# The Astellas Ireland Kerry Plant Pension Plan

## Trustees' Annual Report for the year ended 31 March 2022

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|---|---|
| Prepared for | The Astellas Ireland Kerry Plant Pension Plan<br>PB 70788 |
| Prepared by | Aon on behalf of the Trustees |

Aon Solutions Ireland Limited trading as Aon is regulated by the Central Bank of Ireland.
Registered in Ireland No. 356441
Registered office: Block D | Iveagh Court | Harcourt Road | Dublin 2 | Ireland.
Directors: David Hardern (British), Rachael Ingle, Ken Murphy, Paul Schultz (US), Patrick Wall.
aon.com


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# Trustees and Advisers

| | |
|---|---|
| **Participating Employers** | Astellas Ireland Company Limited (Principal Employer)<br>Astellas Pharma Company Limited |
| **Trustees** | Philip Gammell<br>Timothy O'Donoghue<br>Owen Moore<br><br>Law Debenture Ireland (Trustees) Limited<br>Directors: Paul Torsney, Veronica Bolger, Keith Scott, Denis Jackson<br>Professional Trustee: Elma Fox<br>(appointed with effect from 30 September 2022) |
| **Consultant & Registered Administrator** | Aon Solutions Ireland Limited, T/A Aon,<br>Block D, Iveagh Court, Harcourt Road, Dublin 2. |
| **Investment Managers of Pension Fund** | Irish Life Investment Managers Limited,<br>Beresford Court, Beresford Place, Dublin 1.<br><br>Zurich Life Assurance plc,<br>Zurich House, Frascati Road, Blackrock, Co. Dublin.<br><br>Man Group,<br>Riverbank House, 2 Swan Lane, London, EC4R 3AD, UK.<br><br>BlackRock Investor Services,<br>J.P. Morgan Administration Services (Ireland) Ltd,<br>J.P. Morgan, 200 Capital Dock, 79 Sir John Rogerson's Quay, Dublin 2.<br><br>BMO Global Asset Management, (appointed March 2022)<br>6th Floor, Quartermile 4, 7a Nightingale Way, Edinburgh EH3 9EG. |
| **Investment Managers of AVC Fund** | Irish Life Investment Managers Limited,<br>Beresford Court, Beresford Place, Dublin 1. |
| **Insurer of Death in Service Benefits** | Utmost PanEurope dac,<br>Navan Business Park, Athlumney, Navan, Co. Meath. |
| **Actuary** | Aidan Kennedy, FSAI,<br>Aon, Block D, Iveagh Court, Harcourt Road, Dublin 2. |
| **Independent Auditors** | Ernst & Young,<br>Chartered Accountants,<br>City Quarter, Lapps Quay, Cork. |

| | |
|---|---|
| **Bankers** | Bank of Ireland (closed June 2021).<br>Aon Solutions Ireland Limited operates a conglomerate trustee bank account. |
| **Pensions Authority Reference No.** | PB 70788 |
| **Pensions Authority** | Verschoyle House, 28-30 Lower Mount Street, Dublin 2. |

If you have any queries on this Annual Report or on any aspect of the Plan you should refer them, in the first instance, to:

Ms. Deirdre Hennebery,
HR Operations Lead,
Astellas Ireland Company Limited,
Killorglin,
Co Kerry.

Email: Deirdre.Nelligan@astellas.com

Ms. Una Ryan,
HR Operations Specialist,
Astellas Pharma Co. Ltd,
Citywest Business Campus,
Citywest, Dublin 24.

Email: Una.Ryan@astellas.com

# Trustees' Report

**Introduction**

The Trustees present herewith the annual report to members of The Astellas Ireland Kerry Plant Pension Plan ("the Plan") for the year ended 31 March 2022. The content of this report conforms to the Occupational Pension Schemes (Disclosure of Information) Regulations, 2006 (as amended), as prescribed by the Minister for Social Protection under the Pensions Act, 1990. The report outlines the constitution and structure of the Plan together with details of financial movements for the period, investment matters and membership movements.

The Plan, which operates on a defined benefits basis with a voluntary contribution element, was established to provide retirement and life assurance benefits for its members and is a distinct legal entity, separate in every respect from the Principal Employer, Astellas Ireland Company Limited and the other participating employer, Astellas Pharma Company Limited. Under a deed dated 22 December 2009, the Plan is closed to new employees who commence employment with the participating employers on or after 2 October 2009.

The Plan is governed by a Definitive Trust Deed and Rules which members are entitled to inspect or receive a copy thereof. Details of members' benefits are also provided in the explanatory booklet which has been distributed to all members and individual details appear on each member's benefit statement.

The Plan has been approved by the Revenue Commissioners as an "exempt approved scheme" under Section 774 of the Taxes Consolidation Act 1997 and as such its assets are generally allowed to accumulate free of income and capital gains taxes. In addition, tax relief is given on employer and member contributions to the Plan and certain lump sum payments to members can be paid free of tax. The Plan has also been registered with The Pensions Authority and its registration number is PB 70788.

The Plan is financed by contributions from the employer and employees. In addition to the employer's contributions, the employer pays insurance premiums in respect of death benefits. Details of contributions are set out in note 4.

**Changes to the Plan**

There have been no changes since the previous Plan year in the information specified in Schedule C of the Occupational Pension Schemes (Disclosure of Information) Regulations, 2006 (as amended).

**Trustees and Advisers**

The right of members of the Plan to select or approve the selection of Trustees to the Plan is set out in the Occupational Pension Schemes (Member Participation in the Selection of Persons for Appointment as Trustees) (No.3) Regulations, 1996, (S.I. No. 376 of 1996).

The Trustees have access to appropriate training on their duties and responsibilities as Trustees. Section 59AA of the Pensions Act 1990, which requires Trustees of pension plans to undergo training, was brought into force on 1 February 2010 by virtue of the Social Welfare and Pensions Act 2008 (Section28) (Commencement) Order 2009. No Trustee training costs were incurred by the Plan during the year. We confirm that each of the Trustees has received appropriate trustee training as required by the Pensions Act 1990 within the time limits set out therein.

The Trustees and the Plan's Registered Administrator have access to guidelines, guidance notes and codes of practice issued by the Pensions Authority in accordance with section 10 of the Pensions Act, 1990.

The Trustees are responsible for the overall management of the Plan.

The Trustees and Plan Administrator have appropriate procedures in place to ensure that:

- contributions payable during the Plan year have been received by the Trustees within 21 days of the month end in which they fall due, and
- contributions payable have been paid in accordance with the rules of the Plan and the recommendations of the Actuary.

**Internal Disputes Resolution (IDR) Procedures**

An Internal Dispute Resolution Procedure has been adopted by the Trustees which complies with the requirements of any regulations made under section 55 of the Financial Services and Pensions Ombudsman Act 2017 (No. 22 of 2017).

If any member feels they have suffered financial loss as a result of maladministration of the Plan, they may make a complaint in writing to the Trustees of the Plan. The Trustees will review the complaint and make a decision on the matter. If the member is not satisfied with the Trustees' decision, the member may make an appeal to the Financial Services and Pensions Ombudsman.

Details of the IDR procedures have been set out in the explanatory booklet to members and further information about these procedures is available from the HR Department.

**Pension Increases**

The Plan does not provide for automatic increases to pensions in the course of payment. There is, however, a power which enables the Trustees to review pensions in payment and to recommend discretionary increases to the Company for its approval. Pensions in payment were not increased during the year.

There are no pensions or pension increases being paid by or at the request of the Trustees which would not be a liability of the Plan should it wind up.

**Financial Development**

**(Defined Benefit)**

The financial development of the Plan during the year is shown below:

| | € |
|---|---|
| **Opening Value as at 31 March 2021** | 50,398,006 |
| **Net Additions from Dealing with Members** | 4,267,296 |
| **Investment Return** | 1,342,340 |
| **Closing Value as at 31 March 2022** | **56,007,642** |

All contributions were received in accordance with the Plan Rules and the recommendations of the Actuary, and within 30 days of the Plan year end, except as noted in Note 12 to the Financial Statements.

**Financial Development (Defined Contribution)**

The financial development of the Plan during the year is shown below:

| | € |
|---|---|
| **Opening Value as at 31 March 2021** | 18,778,507 |
| **Net Additions from Dealing with Members** | 978,010 |
| **Investment Return** | 1,726,755 |
| **Closing Value as at 31 March 2022** | **21,483,272** |

All contributions were received in accordance with the Plan Rules and, within 30 days of the Plan year end. There were no employer related investments at any time during the year.

**Significant Global Events**

In early 2020, Covid-19, an illness caused by a new coronavirus, impacted a significant number of countries globally. Covid-19 has caused disruption to economic activity which was reflected in significant fluctuations in global stock markets. Optimism over a number of potential vaccines to combat the coronavirus helped spur on markets in 2021. During the year the Trustees worked with their advisors to ensure that there was no disruption to the Plan as a result of Covid-19.

The impact of Covid-19 has continued post year end. The Trustees continue to monitor the situation.

On 24 February 2022, Russia began a military invasion of Ukraine. In addition to causing intense human suffering, the conflict in Ukraine continues to be a key driver of global markets with commodity markets remaining volatile. The Trustees will continue to monitor the position in conjunction with their investment advisers.

**Events Subsequent to the Balance Sheet Date**

There were no events subsequent to the year end that would affect the information contained in this report.

**Statement of Risks**

The principal risks affecting the Plan are set out on page 69 of this report.

**Actuarial Position**

Actuarial Valuations are carried out at regular intervals to determine the funding requirements and monitor the funding standard position of the Plan. The last formal actuarial valuation was carried out as at 1 April 2020 and recommended a contribution rate of 39.7% of pensionable salary roll. The employer is currently contributing in line with this rate. A copy of the actuarial valuation report is available from the Trustees.

The Actuary confirmed in the last valuation that if the Plan had wound up as at 1 April 2020, the resources of the Plan would have been sufficient to cover the minimum liabilities of the Plan, including the estimated expenses of administering the winding up of the Plan, determined in accordance with section 44 of the Pensions Act 1990. An Actuarial Funding Certificate (AFC) with an effective date of 1 April 2020 confirming this was submitted to the Pensions Authority. However, the Actuary also confirmed that he was not satisfied that the Scheme had sufficient resources to cover the funding standard reserve and a negative Funding Standard Reserve Certificate (FSRC) at this date was submitted to the Pensions Authority.

In the normal course of events a negative certificate triggers the requirement for a funding proposal to be prepared. However, the Actuary advised that an update to the funding position as at 30 June 2020 confirmed that he was satisfied that the Plan met the funding standard and funding standard reserve at this later date. This position was confirmed by the submission of revised certificates to the Pensions Authority and copies of the latest AFC and FSRC as at 30 June 2020 are included in this report.

In addition, the Actuary must prepare an annual Actuarial Statement as at the last date to which the Trustees' Annual Report relates (in this case 31 March 2022) advising whether or not the Plan remains in a position to satisfy the Funding Standard and Funding Standard Reserve. The Actuarial Statement as at 31 March 2022 confirms that the Actuary was reasonably satisfied that the Plan would have met the Funding Standard and Funding Standard Reserve as at that date and a copy of the actuarial statement is included in this Annual Report.

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**Investment Management**

The Trustees have delegated responsibility for the investment and day to day administration of the Pension Plan’s assets to professional investment managers. Irish Life Investment Managers Limited, Zurich Life Assurance plc., Man Group, BlackRock Investor Services and BMO Global Asset Management are the current investment managers of the Plan. While the Trustees have delegated the responsibility for the day to day management of the Pension Plan’s assets, the Trustees retain full ownership of the assets on behalf of the members of the Plan.

The investment managers have discretion in the investment of Plan assets and provide detailed reports to the Trustees on the strategy adopted and on the performance of the monies invested. The Trustees receive quarterly reports from the investment managers and meet them periodically to review performance.

The investment managers are remunerated on a fee basis calculated as a percentage of the assets under management and these fees are reflected in the unit prices and borne by the Plan.

Overall responsibility for investments and their performance lies with the Trustees of the Plan. The Trustees meet with the Investment Managers to discuss investment policy. The Trustees’ Statement of Investment Policy Principles is set out in pages 57 to 68 of this report.

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**IORP II**

The Directive (EU) 2016/2341 of the European Parliament and of the Council of 14 December 2016 on the activities and supervision of institutions for occupational retirement provision (IORPs) – “IORP II” – was transposed into Irish law on 22 April 2021 by way of the European Union (Occupational Pension Schemes) Regulations 2021 (Statutory Instrument No. 128/2021). This is the most significant regulation to impact occupational pension schemes since the Pensions Act 1990.

The Pensions Authority have, in November 2021, published a code of practice setting out what the Pensions Authority expects of the Trustees to meet their obligations under the Regulations. The primary purpose of the IORP II Directive and transposing Regulations is to raise governance standards with a view to improving member outcomes. The administrative deadline for full compliance, with a few exceptions, is 31 December 2022. The Trustees are reviewing this code of practice and will ensure that the requirements of the code are implemented.

**Sustainable Finance Disclosure Regulations (SFDR) Disclosures**

All of the Funds available under the Plan have been classified under Article 6 as defined under the SFDR. The investments underlying these financial products do not take into account the EU criteria for environmentally sustainable economic activities. The fund management team, however, has taken appropriate steps to identify, evaluate and mitigate potential financially material ESG risks within the portfolio.

**Environmental, Social and Corporate Governance (ESG)**

The Trustees believe that environmental, social, and corporate governance (ESG) factors may have a material impact on investment risk and return outcomes, and that good stewardship can create and preserve value for companies and markets as a whole. The Trustees also recognise that long-term sustainability issues, particularly climate change, present risks and opportunities that increasingly may require explicit consideration.

The Trustees have given appointed investment managers discretion in evaluating ESG factors, including climate change considerations, and exercising voting rights and stewardship obligations attached to the investments, in accordance with their own corporate governance policies and current best practice.

The Trustees consider how ESG, climate change and stewardship is integrated within investment processes in appointing new investment managers and monitoring existing investment managers. Aon's ESG ratings are considered part of the Trustee quarterly monitoring; these ratings include a consideration of the manager’s voting and engagement practices (where applicable) as well as their alignment with longer term investment horizons. Monitoring is undertaken on a regular basis and is documented at least annually.

**Membership Movement**

The following is a summary of the Membership Movements in respect of the Plan Year ended 31 March 2022.

| | Active Members | Pensioners | Deferred Members |
|---|---|---|---|
| **Membership @ 31/03/2021** | 233 | 16 | 171 |
| **Opening Adjustment** | - | - | (1) |
| **Active to Deferred** | (4) | - | 4 |
| **Retirements** | (1) | 2 | (1) |
| **Deaths** | (1) | - | - |
| **Leavers Administered** | - | - | (1) |
| **Membership @ 31/03/2022** | **227** | **18** | **172** |

In addition, 217 members were covered for death benefits only at the year end *(2021: 189).*

Signed for and on behalf of the Trustees

**Trustee:** DocuSigned by: 88802A19F61F4C9...

**Trustee:** DocuSigned by: Elma Foy F5FAD172F0DA433...

**Date:** Dec 8, 2022

# Statement of Trustees' Responsibilities

The financial statements are the responsibility of the Trustees. Irish pension legislation requires the Trustees to make available for each Plan year the annual report of the Plan, including audited financial statements and the report of the auditor. The financial statements are required to show a true and fair view, in accordance with financial reporting standards applicable in Ireland ("FRS 102"), of the financial transactions for the Plan year and the assets and liabilities (other than liabilities to pay benefits in the future) at the end of the Plan year and include a statement whether the financial statements have been prepared in accordance with Statement of Recommended Practice - Financial Reports of Pension Schemes ("SORP"), (Revised 2018), subject to any material departures disclosed and explained in the financial statements.

Accordingly, the Trustees must ensure that in the preparation of Plan financial statements:

- suitable accounting policies are selected and then applied consistently;
- reasonable and prudent judgements and estimates are made;
- the financial statements are prepared on a going concern basis unless it is inappropriate to presume that the Plan will not be wound up; and
- the SORP is followed, or particulars of any material departures have been disclosed and explained.

The Trustees are required by law to have appropriate procedures in place throughout the year under review, to ensure that:

- contributions payable during the Plan year are received by the Trustees in accordance with the timetable set out in Section 58A of the Act where applicable to the contributions and otherwise within 30 days of the Plan year end; and
- contributions payable are paid in accordance with the rules of the Plan and the recommendation of the Actuary.

The Trustees are responsible for making available certain other information about the Plan in the form of an annual report. The Trustees are also responsible for ensuring that proper membership and financial records are kept on a timely basis sufficient to enable an annual report to be prepared for the Plan containing the information specified in Regulation 7 of the Occupational Pension Schemes (Disclosure of Information) Regulations 2006 (as amended), including financial statements which show a true and fair view of the financial transactions of the Plan in the year under review and of the assets and liabilities at the year end, other than liabilities for pensions and other benefits payable after the year end. The Trustees are also responsible for safeguarding the assets of the pension Plan and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Signed for and on behalf of the Trustees

**Trustee:** DocuSigned by: [signature] 88802A19F61F4C9...

**Trustee:** DocuSigned by: Elma Foy F5FAD172F0DA433...

**Date:** Dec 8, 2022

**INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE ASTELLAS IRELAND KERRY PLANT PENSION PLAN**

**Report on the audit of the financial statements**

**Opinion**

We have audited the financial statements of The Astellas Ireland Kerry Plant Pension Plan ("the Plan") for the year ended 31 March 2022, which comprise the Fund Account, Statement of Net Assets and notes to the Financial Statements, including the summary of significant accounting policies set out in Note 2. The financial reporting framework that has been applied in their preparation is Irish Law and FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland issued in the United Kingdom by the Financial Reporting Council.

In our opinion the financial statements:

- give a true and fair view of the financial transactions of the Plan during the year ended 31 March 2022 and of the amount and disposition of the assets and liabilities (other than liabilities to pay pensions and other benefits in the future) at that date; and
- have been properly prepared in accordance with FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (Ireland) (ISAs (Ireland)) and applicable law. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Plan in accordance with ethical requirements that are relevant to our audit of financial statements in Ireland, including the Ethical Standard issued by the Irish Auditing and Accounting Supervisory Authority (IAASA), and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Conclusions relating to going concern**

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.

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 the date when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Plan's ability to continue as a going concern.

**INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE ASTELLAS IRELAND KERRY PLANT PENSION PLAN**

**Other information**

The trustees are responsible for the other information. The other information comprises the information included in the annual Report other than the financial statements and our Auditor's Report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements 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 in this regard.

**Opinions on other matters prescribed by the Occupational Pension Schemes (Disclosure of Information) Regulations 2006**

In our opinion, based solely on the work undertaken in the course of the audit, we report that:

- the financial statements include the information specified in Schedule A to the Occupational Pension Schemes (Disclosure of Information) Regulations 2006 which is applicable and material to the Plan;
- the contributions payable to the Plan during the year ended 31 March 2022 have been received by the trustees within thirty days of the end of the Plan's year except for the contributions amounting to €46,226 of which €36,226 was received on 9 May 2022 and a further €10,000 was received on 13 May 2022; and
- the contributions have been paid in accordance with the rules of the Plan and the recommendations of the actuary.

**Respective responsibilities**

**Responsibilities of trustees for the financial statements**

As explained more fully in the trustees' responsibilities statement set on page 9, the trustees are responsible for the preparation of the financial statements in accordance with the applicable financial reporting framework that give a true and fair view, and 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, and for ensuring that contributions are made to the Plan in accordance with the Plan's rules and the recommendations of the actuary.

In preparing 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 to cease operations, or have no realistic alternative but to do so.

**INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE ASTELLAS IRELAND KERRY PLANT PENSION PLAN**

**Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (Ireland) 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.

A further description of our responsibilities for the audit of the financial statements is located on the IAASA's website at: http://www.iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f-a98202dc9c3a/Description_of_auditors_responsibilities_for_audit.pdf.

This description forms part of our auditor's report.

**The purpose of our audit work and to whom we owe our responsibilities**

This report is made solely to the Plan's trustees, as a body, in accordance with section 56 of the Pension Act, 1990. Our audit work has been undertaken so that we might state to the Plan's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the trustees for our audit work, for this report, or for the opinions we have formed.

Ernst & Young

Ernst & Young
Chartered Accountants & Statutory Audit Firm
Cork

13 December 2022

# Fund Account

**Fund account for the year ended 31 March 2022**

| | Note | 2022 DB € | 2022 DC € | 2022 TOTAL € | 2021 TOTAL € |
|---|---|---|---|---|---|
| **Contributions and Benefits** | | | | | |
| Employer Contributions | **4** | 4,163,413 | 183,613 | 4,347,026 | 4,228,919 |
| Member Contributions | **4** | 515,280 | 1,051,387 | 1,566,667 | 1,453,099 |
| | | 4,678,693 | 1,235,000 | 5,913,693 | 5,682,018 |
| Leavers | **5** | (4,527) | - | (4,527) | (2,047,896) |
| Benefits | **5** | (335,955) | (256,990) | (592,945) | (221,368) |
| Group life assurance | **6** | (70,915) | - | (70,915) | (56,087) |
| | | (411,397) | (256,990) | (668,387) | (2,325,351) |
| **Net additions from dealings with members** | | 4,267,296 | 978,010 | 5,245,306 | 3,356,667 |
| **Returns on Investments** | | | | | |
| Investment income | | - | - | - | 6,024 |
| Change in market value of investments | **8** | 1,342,340 | 1,726,755 | 3,069,095 | 10,879,719 |
| **Net Returns on Investments** | | 1,342,340 | 1,726,755 | 3,069,095 | 10,885,743 |
| **Net Increase in the Fund** | | 5,609,636 | 2,704,765 | 8,314,401 | 14,242,410 |
| **Net Assets as at 1 April** | | 50,398,006 | 18,778,507 | 69,176,513 | 54,934,103 |
| **Net Assets as at 31 March** | | **56,007,642** | **21,483,272** | **77,490,914** | **69,176,513** |

**The notes on pages 15 to 28 form part of these financial statements.**

Signed for and on behalf of the Trustees

**Trustee:** DocuSigned by: [signature] 88802A19F61F4C9... **Trustee:** DocuSigned by: Elma Foy F5FAD172F0DA433...

**Date:** Dec 8, 2022

# Statement of Net Assets

**(available for benefits) as at 31 March 2022**

| | Note | 2022 € | 2021 € |
|---|---|---|---|
| **DEFINED BENEFIT** | | | |
| **Investments at Market Value** | | | |
| Pooled investment vehicles | **8** | 54,592,031 | 49,763,645 |
| Current Assets | **9** | 1,497,126 | 634,902 |
| Current Liabilities | **10** | (81,515) | (541) |
| **Defined Benefit Net Assets as at 31 March** | | **56,007,642** | **50,398,006** |
| **DEFINED CONTRIBUTION** | | | |
| **Designated to Members:** | | | |
| **Investments at Market Value** | | | |
| Pooled investment vehicles | **8** | 21,458,604 | 18,579,488 |
| Current Assets | **9** | 181,557 | 195,592 |
| Current Liabilities | **10** | (160,847) | (289) |
| | | 21,479,314 | 18,774,791 |
| **Non-Designated to Members:** | | | |
| **Investments at Market Value** | | | |
| Pooled investment vehicles | **8** | 3,958 | 3,716 |
| **Defined Contribution Net Assets as at 31 March** | | **21,483,272** | **18,778,507** |
| **TOTAL NET ASSETS** | | **77,490,914** | **69,176,513** |

Note: 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 year. The actuarial position of the Plan, which does take account of such obligations, is dealt with in the report on actuarial liabilities, the actuarial certificates, the Actuary's statement included in the Annual Report, and in the actuarial valuation report, and these financial statements should be read in conjunction with these reports.

**The notes on pages 15 to 28 form part of these financial statements.**

Signed for and on behalf of the Trustees

**Trustee:** DocuSigned by: [signature] 88802A19F61F4C9... **Trustee:** DocuSigned by: Elma Foy F5FAD172F0DA433...

**Date:** Dec 8, 2022

# Notes to the Financial Statements

## 1. Basis of Preparation

The financial statements have been prepared in accordance with the Occupational Pension Schemes (Disclosure of Information) Regulations, 2006 (as amended) ("the Regulations"), the guidelines set out in the Statement of Recommended Practice – Financial Reports of Pension Schemes (Revised 2018) ("SORP"), published by the Pensions Research Accountants Group and the 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").

The financial statements summarise the transactions and net assets of the Plan. The assets of the Plan do not include insurance policies which match and fully guarantee the obligations of the Plan in respect of specific individual members and/or their beneficiaries. Also, liabilities to pay benefits in the future are not dealt with in the financial statements. The actuarial position of the Plan, which does take account of such obligations, is dealt with in the report on actuarial liabilities, the actuarial certificates and the Actuary's statement included in the Annual Report, and in the actuarial valuation report, and these financial statements should be read in conjunction with these reports. The most recent valuation was at 1 April 2020.

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## 2. Accounting Policies

The significant accounting policies adopted by the Plan are as follows:

**Accruals concept**

The financial statements have been prepared on an accruals basis with the exception of individual transfers, which are recognised when received or paid and benefits payable, which are recognised when the options available have been agreed.

**Contribution income**

The employer's normal contributions are accounted for as they fall due as agreed between the Trustees and the Principal Employer for the year and as recommended by the Actuary.

The employee contributions relate to the wages and salaries earned and deducted up to the year end using the rates agreed between the Trustees and the Principal Employer based on the recommendations of the Actuary. The Principal Employer is required under the Regulations to remit to the Trustees the employee contributions within 21 days of the end of the calendar month of deduction.

Employers' contributions for deficit funding and augmentation of benefits are accounted for on the basis agreed with the Principal Employer, the Trustees and the Plan Actuary, or, if there is no agreement, they are accounted on a cash basis.

**Transfers to and from other Plans**

Individual transfer values represent the amounts received or paid during the year. All the values are based on methods and assumptions determined by the Actuary for the Trustees.

**Investment income**

Income is accounted for on an accruals basis. Income earned on investments in pension managed funds is not distributed but is accumulated with the capital of the funds and dealt with as part of the change in market value. Income earned on a distributing unit trust is accounted for when received and is recognised separately in the return on investments.

**2. Accounting Policies (continued)**

**Benefits payable**

Where members can choose whether to take their benefits as a full pension or as a lump sum with reduced pension, retirement benefits are accounted for on an accruals basis on the later of the date of retirement and the date the option is exercised. Other benefits are accounted for on an accruals basis on the date of retirement, death or leaving the Plan as appropriate.

**Administrative expenses and investment management expenses**

Administrative expenses and investment management expenses, which are borne by the Plan, are accrued as they are incurred.

**Valuation and classification of investments**

Investment assets and liabilities are included in the financial statements at fair value. Where separate bid and offer prices are available, the bid price is used for investment assets and the offer price for investment liabilities. Otherwise, the closing single price, single dealing price or most recent transaction price is used.

Where quoted or other unit prices are not available, the Trustees adopt valuation techniques appropriate to the class of investment. Details of the valuation techniques and principal assumptions are given in the notes to the financial statements where used.

The methods of determining fair value for the principal classes of investments are:

- Pooled investment vehicles which are traded on an active market are included at the quoted price, which is normally the bid price.
- Unitised pooled investment vehicles which are not traded on an active market but where the manager is able to demonstrate that they are priced daily, weekly or at each month end, and are actually traded on substantially all pricing days are included at the last price provided by the manager at or before the period end.
- The value of other pooled investment vehicles which are unquoted or not actively traded on a quoted market is estimated by the Trustee. Where the value of a pooled investment vehicle is primarily driven by the fair value of its underlying assets, the net asset value advised by the fund manager is normally considered a suitable approximation to fair value unless there are restrictions or other factors which prevent realisation at that value, in which case adjustment is made.
- Unitised insurance policies are valued on the same basis as pooled investment vehicles with similar characteristics.

**Taxation**

The Plan has been approved by the Revenue Commissioners as an “exempt approved scheme” under Section 774 of the Taxes Consolidation Act 1997 and as such its assets are allowed to accumulate free of income and capital gains taxes.

### 3. Comparative disclosures for the Fund Account

| | Note | 2021 DB € | 2021 DC € | 2021 TOTAL € |
|---|---|---|---|---|
| **Contributions and Benefits** | | | | |
| Employer Contributions | **4** | 4,051,539 | 177,380 | 4,228,919 |
| Member Contributions | **4** | 503,376 | 949,723 | 1,453,099 |
| | | 4,554,915 | 1,127,103 | 5,682,018 |
| Leavers | **5** | (1,713,061) | (334,835) | (2,047,896) |
| Benefits | **5** | (221,368) | - | (221,368) |
| Group life assurance | **6** | (56,087) | - | (56,087) |
| | | (1,990,516) | (334,835) | (2,325,351) |
| **Net additions from dealings with members** | | 2,564,399 | 792,268 | 3,356,667 |
| **Returns on Investments** | | | | |
| Investment income | | 6,024 | - | 6,024 |
| Change in market value of investments | **8** | 7,125,588 | 3,754,131 | 10,879,719 |
| **Net Returns on Investments** | | 7,131,612 | 3,754,131 | 10,885,743 |
| **Net Increase in the Fund** | | 9,696,011 | 4,546,399 | 14,242,410 |
| **Net Assets as at 1 April** | | 40,701,995 | 14,232,108 | 54,934,103 |
| **Net Assets as at 31 March** | | **50,398,006** | **18,778,507** | **69,176,513** |

## 4. Contributions

| | 2022 DB € | 2022 DC € | 2022 Total € |
|---|---|---|---|
| **Employer** | | | |
| Normal contributions | 4,092,498 | 183,613 | 4,276,111 |
| Death in service contributions | 70,915 | - | 70,915 |
| **Total Employer contributions** | **4,163,413** | **183,613** | **4,347,026** |
| **Members** | | | |
| Normal contributions | 515,280 | 1,051,387 | 1,566,667 |
| **Total Member contributions** | **515,280** | **1,051,387** | **1,566,667** |
| **Total** | **4,678,693** | **1,235,000** | **5,913,693** |

| | 2021 DB € | 2021 DC € | 2021 Total € |
|---|---|---|---|
| **Employer** | | | |
| Normal contributions | 3,995,452 | 177,380 | 4,172,832 |
| Death in service contributions | 56,087 | - | 56,087 |
| **Total Employer contributions** | **4,051,539** | **177,380** | **4,228,919** |
| **Members** | | | |
| Normal contributions | 503,376 | 949,723 | 1,453,099 |
| **Total Member contributions** | **503,376** | **949,723** | **1,453,099** |
| **Total** | **4,554,915** | **1,127,103** | **5,682,018** |

## 5. Payments to and on account of Leavers

| | 2022 DB € | 2022 DC € | 2022 TOTAL € |
|---|---|---|---|
| **Leavers** | | | |
| Transfers out to other Plans | 4,527 | - | 4,527 |
| **Total** | **4,527** | **-** | **4,527** |
| **Benefits** | | | |
| Pensions payable | 228,508 | - | 228,508 |
| Death benefits payable | 80,156 | - | 80,156 |
| Retirement lump sums | 27,291 | 96,143 | 123,434 |
| Purchase of annuities/ARFs/AMRFs | - | 160,847 | 160,847 |
| **Total** | **335,955** | **256,990** | **592,945** |

## 5. Payments to and on account of Leavers (continued)

| | 2021 DB € | 2021 DC € | 2021 TOTAL € |
|---|---|---|---|
| **Leavers** | | | |
| Transfers out to other Plans | 1,713,061 | 334,835 | 2,047,896 |
| **Total** | **1,713,061** | **334,835** | **2,047,896** |
| **Benefits** | | | |
| Pensions payable | 221,368 | - | 221,368 |
| **Total** | **221,368** | **-** | **221,368** |

## 6. Group Life Assurance

Death in service benefits are secured by a policy of assurance underwritten by Utmost PanEurope dac. The premium for insurance benefits excludes the cost of long term disability benefits as disability benefits do not form part of the pension Plan.

| | 2022 DB € | 2022 DC € | 2022 TOTAL € |
|---|---|---|---|
| **Premiums on term insurance policies** | **70,915** | **-** | **70,915** |

| | 2021 DB € | 2021 DC € | 2021 TOTAL € |
|---|---|---|---|
| **Premiums on term insurance policies** | **56,087** | **-** | **56,087** |

## 7. Other Payments

With the exception of investment management fees, which are borne directly by the Plan, all other fees and expenses are borne by the Principal Employer.

## 8. Investments

### (a) Summary of movement in investments during the year

| Defined Benefit Section | Value 31-03-21 | Purchases at cost | Sale proceeds | Change in market value | Value at 31-03-22 |
|---|---|---|---|---|---|
| | € | € | € | € | € |
| Pooled Investment Vehicles | 49,763,645 | 21,623,408 | (18,137,362) | 1,342,340 | 54,592,031 |
| **Total** | **49,763,645** | **21,623,408** | **(18,137,362)** | **1,342,340** | **54,592,031** |

| Defined Contribution Section | Value 31-03-21 | Purchases at cost | Sale proceeds | Change in market value | Value at 31-03-22 |
|---|---|---|---|---|---|
| | € | € | € | € | € |
| Pooled Investment Vehicles | 18,583,204 | 4,451,241 | (3,298,638) | 1,726,755 | 21,462,562 |
| **Total** | **18,583,204** | **4,451,241** | **(3,298,638)** | **1,726,755** | **21,462,562** |
| Allocated to members | 18,579,488 | | | | 21,458,604 |
| No allocated to members | 3,716 | | | | 3,958 |
| **Total** | **18,583,204** | | | | **21,462,562** |

All fund managers operating the pooled investment vehicles are registered in the Republic of Ireland or operate Undertaking for Collective Investment in Transferable Securities (UCITS) umbrella funds which are Irish domiciled.

The change in market value of investments during the Plan year comprises all increases and decreases in the market value of investments held at the Plan year end, profits and losses realised on the sale of investments held during the Plan year and foreign exchange differences arising on the translation of investments denominated in foreign currencies. Where the investments are held in unitised funds, the change in market value also includes expenses both implicit and explicit for the Plan year and any reinvested income, where the income is not distributed.

The investment managers are remunerated on a fee basis calculated as a percentage of the assets under management and these fees are borne by the Plan.

**(b) Summary of % of net assets**

| **Defined Benefit Section** | **2022 €** | **Net Assets %** | **2021 €** | **Net Assets %** |
|---|---|---|---|---|
| **Irish Life Investment Managers Limited** | | | | |
| Passive Inflation Linked Bond Fund Series B | - | - | 3,841,787 | 5.6% |
| Passive AAA/AA >10yr Bond Fund S4 | - | - | 7,199,745 | 10.4% |
| Indexed World Equity Fund S17 | 19,372,533 | 25.0% | 16,784,150 | 24.3% |
| Barclays L Series Inflation Linked Fund | - | - | 3,805,729 | 5.5% |
| **Zurich Life Assurance plc** | | | | |
| Dynamic Diversified Growth Fund | 4,658,963 | 6.0% | 4,709,937 | 6.8% |
| Fixed Income Global Opportunities Fund | 6,423,315 | 8.3% | 5,362,365 | 7.8% |
| **Man Group** | | | | |
| Man Alternative Style Risk Premia Fund | 4,086,954 | 5.3% | 3,696,096 | 5.3% |
| **BlackRock Investor Services** | | | | |
| BlackRock Market Advantage Strategy Fund | 4,536,466 | 5.9% | 4,363,836 | 6.3% |
| **BMO Global Asset Management** | | | | |
| Liability Driven Investment Funds | 13,757,376 | 17.8% | - | - |
| Cash and Liquidity Funds | 1,756,424 | 2.3% | - | - |
| | **54,592,031** | | **49,763,645** | |

| **Defined Contribution Section** | **2022 €** | **Net Assets %** | **2021 €** | **Net Assets %** |
|---|---|---|---|---|
| **Irish Life Investment Managers Limited** | | | | |
| Astellas Diversified Growth Fund | 7,806,936 | 10.1% | 5,562,252 | 8.0% |
| Passive AAA/AA >10yr Bond Fund S4 | 253,726 | 0.3% | 392,957 | 0.6% |
| Pension Cash Fund S5 | 1,368,732 | 1.8% | 990,603 | 1.4% |
| Indexed 50/50 Equity Fund S2 | - | - | 6 | 0.0% |
| Global Consensus Fund (World Equities) S4 | 1,633,104 | 2.1% | 1,336,240 | 1.9% |
| Global Consensus Fund S5 | - | - | 35 | 0.0% |
| Indexed World Equity Fund S4 | 10,400,064 | 13.4% | 10,301,028 | 14.9% |
| Pension Levy Cash Fund | - | - | 83 | 0.0% |
| | **21,462,562** | | **18,583,204** | |
| | | | | |
| **Net Assets as at 31 March** | **77,490,914** | | **69,176,513** | |

### (c) Investments – Pooled investment vehicles by type

| Defined Benefit Section | 2022 | 2021 |
|---|---|---|
| | € | € |
| **Pooled investment vehicles by type** | | |
| Equity Funds | 19,372,533 | 16,784,150 |
| Bond Funds | 6,423,315 | 20,209,626 |
| Multi Asset Funds | 13,282,383 | 12,769,869 |
| Liability Driven Investment Funds | 13,757,376 | - |
| Cash and Liquidity Funds | 1,756,424 | - |
| | **54,592,031** | **49,763,645** |

| Defined Contribution Section | 2022 | 2021 |
|---|---|---|
| | € | € |
| **Pooled investment vehicles by type** | | |
| Equity Funds | 12,033,168 | 11,637,274 |
| Bond Funds | 253,726 | 392,957 |
| Multi Asset Funds | 7,806,936 | 5,562,287 |
| Cash Funds | 1,368,732 | 990,686 |
| | **21,462,562** | **18,583,204** |

### (d) Concentration of Investments

Other than investments in pooled investment vehicles as outlined above, the Plan had no individual investments that account for more than 5% of the Plan's net assets as at 31 March 2022.

### (e) Fair value determination

The fair value of the Plan's investment assets have been determined using the following 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.

Level 3: Inputs are unobservable (i.e. for which the market data is unavailable) for the asset or liability.

Pooled investment vehicles which are traded regularly are generally included in Level 2.

| At 31 March 2022 | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| | € | € | € | € |
| **Pooled investment vehicles** | | | | |
| Defined Benefit Section | - | 54,592,031 | - | 54,592,031 |
| Defined Contribution Section | - | 21,462,562 | - | 21,462,562 |
| | **-** | **76,054,593** | **-** | **76,054,593** |

**(e) Fair value determination (continued)**

| At 31 March 2021 | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| | € | € | € | € |
| **Pooled investment vehicles** | | | | |
| Defined Benefit Section | - | 49,763,645 | - | 49,763,645 |
| Defined Contribution Section | - | 18,583,204 | - | 18,583,204 |
| | **-** | **68,346,849** | **-** | **68,346,849** |

**(f) Investment Risks**

**Defined Benefit Section**

FRS 102 requires the disclosure of information in relation to certain investment risks.

**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 cash flows 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 cash flows 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 cash flows of a financial asset will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

The Trustees determine the Plan's investment strategy after taking advice from their investment advisers, Aon Solutions Ireland Limited. The Plan has exposure to the above risks because of the investments it makes in following the investment strategy set out below. The Trustees manage these risks taking into account the Plan's strategic investment objectives. These investment objectives are managed through the investment management agreements in place with the Plan's investment managers and monitored by the Trustees by regular reviews of the investment portfolio.

**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 Policy Principles ("SIPP").

The current strategy is to hold:

- 60% Growth Assets
- 40% Defensive Assets

The Trustees have an investment management agreement in place that sets out guidelines for the underlying investments held by the funds. The day to day management of the underlying investments of the funds is the responsibility of the appointed investment manager, including the direct management of credit and market risks.

The Trustees monitor the underlying risks by quarterly investment reviews. The risks disclosed here relate to the Plan's investments as a whole.

Further information on the Trustees' approach to risk management, credit and market risk is set out below.

**Credit risk**

The Plan is subject to direct credit risk through its holding in pooled funds provided by the appointed investment managers. The Trustees monitor the creditworthiness of the managers by reviewing published credit ratings.

The Plan is also subject to indirect credit and market risk arising from the underlying investments held in the funds. A portion of these underlying investments include bonds, cash and derivatives.

Credit risk arising from pooled investment vehicles is mitigated by the underlying assets of the pooled arrangements being ring-fenced from the pooled managers, the regulatory environments in which the pooled managers operate and diversification of investments across various funds/investment managers. All investment managers are regulated by the Central Bank of Ireland or the Financial Conduct Authority in the UK. The Trustees carry out due diligence checks on the appointment of new pooled investment managers and on an ongoing basis monitor any changes to the operating environment of the pooled managers. Pooled investment arrangements used by the Plan comprise unit linked insurance contracts or Irish domiciled UCITS umbrella funds - an open-ended unit trust domiciled and incorporated under the laws of Ireland as a unit trust authorised by the Central Bank of Ireland and governed by the provisions of the UCITS Regulations.

| A Summary of the DB Pooled Investment Vehicles by type of arrangement is as follows: | 2022 | 2021 |
|---|---|---|
| Unit Linked Insurance Policies | 30,454,811 | 41,703,713 |
| Undertaking for Collective Investment in Transferable Securities (UCITS) | 24,137,220 | 8,059,932 |

**Currency Risk**

The Plan is subject to indirect currency risk as some of the underlying investments of the Plan's pooled investment vehicles are held in overseas markets. This risk applies to the Plan's non-Eurozone equity funds and to the multi asset funds. Currency risk is managed through investment fund diversification.

**Interest Rate Risk**

The Plan is subject to interest rate risk primarily in the bond funds. The Plan is also subject to limited interest rate risk in the multi asset funds due to the use of derivatives by the investment managers within the fund.

**Other price risk**

Other price risk arises principally in relation to equities held in pooled investment vehicles. All of the Plans pooled investment funds are exposed to other price risk. The Plan manages this exposure to overall price movements by holding a diverse portfolio of investments across various markets.

### (f) Investment Risks (continued)

**Defined Contribution Section**

FRS 102 requires the disclosure of information in relation to certain investment risks.

**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 cash flows 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 cash flows 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 cash flows of a financial asset will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

The Trustees determine the Plan's investment strategy after taking advice from their investment adviser. The Plan has exposure to the above risks because of the investments it makes in following the investment strategy set out below. The Trustees manage these risks taking into account the Plan's strategic investment objectives. These investment objectives are managed through the investment management agreements in place with the Plan's investment managers and monitored by the Trustees by regular reviews of the investment portfolio.

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

| | Credit Risk | Market Risk | | |
|---|---|---|---|---|
| | | Currency | Interest rate | Other price |
| **Equities** | - | √ | - | √ |
| **Bonds** | √ | √ | √ | - |
| **Property** | √ | √ | - | √ |
| **Pooled** | √ | √ | √ | √ |
| ***Cash*** | √ | - | - | - |

**Investment strategy**

Further information on the Trustees' approach to risk management, credit and market risk is set out below.

The Trustees' objective is to make available to members of the Plan an appropriate range of investment options designed to generate income and capital growth, which together with new contributions from members and their employer, will provide a retirement amount with which the member can purchase a pension annuity (or other type of retirement product). The SIPP outlines the investment objectives and strategy of the Plan.

The investment funds offered to members include:

- Equity
- Bonds
- Cash
- Multi Asset

The Trustees have investment management agreements in place that set out guidelines for the underlying investments held by the funds. The day to day management of the underlying investments of the funds is the responsibility of the appointed investment managers including the direct management of credit and market risks.

The Trustees monitor the underlying risks by quarterly investment reviews. The risks disclosed here relate to the Plan's investments as a whole. Members are able to choose their own investments from the range of funds offered by the Trustees and therefore may face a different profile of risks from their individual choices compared with the Plan as a whole.

**Credit risk**

The Plan is subject to direct credit risk through its holdings in pooled funds provided by the appointed investment managers. The Trustees monitor the creditworthiness of the managers by reviewing published credit ratings. The Trustees only invest in funds where the underlying financial instruments and all counterparties are at least investment grade.

Credit risk arising from pooled investment vehicles is mitigated by the underlying assets of the pooled arrangements being ring-fenced from the pooled manager, the regulatory environments in which the pooled managers operate and diversification of investments. The Trustees carry out due diligence checks on the appointment of new pooled investment managers and on an ongoing basis monitor any changes to the operating environment of the pooled manager.

The Plan is also subject to indirect credit risk arising from the underlying investments held in the funds available to members. Member level risk exposures will be dependent on the funds invested in by members.

| A Summary of the DC Pooled Investment Vehicles by type of arrangement is as follows: | 2022 | 2021 |
|---|---|---|
| Unit Linked Insurance Policies | 21,462,562 | 18,583,204 |

**Market Risk**

The Plan is subject to indirect foreign exchange, interest rate and other price risk arising from the underlying financial instruments held in the funds on offer.

| | Currency | Interest rate | Other Price |
|---|---|---|---|
| Equities | ✓ | - | ✓ |
| Bonds | - | ✓ | ✓ |
| Cash | - | ✓ | - |
| Multi Asset | ✓ | ✓ | ✓ |

Above excludes manager risk, cash flow risk, inflation risk, operational risk, covenant risk.

**Currency Risk**

The Plan is subject to indirect currency risk as some of the underlying investments of the Plan's pooled investment vehicles are held in overseas markets. This risk applies to all the funds apart from the Bond and Liquidity Funds. Currency risk is managed through investment diversification by the investment managers within the funds.

**Interest Rate Risk**

The Plan is subject to indirect interest rate risk primarily in the Bond and Cash funds and also in the Multi Asset funds.

**Other price risk**

Other price risk arises principally in relation to equities and bonds held in pooled investment vehicles. All of the Plans pooled investment funds, apart from the Liquidity Fund, are exposed to other price risk. The Plan investment managers manage this exposure to overall price movements by holding a diverse portfolio of investments across various markets within each fund depending on the investment strategy of that fund.

## 9. Current Assets

| | 2022<br>DB<br>€ | 2022<br>DC<br>€ | 2022<br>TOTAL<br>€ |
|---|---|---|---|
| Bank balance | 1,203,253 | 2,970 | 1,206,223 |
| Cash awaiting investment | - | 90,892 | 90,892 |
| Employer contributions receivable | 253,801 | 14,430 | 268,231 |
| Employee contributions receivable | 40,072 | 73,265 | 113,337 |
| **Total** | **1,497,126** | **181,557** | **1,678,683** |

| | 2021<br>DB<br>€ | 2021<br>DC<br>€ | 2021<br>TOTAL<br>€ |
|---|---|---|---|
| Bank balance | 392,716 | 3,534 | 396,250 |
| Cash awaiting investment | - | 111,554 | 111,554 |
| Employer contributions receivable | 202,967 | 14,060 | 217,027 |
| Employee contributions receivable | 39,219 | 66,444 | 105,663 |
| **Total** | **634,902** | **195,592** | **830,494** |

## 10. Current Liabilities

| | 2022<br>DB<br>€ | 2022<br>DC<br>€ | 2022<br>TOTAL<br>€ |
|---|---|---|---|
| Benefits payable | 81,411 | 160,847 | 242,258 |
| Sundry creditor | 104 | - | 104 |
| **Total** | **81,515** | **160,847** | **242,362** |

| | 2021<br>DB<br>€ | 2021<br>DC<br>€ | 2021<br>TOTAL<br>€ |
|---|---|---|---|
| Benefits payable | 525 | 289 | 814 |
| Sundry creditor | 16 | - | 16 |
| **Benefits payable** | **541** | **289** | **830** |

**11. Related Party Transactions**

**The Trustees**

The Trustees of the Plan are set out on page 1 of this report. A number of the Trustees are members of the Plan and the Contributions figure includes amounts relating to those members.

**Remuneration of the Trustees**

The Trustees did not receive and are not due any remuneration from the Plan, or any related party, in connection with the management of the Plan other than those responsibilities within their remit as employees of the Principal Employer.

**The Principal Employer**

Astellas Ireland Company Limited is the Principal Employer. Employer contributions to the Plan are disclosed in the Fund Account. Contributions are made in accordance with Trust Deed and Rules and the recommendation of the Actuary.

**The Administration**

Aon provided administration, consulting and actuarial services to the Plan for the year. Fees in respect of such services were paid separately by the Principal Employer.

**The Investment Managers**

Irish Life Investment Managers Limited, Zurich Life Assurance plc., Man Group, BlackRock Investor Services and BMO Global Asset Management are the current investment managers of the Plan. The investment managers are remunerated on a fee basis calculated as a percentage of the assets under management and these fees are borne by the Plan.

**12. Self-Investment**

There were no employer related investments at any time during the year, with the exception of the late remittance of contributions to the Trustees which, in accordance with pensions regulations, constitutes self-investment. Contributions amounting to €46,226 were not received within 30 days of the Plan year end i.e. by 30$^{th}$ April 2022. €36,226 was received on 9$^{th}$ May 2022 and a further €10,000 was received on 13$^{th}$ May 2022.

**13. Contingent Liabilities**

There were no contingent liabilities or contractual commitments (except for the liability to pay pensions and other benefits in the future which have not been taken into account) at 31 March 2022 (2021: €Nil).

**14. Events Subsequent to the Balance Sheet Date**

The impact of Covid-19 has continued post year end. The Trustees continue to monitor the situation.

There were no other events subsequent to the year end that would affect the information contained in this report.

**15. Approval of the Financial Statements**

The financial statements were approved by the Trustees on Dec 8, 2022

# Investment Reports

Irish Life

## Investment Manager's Report

**ASTELLAS IRELAND KERRY PLANT PENSION PLAN (DB) 22827-01**

**Investment Report for Year Ended 31 March 2022**

**Investment Policy**
The long term investment objectives of your pension fund are to achieve a return on fund assets which is sufficient, over the long-term, to meet your funding objectives and to earn a rate of return on assets that will exceed inflation and the risk free rate (cash).

In general, this will require a long-term investment return of at least price inflation plus 4% per annum. Examination of the long term return characteristics of asset types indicates that these objectives are most likely to be achieved by allocating a higher proportion of the fund to risk assets, such as equities and property with lower allocations to monetary assets such as bonds and cash. Each scheme however is unique and as such will have its own unique characteristics that determine the appropriate asset allocations between risk & monetary assets. Risk assets as outlined above whilst providing superior longer term returns, tend to be more volatile when compared with monetary assets which historically have provided lower returns but with less volatility.

**Investment Performance**
Global equities have generated positive returns over the last twelve months, rising 9.2% in local currency terms and 13.8% in Euro terms, as the weaker euro boosted returns for euro based investors. Equities were supported by the strong economic environment which resulted in earnings forecasts being significantly upgraded through 2021 from an expectation for earnings growth of 26% at the beginning of the year to an eventual 56%. Equities have fallen from all time highs in early January on concerns over tighter central bank policies with uncertainty over the potential fallout on growth and inflation following the invasion of Ukraine by Russia adding to volatility in markets.

Eurozone bonds fell and yields rose through the year with the Eurozone 5yr+ sovereign bond benchmark down -8.5%. Bond yields rose as the Eurozone economy recovered from the double dip recession experienced in early 2021 following renewed lockdowns at the start of the year while increasing concerns around inflation also contributed to higher yields which resulted in an expectation of reduced policy accommodation from the ECB and other central banks.

Irish commercial property is higher over the last twelve months, with the property fund rising 2.9%. Despite the continued disruption and, indeed, uncertainty posed by the Covid-19 pandemic, inward investment into Irish property remained relatively high during 2021. Rental values in the modern office space have held up well despite the pandemic, while the industrial/logistics sector has experienced a surge in growth over the last twelve months.

Commodities rose 64.6% over the last twelve months and are up 73.8% in Euro terms due to their sensitivity to global growth expectations and tight supplies. Recent concerns over possible supply disruptions following Russia's invasion of Ukraine have also pushed commodity prices higher.

# SCHEME SUMMARY INFORMATION

| Fund Code | Fund Name | Opening Value | Contributions / Withdrawals | Gain / Loss | Closing Value |
|---|---|---|---|---|---|
| IW17 | Indexed World Equity Fund S17 | €16,784,149.74 | €91,367.69 | €2,497,015.17 | €19,372,532.60 |
| BLS1 | Inflation Linked Bond Fund Series L | €3,805,729.47 | €(4,139,319.20) | €333,589.73 | - |
| AA4 | Passive AAA/AA >10yr Bond Fund | €7,199,744.58 | €(6,644,525.52) | €(555,219.06) | - |
| PIBA | Passive Inflation Linked Bond Fund | €3,841,787.49 | €(4,224,364.87) | €382,577.38 | - |
| **Total** | | **€31,631,411.28** | | | **€19,372,532.60** |

| Fund Code | Fund Name | Opening Units | Price | Opening Value | Closing Units | Price | Closing Value |
|---|---|---|---|---|---|---|---|
| IW17 | Indexed World Equity Fund | 9,913,851 | €1.693 | €16,784,149.74 | 9,960,171 | €1.945 | €19,372,532.60 |
| BLS1 | Inflation Linked Bond Fund | 3,227,930 | €1.179 | €3,805,729.47 | - | - | - |
| AA4 | Passive AAA/AA >10yr Bond | 3,848,073 | €1.871 | €7,199,744.58 | - | - | - |
| PIBA | Passive Inflation Linked Bond | 3,421,004 | €1.123 | €3,841,787.49 | - | - | - |
| **Total** | | | | **€31,631,411.28** | | | **€19,372,532.60** |

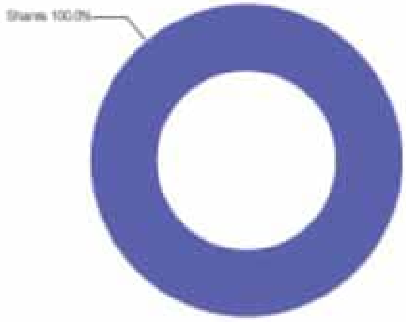
PERFORMANCE AS AT 31 MARCH 2022

| Fund Name | QTD | YTD | 1 Year | 3 Years p.a. | 5 Years p.a. | 10 Years p.a. | Since Launch p.a. |
|---|---|---|---|---|---|---|---|
| Indexed World Equity Fund S17 | -3.0% | -3.0% | 14.9% | 14.8% | 11.1% | - | 10.4% |

# INDEXED WORLD EQUITY FUND S17

The fund is fully invested in global equities of companies domiciled in the developed and advanced emerging market countries. It is managed on a passive basis and seeks to invest in the same underlying equities and in the same proportion as they are accounted for within its benchmark Index. The ultimate goal of the fund is to produce a return in line with that produced by the index on an ongoing basis.
Irish Life's strong indexation (passive investment) capabilities consistently lead to a tight performance tracking error from the fund relative to the underlying index.

## ASSET ALLOCATION




## ASSET ALLOCATION

| SHARES | 100.0% |
|---|---|
| Global Shares | 100.0% |

## PERFORMANCE AS AT 31/03/2022

| | 1 Month | 3 Month | 1 Year | 3 Year p.a. | 5 Year p.a. | Since Launch p.a. |
|---|---|---|---|---|---|---|
| Fund | 3.73% | -3.04% | 14.89% | 14.80% | 11.13% | 10.39% |
| Benchmark | 3.72% | -3.06% | 15.26% | 15.30% | 11.63% | 10.86% |

ZURICH

## Astellas Ireland Kerry Plant Pension Plan

*Investment Managers' Report*
*31st March 2021 to 31st March 2022*

The accumulated assets of the scheme amounted to a bid value of €11,082,278 at the end of the period under review. The money-weighted rate-of-return for the year was -2.6%.

### Global Overview

The increased volatility seen in equity markets in the later months of the period must be seen in the context of the colossal strength enjoyed by stocks through most of 2021. Markets have been unsettled by a combination of factors - the emergence of the new Omicron variant, the increasing certainty that inflation may be more than just the transitory phenomenon initially forecast by central banks, the fraught geopolitical situation. However, many of the positive impulses behind the equity bull market remain intact and are likely to re-assert themselves. Vaccine roll-out continues, economies are reopening to a greater extent, fiscal and monetary policy are broadly still supportive and corporate earnings have been impressive. The Ukraine situation remains a wild card. Eurozone bonds have struggled, leaving the > 5-year Index down 8.5% overall. Attention is focused on inflation on both sides of the Atlantic and on how central banks might tailor their policies accordingly.

### Equities

- The pull back in equities seen so far in 2022 dented the overall return over the period but it was still handsome. The policy response to Covid, together with the super-fast vaccine development success have been major positives, offset by rising inflation and geopolitical unrest. All told, the global equity index rose 16.3% in euro terms.

- The effect of movements in the euro on returns for euro-based investors was positive everywhere except Japan.

- In the US energy (+63%) and real estate (+24%) performed excellently. Telecommunication services fared worst, down 3%, the only sector to fall. In Europe energy and healthcare led the way, up 40% and 25% respectively. Consumer discretionaries fared worst, down 7.4%.

### Bonds & Interest Rates

- Eurozone bonds returned -8.5% against an increasingly difficult background of swiftly rising inflation, withdrawal of monetary stimulus and rising interest rates. Within the eurozone all individual markets were negative with Irish bonds in line with the overall index.

- The Federal Reserve raised US interest rates in March for the first time in three years. The market has priced in six or more further increases for 2022. The ECB has kept eurozone rates unchanged so far but has altered its rhetoric in the face of rapidly rising inflation.

- The European Central Bank has just discontinued its Pandemic Emergency Purchase Programme, while the Federal Reserve is about to embark on a rapid reduction of its balance sheet.

**Commodities & Currencies**

- Brent oil enjoyed a strong recovery during 2021, albeit from a low base. This continued into 2022 and moved into overdrive in February with the Russian invasion of Ukraine. Russia is a major oil supplier to the European Union. Brent closed at $108 per barrel, up almost 70%.

- The price of gold traded in a relatively narrow range around $1,800 per ounce throughout most of 2021 but has risen sharply in 2022 to close at $1,954 per ounce, up 14% on the period.

- The euro/dollar rate finished the period at 1.11, down 6% over the past year, with US rate rises now a fact and with more to come. The euro was also weaker (1%) against sterling over the period. At the end of March, the euro/sterling rate was 0.84.

**Corporate News**

- Johnson & Johnson announced in late 2021 plans to split its overall business into a consumer products business (brands include Listerine, Band-Aid and Nicorette) and a medical company, which will develop, produce and distribute pharmaceuticals and medical devices.

- In a further sign of the possible end of the major conglomerate, General Electric also recently announced its break-up into three separate, publicly-traded companies for its aviation, healthcare and energy businesses.

- In May 2021 telecoms giant AT&T announced a deal to merge its content arm WarnerMedia with Discovery to create a new streaming behemoth. The deal should close in the middle of 2022.

**Zurich Life**
**March 2022**

Man

**Duplicate Copy to:** Account Contact

**Statement From** : 01/Mar/22
**Statement To** : 31/Mar/22
**Vehicle Reference ID:** GLG_INVEST_VI01
**Holder ID** : 19146101
**Account ID** : ASTELLASPL1
**Email** : Jill.Smythe@man.com

**ASTELLAS IRELAND KERRY PLANT PENSION PLAN**

## Man Funds VI Plc

### SUMMARY OF ACTIVITY

| Date | Description | Contract Number | Gross Consideration | Commission /Fees /Tax | Net Consideration | Net Asset Value Per Unit | No. of Units Subscribed / Redeemed | Balance of Units |
|---|---|---|---|---|---|---|---|---|
| **Man Alternative Style Risk Premia Class I H EUR** | | | | | | **EUR** | **ISIN:** IE00BF52FG63 | |
| 01/Mar/22 | Opening Units | | | | | 92.35 | | 43,188.782 |
| There were no transactions for this period. | | | | | | | | |
| 31/Mar/22 | Closing Units | | | | | | | 43,188.782 |
| | | | | | **NAV as of 31/Mar/22:** | **EUR** | | **94.63** |
| | | | | | **Account Value:** | **EUR** | | **4,086,954.44** |
| **31/Mar/22** | **Total Closing Balance** | | | | | **EUR** | | **4,086,954.44** |

**INVESTOR INQUIRIES**
Telephone: +353 1 790 3554
Facsimile: +353 1 790 4096
Email: man.shareholderservicing@bnymellon.com

**INVESTOR DEALING**
Facsimile: + 353 1 790 4096
Email: mandealing@bnymellon.com

* For placing of transactions and investor account maintenance/amendment updates via attachement only.

**BlackRock.**

Valuation
Investor Copy

THE TRUSTEES OF THE ASTELLAS IRELAND
KERRY PLANT PENSION PLAN
BLOCK D IVEAGH COURT
HARCOURT ROAD
DUBLIN 2
D02 VH94
Irish Republic

| | | | |
|---|---|---|---|
| **Investor Account Name:** | THE TRUSTEES OF THE ASTELLAS IRELAND KERRY PLANT PENSION PLAN | **Agent Name:** | BLACKROCK DEFAULT AGENT CODE |
| **Investor Account Number:** | THEA102021 | **Agent Number:** | 0149861 |

**Valuation Date:** 31 MAR 2022

**Reporting Currency:** GBP

| Number of Shares | Price in Fund Currency | Value in Fund Currency | Fx Rate | Value in Reporting Ccy (GBP) |
|---|---|---|---|---|
| | | **BLK Market Advantage Strategy Fund PLC** | | |
| **BLK Market Advantage Strt Fund E EUR Acc** | | | | |
| ISIN Code: IE00B884ZV52 | | | | |
| 333,710.87 | EUR 13.5940 | EUR 4,536,465.57 | 0.845061 | GBP 3,833,590.13 |
| ***Subtotal:*** | | | | ***GBP 3,833,590.13*** |
| ***Total Valuation:*** | | | | ***GBP 3,833,590.13*** |

Please be advised that unsettled transactions are included in the share balance.

Page 1 of 1

**Notes**
The Price used in the Valuation reflects the latest available, up to the close of business on the Valuation Date. The Exchange Rate used is an indicative rate taken from external rate vendors as at close on the Valuation date.

BlackRock Index Selection Fund
200 Capital Dock
79 Sir John Rogerson's Quay Dublin 2
D02 RK57, Ireland

Investor Service Telephone Number: +353 1612 3394
Fax Number: +353 1612 5799
Email: blackrock.transfer.agency@jpmorgan.com
Website www.blackrock.com

BMO Global Asset Management

THE ASTELLAS IRELAND KERRY PLANT PENSION PLAN
EXCHANGE HOUSE
PRIMROSE STREET
LONDON
EC2A 2NY
UNITED KINGDOM

Valuation as at: 31/03/2022

| | Currency | Units/Shares | NAV | Fund Currency Value | Preferred Currency Value |
|---|---|---|---|---|---|
| **3347 THE ASTELLAS IRELAND KERRY PLANT PENSION PLAN** | | | | | **EUR** |
| BMO Index Linked HICPx plus Nominal Swap (Real) EUR 2046 - BE LU1900187250 | EUR | 310.3999 | 12,889.7800 | 4,000,986.42 | 4,000,986.42 |
| Latest Available NAV: 31/03/2022 | | | | | |
| BMO Index Linked HICPx plus Nominal Swap (Real) EUR 2036 - BE LU1900187094 | EUR | 355.3916 | 11,629.1400 | 4,132,898.67 | 4,132,898.67 |
| Latest Available NAV: 31/03/2022 | | | | | |
| BMO Nominal Swap 2036 Euro Fund - BE LU1900185718 | EUR | 562.6742 | 5,166.5500 | 2,907,084.39 | 2,907,084.39 |
| Latest Available NAV: 31/03/2022 | | | | | |
| BMO Nominal Swap 2041 Euro Fund - BE LU1900185809 | EUR | 220.1378 | 6,071.2400 | 1,336,509.42 | 1,336,509.42 |
| Latest Available NAV: 31/03/2022 | | | | | |
| BMO Nominal Swap 2051 Euro Fund - BE LU1900186013 | EUR | 229.5035 | 6,012.5300 | 1,379,896.68 | 1,379,896.68 |
| Latest Available NAV: 31/03/2022 | | | | | |
| BMO Euro Liquidity Fund - BE LU1900186526 | EUR | 176.9342 | 9,926.9900 | 1,756,424.03 | 1,756,424.03 |
| Latest Available NAV: 31/03/2022 | | | | | |
| Total | | | | | 15,513,799.61 |
| Total All | | | | | 15,513,799.61 |

For valuations, the price used is the Net Asset Value applicable as at that date.
This valuation includes information on outstanding deals.
For Foreign Exchange purposes, data is sourced from WM/Reuters Closing Spot rates.

Report generated by clementc on 06/04/2022 07:56:49 GMT

Page 1 of 1

# BMO Euro Liquidity Fund (Class B)

**For professional investors only** — **Q1 2022**

## Objectives and investment policy

The investment objective is to maintain high levels of liquidity and generate a return in line with money market rates.

## Key risks

The value of investments and any income from them can go down as well as up and investors may not get back the original amount invested. Money Market Funds (MMFs) are not guaranteed investments and are different from deposits. Its net asset value may fluctuate and the invested capital is not guaranteed. Under no circumstances may the fund draw on external support to guarantee or stabilise its net asset value.

## Key facts

| | |
|---|---|
| **Inception date:** | 12 May 2021 |
| **Lead portfolio managers:** | Paul S Robinson, Luke Laing |
| **Total Fund Size:** | €2.47 billion |
| **Base currency:** | EUR |
| **ISIN:** | [illegible] |
| **Fund type:** | FCP |
| **Dealing frequency:** | Daily |
| **Fund administrator:** | State Street |
| **Benchmark** | EUR 7-day EURIBID |
| **Fitch Fund Rating** | AAAmmf |

## Discrete performance (%)

There is insufficient data to provide a useful indication of past performance.

## Fund manager commentary

### Fund Commentary

We moved into 2022 with a refreshing lack of focus on Covid. Attention had already turned to inflation, even before Russia's invasion of Ukraine led to a sharp rise in global energy prices, further increasing the risk of higher inflation and reduced growth.

Where many central banks have already started to raise interest rates, the European Central Bank (ECB) has committed to first winding down its Asset Purchase Program, which President Christine Lagarde reiterated will conclude in the third quarter, as planned, before hiking rates - the Pandemic Emergency Purchase Programme (PEPP) having concluded in March. It has been suggested that net bond-buying could end as soon as July, and that negative rates may end by turn of the year. There was, however, a slight change in the ECB guidance at the March meeting, stating that rates would rise 'some time' after the end of asset purchases. This is in contrast to the previous guidance that the council 'expects net purchases to end shortly before it starts raising the key rates. ECB Chief Economist Philip Lane cites the shock in energy prices for the current level of inflation and suggests that now prices will start to level off or even decline.

In the UK, the Bank of England twice delivered a 25bp rate hike this quarter. The first hike, in February, came with hawkish tone, as those favouring a 50bp hike were marginally outvoted 5-4. The second hike, in March, looked distinctly dovish with an 8-1 vote, and Jon Cunliffe casting the dissenting vote in favour no hike. The Bank also announced a reduction in its investment in corporate bonds, with the intention to fully unwind its holdings towards the end of 2023. Cunliffe has since spoken to say that, although he believes that we are not yet seeing persistently higher inflation, further monetary tightening may still be necessary, and further rate hikes are likely.

In the US, the Federal Reserve in March raised their benchmark federal-funds rate for the first time since 2018, to a range between 0.25% and 0.5%, citing continued upward pressures on inflation, and also signalled a series of further rate rises throughout 2022.

### Fund Activity

In the aftermath of the Russian invasion of Ukraine, the market volatility we experienced - and the consequent effect on the total net assets of the fund - was comparable to what was seen at the start of the pandemic in March 2020. The fund started the quarter with total net assets of €2.88 billion, and finished at €2.47 billion, but hit €1.86bn and €3.64bn in between. At the start of March, the fund saw inflows of €1.1bn in a single week, the very next week brought outflows of €970 million.

The structure of the fund allows such large flows to be readily absorbed, with a portion of the inflows invested in highly liquid Government Bonds, and other funds allocated to overnight cash deposits. Similarly, outflows can be met utilising our allocation of highly liquid assets, as well as a natural ladder of maturing securities, such as Government Bonds, and Commercial Paper and Floating Rate Notes.

At the end of the quarter the allocation to Cash was 12.2%, and holdings in Government bonds and SSAs were at 61.8%. The credit portion of the portfolio saw CP/CDs at 15.6% and Fixed/Floating Rate bonds at 10.5%. The portfolio Weighted Average Maturity (WAM) declined over the quarter from 52.8 days to 49.3, while the Weighted Average Life (WAL) decreased from 56.8 to 54.1 days.

### Market Outlook and positioning

At the outset of the enormous market volatility, we were quick to ensure that the fund was well-positioned to allow for more frequent large swings in the NAV. As part of this process, we have increased our target allocation of T+0 assets to 65%.

While it seems likely that the ECB will begin hiking rates in the third quarter of this year, with the obvious uncertainty around the geopolitical landscape, and the continued debate over the nature of the current high levels of inflation, the precise path of interest rates remains far from certain. We are prepared for these elevated volatility levels to persist, and will expect to negotiate more large flows in and out of the fund throughout the second quarter of 2022.

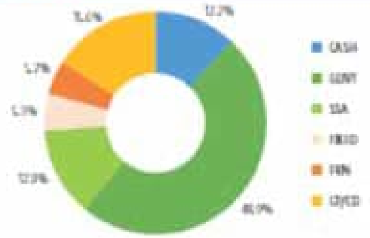
Continued

BMO Global Asset Management — Part of COLUMBIA THREADNEEDLE INVESTMENTS

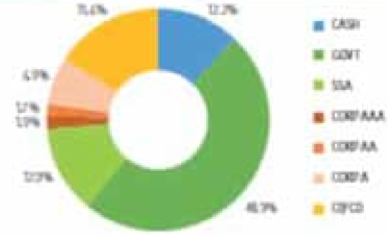
## BMO Euro Liquidity Fund (Class B)

**Q1 2022**

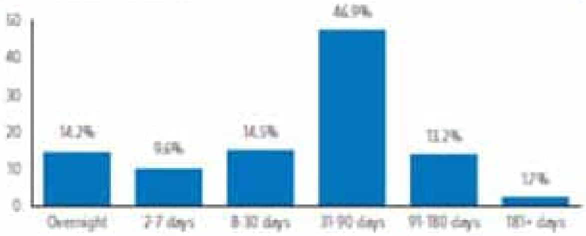
### Current asset allocation




### Current ratings




### Maturity profile (days)




Data as at 31.03.2022
Source: BMO Global Asset Management

**Contact**
Tel. +44 (0)20 7011 4444
Email: institutional.enquiries@bmogam.com
Telephone calls may be recorded

BMO Global Asset Management Part of COLUMBIA THREADNEEDLE INVESTMENTS

# Euro HiCPx Swap LDI fund range

**For professional investors only** Q1 2022

## Objectives and investment policy

The fund range aims to provide liability hedging, in particular protection against changes in real rates. This is achieved using inflation swaps in combination with nominal interest rate swaps partially backed by Euro government bonds and money market instruments. The fund range is comprised of 10 separate five yearly subfunds with each fund hedging a five-year block of liabilities going out to 2066. Pension schemes can tailor their allocation to the sub-funds to ensure a good match of real rate risks is achieved to the liability profile of the scheme.

## Risk warnings

The value of investments can go down as well as up as a result of market movements and changes in inflation expectations. Investors may get back less than the original amount invested.

Gearing is used for investment purposes to obtain, increase or reduce exposure to an asset, index or investment. The use of gearing can enhance returns to investors in a rising market, but if the market falls the losses may be greater.

## Key facts

| Key facts | |
|---|---|
| **Inception date:** | 31 January 2015 |
| **Lead portfolio managers:** | Chris Higman, Robert Crewe |
| **Fund size:** | €582m |
| **Base currency:** | EUR |
| **Fund type:** | FCP |
| **Pricing frequency:** | Daily |
| **Fund administrator:** | State Street |

## Fund manager commentary

### Market overview

2022 started with all eyes on central banks, amid expectations that the impact of Covid was largely behind us, and that we were moving into a more hawkish period of monetary tightening. As such, growth assets generally fell in the early part of the year, whilst government bond yields rose. At the same time, inflation continued to rise from already elevated levels because of persistent supply chain issues and rising energy costs. On 24 February Russia invaded Ukraine and was met with an unprecedented level of globally co-ordinated sanctions. This unfolding crisis has had several knock-on investment effects. Firstly, sanctions and companies' voluntary withdrawal from Russia has further boosted inflation, particularly energy pricing. Secondly, the crisis has weakened the global economic outlook, leading investors to reassess the likely path of interest rate hikes, specifically adopting less hawkish expectations. Finally, growth assets fell sharply on the initial news but have subsequently recovered most of these losses to end the quarter at levels immediately before the invasion, albeit Europe has generally underperformed other regions year to date.

The European recovery has largely been driven by the consumer to date, but the sharp rise in inflation, particularly energy prices, is squeezing the consumer and creating a headwind to economic growth. Indicators of current economic growth remained robust into quarter end, but more forward-looking indicators painted a more challenging picture. Europe, and Germany in particular, is highly dependent on Russian energy imports and therefore the outlook is extremely sensitive to the geopolitical risks around the Ukraine crisis. The consensus base case is that accumulated savings, government support and a switch to alternative energy sources will allow the Eurozone to continue growing for the rest of the year, but there are clearly significant downside risks to this scenario.

During the quarter, bond markets moved to price-in monetary tightening from the ECB, albeit this move was punctuated by a brief safe-haven rally towards the end of February. The expectations of continued growth and extremely high inflation backdrop point towards rate hikes at the end of this year with asset purchases tapering throughout the year ahead of this, in line with sequencing announced last quarter.

Over the quarter, 30-year Bund yields rose from 0.19% to 0.67%, 30-year Euribor swaps rose from 0.48% to 1.02% and 30-year HICPx inflation swap levels rose from 2.24% to 2.58%.

### Fund commentary

The BMO GAM Euro LDI funds are invested in interest rate and inflation swaps to hedge the real rate risk. The portfolio is largely invested in the Euro Liquidity Fund (ELF) set up for swap clearing. From this, the Variation Margin obligations are fulfilled. In addition, short government loans are held for the purpose of depositing Initial Margin for the swaps.

BMO GAM LDI funds showed negative results over the first quarter of 2022, in line with the fall in real swap rates for all maturities. The 2036 Fund returned -7.4% and the 2046 Fund returned -7.8%.

The two funds offer leveraged exposure to Euro real swaps rates with different maturities. The LDI funds use a leveraged duration measure for this purpose, which is managed within a bandwidth. All leveraged durations remained within the bandwidth.

All swaps in the LDI funds are cleared through Eurex. BNP Paribas, JP Morgan and Morgan Stanley are used as clearing brokers.

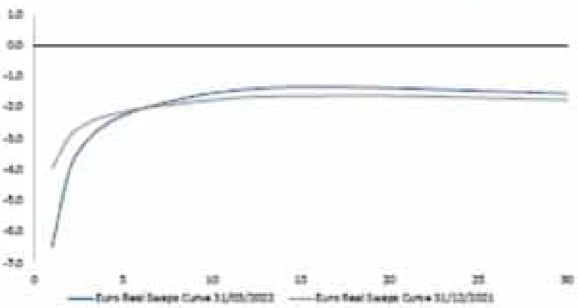
BMO Global Asset Management

Part of COLUMBIA THREADNEEDLE INVESTMENTS

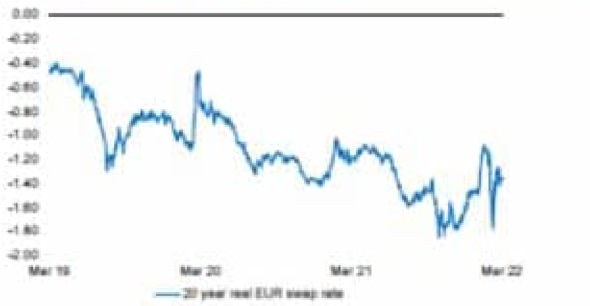
## Euro HiCPx Swap LDI fund range

**Q1 2022**

**Euro real swap curve as at 31 March 2022 and three months prior (%)**




**20-Year real swap rate (%) (3 years history)**




| Pool name | 3m gross return | 1yr gross return | Duration | BAU duration range | ISIN |
|---|---|---|---|---|---|
| 2036 | -7.4 | 16.4 | 40.7 | 45-80 | IE00273433762 |
| 2046 | -7.8 | 26.0 | 54.5 | 45-80 | IE00273434067 |

Duration may fall outside the BAU duration range as a result of pending duration rebalancing activity.

Data as at 31.03.22
Source: BMO Global Asset Management

**For professional investors only**

This financial promotion is issued for marketing and information purposes only by BMO Global Asset Management in Luxembourg.

The Fund is a sub fund of BMO LDI Fund, a fonds commun de placement, registered in Luxembourg and authorised by the Commission de Surveillance du Secteur Financier (CSSF).

English language copies of the Fund's Prospectus and summarised investor rights can be obtained from BMO Global Asset Management, Exchange House, Primrose Street, London EC2A 2NY, telephone: Client Services on 0044 (0)20 7011 4444, email: client.service@bmogam.com or electronically at www.bmogam.com. **Please read the Prospectus before taking any investment decision.**

The information provided in the marketing material does not constitute, and should not be construed as, investment advice or a recommendation to buy, sell or otherwise transact in the Funds. The manager has the right to terminate the arrangements made for marketing.



**Contact**
Tel: +44 (0)20 7011 4444
Email: institutional.enquiries@bmogam.com

BMO Global Asset Management

Part of COLUMBIA THREADNEEDLE INVESTMENTS

# Euro Nominal Swap LDI fund range

**For professional investors only** Q1 2022

## Objectives and investment policy

The Euro Swap fund range aims to provide liability hedging and more specifically, protection against changes in interest rates. The fund range comprises of 10 separate five yearly sub-funds with each fund hedging a five-year block of liabilities going out to 2066. The funds use interest rate swaps partially backed by cash, which is invested in BMO GAM's Euro Liquidity Fund. Pension schemes can tailor their allocation to the sub-funds to ensure a good match of interest rate risks is achieved to the liability profile of the scheme.

## Risk warnings

The value of investments can go down as well as up as a result of market movements and changes in inflation expectations. Investors may get back less than the original amount invested.

Gearing is used for investment purposes to obtain, increase or reduce exposure to an asset, index or investment. The use of gearing can enhance returns to investors in a rising market, but if the market falls the losses may be greater.

## Key facts

| | |
|---|---|
| **Inception date:** | 15 November 2006 |
| **Lead portfolio managers:** | Chris Higman, Robert Crewe |
| **Fund size:** | €560m |
| **Base currency:** | EUR |
| **Fund type:** | FCP |
| **Pricing frequency:** | Daily |
| **Fund administrator:** | State Street |

## Fund manager commentary

### Market overview

2022 started with all eyes on central banks, amid expectations that the impact of Covid was largely behind us, and that we were moving into a more hawkish period of monetary tightening. As such, growth assets generally fell in the early part of the year, whilst government bond yields rose. At the same time, inflation continued to rise from already elevated levels because of persistent supply chain issues and rising energy costs. On 24 February Russia invaded Ukraine and was met with an unprecedented level of globally co-ordinated sanctions. This unfolding crisis has had several knock-on investment effects. Firstly, sanctions and companies' voluntary withdrawal from Russia has further boosted inflation, particularly energy pricing. Secondly, the crisis has weakened the global economic outlook, leading investors to reassess the likely path of interest rate hikes, specifically adopting less hawkish expectations. Finally, growth assets fell sharply on the initial news but have subsequently recovered most of these losses to end the quarter at levels immediately before the invasion, albeit Europe has generally underperformed other regions year to date.

The European recovery has largely been driven by the consumer to date, but the sharp rise in inflation, particularly energy prices, is squeezing the consumer and creating a headwind to economic growth. Indicators of current economic growth remained robust into quarter end, but more forward-looking indicators painted a more challenging picture. Europe, and Germany in particular, is highly dependent on Russian energy imports and therefore the outlook is extremely sensitive to the geopolitical risks around the Ukraine crisis. The consensus base case is that accumulated savings, government support and a switch to alternative energy sources will allow the Eurozone to continue growing for the rest of the year, but there are clearly significant downside risks to this scenario.

During the quarter, bond markets moved to price-in monetary tightening from the ECB, albeit this move was punctuated by a brief safe-haven rally towards the end of February. The expectations of continued growth and extremely high inflation backdrop point towards rate hikes at the end of this year with asset purchases tapering throughout the year ahead of this, in line with sequencing announced last quarter.

Over the quarter, 30-year Bund yields rose from 0.19% to 0.67%, 30-year Euribor swaps rose from 0.48% to 1.02% and 30-year HICPx inflation swap levels rose from 2.24% to 2.58%.

### Fund commentary

The BMO GAM Euro LDI funds are invested in interest rate swaps to hedge interest rate risk. The portfolio is largely invested in the Euro Liquidity Fund (ELF) set up for swap clearing. From this, the Variation Margin obligations are fulfilled. In addition, short government loans are held for the purpose of depositing Initial Margin for the swaps.

The BMO GAM LDI funds showed negative results over the first quarter of 2022 in line with a rise in nominal swap rates for all maturities. Fund performance was in the range of -14.3% for the 2026 Fund to -44.0% for the 2046 Fund.

The ten funds offer a so-called "leveraged exposure" of the European market for interest rate swaps with different maturities. The LDI funds use a leveraged duration measure, which is managed within a bandwidth. The 2031, 2036 and 2041 funds all exceeded their maximum leveraged duration triggers in March, with cash being called from investors to deleverage these funds.

All swaps in the LDI funds are cleared through Eurex. BNP Paribas, JP Morgan and Morgan Stanley are used as clearing brokers.

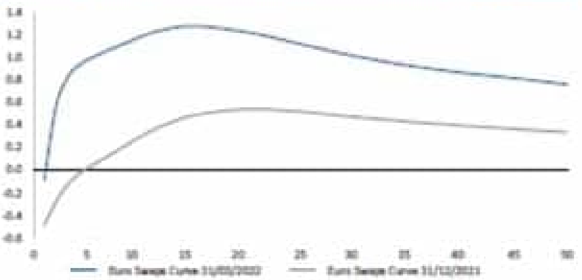
BMO Global Asset Management

Part of COLUMBIA THREADNEEDLE INVESTMENTS

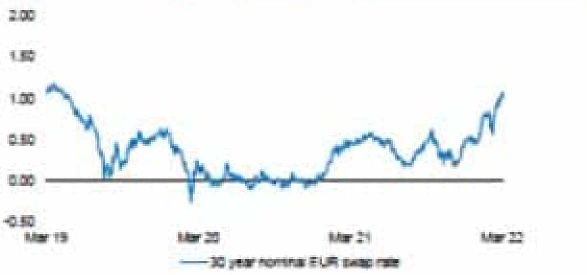
## Euro Nominal Swap LDI fund range

**Q1 2022**

**Euro swap curve as at 31 March 2022 and three months prior (%)**




**30-year nominal swap rate (%) (3-year history)**




| Pool name | 3m gross return | 1yr gross return | Duration | BAU duration range | ISIN |
|---|---|---|---|---|---|
| 2026 | -14.3 | -18.4 | 17.6 | 9-23 | LU0273429737 |
| 2031 | -36.3 | -40.7 | 63.0 | 39-52 | LU0273430156 |
| 2036 | -44.0 | -47.4 | 56.3 | 45-80 | LU0273430404 |
| 2041 | -35.2 | -37.2 | 72.9 | 45-80 | LU0273430586 |
| 2046 | -31.2 | -32.0 | 68.6 | 45-80 | LU0273431550 |
| 2051 | -23.2 | -22.9 | 51.2 | 45-80 | LU0273431634 |
| 2056 | -21.2 | -20.1 | 49.6 | 45-80 | LU0273432103 |
| 2061 | -19.9 | -18.4 | 48.8 | 45-80 | LU0544563280 |
| 2066 | -20.4 | -18.2 | 52.0 | 45-80 | LU1351134111 |

Duration may fall outside the BAU duration range as a result of pending duration rebalancing activity.

BMO Global Asset Management    Part of COLUMBIA THREADNEEDLE INVESTMENTS

## Euro Nominal Swap LDI fund range

Q1 2022

Data as at 31.03.22
Source: BMO Global Asset Management

**For professional investors only**

This financial promotion is issued for marketing and information purposes only by BMO Global Asset Management in Luxembourg.

The Fund is a sub fund of BMO LDI Fund, a fonds commun de placement, registered in Luxembourg and authorised by the Commission de Surveillance du Secteur Financier (CSSF).

English language copies of the Fund's Prospectus and summarised investor rights can be obtained from BMO Global Asset Management, Exchange House, Primrose Street, London EC2A 2NY, telephone: Client Services on 0044 (0)207011 4444, email: client.service@bmogam.com or electronically at www.bmogam.com. **Please read the Prospectus before taking any investment decision.**

The information provided in the marketing material does not constitute, and should not be construed as, investment advice or a recommendation to buy, sell or otherwise transact in the Funds. The manager has the right to terminate the arrangements made for marketing.



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BMO Global Asset Management

Part of Columbia Threadneedle Investments

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### Disclaimer



BMO Global Asset Management

Part of COLUMBIA THREADNEEDLE INVESTMENTS

Irish Life

# Investment Manager's Report

## ASTELLAS IRELAND KERRY PLANT PENSION PLAN (DC) 22828-01

## Investment Report for Year Ended 31 March 2022

**Investment Policy**

The long term investment objectives of your pension fund are to achieve a return on fund assets which is sufficient, over the long-term, to meet your funding objectives and to earn a rate of return on assets that will exceed inflation and the risk free rate (cash).

In general, this will require a long-term investment return of at least price inflation plus 4% per annum. Examination of the long term return characteristics of asset types indicates that these objectives are most likely to be achieved by allocating a higher proportion of the fund to risk assets, such as equities and property with lower allocations to monetary assets such as bonds and cash. Each scheme however is unique and as such will have its own unique characteristics that determine the appropriate asset allocations between risk & monetary assets. Risk assets as outlined above whilst providing superior longer term returns, tend to be more volatile when compared with monetary assets which historically have provided lower returns but with less volatility.

**Investment Performance**

Global equities have generated positive returns over the last twelve months, rising 9.2% in local currency terms and 13.8% in Euro terms, as the weaker euro boosted returns for euro based investors. Equities were supported by the strong economic environment which resulted in earnings forecasts being significantly upgraded through 2021 from an expectation for earnings growth of 26% at the beginning of the year to an eventual 56%. Equities have fallen from all time highs in early January on concerns over tighter central bank policies with uncertainty over the potential fallout on growth and inflation following the invasion of Ukraine by Russia adding to volatility in markets.

Eurozone bonds fell and yields rose through the year with the Eurozone 5yr+ sovereign bond benchmark down -8.5%. Bond yields rose as the Eurozone economy recovered from the double dip recession experienced in early 2021 following renewed lockdowns at the start of the year while increasing concerns around inflation also contributed to higher yields which resulted in an expectation of reduced policy accommodation from the ECB and other central banks.

Irish commercial property is higher over the last twelve months, with the property fund rising 2.9%. Despite the continued disruption and, indeed, uncertainty posed by the Covid-19 pandemic, inward investment into Irish property remained relatively high during 2021. Rental values in the modern office space have held up well despite the pandemic, while the industrial/logistics sector has experienced a surge in growth over the last twelve months.

Commodities rose 64.6% over the last twelve months and are up 73.8% in Euro terms due to their sensitivity to global growth expectations and tight supplies. Recent concerns over possible supply disruptions following Russia's invasion of Ukraine have also pushed commodity prices higher.

# SCHEME SUMMARY INFORMATION

| Fund Code | Fund Name | Opening Value | Contributions / Withdrawals | Gain / Loss | Closing Value |
|---|---|---|---|---|---|
| ADG1 | Astellas Diversified Growth Fund | €5,562,252.76 | €2,088,826.54 | €155,856.27 | €7,806,935.57 |
| GFY | Global Consensus Fund (World | €1,336,239.62 | €161,701.80 | €135,163.07 | €1,633,104.49 |
| GCB | Global Consensus Fund S5 | €34.56 | €(36.22) | €1.66 | - |
| FFA | Indexed 50/50 Equity Fund S2 | €6.24 | €(6.71) | €0.47 | - |
| IWH | Indexed World Equity Fund S4 | €10,301,027.51 | €(1,378,369.18) | €1,477,405.68 | €10,400,064.01 |
| AA4 | Passive AAA/AA >10yr Bond Fund | €392,956.78 | €(105,945.59) | €(33,284.90) | €253,726.29 |
| PC5 | Pension Cash Fund S5 | €990,603.43 | €386,515.35 | €(8,386.96) | €1,368,731.82 |
| PL13 | Pension Levy Cash 2013 | €45.40 | €(45.17) | €(0.23) | - |
| PL12 | Pension Levy Cash Fund 2012 | €37.54 | €(37.35) | €(0.19) | - |
| **Total** | | **€18,583,203.84** | | | **€21,462,562.18** |

| Fund Code | Fund Name | Opening Units | Price | Opening Value | Closing Units | Price | Closing Value |
|---|---|---|---|---|---|---|---|
| ADG1 | Astellas Diversified Growth | 5,601,463 | €0.993 | €5,562,252.76 | 7,609,099 | €1.026 | €7,806,935.57 |
| GFY | Global Consensus Fund | 664,135 | €2.012 | €1,336,239.62 | 740,973 | €2.204 | €1,633,104.49 |
| GCB | Global Consensus Fund S5 | 16 | €2.160 | €34.56 | - | - | - |
| FFA | Indexed 50/50 Equity Fund S2 | 2 | €3.121 | €6.24 | - | - | - |
| IWH | Indexed World Equity Fund S4 | 3,099,918 | €3.323 | €10,301,027.51 | 2,723,956 | €3.818 | €10,400,064.01 |
| AA4 | Passive AAA/AA >10yr Bond | 210,025 | €1.871 | €392,956.78 | 151,388 | €1.676 | €253,726.29 |
| PC5 | Pension Cash Fund S5 | 873,548 | €1.134 | €990,603.43 | 1,215,570 | €1.126 | €1,368,731.82 |
| PL13 | Pension Levy Cash 2013 | 46 | €0.987 | €45.40 | - | - | - |
| PL12 | Pension Levy Cash Fund 2012 | 38 | €0.988 | €37.54 | - | - | - |
| **Total** | | | | **€18,583,203.84** | | | **€21,462,562.18** |

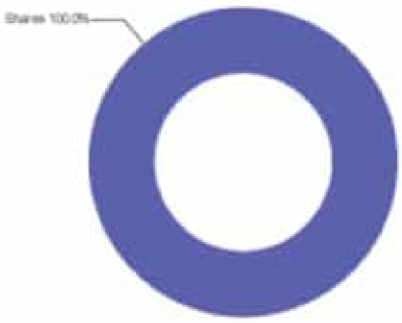
## PERFORMANCE AS AT 31 MARCH 2022

| Fund Name | QTD | YTD | 1 Year | 3 Years p.a. | 5 Years p.a. | 10 Years p.a. | Since Launch p.a. |
|---|---|---|---|---|---|---|---|
| Astellas Diversified Growth Fund | -2.6% | -2.6% | 3.3% | - | - | - | 0.8% |
| Global Consensus Fund (World Equities) S4 | -3.4% | -3.4% | 9.5% | 10.5% | 8.2% | - | 9.5% |
| Indexed World Equity Fund S4 | -3.0% | -3.0% | 14.9% | 14.8% | 11.1% | 12.4% | 10.1% |
| Passive AAA/AA >10yr Bond Fund S4 | -9.6% | -9.6% | -10.4% | -1.0% | 1.7% | 4.6% | 4.5% |
| Pension Cash Fund S5 | -0.2% | -0.2% | -0.7% | -0.6% | -0.6% | -0.3% | 0.8% |

# INDEXED WORLD EQUITY FUND S4

The fund is fully invested in global equities of companies domiciled in the developed and advanced emerging market countries. It is managed on a passive basis and seeks to invest in the same underlying equities and in the same proportion as they are accounted for within its benchmark Index. The ultimate goal of the fund is to produce a return in line with that produced by the index on an ongoing basis.
Irish Life's strong indexation (passive investment) capabilities consistently lead to a tight performance tracking error from the fund relative to the underlying index.

## ASSET ALLOCATION




## ASSET ALLOCATION

| SHARES | 100.0% |
|---|---|
| Global Shares | 100.0% |

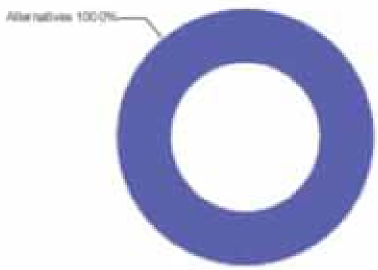
## PERFORMANCE AS AT 31/03/2022

| | 1 Month | 3 Month | 1 Year | 3 Year p.a. | 5 Year p.a. | 10 Year p.a. | Since Launch p.a. |
|---|---|---|---|---|---|---|---|
| Fund | 3.72% | -3.02% | 14.90% | 14.79% | 11.11% | 12.41% | 10.07% |
| Benchmark | 3.72% | -3.06% | 15.26% | 15.30% | 11.63% | 12.92% | 10.68% |

# ASTELLAS DIVERSIFIED GROWTH FUND

The fund seeks to invest in a diverse range of asset classes in order to deliver long-term growth. The asset classes may include both traditional asset classes (such as equities and bonds) or non-traditional asset classes and derivatives. Through the asset classes and investment techniques employed by the manager, the fund will in part seek sources of growth that are not correlated to equity market performance, with the aim of achieving a smoother growth path than would be achieved by equities alone. The fund may have temporary cash exposures as part of portfolio management.

**ASSET ALLOCATION**




**ASSET ALLOCATION**

| ALTERNATIVES | 100.0% |
|---|---|
| Alternatives | 35.1% |
| BlackRock Euro Dynamic Diversified Growth Fund | 32.7% |
| Blackrock Market Advantage Strategy | 32.2% |

External asset managers may change over time.

**PERFORMANCE AS AT 31/03/2022**

| | 1 Month | 3 Month | 1 Year | Since Launch p.a. |
|---|---|---|---|---|
| Fund | 0.89% | -2.56% | 3.32% | 0.80% |

# GLOBAL CONSENSUS FUND (WORLD EQUITIES) S4

This is a traditional managed fund invested across various assets. The percentage invested in equities, bonds, property and cash replicates the average asset allocation of the Irish fund management industry reflecting the insights of multiple fund management firms. The industry information is published each quarter but Irish Life monitor the asset mix on a continuous basis.
The equity exposures are managed on a passive basis in line with its benchmark Index. Bond holdings within the fund are also managed on a passive basis. The property exposure within the fund is allocated to European commercial holdings across the office, retail and industrial sectors.
Cash is managed in line with Irish Life's cash management strategy.
Over time the fund is expected to deliver above inflation returns for investors.

## ASSET ALLOCATION


## ASSET ALLOCATION

| | |
|---|---|
| **SHARES** | **72.0%** |
| Global Shares | 72.0% |
| **BOND** | **18.7%** |
| Corporate Bonds | 10.0% |
| Government Bonds | 8.7% |
| **CASH** | **5.0%** |
| **PROPERTY** | **4.3%** |
| Europe | 4.3% |

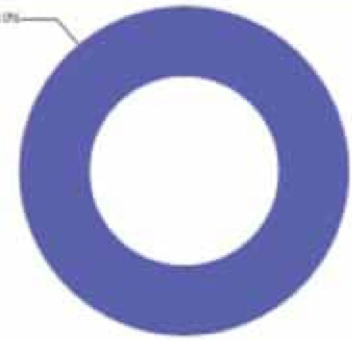
## PERFORMANCE AS AT 31/03/2022

| | 1 Month | 3 Month | 1 Year | 3 Year p.a. | 5 Year p.a. | Since Launch p.a. |
|---|---|---|---|---|---|---|
| Fund | 2.32% | -3.38% | 9.54% | 10.52% | 8.16% | 9.48% |
| Benchmark | 2.35% | -3.36% | 9.98% | 11.06% | 8.68% | 9.99% |

# PENSION CASH FUND S5

This fund is actively managed and invests in a mix of cash deposits with different maturities and other cash like instruments. The objective of the fund is to provide capital protection. However it is not guaranteed and aims to deliver a return in line with interest rates being achieved on short term cash deposit rates. The fund can invest in deposits, short dated bonds and other money market instruments. All investments within the fund are Euro denominated.

**ASSET ALLOCATION**



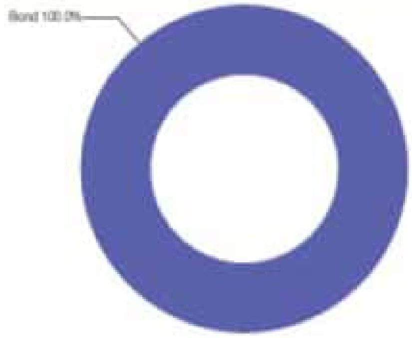
| ASSET ALLOCATION | |
|---|---|
| CASH | 100.0% |

| PERFORMANCE AS AT 31/03/2022 | 1 Month | 3 Month | 1 Year | 3 Year p.a. | 5 Year p.a. | 10 Year p.a. | Since Launch p.a. |
|---|---|---|---|---|---|---|---|
| Fund | -0.09% | -0.18% | -0.71% | -0.61% | -0.58% | -0.31% | 0.77% |
| Benchmark | -0.06% | -0.16% | -0.67% | -0.59% | -0.54% | -0.29% | 0.66% |

# PASSIVE AAA/AA >10YR BOND FUND S4

The Passive >10yr AAA/AA Euro Gov Bond Fund is a passively managed fixed interest fund. Its objective is to perform in line with the ICE BofAML AAA/AA >10 Year EMU Government Bond Index. The fund invests in a portfolio of Eurozone government bonds issued by countries rated AAA or AA and holds these bonds in the weights dictated by the ICE BofAML AAA/AA >10 Year EMU Government Bond Index.

## ASSET ALLOCATION




## ASSET ALLOCATION

| | |
|---|---|
| **BOND** | **100.0%** |
| Government Bonds | 100.0% |

## PERFORMANCE AS AT 31/03/2022

| | 1 Month | 3 Month | 1 Year | 3 Year p.a. | 5 Year p.a. | 10 Year p.a. | Since Launch p.a. |
|---|---|---|---|---|---|---|---|
| Fund | -4.56% | -9.60% | -10.42% | -1.01% | 1.72% | 4.56% | 4.46% |
| Benchmark | -4.56% | -9.56% | -10.33% | -0.85% | 1.90% | 4.76% | 4.62% |

# Actuarial Funding Certificate

An tÚdarás Pinsean
The Pensions Authority

**SCHEDULE BD**

Article 4

**ACTUARIAL FUNDING CERTIFICATE**

*THIS CERTIFICATE HAS BEEN PREPARED UNDER THE PROVISIONS OF SECTION 42(1) OF THE PENSIONS ACT 1990 (the ACT) FOR SUBMISSION TO THE PENSIONS AUTHORITY BY THE TRUSTEES OF THE SCHEME*

**SCHEME NAME:** Astellas Ireland Kerry Plant Pension Plan

**SCHEME COMMENCEMENT DATE:** 01/01/1996

**SCHEME REFERENCE NO.:** PB70788

**EFFECTIVE DATE:** 30/06/2020

**EFFECTIVE DATE OF PREVIOUS CERTIFICATE (IF ANY):** 01/04/2020

On the basis of information supplied to me, having complied with any guidance prescribed under section 42(4)(b) of the Act and, subject thereto, having regard to such financial and other assumptions as I consider to be appropriate, I am of the opinion that at the effective date of this certificate:-

(1) the resources of the scheme, which are calculated for the purposes of section 44(1) of the Act to be €42,348,000.00, would have been sufficient if the scheme had been wound up at that date to provide for the liabilities of the scheme determined in accordance with section 44(1) of the Act which, including the estimated expenses of administering the winding up of the scheme, amount to €38,761,000.00, and

(2) €0.00 of the resources of the scheme referred to in paragraph (1) comprise contingent assets, in accordance with and within the meaning of the guidance issued by the Authority and prescribed under section 47 of the Act.

I, therefore, certify that as at the effective date of this certificate the scheme satisfies the funding standard provided for in section 44(1) of the Act.

I further certify that I am qualified for appointment as actuary to the scheme for the purposes of section 51 of the Act.

| | | | |
|---|---|---|---|
| **Signature:** | Aidan Kennedy | **Date:** | 30/10/2020 |
| **Name:** | Mr Aidan Kennedy | **Qualification:** | FSAI |
| **Name of Actuary's: Employer/Firm** | Aon Hewitt (Ireland) Limited | **Scheme Actuary Certificate No.** | P084 |

**Submission Details**

| | | | |
|---|---|---|---|
| **Submission Number:** | SR2437305 | **Submitted Electronically on:** | 30/10/2020 |
| **Submitted by:** | Aidan Kennedy | | |

# Funding Standard Reserve Certificate

An tÚdarás Pinsean
The Pensions Authority

**SCHEDULE BE**

Article 4

**FUNDING STANDARD RESERVE CERTIFICATE**

*THIS CERTIFICATE HAS BEEN PREPARED PURSUANT TO SECTION 42(1A) OF THE PENSIONS ACT 1990 (the ACT) FOR SUBMISSION TO THE PENSIONS AUTHORITY BY THE TRUSTEES OF THE SCHEME*

**SCHEME NAME:** Astellas Ireland Kerry Plant Pension Plan

**SCHEME COMMENCEMENT DATE:** 01/01/1996

**SCHEME REFERENCE NO.:** PB70788

**EFFECTIVE DATE:** 30/06/2020

**EFFECTIVE DATE OF PREVIOUS CERTIFICATE (IF ANY):** 01/04/2020

On the basis of information supplied to me, having complied with any guidance prescribed under section 42(4)(b) of the Act and, subject thereto, having regard to such financial and other assumptions as I consider to be appropriate, I am of the opinion that at the effective date of this certificate:-

(1) the funding standard liabilities (as defined in the Act) of the scheme amount to €38,761,000.00,

(2) the resources of the scheme (other than resources which relate to contributions or a transfer of rights to the extent that the benefits provided are directly related to the value of those contributions or amount transferred (DC resources)), calculated for the purposes of section 44(1) of the Act amount to €42,348,000.00,

(3) €12,328,000.00 , of the amount referred to in paragraph (2) (subject to a maximum of an amount equal to the funding standard liabilities) is invested in securities issued under section 54(1) of the Finance Act 1970 (and known as bonds), securities issued under the laws of a Member State (other than the State) that correspond to securities issued under section 54(1) of the Finance Act 1970, cash deposits with one or more credit institutions and such other assets (if any) as are prescribed under section 44(2)(a)(iv) of the Act,

(4) the amount provided for in section 44(2)(a) of the Act (Applicable Percentage x ((1) minus (3)) is €2,643,000.00,

(5) the amount provided for in section 44(2)(b) of the Act, being the amount by which the funding standard liabilities of the scheme would increase if the interest rate or interest rates assumed for the purposes of determining the funding standard liabilities were one half of one per cent less than the interest rate or interest rates (as appropriate) assumed for the purposes of determining the funding standard liabilities less the amount by which the resources of the scheme (other than DC resources) would increase as a result of the same change in interest rate or interest rates is -€185,000.00,

(6) the aggregate of (4) and (5) above amounts to €2,458,000.00, and

(7) the additional resources (as defined in the Act) of the scheme amount to €3,587,000.00, of which, in accordance with and within the meaning of the guidance issued by the Authority and prescribed under section 47 of the Act, €0.00 comprises contingent assets and €0.00 of such contingent assets comprise an unsecured undertaking.

I therefore certify that as at the effective date of the funding standard reserve certificate, the scheme does hold sufficient additional resources to satisfy the funding standard reserve as provided in section 44(2) of the Act.

I further certify that I am qualified for appointment as actuary to the scheme for the purposes of section 51 of the Act.

| | | | |
|---|---|---|---|
| **Signature:** | | **Date:** | 30/10/2020 |
| **Name:** | Mr Aidan Kennedy | **Qualification:** | FSAI |
| **Name of Actuary's: Employer/Firm** | Aon Hewitt (Ireland) Limited | **Scheme Actuary Certificate No.** | P084 |

**Submission Details**

| | | | |
|---|---|---|---|
| **Submission Number:** | SR2437306 | **Submitted Electronically on:** | 30/10/2020 |
| **Submitted by:** | Aidan Kennedy | | |

# Actuary's Statement

## Actuary's Statement

**The Astellas Ireland Kerry Plant Pension Plan ("the Plan")**

**Actuary's Statement pursuant to Section 55(3) of the Pensions Act 1990 (as amended) ("the Act")**

The most recent Actuarial Funding Certificate (AFC) and Funding Standard Reserve Certificate (FSRC) submitted to the Pensions Authority were prepared with effective dates of 30 June 2020. These certificates confirmed that the Plan satisfied the Funding Standard and Funding Standard Reserve set out in Section 44 of the Pensions Act 1990 as at that date.

In accordance with the requirements of Section 55(3) of the Act and on the basis of the membership data and asset details advised to me as at 31 March 2022, I am reasonably satisfied that, if I were to prepare an actuarial funding certificate and funding standard reserve certificate as at 31 March 2022, I would have been able to certify that the Plan satisfied the funding standard provided for in Section 44(1) and funding standard reserve provided for in Section 44(2) of the Pensions Act 1990 as at that date.

**Signature:** Aidan Kennedy

**Name:** Aidan Kennedy

**Date:** 21 November 2022

**Scheme Actuary Certificate Number:** P084

**Qualification:** Fellow of the Society of Actuaries in Ireland

**Name of Actuary's Employer/Firm:** Aon Solutions Ireland Limited

Prepared for: Trustees of the Astellas Ireland Kerry Plant Pension Plan
Prepared by: Aidan Kennedy
Date: 21 November 2022

AON

# Report on Actuarial Liabilities

Under Section 56 of the Pensions Act 1990, and associated regulations, the Trustees of defined benefit pension plans are required to have a valuation[1] of the plan prepared on a triennial basis. The last formal actuarial valuation of the Plan was carried out as at 1st April 2020. A copy of the report is available to Plan members on request.

One of the purposes of the valuation is to set out the Plan's ongoing funding level. It does this by comparing the actuarial value of the Plan's accumulated assets with the value placed on its accrued liabilities. The assets and liabilities emerging from the last valuation were as follows:

| | € 000s |
|---|---|
| Value of Accumulated Assets | 40,702 |
| Value of Accrued Liability | 68,813 |
| Surplus/(Deficit) | (28,111) |
| Funding Level | 59.1% |

**Valuation Method & Assumptions**

The valuation method used to calculate the cost of future service benefits and the accrued liability was the attained age method. The value of the accrued liability was calculated by firstly projecting the accrued benefits payable in the future, making assumptions in relation to financial matters such as salary and pension increase rates and demographic matters such as mortality rates. The resultant projected benefit cashflows were then discounted to the valuation date to arrive at a single capitalised value.

A summary of the most significant actuarial assumptions used to determine the accrued liability is set out below (full details are provided in the Plan's actuarial report):

| *Financial assumptions* | |
|---|---|
| Discount rate | |
| - Pre-retirement | 3.75% pa |
| - Post-retirement – future pensioners | 1.25% pa |
| - Post-retirement – current pensioners | 0.60% pa |
| Inflation | 1.00% pa |
| Salary increases | 2.50% pa |
| Pension increases | Nil |
| | |
| *Demographic assumptions* | |
| Post-retirement mortality tables | 100% S3PXA (All), with CMI (2018) improvements from 2013, $S_k$=7.0, A =0.50, LtR = 1.5% pa (year of use = 2020) |
| Pre-retirement mortality tables | 60% AXC00 rated down 2 years |
| Retirement age | All members assumed to retire at age 65 years |
| Allowance for commutation | 15% of member pension exchanged for a lump sum at age 65 at 13.5:1 |

The next valuation is due to be completed with an effective date not later than 1st April 2023.

[1] It should be borne in mind that a valuation is only a snapshot of a plan's estimated financial condition at a particular point in time; it does not provide any guarantee of future financial soundness of a plan. Over time, a plan's total cost will depend on a number of factors, including the amount of benefits paid and the return earned on any assets invested to pay benefits.

# Statement of Investment Policy Principles

## Astellas Ireland Kerry Plant Pension Plan

## Statement of Investment Policy Principles

### Introduction

The purpose of this Statement of Investment Policy Principles (the "Statement") is to document the policies and guidelines that govern the management of the Plan's assets. It has been reviewed and adopted by the Trustees; it outlines the responsibilities, objectives, policies and risk management processes in place for the Plan.

The intention is not to outline detailed guidelines for the Plan's investment manager(s) - this should be done within the specific legal agreements with those parties – but rather to state the general philosophy, risk appetite and policies of the Trustees that will shape the governance of the Plan as a whole.

This Statement will be reviewed at least every three years, and also following any change in investment policy which impacts on the content of the Statement.

### Identification of Investment Responsibilities

Because of the number of parties involved in the management of the Plan, it is appropriate to clearly identify each entity's role with regard to investment in order to ensure operational efficiency, accountability and clear lines of communication.

- **Company:**
  The Company is the Plan sponsor and contributes to the Plan, but is generally not responsible for Plan investments. However, the Trustees recognise that the Company's continued financial support for the Plan is of utmost importance in serving the best interests of members, therefore the principles outlined in this Statement are not shaped by the objectives of the Trustees in isolation, but also by an understanding of the objectives of the Company.

- **Trustees:**
  The Trustees have fiduciary responsibility for selecting and monitoring Plan investments. Their specific responsibilities include:
  (a) Identifying the Plan's risk tolerance level and formulating an appropriate and efficient investment policy which best serves the interests of the members;
  (b) Delegating the management of Plan investments to investment managers. The Trustees recognize that their role is supervisory – not investment advisory;
  (c) Monitoring and evaluating performance results to ensure that all guidelines are being adhered to and objectives are being met;
  (d) Making any necessary changes in the investments and the investment managers, consultants and others that provide services to the Plan relating to the investment of assets; and
  (e) Regularly reviewing this Statement, which they may amend or restate at any time at their sole discretion.

- **Investment Manager:**
  One or more investment managers will be appointed to act on behalf of the Trustees. The investment manager(s) shall observe the specific guidelines, restrictions and philosophies within this Statement and as expressed in any written agreement with the Trustees. Subject to such guidelines and restrictions, the investment manager(s) will be responsible for making all investment decisions on a discretionary basis and will be evaluated on their ability to achieve the performance objectives set for them by the Trustees.

Other parties with specific duties with regard to investment include the Plan's consultants, custodian and Plan administrator.

## Risk Management Processes

The Trustees will ensure, either through direct guidance or through ascertaining the suitability of any commingled (unitised) vehicles that are used, that policies and guidelines are in place for the appointed investment manager(s) and other providers such that:

- investments are, for the most part, limited to marketable securities traded on recognised/regulated markets;
- investment in derivative instruments may be made only in so far as they either contribute to a reduction of investment risks or facilitate efficient portfolio management. Any such derivative investment must avoid excessive risk exposure to a single counterparty and to other derivative operations;
- the portfolio is properly diversified in such a way as to avoid excessive reliance on any particular asset, issuer or group of undertakings and so as to avoid accumulations of risk in the portfolio as a whole. Investments in assets issued by the same issuer or by issuers belonging to the same group must not expose the Plan to excessive risk concentration.

All investment managers are employed by the Trustees and are subject to termination at any time.

There are two distinct elements of the Plan, namely the main "Defined Benefit" section together with the "Defined Contribution" (DC) section. In order to address the very distinct features of these different sections, we divide the rest of this Statement into separate Sections:

**A – The Defined Benefit section**

**B – The Defined Contribution section**

The Trustees are aware of ESG issues and Responsible Investment Policies are contained in **Section C**.

## Section A: Defined Benefit

### Investment Objectives

The overall investment objective of the Trustees is to maximise the level of investment return at an acceptable level of risk, through adopting a prudent, carefully planned and well-executed investment policy. This will in turn assist in the Trustees' ultimate objective of maximising the security and level of benefits provided to members.

### Risk Measurement Methods

In determining the level of risk appropriate to the Plan at any point in time, the Trustees recognise the importance of the nature and duration of the liabilities and measure the risk of the chosen investment policy by reference to these liabilities.

In particular, the Trustees consider the following risks:

- The risk of achieving an insufficient level of investment return relative to the rate required to match the growth in liabilities over time.
  - The required rate will depend on the funding policy adopted for the Plan. Therefore, the Trustees acknowledge the critical need for interaction and co-operation between the Trustees and the Company when formulating investment policy.
- The risk of excessive volatility in the investment returns of the Plan relative to the movement in liabilities over shorter-term periods (e.g. one year).
  - The Trustees will consider this volatility in relation to the liabilities measured under the Minimum Funding Standard basis, the Plan Actuary's ongoing basis and any other relevant measures. The Trustees recognise that the pattern and volatility of the Plan's investment returns can impact directly on the pattern and volatility of the Company's contribution rates and various accounting items. Therefore, risk will also be considered in these terms where appropriate.

Managing the two risks above *in isolation* may lead to conflicting investment policies. Therefore, in formulating an appropriate investment policy, the Trustees seek to arrive at an acceptable *balance* between these risks in order to best meet their investment objectives. Furthermore, the Trustees will manage a range of other investment risks using the risk management processes outlined in the Risk Management Processes section in order to create a prudent, diversified and efficient portfolio.

### Current Investment Policy

The current investment strategy of the Trustees is set out below along with a description of the investment manager arrangements adopted.

#### Strategic Asset Allocation

Having had regard to the nature and duration of the expected future retirement benefits, the Trustees have established their strategic asset allocation mix as set out in the table on the following page and believe it prudently positions the portfolio so as to achieve the Trustees' objectives at the current time.

| Sector | Benchmark Weighting | Benchmark Index |
|---|---|---|
| Global Equities | 30.0% | FTSE World Index |
| Multi-Asset | 30.0% | 3-Month Euribor |
| Total Growth Assets | 60.0% | - |
| LDI | 30.0% | To match liabilities based on a chosen duration |
| Absolute Return Bonds | 10.0% | 3-month Libor (EUR) |
| Total Defensive Assets | 40.0% | - |
| **Total** | **100%** | **Composite** |

The above benchmark, reflecting a 60% growth asset / 40% defensive asset allocation, was implemented in March 2022 following a review of the investment strategy of the Plan in 2021. As part of the investment strategy review it was agreed to implement a Liability Driven Investment (LDI) strategy for the Plan as a more efficient method of managing the interest rate and inflation risks to which the Plan is exposed.

The currency of the Plan, and thus of the benchmark, is the Euro. The composite performance benchmark above is to be calculated on a quarterly basis (i.e. to assume quarterly rebalancing).

The Trustees recognize that even though the Plan's investments are subject to short-term volatility, it is critical that a long-term investment focus be maintained. The Trustees intend to avoid ad-hoc revisions to their philosophy and policies in reaction to either speculation or short-term market fluctuations.

## Manager Structure

The Trustees have appointed a passive manager, Irish Life Investment Managers (ILIM), to manage the equity portfolio. The Trustees have appointed Man Group and BlackRock to manage the multi-asset allocation and Zurich Life / BlackRock to manage the multi-asset allocation and Absolute Return Bond allocation. The Trustees have appointed Bank of Montreal (BMO) to manage the LDI allocation.

## Rebalancing

Market movements will result in a portfolio that differs from the strategic mix outlined in the table above. The desire to maintain this constant strategic mix must be balanced with the cost of portfolio rebalancing. The Trustees shall review the distribution of assets at a total Plan level every quarter from the investment monitoring report. Cash-flow shall be used to aid rebalancing where the opportunity arises.

## Performance Objectives

The performance objectives of the appointed managers are as follows:

| Manager | Asset Class | Benchmark | Performance Objective |
|---|---|---|---|
| ILIM | Global Equity | MSCI World Index | Track benchmark, gross of fees |
| BlackRock | Multi-Asset | 3-Month Euribor | To outperform benchmark by 4.6% p.a. over rolling three-year period. |
| Man Group | Multi-Asset | 3-Month Euribor | To outperform benchmark by 4.9% p.a. over rolling three-year period. |
| Zurich Life / BlackRock | Multi-Asset | EOINA (Euro Overnight Index Average) | To outperform the benchmark by 4% p.a. gross of fees |
| Zurich Life / BlackRock | Absolute Return Bonds | 3 month Libor (EUR) | To outperform the benchmark by 4% to 6% p.a. gross of fees |
| BMO | Bespoke LDI Portfolio | To match liabilities based on a chosen duration | To perform in line with benchmark |

Performance is evaluated against these objectives on at least an annual basis, with a critical review every three years.

# Section B: Defined Contribution

## Investment Objectives

The investment objectives of the Trustees are:

(a) To provide a range of efficiently managed fund options that meet the broad needs of the members of the Plan.

(b) To provide appropriate information on these funds such that members are assisted in understanding and making their choice of fund.

Notwithstanding the above, members must understand that the Trustees do not accept responsibility for the success or otherwise of the options made available to them. Members have responsibility to read and understand the documentation available to them so that the choices made by them adequately reflect their objectives and their own attitude to risk.

## Risk Measurement Methods

Given the defined contribution nature of the Plan, the Trustees will determine the range of fund options to be offered by reference to the nature and duration of the liabilities of individual members or categories of member. In particular, the Trustees will consider the following risks:

- The risk of achieving an insufficient level of capital growth over time, so that the member's invested contributions achieve a lower overall return than that required to keep pace with earnings inflation;
- The risk that the value of a member's account moves significantly out of line with the movement in the value of annuity rates, leading to uncertainty about the amount of retirement income the member will receive for a given amount of retirement savings;
- The risk that the value of a member's account falls sharply due to investment market volatility; and
- The risk that members will not possess sufficient understanding of the options provided to make an informed decision, due either to an excessively wide or complex range of options or to provision of insufficient information on those options.

## Risk Management Processes

The Trustees will ensure that within the fund choices that are available, the risks most applicable to each member can (if the member so chooses) be kept to a level that is appropriate for that individual member. This will be achieved by careful selection and monitoring of the range of funds on offer. Furthermore, the Trustees recognise the importance of providing appropriate information to members on the range of funds offered, so that each member is in a position to make an informed decision on their choice of fund(s).

## Current Investment Policy

The current range of fund categories is set out on the following page along with a description of the investment manager arrangements adopted by the Trustees.

## Strategic Asset Allocation

To manage the risks set out earlier in this Statement, the Trustees currently offer the following categories of white labelled fund options to members:

- Global Equity Fund
- Global Consensus Fund
- Absolute Return Fund
- Bond Fund
- Cash Fund

## Manager Structure and Performance Objectives

To provide prudent and efficient management of the funds available under the above broad categories, the Trustees have considered under each category:

- What type of management to adopt (e.g. active/passive);
- How many options to provide;
- What managers to appoint; and
- What performance objectives to set for the appointed managers.

As a result of these considerations the Trustees have selected a range of fund options to offer to members. These funds, along with their performance objectives, are detailed in the table below.

| Category/ Asset Class | Type of Management | Manager | Fund Name | Benchmark | Objective |
|---|---|---|---|---|---|
| Global Equity | Passive | ILIM | Indexed World Equity Fund | MSCI World Index | Track benchmark, gross of fees |
| Global Consensus | Passive | ILIM | Global Consensus Fund (World Equities) | Aon Managed Fund Index | Track Benchmark, gross of fees |
| Absolute Return | Active | ILIM | Astellas Diversified Growth Fund | 3 month Euribor | To outperform the benchmark by 4% p.a. gross of fees |
| Bond | Passive | ILIM | Passive > 10 yr AAA/AA Euro Gov Bond Fund | ICE/BofA AAA/AA EMU Govt > 10 Year Bond Index | Track benchmark, gross of fees |
| Cash | Active | ILIM | Cash Fund | 3 Month Euribor | Above benchmark, gross of fees |

Performance is evaluated against these objectives on at least an annual basis, with a critical review every three years.

## Default Option

Where members wish to delegate the decision-making process to the Trustees, the Trustees have established a Default "Lifestyle" investment strategy which is reasonable for any member not wishing to make his/her own investment decisions. This strategy will have the following main objectives:

1. To maximise the value of members' retirement benefits subject to acceptable levels of risk

2. To protect the value of those benefits as members approach retirement.

The Lifestyle strategy adopts a predefined and prudent investment strategy throughout membership of the Plan. It aims to achieve "real" long term investment returns in a member's early years of Plan membership and, as retirement approaches, protect the capital value of the accumulated Retirement Savings Account by gradually moving to a more conservative investment strategy as per the following Table.

| Age | Global Equity Fund | Absolute Return Fund | Cash Fund |
|---|---|---|---|
| Up to age 45 | 100% | 0% | 0% |
| Age 46 | 90% | 10% | 0% |
| Age 47 | 80% | 20% | 0% |
| Age 48 | 70% | 30% | 0% |
| Age 49 | 60% | 40% | 0% |
| Age 50 | 50% | 50% | 0% |
| Age 51 | 40% | 60% | 0% |
| Age 52 | 30% | 70% | 0% |
| Age 53 | 20% | 80% | 0% |
| Age 54 | 10% | 90% | 0% |
| Age 55 to Age 60 | 0% | 100% | 0% |
| Age 61 | 0% | 80% | 20% |
| Age 62 | 0% | 60% | 40% |
| Age 63 | 0% | 40% | 60% |
| Age 64 | 0% | 20% | 80% |
| Age 65 | 0% | 0% | 100% |

## Communication

Information is provided to members in a number of ways, including through the plan booklet, member presentations and online information. Regular opportunities to switch between fund options are also offered.

# Section C – Responsible Investment

## Environmental, Social & Governance (ESG) Risks

The European Union (Occupational Pension Schemes) Regulations 2021 transposed the IORP II directive into Irish law, and the regulations state that the system of governance shall include consideration of environmental, social and governance ("ESG") factors related to investment assets in investment decisions. The regulations further states that the risk management system shall cover ESG risks relating to the investment portfolio and the management thereof. In addition, the Sustainable Financial Disclosures Regulations ("SFDR") requires pension plans to publish information about their policies on the integration of sustainability risks in their investment decision-making process.

In order to develop the Responsible Investment beliefs of the Trustees, the Trustees have undertaken extensive training and undertook a Responsible Investment beliefs questionnaire. The Trustees endeavour to keep up to date in this ever-evolving area.

The Trustees recognise their primary fiduciary duty is to provide the benefits promised under the Plan to the members and integration of ESG risks should supplement but not override this duty. The Trustees recognise that their appointed investment managers are best suited to incorporate ESG risks within their specified mandates. Accordingly, the Trustees have not placed any direct constraints, ESG or otherwise, on their managers but monitor their asset managers over time and review ratings of their managers ESG credentials from their Investment Consultants.

The Trustees approach ESG through their arrangements and engagement with their asset managers through the policies set out below. The Trustees will continually review and re-evaluate their approach to managing ESG risks over time as the issues and industry best practice evolves.

## Arrangements with asset managers

The European Union (Shareholders' Rights) Regulations 2020 transposed the Second EU Shareholders' Rights Directive ("SRD II") into Irish law in 2020, and the regulations require Trustees to disclose their arrangements with their asset managers.

The Trustees regularly monitor the Plan's investments to consider the extent to which the investment strategy and decisions of the asset managers are aligned with the Trustees' policies, including those on ESG matters. This includes monitoring the extent to which asset managers:

- make decisions based on assessments about medium to long-term financial and non-financial performance of an issuer of debt or equity; and
- engage with issuers of debt or equity in order to improve their performance in the medium to long-term.

The Trustees are supported in this monitoring activity by their appointed Investment Consultants, Aon.

The Trustees receive regular reports and verbal updates from their Investment Consultants on various items including the investment strategy, performance, and longer-term positioning of the portfolio. The Trustees focus on longer-term performance when considering the ongoing suitability of the investment strategy in relation to the Plan's objectives, and assess the asset managers over 3-year periods.

Before appointment of a new asset manager, the Trustees will consider the extent to which the new investment aligns with the Trustee's policies. The Trustee will seek to express their expectations to the asset managers to try to achieve greater alignment and consider ESG as an important part of their evaluation of an asset manager. The Trustees believe that this together with regular monitoring of asset managers' performance and investment strategy, is in most cases sufficient to incentivise the asset managers to make decisions that align with the Trustee's policies and are based on assessments of medium and long-term financial and non-financial performance.

Where asset managers are considered to make decisions that are not in line with the Trustee's policies, expectations, or the other considerations set out above, the Trustees will typically first engage with the manager but could ultimately replace the asset manager where this is deemed necessary.

There is typically no set duration for arrangements with asset managers, although the continued appointment of all asset managers will be reviewed periodically, and at least every three years in conjunction with the triennial investment strategy review. The Trustees will review portfolio turnover costs on a periodic basis.

## Engagement Policy

SRD II also requires Trustees to develop an engagement policy.

The purpose of the Engagement Policy ("Policy") is to set out the Trustees approach to engaging with companies they invest in in terms of sustainability and ESG factors.
The Trustees recognise the importance of their role as stewards of capital and the need to ensure the highest standards of governance and promotion of corporate responsibility in the underlying companies and assets in which the scheme invests, as this ultimately creates long-term financial value for the scheme and its beneficiaries.

As the Trustees largely invest in pooled funds, the Trustees will appoint Investment Managers who engage with companies where ESG issues are a concern and provide proxy voting on ESG issues. The Trustees will require their Investment Managers to regularly report on their engagement activities.

Where the Investment Manager invests, on behalf of the Trustees, in a company that does not appear to be pursuing sound ethical business practices and/or displaying appropriate environmental responsibility, the Investment Managers would be expected to persuade that company to operate in a more socially and environmentally responsible manner by, among other possible forms of engagement:

- Raising issues relating to ethical business practices and environmental responsibility at Annual General Meetings
- Exercising its shareholder's right to vote on such issues

The Trustees will periodically review the suitability of the scheme's appointed asset managers and take advice from their investment consultants with regard to any changes. This advice includes consideration of broader stewardship matters and the exercise of voting rights by the appointed managers. If an incumbent manager is found to be falling short of the standards the Trustees have set out in their policy, the Trustees undertake to engage with the manager and seek a more sustainable position but may look to replace the manager.

The Trustees will engage with their investment managers as necessary for more information, to ensure that robust active ownership behaviours, reflective of their active ownership policies, are being actioned.

## Sustainability Risks

Under Article 5(1) of the Sustainable Financial Disclosures Regulations ("SFDR"), the Plan is required to include in its remuneration policy information on how the policy is consistent with the integration of sustainability risks. A 'sustainability risk' is an environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of Plan investments.

This Policy applies to the Trustees, persons who carry out key functions in respect of the Plan, and Service providers to whom the Trustees have outsourced activities within the scope of Section 64AM(1) of the Pensions Act, other than those service providers that fall outside the scope of Section 64AG(4)(e) of the Pensions Act.

In some cases, those persons or others who provide services to the Plan may be required under legislation to include in their own remuneration policy information on how their policy is consistent with the integration of sustainability risks. The Trustees rely on the statements made by such persons in their own remuneration policies in considering whether this Policy is consistent with remuneration provided to those persons. For other persons that this Policy applies to, remuneration is not dependent upon the performance of Plan investments and this Policy does not encourage excessive risk-taking, including in respect of sustainability risks.

The Trustees consider that, given the nature, scale, size and complexity of the Plan, as well as the Plan's system of governance and Conflicts of Interest Policy, the Policy is consistent with the integration of sustainability risks.

## Principal Adverse Impact Statement

The Trustees do not consider the adverse impacts of investment decisions on sustainability factors, as per Article 4 of the Sustainable Financial Disclosures Regulations ("SFDR"), due to the size, nature and scale of activities undertaken by the Plan. The Trustees will keep this under review, and may consider adverse impacts in the future.

Notwithstanding the above, the Trustees expect the asset manager(s) they employ to consider such impacts and will assess their policies in this area periodically.

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Signed on behalf of the Trustees

DocuSigned by:

May 18, 2022

Name Day Month Year

DocuSigned by:

May 24, 2022

Name Day Month Year

This Statement of Investment Policy Principles is produced to meet the requirements of the Occupational Pension Schemes (Investment) Regulations, 2006.

**Effective Date of this Statement: April 2022**

# Statement of Risks

The Trustees' primary responsibility is to ensure that members receive the benefits to which they are entitled under the rules of the Plan. In order to provide for these future benefit payments, the Trustees invest the assets of the Plan in a range of investments, and agree with the employer, on the advice of the Actuary, the rate of contribution to be made to the Plan to meet the balance of the cost of benefits. The Trustees are required to provide a statement of the risks associated with the Plan to Plan members.

In a defined benefit plan the main risk is that there will be a shortfall in the assets (for whatever reason) and the employer will not be willing or able to pay the necessary contributions to make up the shortfall. If that occurs members may not get their anticipated benefit entitlements.

The main types of risks which may lead to a shortfall and the steps being taken by the Trustees to minimise these risks are as follows:-

| Risks | Steps being taken to minimise risk |
|---|---|
| **The assets may not achieve the expected return** | This risk will be addressed by ongoing monitoring of investment performance. See Statement of Investment Policy Principles as set out on pages 57 to 68 of this report. |
| **Some of the assets may be misappropriated** | The Trustees have put in place custodial agreements etc (see Statement of Investment Policy Principles). |
| **The value placed on the future liabilities may prove to be an underestimate** | The Trustees discuss with the Actuary the assumptions used for triennial valuations.<br>The Trustees are required by law to obtain an annual statement concerning the ability of the Plan to meet the funding standard. |
| **The employer may not pay contributions as they fall due** | The Trustees monitor the receipt of contributions and pursue any shortfall. If this is not successful, the Trustees would report the matter to the Pensions Authority. |
| **The employer may decide to terminate its liability to contribute to the Plan** | In this event, the Trustees are required to wind up the Plan and provide benefits for members in accordance with the Rules and the Pensions Act 1990. The Trustees endeavour to ensure that sufficient assets are available at all times to meet the liabilities on wind up, by means of the annual statement mentioned above. If, however, the Plan has insufficient assets to meet the liabilities, those already in receipt of pension at the wind-up date are a priority class, and a portion of their pensions, as determined by the Pensions Act 1990, must be secured before assets are applied to other members. These other members, i.e. active members and deferred pensioners, are therefore more at risk of not receiving their full benefits on wind-up. Future benefit accrual will also cease in these circumstances. |

In addition to the shortfall risks outlined above, there is also the risk that the records relating to Plan members may not be correct.

| | |
|---|---|
| **The Plan administration records may not be correct and may fail to comply with the Pensions Act 1990** | The Trustees have entered into a service level agreement with the administrator which sets out the administrator's responsibilities.<br>The Trustees receive regular administration reports from the administrator.<br>The Pensions Authority has powers to pursue breaches of the Pensions Act 1990 and the Financial Services and Pensions Ombudsman may investigate any complaints of financial loss caused by maladministration. |

# Valuation Report - Defined Contribution Section

In accordance with Section 56(2A) of the Pensions Act 1990 (as amended), the Trustees of the Plan have caused this valuation report to be prepared setting out the liabilities of the Defined Contribution (DC) Section as at the last day of the Plan year.

As at 31 March 2022 the liabilities of the DC Section amounted to € 21,644,119 which was the value of the DC investments together with the DC current assets assuming that the Plan wound up at that date. This value is not guaranteed and will go up or down with investment returns.

In a defined contribution Plan all assets are held in respect of the members with the exception of those assets that are not designated to members which are ultimately due back to the employer.

The split of the liabilities between those designated to members and those not designated to the members are as follows:

| | Member Designated | Non - Designated | Total |
|---|---|---|---|
| | € | € | € |
| **Current Liabilities** | 160,847 | - | 160,847 |
| **Future Liabilities** | 21,479,314 | 3,958 | 21,483,272 |

Note 1: The Current Liabilities are liabilities that have been identified as payable at the year end date.

Note 2: Future Liabilities are all liabilities that become payable after the year end date and represent the value of the net assets of the DC Section of the Plan at the year end.

Signed for and on behalf of the Trustees

**Trustee:** DocuSigned by: 88802A19F61F4C9... **Trustee:** DocuSigned by: Elma Foy F5FAD172F0DA433...

**Date:** Dec 8, 2022