Chubb Pension Plan

(Plan Registration Number 10119144)

Annual Report For The Year Ended 31 March 2022

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The Trustees' Report

Introduction

The Trustees are pleased to present their report on the Chubb Pension Plan ("the Plan") for the year ended 31 March 2022.

The Plan is an occupational defined benefit pension plan established under English law by a definitive Trust Deed dated 30 September 1960 (as amended) under its then name of the Duport Group Works Pension and Life Assurance Plan. The Plan was amended to include, with effect from 1 January 1988 and 1 March 1988 respectively, the employees and other persons for whom benefits had been provided under the Williams Holdings Staff Pension Plan and the Williams Holdings Executive Pension Plan and the name was changed to Williams Pension Plan. The Plan changed its name from Williams Pension Plan to Chubb Pension Plan in January 2001.

The Plan is registered in the United Kingdom. The registered office is at Oak House, Littleton Road, Ashford, Middlesex, TW15 1TZ.

In accordance with HMRC requirements the Plan is registered under Chapter 2, Part 4 of the Finance Act 2004. As a consequence, if payable, both employee and employer contributions are normally eligible for tax relief and income and capital gains earned by the Plan receive preferential tax treatment.

Following consultation with active members in accordance with legislation and after a period of reflection, the Principal Employer decided to proceed with its proposals to close the Plan to the future accrual of benefits. The closure became effective on 31 March 2020.

Management of the Plan

The names of the Trustees during the year, are as follows:

Name	Trustee type
B D McGowan (Chairman)	“A” Trustee
T P Allen	“A” Trustee
W Jones	“A” Trustee
B Nutter K Krumm	“B” Trustee (resigned 3 January 2022) “B” Trustee (appointed 3 January 2022)
W D Hughes	“C” Trustee
M Stratton	“C” Trustee

The Trustees have responsibility for setting the strategy and for managing the Plan and they meet four times a year for this purpose.

All occupational pension schemes must implement arrangements that provide for at least one-third of the total number of Trustees to be member-nominated. The arrangements for the nomination and selection must be proportionate, fair and transparent.
The structure of the Trustees is as follows:

- Three ‘A’ Trustees - who appoint and remove themselves.
- One ‘B’ Trustee - appointed and removed by the Principal Employer.
- Two ‘C’ Trustees - appointed and removed by both the ‘A’ Trustees and the Principal Employer as Member Nominated Trustees.

Apart from the method of appointment and removal, all Trustees have equal powers and responsibilities, other than the Chairman, who is appointed by the “A” Trustees and who has a casting vote.

The two ‘C’ Trustees are appointed by the Trustees from applications received from eligible members of the Plan.

The Trustees' Report (Cont)

Changes to Plan Rules

There have been no changes to the Plan Rules during the year under review.

The Principal Employer

The Principal Employer is:

Chubb Group Limited, 1st Floor Ash House, Littleton Road, Ashford, Middlesex, TW15 1TZ

Financial development of the Plan

The financial statements have been prepared and audited in compliance with regulations made under sections 41 (1) and (6) of Pensions Act 1995, save that the financial statements were not prepared and audited within the 7-month timeline.

During the year, the fund account decreased by £28.8 million to £791.5 million, as follows:

	£millions
Net withdrawals from dealing with members	(33.4)
Net returns on investments	4.6
Net decrease in the fund	(28.8)

Plan membership

Details of the Plan membership at the end of the Plan year were as follows:

	2022	**2021**
	Number	**Number**
Deferred members	3,321	3,552
Pensioners	5,196	5,417
Total	**8,517**	**8,969**

Pensioners include 1,290 (2021: 1,374) individuals receiving a pension following the death of their spouse.

The above membership details include 81 (2021: 81) members for whom the Plan is in receipt of annuity payments.

Defined contribution benefits

Whilst the Plan is a defined benefit pension arrangement it does (in addition to standard Additional Voluntary Contribution (AVC) arrangements) have some defined contribution (DC) benefits.

(a) DC benefits for some members who had short periods of membership after 5 April 1997 and who received a refund of part of their contributions. The DC benefits represent retained 'Protected Rights', a result of the method used by the Plan from 6 April 1997 to 'contract out' of the State Pension Scheme. These Protected remained invested within the Plan's defined benefit (DB) investment strategy.

(b) DC 'underpin' accounts apply for some members, under which they will receive the greater of a DB entitlement and the comparable pension that can be secured by the DC underpin account. The Trustees have been advised by the Plan's administrator that, during the Plan year, comparable pensions that could be secured by DC underpin accounts were not expected to be greater. Benefits for these members are, therefore, expected to be DB in nature.

The Trustees' Report (Cont)

Plan advisers

The Trustees retain a number of professional advisers in connection with the operation of the Plan. In line with UK pension scheme best practice, the Trustees have a policy of periodically reviewing all of their external advisers and service providers.

The advisers currently appointed are as follows:

Plan Actuary	P Houghton, Barnett Waddingham LLP
Advising Actuaries	Barnett Waddingham LLP
Administrator of the Plan benefits	Buck Consultants (Administration and Investment) Limited
Legal Advisers	CMS Cameron McKenna Nabarro Olswang LLP
Independent Auditors	PricewaterhouseCoopers LLP
Investment Managers*	Insight Investment Management (from 1 March 2022) Ruffer LLP (from 23 February 2022 until 13 April 2023)
AVC providers	Aegon Aviva Life & Pensions UK Limited Phoenix Life Scottish Friendly Assurance Society Standard Life Assurance Society
Investment Adviser	Barnett Waddingham LLP
Custodian of the Plan assets*	Bank of New York Mellon
Covenant Adviser	Cardano
Bankers	Lloyds Bank plc
Secretary to the Trustee	Mrs. J Beake – Raytheon Technologies Corporation (until 30 September 2021) P Clarke – Barnett Waddingham LLP (from 1 October 2021)

* Withdrawal from the Chubb Common Investment Fund

Investment managers and advisers were previously appointed by the Chubb Common Investment Fund ("CCIF"). The Trustees decided during the year to withdraw from the CCIF and assets began to be transferred to new individual policies for the two participating schemes (Chubb Security Pension Fund & Chubb Pension Plan) in February / March 2022. The Investment managers now appointed by the Plan are noted in the table above.

Further details regarding the CCIF are included in the CCIF annual report and financial statements in Appendix I to these financial statements.

Tax status of Plan

The Plan is a registered pension scheme under Chapter 2 of Part 4 of the Finance Act 2004 and, to the Trustees' knowledge, there is no reason why the Plan's registered status should be prejudiced or withdrawn.

The Trustees' Report (Cont)

Transfer values

All cash equivalents (transfer values) paid during the year were calculated and verified in the manner required by the Pension Schemes Act 1993 and subsequent amendments. No discretionary benefits are included in the calculation of transfer values. A cash equivalent is the amount which a Plan member is entitled under social security legislation to have applied as a transfer payment to another permitted pension arrangement or a buy-out policy.

Pension Increases

The Trustees applied inflationary increases to pensions in payment on 1 January 2022. The rate of inflation is measured by the annual change in Retail Price Inflation (RPI) each preceding August, which in 2021 was 4.8% (2020: 0.5%).

No discretionary increases were awarded. Normally all increases apply to the Plan pension in excess of the Guaranteed Minimum Pension, if any.

Deferred pensions were increased in accordance with statutory requirements.
Under the rules of the Plan inflationary increases to pension in payment are subject to certain limits as follows:

- benefits earned in respect of service before 6 April 1997 are increased by the increase in the RPI up to a maximum of 3%;
- benefits earned in respect of service after 5 April 1997 but before 6 April 2005 are increased by the increase in the RPI up to a maximum of 5%;
- benefits earned in respect of service after 5 April 2005 are increased by the increase in the RPI up to a maximum of 3%.

Given below are increases applied for the last three years:

Date of Increase	**In respect of Pensionable Service**		
	Before 06.04.97	**After 05.04.97**	**After 05.04.05**
1 January 2020	2.6%	2.6%	2.6%
1 January 2021	0.5%	0.5%	0.5%
1 January 2022	3.0%	4.8%	3.0%

Codes of Practice

The Trustees are aware of and adheres to the Codes of Practice issued by The Pensions Regulator ("TPR"). The objectives of these codes are to protect members' benefits, reduce the risk of calls on the Pension Protection Fund ("PPF") and to promote good administration.

The Pensions Regulator: Record Keeping

TPR issues guidance on all aspects of pension scheme data record keeping to all those responsible for the data (the trustees) and those who administer pension schemes. The guidance covers both common data and scheme-specific data (conditional). The guidance sets out good practice in helping trustees to assess risks associated with record keeping. Improved data means that trustees and employers will be able to make a more precise assessment of their financial liabilities. Schemes are expected to keep their data under regular review and set targets for the improvement in the standard of data recorded.

More information can be found at:
https://www.thepensionsregulator.gov.uk/en/trustees/contributions-data-and-transfers/record-keeping

The Trustees' Report (Cont)

GMP equalisation

In October 2018, the High Court determined that benefits provided to members who had contracted out of the state second pension must be recalculated to reflect the equalisation of state pension ages from May 1990 to April 1997 between men and women. In November 2020, a further ruling by the High Court determined that transfers out of a scheme in respect of members who had contracted out of the state second pension must also be recalculated to reflect the equalisation of state pension ages from May 1990 to April 1997 between men and women.

The Plan is required to equalise Guaranteed Minimum Pension (GMP) liabilities which will result in an increase in liabilities to provide benefits and the funding deficit.

Under the ruling pension schemes are required to backdate benefit adjustments in relation to GMP equalisation and provide interest on the backdated amounts.

A detailed estimate of the past service element, which would be applicable for the Plan financial statements, has yet to be estimated but the Trustees consider that it is likely to be immaterial to the financial statements.

Contact for further information

If, as a Plan member, you wish to obtain further information about the Plan, including copies of the Plan documentation, your own pension position, or who to contact in the event of a problem or complaint, please write to or telephone: Buck Consultants the Plan administrators:

Buck Consultants (Administration and Investment) Limited
PO Box 322
Mitcheldean
GL14 9BH
Tel: 0330 123 9563

Or email: chubbpensions@buck.com

The Trustees' Report (Cont)

Statement of trustees' responsibilities

Trustees' responsibilities in respect of the financial statements

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

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

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

The trustees are also responsible for making available certain other information about the plan in the form of an annual report.

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

The trustees are also responsible for the maintenance and integrity of the Plan's website https://www.chubbfiresecurity.com/en/uk/about/pension-scheme/. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The trustees' responsibilities in respect of contributions

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

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

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

The Trustees' Report (Cont)

Report on Actuarial Liabilities

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

Under Section 222 of the Pensions Act 2004, the Plan is subject to the Statutory Funding Objective, which is to have sufficient and appropriate assets to cover its Technical Provisions. The Technical Provisions represent the present value of the benefits members are entitled to at the valuation date. This is assessed using the assumptions agreed between the Trustees and the Employer and set out in the Statement of Funding Principles, which is available to Plan members on request.

The most recent full actuarial valuation of the Plan was carried out as at 31 March 2021. This showed that on that date:

The value of the Technical Provisions was:	£788.8m
The value of the assets was:	£819.8m

Therefore, the Plan had a funding surplus of £31.0m corresponding to a funding level of 104%.

In years where there is no actuarial valuation, the Plan Actuary produces an estimate of the funding position known as an actuarial report. The latest report was carried out as at 31 March 2022 and disclosed a funding level of 106%, corresponding to a funding surplus of £41.7m, when assessed using the method and assumptions consistent with those set out in the Trustees' Statement of Funding Principles.

The next actuarial report will be assessed as at 31 March 2023 and the following year, there will be a full formal valuation carried out as at 31 March 2024.

The method and significant actuarial assumptions used to determine the Technical Provisions are as follows (all assumptions adopted are set out in the Statement of Funding Principles dated 19 January 2022):

Method

The actuarial method used in the calculation of the Technical Provisions as at 31 March 2021 is the Projected Unit Method.

Actuarial assumptions – The key assumptions used as at 31 March 2021 are:

Discount rate	0.35% p.a. above the Bank of England gilt curve
Retail Prices Index (RPI) inflation	Bank of England implied inflation curve
Consumer Prices Index (CPI) inflation	Pre-2030: RPI less 0.8% p.a. Post-2030: RPI
Pension increases	Calculated as relevant inflation assumptions, taking into account any caps of collars based on a statistical model
Pre-retirement and post-retirement mortality table	High pensions*: 85% (M) / 90% (F) of S3PXA_VL Other members: 105% (M)/115% (F) of S3PXA
Pre-retirement and post-retirement mortality projections	CMI 2020 with a long term rate of improvement of 1.75% p.a., an initial addition parameter of 0.5% p.a. and the default smoothing parameter and 2020 weight parameter (For members with high pensions the initial addition parameter is increased to 1.00% p.a.)
Allowance for cash commutation	25% of pension using cash factors in force at the valuation date uplifted by 10%
Concentration risk reserve	3.5% of pensioner liabilities
GMP equalisation/data and benefit uncertainty reserve	2% of liabilities
Allowance for expenses	2.5% of liabilities

** "High pension" members are as defined by the CMI, i.e. males with pensions over £40,000 p.a. and females with pensions over £16,000 p.a.*

The Trustees' Report (Cont)

Investment report

After receiving appropriate professional advice, the Trustees of the Chubb Pension Plan (CPP) and the Trustee of the related Chubb Security Pension Fund (CSPF) agreed to participate in the Chubb Common Investment Fund ('the CCIF') from July 1998 on the following basis:

- the Trustees of the CCIF be representative of the existing Chubb Pension Plan and Chubb Security Pension Fund Trustee structures;
- an external custodian be appointed to provide additional security by separating the custody of assets from the investment managers responsible for the day to day investment decisions;
- the external custodian be responsible for the accounting and calculation of the value of the CCIF and the Plan's share of that Fund; and
- the Trustees of the Plan reserve the right to withdraw from the CCIF at any time.

Details of the Trustees, the external custodian and investment managers of the CCIF are provided in the annual report and financial statements of the CCIF which are attached as Appendix I to this Annual Report.

Participation in the CCIF provided the Trustees of the Plan with the benefits of economies of scale and access to more specialised investment services together with the additional security of an external custodian of the assets of the Plan.

Although the Trustees of the CCIF were directly responsible for the monitoring and management of the investment managers and strategy, the Trustees of the Plan reviewed the investment performance and strategy on a quarterly basis.

The investment managers were remunerated on a fee basis, based on the value of investments under their management. Investment manager fees were reviewed on a periodic basis by the CCIF Trustees.

The CCIF operated as a unitised arrangement to which both the Chubb Pension Plan and Chubb Security Pension Fund participated. The unit prices are calculated monthly by the external custodian.

The CCIF provided two categories of unit, scheme specific units and co-mingled units. Scheme specific units were for the purpose of ring-fencing assets held specifically for each of the two Participating Schemes. All other assets were aggregated and underpinned the valuation of comingled units.

The Trustees have produced a Statement of Investment Principles as required by Section 35 of the Pensions Act 1995 and a copy is available on request from the Secretary to the Trustees.

Changes to investments during the year

During the year to 31 March 2022, the decision was made to move the Chubb Pension Plan and Chubb Security Pension Fund assets from the Chubb Common Investment Fund to be held individually and directly by each scheme and controlled by that scheme's trustee body.

The three main components to the withdrawal were:

- **Insight**: splitting the buy-and-maintain corporate bond portfolio between CSPF and CPP and re-registering the (already) individual CSPF and CPP LDI portfolios into separate custody accounts outside the CCIF.
- **BlackRock**: transitioning the remaining CIF holdings in the fund to an individual portfolio for CSPF (CPP no longer has BlackRock holdings).
- **Ruffer**: transitioning the portfolio to two individual accounts for CSPF and CPP.

These transactions were completed in February 2022 and the two schemes' assets have now been separated.

The Trustees' Report (Cont)

Investment strategy

The investment objective of the Plan is to maintain a portfolio of suitable assets of appropriate liquidity which will generate investment returns to meet, together with future contributions, the benefits of the Plan payable under the Trust Deed and Rules as they fall due.

The Trustees set the investment strategy for the Plan taking into account considerations such as the strength of the employer covenant, the long-term liabilities of the Plan and the funding agreed with the Employer. The investment strategy is set out in the Plan's Statement of Investment Principles (SIP).

The current strategy is to hold the following asset allocations.

Asset class	Benchmark Allocation (%)
Growth	
Multi-asset	5
Protection	
Liability Driven Investment	**95**
Corporate bonds	28
Gilts	65
Cash	2
Total	**100**

Voting rights and social, environmental and ethical considerations

The Trustees believe that environmental, social and governance (ESG) factors, including management of climate related risks, are potentially financially material and therefore have a policy to take these into account, alongside other factors, in the selection, retention and realisation of investments. However, these factors do not take precedence over other financial and non-financial factors, including but not limited to historical performance or fees. The Trustees may consider both financial and non-financial factors when selecting or reviewing the Plan's investments.

The Trustees do not apply any specific ethical criteria to their investments.

As the Plan's material investments (except the Insight Bonds and LDI) are held in pooled funds, ESG considerations are set by each of the investment managers. The Plan's investment managers will ultimately act in the best interests of the Plan's assets to maximise returns for a given level of risk. The Trustees do not currently impose any specific ESG-related restrictions or requirements on the segregated bonds mandate with Insight, so ESG considerations are determined at their discretion. The Trustees are aware of the approach that each of their investment managers take in relation to ESG considerations.

The Trustees believe that good stewardship and positive engagement can lead to improved governance and better risk-adjusted investor returns. The Trustees delegate the exercise of rights (including voting rights) attached to the Plan's investments to the investment managers. The managers are all signatories to the UN Principles of Responsible Investment and to the UK Stewardship Code.

In selecting, monitoring and reviewing their investment managers, where appropriate, the Trustees will consider investment managers' policies on engagement and how these policies have been implemented. The Trustees have not considered it appropriate to take into account individual members' views when establishing the policy on environmental, social and governance factors, engagement and voting rights.

The Trustees' Report (Cont)

Assets as at 31 March 2022

	31 March 2022		31 March 2021	
Fund	Valuation £000	Allocation	Valuation £000	Allocation
Ruffer Absolute Return Fund	45,917	5.8%	-	-
Insight Buy and Maintain Bonds	209,501	26.8%	-	-
Insight Segregated LDI	525,595	67.2%	-	-
Chubb Common Investment Fund	1,423	0.2%	814,263	100%
Total	**782,436**	**100%**	**814,263**	**100%**

Performance to 31 March 2022

	12 months (%)		3 years p.a. (%)		5 years p.a. (%)	
	Fund	Benchmark	Fund	Benchmark	Fund	Benchmark
Chubb Pension Plan	0.3%	-0.7%	3.7%	2.9%	6.0%	5.7%

Economic and market conditions over the year to 31 March 2022

Economic Environment

The 12-month period to 31 March 2022 began with markets focused on the recovery from the COVID-19 pandemic following the successful vaccine rollout. However, as 2021 came to an end the focus switched to rising inflation and the actions that central banks would need to take to bring it under control, with central banks beginning to significantly tighten monetary policy for the first time since the start of the pandemic. The concerns around inflation were exacerbated in February 2022 as the Russian invasion of Ukraine led to further disruption, particularly in energy markets. The threat of rising interest rates resulted in bond markets generally producing negative returns over the year to 31 March 2022. Equities generally produced positive returns over the 12-month period, however this masks significant volatility and periods of negative returns, particularly during the first quarter of 2022.

This scale and success of the COVID-19 vaccine rollout, 11.3 billion doses had been administered globally by 31 March 2022, allowed many countries to end most COVID-19 restrictions over the period. As a result, the IMF estimated that global growth over 2021 reached 6.1%, the highest rate since the 1970s. However, this was not always a straightforward process and the Delta and Omicron variants of COVID forced many countries to reimpose some or all restrictions. In particular China, which adopted a "zero-COVID" policy, re-introduced full lockdown restrictions to several major cities in early 2022. Nevertheless, the broader pattern of reopening held in most of the rest of the world, allowing a strong economic recovery.

The strong recovery, aided by COVID related fiscal and monetary stimulus packages, contributed to a significant increase in consumer demand for goods as restrictions eased. This increased demand, coupled with ongoing supply chain disruption from the pandemic saw prices in many goods and commodities rise sharply. By the end of the period inflation had reached multi-decade highs in several major economies. In March 2022, UK CPI inflation reached 6.2%, its highest level in thirty years, and US CPI inflation rose to 7.9%, the highest level in forty years.

The Trustees' Report (Cont)

Consequently, markets began to price in more interventions by central banks to stem the tide of inflation through interest rate rises and reduced asset purchases. This process began on 16 December 2021, when the Bank of England became the first major central bank to raise interest rates, increasing the base rate from 0.10% to 0.25%. This was followed by a rise to 0.50% on 3 February 2022 and to 0.75% on 17 March. The Federal reserve also raised its central rate range on 16 March 2022 from 0.00%-0.25% to 0.25%-0.50% and, despite not raising rates over the period, the European Central Bank reduced the pace of its future asset purchases. These actions and the prospect of more to come resulted in a sharp rise in government bond yields at all terms. In the UK, 20-year nominal gilt yields rose by 0.46% over the year to 31 March 2022.

The Russian invasion of Ukraine in February 2022 further compounded the fear of rising inflation. Western governments responded to the invasion by imposing sanctions on Russia and their ally, Belarus. In particular, the US, UK and EU placed strict sanctions on Russian government bodies, Russian oligarchs, and the Russian financial system, including a ban on trading Russian Government bonds issued after 1 March 2022 on the secondary market. Russia is a major producer of several important commodities, and the risk of disruption to those markets, from the war or from retaliatory sanctions, caused prices to rise. Oil rose above $100 a barrel for the first time since 2014, briefly touching close to $140, a 14-year high. European natural gas prices rose to an all-time high as did several other important commodities such as wheat and nickel. Equity markets also fell sharply after the invasion, with global equities falling by 12.2% since the start of 2022 by the end of March. However, by the end of the quarter several of these market movements partially reversed as the scale of the invasion and response to it became clearer.

Towards the latter end of the year to 31 March 2022, major central banks began to tighten monetary policy as economies recovered to pre-pandemic levels. Some central banks began to raise interest rates whilst those that did not generally adopted a more hawkish stance by slowing the rate of their asset purchase programmes.

- The Bank of England raised the base rate three times in the year to 31 March 2022, from 0.1% at the start of the year to 0.75% at the end of the year. At the 3 February 2022 meeting, the Bank of England agreed to cease reinvestment of corporate bonds and begin sales with total disinvestment to be completed by the end of 2023. Over the year to 31 March 2022, the Bank of England made £71.6 billion in net asset purchases.
- The Federal Reserve (The Fed) raised the Federal Funds Rate range from 0.00%-0.25% to 0.25%-0.50% in March 2022. The Fed increased the size of its balance sheet by purchasing around $1.2 trillion of assets over the 12 months to March 2022.
- The European Central Bank (ECB) decided not to raise rates and kept its main lending rate at 0.0% throughout the period. Over the 12 months to 31 March 2022, the ECB's total asset purchases, including purchases as part of the Pandemic Emergency Purchase Programme, totalled €1.0 trillion.

Market Performance

Despite negative returns across almost all traditional asset classes in the first quarter of 2022, returns over the 12 months to 31 March 2022 were largely positive in absolute terms. However, rising yields saw fixed-interest bonds produce negative returns over the year.

- Equities: Overall, global equities produced positive total returns over the year to 31 March 2022, rising by 9.1% in local currency terms. All geographical regions produced a positive return over the year, except for Emerging Markets equities, which fell by 7.6%. The best performing region (in local currency terms) was North America (14.2%).
- Bonds: Over the year to 31 March 2022, UK gilt yields rose across all maturities. The net impact was a negative return (-5.1%) for UK fixed interest gilts (all stocks). However, a rise in implied inflation resulted in UK index-linked gilts (all stocks) delivering a positive return (5.1%) over the year. UK corporate bond spreads (all stocks) widened by 0.3% over the year.

The Trustees' Report (Cont)

Employer related investments

At 31 March 2022 the Plan had no employer related investments (2021: nil).

At 31 March 2022 the CCIF had no employer related investments. At 31 March 2021, less than 0.01% of the CCIF assets were indirectly invested in the employer through pooled investment vehicles with Legal & General and BlackRock.

Nature, disposition, marketability, security and valuation

The Trustees have considered the nature, disposition, marketability, security and valuation of the Plan's investments and consider them to be appropriate relative to the reasons for holding each class of investment. More details about investments are given in the notes to the financial statements.

Commentary on the marketability of the assets held within the CCIF is available within the CCIF financial statements in Appendix I.

Custodial arrangements

Bank of New York Mellon acts as custodian for the Insight Investment Management segregated portfolios. These investments are held in a designated nominee account at Bank of New York Mellon, in the name of the Trustees of the Plan.

The global custodian of the CCIF is Bank of New York Mellon.

Post year end market volatility

After the year end, in September and October 2022, there was a period of significant volatility in the UK government bond market. This saw large falls in the value of government bonds and thus pension scheme liabilities, which are valued relative to government bonds. Many pension schemes, including the Plan, use Liability Driven Investments (LDI) to protect their funding level against the volatility of market movements that impact their liabilities – by investing in assets that move similarly to the liabilities. At the time of writing a full analysis of the performance of the LDI held by the Plan is being undertaken, but initial indications and expectations are that the LDI performed as it was designed to and that the Plan's funding level remained broadly stable despite the exceptional volatility in government bonds. Due to the segregated LDI approach used for the Plan and the low risk asset strategy adopted by the Trustees, the portfolio was less impacted by the risks from the market volatility than many pension schemes.

Consequent on the changes in government bond values, as expected, the overall value of the Plan's investment portfolio has declined. That said, the value of the Plan's liabilities has also fallen by a similar amount, in line with the risk management approach using LDI, which has left the Plan's estimated funding levels to remain broadly unchanged.

Owing to changes in market values, the Plan is now much smaller in asset value terms, however there are no concerns regarding its funding level, its ability to meet the payment of benefits to members, or its ability to continue as a going concern.

The Trustees will continue to monitor the situation and are well placed to take any action as required.

Approval of Trustees' Report

The Trustees' Report on pages 1 to 12 was approved by the Trustees and signed on their behalf by:

____

B D McGowan

Date: ________________________________

Summary of contributions payable in the year

During the year, the contributions payable to the Plan by the Employer under the Schedules of Contributions dated 29 May 2019 and 20 January 2022 were as follows:

	£000
Employer - additional expense contributions	1,286
Contributions payable under the Schedules of Contributions (as reported on by the Plan auditors)	1,286
Employer - section 75 debt contribution	730
Total contributions (as per financial statements)	2,016

Approved by the Trustees and signed on their behalf by:

B D McGowan

Date:

Independent auditors' statement about contributions

to the trustees of Chubb Pension Plan

Opinion

In our opinion, the contributions payable under the schedules of contributions for the plan year ended 31 March 2022 as reported in Chubb Pension Plan's summary of contributions have, in all material respects, been paid in accordance with the schedules of contributions certified by the plan actuary on 29 May 2019 and 20 January 2022.

We have examined Chubb Pension Plan's summary of contributions for the plan year ended 31 March 2022 which is set out on the previous page.

Basis for opinion

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

Responsibilities for the statement about contributions

Responsibilities of the trustees in respect of contributions

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

Auditors' responsibilities in respect of the statement about contributions

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

Use of this report

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

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London

Date:

Independent auditors' report

to the trustees of Chubb Pension Plan

Report on the audit of the financial statements

Opinion

In our opinion, Chubb Pension Plan's financial statements:

- show a true and fair view of the financial transactions of the plan during the year ended 31 March 2022, and of the amount and disposition at that date of its assets and liabilities, other than liabilities to pay pensions and benefits after the end of the year;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- contain the information specified in Regulation 3A of the Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996.

We have audited the financial statements, included in the Annual Report, which comprise: the Statement of Net Assets available for benefits as at 31 March 2022; the Fund Account for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

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

Independence

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

Conclusions relating to going concern

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

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

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

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

Reporting on other information

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

Independent auditors' report to the trustees of Chubb Pension Plan (Cont)

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

Responsibilities for the financial statements and the audit

Responsibilities of the trustees for the financial statements

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

In the preparation of the financial statements, the trustees are responsible for assessing the plan'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 trustees either intend to wind up the plan, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

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

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

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

Independent auditors' report to the trustees of Chubb Pension Plan (Cont)

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

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

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

Use of this report

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

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London

Date:

The Financial Statements

Fund Account

for the year ended 31 March 2022

	Note	31 March 2022 £000	31 March 2021 £000
Contributions and benefits			
Employer contributions	4	2,016	7,500
Total contributions		2,016	7,500
Benefits paid or payable	5	(30,165)	(29,762)
Transfers to other schemes	6	(3,406)	(4,975)
Administrative expenses	7	(1,891)	(950)
		(35,462)	(35,687)
Net withdrawals from dealings with members		(33,446)	(28,187)
Returns on investments			
Investment income	8	694	158
Change in market value of investments	9	4,163	87,365
Investment management expenses	10	(183)	-
Net return on investments		4,674	87,523
Net (decrease) / increase in the fund during the year		(28,772)	59,336
Net assets of the Plan			
Opening net assets		820,261	760,925
Closing net assets		791,489	820,261

The notes on pages 20 to 32 form part of these financial statements.

The Financial Statements (Cont)

Statement of Net Assets

available for benefits as at 31 March 2022

	Note	31 March 2022 £000	31 March 2021 £000
Investment assets:			
Bonds	9	693,131	-
Pooled investment vehicles	12	83,334	814,263
Derivatives	13	2,049	-
Insurance policies	17	391	524
AVC investments	16	376	419
Reverse repurchase agreements	15	25,052	-
Cash deposits	9	2,264	-
Other investment balances	14	3,696	-
		810,293	815,206
Investment liabilities:			
Derivatives	13	(1,768)	-
Repurchase agreements	15	(25,287)	-
		(27,055)	-
Total net investments	9	783,238	815,206
Current assets	21	8,796	5,452
Current liabilities	22	(545)	(397)
Total net assets available for benefits		791,489	820,261

The financial statements summarise the transactions of the Plan and deal with the net assets at the disposal of the Trustees. They do not take account of obligations to pay pensions and benefits which fall due after the end of the Plan year. The actuarial position of the Plan, which takes into account such obligations, is dealt with in the Report on Actuarial Liabilities on page 7 of the Annual Report and these financial statements should be read in conjunction with this report.

The notes on pages 20 to 32 form part of these financial statements.

These financial statements on pages 18 to 32 were approved by the Trustees and signed on their behalf by:

B D McGowan

Date:

Notes to the Financial Statements

1. General information

The Chubb Pension Plan (the 'Plan') was established under English law by a definitive Trust Deed dated 30 September 1960 under its then name of the Duport Group Works Pension and Life Assurance Plan. The Plan was amended to include, with effect from 1 January 1988 and 1 March 1988 respectively, the employees and other persons for whom benefits had been provided under the Williams Holdings Staff Pension Plan and the Williams Holdings Executive Pension Plan and the name was changed to Williams Pension Plan. The Plan changed its name from Williams Pension Plan to Chubb Pension Plan in January 2001.

The Plan is an occupational defined benefit pension plan registered in the United Kingdom. The registered office is at Oak House, Littleton Road, Ashford, Middlesex, TW15 1TZ. The Plan is closed to future accrual with effect from 31 March 2020.

2. Basis of preparation

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

3. Accounting policies

The principal accounting policies of the Plan which are applied consistently are as follows:

Currency

- The Plan's functional and presentational currency is pounds sterling. Monetary items denominated in foreign currency are translated into sterling using the closing exchange rates at the Plan year-end. Foreign currency transactions are recorded in sterling at the spot exchange rate at the date of the transaction. Gains and losses arising on conversion or translation are dealt with as part of the change in market value of investments.

Contributions

- Contributions made by the Employer are accounted for on the due dates on which they are payable in accordance with the Schedule of Contributions and Recovery Plan under which they are payable.

Payments to members

- Pensions in payment are accounted for in the period to which they relate.
- Benefits are accounted for in the period in which the member notifies the Trustees of their decision on the type or amount of benefit to be taken, or if there is no member choice, on the date of retiring or leaving.
- Where members have a choice regarding the form and timing of their benefit, benefits are accounted for on an accruals basis on the later of the date of retiring or leaving and the date the option is exercised. Other benefits are accounted for on an accruals basis on the date of retiring or leaving.
- Individual transfers in or out of the Plan are accounted for when member liability is accepted or discharged which is normally when the transfer amount is received or paid.
- Where the Trustees agrees or are required to settle tax liabilities on behalf of a member (such as where lifetime or annual allowances are exceeded) with a consequent reduction in that member's benefits receivable from the Plan, any taxation due is accounted for on the same basis as the event giving rise to the tax liability and shown separately within "Benefits paid or payable".

Expenses and other payments

- Expenses are accounted for on an accruals basis.
- Investment management expenses and rebates are accounted for on an accruals basis and shown net within "Returns on investments". Transaction costs are included in the cost of purchases and sale proceeds.

Notes to the Financial Statements (Cont)

3. Accounting policies (Cont)

Investment income

- Income from bonds is accounted for on an accruals basis and includes interest bought and sold on investment purchases and sales.
- Investment income arising from the underlying investments of the remaining pooled investment vehicles is reinvested within the pooled investment vehicles and reflected in the unit price. Thus, it is reported within "Change in market value".
- Income from cash and short-term deposits is accounted for on an accruals basis.
- Receipts from annuity insurance policies are accounted for as investment income on an accruals basis..
- Receipts or payments under swap contracts, representing the difference between the swapped cash flows, are included in investment income.
- Interest payable on repurchase agreements and receivable on reverse repurchase agreements is accounted for in the period it falls due.

Investments

- 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.
- The number and value of units held within the Chubb Common Investment Fund (CCIF) is provided by the CCIF custodian. The units are single priced and the underlying accounting policies and methodology for the fair valuation and classification of assets and liabilities held within the CCIF are detailed in the CCCIF financial statement set out in Appendix I.
- Quoted securities in active markets are usually valued at the current bid prices or at the valuation date nearest to the year end.
- Unitised 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.
- Bonds are stated at their clean prices. Accrued income is accounted for within "Investment income" and within "Investment income receivable" included as "Other investment balances".
- Exchange traded futures are valued as 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.
- Over the counter (OTC) derivatives are valued using the following valuation techniques:
    - Swaps – current value of future cash flows arising from the swap determined using discounted cash flow models and market data at the reporting date.
    - 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.
- Repurchase agreements are accounted for as follows:
    - Repurchase agreements (repo) – the Plan continues to recognise and value the securities that are delivered out as collateral, and includes them in the financial statements. The cash received is recognised as an asset and the obligation to pay it back is recognised as a payable amount.
    - Reverse repurchase agreements (reverse repo) – the Plan does not recognise the securities received as collateral in its financial statements. The Plan does recognise the cash delivered to the counterparty as a receivable in the financial statements.

Critical accounting judgments and estimation uncertainty

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Trustees makes estimate and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. For the Plan, the Trustees believe the only estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year are related to the valuation of the Plan investments and, in particular, those classified in Level 3 of the fair-value hierarchy. Explanation of the key assumptions underpinning the valuation of investments are included above and within note 18.

Notes to the Financial Statements (Cont)

4. Employer contributions

	2022 £000	2021 £000
Employer contributions		
Deficit funding	-	7,500
Additional expense contributions	1,286	-
Section 75 debt	730	-
	2,016	7,500

In accordance with the Schedule of Contributions dated 29 May 2019, with effect from 1 April 2021 the Employer was to pay all expenses in respect of the Plan. The additional contributions in the table above represent the expenses paid by the Plan, which have been refunded by the Employer up to 31 December 2021.

Following the completion of the 31 March 2021 actuarial valuation, an updated Schedule of Contributions dated 20 January 2022, was agreed. Under the new Schedule, all fees and expenses are to be paid by the Plan and no deficit contributions are due to be paid.

During the year the Employer paid a Section 75 debt contribution of £730,000 in respect of TG Products Limited, a former Participating Employer who ceased participation in the Plan during the year.

5. Benefits paid or payable

	2022 £000	2021 £000
Pensions	27,446	27,680
Commutation of pensions and lump sum retirement benefits	1,979	1,426
Lump sum death benefits	740	631
Taxation where lifetime or annual allowance exceeded	-	25
	30,165	29,762

6. Transfers to other schemes

	2022 £000	2021 £000
Individual transfers to other schemes	3,406	4,975

Notes to the Financial Statements (Cont)

7. Administrative expenses

	2022	2021
	£000	£000
Administration and processing	726	440
Actuarial fees	551	258
Pensions Regulator and Pension Protection Fund levies	47	45
Audit fees	38	34
Trustees' fees	79	67
Legal and other professional fees	450	106
	1,891	950

Administrative expenses were previously met by the Plan. Under the Schedule of Contributions, dated 29 May 2019, fees were due to be met by the Employer with effect from 1 April 2021.

All fees paid by the Plan between 1 April 2021 and 31 December 2021 have been reimbursed by the Employer and are included as Employer expense contributions in note 4.

A new Schedule of Contributions was agreed on 20 January 2022, under which administrative expenses fees are once again all to be met by the Plan.

8. Investment income

	2022	2021
	£000	£000
Income from bonds	643	-
Net interest on repurchase agreements / reverse repurchase agreements	(5)	
Annuity income	58	152
Net interest on cash deposits	(2)	2
Miscellaneous receipts	-	4
	694	158

Included in annuity income in the current year are repayments to the annuity providers totalling £45,243 (2021: £3,074).

Notes to the Financial Statements (Cont)

9. Reconciliation of investments

	Value at 1 April 2021 £000	Purchases at cost and Derivative Payments £000	Sales proceeds and derivative receipts £000	Change in market value £000	Value at 31 March 2022 £000
Bonds	-	736,228	(27,680)	(15,417)	693,131
Pooled investment vehicles:					
CCIF invested units	814,263	-	(832,143)	19,303	1,423
Other pooled investment vehicles	-	88,085	(6,782)	608	81,911
Total Pooled investment vehicles	*814,263*	*88,085*	*(838,925)*	*19,911*	*83,334*
Derivatives - net	-	597	(69)	(247)	281
Insurance policies	524	-	-	(133)	391
AVC investments	419	-	(67)	24	376
	815,206	824,910	(866,741)	4,138	777,513
Cash deposits	-			25	2,264
Other investment balances	-			-	3,696
Amounts receivable under reverse repurchase agreements	-			-	25,052
Amounts payable under repurchase agreements	-			-	(25,287)
Net investment assets	815,206			4,163	783,238

With the exception of annuity policies and AVC policies all of the Plan assets were invested through the Chubb Common Investment Fund (CCIF) which is a unitised arrangement. The majority of the assets were withdrawn from the CCIF in February and March 2022 and transferred into new investment arrangements for the Plan, with only a small holding in the CCIF arrangement remaining as at the year end.

The annual report and financial statements of the CCIF for the year ended 31 March 2022 are attached to these financial statements at Appendix I. These financial statements provide detail of the movements in the underlying assets of the CCIF in the year to 31 March 2022 and the valuation of the assets at that date.

Also included in the financial statements of the CCIF are details of the investment transaction costs of the CCIF, the fair value hierarchy of financial instruments, details of investment risks relating to the assets held within the CCIF, the investment strategy, the concentration of assets and details of employer related investments held indirectly through the assets of the CCIF.

Transaction costs are included in the cost of purchases and deducted from sale proceeds. Direct transaction costs include costs charged to the Plan such as fees, commissions and stamp duty.

Indirect costs are incurred through the bid-offer spread on investments within pooled investment vehicles and charges made within those vehicles. The amount of indirect costs is not separately provided to the Plan.

Employer related investments

At 31 March 2022, there were no direct or indirect employer related investments.

At 31 March 2021, less than 0.01% of the underlying assets of the CCIF attributable to units held by the Plan were indirectly invested in the employer through pooled investment vehicles with Legal & General and BlackRock.

Notes to the Financial Statements (Cont)

10. Investment management expenses

	2022	2021
	£000	£000
Administration, management and custody	183	-

11. Taxation

The Plan is a registered pension scheme under Chapter 2 of Part 4 of the Finance Act 2004 and is therefore exempt from income tax and capital gains tax.

12. Pooled investment vehicles

The Plan's investments in pooled investment vehicles at the year-end comprised:

	2022	2021
	£000	£000
Absolute Return Fund	45,917	-
Liquidity Funds	35,994	-
CCIF*	1,423	814,263
	83,334	814,263

* Detail of the assets underlying the investment in the CCIF is included in the annual report and financial statements of the CCIF, which are attached to these financial statements at Appendix I.

13. Derivatives

Objectives and policies for holding derivatives

The Trustees have authorised the use of derivative financial instruments by the investment managers as part of their investment strategy as follows;

- Futures and Swaps: Interest rate swaps and bond and interest rate futures may be used by bond managers for the purposes of implementing duration, country allocation, yield curve and investment views.
- Forward foreign currency: FX may be used for currency hedging purposes, but not for speculative purposes.

At the year end the Plan had the following derivatives:

	2022		2021	
	Asset	Liability	Asset	Liability
	£000	£000	£000	£000
Exchange traded				
Futures	174	(19)	-	-
Over-the-counter contracts				
Forward FX contracts	146	(822)	-	-
Swaps	1,729	(927)	-	-
	2,049	(1,768)	-	-

Notes to the Financial Statements (Cont)

13. Derivatives (Cont)

A summary of the Plan's outstanding derivative contracts at the year-end aggregated by key characteristics is set out below:

Futures contracts

Nature	Notional amounts £000	Duration	Asset value £000	Liability value £000
UK Gilt exchange traded	7,637	<3 Months	35	(19)
Overseas exchange traded	4,576	<3 Months	139	-
Total 2022	**12,213**		**174**	**(19)**
Total 2021	-		-	-

Forward FX contracts

Type	Nominal value £000	Duration	Asset value £000	Liability value £000
EUR/GBP	7,560	1-3 months	-	(78)
GBP/EUR	343	1 month	5	-
GBP/USD	16,038	1-2 months	55	(11)
USD/GBP	65,219	1-3 months	86	(733)
Total 2022	**89,160**		**146**	**(822)**
Total 2021	-		-	-

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

OTC Swaps

Nature	Notional amounts £000	Duration	Asset value £000	Liability value £000
UK interest rate swap	41,250	7-30 years	-	(927)
Overseas interest rate swap	54,350	4-28 years	1,729	-
Total 2022	**95,600**		**1,729**	**(927)**
Total 2021	-		-	-

At the Plan year end the counterparties had deposited £1,650,000 (2021: £nil) of cash collateral and the Plan posted cash collateral amounting to £1,405,703 (2021: £nil).

Notes to the Financial Statements (Cont)

14. Other investment balances

The other investment balances held by the Plan at the year-end are as follows:

Investment assets	2022 £'000	2021 £'000
Interest receivable – bonds	3,696	-

15. Repurchase and reverse repurchase agreements

	2022 £000	2021 £000
Amounts payable under repurchase agreements	(25,287)	-
Amounts receivable under reverse repurchase agreements	25,052	-
	(235)	-

Bonds with a fair value of £25.147m (2021: £nil) had been sold subject to repurchase contracts therefore continued to be recognised in the financial statements. There were 2 repurchase agreements at 31 March 2022 (2021: nil) with maturities between May and June 2022.

Bonds with a fair value of £281.5k (2021: £nil) were received as collateral at 31 March 2022 in respect of reverse repurchase agreements is not recognised in the financial statements. Cash delivered to the counterparties was recognised as amounts receivable in the table above. There were 2 reverse repurchase agreements, with maturities between May and June 2022.

16. AVC Investments

The Trustees hold assets invested separately from the main fund in the form of insurance policies securing additional benefits on a money purchase basis for those members that have elected to pay additional voluntary contributions. Members participating in this arrangement each receive annual statements confirming the amounts held to their account and the movements in the year. The aggregate amounts of AVC investments at the year end are as follows:

	2022 £000	2021 £000
Aegon (unit-linked)	330	366
Aviva Life & Pensions UK Limited	32	32
Phoenix Life (with-profits)	11	12
Scottish Friendly Assurance Society (with-profits)	-	6
Standard Life Assurance Society (with-profits)	3	3
	376	419

17. Insurance policies

Annuity policies provide an income to the Plan as disclosed in note 8. The value of these policies is estimated annually by the Plan Actuary.

	2022 £000	2021 £000
Annuities	391	524

Notes to the Financial Statements (Cont)

18. 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 measurement date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable (i.e. developed using market data) for the asset or liability, 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.

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

	As at 31 March 2022			
	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Bonds	-	693,131	-	693,131
Pooled investment vehicles	-	81,911	1,423	83,334
Insurance policies	-	-	391	391
Derivatives – net	-	126	155	281
AVC investments	-	330	46	376
Cash deposits	2,264	-	-	2,264
Other investment balances	3,696	-	-	3,696
Repurchase and reverse repurchase agreements – net	-	(235)	-	(235)
	5,960	775,263	2,015	783,238

	As at 31 March 2021			
	Level 1 £000	Level 2 £000	Level 3 £000	Total £000
Bonds	-	-	-	-
Chubb Common Investment Fund	-	-	814,263	814,263
Insurance policies			524	524
Derivatives – net	-	-	-	-
AVC investments	-	-	419	419
Cash deposits	-	-	-	-
Other investment balances	-	-	-	-
Repurchase and reverse repurchase agreements – net	-	-	-	-
	-	-	815,206	815,206

Notes to the Financial Statements (Cont)

19. Investment risk disclosures

Investment risks

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

Credit risk: this 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: this comprises currency risk, interest rate risk and other price risk.

- Currency risk: this is the risk that the fair value or future cashflows of a financial asset will fluctuate because of changes in foreign exchange rates
- Interest rate risk: this is the risk that the fair value or future cashflows of a financial asset will fluctuate because of changes in market interest rates
- Other price risk: this is the risk that the fair value or future cashflows 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 Trustees determine the investment strategy. The Plan has exposure to these risks because of the investments it makes.

In relation to the risk exposures at the prior year end a detailed analysis of risks associated with assets of the CCIF, which underpinned the value of units held by the Fund in the CCIF, are covered in the financial statements of the CCIF in Appendix I.

Further information on the Trustees' approach to risk management, credit and market risk at the year end is set out below. This does not include legacy insurance policies nor AVC investments as these are not considered significant in relation to the overall investments of the Plan.

Investment strategy

The investment objective of the Plan is to maintain a portfolio of suitable assets of appropriate liquidity which will generate investment returns to meet, together with future contributions, the benefits of the Plan payable under the Trust Deed and Rules as they fall due.

The Trustees set the investment strategy for the Plan taking into account considerations such as the strength of the employer covenant, the long term liabilities of the Plan and the funding agreed with the Employer. The investment strategy is set out in the Plan's Statement of Investment Principles (SIP).

The current strategy is to hold the following asset allocations.

Asset class	Benchmark Allocation (%)
Growth	
Multi-asset	5
Protection	
Liability Driven Investment	**95**
Corporate bonds	28
Gilts	65
Cash	2
Total	**100**

Notes to the Financial Statements (Cont)

19. Investment risk disclosures (Cont)

Credit risk

The Plan is subject to credit risk because it directly invests in bonds, OTC derivatives, has cash balances and holds units in pooled investment vehicles (PIVs). The Plan has indirect exposure to credit risks from the underlying investments held by the pooled investment vehicles.

Analysis of direct credit risk as at 31 March 2022

	Investment grade* £000	Non-investment grade* £000	Unrated £000	2022 £000	2021 £000
Bonds	692,340	791	-	**693,131**	-
OTC Derivatives	-	-	281	**281**	-
Cash	-	-	2,264	**2,264**	-
PIVs	-	-	83,334	**83,334**	918,314
Reverse repurchase agreements	-	-	25,052	**25,052**	-
Repurchase agreements	-	-	(25,287)	**(25,287)**	-
	692,340	**791**	**85,644**	**778,775**	918,314

** Bonds with a rating of BBB- (on the Standard & Poor's and Fitch scale) or Baa3 (on Moody's) or better are considered investment-grade.*

The credit risk arising on bonds is mitigated by predominantly investing in government bonds and corporate bonds which are at least investment grade credit rated. The Plan might also invest in high yield bonds, which are non-investment grade. The associated credit risk is mitigated by placing restrictions on the assets that may be held within the bond portfolio.

Credit risk arising on derivatives depends on whether the derivative is exchange traded or over the counter (OTC). The Plan holds both exchange traded and OTC derivatives. OTC derivative contracts are not guaranteed by any regulated exchange and therefore the Plan is subject to risk of failure of the counterparty. The risk is reduced through collateral arrangements.

Cash is held within financial institutions which are at least investment grade credit rated.

The pooled investment arrangements used by the Plan comprise UK and Irish domiciled open-ended investment companies and a UK domiciled common investment fund. Direct credit risk arising from Pooled Investments Vehicles (PIVs) are mitigated by the underlying assets of the pooled arrangements being ring-fenced from the pooled manager, the regulatory environments in which the pooled manager operates and the Trustees' due diligence of the pooled manager. The PIVs themselves are unrated.

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

	2022 (£000s)	2021 (£000s)
UK domiciled Undertakings for the Collective Investment in Transferable Securities Open-Ended Investment Company	**45,917**	-
Irish domiciled Undertakings for the Collective Investment in Transferable Securities Open-Ended Investment Company	**35,994**	-
UK domiciled common investment fund	**1,423**	814,263
Total	**83,334**	814,263

Indirect credit risk arises in relation to underlying investments held in the pooled investment vehicles. This risk is mitigated by only investing in pooled funds which invest in at least investment grade credit rated securities or use active management. The Trustees monitor the performance of the investment managers on a regular basis in addition to having meetings with the investment managers from time to time as necessary. The Trustees have a written agreement with the investment managers, which contains a number of restrictions on how the investment managers may operate.

Notes to the Financial Statements (Cont)

19. Investment risk disclosures (Cont)

Market risk: Interest rates

The Fund is subject to interest rate risk because some of the Fund's investments are held in bonds as segregated investments or through pooled vehicles, repurchase agreements, reverse repurchase agreements and cash. Under this strategy, if interest rates fall, the value of the bonds investments will rise to help match the increase in actuarial liabilities arising from a fall in the discount rate. Similarly, if interest rates rise, these investments will fall in value, as will the actuarial liabilities because of an increase in the discount rate.

Market risk: Currency

The Plan is exposed to currency risk because some of its investments are held in overseas markets. For example, the Plan invests indirectly in overseas equities and bonds through a pooled investment vehicle.

The Plan's liabilities are denominated in sterling and currency hedging is employed to manage the impact of exchange rate fluctuations on the Plan's investments.

Market risk: Other price

Other price risk arises principally in relation to the Plan's return seeking portfolio which includes a holding in a multi-asset fund. Other price risk also arises due to the inflation linkage of some of the bonds held as segregated investments or through pooled vehicles. Under this strategy, if inflation expectations rise, the value of these bonds investments will rise to help match the increase in actuarial liabilities. Similarly, if inflation expectations fall, these investments will fall in value, as will the actuarial liabilities.

The Plan manages other price risk from return seeking exposure by investing in a pooled fund that invests in a diverse portfolio of instruments across various markets. According to the Plan's Statement of Investment Principles (SIP), the investment manager is expected to manage broadly diversified portfolios and to spread assets across a number of individual shares and securities. In addition, the asset allocation is detailed in the Appendix of the SIP document and is monitored on a regular basis by the Trustees.

20. Concentration of investments

The following investments each account for more than 5% of the Plan's net assets at the year-end:

	2022		2021	
	£000	%	£000	%
Ruffer Absolute Return Fund	45,917	5.8	-	-
CCIF	n/a	n/a	814,263	99.3

21. Current assets

	2022	2021
	£000	£000
Cash at bank	8,681	5,318
Due from employer (VAT recovery)	101	77
Expenses recoverable	14	57
	8,796	5,452

22. Current liabilities

	2022	2021
	£000	£000
Unpaid benefits	141	163
Accrued expenses	404	159
Prepaid contributions	-	75
	545	397

Notes to the Financial Statements (Cont)

23. Contingent liabilities and contractual commitments

In the opinion of the Trustee, except for the matter detailed below, the Plan had no contingent liabilities at 31 March 2022 (2021: £nil).

Equalisation of Guaranteed Minimum Pensions (GMP)

In October 2018, the High Court determined that benefits provided to members who had contracted out of the state second pension must be recalculated to reflect the equalisation of state pension ages between May 1990 and April 1997 between men and women. In November 2020, a further ruling by the High Court determined that transfers out of a scheme in respect of members who had contracted out of the state second pension must also be recalculated to reflect the equalisation of state pension ages between May 1990 and April 1997 between men and women. The Trustees are now reviewing, with their advisers, the implications of this ruling on the Plan. As soon as this review is finalised and any liability quantified, a communication will be issues to affected members.

24. Related party transactions

Transactions with related parties of the Plan comprise:

Key management personnel

- In the year Trustees fees were paid to B D McGowan, T P Allen, W D Hughes, W Jones and M Stratton for trustee services to the Plan. The aggregate amount paid was £38,000 including expenses (2021: £37,000). In addition, with effect from 1 July 2020, the Plan paid Trustee fees to B D McGowan, T P Allen, W Jones and G P Smart for trustee services to the CCIF. The aggregate amount paid was £41,000 including expenses (2021: £30,000). All Trustees' fee payments are accounted for within note 7 of the financial statements. Prior to 1 July 2020, Trustees' fees in respect of the CCIF were paid from the CCIF.
- B D McGowan, T P Allen, W D Hughes, W Jones and M Stratton, all of whom are Trustees of the Plan, are in receipt of pensions from the Plan in accordance with the rules of the Plan.

Employer and other related parties

- During the year the Plan, along with the related Chubb Security Pension Fund, participated in the Chubb Common Investment Fund.
- VAT amounting to £299k (2021: £116k) was recovered from Chubb Group Limited in the year.
- All fees paid by the Plan between 1 April 2021 and 31 December 2021 have been reimbursed by the Employer and are included as Employer expense contributions in note 4.

25. Covid 19 and other matters

Since March 2020, Covid-19 and other, more recent geopolitical issues (such as Russia's war in Ukraine) and economic issues (such as increases in the rates of inflation and interest rates and movements in foreign currencies), have had a profound effect on domestic and global economies, with disruption and volatility in the financial markets.

The Trustees, in conjunction with their advisers, monitor the situation closely and determine any actions that are considered to be necessary. This includes monitoring the Plan's investment portfolio, the operational impact on the Plan and the covenant of the Employer.

The extent of the impact on the Plan's investment portfolio, including financial performance, will depend on future developments in financial markets and the overall economy, all of which are uncertain and cannot be predicted.

Since the year end, the value of the Plan's investment assets and liabilities have been impacted. Whilst the Trustees monitor the overall position, they have not, at this time, quantified the change (being an increase or decrease) in market value of investment assets and liabilities as markets remain fluid and unpredictable and therefore such an estimate cannot be made.

Certificate of Adequacy of Contributions

Chubb Pension Plan

Certification of the 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 can be expected to continue to be met for the period for which the Schedule is expected 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 19 January 2022.

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

Signature:		Date:	20 January 2022
Name:	Paul Houghton	Qualification:	Fellow of the Institute and Faculty of Actuaries
Address:	Decimal Place Chiltern Avenue Amersham Buckinghamshire HP6 5FG	Employer:	Barnett Waddingham LLP

Schedule of Contributions

Chubb Pension Plan
Schedule of Contributions

Status

This Schedule of Contributions has been prepared by the Trustees of the Chubb Pension Plan (the "Plan"), after obtaining the advice of the Scheme Actuary appointed by the Trustees and with the agreement of Chubb Group Limited (the "Employer").

Contributions to be paid by the Employer from [illegible] to 31 January 2027

There are no contributions payable by the Employer over this period.

All expenses and the Pension Protection Fund levy will be paid by the Plan.

Other provisions

The Employer contributions are subject to review at the next actuarial valuation which must be carried out with an effective date no later than 31 March 2024.

The Employer may pay contributions in addition to the amounts shown above at any time. Any contributions paid at a rate higher than that required can be offset against later payments due at the request of the Employer

This schedule has been agreed by the Trustees and the Employer

Signed: .... Name: Brian McGowan Position: Trustee
On behalf of the Trustees

Signed: .... Name: Warwick Jones Position: Trustee
On behalf of the Trustees

Signed: .... Name: Paul [illegible] Position: Director
On behalf of the Employer

Date: 19 January 2022

Chair's Statement

Chubb Pension Plan ("the Plan")

Chair's statement regarding the governance of defined contribution arrangements

Plan year - 1 April 2021 to 31 March 2022

1. Introduction

1.1. This statement has been prepared by the Trustees of the Chubb Pension Plan ("the Trustees") and reports on how the Trustees comply with the governance standards introduced under The Occupational Pension Schemes (Charges and Governance) Regulations 2015 ("the Regulations"), and subsequently amended by The Occupational Pension Schemes (Administration and Disclosure) (Amendment) Regulations 2018.

1.2. The governance standards apply to defined contribution (DC) arrangements and are designed to help members achieve good outcomes from their pension savings.

1.3. This statement covers the Plan year 1 April 2021 to 31 March 2022. It may not, therefore, include any subsequent changes to the Plan since 31 March 2022.

1.4. As required by the Regulations, the Trustees will publish this Statement on a publicly accessible website. The web address for the website will be https://www.chubbfiresecurity.com/en/uk/about/pension-scheme/.

2. The Plan's DC benefits

2.1. The Plan's DC benefits comprise of the following:

2.1.1. DC benefits for some members who had short periods of membership after 5 April 1997 and who received a refund of part of their contributions. The DC benefits represent retained 'Protected Rights', a result of the method used by the Plan from 6 April 1997 to 'contract out' of the State Pension Scheme. These Protected remained invested within the Plan's defined benefit (DB) investment strategy.

2.1.2. DC 'underpin' accounts apply for some members, under which they will receive the greater of a DB entitlement and the comparable pension that can be secured by the DC underpin account. The Trustees have been informed by the Plan's administrator, Buck, that during the Plan year, comparable pensions that could be secured by DC underpin accounts were not expected to be greater. Benefits for these members are therefore expected to be DB in nature and are not considered further in this Statement.

2.1.3. The Plan held Additional Voluntary Contribution (AVC) policies with four providers during the Plan Year. The vast majority of the assets are held with two providers.

3. The Plan's investment arrangements

3.1. The Plan is not used as a qualifying scheme by any sponsoring employer to meet its auto-enrolment duties on a DC basis.

3.2. The Plan has no default investment arrangements for the purposes of the Occupational Pension Schemes (Scheme Administration) Regulations 1996 (the "Scheme Administration Regulations"). As there is no default arrangement, the requirement for a Statement of Investment Principles (SIP) prepared in accordance with regulation 2A of the Occupational Pension Scheme (Investment) Regulations 2005 does not apply.

Chair's Statement (Cont)

Overview of the Plan's investment arrangements

3.3. Up until the 1 March 2022, Protected Rights funds were invested in the Chubb Common Investment Fund ("the CCIF") in line with the Plan's DB investment strategy. The CCIF operated as a unitised arrangement. Units within the CCIF were valued using the bid market value of assets on a monthly basis. Following a decision by the Trustees, the Plan's investments (including all the units the Plan held) were withdrawn from the CCIF as part of a wider change to the Plan's DB investment strategy. From 1 March 2022 all Protected Rights benefits were invested in line with the Plan's new DB investment strategy ("the Plan's Portfolio") which mirrors its previous holdings within the CCIF.

4. Core financial transactions

4.1. The governance standard requires the Trustees to ensure that 'core financial transactions' are processed promptly and accurately. For the Plan, these comprise:

4.1.1. Transfer payments out of the Plan

4.1.2. Retirement benefit payments out of the Plan

4.2. As Protected Rights funds are invested in line with the Plan's DB investments, there are no investment switches available to members outside those made by the Trustees of the CCIF (prior to 1 March 2022) and the Plan's Trustees (post 1 March 2022). Therefore, only transfers/payments out of the Plan are relevant in terms of core financial transactions.

4.3. Transactions in respect of the Protected Rights funds are undertaken on the Trustees' behalf by the administrator of the Plan, Buck Consultants (Administration & Investment) Limited ("Buck"), and prior to 1 March 2022, the Trustees of the CCIF.

Controls and monitoring arrangements

4.4. The controls in place in relation to ensuring the promptness and accuracy of core financial transactions are:

4.4.1. The Trustees have a Service Level Agreement (SLA) in place with Buck, both in terms of timeliness and accuracy, and reporting of performance against those service levels.

4.4.2. The SLA sets out the timeline standards expected for each step of the Plan's main administration tasks, including core financial transactions. Buck aims to process at least 95% of core financial transactions within the SLAs set out below:

Core financial transaction	Service Level Agreement (days)
Transfers out of the plan	10
Retirement benefit payments	7

4.5. In order to monitor Buck's performance against agreed SLAs, the Trustees receive quarterly administration reports from Buck. These reports include cash flow monitoring, summaries of member transactions, reporting of service performance against the SLAs and identify any issues arising regarding administration timeliness and/or accuracy. Reports are considered at each Trustees Meeting.

4.6. The controls in place in relation to the accuracy of core financial transactions are:

4.6.1. Internal checking procedures are applied to all processes.

Chair's Statement (Cont)

4.6.2. Monitoring of accuracy is undertaken via the auditing of the Plan's annual report and accounts and periodic auditing of the Plan's membership data. In addition, Buck's internal controls are subject to internal controls procedures.

4.7. The Trustees have reviewed the above processes and controls implemented by Buck and consider these to be suitably designed to achieve its objectives.

Issues occurring during the Plan Year

4.8. As highlighted in the Trustees' statement covering the previous Plan year, the Trustees were formally made aware on 6 August 2020 that Buck had been misreporting its administration performance against agreed SLAs since late 2018/early 2019. Quarterly reports presented at Trustees' meetings generally showed performance ranging from 95% to 100% however, in reality the average SLA during the period was around 80%. The Trustees subsequently submitted Breaches of Law reports to TPR on 27 August 2020, with further updates provided on 28 September 2020 and 27 November 2020 at TPR's request. The Trustees continued to liaise with TPR as to the recovery process throughout the reporting period. Overall, the Trustees have been notified of 94 breaches by Buck for the Plan as a whole.

4.9. To resolve, the service issues relating to the Plan's administration and the backlog of outstanding tasks accrued, the Trustees arranged weekly meetings with Buck to monitor progress and provide support in eliminating the backlog of work and in getting the administration performance up to agreed levels by the end of October 2020. The Plan's backlog was cleared ahead of this deadline in the week commencing 19 October 2020.

4.10. In response to the issues noted above, the Trustees received compensation from Buck for the serious breaches of its performance levels. However, the Trustees continue to monitor Buck's performance against SLAs at Trustees' meetings and Administration Sub-Committee meetings.

4.11. As a result of this oversight, during the Plan year there was an improvement into Buck's performance against SLAs, with levels reaching normality, although in Q4 2021 these levels once again dipped.

Plan AVCs

4.12. The AVC policies are provided by Aegon, Aviva, Phoenix Life and Standard Life. The Trustees have delegated the administrative oversight of these AVC arrangements to Buck. Buck were unable to provide a valuation of the policies at 31 March 2022 although all members with AVCs had received a benefit statement in accordance with the disclosure regulations. As a result, a prior year value, adjusted for withdrawals, was adopted for accounting purposes. However, the Trustee will be obtaining a current valuation from the providers for their records going forward.

4.13. There are no formal SLAs in place with the AVC providers, however Buck reports to the Trustees as part of the Trustees meetings with any specific issues relating to the administration of the separate AVC policies.

Trustee view of core financial transactions

4.14. The Trustees believe that these measures enable it to effectively monitor the promptness and accuracy of core financial transactions of the Plan's administration for its DC and AVC arrangements. Whilst acknowledging the issues experienced, due to the very low number of Protected Rights members during the Plan year that were DC in nature, the Trustees are confident that all related core financial transactions over the reporting period have been processed promptly and correctly.

Chair's Statement (Cont)

5. Charges and transaction costs

5.1. Members bear charges and transaction costs, which will differ depending on the investment options in which their pension savings are invested:

5.1.1. Charges: these are expressed as a percentage of the value of a member's holdings within an investment fund, and can be made up of a combination of charges, e.g. annual management charge and additional expenses. We refer to the total annual charge as the Total Expense Ratio (TER).

5.1.2. Transaction costs: these relate to the variable costs incurred within an investment fund arising from the trading activities of the fund, e.g. incurred in the buying and selling of securities, which are not accounted for in the TER charge.

5.2. All administration, communication and other costs associated with running the Plan (other than administering the AVC arrangements) are met by the sponsoring employer.

5.3. The Trustees approached the CCIF's and Plan Portfolio's investment managers to obtain details of the member-borne charges and transaction costs incurred over the Plan year. Details are provided below.

Charges in relation to Plan Portfolio

5.4. The TER for the Plan Portfolio for the Plan year was 0.096% p.a.

5.5. The additional transaction costs incurred within the Plan Portfolio over the Plan year was 0.025% p.a.

Charges in relation to AVCs

5.6. The following tables provides details of the charges and transaction costs for each of the investment options provided through the AVC arrangement over the Plan year.

Aegon

5.7. Members that hold AVC benefits with Aegon are invested in one, or a combination, of the funds detailed in the table below alongside details of the charges and transaction costs quoted by Aegon for these funds:

Investment option	TER (p.a.)	Transaction costs (year to 31 March 2022)	Average transaction costs (p.a.)*
Aegon BlackRock Japanese Growth (BLK)	0.90%	0.3985%	0.4066%
Aegon BlackRock European Growth (BLK)	0.90%	0.0395%	0.1355%
Aegon BlackRock American Flexible Equity (BLK)	0.90%	0.1040%	0.1617%
Aegon BlackRock UK Growth (BLK)	0.75%	0.0953%	0.1312%
Aegon BlackRock Balanced Growth (BLK)	0.76%	0.1119%	0.1443%
Aegon BlackRock 50/50 Global Growth (BLK)	0.75%	0.1357%	0.1793%
Aegon BlackRock Strategic Accumulation (BLK)	0.75%	0.1299%	0.1760%

*Average Transaction Costs covering over a three-year period

Other AVC providers

5.8. Information on the other three AVC providers is summarised in the table below:

Chair's Statement (Cont)

AVC Provider	Investment option	TER (p.a.)	Transaction costs (p.a.)
Aviva	The Trustees have not been able to obtain any details of the costs and transaction costs incurred with the Aviva AVC arrangement. The Trustees are working with their Investment consultants to ensure this data is captured as soon as possible.		
Phoenix Life	LL Pension Traditional With Profits – V1 Fund	1%	0.542%*
Standard Life	Heritage With Profits Fund asset mix 5	Standard Life states that "there are currently no charges or expenses as the Plan is paid up"	

*Despite requests from the Trustee to Phoenix Life, at the time of publishing this statement Phoenix Life has not confirmed transaction costs incurred during the Plan year that were applicable to the policy. The Trustee will continue to request this information. Once received the Trustee will consider the information and if material make amends to this statement and republish on the website.

Impact of costs and charges

5.9 To demonstrate the impact of charges and transaction costs on members' pension savings over time, the Trustees have produced illustrations and these are set out in the appendix.

Value for members

The Trustees are required to assess annually the extent to which the charges and transaction costs borne by members represent good value. The member borne deductions cover the cost of providing the investment management services for the Protected Rights funds and also the administration services and communications for the AVC providers.

5.10 The CCIF had its own Board of Trustees which was supported by Barnett Waddingham as Investment Consultant and subject to Investment Monitoring and Operational Governance Reports. From 1 March 2022 the Trustees were supported in the same manner in relation to the Plan Portfolio.

5.11 The CCIF regularly reported to the Trustees on the performance of the fund. Since 1 March 2022, Barnett Waddingham in its role as investment adviser now reports directly to the Trustees on the performance of the Plan Portfolio.

5.12 The Trustee was satisfied with the performance of both the CCIF and Plan Portfolio during the Plan year. Having considered the charges the members bear, the Trustees believe that this represents good value for its members, although it notes that administrative difficulties continued somewhat during the Plan year.

6 Disclosure of net investment returns

6.1. The Trustees are required to disclose returns, net of charges and transaction costs, for each investment strategy and fund that members are able, or were previously able, to select and in which members' assets were invested during the Plan year. As all Plan benefits (except AVCs) are invested in line with the Plan's DB strategy, noting the changes under 3.3, the Trustees have provided a blended return of the Plan's assets held under the CCIF up until 1 March 2022 and the Plan's Portfolio for the remainder of the Plan year. When preparing this section of the statement the Trustees have taken account of the relevant statutory guidance.

Investment fund	Annualised Return –1 year to 31 March 2022	Annualised Return – 5 years to 31 March 2022
Plan Portfolio	0.3%	6.0%

Chair's Statement (Cont)

7 Trustee knowledge and understanding

The Trustee Board

7.1 The Trustee Board comprises six trustee directors, 2 of whom are nominated by the members.

7.2 One of the appointed trustee directors, Brian McGowan, is the chair.

Trustee knowledge and understanding requirements

7.3 Trustees are required to be conversant with the Plan's main documents, and have appropriate knowledge and understanding of the law relating to pensions and trusts, the funding of occupational pension plans and investment of Plan assets and other matters to enable them to exercise their functions as trustees properly. This requirement is underpinned by guidance in the Pension Regulator's Code of Practice 07. The comments in this section relate to the Trustees as a body in dealing with the whole Plan and are not restricted to DC benefits.

Approach

7.4 The Trustees have put in place arrangements for ensuring that they take personal responsibility for keeping themselves up-to-date with relevant developments and carry out a self-assessment of training needs to identify knowledge gaps and training needs in relation to emerging legislation, Plan changes and upcoming matters in the Plan's business plan.

7.5 The Secretary to the Trustees reviews the self-assessments and arranges for training to be made available to individual Trustees or to the full Trustee body as appropriate.

7.6 All of the existing Trustees have completed the Pension Regulator's Trustee Toolkit and new Trustees are required to complete this within six months of taking up office. During the Plan year two new Trustees were appointed, all of which were nominated by members. The new Trustees are in the process of completing the Pension Regulator's Trustee Toolkit.

7.7 In addition, the Trustees receive advice from with professional advisers as and when required, for example on consultancy, investment and legal matters. The professional advisers are engaged to pro-actively alert the Trustees on relevant changes to pension and trust law. Professional advisers also provide support in relation to understanding and reviewing the Plan's documents, attending trustee meetings and often in the delivery of training at these meetings. The relevant skills and experience of those advisers is a key criterion when evaluating advisor performance or selecting new advisers.

7.8 The Trustees aim to remain conversant with the Plan's Trust Deed & Rules and the following Trust documents and policies, having reviewed them in the Plan year:

7.8.1 Statement of Investment Principles (SIP)

7.8.2 General Data Protection Regulation policies and procedures

7.8.3 Member Nominated Trustee selection process

7.8.4 Terms of Reference for each of the Administration, Legislative Compliance and Pensioner Buy-in & Data Cleanse Sub-Committees

7.8.5 Conflicts of Interest Policy

Activities during the Plan year

7.9 The Trustees received the following training from their professional advisers and service providers during the Plan year:

Chair's Statement (Cont)

7.9.1 Cyber Security

7.9.2 TPR's DB Code of Practice

7.9.3 Buck's Data Journey Plan

7.10 During the period covered by this statement, the Trustees undertook a review and received professional advice on the following aspects of DC Plan governance:

7.1.1. The withdrawal from the CCIF and setup of the Fund Portfolio

7.1.2. Fund De-risking Strategy

7.1.3. Buck's operational review of its administration services and subsequent recovery plan

7.1.4. Buck's Cyber Security controls

7.10.1 The calculation that determines the benefits payable for DB members with a DC Underpin

Assessment

7.11 The Trustees consider that their combined knowledge and understanding, together with their access to professional advice, enables them to properly and effectively exercise their trustee functions in the following ways:

7.11.1 The Trustees are able to challenge and question advisers, service providers and other parties effectively

7.11.2 The Trustees decisions are made in accordance with the Plan rules and in line with trust law duties

7.11.3 The Trustees decisions are not compromised by such things as conflicts or hospitality arrangements

This Chair's statement regarding the governance of defined contribution arrangements was approved by the trustees and signed on their behalf by:

....	....
Brian McGowan, Chair of the Trustees	Date

Appendix – Illustrations on the impact of cost and charges

A1. To demonstrate the impact of member-borne charges and transaction costs on the value of members' pension savings, the Trustees have produced illustrations in accordance with statutory guidance. These show the impact of charges and transaction costs for representative cross-sections of the Plan membership. For the illustration, the savings pot has been projected twice; firstly to allow for the assumed investment return gross of the costs and charges of the fund the member is invested in and then again, but adjusted for the cumulative effect of the costs and charges of the fund.

Parameters used for the illustrations

A2. To determine the parameters used in the illustration, the Trustees have analysed the members invested relevant to the reporting period of this statement and ensured that the illustration takes into account the following:

A2.1. Protected Rights funds are fully invested in the Plan Portfolio

A2.2. Using the median pot size of those who hold Protected Rights funds as a representative pot size

A2.3. The approximate duration that the youngest member using the Plan Portfolio would take to reach NRA.

A3. The Trustees have determined not to include any illustrations for AVCs as it would be disproportionately burdensome given the amounts of money held in each of the individual AVC funds:

The Plan Portfolio

A4. All Protected Rights funds are invested in the Plan Portfolio.

Years of membership	Age: 55 Starting pot size £700	
0	£700	£700
1	£696	£695
3	£688	£685
5	£680	£676
10	£660	£652

A5. Notes to costs and charges illustrative example:

A5.1. Note on how to read this table: If a Protected Rights member had £700 invested in this option on 31 March 2022, when they came to retire in 10 years, the savings pot could reduce to £660 in today's terms if no charges are applied or to £652 in today's terms with charges applied.

A5.2. Projected pension pot values are shown in today's terms, and do not need to be reduced further for the effect of future inflation. It is for this reason some funds show negative real growth.

A5.3. Inflation is assumed to be 2.5% each year

A5.4. No further contributions are assumed to be paid

A5.6. Values shown are estimates and are not guaranteed

A5.7 Charges for the Plan Portfolio used in the illustration are those outlined in this statement

A5.8. The projected growth rates for the Plan Portfolio is 1.90% p.a. which is in line with those produced for the Plan's 2021 Statutory Money Purchase Illustrations (SMPI)

A5.9 The statutory guidance requires trustees to use an average of the last five years' transaction costs (insofar as they are able) when producing the illustrations. As we have data for the last year only, the figures are based on the one-year average.

Implementation Statement

Chubb Pension Plan (CPP)

Purpose of this statement

This Implementation Statement (the "Statement") has been produced by the Trustees of the **Chubb Pension Plan ("the Plan")** to set out the following information over the year to **31 March 2022**:

- The extent to which the policies set out in the Statement of Investment Principles (SIP) have been followed during the period, as well as describing and explaining the review of the SIP that took place in October 2021;
- How the Trustees' policies on exercising rights (including voting rights) and engagement have been followed over the year; and
- The voting behaviour of the Trustees, or that undertaken on their behalf, over the year.

The Statement has been prepared in accordance with the Occupational Pension Schemes (Investment and Disclosure) (Amendment) Regulations 2019.

How voting and engagement policies have been followed

The Plan invests using pooled funds and segregated portfolios. Assets with voting rights attached are invested entirely in pooled funds, and as such the Trustees delegate responsibility for carrying out voting and engagement activities to the fund managers.

The Trustees review the fund managers' strategies and processes for exercising rights and conducting engagement activities periodically, this is quarterly in line with their meeting cycle and annually alongside the preparation of the Statement. The Trustees will engage with the investment managers to the extent that any issues or questions are identified.

Having reviewed the above in accordance with their policies, the Trustees are comfortable that the actions of the fund managers are in alignment with the Plan's stewardship policies.

Additional information on the voting and engagement activities carried out for the Plan's investments are provided on the following pages.

The Trustees of the Chubb Pension Plan (CPP)

October 2022

How the SIP has been followed over the year

The Plan's SIP was updated in October 2021.

Reviews of the Plan's investment strategy were undertaken during 2021 principally to reduce risk by reducing the allocation to growth seeking assets and increasing hedging via the LDI mandate. Based on the advice of their investment advisers and having regard to the suitability and diversification of the investments, which were diverging from those of the other participant in the Chubb Common Investment Fund, the Trustees planned to restructure their investments to be held directly in the name of the Trustees of the Chubb Pension Plan.

In the Trustees' view, taking into account the changes described above, the SIP has been followed over the year. Some of the key reasons for that opinion are given below, albeit excluding comments on voting and engagement that are considered in more detail later in this Statement.

Implementation Statement (Cont)

Policy on financially material considerations

The Trustees believe that Environmental, Social, and Governance (ESG) factors may have a material impact on investment risk and return outcomes, and that good stewardship can create and preserve value for companies and markets as a whole. This includes an appreciation for climate risk.

The Trustees are satisfied that their fund managers acted in accordance with this view, subject to the terms of their mandates and including the stewardship activities considered later in this Statement.

Investment objectives

The Trustees were satisfied that the Plan's investments performed in line with expectations during the period, which included significant market volatility amidst the pandemic.

Investment monitoring

The Trustees monitor the suitability of the fund managers and how the investment strategy has performed relative to its objectives on a quarterly basis in conjunction with the Trustees' Investment Consultant, Barnett Waddingham.

Prepared by the Trustees of the Chubb Pension Plan
October 2022

Implementation Statement (Cont)

Voting Data

This section provides a summary of the voting activity undertaken by the investment managers within the Plan's Growth Portfolio on behalf of the Trustees over the year to 31 March 2022. The cash, gilts and bonds with Insight and BlackRock have no voting rights and limited ability to engage with key stakeholders given the nature of the mandates.

Manager	LGIM			
Fund name	Asia Pacific (ex Japan) Developed Index (both GBP hedged and unhedged share classes);	Europe (ex UK) Equity Index (both GBP hedged and unhedged share classes);	Japan Equity Index (both GBP hedged and unhedged share classes);	North America Equity Index (both GBP hedged and unhedged share classes);
Structure	Pooled			
Ability to influence voting behaviour of manager	The pooled fund structure means that there is limited scope for the Trustees to influence the manager's voting behaviour.			
No. of eligible meetings	499	549	512	663
No. of eligible votes	3,457	9,447	6,109	8,181
% of resolutions voted	100.0	99.8	100.0	99.7
% of resolutions abstained	0.2	0.7	0.0	0.1
% of resolutions voted with management[1]	73.4	82.2	86.6	70.4
% of resolutions voted against management[1]	26.4	17.1	13.3	29.5
Proxy voting advisor employed	LGIM's Investment Stewardship team uses ISS's 'ProxyExchange' electronic voting platform to electronically vote clients' shares. All voting decisions are made by LGIM and they do not outsource any part of the strategic decisions.			
% of resolutions voted against proxy voter recommendation	16.6	8.5	10.4	23.4

[1] As a percentage of the total number of resolutions voted on

Implementation Statement (Cont)

Manager	LGIM		Ruffer	BlackRock Investment Management
Fund name	UK Equity Index	World Emerging Markets Equity Index Fund	Ruffer Absolute Return Fund	BlackRock BIJF Dynamic Diversified Growth Fund
Structure	Pooled			
Ability to influence voting behaviour of manager	The pooled fund structure means that there is limited scope for the Trustees to influence the manager's voting behaviour.			
No. of eligible meetings	772	4,087	96	965
No. of eligible votes	10,813	34,237	1,307	12,458
% of resolutions voted	100.0	99.8	100.0	100.0
% of resolutions abstained	0.0	2.2	1.8	1.0
% of resolutions voted with management[1]	93.1	81.1	91.7	93.0
% of resolutions voted against management[1]	6.9	16.7	6.4	6.0
Proxy voting advisor employed	LGIM's Investment Stewardship team uses ISS's 'ProxyExchange' electronic voting platform to electronically vote clients' shares. All voting decisions are made by LGIM and they do not outsource any part of the strategic decisions.		Ruffer considers research and recommendations provided by Institutional Shareholder Services (ISS). However, Ruffer do not delegate stewardship activities and retain ultimate discretion in line with their own guidelines.	BlackRock use Institutional Shareholder Services' (ISS) electronic platform to execute their vote instructions, manage client accounts in relation to voting and facilitate client reporting on voting. In certain markets, they work with proxy research firms who apply their proxy
% of resolutions voted against proxy voter recommendation	5.4	6.3	6.8	0.0

[1] As a percentage of the total number of resolutions voted on

Implementation Statement (Cont)

Significant votes

The change in Investment and Disclosure Regulations that came into force from October 2020 requires information on significant votes carried out on behalf of the Trustees over the year to be set out. The guidance does not currently define what constitutes a "significant" vote, so for this Implementation Statement the Trustees have asked the investment managers to determine what they believe to be a "significant vote". LGIM, Ruffer and BlackRock have provided a numerous selection of votes which they believe to be significant, and in the interest of concise reporting the tables below show three of these votes for each fund.

Please note that the Plan disinvested fully from the BlackRock BIJF Dynamic Diversified Growth Fund and the LGIM equity funds during the period and therefore was not invested throughout the entire period. However, the Trustees have included votes over the entire period as we believe they provide a meaningful representation of the activities during the period of investment. A summary of the significant votes provided is set out below.

LGIM, Asia Pacific (ex-Japan) Developed Equity Index Fund (currency hedged and unhedged)

	Vote 1	Vote 2	Vote 3
Company name	WH Group Limited	United Overseas Bank Limited (Singapore)	Suntec Real Estate Investment Trust
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	0.21	0.73	0.07
Summary of the resolution	Elect Wan Long as Director	Elect Wong Kan Seng as Director	Adopt Report of the Trustee, Statement by the Manager, and Audited Financial Statements and Auditors' Report
How the manager voted	Against (against management)	Against	Against
Rationale for the voting decision	LGIM has a longstanding policy advocating for the separation of the roles of CEO and board chair. These two roles are substantially different, requiring distinct skills and experiences. Since 2015 they have supported shareholder proposals seeking the appointment of independent board chairs, and since 2020 they are voting against all combined board chair/CEO roles.	As part of their efforts to influence investee companies on having greater gender balance, they expect all companies in which they invest globally to have at least one woman on their board. Please note they have stronger requirements in the UK, North American, European and Japanese markets, in line with their engagement in these markets.	The company is deemed to not meet minimum standards with regards to climate risk management and disclosure.
Outcome of the vote	75.2% of shareholders supported the resolution.	86.0% of shareholders supported the resolution.	98.6% of shareholder supported the resolution.
Implications of the outcome	LGIM will continue to engage with their investee companies, publicly advocate their position on this issue and monitor company and market-level progress.		LGIM will continue to engage with the company and monitor progress.
Criteria on which the vote is considered "significant"	Escalation of their vote policy on the topic of the combination of the board chair and CEO.	LGIM views gender diversity as a financially material issue for their clients.	LGIM considers this vote to be significant as it is applied under the Climate Impact.

Implementation Statement (Cont)

LGIM, Europe (ex UK) Equity Index Fund (currency hedged and unhedged)

	Vote 1	Vote 2	Vote 3
Company name	Total SE	FinecoBank SpA	Volkswagen AG
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	1.25	0.12	0.52
Summary of the resolution	Re-elect Patrick Pouyanne as Director	Accept Financial Statements and Statutory Reports	Approve Discharge of Management Board and Supervisory Board members
How the manager voted	Against the resolution (against management)	Against	Against
Rationale for the voting decision	LGIM has a longstanding policy advocating for the separation of the roles of CEO and board chair. These two roles are substantially different, requiring distinct skills and experiences. Since 2015 they have supported shareholder proposals seeking the appointment of independent board chairs, and since 2020 they are voting against all combined board chair/CEO roles.	The company is deemed to not meet minimum standards with regards to climate risk management and disclosure.	Whilst LGIM notes the progress made by the company in its strategy towards the transition to a lower emission world, they remain concerned regarding the handling of the diesel emissions scandal of 2015 by the management and supervisory boards and the overall governance structure of the company. In particular, LGIM note a lack of transparency regarding the handling of the crisis, including any lessons learnt by the boards, how sufficient internal control mechanisms have been put in place, and any progress made around improvement of corporate culture.
Outcome of the vote	77.4% of shareholders supported the resolution.	99.0% of shareholders supported the resolution.	99.5% of shareholders supported the resolution.
Implications of the outcome	LGIM will continue to engage with their investee companies, publicly advocate their position on this issue and monitor company and market-level progress.	LGIM will continue to engage with the company and monitor progress.	LGIM will continue to monitor and engage with the company.
Criteria on which the vote is considered "significant"	LGIM considers this vote to be significant as it is in application of an escalation of their vote policy on the topic of the combination of the board chair and CEO (escalation of engagement by vote).	LGIM considers this vote to be significant as it is applied under the Climate Impact Pledge, their flagship engagement programme targeting some of the world's largest companies on their strategic management of climate change.	A vote against the discharge of responsibility of both the management and supervisory boards is a rare step in LGIM's escalation policy.

Implementation Statement (Cont)

LGIM, Japan Equity Index Fund (currency hedged and unhedged)

	Vote 1	Vote 2	Vote 3
Company name	Mitsubishi UFJ Financial Group, Inc.	Shin-Etsu Chemical Co., Ltd.	Recruit Holdings Co., Ltd.
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	1.57	1.52	1.52
Summary of the resolution	Amend Articles to Disclose Plan Outlining Company's Business Strategy to Align Investments with Goals of Paris Agreement	Elect Director Saito, Yasuhiko	Amend Articles to Allow Virtual Only Shareholder Meetings
How the manager voted	For	Against the resolution (against management)	Against
Rationale for the voting decision	A vote in favour of this shareholder proposal is warranted as LGIM expects companies to be taking sufficient action on the key issue of climate change. While they positively note the company's recent announcements around net-zero targets and exclusion policies, they think that these commitments could be further strengthened, and they believe the shareholder proposal provides a good directional push.	For 10 years, they have been using their position to engage with companies on this issue. As part of their efforts to influence their investee companies on having greater gender balance and following a campaign on gender diversity in Japan in 2019, they decided to escalate their voting policy. In 2020 and 2021 they announced they would be expanding the scope of their policy voting against all companies in the large-cap TOPIX 100 index and TOPIX Mid 400 respectively that do not have at least one woman on their board.	A vote against this proposal is warranted because: Japanese companies are able to hold virtual meetings using temporary regulatory relief (without amending articles) for two years, but the passage of this proposal will authorize the company to hold virtual meetings permanently, without further need to consult shareholders, even after the current health crisis is resolved; The proposed language fails to specify situations under which virtual meetings will be held, raising concerns that meaningful exchange between the company and shareholders could be hindered.
Outcome of the vote	22.7% of shareholders supported the resolution.	90.7% of shareholders supported the resolution.	83.8% of shareholders supported the resolution.
Implications of the outcome	LGIM will continue to engage on this important ESG issue.	LGIM will continue to engage with their investee companies, publicly advocate their position on this issue and monitor company and market-level progress.	LGIM will continue to engage on this important ESG issue.
Criteria on which the vote is considered "significant"	LGIM views climate change as a financially material issue for their clients, with implications for the assets they manage on their behalf. This was also a high-profile proposal in Japan, where climate-related shareholder proposals are still rare.	LGIM views gender diversity as a financially material issue for their clients, with implications for the assets they manage on their behalf.	This was a high-profile vote where the company proposed a change in articles to allow virtual-only AGMs beyond the temporary regulatory relief effective for 2 years from June 2021.

Implementation Statement (Cont)

LGIM, North America Equity Index Fund (currency hedged and unhedged)

	Vote 1	Vote 2	Vote 3
Company name	Apple Inc.	Microsoft Corporation	Amazon.com, Inc.
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	6.22	5.72	3.79
Summary of the resolution	Report on Civil Rights Audit	Elect Director Satya Nadella	Elect Director Jeffrey P. Bezos
How the manager voted	For	Against	Against
Rationale for the voting decision	A vote in favour is applied as LGIM supports proposals related to diversity and inclusion policies as they consider these issues to be a material risk to companies.	LGIM expects companies to separate the roles of Chair and CEO due to risk management and oversight.	LGIM has a longstanding policy advocating for the separation of the roles of CEO and board chair. These two roles are substantially different, requiring distinct skills and experiences. Since 2015 they have supported shareholder proposals seeking the appointment of independent board chairs, and since 2020 they are voting against all combined board chair/CEO roles.
Outcome of the vote	53.6% of shareholders supported the resolution.	94.7% of shareholders supported the resolution.	95.1% of shareholders supported the resolution.
Implications of the outcome	LGIM will continue to engage with their investee companies, publicly advocate their position on this issue and monitor company and market-level progress.	LGIM will continue to vote against combined Chairs and CEOs and will consider whether vote pre-declaration would be an appropriate escalation tool.	LGIM will continue to engage with their investee companies, publicly advocate their position on this issue and monitor company and market-level progress.
Criteria on which the vote is considered "significant"	LGIM views gender diversity as a financially material issue for their clients, with implications for the assets they manage on their behalf.	A vote linked to an LGIM engagement campaign, in line with the Investment Stewardship team's five-year ESG priority engagement themes	LGIM considers this vote to be significant as it is in application of an escalation of their vote policy on the topic of the combination of the board chair and CEO (escalation of engagement by vote).

Implementation Statement (Cont)

LGIM, UK Equity Index Fund

	Vote 1	Vote 2	Vote 3
Company name	Informa Plc	The Sage Group Plc	JD Sports Fashion Plc
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	0.34	0.30	0.18
Summary of the resolution	Approve Remuneration Report	Re-elect Drummond Hall as Director	Re-elect Peter Cowgill as Director
How the manager voted	Against (against management recommendation).	Against	Against
Rationale for the voting decision	The company's prior three Remuneration Policy votes each received high levels of dissent, with 35% or more of votes cast against. Due to consistent problems with the implementation of the company's Remuneration Policy, LGIM has voted against the Chair of the Remuneration Committee for the past three years. Given the company has implemented plans that received significant dissent from shareholders without addressing persistent concerns, LGIM has taken the decision to escalate their vote further to all incumbent Remuneration Committee members.	A vote against was applied because of a lack of progress on gender diversity on the board. LGIM expects boards to have at least one-third female representation.	LGIM has a longstanding policy advocating for the separation of the roles of CEO and board chair. These two roles are substantially different, requiring distinct skills and experiences. Since 2015 they have supported shareholder proposals seeking the appointment of independent board chairs, and since 2020 they have voted against all combined board chair/CEO roles.
Outcome of the vote	38.3% of shareholders supported the resolution.	94.4% of shareholders supported the resolution.	84.8% of shareholders supported the resolution.
Implications of the outcome	LGIM will continue to seek to engage with the company and monitor progress.	LGIM will continue to engage with their investee companies, publicly advocate their position on this issue and monitor company and market-level progress.	
Criteria on which the vote is considered "significant"	LGIM consider this vote to be significant as LGIM took the rare step of publicly pre-declaring it before the shareholder meeting. They decided to pre-declare their vote intention for a few reasons, including as part of their escalation strategy, where they consider the vote to be contentious, or as part of a specific engagement programme.	LGIM views gender diversity as a financially material issue for their clients, with implications for the assets they manage on their behalf.	LGIM considers this vote to be significant as it is in application of an escalation of their vote policy on the topic of the combination of the board chair and CEO (escalation of engagement by vote).

Implementation Statement (Cont)

LGIM, World Emerging Markets Equity Index Fund

	Vote 1	Vote 2	Vote 3
Company name	Alibaba Group Holding Limited	Housing Development Finance Corporation Limited	Industrial Bank Co., Ltd.
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	3.76	0.76	0.07
Summary of the resolution	Resolution 1.1 - Elect Director Joseph C. Tsai	Resolution 1.a & 1.b - Accept Financial Statements and Statutory Reports	Resolution 11.8 Elect Chen Xinjian as Non-Independent Director
How the manager voted	Against	Against	Against (management recommendation: for)
Rationale for the voting decision	LGIM has a longstanding policy advocating for the separation of the roles of CEO and board chair. These two roles are substantially different, requiring distinct skills and experiences. Since 2015 they have supported shareholder proposals seeking the appointment of independent board chairs, and since 2020 they have voted against all combined board chair/CEO roles	The company is deemed to not meet minimum standards with regards to climate risk management and disclosure.	LGIM views gender diversity as a financially material issue for their clients, with implications for the assets they manage on their behalf. For 10 years, LGIM have been using their position to engage with companies on this issue. As part of their efforts to influence investee companies on having greater gender balance, they expect all companies in which they invest globally to have at least one woman on their board. Please note they have stronger requirements in the UK, North American, European and Japanese markets, in line with their engagement in these markets.
Outcome of the vote	73.6% of shareholders supported the resolution	98.9% of shareholders supported the resolution	99.3% of shareholders supported the resolution
Implications of the outcome	LGIM will continue to engage with their investee companies, publicly advocate their position on this issue and monitor company and market-level progress.	LGIM will continue to engage with the company and monitor progress.	LGIM will continue to engage with their investee companies, publicly advocate their position on this issue and monitor company and market-level progress.
Criteria on which the vote is considered "significant"	LGIM considers this vote to be significant as it is in application of an escalation of their vote policy on the topic of the combination of the board chair and CEO (escalation of engagement by vote).	LGIM considers this vote to be significant as it is applied under the Climate Impact Pledge, their flagship engagement programme targeting some of the world's largest companies on their strategic management of climate change.	LGIM views gender diversity as a financially material issue for their clients, with implications for the assets they manage on their behalf.

Implementation Statement (Cont)

Ruffer, Absolute Return Fund

	Vote 1	Vote 2	Vote 3
Company name	Royal Dutch Shell	Ambev	Centene
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	1.33	1.07	1.24
Summary of the resolution	Vote on management resolution relating to the company's climate transition plan	Vote on remuneration policy	Vote on election of independent director
How the manager voted	For	Against	Against
Rationale for the voting decision	The decision was made in the context of the progress Shell has made as a result of engagement and the commitment of the company leadership to continue to meaningfully engage on the remaining areas of Climate Action 100+.	The company asked to increase its annual remuneration cap by 11.2%. The company only used 64% of its cap in 2020 and 75% of its cap in 2019. Ruffer did not believe approving the increase would be warranted.	Ruffer voted against the re-election of non-executive directors - Frederick Eppinger and David Steward - whom, due to their tenure on the board, Ruffer no longer considered to be independent.
Outcome of the vote	The resolution passed with 88.7% votes in favour.	The resolution passed with 86.5% votes in favour.	Re-election proposals passed with a 93.2% and 98.8% shareholder approval for votes respectively.
Implications of the outcome	Ruffer will monitor how the company progresses and improves over time, and continue to support credible energy transition strategies and initiatives.	Ruffer will continue to vote against remuneration policies that they deem to be inappropriate in the context of the circumstances of the company.	Ruffer will continue to vote against the re-election of directors where they have concerns about their independence.
Criteria on which the vote is considered "significant"	The management resolutions aimed to increase the transparency of the company's climate transition planning and outcomes.	The vote against management was in the context of engagement with the company and the result of extensive internal discussions.	Votes against the election of directors for material holdings are significant.

Implementation Statement (Cont)

BlackRock, Dynamic Diversified Growth Fund

	Vote 1	Vote 2	Vote 3
Company name	Delta Air Lines, Inc.	BP Plc	Johnson & Johnson
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	Not provided	Not provided	Not provided
Summary of the resolution	Report on climate lobbying	Approve shareholder resolution on climate change targets	Adopt policy on bonus banking
How the manager voted	Against	For	Against
Rationale for the voting decision	The company already has policies in place to address the request being made by the proposal or is already enhancing its relevant policies.	We recognise the company's efforts to date but believe that supporting the proposal may accelerate the company's progress on climate risk management and/or oversight.	Executive compensation matters should be left to the board's compensation committee, which can be held accountable for its decisions through the election of directors.
Outcome of the vote	Pass	Fail	Fail
Implications of the outcome	Not provided	Not provided	Not provided
Criteria on which the vote is considered "significant"	Not provided	Not provided	Not provided

Implementation Statement (Cont)

Fund level engagement

The investment managers may engage with investee companies on behalf of the Trustees. The table below provides a summary of the engagement activities undertaken by each manager during the year for the relevant funds.

Engagement activities are limited for the Plan's LDI and cash funds due to the nature of the underlying holdings, so engagement information for these assets have not been shown.

Manager	LGIM	Ruffer	BlackRock	Insight
Fund name	Passive Equity Index Funds (currency hedged and unhedged) Matching Core LDI funds Active Corporate Bond Fund – All Stocks Sterling Liquidity Fund	Absolute Return Fund	BIJF Dynamic Diversified Growth Fund	Buy & Maintain Bonds (incl. a GBP Liquidity Fund); and Liability Driven Investment (LDI).
Number of engagements undertaken on behalf of the holdings in this fund in the year	Not provided	26	825	136
Number of entities engaged on behalf of the holdings in this fund in the year	Not provided	39	Not provided	981*
Number of engagements undertaken at a firm level in the year	696	41	3,456	4,527*

*Insight did not provide data as at 31 March 2022, data displayed is over the year to 31 December 2021.

Examples of engagement activity undertaken over the year to 31 March 2022

LGIM

No fund level examples were provided but an example of LGIM's engagement as a firm is shown below.

LGIM has been engaging the European Commission (EC) on various ESG policy related topics. For example, they have collaboratively engaged with other investors on the EU Taxonomy, particularly in relation to the agricultural sector, alignment on net zero, and ensuring that the original independent scientific-based recommendations are not weakened through political processes.

Implementation Statement (Cont)

Ruffer, Absolute Return Fund

Ruffer engaged with Carrefour on governance issues including board composition and remuneration.

Ruffer expressed their view that the remuneration scheme is poorly designed and administered with too much discretion. Ruffer also expressed their view that the policy and structure needs to be more robust and transparent.

Ruffer subsequently voted against the remuneration policy, and the Chair of the Remuneration Committee, at the AGM and informed management of their vote.

BlackRock

BlackRock engage in numerous activities including governance structure, board composition and effectiveness, corporate strategy, human capital management and climate risk management.

Their largest number of engagements came in climate risk management , board composition and effectiveness and remuneration.

Insight

For the corporate credit Buy and Maintain portfolio: The 3 largest engagements (in terms of % holding as at 31 March 2022) were with Western Power Distribution South West PLC, Wellcome Trust Finance PLC and Electricite de France SA (1.54%, 1.48% and 1.46% holdings respectively).

These specific engagements related to environmental, social, governance, climate change and financial policy issues.

For the LDI portfolio, examples of companies and organisations engaged with for this portfolio over Q1 2022 were Barclays Bank, Lloyds Bank, Goldman Sachs, and NatWest.

Appendix I – Chubb Common Investment Fund Report & Financial Statements