VOLVO CAR UK PENSION SCHEME
ANNUAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2023

Scheme Registration Number: 10187561

Volvo Car UK Pension Scheme

Annual Report for the year ended 31 December 2023

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Trustee, Principal Employer and Advisers

Trustee

Vidett Trust Corporation Limited (formerly PSGS Trust Corporation Limited) - represented by James Double

Trustee Directors

L Biles (appointed 28 February 2023)
E C Bruce-Gardner
A J Davies
J M Double
C M Hayes
M G Homer (resigned 18 June 2023)
W Phelan
S M Southall
C L Teagle

Principal Employer

Volvo Car UK Limited

Scheme Actuary

Ian Peggs, F.I.A.
Mercer Limited

Independent Auditor

Assure UK

Administrator

Mercer Limited (until 31 December 2023)
Aptia UK Limited (from 1 January 2024)

Pension Consultant

Mercer Limited

Investment Managers

Ress Life Investments A/S
Mobius Life
Mercer Global Investments Management
Insight Investment Funds Management

Investment Custodians

Swedbank AB
State Street Global Advisors
Northern Trust Fiduciary Services (Ireland) Limited

Investment Advisers

Mercer Limited

Additional Voluntary Contribution (AVC) Providers

AEGON Scottish Equitable
Clerical Medical Investment Group Limited
Utmost Life and Pensions Limited

Trustee, Principal Employer and Advisers

Bank

HSBC Bank Plc

Legal Adviser

Squire Patton Boggs (UK) LLP

Contact for further information and complaints about the Scheme

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Trustee's Report

Introduction

The Trustee of the Volvo Car UK Pension Scheme ('the Scheme') is pleased to present its report together with the audited financial statements for the year ended 31 December 2023. The Scheme is a final salary scheme.

The Scheme was established to provide retirement benefits to all eligible employees of Volvo Car UK Limited and its subsidiaries. Benefits are payable in accordance with the Scheme Rules based on employees' length of service and their average salary prior to retirement.

With effect from 1 January 2018 the Scheme closed to future accrual. Past service benefits were impacted in that the salary link was broken and active members' benefits would now revalue in line with statutory revaluation orders.

Constitution

The Scheme was established on 1 January 1993 and is governed by a definitive trust deed dated 7 January 1993, with subsequent amendments.

Management of the Scheme

Trustee

The Company appointed a sole Professional Trustee Company to undertake the Trustee duties with effect from 14 November 2018.

In accordance with the trust deed, the Principal Employer, Volvo Car UK Limited, has the power to appoint and remove the Trustee of the Scheme.

Statement of Trustee's Responsibilities

The Statement of Trustee's Responsibilities is set out on page 16 and forms part of this Trustee's Report.

Governance and risk management

The Trustee has in place a business plan which sets out their objectives in areas such as administration, investment and communication. This, together with a list of the main priorities and timetable for completion, helps the Trustee run the Scheme efficiently and serves as a useful reference document.

The Trustee has also focused on risk management. A risk register has been put in place which sets out the key risks to which the Scheme is subject along with the controls in place to mitigate these. This register is regularly reviewed and will be updated by the Trustee.

Trustee knowledge and understanding

The Pensions Act 2004 requires the Trustee to have sufficient knowledge and understanding of pensions and trust law and be conversant with the Scheme documentation. The Pensions Regulator has published a Code of Practice on Trustee Knowledge and Understanding to the assist Trustee on this matter which became effective from 6 April 2006 and which was revised and reissued in November 2009. The Trustee has previously agreed a training plan to enable it to meet these requirements. One of the advantages of the move to a sole Professional Trustee Company is that James Double is a pensions specialist and has access to significant training and market commentary.

Principal Employer

The Scheme was established to provide retirement benefits for all eligible employees of the Principal Employer whose registered address is Volvo Car UK Limited, Scandinavia House, Norreys Drive, Maidenhead, Berkshire, SL6 4FL.

Fund Administrator

Subsequent to the year end, the Mercer Limited UK pension administration business was acquired by Aptia UK Limited. As a result, Aptia UK Limited is now the pension administration service provider for the Scheme, effective from 1 January 2024.

Financial development

The financial statements on pages 20 to 31 have been prepared and audited in accordance with the Regulations made under Section 41 (1) and (6) of the Pensions Act 1995. They show that the value of the fund decreased from £114,510,495 at 31 December 2022 to £114,436,929 at 31 December 2023.

The decrease shown above comprised net withdrawals from dealings with members of £2,709,191 together with net returns on investments of £2,635,625.

Guarantee

With effect from 16 March 2021 the Trustee secured an updated guarantee so that, if the Employer cannot meet future contributions these amounts will be paid by Volvo Car Corporation up to £100m. The Trustee has received legal advice that this guarantee is enforceable in Swedish law.

Report on actuarial liabilities

Under Section 222 of the Pensions Act 2004, every scheme is subject to the Statutory Funding Objective, which is to have sufficient and appropriate assets to cover its technical provisions. The technical provisions represent the present value of the benefits members are entitled to based on pensionable service to the valuation date. This is assessed using the assumptions agreed between the Trustee and the Principal Employer and set out in the Statement of Funding Principles, which is available to Scheme members on request.

The most recent full actuarial valuation of the Scheme was carried out as at 31 December 2022. This showed:

	Actuarial Valuation 31 December 2022
The value of Technical Provisions was:	£120.3m
The value of assets was:	£113.8m
Percentage of Technical Provisions	95%

The method and significant actuarial assumptions used to determine the technical provisions are as follows (all assumptions adopted are set out in the Appendix to the Statement of Funding Principles).

Method

The actuarial method to be used in the calculation of the technical provisions is the Projected Unit Method.

Significant actuarial assumptions

Principal actuarial assumptions for valuation as at 31 December 2022	
Discount interest rate:	Full Gilt Yield Curve plus 0.95% p.a. until 31 December 2025, 0.8% p.a. until 31 December 2032 then 0.4% p.a. thereafter.
Future Retail Price inflation:	Full Gilt Implied Inflation Curve less an inflation risk premium of 0.1% p.a.
Future Consumer Price inflation:	RPI Inflation curve less 0.8% p.a. pre 2030 and nil post 2030.
Pension increases in payment:	
Pre 6.4.1988 GMP	0.0% p.a.
Post 6.4.1988 GMP (CPI max 3% p.a.)	Jarrow Yildirim model and underlying CPI curve.
Pre 1.1.1993 pension in excess of GMP	0.0% p.a.
1.1.1993-1.2.2009 pension in excess of GMP (RPI max 5% p.a.)	Jarrow Yildirim model and underlying RPI curve.
Post 1.2.2009 pension (RPI max 2.5% p.a.)	Jarrow Yildirim model and underlying RPI curve.
Mortality:	S3PMA (males) and S3PFA "middle" (females) YoB tables weighted by 86% (males) and 85% (females) to reflect the membership profile of the Scheme, with future improvement in line with CMI_2022 (no weight to 2020 and 2021 data, 25% weight to 2022 data) a longterm improvement rate of 1.5% p.a., skappa 7.5 and initial improvement rate of nil.

Membership

The membership movements of the Scheme for the year are given below:

	Deferreds	Pensioners	Total
At 1 January 2023	322	361	683
Retirements	(11)	11	-
Deaths	(3)	(9)	(12)
Spouses and dependants	-	6	6
At 31 December 2023	308	369	677

Pension increases

In January 2023 increases applied to pensions in payment in excess of the guaranteed minimum pension were increased by the September 2022 RPI percentage. This is in accordance with the Scheme Rules for pension accrued on or after 1 January 1993. Pension (in excess of the guaranteed minimum pension) earned before 1 January 1993 is not entitled to an automatic pension increase under the Scheme Rules, in the absence of a special contribution from the Company, the Trustee were unable to make a discretionary increase to this pension. Statutory increases are payable on the GMP element of-pension.

During the year preserved pensions were increased in accordance with statutory requirement.

Calculation of transfer values

Transfer values paid during the year were calculated and verified in the manner required by the Regulations made under Section 97 of the Pension Schemes Act 1993 and do not include discretionary benefits with the exception from 1 January 2023 the discretionary benefits for in service deferred members in respect of early retirement i.e. the transfer value assumes members retire unreduced at age 60 (or immediately if over 60) with a temporary pension payable to 65. None of the transfer values paid was less than the amount provided by the Regulations.

Investment management

General

The overall investment policy of the Scheme is determined by the Trustee having taken advice from their advisers, Mercer Limited. The Trustee is responsible for determining the investment strategy and manager appointments after taking appropriate advice. The Trustee has delegated the day-to-day management of investment to professional investment managers. These managers undertake, within restrictions in the contractual documentation, the day-to-day management of the asset portfolio, including the full discretion for stock selection.

Investment principles

The Trustee has produced a Statement of Investment Principles ("SIP") in accordance with Section 35 of the Pensions Act 1995, the Occupational Pension Scheme's (Investment) Regulations 2005 and subsequent legislation. During 2020, new legislation was introduced with the aim of improving transparency around pension scheme trustee engagement with asset managements in five key areas. The Trustee updated the SIP, to reflect its policies in these areas, during the year and made a copy available on a publically accessible website effective from July 2023.

Responsible investment and corporate governance

The Trustee believes that good stewardship and environmental, social and governance (ESG) issues may have a material impact on investment returns. The Trustee has given the investment managers full discretion when evaluating ESG issues and in exercising rights and stewardship obligations attached to the Scheme's investments.

Similarly, the Scheme's voting rights are exercised by its investment managers in accordance with their own corporate governance policies, and taking account of current best practice including the UK Corporate Governance Code and the UK Stewardship Code.

Equity managers who are regulated by appropriate UK (or other relevant) authorities are expected to report on their adherence to the UK Stewardship Code on an annual basis.

Market background

Investment Markets

The 12-month period to December 2023, started on a positive note despite the collapse of Silicon Valley Bank. Receding fear of recession, moderating inflation and enthusiasm over AI supported the developed market, particularly, the US market. Chinese economy saw robust gains at the start of Q1 after Chinese government loosened its COVID-19 restrictions, but the rebound started to cool off later due to subdued consumer spending and weak exports demand. After positive first two quarters of 2023, markets weakened in Q3 as the optimism that rates tightening would end soon faded. The comment from the Fed suggesting a further rate hike before 2024, suppressed investors' enthusiasm. In October too, global equities continued to underperform. The geopolitical situation added to concern due to renewed conflict in the Middle East. November, however, has been a positive month, slowing inflation in the US and other regions raised hopes that interest rates may have reached their peak. Overall, Q4 has been a strong quarter as the Fed signalled that interest rate cuts may be on the way in 2024. Developed markets outperformed emerging markets amid ongoing worries in China's property sector. In summary, developed markets proved to be more resilient than emerging market over the quarter.

The first quarter of 2023 started with optimism over declining inflation and a hope of an end to monetary tightening. The demise of Silicon Valley Bank (SVB), the second largest US bank failure in history, and UBS's shotgun takeover of Credit Suisse in March were the major events of the quarter that briefly rattled markets until calm returned towards quarter end. Developed market central banks continued raising rates through the quarter as overall growth momentum remained robust. Headline inflation continued to slow in major developed economies, except for the UK, but core inflation remained elevated. The second quarter of 2023 saw the orderly resolution of the second largest bank failure in US history and further distress among US regional banks, yet ongoing economic resilience, declining inflation, an equity rally led by eight stocks, and increased geopolitical tensions, including an attempted coup in Russia. Developed market central bank actions were mixed over the quarter, with some deciding to pause hiking interest rates, and others continuing to increase the policy rate, but rhetoric remained hawkish. Headline inflation continued to slow and core inflation fell in most regions apart from the UK. Inflation expectations also continued to decline over the quarter.

Developed market central bank actions were mixed in Q3 2023, with some deciding to pause hiking interest rates, and others continuing to increase policy rates. Headline inflation continued to slow and core inflation fell in most regions. Inflation expectations also continued to decline over the quarter. US GDP growth estimates appear to have accelerated in the second quarter of 2023. China's economy grew up, largely due to favourable base effects but overall, the momentum has been weak, indicating subdued demand. The Japanese economy saw a strongest growth since the last quarter of 2020, on the back of strong exports growth. GDP growth has been modest for the Eurozone in Q2 2023. UK GDP is estimated to have increased in the second quarter of 2023.

The fourth quarter of 2023 started off with low expectations owing to expectations of higher for longer long-term interest rates and renewed geopolitical tensions in the Middle East. Markets reached their lows near the end of October due to risk-off sentiment. However, in November, slowing inflation in the US and other regions raised hopes that interest rates may have peaked, thereby boosting investor confidence. Over the quarter, the US Federal Reserve kept rates unchanged preferring to shift towards a dovish tone. Inflation expectations also continued to decline over the quarter. US GDP growth estimates appear to have accelerated in the third quarter of 2023. China's economy grew 4.9% (year-on-year) in Q3. Chinese policy makers remain committed to supporting the Chinese economy. Quarter on quarter GDP growth contracted in the eurozone in Q3 2023. UK GDP growth is estimated to have declined 0.1% in the third quarter of 2023.

Equities

On a year-on-year basis to 31 December 2023, Sterling returns for developed market equities were positive at 17.2%. Sterling's strength decreased equity returns for unhedged UK investors. Emerging markets (EMs) were also positive (2.9%) but underperformed relative to global equities.

Markets recovered in the first quarter of 2023, when a select few 'mega-cap' stocks led a market upwards, primarily driven by speculation surrounding AI-themed stocks. Nonetheless, in continuation with the last quarter of 2022 a more hawkish tone from central banks globally about the pathway for central bank rates was a headwind as equities softened in the third quarter of 2023. Within EMs, whilst there were positive returns in EM countries, such as Brazil and Taiwan, these only marginally offset the laggard of China, as it struggled following an initial rebound in late March and was a headwind to the overall index.

As we entered Q2 and Q3, equity markets in the US largely looked through the regional banking distress but the rally in the so-called magnificent seven (e.g. Nvidia & Microsoft) faded somewhat. Within, EM, the Chinese recovery underwhelmed, sentiment declined, and the property sector stresses remained. Global risk-off sentiment also had an impact on EM equities.

In Q4, markets were positive, supported by expectations that interest rate cuts may be approaching and expectations of a global soft landing. Within equities, developed markets outperformed emerging markets. Overall EM equities were strong, but EM is still negatively impacted by China, which continues to underperform due to ongoing stresses in the property sector.

Overall, the positive momentum throughout the year has been driven by lower inflation data, expectation of productivity growth from artificial intelligence (AI), positive earnings, and economic activity data.

At a global level, developed markets as measured by the FTSE World index, returned 17.2%. Meanwhile, a return of 2.9% was recorded by the FTSE All World Emerging Markets index.

At a regional level, European markets returned 15.7% as indicated by the FTSE World Europe ex UK index. At a country level, UK stocks as measured by the FTSE All Share index returned 7.9%. The FTSE USA index returned 19.9% while the FTSE Japan index returned 13.3%. The considerable outperformance of UK equities is attributed to the index's large exposure to oil, gas and basic materials.

Equity market total return figures are in Sterling terms over the 12-month period to 31 December 2023.

Bonds

On a year-on-year basis to 30 December 2023, UK government bond returned 3.7%, while returns for UK corporate bonds were 8.6%. Inflation-linked bonds performed poorly over the year with 0.9%.

In the start of 2023, the market stabilized from the political turmoil of the past quarter and focus was shifted to higher inflation and tight labour market similar to other developed economies. The Bank of England continue to raise rates. Bond yields fell slightly through Q1 2023 despite the BOE continuing to raise rates, with the base rate increasing 0.75%, finishing March 2023 at 4.25%. Like other DMs central bankers, the BOE continued to hike interest rates in the second and third quarter of 2023 as well, starting with a 25bps in May, then a 50bps surprise hike in June followed by 25bps in August. As of 30 September 2023, with bank rate reached 5.25% and 10yr yields in the UK surpassing the level witnessed during the gilt market crisis in 2022. In the last quarter of the year, the BoE did not raise rates but hold the restrictive policy stance. With consecutive inflation print misses along with spill over from the US, the market started pricing in the aggressive price cuts in 2024 and 10yr gilt yield has closed the year at 3.53% (c.10bps lower than start of 2023).

UK real yields rose over the nine months to September 2023 while in the final quarter of the year, yields began to fall and the ended the year at similar levels it had witnessed as it entered 2023. Real yields climbed as high as 0.9% in mid-August but in the fourth quarter fell to near back to near zero due to a rally in nominal duration which led to nominal yields falling sharply. Market-based measures of inflation, as measured by the 10-year break-even inflation rate, fell by 17bps over the 12-month period, reaching 3.5%. For context, the 5-year high for 10-year UK breakeven inflation was in March 2022, when market-based measures of inflation expectations were 4.64%.

Both investment grade and high yield credit spreads tightened over the 12-month period to December 2023. Lower rated credit tightening more than for higher rated credit. Credit outperformed equivalent duration government bonds.

UK Government Bonds as measured by the FTSE Gilts All Stocks Index, returned 3.7%, while long dated issues as measured by the corresponding Over 15 Year Index had a return of 1.6% over the year. Yields at the longer end of the nominal yield curve rose less than the shorter end but this was offset by the duration impact on the longer-dated gilt returns. The yield for the FTSE Gilts All Stocks index rose over the year from 3.83% to 3.89% while the Over 15 Year index yield rose from 3.9% to 4.1%.

The FTSE All Stocks Index-Linked Gilts index returned 0.9% with the corresponding over 15-year index exhibiting a return of -4.3%. The combination of falling inflation expectations and increasing nominal yields led to a sharp rise in real yields and underperformance of index-linked gilts relative to nominal gilts.

Corporate debt as measured by the ICE Bank of America Merrill Lynch Sterling Non-Gilts index returned 8.6%.

Bond market total return figures are in Sterling terms over the 12-month period to 31 December 2023.

Property

By the start of 2024, the UK property market has seen the strongest value corrections of all major real estate markets globally. The UK core real estate index has recorded c.24% of decline in valuations since the peak of the market in June 2022. Most of this correction in 2022, with the first half of 2023 showing reasonably stable values at the aggregate level, but in the last few months of 2023 valuation declines picked up as more core and long-income funds looked to sell product as a result of redemption queues and negative sentiment around non-prime offices intensified.

In the three months to November 2023, capital growth on the MSCI UK Monthly Property Index was negative for all sectors except for the industrial sector where values remained stable. The index showed a negative gross total return of -1.0%. While yields shifting out continue to have a negative bearing on total returns and capital growth (the equivalent yield has moved out from 5.1% in June 2022 to 6.9% in November 2023), both market rental growth and increasing income returns are having a positive impact on returns. Over the three months to November, market rental growth was 1.1%, driven by gains in the industrial and residential sectors.

Transaction volumes remain low compared to historic averages although year-on-year volumes increased for the first time in November (+17%), indicating that base effects are starting to feed through. Buying activity was strongest in the industrial sector, representing c.50% of total volumes in November. The tough circumstances in the capital markets, however, are significantly benefiting real estate debt funds, with the alternative lender market now accounting for a substantial portion of all real estate debt issued.

Over 12-month period to 31st December 2023, the MSCI UK All Property Index returned -0.1% in Sterling terms. Within three main sectors of the UK Property market, retail and the industrial sector recorded positive returns of 1.0% and 5.1% respectively, while office sectors recorded negative returns of -11.9% over the period.

Commodities

The price of Brent Crude Oil fell 8.5% from $84.92 to $77.69 per barrel over the one-year period. Over the same period, the price of Gold rose 13.8% from $ 1815.64 per troy ounce to $ 2,065.45.

The S&P GSCI Commodity Spot Index returned -17.2% over the one-year period to 31 December 2023 in Sterling terms.

Currencies

Over the 12-month period to 31 December 2023, Sterling appreciated by 6.0% against the US Dollar from $1.20 to $1.27. Sterling appreciated by 13.2% against the Yen from ¥ 158.72 to ¥ 179.72. Sterling appreciated against the Euro by 2.4% from €1.13 to €1.15% per the same period.

Investment Policies and Objectives

The Trustee considers that their primary responsibility with regard to the management of the Scheme's investments is to ensure, for the duration of the Scheme, that funds will be available to meet the benefit payment obligations of the Scheme as they fall due.

In consideration of this responsibility and the Trustee's obligation to manage the investments of the Scheme prudently, the Trustee's investment objective is to reach, and maintain, full funding on the Technical Provisions basis.

When designing the investment arrangements, the Trustee considers the requirements of legislation, the funding objectives for the Scheme and their views on the covenant of the Sponsor.

Financially and Non-Financially Material Matters in the Selection, Retention and Realisation of Investments, the Exercising of Rights Attached to Investments and Engagement Activities

Investment managers for the Scheme are appointed based on their capabilities and, therefore, their perceived likelihood of achieving the expected return and risk characteristics required of the asset class they are selected for.

The Trustee believes that environmental, social and governance ("ESG") issues have an impact on investment risk and return outcomes, and that good stewardship can create and preserve value for companies and markets as a whole. The Trustee also recognises that long-term sustainability issues, particularly climate change, present risks and opportunities that increasingly require explicit consideration.

The Trustee has taken into account the expected time horizon of the Scheme when considering how to integrate these issues into the investment decision making process.

Financially material considerations, include (but is not limited to) ESG considerations (including but not limited to climate change) are considered by the Trustee.

ESG considerations are however taken into account in the selection, retention and realisation of investments in the following ways:

- The Trustee reviewed its beliefs in 2021 and agreed to align itself with the sustainability policy of Volvo Car Group. This includes the integration of ESG considerations throughout the Trustees decision-making process as well as some exclusions as listed below;
  - Companies that contribute to a serious and systematic breach international law and human rights.
  - Companies that produce and sell controversial weapons, hereunder nuclear, land mines, cluster munitions and chemical weapons.
  - Companies involved in serious climate degradation.
  - Companies involved in systematic corruption and crime.
- As a result of the Scheme's ESG policy, the Trustee switched an LGIM global equity mandate to an LGIM future world mandate in 2023.
- The Trustee considers the ESG research ratings published by its investment advisors, Mercer, when monitoring the Scheme's investment manager's capabilities. These ratings are also considered as part of any new selection of investment funds.
- In meetings with the Scheme's investment manager, ESG issues are discussed and the manager is expected to discuss voting and engagement activities carried out on behalf of the Trustee for mandates where this is relevant.
- The Trustee has made investments in specific sustainability themed investments.
- With the assistance of the VCG in-house pensions team and using Moody's information, an assessment of the carbon footprint of the portfolio has been made to help the Trustee understand the related climate related risks.
- Whilst members' views in respect of non-financial matters are not explicitly taken into account in the selection, retention and realisation of investments, the Trustee welcomes views from members. This position is reviewed periodically.

Corporate governance activities have been delegated to the Scheme's underlying investment managers, with the requirement that voting rights are exercised in the best financial interests of the Scheme. The underlying investment managers will perform corporate governance activities in accordance with their own corporate governance policies and taking account of current best practice including the UK Corporate Governance Code and the UK Stewardship Code where relevant.

The Trustee undertakes an annual review of corporate governance and engagement activities of its investment managers to ensure it meets the Trustee's expectations.

Investment Manager Appointment, Engagement and Monitoring

Aligning manager appointments with investment strategy

In line with section 3 of the SIP, investment managers are appointed based on their capabilities and, therefore, their perceived likelihood of achieving the expected return and risk characteristics required of the asset class they are selected for.

The Trustee looks to their investment consultant for their forward looking assessment of a manager's ability to outperform and / or meet the objective set over a full market cycle. The consultant's view will be based on the assessment of the manager's idea generation, portfolio construction, implementation and business management, in relation to the particular investment fund or strategy that the Scheme invests in. The consultant's manager research ratings assist with due diligence and questioning managers during presentations to the Trustee and are used in decisions around selection, retention and realisation of manager appointments. The Trustee is satisfied that the current managers are rated favourably by the investment consultant, or where they are not rated the investment consultant has indicated that they are comfortable with the manager appointments from an investment perspective in the context of the Scheme's overall asset portfolio. The Trustee also receives input from the Volvo Car Group's in-house investment team.

If the investment objective for a particular manager's fund changes, the Trustee will review the fund appointment to ensure it remains appropriate and consistent with the Trustee's wider investment objectives.

Some investments are actively managed and the Trustee will review the appropriateness of using actively managed funds (on an asset class basis) each quarter.

As the Trustee invests in pooled investment vehicles, they accept that they have no ability to specify the risk profile and return targets of the manager, but appropriate mandates can be selected to align with the overall investment strategy.

The Trustee may also consider, on an annual basis, the investment consultant's assessment of how each investment manager embeds ESG into its investment process and how the manager's responsible investment philosophy aligns with the Trustee's responsible investment policy. This includes the investment managers' policy on voting and engagement where appropriate. The Trustee will use this assessment in decisions around selection, retention and realisation of the manager.

The Trustee can review the decisions made by their managers, including voting history (in respect of equities) and engagement activity where appropriate, and can challenge such decisions to try to ensure the best long term performance over the medium to long term.

Investment managers are aware that their continued appointment is based on their success in delivering the mandate for which they have been appointed to manage. If the Trustee is dissatisfied, then they will look to replace the manager.

Evaluating investment manager performance

The Trustee receives investment manager performance reports on a quarterly basis, which present performance information over 3 months, 1 year, 3 years and since inception. The Trustee reviews the absolute performance and relative performance against a suitable index used as the benchmark, on a net of fees basis. The Trustee's focus is on long term performance but may still engage with managers if there are particular short to medium term performance concerns.

Portfolio turnover costs

The Trustee does not currently monitor portfolio turnover but may consider doing this where information is available and as part of future governance reviews.

Manager turnover

The Trustee may engage with a manager if portfolio turnover is higher than appropriate, bearing in mind market circumstances. This may be assessed by comparing portfolio turnover across the same asset class, on a year-for-year basis for the same manager fund, or relative to the manager's specified portfolio turnover range in the investment guidelines or prospectus.

The Trustee is a long term investor and is not looking to change the investment arrangements on a frequent basis.

For all funds invested in by the Scheme (which are open-ended investment vehicles), there is no set duration for the manager appointments. The Trustee will retain an investment manager unless:

- There is a strategic change to the overall strategy that no longer requires exposure to that asset class or manager;
- The manager appointment has been reviewed and the Trustee has decided to terminate.

All the funds are open-ended with no set end date for the arrangement. A manager's appointment may be terminated if it is no longer considered to be optimal or suitable for the Scheme's investment strategy.

Investment Strategy and Implementation

All investments have been managed during the year under review by the investment managers and there is a degree of delegation in respect of investment decision making.

The investment strategy is agreed by the Trustee after taking appropriate advice. Subject to complying with the agreed strategy, which specifies the target proportions of the Scheme that should be invested in the principal market sectors, the day-to-day management of the Scheme's asset portfolio, including full discretion for stock selection, is the responsibility of the investment managers.

The Trustee have implemented the following investment strategy with the aim of helping them achieve the investment objectives:

Assets Class	Strategic Allocation 31 December 2022	Actual Allocation 31 December 2023
Global Equities	7.0%	5.0%
European Equities	3.5%	2.5%
Emerging Market Equities	4.5%	3.3%
Passive Private Equity	9.5%	8.6%
Global Environment Fund	6.7%	4.5%
Absolute Return	10.0%	11.0%
Property	8.0%	5.5%
High Yield	3.5%	3.0%
Corporate Bonds	5.0%	6.6%
Secured Finance	9.0%	10.5%
Government Bonds	-%	4.4%
LDI and Cash Collateral	33.3%	35.2%
Total	**100.0%**	**100.0%**

Actual allocation sourced from Investment managers. Figures subject to rounding. Strategic allocation excludes assets held in the trustee bank account and in the BlackRock Sterling Liquidity fund, both used for cashflow management purposes.

Following the market activity of the Gilts crisis in late 2022, the strategic weights for each asset class have been taken as the actual asset allocation, which will drift (under supervision) over time.

Consultation between the Trustee and their investment consultant, Mercer, led to the decision that the 12 September 2023 actual asset allocation was appropriate to retain the required interest rate and inflation hedging without undertaking a full investment strategy review. This position is being reviewed post Scheme year-end as part of the Scheme's 2022 actuarial valuation.

The investment managers and providers are regulated by the relevant regulatory body in their home jurisdiction.

The Trustees regard all the investments of the Scheme as readily marketable as detailed below:

- The investments with Mobius Life are in pooled investment vehicles and are daily priced and traded with the exception of the LGIM Buy and Maintain fund which is weekly traded.
- The investment with Ress Life is in a pooled investment vehicle which is priced twice monthly and is monthly traded. Redemptions are allowed with 180 days' notice period.
- For the investment with Insight, subscriptions are dealt on the last business day of each calendar month and redemptions are dealt on last business day of each quarter.
- The investment with Mercer into the Schroder Secured Finance Fund is a pooled investment which allows monthly dealing for subscriptions and redemptions. Please note the fund is closed to subscriptions since March 2022. Only redemptions are now available

Asset Allocation

The Trustee invests in pooled investment vehicles and derivative contracts. The Trustee has authorised the use of derivatives by the investment managers for efficient portfolio management purposes including to reduce certain investment risks such as interest rate risk and inflation risk. The principal underlying investment in derivatives is interest rate and inflation gilt repurchase agreements in the liability matching portfolio.

The following table provides more detail on the distribution of assets for the Scheme:

Manager/Asset Class/Fund	Actual Asset Allocation			
	Start of Year (£m)	End of Year (£m)	Start of Year (%)	End of Year (%)
L&G Life DB World Equity Index Fund	1.8	-	1.6	-
Ardevora Global Long-only Equity Fund	1.8	-	1.6	-
Baillie Gifford DGF European Fund	2.0	2.9	1.8	2.5
Ninety One Emerging Markets Equity Fund	2.3	3.7	2.0	3.3
L&G Life MC Global Listed Private Equity Passive Fund	5.0	9.8	4.4	8.6
Ninety One Global Environment Fund	3.5	5.1	3.1	4.5
BlackRock Sterling Liquidity Fund	0.8	0.2	0.7	0.2
Ress Life Investment A/S	17.1	10.0	15.0	8.8
Nordea 1 GBP Diversified Return Fund	1.6	2.4	1.4	2.1
L&G Life MD Global Real Estate Equity Fund	4.1	6.3	3.6	5.5
PIMCO US High Yield Bond Fund GBP (Hedged)	1.8	3.3	1.6	2.9
PIMCO Global Investment Grade Credit Fund GBP (Hedged)	3.5	3.8	3.1	3.3
L&G Life CAAG Buy and Maintain Credit Fund Weekly	3.3	3.5	3.0	3.1
L&G Life GPGE Future World Global Equity Fund	-	5.7	-	5.0
Insight Secured Finance Fund	6.3	6.5	5.5	5.7
Schroder Secured Finance Fund	5.9	5.4	5.2	4.8
Insight LDI and Cash Collateral	47.4	39.7	41.5	35.0
Insight Liquidity Fund	15.9	6.0	13.9	5.3
L&G Life AF Over 15 Year Gilts Index Fund	5.4	4.9	4.7	4.3
Trustee Bank Account	0.4	0.3	0.3	0.3
Total	**113.9**	**113.5**	**100.0**	**100.0**

Source: Investment Managers and Mercer.

Figures may not sum to total due to rounding.

Valuations are based on dealing prices where available otherwise mid/NAV/single price values are used.

Review of investment performance

The investment returns on the Scheme's investments (net of fees) to 31 December 2023 were as follows:

Manager/Asset Class/Fund	Last Year		Last 3 Year		Last 5 Years / Since Inception	
	Fund (%)	B'mark (%)	Fund (%) p.a.	B'mark (%) p.a.	Fund (%) p.a.	B'mark (%) p.a.
L&G Life DB World Equity Index Fund*	12.5	12.7	10.6	10.8	-	-
L&G Life GPGE Future World Global Equity Fund**	7.1	6.9	-	-	-	-
Baillie Gifford European Equity Fund	7.8	15.8	-	-	-	-
Ninety One Emerging Markets Equity Fund	3.6	4.0	-3.8	-2.5	-	-
L&G Life MC Global Listed Private Equity Passive Fund	34.0	34.5	16.1	16.4	-	-
Ninety One Global Energy Fund	-0.2	15.3	3.3	15.4	-	-
Ress Life Investment A/S	-4.1	0.1	7.6	5.6	-	-
Nordea 1 GBP Diversified Return Fund	4.4	4.7	3.1	2.0	-	-
L&G Life MD Global Real Estate Equity Fund	4.2	4.6	4.2	4.6	-	-
PIMCO US High Yield Bond Fund GBP (Hedged)	11.9	11.4	0.4	1.3	-	-
PIMCO Global Investment Grade Credit Fund GBP (Hedged)	8.4	5.7	-3.7	-5.5	-	-
L&G Life CAAG Buy and Maintain Credit Fund Weekly	8.2	8.6	-4.7	-4.7	-	-
Mercer Secured Finance Fund	8.9	4.7	-	-	-	-
Insight Secured Finance Fund	9.3	4.7	-	-	-	-
Insight LDI and Cash Collateral	-3.3	-3.0	-47.4	-47.2	-	-
Blackrock Sterling Liquidity Fund	4.8	4.7	2.0	2.0	-	-
L&G Life AF Over 15 Year Gilts Index Fund	1.6	1.6	-	-	-	-
Total	**2.2**	**4.1**	**-11.5**	**-11.3**	**-3.1**	**-2.9**

Figures shown are net of fees and based on performance provided by VCGIM, Mobius Life, Ress Capital, Insight Investment, Mercer estimates and Refinitiv.
For periods over one year the figures in the table above have been annualised.
Total Scheme performance is sourced from VCGIM to 30 June 2020 with an inception date of 31 July 2016, estimated by Mercer thereafter.
Total benchmark performance is sourced from VCGIM to 30 June 2017, estimated by Mercer thereafter.
Total growth and matching longer term performance is unavailable due to the Scheme restructure in Q3 2020.
Ress Capital Absolute Return sterling performance is estimated by Mercer by converting the USD performance using exchange rates sourced from Refinitiv.
For performance monitoring purposes, from 30 June 2022 a drifting allocation has been used for benchmark performance calculations.
**Fund was disinvested from on 21 September 2023. Returns shown are over the periods to the disinvestment date.*
***Performance shown since inception of the mandate as at 21 September 2023.*

Over the year under review, the Scheme underperformed its composite benchmark over the 1 year by 1.9% and underperformed its composite benchmark over the 3 year period by 0.2%, returning 2.2% and -11.5% p.a.

Custodial Arrangements

The custodian is responsible for the safekeeping, monitoring and reconciliation of documentation relating to the ownership of listed investments.

For the Scheme's pooled fund investments, the Trustee has no direct ownership of the underlying assets of the pooled funds. The safekeeping of the assets within the pooled funds is performed by custodian banks specifically appointed to undertake this function and whose appointment is reviewed at regular intervals by the manager. The current custodians are shown in the table below.

Manager	Custodian
Mobius Life (Various Pooled Funds) [(a)]	Various
Ress Life (Pooled Fund)	Artha Fondsmaeglerselskab A/S in Denmark and; Wilmington Trust in the US
Insight	Northern Trust International Fund Administration Services (Ireland) Limited
Mercer Global investments (Schroder Secured Finance Fund)	StateStreet Global Advisors

Source: Investment Managers / Mercer.

(a) The Scheme invests in several funds via Mobius life. These funds appoint their own custodians. Mobius Life does not have any direct custody arrangements in place.

Mercer, has been appointed by the Trustee as administrator of trustee bank account of the Plan and are responsible for the safekeeping of these holdings.

Approval

The Trustee's Report on pages 3 to 15, and the Implementation Statement on pages 35 to 47, were approved on behalf of The Trustee and signed on its behalf by:

..... Trustee Director

Date: .....

Statement of Trustee's Responsibilities

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

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

In discharging the above responsibilities, the Trustee is responsible for selecting suitable accounting policies, to be applied consistently, making any estimates and judgments on a prudent and reasonable basis, and for the preparation of the financial statements on a going concern basis unless it is inappropriate to presume that the Scheme will not be wound up.

The Trustee is also responsible for making available certain other information about the Scheme in the form of an Annual Report.

The Trustee also has a general responsibility for ensuring that adequate accounting records are kept and for taking such steps as are reasonably open to it to safeguard the assets of the Scheme and to prevent and detect fraud and other irregularities, including the maintenance of an appropriate system of internal control.

The Trustee is responsible under pensions legislation for preparing, maintaining and from time to time reviewing and if necessary revising a Schedule of Contributions showing the rates of contributions payable towards the Scheme by or on behalf of the employer and the active members of the Scheme and the dates on or before which such contributions are to be paid. The Trustee is also responsible for keeping records in respect of contributions received in respect of any active member of the Scheme and for adopting risk-based processes to monitor whether contributions are made to the Scheme by the employer in accordance with the Schedule of Contributions. Where breaches of the Schedule occur, the Trustee is required by the Pensions Acts 1995 and 2004 to consider making reports to The Pensions Regulator and the members.

Independent auditor's report to the Trustee of the Volvo Car UK Pension Scheme

Opinion

We have audited the financial statements of the Volvo Car UK Pension Scheme (the 'Scheme') for the year ended 31 December 2023 which comprise the Fund Account, the Statement of Net Assets and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the Volvo Car UK Pension Scheme financial statements:

• show a true and fair view of the financial transactions of the Scheme during the year ended 31 December 2023, and of the amount and disposition at that date of its assets and liabilities, other than liabilities to pay pensions and benefits after the end of the year;

• have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and

• contain the information specified in Regulation 3A of the Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996, made under the Pensions Act 1995.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Scheme in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon and our auditor's statement about contributions. The Trustee is responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify 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.

Responsibilities of the Trustee

As explained more fully in the Statement of Trustee's Responsibilities set out on page 16, the Trustee is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustee determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustee is responsible for assessing the Scheme's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustee intends to wind up the Scheme, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

Capability of the audit in detecting irregularities, including fraud irregularities

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

Based on our discussions with the Trustee, we considered the laws and regulations that have a direct impact on the preparation of the financial statements such as Regulation 3A of the Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996 made under the Pensions Act 1995.

During the engagement team briefing, the outcomes of these discussions and enquiries were shared with the team, as well as consideration as to where and how fraud may occur in the entity. The engagement team remained alert to non-compliance throughout the audit from planning to completion.

Audit procedures undertaken in response to the potential risks relating to irregularities (which include fraud and non-compliance with laws and regulations) comprised of:

- enquiries of management and the Trustee as to whether the entity complies with such laws and regulations;
- enquiries with the same concerning any actual or potential litigation or claims and whether they have knowledge of any actual, suspected or alleged fraud;
- inspection of relevant legal correspondence;
- review of Trustee meeting minutes;
- testing the appropriateness of journal entries; and
- the performance of analytical review to identify unexpected movements in account balances which may be indicative of fraud.

No instances of material non-compliance were identified. However, the likelihood of detecting irregularities, including fraud, is limited by the inherent difficulty in detecting irregularities, the effectiveness of the entity's controls, and the nature, timing and extent of the audit procedures performed. Irregularities that result from fraud might be inherently more difficult to detect than irregularities that result from error. As explained above, there is an unavoidable risk that material misstatements may not be detected, even though the audit has been planned and performed in accordance with ISAs (UK).

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

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

Independent Auditor's Report to the Trustee

Use of the audit report

This report is made solely to the Scheme's Trustee, as a body, in accordance with Regulation 3 of the Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996, made under the Pensions Act 1995. Our audit work has been undertaken so that we might state to the Scheme's Trustee those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Scheme's Trustee, as a body, for our audit work, for this report, or for the opinions we have formed.

Assure UK
Chartered Accountants and Statutory Auditor
London

Date:.....

Fund Account

	Note	2023 Total £	2022 Total £
Employer contributions	4	**2,600,000**	3,000,000
Other income	5	**37,459**	11,286
		2,637,459	3,011,286
Benefits paid or payable	6	**(4,832,373)**	(4,955,510)
Payments to and on account of leavers	7	**(20,011)**	(5,334,990)
Administrative expenses	8	**(494,266)**	(138,786)
		(5,346,650)	(10,429,286)
Net withdrawals from dealings with members		**(2,709,191)**	(7,418,000)
Returns on investments			
Investment income	9	**1,375,717**	784,113
Change in market value of investments	10	**1,250,695**	(68,000,579)
Investment management expenses	11	**9,213**	5,787
Net returns on investments		**2,635,625**	(67,210,679)
Net decrease in the fund during the year		**(73,566)**	(74,628,679)
Net assets at 1 January		**114,510,495**	189,139,174
Net assets at 31 December		**114,436,929**	114,510,495

The notes on pages 22 to 31 form part of these financial statements.

Statement of Net Assets available for benefits

	Note	2023 Total £	2022 Total £
Investment assets			
Pooled investment vehicles	13	**113,360,763**	113,505,327
AVC investments	14	**767,439**	708,138
Total investments	10	**114,128,202**	114,213,465
Current assets	19	**517,273**	469,172
Current liabilities	20	**(208,546)**	(172,142)
Net assets at 31 December		**114,436,929**	114,510,495

The financial statements summarise the transactions of the Scheme and deal with the net assets at the disposal of the Trustee. They do not take account of obligations to pay pensions and benefits which fall due after the end of the Scheme year. The actuarial position of the Scheme, which takes into account such obligations, is dealt with in the report on actuarial liabilities on page 4 of the annual report and these financial statements should be read in conjunction with this report.

The notes on pages 22 to 31 form part of these financial statements.

The financial statements on pages 20 to 31 were approved on behalf of The Trustee and signed on its behalf by:

..... Trustee Director

Date: .....

1. Identification of the financial statements

The Scheme is established as a trust under English law.

The Scheme was established to provide retirement benefits to certain groups of employees of Volvo Car UK Limited. The address of the Scheme's principal office is Scandinavia House, Norreys Drive, Maidenhead, Berkshire, SL6 4FL.

The Scheme is a final salary scheme.

2. Basis of preparation

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

3. Accounting policies

The principal accounting policies are set out below. Unless otherwise stated, they have been applied consistently year on year.

3.1 Accruals concept

The financial statements have been prepared on an accruals basis.

3.2 Currency

The Scheme's functional currency and presentational currency is Pounds Sterling (GBP).

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

Gains and losses arising on translation are accounted for in the change of market value of investments during the year.

3.3 Contributions

Employer deficit funding contributions are accounted for in the period to which they relate, in accordance with the Schedule of Contributions, or on receipt if earlier, with the agreement of the employer and Trustee.

3.4 Transfers

Individual transfers in or out of the Scheme are accounted for when member liability is accepted or discharged which is normally when the transfer amount is received or paid.

3.5 Other income

Income is accounted for in the period in which it falls due on an accruals basis.

3.6 Payments to members

Pensions in payment are accounted for in the period to which they relate.

Other benefits, and any associated tax liabilities, are accounted for in the period in which they fall due for payment. Where there is a choice, benefits are accounted for on the later of the date of leaving, retirement or death and the date on which any option or notification is communicated to the Trustee. If there is no choice, they are accounted for on the date of retirement or leaving.

Where the Trustee is required to settle tax liabilities on behalf of a member (such as when lifetime or annual allowances are exceeded) with a consequent reduction in that member's benefits receivable from the Scheme, this is shown separately within benefits.

3.7 Administrative and other expenses

Administrative expenses are accounted for in the period in which they fall due on an accruals basis.

3.8 Investment income

Income from pooled investment vehicles is accounted for when declared by the investment manager.

Income from foreign currency holdings is translated into Sterling at the rate applicable on the date of the transaction.

3.9 Change in market value of investments

The changes in investment market values are accounted for in the year in which they arise and include profits and losses on investments sold as well as unrealised gains and losses in the value of investments held at the year end.

3.10 Valuation of investments

Investments are included at fair value as follows:

The market value of pooled investment vehicles in the current year is based on the bid price operating at the year end, as advised by the investment manager.

The AVC investments include policies of assurance. The market value of these policies has been taken as the surrender values of the policies at the year end, as advised by the AVC providers.

4. Contributions

	2023 Total £	2022 Total £
Employer contributions:		
Deficit funding	**2,600,000**	3,000,000

In accordance with the Schedule of Contributions certified by the Actuary on 12 March 2021, the Employer paid shortfall-correction contributions of at least £250,000 per month for the period from 1 January 2020 to 31 December 2025.

In accordance with the Schedule of Contributions certified by the Actuary on 29 September 2023, the Employer shall pay shortfall-correction contributions of £150,000 per month for the period 1 January 2023 to 31 December 2025.

Payments for the period 1 January 2023 to 31 August 2023 were paid at the rate of £250,000 per month, giving an excess payment of £800,000. The excess payment will be used to pay expenses.

5. Other income

	2023 Total £	2022 Total £
Interest on cash deposits held by the Trustee	**37,459**	6,056
Miscellaneous income	**-**	5,230
	37,459	11,286

6. Benefits paid or payable

	2023 Total £	2022 Total £
Pensions	**4,199,934**	3,963,496
Commutation of pensions and lump sum retirement benefits	**626,809**	971,111
Lump sum death benefits	**5,630**	20,903
	4,832,373	4,955,510

7. Payments to and on account of leavers

	2023 Total £	2022 Total £
Individual transfers out to other schemes	**20,011**	5,334,990

The high volume of transfers out in the prior year was due to the Flexible Retirement Options exercise taking place.

8. Administrative expenses

	2023 Total £	2022 Total £
Pension consultancy fees	**406,238**	123,755
Trustee fees	**76,406**	10,543
Legal fees	**7,794**	3,788
Miscellaneous expenses	**40**	40
Scheme levies	**3,128**	-
Bank charges paid	**660**	660
	494,266	138,786

As part of the flexible retirement exercise, the Trustee agreed that expenses during the year in relation to the exercise would be paid by the Scheme and not by the Company as allowed per the Schedules of Contributions certified on 12 March 2021 and 29 September 2023. Except as noted above, costs of the administration of the Scheme are borne by the Principal Employer.

The Trustee may decide from time to time that particular expenses may be met from the Scheme's assets. In particular, the Trustee has agreed with the Employer that the £800,000 excess contributions referred to above should be used to pay administration expenses (up to a total of £800,000) otherwise due from the Employer, from the Scheme.

9. Investment income

	2023 Total £	2022 Total £
Income from pooled investment vehicles	**1,375,717**	784,113

The above income relates to dividend income received from Insight and MGI.

10. Reconciliation of investments

	Market value at 1 January 2023 £	Cost of investments purchased £	Proceeds of sales of investments £	Change in market value £	**Market value at 31 December 2023 £**
Pooled investment vehicles	113,505,327	47,034,611	(48,363,270)	1,184,095	**113,360,763**
AVC investments	708,138	-	(7,299)	66,600	**767,439**
	114,213,465	47,034,611	(48,370,569)	1,250,695	**114,128,202**

10.1 Transaction costs

Indirect transaction costs are incurred through the bid-offer spread on investments within the pooled investment vehicles. The amount of indirect costs is not separately provided to the Scheme.

11. Investment management expenses

	2023 Total £	2022 Total £
Administration, management and custody fees	**5,127**	4,861
Investment management rebates	**(14,340)**	(10,648)
	(9,213)	(5,787)

The above negative amount relates to MGI fee rebates.

12. Taxation

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

13. Pooled investment vehicles

	2023 Total £	2022 Total £
Bonds	**27,670,392**	26,315,848
Equities	**27,204,284**	16,413,296
Cash	**6,134,004**	16,646,169
Property	**6,194,077**	4,061,506
Absolute Return	**10,016,885**	17,031,631
Diversified Growth	**2,423,340**	1,581,771
Liability Driven Investment	**33,717,781**	31,455,106
	113,360,763	113,505,327

The Scheme's pooled investments are held under managed fund policies in the name of the Trustee. Income generated by these units is distributed and not retained within the managed funds.

14. AVC investments

The Trustee holds assets within the main fund and also holds assets which are separately invested from the main fund in the form of individual bank and building society accounts and policies of assurance. These secure additional benefits, on a money purchase basis, for those members who have elected to pay additional voluntary contributions. Members participating in this arrangement receive an annual statement made up to 31 December 2023 each year, confirming the amounts held to their account and the movements during the year.

The total amount of AVC investments at the year end is shown below:

	2023 Total £	2022 Total £
AEGON Scottish Equitable	**398,455**	357,503
Clerical Medical Investment Group Limited	**193,906**	181,602
Utmost Life and Pensions Limited	**175,078**	169,033
	767,439	708,138

15. Fair value hierarchy

The fair value of financial instruments has been disclosed using the following fair value hierarchy:

Level 1	Unadjusted quoted prices in active markets for identical assets or liabilities which the reporting entity can access at the assessment dates.
Level 2	Inputs other than quoted prices included within Level 1 which are observable for the asset or liability, either directly or indirectly. Observable inputs are inputs which reflect the assumptions market participants would use in pricing the asset or liability developed based on market data obtained from sources independent of the reporting entity.
Level 3	Unobservable inputs for the asset or liability. Unobservable inputs are inputs which reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability developed based on the best information available.

A fair value measurement is categorised in its entirety on the basis of the lowest level input which is significant to the fair value measurement in its entirety.

The Scheme's investment assets fall within the above hierarchy as follows:

	2023 Level 1 £	**2023 Level 2 £**	**2023 Level 3 £**	**2023 Total £**
Pooled investment vehicles	**-**	**113,360,763**	**-**	**113,360,763**
AVC investments	**-**	**711,816**	**55,623**	**767,439**
	-	**114,072,579**	**55,623**	**114,128,202**

Analysis for the prior year end is as follows:

	2022 Level 1 £	2022 Level 2 £	2022 Level 3 £	2022 Total £
Pooled investment vehicles	-	113,505,327	-	113,505,327
AVC investments	-	651,105	57,033	708,138
	-	114,156,432	57,033	114,213,465

16. Investment risks

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

Credit risk: this is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

Market risk: this comprises the following elements:

- 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 of currency risk) whether those changes are caused by factors specific to the individual financial instrument of its issuer, or factors affecting all similar financial instruments traded in the market.

The Trustee determines its investment strategy after taking advice from a professional investment advisor. The Scheme has exposure to these risks because of the investments it makes in following the investment strategy set out below. The Trustee manages investment risks, including credit risk and market risk, within agreed parameters which are set taking into account the Scheme's strategic investment objectives.

For the Scheme's assets, these investment objectives are implemented through the investment management agreements in place with the Scheme's investment managers and monitored by the Trustee by regular review of the investment portfolio. As they are not considered significant, the Scheme's AVC holdings and Trustee Bank Account balance are not included in these disclosures.

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

(i) Investment Strategy

The Trustee considers that their primary responsibility with regard to the management of the Scheme's investments is to ensure, for the duration of the Scheme, that funds will be available to meet the benefit payment obligations of the Scheme as they fall due.

In consideration of this responsibility and the Trustee's obligation to manage the investments of the Scheme prudently, the Trustee's investment objective is to reach, and maintain, full funding on the Technical Provisions basis.

When designing the investment arrangements, the Trustee considers the requirements of legislation, the funding objectives for the Scheme and their views on the covenant of the Sponsor.

The Trustee concluded that following the market activity of the Gilts crisis in late 2022, the strategic weights for each asset class have been taken as the actual asset allocation, which will drift (under supervision) over time. This position was to remain until the 2022 actuarial valuation was concluded, and as such, the implementation of strategic changes advised by Mercer Limited is currently in discussion between the Trustee and the Company.

16. Investment risks (continued)

Asset Class	Investment Manager	31 December 2023 Actual Allocation	Tolerance Range*
Global Equities	LGIM	5.0%	n/a
European Equities	Baillie Gifford	2.5%	n/a
Emerging Market Equity	Ninety One	3.3%	n/a
Passive Listed Private Equity	LGIM	8.6%	n/a
Global Environment Fund	Ninety One	4.5%	n/a
Absolute Return	Ress Capital**	8.9%	n/a
	Nordea	2.2%	n/a
Property	LGIM	5.5%	n/a
High Yield	PIMCO	2.9%	n/a
Corporate Bonds	PIMCO	3.4%	n/a
	LGIM	3.1%	n/a
Secured Finance	Mercer (Schroder)**	4.8%	n/a
	Insight**	5.7%	n/a
Government Bonds	LGIM	4.3%	n/a
LDI and Cash Collateral	Insight	35.2%	n/a
Total		**100%**	

Actual allocation figures sourced from Mobius and investment managers. Subject to rounding.

* Due to the adoption of the drifting actual asset allocation as the Scheme's strategic weighting, no tolerance ranges will be instated until further review.

** Managed outside of the Mobius Life platform. Excluded from rebalancing due to the nature of the funds. The Mercer (Schroder) fund is closed ended and will repay capital.

The appropriateness of the investment strategy is reviewed at least annually.

The Trustee sets the investment strategy for the Scheme taking into account considerations such as the strength of the employer covenant, the long-term liabilities of the DB Section and the funding agreed with the Employer. The investment strategy is set out in its Statement of Investment Principles ("SIP") with details of any changes during the year included in the Trustees' report.

(ii) Credit Risk

To gain exposure to certain asset classes in a cost effective way (in both monetary and governance terms), the Scheme invests in pooled investment vehicles. Therefore, the Scheme is directly exposed to credit risk of these pooled investment vehicles. The value of assets invested in pooled funds and therefore directly exposed to credit risk as a result of this at year end was £113.1m (2022: £113.9m).

The Scheme is subject to indirect credit risk due to bonds, OTC derivatives, repurchase agreements and cash held within pooled investment vehicles. The value of assets exposed indirectly to credit risk as a result of this at year end was £79.8m (2022: £99.0m). This value includes pooled investment vehicles that have only a partial allocation to these asset classes. Some of the pooled investment vehicles may also undertake stock lending which will also introduce indirect credit risk.

In respect of the Trustee approach to managing credit risk arising from the various asset classes, we note the following positions at year end:

- The credit risk from Sovereign Government bonds held directly or indirectly is considered to be minimal. These assets are primarily held for risk management purposes.
- The credit risk from corporate (investment grade) bonds held directly or indirectly is mitigated by investing in a diversified mix of (predominantly) investment grade rated bonds. These assets are held for income and return generating as well as risk management purposes, and the expected return from these assets is considered appropriate for the associated risk.
- The credit risk from corporate (sub-investment grade) and other bonds held directly or indirectly is mitigated via diversification to minimise the impact of default by any one issuer. These assets are held for return generating purposes, and the expected return from these assets is considered appropriate for the associated risk.

16. Investment risks (continued)

– Pooled liquidity funds will invest with a diversified range of institutions, which are at least investment grade credit rated, to mitigate credit risk.

– A summary of the pooled investment vehicles as at 31st December 2023 and 2022 by type of arrangement is shown below.

Investment Type	2023 (£m)	2022 (£m)
Unit-Linked Insurance Contracts	91.2	84.6
Open Ended Investment Companies	10.0	17.1
Qualifying Investor Alternative Investment Fund (QIAIF)	11.9	12.2
Total	**113.1**	**113.9**

Source: Investment Managers and Mercer.

As at 31 December 2023. Figures may not sum to total due to rounding.

Valuations are based on Bid prices where available otherwise mid/NAV/single price values are used.

- Direct 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 environment in which the pooled fund manager operates and diversification of investments amongst a number of pooled arrangements. The Trustee carries out due diligence checks before appointing new-pooled investment managers.

(iii) Currency risk

The Scheme is subject to direct currency risk because investments are held in pooled investment vehicles denominated in a non-Sterling currency totalling £10.0m (2022: £17.1m).

The Scheme is subject to indirect currency risk because the underlying holdings of the pooled investment vehicles held may be denominated in a non-Sterling currency and are not fully currency hedged by the investment manager. The value of holdings subject to this risk total £57.7m (2022: £50.5m). This value includes pooled investment vehicles that have only a partial exposure to currency risk.

(iv) Interest rate risk

The Scheme is subject to interest rate risk via its Liability Driven Investment ("LDI") and bond holdings, via pooled investment vehicles, and has entered into insurance contracts.

The Trustee has an allocation of 59.5% to LDI and bonds. If interest rates fall, the value of these assets will rise to help match a proportion of the increase in actuarial liabilities arising from a fall in the discount rate. Similarly, if interest rates rise, these assets will fall in value (as will the actuarial liabilities due to an increase in the discount rate). As at year end, the Trustee expect these assets to capture c.80.1% (2022: c.79.5%) of the change in TP liabilities due to interest rate movements and c.77.8% (2022: c.90.8%) of the change in TP liabilities due to inflation movements.

The Scheme has exposure to interest rate risk via the funds that invest in Absolute Return, High Yield Bonds, Corporate and Government Bonds.

(v) Other price risk

Other price risk arises principally in relation to the Scheme's non-bond assets, which includes Equities, Passive Private Equity, Natural Resources, Absolute Return and Property.

16. Investment risks (continued)

The Scheme has set a target allocation of 40.5% to non-bond assets. The Scheme manages this exposure to overall price movements by constructing a diverse portfolio of investments across various markets.

	2023 (£m)	2022 (£m)
Equity	17.3	9.4
Passive Private Equity	9.7	5.0
Absolute Return	12.5	19.5
Property	6.3	4.1
Total	**45.8**	**37.9**

Source: Investment Managers and Mercer.
As at 31 December 2023. Figures may not sum to total due to rounding.
Valuations are based on Bid prices where available otherwise mid/NAV/single price values are used.
The trustee bank account balance and investment with Ress Capital is not included.

17. Concentration of investments

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

	2023		2022	
	£	%	£	%
Ress Life investments	**10,016,885**	**8.8**	17,031,631	14.9
L&G Life MC Global Listed Private Equity Passive Fund	**9,790,047**	**8.6**	N/A	N/A
Insight LDI Partially Funded Index-Linked Gilts 2041-2050	**6,894,987**	**6.0**	6,592,077	5.8
IIFIG Secured Finance II Fund	**6,475,649**	**5.7**	6,317,500	5.5
L&G Life MD Global Real Estate Equity Fund	**6,194,077**	**5.4**	N/A	N/A
Insight Liquidity Fund	**5,955,828**	**5.2**	15,866,070	13.9
L&G Life GPGE Future World Global Equity Fund	**5,670,467**	**5.0**	N/A	N/A
Insight LDI Partially Funded Index-Linked Gilts 2031-2040	**N/A**	**N/A**	7,066,878	6.2
Schroder Secured Finance Fund - A14035DGBP IE00BL9Y5R18	**N/A**	**N/A**	5,915,577	5.2

18. Employer-related investments

The Trustee is satisfied that the proportion of the Scheme's assets in employer-related investments does not exceed 5% of the market value of the Scheme's assets as at 31 December 2023.

19. Current assets

	2023 Total £	2022 Total £
Investment income receivable	**127,899**	80,276
Cash deposits held	**389,374**	388,896
	517,273	469,172

Cash deposits are held in the name of the Trustee with HSBC Bank plc.

20. Current liabilities

	2023 Total £	2022 Total £
Lump sums on retirement payable	**-**	52,129
Taxation payable	**60,078**	53,060
Administrative expenses payable	**145,681**	64,558
Investment management expenses payable	**2,787**	2,395
	208,546	172,142

21. Related party transactions

All expenses in connection with the Scheme are borne by the Principal Employer in line with the Schedule of Contributions. During the prior year it was agreed by the Employer and Trustee that all fees in relation to the flexible retirement option exercise and investment expenses would be paid by the Scheme. Fees of £15,995 (2022: £10,543) charged by the Trustee in respect of services to the flexible retirement option exercise during the year were payable by the Scheme.

During the year it was agreed by the Employer and Trustee that the excess payment of £800,000 in respect of the shortfall-correction contributions paid for the period 1 January 2023 to 31 August 2023 should be used to pay administration expenses (up to a total of £800,000) otherwise due from the Employer, from the Scheme. Fees paid from this excess during the year totalled £51,463.

The Trustee fees paid by the employer for the year ended 31 December 2023 totalled £44,931 (2022: £77,143)

22. GMP Equalisation

On 26 October 2018, the High Court handed down a judgment involving the Lloyds Banking Group's defined benefit pension schemes. The judgment concluded the Scheme's rules should be amended to equalise pension benefits for men and women in relation to guaranteed minimum pension benefits. A subsequent ruling on the treatment of past transfers out, issued on 20 November 2020, has meant that trustees also need to consider making up the shortfall on transfer values paid out of schemes that contained GMP that had not been equalised prior to payment. The issues determined by these judgments arise in relation to many other defined benefit pension schemes. The Trustee of the Scheme is aware that the issues will affect the Scheme and will be considering this at future meetings and decisions will be made as to the next steps. Under the ruling schemes are required to backdate benefit adjustments in relation to GMP equalisation and provide interest on the backdated amounts. Based on an initial assessment of the likely backdated amounts and related interest the Trustee does not expect these to be material (approximately 1% of liabilities) to the financial statements and therefore has not included a liability in respect of these matters in these financial statements. They will be accounted for in the year they are determined.

Independent Auditor's Statement about Contributions to the Trustee

We have examined the Summary of Contributions to the Volvo Car UK Pension Scheme for the Scheme year ended 31 December 2023 which is set out on page 33.

In our opinion contributions for the Scheme year ended 31 December 2023 as reported in the Summary of Contributions and payable under the Schedules of Contributions have in all material respects been paid at least in accordance with the Schedules of Contributions certified by the Scheme Actuary on 12 March 2021 and 29 September 2023.

Scope of work on Statement about Contributions

Our examination involves obtaining evidence sufficient to give reasonable assurance that contributions reported in the Summary of Contributions on page 33 have in all material respects been paid at least in accordance with the Schedules of Contributions. This includes an examination, on a test basis, of evidence relevant to the amounts of contributions payable to the Scheme and the timing of those payments under the Schedules of Contributions.

Respective responsibilities of Trustee and the auditor

As explained more fully in the Statement of Trustee's Responsibilities, the Scheme's Trustee is responsible for preparing, and from time to time reviewing and if necessary revising, a Schedules of Contribution and for monitoring whether contributions are made to the Scheme by the employer in accordance with the Schedules of Contributions.

It is our responsibility to provide a Statement about Contributions paid under the Schedules of Contributions and to report our opinion to you.

Use of the audit report

This statement is made solely to the Scheme's Trustee, as a body, in accordance with Regulation 4 of The Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996, made under the Pensions Act 1995. Our work on contributions has been undertaken so that we might state to the Scheme's Trustee those matters we are required to state to them in an auditor's statement about contributions and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Scheme's Trustee, as a body, for our work on contributions, for this statement, or for the opinion we have formed.

Assure UK
Chartered Accountants and Statutory Auditor
London

Date: .....

Summary of Contributions

During the year ended 31 December 2023, the contributions payable to the Scheme by the Employer were as follows:

	2023 Total £
Contributions payable under the Schedules of Contributions:	
Employer contributions:	
Deficit funding	**2,600,000**
Contributions payable under the Schedules of Contributions (as reported on by the Scheme Auditor) and reported in the financial statements	**2,600,000**

Approved on behalf of The Trustee and signed on its behalf by:

..... Trustee Director

Date: .....

Actuarial Certificate

Certification of schedule of contributions

Adequacy of rates of contributions

1. I certify that, in my opinion, the rates of contributions shown in this schedule of contributions are such that the statutory funding objective could have been expected on 31 December 2022 to be met by the end of the period specified in the recovery plan dated 29 September 2023.

Adherence to statement of funding principles

2. I hereby certify that, in my opinion, this schedule of contributions is consistent with the statement of funding principles dated 29 September 2023.

The certification of the adequacy of the rates of contributions for the purpose of securing that the statutory funding objective can be expected to be met is not a certification of their adequacy for the purpose of securing the scheme's liabilities by the purchase of annuities, if the scheme were to be wound-up.

Signature	*Ian D Peggs*
Name	Ian D Peggs
Date of signing	29 September 2023
Qualification	Fellow of the Institute and Faculty of Actuaries
Name of employer	Mercer Limited
Address	Tower Place, London, EC3R 5BU

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Volvo Car UK Pension Scheme (the "Scheme")

Annual Engagement Policy Implementation Statement

Year Ending 31 December 2023

Introduction

This Statement sets out how, and the extent to which, the Scheme's Engagement Policy in the Statement of Investment Principles ("SIP") produced by the Trustee has been followed during the year to 31 December 2023. This Statement has been produced in accordance with The Pension Protection Fund (Pensionable Service) and Occupational Pension Schemes (Investment and Disclosure) (Amendment and Modification) Regulations 2018 (as amended) and the guidance published by the Pensions Regulator.

An investment in equities brings with it an entitlement to vote at general meetings of the company whose shares are held. Some of the Scheme's assets are invested in equities and the Trustee's SIP includes wording relating to the Trustee's voting and engagement policies.

Investment Objectives of the Scheme

The Trustee believes it is important to consider the policies in place in the context of the investment objectives they have set.

The Trustee considers that their primary responsibility with regard to the management of the Scheme's investments is to ensure, for the duration of the Scheme, that funds will be available to meet the benefit payment obligations of the Scheme as they fall due.

In consideration of this responsibility and the Trustee's obligation to manage the investments of the Scheme prudently, the Trustee's investment objective is to reach, and maintain, full funding on the Technical Provisions basis.

The objectives set out above and the risks and other factors referenced in the Statement of Investment Principles are those that the Trustee determine to be financially material considerations.

Policy on ESG, Stewardship and Climate Change

The Trustee believes that environmental, social and governance ("ESG") issues have an impact on investment risk and return outcomes, and that good stewardship can create and preserve value for companies and markets as a whole. The Trustee also recognises that long-term sustainability issues, particularly climate change, present risks and opportunities that increasingly require explicit consideration.

The Trustee has taken into account the expected time horizon of the Scheme when considering how to integrate these issues into the investment decision making process.

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Financially material considerations, include (but is not limited to) ESG considerations (including but not limited to climate change) are considered by the Trustee.

The Trustee has reviewed its beliefs in 2021 and agreed to align itself with the sustainability policy of Volvo Car Group. This includes the integration of ESG considerations throughout the Trustees decision-making process as well as some exclusions as listed below;

- Companies that contribute to a serious and systematic breach international law and human rights.
- Companies that produce and sell controversial weapons, hereunder nuclear, land mines, cluster munitions and chemical weapons.
- Companies involved in serious climate degradation.
- Companies involved in systematic corruption and crime.

The Trustee considers the ESG research ratings published by its investment advisors, Mercer, when monitoring the Scheme's investment manager's capabilities. These ratings are also considered as part of any new selection of investment funds.

In meetings with the Scheme's investment manager, ESG issues are discussed and the manager is expected to discuss voting and engagement activities carried out on behalf of the Trustee for mandates where this is relevant.

The Trustee has made investments in specific sustainability themed investments.

Whilst members' views in respect of non-financial matters are not explicitly taken into account in the selection, retention and realisation of investments, the Trustee welcomes views from members. This position is reviewed periodically.

Corporate governance activities have been delegated to the Scheme's underlying investment managers, with the requirement that voting rights are exercised in the best financial interests of the Scheme. The underlying investment managers will perform corporate governance activities in accordance with their own corporate governance policies, and taking account of current best practice including the UK Corporate Governance Code and the UK Stewardship Code where relevant.

The Trustee undertakes an annual review of corporate governance and engagement activities of its investment managers to ensure it meets the Trustee's expectations.

How has the policy been met over the Scheme year?

During the year under review, the Trustee and Sponsoring Employer agreed to disinvest from the LGIM Global Equity Fund following investigation into an allocation to controversial weapons within it. At a Trustee meeting in May 2023, said fund was replaced by the Future World Global Equity Index Fund given the increased ESG screening measures it employs.

Appendix 1:
Implementation Statement

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- Environmental – For example: actions/initiatives requiring publication of a business strategy that is aligned with the Paris Agreement on climate change; resolutions on climate related activities that would result in significant biodiversity loss;
- Social – For Example: actions/initiatives relating to Human rights violations in its various forms (e.g. slavery; human trafficking; sexual harassment, etc), provision of amenities to the benefit of communities and regions (e.g. a non-exhaustive list could include improved health care, education, internet, water etc).
- Governance – For example: actions/initiatives that would be at odds with the expectations of the UK Corporate Governance Code (e.g. matters of excessive or inappropriate executive remuneration or lack of board diversity).

The Trustees will keep this definition under consideration based on emerging themes within internal discussions and from the wider industry. The Trustee did not inform managers of what they considered to be the most significant votes in advance of voting.

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Appendix 1

Engagement

	How many engagements have you had with companies in the past 12 months?	Key engagements and outcomes provided by the investment managers
Baillie Gifford European Equity Fund	43	**Adyen N.V.** Objective: Following a discussion in the summer with the co-CEO and CFO of Adyen, the Dutch global payments processing platform, we engaged the company again to assess aspects of our investment thesis in more detail. Specifically, we discussed investor communications, rising headcount and culture. Discussion: For context, Adyen's share price approximately halved in August 2023, primarily due to the market's reaction to signs of competitive headwinds in Adyen's US digital business. Having discussed this with the co-CEO and CFO in August, we decided to kick the tyres of Adyen's US business. Specifically, we held meetings in San Francisco with the head of the North American business, the CFO, the global head of human resources and members of the management board, as well as several of Adyen's customers (and competitors' customers) in the US digital segment. We discussed management's decision to switch from a six-monthly reporting cycle (a common practice in the Netherlands) to a quarterly update cycle until at least next year, to provide greater visibility amid amplified investor uncertainty. With this decision, we believe management has struck a balance between listening to market feedback on communication while not caving to all the market's short-term demands. We also discussed what Adyen's doubling in headcountsince 2021 might imply for its culture. While this countercyclical expansion stands to be competitively advantageous in the long run, and while Adyen remains very lean relative to any relevant competitor, we questioned whether the sheer speed of its expansion could result in operational strains. Management informed us that it has slowed the pace of hiring in the latter half of the year, partly as it had already completed most of its previously announced recruitment drive, and partly as it started to feel that recent interview candidates would dilute talent density in the company. Regarding culture, it was striking to witness the extent to which the cultural values from Adyen's Amsterdam headquarters - known as the 'Adyen Formula' - had permeated into the day-to-day business of its US operations. Outcome: Meetings with Adyen's US business were encouraging and consistent in terms of Adyen's growth opportunity, competitive advantage, cultural differentiation and operational execution. **DSV A/S** We continue to think that DSV will face a high hurdle in demonstrating full commitment to upholding international human and labour rights because of its involvement in the NEOM JV. We intend to write a

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		letter to the board outlining our expectations regarding the levels of transparency on related risk monitoring. We also agreed to have a follow-up discussion on DSV's decarbonisation pathway following the publication of its ESG report in early. **2024. Wizz Air Holdings Plc** This discussion reinforced the difficulties that the aviation industry faces to decarbonise. It also highlighted the dependencies of the airlines on the innovation pathways of plane manufacturers and on the scaling of the supply of SAF. Baillie Gifford were reassured by the level of board oversight on safety and the progress Wizz was able to demonstrate in its claims management processes. We will continue to monitor and engage on Wizz's progress in these material areas
L&G Life CAAG Buy and Maintain Credit Fund Weekly	52	n/a
L&G Life MC Global Listed Private Equity Passive Fund	6	n/a
L&G Life MD Global Real Estate Equity Fund	196	n/a
L&G Life AF Over 15 Years Gilt Index Fund	n/a	n/a
L&G Life GPGE Future World Global Equity Fund	886	n/a
Ninety One Emerging Markets Equity Fund	20	**WH Group Ltd** The primary purpose of the engagement was to discuss the company's transition plan with two sub-components a) disclosure and target setting b) gain an understanding of why the company has different targets for different geographies and to encourage them todrive toward universal best practice c) to raise some governance issues Outcome The Hong Kong Stock Exchange will make TCFD mandatory within the next two years. The company already generates Scopes 1, 2, and 3 for its Smithfield subsidiary, and they intend to achieve group-level disclosure by the end of 2023, which is an important

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		follow-up to our next engagement. WH Group does not report to CDP, yet they see it as the gold standard. Smithfield already reports to CDP, and they have been working with CDP on data granularity for the past two years to assist enhance WH Group reporting across the board. WH is also harmonising disclosure with the TCFD rules. In terms of ESG policies, we addressed the differing approaches used by Shuanghui Development and Smithfield Foods, both of which create packaged beef products. WH emphasised the disparities in cultures, economies, regulation, customers, and market behaviour between the two companies. WH also stated that prior to the acquisition of Smithfield, it was already well-versed in matters such as animal welfare. The organisation is not actively working towards universal best practices, but they remain a primary focus of interaction. It should be emphasised that Smithfield has a carbon negative aim by 2030, and that the rising European business falls under Smithfield's remit, thus it will eventually meet its targets. On governance, we emphasised the importance of pre-emption rights, gender diversity on the board, and a progressive dividend policy. The corporation acknowledged our issues and stated that they will be communicated to higher levels. **Saudi Aramco** We met with the company to gain clarity on key points from their transition plan, including an update on downstream interventions, renewable targets, capex allocation and the overarching plans in line with Saudi Arabian oil plans. Outcome Aramco has not declared Scope 3 emissions and has no targets or strategies for Scope 3. They have set an ambitious renewable energy target of 12 GW of solar by 2030 (2.6 GW by 2025), which means they will account for a quarter of Saudi Arabia's renewable energy capacity. The ultimate goal is to have 58 GW of renewable power online by 2050. Furthermore, they have significantly reduced flaring intensity, which is linked to their efforts to transition the Saudi grid totally to renewable and gas power. Scope 3 is expected to be reduced significantly over time as feedstock shifts towards petrochemicals. In prior meetings, the CEO of Aramco has identified a scarcity of crucial metals and resources as a hurdle to meeting the company's 2030 renewable energy ambitions. The corporation is increasing its focus on the material transition, both to promote the country's own mining sector development and to broker agreements with others, such as African miners. Aramco has never disclosed their capex and opex expenditures on any transition or efficiency-related interventions, but given the recent abandonment of plans to increase production by 1 million barrels per day, cash should be available for dividends or other business activities such as increased investment in low-carbon downstream activities. Blue hydrogen schemes are also being implemented, with free-flowing emissions capped and stored at the source (CCUS). Aramco is working to reduce its carbon footprint by increasing gas output, investing in renewable energy and launching blue hydrogen initiatives. We will continue to discuss their financial transparency and long-term commitment to Scope 3 emission reduction. **Samsung Electronics Co Ltd** Structure/Composition, Capital Management Purpose As of Q1 2022, we have two ongoing, strategic engagements with Samsung Electronics. Engagement 1: A multi-year multi-faceted engagement on

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		governance covering capital allocation and corporate governance. Outcome We have had a multi-year, multi-faceted engagement with Samsung Electronics on governance and board function/independence, which began in 2015, as well as their climate change plan. Our governance engagement began with a focus on 1) capital allocation and 2) corporate governance. We held a call with the company in February ahead of the AGM to discuss the election of Je-YoonShin as Independent Director, given his potential conflict of interest as Chairman of the Financial Services Commission (2013-15), at the same time that Samsung executives were accused of Insider Trading for purchasing Cheil Industries shares prior to the merger with Samsung C&T. JY Lee (de facto leader of the Samsung Group) faced accusations in two distinct trials involving the same transactions. In addition, we inquired about the low participation of women on the board. The corporation explained that the news reports were inaccurate because JY Shin was not involved in the aforementioned investigation, and hence there was no conflict of interest. Furthermore, they clarified that JY Shin had passed through the Korean government commission that determines whether recent government personnel are qualified for employment or directorship in the private sector by evaluating potential conflicts of interest. Regarding the board's gender diversity, the corporation claimed that they took this issue seriously, but that this is preceded by diversity of abilities, and that while they have internal gender diversity targets, they did not want to make these public in the near future. While the AGM materials identified an area where there is a potential conflict of interest, we are confident that the company has thoroughly investigated this. We are pleased to vote in favour of JY Shin's appointment to the board based on this and the governance-related improvements demonstrated since we first engaged them in 2015. We will continue to engage on an ongoing basis about capital allocation and governance; however, given the progress made thus far, we will prioritise our engagement efforts on their climate change strategy due to the heightened relevance of this issue.
Ninety One Global Environment Fund	95	**TE Connectivity** TE Connectivity is the world leader in connectivity and sensor solutions. It is positively exposed to structural growth as its solutions enable sustainable decarbonisation across various industries and end uses. As an electronic components manufacturer, the company helps its customers produce smaller, lighter and more energy efficient products. In transport, for example, the electrification of vehicles creates a need for more robust terminal and connector products, doubling the content opportunity for TE Connectivity relative to internal combustion engine vehicles. The company offers the broadest range of technologies in this space. Furthermore, its custom engineered connectivity solutions are used to drive industrial automation, as well as cooler and greener datacentres. As part of our annual review, we set engagement goals for all companies in the Global Environment portfolio. Our goals for TE Connectivity were as follows: Reporting company wide carbon avoided. Adopting science based targets. Disclosing detailed labour management and supply chain practices. Improving board gender diversity. Board refreshment. In Q1 2024, we completed a collaborative engagement (via letter) with another impact investor, to seek enhancement in the quality of Scope 3 disclosures (by including downstream Scope 3 emissions), and clarity on work towards a definitive commitment to an SBTi approved 'net zero

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		by 2050' target. We recognise TE Connectivity's efforts in setting near term carbon reduction targets but believe enhanced Scope 3 disclosure, coupled with a clear articulation of the steps that will enable the company to adopt an SBTi approved longer term 'net zero by 2050' target, will be critical in managing climate risk. Following our engagement, we received a comprehensive letter from TE Connectivity detailing the challenges it faces in setting net zero emissions target. 95% of its emissions come from Scope 3, partly via a supply chain that extends to 10,000 suppliers. This makes it difficult to compile accurate and complete carbon data from which to develop an actionable emissions reduction plan. Despite the challenges, we were pleased to learn that TEConnectivity is looking to implement training programmes with its suppliers to improve carbon data. In particular, it has established a team to partner with its metals providers to calculate their respective carbon footprints, and is educating suppliers on how to reduce emissions through operating standards and investments in infrastructure. TE Connectivity is also working to roll out: an annual survey for suppliers to complete; renewable electricity and emissions accounting advice; and resin waste reduction in its own operations to reduce the amount of materials it procures. We will continue to engage with the company on these issues.
Nordea 1 GBP Diversified Return Fund	131	**Waste Management** Overview Waste Management Inc. ("Waste Management") provides services which include the collection, transfer, recycling, resource recovery and disposal of waste. Waste Management is one of the largest waste management companies in North America. The company has more than 26,000 garbage trucks, more than 50,000 employees and operates 268 landfills. Background Nordea Asset Management is a founding member and signatory of the Net Zero Asset Managers ("NZAM") initiative, a global coalition of asset managers working for the achievement of net-zero greenhouse gas emissions by 2050 and adopted a historic set of climate targets to support this ambition. For companies in high carbon emitting sectors such as waste management Nordea Asset Management engages to understand their decarbonisation strategy, and we have been in dialogue with Waste Management since 2019. The Engagement The waste management sector is among the largest emitting source of carbon dioxide, but also methane globally. When we initiated the dialogue with Waste Management in 2019 we were enquiring climate and environmental data reported according to TCFD. Waste Management was already reporting climate and environmental data to CDP Climate Change and has since 2017 received the best grade (A). In 2020, Waste Management has disclosed their TCFD reporting publicly. This indicates that the company is well aware of the environmental challenges and risks of its business model, measures them and would eventually be able to set carbon emission targets. They did set a carbon abatement target of x3 to x4 carbon emitted in their operations, which in our view does not demonstrate a clear decarbonisation strategy since this does not address absolute emission reduction to be aligned with below 2 degrees scenario, especially for GHG Scope 1 and 2.

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		Nordea Asset Management has met with Susan Robinson, Sustainability & Policy Director at Waste Management to discuss how Waste Management is considering absolute carbon emission reduction targets including fugitive emissions, and when these will be approved by the Science-Based Target initiative ("SBTi"). Outcome In 2021 Waste Management has realised that the climate expectations were changing and that their x4 target (abate x4 the amount they emit) was insufficient. Together with an external consultant they are now working to set a 1.5 degree aligned absolute reduction target, with the ambition of reducing absolute greenhouse gas emissions for scope 1 and 2 by as much as 42% by 2030 compared to the 2021 level. The target is to be released mid-2022 and seek SBTi validation. We see this as a serious decarbonisation commitment demonstrating a 1.5 degree scenario alignment where Waste Management's focus is on better emission measurement, capture and biogas conversion that can be used as a renewable fuel in their collection fleet. The targets apply to carbon dioxide; Waste Management estimates 80% of methane emissions are captured based on modelling, and is working on improving modelling capabilities of fugitive emissions. Recycling ambitions will also be formulated together with the targets to be released later this year. This is a positive improvement we are looking forward to seeing communicated at a later stage. Once the targets are disclosed, we plan on following-up with the link of Management Incentive programs to ESG metrics.
PIMCO Global Investment Grade Credit Fund GBP (Hedged)	483	**Deutsche Bank** PIMCO has regular engagements with the issuer and provided significant input when they first developed their sustainability-linked bond framework. External factors have hampered progress relative to their near-term core greenhouse gas emission reduction target: 1) weather, and 2) to a lower extent, energy shock from the Russia-Ukraine conflict (e.g. request from the national government to increase the use of coal in energy mix by the issuer, deviating from their plan to reduce coal exposure). Hence, given their ambition, there's a possibility that they may miss the target for their SLB. Being the flagship issuer of SLB, this might impact the issuer's bond spreads, although the issuer's climate strategy and credentials remain best in class. Engagement: PIMCO has ongoing engagement on the issuer's climate strategy implementation as well as progress on KPIs linked to their SLBs. In early 2023, we discussed the latest trends of their targets and the possibility for them to miss the target for SLB, resulting in a step-up. The final value is expected to be communicated around April 2024. The renewables installed capacity (another target linked to its SLBs) is firmly on track. We shared recommendations for its consideration as part of its SLB framework to include scope 3 and taxonomy metrics. We also provided recommendations on its sustainability-linked bonds progress reporting and encouraged them to attribute drivers for their carbon emissions compared to target to help investors and other stakeholders distinguish external from internal factors. Looking Forward: The issuer updated their SLB framework in February 2023, including the additional targets on Scope 3 and taxonomy-aligned CAPEX. We are awaiting their 2023 Sustainability report publication for an update on their carbon target linked to their SLBs. We also raised

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		last year some questions to get a clarification regarding recent human rights controversies and potential implications for Global Norms compliance.
PIMCO US High Yield Bond Fund GBP (Hedged)	204	**US utility company** Theme: Governance – Board effectiveness Other Background: Climate resilience is one of the most prominent issues faced by the utility sector. Following multiple destructive wildfire seasons since 2018, the issuer suffered significant financial losses, reputational damages, and regulatory action. This led to meaningful wider spreads on the issuer's bonds and exclusion from much of the sustainable investment universe as a result of the UN Global Compact "Fail" status issued by MSCI. Engagement: Together with the company's sustainability and climate resilience team, PIMCO worked with the issuer on climate adaptation best practice and continued improvements for climate resilience disclosure and actions. Progress to date: The issuer has met its climate resilience targets and committed to future multi-year targets, and MSCI removed its 'Fail' status on the issuer in 2022. While the progress aligns with our view on key next steps for improvement, we will continue to monitor uncertainty in the effectiveness and residual risks in the issuer's adaptation measures, given the multi-year horizon and cyclical nature of climate physical risks. We expect on-going conversations with the issuer as the company continues to strengthen climate resilience and rebuild its financial strength and reputation.

Source: Mobius, investment managers.
[1]Where information was not provided by managers, we have denoted this as n/a.

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Appendix 2

Voting Activity

Voting activity details provided by the relevant managers are shown below.

	Do you conduct your own votes?	How many votes were proposed across the underlying companies in the fund?	How many times did you vote in favour of management?	How many times did you vote against management?	How many votes did you abstain from?	Key voting example and outcomes
Baillie Gifford European Equity Fund	Yes	955	903	27	4	**KERING SA** **Date of vote:** 27 April 2023 **Approximate size of holding:** 3.31% **Summary:** Remuneration policy for Board of Directors. **Theme:** Governance/Social. **Shared voting intention with company ahead of voting-** No **Vote** – against **Rationale:** Baillie Giffordopposed three resolutions on executive remuneration reports due to concerns with the stretch of ESG performance targets, and lack of downward discretion to reflect the Balenciaga scandal. **Outcome:** Pass **Criteria for significance:** This resolution is significant becauseit is a sizeable, material portion of the fund's total portfolio and because it is Governance/Social related.
L&G Life MC Global Listed Private Equity Passive Fund	LGIM's Investment Stewardship team uses ISS's 'ProxyExchange' electronic voting platform to electronically vote	841	640	201	0	**EQT AB** **Date of vote:** 30 May 2023 **Approximate size of holding:** 7.73% **Summary:** Resolution 14.h - Re-elect Conni Jonsson as Board Chair **Theme:** Governance.

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	clients' shares. All voting decisions are made by LGIM and we do not outsource any part of the strategic decisions. To ensure our proxy provider votes in					**Shared voting intention with company ahead of voting:** LGIM publicly communicates its vote instructions on its website the day after the company meeting, with a rationale for all votes against management. It is our policy not to engage with our investee companies in the three weeks prior to an AGM as our engagement is not limited to shareholder meeting topics. **Vote:** Against **Rationale:** A vote against is applied as LGIM expects the presence of an independent lead director to ensure there is sufficient challenge to management. LGIM expects a company to have a diverse board, with at least one-third of board members being women. LGIM expects companies to increase female participation both on the board and in leadership positions over time. **Outcome:** n/a **Implications:** LGIM will continue to engage with our investee companies, publicly advocate our position on this issue and monitor company and market-level progress. **Criteria for significance:** This resolution is significant because it is a sizeable, material portion of the fund's total portfolio and because it is Governance. **The Carlyle Group Inc** **Date of vote:** 30 May 2023 **Approximate size of holding:** 6.0% **Summary:** Resolution 1.2 – Elect Director Lawton W. Fitt **Theme:** Governance. **Shared voting intention with company ahead of voting:** LGIM publicly communicates its vote instructions on its website the day after the company meeting, with a rationale for all votes against management. It is our policy not to engage with our investee companies in the three weeks prior to an AGM as our engagement is not limited to shareholder meeting topics. **Vote:** Withold. **Rationale:** A vote against is applied as LGIM expects a company to have at least one third women on the board.

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						Outcome: n/a **Implications:** LGIM will continue to engage with our investee companies, publicly advocate our position on this issue and monitor company and market-level progress. **Criteria for significance:** This resolution is significant because it is a sizeable, material portion of the fund's total portfolio and because it is Governance related. **Ares Capital Corporation** **Date of vote:** 8 August 2023 **Approximate size of holding:** 5.5% **Summary:** Resolution 1c - Elect Director Steven B. McKeever **Theme:** Governance. **Shared voting intention with company ahead of voting:** LGIM publicly communicates its vote instructions on its website the day after the company meeting, with a rationale for all votes against management. It is our policy not to engage with our investee companies in the three weeks prior to an AGM as our engagement is not limited to shareholder meeting topics. **Vote:** Against. **Rationale:** LGIM views gender diversity as a financially material issue for their clients, with implications for the assets they manage of their clients' behalf. **Outcome:** n/a **Implications:** LGIM will continue to engage with our investee companies, publicly advocate our position on this issue and monitor company and market-level progress. **Criteria for significance:** This resolution is significant because it is a sizeable, material portion of the fund's total portfolio and because it is Governance related.
L&G Life MD Global Real Estate Equity Fund	LGIM's Investment Stewardship team uses ISS's 'ProxyExchange' electronic voting	4,368	3,429	923	1	**Prologis, Inc.** **Date of vote:** 4 May 2023 **Approximate size of holding:** 7.4% **Summary:** Resolution 1a - Elect Director Jeffrey L. Skelton **Theme:** Governance.

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	platform to electronically vote clients' shares. All voting decisions are made by LGIM and we do not outsource any part of the strategic decisions. To ensure our proxy provider votes in					**Shared voting intention with company ahead of voting:** LGIM publicly communicates its vote instructions on its website the day after the company meeting, with a rationale for all votes against management. It is our policy not to engage with our investee companies in the three weeks prior to an AGM as our engagement is not limited to shareholder meeting topics. **Vote:** Against **Rationale:** LGIM views gender diversity as a financially material issue for their clients with implications for the assets they manage on their clients' behalf. **Outcome:** 93.0% **Implications:** LGIM will continue to engage with our investee companies, publicly advocate our position on this issue and monitor company and market-level progress. **Criteria for significance:** This resolution is significant because it is a sizeable, material portion of the fund's total portfolio and because it is Governance related.
L&G Life GPGE Future World Global Equity Fund	LGIM's Investment Stewardship team uses ISS's 'ProxyExchange' electronic voting platform to electronically vote clients' shares. All voting decisions are made by LGIM and we do not outsource any part of the strategic decisions. To ensure our proxy provider votes in	52639	42246	10162	189	**Microsoft Corporation** **Date of vote:** 7 December 2023 **Approximate size of holding:** 5.67% **Summary:** Resolution 1.06 – Elect Director Satya Nadella **Theme:** Governance **Shared voting intention with company ahead of voting:** LGIM publicly communicates its vote instructions on its website with the rationale for all votes against management. It is our policy not to engage with our investee companies in the three weeks prior to an AGM as our engagement is not limited to shareholder meeting topics. **Vote:** Against **Rationale:** Joint Chair/CEO - LGIM expects companies to separate the roles of Chair and CEO due to risk management and oversight concerns. **Outcome:** Pass **Implications:** LGIM will continue to engage with our investee companies, publicly advocate our position on

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						this issue and monitor company and market-level progress. **Criteria for significance:** This resolution is significant because it is a sizeable, material portion of the fund's total portfolio and because it is Governance related.
Ninety One Emerging Markets Equity Fund	Yes. Ninety One's active ownership activities are investment led – meaning that portfolio managers and investment teams take responsibility for voting analysis. Engagements and proxy voting decisions are an outcome of fundamental analysis, and any insights acquired are fed back into that research. The analyst covering a company and the portfolio manager are responsible for making voting decisions, and will work with the Sustainability team to coordinate and execute such engagement. In certain cases, the	1170	1068	102	27	The manager did not disclose any vote that the Trustee would consider significant.

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	Sustainability team provides resources to support the investment teams proxy voting decisions.					
Ninety-One Global Environment Fund	Yes. Our active ownership activities are investment led– meaning that portfolio managers and investment teams take responsibility for voting analysis. Engagements and proxy voting decisions are an outcome of fundamental analysis, and any insights acquired are fed back into that research. The analyst covering a company and the portfolio manager are responsible for making voting decisions, and will work with the Sustainability team to coordinate and execute such engagement. In	431	393	38	2	The manager did not disclose any vote that the Trustee would consider significant.

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	certain cases, the Sustainability team provides resources to support the investment teams proxy voting decisions.					
Nordea 1 GBP Diversified Return Fund	Yes. Our proxy voting is supported Institutional Shareholder Services (ISS) to facilitate the proxy voting, execution and to provide analytic input. In general, every vote we cast is considered individually on the background of our bespoke voting policy, which we have developed in-house based on our own principles. Our proxy voting is supported by two external vendors (Institutional Shareholder Services and Nordic Investor Services –	2,486	2028	288	64	**Microsoft Corporation** **Date of vote:** 7 December 2023 **Approximate size of holding:** 4.49% **Summary:** Report on tax transparency (shareholder proposal); Report on Risks of Operating in Countries with Significant Human Rights Concerns **Theme:** Social **Shared voting intention with company ahead of voting:** No. **Vote:** For both proposals **Rationale:** We voted for the report on tax transparency shareholder proposal as the proposed GRI Tax Standard would enhance the company's transparency in communicating its tax practices to investors globally. We voted for the report on risks of operating in countries with significant human rights concerns since it helps investors in their assessment of the company. **Outcome:** Both failed. **Implications:** n/a **Criteria for significance:** This resolution is significant because it is a sizeable, material portion of the fund's total portfolio and because it is Social related.

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	henceforth, "ISS" and "NIS") to facilitate proxy voting, execution and to provide analytic input. In 2021 these two vendors have merged.					

[1]Where information was not provided by managers, we have denoted this as n/a.

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Appendix 3

Portfolio Turnover

	What is the target turnover rate for the portfolio?	What was the actual turnover rate over the last 12 months?
Baillie Gifford European Equity Fund	n/a	16.9%
BlackRock ICS Sterling Liquidity Fund	n/a	n/a
Insight LDI Funds	n/a	n/a
Insight Liquidity Funds	n/a	n/a
L&G Life CAAG Buy and Maintain Credit Fund Weekly	n/a	n/a
L&G Life MC Global Listed Private Equity Passive Fund	n/a	n/a
L&G Life MD Global Real Estate Equity Fund	n/a	n/a

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L&G Life AF Over 15 Years Gilt Index Fund	n/a	n/a
L&G LifeGPGE Future World Global Equity Fund	n/a	n/a
Ninety One Emerging Markets Equity Fund	n/a	77.6%
Ninety One Global Environment Fund	n/a	60.4%
Nordea 1 GBP Diversified Return Fund	n/a	80.9%
PIMCO Global Investment Grade Credit Fund GBP (Hedged)	n/a	41%
PIMCO US High Yield Bond Fund GBP (Hedged)	n/a	16%

[1]Where information was not provided by managers, we have denoted this as n/a.