The Economist Group UK Pension Plan

Annual Report and Financial Statements for the year ended 31 March 2023

Plan Registration Number: 10090330

Contents

Trustee and Professional Advisors

Trustee	The Economist Pension Trustee Limited
Company Appointed Trustee Directors:	Mr D Franklin (Chair) Mr R Bew – resigned 1 November 2022 Mr P Wrigley Mr E McBride – resigned 25 January 2023 Mr N Bueno de Mesquita – resigned 25 January 2023 Ms J Allen Capital Cranfield Pension Trustees Limited (Kevin Wesbroom) – appointed 1 November 2022
Member Nominated Trustee Directors:	Mr B Fairclough Mr E Burness – resigned 25 January 2023 Mr T Hindle The Company decided to reduce the number of Trustee Directors from 9 to 6 on 25 January 2023
Secretary to the Trustee Directors:	Buck A Gallagher Company 20 Wood Street, London, EC2V 7AF
Principal Employer:	The Economist Newspaper Limited The Adelphi 1-11 John Adam Street, London, WC2N 6HT
Plan Administrator:	Buck A Gallagher Company 5th Floor Temple Circus Temple Way, Bristol, BS1 6HG
Plan Actuary:	Mr P Butfield FIA Buck A Gallagher Company 20 Wood Street, London, EC2V 7AF
Investment & Pension Consultant:	Buck A Gallagher Company 20 Wood Street, London, EC2V 7AF
Independent Auditors:	PricewaterhouseCoopers LLP 1 Embankment Place, London, WC2N 6RH
Legal advisors:	Hogan Lovells LLP 65 Holborn Viaduct, London, EC1A 2DY
Covenant advisors:	Lane Clark & Peacock LLP 95 Wigmore Street, London, W1U 1DQ

Trustee and Professional Advisors (continued)

Banker:	Lloyds Bank City Office, PO Box 72, Bailey Drive, Gillingham Business Park, Gillingham Kent, ME8 0LS
AVC Providers:	Clerical Medical PO Box 174 Walton Street Aylesbury, Bucks, HP21 7YU
	Utmost Life and Pensions Limited Utmost House Walton Street Aylesbury, Bucks, HP21 7QW
Investment Managers:	Legal & General Investment Management Limited One Coleman Street, London, EC2R 5AA
	Aviva Investors Pensions Limited No 1 Poultry, London, EC2R 8EJ
	Insight Investment Management Limited 160 Queen Victoria Street, London, EC4V 4LA
	I Squared Capital 600 Brickell Avenue, Penthouse, Miami, Florida 33131, USA
	Janus Henderson Global Investors (up to 30 November 2022) 201 Bishopsgate, London, EC2M 3AE
	J.P. Morgan Asset Management 277 Park Avenue, Floor 22 New York, NY 10172, USA
	Loomis, Sayles & Company, L.P. (up to 24 October 2022) (A subsidiary of Natixis Global Asset Management) Cannon Bridge House, 25 Dowgate Hill, London, EC4R 2YA
	Pantheon Ventures (Guernsey) Limited Norfolk House, 31 St James Square, London, SW1Y 4JR
	Schroders IS Limited 1 London Wall Place, London, EC2Y 5AU
	Vontobel Asset Management c/o RBC Investor Services Bank S.A. 14, Porte de France L-4360 Esch-sur-Alzette, Luxembourg

Trustee and Professional Advisors (continued)

Custodians:	Citibank, N.A. 33 Canada Square Canary Wharf, London, E14 5LB and: Northern Trust 50 Bank Street Canary Wharf, London, E14 5NT for Legal & General Investment Management Ltd
	Royal Bank of Canada Riverbank House 2 Swan Lane, London, EC4R 3AF for Aviva Investors Pensions Limited
	Northern Trust Fiduciary Services (Ireland) Ltd Georges Court, 54-62 Townsend Street, Dublin 2, Ireland For Insight Investment Management Limited
	Citibank, N.A. 153 East 53rd Street New York, NY 10022 For I Squared Capital
	BNP Paribas Securities Services 10 Harewood Avenue, London, NW1 6AA for Janus Henderson Global Investors (up to 30 November 2022)
	Citco (Canada) Inc. 2 Bloor Street East, Suite 2700 Toronto, Ontario M4W 1A8, Canada For J.P. Morgan Asset Management
	Brown Brothers Harriman (Luxembourg) S.C.A 2-8 Avenue Charles de Gaulle, B.P. 403, L-2014 Luxembourg, Grand Duchy of Luxembourg for Loomis, Sayles & Company, L.P. (up to 24 October 2022)
	Caceis Investor Services Caceis Bank, UK Branch Broadwalk House 5 Appold Street, London EC2A 2DA For Schroders IS Limited
	RBC Investor Services Bank S.A. 14, Porte de France L-4360 Esch-sir-Alzette, Luxembourg For Vontobel Asset Management

Report of The Trustee for the Plan Year ended 31 March 2023

Introduction

The Trustee of The Economist Group UK Pension Plan (‘the Plan’) is pleased to present its Annual Report and Financial Statements for the year ended 31 March 2023.

The purpose of the Report of the Trustee is to demonstrate the accountability of the Trustee to the members, Principal Employer and other persons involved with the Plan. The Report of the Trustee includes information about how the Plan is managed and other significant developments in relation to the Principal Employer, Plan benefits, pension increases, Plan membership, investments and actuarial and financial matters.

Trustees

The names of the Trustee Directors during the Plan year and any changes are given on page 1. The Plan changed their status (as of 3 May 2022) and instead of being individual trustees, they formed, with the agreement of the Principal Employer, a limited company, called ‘The Economist Pension Trustee Limited’ which is now the sole corporate Trustee of the Plan (the ‘’Trustee’’). The former Trustees became directors of this company.

The Trustee is responsible for the administration and investment policy of the Plan. The Trustee meets quarterly to discuss reports received from the administrators and to assess the overall investment policy. The Trustee met on four occasions throughout the year. Additionally, the Trustee operates separate investment and administration sub-committees, to provide extra focus on these areas. These sub-committees meet regularly, according to the relevant priorities at the time and have terms of reference assigned to them.

The Plan rules contain provisions for the appointment and removal of Trustee Directors. Under the provisions of the Pensions Act 2004, all active and pensioner members of occupational pension schemes are entitled to nominate one third of the Trustee Directors of their pension scheme. These Trustee Directors are referred to as Member Nominated Directors (MND’s). Deferred members (i.e. those who have left the company, but are not yet drawing their pension) do not have the right to nominate or vote for MNDs.

Once appointed, an MND can only be removed with the agreement of all the other Trustee Directors or by a membership vote. MNDs are selected by the Trustee for a four-year period and can stand for re-election.

To be nominated as an MND candidate you must be an employed deferred or pensioner member of the Plan and must apply in writing, providing a brief personal statement to the membership.

The Board of the Principal Employer can appoint company approved Trustee Directors, but not MNDs. The Trustee reviews the nomination procedure every four years.

The Principal Employer decided to reduce the number of Trustee Directors from 9 to 6 on 25 January 2023.

Report of The Trustee for the Plan Year ended 31 March 2023 (continued)

The Plan

The Plan is a Registered Occupational Defined Benefit Pension Scheme in accordance with the Finance Act 2004 and is established under and governed by a Trust Deed and Rules. Benefits due from the Plan are provided under a Trust Deed dated 9 April 1950 as subsequently amended by the Consolidated Trust Deed effective 18 December 2013 and later amendments.

The Plan closed to new members on 1 January 2003 and subsequently closed to future accrual on 31 March 2020.

The Trustee signed a Consolidated Trust Deed and Rules (as at 5 April 2022), prepared by Hogan Lovells, which incorporated all prior amending deeds, simplified phrasing and modernised the language used.

Principal Employer

The Principal Employer is The Economist Newspaper Limited. The Economist Intelligence Unit Limited was the only participating employer during the year.

Advisors

There are written agreements in place between the Trustee and each of the Plan's advisors listed on pages 1 to 3 and also with the Principal Employer. The Trustee has the power to appoint advisors to assist them.

Taxation

The Plan is a registered pension scheme under Chapter 2 of Part 4 of the Finance Act 2004 and is therefore exempt from taxation except for certain withholding taxes relating to overseas investment income. Tax charges are accrued on the same basis as the investment income to which they relate.

Report of The Trustee for the Plan Year ended 31 March 2023 (continued)

Membership

The change in the membership of the Plan during the year is given below:

Deferred members as at 1 April 2022		**698**
Less:	Retirements	(21)
	Transfer out	(1)
	Deaths	(2)
Deferred members as at 31 March 2023		**674**

Pensioners as at 1 April 2022		**417**
Plus:	New pensioners	21
	New pensions paid to dependants	6
Less:	Deaths	(7)
Pensioners as at 31 March 2023		**437[1]**

Total members as at 31 March 2023	**1,111**

[1] Included within the 437 pensioners at year end are 55 dependants (2022: 50). Also included within the pensioners at year end are 4 paid under annuity insurance policies (2022: 4).

Pension increases

The Plan provides increases to pensions in payment in accordance with the Plan's Rules and with statutory requirements. The latest pension increases were granted on 1 January 2023. In line with the current practice, the pensions were increased in line with the Consumer Prices Index (CPI) for the 12 months to the previous September, subject to a maximum of 5% per annum, or 2.5% per annum, depending on when the benefit was accrued.

The increase in the CPI for the 12 months to September 2022 was 10.10%, therefore the increase applied was 5% for service accrued. No discretionary increases were applied.

Transfer values

Any transfer values paid during the year were calculated and verified in accordance with regulations made under section 97 of the Pension Schemes Act 1993. As there is no established custom of awarding discretionary benefit increases under the Plan, the calculation method used has taken no account of any discretionary benefits.

Actuarial position

The Trustee has a funding plan (the statement of funding principles) agreed with the Principal Employer which aims to make sure there is enough money in the Plan to pay for pensions now and in the future. The amount of money which the Principal Employer pays into the Plan may go up or down following regular funding checks by the Scheme Actuary (called actuarial valuations). The contributions that are paid by the Principal Employer are recorded in the Schedule of Contributions (which is available to members upon request).

The most recent formal actuarial valuation of the Plan was carried out as at 1 January 2021. The actuarial valuation recorded a deficit of £95.9m and a funding level of 80% for the Plan .

Annual actuarial updates of the Plan were carried out as at 1 January 2022 and 1 January 2023. These updates revealed a funding deficit of £41.7m and £33.5m respectively and funding levels of 91% and 89% respectively.

The Trustee includes a Report by the Actuary on pages 14 to 16.

The next formal actuarial valuation is due to be carried out as at 1 January 2024.

Company covenant

The Trustee regularly reviews the strength of the Company's covenant to ensure that it is aware of any changes to the financial position of the Company and the security and priority of the Plan's deficit as an unsecured creditor.

As part of the last formal actuarial valuation carried out as at 1 January 2021, the Trustee appointed Lane Clark & Peacock LLP (LCP) to provide an independent view on the strength of the Company covenant and its ability to make on-going deficit recovery contributions which was finalised on 1 July 2021. The report assessed the Plan afforded a ''tending to strong'' covenant rating, which was maintained within the most recent independent covenant review for the financial year ended 31 March 2022.

The Trustee continues to liaise with its covenant, actuarial and legal advisors on an ongoing basis in relation to the strength of the Company covenant.

Investment Report

The Trustee includes an Investment Report for the year ended 31 March 2023 on pages 17 to 23.

Financial statements

The financial statements included in this annual report are the accounts required by the Pensions Act 1995. They have been prepared and audited in compliance with regulations made under sections 41(1) and (6) of that Act.

The audited financial statements and related notes for the year ended 31 March 2023 are set out in full on pages 27 to 44.

Report of The Trustee for the Plan Year ended 31 March 2023 (continued)

Financial statements (continued)

Below is a summary of the Fund Account for the year ended 5 April 2023 that is set out in full on page 27.

<u>Summary of Fund Account</u>	31 March 2023 £'000	31 March 2022 £'000
Contributions	4,350	6,683
Transfers In and Other Income	2	1
Benefits payable and payments to leavers	(11,616)	(9,594)
Administrative expenses	(880)	(1,014)
Net (withdrawals) from dealings with members	(8,144)	(3,924)
Net returns on investments	(127,716)	34,027
Net (decrease)/increase in the Fund during the year	(135,860)	30,103

Financial market volatility

Russia's invasion of Ukraine in February 2022 resulted in global consequences for economies and financial markets, affecting a very wide area of activity and concerns. The conflict brought about rising inflation and interest rates along with consequential effects on foreign exchange that continue to this day.

Domestically, these adverse market movements were sharply exacerbated as a result of the financial market's reaction to the UK Government's mini-budget announcement of 23 September 2022, with the value of gilts plunging (adversely affecting the value of the Plan's total investments) and interest rates on Government bond (gilt) yields soaring (beneficially affecting the funding level of the Plan) to the extent that the Bank of England had to intervene.

The sharply rising gilt yields reduced the value of both the Plan's actuarial liabilities and its liability matching assets which, in common with many pension schemes, uses leveraged liability driven investment (LDI) funds. As at 31 March 2023, LDI investments amounted to c £87.5m or c 32.0% of its total portfolio. Due to the sudden rise in Government borrowing costs after the mini-budget, investment banks called on these LDI's to put up assets or cash as securities for loans, which in turn called on pension funds.

The Trustee has worked closely with its investment advisers during the year and can confirm that, all collateral calls were met and that the desired level of interest rate and inflation hedging have in fact been raised during year to just over 70% respectively. At this time, the Plan's overall investment portfolio remains broadly in line with the Plan's medium to long term target asset allocation. Present strategic benchmarks will be maintained or reviewed if and when market conditions stabilise further.

Financial market volatility (continued)

There has been a significant fall in the value of investment assets at an overall level, especially in the LDI funds over this financial year. The Plan's composite performance has returned -31.7% against a composite benchmark performance of -34.5%, as declared within the Investment Report on page 21. In contrast however, the sharp rise in gilt yields over the financial year has significantly reduced the Plan's Technical Provisions.

As can be seen from the Report by the Actuary report on page 14, in comparing the annual actuarial updates of 1 January 2022 and 1 January 2023, the repercussions to the Plan over that period, have been a reduction to the Plan's Total Assets of 39% and a reduction in the Plan's Total Technical Provisions of 37%, whilst as at 1 January 2023, the funding level of the Plan remained reasonably constant at 89%.

For these reasons, despite the fact that the Plan is now much smaller in asset terms, there are no concerns regarding its funding level, its ability to meet the payment of benefits to members, or its ability to continue as a going concern and there are no immediate liquidity concerns.

The Trustee continues to take proactive and considered steps, in conjunction with its advisors, to monitor market situations and respond accordingly where necessary in terms of liquidity, investment crieria and strategy.

In overall terms, the Plan's net assets have fallen from £418m at 31 March 2022 to £282m at 31 March 2023, principally as a result of a change in market value of investments of negative £144m and commensurate with the negative investment performance of 31.7% in the year referred to above.

Going concern

As part of the usual process in preparing the financial statements, the Trustee must assess the Plan's ability to continue to operate as a going concern and disclose any financial uncertainties facing the Plan. A going concern (in relation to a pension scheme) is an operation that functions without the threat of wind-up for the foreseeable future, which is regarded as at least the next 12 months from the date of approval of the financial statements.

Based on the facts and circumstances known at this moment and the evidence gathered by the Trustee, it has been determined that the use of the going concern basis remains appropriate.

Report of The Trustee for the Plan Year ended 31 March 2023 (continued)

Further information

Members are entitled to inspect copies of documents giving information about the Plan, such as the Trust Deed and Rules and the Statement of Investment Principles (required by Section 35 of the Pensions Act 1995). Copies of the documents can be provided but in some circumstances a charge may be made for copying of Trust documents (deed and rules) and of the Actuary's report.

If you require any further information relative to the contents of this report, about the Plan generally, or about your entitlement to benefit, you should direct your enquiries to:

Tim Pratt
Secretary to the Trustee Directors
Buck, 20 Wood Street, London, EC2V 7AF
timothy.pratt@economist.com

The Trustee's Report, the Statement of Trustee's Responsibilities on page 11, Compliance Statement on pages 12 and 13, Report by the Actuary on pages 14 to 16 and the Investment report on pages 17 to 23, were approved by the Trustee and signed on its behalf by:

……………………………………………………………… Trustee Director

Date ……..…………………………

Statement of Trustee’s responsibilities

Trustee’s responsibilities in respect of the financial statements

The financial statements, which are prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including the Financial Reporting Standard applicable in the UK and Republic of Ireland (“FRS 102”), are the responsibility of the 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 Plan during the Plan year and of the amount and disposition at the end of the Plan year of its assets and liabilities, other than liabilities to pay pensions and benefits after the end of the Plan year; and
- contain the information specified in Regulation 3A of the Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996, including making a statement whether the financial statements have been prepared in accordance with the relevant financial reporting framework applicable to occupational pension schemes.

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

The Trustee is also responsible for making available certain other information about the Plan in the form of an annual report.

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

Trustee’s responsibilities in respect of contributions

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 Plan by or on behalf of employers and the active members of the Plan, and the dates on or before which such contributions are to be paid.

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

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

Compliance Statement

Disputes and queries

Internal dispute resolution procedure

It is a requirement of the Pensions Act 1995 that all occupational pension schemes have an internal dispute resolution procedure in place for dealing with any disputes between Trustee and the pension scheme beneficiaries.

To facilitate this process, the Trustee has established an Internal Disputes Resolution Procedure. In the first instance, members are expected to take up matters with the Trustee at the following address:

Tim Pratt
Secretary to the Trustee Directors
Buck, 20 Wood Street, London, EC2V 7AF
timothy.pratt@economist.com

MoneyHelper

The MoneyHelper (previously the Money and Pensions Service) is available at any time to assist members and beneficiaries by providing pension information and guidance.

Website:	www.moneyhelper.org.uk/en/pensions-and-retirement
Webchat:	www.moneyhelper.org.uk/PensionsChat/
E-mail:	pensions.enquiries@moneyhelper.org.uk
Telephone:	0800 011 3797
Address:	MoneyHelper Pensions Guidance
	Money and Pensions Service
	120 Holborn
	London EC1N 2TD

The Pensions Ombudsman

The Pensions Ombudsman deals with complaints and disputes which concern the administration and/or management of occupational and personal pension schemes.

Website:	www.pensions-ombudsman.org.uk
E-mail:	enquiries@pensions-ombudsman.org.uk
Telephone:	Tel: 0800 917 4487
Online complaint form:	www.pensions-ombudsman.org.uk/making-complaint
Address:	The Pensions Ombudsman
	10 South Colonnade
	Canary Wharf E14 4PU

Compliance Statement (continued)

The Pensions Regulator

The Pensions Regulator may intervene in the running of pension schemes where trustees, managers, employers or professional advisers have failed in their duties.

Website:	www.thepensionsregulator.gov.uk/en/contact-us/scheme-members-who-to-contact/report-concerns-about-your-workplace-pension
E-mail:	report@tpr.gov.uk
Telephone:	0345 600 0707
Address:	Customer Support The Pensions Regulator Telecom House 125-135 Preston Road Brighton BN1 6AF

Pension Tracing Service

The Pension Tracing Service provides a tracing service for ex-members who have lost touch with their previous pension arrangements. If members have lost contact with any previous pension arrangement they can use the Pension Tracing Service by contacting:

Website:	*www.gov.uk/find-pension-contact-details*
Telephone:	0800 731 0193
From outside the UK:	+44 (0)191 215 4491
Address:	Pension Tracing Service The Pension Service Post Handling Site A Wolverhampton WV98 1AF

Data protection

The Trustee and the Plan Actuary hold personal information about members and beneficiaries under the Scheme (personal data) and are regarded as Data Controllers for data protection purposes. They will use the personal data for the purposes of administering the Plan efficiently and for the purposes of calculation and settlement of benefits as and when due and to determine contribution levels. They are required to look after personal data in accordance with legal requirements. This means that they are responsible for deciding what personal information needs to be processed and the way in which that information is processed.

In processing personal data, they may need to pass personal information about members and beneficiaries, to the Plan's administrators, auditors, legal advisors, insurers and such third parties as may be necessary for the purposes of the Plan. Full details of the types of personal data that are held, how the information is used and who it is shared with are set out in the privacy notice. The privacy notice also sets out the rights of those whose personal data is held, and who to contact to exercise those rights, make a complaint, or generally raise any questions. A copy of the current privacy notice is available from the Trustee.

Report by the Actuary

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, which represent the present value of benefits to which members are entitled based on pensionable service to the valuation date. This is assessed at least every 3 years using assumptions agreed between the Trustee and the Employer and set out in the Statement of Funding Principles, a copy of which is available to Plan members on request.

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

Latest actuarial valuation

The most recent formal actuarial valuation was carried out as at 1 January 2021 with the Actuary’s report published in March 2022. Copies of the valuation report are available to members on request at the address for enquiries shown on page 9. The formal valuation as at 1 January 2021, based on the assumptions and methodology agreed by the Trustee and Employer, revealed a funding deficit of £95.9m with the assets being sufficient to cover 80% of the Plan’s Technical Provisions.

In-between the triennial formal actuarial valuations, an actuarial update is carried out annually. Such annual actuarial updates were produced as at 1 January 2022 and 1 January 2023. The latest annual actuarial update provided an update on the funding position of the Plan, based on the funding principles agreed for the formal valuation of 1 January 2021, but updated for market conditions as at 1 January 2023. This actuarial update revealed a funding deficit of £33.5m as at 1 January 2023 with the assets being sufficient to cover 89% of the Plan’s Technical Provisions.

Over the period from the formal valuation as at 1 January 2021 to the latest annual actuarial update as at 1 January 2023, both the Plan’s assets and liabilities have reduced significantly.

Assets, as a result of inflationary pressures and interest rate rises that began with Russia’s invasion of Ukraine in February 2022, and later, due to the market’s reaction to the government’s mini-budget of 23 September 2022, that saw the value of gilts plunging (adversely affecting the total value of the Plan’s investments), and liabilities, as a result of interest rates on Government bond (gilt) yields soaring, which lead to the Bank of England having to intervene.

Although both the Plan’s assets and liabilities have reduced significantly over the one year to 1 January 2023, the overall funding level of the Plan remained reasonably constant at 89%.

The Trustee and Principal Employer agreed a Recovery Plan and Schedule of Contributions effective 29 March 2022 to eliminate, by May 2026, a notional funding deficit of £50m as at 1 January 2022. Contributions resulting from the Recovery Plan, as agreed between the Trustee and Principal Employer, are summarised on page 16.

A summary of the funding position from the last formal valuation date of 1 January 2021 through the annual actuarial updates of 1 January 2022 and 1 January 2023 are shown in the table below.

	Funding position at 1 January 2021 £m	Funding update at 1 January 2022 £m	Funding update at 1 January 2023 £m
Technical Provisions	480.9	476.0	300.4
Market value of assets	385.0	434.3	266.9
Deficit	(95.9)	(41.7)	(33.5)
Funding Level	80%	91%	89%

Note: Both assets and Technical Provisions include the value of pensions secured via annuity insurance contracts.

Report by the Actuary (continued)

Actuarial method and significant assumptions

The value of technical provisions is based on assumptions about various factors that will influence the Plan in the future, such as the levels of investment returns, when members will retire and how long members will live. The method and significant actuarial assumptions used in the calculations are as follows:

Method:

The actuarial method used in the calculation of the Technical Provisions is the Projected Unit Method. This involves valuing benefits based on service accrued to the valuation date, with allowance for future expected inflationary increases to retirement. This is a common actuarial method which has been used for previous valuations.

Significant actuarial assumptions

Discount Rate (before and after retirement): Bank of England Gilt forward curve plus 0.5% p.a. (equivalent single rate 1.15% p.a. at 1 January 2021)

Inflation (Retail Price Index): Bank of England inflation forward curve less 0.2% at each term (equivalent single rate 2.90% p.a. at 1 January 2021)

Inflation (Consumer Price Index): RPI curve detailed above less 1.00% p.a. until February 2030 and less 0.1% p.a. thereafter (equivalent single rate 2.45% p.a. at 1 January 2021)

Indexed Pension Increases: Based on the relevant inflation curve with the appropriate caps and collars. As at 1 January 2021, CPI (max 5% p.a.) had a equivalent single rate of 2.45% p.a.

Mortality: This is based on information published by the actuarial profession's Continuous Mortality Investigation and will make allowance for future improvements in longevity. For this valuation the AXC00 mortality tables were used for pre-retirement rates and 90% S3PMA Light (males) and 88% S3PFA Light (females) tables were used for post-retirement rates. The CMI 2020 projection was used for future improvements, with a 1.75% p.a. long term trend rate from the year 2016 onwards, Parameter A = 0.75% p.a., w2020 = 0% and the default value for Sk of 7.0 is used.

Sample future life expectancies from age 65, calculated as at 1 January 2021		
	Males	**Females**
Currently aged 65	24.5	26.3
Currently aged 45	26.4	28.2

Retirement Age: Members are assumed to retire at the earliest point they can take their benefits unreduced.

Report by the Actuary (continued)

Contributions

Under the Recovery Plan and Schedule of Contributions with an effective date of 29 March 2022, the Principal Employer agreed to pay the following in respect of the shortfall in funding:

Regular deficit contributions, over the period 1 January 2021 to 30 April 2026:

- £250,000 payable monthly in deficit contributions (£3m per annum).
- £29,166 payable monthly in respect of the administration costs of the Plan (£350,000 per annum). The Principal Employer exclusively meets the cost of all regulatory levies.

Single payment additional deficit contributions:

- £1.67m on or before 31 March 2021
- £3.33m on or before 31 March 2022
- £1.00m on or before 31 March 2023

If the ongoing funding assumptions are borne out in practice, then the above contributions can be expected to clear the ongoing funding deficit by 30 April 2026. However, if the Plan's assets fail to outperform the investment return assumed, then the Recovery Plan will not be sufficient to remove the Plan's shortfall and additional contributions may be required.

A copy of the Actuary's latest actuarial certification, the relevant Schedule of Contributions and the actuarial certificate on the adequacy of those contributions are included on pages 47 to 50. Other documents, such as actuarial reports, are available on request.

As noted within the Trustee's Summary of Contributions Paid in the Year on page 46, all monthly contributions of £279,166 due from the Principal Employer in regard of the financial year ended 31 March 2023, were received to the Plan by the 19th of the month following, except for that in relation to August 2022, which was received on 28 September, 9 days after due date. The Trustee assessed this circumstance not to be a material breach requiring to be reported to the Pensions Regulator and members.

Investment Report for the Plan Year ended 31 March 2023

Investment Managers

The day-to-day management of the investments of the Plan has been delegated by the Trustee to:

Pantheon Ventures (Guernsey) Limited ("Pantheon"), Legal & General Investment Management Limited ("LGIM"), Aviva Investors Pensions Limited ("Aviva"), Insight Investment Management Limited ("Insight"), I Squared Capital ("I Squared"), J.P. Morgan Asset Management (''JP Morgan), Schroders IS Limited ("Schroders") and Vontobel Asset Management ("Vontobel").

The investment managers are appropriately authorised under the Financial Services and Markets Act 2000 to manage investments or are specifically exempted from the requirements of the Act. The managers have the appropriate knowledge and experience necessary to manage the particular investments delegated to them. The Trustee holds regular meetings with the investment managers to discuss investment policy and performance.

Each of these managers is remunerated with a fee, based on the Plan's assets under management. There are no performance related fee arrangements, except for I Squared and JP Morgan which have performance related fees. The Trustee determines the broad investment policy to be adopted by each of the Plan's investment managers, choosing specific pooled funds or setting benchmarks and outperformance targets where appropriate. The Plan's equity and credit assets are managed by Vontobel, Schroders and LGIM. The property assets are managed by Aviva and the private equity assets are managed by Pantheon. The LDI assets are managed by Insight. The infrastructure assets are managed by I Squared and JP Morgan.

The Plan's Investments

The Plan's medium to long term strategy and target asset allocation are set out on Page 37.

There were certain planned investments and strategic reallocations of investments carried out during the financial year ended 31 March 2023, in line with the Plan's long term target asset allocation and to enhance the Plan's strategy in relation to its investment in bonds and LDI (Liability Driven Investments).

The Plan sold its Multi Asset Credit Fund and restructured its bond holdings. From the proceeds, a planned investment was made into JP Morgan Infrastructure Investment Funds, whilst the Plan increased its investment in LDI's (which seek to provide a broad match to changes in the Plan's liability values to help protect the Plan's overall funding position) and switched its bond strategy to Maturing Buy and Maintain Credit Funds (Corporate Bonds), in order to align returns more closely to the Plan's estimated future cashflow requirements.

During the year, in conjunction with its investment consultant, the Trustee also put in place certain investment parameters and triggers in order to facilitate a more nimble and pre planned investment reaction to financial market movements and volatility.

The Plan's overall investment portfolio at the end of the financial year remained broadly in line with the Plan's medium to long term target asset allocation, whilst reflecting a strengthening of its medium to long term strategy goals.

Investment Report for the Plan Year ended 31 March 2023 (continued)

The Plan's Investments (continued)

The proportion of the Plan's assets managed in each of the pooled investment funds as at 31 March 2023 (excluding cash held in the Trustee's bank account) is shown below. Valuations are shown at the bid price where available.

Investment Manager	Fund	Valuation (£)	Asset Allocation (%)
LGIM	UK Equity Index	22,020,101	8.1
	World (ex UK) Equity Index GBP Hedged	44,186,063	16.2
Schroders	Structured Equity	44,159,148	16.2
Aviva	Lime Property Unit Trust	15,175,053	5.6
Pantheon	Europe Fund IV Limited	185,038	0.1
I Squared	Global Infrastructure Fund III	4,587,744	1.7
JP Morgan	Infrastructure Investments Fund	18,858,404	6.9
Vontobel	Absolute Return Credit	1,057,187	0.4
Insight	LDI Solutions Plus Partially Funded Index-Linked Gilts Funds 2021-2030	6,937,299	2.5
	LDI Solutions Plus Partially Funded Index-Linked Gilts Funds 2031-2040	15,219,409	5.6
	LDI Solutions Plus Partially Funded Index-Linked Gilts Funds 2041-2050	22,053,985	8.1
	LDI Solutions Plus Partially Funded Index-Linked Gilts Funds 2051-2060	18,321,259	6.7
	LDI Solutions Plus Partially Funded Index-Linked Gilts Funds 2061 - 2070	24,922,802	9.1
	Maturing Buy & Maintain Credit Funds 2021-2025	10,220,450	3.7
	Maturing Buy & Maintain Credit Funds 2026-2030	10,988,520	4.0
LGIM	Cash	13,887,300	5.1
	Total	**272,779,762**	**100.0**

Figures may not sum due to rounding.
I Squared Global Infrastructure III valuation has been converted to GBP by Buck using the FX as at 31 March 2023.
As at 31 March 2023 the value of the Trustee's bank account was £8,726,368.

Investment Report for the Plan Year ended 31 March 2023 (continued)

Statement of Investment Principles

The Trustee has produced a Statement of Investment Principles, which incorporates the investment strategy, in accordance with section 35 of the Pensions Act 1995. A copy of the latest version, dated September 2021, can be obtained on request from the Secretary to the Trustee Directors, care of Buck at the address disclosed on page 1, or downloaded from the following online location:
https://www.economistgroup.com/results

All investments made during the year were in accordance with the Statement of Investment Principles.

In addition to the Statement of Investment Principles, the Trustee has also prepared an annual Engagement Policy Implementation Statement that describes, amongst other things, how the Trustee has followed certain policies (including those relating to stewardship and the Trustee's voting behaviour) during the Plan year. The Trustee has included this statement on pages 51 to 72, which is incorporated by reference into this Investment Report.

Review of performance

The table below shows the asset allocation of the Plan as at 31 March 2023.

Asset class	Asset valuation as at 31 March 2023 (£)	Proportion as at 31 March 2023 (%)
UK equities	22,020,101	8.1
Overseas equities	44,186,063	16.2
Structured Equity	44,159,148	16.2
Property	15,175,053	5.6
Private Equity	185,038	0.1
Infrastructure	23,446,148	8.6
Corporate Bonds	21,208,970	7.7
Absolute Return Credit	1,057,187	0.4
LDI	87,454,754	32.0
Cash	13,887,300	5.1
TOTAL	**272,779,762**	**100.0**

Figures may not sum due to rounding.

Equities

Over the one-year period to 31 March 2023, the performance of equity markets was weak, with world equities returning -0.7% in sterling terms (as measured by the FTSE World Index). The strongest performing regional market in sterling terms for the one-year period was Europe ex UK, which returned 8.7% (as measured by the FTSE Europe ex UK Index).

Investment Report for the Plan Year ended 31 March 2023 (continued)

Review of performance (continued)

Bonds

Bond markets experienced a turbulent year given soaring inflation and market volatility experienced in the second half of 2022. Corporate bonds were down -10.2% (as measured by the iBoxx Non-Gilt All Stocks), while long-dated fixed interest government bonds returned -9.7% (as measured by the FTSE Over 15 Year Gilts Index). Inflation-linked government bonds (as measured by the FTSE Over 5 Year Index-Linked Gilts Index) were down -30.4% over the one-year period.

Property

Over the one-year period to 31 March 2023, property (as measured by the IPD All Balanced Open Ended Property Funds Weighted Average Index) returned -14.5%.

The Plan

During the year, the Plan achieved an overall return on assets of -31.7% versus a composite benchmark return of -34.5%. This return figure and all others within this report are net of basic annual management fees unless stated otherwise.

The table below shows a summary of the Plan's investment managers' performance as well as the Plan's composite performance over the one and three year periods to 31 March 2023.

Manager	1 year %	3 years % p.a.
LGIM UK Equity Index Fund	2.9	13.8
FTSE All Share Index	**2.9**	**13.8**
LGIM World (ex UK) Equity Index GBP Hedged	6.9	16.1
World (ex UK) Index Fund (Hedged) PB	**6.6**	**16.3**
Schroders Structured Equity Mandate	0.4	-
Composite Reference Index Return	**-3.0**	**-**
LGIM Cash Fund	2.1	0.7
SONIA	**2.2**	**0.8**
Aviva Lime Property Unit Trust	-12.9	1.9
50% FTSE 5-15 Year Gilts/ 50% FTSE Over 15 Year Gilts Index	**-20.8**	**-11.4**
I Squared Global Infrastructure Fund III	6.3	-
Performance Comparator	**n/a**	**-**
JP Morgan Infrastructure Investments Fund	9.3	-
Performance Comparator	**10.0**	**-**
TwentyFour Absolute Return Credit Fund	-2.4	-
SONIA	**2.3**	**-**

Investment Report for the Plan Year ended 31 March 2023 (continued)

Manager	1 year %	3 years % p.a.
Insight LDI Solutions Plus Partially Funded Index-Linked Gilts Funds 2021-2030	-78.1	-
Customised LDI benchmark	-79.0	**-**
Insight LDI Solutions Plus Partially Funded Index-Linked Gilts Funds 2031-2040	-97.9	-
Customised LDI benchmark	-98.2	**-**
Insight LDI Solutions Plus Partially Funded Index-Linked Gilts Funds 2041-2050	-95.7	-
Customised LDI benchmark	-95.7	**-**
Insight LDI Solutions Plus Partially Funded Index-Linked Gilts Funds 2051-2060	-91.9	-
Customised LDI benchmark	-91.7	**-**
Insight LDI Solutions Plus Partially Funded Index-Linked Gilts Funds 2061 - 2070	-89.9	-
Customised LDI benchmark	-89.4	**-**
Insight Maturing Buy & Maintain Credit Funds 2021-2025	-0.1	-
iBoxx GBP Corp 21-25	0.0	**-**
Insight Maturing Buy & Maintain Credit Funds 2026-2030	-7.1	-
iBoxx GBP Corp 26-30	-8.2	**-**
Total Plan	-31.7	-4.1
Benchmark	-34.5	**-7.3**

Figures shown are net of fees.
Where investments have not been held by the Plan for 3 years, a 3 years performance for these funds cannot be shown above.

The fund IRR of the Pantheon Europe Fund IV Limited was 8.6% (net of fees as at 31 March 2023) since inception.

At the year end, all of the Plan's investments, except for the property, private equity and infrastructure holdings, were considered to be marketable on a short-term basis. Property valuations are subject to material uncertainty and the values provided by the managers are indicative only.

The Trustee has appointed Buck Consultants (Administration & Investment) Limited (trading as Buck) to monitor and advise on the Plan's investment managers.

Investment Report for the Plan Year ended 31 March 2023 (continued)

Stewardship of investments

The Trustee's policy is to delegate responsibility for the exercising of rights (including voting rights) attached to investments to the investment managers and to encourage the managers to exercise those rights. The investment managers are expected to provide regular reports for the Trustee detailing their voting activity.

The Trustee's policy is to delegate responsibility for engaging and monitoring investee companies to the investment managers and it expects the investment managers to use their discretion to maximise financial returns for members and others over the long term.

Trustee's policy in relation to their investment managers

The over-riding approach of the Trustee is to select investment managers that meet the primary objectives of the Trustee. As part of the selection process and the ongoing review of the investment managers, the Trustee considers how well each investment manager meets the Trustee's policies and provides value for money over a suitable timeframe. Details of the Trustee's policy in relation to their investment managers are provided on pages 73 to 74.

Financially material considerations

The Trustee expects its investment managers, where appropriate, to have taken account of financially material considerations, including environmental, social and governance (ESG) and ethical factors as part of their investment analysis and decision-making process.

The Trustee has reviewed the investment managers' policies in respect of financially material considerations and is satisfied that they are consistent with the above approach.

The Trustee regularly monitors their investment managers through performance monitoring reports produced by their investment consultant. This includes considering the performance achieved, any changes to the strategy the manager is following, the risk levels that they are taking, or any key changes within the organisation that may affect any of these factors in the future. Any concerns are addressed through face-to-face meetings with the investment manager, or other follow-up discussions, in conjunction with the Plan's investment consultant.

The Trustee's objective is that the financial interests of the Plan members is their first priority when choosing investments. The Trustee will take members' preferences into account if they consider it appropriate to do so.

Non-financial matters may be taken into account if the Trustee has good reason to think that the members would share the concern; and that the decision does not involve a risk of significant detriment to members' financial interests.

Investment Report for the Plan Year ended 31 March 2023 (continued)

Custodial arrangements

The portfolios of securities and cash underlying the units issued by the investment manager are held by independent corporate custodians and are regularly audited by external auditors. Custodial arrangements are provided by each of the investment managers under their standard pooled fund arrangements. These are detailed below:

Manager	Custodian
Aviva	Royal Bank of Canada
Insight	Northern Trust Fiduciary Services (Ireland) Limited
I Squared	Citibank N.A. (New York Branch)
J.P. Morgan	Citco (Canada) Inc.
LGIM	Citibank, N.A. (London Branch) (“Citi”) and Northern Trust for cash funds
Schroders	Caceis Investor Services, Caceis Bank, UK Branch
Vontobel	RBC Investor Services S.A.

The Plan’s private equity manager, Pantheon, has no appointed custodian as private equity funds, by their nature, do not deal in the types of securities for which custodians would be required. For publicly quoted assets (a minority) State Street is the custodian. Privately held assets, as these are agreements, are kept by Pantheon but the administrators (State Street) have copies as appropriate.

The Trustee is responsible for ensuring that the Plan’s assets continue to be held securely. Reviewing the internal control reports produced by the investment custodians and the reconciliation of the investment custodian’s records to those of the investment managers. The custodian arrangements are reviewed from time to time and the auditors are authorised to make whatever investigations they deem necessary as part of the annual audit procedures.

Employer related investments

There are no directly held or indirectly held employer related investments, within the meaning of section 40 of the Pensions Act 1995 at 31 March 2023 (2022 – none).

Independent auditors' report to the trustee of The Economist Group UK Pension Plan

Report on the audit of the financial statements

Opinion

In our opinion, The Economist Group UK Pension Plan's financial statements:

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

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

Basis for opinion

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

Independence

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

Conclusions relating to going concern

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

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

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

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

Independent auditors' report to the trustee of The Economist Group UK Pension Plan (continued)

Reporting on other information

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

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

Responsibilities for the financial statements and the audit

Responsibilities of the trustee for the financial statements

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

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

Auditors' responsibilities for the audit of the financial statements

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

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

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

Independent Auditors' Report to the trustee of The Economist Group UK Pension Plan (continued)

Auditors' responsibilities for the audit of the financial statements (continued)

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

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

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

Use of this report

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

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London

Date

Fund Account for the Year Ended 31 March 2023

	Note	2023 £'000	2022 £'000
Contributions and benefits			
Employer contributions		4,350	6,683
Employee contributions		-	-
Total contributions	5	4,350	6,683
Other income		2	1
		4,352	6,684
Benefits paid or payable	6	(9,169)	(7,905)
Transfers out	7	(2,447)	(1,689)
Administrative expenses	8	(880)	(1,014)
		(12,496)	(10,608)
Net (withdrawals) from dealings with members		(8,144)	(3,924)
Returns on investments			
Investment income	9	16,232	14,554
Investment management expenses	10	(300)	(669)
Change in market value of investments	11	(143,648)	20,142
Net returns on investments		(127,716)	34,027
Net (decrease)/increase in the fund		(135,860)	30,103
Opening net assets of the Plan		417,642	387,539
Closing net assets of the Plan		281,782	417,642

The notes on pages 29 to 44 form part of these financial statements

Statement of Net Assets Available for Benefits as at 31 March 2023

	Note	2023 £'000	2022 £'000
Investment assets and liabilities:	11		
Pooled investment vehicles	12	228,621	375,342
Structured equity	13	44,159	36,912
Insurance policies	14	264	299
AVC investments	15	568	625
Other investment balances	11	217	-
Total net investments		273,829	413,178
Current assets	18	9,495	5,519
Current liabilities	19	(1,542)	(1,055)
Total net assets available for benefits		281,782	417,642

The financial statements summarise the transactions of the Plan 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 Plan year. The actuarial position of the Plan, which takes into account such obligations is dealt with in the Report by the Actuary on pages 14 to 16 of the annual report, and these financial statements should be read in conjunction with this report.

The notes on pages 29 to 44 form part of these financial statements.

The financial statements on pages 27 to 44 were approved by the Trustee and signed on its behalf by:

…………………………………………………………….. Trustee Director

Date ………………………………………………………

Notes to the financial statements

1. Basis of preparation

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

2. Going Concern

The financial statements have been prepared on the going concern basis. The Trustee expects the Plan to have adequate funds available from the Plan assets and the employer to enable it to continue as a going concern for the foreseeable future.

3. Identification of the financial statements

The Plan is an occupational defined benefit pension plan established as a trust under English law.

The Plan closed to new members on 1 January 2003 and subsequently closed to future accrual on 31 March 2020

Enquiries to the Plan can be addressed care of:

The Administrators of The Economist Group UK Pension Plan
Buck, 5th Floor Temple Circus, Temple Way, Bristol, BS1 6HG

4. Accounting policies

The principal accounting policies of the Plan, applied on a consistent basis, are as follows:

4.1 The Plan's functional currency and presentational currency is pounds sterling (GBP).

4.2 Contributions

Employer deficit funding and other additional contributions are accounted for in accordance with the agreements under which they are paid or, in the absence of such an agreement, when received if agreed between the Trustee and the Employer.

4.3 Payments to members

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

(b) Benefits are accounted for in the period in which the member notifies the Trustee of the decision on the type or amount of benefit to be taken, or if there is no member choice, on the date of retiring or leaving.

(c) Individual transfers out of the Plan are accounted for when member liability is accepted or

(d) Taxation arises on benefits paid or payable in respect of members whose benefits exceed the lifetime or annual allowance and who elect to take lower benefits from the Plan in exchange for the Plan settling their tax liability. Member's benefits are valued on crystallisation against the Lifetime Allowance (LTA) at 20 times the initial pension, plus any lump sum, whilst taking into account any lifetime allowance protection in place. Any such taxation due is accounted for when paid in accordance with HMRC requirements and shown separately within Benefits.

Notes to the financial statements (continued)

4. Accounting policies (continued)

4.4 The principal employer pays all expenses, including administration, consultancy, legal and professional, audit and investment fees and other expenses, and subsequently recharges the Plan. All expenses are accounted for on an accruals basis.

4.5 Investment income

(a) Income from unitised fund distributions is recorded in these financial statements on an accruals basis if fixed income in nature and on a cash basis if discretionary. In the case of pooled investment vehicles which are accumulation funds, where income is reinvested within the fund without issue of further units, change in market value also includes such income.

(b) Receipts from annuity insurance policies are accounted for as investment income on an accruals basis.

(c) Income from cash and short term deposits is accounted for on an accruals basis.

4.6 Foreign currencies

(a) Investments held in a foreign currency are translated into sterling at the exchange rate ruling at the end of the financial year.

(b) Gains and losses arising on conversion or translation are dealt with as part of the change in market value of investments.

4.7 The change in market value of investments during the year comprises all increases and decreases in the market value of investments held at any time during the year, including profits and losses realised on sales of investments during the year.

4.8 Investments

Investment assets and liabilities are included in the financial statements at fair value. Fair value is the amount for which an asset could be exchanged or a liability settled between knowledgeable willing parties in an arm's length transaction.

Investments are included at fair value as described below:

(a) Pooled investment vehicles are valued at the closing bid prices, or, if a single priced fund, at the closing single price as at the year end. The accrued income on all funds, except Aviva, Insight and Pantheon, is retained and automatically reinvested in the funds and is reflected within the unit price. The Loomis Sayles Fund is single priced and the accrued income is automatically reinvested.

(b) Unquoted private equity pooled investments have been valued at the latest available fair values as provided by the investment manager.

(c) AVC investments are included at the fair values provided by the AVC investment managers.

(d) Annuity insurance policies have been valued by the Plan Actuary at the amount of the related obligation, determined using the most recent actuarial valuation assumptions updated for market conditions at the reporting date.

(e) The Plan is a Registered Pension Scheme under Chapter 2 of Part 4 of the Finance Act 2004 and is therefore exempt from income and capital gains taxes.

Notes to the financial statements (continued)

4. Accounting policies (continued)

4.9 Critical accounting judgements and estimation uncertainty

The Trustee makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. For the Plan, the Trustee believes that the only estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year, are related to the valuation of the Plan's investments and, in particular, those classified in Level 3 of the fair-value hierarchy referred to in note 16. There were no critical accounting judgements.

5. Total contributions

	2023 £'000	2022 £'000
Employer contributions		
Additional – deficit	4,000	6,333
Additional – expense	350	350
	4,350	6,683

The above contributions were received in accordance with the prevailing schedule of contributions certified on 29 March 2022.

Employer contributions – Additional (deficit contributions)

£250,000 payable monthly (£3.0m per annum) for the period 1 January 2020 to 30 April 2026.

A one-off lump sum deficit funding contribution payment of £1.0m on or before 31 March 2023 (31 March 2022: £3.333m).

Employer contributions – Additional (expense contributions)

£29,166 payable monthly (£350,000 per annum) in respect of the Plan's administrative expenses.
The Employer exclusively meets the cost of all regulatory levies.

As noted within the Trustee's Summary of Contributions Paid in the Year on page 46, all monthly contributions of £279,166 due from the Principal Employer in regard of the financial year ended 31 March 2023, were received to the Plan by the 19th of the month following, except for that in relation to August 2022, which was received on 28 September, 9 days after due date. The Trustee assessed this circumstance not to be a material breach requiring to be reported to the Pensions Regulator and members.

Notes to the financial statements (continued)

6. Benefits paid or payable

	2023 £'000	2022 £'000
Pensions	7,284	6,797
Commutation of pensions	24	-
Lump sum retirement benefits	1,778	760
Lump sum death benefits	25	106
Refund of contributions on death	4	1
Taxation where lifetime or annual allowance exceeded	54	241
	9,169	7,905

Taxation arises on benefits paid or payable is in respect of members whose benefits exceeded the lifetime or annual allowance and who elected to take lower benefits from the Plan in exchange for the Plan settling their tax liability.

7. Transfers out

	2023 £'000	2022 £'000
Individual transfers out to other schemes	2,444	1,689
Refund to members leaving service	3	-
	2,447	1,689

8. Administrative expenses

	2023 £'000	2022 £'000
Administration and consultancy	556	407
Actuarial	266	337
Audit	42	43
Legal and professional	15	226
Other expenses	1	1
	880	1,014

The principal employer pays all administrative expenses and subsequently recharges the Plan.

Administration and consultancy fees of 2023 show an increase over those of 2022, as a result of secretarial services previously classified under actuarial fees, being reclassified under administration and consultancy fees for the year ended 31 March 2023 and future years.

Legal and professional fees of 2022 included certain significant one-off fees, principally legal work involved in producing a Consolidated Trust Deed and Rules and, to a lesser extent, the commissioning of an independent covenant review carried out in July 2021.

Notes to the financial statements (continued)

9. Investment income

	2023 £'000	2022 £'000
Income from pooled investment vehicles	16,092	14,490
Annuity income	67	64
Interest on cash deposits	73	-
	16,232	14,554

10. Investment management expenses

	2023 £'000	2022 £'000
Administration, management and custody	375	682
Fee rebates	(75)	(13)
	300	669

During the previous year to 31 March 2022, additional investment fees were incurred, through initial placement and management fees resulting from the Plan's investment in the I Squared Infrastructure Fund.

11. Reconciliation of investments

	Value at 1 April 2022 £'000	Purchases at cost £'000	Sales proceeds £'000	Change in market value £'000	Value at 31 March 2023 £'000
Pooled investment vehicles	375,342	190,365	(193,677)	(143,409)	228,621
Structured equity	36,912	156,434	(149,014)	(173)	44,159
Insurance policies	299	-	-	(35)	264
AVC investments	625	-	(26)	(31)	568
	413,178	346,799	(342,717)	(143,648)	273,612
Other investment balances	-				217
	413,178				273,829

Other investment balances consists of the accrual for an income distribution of £217,127 due to the Plan, but receivable after the financial year end 31 March 2023.

Purchases consist of outright purchases and, if occurring, switches in from within a particular portfolio or switches in from a different portfolio of funds held. Similarly, Sales consist of outright sales and, if occurring, switches out from within a particular portfolio or switches out from a different portfolio of funds held. All transactions are in line with the Plan's investment strategy.

Indirect transaction costs are incurred through the bid-offer spread on investments held within pooled investment vehicles. It has not been possible for the Trustee to quantify such indirect transaction costs.

Notes to the financial statements (continued)

12. Pooled investment vehicles

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

	2023 £'000	2022 £'000
Equities	66,206	131,945
Bonds	1,057	73,384
Corporate Bonds	21,209	-
Liability Driven Investments	87,455	76,907
Multi-Asset Credit	-	49,165
Property & Property Income	15,175	18,046
Infrastructure	23,446	1,154
Private Equity	185	235
Liquidity	13,888	24,506
	228,621	375,342

13. Structured Equity

The Trustee agreed to invest this mandate with Schroders as detailed below. Derivatives underly this Structured Equity mandate as detailed below.

Structured Equity
(with capital protection)

Investment	Expiry	Notional Amount £'000
Cash & Equity Mandate (OTC) EDOS 02 Goldman Sachs	15 December 2023 (< 1 year)	18,500
Cash & Equity Mandate (OTC) EDOS 03 Barclays	14 June 2024 (< 2 years)	25,000 -
Total 2023		**43,500**
Total 2022		**37,000**

The Structured Equity Investment had the following valuation at the year-end:

Structured Equity	2023 £'000	2022 £'000
Bond Liability Hedge (Treasury 0.5% Gilt with maturity 31 January 2024)	41,476	34,630
International Equity Index Option	2,583	2,158
Cash (GBP)	100	124
	44,159	**36,912**

Notes to the financial statements (continued)

13. Structured Equity (continued)

The underlying derivatives had the following valuations at the year-end:

(i) Bond Liability Hedge

Nature	Notional amount £'000	Expiry	2023 £'000	2022 £'000
UK Short Gilt bought	42,782	< 1 year	41,476	34,630
	42,782		**41,476**	**34,630**

Included within bonds is collateral of £41,927,916 which has been pledged to the counterparty. At the year-end the fund held £41,927,916 of collateral belonging to the counterparty.

(ii) Equity Index Options

Nature	Notional Amount £'000	Expiry	Asset £'000	Liability £'000
International Equity Index	18,500	< 1 year	1,100	(289)
International Equity Index	25,000	1-2 years	3,376	(1,604)
Total 2023	**43,500**		**4,476**	**(1,893)**
Total 2022			**4,165**	**(2,007)**

14. Insurance policies

The Plan held insurance policies at the year-end as follows:

	2023 £'000	2022 £'000
Annuity policy with Aviva	1	1
Annuity policy with Friends Life	155	172
Annuity policy with Reassure	108	126
	264	299

Member numbers as at 31 March 2023 are Aviva 2 (2022: 2), Friends Life 1 (2022: 1) and Reassure 1 (2022: 1).

Notes to the financial statements (continued)

15. AVC investments

The Trustee holds assets invested separately from the main Plan investments to secure additional benefits on a money purchase basis for those members electing to pay Additional Voluntary Contributions. Members participating in this arrangement each receive an annual statement made up to 31 March confirming the amounts held in their account and the movements in the year. The aggregate amounts of AVC investments are below:

	2023 £'000	2022 £'000
Clerical Medical - unit linked	362	373
Utmost Life and Pensions – unit linked	206	252
	568	625

16. Fair value determination

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

Level 1 The unadjusted quoted price in an active market for identical assets or liabilities that the entity can access at the measurement date.

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

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

At 31 March 2023

	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Pooled investment vehicles	108,664	81,151	38,806	228,621
Structured equity	100	44,059	-	44,159
Insurance policies	-	-	264	264
AVC investments	-	568	-	568
Other investment balances	217	-	-	217
	108,981	125,778	39,070	273,829

At 31 March 2022

	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Pooled investment vehicles	76,907	279,000	19,435	375,342
Structured equity	124	36,788	-	36,912
Insurance policies	-	-	299	299
AVC investments	-	625	-	625
	77,031	316,413	19,734	413,178

The Plan's investment assets and liabilities have been fair valued using the above hierarchy categories as follows**:**

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

Notes to the financial statements (continued)

17. Investment risk disclosure

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

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

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

- **Currency risk:** this is the risk that the fair value, or future cash flows, of a financial instrument will fluctuate due to changes in foreign exchange rates.
- **Interest rate risk**: this is the risk that the fair value, or future cash flows, of a financial instrument will fluctuate due to changes in market interest rates.
- **Other price risk**: this is the risk that the fair value, or future cash flows, of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

The Trustee determines its investment strategy after taking advice from a professional investment consultant. The Plan 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 risk limits which are set taking into account the Plan's strategic investment objectives. These investment objectives and risk limits are implemented through the investment management agreements in place with the Plan's investment managers and are monitored by the Trustee through regular review of the investment portfolio.

Investment Strategy

The Trustee's primary objectives are:

- To provide appropriate security for all beneficiaries.
- To achieve long-term growth sufficient to provide the benefits from the Plan.
- To achieve an appropriate balance between risk and return with regards to the cost of the Plan and the security of the benefits.

The Trustee has thus considered the target asset allocation required to provide a sufficient level of investment return to meet the liabilities once full funding is reached on the Technical Provisions basis.

The Plan's current aim is to target an asset allocation as shown in the table below:

<table>
<tr><th>Asset class</th><th>Investment style</th><th>Actual allocation %</th><th>Target allocation %</th></tr>
<tr><td>UK & Overseas Equities</td><td>Passive</td><td>24.3</td><td>30.0</td></tr>
<tr><td>Structured Equity</td><td>Passive</td><td>16.2</td><td>8.5</td></tr>
<tr><td>Unlisted Infrastructure</td><td>Active</td><td>8.6</td><td>8.5</td></tr>
<tr><td>Property Income Fund</td><td>Active</td><td>2.8</td><td>2.25</td></tr>
<tr><td>Return-Enhancing Assets</td><td></td><td>51.90</td><td>49.25</td></tr>
<tr><td>Multi-Asset Credit</td><td>Active</td><td>-</td><td>13.00</td></tr>
<tr><td>Absolute Return Credit</td><td>Active</td><td>0.4</td><td>-</td></tr>
<tr><td>Global Corporate Bonds</td><td>Active</td><td>7.8</td><td>11.00</td></tr>
<tr><td>Property Income Fund</td><td>Active</td><td>2.8</td><td>2.25</td></tr>
<tr><td>LDI</td><td>Passive</td><td rowspan="2">37.1</td><td rowspan="2">24.5</td></tr>
<tr><td>Cash</td><td>Active</td></tr>
<tr><td>Risk-Reducing Assets</td><td></td><td>48.10</td><td>50.75</td></tr>
<tr><td>Total</td><td></td><td>100.00</td><td>100.00</td></tr>
</table>

Notes to the financial statements (continued)

17. Investment risk disclosure (continued)

Credit Risk

The Plan invests mainly in pooled investment vehicles, except for the structured equity investment which is a segregated mandate. Through these it is directly exposed to credit risk in respect of the pooled fund or segregated mandate units held and indirectly exposed to credit risks arising from the underlying assets held within these vehicles.

Direct credit risk is mitigated either by the underlying assets of the pooled arrangements or segregated mandate being ring-fenced from the assets of the investment manager or, in the case of insurance policies, by capital requirements and the Prudential Regulatory Authority's regulatory oversight.

The Table below sets out the pooled funds used within the Plan.

Investment Manager	Fund name	Fund type
LGIM	UK Equity Index Fund	Unit linked insurance policy
	World (ex UK) Equity Index GBP Hedged Fund	Unit linked insurance policy
	Cash Fund	Unit linked insurance policy
Schroders	Structured Equity	Segregated mandate
Aviva	Lime Property Fund	Unit Trust
Vontobel	Absolute Return Credit	Sub-fund of a Luxembourg Société d'investissement à Capital Variable (SICAV)
Pantheon	Pantheon Europe Fund IV Limited	Closed Ended
I Squared	Global Infrastructure Fund III	Closed Ended
JP Morgan	Infrastructure Investments Fund	Open-ended 3(c)(7) Private Placement Fund
Insight	LDI Solutions Plus Partially Funded Index-Linked Gilts Funds 2021-2030	Umbrella Irish Collective Asset-management Vehicles (ICAV)
	LDI Solutions Plus Partially Funded Index-Linked Gilts Funds 2031-2040	
	LDI Solutions Plus Partially Funded Index-Linked Gilts Funds 2041-2050	
	LDI Solutions Plus Partially Funded Index-Linked Gilts Funds 2051-2060	
	LDI Solutions Plus Partially Funded Index-Linked Gilts Funds 2061-2070	
	Insight Maturing Buy and Maintain Credit Fund 2021-2025	
	Insight Maturing Buy and Maintain Credit Fund 2026-2030	

Notes to the financial statements (continued)

17. Investment risk disclosure (continued)

Credit Risk (continued)

In addition, investments are made only with suitably regulated investment managers. The Trustee carries out due diligence checks when appointing new investment managers to ensure the credit risk to which the Plan will be exposed through the appointment is appropriate. The auditors are also authorised to carry out any checks required on this as part of the audit process.

Indirect credit risk arises primarily through the bond and LDI assets held and is mitigated by the use of suitably diversified pooled funds and by the majority of these investments being held in investment-grade bonds or, in the case of LDI, by collateralisation procedures. There will also be some credit risk through any stock lending carried out by the passive investment managers. The Trustee has considered the risk mitigation processes in place in respect of these, including the collateralisation arrangements and will monitor these periodically.

The key sources of credit risk are set out below – all of these funds are treated as being 100% exposed to indirect credit risk.

Source of credit risk	Exposure at start of year	Exposure at end of year
LGIM Cash Fund	**£24,506,473**	**£13,887,300**
Loomis Sayles Global Corporate Bond Fund	**£38,872,974**	**-**
Janus Henderson Multi Asset Credit Fund	**£49,164,957**	**-**
Vontobel Absolute Return Credit	**£34,510,728**	**£1,057187**
Insight LDI Solutions Plus Partially Funded Index-Linked Gilts Funds 2021-2030	**£6,082,094**	**£6,937,299**
Insight LDI Solutions Plus Partially Funded Index-Linked Gilts Funds 2031-2040	**£17,037,112**	**£15,219,409**
Insight LDI Solutions Plus Partially Funded Index-Linked Gilts Funds 2041-2050	**£22,549,409**	**£22,053,985**
Insight LDI Solutions Plus Partially Funded Index-Linked Gilts Funds 2051-2060	**£21,045,971**	**£18,321,259**
Insight LDI Solutions Plus Partially Funded Gilts Funds 2031-2040	**£68,842**	**-**
Insight LDI Solutions Plus Partially Funded Gilts Funds 2041-2050	**£350,250**	**-**
Insight LDI Solutions Plus Partially Funded Gilts Funds 2051-2060	**£872,663**	**-**
Insight LDI Solutions Plus Partially Funded Index-Linked Gilts Funds 2061-2070	**£8,620,274**	**£24,922,802**
(Table continued on next page)		

Notes to the financial statements (continued)

17. Investment risk disclosure (continued)

Credit Risk (continued)

Source of credit risk	Exposure at start of year	Exposure at end of year
Insight LDI Solutions Plus Partially Fund Gilts Funds 2061-2070	**£280,150**	-
Insight Maturing Buy and Maintain Credit Fund 2021-2025	-	**£10,220,450**
Insight Maturing Buy and Maintain Credit Fund 2026-2030	-	**£10,988,520**

All of the funds listed above invest predominantly in investment grade assets (bonds with credit rating higher than BBB-).

In addition to the above, the Plan's government bond holdings have a theoretical credit risk exposure, however, as this credit exposure is to the UK government, the risk of default is judged to be sufficiently low that these have been excluded.

The return expected from all of the above assets is believed to be sufficient to compensate for the level of credit risk involved.

Currency Risk

The Plan has direct currency risk exposure due to its investment with I Squared and JP Morgan Infrastructure Funds, which are denominated in US Dollars and whose investment holdings as at 31 March 2023 were £4,587,744 (2022: £1,154,124) and £18,858,404 (2022: £nil) respectively.

The Plan is also subject to indirect currency risk as a number of the underlying investments held through its pooled fund arrangements are held in non-Sterling denominated securities.

Interest Rate Risk

The Plan is subject to interest rate risk from the bond and LDI assets which it holds through pooled investment vehicles. These vehicles primarily use gilts, corporate bonds, swaps and repurchase agreements to obtain interest rate exposure.

The assets which are exposed to (indirect) interest rate risk are primarily being held in order to offset the interest rate risks to which the Plan would otherwise be exposed through its liabilities. As such, these assets are viewed as risk-reducing for the Plan overall.

The Plan's investment assets hedged c.72% of its liability interest rate exposure and c. 71% of its inflation exposure as at 31 March 2023.

The Plan is also subject to interest rate risk from the synthetic equity exposure through the structured equity mandate with Schroders. The equity exposure in the structured equity mandate is achieved through Total Return Swaps, where the Plan pays SONIA-based interest and in-turn receives return on the equity index, Therefore, an increase in the interest rate increases the payment for the Plan to receive the equity return.

Notes to the financial statements (continued)

17. Investment risk disclosure (continued)

Interest Rate Risk (continued)

The key sources of interest rate risk are set out below:

Source of interest rate risk	Exposure at start of year	Exposure at end of year
LGIM Cash Fund	**£24,506,473**	**£13,887,300**
Loomis Sayles Global Corporate Bond Fund	**£38,872,974**	-
Janus Henderson Multi Asset Credit Fund	**£49,164,957**	-
Schroders Structured Equity	**£36,912,285**	**£44,159,148**
Vontobel Absolute Return Credit	**£34,510,728**	**£1,057,187**
Insight LDI Solutions Plus Partially Funded Index-Linked Gilts Funds 2021-2030	**£6,082,094**	**£6,937,299**
Insight LDI Solutions Plus Partially Funded Index-Linked Gilts Funds 2031-2040	**£17,037,112**	**£15,219,409**
Insight LDI Solutions Plus Partially Funded Index-Linked Gilts Funds 2041-2050	**£22,549,409**	**£22,053,985**
Insight LDI Solutions Plus Partially Funded Index-Linked Gilts Funds 2051-2060	**£21,045,971**	**£18,321,259**
Insight LDI Solutions Plus Partially Funded Gilts Funds 2031-2040	**£68,842**	**-**
Insight LDI Solutions Plus Partially Funded Gilts Funds 2041-2050	**£350,250**	**-**
Insight LDI Solutions Plus Partially Funded Gilts Funds 2051-2060	**£872,663**	**-**
Insight LDI Solutions Plus Partially Funded Index-Linked Gilts Funds 2061-2070	**£8,620,274**	**£24,922,802**
Insight LDI Solutions Plus Partially Fund Gilts Funds 2061-2070	**£280,150**	**-**
Insight Maturing Buy and Maintain Credit Fund 2021-2025	**-**	**£10,220,450**
Insight Maturing Buy and Maintain Credit Fund 2026-2030	**-**	**£10,988,520**

Notes to the financial statements (continued)

17. Investment risk disclosure (continued)

Other Price Risk

The Plan is subject to other price risks (indirectly) in relation to the equities and other assets held through its pooled funds. This risk is managed through the Plan's chosen investment strategy, by giving appropriate consideration to the size of the allocations to these types of investments.

It is also managed through using pooled funds which invest in a suitably diversified manner, or which, when combined into the overall portfolio, provide this suitable level of diversification.

The sources of other price risk are as follows:

Source of other price risk	Exposure at start of year	Exposure at end of year
LGIM UK Equity Index Fund	**£42,081,701**	**£22,020,101**
LGIM World (ex UK) Equity Index GBP Hedged Fund	**£89,863,437**	**£44,186,063**
Schroders Structured Equity	**£36,912,285**	**£44,159,148**
Aviva Lime Property Fund	**£18,046,222**	**£15,175,053**
Pantheon Europe Fund IV Limited	**£234,881**	**£185,038**
I Squared Global Infrastructure Fund III	**£1,154,124**	**£4,587,744**
JP Morgan Infrastructure Investments Fund	**-**	**£18,858,404**

Other matters

During 2022/2023, geopolitical issues (such as Russia's war in Ukraine) and economic issues (such as increases in the rates of inflation and interest rates and movements in foreign currencies) have had a profound effect on domestic and global economies, with disruption and volatility in the financial markets. The Trustee, in conjunction with its advisers, monitors the situation closely and determines any actions that are considered to be necessary. This includes monitoring the Plan's investment portfolio, the operational impact on the Plan and the covenant of the Employer.

The extent of the impact on the Plan's investment portfolio, including financial performance, will depend on future developments in financial markets and the overall economy, all of which are uncertain and cannot be predicted. Since the year end, the value of the Plan's investment assets and investment liabilities have been impacted. Whilst the Trustee monitors the overall position, it has not, at this time, quantified the change (being an increase or decrease) in market value of the investment assets and investment liabilities as markets remain fluid and unpredictable and therefore such an estimate cannot be made.

Notes to the financial statements (continued)

Concentration of investments

The Plan holds the following investments which exceed 5% of the net assets of the Plan at 31 March 2023:

	2023 £'000	%	2022 £'000	%
Legal & General World (ex UK) Equity Index Fund Hgd	44,186	15.7	89,863	21.5
Legal & General UK Equity Index Fund	22,020	7.8	42,082	10.1
Legal & General UK Cash Fund	13,887	-	24,506	5.9
Janus Henderson Multi Asset Credit Fund	-	-	49,165	11.8
Loomis Sayles Institutional Global Corporate Bond Fund	-	-	38,873	9.3
Vontobel Twentyfour Absolute Return Credit	1,057	-	34,511	8.3
Aviva Lime Property Fund Unit Trust	15,175	5.4	18,046	4.3
J.P. Morgan IIF UK 1 Hedged LP Fund	18,858	6.7	-	-
Insight LDI SOL PLS PF IL Gilt Class 1 2031-2040	15,219	5.4	17,037	4.1
Insight LDI SOL PLS PF IL Gilt Class 1 2041-2050	22,054	7.8	22,549	5.4
Insight LDI SOL PLS PF IL Gilt Class 1 2051-2060	18,321	6.5	21,046	5.0
Insight LDI SOL PLS PF Gilts Class 1 2061-2070	24,923	8.8	8,620	2.1

18. Current assets

	2023 £'000	2022 £'000
Contributions due from employer in respect of:		
Employer's additional - deficit	250	250
Employer's additional - expense	29	29
Benefits paid in advance	481	452
Bank interest receivable	8	-
Cash balances	8,727	4,788
	9,495	5,519

19. Current liabilities

	2023 £'000	2022 £'000
Unpaid benefits	520	118
Accrued expenses	1,022	937
	1,542	1,055

The principal employer pays all expenses and subsequently recharges the Plan.

20. Employer related investments

There were no directly held or indirectly held employer related investments, within the meaning of section 40 of the Pensions Act 1995 at 31 March 2023 (2022 – none).

Notes to the financial statements (continued)

21. Related party transactions

Key management personnel:

All Trustee Directors except Ms J Allen and Mr N Bueno de Mesquita have accrued benefits in the Plan. Out of the remaining seven Trustee Directors, four are pensioners, and three are deferred members. Other than disclosed elsewhere in the financial statements, there were no other related party transactions during the year ended 31 March 2023 (2022 – none).

Fees and expenses of £24,037 were contractually paid outside of employment by the Principal Employer for the professional services of two of the Trustees for the year ended 31 March 2023 (2022: One Trustee: £20,000). The Principal Employer does not recharge the Plan for the Trustees' fees and expenses paid.

Other related parties:

Under the Schedule of Contributions effective 29 March 2022, other than deficit contributions, the Principal Employer makes contributions towards the Plan's administrative fees and expenses of £350,000 p.a. paid monthly. The Principal Employer meets separately the cost of any pension levies.

Except as disclosed above, there are no transactions, balances or relationships that require disclosure.

22. Contingent liabilities and contractual commitments

Other than the liability to pay future pensions, there were no contingent liabilities of the Plan at 31 March 2023 (31 March 2022: nil).

As at 31 March 2023, the Plan held made the following investment commitments:

€10m to the Pantheon private equity unit trust, of which €9.37m had been drawn at the year end (31 March 2022: €9.37m).

USD 24,000,000 to I Squared Capital, of which USD 5,492,845 had been drawn down at the year end (31 March 2022: USD 1,885,634)

Independent Auditors’ Statement about Contributions to the Trustee of The Economist Group UK Pension Plan

Statement about contributions

Opinion

In our opinion, the contributions required by the schedule of contributions for the plan year ended 31 March 2023 as reported in The Economist Group UK Pension Plan’s summary of contributions have, in all material respects, been paid in accordance with the schedules of contributions certified by the plan actuary on 29 March 2022.

We have examined The Economist Group UK Pension Plan’s summary of contributions for the plan year ended 31 March 2023 which is set out on the following page.

Basis for opinion

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

Responsibilities for the statement about contributions

Responsibilities of the trustee in respect of contributions

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

Auditors’ responsibilities in respect of the statement about contributions

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

Use of this report

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

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London

Date

Summary of Contributions Paid in the Year

Summary of contributions payable during the year ended 31 March 2023

It is the responsibility of the Trustee to present a Summary of Contributions Paid in the Year. It sets out the employer contributions payable to the Plan under the Schedule of Contributions certified by the Actuary on 29 March 2022 in respect of the Plan year ended 31 March 2023. The relevant Schedule of Contributions is included on pages 48 to 50.

The auditors' report on contributions payable under the Schedule of Contributions, is as stated on the previous page 45, in the Independent Auditors' Statement about Contributions.

During the year, the contributions required by the Schedule of Contributions were as follows:

	£'000
Contributions from employer	
Additional – deficit	4,000
Additional – expenses	350
Total contributions required by the schedules of contributions **As reported on by the Plan's Auditors**	**4,350**
Total contributions included in the financial statements	**4,350**

All monthly contributions of £279,166 due from the Principal Employer in regard of the financial year ended 31 March 2023, were received to the Plan by the 19th of the month following, except for that in relation to August 2022, which was received on 28 September, 9 days after due date. This occurred as a result of the processing time taken up, in replacing a set payment instruction which lapsed with another. The Trustee assessed this circumstance not to be a material breach requiring to be reported to the Pensions Regulator and members.

The Summary of Contributions was approved by the Trustee and signed on its behalf by:

……………………………………………………………. Trustee Director

Date ………………………….………………………….

Appendix – Actuarial Certificate and Schedules of Contributions

Calculation of Technical Provisions Certificate Dated 29 March 2022

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Certificate

Actuary's Certificate of the Calculation of Technical Provisions

The Economist Group UK Pension Plan ("the scheme")

Calculation of technical provisions

I certify that, in my opinion, the calculation of the scheme's technical provisions as at 1 January 2021 is made in accordance with regulations under section 222 of the Pensions Act 2004. The calculation uses a method and assumptions determined by the Trustees of the scheme as set out in the Statement of Funding Principles dated 29 March 2022.

Signature		**Date**	**29 March 2022**
Name	Paul Butfield	Qualification	Fellow of the Institute and Faculty of Actuaries
Address	Buck Consultants Limited 20 Wood Street London EC2V 7AF		

Current Schedule of Contributions – Effective 29 March 2022
Page 1 of 3

Schedule of Contributions

The Economist Group UK Pension Plan (the "Plan")

Status

This Schedule of Contributions has been prepared by the Trustees for the Plan after obtaining the advice of Paul Butfield, the Scheme Actuary.

In this Schedule of Contributions, the Employers of the Group (the 'Group') are The Economist Newspaper Limited and The Economist Intelligence Unit Limited.

Contributions to be paid to the Plan over the period 1 January 2021 to 5 years from the date this Schedule is certified by the Scheme Actuary:

In respect of the funding shortfall as set out in the Recovery Plan dated March 2022

Payment date	Amount
From 1 January 2021 to 30 April 2026	£3,000,000 per annum paid monthly[1]
On or before 31 March 2021	£1,666,667
On or before 31 March 2022	£3,333,333
On or before 31 March 2023	£1,000,000

[1] Monthly contributions are to be paid into the Plan on or before the 19th of the calendar month following that to which the payment relates.

Expenses

£350,000 per annum (paid monthly) is payable in respect of the expenses of administration of the Plan.

Contributions are to be paid into the Plan on or before the 19th of the calendar month following that to which the payment relates.

The Group separately meets the cost of any statutory levies due in respect of the Plan (including the PPF Levy).

Additional costs and augmentations

Any additional costs due as a result of an augmentation of benefits requested by the Group will be determined by the Trustees in accordance with appropriate actuarial advice and Rules of the Plan. If the Trustees require a payment into the Plan to meet an additional cost, the Group will make such a payment within agreed time limits.

The Group may also make additional contributions if it so desires.

Appendix – Actuarial Certificate and Schedules of Contributions (continued)

Current Schedule of Contributions – Effective 29 March 2022 (continued)
Page 2 of 3

This Schedule of Contributions has been agreed by the Employers of the Group:

Signed on behalf of the Employers

Signature:

Name: Marcus Roy

Position: Group CFO, The Economist Group

Date: 29 March 2022

This Schedule of Contributions has been agreed by the Trustees of the Plan:

Signed on behalf of the Trustees

Signature: Daniel Franklin

Name: Daniel Franklin

Position: Chair of Trustees

Date: 29 March 2022

Current Schedule of Contributions – Effective 29 March 2022 (continued)
Page 2 of 3

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Actuary's Certification of Schedule of Contributions

The Economist Group UK Pension Plan ("the scheme")

Adequacy of rate 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 can be expected to be met by the end of the period specified in the recovery plan dated 29 March 2022.

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 March 2022.

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

Signature	P Butfield	**Date**	29 March 2022
Name	Paul Butfield	**Qualification**	Fellow of the Institute and Faculty of Actuaries
Address	Buck Consultants Limited 20 Wood Street London EC2V 7AF		

Appendix – Engagement Policy Implementation Statement in relation to investments

Engagement Policy Implementation Statement in relation to investments for the year ended 31 March 2023

Introduction

This statement has been prepared in accordance with the requirements of the Occupational Pension Schemes (Investment and Disclosure) (Amendment) Regulations 2019.

The latest Statement of Investment Principles (SIP) is dated September 2021, and can be obtained downloaded from the following online location:
https://www.economistgroup.com/results_and_governance/sip.html

The Trustee of The Economist Group UK Pension Plan (the "Plan") has a fiduciary duty to consider its approach to the stewardship of the investments to maximise financial returns for the benefit of members and beneficiaries over the long term. The Trustee can promote an investment's long-term success through monitoring, engagement and/or voting, either directly or through its investment managers.

This statement sets out how, and the extent to which, in the opinion of the Trustee, the policies (set out in the Statement of Investment Principles) on the exercise of rights (including voting rights) attaching to the investments, and engagement activities have been followed during the year ended 31 March 2023. This statement also describes the voting behaviour by, or on behalf of, the Trustee.

The Trustee, in conjunction with its investment consultant, appoints its investment managers and chooses the specific pooled and segregated funds to use in order to meet specific policies. It expects that its investment managers make decisions based on assessments about the financial characteristics of underlying investments (including environmental, social and governance factors, or ESG), and that they engage with issuers of debt or equity to improve their performance (and thereby the Plan's performance) over an appropriate time horizon.

The Trustee also expects its investment managers to take non-financial matters into account as long as the decision does not involve a risk of significant detriment to members' financial interests.

During the year, the Trustee Board's Investment Sub-Committee was presented with Buck's manager ESG ratings at the September meeting.

Stewardship - monitoring and engagement

The Trustee recognises that the investment managers' ability to influence the companies in which they invest will depend on the nature of the investment.

The Trustee's policy is to delegate responsibility for the exercising of rights (including voting rights) attaching to investments to the investment managers and to encourage the managers to exercise those rights. The investment managers are expected to provide regular reports for the Trustee detailing their voting activity.

The Trustee also delegates responsibility for engaging and monitoring investee companies to the investment managers and expects the investment managers to use their discretion to maximise financial returns for members and others over the long term.

The Trustee seeks to appoint managers that have strong stewardship policies and processes and are supportive of its investment managers being signatories to the United Nations' Principles for Responsible Investment and the Financial Reporting Council's UK Stewardship Code 2020.

Appendix – Engagement Policy Implementation Statement in relation to investments (continued)

Stewardship - monitoring and engagement (continued)

Details of the signatory status of each investment manager is shown below:

Investment manager	UN PRI Signatory	UK Stewardship Code Signatory
LGIM	Yes	Yes
Schroders	Yes	Yes
Aviva	Yes	Yes
I Squared	Yes	No
JP Morgan	Yes	Yes
Vontobel	Yes	Yes
Insight	Yes	Yes

As investments are held in pooled vehicles, the Trustee does not envisage being directly involved with peer-to-peer engagement in investee companies.

For direct investments, the Trustee does not envisage being directly involved with peer-to-peer engagement in investee companies.

Investment manager engagement policies

The Plan's investment managers are expected to have developed and publicly disclosed an engagement policy. This policy, amongst other things, provides the Trustee with information on how the investment manager engages in dialogue with the companies it invests in and how it exercises voting rights. It also provides details on the investment approach taken by the investment manager when considering relevant factors of the investee companies, such as strategy, financial and non-financial performance and risk, and applicable social, environmental and corporate governance aspects.

Links to each investment manager's engagement policy or suitable alternative are provided in the Appendix.

These policies are publicly available on each investment manager's website.

The latest available information provided by the investment managers (with mandates that contain listed physical equities and bonds) follows on the next page:

Appendix – Engagement Policy Implementation Statement in relation to investments (continued)

Investment manager engagement policies (continued)

The latest available information provided by the investment managers (with mandates that contain listed physical equities and bonds) is as follows:

Engagement	LGIM UK Equity Index	LGIM World (ex UK) Equity Index GBP Hedged	Vontobel Absolute Return Credit
Period	01/04/2022-31/03/2023	01/04/2022-31/03/2023	01/04/2022-31/03/2023
Engagement definition	Purposeful, targeted communication with an entity (e.g. company, government, industry body, regulator) on particular matters of concern with the goal of encouraging change at an individual issuer and/or the goal of addressing a market-wide or system risk (such as climate). Regular communication to gain information as part of ongoing research should not be counted as engagement.		For our investment grade credit funds, we count engagements which are significant discussions on a specific topic. For funds including high yield and ABS we currently also include engagements to gather missing data or challenge data as engagements as within those universes, the data availability through 3rd party databases is still very low.
Number of companies engaged with over the year	208	305	~80
Number of engagements over the year	332	478	87

Engagement	Insight LDI Strategy	Insight Maturing Buy & Maintain Credit Funds 2021-2025	Insight Maturing Buy & Maintain Credit Funds 2026-2030
Period	01/04/2022-31/03/2023	01/04/2022-31/03/2023	01/04/2022-31/03/2023
Engagement definition	Philosophically, financial materiality has always been at the core of why we have engaged with institutions. A financially material factor is one that is deemed relevant and likely to have a positive or negative impact on the financial value of that investment. It is a core part of our process to engage with issuers on such factors which include, but are not limited to, strategy, capital allocation and competitive positioning. ESG factors can also drive engagement where our analysts believe them to have financial relevance. In this sense they are part of the mosaic of factors that should be considered for effective financial analysis. Increasingly, however, our clients would like us to use our influence, which is generated by their capital, to go beyond engaging solely on financially material issues and to seek, where possible, to mitigate potential externalities by engendering more sustainable practices. In most circumstances more sustainable behaviours are fully aligned to better long-term risk/return profiles of investments and therefore we also engage on ESG issues where we think we can influence improved behaviour, providing it is not detrimental to the return potential of the investment we make. These two rationales drive why we engage and lead, broadly, to conducting two types of engagement: 1. Fundamental engagements – focus on financial materiality and business fundamentals. Typically, these engagements may include ESG issues where they are deemed to be relevant to the investment case, but they do not necessarily involve a longer-term, structured programme. 2. ESG engagements – focus on addressing an issuer's performance or impact relating to one or more ESG issues. Typically, such engagements will be longer term, structured around measurable objectives, and may be influenced by our thematic priorities as a firm.		

	Classical financial analysis organically leads to fundamental engagements as analysts seek to gain full understanding of all the risk factors that may impact an investment. However, systematic analysis of ESG factors requires the consideration of additional data and themes which may be outside of an analyst's normal investigative skillset. To help frame the nature of an engagement we look to categorise ESG themes to understand if they fall under a standard fundamental engagement process or if they would benefit from a specific ESG engagement.		
Number of companies engaged with over the year	11	50	67
Number of engagements over the year	37	122	166

Exercising rights and responsibilities

The Trustee recognises that different investment managers should not be expected to exercise stewardship in an identical way, or to the same intensity.

The investment managers are expected to disclose annually a general description of their voting behaviour, an explanation of the most significant votes cast and report on the use of proxy voting advisers.

The Trustee has been provided with details of what each investment manager considers to be the most significant votes. The Trustee has not influenced the manager's definitions of significant votes but has reviewed these and is satisfied that they are all reasonable and appropriate.

Investment managers use proxy advisers for the purposes of providing research, advice or voting recommendations that relate to the exercise of voting rights.

The Trustee does not carry out a detailed review of the votes cast by or on behalf of its investment managers but rely on the requirement for its investment managers to provide a high-level analysis of their voting behaviour.

The Trustee considers the proportion of votes cast and the proportion of votes against management to be an important (but not the only) consideration of investor behaviour.

The latest available information provided by the investment managers are as follows:

Voting behaviour	**LGIM UK Equity Index**	**LGIM World (ex UK) Equity Index GBP Hedged**
Period	01/04/2022-31/03/2023	01/04/2022-31/03/2023
Number of meetings eligible to vote at	733	3,008
Number of resolutions eligible to vote on	10,870	36,202
Proportion of votes cast	99.9%	99.8%
Proportion of votes for management	94.5%	77.6%
Proportion of votes against management	5.5%	21.7%
Proportion of resolutions abstained from voting on	0.0%	0.8%

Appendix – Engagement Policy Implementation Statement in relation to investments (continued)

Trustee's engagement

The Trustee has considered the environmental, social and governance rating for each fund/investment manager provided by the investment consultant, which includes consideration of voting and/or engagement activities. This also includes those funds that do not hold listed equities.

Where an investment manager has received a relatively low rating from the investment consultant or from other external rating providers, the Trustees may consider whether to engage with the investment manager.

The Trustee has reviewed the investment managers' policies relating to engagement and voting and how they have been implemented and have found them to be acceptable at the current time.

The Trustee recognises that engagement and voting policies, practices and reporting will continue to evolve over time and are supportive of its investment managers being signatories to the United Nations' Principles for Responsible Investment and the Financial Reporting Council's UK Stewardship Code 2020.

Appendix

Links to the engagement policies for each of the investment managers can be found here:

Investment manager	**Engagement policy**
Legal & General Investment Management	https://www.lgim.com/landg-assets/lgim/_document-library/capabilities/lgim-engagement-policy.pdf
Schroders	https://www.schroders.com/en/sustainability/active-ownership/engagement/
Aviva Investors	https://www.avivainvestors.com/content/dam/aviva-investors/main/assets/about/responsible-investment/downloads/responsible-investment-annual-review-2020.pdf
Pantheon Ventures	https://www.pantheon.com/corporate-responsibility/
I-Squared	n/a
JP Morgan	https://am.jpmorgan.com/us/en/asset-management/institutional/about-us/investment-stewardship/
Vontobel	https://www.twentyfouram.com/document/c4b29e95-c942-45f2-a937-39e17a9f9e74/TwentyFour-Engagement-Policy_20210310_EN.pdf
Insight Investment Management	https://www.insightinvestment.com/investing-responsibly/

Appendix – Engagement Policy Implementation Statement in relation to investments (continued)

Appendix

Information on the most significant votes LGIM participated in during the year ending 31 March 2023 (latest available) is shown below:

LGIM UK Equity Index	Vote 1	Vote 2	Vote 3
Company name	Royal Dutch Shell Plc	BP Plc	Rio Tinto Plc
Date of Vote	2022-05-24	2022-05-12	2022-04-08
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	6.7	3.0	2.7
Summary of the resolution	Resolution 20 - Approve the Shell Energy Transition Progress Update	Resolution 3 - Approve Net Zero - From Ambition to Action Report	Resolution 17 - Approve Climate Action Plan
How the fund manager voted	Against	For	Against
Where the fund manager voted against management, did they communicate their intent to the company ahead of the vote	Voted in line with management	Voted in line with management	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.
Rationale for the voting decision	Climate change: A vote against is applied, though not without reservations. We acknowledge the substantial progress made by the company in strengthening its operational emissions reduction	Climate change: A vote FOR is applied, though not without reservations. While we note the inherent challenges in the decarbonization efforts of the Oil & Gas sector, LGIM expects companies to set a credible	Climate change: We recognise the considerable progress the company has made in strengthening its operational emissions reduction targets by 2030, together with the commitment for

	targets by 2030, as well as the additional clarity around the level of investments in low carbon products, demonstrating a strong commitment towards a low carbon pathway. However, we remain concerned of the disclosed plans for oil and gas production, and would benefit from further disclosure of targets associated with the upstream and downstream businesses.	transition strategy, consistent with the Paris goals of limiting the global average temperature increase to 1.5 C. It is our view that the company has taken significant steps to progress towards a net zero pathway, as demonstrated by its most recent strategic update where key outstanding elements were strengthened. Nevertheless, we remain committed to continuing our constructive engagements with the company on its net zero strategy and implementation, with particular focus on its downstream ambition and approach to exploration.	substantial capital allocation linked to the company's decarbonisation efforts. However, while we acknowledge the challenges around the accountability of scope 3 emissions and respective target setting process for this sector, we remain concerned with the absence of quantifiable targets for such a material component of the company's overall emissions profile, as well as the lack of commitment to an annual vote which would allow shareholders to monitor progress in a timely manner.
Outcome of the vote	79.9%	88.5%	84.3%
Implications of the outcome	LGIM will continue to engage with our investee companies, publicly advocate our position on this issue and monitor company and market-level progress.		
Criteria on which the vote is assessed to be "most significant"	LGIM considers this vote significant as it is an escalation of our climate-related engagement activity and our public call for high quality and credible transition plans to be subject to a shareholder vote.		

LGIM World (ex UK) Equity Index GBP Hedged	**Vote 1**	**Vote 2**	**Vote 3**
Company name	Amazon.com, Inc.	Alphabet Inc.	Meta Platforms, Inc.
Date of Vote	2022-05-25	2022-06-01	2022-05-25
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	1.9	1.2	0.8

Summary of the resolution	Resolution 1f - Elect Director Daniel P. Huttenlocher	Resolution 7 - Report on Physical Risks of Climate Change	Resolution 5 - Require Independent Board Chair
How the fund manager voted	Against	For	LGIM voted in favour of the shareholder resolution (management recommendation: against).
Where the fund manager voted against management, did they communicate their intent to the company ahead of the vote	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.		
Rationale for the voting decision	Human rights: A vote against is applied as the director is a long-standing member of the Leadership Development & Compensation Committee which is accountable for human capital management failings.	Shareholder Resolution - Climate change: A vote in favour is applied as LGIM expects companies to be taking sufficient action on the key issue of climate change.	Shareholder Resolution - Joint Chair/CEO: A vote in favour is applied as LGIM expects companies to establish the role of independent Board Chair.
Outcome of the vote	93.3%	17.7%	16.7%
Implications of the outcome	LGIM will continue to engage with our investee companies, publicly advocate our position on this issue and monitor company and market-level progress.		
Criteria on which the vote is assessed to be "most significant"	LGIM pre-declared its vote intention for this resolution, demonstrating its significance.	LGIM considers this vote significant as it is an escalation of our climate-related engagement activity and our public call for high quality and credible transition plans to be subject to a shareholder vote.	LGIM considers this vote to be significant as it is in application of an escalation of our vote policy on the topic of the combination of the board chair and CEO (escalation of engagement by vote).

Appendix – Engagement Policy Implementation Statement in relation to investments (continued)

Information on the most significant engagement case studies for LGIM as a company for the funds containing public equities as at 31 December 2022(latest available) is shown below:

LGIM - Firm-level	Case Study 1	Case Study 2	Case Study 3
Name of entity engaged with	ExxonMobil	BP Plc	J Sainsbury Plc
Topic	Environment: Climate change (Climate Impact Pledge)	Environment: Climate change (Climate Impact Pledge)	Social: Income inequality - living wage (diversity, equity and inclusion)
Rationale	As one of the world's largest public oil and gas companies in the world, we believe that Exxon Mobil's climate policies, actions, disclosures and net zero transition plans have the potential for significant influence across the industry as a whole, and particularly in the US. At LGIM, we believe that company engagement is a crucial part of transitioning to a net zero economy by 2050. Under our Climate Impact Pledge, we publish our minimum expectations for companies in 20 climate-critical sectors. We select roughly 100 companies for 'in-depth' engagement - these companies are influential in their sectors, but in our view are not yet leaders on sustainability; by	As one of the largest integrated oil and gas producers in the world, BP has a significant role to play in the global transition to net zero, hence our focus on this company for in-depth engagements. As members of the CA100+ we commit to engaging with a certain number of companies on their focus list and on account of our strong relationship with BP, we lead the CA100+ engagements with them. At LGIM, we believe that company engagement is a crucial part of transitioning to a net zero economy by 2050. Under our Climate Impact Pledge, we publish our minimum expectations for companies in 20 climate-critical sectors. We select roughly 100	Ensuring companies take account of the 'employee voice' and that they are treating employees fairly in terms of pay and diversity and inclusion is an important aspect of our stewardship activities. As the cost of living ratchets up in the wake of the pandemic and amid soaring inflation in many parts of the world, our work on income inequality and our expectations of companies regarding the living wage have acquired a new level of urgency. LGIM's expectations of companies: i) As a responsible investor, LGIM advocates that all companies should ensure that they are paying their employees a living wage and that this requirement should

	virtue of their influence, their improvements would be likely to have a knock-on effect on other companies within the sector, and in supply chains. Our in-depth engagement is focused on helping companies meet these minimum expectations and understanding the hurdles they must overcome. For in-depth engagement companies, those which continue to lag our minimum expectations may be subject to voting sanctions and/ or divestment (from LGIM funds which apply the Climate Impact Pledge exclusions). UN SDG 13: Climate action	companies for 'in-depth' engagement - these companies are influential in their sectors, but in our view are not yet leaders on sustainability; by virtue of their influence, their improvements would be likely to have a knock-on effect on other companies within the sector, and in supply chains. Our in-depth engagement is focused on helping companies meet these minimum expectations and understanding the hurdles they must overcome. For in-depth engagement companies, those which continue to lag our minimum expectations may be subject to voting sanctions and/ or divestment (from LGIM funds which apply the Climate Impact Pledge exclusions). UN SDG 13: Climate action	also be extended to all firms with whom they do business across their supply chains. ii) We expect the company board to challenge decisions to pay employees less than the living wage. iii) We ask the remuneration committee, when considering remuneration for executive directors, to consider the remuneration policy adopted for all employees. iv) In the midst of the pandemic, we went a step further by tightening our criteria of bonus payments to executives at companies where COVID-19 had resulted in mass employee lay-offs and the company had claimed financial assistance (such as participating in government-supported furlough schemes) in order to remain a going concern. With over 600 supermarkets, more than 800 convenience stores, and nearly 190,000 employees, Sainsbury's is one of the largest supermarkets in the UK. Although Sainsbury's is

			currently paying higher wages than many other listed supermarkets, the company has been selected because it is more likely than many of its peers to be able to meet the requirements to become living-wage accredited. UN SDG 8: Decent work and economic growth
What the investment manager has done	We have been engaging with Exxon Mobil since 2016 and they have participated willingly in our discussions and meetings. Under our Climate Impact Pledge, we identified a number of initial areas for concerns, namely: lack of Scope 3 emissions disclosures (embedded in sold products); lack if integration or a comprehensive net zero commitment; lack of ambition in operational reductions targets and; lack of disclosure of climate lobbying activities. Our regular engagements with Exxon Mobil have focused on our minimum expectations under the Climate Impact Pledge. The improvements made have not so far been sufficient in our opinion, which has	We have been engaging with BP on climate change or a number of years, during the course of which we have seen many actions taken regarding climate change mitigation. BP has made a series of announcements detailing their expansion into clean energy. These include projects to develop solar energy in the US, partnerships with Volkswagen (on fast electric vehicle charging) and Qantas Airways (on reducing emissions in aviation), and winning bids to develop major offshore wind projects in the UK and US. Our recommendation for the oil and gas industry is to primarily focus on reducing its own emissions (and production) in line	Sainsbury's has recently come under scrutiny for not paying a real living wage. LGIM engaged initially with the company's [then] CEO in 2016 about this issue and by 2021, Sainsbury's was paying a real living wage to all employees, except those in outer London. We joined forces with ShareAction to try to encourage the company to change its policy for outer London workers. As these engagements failed to deliver change, we then joined ShareAction in filing a shareholder resolution in Q1 2022, asking the company to becoming a living wage accredited employer. This escalation succeeded insofar as, in April 2022, Sainsbury's moved all its London-based

	resulted in escalations. The first escalation was to vote against the re-election of the Chair, from 2019, in line with our Climate Impact Pledge sanctions. Subsequently, in the absence of further improvements, we placed Exxon Mobil on our Climate Impact Pledge divestment list (for applicable LGIM funds) in 2021, as we considered the steps taken by the company so far to be insufficient for a firm of its scale and stature. Nevertheless, our engagement with the company continues. In terms of further voting activity, in 2022 we supported two climate-related shareholder resolutions (i.e. voted against management recommendation) at Exxon's AGM, reflecting our continued wish for the company to take sufficient action on climate change in line with our minimum expectations. Levels of individual typically engaged with include lead independent director, investor relations, director and CFO.	with global climate targets before considering any potential diversification into clean energy. BP has also announced that it would be reducing its oil and gas output by 40% over the next decade, with a view to reaching net-zero emissions by 2050. We met with BP several times during 2022. In BP's 2022 AGM, we were pleased to be able to support management's 'Net Zero – from ambition to action' report (Resolution 3). Having strengthened its ambition to achieve net-zero emissions by 2050 and to halve operational emissions by 2030, BP has also expanded its scope 3 targets, committed to a substantial decline in oil and gas production, and announced an increase in capital expenditure to low-carbon growth segments. Levels of director typically engaged with include the chair, the CEO, head of sustainability, and investor relations.	employees (inner and outer) to the real living wage. We welcomed this development as it demonstrates Sainsbury's values as a responsible employer. However, the shareholder resolution was not withdrawn and remained on the 2022 AGM agenda because, despite this expansion of the real living wage to more employees, there are still some who are excluded. This group comprises contracted cleaners and security guards, who fulfil essential functions in helping the business to operate safely. Levels of individual typically engaged with include the Chair, the CEO, and head of investor relations.
Outcomes and next steps	Since 2021, we have seen notable improvements from Exxon Mobil	We will continue engaging with BP on climate change, strategy and related	Since filing the shareholder resolution, Sainsbury's has

	regarding our key engagement requests, including disclosure of Scope 3 emissions, a 'net zero by 2050' commitment (for Scopes 1 and 2 emissions), the setting of interim operational emissions reduction targets, and improved disclosure of lobbying activities. However, there are still key areas where we require further improvements, including inclusion of Scope 3 emissions in their targets, and improving the level of ambition regarding interim targets. We are also seeking further transparency on their lobbying activities. The company remains on our divestment list (for relevant funds), but our engagement with them continues.	governance topics. Following the company's decision to revise their oil production targets, we met with the company several times in early 2023 to discuss our concerns.	made three further pay increases to its directly employed workers, harmonising inner and outer London pay and is now paying the real living wage to its employees, as well as extending free food to workers well into 2023. We welcome these actions which demonstrate the value the board places on its workforce. We have asked the board to collaborate with other key industry stakeholders to bring about a living wage for contracted staff.

Appendix – Engagement Policy Implementation Statement in relation to investments (continued)

Information on the most significant engagement case studies for the TwentyFour Asset Management LLP as a company for the funds containing public bonds as at 31 March 2023 is shown below:

TwentyFour Asset Management LLP	Case Study 1	Case Study 2	Case Study 3
Name of entity engaged with	Paragon	BHP Group Ltd	Southern Company
Topic	Environment - Climate change	Social - Public health	Environment - Climate change
Rationale	This was an engagement as part of our Carbon Emissions Engagement Policy. Following the UK Government's proposed regulation for buy-let-let properties to have a minimum EPC rating of C, we reached out to understand Paragon (a sponsor of Residential Mortgage-Backed Securities) plans to reach this target. We questioned how much of their £150 million green bond has been allocated to new green financing. Finally, our ESG scoring provider Asset4 by Refinitiv scores Paragon very poorly on innovation – while innovation is a more challenging area for the banking sector, we questioned their progress on green mortgages and other	In Q1 2022 we reached out to the multinational miner, BHP regarding the collapse of the Fundão tailings dam in Brazil in 2015 and their lack of action since. We had concerns that they showed a lack of care of the environment in which they work and the treatment of those affected by their business which does not align with our values. This engagement is aligned with the SDG Good Health & Well Being and Clean water & Sanitation goals.	Southern Company has the highest carbon intensity in our credit portfolios and higher than its European peers, so environmental improvement is very important. We had a call with the firm's investor relations team in Q4 22 to understand its emissions reduction and net zero plans, and its timelines for exiting coal and full Scope 3 emissions disclosure. This engagement is aligned with the SDG Climate Action goal.

	environmental incentive products. This engagement is aligned with the SDG Climate Action goal.		
What the investment manager has done	In Q2 2022 we spoke to Paragon who are currently in discussion with the UK government on how to meet the challenging EPC target. The lender is unable to force landlords to upgrade their properties, but they are actively communicating with their buy-to-let customers on this issue and encouraging action. With the launch of its green mortgage product, which offers reduced rates to new applicants with a property rated C or above, Paragon is aiming to lower the concentration poorly rated properties in its mortgage portfolio. We learned that some £142m of the £150m green bond proceeds have already been invested in eligible green loans – these are mainly in B rated EPC properties, with A rated EPCs still very rare in the UK. Paragon's progress on innovation is not fairly captured in our current ESG score for the bank and we will look to update this, reflecting its green mortgage offering and the	In BHP's response, only 96 of the 553 households displaced have been rebuilt and all 42 of the programs identified by the Renova Foundation are behind schedule. They provided insufficient detail on mitigation of future incidents nor actions taken to clean up and compensate for the disaster.	This was a very constructive and honest call with management. Regulation differs between the US and Europe, so while the plan is to exit coal as soon as possible, local commissions have the final say and they have pushed back and actually extended the decommissioning timeline due to the ongoing energy crisis – this is outside the issuer's control. Overall, on coal the desire and the plan is to exit but external factors are hindering this. Southern Company plans to make a more formal net zero commitment in the near future and disclose Scope 3 emissions in 2023. We pushed management to sign up for the Science Based, however since many environmental decisions are out of their control (such as the closure of their coal plants) they are currently unable to sign up to the SBTi's. Management also highlighted that due to the greater consumption of coal due to the energy crisis, carbon

	extension of its motor finance policy to cover lending on battery electric vehicles.		intensity is unlikely to change much over the next 18 months.
Outcomes and next steps	This was a useful engagement, and we were relatively pleased with the news on the green bond proceeds. We will continue to monitor Paragon's progress on EPC ratings across its portfolio and the uptake on its green mortgage product, and we will update the issuer's innovation score to reflect new information. The engagement gave us additional comfort in the progress they are making and we remain invested.	The lack of action since the disaster highlights intrinsic social and governance concerns despite a strong raw ESG score. We do not invest.	A relatively satisfactory response and no reason not to invest. Many factors are unfortunately out of management's control but there is a lot of work ahead to catch up with European peers. We will continue to monitor progress.

Information on the most significant engagement case study for the Insight LDI Strategy as at 31 March 2023 is shown below:

Insight LDI Strategy	**Case Study 1**
Name of entity engaged with	UBS - Counterparty engagement
Topic	Governance - Board effectiveness - Other
Rationale	We held a dedicated ESG meeting with Investor Relations, Business Strategy, Global Head of Funding to address UBS' weak governance scores in our Prime ESG ratings and understand how they are working to improve their performance.
What the investment manager has done	UBS has experienced various governance-related controversies. We discussed these and asked about the controls in place to avoid a repeat of these in the future and received a satisfactory response. For example, there was a complete overhaul on the controls framework in relation to tax.

	We also challenged them on their diversity performance, as only 25% of management are female. They have since released a target of 30%.
Outcomes and next steps	We continue to engage regularly. We would like to see specific net zero target for the loan book (although UBS is tightening lending criteria, squeezing out any new coal and with nuclear highlighted as an area of concern).

Information on the most significant engagement case studies for Insight as a company for the funds containing public bonds as at 31 March 2023 is shown below:

Insight - Firm-level	**Case Study 1**	**Case Study 2**	**Case Study 3**
Name of entity engaged with	Equinor	Volkswagen	JP Morgan
Topic	Environment	Social	Environmental and Social
Rationale	As part of a general update with Equinor, we covered two ESG topics. Firstly, its carbons emissions and secondly on its product footprint and guidance for its 2023 energy production mix. Additionally, we previously engaged with Equinor after it exceeded a 5% threshold measuring the proportion of its revenues generated from unconventional methods such as Arctic Oil. Breaching this threshold meant that Equinor failed our Buy and Maintain purchase agreement. At our previous engagement, Equinor stated that some of the oilfields labelled as ‘unconventional’ should not qualify for	Initial engagement on changes implemented following the Diesel-gate scandal, decarbonisation targets and receive updates on its electric vehicle strategy VW provided an update on the various issues related to its Diesel-gate controversy. Overall, the legal process is ongoing, with the Porsche lawsuit continuing. Likewise, a class action lawsuit remains operative in Europe, despite reflective action. In the US, the legal consequences from the scandal are largely finished, but several states continue to push for	JP Morgan (JPM) provides global financial services and retail banking. The US company provides services such as investment banking, treasury and securities services, asset management, private banking, card member services, commercial banking, and home finance. We engaged with JPM as part of Insight’s counterparty engagement process on three separate occasions to provide feedback on the Insight counterpart ESG questionnaire and to understand its decarbonisation approach and its Diversity and

that description given the area in which three of the oilfields are located are ice-free most of the year.

At our most recent engagement, Equinor confirmed it views itself as aligned with a 1.5-degree global warming scenario. It also confirmed it has only one target that is Paris-aligned. In addition, we asked about its group-wide emissions reduction targets. Equinor confirmed it has a 50% group-wide emission reduction target by 2030 for Scope 1 and 2 targets but do not have targets for Scope 3 because these emissions are out of their control. We explained that we expect oil and gas companies to set Scope 3 targets, in line with many of Equinor's peers.

We asked about the issuer's plans for investments in renewables and it revealed gross capex in renewables between 2021 to 2026 will reach approximately 23 billion. Overall, this remains low, with renewables accounting for only 1% of its energy production, and 0.7GW installed capacity versus its ambition of for 2030 to reach 12-16GW.

sanctions. VW have set aside €32bn of provisions, including €30bn of cash spent so far and €2bn for impairments. VW stated that legal costs have amounted to €200m.

VW also provided an update on its plan to change its culture following the scandal. The business has instituted a 10-point strategic plan including ESG. VW is also attempting to improve its relationship with customers. It has also set in place several different surveys to gauge opinions on culture in the group. However, Mr Potsch (tainted by Diesel-gate) remains in post as Chairman.

We asked about its internal carbon footprint and VW stated it has a 100% renewables target (excluding China) by 2025. It doesn't have a specific target for China. Its domestic emissions reduction effort is complicated by the fact that coal remains in use in Germany due to issues surrounding supply security. However, overall coal represents a very small part of the mix. In addition, suppliers are contractually obliged to use green energy production and it had an audit

Inclusion (D&I) policies in more detail

The engagement is aligned to SDG 5 Gender equality and SDG 10 Reduced inequalities and SDG 13 Climate action

We also asked about its unconventional oil and gas exposure to obtain an update based on our last conversation. Equinor issuer confirmed that Johan Castberg, an Arctic located oilfield in the Barents Sea, remains on track for 2024 but it is still too early for volume/production guidance. The issuer also confirmed it won't rule out more investments in the Barents Sea as it views it as conventional. Finally, Equinor did not reveal its energy mix plans or any guidance for 2030 or 2050. It did guide that some projects will come on-stream by 2030 but looking for more opportunities that make sense.

This engagement is aligned to SDG 13 Climate Action

process in Germany to measure the energy consumption of its battery technology. The issuer also indicated it has contractually obliged suppliers in China to use green energy.

Finally, VW has committed to electrifying key models across it brands during 2022-2024 and by 2033 VW will cease production in Europe of ICE vehicles for mass market brands.

Follow-up engagement on Uyghur Forced Labour allegations in its Urumqi plant in Xinjiang, which is a 50/50 joint venture with SAIC.

We attended the investor call with VW's Human Rights Officer following the forced labour allegations from MSCI. We also had a separate call with VW IR regarding this topic.

VW stated that MSCI has confirmed there was no forced labour in any of its operations in China. However, MSCI reports the allegations made by some NGOs that some employees in the Urumqi plant might have been transferred from 're-

		education camps' in the region. VW stated that they are unlikely to cease participation in the Urumqi plant. They first want to send executives to visit the plant and to elaborate a full update on the situation. MSCI will review the red flag if an independent third-party investigation or compliance monitoring agency has concluded (through onsite inspection or an independent audit) that there is no connection to state-sponsored labour-transfer schemes or 'Vocational Education and Training Centres'. This engagement is aligned to numerous SDGs including SDG 3, 8 and 13.	
What the investment manager has done	We have engaged with Equinor on multiple times during the period and begun our ESG discussions with them back in 2020. The meetings have been held on a 121 basis with numerous follow up emails in between. We have met with the capital markets team and IR. Engagements have been led by our energy analyst with the support of the RI Stewardship analysts. All	We engaged with Volkswagen (VW) three times during Q4, initially on the implemented initiatives following the Diesel-gate scandal, to understand its decarbonisation strategy, and then on the company's response to the MSCI ESG controversy on 'allegations of forced labour in its own operations'. Our engagements were held by the Auto	This was the initial engagement and was with an Executive Director that works within the Centre for Carbon Transition within the group. The meeting was led by our Senior Stewardship Analyst. JPM stated that its decarbonisation approach focuses on its reducing the carbon impact from its banking and financing book, engaging with corporates to identify 'green unicorns' and

	engagement has been on a one-to-one basis.	analyst and RI Stewardship analyst with the IR team and VW human rights officer. Engagements were both on a 121 basis and group calls.	helping corporates transition to a low carbon world. Meanwhile, JPM’s strategy for identifying green unicorns involves lending $2.5 trillion to develop novel technologies that identify long term solutions to advance climate action and sustainable development. During a follow up engagement, JPM outlined in more detail the parameters of its fossil fuel policies, and we discussed the areas of weakness. For example, its fossil fuel financing policy only applies to greenfield coal projects and does not commit to a full phase out of coal. On D&I, JPM does not publicly disclose any targets for representation D&I despite having goals. JPM has fairly good D&I gender performance at board level (40%). However, Female representation at executive / senior level is only 29%, which is a significant decrease from mid-level management, where female employees make up 43% of its workforce. JPM only provides ethnic diversity for the US workforce, and disclosure rates are poor in other markets.

Outcomes and next steps	We will continue our separate, more specific engagement with Equinor on its plans for those oilfields deemed ‘unconventional’ to assess the environment/bio-diversity impact of these projects. Restrictions remain in place as a result of Equinor exceeding the 5% threshold - Excluding the three oilfields suggested to be 'conventional' by Equinor would pushes their controversial revenues score below the threshold, however, given the heightened biodiversity risk in the Arctic, we decided to keep the definition of these oilfields as ‘unconventional’.	We sold VW bonds which were held in our Responsible Horizons fund range. We are continuing to monitor the situation closely and will re-engage on those different topics. We also believe that several areas of improvement are necessary, and we recommend that audits of ethical standards should occur annually, VW should appoint a new chairman and introduce a renewable energy target in China.	Among the counterparties surveyed/assessed JPM’s fossil fuel financing polices are some of the weakest. We believe JPM should review and strengthen its fossil fuel policies in reference to IEA (International Energy Agency) Net Zero guidance. Similarly, on its D&I policies, we will recommend JPM prioritise the provision of more quantitative and data led information. We would welcome greater focus on efforts and initiatives for other diverse groups beyond gender and ethnicity and broadening the application of D&I initiative beyond gender in market outside the US. We continue to use JP Morgan as a Counterparty. Recommendations will be provided to JPM over time and changes will be monitored.

Appendix – Trustee's Policy in relation to their investment managers

The Trustee's policy in relation to their investment managers

In detailing below the policies on the investment manager arrangements, the over-riding approach of the Trustee is to select investment managers that meet the primary objectives of the Trustee. As part of the selection process and the ongoing review of the investment managers, the Trustee considers how well each investment manager meets the Trustee's policies and provides value for money over a suitable timeframe.

How the arrangement incentivises the investment managers to align their investment strategies and decisions with the Trustee's policies

The Trustee has delegated the day to day management of the Plan's assets to investment managers. The Plan's assets are predominantly invested in pooled funds which have their own policies and objectives and charge a fee, agreed with the investment manager, for their services. Such fees incentivise the investment managers to adhere to their stated policies and objectives.

How the arrangement incentivises the investment managers to engage and take into account financial and non-financial matters over the medium to long-term

The Trustee, in conjunction with its investment consultant, appoints its investment managers and choose the specific pooled fund to use in order to meet specific Plan policies. It expects that its investment managers make decisions based on assessments about the financial characteristics of underlying investments, and that they engage with issuers of debt or equity to improve their performance (and thereby the Plan's performance) over an appropriate time horizon.

The Trustee also expects their investment managers to take non-financial matters into account as long as the decision does not involve a risk of significant detriment to members' financial interests.

How the method (and time horizon) of the evaluation of the investment manager's performance and the remuneration for asset management services are in line with the Trustee's investment policies

The Trustee expects its investment managers to invest the assets within their portfolio in a manner that is consistent with the guidelines and constraints set out in their appointment documentation. The Trustee reviews the investment managers periodically. These reviews incorporate benchmarking of performance and fees. Reviews of performance focus on longer-term performance (to the extent that is relevant), e.g. looking at five years of performance.

If the Trustee determines that the investment manager is no longer managing the assets in line with the Trustee policies, the Trustee will make its concerns known to the investment manager and may ultimately disinvest.

The Trustee pays their investment managers a management fee which is a fixed percentage of assets under management. Some managers also charge a performance related fee.

Prior to agreeing a fee structure, the Trustee, in conjunction with their investment consultant, considers the appropriateness of this structure, both in terms of the fee level compared to that of other similar products and in terms of the degree to which it will incentivise the investment manager. The Trustee also reviews all fees periodically to ensure best value for the Plan.

Appendix – Trustee’s Policy in relation to their investment managers (continued)

How the Trustee monitors portfolio turnover costs incurred by the investment managers, and how they define and monitor targeted portfolio turnover or turnover range

The Trustee, in conjunction with its investment consultant, has processes in place to review investment turnover costs incurred by the Plan on an annual basis. The Trustee receives a report which includes the turnover costs incurred by the investment managers used by the Plan.

The Trustee expects turnover costs of the investment managers to be in line with their peers, taking into account the style adopted by the investment manager, the asset class invested in and prevailing market conditions.

The Trustee does not explicitly monitor turnover, set target turnover or turnover ranges. The Trustee believes that the investment managers should follow their stated approach with a focus on risk and net return, rather than on turnover. In addition, the individual mandates are unique and bespoke in nature and there is the potential for markets to change significantly over a short period of time.

The duration of arrangements with investment managers

The Trustee does not in general enter into fixed long-term agreements with their investment managers and instead retain the ability to change investment manager should the performance and processes of the investment manager deviate from the Trustee’s policies. However, the Trustee expects its manager appointments to have a relatively long duration, subject to the manager adhering to its stated policies, and the continued positive assessment of its ability to meet its performance objective.

The Trustee has entered into a long-term agreement with Pantheon, I Squared and JP Morgan for illiquid investments.