

Chubb Common Investment Fund

Annual report and financial statements for the year
ended 31 March 2024

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Trustees and advisers

Trustees:

B D McGowan *+ (Chairman)

T P Allen *

W Jones *+

G P Smart Retired as a Trustee (with effect from 30 June 2023)

K Krumm *+ Resigned as a Trustee (with effect from 5 June 2023)

K Bettmann *+ Replaced K Krumm (with effect from 5 June 2023)

C Forbes +

* *Trustee of Chubb Pension Plan*

+ *Director of Chubb Security (Pensions) Limited (Trustee of Chubb Security Pension Fund)*

Secretaries to the Trustees:

P Clarke – Barnett Waddingham LLP (until 13 September 2023)

H Willcox – Barnett Waddingham LLP (from 13 September 2023)

Enquiries:

H Willcox

Barnett Waddingham LLP

Floor 1 City Square House

11 Wellington Street

Leeds

LS1 4DL

Custodian, Bank and Administrator:

Bank of New York Mellon (until June 2023)

Investment Advisers:

Barnett Waddingham LLP

Participating Schemes:

Chubb Security Pension Fund

Chubb Pension Plan

Independent Auditors:

PricewaterhouseCoopers LLP

Trustees and advisers (Cont)

Legal Advisers:

CMS Cameron McKenna Nabarro Olswang LLP
Cannon Place
78 Cannon Street
London EC4N 6AF

Geldards LLP
4 Capital Quarter
Tyndall Street
Cardiff CF10 4BZ

Bankers:

All banking is transacted through the Custodian cash account.

Sponsoring Company:

Chubb Group Limited
Ground Floor
2 Lotus Park
Staines
Middlesex
TW18 3AG

The Trustees' Report

Constitution

The Chubb Common Investment Fund ("CCIF") is governed by a definitive Trust Deed dated 23 June 1998 (as amended). The CCIF was established with effect from 1 July 1998 in accordance with the wishes of the "Participating Schemes" which are the Chubb Pension Plan ("CPP") and the Chubb Security Pension Fund ("CSPF") (together the "Participating Schemes").

The CCIF Trust Deed provides that any appointment and/or removal of the Trustees be made by the Sponsoring Company (Chubb Group Limited).

The Trustees are responsible for the administration of the CCIF and the investment policy, subject to the policy being consistent with the Statements of Investment Principles maintained by the Participating Schemes. The Trustees meet quarterly to discuss reports received from the investment managers and to assess the overall investment policy. Under the terms of the Trust Deed, resolutions are passed on a simple majority of those voting.

Management and custodian arrangements

The day to day management of the investments was delegated by the Trustees to the Investment Managers. Bank of New York Mellon were appointed as administrators, global custodian and the banker to the CCIF. This was in accordance with the agreement between the CCIF and the above parties dated 23 June 1998. The Trustees of the CCIF provided quarterly performance and investment details to the Trustees of the Participating Schemes together with copies of all Trustees' minutes and decisions.

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

The Trustees received reports each month covering the assets held by the custodian and transactions in the month. These were monitored and, if appropriate, followed up with the custodian on a timely basis. The custodian was independent of the fund managers and provided a check on the records of these assets of the CCIF.

In the prior year the investments with Insight were realised and, as at 31 March 2023, only residual cash balances were held with the custodian. During the year ended 31 March 2024, the remaining residual assets were withdrawn and transferred to the two Participating Schemes.

Financial development of the Fund

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

Significant developments affecting the financial position of the CCIF during the year include:

- The Trustees of each of the Participating Schemes continued to withdraw from the CCIF and the final income has been transferred to the two Participating Schemes.
- The overall value of the CCIF therefore decreased by £35k to £nil at 31 March 2024 following withdrawal of the funds from the CCIF to the CPP and CSPF.

The CCIF previously held investments in property development sites through CCIF Venture Limited, a company wholly owned by the CCIF. Each investment site was a separate company which is a subsidiary of CCIF Venture Limited. The final development at Gloucester was sold in April 2021 and the development companies are in the process of being wound up.

The Trustees' Report (Cont)

Trustees Fees

Trustees' fees were paid from the CCIF until 30 June 2020. After that date all Trustees' fees became payable from the Participating Schemes.

Investment policy

The Trustees of the CCIF determined the investment policy within the guidelines laid down by the Statement of Investment Principles of the Participating Schemes. The objective set for each investment manager is summarised in their agreements with the Trustees.

Valuation

The investments underpinning the unit prices are valued in the Statement of net assets attributable to unit holders at their bid market value at 31 March 2024 and 2023. An analysis of investments by category is set out in note 5 of the financial statements. The movement of funds between the CCIF and the Participating Schemes for the year ended 31 March 2024 is shown in note 11.

Investment restrictions

The Participating Schemes had instructed the Trustees not to invest directly in the following:

- (a) Carrier Global Corporation, the ultimate holding company of the sponsoring employers of the Participating Schemes.
- (b) Companies where the Trustees of the CCIF or the Trustees or Trustee directors of the Participating Schemes have a material interest or are a Director, with the exception of the subsidiary undertakings.

The Trustees of the Participating Schemes had imposed this policy on the Trustees based on the belief that without such a policy, conflicts of interest would inevitably have arisen.

The Trustees' Report (Cont)

Employer related investments

At 31 March 2024 and 31 March 2023, the CCIF had no employer related investments.

Marketability of investments

At the prior year-end all of the CCIF net investments were considered to be marketable on a short term basis.

Policy on 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 CCIF investments.

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

As the CCIF investments were held in pooled funds, ESG considerations were set by each of the investment managers. The CCIF investment managers would ultimately act in the best interests of the CCIF assets to maximise returns for a given level of risk. The Trustees were 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 CCIF 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 the 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.

Investment performance

During the year ended 31 March 2024, the remaining assets in the CCIF were transferred to the individual holdings for the CPP and CSFP.

The Trustees' Report (Cont)

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. The trustees are responsible for ensuring that the financial statements:

- give a true and fair view of the financial transactions of the CIF during the year and of the amount and disposition at the end of the year of its assets and liabilities;
- state whether applicable United Kingdom Accounting Standards, including FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements; and
- comply with the requirements of the dated 23 June 1998 (as amended).

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 CIF will continue as a going concern.

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 CIF 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.

Further information

Requests for additional information about the CCIF should be made to the Secretary whose address appears on page 1 of this report.

Approval of Trustees' Report

The Trustees' report on pages 3 to 6 was approved by the Trustees and signed on their behalf by:

B D McGowan

Date: _____

Independent auditors' report to the Trustees of Chubb Common Investment Fund

Report on the audit of the financial statements

Opinion

In our opinion, Chubb Common Investment Fund's financial statements:

- give a true and fair view of the financial transactions of the CIF during the year ended 31 March 2024, and of the amount and disposition at that date of its assets and liabilities; and
- 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).

We have audited the financial statements, included within the Annual report and financial statements, which comprise: the Statement of net assets attributable to unit holders as at 31 March 2024; the Fund Account and Statement of changes in net assets 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 CIF 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 CIF'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 CIF'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 (Cont)

Reporting on other information

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

Independent auditors' report (Cont)

- Testing journal entries where we identified particular fraud risk criteria.
- Obtaining independent confirmations of material investment valuations and cash balances at the year end.
- 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 as required by the Trust Deed in accordance with our engagement letter dated 25 March 2024 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, including without limitation under any contractual obligations of the CIF, save where expressly agreed by our prior consent in writing.

PricewaterhouseCoopers LLP

Chartered Accountants

London

Date:

Fund Account and Statement of changes in net assets

for the year ended 31 March 2024

	Note	31 March 2024 £000	31 March 2023 £000
Returns on investments			
Investment income	4	18	41
Change in market value of investments		-	1
Investment management expenses	5	-	(13)
Net returns on investments		18	29
Change in net assets attributable to participating schemes from investment activities	11	(53)	(3,041)
Opening net assets attributable to participating schemes		35	3,047
Closing net assets attributable to unit holders		-	35

The notes on pages 12 to 15 form part of these financial statements.

Statement of net assets attributable to unit holders

as at 31 March 2024

	Note	31 March 2024 £000	31 March 2023 £000
Investment assets:			
Other investment balances	6	-	35
		-	35
Total net Investments		-	35
Total net assets attributable to unit holders		-	35

The notes on pages 12 to 15 form part of these financial statements.

These financial statements on pages 10 to 15 were approved by the Trustees and signed on their behalf by:

B D McGowan

Date: _____

Notes to the Financial Statements (Cont)

Notes to the Financial Statements

1. General information

The Chubb Common Investment Fund ('CCIF') was established on 1 July 1998 for the purpose of managing the assets of the Participating Schemes from time to time. As at 31 March 2024 the Participating Schemes were:

- Chubb Pension Plan
- Chubb Security Pension Fund

The CCIF is registered in the United Kingdom and is governed by a Trust Deed dated 23 June 1998 (as amended) which was drawn up under English law. The principal office is at Ground Floor, 2 Lotus Park, Staines, Middlesex TW18 3AG.

All investment manager fees and custodian fees associated with the running of the CCIF are paid by the CCIF.

2. Basis of preparation of the financial statements

The individual financial statements of Chubb Common Investment Fund have been prepared in accordance with 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") insofar as they relate to common investment funds.

The Trustees do not consider the CCIF to be a Financial Institution as described in the Glossary to FRS 102.

3. Accounting policies

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

Currency

The functional currency and presentational currency of the CCIF is pounds sterling (GBP).

Assets and liabilities in foreign currencies are expressed in sterling at the rates of exchange ruling at the year end. Foreign currency transactions are translated into 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.

Investment income and expenditure

Distributions in respect of the property development companies are accounted for when due.

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 and unrealised changes in market value. In the case of pooled investment vehicles which are accumulation funds, where income is reinvested within the fund without issue of further units, change in market value also includes such income.

Transaction costs are included in the cost of purchases and sale proceeds. Transaction costs include costs charged directly to the CCIF such as fees, commissions, stamp duty and other fees. Other investment management expenses are accounted for on an accruals basis.

Notes to the Financial Statements (Cont)

3. Accounting policies (Cont)

Valuation and classification of investments

Investment assets and liabilities are included in the financial statements at fair value.

Critical accounting judgements and estimation uncertainty

Estimates and judgements 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.

4. Investment income

	2024	2023
	£000	£000
Income from bonds	-	2
Income from pooled investment vehicles	-	3
Interest on loans to property development companies	18	35
Interest on cash deposits	-	1
	18	41

5. Investment management expenses

	2024	2023
	£000	£000
Custodial, investment management and administration	-	13

Trustees' fees are payable from the Participating Schemes to B D McGowan, T P Allen, W Jones and G P Smart (to 30 June 2023).

6. Other investment balances

	2024	2023
	£000	£000
Amounts receivable		
Accrued investment income	-	35

7. Other investments – property development companies

The CCIF previously held investments in property development sites through CCIF Venture Limited, a company wholly owned by the CCIF. Each investment site was a separate company which is a subsidiary of CCIF Venture Limited.

The final development at Gloucester was sold in April 2021. The development companies are both in liquidation and are in the process of being wound up.

Notes to the Financial Statements (Cont)

8. Fair value of investments

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 which the entity can access at the assessment dates.

Level 2: Inputs other than quoted prices included within Level 1 which 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.

Pooled investment vehicles which are traded regularly are generally included in level (2). Where the absence of regular trading or the unsuitability of recent transaction prices as a proxy for fair value applies, valuation techniques are adopted and the vehicles are included in level (3).

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

	As at 31 March 2024			Total
	Level 1 £000	Level 2 £000	Level 3 £000	£000
Other investment balances	-	-	-	-
	-	-	-	-

	As at 31 March 2023			Total
	Level 1 £000	Level 2 £000	Level 3 £000	£000
Other investment balances	35	-	-	35
	35	-	-	35

9. Investment risk disclosures

Investment risks

FRS102 requires the disclosure of information in relation to certain investment risks as follows:

- Credit risk – one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.
- Market risk – comprises the following three types of risk:
 1. Interest rate risk: The risk that the fair value or future cashflows of a financial asset will fluctuate because of changes in market interest rates
 2. Currency risk: The risk that the fair value or future cashflows of a financial asset will fluctuate because of changes in foreign exchange rates
 3. Other price risk: The risk that the fair value or future cashflows of a financial asset will fluctuate because of changes in market prices (other than those due to interest rates and currency).

There were no assets held at the year end and, as such, the CCIF was not subject to any risks. The only asset remaining at 31 March 2023 was accrued investment income from the property companies which was received and transferred to the Participating Schemes in June 2023.

10. Employer related investments

At 31 March 2024 and 31 March 2023, the CCIF had no employer related investments.

Notes to the Financial Statements (Cont)

11. Change in net assets attributable to participating schemes from investment activities

	Chubb Pension Plan £000	Chubb Security Pension Fund £000	Total £000
Value at 1 April 2023	16	19	35
Amounts withdrawn	(26)	(27)	(53)
Share of net returns on investments	10	8	18
Value at 31 March 2024	-	-	-

12. Related party transactions

Key management personnel

In the year no Trustees' fees were paid (2023: £nil). From 1 July 2020, these fees became payable from the Participating Schemes. Some of the Trustees also receive fees from the Participating Schemes for Trustee services provided to those Schemes.

Trustees' details and relationships are set out on page 1.

Employer and other related parties

Amounts paid and withdrawn on cancellation of units are detailed in note 11.

13. Capital commitments/contingent liabilities

There were no capital commitments or contingent assets or liabilities requiring disclosure at 31 March 2024 or 31 March 2023.