any change to the basic information about a specific section of the Scheme as it relates to particular participating employer(s) has been notified to members by the Trustee.

Pensions in Payment

There were no pensions paid during the Reporting Period from the Scheme resources, other than any which were fully purchased by an annuity policy.

Liability for pensions on Scheme wind-up

There are no pensions or pension increases being paid for which the Scheme would have a liability should it wind-up.

Members Right to Select or Approve the Selection of Trustees to the Scheme

Where a scheme has not less than 50 qualified members, qualified members have the right to select or approve the selection of one or more persons to be appointed as a trustee of the scheme subject to the terms of the Occupational Pension Schemes (Member Participation in the Selection of Persons for Appointment as Trustees) (No. 3) Regulations, 1996 [S.I. No. 376 of 1996].

Material Transactions with Related Parties

There have been no material transactions during the Reporting Period with related parties (within the meaning of Section 33 of Financial Reporting Standard (FRS) 102, “Related Party Disclosures”), such as scheme administrators, investment managers, management of participating employers, other schemes operated by the employer or other schemes with common trustees.

Copies of the “Financial Reporting Standard 102” are available from the Institute of Chartered Accountants in Ireland, Chartered Accountants House, 47-49 Pearse Street, Dublin 2. Alternatively log on to www.charteredaccountants.ie.

IORP II

The provisions of Directive (EU) 2016/2341 (“the IORP II Directive”) were transposed into Irish Law on 22 April 2021 through the European Union (Occupational Pension Schemes) Regulations, 2021 (“the IORP Regulations”). The IORP Regulations introduced new requirements and changes to the Pensions Act, 1990, as amended. The Trustee, with their advisers, have reviewed the requirements to ensure that the Trustee and the scheme fully comply with the IORP Regulations. The Pensions Authority had, in November 2021, published a Code of Practice (“the Code”) setting out what the Pensions Authority expects of trustees to meet their obligations under the IORP Regulations. The Trustee has reviewed this code of practice and are satisfied that the requirements of the code have been implemented.

Sustainable Finance Disclosure Regulations (“SFDR”)

Under SFDR, the Trustee is viewed as a financial market participant, whilst the Scheme is a financial product offered by the Trustee. Products under SFDR can be classified as those that have sustainable investment as its investment objective (Article 9) or those products that promote social or environmental characteristics, among other characteristic (Article 8).

Whilst the Scheme has not been classified under Article 8 or Article 9 of Regulation (EU) 2019/2088 (SFDR), the Trustee has made a number of investments which are classified under Article 8 or Article 9 available to members, the Trustee therefore makes the following disclosure:

Some of the investments underlying this financial product may be classified as either Article 8 or Article 9 under Regulation (EU) 2019/20288. Where an investment has been classified as either Article 8 or Article 9, all disclosures and sustainability information required will be provided by the administrator Aviva Life and Pensions Ireland DAC and can be accessed on www.aviva.ie/fund-range/responsible-investments/#sustainability-disclosures.

The Trustee continues to review the Scheme's approach to sustainability considerations and its current approach is documented in the Statement of Investment Policy Principles.

Statement of Risk

Under the Disclosure Regulations, the Trustee is required to describe the condition of the Scheme and the associated risks and disclose these to members.

As it is a "Defined Contribution" arrangement, where contribution levels are set down, but the ultimate proceeds of those contributions cannot be forecast with certainty, it is not possible to provide a guarantee in relation to the level of benefits that will be received on retirement. The value of each member's pension is dependent on the amount of contributions paid, investment returns earned, charges deducted and the cost of buying annuities. The very nature of the scheme means that there are financial and operational risks borne by the member.

The risks associated with this defined contribution arrangement include the risk that the benefits are dependent on the level of contributions paid, the investment returns achieved, the charges associated with the Scheme and the cost of buying annuities (pensions) at the time of retirement.

In brief, the following risks have been identified, amongst others:

Contributions

The level of pension contributions agreed may not continue to be paid to the Scheme or could prove to be insufficient to provide the member's required level of retirement income.

Factors that mitigate this risk for the Trustee and the members are:

- ▶ To assist members in planning for retirement, a pension benefit statement is issued annually which

provides information on the contributions received and invested, the current value of contributions paid and projected benefits at retirement.

- ▶ Benefits at retirement may be supplemented through the payment of additional voluntary contributions (AVCs) by the members while still in employment.
- ▶ Participating employers are required to remit contributions due to the Scheme within 21 days of the end of the month of their deduction, or within 21 days of the end of the month to which they relate (due date). Failure to remit may result in the Trustee or registered administrator making a report to the Pensions Authority.

Investment Risks

The Trustee's objective is to make available to members of the Scheme an appropriate range of investment options which will be suitable for the funding of retirement benefits and, on retirement, will provide an amount with which the member can purchase an annuity or other type of retirement product. The Statement of Investment Policy Principles outlines the investment objectives and strategy for the assets of the Scheme.

Members are able to choose their own investments from the range of funds offered by the Trustee and therefore may face a different profile of risks from their individual choices compared with the Scheme as a whole.

Investment risks include the risks that:

- ▶ The values of the investments may go down as well as up.
- ▶ Net investment growth may be lower than expected due to poor performance of the investment markets and, as a result, the fund available at retirement to provide the member with benefits may be lower than estimated.
- ▶ Changes in currency exchange rates may affect investment returns.
- ▶ Investment returns may be lower than inflation resulting in reduced purchasing power at retirement for members.
- ▶ The Scheme investments are subject to indirect foreign exchange, interest rate and other price risks arising from the underlying financial instruments held in the funds managed by the investment managers.

Factors that mitigate these risks for the Trustee and the members are:

- › The Trustee will determine its investment strategy after taking advice from a professional investment adviser.
- › The Trustee will receive annually an investment manager's report. Through reviewing this, the Trustee will be made aware of the compositions and investment performances of the funds in which it invests.
- › Where members are provided with member investment choice and the option to select from a range of funds, a member can and should request information on these funds from the Trustee before making an investment decision.
- › A copy of the trustee annual report (including the investment manager's report) will be made available to the members.

Credit Risk

Scheme assets are subject to direct credit risk in relation to Scheme holdings in unit linked insurance funds.

The Scheme assets are subject to indirect credit and market risks arising from the underlying investments held in the investment funds.

Member level risk exposures will be dependent on the funds invested in by members.

Factors that mitigate this risk for the Trustee and the members are:

- › Direct credit risk arising from pooled investment vehicles is mitigated by the underlying assets of the pooled arrangements being ring-fenced from the investment managers, the regulatory environments in which the pooled investment managers operate and diversification of investments amongst a number of pooled arrangements/investment managers.
- › The Trustee has invested the pension contributions in a unit linked policy with Aviva Life & Pensions Ireland DAC. Aviva Life & Pensions Ireland DAC is regulated by the Central Bank of Ireland and is a Member of the Aviva Group.

Annuities

Annuity rates are determined by a number of factors including the yield on long dated government bonds and projected life expectancy. As a result, annuity rates at the date of retirement may be lower than expected and the retirement income may be lower than anticipated.

Factors that mitigate this risk for the Trustee and the members are:

- › The rules of the Scheme allow for an "open market option", this means that the Trustee (on behalf of the member) has a choice of using any insurance company operating in the market, regardless of where the pension fund was invested.
- › As an alternative to annuity purchase the members have additional retirement options including the option to invest in an approved retirement fund (ARF).
- › Where available, the members may consider investing their retirement fund in an investment fund that is designed to match the cost of buying an annuity when approaching retirement.

Taxation or other Legislative Changes

The Scheme and the benefits payable under it are based on current legislation, including current taxation legislation. Any changes in legislation may affect the level or type of benefits a member may receive and how benefits are taxed.

Other risks

The administration of the Scheme may fail to meet acceptable standards. The Scheme could fall out of statutory compliance, the Scheme could fall victim to fraud or negligence, or the projected benefits communicated to members could differ from what will actually be payable.

Summary

Apart from taxation or other legislative changes, which is outside the control of the Trustee, the Trustee is satisfied that it is taking all reasonable steps to protect the members from the effects of these risks. For example, a range of funds is made available so that members can take control of their own investment risk. Experienced professional advisers, administrators and accountants are employed to minimise compliance and administrative risks. However, it is not possible to guard against every eventuality and, in particular, it may be appropriate for each member to take some investment risk with their retirement account with the aim of maximising their benefits.

Scheme Audit

The Trustee has arranged for the accounts of the Scheme to be audited for the Reporting Period covered by this Report, in accordance with the Disclosure Regulations. A summary of the auditor's report has been inserted into this Report. A full copy of the auditor's report is available from the Trustee.

Trustee review of the financial development of the Scheme with reference to the audited accounts

The value of the Scheme's net assets increased from €0 at the start of the Reporting Period to €360,036,655 at the end of the Reporting Period. The increase was accounted for by contributions due to the Scheme exceeding benefits paid out of the Scheme, amounting to net additions of €327,126,665 and the change in

market value of €32,909,990. The details have been taken from the Scheme accounts which form part of this Report.

Subsequent Events

There were no subsequent events that would have a significant impact on Scheme assets or operation subsequent to the Reporting Period.

Signature of Trustee:



Date:

**Dave Cooney, Trustee Director
Chairperson
Aviva Retail Master Trust Ireland DAC**



Date:

**Brian Hosford, Trustee Director
Aviva Retail Master Trust Ireland DAC**



Report on the Valuation of Liabilities

As a defined contribution scheme, all assets are held in respect of the member's benefits expected to arise in the future with the exception of those assets that are not designated to members, which are ultimately due back to the relevant participating employer.

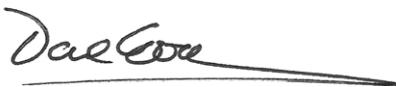
The liabilities have been valued using the applicable market value of the corresponding assets at the Reporting Period end date. The current and future liabilities of the Scheme as at 31 May 2024 can be summarised as follows:

	Designated to members €	Not designated to members €	Total €
Current liabilities	-	-	-
Future liabilities	360,036,655	-	360,036,655
Total liabilities	360,036,655	-	360,036,655

Note 1: The current liabilities are liabilities that have been identified as payable at the Reporting Period end date.

Note 2: Future liabilities are all liabilities that become payable after the Reporting Period end date and represent the value of the net assets of the Scheme at the Reporting Period end date.

Signed by the Trustee:

Trustee Director:  Date: 27 February 2025

Trustee Director:  Date: 27 February 2025

Statement of Trustee Responsibilities

The financial statements are the responsibility of the Trustee. Irish pension legislation requires the Trustee to make available for each Reporting Period the annual report of the Scheme, including audited financial statements and the report of the auditor. The financial statements are required to show a true and fair view, in accordance with FRS102, the Financial Reporting Standard applicable in Ireland, of the financial transactions for the Reporting Period and of the assets and liabilities (other than liabilities to pay benefits in the future) at the end of the Reporting Period and include a statement as to whether the financial statements have been prepared in accordance with the guidelines set out in the Statement Of Recommended Practice, Financial Reports of Pension Schemes (revised July 2018) (“the SORP”) subject to any material departures disclosed and explained in the financial statements.

Accordingly, the Trustee must ensure that in the preparation of the Scheme financial statements that:

- › Suitable accounting policies are selected and then applied consistently;
- › reasonable and prudent judgements and estimates are made; and
- › the financial statements are prepared on a going concern basis unless it is inappropriate to presume that the Scheme will not be wound up; and
- › the SORP is followed, or particulars of any material departures are disclosed and explained.

The Trustee is responsible for ensuring that proper membership and financial records are kept on a timely basis sufficient to enable a Report to be prepared for the Scheme containing the information specified in article 7 of the Disclosure Regulations. The Trustee is also responsible for ensuring that financial statements show a true and fair view of the financial transactions of the Scheme in the Reporting Period and of the assets and liabilities at the Reporting Period end date, other than for liabilities for benefits payable after the Reporting Period end date. They are also responsible for safeguarding the assets of the Scheme and for taking reasonable steps for the prevention and detection of fraud and other irregularities, including the maintenance of an appropriate system of internal controls.

Signed by the Trustee:

Trustee Director:  Date: 27 February 2025

Trustee Director:  Date: 27 February 2025

**REPORT OF THE INDEPENDENT AUDITORS TO THE
TRUSTEE OF AVIVA RETAIL MASTER TRUST**

Opinion

We have audited the financial statements of the above pension scheme for the period ended 31 May 2024, which comprise the Fund Account, the Net Assets Statement and notes to the accounts, including the summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is Irish pension law, FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland issued in the United Kingdom by the Financial Reporting Council (FRS 102), the Statement of Recommended Practice – Financial Reports of Pension Schemes (SORP) and the Occupational Pension Schemes (Disclosure of Information) Regulations 2006 (as amended).

In our opinion the financial statements:

- show a true and fair view of the financial transactions of the scheme during the period ended 31 May 2024, and of the amount and disposition at that date of its assets and liabilities, other than liabilities to pay pensions and benefits after the period end;
- have been properly prepared in accordance with FRS 102 and contain the information specified in Schedule A to the Occupational Pension Schemes (Disclosure of Information) Regulations 2006.

In our opinion, contributions amounting to €9,138 in relation to the period ended 31 May 2024 were not received by the trustee within 30 days of the period end. Except for this matter, in our opinion the contributions payable to the scheme during the period ended 31 May 2024 have been received within 30 days of the end of the scheme period and in our opinion have been paid in accordance with the scheme rules.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) (ISAs (Ireland)) and applicable law. Our responsibilities under those standards are described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the scheme in accordance with ethical requirements that are relevant to our audit of financial statements in Ireland, including the Ethical Standard issued by the Irish Auditing and Accounting Supervisory Authority (IAASA), and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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.

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 scheme's ability to continue as a going concern for a period of at least twelve months from the date when the financial statements are authorised for issue.

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

**REPORT OF THE INDEPENDENT AUDITORS TO THE
TRUSTEE OF AVIVA RETAIL MASTER TRUST (Continued)**

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustee is responsible for the other information. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion 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 such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in 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 in this regard.

Respective responsibilities

Responsibilities of the trustee for the financial statements

As explained more fully in the trustee's responsibilities statement, the trustee is responsible for:

- the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error;
- ensuring the financial statements contain the information specified in Schedule A to the Occupational Pension Schemes (Disclosure of Information) Regulations 2006.

In preparing the financial statements, the trustee is responsible for assessing the scheme'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 management either intends to wind up the scheme or to cease operations, or has no realistic alternative but to do so.

The trustee is also responsible for ensuring that:

- the contributions payable to the scheme during the period have been received by the trustee within thirty days of the end of the scheme period end; and
- the contributions have been paid in accordance with the scheme rules.

**REPORT OF THE INDEPENDENT AUDITORS TO THE
TRUSTEE OF AVIVA RETAIL MASTER TRUST (Continued)**

Auditor's 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 auditor's 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 (Ireland) 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.

A further description of our responsibilities for the audit of the financial statements is located on the IAASA's website at: http://www.iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f-8202dc9c3a/Description_of_auditors_responsibilities_for_audit.pdf . This description forms part of our auditor's report.

The purpose of our audit work and to whom we owe our responsibilities

Our report is made solely to the trustee of the pension scheme as a body. Our audit work has been undertaken so that we might state to the pension scheme's trustee those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the pension scheme and the trustee of the pension scheme, as a body, for our audit work, for this report, or for the opinions we have formed.

Forvis Mazars

Forvis Mazars
Chartered Accountants & Statutory Audit Firm
Harcourt Road
Dublin 2

27 February 2025

Fund Account for the Aviva Retail Master Trust

07/11/2022 to 31/05/2024

Period ended

31/05/2024

€

Contributions & Benefits

Contributions

Employer normal	52,229,556
Employee normal	6,666,333
AVC normal	1,249,334
Other receipts (Non AVC Single Premiums)	63,099,717
Transfers in from other schemes	232,127,730
Single AVC premium	12,538,965
Total	<u>367,911,635</u>

Benefits and other payments

Death Claims	(390,637)
Retirement Claims	(16,541,911)
Individual transfers to other schemes	(23,852,422)
Total	<u>(40,784,970)</u>

Net additions from dealing with members 327,126,665

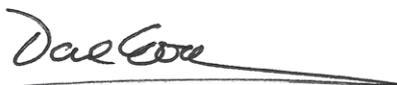
Net returns on investments 32,909,990

Net increase in fund during the Reporting Period 360,036,655

Net assets of Scheme at start of Reporting Period -

Net assets of Scheme at end of Reporting Period 360,036,655

Signed by the Trustee:



27 February 2025

Trustee Director: _____

Date: _____



27 February 2025

Trustee Director: _____

Date: _____

Statement of Net Assets at 31/05/2024

	Reference	End of Reporting Period 31/05/2024 (€)
Value of unit funds held	Note 3	359,985,545
Current assets:		
Employer contributions		25,073
Employee contributions		26,037
Total current assets		51,110
Total net assets		360,036,655

The accounts summarise the transactions of the Scheme and deal with the net assets at the disposal of the Trustee. They do not take account of the obligations to pay pensions and other benefits which fall due after the end of the Reporting Period.

Signed by the Trustee:

Trustee Director:  Date: 27 February 2025

Trustee Director:  Date: 27 February 2025



Notes to the Financial Statements

1. Basis of Preparation and Statement of Accounting Policies

The Scheme was established as a Defined Contribution arrangement under a Definitive Trust Deed. The Scheme is established as a trust under Irish law and has been registered with the Pensions Authority. The address for enquiries to the Scheme is included in the Report.

The Scheme has been approved by the Revenue Commissioners as an “exempt approved scheme” under Section 774 of the Taxes Consolidation Act, 1997 and, as such, its assets are generally allowed to accumulate free of income and capital gains taxes.

The financial statements have also been prepared in accordance with the Disclosure Regulations, the guidelines set out in the Statement of Recommended Practices, Financial Reports of Pension Schemes (“SORP”) and Financial Reporting Standard (FRS) 102 – The Financial Reporting Standards applicable in Ireland issued by the Financial Reporting Council (“FRS 102”).

The financial statements summarise the transactions and net assets of the Scheme, but do not take account of any liabilities to pay pensions and other benefits expected to arise in the future.

The significant accounting policies adopted by the Trustee are set out below:

Investments

Investment assets 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. Otherwise, the closing single price, single dealing price or most recent transaction price is used. All investments are in unitised funds, and the market value of unitised investments is the bid price of units at Reporting Period end date.

Investment Income

Income earned on investments in unit-linked funds is not distributed but is accumulated with the capital of the funds.

Investment Management Fees

Investment management fees are calculated as a percentage of the assets under management. Fees relating to unit funds are levied directly in either the unit price or by surrendering units from the Scheme to the value of the fee.

Contributions

Contributions are accounted for in the Reporting Period in which they fall due. The Disclosure Regulations require a review by Trustee of the financial development of the Scheme during the reporting period shown by the audited accounts.

Benefits

Benefits are accounted for in the reporting period in which they fall due.

Additional Voluntary Contributions

In addition to their normal contributions under the Scheme, members may make additional voluntary contributions to acquire further benefits on a money purchase basis.

Single Contributions

In addition to their normal contributions under the Scheme, members may make additional Single Premium contributions to acquire further benefits on a money purchase basis.

Transfer In Contributions

Members are entitled to transfer relevant pension funds into the Scheme. These are accounted for when member liability is accepted which is normally when the transfer amount is received.

2. Fees and Expenses

If applicable, investment management and fund administrator fees, policy fees, allocation charges, fund performance fees, surrender factors on initial/capital units are borne by the Scheme. All other fees and expenses are borne by the Sponsor.

3. Net Change in Market Value of Investments

Market Value at the start of Period	€0
Purchases	€367,860,525
Sales	(€40,784,970)
Change in Market Value	€32,909,990
Market Value at the end of Period	€359,985,545

Investments purchased by the Scheme are allocated to provide benefits to individuals on whose behalf corresponding contributions are paid. Aviva Life & Pensions Ireland DAC allocates investment units to members.

4. Fair Value Hierarchy

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

Level 1

Where there is a quoted price for an identical asset in an active market at the reporting date.

Level 2

Inputs other than quoted prices included within level 1 that are observable (i.e. developed using Market data for the asset or liability).

Level 3

Observable market data - Level 3 (i)

Non-observable market data - Level 3 (ii)

Where quoted prices are not available and recent transactions of an identical asset on their own are either unavailable or not a good estimate of fair value and therefore valuation techniques are employed.

Aviva Life & Pensions Ireland DAC unit funds / pooled investment vehicles fall into Level 2.

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

Category of Investment Assets	(1)	(2)	(3) (i)	(3) (ii)	Total as at 31/05/2024
Pooled investment vehicles		€359,985,545			€359,985,545

Pooled Investment Vehicles

The table below sets out the asset allocation for the default investment strategy.

Type of Asset	Total as at 31/05/2024
	€
Irish Equities	774,725
UK Equities	12,548,858
North American Equities	71,818,177
European Equities	27,558,402
Pacific Basin Equities	6,370,609
Japanese Equities	3,945,467
International Equities	2,457,455
Total Equities	<u>125,473,694</u>
Total Gilts/Bond	28,713,844
Total Property	1,391,346
Total Cash	37,358,263
Other	167,048,398
Total value of unit funds	<u>359,985,545</u>

5. Contingent Liabilities

As stated in note 1 of the financial statements, liabilities to pay pensions and other benefits in the future have not been taken into account. On that basis in the opinion of the Trustee, the Scheme had no contingent liabilities at the Reporting Period end date.

6. Investment risk disclosures

FRS 102 requires the disclosure of information in relation to certain investment risks. These are set out under 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: comprises currency risk, interest rate risk and other price risk.

- › Currency risk: 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: 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: the risk that the fair value or future cash flows of a financial asset will fluctuate because of changes in market prices, 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.

The Scheme has exposure to the above risks because of the investments it makes in following the Scheme investment strategy. The Trustee manages these risks, considering the Scheme's strategic investment objectives. These investment objectives are managed through the investment management agreements in place with the Scheme's investment managers and monitored by the Trustee by regular reviews of the investment portfolio.

Important Note for Scheme Members

The Trustee does not accept responsibility for the success or otherwise of the investment choices that members make. Members have responsibility to read and understand the documentation available to them so that the choices made by the members adequately reflect their objectives and their own attitude to risk.

7. Related Parties

Trustee

The Trustee of the Scheme during the Reporting Period is set out under the heading General Scheme Information within this Report. The Trustee did not receive and are not due any remuneration from the Scheme. No director of the Trustee Company is a member of the Scheme.

Participating Employers

Employer contributions to the Scheme are disclosed in the Fund Account. Contributions are made in accordance with the Trust Deed and Rules.

Administrator

Aviva Life and Pensions Ireland DAC provided administration services to the Scheme for the Reporting Period. Fees in respect of such services were paid by the Sponsor of the Scheme. Cash held by the administrator at Reporting Period end date on behalf of the Scheme was nil.

Investment Managers

Aviva Life & Pensions Ireland DAC, Aviva Investors, Legal & General Investment Managers (LGIM), Cantor Fitzgerald Asset Management, DWS, Columbia Threadneedle Investments, abrdn are currently the investment managers of the Scheme, and for the self-directed investment option, product providers are BCP, Greenman and Broker Solutions and Cantor Fitzgerald. The investment managers are remunerated on a fee basis calculated as a percentage of the assets under management and these fees are reflected in unit prices and borne by the Scheme.

There have been no material transactions during the Reporting Period with related parties (within the meaning of Section 33 of FRS 102, "Related Party Disclosures"), such as scheme administrators, investment managers, management of participating employers, other schemes operated by the employer or other schemes with common trustees.

8. Taxation Status

The Scheme has been approved as an "exempt approved scheme" for the purposes of Section 774 of the Taxes Consolidation Act, 1997 and as a result the Scheme income and gains are exempt from taxation.

9. Self-Investment

Based on information available to Aviva Life & Pensions Ireland DAC at the date of preparation of this Report:

- › €6,792,139 of contributions paid were treated as being self-invested during the Reporting Period as they were due to the Scheme but were not remitted within 21 days from the end of the month in which the deduction was made.
- › €9,138 of contributions paid were treated as being self-invested during the Reporting Period as they were due to the Scheme but were not remitted within 30 days of the end of the Reporting Period.

The particulars of all self-investment (late and non-payment of contributions in line with the requirements of the Pensions Act) has been subject to audit and is subject to further ongoing review by the Trustee.

The Trustee and Registered Administrator have put in place monitoring procedures to mitigate 30-day investment issues. The specific investment dates for contributions paid are available for members within the contribution section of their Pension Benefit Statement.

10. Concentration of Investment

The Scheme had the following investment holdings, within the underlying managed funds, which accounted for more than 5% of the Scheme's assets –

Fund name	Value	Total % investment holdings
Self-Directed Investment	€41,056,663	11%
Cantor Fitzgerald Multi-Asset 50 Fund Series 1	€36,435,831	10%
Cantor Fitzgerald Multi-Asset 70 Fund Series 1	€37,655,413	10%
High Yield Equity Fund Series 1	€27,648,507	8%
Cash Fund Series 1	€27,158,370	8%

11. Subsequent Events

There were no subsequent events post the Reporting Period.

12. Approval of Financial Statements

The financial statements were approved by the Trustee on: 27 February 2025

Report on the Valuation of Liabilities

Scheme Name: Aviva Retail Master Trust

Reporting Period: 7 November 2022 to 31 May 2024

Effective Date of Valuation Report: 31 May 2024

Scheme Liabilities:

The liabilities of the Scheme are fully secured by one or more policies of assurance issued by Aviva Life & Pensions Ireland DAC to the Trustee.

The total estimated realisable value of this policy or policies at the effective date shown above was €360,036,655. This value is not guaranteed as unit values may fall as well as rise.



Assets

The unit funds held and their value at the end of the Reporting Period: -

Fund name	Bid price @ 31/05/2024	Unit holding	Value @ 31/05/2024 €
Self-Directed Investment	1.0	41,056,663	41,056,663
Cantor Fitzgerald Multi-Asset 70 Fund Series 1	13.9	2,714,295	37,655,413
Cantor Fitzgerald Multi-Asset 50 Fund Series 1	12.9	2,820,528	36,424,306
High Yield Equity Fund Series 1	18.4	1,503,126	27,648,507
Cash Fund Series 1	10.2	2,672,279	27,158,370
Aviva Fixed ESG 80 Series 1	12.5	1,313,070	16,360,855
Aviva Global Equity ESG Passive Fund Series 1	12.0	1,327,463	15,896,369
L&G Multi-Index IV Fund Series 1	11.6	1,360,707	15,771,955
Cantor Fitzgerald Multi-Asset 30 Fund Series 1	11.4	1,345,786	15,337,918
Aviva Multi-Asset ESG Active 4 Series 1	12.0	1,238,378	14,844,438
Aviva Multi-Asset ESG Passive Plus 4 Series 1	11.4	1,031,754	11,784,697
Aviva Multi-Asset ESG Active 5 Series 1	13.6	787,081	10,733,422
L&G Multi-Index V Fund Series 1	13.0	745,339	9,706,544
Aviva Multi-Asset ESG Passive Plus 5 Series 1	12.3	785,129	9,673,576
Aviva Multi-Asset ESG Active 3 Series 1	10.3	743,688	7,677,093
Aviva Multi-Asset ESG Passive Plus 3 Series 1	10.6	676,255	7,136,521
Aviva Global Smaller Companies Equity Series 1	8.0	846,078	6,777,426
L&G Multi-Index III Fund Series 1	10.2	643,561	6,582,984
Stewardship Ethical Equity Series 1	13.8	444,300	6,133,425
Aviva Fixed ESG 60 Series 1	11.0	339,607	3,747,898
Aviva European Equity ESG Passive Fund Series 1	12.3	272,814	3,361,336
Concept K Series 1	11.7	276,108	3,225,384
Cash Fund Series 1	10.3	312,594	3,208,779
Aviva Global Leaders Equity Fund Series 1	11.2	282,441	3,168,144
Aviva Fixed ESG 20 Series 1	10.6	269,109	2,848,791
Physical Gold Series 1	12.6	164,666	2,069,601
Irish Commercial Property Fund Series 1	9.9	155,132	1,531,817
Aviva 3 Year Fixed Deposit Fund Series 1	10.2	147,453	1,503,434
Aviva Fixed ESG 40 Series 1	10.6	116,503	1,236,681
Corporate Bond Fund Series 1	9.1	119,537	1,091,846
Bond Fund Series 1	7.7	114,613	879,885
Aviva 5 Year Fixed Deposit Fund Series 2	10.2	83,372	847,795
Aviva 5 Year & 7 Month Fixed Deposit Fund	10.1	83,572	841,618
AIMS Target Return Fund Series 1	11.9	63,025	748,805
Aviva 3 Year & 5 Month Fixed Deposit Fund	10.0	71,753	719,148
Emerging Markets Equity Index Fund Series 1	10.6	66,663	706,166
Global Emerging Markets Equity Fund Series 1	11.5	57,458	661,685
Aviva 5 Year & 5 Month Fixed Deposit Fund	10.0	61,403	615,559
Aviva Irish Property Fund Series 1	9.6	47,313	453,066
Global Mid-Cap Equity Fund Series 1	8.6	51,839	447,181

Aviva 3 Year & 7 Month Fixed Deposit Fund	10.1	37,534	377,643
Long Bond Fund Series 1	6.8	42,085	284,707
Aviva 5 Year & 4 Month Fixed Deposit Fund	10.1	25,058	253,576
Aviva Multi-Asset ESG Active 4 Series 2	11.4	18,368	208,802
Cash Fund Series 2	10.2	19,224	196,202
Aviva 5 Year Fixed Deposit Fund Series 1	10.2	5,589	57,089
Aviva 3 Year & 3 Month Fixed Deposit Fund	10.1	4,998	50,502
Property Fund	14.0	3,385	47,263
Stewardship Ethical Equity Fund	9.2	3,656	33,604
Aviva Multi-Asset ESG Active 5 Series 2	12.2	1,789	21,856
Physical Gold	1.5	12,297	18,924
Aviva UK Property Fund Series 1	9.2	1,257	11,527

Total: €359,985,545

The values quoted are not guaranteed as unit prices may fall as well as rise.

This is a Defined Contribution arrangement and the assets under the Scheme will secure the member benefits. As such, there are no other liabilities arising under the Scheme. The assets of a defined contribution arrangement will ordinarily be at least equal to the value of the Scheme's liabilities.

Appendix I - Statement of Investment Policy Principles

Approved by the Trustee on 16 May 2024.

The Aviva Retail Master Trust (the “Scheme”)

Policy Document: Statement of Investment Principles (the “Policy”)

Version:	2.0
Approved by Trustee:	16/05/2024
Trustee:	Aviva Retail Master Trust Ireland Designated Activity Company
Application:	Applies to the Trustee

1. Background

The Social Welfare and Pensions Act 2005 states the Trustee of a scheme must prepare and maintain a written statement of the investment policy principles applied to the resources of the scheme.

A Statement of Investment Principles Policy (the “Policy”) is a written statement prepared at least every three years by the Trustee of the Scheme that includes information about the scheme’s investment strategy, including the allocation of assets, the investment risk borne by the scheme, how that risk is measured and how it is managed. The Pensions Authority may request the Trustee of the Scheme to furnish it with the Statement for the purposes of prudential supervision.

The purpose of the Policy is to document the policies and parameters that govern the management of the assets of the Scheme.

This Policy outlines the responsibilities, objectives, policies, and risk management processes in order that:

- a) The Trustee, relevant Company staff, consultants, investment managers and other stakeholders understand the investment decisions that have been agreed.
- b) There are clear principles governing the guidelines and restrictions to be presented to the investment managers.
- c) The Trustee has a meaningful basis for the evaluation of the investment performance of the investment manager(s), the Scheme as a whole and the success of overall investment strategy.
- d) The Trustee fulfils the requirements of the Occupational Pension Scheme (Investment) Regulations 2021, which stipulate that such a Statement is put in place.

2. Legal Standing

This Policy is a high-level non-binding document prepared for the purposes of the Scheme’s governance, is not a legal document and is not intended to have legal effect or to be legally binding on the Trustee. The Trustee may at any time amend the Policy from time to time as it sees fit without notice to, or the consent of, any party. The Trustee reserves the right to depart from the terms of this Policy as it sees fit; for example, to accommodate a particular set of circumstances or a changing of views.

3. Objective

The Policy is a written statement prepared at least every three years by the Trustee that includes:

- a) The investment objectives of the Trustee.
- b) The investment risk measurement methods.
- c) The risk management processes to be used.
- d) The strategic asset allocation.

4. Overview

The Policy requirements do not impose any specific investment practices on pension schemes. The Policy is intended to be a description of the investment policies of the Trustee. The information provided should be stated clearly and unambiguously.

The Trustee will set the general investment policy but will delegate the responsibility for the implementation of this policy to an Investment Group (the "IG"). The IG in turn appoints investment managers. The investment managers shall provide the skill and expertise necessary to manage the investment of the assets of the Scheme.

5. Investment Responsibility

There are a number of parties involved in the management of investment in the Scheme. The different parties' roles involved with regard to investment in order to ensure operational efficiency, accountability and clear lines of communications are:

- a) Trustee - The Trustee has fiduciary responsibility for selecting and monitoring Scheme investments. The Trustees' responsibilities include:
 - a. Identifying the Scheme's risk tolerance level and formulating an appropriate investment policy which best serves the interests of the members.
 - b. Delegating the management of Scheme investments to investment manager(s). The Trustee recognises that their role is supervisory - not investment advisory.
 - c. Monitoring and evaluating performance to ensure that guidelines are adhered to and objectives are being met.
 - d. Making any necessary changes in the investments and the investment manager(s), custodians, consultants, and others that provide services to the Scheme relating to the investment of assets.
 - e. Regularly reviewing this Statement, which they may amend or restate at any time at their sole discretion.
- b) Investment Consultant - The Investment Consultant will assist the Trustee with the development and implementation of this Statement and will also provide information and research relating to investment managers and performance.
- c) Investment Manager - One or more investment managers will be appointed to act on behalf of the Trustee. Subject to any agreed guidelines or restrictions, the investment manager will be responsible for making all investment decisions and will be evaluated on their ability to achieve the performance objectives set for them by the Trustees.

Other parties with specific duties with regards to investment include the Scheme's custodian and Scheme administrator. These duties are separately documented within contractual agreements with those parties, where appropriate.

6. Investment Objectives

The Trustee's policy is to seek to achieve the objectives through investing in a suitable mixture of assets taking account of the risk and return, and other relevant characteristics of those assets, as well as the need for diversification. A prudent and carefully planned investment policy will be designed with the ultimate objective of maximising the security and level of benefits provided to members. The Trustee expects that targeted diversification should provide the level of returns required by the Scheme to meet its liabilities within its risk tolerances and at an acceptable level of cost to the Employers and Members.

7. Investment Selection

The funds are selected by the Trustee following consideration of the funds' objectives and investment process, expected returns, risks and other characteristics, and the Trustees' views of the needs and circumstances of the membership.

The Trustee will set general investment policy but will delegate the responsibility for selection of specific investments to an appointed investment manager or managers, which may include an insurance company or companies. The investment managers shall provide the skill and expertise necessary to manage the investments of the Plan competently.

The list of funds involved in the Scheme and their risk rating are outlined below:

FUND	DESCRIPTION	ASSET CLASS	RISK RATING (1 - Very Low to 7 - Very High)
AIMS	This fund aims to achieve an annual return of cash plus 5% above the Central Bank base rate over a rolling 3 year period.	Absolute Return	4 - Medium
Cash Fund	Invests in term deposits, call deposits, certificates of deposits, commercial paper and AAA rated money market funds.	Cash	1 - Very Low
Corporate Bond Fund	Invests principally in investment grade corporate bonds	Bond	4 -Medium
Global Emerging Markets Equity	This fund primarily invests (at least 80%) of its net assets in equities in emerging markets.	Equity	6 - High
High Yield Equity	Focus on a concentrated pool of c. 37-45 companies with cash generative businesses, strong balance sheets and that have a proven track record of growing their dividend over time.	Equity	6 - High
Irish Property Fund	Invests across a diverse range of property sectors including retail, office, industrial and alternatives..	Property	5 - Medium to High
L&G Multi-Index III	An actively managed fund that aims to generate capital growth through exposure to a diversified range of asset classes, predominantly in other collective investment schemes.	Multi-Asset	4 - Medium
L&G Multi-Index IV	An actively managed fund that aims to generate capital growth through exposure to a diversified range of asset classes, predominantly in other collective investment schemes.	Multi-Asset	4 - Medium
L&G Multi-Index V	An actively managed fund that aims to generate capital growth through exposure to a diversified range of asset classes, predominantly in other collective investment schemes.	Multi-Asset	5 - Medium to High
Long Bond Fund	Invests in Eurozone government bonds but can also invest in index linked government bonds, non-Eurozone government bonds and cash.	Bond	-5 - Medium to High
Cantor Fitzgerald Multi Asset 30	Active portfolio, comprising bonds and equities listed on recognised markets, ETFs, CIS, and exposure to commodities.	Multi-Asset	4 - Medium
Cantor Fitzgerald Multi Asset 50	Active portfolio, comprising bonds and equities listed on recognised markets, ETFs, CIS, and exposure to commodities.	Multi-Asset	5 - Medium to High
Cantor Fitzgerald Multi Asset 70	Active portfolio, comprising bonds and equities listed on recognised markets, ETFs, CIS, and exposure to commodities.	Multi-Asset	5 - Medium to High

Multi Asset ESG Active 3	Actively managed fund targeting a specific volatility range. The Fund invests across a range of asset classes including cash, bonds, equities, property and alternatives.	Multi-Asset	4 - Medium
Multi Asset ESG Active 4	Actively managed fund targeting a specific volatility range. The Fund invests across a range of asset classes including cash, bonds, equities, property and alternatives.	Multi-Asset	4 - Medium
Multi Asset ESG Active 5	Actively managed fund targeting a specific volatility range. The Fund invests across a range of asset classes including cash, bonds, equities, property and alternatives.	Multi-Asset	5 - Medium to High
Concept K	This fund focuses on generating risk adjusted returns within a market cycle of 4%-8% p.a. whilst capping the draw down at 10% with a calendar year. It invests primarily in equities, bonds, cash, gold and alternatives.	Absolute Return	4 - Medium

The Trustee seeks to arrive at an acceptable balance between these risks in order to best meet their investment objectives. Furthermore, the Trustee will manage a range of investment risks using the risk management outlined in the next section in order to create a prudent, diversified, and efficient portfolio.

8. Risk Measurement Methods

In determining the level of risk appropriate to the Scheme at any point in time, the Trustee recognise the importance of the nature and duration of the liabilities and measures the risk of the chosen investment policy by reference to these liabilities.

In particular, the Trustee considers the following risks:

- a) Annuity price risk – is the risk that the value of a member’s account moves significantly out of line with the movement in the value of annuity rates, leading to uncertainty about the amount of retirement income the member will receive for a given amount of retirement savings. A member’s investment choice needs to take account of their age, proximity to retirement, risk tolerance and personal financial situation.
- b) Counterparty risk – is the risk of default of, or failure to meet its obligations by, a counterparty. The appointed investment manager(s) of the funds assesses and manages counterparty risk through a rigorous selection process for a variety of investment services, regular monitoring of the Scheme’s funds, regular reports of the funds’ underlying holdings and the investment managers’ approach to managing risk.
- c) Inflation risk – is the risk that the cash flows from investments won’t be worth as much in the future because of changes in purchasing power due to inflation. Management of this risk is facilitated by offering members a range of investment funds that will be invested in a diversified range of assets that are likely to grow in real terms. Equities typically out-perform inflation over the long term, however, over shorter periods equities can be quite volatile and therefore can impact the short-term investment returns of the member’s selected fund(s). Cash and fixed interest offer lower market risk; however, their inflation risk is higher.
- d) Liquidity risk – is the risk that assets held within funds cannot be converted to cash without a loss of capital. As far as is practicable and necessary, the range of investment funds will be invested in liquid assets that can be quickly realized as required.
- e) Market risk – is the risk of a member experiencing losses due to factors that affect the overall performance of the financial markets. Market risk is managed primarily through investing in a diversified range of assets.
- f) Performance risk – is the risk of the frequency and severity of any relative underperformance of the elected funds and the investment manager(s) compared to similar funds and other investment manager(s).
- g) Regulatory risk – is the risk that the investments held by the Scheme may not comply with the Regulations. The Trustee offers members a range of investment funds which comply with the Regulations.
- h) Specific risk – is the risk of excessive reliance on any particular asset, issuer, or group of undertakings. This is mitigated through investing in a diversified range of assets.

- i) Suitability risk – is the risk that members invest in funds which are not suitable for their particular circumstances. A member's investment choice needs to take account of their age, proximity to retirement, risk tolerance and personal financial situation.
- j) Valuation risk – is the risk that an asset held within funds is overvalued and is worth less than expected when it matures or is sold. The range of investment funds will be invested primarily in liquid, quoted assets in order to manage the valuation risk.
- k) Manager Risk – The risk associated with appointing an investment manager is that they do not achieve their stated performance objective.

The Trustee acknowledges that all managers will be given some discretion to make investment decisions and that this could lead to underperformance relative to the pre-determined benchmark. With this in mind, the Trustee will be mindful of the level of discretion given to the investment managers as well as the level of risk that will need to be taken by the manager in order to achieve the performance objective.

9. Risk Management

The Trustee will ensure, either through direct guidance or through ascertaining the suitability of any funds that are used, that policies and guidelines are in place for the appointed investment managers and other providers such that:

- a) Investments are, for the most part, limited to marketable securities traded on recognised/regulated markets.
- b) Derivative instruments may be used by the Scheme's investment managers (either on a segregated or pooled fund basis) on the basis that they contribute to lower overall Scheme risk levels or are employed for efficient portfolio management.
- c) The portfolio is properly diversified in such a way as to avoid excessive reliance on any particular asset, issuer, or group of undertakings and so as to avoid accumulations of risk in the portfolio as a whole. Investments in assets issued by the same issuer or by issuers belonging to the same group must not expose the scheme to excessive risk concentration.
- d) The security, quality, and liquidity of the portfolio as a whole is ensured, with due regard paid to the level of non-Euro currency exposure.

The Trustee has also established the following risk management processes:

- a) The Trustee monitors the funding level risk by reviewing investment risk versus Scheme assets on a regular basis and no less frequently than annually.
- b) The Trustee monitors the asset allocation of the Scheme's investments to ensure that it is consistent with the Scheme's Strategic Asset Allocation.
- c) The Trustee employs the Investment Committee ("IC") to report on the performance of the Scheme's investments and the underlying investment managers on a quarterly basis, using both quantitative and qualitative measures. The Trustee in consultation with the IC may replace an investment manager who fails to meet performance objectives and/or fails to comply with the written investment management agreements or where a change to the investment strategy is deemed appropriate.
- d) The Trustee monitors the level of interest rate and inflation exposure of the Scheme's assets and liabilities to ensure that the interest rate and inflation risk levels remain at the agreed level.

10. Strategic Asset Allocation

The Trustee has agreed to make available to members a number of funds, set out above, and such other funds as they may select from time to time. Members select from the available funds the actual fund(s) to invest in based on their individual circumstances and attitude to risk. Members' annual benefit statements contain details of the actual funds in which the member is invested. The range of funds made available may be across different risk profiles, fund managers, investment styles and asset classes as determined appropriate by the Trustees.

The current default lifestyle strategy My Future ARF and other lifestyle strategies as may be made available by the Trustees can also change over time.

11. Environmental, Social and Governance

The Environmental Social and Governance (“ESG”) Statement (the “Statement”) has been prepared by the Trustees to set out their views on ESG factors. Environmental factors include but are not limited to carbon emissions, use of natural resources, energy efficiency, pollution and waste management and biodiversity. Social factors include but are not limited to employee satisfaction, human rights and supply chain, global health policy, stakeholder commitments and product responsibility. Governance factors include board diversity and independence, sustainability policy and reporting, bribery and anti-corruption, lobby group policy and management of subsidiaries.

As part of the Trustees’ duties, which includes a comprehensive approach to risk management and a focus on best member outcomes, the Trustees recognise the need for the Scheme to be a long-term, responsible investor.

11.1 ESG Beliefs

The Trustees have considered and discussed ESG factors to establish their beliefs to help underpin the Trustees’ decision making. The following represent a consensus of the beliefs to be incorporated:

- a. The Trustees believe that ESG factors are potentially financially material for the value of the Scheme’s investments and consequently members’ retirement benefits.
- b. The Trustees believe that the process for incorporating ESG issues should be consistent with, and proportionate to, the rest of the investment process.
- c. ESG issues, including climate change are a source of investment opportunities and are important in managing risks.
- d. It follows that ESG factors should be taken into account to the extent that they can reasonably be expected to impact on investment returns.

11.2 ESG Implementation

The Trustees understand that the method of incorporating ESG in the investment strategy and process will differ between asset classes and should be considered alongside implementation factors. The process for incorporating ESG should be consistent with, and proportionate to, the rest of the investment process.

The Trustees believe that ESG issues may be of more importance where the Scheme invests predominantly in Growth assets as the materiality of such issues will have a greater impact over the longer term.

Subject to any agreed guidelines or restrictions, the Trustees delegate the consideration of all financially material factors in relation to determining the underlying holdings within the investment funds, including ESG factors, to the Scheme’s investment managers as part of their day-to-day management.

The Investment Manager will be evaluated by the Trustees, along with other considerations on their ability to employ ESG policies within their decision-making process.

The Trustees will also review aspects such as, but not limited to, longer term performance and manager incentivisation to ensure alignment with the Scheme’s investment policy.

12. The EU Sustainable Finance Disclosure Regulation

Regulation (EU) 2019/2088 on sustainability related disclosures in the financial services sector (SFDR), requires the Trustees to make certain disclosures in the area of sustainability risk and sustainability factors.

A sustainability risk is any environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of the Scheme’s investments.

Sustainability factors are defined as environmental, social and employee matters, respect for human rights, anti-corruption, and anti-bribery matters.

As indicated above the Trustees believe that that ESG factors are potentially financially material for the value of the Scheme’s investments and consequently members’ retirement benefits.

However, the Trustees do not believe it is in the best long-term interests of the Scheme beneficiaries to insist that sustainability risk is fully integrated into all investments made by the Trustees, in the manner envisaged by Article 6 of Regulation (EU) 2019/2088, as this would greatly limit the fund choices available to the Trustees in certain asset classes.

The Trustees also do not believe it is in the best long-term interests of the Scheme beneficiaries to seek to take account of the potential adverse impacts of their investment decisions on sustainability factors. Again, because only a limited number of funds take account of the adverse impacts of their investment decisions on sustainability factors in the manner required by Article 4 of Regulation (EU) 2019/2088, this would greatly limit the fund choices available to the Trustees in certain asset classes, with a potentially negative impact on the implementation of the Scheme's investment strategy.

13. Review of Policy

There is a requirement that the Statement be reviewed at least every three years or at any time following any change in investment policy which is inconsistent with the Statement.



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