Reuters Pension Fund

ANNUAL REPORT
YEAR ENDED 31 DECEMBER 2024
SCHEME REGISTRATION NUMBER: 101581063

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CONTENTS

TRUSTEE AND ITS ADVISERS
FOR THE YEAR ENDED 31 DECEMBER 2024

Corporate Trustee
Reuters Pension Fund Limited

Trustee Directors:
BESTrustees Limited (represented by Catherine Redmond) (Chair)*
Mark Harries*
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
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Aon Solutions UK Limited
122 Leadenhall Street
London
EC3V 4AN

Administrator to the Fund
Isio Group Limited
AMP House
Dingwall Road
Croydon
CR0 2LX

Independent Auditors
Grant Thornton UK LLP
30 Finsbury Square
London
EC2A 1AG

Covenant Adviser
Cardano Advisory Limited
1 Tower Place West
Tower Place
London
EC3R 5BU

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
Redington Limited
Floor 6
One Angel Court
London
EC2R 7HJ

Investment Managers
Abbott Capital Management LLC
1290 Avenue of the Americas
9^{th} Floor
New York
NY 10104
USA

AllianceBernstein Limited
60 London Wall
London
EC2M 5SJ

AQR
Two Greenwich Plaza
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
4th Floor
One Strand
London
W2CN 5HR

Federated Hermes Limited (until xx)
150 Cheapside
London
EC2V 6ET

Impax Funds (Ireland) plc
Riverside One
Sir John Rogerson's Quay
Dublin 2
Ireland

Morgan Stanley Alternative Management Limited
One Tower Bridge
100 Front Street Suite 1100
West Conshohocken
PA 19428
USA

Nephila Capital Limited
31 Victoria Street
Hamilton
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HM10

Securis Investment Partners LLP
12th Floor
110 Bishopsgate
London
EC2N 4AY

TwentyFour Asset Management
The Monument Building
11 Monument St
London
EC3R 8AF

AVC Providers
Prudential
Lancing Business Park
Lancing
BN15 8GB

Utmost Life and Pensions Limited
Walton Street
Aylesbury
Bucks
HP21 7QW

Custodian
Bank of New York Mellon Limited
160 Queen Victoria Street
London
EC4V 4LA

Banks
HSBC UK
1 Centenary Square
Birmingham
B1 1HQ

National Westminster Bank (Until 7 November 2024)
42 High Street
Sheffield
S1 1QG

Enquiries
Isio Group limited
AMP House
Dingwall Road
Croydon
CR0 2LX

Email: reuters@isio.com

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 2024.

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 by contributory members, deferred pensioners and pensioners for a term of four 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 typically meets at least four times during the year to discuss the strategy and ongoing management of the Fund. During the year and following a review of both the Fund and the Reuters Supplementary Pension Scheme (SPS) Trustee Boards' sub-committees during the year, it was agreed to dissolve the Operations Sub-Committee (OSC), previously responsible for monitoring and managing business as usual administration matters, as well as overseeing projects, for both the Fund and SPS. Therefore, all business as usual administration matters for the Fund are now dealt with by the Administration Sub-Committee (ASC). It was also decided to form a separate sub-committee called the Projects Sub-Committee (PSC) to oversee projects. Both Committee's report directly to the Trustee Board along with the ISC. The Sub-Committee's of the Trustee Board met on a regular basis to discuss their designated areas and have delegated powers from the Trustee.

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. A Risk Register review was undertaken during the year as part of a general governance review and also in response to TPR's 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 was one change to the Fund's Rules during the year. The Resolution dated 25 April 2024 covered discretionary increases applicable on 1 January 2025, 1 January 2026 and 1 January 2027 for pensions earned before 6 April 1997 (in excess of GMP).

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, 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, was upheld on appeal on July 2024. Further details of the Trustee's consideration of this matter are included in note 26 to the Financial Statements on page 38.

MEMBERSHIP

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

	Total 2024	*Total 2023*
PENSIONERS		
Pensioners at the start of the year	3,021	*2,830*
Adjustments	16	*33*
New pensioners	271	*193*
New spouses and dependents	21	*25*
Deaths	(55)	*(56)*
Child pension ceasing	(5)	*(3)*
Suspended	-	*(1)*
Pensioners at the end of the year	3,269	*3,021*
MEMBERS WITH DEFERRED BENEFITS		
Members with deferred benefits at the start of the year	3,814	*4,058*
Adjustments	(16)	*(22)*
Retirements	(271)	*(193)*
Deaths	(7)	*(9)*
Trivial commutations	(3)	*(2)*
Transfers out	(7)	*(18)*
Members with deferred benefits at the end of the year	3,510	*3,814*
TOTAL MEMBERSHIP AT THE END OF THE YEAR	6,779	*6,835*

Included in the pensioner figure above are 462 (2023: 446) pensioners covering spouses and dependants.

Included in the pensioner figure above are 81 (2023: 81) pensioners whose benefits are mainly covered by receipts from annuity providers other than Canada Life.

Included in the pensioner figure above are 1,732 (2023: 1,875) 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 41.

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.

	2024 £'000
Contributions and other receipts	2,857
Benefits and other expenses	(70,903)
Net withdrawals from dealings with members	**(68,046)**
Net returns on investments	(124,490)
Opening net assets of the fund	**1,704,593**
Closing net assets of the fund	**1,511,057**

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 (the latter of which was 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. 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.

A summary of the 2024 funding update can be found on page 13.

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 policies 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 policies 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 Trustees' bank account and do not include AVC investments or other Insured Assets.

Investment sub-committee (ISC)

The ISC of the Trustee Board comprises BESTrustees Limited (represented by Catherine Redmond), Sue Clark, Geoffrey Sanderson and Georgina Wallis (representing London Stock Exchange Group). BESTrustees Limited has held the position of Chair of Trustees and of the ISC since March 2023.

Asset Allocation

The total value of the Fund's investments as at 31 December 2024 was approximately £1,141.5 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 2024 was as follows:

	Asset Classes	Market Value (£m)	Fund Distribution (%)
Bonds/Matching Assets	Liability Driven Investment	584.7	51.2%
Growth Assets	Multi Class Credit	281.2	24.6%
	Diversified Risk Premia	141.1	12.4%
	Sustainable Equities	108.3	9.5%
	Private Equity	10.3	0.9%
	Insurance-Linked Securities	4.6	0.4%
Cash	Cash	11.2	1.0%
Total Fund		1,141.47	100%

Source: Bank of New York Mellon. Excludes buy-in insurance policies and AVC investments. Please note Cash line includes Trustee bank account value and small residual cash holdings from legacy mandates.

Statement of Investment Principles

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

The SIP summarises how the Trustee:

- Sets the investment policy and choose 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.

The Trustee's Stewardship Policy is also appended to the SIP.

The SIP was last updated in December 2023 and is reviewed by the Trustee as necessary.

A copy of the SIP is available online via the Trustee's website at;
https://www.reuterspensionfund.co.uk/app/uploads/sites/2/2024/07/rpf_-_sip_-_december_2023_-1.pdf

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 yearend 31 December 2024 is available at;
https://www.reuterspensionfund.co.uk/app/uploads/sites/2/2025/07/RPF-TCFD-Report-2024-Final-.pdf

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 its 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.

Over the year, the Fund redeemed from the Hermes Absolute Return Credit mandate, allocating the proceeds (c.£100m) across the Fund's rebalancing assets. Later in the year, the Fund submitted a full redemption from the Bridgewater Optimal Portfolio, a Diversified Risk Premia mandate, and a partial redemption from the Impax Global Opportunities Fund, the Fund's sustainable equity mandate. The proceeds of these redemptions were allocated to the Fund's Liability Driven Investment ("LDI") portfolio, in line with the Trustee's decision to de-risk the Fund's investment strategy.

The Nephila mandate is presently in wind-down and invested funds are being returned to the Fund in tranches. As at 31 December 2024, c.£4m 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 2024, the Fund assets were invested with managers as follows:

		Market Value (£m)	Fund Distribution (%)
Active Management		**545.5**	**47.8%**
Multi Class Credit	CQS	138.5	12.1%
	TwentyFour	142.7	12.5%
Sustainable Equities	Impax	108.3	9.5%
Diversified Risk Premia	AQR	141.1	12.4%
Private Equity	Abbott Capital	9.6	0.8%
	Alliance Bernstein	0.0	0.0%
	Morgan Stanley	0.7	0.1%
Insurance-Linked Securities	Securis	0.1	0.0%
	Nephila Cassiopeia	4.5	0.4%
Passive Management		**595.9**	**52.2%**
Liability Driven Investment	BlackRock Liability Matching	584.7	51.2%
Cash	Trustees' Bank Account, Residual Cash	**11.2**	**1.0%**
Total Fund		**1,141,47**	**100%**

Source: Bank of New York Mellon and the corresponding investment managers. Figures may not total due to rounding. Excludes AVCs and buy-in insurance policy with Canada Life and small residual holdings.

Investment Performance

Investment performance for years ended 31 December 2024 is set out below. Performance is shown net of investment manager fees and includes the effects of derivative swap hedging.

Years ended 31 December	Fund (%)	Benchmark (%)
1 year	-9.1%	-8.3%
3 year[1]	-17.8%	-18.8%
5 year[1]	-8.2%	-8.9%
10 year[1]	0.3%	-0.3%

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

The Fund's funding level, which compares the Fund's assets to its projected liabilities, decreased slightly over the year to 31 December 2024, from 105.0% to 104.7% on the Gilts Flat liability basis. The Fund remains in a good position to meet pensioner payments when they fall due.

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 it 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 favourable to the Fund.

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 RPF in tranches. As at 31 December 2024, c.£4m remains invested, the sum has been transferred to 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.

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.

Marketability of Investments (continued)

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 <0.3% indirect exposure to employer-related investments at the year end (2023: <0.01%).

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% (2023: 2.50%) with effect from 1 January 2024. Discretionary increases were awarded by the Trustee for 2024 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% (2023: 5.00 %) with effect from 1 January 2024.
- Pensions earned after 6 April 2005 received a statutory increase of 2.50% (2023: 2.50%) with effect from 1 January 2024.
- Post 88 GMP pensions in payment received an increase of 3.00% (2023: 3.00%) with effect from 1 January 2024.

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.

An allowance for annual discretionary 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. During the year, 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. The Pensions Ombudsman 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 Pensions Tracing Service 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

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

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.

Approval

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

__________________ Date:
Catherine Redmond, representing BESTrustees Limited

__________________ Date:
Trustee Director

Opinion

We have audited the financial statements of the Reuters Pension Fund (the 'Fund') for the year ended 31 December 2024, 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 2024, 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 uncertain interest and inflation rates and the volatility of global markets, 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 14, 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 net assets
  - The valuation of hard-to-value assets using a method not permitted under SORP.

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 of the appropriateness of the collective competence and capabilities of the engagement team included consideration of the engagement team's:
  - Understanding of, and practical experience with, Audit engagements of a similar nature and complexity; and
  - Knowledge of the industry in which the Fund operates.
- We communicated relevant laws and regulations and potential fraud risks to all engagement team members, including internal specialists, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

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 LLP
Statutory Auditor, Chartered Accountants
London
Date:

FUND ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2024

	Note	2024 £'000	*2023 £'000*
Contributions and benefits			
Employer contributions	4	2,500	*2,487*
Other income	5	357	*153*
		2,857	*2,640*
Benefits			
Benefits paid and payable	6	(65,122)	*(55,033)*
Payments to and on account of leavers	7	(3,214)	*(7,971)*
Administrative expenses	8	(2,567)	*(2,112)*
		(70,903)	*(65,116)*
Net withdrawals from dealings with members		(68,046)	*(62,476)*
Returns on investments			
Investment management expenses	9	(887)	*(2,378)*
Investment income	10	45,536	*57,197*
Change in market value of investments	11	(170,139)	*2,538*
Net returns on investments		(124,490)	*57,357*
Net decrease in the fund during the year		(193,536)	*(5,119)*
Net assets at 1 January		1,704,593	*1,709,712*
Net assets at 31 December		1,511,057	*1,704,593*

The notes on pages 21 to 36 form part of these financial statements.

STATEMENT OF NET ASSETS (AVAILABLE FOR BENEFITS)
AS AT 31 DECEMBER 2024

	Note	2024 £'000	*2023 £'000*
Investment assets			
Equities	11	6	*6*
Bonds	11	1,044,635	*1,184,698*
Pooled investment vehicles	11	654,639	*546,934*
Derivatives	11	15,666	*21,562*
Insurance policies	11	369,000	*415,736*
AVC investments	11	2,379	*2,671*
Accrued income	11	9,949	*10,129*
Cash in transit	11	2,632	*2,166*
Cash and equivalents	11	450	*11,438*
Total net investments		2,099,356	*2,195,340*
Investment liabilities			
Derivatives	11	(2,644)	*(2,367)*
Cash and equivalents	11	(13,370)	*(14,412)*
Amounts due under repurchase agreements	11	(581,221)	*(483,712)*
Total investments liabilities		(597,235)	*(500,491)*
Total net investments		1,502,121	*1,694,849*
Current assets	22	9,863	*11,811*
Current liabilities	23	(927)	*(2,067)*
Net assets at 31 December		1,511,057	*1,704,593*

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 37 of the annual report, and these financial statements should be read in conjunction with these sections.

The notes on pages 21 to 36 form part of these financial statements.

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

____________________ Date:

Catherine Redmond, representing BESTrustees Limited

____________________ Date:

Trustee Director

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

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 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

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.

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 value of Annuity policies, Derivative contracts and certain Pooled Investment Vehicles. 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

	2024	*2023*
	£'000	*£'000*
Additional – expense contributions	2,500	*2,487*

Under the Schedule of Contributions, the Sponsoring Employer 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

	2024	*2023*
	£'000	*£'000*
Other income	1	*94*
Interest on bank account	356	*59*
	357	*153*

6. BENEFITS PAID AND PAYABLE

	2024	*2023*
	£'000	*£'000*
Pensions	49,077	*43,689*
Commutations and lump sum retirement benefits	15,626	*11,051*
Lump sum on death in retirement	301	*59*
Taxation where lifetime or annual allowance exceeded	118	*234*
	65,121	*55,033*

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

	2024	*2023*
	£'000	*£'000*
Individual transfers to other schemes	3,214	*7,971*

8. ADMINISTRATIVE EXPENSES

	2024	*2023*
	£'000	*£'000*
Administration and processing	766	*724*
Actuarial fees	982	*843*
Audit fees	99	*131*
Professional fees	654	*275*
PPF Levy	60	*72*
Trustee fees and expenses	1	*33*
Levies and general expenses	5	*34*
	2,567	*2,112*

9. INVESTMENT MANAGEMENT EXPENSES

	2024	*2023*
	£'000	*£'000*
Investment management fees	1,831	*1,333*
Investment consultancy fees	1,019	*518*
Irrecoverable withholding tax	(1,862)	*527*
	988	*2,378*

There were no amounts paid in respect of performance related fees. Amounts previously written off have been recovered in the period.

10. INVESTMENT INCOME

	2024	*2023*
	£'000	*£'000*
Income from bonds	29,620	*27,313*
Income from pooled investment vehicles	12,930	*4,839*
Income from qualifying investment fund	-	*9,708*
Interest payable	(27,509)	*(19,386)*
Interest income on derivatives	1,429	*4,288*
Currency gain/loss on cash	(862)	*(281)*
Annuity income	29,972	*29,624*
Interest income/(expense) on cash deposits	(44)	*1,072*
	45,536	*57,197*

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 2024 £'000	Cost of Investments purchased £'000	Proceeds of sales of investments £'000	Change in market value £'000	Value at 31 December 2024 £'000
Equities	6	292	(292)	-	6
Bonds	1,184,698	58,971	(51,248)	(147,786)	1,044,635
Pooled investment vehicles	546,934	546,181	(481,409)	42,933	654,639
Derivatives – net	19,195	816,770	(804,268)	(18,675)	13,022
Insurance policies	415,736	76	-	(46,812)	369,000
AVCs	2,671	-	(494)	202	2,379
	2,169,240	1,422,290	(1,337,711)	(170,138)	2,083,784
Cash deposits	(2,974)				(12,920)
Cash in transit	2,166				2,632
Accrued income	10,129				9,949
Repurchase agreements	(483,712)				(581,221)
	1,694,849				1,502,224

Cash deposits of -£12.9 million (2023:-£2.9 million) comprises -£13.3 million (2023: -£2.3 million) relating to the variation margin in the BlackRock LDI portfolio and £0.5 million (2023: -£0.6 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 (CONTINTUTED)

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

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 (2023: £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

	2024 £'000	*2023* *£'000*
Investment assets		
Equities	6	*6*
Bonds	1,044,635	*1,184,698*
Pooled investment vehicles	654,742	*546,934*
Multi-class credit	280,989	*185,574*
Diversified risk premia	141,070	*156,264*
Sustainable equities	108,357	*91,975*
Absolute return credit	-	*90,065*
Private equity	10,181	*13,887*
Cash	110,672	*4,936*
Insurance-linked securities	3,473	*4,233*
Other investment assets	399,776	*461,535*
Derivatives	15,666	*21,562*
AVC investments	2,379	*2,670*
Insurance policies	369,000	*415,736*
Cash and equivalents	3,082	*11,438*
Accrued income	9,949	*10,129*
Total investment assets	2,099,159	*2,193,173*
Investment liabilities		
Cash and equivalents	(13,370)	*(14,411)*
Repurchase agreements	(581,221)	*(483,712)*
Derivatives	(2,644)	*(2,367)*
Total investment liabilities	(596,935)	*(500,490)*
Total net investments	1,502,224	*1,692,683*

14. DERIVATIVES

	2024 Assets £'000	2024 Liabilities £'000	*2023 Assets £'000*	*2023 Liabilities £'000*
Forward foreign currency contracts	300	(429)	*918*	*(27)*
Swaps	15,366	(2,215)	*20,644*	*(2,340)*
	15,666	(2,644)	*21,562*	*(2,367)*

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

Forward foreign currency contracts – Over the counter

Expiration	No. of contracts	Currency Bought £'000 GBP	Currency Sold £'000 USD	2024 Assets £'000	2024 Liabilities £'000	*2023 Assets £'000*	*2023 Liabilities £'000*
Within 3 months	5	125,497	145,738	300	(429)	*918*	*(27)*

14. DERIVATIVES (CONTINUED)

Swaps Summary	2024		*2023*	
Type of swap	Assets	Liabilities	*Assets*	*Liabilities*
	£'000	£'000	*£'000*	*£'000*
Zero coupon	9,103	-	*11,127*	*(1,658)*
Over the counter inflation	3,559	-	*5,836*	*-*
Over the counter interest rate	2,704	(2,215)	*3,681*	*(682)*
	15,366	(2,215)	*20,644*	*(2,340)*

Swaps – Zero coupon			2024		*2023*	
Expiration years	No. of contracts	Principal	Assets	Liabilities	*Assets*	*Liabilities*
		£'000	£'000	£'000	*£'000*	*£'000*
>5	4	22,534	9,103	-	*1,097*	*-*
5 to 10	-	-	-	-	*9,262*	*(1,658)*
10 to 30	-	-	-	-	*768*	*-*
			9,103	-	*11,127*	*(1,658)*

Swaps – Over the counter inflation			2024		*2023*	
Expiration years	No. of contracts	Principal	Assets	Liabilities	*Assets*	*Liabilities*
		£'000	£'000	£'000	*£'000*	*£'000*
>5	4	21,874	2,700	-	*4,928*	*-*
5 to 10	-	-	-	-	*-*	*-*
10 to 30	1	6,699	859	-	*908*	*-*
			3,559	-	*5,836*	*-*

Swaps – Over the counter interest rate			2024		*2023*	
Expiration years	No. of contracts	Principal	Assets	Liabilities	*Assets*	*Liabilities*
		£'000	£'000	£'000	*£'000*	*£'000*
>5	7	103,695	2,704	(1,991)	*3,603*	*(682)*
5 to 10	2	18,047	-	(224)	*78*	*-*
			2,704	(2,215)	*3,681*	*(682)*

Cash and Bonds of £5.9 million (2023: £5.3 million) has been pledged in respect of the derivative positions in the Liability Driven investment portfolio. £13.9 million (2023: £21.0 million) is held as collateral.

15. AMOUNTS DUE UNDER REPURCHASE AGREEMENTS

Repayment date	Notional	Assets	2024 Liabilities	Assets	2023 Liabilities
	£'000	£'000	£'000	*£'000*	*£'000*
Within 3 months	206,555	-	(216,179)	-	*(207,896)*
Within 4 to 6 months	156,417	-	(160,621)	-	*(191,360)*
Within 7 to 9 months	201,777	-	(204,421)	-	*(84,456)*
		-	(581,221)	-	*(483,712)*

At the year-end £537m (2023: £492m) of bonds reported in Fund assets are held by counterparties under repurchase agreements. Additional collateral of £48m (2023: £6m) has been pledged in respect of repurchase agreements. £Nil (2023: £15m) has been held.

16. INSURANCE POLICIES

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

	2024	*2023*
	£'000	*£'000*
Utmost Life & Pension (Unit linked)	814	*851*
Prudential Money Purchase (with profits)	247	*590*
Prudential Money Purchase (unit linked)	1,319	*1,768*
Canada Life Annuity Policy	369,000	*412,500*
Friends Life Annuity Policy	-	*27*
	371,380	*415,736*

17. AVC INVESTMENTS

The aggregate amounts of AVC investments are as follows:

	2024	*2023*
	£'000	*£'000*
Utmost Life & Pension (Unit linked)	814	*910*
Prudential Money Purchase (with profits)	247	*506*
Prudential Money Purchase (unit linked)	1,318	*1,255*
	2,379	*2,671*

19. FAIR VALUE HIERARCHY

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 HIERARCHY (CONTINUED)

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

As at 31 December 2024	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Equities	6	-	-	6
Bonds	-	1,044,635	-	1,044,635
Pooled investment vehicles	-	640,989	13,650	654,639
Derivatives – net	-	13,022	-	13,022
Insurance policies	-	-	369,000	369,000
AVC investments	-	814	1,565	2,379
Cash and equivalents – net	(12,920)	-	-	(12,920)
Other investment balances	9,949	-	-	9,949
Repurchase agreements	-	(581,221)	-	(581,221)
Cash in transit	2,632	-	-	2,632
	(333)	1,118,239	384,215	1,502,121

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

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 monitors any changes to the operating environment of the pooled manager.

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.

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

	2024 (£m)	2023 (£m)
Limited partnership	**9.6**	*13.0*
Open ended investment companies	**639.7**	*526.8*
Cayman Islands exempted limited partnerships	**0.7**	*1.0*
Cayman Islands exempted private investment funds	**0.1**	*0.3*
Bermuda Exempted Company	**4.5**	*5.4*
	654.6	*546.5*

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, and non-US currency exposure on the global equities mandate, 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 2024 (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)

	2024 (£m)	2023 (£m)
Credit risk	**281.2**	*278.5*
Currency risk	**40.5**	*86.6*
Interest rate risk	**1,045.4**	*1,185.5*
Other price risk	**156.0**	*176.0*

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	2024 Market Value £'000	2023 Market Value £'000
Bonds	◐	○	●	○	1,044,635	*1,184,698*
Pooled investment vehicles	◐	◐	◐	●	654,639	*546,934*
Derivatives - net	◐	◐	◐	◐	13,022	*19,195*
Other insured assets	◐	○	○	○	369,000	*415,736*
AVC investments	◐	◐	●	●	2,379	*2,670*
Cash and equivalents	○	○	◐	○	(12,920)	*(2,963)*
Other investment balances	○	○	○	○	9,949	*10,129*

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:

	2024		*2023*	
	£'000	%	*£'000*	*%*
Annuity policy	369,000	24.41	*412,500*	*24.20*
24 Dynamic Bond	142,362	9.42	*94,343*	*5.50*
AQR Diversified Risk Premia Fund	141,068	9.33	*88,103*	*5.14*
CQS Dynamic Credit	138,527	9.16	-	-
BlackRock Liquidity Premia Shares	108,659	7.19	-	-
Impax Global Equity Opportunity	108,327	7.19	*91,976*	*5.36*

There was no stock lending during the year.

22. CURRENT ASSETS

	2024	*2023*
	£'000	*£'000*
Cash balance	9,512	*11,161*
Employer contributions due	299	*556*
VAT owed to the Fund	52	*94*
	9,864	*11,811*

23. CURRENT LIABILITIES

	2024	*2023*
	£'000	*£'000*
Unpaid benefits	434	*1,124*
Accrued expenses	493	*910*
Tax due to HMRC	-	*33*
	927	*2,067*

24. EMPLOYER RELATED INVESTMENTS

The Fund held <0.3% indirect exposure to employer-related investments at the year end (2023: <0.01%).

25. RELATED PARTY TRANSACTIONS

Key management personnel of the Fund

During the year the Fund paid pensions in respect of 3 (2023: 3) Trustee Directors of the Fund. Benefits were paid in accordance with the Fund's Rules.

During the prior year the Fund paid fees and expenses to the Chair of the Trustee and fees to certain other Directors of the Trustee relating to the exercise of their duties. In 2024, these fees and expenses amounted to £nil (2023: £32,644) (see note 8).

The fees and expenses 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 2024 and included within note 23 is £492,628 (2023: £910,248).

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 £299,579 (2023: £555,909) 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.

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. The Court decision was subject to appeal but was upheld on appeal on 25 July 2024. On 5 June 2025, the DWP confirmed that the Government will introduce legislation to give affected pension schemes the ability to retrospectively obtain written actuarial confirmation that historic benefit changes met the necessary standards.

Having consulted with its advisers, the Trustee has determined that there is no immediate need for action, but the Trustee will monitor developments and take further action as required.

Data validation is underway relating to the annuity valuation true up exercise. Currently no provision has been made in the accounts for this amount.

Other than the above, in the opinion of the Trustee, the Fund had no contingent liabilities as at 31 December 2024 (2023: 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 2024, Abbott Capital had drawn down $49.9 million (2023: $49.8 million) and Morgan Stanley had drawn down $49.8 million (2023: $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 2024 which is set out on page 41.

In our opinion, contributions for the Fund year ended 31 December 2024 as reported in the summary of contributions and payable under the Schedules of Contributions have in all material respects been paid at least in accordance with the Schedules of Contributions certified by the Fund Actuary on 26 November 2020 and 27 March 2024.

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 Schedules 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 Schedules of Contributions.

Respective Responsibilities of the Trustee and Auditor

As explained more fully in the statement of Trustee's responsibilities set out on page 17, the Trustee is responsible for preparing, and from time to time reviewing and if necessary revising, a Schedules of Contributions and for monitoring whether contributions are made to the Fund by the Sponsoring Employer in accordance with the Schedules of Contributions.

It is our responsibility to provide a statement about contributions paid under the Schedules 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:

Summary of contributions payable

During the year ended 31 December 2024, the contributions payable to the Fund were as follows:

	2024 £'000
Contributions payable under the Schedule of Contributions	
Employer	
Additional – expenses contributions	2,500
Contributions payable under the Schedule (as reported on by the Fund Auditor)	2,500

Contributions were received in accordance with the dates stipulated in the Schedule of Contributions dated 26 November 2020 and 27 March 2024.

Approved by the Trustee and signed on their behalf by:

Catherine Redmond, representing BESTrustees Limited

Date:

Trustee Director

Date:

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 2024 to 31 December 2024.

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. 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, is also disclosed.

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

To note, RPF has a very small base of assets representing additional voluntary contributions (“AVCs”). On the basis of practicality, and due to the relative size of the holdings, the Trustee has not sought to cover stewardship in relation to the AVCs in this Statement.

Changes to the SIP over the period

The Fund’s SIP was last reviewed and updated in December 2023. No changes were made to the SIP over the year in question. The next review of the SIP is due in 2025.

The latest SIP can be found here https://www.reuterspensionfund.co.uk/app/uploads/sites/2/2024/07/rpf_-_sip_-_december_2023_-1.pdf.

Stewardship, engagement and voting behaviour

The Trustee believes that practising effective stewardship is part of its fiduciary duty to act in the best financial interests of its members. The Trustee’s approach to stewardship is articulated in its Stewardship Policy which outlines: 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 has 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. In addition, the maturity and development of thinking around these themes allows for ease of integration into the Trustee’s stewardship approach.

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 Investment Consultant, on the ISC’s behalf, reviewed the policies on stewardship, voting and engagement of the investment managers outlined in this Statement. On this basis, the Trustee is satisfied, subject to the comments below, that they are aligned with the Trustee's own policies.

Over the period, the ISC met with three of the Fund's managers – Bridgewater, CQS and BlackRock – and asked them all to cover their approach to managing climate-related risks and DEI considerations as part of their presentations. Whilst the ISC was largely comfortable with the managers' practices, it was noted that there was potentially scope for BlackRock to enhance its efforts in regard to public policy engagement, for example, engaging with the Government on future issuances of "green gilts". The Trustee raised this consideration accordingly with BlackRock through the Fund's Investment Consultant. The Fund's Investment Consultant will continue to monitor BlackRock's stewardship approach over the course of the Fund year and provide a further update on its progress in the next iteration of this Statement.

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 Opportunities, Bridgewater Optimal II[1], 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.

In early 2024, 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.

As disclosed in last year's Statement, 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.

Whilst Impax has since rectified this issue, it affected a limited number of meetings during the Fund year, due to the timing of Annual General Meetings. Specfically, the voting failure caused votes not to be cast at two shareholder meetings in January 2024.

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.

As noted last year, the Trustee was disappointed by this development and Impax's failure to meet its expectations in regards to stewardship, but noted that the cause of the issue – a change in custodian – is a rare occurrence. Having engaged with Impax through its Investment Consultant, the Trustee was encouraged that Impax took the issue seriously and is reassured by the enhanced procedures now 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.

[1] Please note, the Trustee fully redeemed from the Bridgewater Optimal II Fund following a change in the Fund strategy in November 2024.

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

Impax Global 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 following four categories: bottom-up company specific monitoring and dialogue, top-down thematic engagement priorities, proxy voting driven engagements, and systematic engagements.

Key Voting Statistics (Jan 2024 – Dec 2024)	Number
Number of meetings eligible to vote during the period	42
Number of resolutions eligible to vote during the period	657
% of resolutions voted	96%
% of resolutions voted with management	92%
% of resolutions voted against management	7%
% of resolutions abstained	1%
% of meetings with at least one vote against management	65%
% of resolutions where manager voted contrary to recommendation of proxy adviser	7%
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	Applied Materials Inc.	Analog Devices Inc.	Sika AG	IQVIA Holdings Inc.
Date of vote	07/03/2024	13/03/2024	26/03/2024	16/04/2024
Approximate size of % holding as at the date of the vote	3%	3%	2%	2%
Summary of the resolution	Shareholder Proposal Regarding Median Gender and Racial Pay Equity Report	Shareholder Proposal Regarding Simple Majority Vote	Elect Monika Ribar	Shareholder Proposal Regarding Political Contributions and Expenditure Report
Impax's vote	For	For	Against	For

	Vote 1	Vote 2	Vote 3	Vote 4
Where Impax voted against management, was this intent communicated to the company ahead of the vote?	No	No	No	No
Rationale	Supportive of Gender and Racial Pay Equity disclosures.	Supermajority vote provisions do not serve the best interests of shareholders.	The audit committee chair is not independent. The audit committee does not meet independence standards.	Supportive of more comprehensive and transparent reporting on political contributions.
Outcome of the vote	21.14% votes for	89.31% votes for	90.83% votes for	13.13% votes for
Does Impax plan to take any action given the outcome?	Continued engagement	Engagement opportunity	Ongoing monitoring	Engagement opportunity

	Vote 5	Vote 6	Vote 7	Vote 8
Company name	Cadence Design Systems, Inc.	Hannover Ruck SE	United Rentals, Inc.	Keyence Corporation
Date of vote	02/05/2024	06/05/2024	09/05/2024	14/06/2024
Approximate size of % holding as at the date of the vote	2%	3%	2%	2%
Summary of the resolution	Elect Julia Liuson	Elect Torsten Leue	Shareholder proposal regarding Director Resignation Policy	Elect Yu Nakata
Impax's vote	Against	Against	For	Against
Where Impax voted against management, was this intent communicated to the company ahead of the vote?	No	No	No	No
Rationale	Nominee has served on the board for at least one year and has attended less than 75% of the meetings.	Nominee is Chair of the board and Chair of the Nomination Committee; board is not majority independent. Nominee also chairs the comp. committee, which does not meet the independence standards and sits on the Audit committee, which is <100% independent.	Adoption could promote board accountability and ensure responsiveness to shareholder concerns.	We vote against the Chairman when CEO and Chair are held by the same person and a lead independent director has not been appointed. Fewer than 2 or less than 15% female directors.
Outcome of the vote	95.51% votes for	72.54% votes for	14.93% votes for	82.74% votes for

	Vote 5	Vote 6	Vote 7	Vote 8
Does Impax plan to take any action given the outcome?	Ongoing monitoring	Continued engagement	Engagement opportunity	Continued engagement

	Engagement Example – Diversity, Equity & Inclusion
Name of entity	Aptiv PLC
Rationale for engagement	To improve gender pay equity and expand pay equity analysis across race and ethnicity.
Engagement undertaken	Given Aptiv's significant workforce at over 200,000, with approximately 40% based in Mexico, Impax's engagements in recent years have focused on human capital management processes, including leadership and workforce diversity. At the last engagement in 2024, Impax spoke with Aptiv's Chief People Officer for the second time. The company also outlined some of the efforts that supported its achievement of gender pay equity. Impax encouraged the company to expand its analysis and disclosure to cover pay equity across race and ethnicity.
Outcome	Aptiv confirmed that its efforts focusing on talent retention and development had contributed to improved voluntary retention, reduced employee turnover, and increased applicants for specific jobs. Impax better understood the company's process for managing and maintaining gender pay equity and efforts to improve employee retention. Aptiv indicated pay equity across race and ethnicity would be a focus area in 2025, but noted that there may be data limitations due to the small size of some populations by skill. Moving forwards, Impax will monitor Aptiv's 2025 human capital disclosures and will also follow-up on human rights due diligence.

	Engagement Example – Climate Change
Name of entity	Cooper Cos Inc
Rationale for engagement	To encourage the disclosure of Scope 3 emissions data, adopt science-based emissions reduction targets, and better understand Cooper Cos Inc's efforts to mitigate physical climate risk and enhance disclosure.
Engagement undertaken	As part of Impax's proprietary ESG-analysis, the manager identified the absence of Greenhouse Gas ("GHG") emission reduction goals and transition plans. Following hurricane related disruptions to health care suppliers in Q3 2024, Impax sought to better understand the company's resiliency measures.
Outcome	Cooper Cos Inc did not confirm a timeline for adopting emissions reduction targets but expressed that it is working towards the goal and prefers to release scope 1, 2 and 3 emission reduction targets at the same time. The company highlighted the challenges associated with capturing all scope 3 emissions, noting that it needs to fully understand its data before adopting reduction targets. Impax emphasised that emissions targets should be externally verified, with the company acknowledging the feedback. Regarding the company's resilience measures, Cooper Cos Inc shared that it is working with a third-party consultant to conduct an initial climate risk assessment and develop a risk management process.

	Impax will review Cooper Cos Inc's 2025 disclosure, with a specific focus on the outcomes of its climate-related initiatives.

AQR Diversified Risk Premia

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

- Voting 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 works within the industry to advance the collective ESG effort and continuously looks 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 2024 – Dec 2024)	Number
Number of meetings eligible to vote during the period	780
Number of resolutions eligible to vote during the period	10,601
% of resolutions voted	88%
% of resolutions voted with management	92%
% of resolutions voted against management	9%
% of resolutions abstained	0%
% of meetings with at least one vote against management	39%
% of resolutions where manager voted contrary to recommendation of proxy adviser	0%
Any use of proxy voting services during the period	AQR utilises Institutional Shareholder Services sustainable proxy voting policy for all its commingled funds and for its 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 discloses 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 Consultant, will continue to engage with AQR to improve this disclosure.

	Engagement Example – Climate Change
Name of entity	A diversified businesses across energies, financials, and consumer services.
Rationale for engagement	To improve disclosure of GHG emissions.
Engagement undertaken	AQR initially engaged with the company via email, before scheduling a meeting with the company to discuss the request and learn more about the company's challenges. Specifically, the company does not report emissions at the parent level, and only one of the four subsidiaries reports emissions data.

	The company shared that two of its subsidiaries were working on their reporting and were expected to publish emissions data in 2024. AQR underlined its belief that transparency on salient issues for investors such as carbon emissions is crucial as it potentially leads to better alignment between companies and their investor base, as well as more accurate pricing of ESG risks and opportunities, particularly as more investors integrate these factors into their investment process.
Outcome	Since AQR's engagement, it continues to monitor the company. AQR notes that one of the company's subsidiaries has measured and reported on scope 1 and 2 emissions. The company hopes to use this data to identify and target where GHG reduction projects can be most impactful. AQR will revisit the company's disclosure when its latest annual report is released.

	Engagement Example – Climate Change
Name of entity	A consumer discretionary company.
Rationale for engagement	To improve disclosure of GHG emissions, given the company's strong negative views on emissions data reporting.
Engagement undertaken	AQR initially engaged with the company via email, before scheduling a call with the company to discuss its environmental reporting. The company explained that it is in the process of collecting emissions data but is reluctant to report this information publicly, given year on year variations and a lack of context in emissions metrics leading to potential misinterpretation by stakeholders. The company explained that ultimately it will report carbon emissions and other related ESG data once legally required to do so. AQR raised several concerns with this response; AQR believe that transparency on key issues for investors, such as carbon emissions, is crucial as it can lead to better alignment between companies and their investor base, and more accurate pricing of ESG risks and opportunities. Additionally, AQR explained how it incorporates emissions-related data into its models when appropriate.
Outcome	AQR have been monitoring the company's progress since the engagement and note that, while it currently has not yet released updated annual reports, the company's most recent proxy statement confirms its intention to reduce greenhouse gas emissions and states it reduced emissions in 2023 by more than 26,000 metric tons of CO2e2 through the use of renewable energy. AQR continue to believe that investors require information on the company's scope 1 and 2 emissions and will review the company's reporting once available. Ultimately, should AQR's Responsible Investment & Stewardship Committee believe that significant issues remain and there are no plans to remedy them in a timely manner, the Committee may make a recommendation for escalation, including potentially voting against company management.

The Trustee requested AQR provides an engagement example relating to the Trustee's second stewardship priority of Diversity, Equity and Inclusion. AQR confirmed it does not have specific engagement examples related to this topic. The manager noted that due to the nature of the asset class, dialogue with companies is not a standard part of its investment process, which is instead primarily quantitative. Therefore, AQR prioritises engagement efforts where the manager believes it can maximise impact, for example improved emissions disclosure.

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 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).

Please note that the Fund fully redeemed from Bridgewater Optimal II in November 2024. As such, the voting statisitics below cover the period January 2024 - November 2024.

Key Voting Statistics (Jan 2024 – Nov 2024)	Number
Number of meetings eligible to vote during the period	1,527
Number of resolutions eligible to vote during the period	16,026
% of resolutions voted	99.5%
% of resolutions voted with management	87.7%
% of resolutions voted against management	12.3%
% of resolutions abstained	0.7%
% of meetings with at least one vote against management	47.6%
% of resolutions where manager voted contrary to recommendation of proxy adviser?	1.8%
Any use of proxy voting services during the period?	Bridgewater has engaged Glass, Lewis & Co. ("Glass Lewis") to vote proxies on behalf of its 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.

	Engagement Example – Diversity, Equity and Inclusion
Name of entity	Three anonymised banks.
Rationale for engagement	Bridgewater engaged with three banks on improving their disclosures with green financing flows and setting up executive boards that align with the manager's sustainability goals.
Engagement undertaken	Bridgewater engaged with these companies on broader governance issues such as the effectiveness and diversity of their board, their incorporation of ESG metrics into executive compensation, and potential plans to strengthen or fill gaps in skills and expertise, including sustainability, on the board.
Outcome	Bridgewater did not provide any details relating to the outcome of this engagement.

	Engagement Example – Climate Change
Name of entity	Several anonymised high-emitting companies.
Rationale for engagement	Bridgewater engaged with several high-emitting companies to understand their paths to decarbonisation, feeding into the manager's fundamental understanding of the material risks faced by emissions-intensive sectors.

Engagement undertaken	Bridgewater's engagements focused on companies setting science-based emissions reduction targets and short-term capex commitments to reduce emissions.
Outcome	Bridgewater did not provide any details relating to the outcome of this engagement.

Whilst the Trustee was encouraged to see Bridgewater engaging with companies on the Trustee's chosen themes, it was disappointed by the lack of outcomes provided within Bridgewater's engagement examples. Following the Fund's full disinvestment from the Bridgewater Optimal Portfolio in November 2024, the Trustee will no longer be monitoring the manager's approach to stewardship.

TwentyFour Dynamic Bond Fund

TwentyFour believes stewardship means engaging with and monitoring the companies in which it invests to address risks and identify opportunities for clients, and being transparent in its approach.

TwentyFour also defines its 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	NatWest
Rationale for engagement	NatWest is an issuer TwentyFour has engaged with as part of its Carbon Emissions Engagement Policy.
Engagement undertaken	TwentyFour engaged with NatWest for further information regarding the bank's green product offering and the decarbonisation of its assets under management ("AUM").
Outcome	NatWest relayed its target to provide £100 billion of climate and sustainable funding and financing between 1 July 2021 and the end of 2025. Regarding the bank's AUM, a target is in place to reduce the carbon intensity by 50% for in scope assets by 2025 from a 2019 baseline. NatWest also plan to move 70% of in scope AUM to a net zero trajectory by 2025. TwentyFour felt this was a satisfactory response and will maintain engagement with the bank to ensure it remains on track to meet these targets.

	Engagement Example – Diversity, Equity & Inclusion
Name of entity	BNP
Rationale for engagement	TwentyFour engaged with BNP regarding its published gender pay gap. The figure was high compared to peers at 37.8%, and it had also increased year-on-year.
Engagement undertaken	TwentyFour engaged with BNP for further information. BNP's Investor Relations team provided insights into why the pay gap remains high, explaining that there are more men in senior positions and front office/technical roles, which also contributes to the high gender bonus pay gap.
Outcome	To address the gender pay gap, the team outlined several initiatives focused on recruitment and early career development aimed at achieving a 1-to-1 gender balance. Additionally, they have numerous DEI committee efforts in place to tackle these issues. TwentyFour felt this was a satisfactory response, indicating awareness and initial steps to address the gender pay gap. However, there is significant scope for improvement, and achieving meaningful change will take time. TwentyFour will continue to monitor BNP's progress and push for more ambitious progress.

The Trustee is encouraged by the engagement examples provided by TwentyFour and is comfortable they demonstrate the manager's commitment to engaging with issuers on the Trustee's chosen themes.

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 – Climate Change
Name of entity	Bank of Ireland
Rationale for engagement	Creating detailed climate risk and opportunity reporting, along with an approach to mitigation and adaptation
Engagement undertaken	When Hermes began engaging with the bank on this topic, it was in the early stages of assessing its financed emissions and the exposure of its overall lending portfolio to climate-related risks. From this work, it found that home mortgages and business loans in Ireland were its main priorities for action. To demonstrate its awareness of the transition and physical climate-related risks that its lending portfolio faces, Hermes set an objective for the bank to disclose a complete accounting of these risk exposures and outline its key strategies for de-risking, mitigating and adapting to these challenges.
Outcome	The bank has significantly improved its assessment and reporting of exposure to transition and physical climate-related risks over the past three years. It has chosen product innovation as a key tool to address these risks and encourage client decarbonisation. In 2021, the bank launched its own green mortgage product line. In 2024, the bank entered the retrofit space by launching its EcoSaver mortgage product, significantly expanding the reach of its strategy. During a 2024 engagement, Hermes congratulated the bank on this series of achievements.

	Engagement Example – Climate Change
Name of entity	Berry Global
Rationale for engagement	In 2021 packaging company Berry Global announced a plan to reduce its emissions in line with a 1.5°C-aligned scenario. Hermes' objective for the company is to increase its climate commitments by setting a net-zero target for 2050 or sooner. Hermes expects it to include at least 95% of its Scope 1 and 2 emissions in this target and to cover the most relevant Scope 3 emissions.
Engagement undertaken	Hermes first wrote to the company in 2022 to share its climate expectations that are aligned with the Net Zero Asset Managers Initiative. In 2023, the company said it would likely focus on setting a 2030 target after reaching its 2025 target. At the same time, the company sought the manager's advice on what to include in its next sustainability report.
Outcome	The company announced a commitment to achieve net-zero emissions across its global operations and supply chain by 2050.

	In Q1 2024, Hermes were able to discuss this new target during a call with the company, and they are pleased to know that it is aiming for a 90% reduction in Scope 1, 2 and 3 emissions, which completed the stated objective.

Following the Fund's full disinvestment from the Hermes Absolute Return Credit Fund in June 2024, the Trustee will no longer be monitoring Hermes' approach to stewardship but is content with the progress made over the duration of the Fund's investment.

CQS Dynamic Credit Multi Asset Fund

CQS believes that an active approach to stewardship and responsible investing are crucial factors in creating long-term value for investors. In its view, responsible investing, stewardship and ESG matters are drivers influencing financing costs, risk assessment valuations and performance. As a result, CQS has integrated these factors into the Firm-wide five-stage responsible investment integration process.

Engagement is Stage 4 of the five-stage process. CQS's engagement framework is designed to guide investment professionals on recommended areas of engagement by sector and sub-industry.

	Engagement Example - Climate Change
Name of entity	Danaos
Rationale for engagement	Given Danaos operates in a carbon intensive industry, CQS sought to engage with the company to receive an update on the firm's decarbonisation efforts and its current target setting strategies.
Engagement undertaken	CQS met with the Chief Financial Officer to gain clarity on the company's carbon reduction efforts. Danaos remained transparent on the challenges of emissions reduction in the shipping industry and outlined the measures it is taking to make operations more environmentally friendly. Additionally, Danaos have now submitted targets for verification by the Science Based Targets Initiative ("SBTi").
Outcome	CQS were satisfied with the information provided by Danaos and remain confident that the firm is taking demonstrable action to improve the environmental profile of the business in-line with the nature of its operations.

	Engagement Example
Name of entity	Morrisons
Rationale for engagement	Morrisons recently underwent an MSCI ESG rating downgrade from an 'A' rating to a 'BBB' rating, driven by an HMRC fine for underpayment of wages from two of its subsidiaries.
Engagement undertaken	CQS engaged with the company to get a response to the findings and learn what level of oversight it had over its subsidiaries.
Outcome	Morrisons explained that the root of the controversy was a technical breach, reiterating that no employee of its subsidiaries was paid less than the national minimum wage. The business used a smoothing mechanism, popular and widely used at the time, allowing employees to work flexible hours while still being paid a consistent amount for each pay period. The law on salary smoothing has since been changed to ensure that it does not create a technical breach. CQS were relieved to hear that employee safety was secured and were satisfied with the company's responses. This led CQS to maintain its internal ESG rating of 'A' for Morrisons.

Whilst the Trustee was satisfied with the engagement examples provided by CQS, the Trustee was disappointed by the lack of engagement examples relating to Diversity, Equity and Inclusion. The Trustee, through its Investment Consultant, will continue to engage with CQS to understand its stewardship approach in regard to DEI.