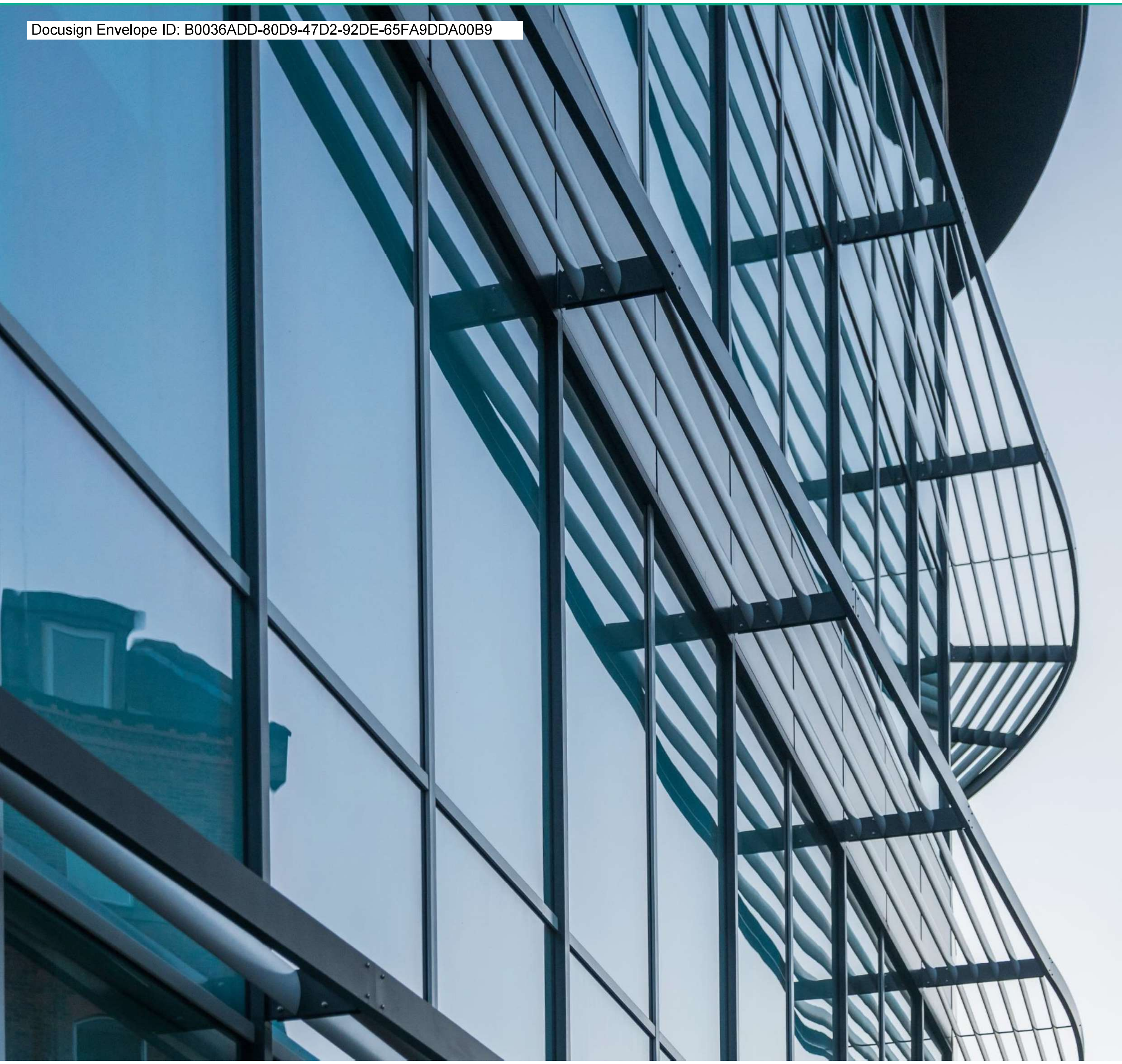

Reuters Pension Fund

ANNUAL REPORT

YEAR ENDED 31 DECEMBER 2023

SCHEME REGISTRATION NUMBER: 101581063

isio.

CONTENTS

REUTERS PENSION FUND
TRUSTEE AND ITS ADVISERS
FOR THE YEAR ENDED 31 DECEMBER 2023

Corporate Trustee
Reuters Pension Fund Limited

Trustee Directors:
BESTrustees Limited (represented by Catherine Redmond) (Chair – appointed 23 March 2023)*
Greg Meekings (until 31 March 2023) (Chair until 23 March 2023)*
Mark Harries (appointed 1 April 2023)*
Independent Trustee Services Limited (trading as Independent Governance Group) (represented by Rachel Croft)*
Martin Vickery*
Sue Clark**
Peter Marsden**
Geoffrey Sanderson**

*Appointed by the Sponsoring Employer
**Nominated by the members

Secretary to the Trustee
Barnett Waddingham LLP
2 London Wall Place
London
EC2Y 5AU

Sponsoring Employer
Refinitiv Limited
5 Canada Square
Canary Wharf
London
E14 5AQ

Fund Actuary
Jonathan Wicks FIA
Aon Solutions UK Limited
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London
EC3V 4AN

Administrator to the Fund
Isio Group Limited (formerly Premier Pensions) (from 1 June 2023)
AMP House
Dingwall Road
Croydon
CR0 2LX

Capita Pension Solutions Limited (until 31 May 2023)
PO Box 555
Stead House
Darlington
DL1 9YT

Independent Auditors
Grant Thornton UK LLP (from 4 December 2023)
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London
EC2A 1AG

PricewaterhouseCoopers LLP (until 20 October 2023)
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M3 3EB

Covenant Adviser
Cardano Advisory Limited
6 Bevis Marks
London
EC3A 7BA

Legal Adviser
Sacker & Partners LLP
20 Gresham Street
London
EC2V 7JE

Annuity Providers
Canada Life
Canada Life Place
Potters Bar
Hertfordshire
EN6 5BA

Friends Life Centre
Brierly Furlong
Bristol
BS34 8SW

Investment Adviser
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One Angel Court
London
EC2R 7HJ

Investment Managers
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1290 Avenue of the Americas
9th Floor
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NY 10104
USA

AllianceBernstein Limited
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London
EC2M 5SJ

AQR
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Greenwich
CT 06830
USA

BlackRock Investment Management (UK) Limited
12 Throgmorton Avenue
London
EC2N 2DL

Investment Managers (continued)

Bridgewater Associates Inc
One Glendinning Place
Westport
CT 06880
USA

CBRE Investors
64 North Row
London
W1K 7DA

CQS (UK) LLP
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London
W2CN 5HR

Federated Hermes Limited
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EC2V 6ET

Impax Funds (Ireland) plc
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Ireland

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USA

Nephila Capital Limited
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Bermuda
HM10

Securis Investment Partners LLP
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EC2N 4AY

TwentyFour Asset Management
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EC3R 8AF

AVC Providers
Prudential
Lancing Business Park
Lancing
BN15 8GB

Utmost Life and Pensions Limited
Walton Street
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Bucks
HP21 7QW

Custodian
Bank of New York Mellon Limited
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London
EC4V 4LA

Bankers
HSBC UK (from 7 March 2023)
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INTRODUCTION

The Trustee is pleased to present the annual report and financial statements of Reuters Pension Fund ("the Fund") for the year ended 31 December 2023.

The Fund is an occupational Defined Benefit Scheme and was established under the provisions of a Trust Deed dated 13 December 1893. The Fund was closed to new members from 1 April 1999. There are currently no active members.

Until 5 April 2016, members were contracted out of the State Second Pension (S2P) under a certificate issued by the HM Revenue & Customs National Insurance Contributions office.

The Fund is registered under the Finance Act 2004. Prior to the introduction of this Act, the Fund was an "exempt approved scheme" under the terms of the Income and Corporation Taxes Act 1988.

Fund Management

The Fund is administered by the Managing Committee, as Managing Trustee, for the benefit of the members and their dependants in accordance with the Fund's Rules.

The Managing Committee is made up of:

(a) four persons appointed (and removable) by the Sponsoring Employer of whom one serves as Chair;

(b) three persons who can be contributory members, deferred pensioners or pensioners elected on a rotational basis by contributory members, deferred pensioners and pensioners for a term of six years. There ceased to be contributory members when the Fund closed to accrual on the 31 August 2022.

There is also a Trustee of the Fund, namely Reuters Pension Fund Limited, which has a number of specific responsibilities including investments. The Managing Committee appoints and removes the Directors of the Trustee Company who must be members of the Managing Committee. Currently all members of the Managing Committee are Directors of the Trustee Company. The Managing Committee and the Trustee Company are jointly referred to as 'the Trustee' in this report.

The full Trustee Board met 4 times during the year to discuss the strategy and ongoing management of the Fund. The Investment Sub-committee (ISC) and the Operations Sub-committee (OSC) of the Trustee Board also met on a regular basis to discuss their designated areas. The ISC and OSC have delegated powers from the Trustee. Members of the ISC are currently BESTrustees Limited (represented by Catherine Redmond) (Chair), Sue Clark, Geoffrey Sanderson and Georgina Wallis (representing London Stock Exchange Group). Members of the OSC are currently Martin Vickery (Chair), Independent Trustee Services Limited (trading as Independent Governance Group) (represented by Rachel Croft), Mark Harries and Peter Marsden.

ADMINISTRATION TRANSITION

The Trustee reviews its third-party providers on a regular basis. At the end of 2021 the Trustee reviewed Capita against two other leading administrators due to dissatisfaction with the level of service being provided. A full tender exercise was undertaken and as a result it was agreed to transition the RPF administration services from Capita to Isio (formerly Premier Pensions). The Trustee's rationale for the move was to significantly improve the level of service being provided to members, improve the efficiency from previously manual calculations and processes through Isio's automated process, and to give members online access.

The transition took place with effect from 1 June 2023. This was an extensive exercise which was largely successful except for difficulties with the pension payments for several overseas members. Isio also inherited a significant backlog of cases and experienced unexpected significant demand for retirement and transfer quotations, which had to be temporarily delayed by the need for Isio to complete software automation and for this to be certified by Aon, the Fund Actuary. Moving from Capita's manual calculations to Isio's automation was a challenge but the eventual improvement in accuracy will greatly improve efficiency and also allow members to request transfer quotations interactively.

Following the transition the Trustee actively monitored the situation and engaged closely with Isio in order to improve service levels and resolve the backlog of cases. Service levels are now on track but the Trustee continues to work with Isio to monitor performance and ensure that service levels and member experience reach the high standard that both the Trustee and Isio expect to provide.

CHANGE OF FUND AUDITOR

During the year, PricewaterhouseCoopers LLP resigned as the Fund Auditor, and Grant Thornton UK LLP were appointed. There are no circumstances connected with the resignation which significantly affect the interests of the members or beneficiaries of the Fund.

GOVERNANCE AND RISK MANAGEMENT

The Trustee has prepared a forward-looking business plan, setting out what issues should be considered and when. This is reviewed regularly. During the year, the Trustee addressed, amongst others, the following issues:

Risk Management

The Trustee is responsible for risk management of the Fund and for the underlying controls mitigating identified risks, which are included in the Fund's Risk Register. Post year-end, a Risk Register review has commenced as part of a general governance review in response to The Pensions Regulator's (TPR) recently released general code of practice. The risk management process is designed to manage, rather than to eliminate, the risk of error, loss or failure to comply with regulatory requirements.

Changes to the Fund's Rules

There were no changes during the year ending 31 December 2023.

Trustee Knowledge and Understanding

During the year, the Trustee Directors received training from their advisers on current issues in order to maintain the level of knowledge and understanding required to perform their role, along with attendance at two specialised training sessions during the year. Individual Trustee Directors are also encouraged to attend external training sessions and conferences on investment and current pension issues.

GMP EQUALISATION

On 26 October 2018, the High Court ruled that benefits provided to members who had contracted-out of their scheme must be recalculated to reflect the equalisation of state pension ages between 17 May 1990 and 6 April 1997. Following the ruling, it is expected that the Trustee will need to equalise guaranteed minimum pensions between men and women. This is likely to result in additional liabilities for the Fund for equalisation of the benefits already crystallised e.g. historical transfers out, retirement benefits etc.

The Trustee is currently progressing GMP equalisation for the Fund members affected. No allowance has been made for GMP equalisation in these financial statements.

Subsequently, in November 2020, the High Court determined that trustees owed a duty to a transferring member to make a transfer payment which reflected the member's right to equalised benefits. Where the initial transfer payment was inadequate, trustees are under an obligation to equalise benefits, either by making a top-up payment to the receiving scheme on behalf of the transferred member or by way of a small lump sum.

SECTION 37

The Virgin Media Ltd v NTL Pension Trustees II decision, handed down by the High Court on 16 June 2023, considered the implications of section 37 of the Pension Schemes Act 1993. In summary, the case has the potential to cause significant issues for Defined Benefit schemes which previously contracted-out of the state pension system between 1997 and 2016. The Judge ruled that, where benefit changes were made without a valid section 37 certificate from the Actuary, those changes could be considered void. Appeal has been granted for July 2024 and the Trustee will investigate the possible implications with their advisers in due course. It is not possible at present to estimate the potential impact, if any, on the Fund.

CAPITA DATA BREACH

Capita Pension Solutions provided administration services to the Fund until 31 May 2023. In March 2023, Capita experienced a cyber incident whereby certain member data was compromised. The Trustee activated its incident response process and provided details of the incident to the relevant regulatory bodies. Those Fund members who were affected were updated by letter and the Trustee also provided general updates on the Trustee website. The Trustee continues to be in discussions with Capita following the incident. Although there were some minor issues which impacted service levels there were no issues in relation to key scheme activities. The assets of the Fund were unaffected by the incident.

MEMBERSHIP

Details of the membership of the Fund for the year are given below:

	Total 2023	*Total 2022*
ACTIVE MEMBERS		
Active members at the start of the year	-	*126*
Retirements	-	*(4)*
Leavers with deferred benefits	-	*(122)*
Active members at the end of the year	-	*-*
PENSIONERS		
Pensioners at the start of the year	2,830	*2,699*
Adjustments	33	*2*
New pensioners	193	*159*
New spouses and dependents	25	*33*
Reinstated from suspended	-	*1*
Deaths	(56)	*(59)*
Child pension ceasing	(3)	*(2)*
Suspended	(1)	*(3)*
Pensioners at the end of the year	3,021	*2,830*
MEMBERS WITH DEFERRED BENEFITS		
Members with deferred benefits at the start of the year	4,058	*4,135*
Adjustments	(22)	*-*
New deferred members	-	*122*
Retirements	(193)	*(155)*
Deaths	(9)	*(9)*
Trivial commutations	(2)	*(3)*
Transfers out	(18)	*(32)*
Members with deferred benefits at the end of the year	3,814	*4,058*
TOTAL MEMBERSHIP AT THE END OF THE YEAR	6,835	*6,888*

Included in the pensioner figure above are 446 (2022: 402) pensioners covering spouses and dependants.

Included in the pensioner figure above are 81 (2022: 81) pensioners whose benefits are mainly covered by receipts from annuity providers.

Included in the pensioner figure above are 1,875 (2022: 1,913) pensioners covered by the buy-in insurance policy provided by Canada Life.

Financial Development of the Fund

The financial statements have been prepared and audited in accordance with regulations made under section 41 (1) and (6) of the Pensions Act 1995.

The Summary of Contributions is set out on page 43.

Financial Development of the Fund (continued)

The Fund met all expenses. The Sponsoring Employer provided lump sum contributions towards expenses when required under the Schedule of Contributions.

	2023
	£'000
Contributions and other receipts	2,640
Benefits and other expenses	(65,116)
Net withdrawals from dealings with members	**(62,476)**
Net returns on investments	57,357
Opening net assets of the fund	**1,709,712**
Closing net assets of the fund	**1,704,593**

Additional Voluntary Contributions

Up to 31 March 2005, the Rules of the Fund permitted members to pay Additional Voluntary Contributions (AVCs) into the Fund and up until 5 April 2006 to arrangements with Prudential and/or Equitable Life (which were transferred to Utmost Life & Pensions on 1 January 2020), in order to augment their pensions or lump sum death benefits. After this date, the Refinitiv Retirement Plan (formerly Thomson Reuters UK Retirement Plan) ('RRP') was opened as an AVC vehicle for active members of the Fund and all new AVCs were invested in the RRP. Refinitiv Limited, after discussions with the RRP Trustee and consultation with active members, determined that all future contributions would be made to the Legal & General WorkSave Mastertrust, with effect from 1 April 2022. This included any AVCs paid to the RRP by Reuters Pension Fund (RPF) members.

The RRP Trustee and its sponsoring employer also agreed that a bulk transfer of all cumulative AVC funds under the RRP as of 31 March 2022, would be made to the same master trust arrangement. This transfer was completed at the end of April 2022 and the RRP Trustee has commenced the wind-up of the RRP Plan. As part of the wind-up process a reconciliation of monies held in the RRP Trustee bank account was undertaken, and it was discovered that on some occasions, when an RPF member requested a transfer of their RRP AVCs to apply towards tax-free cash at retirement, the money was disinvested but was not paid from the RRP to the RPF. The members did however receive their correct benefits at the point of retirement. As a result monies were owed by the RRP to the RPF and an amount of c.£284,600 was paid to the RPF in June 2024.

AVCs paid on a money purchase basis prior to 6 April 2006 are held with Prudential or Utmost whilst other AVCs (paid up to 31 March 2005 as mentioned above) are retained in the Fund, to secure a pension calculated as an extra percentage of pensionable salary on retirement.

Financial Development of the Fund

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.

A full actuarial valuation of the Fund was undertaken as at 31 December 2022 and disclosed that assets exceeded liabilities at that date, resulting in a surplus of £103 million. This was equivalent to a funding level of 106.4%.

A summary of the results of the full actuarial valuation is included in the Actuary's Report on pages 9 and 10. In addition, the Actuary's Certificate in respect of the adequacy of rates of contributions agreed as part of the valuation, is reported on page 41 of this Report.

The next formal actuarial valuation will be as at 31 December 2025.

REPORT ON ACTUARIAL LIABILITIES

The Fund Actuary carried out an actuarial valuation of the Fund as at 31 December 2022, the main purpose of which was to review the Fund's financial strength at that date. The valuation was carried out under the requirements of the Pensions Act 2004. It used various measures and covered both members' past service benefits (i.e. pensions arising from service with the Sponsoring Employer up to the date of valuation).

The following is a summary of the results and assumptions used at the valuation date.

The financial strength of the Fund, assessed using assumptions about future events agreed by the Trustee and the Sponsoring Employer as being appropriate to meet member benefits (assuming the Fund continues as a "going concern"), was 106% in respect of past service benefits:

2022	£m
Liabilities*	(1,600)
Assets	1,703
Past service funding surplus	103
Funding level	106%

* under the Pensions Act 2004, these are referred to as "technical provisions"

The value of the bulk annuity policy with Canada Life has been included in the liability and the asset values quoted above. The value included in the liability and asset figures above will differ slightly from the value of the bulk annuity policy with Canada Life quoted in the main accounts. This is a result of a minor difference in approach used to value the policy.

The agreement by the Trustee and Company to provide annual increases to pre 1997 pensions in payment in excess of GMPs until 1 January 2027 has been taken into account, as explained in the formal actuarial valuation report.

The 31 December 2022 valuation was undertaken using a yield curve approach. Under this approach different assumptions would be used to value the benefits depending on when they are paid. For example, different assumptions are used to value a benefit payable in 5 years time compared to a benefit payable in 20 years time. Full details of the yield curves used to value the liabilities can be found in the formal report dated 27 March 2024. A high-level summary of how the key assumptions were derived is described below.

Discount rate	Fixed interest gilt curve at valuation date plus 0.25%
Rate of price increases -Retail Prices Index (RPI) -Consumer Prices Index (CPI)	 Derived from the Bank of England implied inflation curve at valuation date. RPI inflation less 1.0% p.a. pre 2030 RPI inflation less 0.1% p.a. post 2030
Pension Increases -Inflation with a cap of 5% p.a. -Inflation with a cap of 2.5% p.a. -Discretionary	Derived from price inflation assumptions with allowance for caps and floors and assuming inflation volatility to be in line with the Fund Actuary's best estimate assumptions
Deferred pension revaluations -CPI inflation capped at an average of 5% p.a. -CPI inflation capped at an average of 2.5% p.a.	Derived from price inflation assumptions with allowances for caps
Post-retirement mortality base table	SAPS S3 All Lives table for males and Light table for females. Scaling factors are then applied to each category of members as set out in the statement of funding principles.
Post-retirement mortality improvements	CMI 2022 (S=7.0, A=0.25) projections with a 1.5% p.a. longterm rate of improvement
GMP equalisation	A reserve of 0.4% of the liabilities has been included in the technical provisions as an approximate cost of GMP equalisation

REPORT ON ACTUARIAL LIABILITIES (CONTINUED)

The financial strength of the Fund assessed against the estimated cost of securing past service benefits with an insurance company was approximately 95%.

Expenses

A new Schedule of Contributions was signed on 27 March 2024. The Sponsoring Employer will pay £2.5 million in 2024, with this amount then increasing each year for the remainder of the period covered by this schedule in line with the increase in RPI to the previous September, to contribute towards the following expenses:

- Administration expenses, including actuarial, legal, audit, investment consultancy and other professional fees and any sundry expenses. Investment manager fees are not covered by this amount as they are met separately by the Fund; and
- Levies payable in respect of the Pension Protection Fund (PPF) and any other levies collected by TPR.

The Sponsoring Employer will pay additional amounts to cover the costs of benefit augmentations within one month of the later of the date of granting the augmentation or the date on which the Trustee receives the details of the costs from the Fund Actuary.

This report relates to the Fund's financial position at the valuation date. As time moves on, the Fund's finances will fluctuate.

Full details of the valuation results are set out in the formal report dated 27 March 2024. This report should be read in conjunction with the formal report, including the statements on the purpose, scope and limitations of reliance on the Fund Actuary's advice and may only be relied upon by the Trustee.

The next formal actuarial valuation is due to be carried out at 31 December 2025.

Jonathan Wicks FIA
The Aon Centre
122 Leadenhall Street
London
EC3V 4AN

INVESTMENT REPORT

The investments referred to in this report include the Trustee's bank account and do not include AVC investments or other Insured Assets.

Investment Sub-committee (ISC)

The ISC of the Trustee Board currently comprises BESTrustees Limited (represented by Catherine Redmond), Sue Clark, Geoffrey Sanderson and Georgina Wallis (representing London Stock Exchange Group). BESTrustees Limited (represented by Catherine Redmond) assumed the position of Chair of the Trustee Board and Chair of the ISC in March 2023, following the retirement of Greg Meekings.

Asset Allocation

The total value of the Fund's investments as at 31 December 2023 was approximately £1,285.3 million, including assets held in the Trustee's bank account but excluding the assets invested in buy-in insurance policies and AVC investments. The distribution of the Fund's assets as at 31 December 2023 was as follows:

	Asset Classes	Market Value (£m)	Fund Distribution (%)
Bonds/Matching Assets	Liability Driven Investment	727.4	56.6%
Growth Assets	Multi Class Credit	188.5	14.7%
	Absolute Return Credit	90.1	7.0%
	Diversified Risk Premia	156.3	12.2%
	Sustainable Equities	92.0	7.2%
	Private Equity	14.0	1.0%
	Insurance-Linked Securities	5.7	0.4%
	Property	0.1	0.0%
Cash	Cash (Trustee's bank account)	11.2	0.9%
Total Fund		**1,285.3**	**100.0%**

Source: Bank of New York Mellon. Figures may not total due to rounding and the exclusion of small residual holdings
Excludes buy-in insurance policies, AVC investments and cash in transit.

As at 31 December 2023, total values for AVCs, insurance policies and cash in transit were £2.7 million, £415.7 million and £2.2 million, respectively.

Statement of Investment Principles

In accordance with Section 35 of the Pensions Act 1995, the Trustee has prepared a Statement of Investment Principles (SIP).

The SIP summarises how the Trustee:

- sets the investment policy and chooses the most suitable types of investments for the Fund;
- delegates buying and selling investments to the Fund's investment managers; and
- monitors the performance of the Fund's investments.

A copy of the SIP is available online via the Trustee's website at https://www.reuterspensionfund.co.uk/assets/statement_of_investment_principles/rpf_-_sip_-_december_2023_.pdf.

The SIP was reviewed and updated over the period to reflect changes to the investment strategy. The Trustee further agreed and articulated an updated Stewardship Policy for the Fund which was appended to the SIP.

The Trustee works closely with its advisers to understand how ESG factors influence the decisions that it makes. The Trustee's latest Task Force on Climate-Related Financial Disclosures ('TCFD') report for the year-end 31 December 2023 is available at https://www.reuterspensionfund.co.uk/news/2024/06/20/tcfd-report-2023

The Statement sets out the approach of the Trustee with regards to identifying, assessing, monitoring, and mitigating climate-related risks and opportunities in the context of the Trustee's broader regulatory and fiduciary responsibilities to their members.

Investment Strategy and Manager Structure

The names of the managers who managed the Fund's investments during the year are listed on pages 2 and 3. The Trustee has delegated the day-to-day management of investments to its appointed fund managers. A written agreement between the Trustee and each manager sets out the terms on which the manager will act.

In April 2023, the Fund reinstated its collateral rebalancing mechanism, with a more prudent collateral test following the gilts crisis. The rebalancing mechanism permits the Fund's LDI manager, Blackrock, to invest and redeem from the Fund's rebalancing assets as collateral needs require. Excess LDI collateral was subsequently reinvested to bring collateral back to target by topping up allocations to the Fund's AQR, Impax, and TwentyFour mandates.

In July 2023, the CQS Credit Multi-Asset Fund was switched to the Dynamic Credit Multi-Asset Fund to enhance the Fund's liquidity profile – the latter being daily dealt as opposed to monthly. The Dynamic Credit Multi-Asset Fund was subsequently added to the Fund's collateral rebalancing mechanism.

To further improve the Fund's liquidity position in October 2023, a full redemption (c.£270 million) of the LGIM Buy & Maintain Credit fund was completed. The proceeds were used to bring LDI collateral back to target, seed a new investment in the Federated Hermes Absolute Return Credit Fund (c.£87 million) and bring the remaining rebalancing assets – TwentyFour, CQS, Impax and AQR to their strategic weighting.

The Nephila mandate is presently in wind-down and invested funds are being returned to the Fund in tranches. As at 31 December 2023, c.£4 million remains invested. This sum has been transferred to a legacy fund named the Cassiopeia Fund, which will distribute capital over time. Final closure is anticipated by the end of 2026.

As at 31 December 2023, the Fund assets were invested with managers as follows:

		£'000	%
Active Management		**546.91**	**42.92%**
Multi Class Credit	CQS	91.2	7.16%
	TwentyFour	97.2	7.63%
Absolute Return Credit	Federated Hermes	90.1	7.07%
Property	CB Richard Ellis	0.1	0.01%
Sustainable Equities	Impax	92.0	7.22%
Diversified Risk Premia	AQR	88.1	6.91%
	Bridgewater	68.2	5.35%
Private Equity	Abbott Capital	13.0	1.02%
	Alliance Bernstein	0.3	0.02%
	Morgan Stanley	1.0	0.08%
Insurance-Linked Securities	Securis	0.3	0.02%
	Nephila Cassiopeia	5.4	0.42%
Passive Management		**727.4**	**57.08%**
Liability Driven Investment	BlackRock Liability Matching	727.4	57.08%
Total Fund		**1,274.3**	**100%**

Source: Bank of New York Mellon and the corresponding investment managers. Figures may not total due to rounding. Excludes AVC investments and buy-in insurance policies and small residual holdings.

Investment Performance

Investment performance for years ended 31 December 2023 is set out below. Performance is shown net of investment manager fees and includes the effects of derivative swap hedging.

Years ended 31 December 2023	**Fund (%)**	**Benchmark (%)**
1 year	3.3%	2.5%
3 year[1]	-14.6%	-16.7%
5 year[1]	-3.9%	-4.8%

[1]Annualised. Source: Bank of New York Mellon

The negative performance of the Fund's assets over 3-year and 5-year periods is primarily due to the performance of its investment in "Liability-Driven Investment" (or "LDI"). The purpose of an LDI strategy is to match the performance of the liabilities. Pension scheme liabilities are valued by actuaries based on long-term interest rates and inflation - for example, when interest rates go up, the value of liabilities falls.

Over the course of 2022 and 2023, long-term interest rates in the UK (i.e. the yield on government bonds) rose materially, driven by structural market shifts and government policy. This led to the value of the Fund's liabilities falling meaningfully, and this was matched by the value of the Fund's investment in LDI which also fell (leading to its negative performance). Therefore, the LDI portfolio performed as expected.

For clarity, over these time periods, the funding level (i.e. the value of assets as a proportion of liabilities) improved.

Investment Manager Remuneration

The Trustee has entered into an agreement with each investment manager whereby its fee is based on the value of assets under its management with provision for additional performance related fees in some actively managed mandates.

Custody

The Fund's custodian is the Bank of New York Mellon. The custodian is responsible for the safe keeping of directly held securities and cash of the Fund. In addition, the custodian regularly reconciles the assets in its care with each of the investment managers and deals with other issues including dividends and coupon payments, tax reclaims and corporate actions.

The Trustee is ultimately responsible for ensuring that the Fund's assets continue to be held securely and reviews the custody arrangements from time to time.

Marketability of investments

There are no restrictions to the Fund selling the swaps/derivatives contracts, but the price would depend on the prevailing market conditions which may not be favorable to the Fund.

All liquid funds and open-ended funds with quarterly redemption options previously held in CBRE's European Property mandate have been exited. The remaining funds within the portfolio are residual income which will shortly be redeemed.

Redemptions from the Bridgewater fund are subject to a three-month notice period. After three months, investors can expect to receive redemption proceeds up to one-third of their total investment. For redemptions greater than one-third of the total account value, up to another one-third of the investment would be paid after six months, with any remainder paid after nine months. The fund has the ability to accelerate these payments. In this case, even a full redemption could be paid out in sooner than nine months.

The CQS mandate may be redeemed on any trading day if the instruction is received no later than 13:00 (Dublin time) on the trading day.

The TwentyFour mandate can be redeemed on any trading day with no restrictions.

In relation to the private equity mandates, whilst there are no restrictions such as lock in periods or gate provisions as such, the private equity investments with Abbott Capital and Morgan Stanley are not in realisable marketable securities. There is seldom a liquid market for the underlying securities or funds, hence the only option would be to sell these investments in the secondary private equity market, which could be punitive for the Fund. The ability to sell these investments will depend on factors such as market conditions at the time of any sale.

The AQR mandate can be redeemed on any trading day if the instruction is received no later than 17:00 (CET) 1 business day prior to the trading day. Payment of the relevant proceeds will be made as soon as reasonably practicable after the relevant dealing day and normally within 2 business days.

The Nephila mandate is presently in wind-down and invested funds are being returned to the Fund in tranches. As at 31 December 2023, c.£4 million remains invested, the sum has been transferred to a legacy fund named the Cassiopeia Fund which will distribute capital over time with final closure anticipated by the end of 2026.

The Impax mandate can be redeemed on any trading day if the redemption instruction is received no later than 17:00 (Dublin Time) on the relevant redemption date. The settlement period is 3 business days.

The Hermes mandate can be redeemed on any trading day. The settlement period is 3 business days.

Redemption of the Securis investment was mandatory on the 31 December 2018. The small residual holding is to be returned to the Fund over time.

The bulk annuity contracts are considered illiquid assets because they involve long-term agreements between the insurance provider and the Fund.

Derivative Policy

In addition to government bonds, the LDI manager uses interest rate and inflation derivatives for liability matching purposes. The LDI mandate is passively managed against a liability benchmark designed to represent the Fund's liability cashflows.

The Fund is invested in overseas assets to ensure the portfolio is adequately diversified and to widen the opportunity set for actively managed investment strategies. The Trustee has implemented a currency hedging programme (using currency forward contracts) to reduce the impact of exchange rate fluctuations, which are considered an unrewarded risk over the long term.

Some of the active investment managers that are employed by the Fund employ other derivative instruments (such as futures and options) to facilitate efficient portfolio management; allowing short-term, low-cost exposure to certain markets.

Employer-related investments

The Fund held <0.01% indirect exposure to employer-related investments at the year end (2022: none).

COMPLIANCE

Pension Increases

Pensions in payment received the following increases during the year in line with requirements under legislation and the Fund's Rules:

- Pensions in excess of Guaranteed Minimum Pensions (GMPs) earned before 6 April 1997 received a discretionary increase of 2.50% (2022: 2.50%) with effect from 1 January 2023. Discretionary increases were awarded by the Sponsoring Employer and Trustee for 2023 and will continue to be granted until 1 January 2027.
- Pensions earned between 6 April 1997 and 5 April 2005 received a statutory increase of 5.00% (2022: 4.90 %) with effect from 1 January 2023.
- Pensions earned after 6 April 2005 received a statutory increase of 2.50% (2022: 2.50%) with effect from 1 January 2023.
- Post 88 GMP pensions in payment received an increase of 3.00% (2022: 3.00%) with effect from 1 January 2023.

Pensioners with individual increase guarantees received increases in line with their specific arrangements.

Transfer Values

Transfer values paid during the year were calculated and verified in accordance with the appropriate regulations under the provision of the Pension Schemes Act 1993 and guidelines issued by the Institute of Actuaries. No transfer values were paid during the year which were less than the full value of the member's preserved benefits. No transfer values paid were reduced below the level calculated using tables supplied by the Fund Actuary.

During the year, an allowance for annual pension increases until 1 January 2024 to pre 1997 pensions in payment in excess of GMPs was included in the calculation of transfer values, in line with the agreement by the Trustee and the Sponsoring Employer. Post year-end, the transfer value basis was updated to reflect the new agreement between the Trustee and the Sponsoring Employer to continue to award these discretionary increases up to and including 1 January 2027.

Contributions

All contributions received were in accordance with the Schedule of Contributions.

Pension Schemes Registry

The Trustee is required to provide certain information about the Fund to the Pension Schemes Registry. This has been forwarded to:

Pension Schemes Registry
PO Box 1NN
Newcastle upon Tyne
NE99 1NN

The Pensions Regulator

TPR is able to intervene in the running of schemes where trustees, employers or professional advisers have failed in their duties. TPR's contact details are:

Telecom House
125-135 Preston Road
Brighton
BN1 6AF

Telephone: 0345 600 7060
Email: customersupport@tpr.gov.uk
Website: www.thepensionsregulator.gov.uk

COMPLIANCE (CONTINUED)

MoneyHelper

MoneyHelper brings together the Money Advice Service, the Pensions Advisory Service and Pension Wise in one, easily accessible place, offering a broad range of financial guidance and support.

Telephone: 0800 011 3797 Overseas: +44 20 7932 5780
Email: pension.enquiries@moneyhelper.org.uk
Website: https://www.moneyhelper.org.uk

Pensions Ombudsman

The Pensions Ombudsman will assist members and beneficiaries of the Fund in connection with difficulties which they have failed to resolve with the Administrator of the Fund or with the Trustee through the Fund's Internal Dispute Resolution Procedure (IDRP). The Pensions Ombudsman may investigate and determine any complaint or dispute of fact or law in relation to an occupational pension scheme. It is also possible to refer a complaint to the Pensions Ombudsman's Early Resolution Service at any time (i.e. without completing the Fund's IDRP). The Pensions Ombudsman (including the 'Early Resolution Service') may be contacted at:

The Pensions Ombudsman
10 South Colonnade
Canary Wharf
London
E14 4PU
Telephone: 0800 917 4487 (option 1) Overseas: +44 (0) 207 630 2200
Email: enquiries@pensions-ombudsman.org.uk
Website: www.pensions-ombudsman.org.uk

Pensions Tracing Service

A register is maintained to help current or former members to trace their pension rights. The Fund is registered and relevant details have been given to the Regulator who can be contacted at:

Pensions Tracing Service
The Pension Service 9
Mail Handling Site A
Wolverhampton
WV98 1LU
Telephone: 0800 731 0193
Website: www.gov.uk/find-lost-pension

Statement of Trustee's Responsibilities

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 Fund during the Fund year and of the amount and disposition at the end of the Fund year of its assets and liabilities, other than liabilities to pay pensions and benefits after the end of the Fund 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 a statement whether the financial statements have been prepared in accordance with the relevant financial reporting framework applicable to occupational pension schemes.

In discharging the above 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 the preparation of the financial statements on a going concern basis unless it is inappropriate to presume that the Fund will not be wound up.

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

The Trustee also has a general responsibility for ensuring that adequate accounting records are kept and for taking such steps as are reasonably open to it to safeguard the assets of the Fund 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 Reuters Pension Fund website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Trustee's Responsibilities in respect of contributions

The Trustee is responsible under pensions legislation for preparing, maintaining and from time to time reviewing and if necessary, revising a Schedule of Contributions showing the rates of contributions payable towards the Fund by or on behalf of the Sponsoring Employer and the dates on or before which such contributions are to be paid.

The Trustee is also responsible for adopting risk-based processes to monitor whether contributions that fall due to be paid are paid into the Fund in accordance with the Schedule of Contributions.

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

Contact for Further Information

Any enquiries or complaints about the Fund, including requests from individuals for information about their benefits or Fund documentation, should be sent to:

Reuters Pension Administration Team
Isio Group Limited
AMP House
Dingwall Road
Croydon
CR0 2LX

Telephone: 0800 448 0796 Overseas: +44(0) 203 372 2106

Email: Reuters@ISIO.com

Members' Website: www.mypensiontracker.co.uk

Trustee's Website: www.reuterspensionfund.co.uk

Approval

The Trustee's Report was approved by the Trustee and signed on its behalf by:

Catherine Redmond
Date: 26/7/2024

Catherine Redmond, representing BESTrustees Limited

Geoffrey Sanderson
Date: 26/7/2024

Trustee Director

Opinion

We have audited the financial statements of the Reuters Pension Fund (the "Fund") for the year ended 31 December 2023, which comprise the fund account, the statement of net assets (available for benefits) and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- show a true and fair view of the financial transactions of the Fund during the year ended 31 December 2023, and of the amount and disposition at that date of its assets and liabilities, other than the 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; 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, made under the Pensions Act 1995.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the Fund in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, 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

We are responsible for concluding on the appropriateness of the Trustee's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the Fund to cease to continue as a going concern.

In our evaluation of the Trustee's conclusions, we considered the inherent risks associated with the Fund including effects arising from macro-economic uncertainties such as interest and inflation rates and the cost of living crisis, we assessed and challenged the reasonableness of estimates made by the Trustee and the related disclosures and analysed how those risks might affect the Fund's financial resources or ability to continue operations over the going concern period.

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 Fund's ability to continue as a going concern for a period of at least twelve months from when the financial statements are approved by the Trustee.

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

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 contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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 themselves. 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.

Responsibilities of the Trustee

As explained more fully in the statement of Trustee's responsibilities set out on page 18, the Trustee is responsible for the preparation of financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustee determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustee is responsible for assessing the Fund'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 Fund, or have no realistic alternative but to do so.

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 (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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below:

We obtained an understanding of the legal and regulatory frameworks that are applicable to the Fund and determined that the most significant are the Pensions Act 1995 and 2004 and those that relate to the reporting frameworks (Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996, Financial Reporting Standard 102 (FRS 102) and the Statement of Recommended Practice "Financial Reports of Pension Schemes" 2018 ("the SORP")).

In addition, we concluded that there are certain significant laws and regulations that may have an effect on the determination of the amounts and disclosures in the financial statements and those laws and regulations such as, TPR's Codes of Practice and relevant compliance regulations (including the Annual Pensions Bill and tax legislation) under which the Fund operates.

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our sector experience and through discussion with management, the Trustee, and from inspection of Trustee board minutes and legal and regulatory correspondence. We discussed the policies and procedures regarding compliance with laws and regulations with the Trustee.

We assessed the susceptibility of the Fund's financial statements to material misstatement due to irregularities including how fraud might occur. We evaluated management's incentives and opportunities for manipulation of the financial statements and determined that the principal risks were in relation to the risk of management override of controls through posting inappropriate journal entries to manipulate results for the year and inappropriate valuation of investment assets.

Auditor's Responsibilities for the Audit of the Financial Statements (continued)
Our audit procedures involved:

- Journal entry testing, with a focus on large journals, manual journals, those journals with unusual account combinations or entries posted to suspense accounts and;
- Use of our internal experts to challenge the reasonableness of the bulk annuity insurance policy asset valuation at the year end and;
- Obtaining independent confirmations of material investment valuations and cash balances at the year end.

In addition, we completed audit procedures to conclude on the compliance of disclosures in the annual report and accounts with applicable financial reporting requirements.

These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it.

The Engagement partner's assessment is that all team members are qualified accountants or working towards that qualification and are considered to have sufficient knowledge and experience of plans of a similar size and complexity, appropriate to their role within the team. The engagement team are required to complete mandatory pensions sector training on an annual basis, thus ensuring they have sufficient knowledge and understanding of the sector, the underlying applicable legislation and related guidance.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report
This report is made solely to the Fund's Trustee, as a body, in accordance with the Pensions Act 1995 and Regulations made thereunder. Our audit work has been undertaken so that we might state to the Fund'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 Fund's Trustee as a body, for our audit work, for this report, or for the opinions we have formed.

Grant Thornton UK
Statutory Auditor
Chartered Accountants
London
Date: 26/7/2024

REUTERS PENSION FUND

FUND ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2023

	Note	2023 £'000	*2022 £'000*
Contributions and benefits			
Employee contributions	4	-	*54*
Employer contributions	4	2,487	*6,094*
Total contributions		2,487	*6,148*
Other income	5	153	*-*
		2,640	*6,148*
Benefits			
Benefits paid and payable	6	(55,033)	*(53,528)*
Payments to and on account of leavers	7	(7,971)	*(14,955)*
Administrative expenses	8	(2,112)	*(2,425)*
		(65,116)	*(70,908)*
Net withdrawals from dealings with members		(62,476)	*(64,760)*
Returns on investments			
Investment management expenses	9	(2,378)	*(1,926)*
Investment income	10	57,197	*65,120*
Change in market value of investments	11	2,538	*(1,090,451)*
Net returns on investments		57,357	*(1,027,257)*
Net increase/(decrease) in the fund during the year		(5,119)	*(1,092,017)*
Net assets at 1 January		1,709,712	*2,801,729*
Net assets at 31 December		1,704,593	*1,709,712*

The notes on pages 25 to 40 form part of these financial statements.

REUTERS PENSION FUND

STATEMENT OF NET ASSETS (AVAILABLE FOR BENEFITS)
AS AT 31 DECEMBER 2023

	Note	2023 £'000	*2022* *£'000*
Investment assets			
Equities	11	6	*6*
Bonds	11	1,184,698	*1,027,855*
Pooled investment vehicles	11	546,934	*559,510*
Qualifying investment fund	11	-	*279,631*
Derivatives	11	21,562	*67,474*
Insurance policies	11	415,736	*427,804*
AVC investments	11	2,671	*2,767*
Accrued income	11	10,129	*7,836*
Cash in transit	11	2,166	*65*
Cash and equivalents	11	11,438	*36,701*
Total net investments		2,195,340	*2,409,649*
Investment liabilities			
Derivatives	11	(2,367)	*(58,739)*
Cash and equivalents	11	(14,412)	*-*
Amounts due under repurchase agreements	11	(483,712)	*(641,758)*
Total investments liabilities		(500,491)	*(700,497)*
Total net investments		1,694,849	*1,709,152*
Current assets	22	11,811	*5,839*
Current liabilities	23	(2,067)	*(5,279)*
Net assets at 31 December		1,704,593	*1,709,712*

The financial statements summarise the transactions of the Fund 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 Fund year. The actuarial position of the Fund, which does take account of such obligations, is dealt with in the Report on Actuarial Liabilities on pages 9 and 10 and the Actuarial Certificate on page 41 of the annual report, and these financial statements should be read in conjunction with these sections.

The notes on pages 25 to 40 form part of these financial statements.

The financial statements were approved for and on behalf of the Trustee by:

Catherine Redmond

Catherine Redmond, representing BESTrustees Limited

Date: 26/7/2024

Geoffrey Sanderson

Trustee Director

Date: 26/7/2024

1. IDENTIFICATION OF THE FINANCIAL STATEMENTS

The Fund is an occupational defined benefit pension arrangement established as a trust under English Law. The Fund is closed to new members and from 31 August 2022 closed to future accrual. A deed and resolution to give effect to this change was signed on 21 September 2022. The registered address of the Fund is 5 Canada Square, Canary Wharf, London, E14 5AQ.

The Fund is a registered pension scheme under the 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 Fund receive preferential tax treatment.

2. BASIS OF PREPARATION

The individual financial statements of Reuters Pension Fund 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").

The Fund is registered under the Finance Act 2004. Prior to the introduction of this Act, the Fund was an "exempt approved scheme" under the terms of the Income and Corporation Taxes Act 1988.

Under the Pensions Statement of Recommended Practice, a going concern basis is assumed unless a decision has been made to wind up the Fund or an event triggering its wind up has occurred. As no such event has occurred or is currently anticipated, these financial statements have been prepared on a going concern basis.

3. ACCOUNTING POLICIES

The principal accounting policies of the Fund are as follows:

3.1 Contributions

a) Employer deficit contributions, expense contributions and other additional contributions are accounted for in accordance with the agreement under which they are payable, paid or, in the absence of an agreement, in the period in which they are received.

3.2 Transfers from and to other schemes

Transfer values represent the capital sums either receivable in respect of members from other pension schemes of previous employers or payable to other pension schemes for members who have left the Fund. They are accounted for on an accrual basis on the date the trustees of the receiving plan accept the liability. The liability normally transfers when payment is made, unless the trustees of the receiving plan have agreed to accept liability in advance of receiving the funds.

3. ACCOUNTING POLICIES (CONTINUED)

3.3 Payments to members

a) Benefits are accounted for on the later of the period in which the member notifies the Trustee of their decision on the type or amount of benefit to be taken, and the date of retiring or leaving. If there is no member choice, the date of retiring, leaving or notification of death is used.

b) Pensions in payment are accounted for in the period to which they relate.

c) Where the Trustee is required to settle tax liabilities on behalf of a member (such as when lifetime or annual allowances are exceeded) with a consequent reduction in that member's benefits receivable from the Fund, this is shown separately within benefits.

3.4 Investment management, administrative and other expenses

a) All investment management and administrative expenses are met by the Fund and accounted for on an accruals basis, net of recoverable VAT.

3.5 Investment income

a) Interest payable on repurchase agreement contracts is accounted for on an accruals basis.

b) Income from qualifying investment funds is accounted for as investment income on an accruals basis.

c) Receipts from annuity policies are accounted for as investment income on an accruals basis consistent with the related insured benefits payable.

d) Income from bonds is accounted for on an accruals basis and includes income bought and sold on the purchase and sale of bonds.

3.6 Investments

a) 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 during the year, including profits and losses realised on sales of investments during the year.

b) Investments are included at fair value as described below:

c) The Qualifying Investment Fund (QIF) is accounted for on the fair value of the underlying assets as set out for each of the asset types that are held within it.

d) Quoted securities in active markets are valued at the current bid prices at the reporting date.

e) Bonds are valued using valuation techniques that use observable market data.

f) Accrued interest is excluded from the market value of bonds and is included in invested income receivable.

g) Pooled investment vehicles have been valued at the latest available bid price or single price provided by the pooled investment manager. Shares in other pooled arrangements have been valued at the latest available net asset value (NAV), determined in accordance with fair value principles, provided by the pooled investment manager.

h) Over the counter (OTC) derivatives are valued using the following valuation techniques:

   a. Swaps - current value of future cash flows arising from the swap determined using discounted cash flow models and market data at the reporting date.

   b. Forward foreign exchange (Forward FX) -- 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.

   c. Exchange traded futures are valued at the sum of the daily mark-to-market, which is a calculated difference between the settlement prices at the reporting date and the inception date.

3. ACCOUNTING POLICIES (CONTINUED)

3.7 Investments (continued)

i) The Trustee holds annuity policies with Friends Life and Canada Life Limited that secure the pensions payable to specified beneficiaries. These policies have been valued by Aon, the Fund Actuary. Both policies have been valued on the technical provisions assumptions agreed for the 31 December 2022 actuarial valuation, updated for market conditions at the current year end. Further details of the technical provisions' assumptions used is set out below.

j) The Trustee has determined that there are no other material annuity policies held in the name of the Trustee.

k) AVC investments are included at fair value as provided by the AVC investment managers.

l) Amounts repayable under repurchase agreements and reverse repurchase agreements which are still to mature at the year-end date are reflected within other investment liabilities at fair value as provided by the investment manager.

m) Cash includes cash and cash equivalents which are included at fair value provided by the investment manager.

3.8 Significant Judgements and Estimates

In applying the Fund's accounting policies, the Trustee is required to make judgements, estimates and assumptions in determining the carrying amounts of assets and liabilities. The Trustee's judgements, estimates and assumptions are based on the best and most reliable evidence available at the time when the calculations were made and are based on member data, historical experience and other factors that are considered to be applicable. Due to the inherent subjectivity involved in making such judgements, estimates and assumptions, the actual results and outcomes may differ. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods, if the revision affects both current and future periods.

4. CONTRIBUTIONS

	2023 £'000	*2022* *£'000*
Employer contributions		
Normal	-	*3,070**
Additional – expense contributions	2,487	*2,457*
	2,487	*5,527**
Employee contributions		
Normal	-	*621**
	2,487	*6,148*

*Figures were overstated in 2022. Employer normal contribution were £3,637,000 updated to £3,070,000 and Employee normal contribution were £54,000 updated to £621,000.

Under the Schedule of Contributions, the Sponsoring Employer also agreed to pay £2.487 million in 2023 and £2.5 million in 2024 to the Fund in respect of the cost of administrative expenses, with this amount then increasing each year for the remainder of the period covered by the Schedule in line with the increase in RPI to the previous September.

5. OTHER INCOME

	2023	2022
	£'000	£'000
Other income	94	-
Interest on bank account	59	-
	153	-

6. BENEFITS PAID AND PAYABLE

	2023	2022
	£'000	£'000
Pensions	43,689	41,895
Commutations and lump sum retirement benefits	11,051	10,795
Lump sum on death in retirement	59	281
Taxation where lifetime or annual allowance exceeded	234	557
	55,033	53,528

Taxation arising on benefits paid or payable is in respect of members whose benefits exceeded the lifetime or annual allowance and who elected to take lower benefits from the Fund in exchange for the Fund settling their tax liability.

7. PAYMENTS TO AND ON ACCOUNT OF LEAVERS

	2023	2022
	£'000	£'000
Individual transfers to other schemes	7,971	14,349
Pension sharing on divorce	-	606
	7,971	14,955

8. ADMINISTRATIVE EXPENSES

	2023	2022
	£'000	£'000
Administration and processing	724	317
Actuarial fees	843	957
Audit fees	131	89
Professional fees	275	748
PPF Levy	72	140
Trustee fees and expenses	33	125
Levies and general expenses	34	49
	2,112	2,425

Audit fees paid for the year ended 31 December 2023 were £77,000, additional fees of £6,000 we payable to the scheme auditor (Grant Thornton) in respect of additional agreed procedures testing.

9. INVESTMENT MANAGEMENT EXPENSES

	2023	2022
	£'000	£'000
Investment management fees	1,333	923
Investment consultancy fees	518	514
Irrecoverable withholding tax	527	489
	2,378	1,926

There were no amounts paid in respect of performance related fees.

10. INVESTMENT INCOME

	2023 £'000	*2022 £'000*
Income from bonds	**27,313**	*23,090*
Income from pooled investment vehicles	**4,839**	*10,076*
Income from qualifying investment fund	**9,708**	*-*
Interest payable	**(19,386)**	*(6,329)*
interest income/(expense) on derivatives	**4,288**	*-*
Dividends from equities	**-**	*9,205*
Currency gain/loss on cash	**(281)**	*(264)*
Annuity income	**29,624**	*29,288*
Interest income/(expense) on cash deposits	**1,072**	*54*
	57,197	*65,120*

The Fund incurs interest at money market rates payable on monies advanced to it under repurchase agreement contracts entered into. These advances are secured on the Fund's existing bond portfolio.

In prior years the income from the Qualifying Investment Fund was split into its constituent parts.

11. INVESTMENT RECONCILIATION

	Value at 1 January 2023 £'000	Cost of Investments purchased £'000	Proceeds of sales of investments £'000	Change in market value £'000	Value at 31 December 2023 £'000
Equities	6	-	-	-	**6**
Bonds	1,027,855	185,829	(22,578)	(6,408)	**1,184,698**
Pooled investment vehicles	559,510	951,872	(987,577)	23,129	**546,934**
Qualifying investment fund	279,631	349,579	(615,941)	(13,269)	**-**
Derivatives – net	8,735	988,387	(988,044)	10,117	**19,195**
Insurance policies	427,804	-	(860)	(11,208)	**415,736**
AVCs	2,767	-	(273)	177	**2,671**
	2,306,308	2,475,667	(2,615,273)	2,538	**2,169,240**
Cash deposits	36,701				**(2,974)**
Cash in transit	65				**2,166**
Accrued income	7,836				**10,129**
Repurchase agreements	(641,758)				**(483,712)**
	1,709,152				**1,694,849**

Cash & equivalents of -£2.9 million (2022:£36.7 million) comprises -£2.3 million (2022: -£4.2 million) relating to the variation margin in the BlackRock LDI portfolio and -£0.6 million (2022: £40.9 million) of other positive cash balances with investment managers.

The figures above take into account the cumulative value of movements within the year.

11. INVESTMENT RECONCILIATION (CONTINUTED)

Pooled investment vehicles are operated by companies registered in the UK, USA, Bermuda, Luxembourg and Ireland.

The qualifying investment fund (QIF) was an investment vehicle for which the Fund was the sole investor, until it withdrew all assets on 8 November 2023.

The movement in purchase and sales of investments in the year have been impacted by and are reflective of the strategic positioning by the Trustee of the assets and liabilities.

12. TRANSACTION COSTS

Transaction costs are included in the cost of purchases and deducted from sale proceeds. Direct transaction costs, including costs charged to the Fund such as fees, commissions and stamp duty were £nil (2022: £nil).

In addition, indirect costs are incurred through the bid-offer spread on investments within pooled investment vehicles and charges made within those vehicles. It is not possible for the Trustee to quantify such indirect transaction costs.

13. INVESTMENT ASSETS AND LIABILITIES

The holdings of the Fund's invested assets by asset class are analysed below:

Analysis of investment assets and liabilities

	2023 £'000	*2022* *£'000*
Investment assets		
Equites	6	*6*
Bonds	1,184,698	*1,027,855*
Pooled investment vehicles	**546,934**	*559,510*
Multi-class credit	185,574	*50,631*
Diversified risk premia	156,264	*118,646*
Sustainable equities	91,975	*8,624*
Absolute return credit	90,065	*-*
Private equity	13,887	*19,627*
Cash	4,936	*327,592*
Insurance-linked securities	4,233	*34,390*
Qualifying investment fund	-	*279,631*
Bonds	-	*264,940*
Pooled investment vehicles	-	*10,197*
Cash	-	*70*
Accrued income	-	*4,424*
Other investment assets	**461,535**	*542,647*
Derivatives	21,562	*67,474*
AVC investments	2,670	*2,767*
Insurance policies	415,736	*427,804*
Cash and equivalents	11,438	*36,766*
Accrued income	10,129	*7,836*
Total investment assets	**2,193,173**	*2,409,649*
Investment liabilities		
Cash and equivalents	(14,411)	*-*
Repurchase agreements	(483,712)	*(641,758)*
Derivatives	(2,367)	*(58,739)*
Total investment liabilities	**(500,490)**	*(700,497)*
Total net investments	**1,692,683**	*1,709,152*

14. DERIVATIVES

	2023 Assets £'000	2023 Liabilities £'000	*2022 Assets £'000*	*2022 Liabilities £'000*
Futures	-	-	*37*	*(3)*
Forward foreign currency contracts	918	(27)	*2*	*(301)*
Swaps	20,644	(2,340)	*67,435*	*(58,435)*
	21,562	(2,367)	*67,474*	*(58,739)*

In addition to government bonds, the LDI manager uses interest rate and inflation derivatives for liability matching purposes. The LDI mandate is passively managed against a liability benchmark designed to represent the Fund's liability cashflows.

The Fund is invested in overseas assets to ensure the portfolio is adequately diversified and to widen the opportunity set for actively managed investment strategies. The Trustee has implemented a currency hedging programme (using currency forward contracts) to reduce the impact of exchange rate fluctuations, which are considered an unrewarded risk over the long term.

Some of the active investment managers that are used by the Fund employ other derivative instruments (such as futures) to facilitate efficient portfolio management, allowing short-term exposure to certain markets.

The Trustee has authorised the use of derivative financial instruments by their investment managers as part of their investment strategy.

Analysis of derivative contracts

Futures – exchange traded	2023 Notional amount £'000	2023 Assets £'000	2023 Liabilities £'000	*2022 Assets £'000*	*2022 Liabilities £'000*
US treasury bond future March 2022	-	-	-	*37*	-
US 10 treasury note future traded March 2022	-	-	-	-	*(2)*
US 5 year treasury note future March 2022	-	-	-	-	*(1)*
	-	-	-	*37*	*(3)*

Forward foreign currency contracts – Over the counter

Expiration	No. of contracts	Currency Bought £'000 GBP	Currency Sold £'000 USD	2023 Assets £'000	2023 Liabilities £'000	*2022 Assets £'000*	*2022 Liabilities £'000*
Within 3 months	6	68,904	3,435	918	(27)	*2*	*(301)*

14. DERIVATIVES (CONTINUED)

Swaps Summary

Type of swap	2023 Assets £'000	2023 Liabilities £'000	*2022 Assets £'000*	*2022 Liabilities £'000*
Zero coupon	11,127	(1,658)	*45,731*	*(57,097)*
Over the counter inflation	5,836	-	*9,599*	-
Over the counter interest rate	3,681	(682)	*12,105*	*(1,338)*
	20,644	(2,340)	*67,435*	*(58,435)*

Swaps – Zero coupon

Expiration years	No. of contracts	2023 Principal £'000	2023 Assets £'000	2023 Liabilities £'000	*2022 Assets £'000*	*2022 Liabilities £'000*
>5	1	5,537	1,097	-	*14,572*	*(11,299)*
5 to 10	4	19,330	9,262	(1,658)	*10,711*	*(5,083)*
10 to 30	1	2,974	768	-	*20,448*	*(40,715)*
			11,127	(1,658)	*45,731*	*(57,097)*

Swaps – Over the counter inflation

Expiration years	No. of contracts	2023 Principal £'000	2023 Assets £'000	2023 Liabilities £'000	*2022 Assets £'000*	*2022 Liabilities £'000*
>5	5	31,464	4,928	-	*4,087*	-
5 to 10	-	-	-	-	*1,700*	-
10 to 30	1	6,699	908	-	*3,813*	-
			5,836	-	*9,599*	-

Swaps – Over the counter interest rate

Expiration years	No. of contracts	2023 Principal £'000	2023 Assets £'000	2023 Liabilities £'000	*2022 Assets £'000*	*2022 Liabilities £'000*
>5	4	68,423	3,603	(682)	*4,098*	*(1,126)*
5 to 10	1	4,320	78	-	*6,724*	*(212)*
10 to 30	-	-	-	-	*1,283*	-
			3,681	(682)	*12,105*	*(1,338)*

Cash and Bonds of £5.3 million (2022*: £17.6 million) has been pledged in respect of the derivative positions in the Liability Driven investment portfolio. £21.0 million (2022*: £9.7 million) have been held.

*Figures restated from prior year.

15. AMOUNTS DUE UNDER REPURCHASE AGREEMENTS

			2023		*2022*
Repayment date	**Notional**	**Assets**	**Liabilities**	*Assets*	*Liabilities*
	£'000	**£'000**	**£'000**	*£'000*	*£'000*
Within 3 months	201,868	-	(207,896)	*9,201*	*-*
Within 4 to 6 months	186,154	-	(191,360)	*-*	*(444,711)*
Within 7 to 9 months	83,769	-	(84,456)	*-*	*(206,268)*
		-	(483,712)	*9,201*	*(650,979)*

At the year-end £491,598,665 (2022: £474,187,083) of bonds reported in Fund assets are held by counterparties under repurchase agreements. Additional collateral of £5,775,020 (2022: £170,506,684) has been pledged in respect of repurchase agreements. £14,807,307 (2022: £578,750) has been held.

16. INSURANCE POLICIES

The Funds held insurance policies at the year end as follows:

	2023	*2022*
	£'000	*£'000*
Utmost Life & Pension (Unit linked)	851	*826*
Prudential Money Purchase (with profits)	590	*690*
Prudential Money Purchase (unit linked)	1,768	*2,138*
Canada Life Annuity Policy	412,500	*424,100*
Friends Life Annuity Policy	27	*50*
	415,736	*427,804*

17. AVC INVESTMENTS

The aggregate amounts of AVC investments are as follows:

	2023	*2022*
	£'000	*£'000*
Utmost Life & Pension (Unit linked)	910	*851*
Prudential Money Purchase (with profits)	506	*690*
Prudential Money Purchase (unit linked)	1,255	*1,226*
	2,671	*2,767*

19. FAIR VALUE HEIRARCHY

The fair value of financial instruments has been disclosed using the following fair value hierarchy:

Level 1	The unadjusted quoted price in an active market for identical assets or liabilities that the entity can access at the assessment date.
Level 2	Inputs other than quoted prices included within Level 1 that are observable (i.e. developed) 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.

A fair value measurement is categorised in its entirety on the basis of the lowest level input which is significant to the fair value measurement in its entirety.

19. FAIR VALUE HEIRARCHY (CONTINUED)

The Fund's investment assets and liabilities fall within the above hierarchy levels as follows:

As at 31 December 2023	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Equities	6	-	-	**6**
Bonds	-	1,184,698	-	**1,184,698**
Pooled investment vehicles	-	460,655	86,279	**546,934**
Derivatives – net	-	19,195	-	**19,195**
Insurance policies	-	-	415,736	**415,736**
AVC investments	-	909	1762	**2,671**
Cash and equivalents – net	(2,974)	-	-	**(2,974)**
Other investment balances	10,129	-	-	**10,129**
Repurchase agreements	-	(483,712)	-	**(483,712)**
Cash in transit	2,166	-	-	**2,166**
	9,327	**1,181,745**	**503,777**	**1,694,849**

As at 31 December 2022	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Equities	6	-	-	**6**
Bonds	-	1,027,855	-	**1,027,855**
Pooled investment vehicles	-	386,847	172,663	**559,510**
Qualifying investment fund	4,494	275,137	-	**279,631**
Derivatives – net	-	8,735	-	**8,735**
Insurance policies	-	2,964	424,840	**427,804**
AVC investments	-	851	1,916	**2,767**
Cash and equivalents – net	36,701	-	-	**36,701**
Other investment balances	7,836	-	-	**7,836**
Repurchase agreements	-	(641,758)	-	**(641,758)**
Cash in transit	65	-	-	**65**
	49,102	**1,060,631**	**599,419**	**1,709,152**

20. INVESTMENT RISK DISCLOSURES

FRS 102 requires the disclosure of information in relation to certain investment risks. FRS 102 sets out these risks as follows:

Credit risk is 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, defined as follows:

- **Currency risk** 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** 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** 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.

The principal objective of the Trustee is to invest the assets of the Fund to meet its liabilities when they fall due. The Trustee wishes to protect members' accrued benefits by maintaining a reasonable prospect of achieving a 100% funding level on a prudent basis.

The Trustee maintains a diversified portfolio of assets which seeks to maintain a balance between expected investment return and volatility of returns. The Trustee also seeks to manage the Fund's exposure to interest rate and inflation risk whilst keeping expected returns at an appropriate level.

- The Trustee determines its investment strategy after taking advice from a professional investment adviser.
- The Fund has exposure to these risks because of the investments it makes in following the investment strategy as set out above.
- The Trustee manages its investment risks, including credit risk and market risk, within an agreed risk budget which is set taking into account the Fund's strategic investment objectives.
- The investment objectives and risk budget are implemented through the investment management agreements in place with the Fund's investment managers and monitored by the Trustee through regular reviews of the investment portfolio.

Further information on the Trustee's approach to risk management is set out below.

Credit risk

The Fund is subject to credit risk via its holdings in multi-class credit and absolute return credit. Credit risk is indirect through holdings in pooled vehicles. Credit risk on the underlying holdings is managed by the relevant asset managers through both in-house credit assessments and review of external credit rating reports.

20. INVESTMENT RISK DISCLOSURES (CONTINUED)

Credit risk (continued)

Counterparty 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. The Trustee carries out due diligence checks on the appointment of new pooled investment managers and on an ongoing basis monitor any changes to the operating environment of the pooled manager.

Direct credit risk arises through the Fund's investment in annuity policies with Canada Life and Friends Life to meet certain pensioner payments. This direct credit risk is considered to be low because the contracts are with insurance companies which are subject to strict regulatory requirements.

Counterparty credit risk also arises from entering into derivative contracts as part of the LDI hedging programme. This is mitigated by daily collateralisation, by diversifying exposure across a number of counterparties and by the LDI manager's ongoing assessment of the creditworthiness of each counterparty.

Credit risk arising on bonds held directly is mitigated by investing in government bonds where the credit risk is minimal, and corporate bonds which are held as part of a well-diversified portfolio.

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

	2023 (£m)	2022 (£m)
Limited partnership	13.0	15.6
Open ended investment companies	526.8	538.3
Cayman Islands exempted limited partnerships	1.0	4.1
Cayman Islands exempted private investment funds	0.3	1.6
Bermuda Exempted Company	5.4	-
	546.5	559.6

Currency risk

The Fund is subject to indirect currency risk because some of the Fund's pooled investment vehicles respectively invest in overseas markets or are denominated in foreign currencies. This exposure specifically arises from exposure to Insurance-Linked Securities ("ILS"), Global Equities and Private Equity. The Fund has in place a currency hedging mandate with BlackRock which hedges 100% of exposure to US Dollars arising from the Global Equity and ILS allocations respectively. Currency exposure on the private equity mandates is unhedged. Some managers may take active currency positions as a permitted part of their wider mandates.

Interest rate risk

The Fund is subject to interest rate risk because some of its investments are held in bonds, interest rate swaps, repurchases and reverse repurchase agreements and derivatives which are sensitive to interest rates. These investments are used to hedge interest rate risk arising from the Fund's liabilities. The Trustee targets a hedge ratio equal to the funding ratio on a Gilts Flat basis. Accordingly, if interest rates fall (rise), the value of assets will rise proportional to the increase (decrease) in the present value of the liabilities. The target hedge ratio of the Fund was 105% as at 31 December 2023 (equal to the funding ratio).

20. INVESTMENT RISKS DISCLOSURES (CONTINUED)

Other price risk

Other price risk arises in relation to the Fund's return-seeking which are permitted to invest in a range of alternative investment securities, these include commodities, property, insurance contracts and private equity. The Trustee manages this exposure by investing in funds that invest in a diverse portfolio of instruments across various markets.

Risk Disclosure (Value of Investments)

	2023 (£m)	2022 (£m)
Credit risk	**278.5**	334.4
Currency risk	**86.6**	99.3
Interest rate risk	**1,185.5**	1,311.9
Other price risk	**176.0**	180.3

Source: Redington. Please note that the sum of each column is greater than total Fund assets due to some assets having exposure to more than one risk.

The following table summarises the extent to which the various classes of investments are affected by financial risks:

Investment Assets	Credit risk	Currency risk	Interest rate risk	Other price risk	2023 Market Value £'000	2022 Market Value £'000
Bonds	◐	○	●	○	**1,184,698**	1,027,855
Pooled investment vehicles	◐	◐	◐	●	**546,934**	559,616
Qualifying investment fund	◐	◐	◐	●	**-**	279,631
Derivatives - net	◐	◐	◐	◐	**19,195**	8,735
Other insured assets	◐	○	○	○	**415,736**	427,804
AVC investments	◐	○	●	●	**2,670**	2,767
Cash and equivalents	○	○	◐	○	**(2,963)**	36,701
Other investment balances	○	○	○	○	**10,129**	7,836

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

21. CONCENTRATION OF INVESTMENTS

The following investments account for more than 5% of the Fund's net assets as at 31 December:

	2023		*2022*	
	£'000	%	*£'000*	*%*
Canada Life annuity policy	412,500	24.20	*424,100*	*24.8*
24 Dynamic Bond	94,343	5.50	-	-
Impax Global Equity Opportunity	91,976	5.36	-	-
AQR Diversified Risk Premia Fund	88,103	5.14	-	-
Blackrock Money Market	-	-	*322,904*	*18.9*
Legal & General -- Qualifying investment fund	-	-	*279,631*	*16.4*
Bridgewater Pure Alpha Sterling fund	-	-	*107,106*	*6.3*

There was no stock lending during the year, apart from the limited stock lending activity carried out by Legal & General as part of the investment strategy of its pooled funds.

22. CURRENT ASSETS

	2023	*2022*
	£'000	*£'000*
Cash balance	11,161	*5,749*
Employer contributions due	556	*90*
VAT owed to the Fund	94	-
	11,811	*5,839*

23. CURRENT LIABILITIES

	2023	*2022*
	£'000	*£'000*
Unpaid benefits	1,124	*1,901*
Accrued expenses	910	*2,683*
Tax due to HMRC	33	*557*
Tax on annual allowance	-	*138*
	2,067	*5,279*

24. EMPLOYER RELATED INVESTMENTS

The Fund held <0.01% indirect exposure to employer-related investments at the year end (2022: none).

25. RELATED PARTY TRANSACTIONS

Key management personnel of the Fund

During the year the Fund paid pensions in respect of 3 (2022: 3) Trustee Directors of the Fund. Benefits were paid in accordance with the Fund's Rules.

During the year, the Fund paid fees and expenses to the Trustee Chair and fees to certain other Trustee Directors relating to the exercise of their duties. In 2023, these fees and expenses amounted to £32,644 (2022: £124,522) (see note 8). The fees and expenses paid to the Trustee Chair ceased during 2023 as the Chair is now a professional trustee rather than an individual Trustee Director. Trustee fees are now paid directly by the Sponsoring Employer.

Entities with control, joint control or significant influence over the Fund

Certain Fund expenses are initially paid by the Sponsoring Employer and then reimbursed by the Fund. Therefore, at the year end there may be amounts owing to the Sponsoring Employer from the Fund. The amount due to be paid to the Sponsoring Employer in respect of fees and expenses for 2023 and included within note 23 is £910,248 (2022: £640,710).

The Trustee is in receipt of a guarantee dated 28 January 2021, signed by members of the Sponsoring Employer's group, whereby the financial obligations of the Fund's Sponsoring Employer have been guaranteed up to a maximum value of £700 million.

Except as disclosed in the financial statements there are no transactions, balances or relationships that require disclosure under FRS 102.

As at the year end £555,909 (2022: £56,102) was due from the Sponsoring Employer in relation to the reimbursement of the benefit payments.

26. CONTINGENT LIABILITIES AND CONTRACTUAL COMMITMENTS

As mentioned earlier in the report, an allowance for the approximate cost of GMP equalisation was made in the latest actuarial valuation at 31 December 2022. No allowance has been made for GMP equalisation in these financial statements.

As referenced on page 6, once the outcome of the Virgin Media Ltd v NTL Pension Trustees II case is known the Trustee will investigate the possible implications on the Fund. At present, it is not possible to estimate the potential impact, if any, on the Fund.

Other than the above, in the opinion of the Trustee, the Fund had no contingent liabilities as at 31 December 2023 (2022: none).

The Fund has commitments in respect of Private Equity. The capital committed for Private Equities was $50 million each to Morgan Stanley and Abbott Capital. As at 31 December 2023, Abbott Capital had drawn down $49.8 million (2022: $49.8 million) and Morgan Stanley had drawn down $49.8 million (2022: $49.8 million). Note that both managers have begun distributing proceeds from the underlying investments to the Fund and therefore the capital balance invested with each is lower than the amount drawn down.

Certificate of Schedule of Contributions

Adequacy of Rates of Contributions

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 be expected on 31 December 2022 to continue to be met for the period for which the Schedule is to be in force.

Adherence to Statement of Funding Principles

I hereby certify that, in my opinion, this Schedule of Contributions is consistent with the Statement of Funding Principles dated 27 March 2024.

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 Fund's liabilities by the purchase of annuities, if the Fund were to be wound up.

Signature	*Jonathan Wicks*
Name	Jonathan Wicks
Date of signing	27 March 2024
Address	The Aon Centre 122 Leadenhall Street London EC3V 4AN
Qualification	Fellow of the Institute and Faculty of Actuaries

Independent Auditor's Statement about Contributions to the Trustee of the Reuters Pension Fund

We have examined the summary of contributions to the Reuters Pension Fund (the 'Fund) for the Fund year ended 31 December 2023 which is set out on page 43.

In our opinion, contributions for the Fund year ended 31 December 2023 as reported in the summary of contributions and payable under the Schedule of Contributions have in all material respects been paid at least in accordance with the Schedule of Contributions certified by the Fund Actuary on 26 November 2020.

Scope of work on statement about contributions

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 at least in accordance with the Schedule of Contributions. This includes an examination, on a test basis, of evidence relevant to the amounts of contributions payable to the Fund and the timing of those payments under the Schedule of Contributions.

Respective Responsibilities of the Trustee and Auditor

As explained more fully in the statement of Trustee's responsibilities set out on page 18, the 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 Fund by the Sponsoring Employer in accordance with the Schedule of Contributions.

It is our responsibility to provide a statement about contributions paid under the Schedule of Contributions and to report our opinion to you.

Use of our Statement

This statement is made solely to the Trustee, as a body, in accordance with the Pensions Act 1995 and Regulations made thereunder. Our work has been undertaken so that we might state to the Trustee those matters we are required to state to them in an auditor's statement about contributions and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Trustee, as a body, for our work, for this statement, or for the opinions we have formed.

Grant Thornton UK
Statutory Auditor
Chartered Accountants
London
Date: 26/7/2024

SUMMARY OF CONTRIBUTIONS PAYABLE FOR THE YEAR ENDED 31 DECEMBER 2023

Summary of contributions payable

During the year ended 31 December 2023, the contributions payable to the Fund were as follows:

	2023 £'000
Contributions payable under the Schedule of Contributions	
Employer	
Additional – expenses contributions	2,487
Contributions payable under the Schedule (as reported on by the Fund Auditor)	2,487

Contributions were received in accordance with the dates stipulated in the Schedule of Contributions dated 26 November 2020.

Approved by the Trustee and signed on their behalf by:

Catherine Redmond

Catherine Redmond, representing BESTrustees Limited

Date: 26/7/2024

Geoffrey Sanderson

Trustee Director

Date: 26/7/2024

Appendix Divider referenced in contents

Implementation Statement

Introduction

Under regulatory requirements in force, the Trustee is required to produce an annual Implementation Statement (the "Statement") setting out how voting and engagement policies in the Statement of Investment Principles (the "SIP") have been implemented. The Statement also includes a brief summary of updates to the SIP over the reporting period.

This Statement has been prepared by the Trustee of the Reuters Pension Fund ("RPF" or "the Fund"), covering the period 1 January 2023 to 31 December 2023.

This Statement has been produced in accordance with the Occupational and Personal Pension Schemes (Disclosure of Information) Regulations 2013, the Pension Protection Fund (Pensionable Service) and Occupational Pension Schemes (Investment and Disclosure) (Amendment and Modification) Regulations 2018 and the Occupational Pension Schemes (Investment and Disclosure) (Amendment) Regulations 2019 as amended, and the guidance published by the Pensions Regulator.

The Statement sets out how the Trustee's policy on stewardship and engagement has been implemented during the reporting period. Where relevant, the Statement describes the areas of the portfolio where stewardship and engagement are most likely to be financially material. Disclosed is also the Trustee's opinion on the outcomes of voting and engagement activity for managers that hold listed equities, where stewardship and engagement are most relevant within the portfolio.

Overall, the Trustee is comfortable that the voting and engagement policies set out in the SIP have been properly adhered to over the period.

Changes to the SIP over the period

The SIP was reviewed and upated over the period to reflect changes to the investment strategy. The Trustee further agreed and articulated an updated Stewardship Policy for the Fund which was appended to the SIP.

The latest SIP can be found here.

The previous SIP dated November 2021 was in force until the latest SIP was adopted in December 2023. A copy of the November 2021 SIP can be found here. During the year the Trustee was developing its approach to stewardship and voting, as explained below.

Stewardship, engagement and voting behaviour

The Trustee believes that practising effective stewardship is part of its fiduciary duty to act in the best financial interest of its members. In support of this, throughout the reporting period the Trustee received stewardship training with a focus on the components of effective stewardship and how this differs across asset classes.

Following this training, the Trustee articulated an updated Stewardship Policy outlining: how stewardship is resourced for the Fund, the significance of stewardship in the appointment and monitoring of investment managers, and the Trustee's expectations of the Fund's managers in regards to engagement and voting.

To best channel its stewardship efforts, the Trustee selected two key themes for the Fund: Climate Change, and Diversity, Equity and Inclusion ("DEI"). The themes were selected for the likely material financial risk they pose to the Fund and its members.

All of the Fund's non-LDI assets are invested in pooled funds, where the Trustee holds units in a fund rather than having any direct ownership rights over the underlying assets. Accordingly, the Trustee's policy is to delegate responsibility for engagement, which includes the exercising of rights (including voting rights) attached to investments, to the relevant investment managers. The Trustee expects all its investment managers to practise good stewardship and seeks to choose managers that align with its beliefs regarding this. The role of the Investment Sub-Committee ("ISC") – acting under delegated authority of the Trustee – is to provide oversight of the investment managers and challenge them on their activities with respect to stewardship where required. The Trustee reviewed the investment managers' relevant policies on stewardship, voting and engagement, and is satisfied, subject to the comments below, that they are aligned with the Trustee's own policies.

Over the period, the ISC met with TwentyFour Asset Management and AQR and asked them both to cover their approach to managing climate-related risks and DEI considerations as part of their presentations. Whilst the ISC were comfortable with the managers' practices in regards to climate change, they noted that their approach to DEI within their respective organisations required improvement. The Trustee raised this concern accordingly with both managers through the Fund's Investment Adviser. The ISC requested further explanation of various DEI metrics and additional information on internal programmes in place to ensure DEI is embedded throughout their organisations.

When selecting new managers, the Trustee's Investment Adviser assesses the ability of each investment manager to engage with underlying companies to promote their long-term success. Over the period, the Trustee appointed one new manager, Hermes, as the Fund made an allocation to its Absolute Return Credit fund. Notably, Hermes was deemed to have a market-leading approach to ESG integration and stewardship.

Stewardship and engagement (including the use of voting rights) are most likely to be financially material in the sections of the portfolio where physical equities are held (Impax Global Equity Opportunities, Bridgewater Optimal II, and AQR Diversified Risk Premia). For the relevant managers that invest in physical equity, further details and an overview of votes cast during the year are provided in the Appendix. Engagement is also considered to be of importance for the Fund's other investment managers and, as such, examples of engagement by these managers are also included in the Appendix.

On the whole, the Trustee is comfortable that the Fund's managers' voting and engagement policies have all been adequately followed over the reporting period; and, subject to the comments in this statement, are aligned with the Trustee's policies.

Whilst requesting the voting disclosures included in this statement, Impax informed the Trustee of a failure to vote at all shareholder meetings between August 2023 and January 2024 in a particular fund range which included the Impax Global Opportunities fund – in which the Fund is invested. The Trustee was disappointed by this news and Impax's failure to meet their expectations in regards to stewardship. The Trustee raised this concern accordingly with Impax through their Investment Consultant, who engaged with the manager on their behalf.

Following this engagement, the Trustee understands that the voting failure caused votes not to be cast at three shareholder meetings during 2023, with the potential to impact a limited number of shareholder meetings in early 2024 given the timing of Annual General Meetings. Impax explained that the issue arose due to the fund's change of custodian in July 2023 where, due to human error, the information feed from its third party proxy voting service provider was not received by the new custodian. Whilst Impax reviews voting activity quarterly, the issue was not identified in Q3 due to the custodian change happening intra-quarter.

Impax has since rectified this issue between the custodian and its third party proxy voting service provider. In hindsight, Impax admits it placed too much reliance on its proxy voting service provider to reconcile votes cast on its behalf. Impax is engaging with them separately on this topic. To rectify this going forward, Impax has requested daily reconciliations between the proxy voting provider and the custodian. If errors are identified, Impax is to be notified within 24 hours.

The Trustee was encouraged that Impax is clearly taking this issue seriously, noting that the cause of the issue, a change in fund custodian, is a rare occurrence. The Trustee is reassured by the enhanced procedures in place.

Appendix – Voting and Engagement Disclosures

Below is the voting activity over the period for the Fund's asset managers which held listed equities over the period. The Trustee requested most significant votes relating to the Fund's key themes – Climate Change, and Diversity, Equity & Inclusion. When this was not possible to receive, the manager provided its assessment of the most significant votes and the Trustee has selected those votes which appeared to be most significant, in view of the Trustee's general policies.

For managers where voting activity is not applicable - those not holding public equities, i.e., the Fund's liquid credit managers - the Trustee requested engagement examples relating to the Fund's key themes.

For context, the Trustee has also included a brief summary of each manager's own approach to stewardship.

Impax Global Equity Opportunities

Impax believes it is in the interest of its investors that it engages with investee companies to mitigate risks, protect and enhance shareholder value, promote greater transparency on ESG and sustainability issues, and encourage companies and issuers to develop and become more resilient over time. Engagement is used both to mitigate risk and to enhance value and investment opportunities.

Impax divides its approach to stewardship and engagement into the four following categories: bottom-up company specific monitoring and dialogue, top-down thematic engagement priorities, proxy voting driven engagements, and systematic engagements.

Key Voting Statistics (Jan 2023 – Dec 2023)	Number
Number of meetings eligible to vote during the period	42
Number of resolutions eligible to vote during the period	667
% of resolutions voted	91.30%
% of resolutions voted with management	91.95%
% of resolutions voted against management	6.73%
% of resolutions abstained	1.31%
% of meetings with at least one vote against management	57%
% of resolutions where manager voted contrary to recommendation of proxy adviser	4.93%
Any use of proxy voting services during the period	Impax has engaged Glass, Lewis & Co. ("Glass Lewis") to facilitate voting execution, record keeping, and to help inform its analysis of relevant proxy issues and proxy votes. Ultimately Impax makes its own voting decisions, based on its ESG and voting policies.

	Vote 1	Vote 2	Vote 3	Vote 4
Company name	Becton, Dickinson And Co.	Visa Inc.	Analog Devices Inc.	Applied Materials Inc.
Date of vote	24/01/2023	24/01/2023	08/03/2023	09/03/2023
Approximate size of % holding as at the date of the vote	1%	2%	3%	1%
Summary of the resolution	Shareholder Proposal Regarding Severance Approval Policy	Elect Lloyd A. Carney	Advisory Vote on Executive Compensation	Shareholder Proposal Regarding Right to Call Special Meetings
Impax's vote	For	Against	Against	For
Where Impax voted against management, was this intent communicated to the company ahead of their vote?	No	No	No	No
Rationale	Supportive of board seeking shareholder approval before the Company enters into severance agreements that provide benefits exceeding 2.99 times salary and bonus.	Director is a public company executive and serves on two or more public boards.	Multiple issues, including continued use of excessive one-time award and inadequate response to shareholder dissent to last year's say-on-pay.	Support right to call special meetings. A 10% threshold for calling a special meeting is appropriate.
Outcome of the vote	61.42% votes for	93.95% votes for	80.5% votes for	50.26% votes for
Does Impax plan to take any action given the outcome?	No follow-up planned on this issue.	Continued engagement on these issues.	Continued engagement on these issues.	Continued engagement on SHR.

	Vote 5	Vote 6	Vote 7	Vote 8
Company name	IQVIA Holdings Inc.	IQVIA Holdings Inc.	IQVIA Holdings Inc.	Jeronimo Martins - S.G.P.S., S.A.
Date of vote	18/04/2023	18/04/2023	18/04/2023	20/04/2023
Approximate size of % holding as at the date of the vote	3%	3%	3%	2%
Summary of the resolution	Shareholder Proposal Regarding Right to Call Special Meetings	Shareholder Proposal Regarding Independent Chair	Advisory Vote on Executive Compensation	Accounts and Reports; Remuneration Report
Impax's vote	For	For	Against	Against
Where Impax voted against management, was this intent communicated to the company ahead of their vote?	No	No	No	No
Rationale	10% threshold for calling a special meeting is appropriate given the Company's size and shareholder base.	An independent chair is better able to oversee the executives of a company and set a pro-shareholder agenda.	Misalignment of pay to performance.	Company has failed to disclose key details of its executive remuneration structure.
Outcome of the vote	48.39% votes for	34.07% votes for	79.52% votes for	95.56% votes for
Does Impax plan to take any action given the outcome?	Continued engagement.	Continued engagement.	Continued engagement with company.	Engagement opportunity.

	Engagement Example – Diversity, Equity & Inclusion
Name of entity	Cintas Corp
Rationale for engagement	Engage with the company to improve board diversity, understand cost-of-living impacts and pay practices across workforce, and disclose gender pay gap.
Engagement undertaken	Cintas was identified as a target for engagement in 2023 on cost-of-living impacts given the company's significant and lower paid workforce operating in countries of higher inflation. Impax sent an initial outreach letter on this specific topic and followed up with an engagement meeting. The dialogue with Cintas covered the topic of cost-of-living challenges for employees, pay gap reporting, senior management, and board diversity.
Outcome	The company shared its approach to these topics including details of internal training and development, positive recent global employee engagement survey, how external compensation data is gained and monitored, and goals for executive compensation. In January 2024, Cintas announced the appointment of a new independent female board director, bringing additional HR and legal expertise to the board, with a track-record in building differentiated, high-performance workforce cultures. Impax welcomed this appointment.

	Engagement example – Climate change
Name of entity	Linde
Rationale for engagement	To gain greater clarity on the company's net zero transition plan, including SBTi target setting, Scope 3 emissions, the company's decarbonization strategy, related capex plans and policy engagement.
Engagement undertaken	Collaborative engagement as part of the IIGCC Net Zero Engagement initiative (NZEI). As scope 3 targets are not yet in place, Impax enquired on Linde's plans for scope 3 reporting. Impax encouraged Linde to provide more detail on its longer-term decarbonisation strategy beyond current 2028 targets.
Outcome	Linde intends to review their SBTi target (currently 2 degrees aligned) after publication of sector guidance in 2024. Linde confirmed that, in regard to scope 3, their focus is on supporting customers to decarbonise and working with suppliers to set their own reduction targets.

AQR Diversified Risk Premia

AQR's stewardship approach is grounded in transparency, as well as a desire to create positive long-term value for their clients. AQR's efforts cover a range of activities, including:

- Voting their proxies in an ESG-aware manner as the default approach
- Engaging directly with management of companies where AQR may have an impact
- Collaborating with other investors to engage companies on issues of concern
- Participating in industry groups or bodies that advocate for greater disclosure

AQR work within the industry to advance the collective ESG effort and continuously look for opportunities to collaboratively engage with peers and is an active participant in industry discussions across the spectrum of ESG-related issues.

Key Voting Statistics (Jan 2023 – Dec 2023)	Number
Number of meetings eligible to vote during the period	821
Number of resolutions eligible to vote during the period	11,358
% of resolutions voted	85%
% of resolutions voted with management	92%
% of resolutions voted against management	8%
% of resolutions abstained	0%
% of meetings with at least one vote against management	33%
% of resolutions where manager voted contrary to recommendation of proxy adviser	1.8%
Any use of proxy voting services during the period	AQR utilises Institutional Shareholder Services Sustainable proxy voting policy for all their commingled funds and for their default vote-handling program, but they also leverage internal proprietary research on proxy issues related to significant corporate actions and in making individual voting decisions. AQR has also retained Glass Lewis for proxy voting research and recommendations.

The Trustee requested AQR disclose most significant votes relating to the Trustee's own criteria and key themes, or AQR's own definition if this was not possible. The Trustee was disappointed that AQR could not disclose votes relating to either, citing that AQR does not currently differentiate between significant or non-significant votes. The Trustee, through its Investment Adviser, will continue to engage with AQR to improve this disclosure.

	Engagement Example – Climate change
Name of entity	20 companies
Rationale for engagement	AQR requested the companies disclose scope 1 and 2 emissions data.
Engagement undertaken	AQR launched a new engagement program, requesting that companies disclose scope 1 and 2 emissions data. After an initial outreach email, AQR held five virtual meetings over the year.
Outcome	Whilst some companies had already planned to commence disclosure or upgrade it in line with AQR's requests, they received feedback from three companies following their engagement. Two companies plan to publish emissions disclosures in 2024 and one company plans to upgrade its existing disclosures in 2024 following AQR's engagement. AQR will be continuing the engagement accordingly.

Bridgewater Optimal II

Bridgewater's Stewardship and Corporate Engagement Policy is set, implemented, and overseen by the Sustainable Investing Committee, and it spans corporate engagement, proxy voting, and partnerships and collaborations with a broad range of industry actors, including data providers, research institutions, industry partners, and their clients.

Bridgewater's stewardship and collaborative engagement efforts focus on a set of cross-cutting themes, including environment-related risks (e.g., transition to a low-carbon economy), social-related risks (e.g., modern slavery), and governance and transparency-related risks (e.g., sustainability disclosures).

Key Voting Statistics (Jan 2023 – Dec 2023)	Number
Number of meetings eligible to vote during the period	2,048
Number of resolutions eligible to vote during the period	18,343
% of resolutions voted	99.85%
% of resolutions voted with management	85.25%
% of resolutions voted against management	14.64%
% of resolutions abstained	0.76%
% of meetings with at least one vote against management	44.73%
% of resolutions where manager voted contrary to recommendation of proxy adviser?	1.39%
Any use of proxy voting services during the period?	Bridgewater has engaged Glass, Lewis & Co. ("Glass Lewis") to vote proxies on behalf of their clients. Bridgewater generally subscribes to the proxy voting policy adopted by Glass Lewis but reserves the right to direct Glass Lewis to vote in a manner that is contrary to such policy where appropriate, or as specifically directed by a client.

The Trustee requested Bridgewater disclose most significant votes relating to the Trustee's own criteria and key themes, or Bridgewater's own definition if this was not possible. The Trustee was disappointed that Bridgewater could not disclose votes relating to either. Bridgewater cited that, as a global macro investor, they hold highly diversified portfolios where any one security is likely to represent a small share of the portfolio and is therefore, by design, not necessarily more significant than another.

TwentyFour Dynamic Bond Fund

TwentyFour believe stewardship means engaging with and monitoring the companies in which they invest to address risks and identify opportunities for their clients, and being transparent in their approach.

They also define their stewardship approach as working with regulators and industry peers to try to tackle systemic risks and promote a well-functioning global fixed income market.

	Engagement Example – Climate change
Name of entity	National Express (NEXLN)
Rationale for engagement	National Express is an issuer TwentyFour have been engaging with as part of their Carbon Emissions Engagement Policy.
Engagement undertaken	TwentyFour re-engaged as part of their yearly follow-up for an update on their progress in decarbonising their bus fleet and for an update on their STBi (Science Based Targets initiative) progress, given their previous decision to withdraw their application in 2021.
Outcome	They have reversed their decision to pull out of the SBTi and they have now agreed and submitted SBTi targets which TwentyFour view as positive. They have made further progress in shifting from fossil fuel powered vehicles, with diesel vehicles declining 8% and petrol by 10%, while hybrids increased by 17% and electric vehicles rising by 110%. Progress has been meaningful but given they have over 25,000 buses it will take time for their fleet to be fully low emission.

	Engagement Example – Diversity, Equity & Inclusion
Name of entity	Barclays
Rationale for engagement	Barclays did not meet the 40% target for women on the board set by the Financial Conduct Authority.
Engagement undertaken	TwentyFour contacted Barclays to ask about its intentions on this.
Outcome	Barclays acknowledged that there is work to be done on its board diversity, and is focused on achieving this target by 2025. It announced a refreshed ambition of 33% women in senior roles by end 2025, having already met its 28% target in 2021.

Federated Hermes Absolute Return Credit Fund

Through its stewardship team, EOS, Hermes has an integrated approach whereby corporate engagement services are provided alongside voting recommendations, portfolio screening, public policy and market best practice work, as well as advisory service. This approach reflects its belief that effective stewardship requires a combination of these tools to achieve positive change.

In addition to the EOS team, Hermes also has dedicated stewardship professionals in the Fixed Income team. They use the intellectual capital, systems and processes in conjunction with EOS, and apply it to a bespoke set of engagement companies selected by the Fixed Income team. In this way, the team is able to leverage EOS's significant engagement capability, while bringing it closer to the investment team.

	Engagement Example - Diversity, Equity & Inclusion
Name of entity	Swiss Re
Rationale for engagement	Gender diversity on the board of this reinsurer failed to meet Hermes' minimum expectation of 30%.
Engagement undertaken	Hermes had good access to the board throughout this engagement and engaged nine times on this topic.
Outcome	In 2022, the board of directors formally committed to reach female representation at board level of 30% or more by the 2023 meeting. This commitment played out the following year, achieving Hermes' objective. The company also showed steady progress on diversity more broadly. Data showed its gender pay gap improving and it introduced promotion ratio targets into management's compensation to focus on increasing the number of women at the executive and senior management level.

	Engagement Example – Climate Change
Name of entity	Orbia
Rationale for engagement	Engage with the company to set a climate change target that is validated by the Science-based Target initiative (SBTi).
Engagement undertaken	Hermes has been engaging with Orbia, a global chemicals company, on Science Based Targets (SBTs) since 2020. Engagement continued throughout 2021 when a new CEO was appointed, and Hermes met with them to review climate-related work in detail. Orbia confirmed a new climate change target for Scope 1 and 2 would be published imminently, and it would seek SBT verification. Hermes praised this ambition but recommended the target be expanded to include Scope 3. The company informed Hermes that it was still in the process of collecting Scope 3 data.
Outcome	In January 2023, Orbia announced that its highly ambitious target – to reduce Scope 1 and 2 emissions by 47% by 2030 – had been verified by the SBTi as aligned with a 1.5-degree trajectory. Hermes subsequently met to discuss a roadmap for achieving new targets.

CQS Dynamic Credit Multi Asset Fund

For CQS, active ownership means making it clear to company management and owners that ESG factors are important to CQS and their clients. It seeks a change in long-term behaviour to ESG risks and issues.

	Engagement Example - Climate Change
Name of entity	Rocket Software
Rationale for engagement	Failed to provide carbon emissions data through MSCI on their website.
Engagement undertaken	CQS reached out to them to encourage an assessment of their carbon emissions and disclosure of this to investors, as well as decarbonisation targets and a net zero commitment.
Outcome	The company provided scope 1, 2 and 3 emissions disclosures. The company noted plans to develop a sustainable procurement programme to drive emission reductions and Science Based Targets adoption across the supply chain, along with clean power and operational initiatives. CQS will continue to monitor their progress in this regard.

	Engagement Example - Diversity, Equity & Inclusion
Name of entity	Intesa San Paolo
Rationale for engagement	To understand how Intesa San Paolo became the first bank in Europe to be included in the Refinitiv Global Diversity and Inclusion index.
Engagement undertaken	CQS met with company representatives face-to-face to understand how they achieved this and how they plan to continue their progress in this area to retain their leading position.
Outcome	Intesa San Paolo explained they have set a target for 35% of senior management to be female (currently 19%) and they are making positive progress against this. 15% of executive remuneration is explicitly linked to progress against this target. CQS is pleased with the progress Intesa San Paolo are making in this area, and may share their learnings with other banks that they engage with.