Chubb Pension Plan

(Plan Registration Number 10119144)

Annual Report For The Year Ended 31 March 2023

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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 2023.

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 office is at Ground Floor, 2 Lotus Park, Staines, Middlesex TW18 3AG.

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
K Krumm	“B” Trustee – resigned 5 June 2023
K Bettmann	“B” Trustee – appointed 5 June 2023
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

A Deed of Amendment dated 20 June 2023 aligned the Rules of the Plan (or vice-versa) with historical administrative practices in order to agree a benefit specification for the buy-in of the Plan liabilities. A separate Deed of Augmentation dated 20 June 2023 corrected a number of historical administration errors that had been identified under the benefit specification review.

The Principal Employer

The Principal Employer is: Chubb Group Limited, Ground Floor, 2 Lotus Park, Staines, Middlesex TW18 3AG.

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.

During the year, the fund account decreased by £188.2 million to £603.3 million, as follows:

	£millions
Net withdrawals from dealing with members	(33.3)
Net returns on investments	(154.9)
Net decrease in the fund	(188.2)

The significant fall in asset values the year is largely due to the market volatility in the year as detailed on page 5.

Plan membership

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

	2023	**2022**
	Number	**Number**
Deferred members	3,137	3,321
Pensioners	4,943	5,196
Total	**8,080**	**8,517**

Pensioners include 1,196 (2022: 1,290) individuals receiving a pension following the death of their spouse. The above membership details include 81 (2022: 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 Ruffer LLP (until 13 April 2023)
AVC providers	Aegon Aviva Life & Pensions UK Limited Phoenix Life Standard Life Assurance Society
Bulk Purchase Annuity Provider	Phoenix Life Limited (from 20 June 2023)
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 Trustees	P Clarke – Barnett Waddingham LLP (until 13 September 2023) H Willcox – Barnett Waddingham LLP (from 13 September 2023)

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.

Bulk Annuity Purchase

On 20 June 2023, the Trustees entered into a bulk purchase annuity insurance contract with Phoenix Life Limited to secure future pension payments for all deferred and pensioner members of the Plan at that date. Under this insurance policy, Phoenix Life will begin to make monthly payments to the Plan from December 2023 onwards to cover the pensions in payment for pensioners in the Plan. The initial premium totalling £494.7m was paid by the Plan to Phoenix Life in July 2023 via payments of cash and transfers of stocks.

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 2023. The rate of inflation is measured by the annual change in the Retail Price Index (RPI) each preceding August (subject to maximum increases as detailed below), which in 2022 was 12.3% (2021: 4.8%).

The average increase in total pensions in payment in the year to 31 March 2023 was 4.1%.

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 2021	0.5%	0.5%	0.5%
1 January 2022	3.0%	4.8%	3.0%
1 January 2023	3.0%	5.0%	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)

Market conditions and other matters

During 2022/2023, 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 advisors, 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.

Following the Government's policy announcement on 23 September 2022, the financial markets experienced a period of volatility, in particular the UK Government Bond markets. This saw large falls in the value of government bonds and thus pension scheme liabilities, which are valued relative to government bonds.

Consequent on the changes in government bond values, as expected, the overall value of the Plan's investment portfolio has significantly declined. That said, the value of the Plan's liabilities has also fallen by a similar amount, in line with the risk management approach, which has left the Plan's estimated Funding levels to remain broadly unchanged. The latest actuarial report which was carried out as at 31 March 2023 disclosed a Funding level of 107% as noted on page 7.

Despite the fact that the Plan is now much smaller in asset value terms, the Trustees have no concerns regarding the funding level of the Plan, nor its ability to meet the payment of benefits to members, or its ability to continue as a going concern.

In overall terms, the Plan's net assets have fallen from £791m at 31 March 2022 to £603m at 31 March 2023, principally as a result of a change in market value of investments of negative £167m and commensurate with the negative investment performance of 19.5% in the year shown below.

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

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.

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

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Statement of trustees' responsibilities

The 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 https://chubbfs.com/uk-en/reports/ website. 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.

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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 Scheme Actuary produces an estimate of the funding position known as an actuarial report. The latest report was carried out as at 31 March 2023 and disclosed a funding level of 107%, corresponding to a funding surplus of £37.8m, when assessed using the method and assumptions consistent with those set out in the Trustees' Statement of Funding Principles.

The next actuarial valuation will be carried out as at 31 March 2024 and must be completed by no later than 30 June 2025.

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.*

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Investment report

Investment managers

The Plan's Trust Deed and Rules permit the Trustees to delegate the task of investment management to outside experts. Insight Investment Management ("Insight") and Ruffer LLP ("Ruffer") are professional external investment managers and have taken full responsibility for investing the Plan's assets. The Trustees set the investment strategy for the Plan after taking advice from the Plan's investment adviser. The Trustees have put in place a mandate with their investment manager which implements this strategy. The investment managers are remunerated by fees based on a percentage of funds under management, and these fees are met by the Plan.

Investment principles

The Trustees have produced a Statement of Investment Principles as required by section 35 of the Pensions Act 1995 and a copy of the statement is available online at the following address:

https://chubbfs.com/uk-en/wp-content/uploads/sites/2/2023/02/Chubb-Pension-Plan-Statement-of-Investment-Principle-2022.pdf

There were no significant departures from the stated principles during the year under review. Small deviations from the benchmark allocation are to be expected as a result of fluctuations in asset prices.

Implementation Statement

There is a requirement for most trust-based defined benefit pension schemes to produce an annual Implementation Statement which covers the year. The Implementation Statement sets out how, and the extent to which, the Trustees have followed their policies on engagement and voting as set out in the Statement of Investment Principles over the Plan year, as well as a description of voting behaviour over the Plan year. The Plan's Implementation Statement, covering the period 1 April 2022 to 31 March 2023, is enclosed within this Annual Report from pages 35 to 38 and forms part of this Trustees' Report.

Changes to investments to the year-end

During the year to 31 March 2023, there have been no significant departures from the stated principles. Small deviations from the benchmark allocation are to be expected as a result of fluctuations in asset prices. Subsequent to the end of the year, the Plan changed its investments, in preparation for a buy-in transaction. The Plan's holding in the Ruffer Absolute Return Fund was fully disinvested on 13 April 2023. In July 2023, approximately £494.7m was transferred from Insight to Phoenix Life Limited to pay the initial premium for the bulk purchase annuity contract, via a payment of cash and transfer of stocks.

Investment strategy

The Trustees' primary investment objectives are to ensure that: sufficient resources are available to meet all liabilities as they fall due; investment returns are maximised at an acceptable level of risk; and funding level volatility is reduced.

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.

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The strategy at 31 March 2023 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.

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Assets as at 31 March 2023

	31 March 2023		31 March 2022	
Fund	Valuation £000	Allocation	Valuation £000	Allocation
Ruffer Absolute Return Fund	40,124	6.7%	45,917	5.9%
Insight Buy and Maintain Bonds	171,659	28.7%	209,501	26.8%
Insight Segregated LDI	385,194	64.2%	525,630	67.2%
Chubb Common Investment Fund	16	0.0%	1,423	0.2%
Bank of New York Mellon Cash and Liquidity	2,648	0.4%	-	-
Total	**599,641**	**100%**	**782,471**	**100%**

Assets above excludes AVC investments and insurance policies.

Performance to 31 March 2023

	12 months (%)		3 years p.a. (%)		5 years p.a. (%)	
	Fund	Benchmark	Fund	Benchmark	Fund	Benchmark
Chubb Pension Plan	-19.5%	-18.7%	-3.7%	-4.6%	-1.4%	-1.6%

Economic and market conditions over the year to 31 March 2023

Economic Environment

The 12-month period to 31 March 2023 began with inflation in the developed world at its highest rate in several decades. Inflation had risen over 2021 as the global economy reopened following the COVID pandemic. However, just as inflation appeared to be peaking, the Russian invasion of Ukraine in February 2022 provided a secondary inflationary impulse to the economy. The rest of the period to 31 March 2023 was therefore dominated by rising inflation, central banks raising interest rates in an attempt to bring inflation under control, and elevated volatility as markets struggled to adjust to higher interest rates. These factors resulted in most asset classes producing deeply negative returns over the year.

Following the Russian invasion of Ukraine in February 2022, western governments responded by imposing sanctions on Russia and their ally, Belarus. This included sanctions on the Russian financial system, including restrictions on trading Russian government bonds. However, the bigger impact on global markets came through commodity prices, particularly natural gas, as both sides gradually introduced measures to reduce the supply of Russian gas to Europe. Natural gas prices rose to an all-time high and would remain highly elevated in Europe throughout the middle of the year as gas was stockpiled for winter. However, the end of the stockpiling period and a relatively warm winter helped natural gas prices to fall nearly 60% over the final quarter of 2022.

US CPI inflation peaked in June 2022 at 9.1%, before falling to 5.0% in March 2023 as supply chain disruption and pandemic stimulus measures passed through the system. However, European gas prices meant that UK and EU inflation reached a higher and later peak in October 2022, with UK CPI inflation reaching 11.1% and Eurozone inflation reaching 10.6%. This high level of inflation forced central banks

The Trustees' Report (Cont)

to raise interest rates at the fastest pace for several decades and reduce or reverse asset purchase programmes. From May 2022, central banks started to step up the pace of rate rises from 0.25% increments to 0.5% or 0.75% increments at each meeting. By the end of 2022, interest rates had reached 3.5% (Bank of England), 4.25-4.50% (Federal Reserve) and 2.5% (ECB), their highest levels since the Global Financial Crisis. The Bank of England interest rate has continued to rise post 31 March 2023. The scale and pace of the rate rises enacted by central banks contributed to significant disruption across markets, including a UK gilt crisis in 2022 and a banking crisis in 2023, and this led to central banks looking to slow the pace of rate rises to limit further disruption.

Rising inflation and interest rates resulted in rising government bond yields across the world. The pace of the rise was steep with UK 15-year nominal gilt yields rising from 1.15% on 31 December 2021 to 3.16% on 31 August 2022, broadly in line with other developed market government bonds. However, on 23 September, the new UK government produced a fiscal statement that significantly increased borrowing. This contributed to a further sharp rise in gilt yields. 15-year gilt yields spiked as high as 4.9% on the morning of 28 September. The speed and scale of this rise in long-term gilt yields was far larger than at any time since the early 1970's and later that day the Bank of England stepped in to calm markets. It announced that it would purchase up to £65bn of long dated gilts. Purchases were later extended to include index-linked gilts and increase the maximum daily purchase limit, although only around £19bn of total purchases were made. This intervention, alongside the replacement of Liz Truss as Prime Minister by Rishi Sunak, calmed markets and by 23 November 15-year yields had fallen back to 3.28%. The Bank of England was therefore also able to sell the gilts purchased during this intervention back into the market, selling the final gilts in the first week of 2023.

In March 2023, two US banks, Silicon Valley Bank and Signature Bank, failed with the US government having to step in to guarantee deposits. These were the first failures of a large US bank since 2008. The failure of Silicon Valley Bank in particular was closely tied to its inability to adjust to the swift rise in central bank interest rates. The failures caused wider disruption in banking markets that spread to Credit Suisse, which had been suffering from falling deposits for some time. This required the Swiss government to step in and arrange for UBS to purchase Credit Suisse. By the end of the quarter the disruption had subsided, and the overall market impact was limited outside the banking sector.

Over the year, all major central banks tightened monetary policy as economies recovered to pre-pandemic levels and inflation rose far above target.

- The Bank of England (BoE) raised the base rate from 0.75% to 4.25% over the year. In November 2022 began to actively sell down its stock of bonds. After the BoE's intervention in September and October, it was able to sell all the gilts it had bought during that period by the first week of 2023.

- The US Federal Reserve (The Fed) raised the Federal Funds Rate range from 0.75%-1.00% at the beginning of the year to 4.75%-5.00% in March 2023. The Fed began the process of reducing its balance sheet in June 2022 as it announced that the proceeds from its US Treasury holdings would no longer be reinvested below a monthly cap of $30bn from June to August and $60bn after that.

- The European Central Bank (ECB) raised its main lending rate from 0.0% to 3.5% over the year to 31 March 2023. The ECB decided to end its Asset Purchase Programme (APP) effective from 1 July 2022 and to cease reinvestment of the proceeds from the APP assets in March 2023 at a rate of €15 billion per month.

The Trustees' Report (Cont)

Market Performance

The 12 months to 31 March 2023 saw negative returns across almost all asset classes.

- **Equities:** Overall, global equities produced negative total returns over the year to 31 March 2023, falling by 5.0% in local currency terms. The best performing region, in local currency terms, was Japan (+5.0%), and the worst performing region was North America (-8.2%).

- **Bonds:** Over the year to 31 March 2023, UK gilt yields rose significantly across all maturities. UK fixed interest gilts (all stocks) produced very deep negative returns (-16.3%) and UK index-linked gilts (all stocks) delivered even deeper negative returns (-26.7%) as implied inflation fell over the year. UK corporate bond spreads (all stocks) widened significantly (0.4%) over the year.

- **Property:** The MSCI UK All Property Index fell by 13.0% over the 12 months to 31 March 2023.

Employer related investments

At 31 March 2023, the Plan had no employer related investments (2022: nil).

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.

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.

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, no contributions were payable to the Plan by the Employer under the Schedule of Contributions dated 20 January 2022.

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

Statement about contributions

Opinion

In our opinion, the payable under the schedule of contribution for the plan year ended 31 March 2023 as reported in Chubb Pension Plan's summary of contributions have, in all material respects, been paid in accordance with the schedule of contributions certified by the plan actuary on 20 January 2022.

We have examined Chubb Pension Plan's summary of contributions for the plan year ended 31 March 2023 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 schedule 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 2023, and of the amount and disposition at that date of its assets and liabilities, other than liabilities to pay pensions and benefits after the end of the year;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- contain the information specified in Regulation 3A of the Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996.

We have audited the financial statements, included in the Annual Report, which comprise: the Statement of Net Assets available for benefits as at 31 March 2023; the Fund Account for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

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

Independence

We remained independent of the 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.

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

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.

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

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

determined that the principal risks were related to posting inappropriate journals to conceal misappropriation of assets and inappropriate adjustments of asset valuations. Audit procedures performed by the engagement team included:

- Testing journal entries where we identified particular fraud risk criteria.
- Obtaining independent confirmations of material investment valuations and cash balances at the year end.
- Testing estimates and judgements made in the preparation of the financial statements for indicators of bias.
- Reviewing meeting minutes, any correspondence with the Pensions Regulator, and significant contracts and agreements.
- Holding discussions with the 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 2023

	Note	31 March 2023 £000	31 March 2022 £000
Contributions and benefits			
Employer contributions	4	-	2,016
Total contributions		-	2,016
Benefits paid or payable	5	(29,463)	(30,165)
Transfers to other schemes	6	(1,858)	(3,406)
Administrative expenses	7	(1,987)	(1,891)
		(33,308)	(35,462)
Net withdrawals from dealings with members		(33,308)	(33,446)
Returns on investments			
Investment income	8	12,859	694
Change in market value of investments	9	(167,234)	4,163
Investment management expenses	10	(473)	(183)
Net return on investments		(154,848)	4,674
Net decrease in the fund during the year		(188,156)	(28,772)
Net assets of the Plan			
Opening net assets		791,489	820,261
Closing net assets		603,333	791,489

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 2023

	Note	31 March 2023 £000	31 March 2022 £000
Investment assets:			
Bonds	9	594,188	693,131
Pooled investment vehicles	12	48,719	83,334
Derivatives	13	7,856	2,049
Insurance policies	17	299	391
AVC investments	16	307	376
Reverse repurchase agreements	15	-	25,052
Cash deposits	9	366	2,264
Other investment balances	14	4,458	3,696
		656,193	810,293
Investment liabilities:			
Derivatives	13	(8,378)	(1,768)
Repurchase agreements	15	(47,568)	(25,287)
		(55,946)	(27,055)
Total net investments	9	600,247	783,238
Current assets	21	4,219	8,796
Current liabilities	22	(1,133)	(545)
Total net assets available for benefits		603,333	791,489

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 (as subsequently 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 an occupational defined benefit pension plan registered in the United Kingdom. The office is at Ground Floor, 2 Lotus Park, Staines, Middlesex TW18 3AG. The Plan is closed to future accrual with effect from 31 March 2020.

2. Basis of preparation of the financial statements

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 out of the Plan are accounted for when member liability is discharged which is normally when the transfer amount is 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

- Administrative expenses are accounted for on an accruals basis.
- Investment management expenses 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.

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.

Notes to the Financial Statements (Cont)

3. Accounting policies (Cont)

- 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 CCIF 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".
- Annuities have been valued by the Fund Actuary at the amount of the related obligation, determined using the most recent Scheme Funding valuation assumptions updated for market conditions at the reporting date.
- AVC investments securing additional benefits for those members electing to pay additional voluntary contributions ("AVCs") are included in the statement of net assets available for benefits. The market value of these investments is the fair value advised by the investment managers at the year end date.
- 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

	2023	2022
	£000	£000
Employer contributions		
Additional expense contributions	-	1,286
Section 75 debt	-	730
	-	2,016

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 prior year additional contributions in the table above represent the expenses paid by the Plan, which were 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 prior 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 prior year.

5. Benefits paid or payable

	2023	2022
	£000	£000
Pensions	27,593	27,446
Commutation of pensions and lump sum retirement benefits	1,710	1,979
Lump sum death benefits	160	740
	29,463	30,165

6. Transfers to other schemes

	2023	2022
	£000	£000
Individual transfers to other schemes	1,858	3,406

Notes to the Financial Statements (Cont)

7. Administrative expenses

	2023	2022
	£000	£000
Administration and processing	518	726
Actuarial fees	639	551
Pensions Regulator and Pension Protection Fund levies	58	47
Audit fees	49	38
Trustees' fees	94	79
Legal and other professional fees	629	450
	1,987	1,891

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 were reimbursed by the Employer and are included as Employer expense contributions in note 4.

A new Schedule of Contributions was certified on 20 January 2022, under which administrative expenses fees are all met by the Plan.

8. Investment income

	2023	2022
	£000	£000
Income from bonds	12,573	643
Income from pooled investment vehicles	107	-
Net interest on repurchase agreements / reverse repurchase agreements	(34)	(5)
Annuity income	66	58
Net interest on cash deposits	118	(2)
Net receipts from swaps	29	-
	12,859	694

Income from Bonds has increased significantly in the year as the Plan only started to directly invest in Bonds In February 2022. Previously the Plan's investments were principally held in the CCIF.

Included in annuity income in the current year are repayments to the annuity providers totalling £8,828 (2022: £45,243).

Notes to the Financial Statements (Cont)

9. Reconciliation of investments

	Value at 1 April 2022 £000	Purchases at cost and Derivative Payments £000	Sales proceeds and derivative receipts £000	Change in market value £000	Value at 31 March 2023 £000
Bonds	693,131	178,515	(114,800)	(162,658)	594,188
Pooled investment vehicles:					
CCIF invested units	1,423	-	(1,830)	423	16
Other pooled investment vehicles	81,911	63,091	(97,050)	751	48,703
Total Pooled investment vehicles	*83,334*	*63,091*	*(98,880)*	*1,174*	*48,719*
Derivatives - net	281	13,984	(8,886)	(5,901)	(522)
Insurance policies	391	-	-	(92)	299
AVC investments	376	-	(59)	(10)	307
	777,513	255,590	(222,625)	(167,487)	642,991
Cash deposits	2,264			253	366
Other investment balances	3,696			-	4,458
Amounts receivable under reverse repurchase agreements	25,052			-	-
Amounts payable under repurchase agreements	(25,287)			-	(47,568)
Net investment assets	783,238			(167,234)	600,247

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 2023 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 2023 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. The Plan incurred £1k in direct transaction costs in the year (2022: £nil).

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 2023 and 31 March 2022, there were no direct or indirect employer related investments.

Notes to the Financial Statements (Cont)

10. Investment management expenses

	2023 £000	2022 £000
Administration, management and custody	473	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:

	2023 £000	2022 £000
Absolute Return Fund	40,124	45,917
Liquidity Funds	8,579	35,994
CCIF*	16	1,423
	48,719	83,334

* 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:

	2023		2022	
	Asset £000	Liability £000	Asset £000	Liability £000
Exchange traded				
Futures	75	(130)	174	(19)
Over-the-counter contracts				
Forward FX contracts	808	(22)	146	(822)
Swaps	6,973	(8,226)	1,729	(927)
	7,856	(8,378)	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	1,860	<3 Months	39	-
Overseas exchange traded	4,578	<3 Months	36	(130)
Total 2023	**6,438**		**75**	**(130)**
Total 2022	**12,213**		**174**	**(19)**

Forward FX contracts

Type	Nominal value £000	Duration	Asset value £000	Liability value £000
EUR/GBP	7,224	1-2 months	42	-
GBP/USD	700	1-2 months	-	(22)
USD/GBP	48,527	1-2 months	766	-
Total 2023	**56,451**		**808**	**(22)**
Total 2022	**89,160**		**146**	**(822)**

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	53,550	5-29 years	142	(8,226)
Overseas interest rate swap	54,350	3-27 years	6,831	-
Total 2023	**107,900**		**6,973**	**(8,226)**
Total 2022	95,600		1,729	(927)

At the Plan year end, the counterparties had deposited £7.82 million (2022: £1.65 million) of cash collateral and the Plan posted cash collateral amounting to £8.06 million (2022: £1.41 million).

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	2023 £'000	2022 £'000
Interest receivable	4,458	3,696

15. Repurchase and reverse repurchase agreements

	2023 £000	2022 £000
Amounts payable under repurchase agreements	(47,568)	(25,287)
Amounts receivable under reverse repurchase agreements	-	25,052
	(47,568)	(235)

Bonds with a fair value of £47.89m (2022: £25.15m) had been sold subject to repurchase contracts therefore continued to be recognised in the financial statements. There were 4 repurchase agreements at 31 March 2023 (2022: 2) with maturities between April and May 2023.

Bonds with a fair value of £nil (2022: £281.5k) were received as collateral at 31 March 2023 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 no (2022: 2) reverse repurchase agreements.

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:

	2023 £000	2022 £000
Aegon (unit-linked)	261	330
Aviva Life & Pensions UK Limited (with-profits)	32	32
Phoenix Life (with-profits)	11	11
Standard Life Assurance Society (with-profits)	3	3
	307	376

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.

	2023 £000	2022 £000
Annuities	299	391

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 2023			
	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Bonds	-	594,188	-	594,188
Pooled investment vehicles	-	48,703	16	48,719
Insurance policies	-	-	299	299
Derivatives – net	-	(522)	-	(522)
AVC investments	-	261	46	307
Cash deposits	366	-	-	366
Other investment balances	4,458	-	-	4,458
Repurchase and reverse repurchase agreements – net	-	(47,568)	-	(47,568)
	4,824	595,062	361	600,247

	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	-	281	-	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	775,418	1,860	783,238

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 strategy at 31 March 2023 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, derivatives, repurchase agreements, 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 2023

	Investment grade* £000	Non-investment grade* £000	Unrated £000	2023 £000	2022 £000
Bonds	593,185	1,003	-	**594,188**	693,131
Derivatives - net	-	-	(522)	**(522)**	281
Cash	-	-	366	**366**	2,264
PIVs	-	-	48,719	**48,719**	83,334
Reverse repurchase agreements	-	-	-	**-**	25,052
Repurchase agreements	-	-	(47,568)	**(47,568)**	(25,287)
	593,185	**1,003**	**995**	**595,183**	778,775

** 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:

	2023 (£000)	2022 (£000s)
UK domiciled Undertakings for the Collective Investment in Transferable Securities Open-Ended Investment Company	**40,124**	45,917
Irish domiciled Undertakings for the Collective Investment in Transferable Securities Open-Ended Investment Company	**8,579**	35,994
UK domiciled common investment fund	**16**	1,423
Total	**48,719**	83,334

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 Plan 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.

Other matters

During 2022/2023, 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 investment 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 the investment assets and investment liabilities as markets remain fluid and unpredictable and therefore such an estimate cannot be made.

20. Concentration of investments

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

	2023		2022	
	£000	%	£000	%
Ruffer Absolute Return Fund	40,124	6.7	45,917	5.8

21. Current assets

	2023	2022
	£000	£000
Cash at bank	1,922	8,681
Prepaid pensions	1,900	-
Due from employer (VAT recovery)	397	101
Expenses recoverable	-	14
	4,219	8,796

Notes to the Financial Statements (Cont)

22. Current liabilities

	2023	2022
	£000	£000
Unpaid benefits	233	141
Accrued expenses	900	404
	1,133	545

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 2023 (2022: £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 issued 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 £49,000 including expenses (2022: £38,000). In addition, 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 £43,000 including expenses (2022: £41,000). All Trustees' fee payments are accounted for within note 7 of the financial statements.
- 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.
- The related pension plan, Chubb Security Pension Fund, has a sole corporate trustee – Chubb Security (Pensions) Limited (CSPL). B D McGowan, W Jones, K Krumm and K Bettmann (all trustee of the Plan) are also trustee directors of CSPL.

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 £nil (2022: £299k) was recovered from Chubb Group Limited in the year. £396k was recoverable at the year-end (2022: £126K)

25. Subsequent events

On 20 June 2023, the Trustees entered into a bulk purchase annuity insurance contract with Phoenix Life Limited to secure future pension payments for all deferred and pensioner members of the Plan at that date. Under this insurance policy, Phoenix Life will begin to make monthly payments to the Plan from December 2023 onwards to cover the pensions in payment for pensioners in the Plan. The initial premium totalling £494.7m was paid by the Plan to Phoenix Life in July 2023 via payments of cash and transfers of stocks.

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: [illegible] Position: Director
On behalf of the Employer

Date: 19 January 2022

Implementation Statement

Chubb Pension Plan (CPP)

Purpose of this statement

This Implementation 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 2023**:

- 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 requirements of the Occupational Pension Schemes (Investment and Disclosure) (Amendment) Regulations 2019.

Stewardship Policy

The Statement of Investment Principles (SIP), dated August 2022, describes the Trustees' policy on the exercise of rights (including voting rights) and engagement activities. It has been made available online here:

Chubb Pension Plan – Statement of Investment Principles

The Trustees periodically review engagement activities undertaken by their investment managers to ensure that the policies outlined above are being met and may explore these issues with their investment managers as part of their ongoing monitoring. The Trustees expect managers to engage with key stakeholders where appropriate. The Trustees are currently comfortable with all the investment managers.

At this time, the Trustees have not set stewardship priorities / themes for the Plan given target and now completion of a buy-out this year.

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.

Each year, the Trustees receive and review voting information and engagement information (via production of this Statement) from the asset managers, which they review to ensure alignment with their own policies.

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.

The Trustees have reviewed the stewardship and engagement activities of the current managers during the year and were satisfied that their actions were reasonable in the context of the Trustees' own policies and no remedial action was required during the period. Additional information on the voting and engagement activities carried out for the Plan's investments are provided on the following pages.

Prepared by the Trustees of the Chubb Pension Plan

Implementation Statement (Cont)

Voting Data

This section provides a summary of the voting activity undertaken by the investment manager within the Plan's Growth Portfolio on behalf of the Trustees over the year to 31 March 2023. The cash, gilts and bonds with Insight have no voting rights and therefore no voting information are shown for those assets.

Manager	Ruffer
Fund name	Ruffer Absolute Return 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	77
No. of eligible votes	1,305
% of resolutions voted	100.0
% of resolutions abstained	0.1
% of resolutions voted with management[1]	94.2
% of resolutions voted against management[1]	5.7
Proxy voting advisor employed	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.
% of resolutions voted against proxy voter recommendation	7.1

[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. However, recent guidance states that a significant vote is likely to be one that is linked to one or more of a scheme's stewardship priorities / themes. At this time, the Trustees have not set stewardship priorities / themes for the Plan.

For this Implementation Statement the Trustees have asked the investment managers to determine what they believe to be a "significant vote". Ruffer 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.

Ruffer, Absolute Return Fund

	Vote 1	Vote 2	Vote 3
Company name	Equinor ASA	BP Plc	The Charles Scwab Corporation
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	0.54	3.10	0.35
Summary of the resolution	Vote on approving Energy Transition Plan	Vote on approving shareholder resolution on climate change targets	Vote to report on lobbying payments and policy
How the manager voted	For	Against	For
Rationale for the voting decision	Ruffer have been impressed by Equinor's efforts to decarbonise. Equinor is at the forefront of offshore wind developments. They have been profitable in their venture to decarbonise which Ruffer are keen to support.	Ruffer voted in line with ISS and management. Ruffer have done extensive work on BP's work on the energy transition and climate change and Ruffer think they are industry leading. Ruffer support management in their effort to provide clean, reliable and affordable energy and therefore Ruffer voted against the shareholder resolution.	The proposal seeks to ensure the company discloses any lobbying payments, this is a reasonable proposal and Ruffer believe warrants a vote FOR, in line with ISS's recommendation.
Outcome of the vote	The resolution passed with 96.6% votes in favour.	The resolution passed with 85.1% votes in favour.	The resolution failed with 65.1% votes against
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 monitor how the company progresses and improves over time, and continue to support credible energy transition strategies and initiatives which are currently in place, and will vote against shareholder resolutions which deem as unnecessary.	Ruffer will continue to engage with the company on governance issues and vote in favour of policies that favour disclosure on lobbying payments.
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.	Ruffer support management in their effort to provide clean, reliable and affordable energy .	Ruffer support SH resolutions in their effort to get accurate and transparent information on the company's revenue streams.

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	Ruffer	Insight
Fund name	Absolute Return 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	15	165
Number of entities engaged on behalf of the holdings in this fund in the year	39	644
Number of engagements undertaken at a firm level in the year	41	1,178

Examples of engagement activity undertaken over the year to 31 March 2023

Ruffer, Absolute Return Fund

Ruffer engaged with ArcelorMittal on environmental issues where Ruffer co-leads the CA100+ group.

Ruffer will continue to engage with ArcelorMittal on its progress with the Climate Action 100+ Net-Zero Benchmark, focusing on climate-related lobbying, governance (in particular, remuneration) and medium-term greenhouse gas emissions reduction targets as our core priorities. Ruffer will also continue to engage on the science-based emissions reduction targets and the company's remuneration policy.

Insight

Insight engaged with Equinor on environmental issues, including carbon emissions and providing guidance for its energy production mix.

Insight will continue to engage with Equinor on its plans for those oilfields deemed 'unconventional' to assess the environmental/biodiversity impact of these projects. Excluding the three oilfields suggested to be 'conventional' by Equinor, this would push their controversial revenues score below the threshold. However, given the heightened biodiversity risk in the Arctic, Insight decided to keep the definition of these oilfields as 'unconventional'.

Chair’s Statement

Chubb Pension Plan (“the Plan”)

Chair’s statement regarding the governance of defined contribution arrangements

Scheme year - 1 April 2022 to 31 March 2023

1. Introduction

1.1. This statement has been prepared by the Trustees of the Chubb Pension Plan ("the Trustees") to report on compliance with 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 scheme year 1 April 2022 to 31 March 2023. It may not, therefore, include any subsequent changes to the Plan since 31 March 2023.

1.4. As required by the Regulations, the Trustee will publish this Statement on a publicly accessible website. The web address for the website will be https://chubbfs.com/uk-en/reports/.

2. The Plan’s DC arrangements

2.1. The Plan’s DC arrangements comprise:

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 Rights 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 than the DB entitlement. 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.

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. All Protected Rights benefits were invested in line with the Plan's DB investment strategy ("the Plan Portfolio"). The Plan Portfolio operates as a unitised arrangement. Units within the Plan Portfolio are valued using the market value of assets which are reported on a monthly basis.

4. Core financial transactions

4.1. The Trustees have a duty to ensure that 'core financial transactions' are processed promptly and accurately. For the Plan, these comprise the following:

4.1.1. Transfer payments out of the Plan

4.1.2. Retirement/death benefit payments out of the Plan

4.2. As Protected Rights benefits are invested in the Plan Portfolio, there are no investment switches available to members outside those made by the Trustees. 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 benefits are undertaken on the Trustees' behalf by the administrator of the Plan, Buck.

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 below:

Core financial transaction	Service level
Transfers out of the Plan	10 working days
Retirement benefit payments	7 working days

4.5. In order to monitor Buck's performance against agreed SLA's, 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 and performance discussed at each Administration Sub-Committee meeting from which the outcomes of these discussions 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.

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.

Chair's Statement (Cont)

Performance during the scheme year

4.8. Following the identification of service issues by Buck as highlighted in the Trustees' statements covering the previous two Plan years, the Trustees have continued to closely monitor Buck's performance relating to core financial transactions closely. The Trustees are now satisfied that Buck's ongoing performance against SLAs have largely returned to acceptable levels although where SLA targets are being missed, the Trustees are concerned over the length of time taken by Buck to clear any backlog. Furthermore, following data cleansing exercises undertaken during the Plan year, more outstanding tasks relating to core financial transactions have been identified that the Trustees are working with Buck to resolve.

4.9. Buck are required to attend Quarterly Administration Sub-Committee meetings to monitor the above issues and the Trustees continue to work with Buck to improve the processing of core financial transactions, such as in relation to unclaimed benefits during the Plan year. The Trustees have agreed with Buck a framework for reducing the fees paid by the Plan to Buck where performance falls short of SLAs.

Plan AVCs

4.10. 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.

4.11. 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

4.12. 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 value of Protected Rights benefits during the Plan year, the Trustees are confident that all related core financial transactions over the reporting period have been processed promptly and correctly.

5. Member-borne 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.

Charges in relation to the Plan portfolio

5.2. The TER for the Plan Portfolio for the Plan year was 0.0613% p.a.

5.3. The additional transaction costs incurred within the Plan Portfolio over the Plan year was 0.0851% p.a.

Charges in relation to AVCs

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

Chair's Statement (Cont)

Aegon

Investment option	TER (p.a.)	Transaction costs (year to 31 March 2023)	Average transaction costs (p.a.)*
Aegon BlackRock LifePath Capital 2037-2039 (BLK)	0.41%	0.0518%	0.0518%
Aegon BlackRock LifePath Capital 2031-2033 (BLK)	0.41%	0.0372%	0.0386%
Aegon BlackRock LifePath Capital 2028-2030 (BLK)	0.41%	0.0563%	0.0499%
Aegon BlackRock LifePath Capital 2025-2027 (BLK)	0.41%	0.0424%	0.0346%
Aegon BlackRock LifePath Capital 2022-2024 (BLK)	0.41%	0.0241%	0.0234%
Aegon BlackRock 50/50 Global Growth (BLK)	0.75%	0.1322%	0.1675%
Aegon BlackRock American Flexible Equity (BLK)	0.90%	0.0583%	0.1358%
Aegon BlackRock Balanced Growth (BLK)	0.75%	0.1275%	0.1401%
Aegon BlackRock European Growth (BLK)	0.90%	0.0296%	0.1090%
Aegon BlackRock Japanese Growth (BLK)	0.90%	0.3338%	0.3884%
Aegon BlackRock Cash (BLK)	0.33%	0.0132%	0.0137%
Aegon BlackRock Strategic Accumulation (BLK)	0.75%	0.1263%	0.1636%
Aegon BlackRock UK Growth (BLK)	0.75%	0.1546%	0.1370%

* The statutory guidance requires trustees to disclose an average of the last five years' transaction costs (insofar as they are able). As we have data for the last four years only, the figures are four-year averages for all funds except the LifePath Capital Funds which are three-year averages in all instances except the 2037-2039 Fund which is one-year only.

Other AVC providers

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

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%	0.0428%
Standard Life	Holding account	Standard Life states that "there are currently no charges or expenses as the Plan is paid up"	

Chair's Statement (Cont)

Impact of costs and charges

5.6. 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.

6. Disclosure of net investment returns

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. The Trustees have provided the returns of the Plan Portfolio for 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 2023	Annualised Return – 3 years to 31 March 2023	Annualised Return – 5 years to 31 March 2023
Plan Portfolio	-19.5%	-3.7%	-1.4%

7. 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. These 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 provider. Regulations require the Trustees to assess the extent to which the Plan provides value for members.

7.1. The Trustees governance of the Plan Portfolio is supported by Barnett Waddingham as Investment Consultant and subject to Investment Monitoring and Operational Governance Reports.

7.2. Barnett Waddingham report directly to the Trustees on the performance of the Plan Portfolio.

7.3. The Trustees were satisfied with the performance of the 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.

8. Trustee knowledge and understanding

The Trustee Board

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

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

Trustee knowledge and understanding requirements

8.3. 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

8.4. 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.

8.5. 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.

8.6. 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 year no new Trustees were appointed during the Plan year.

8.7. The Trustee appointment & removal policy was updated during the Plan year, formally documenting the induction process for new trustees. The new process includes sessions with the Trustees' legal, actuarial and investment advisers, as well as the Secretary to the Trustees.

8.8. 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.

8.9. 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:

8.9.1. Statement of Investment Principles (SIP)

8.9.2. General Data Protection Regulation Law & Breach Register

8.9.3. Privacy Notice

8.9.4. Trustee Appointment & Removal process

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

8.9.6. Conflicts of Interest Policy

8.9.7. Internal Dispute Resolution Procedure

8.9.8. Training policy and log

8.9.9. Whistleblowing and Breach Notification Policy

8.9.10. Objectives for investment advisers

8.9.11. Trust Deed & Rules (following legal advice on benefit specification)

Activities over the Plan year

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

8.10.1. Pension Dashboard Regulations

8.10.2. Longevity risk mitigation and insurance transactions

8.10.3. Taxation and inflationary pressures

8.10.4. Climate change guidance

8.10.5. State Pension Age

8.10.6. Finance Act 2022

Chair's Statement (Cont)

8.10.7. Reporting on Stewardship

8.10.8. VFM developments in DC schemes

8.10.9. Scam warnings

8.10.10. Equality, Diversity & Inclusion

8.10.11. Collective DC Legislation

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

8.11.1. Effective System of Governance

8.11.2. Pension Dashboard readiness

8.11.3. Investing for Buy-out

8.11.4. Bulk Annuity Buy-in

8.11.5. Benefit Specification

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

Assessment

8.12. 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:

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

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

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

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Brian McGowan, Chair of the Trustees Date

Chair's Statement (Cont)

Appendix – Illustrations on the impact of cost and charges

A1.1. 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

A1.2. 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:

A1.2.1. Protected Rights funds are fully invested in the Plan Portfolio.

A1.2.2. Using the median pot size of those who hold Protected Rights funds as a representative pot size.

A1.2.3. The approximate duration that the youngest member using the Plan Portfolio would take to reach Normal Retirement Age ("NRA").

A1.2.4. 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

Years of membership	Age: 40 Starting pot size £3,000	
0	£3,000	£3,000
1	£2,982	£2,978
3	£2,948	£2,935
5	£2,913	£2,892
10	£2,829	£2,789
15	£2,747	£2,688
20	£2,668	£2,592
25	£2,590	£2,499

A1.3. Note on how to read this table: If a Protected Rights member had £3,000 invested in the Plan Portfolio on 31 March 2023, when they came to retire in 10 years, the savings pot could reduce to £2,829 in today's terms if no charges are applied or to £2,789 in today's terms with charges applied.

A1.3.1. 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.

A1.3.2. Inflation is assumed to be 2.5% each year

A1.3.3. No further contributions are assumed to be paid

A1.3.4. Values shown are estimates and are not guaranteed

A1.3.5. Charges for the Plan Portfolio used in the illustration are those outlined in this statement

A1.3.6. The projected growth rates for the Plan Portfolio is 1.90% p.a. which is in line with those produced for the Plan's Statutory Money Purchase Illustrations (SMPI)

A1.3.7. 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 three years only, the figures are based on three-year averages.

Appendix I – Chubb Common Investment Fund Report & Financial Statements