

Registered number: 10024685

**AMG UK GROUP 2006 PENSION PLAN  
REPORT AND FINANCIAL STATEMENTS  
YEAR ENDED 31 DECEMBER 2023**

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## AMG UK GROUP 2006 PENSION PLAN

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## AMG UK GROUP 2006 PENSION PLAN

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### TRUSTEE AND ITS ADVISERS YEAR ENDED 31 DECEMBER 2023

<b>Trustee</b>	AMG UK Group Pension Trustee Limited
<b>Company Appointed Directors</b>	E Butler L Scaife S Scarfe
<b>Member-Nominated Directors</b>	J Bradbury (resigned 31 December 2023) J Murrie
<b>Principal Employer</b>	AMG Chrome Limited
<b>Secretary to the Trustee</b>	Aon Solutions UK Limited
<b>Actuary</b>	P Crocker, FIA, Aon Solutions UK Limited
<b>Administrators</b>	Mercer Limited (resigned 29 May 2023) Aon Solutions UK Limited (appointed 30 May 2023)
<b>Independent Auditor</b>	BDO LLP
<b>Bankers</b>	The Royal Bank of Scotland plc HSBC Bank plc (opened 18 April 2023)
<b>Covenant Adviser</b>	Aon Solutions UK Limited
<b>Investment Adviser</b>	Aon Solutions UK Limited
<b>Investment Managers</b>	Aon Investments Limited ('AIL') Mobius Life Limited ('Mobius') as platform provider
<b>AVC Providers</b>	Aviva plc ('Aviva') Santander UK plc ('Santander') Utmost Life and Pensions Limited ('Utmost')
<b>Fiduciary Manager</b>	Aon Investments Limited (appointed 6 December 2023)
<b>Legal Adviser</b>	Eversheds Sutherland (International) LLP
<b>Contact Details</b>	AMG UK Group 2006 Pension Plan RBP Aon, Aon Scanning Division PO Box 196 Huddersfield HD8 1EG  amg.pensions@aon.com 0330 678 1459

## AMG UK GROUP 2006 PENSION PLAN

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### TRUSTEE'S REPORT YEAR ENDED 31 DECEMBER 2023

#### Introduction

The Trustee of AMG UK Group 2006 Pension Plan (the 'Plan') is pleased to present the annual report together with the audited financial statements for the year ended 31 December 2023.

#### Constitution and management

The Plan is an occupational Defined Benefit ('DB') pension scheme. The Plan is governed by a Trust Deed, as amended from time to time, and is administered by Aon Solutions UK Limited in accordance with the establishing document and Rules solely for the benefit of its members and other beneficiaries.

The Plan was originally an occupational hybrid pension scheme comprising of a Defined Benefit ('DB') and a Defined Contribution ('DC') section. The DB Section and old DC Section (CAP Section) closed on 31 May 2006. A new DC Section commenced 1 June 2006. With effect from 1 July 2022, except for the AVC arrangements, the DC section of the Plan were transferred to the Aon MasterTrust in the members' individual names. During the year ended 31 December 2023 the remaining DC section net assets were transferred to the DB section.

The Trustee and its Directors are shown on page 1.

Under the Trust Deed and Rules of the Plan, the Trustee is appointed and removed by AMG Chrome Limited subject to the Member-Nominated arrangements.

The power of appointing and removing the Trustee Directors is contained in the Articles of Association of AMG UK Group Pension Trustee Limited subject to the Member-Nominated arrangements.

In accordance with the Pensions Act 2004, at least one third of the total number of Trustee Directors must be nominated by Plan members and are referred to as Member-Nominated Trustee Directors ('MNTDs'). Members of the Plan are able to nominate themselves or another member by completing a nomination form.

A Trustee Director can choose to retire from office at any time. A Member-Nominated Trustee Director can only be removed with the agreement of all other Trustee Directors. Company Appointed Trustee Directors are removed by AMG Chrome Limited.

The Trustee has appointed professional advisers and other organisations to support it in delivering the Plan's objectives. These individuals and organisations are listed on page 1. The Trustee has written agreements in place with each of them.

#### Trustee meetings

The Trustee Board met formally five times during the year to consider the business of the Plan.

#### Plan changes

In the prior year, all DC Section members and the majority of the assets transferred to the Aon MasterTrust. In the year ended 31 December 2023, the Trustee agreed to transfer the remaining DC Section residual net assets, predominantly AVC investments, of £835,636 to the DB Section. The Trustee is currently reviewing the AVC arrangements with Aviva, Santander and Utmost with a view to transferring these to the Aon MasterTrust or other pension providers.

There were no other changes to the Plan in the year.

## AMG UK GROUP 2006 PENSION PLAN

### TRUSTEE'S REPORT YEAR ENDED 31 DECEMBER 2023

#### Financial statements

The financial statements included in this annual report have been prepared and audited in accordance with the regulations made under Sections 41 (1) and (6) of the Pensions Act 1995.

#### Membership

Details of the membership changes of the Plan in the year are as follows:

	Deferreds	Pensioners	Total
Members at the start of the year	31	403	434
Adjustments to members	(2)	(5)	(7)
New spouse	-	1	1
Retirements	(3)	3	-
Deaths	-	(20)	(20)
Transfers out	(2)	-	(2)
Members at the end of the year	24	382	406

Pensioners include 83 (2022: 87) individuals receiving a pension upon the death of their spouse who was a member of the Plan.

The adjustments to members shown above are the result of retrospective updating of member records.

Included in the above is nil (2022: 1) pensioner whose benefits are financed by insurance (annuity) policy.

#### Pension increases

Pensions in payment are subject to increases in accordance with the Trust Deed and Rules and increases applied are equal to or greater than those required by statutory regulations. Pension increases are awarded on 15 April each year, as follows:

- For members who left prior to 6 April 1988, 3% p.a. The increase in 2023 was 3%.
- For members who left post 6 April 1988 on pension accrued prior to 31 December 1999, 5% p.a. The increase in 2023 was 5%.
- For members who left post 6 April 1988 on pension accrued post 31 December 1999, in line with the Retail Prices Index ('RPI'), subject to a maximum of 5% p.a. The increase in 2023 was 5%.
- For AVC pensions, in line with the RPI, subject to a maximum of 5% p.a. The increase in 2023 was 5%.

There were no discretionary pension increases in the year.

Deferred benefits are increased in line with legislation and the Plan Rules.

## AMG UK GROUP 2006 PENSION PLAN

### TRUSTEE'S REPORT YEAR ENDED 31 DECEMBER 2023

#### Transfers

All transfer values are calculated in accordance with the requirements of The Occupational Pension Schemes (Transfer Values) (Amendment) Regulations 2008 using assumptions determined by the Trustee on advice provided by the Plan Actuary.

No discretionary increases are included in the calculation of transfer values.

Transfers into the Plan are not allowed.

#### Contributions

Contributions were paid in accordance with the Schedules of Contributions certified by the Plan Actuary on 28 November 2019 and 30 March 2023.

##### Schedule of Contributions – 28 November 2019

Deficit funding contributions and contributions in respect of Plan management, investment and administration expenses, along with levies to the Pension Protection Fund, of £1,600,000 p.a. are payable monthly for a period of 5 years from 1 January 2020 to 31 December 2024. Contributions increase by 3% each subsequent 1 January.

Additional Employer contributions are payable of 10% of any dividends paid by the Employer to its shareholders, within 1 month of the dividend being paid.

##### Schedule of Contributions – 30 March 2023

The Employer will pay the following annual amounts on a monthly basis between 1 January 2022 and 31 December 2026 towards the Plan's deficit and to cover ongoing expenses, PPF levies and other levies collected by the Pensions Regulator:

	Deficit funding	Expenses
January – December 2023	£1.844m	£0.404m
January – December 2024	£1.899m	£0.416m
January – December 2025	£1.956m	£0.428m
January – December 2026	£2.015m	£0.441m

Additional Employer contributions are payable of 10% of any dividends paid by the Employer to its shareholders, within 1 month of the dividend being paid. In 2023 an additional contribution of £3,551,428 was received.

## AMG UK GROUP 2006 PENSION PLAN

### TRUSTEE'S REPORT YEAR ENDED 31 DECEMBER 2023

#### Report on Actuarial Liabilities

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.

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

The most recent triennial actuarial valuation of the Plan effective as at 31 December 2021 showed that the accumulated assets of the Plan represented 96% of the Plan's technical provisions in respect of past service benefits; this corresponds to a deficit of £3.4m at the valuation date. The results of this valuation, together with the most recent Annual Actuarial update as at 31 December 2022 are detailed below.

	31 December 2021	31 December 2022
The value of the technical provisions	£80.3 m	£57.0 m
The value of the assets	£76.9 m	£48.2 m

If the Plan had been discontinued and wound up at 31 December 2021 there would have been insufficient assets to buy out the accrued benefits through the purchase of annuity policies with an insurer. The estimated discontinuance (or wind up) funding level was 89% corresponding to a deficit of £9.3m.

The value of technical provisions is based on Pensionable Service to the valuation date and assumptions about various factors that will influence the Plan in the future, such as the levels of investment returns and pay increases, 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.

#### Significant Actuarial Assumptions

**Discount rate** - Fixed interest gilt yield curve plus 0.5% p.a.

**RPI inflation** - RPI yield curve derived from the gilt market at the valuation date.

**Consumer Prices Index ('CPI') Inflation** - The assumption for RPI inflation less 0.9% p.a. pre-2030 and less 0.1% p.a. post-2030.

**Pension increases** - Derived from the RPI or CPI inflation assumptions allowing for the maximum and minimum annual increases using term dependent best estimates of future inflation volatility.

**Post-retirement mortality base table** - Deferreds: 100% of S3PMA 'all' tables for males and 100% of S3PFA 'middle' tables for females. Pensioners: 91% of S3PMA 'heavy' tables for males and 101% of S3PFA 'heavy' tables for females.

**Post-retirement mortality improvements** - CM1\_ 2021 core projections with Sk=7.0, A parameter= 0.5% and a long-term improvement rate of 1.5% p.a.

## AMG UK GROUP 2006 PENSION PLAN

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### TRUSTEE'S REPORT YEAR ENDED 31 DECEMBER 2023

#### Report on Actuarial Liabilities (continued)

#### Recovery Plan

To eliminate the funding shortfall, the Employer will pay the following amounts for 5 years from 1 January 2022 towards the Plan's deficit:

2022	£1.305m
2023	£1.844m
2024	£1.899m
2025	£1.956m
2025	£2.015m

These arrangements were formalised in a Schedule of Contributions which the Plan Actuary certified on 30 March 2023. A copy of this certificate is included on page 33 of this report.

#### Next actuarial valuation

The next triennial valuation is due to be carried out as at 31 December 2024.



## AMG UK GROUP 2006 PENSION PLAN

### TRUSTEE'S REPORT YEAR ENDED 31 DECEMBER 2023

#### Investment matters

##### Management and custody of investments

As required by Section 35 of the Pensions Act 1995, the Trustee has prepared a Statement of Investment Principles ('SIP'). A copy of the SIP can be found on the Plan's website at <https://amgukgrouppensions.com> and is available on request from the Administrator.

The Trustee has delegated management of investments to the investment managers who are regulated by the Financial Conduct Authority ('FCA') in the United Kingdom and manage the investments in line with the investment managers agreements which are designed to ensure that the objectives and policies captured in the SIP are followed.

The Trustee has considered environmental, social and governance ('ESG') factors for investments (including but not limited to climate change) and has delegated to the investment managers the responsibility for taking these considerations into account when assessing the financial potential and suitability of an investment and for exercising the rights (including voting rights) relating to the Plan's investments.

The investment managers are paid fees for their services. The fees are calculated as a percentage of the market value of the part of the Plan that they manage.

The Trustee has not appointed a custodian to the Plan as the investment managers appoint a custodian for the assets underlying the investments they manage for the Trustee. The Custodians appointed by the investment managers are shown below:

Managers	Custodians
Aon Investments Limited	BNY Mellon Asset Management
Mobius Life Limited (as platform provider):	
Legal & General Investment Management Limited	The Northern Trust Company
Columbia Threadneedle Investments	State Street Bank & Trust Company

The Custodians are responsible for the safe keeping, monitoring and reconciliation of documentation relating to the ownership of listed investments. Investments are held in the name of the Custodians' nominee company, in line with common practice for pension scheme investments.

The Trustee has considered the nature, disposition, marketability, security and valuation of the Plan's investments and believe them to be appropriate relative to the reasons for holding each class of investments.

#### Investment report

##### Manager allocation and performance summary

##### Commentary

Over the course of the year, the value of the Plan's investments remained broadly flat. The Plan's growth assets benefited from rising equity markets over 2023 with the rally in the IT sector contributing significantly, combined with falling inflation helping to boost returns in the credit markets. The improvement in the growth portfolio was offset by a reduction in the value of the Plan's liability driven investments ('LDI') which are designed to broadly track changes in the value of the Plan's liabilities. During the year, UK Government bond (gilt) yields fluctuated, with yield increase over the first 9 months of the year having the impact of reducing the value of the Plan's liabilities and therefore the value of the LDI investments. During the final quarter of the year, a sharp drop in inflation helped to lower gilt yields, allowing the LDI investments to increase in value over the short term.

## AMG UK GROUP 2006 PENSION PLAN

### TRUSTEE'S REPORT YEAR ENDED 31 DECEMBER 2023

#### Investment report (continued)

#### Manager allocation and performance summary (continued)

During the year, the Trustee reviewed the Plan's investment strategy and implemented several changes to reduce risk. This comprised:

- Reducing the target allocation to the Aon Managed Growth Strategy from 50% to 20%
- Increasing the target allocation to the Aon Low Risk Bonds Strategy from 15% to 45%

The redemption proceeds from the reduction in Aon Managed Growth Strategy were invested in the Aon Low Risk Bonds Strategy.

The table below details the Plan's manager structure and their objectives at 31 December 2023:

Manager	Objective
<b>Aon Investments Limited</b> Aon Managed Growth Strategy	To achieve a return of 4% p.a., net of fees, in excess of SONIA over a market cycle.
<b>Aon Investments Limited</b> Aon Low Risk Bonds Strategy	To achieve a return of 1% p.a., net of fees, in excess of SONIA over a market cycle.
<b>Columbia Threadneedle</b> CT LDI Regular Profile Nominal Leveraged Gilt Fund	To hedge fixed liabilities of a regular maturity scheme, by using fixed gilts to match interest rate risk.
<b>Columbia Threadneedle</b> CT LDI Regular Profile Real Leveraged Gilt Fund	To hedge inflation-linked liabilities of a regular maturity scheme, by using gilts to match interest rate and inflation risk.
<b>Legal &amp; General</b> LGIM Sterling Liquidity Fund	Maintain capital value whilst producing a competitive return in relation to SONIA.

The table below details the performance (net of fees) of the Plan's managers for periods ending 31 December 2023.

	1 year %		3 years % p.a.		5 years % p.a.	
	Fund	Benchmark	Fund	Benchmark	Fund	Benchmark
Aon Managed Growth Strategy	7.1	4.7	n/a	n/a	n/a	n/a
Aon Low Risk Bonds Strategy	6.4	4.7	n/a	n/a	n/a	n/a
CT LDI Regular Profile Leveraged Nominal Gilt Fund	-10.0	-11.4	n/a	n/a	n/a	n/a
CT LDI Regular Profile Leveraged Real Gilt Fund	-7.8	-8.0	n/a	n/a	n/a	n/a
LGIM Sterling Liquidity Fund	4.8	4.7	n/a	n/a	n/a	n/a
Total	3.8	2.1	n/a	n/a	n/a	n/a

Source: Individual fund managers.

Notes: The Plan first invested with Aon, CT and LGIM during 2022, therefore performance is not applicable over three, or five years. Performance shown net of fees where available.

## AMG UK GROUP 2006 PENSION PLAN

### TRUSTEE'S REPORT YEAR ENDED 31 DECEMBER 2023

#### Investment report (continued)

#### Manager allocation and performance summary (continued)

The distribution of the Plan's investments between the managers and investments at 31 December 2023 is set out in the table below.

<b><u>Manager Allocations</u></b>	<b>2023 Market Value (£m)</b>	<b>2023 Allocation (%)</b>	<b>2022 Market Value (£m)</b>	<b>2022 Allocation (%)</b>
<b>Growth</b>	<b>31.4</b>	<b>66.8</b>	<b>34.3</b>	<b>72.5</b>
<i>Aon Managed Growth Strategy</i>	<i>10.0</i>	<i>21.2</i>	<i>23.3</i>	<i>49.3</i>
<i>Aon Low Risk Bonds Strategy</i>	<i>21.4</i>	<i>45.6</i>	<i>11.0</i>	<i>23.2</i>
<b>Matching</b>	<b>15.6</b>	<b>33.2</b>	<b>13.0</b>	<b>27.5</b>
<i>CT LDI Regular Profile Leveraged Nominal Gilt Fund</i>	<i>12.0</i>	<i>25.4</i>	<i>10.0</i>	<i>21.2</i>
<i>CT LDI Regular Profile Leveraged Real Gilt Fund</i>	<i>1.7</i>	<i>3.7</i>	<i>1.6</i>	<i>3.3</i>
<i>LGIM Sterling Liquidity Fund</i>	<i>1.9</i>	<i>4.1</i>	<i>1.4</i>	<i>3.0</i>
<b>TOTAL ASSETS</b>	<b>47.0</b>	<b>100.0</b>	<b>47.3</b>	<b>100.0</b>

#### Engagement Policy Implementation Statement ('EPIS')

The Trustee has prepared an Engagement Policy Implementation Statement in accordance with legislation. This statement is shown on pages 34 to 40.

#### Employer related investments

The investments of the Plan are invested in accordance with Section 40 of the Pensions Act 1995. Details of any Employer related investments are disclosed in note 22 to the financial statements.

## AMG UK GROUP 2006 PENSION PLAN

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### TRUSTEE'S REPORT YEAR ENDED 31 DECEMBER 2023

#### Further information

Further information about the Plan is available, on request, to members, their spouses and other beneficiaries. In particular, the documents constituting the Plan, the Rules and a copy of the latest actuarial report and the Trustee's SIP can be inspected.

Individual benefit statements are provided to deferred members on request. In addition to the information shown on these statements members can request details of the amount of their current transfer value. Such requests are available free of charge once a year. All members may access information online via the Pensionline website ([www.mypensionline.com/amg](http://www.mypensionline.com/amg)), which includes, for example, pension payslips for those members in receipt of a pension, and estimated retirement benefits and transfer values for those members yet to retire.

If members have any queries concerning the Plan or their own pension position, or wish to obtain further information, they should contact Aon at the contact details on page 1 who will also be able to provide them with a further copy of the Plan's booklet should they require one and answer any queries that they may have about entitlement to benefits.

Aon Solutions UK Limited processes the personal data as contained in this report and financial statements for the purpose of providing the Trustee with a report and financial statements on the operation of the Plan. Aon Solutions UK Limited processes personal data in the context of providing pension scheme administration services on behalf of the Trustee, the data controller. Aon Solutions UK Limited, when operating in its capacity as a data processor who provides the members of the Plan with pension scheme administration services on behalf of the Trustee, will comply with the applicable legislation including any data protection legislation and the instructions of the Trustee.

The Trustee or the Employer will ensure the data subjects of whom personal data is processed for the purposes of this report and financial statements are informed of the processing activities in accordance with the requirements of the applicable data protection legislation.

## AMG UK GROUP 2006 PENSION PLAN

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### TRUSTEE'S REPORT YEAR ENDED 31 DECEMBER 2023

#### Governing bodies, regulators and sources of reference

##### Pension Tracing

The Plan is registered with the Pension Tracing Service which maintains a list of up to date addresses of schemes to assist ex-members in tracing their rights if they have lost contact with the previous Employers' scheme. The Pension Tracing Service can be contacted at:

The Pensions Service  
Post Handling Site A  
Wolverhampton  
WV98 1AF

0800 731 0193  
[www.gov.uk/find-pension-contact-details](http://www.gov.uk/find-pension-contact-details)

##### The Pensions Regulator

The Pensions Regulator ('TPR') is the United Kingdom ('UK') regulator of work-based pension schemes.

TPR's role is to act to protect the interest of pension scheme members and to enforce the law as it applies to occupational pension schemes.

The regulations set out clearly the areas that TPR covers and the powers that are vested in it. For example, TPR can prohibit or disqualify trustees for acting unlawfully, and can impose fines on wrong doers.

TPR can be contacted at:

The Pensions Regulator  
Telecom House  
125-135 Preston Road  
Brighton  
BN1 6AF

0345 600 0707  
[customersupport@tpr.gov.uk](mailto:customersupport@tpr.gov.uk)  
[www.thepensionsregulator.gov.uk](http://www.thepensionsregulator.gov.uk)

##### The Pension Protection Fund

The Pension Protection Fund was established to provide compensation to members of eligible pension schemes, when there is a qualifying insolvency event in relation to the Employer and where there are insufficient assets in the pension scheme to cover Pension Protection Fund levels of compensation.

The Pension Protection Fund can be contacted at:

PPF Member Services  
Pension Protection Fund  
PO Box 254  
Wymondham  
NR18 8DN

0330 123 2222  
[ppfmembers@ppf.co.uk](mailto:ppfmembers@ppf.co.uk)  
[www.ppf.co.uk](http://www.ppf.co.uk)



## AMG UK GROUP 2006 PENSION PLAN

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### TRUSTEE'S REPORT YEAR ENDED 31 DECEMBER 2023

#### Governing bodies, regulators and sources of reference (continued)

##### Questions about pensions

If you have any questions about your pension, MoneyHelper, which is part of the Money and Pensions Service, provides professional, independent and impartial help with pensions for free. Services include independent information and general guidance on pension matters.

MoneyHelper can be contacted at:

Money and Pensions Service  
Borough Hall  
Cauldwell Street  
Bedford  
MK42 9AP

0800 011 3797  
[www.moneyhelper.org.uk](http://www.moneyhelper.org.uk)

##### Resolving difficulties/Internal Dispute Resolution

It is expected that most queries relating to benefits can be resolved with the Plan's Administrator. In the event that a member's complaint cannot be resolved by the Administrator they may make a formal complaint using the Plan's Internal Dispute Resolution ('IDR') procedure, details of which can be obtained from the Administrator or use the Pensions Ombudsman's informal Early Resolution Service.

The Government appointed Pensions Ombudsman can investigate complaints brought by members and beneficiaries against the Trustee or the Plan's Administrator in relation to maladministration or disputes of fact of law. The Pensions Ombudsman can be contacted at:

The Pensions Ombudsman  
10 South Colonnade  
Canary Wharf  
London  
E14 4PU

0800 917 4487  
[enquiries@pensions-ombudsman.org.uk](mailto:enquiries@pensions-ombudsman.org.uk)  
[www.pensions-ombudsman.org.uk](http://www.pensions-ombudsman.org.uk)

## AMG UK GROUP 2006 PENSION PLAN

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### TRUSTEE'S REPORT YEAR ENDED 31 DECEMBER 2023

#### 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 Trustees. Pension scheme regulations require, and the Trustees are responsible for ensuring, that those financial statements:

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

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

The Trustees are also responsible for making available certain other information about the Scheme in the form of an annual report.

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

The Trustees are also responsible for the maintenance and integrity of the <https://amgukgrouppensions.com/> website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions. This paragraph is recommended where the annual report is to be published electronically otherwise can be dropped.

#### Trustee's responsibilities in respect of contributions

The Trustees are responsible under pensions legislation for preparing, and from time to time reviewing and if necessary revising, a schedule of contributions showing the rates of contributions payable to the Scheme by or on behalf of employers and the dates on or before which such contributions are to be paid. The Trustees are also responsible for keeping records in respect of contributions received and for adopting risk-based processes to monitor whether contributions that fall due to be paid are paid into the Scheme in accordance with the schedule of contributions. Where breaches of the schedule occur, the Trustees are required by the Pensions Acts 1995 and 2004 to consider making reports to the Pensions Regulator and to members.

#### Approval

The Trustee's Report was approved by the Trustee and signed on its behalf by:

Trustee Director:



Trustee Director:



Date: 17 JULY 2024

**INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEE  
OF AMG UK GROUP 2006 PENSION PLAN**

**Opinion on the financial statements**

In our opinion the financial statements:

- show a true and fair view of the financial transactions of the Plan during the year ended 31 December 2023 and of the amount and disposition at that date of its assets and liabilities, other than liabilities to pay pensions and benefits after the end of the year;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- contain the information specified in Regulation 3A of the Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996, made under the Pensions Act 1995.

We have audited the financial statements of AMG UK Group 2006 Pension Plan ('the Plan') for the year ended 31 December 2023 which comprise the Fund Account, Statement of Net Assets (available for benefits) and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice) and the Statement of Recommended Practice - Financial Reports of Pension Schemes (revised 2018).

**Basis for opinion**

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

*Independence*

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

**Conclusions relating to going concern**

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the 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.

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

**Other information**

The Trustee is responsible for the other information. The other information comprises the information included in the annual report and financial statements, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated.



**INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEE  
OF AMG UK GROUP 2006 PENSION PLAN**

**Other information (continued)**

If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**Responsibilities of Trustee**

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

In preparing the financial statements, the Trustee is responsible for assessing the 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 have no realistic alternative but to do so.

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

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

*Extent to which the audit was capable of detecting irregularities, including fraud*

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:

- Obtaining an understanding of the Plan's legal and regulatory frameworks, focusing on those which we determine to be the most significant, and how the Plan complies with these.
- Enquiring of the Trustee, and where appropriate, the administrators or consultants as to whether
  - the Plan is in compliance with laws and regulations that have a material effect on the financial statements; they have knowledge of any actual, suspected or alleged fraud;
  - they have knowledge of any actual, suspected or alleged fraud;
  - any reports have been made to the Pensions Regulator.

Based on our understanding of the Plan, we consider the most significant laws and regulations that have a direct impact on the financial statements are the Pensions Acts 1995 and 2004 and those that relate to the reporting framework (Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996, Financial Reporting Standard 102 and the Statement of Recommended Practice 'Financial Reports of Pensions Schemes' 2018 ('The SORP')); and we considered the extent to which non-compliance might have a material effect on the financial statements.

## AMG UK GROUP 2006 PENSION PLAN

### INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEE OF AMG UK GROUP 2006 PENSION PLAN

#### Auditor's responsibilities for the audit of the financial statements (continued)

We evaluated incentives and opportunities for fraudulent manipulation of the financial statements, including the risk of override of controls by the Trustee and those involved in the preparation of the financial statements and underlying accounting records. We determined that the principal risk was related to the posting of inappropriate journals, which may act to conceal fraudulent activity.

Audit procedures performed to respond to the identified risks included, but were not limited to, the following:

- Testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.
- Enquiring of management and the Trustee with regard to actual and potential litigation and claims.
- Reviewing the disclosures in the financial statements and testing to supporting documentation to assess compliance with relevant laws and regulations, as detailed above.
- Reviewing minutes of meetings of the Trustee.
- Reviewing any significant correspondence with the Pensions Regulator.
- Performing analytical procedures to identify unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that 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, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

#### Use of our report

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

DocuSigned by:  
  
6D984F7FE0924BD...

**BDO LLP**  
Statutory auditor  
Leeds  
United Kingdom

Date: 23 July 2024

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127)

# AMG UK GROUP 2006 PENSION PLAN

## FUND ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2023

	Note	DB £	DC £	2023 Total £	DB £	DC £	2022 Total £
Employer contributions	4	5,799,428	-	5,799,428	1,697,448	577,331	2,274,779
Employee contributions	4	4,870	-	4,870	-	325,038	325,038
		<u>5,804,298</u>	<u>-</u>	<u>5,804,298</u>	<u>1,697,448</u>	<u>902,369</u>	<u>2,599,817</u>
Other income	5	-	-	-	-	134,640	134,640
		<u>5,804,298</u>	<u>-</u>	<u>5,804,298</u>	<u>1,697,448</u>	<u>1,037,009</u>	<u>2,734,457</u>
Benefits paid and payable	6	(4,024,118)	-(4,024,118)	(3,959,070)	(330,546)	(4,289,616)	(4,289,616)
Payments to and on account of leavers	7	(602,928)	-	(602,928)	-	(1,343,954)	(1,343,954)
Group transfers out	7	-	-	-	-	(26,637,676)	(26,637,676)
Other payments	8	-	-	-	(25,764)	-	(25,764)
Administrative expenses	9	(463,968)	-	(463,968)	(434,395)	-	(434,395)
		<u>(5,091,014)</u>	<u>-(5,091,014)</u>	<u>(4,419,229)</u>	<u>(28,312,176)</u>	<u>(32,731,405)</u>	<u>(32,731,405)</u>
<b>Net additions/(withdrawals) from dealing with members</b>		<u>713,284</u>	<u>-</u>	<u>713,284</u>	<u>(2,721,781)</u>	<u>(27,275,167)</u>	<u>(29,996,948)</u>
Investment income	10	32,818	-	32,818	8,354	175	8,529
Change in market value of investments	11	1,747,924	-	1,747,924	(25,974,999)	(1,455,300)	(27,430,299)
Investment management expenses	12	(73,962)	-	(73,962)	(61,731)	-	(61,731)
		<u>1,706,780</u>	<u>-</u>	<u>1,706,780</u>	<u>(26,028,376)</u>	<u>(1,455,125)</u>	<u>(27,483,501)</u>
<b>Net returns on investments</b>		<u>1,706,780</u>	<u>-</u>	<u>1,706,780</u>	<u>(26,028,376)</u>	<u>(1,455,125)</u>	<u>(27,483,501)</u>
<b>Net increase/(decrease) in the fund during the year</b>		<u>2,420,064</u>	<u>-</u>	<u>2,420,064</u>	<u>(28,750,157)</u>	<u>(28,730,292)</u>	<u>(57,480,449)</u>
Transfers between sections		835,636	(835,636)	-	(10,847)	10,847	-
<b>Net assets of the Plan at 1 January</b>		<u>48,160,584</u>	<u>835,636</u>	<u>48,996,220</u>	<u>76,921,588</u>	<u>29,555,081</u>	<u>106,476,669</u>
<b>at 31 December</b>		<u>51,416,284</u>	<u>-</u>	<u>51,416,284</u>	<u>48,160,584</u>	<u>835,636</u>	<u>48,996,220</u>

The notes on pages 19 to 30 form part of these financial statements.



# AMG UK GROUP 2006 PENSION PLAN

## STATEMENT OF NET ASSETS (AVAILABLE FOR BENEFITS) AS AT 31 DECEMBER 2023

	Note	DB £	DC £	2023 Total £	DB £	DC £	2022 Total £
<b>Investment assets</b>							
Pooled investment vehicles	14	46,968,894	-	46,968,894	47,255,341	-	47,255,341
AVC investments	15	723,943	-	723,943	-	716,034	716,034
Cash	16	-	-	-	93,496	-	93,496
		<u>47,692,837</u>	<u>-</u>	<u>47,692,837</u>	<u>47,348,837</u>	<u>716,034</u>	<u>48,064,871</u>
<b>Total net investments</b>		<u>47,692,837</u>	<u>-</u>	<u>47,692,837</u>	<u>47,348,837</u>	<u>716,034</u>	<u>48,064,871</u>
<b>Current assets</b>	20	4,018,230	-	4,018,230	1,012,339	175,783	1,188,122
<b>Current liabilities</b>	21	(294,783)	-	(294,783)	(200,592)	(56,181)	(256,773)
<b>Net assets available for benefits at 31 December</b>		<u>51,416,284</u>	<u>-</u>	<u>51,416,284</u>	<u>48,160,584</u>	<u>835,636</u>	<u>48,996,220</u>

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 does take account of such obligations, is dealt with in the Report on Actuarial Liabilities included in the Trustee's Report on pages 5 and 6. These financial statements and Actuarial Certificate should be read in conjunction with this report.

The notes on pages 19 to 30 form part of these financial statements.

These financial statements on pages 17 to 30 were approved by the Trustee and were signed on its behalf by:

Trustee Director:



Trustee Director:



Date: 22 JULY 2024

## AMG UK GROUP 2006 PENSION PLAN

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

#### 1. Basis of preparation

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

The financial statements are prepared on a going concern basis, which the Trustee believes to be appropriate as it believes that the Plan has adequate resources to realise its assets and meet pension payments in the normal course of affairs (continue to operate) for at least twelve months from the date of approval of these financial statements. In reaching this conclusion, the Trustee considered the plausible downside assumptions of the sponsoring Employer and its position to gain comfort that it will continue to make contributions as they fall due. This assessment, together with income and capital growth from its assets, gives the Trustee confidence to prepare the financial statements on a going concern basis.

#### 2. Identification of financial statements

AMG UK Group 2006 Pension Plan is a Defined Benefit occupational pension scheme established under trust under English Law.

The address of the Plan's principal place of business is AMG Chrome Limited, Fullerton Road, Rotherham, South Yorkshire, S60 1DL.

#### 3. Accounting policies

The principal accounting policies applied to the preparation of the financial statements are set out below. These policies have been consistently applied unless otherwise stated.

##### Functional and presentational currency

The Plan's functional and presentational currency is GBP.

Assets and liabilities in other currencies are converted to GBP at the rates of exchange ruling at the year end. Transactions in other currencies are translated into GBP at the spot exchange rate at the date of the transaction.

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

##### Contributions

Normal and additional voluntary contributions, both from employees and Employer, are accounted for on an accruals basis in the period to which they relate. The exception being contributions deducted from auto-enrolled members which are accounted for on receipt or expiry of the opt out period, whichever is earlier.

Employer's deficit funding and additional contributions are accounted for in the year in which they fall due in line with the Schedules of Contributions.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023**

**3. Accounting policies (continued)**

**Benefits paid or payable**

Pensions in payment, including pensions funded by insurance (annuity) contracts, are accounted for in the period to which they relate.

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

**Payments to and on account of leavers**

Individual transfers to other schemes are accounted for when member liability is discharged which is normally when the transfer amount is paid.

Group transfers out are accounted for in accordance with the terms of the transfer agreement.

**Administrative expenses**

Administrative expenses are accounted for on an accruals basis, net of recoverable VAT.

**Other income and payments**

Other income and payments are accounted for on an accruals basis.

**Investment income**

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

Income from cash and short-term deposits is accounted for in these financial statements on an accruals basis.

Income arising from insurance (annuity) policies held by the Trustee to fund benefits payable to Plan members is included within investment income and is accounted for on an accruals basis.

**Change in market value of investments**

The change in market value of investments during the year comprise all increases and decreases in the market value of investments held at any time during the year, including profits and losses realised on sales of investments and unrealised changes in market value. In the case of pooled investment vehicles which are accumulation funds, where income is reinvested within the fund without issue of further units, change in market value also includes such income.

**Investment management expenses**

Investment management fees are accounted for on an accruals basis, net of recoverable VAT.

Investment management fees for pooled investment vehicles are incorporated in the unit price and reflected in change in the market value of investments in the Fund Account.

## AMG UK GROUP 2006 PENSION PLAN

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

#### 3. Accounting policies (continued)

##### Valuation of investment assets

##### Investments

Investment assets are included in the financial statements at fair value. The methods of determining fair value for the principal classes of investment are:

Pooled investment vehicles which are unquoted or not actively traded are stated at bid price or single price where there is no bid/offer spread as provided by the investment managers at the year end.

The Trustee has reviewed the Plan's insurance (annuity) policies and has concluded that these are not material to the Plan assets and Fund Account movement. Therefore, insurance (annuity) policies are not reported within these financial statements.

AVC funds are included within the Statement of Net Assets (Available for Benefits) on the basis of fair values provided by the AVC provider at the year end.

#### 4. Contributions

	DB £	DC £	2023 Total £	DB £	DC £	2022 Total £
<b>Employer</b>						
Normal	-	-	-	-	577,331	577,331
Deficit funding	2,248,000	-	2,248,000	1,697,448	-	1,697,448
Additional	3,551,428	-	3,551,428	-	-	-
	<u>5,799,428</u>	<u>-</u>	<u>5,799,428</u>	<u>1,697,448</u>	<u>577,331</u>	<u>2,274,779</u>
<b>Employee</b>						
Normal	-	-	-	-	274,967	274,967
Additional voluntary contributions	4,870	-	4,870	-	50,071	50,071
	<u>4,870</u>	<u>-</u>	<u>4,870</u>	<u>-</u>	<u>325,038</u>	<u>325,038</u>

All contributions to the DC Section ceased with effect from 30 June 2022.

The figures above for deficit funding include expense contributions, as detailed in the table below. These are being paid by the Employer to the Plan in accordance with the Recovery Plan dated 30 March 2023 in order to improve the Plan funding position.

	Deficit funding	Expenses
January – December 2023	£1.844m	£0.404m
January – December 2024	£1.899m	£0.416m
January – December 2025	£1.956m	£0.428m
January – December 2026	£2.015m	£0.441m

Additional Employer contributions are payable of 10% of any dividends paid by the Employer to its shareholders, within 1 month of the dividend being paid. In 2023 an additional contribution of £3,551,428 was received.

## AMG UK GROUP 2006 PENSION PLAN

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

#### 5. Other income

	DB £	DC £	2023 Total £	DB £	DC £	2022 Total £
Claim on term insurance policies	-	-	-	-	134,640	134,640

#### 6. Benefits paid or payable

	DB £	DC £	2023 Total £	DB £	DC £	2022 Total £
Pensions	3,752,285	-	3,752,285	3,782,663	-	3,782,663
Commutations of pensions and lump sum retirement benefits	271,833	-	271,833	169,450	170,056	339,506
Lump sum death benefits	-	-	-	6,957	160,490	167,447
	4,024,118	-	4,024,118	3,959,070	330,546	4,289,616

#### 7. Payments to and on account of leavers

	DB £	DC £	2023 Total £	DB £	DC £	2022 Total £
Individual transfers to other schemes	602,928	-	602,928	-	1,343,954	1,343,954
Group transfers out	-	-	-	-	26,637,676	26,637,676
	602,928	-	602,928	-	27,981,630	27,981,630

The group transfer out of £26,637,676 represents the DC Section assets, excluding AVC investments, which were transferred to the Aon Master Trust in respect of 304 active members and 437 deferred members who transferred on 1 July 2022.

#### 8. Other payments

	DB £	DC £	2023 Total £	DB £	DC £	2022 Total £
Payments on term insurance policies	-	-	-	25,764	-	25,764

The term insurance policy was underwritten by Zurich Assurance Limited.



## AMG UK GROUP 2006 PENSION PLAN

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

#### 9. Administrative expenses

	DB £	DC £	2023 Total £	DB £	DC £	2022 Total £
Administration and processing	154,660	-	154,660	73,504	-	73,504
Actuarial fees	163,675	-	163,675	220,170	-	220,170
Audit fees	15,860	-	15,860	9,275	-	9,275
Legal fees	6,799	-	6,799	82,059	-	82,059
Other professional fees	89,204	-	89,204	18,250	-	18,250
Scheme levies	7,432	-	7,432	6,814	-	6,814
Trustee fees and expenses	26,245	-	26,245	24,372	-	24,372
Bank charges	93	-	93	-	-	-
Sundry expenses	-	-	-	401	-	401
	463,968	-	463,968	434,395	-	434,395

Included in actuarial fees are Aon Solutions UK Limited secretarial and consultancy costs.

#### 10. Investment income

	DB £	DC £	2023 Total £	DB £	DC £	2022 Total £
Income from pooled investment vehicles	15,386	-	15,386	2,994	-	2,994
Interest on cash deposits	14,310	-	14,310	219	175	394
Annuity income	3,122	-	3,122	5,141	-	5,141
	32,818	-	32,818	8,354	175	8,529

## AMG UK GROUP 2006 PENSION PLAN

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

#### 11. Investments

	Opening value at 1 Jan 2023 £	Purchases at cost £	Sales proceeds £	Change in market value £	Closing value at 31 Dec 2023 £
<b>DB Section</b>					
Pooled investment vehicles	47,255,341	23,875,290	(25,860,006)	1,698,269	46,968,894
AVC investments	-	720,904	(46,616)	49,655	723,943
	<u>47,255,341</u>	<u>24,596,194</u>	<u>(25,906,622)</u>	<u>1,747,924</u>	<u>47,692,837</u>
Cash	93,496				-
<b>Total DB net investments</b>	<u>47,348,837</u>				<u>47,692,837</u>
<b>DC Section</b>					
AVC investments	716,034	-	(716,034)	-	-
	<u>716,034</u>	<u>-</u>	<u>(716,034)</u>	<u>-</u>	<u>-</u>
<b>Total DC net investments</b>	<u>716,034</u>				<u>-</u>
<b>Total net investments</b>	<u>48,064,871</u>				<u>47,692,837</u>

Included in AVC investments purchases and sales are transfers of £716,034 between the DC Section and the DB Section.

#### Transaction costs

There are no direct transaction costs in the year nor in the previous year. Indirect costs are incurred through the bid-offer spread on pooled investment vehicles. It is not possible for the Trustee to quantify these indirect costs.

#### 12. Investment management expenses

	DB £000	DC £000	2023 Total £000	DB £000	DC £000	2022 Total £000
Administration and management fees	22,251	-	22,251	27,796	-	27,796
Consultancy fees	51,711	-	51,711	33,935	-	33,935
	<u>73,962</u>	<u>-</u>	<u>73,962</u>	<u>61,731</u>	<u>-</u>	<u>61,731</u>

#### 13. Taxation

The Plan is a registered pension scheme in accordance with the Finance Act 2004 and is exempt from income tax and capital gains tax except for withholding tax on overseas investment income. This means that the contributions paid by both the Employer and the members qualify for full tax relief.

## AMG UK GROUP 2006 PENSION PLAN

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

#### 14. Pooled investment vehicles

	DB £	DC £	2023 Total £	DB £	DC £	2022 Total £
Bond funds	31,382,736	-	31,382,736	34,247,433	-	34,247,433
Liability Driven Investment funds	13,646,658	-	13,646,658	11,587,356	-	11,587,356
Cash and liquidity funds	1,939,500	-	1,939,500	1,420,552	-	1,420,552
	<u>46,968,894</u>	<u>-</u>	<u>46,968,894</u>	<u>47,255,341</u>	<u>-</u>	<u>47,255,341</u>

#### 15. AVC investments

	DB £	DC £	2023 Total £	DB £	DC £	2022 Total £
Utmost	24,649	-	24,649	-	63,012	63,012
Aviva	616,922	-	616,922	-	575,262	575,262
Santander	82,372	-	82,372	-	77,760	77,760
	<u>723,943</u>	<u>-</u>	<u>723,943</u>	<u>-</u>	<u>716,034</u>	<u>716,034</u>

The Trustee holds assets which are separately invested from the main Plan 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 December each year confirming the amounts held to their account and movements during the year.

The AVC investments can be further analysed as:

	2023 £	2022 £
Money deposit	82,372	77,760
Unit-linked policies	24,649	63,012
Various investment funds	616,922	575,262
	<u>723,943</u>	<u>716,034</u>

#### 16. Cash and other investment balances

	DB £	DC £	2023 Total £	DB £	DC £	2022 Total £
Cash	-	-	-	93,496	-	93,496

## AMG UK GROUP 2006 PENSION PLAN

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

#### 17. Fair value of investments

FRS 102 requires for each class of financial instrument an analysis of the level in the following fair value hierarchy into which the fair value measurements are categorised. A fair value measurement is categorised in its entirety on the basis of the lowest level input that is significant to the fair value measurement in its entirety.

Level 1: The unadjusted quoted price in an active market for an identical asset or liability that the entity can access at the assessment 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.

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

As at 31 December 2023	Level 1	Level 2	Level 3	2023 Total
DB Section	£	£	£	£
Pooled investment vehicles	-	46,968,894	-	46,968,894
AVC investments	-	-	723,943	723,943
Cash	-	-	-	-
	-	46,968,894	723,943	47,692,837

#### DC Section

##### Investment assets

AVC investments	-	-	-	-
	-	-	-	-
	-	46,968,894	723,943	47,692,837

As at 31 December 2022	Level 1	Level 2	Level 3	2022 Total
DB Section	£	£	£	£
Pooled investment vehicles	-	47,255,341	-	47,255,341
AVC investments	-	-	-	-
Cash	93,496	-	-	93,496
	93,496	47,255,341	-	47,348,837

#### DC Section

##### Investment assets

AVC investments	-	-	716,034	716,034
	-	-	716,034	716,034
	93,496	47,255,341	716,034	48,064,871

## AMG UK GROUP 2006 PENSION PLAN

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

#### 18. Investment risks

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 because of changes in foreign exchange rates.

**Interest rate risk:** this is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

**Other price risk:** this is the risk that the fair value or future cash flows of a financial 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 adviser. 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 monitored by the Trustee by regular reviews of the investment portfolio.

The main investment objective for the Trustee of the Plan is to maintain a portfolio of suitable assets to meet, together with future contributions, the benefits payable under the Trust Deed and Rules as they fall due. The Plan has exposure to investment risks because of the investments it makes to implement its investment strategy as detailed in the most recent Statement of Investment Principles.

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 monitored by the Trustee by regular reviews of the investment portfolios.

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

	Credit risk	Market risk			2023	2022
		Currency	Interest rate	Other price	£m	£m
Low Risk Bonds Strategy	✓	✓	✓	✓	21.4	11.0
Managed Growth Strategy	✓	✓	✓	✓	10.0	23.3
Bonds (LDI)	✓	x	✓	✓	13.7	11.6
Cash	✓	x	✓	x	1.9	1.4
<b>Total assets</b>					<b>47.0</b>	<b>47.3</b>

Source: Investment managers. Total may not sum due to rounding.

In the table above, the risk noted affects the asset class [✓] or hardly/not at all [x].

## AMG UK GROUP 2006 PENSION PLAN

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

#### 18. Investment risks (continued)

Further information on the Trustee's approach to risk management, credit and market risk is set out below. This does not include the AVC investments as these are not considered significant in relation to the overall investments of the Plan.

The SORP recommends adopting an asset class approach (rather than a look through approach) for pooled investment vehicles. As such, some funds are disclosed below to be 100% exposed to certain investment risks. In practice the underlying assets would only be partially exposed to those risks.

#### Credit risk

The Plan invests in pooled investment vehicles and is therefore directly exposed to credit risk in relation to the investments it holds in the pooled investment vehicles and is indirectly exposed to credit risks arising on the financial instruments held by the pooled investment vehicles.

The Plan's holdings in pooled investment vehicles are unrated. Direct credit risk arising from pooled investment vehicles is mitigated by the underlying assets of the pooled arrangements being ring-fenced from the pooled manager, the regulatory environments in which the pooled managers operate and diversification of investments amongst a number of pooled arrangements.

A summary of pooled investment vehicles by type of arrangement is as follows:

	2023 £	2022 £
Unit linked insurance policy	15,586,158	13,007,908
Investment company with variable capital	31,382,736	34,247,433
<b>Total</b>	<b>46,968,894</b>	<b>47,255,341</b>

Indirect credit risk arises in relation to underlying investments held in the pooled fund investments. The Trustee manages the indirect credit risk of the Plan by investing in funds which hold a majority of investment grade credit rated investments.

At the year end, the Plan was exposed to indirect credit risk of £46,968,894 on pooled investment vehicles (2022: £47,255,341 on pooled investment vehicles).

#### Currency risk

The Plan's assets are subject to indirect currency risk because some of the Plan's investments are held in overseas markets via pooled investment vehicles.

At the year end, the Plan was not invested in any funds that invest specifically in overseas currencies (2022: nil).

#### Interest rate risk

The Plan is subject to interest rate risk because some of the Plan's investments are held in leveraged gilts through pooled vehicles, as part of their LDI investment strategy. Under this strategy, if interest rates fall, the value of LDI investments will rise to help match the increase in actuarial liabilities arising from a fall in the discount rate. Similarly, if interest rates rise, the LDI investments will fall in value, as will the actuarial liabilities because of an increase in the discount rate. The Plan also has some exposure to bond pooled investment vehicles as part of its allocations to the Managed Growth Strategy, Low Risk Bonds Strategy and Cash investments.



## AMG UK GROUP 2006 PENSION PLAN

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

#### 18. Investment risks (continued)

##### Other price risk

Other price risk arises principally in relation to the Plan's Managed Growth Strategy and Low Risk Bonds Strategy allocations which are held in a diversified growth pooled vehicle, investing in a diversified range of return-seeking pooled vehicles including, but not limited to, equities, fixed income, liquid alternatives, property and other asset classes.

Inflation risk is also considered within other price risk in relation to the LDI investments which invest in index-linked gilts. As with interest rate risk, changes in inflation can lead to changes in the actuarial liabilities. If inflation rises, the value of the LDI investments will rise to help match the increase in actuarial liabilities.

The Fund manages this exposure to overall price movements by constructing a diverse portfolio of investments across various markets.

#### 19. Concentration of investments

The following investments account for more than 5% of the net assets of the Plan.

	2023 £	%	2022 £	%
Adept Strategy 25 Fund GBP 20 Class	21,402,586	41.6	10,962,773	22.4
CT LOI Regular Profile Leveraged Nominal Gilt Fund	11,931,060	23.2	10,033,161	20.5
Adept Strategy 9 Fund GBP 25 Class	9,980,150	19.4	23,284,660	47.5

#### 20. Current assets

	DB £	DC £	2023 Total £	DB £	DC £	2022 Total £
Prepayments	1,896	-	1,896	24,869	-	24,869
Cash balances	3,971,078	-	3,971,078	856,570	175,500	1,032,070
Sundry debtors	22,491	-	22,491	29,324	283	29,607
Due from employer	22,765	-	22,765	92,342	-	92,342
Intersection debtor	-	-	-	9,234	-	9,234
	4,018,230	-	4,018,230	1,012,339	175,783	1,188,122

#### 21. Current liabilities

	DB £	DC £	2023 Total £	DB £	DC £	2022 Total £
Accrued expenses	80,928	-	80,928	167,653	-	167,653
Accrued benefits	136,079	-	136,079	24,011	46,947	70,958
HM Revenue & Customs	72,820	-	72,820	-	-	-
Sundry creditors	4,956	-	4,956	8,928	-	8,928
Intersection creditor	-	-	-	-	9,234	9,234
	294,783	-	294,783	200,592	56,181	256,773

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023**

**22. Employer related investments**

There were no direct or indirect Employer related investments during the year or at the year end (2022: Nil).

**23. Related party transactions**

Related party transactions and balances comprise:

**Key management personnel**

Some of the Trustee directors are members of the Plan, and their benefits are calculated in accordance with the Rules of the Plan.

The membership status of the Trustee Directors at the year end is as below:

J Bradbury\* - (2022: pensioner)  
E Butler - non-member (2022: non-member)  
J Murrie - pensioner (2022: pensioner)  
L Scaife - deferred (2022: deferred)  
S Scarfe - non-member (2022: non-member)

\* Resigned 31 December 2023

**Employer and other related parties**

The Plan share AMG Chrome Limited as the Principal Employer with LSM Additional Pension Plan. Fees totalling £20,783 (2022: £20,783) due for reimbursement as at the year end. Fees totalling £4,728 relating to the Plan are due for reimbursement to LSM Additional Pension Plan as at the year end.

The Employer pays administrative expenses, except bank charges, on behalf of the Plan, which are then recharged to the Plan. Administrative fees for the year ended 31 December 2023 totalled £463,875 (2022: £434,395). The amount due to the Employer at the year end was £80,928 (2022: £167,653). Fees totalling £22,765 (2022: £92,342) were due from the Employer at the year end in respect of net over paid reimbursements.



## AMG UK GROUP 2006 PENSION PLAN

### INDEPENDENT AUDITOR'S STATEMENT ABOUT CONTRIBUTIONS TO THE TRUSTEE OF AMG UK GROUP 2006 PENSION PLAN

We have examined the Summary of Contributions to AMG UK Group 2006 Pension Plan (the 'Plan') for the year ended 31 December 2023, which is set out on page 32.

In our opinion contributions for the year ended 31 December 2023, as reported in the Summary of Contributions and payable under the Schedules of Contributions have in all material respects been paid from 1 January 2023 to 31 March 2023 at least in accordance with the Schedule of Contributions certified by the Scheme Actuary on 28 November 2019 and for the period 1 April 2023 to 31 December 2023 at least in accordance with the Schedule of Contributions certified by the Scheme Actuary on 30 March 2023.

#### Scope of work on statement about contributions

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

#### Responsibilities of the Trustee

As explained more fully in the Statement of Trustee's Responsibilities set out on page 13, the Plan's Trustee is responsible for ensuring that there is prepared, maintained and from time to time revised a Schedule of Contributions showing the rates and due dates of certain contributions payable towards the Plan by or on behalf of the Employer and the active members of the Plan. The Trustee is also responsible for keeping records in respect of contributions received in respect of any active members of the Plan and for monitoring whether contributions are made to the Plan by the Employer in accordance with the Schedules of Contributions.

#### Auditor's responsibilities for the preparation of a Statement about Contributions

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

#### Use of our report

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

DocuSigned by:  
  
6D984F7FE0924BD...  
**BDO LLP**

Statutory Auditor  
Leeds  
United Kingdom

Date: 23 July 2024

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127)


## AMG UK GROUP 2006 PENSION PLAN

### SUMMARY OF CONTRIBUTIONS FOR THE YEAR ENDED 31 DECEMBER 2023

During the year ended 31 December 2023 the contributions payable to the Plan were as follows:

	Employer £	Employees £	Total £
<b>Contributions payable under the Schedules of Contributions and as reported by the Plan auditor</b>			
Deficit funding	2,248,000	-	2,248,000
Additional	3,551,428	-	3,551,428
	5,799,428	-	5,799,428
<b>Contributions payable in addition to those payable under the Schedules</b>			
Additional voluntary contributions	-	4,870	4,870
	-	4,870	4,870
<b>Total contributions reported in the financial statements</b>	<b>5,799,428</b>	<b>4,870</b>	<b>5,804,298</b>

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

Trustee Director: 

Trustee Director: 

Date: 22 JULY 2024

ACTUARIAL CERTIFICATE

## AMG UK Group 2006 Pension Plan (“the Plan”) Certification of Schedule of Contributions

### Adequacy of rates of contributions

1. I certify that, in my opinion, the rates of contributions shown in this schedule of contributions are such that the statutory funding objective can be expected to be met by the end of the period specified in the recovery plan dated 30 March 2023

### Adherence to statement of funding principles

2. I hereby certify that, in my opinion, this schedule of contributions is consistent with the Statement of Funding Principles dated 30 March 2023

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

Signature: PAUL CROCKER

Date: 30 March 2023

Name: Paul Crocker

Qualification: Fellow of the Institute and Faculty of Actuaries

Address: Colmore Gate  
2 Colmore Row  
Birmingham  
B3 2QD

Name of employer: Aon Solutions UK Limited



**APPENDIX – ENGAGEMENT POLICY IMPLEMENTATION STATEMENT  
(forming part of the Trustee’s Report)**

## Engagement Policy Implementation Statement (“EPIS”)

### AMG UK Group 2006 Pension Plan (the “Plan”) Plan Year End – 31 December 2023

The purpose of the EPIS is for us, the Trustee of the AMG UK Group 2006 Pension Plan, to explain what we have done during the year ending 31 December 2023 to achieve certain policies and objectives set out in the Statement of Investment Principles (“SIP”). It includes:

1. How our policies in the SIP about asset stewardship (including both voting and engagement activity) in relation to the Plan’s investments have been followed during the year; and
2. How we have exercised our voting rights or how these rights have been exercised on our behalf, including the use of any proxy voting advisory services, and the ‘most significant’ votes cast over the reporting year.

The EPIS has been prepared by the Trustee and covers the Retirement Benefits Plan (RBP) Section of the Plan covering the Plan year from 1 January 2023 to 31 December 2023.

#### Our conclusion

**Based on the activity we have undertaken during the year, we believe that the policies set out in the SIP have been implemented effectively.**

In our view, most of the Plan’s material investment managers were able to disclose good evidence of voting and/or engagement activity, and the activities completed by our managers align with our stewardship expectations.

We delegate the management of some of the Plan’s assets to our fiduciary manager, Aon Investments Limited (“Aon”), who were appointed in December 2023. Whilst the Plan’s assets were not transferred into the fiduciary arrangement until after the end of the Plan year, Aon were the investment manager for some of the pooled funds held by the Plan. We believe the activities completed by our fiduciary manager to review the underlying managers’ voting and engagement policies, and activities align with our stewardship expectations. We believe our voting rights have been implemented effectively on our behalf.

As part of the move into the new fiduciary mandate, the appointed fiduciary manager selects the underlying investments managers on behalf of the Trustee. As such, the Plan will delegate monitoring of ESG integration and stewardship of the underlying managers to the fiduciary manager.

## APPENDIX – ENGAGEMENT POLICY IMPLEMENTATION STATEMENT (forming part of the Trustee's Report)

### How voting and engagement policies have been followed

The Plan is invested in pooled funds, and so the responsibility for voting and engagement is delegated to the Plan's investment managers, which is in line with the policies set out in our SIP. We reviewed the stewardship activity of the material investment managers carried out over the Plan year and in our view, most of the investment managers were able to disclose good evidence of voting and/or engagement activity. More information on the stewardship activity carried out by the Plan's investment managers can be found in the following sections of this report.

Over the reporting year, we monitored the performance of the Plan's investments on a quarterly basis and received updates on important issues from our investment adviser, Aon Investments Limited ("Aon"). In particular, we received quarterly ESG ratings from Aon for the funds the Plan is invested in where available.

Each year, we review the voting and engagement policies of the Plan's investment managers to ensure they align with our own policies for the Plan and help us to achieve them.

The Plan's stewardship policy can be found in the SIP: [JLT EB - FULL WIDTH REPORT - No Cover Image \(wsimg.com\)](#)

### Our Engagement Action Plan

Based on the work we have done for the EPIS, we have decided to take the following steps over the next 12 months:

1. We, with the support of our fiduciary manager, will engage with the following managers to inform them of our expectations of better disclosures in the future:
  - a. LGIM and BlackRock provided fund-level engagement information but not in the industry standard template. Additionally, the managers did not provide any firm-level engagement information.
2. We will undertake more regular meetings with our fiduciary manager if required, to ensure our fiduciary manager is using its resources to effectively influence positive outcomes in our relevant funds.

### What is stewardship?

Stewardship is investors using their influence over current or potential investees/issuers, policy makers, service providers and other stakeholders to create long-term value for clients and beneficiaries leading to sustainable benefits for the economy, the environment and society.

This includes prioritising which Environmental Social Governance ("ESG") issues to focus on, engaging with investees/issuers, and exercising voting rights.

Differing ownership structures means stewardship practices often differ between asset classes.

Source: UN PRI

**APPENDIX – ENGAGEMENT POLICY IMPLEMENTATION STATEMENT  
(forming part of the Trustee's Report)**

**Our fiduciary manager's engagement activity**

We invest some of the Plan's assets in Aon's Managed Growth Strategy and Low Risk Bonds Strategy. These are fund of funds arrangements, where Aon selects the underlying investment managers on our behalf.

We delegate monitoring of ESG integration and stewardship of the underlying managers to Aon.

Over the year, Aon held several engagement meetings with many of the underlying managers in its strategies. Aon discussed ESG integration, stewardship, climate, biodiversity and modern slavery with the investment managers. Aon provided feedback to the managers after these meetings with the aim of improving the standard of ESG integration across its portfolios.

Over the year, Aon engaged with the industry through white papers, working groups, webinars and network events, as well as responding to multiple consultations.

In 2021, Aon committed to achieve net zero emissions by 2050, with a 50% reduction by 2030 for its fully delegated clients' portfolios and defined contribution default strategies (relative to baseline year of 2019).

Aon also successfully renewed its signatory status to the 2020 UK Stewardship Code.

**What is fiduciary management?**

Fiduciary management is the delegation of some, or all, of the day-to-day investment decisions and implementation to a fiduciary manager. But the trustees still retain responsibility for setting the high-level investment strategy.

In fiduciary management arrangements, the trustees will often delegate monitoring ESG integration and asset stewardship to its fiduciary manager.



## APPENDIX – ENGAGEMENT POLICY IMPLEMENTATION STATEMENT (forming part of the Trustee's Report)

### Our managers' voting activity

Good asset stewardship means being aware and active on voting issues, corporate actions and other responsibilities tied to owning a company's stock. We believe that good stewardship is in the members' best interests to promote best practice and encourage investee companies to access opportunities, manage risk appropriately, and protect shareholders' interests. Understanding and monitoring the stewardship that investment managers practice in relation to the Plan's investments is an important factor in deciding whether a manager remains the right choice for the Plan.

Voting rights are attached to listed equity shares, including equities held in multi-asset funds. We expect the Plan's equity-owning investment managers to responsibly exercise their voting rights.

### Voting statistics

The table below shows the voting statistics for each of the Plan's material funds with voting rights for the year to 31 December 2023.

Funds	Number of resolutions eligible to vote on	% of resolutions voted	% of votes against management	% of votes abstained from
BlackRock – Emerging Markets Equity Fund	23,247	98.7%	9.6%	2.8%
LGIM – Multi-Factor Equity Fund	12,217	99.9%	21.3%	0.1%

Source: Managers. Please note that the 'abstain' votes noted above are a specific category of vote that has been cast, and are distinct from a non-vote.

### Use of proxy voting advisers

Many investment managers use proxy voting advisers to help them fulfil their stewardship duties. Proxy voting advisers provide recommendations to institutional investors on how to vote at shareholder meetings on issues such as climate change, executive pay and board composition. They can also provide voting execution, research, record keeping and other services.

Responsible investors will dedicate time and resources towards making their own informed decisions, rather than solely relying on their adviser's recommendations.

The table below describes how the Plan's managers use proxy voting advisers.

Managers	Description of use of proxy voting adviser(s) (in the managers' own words)
BlackRock	We use Institutional Shareholder Services' (ISS) electronic platform to execute our vote instructions, manage client accounts in relation to voting and facilitate client reporting on voting. In certain markets, we work with proxy research firms who apply our proxy voting guidelines to filter out routine or non-contentious proposals and refer to us any meetings where additional research and possibly engagement might be required to inform our voting decision.
Legal & General Investment Management ("LGIM")	LGIM's Investment Stewardship team uses ISS's 'ProxyExchange' electronic voting platform to electronically vote clients' shares. All voting decisions are made by LGIM and we do not outsource any part of the strategic decisions. To ensure our proxy provider votes in accordance with our position on ESG, we have put in place a custom voting policy with specific voting instructions.

Source: Managers.

### Why is voting important?

Voting is an essential tool for listed equity investors to communicate their views to a company and input into key business decisions. Resolutions proposed by shareholders increasingly relate to social and environmental issues.

Source: UN PRI

### Why use a proxy voting adviser?

Outsourcing voting activities to proxy advisers enables managers that invest in thousands of companies to participate in many more votes than they would without their support.

## APPENDIX – ENGAGEMENT POLICY IMPLEMENTATION STATEMENT (forming part of the Trustee's Report)

### Significant voting examples

To illustrate the voting activity being carried out on our behalf, we asked the Plan's investment managers to provide a selection of what they consider to be the most significant votes in relation to the Plan's funds. A sample of these significant votes can be found in the appendix.

### Our managers' engagement activity

Engagement is when an investor communicates with current (or potential) investee companies (or issuers) to improve their ESG practices, sustainability outcomes or public disclosure. Good engagement identifies relevant ESG issues, sets objectives, tracks results, maps escalation strategies and incorporates findings into investment decision-making.

The table below shows some of the engagement activity carried out by the Plan's material managers. The managers have provided information for the most recent calendar year available.

Funds	Number of engagements		Themes engaged on at a fund level
	Fund level	Firm level	
Aegon Asset Management – European Asset Backed Securities ("ABS") Fund	127	528	Environment - Climate Change Governance - Board Effectiveness - Diversity; Leadership - Chair/CEO; Remuneration Other - General Disclosure
Robeco – Short Dated Credit Fund	28	319	Environment - Climate Change; Natural Resource Use/Impact Social - Human and Labour Rights Governance - Board Effectiveness - Other Other - SDG Engagement
Abrdn – Climate Transition Bond Fund	101	2,008	Other - Climate; Environment; Corporate Governance; Labour Management; Corporate Behaviour
BlackRock – Emerging Markets Equity Fund	398	Not provided	Environment - Climate Risk Management Governance - Corporate Strategy; Board Composition & Board Effectiveness; Business Oversight; Remuneration
LGIM – Multi-Factor Equity Fund	296	Not provided	Environment - Climate Impact Pledge; Climate Change Social - Gender Diversity Governance - Remuneration; Board Composition
Robeco – Sustainable Development Goals ("SDG") Credit Income Fund	17	319	Environment - Climate Change; Natural Resource Use/Impact Social - Human and Labour Rights Governance - Board Effectiveness - Other Other - SDG Engagement

Source: Managers.

### Data limitations

At the time of writing, LGIM and BlackRock provided fund-level engagement information but not in the industry standard template. Additionally, the managers did not provide any firm-level engagement information.

This report does not include commentary on certain asset classes such as liability driven investments, gilts or cash because of the limited materiality of stewardship to these asset classes. Further, this report does not include the additional voluntary contributions ("AVCs") due to the relatively small proportion of the Plan's assets that are held as AVCs.



**APPENDIX – ENGAGEMENT POLICY IMPLEMENTATION STATEMENT  
(forming part of the Trustee's Report)**

**Appendix – Significant Voting Examples**

In the table below are some significant vote examples provided by the Plan's managers. We consider a significant vote to be one which the manager considers significant. Managers use a wide variety of criteria to determine what they consider a significant vote, some of which are outlined in the examples below:

<b>BlackRock – Emerging Markets Equity Fund</b>	<b>Company name</b>	Banco de Chile SA
	<b>Date of vote</b>	23-Mar-2023
	<b>Approximate size of fund's/mandate's holding as at the date of the vote (as % of portfolio)</b>	<i>Not provided</i>
	<b>Summary of the resolution</b>	Elect Francisco Perez Mackenna as Director
	<b>How you voted?</b>	Voted against resolution
	<b>Where you voted against management, did you communicate your intent to the company ahead of the vote?</b>	We endeavour to communicate to companies when we intend to vote against management, either before or just after casting votes in advance of the shareholder meeting. We publish our voting guidelines to help clients and companies understand our thinking on key governance matters that are commonly put to a shareholder vote. They are the benchmark against which we assess a company's approach to corporate governance and the items on the agenda to be voted on at the shareholder meeting. We apply our guidelines pragmatically, taking into account a company's unique circumstances where relevant. Our voting decisions reflect our analysis of company disclosures, third party research and, where relevant, insights from recent and past company engagement and our active investment colleagues.
	<b>Rationale for the voting decision</b>	The nominee serves on an excessive number of public company boards, which we believe raises substantial concerns about the director's ability to exercise sufficient oversight on this board. Our concern is that when directors serve on too many boards, they may not have capacity to fulfil their duties on each, particularly in times of crisis.
	<b>Outcome of the vote</b>	Pass
	<b>Implications of the outcome eg were there any lessons learned and what likely future steps will you take in response to the outcome?</b>	BlackRock Investment Stewardship will continue to monitor Banco de Chile's steps to enhancing their corporate governance structures, including board quality and director commitments, as well as the region's progress towards publishing more fulsome and timely disclosures.
	<b>On which criteria have you assessed this vote to be most significant?</b>	<i>Not provided</i>
<b>LGIM – Multi-Factor Equity Fund</b>	<b>Company name</b>	Alphabet Inc.
	<b>Date of vote</b>	02-Jun-2023
	<b>Approximate size of fund's/mandate's holding as at the date of the vote (as % of portfolio)</b>	0.7
	<b>Summary of the resolution</b>	Approve Recapitalization Plan for all Stock to Have One-vote per Share
	<b>How you voted?</b>	Voted supporting resolution
	<b>Where you voted against management, did you communicate your intent to the company ahead of the vote?</b>	LGIM publicly communicates its vote instructions on its website the day after the company meeting, with a rationale for all votes against management. It is our policy not to engage with our investee companies in the three weeks prior to an AGM as our engagement is not limited to shareholder meeting topics.
	<b>Rationale for the voting decision</b>	Shareholder Resolution - Shareholder rights: A vote in favour is applied as LGIM expects companies to apply a one-share-one-vote standard.
	<b>Outcome of the vote</b>	Fail
	<b>Implications of the outcome eg were there any lessons learned</b>	LGIM will continue to monitor the board's response to the relatively high level of support received for this resolution.

**APPENDIX – ENGAGEMENT POLICY IMPLEMENTATION STATEMENT**  
**(forming part of the Trustee’s Report)**

and what likely future steps will  
you take in response to the  
outcome?

On which criteria have you  
assessed this vote to be most  
significant?

High Profile meeting: This shareholder resolution is considered  
significant due to the relatively high level of support received.

Source: Managers.