AMG UK GROUP 2006 PENSION PLAN

TRUSTEE'S REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2022

Registrar of Occupational and Personal Pension Schemes Registration Number: 10024685

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TRUSTEE AND ADVISERS

Principal Employer

AMG Chrome Limited
Fullerton Road
Rotherham
S60 1DL

Trustee

AMG UK Group Pension Trustee Limited

Board of Directors

L Scaife
J Bradbury (Member-Nominated)
E Butler
J Murrie (Member-Nominated)
S Scarfe

Secretary to the Trustee

Aon Solutions UK Limited (from 16 May 2022)

Mercer Limited (until 15 May 2022)

Plan Actuary

Paul Crocker FIA (appointed 16 May 2022)
Aon Solutions UK Limited

James Auty FIA (resigned 11 February 2022)
Mercer Limited

Plan Administrators

Mercer Limited

Independent Auditor

BDO LLP

Investment Consultant

Aon Solutions UK Limited (from 16 May 2022)

Mercer Limited (until 15 May 2022)

Investment Managers

Mobius Life Limited
Aon Investments Limited (from 1 August 2022)

AVC Providers

Aviva plc
Santander
Utmost Life and Pensions Limited

Banker

The Royal Bank of Scotland plc

Solicitors

Eversheds Sutherland (International) LLP

Address for enquiries

Mercer Limited
Post Handling Centre
Maclaren House
Talbot Road
Stretford
Manchester M32 0FP

Email: enquiries@mercer.com

TRUSTEE'S REPORT

The Trustee of the AMG UK Group 2006 Pension Plan (the Plan) is pleased to present the Trustee's Report and audited financial statements for the year ended 31 December 2022. The financial statements have been prepared and audited in accordance with the regulations made under sections 41(1) and (6) of the Pensions Act 1995.

The report sets out how the Plan is run, how the assets are invested, and the financial activity of the Plan in the year to 31 December 2022.

The Plan was established with effect from 6 April 1988 to provide retirement and death benefits for eligible employees of AMG Chrome Limited and other associated companies participating in the Plan from time to time.

The Plan is a registered pension scheme under Chapter 2 of Part 4 of the Finance Act 2004. The Plan is operated in accordance with the third Definitive Trust Deed and Rules dated 27 May 1993 and subsequent amendments.

The Plan is a hybrid occupational pension scheme consisting of a Defined Benefit (DB) Section, which provides benefits based on a member's salary, and a Defined Contribution (DC) Section, which provides benefits based on a member's accumulated fund. The Plan was established solely for the benefit of its members and other beneficiaries. The assets of the Plan are held by the Trustee and they are entirely separate from the Principal Employer.

Changes to the Plan

With effect from 1 July 2022, except for the AVC arrangements with Santander, Utmost Life and Pensions and Aviva plc, the Members' Retirement Account (MRA) Section (the DC Section of the 2006 Plan) transferred to the Aon MasterTrust. Pension benefits built up in the Retirement Benefits Plan Section (the DB Section) remain unchanged in the Plan.

Appointment and Removal of Trustee

The Principal Employer is AMG Chrome Limited, formerly known as AMG Superalloys UK Limited.

A corporate Trustee, AMG UK Group Pension Trustee Limited, is the sole Trustee of the Plan.

The procedures in place for the election of Member Nominated Directors are in compliance with the Occupational Pension Schemes (Member-nominated Trustees and Directors) Regulations 2006.

The Trustee Directors who served during the Plan year are listed on page 1. There have been no changes since the last report.

There were 3 Trustee meetings held during the year.

Financial development of the Plan

The Fund Account on page 17 shows that the net withdrawals arising from dealings with members for the year were £29,996,948 (2021: £1,984,416). The net return on the Plan's investments for the year was a loss of £27,483,501 (2021: gain of £4,171,390). The total net movement in the Plan's assets for the year was a decrease of £57,480,449 (2021: increase of £2,186,974), giving net assets of the Plan at the year end of £48,996,220 (2021: £106,476,669).

Over the course of the year, the value of the Plan's investments fell in value. This has been primarily driven by the performance in 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 increased materially. Particularly in the second half of the year and sharply following the UK Government mini-budget in late September 2022. This change to economic conditions has had the impact of reducing the value of the Plan's liabilities and therefore the value of the LDI investments have also fallen as a result.

Further details of the financial developments of the Plan may be found in the audited financial statements on pages 17 to 30.

TRUSTEE'S REPORT (CONTINUED)

Membership

Details of the membership of the Plan as at 31 December 2022 are given below:

	DB SECTION	DC SECTION
ACTIVE MEMBERS		
Opening balance	-	284
Adjustments	-	5
New members	-	34
Leavers with deferred benefits	-	(19)
Group transfer to Aon MasterTrust	-	(304)
ACTIVE MEMBERS AT THE END OF THE YEAR	-	-
MEMBERS WITH DEFERRED BENEFITS		
Opening balance	34	422
Adjustments	-	16
Leavers during the year with deferred benefits	-	19
Retirements	(2)	-
Transfers out	-	(13)
Full commutations	(1)	(6)
Deaths	-	(1)
Group transfer to Aon MasterTrust	-	(437)
MEMBERS WITH DEFERRED BENEFITS AT THE END OF THE YEAR	**31**	-
PENSIONERS		
Opening balance	408	-
Adjustments	(2)	
Pensions commencing	2	-
Deaths	(7)	-
New beneficiaries	3	-
Full commutations	(1)	-
PENSIONERS AT THE END OF THE YEAR	**403**	-
TOTAL MEMBERSHIP AT THE END OF THE YEAR	**434**	-

Adjustments are members whose status has been changed where the change relates to a previous year.

Pensioners include individuals receiving a pension upon the death of their spouse.

Included within pensioners are 1 (2021: 5) pensioners whose pensions are paid from annuities held in the name of the Trustee.

TRUSTEE'S REPORT (CONTINUED)

Actuarial Review

The financial statements set out on pages 17 to 30 do not take into account the liabilities to provide pension benefits which fall due after the year end. In respect of the Plan, these liabilities are considered by the Plan Actuary who carries out an actuarial valuation of such liabilities every three years. This valuation considers the funding position of the Plan and the level of contributions payable.

The most recent triennial valuation was carried out at 31 December 2021.

The formal actuarial certificate required by statute to be included in this Annual Report from the Plan Actuary appears on page 35. In addition, as required by FRS 102, the Trustee has included the Report on Actuarial Liabilities on pages 3131 and 32.

Change of Plan Actuary

James Auty resigned as Plan Actuary with effect from 11 February 2022 and the Trustee appointed Paul Crocker in his place with effect from 16 May 2022.

Following his resignation, James Auty reported that there were no circumstances connected with his resignation which, in his opinion, would significantly affect the interests of the members or beneficiaries under the Plan.

Contributions - Defined Benefit Section

In accordance with the Schedule of Contributions certified by the Plan Actuary on 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 per annum 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. No dividends were paid in respect of the current year.

Following the completion of the 2021 actuarial valuation a new Recovery Plan was agreed in March 2023 and a new Schedule of Contributions was certified by the Plan Actuary on 30 March 2023. To eliminate the funding shortfall, 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 2022	£1.305m	£0.392m
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

Contributions - Defined Contribution Section

The Employer and members paid contributions in accordance with the Plan rules. With effect from 1 July 2022, all contributions to the DC Section, including any additional voluntary contributions (AVCs), ceased.

TRUSTEE'S REPORT (CONTINUED)

Pension Increases – Defined Benefit Section

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. No discretionary increases were awarded during the year. Pension increases are awarded on 15 April each year, as follows:

- For members who left prior to 6 April 1988, 3% per annum; the increase in 2022 was 3%.
- For members who left post 6 April 1988 on pension accrued prior to 31 December 1999, 5% per annum; The increase in 2022 was 5%.
- For members who left post 6 April 1988 on pension accrued post 31 December 1999, in line with the RPI, subject to a maximum of 5% per annum. The increase in 2022 was 4.90%.
- For AVC pensions, in line with the RPI, subject to a maximum of 5% per annum. The increase in 2022 was 4.90%.

Deferred pensions are subject to increases in line with statutory regulations governing preservation.

Additional Voluntary Contributions (AVCs) - Defined Contribution Section

The Plan has AVC arrangements with Santander, Utmost Life and Pensions and Aviva plc.

Further detail is given in note 12.5 to the financial statements.

Transfer Values

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.

Investment Management

The day-to-day management of the investments has been delegated by the Trustee to the investment managers shown on page 1, and the investment report appears on pages 9.

In accordance with S35 of Pensions Act 1995, a Statement of Investment Principles has been prepared by the Trustee which incorporates the investment strategy and is available on request from the administrators at the address shown on page 1 of this report.

Aon Investments Limited were appointed as a new investment manager and the bulk of the investments held with Mobius Life were transferred during August and September 2022.

On 1 July 2022, the DC Section investment assets were transferred to the Aon MasterTrust.

The Trustee recognises that environmental, social and corporate governance ("ESG") factors, including climate change, could influence the investment risk and return outcomes of the Plan's portfolio and it is therefore in members' and the Plan's best interests that these factors are taken into account within the investment process.

The Trustee further recognises that investing with a manager which approaches investments in a responsible way and takes account of ESG related risks may lead to better risk adjusted performance results as omitting these risks in investment analysis could skew the results and underestimate the level of overall risk being taken. Therefore, other factors being equal, the Trustee would seek to invest in funds which incorporate ESG principles.

TRUSTEE'S REPORT (CONTINUED)

Investment Management (continued)

In setting the investment strategy for the DB Section, the Trustee has prioritised funds which provide leveraged protection against movements in the Plan's liability value. The Trustee has also prioritised funds which provide actively managed diversification across a wide range of investment markets and consider the financially significant benefits of these factors to be paramount.

The Trustee notes that ESG considerations are not paramount to the first level decision making process within the funds which provide either actively managed diversification or leveraged liability protection. However, in the actively managed Diversified Growth Funds in which the Plan invests, whilst managers typically do not put ESG considerations at the heart of the asset allocation decision, they will embed ESG considerations into the management of the underlying asset classes where it is appropriate to do so.

The Trustee receives ESG scores provided by the Investment Consultant in relation to the funds in which the Plan is invested and will monitor how these develop over time.

The Trustee believes that the importance of ESG considerations will increase over time and has therefore built an ongoing review of this into the annual business plan to make sure that the policy evolves in line with emerging trends and developments.

The Trustee is therefore satisfied that ESG factors are appropriately reflected in the overall investment approach.

The Trustee has concluded that the decision on how to exercise voting rights should be left with the investment manager who will exercise these rights in accordance with their respective published corporate governance policies. These policies take into account the financial interests of shareholders and should be for the Plan's benefit.

The Trustee's Engagement Policy Implementation Statement, which sets out further voting and engagement information undertaken by the Plan's investment managers for the year ended 31 December 2022, is included on pages 39 to 49 to the Trustee's Report and Financial Statements.

Trustee's Policies with Respect to Arrangements with Asset Managers

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

The Trustee, after considering appropriate investment advice, has invested the major assets of the Plan through a Trustee Investment Policy (TIP) from Aon Investments Limited (AIL) as of July 2022. Mobius Life Limited continues to manage some of the DB Plan assets. The appointment of both investment managers foregoes the need for a Custodian.

The TIP facilitates investment into a range of underlying funds managed by third party investment managers and the value of the TIP is directly linked to the change in value in the underlying funds. All of the underlying investment managers used by the Plan are authorised and regulated by the FCA.

The underlying investment managers used by the Trustee through the investment managers' platforms are chosen based on advice from the Investment Consultant. This is based on the Investment Consultant's view of their capabilities and, therefore, their perceived likelihood of achieving the expected return and risk characteristics required for the asset class being selected.

The Trustee only invests in pooled investment vehicles through the investment managers' platforms. The Trustee therefore accepts that it cannot specify the risk profile and return targets of the underlying investment managers, but pooled funds are chosen with appropriate characteristics to align with the overall investment strategy.

The underlying investment managers are responsible for all decisions concerning the selection and de-selection of the individual securities within the portfolios they manage. In the case of multi-asset mandates, the underlying investment managers are responsible for all decisions concerning the allocation to individual asset classes and changes in the allocations to individual asset classes.

TRUSTEE'S REPORT (CONTINUED)

AIL, Mobius and the underlying investment managers are remunerated by ad valorem charges based on the value of the assets that they manage on behalf of the Plan. Where possible, discounts have been negotiated with the underlying managers on their standard charges.

None of the underlying investment managers in which the Plan's assets are invested have performance based fees which could encourage the manager to make short term investment decisions to hit their profit targets.

The Trustee therefore considers that the method of remunerating fund managers is consistent with incentivising them to make decisions based on assessments of medium to long-term financial and non-financial performance of an issuer of debt or equity. By encouraging a medium to long-term view, it will in turn encourage the investment managers to engage with issuers of debt or equity in order to improve their performance in the medium to long-term.

The Trustee accepts that it cannot influence the charging structure of the pooled funds in which the Plan is invested, but is satisfied that the ad-valorem charges for the different underlying funds are clear and are consistent with each fund's stated characteristics. The Trustee is therefore satisfied that this the most appropriate basis for remunerating the underlying investment managers and is consistent with the Trustee's policies as set out in the SIP.

Internal Dispute Resolution (IDR) Procedure

It is a requirement of the Pensions Act 1995 that all Occupational Pension Schemes must have an IDR procedure in place for dealing with any disputes between the Trustee and the Plan beneficiaries. A dispute resolution procedure has been agreed by the Trustee, details of which can be obtained by writing to the Plan administrator at the address shown below.

Any member with a complaint against the Plan or a query about their pension entitlement which they consider has not been satisfactorily addressed can use the "Internal Disputes Resolution Procedure" or, alternatively, they can obtain free advice through The Money and Pensions Service (MaPS) who can be reached at Holborn Centre, 120 Holborn, London, EC1N 2TD. If a member has a complaint which MaPS is unable to resolve then they can ask for a ruling from the Pensions Ombudsman who can be reached at 10 South Colonnade, Canary Wharf, London, E14 4PU.

Further Information

Members are entitled to inspect copies of documents giving information about the Plan. In some circumstances copies of documents can be provided, but a charge may be made for copies of the trust documents (Deed and Rules) and of the Actuary's report.

Any query about the Plan, including requests from individuals for information about their benefits, should be addressed to:

The Trustee of the AMG UK Group 2006 Pension Plan

Mercer Limited, Post Handling Centre, Maclaren House, Talbot Road, Stretford, Manchester, M32 0FP

Email: enquiries@mercer.com

This report, including the Investment Report and the Members' Information, was approved by the Trustee on

31ST JULY 2023 ..... and signed on its behalf by:

SScat .... Trustee Director

[signature] .... Trustee Director

STATEMENT OF TRUSTEE'S RESPONSIBILITIES

The financial statements, which are prepared in accordance with UK Generally Accepted Accounting Practice, including the Financial Reporting Standard applicable in the UK (FRS 102) are the responsibility of the Trustee. Pension scheme regulations require the Trustee to make available to Plan members, beneficiaries and certain other parties, audited financial statements for each Plan year which:

- 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 the 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 a statement whether the financial statements have been prepared in accordance with the Statement of Recommended Practice, "Financial Reports of 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 the preparation of the financial statements 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 is responsible under pension legislation for ensuring that there is prepared, maintained and from time to time revised a Schedule of Contributions showing the rates of contributions payable towards the Plan by or on behalf of the Employer 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 of contributions received in respect of any active member of the Plan and for monitoring whether contributions are made to the Plan by the Employer in accordance with the Schedule of Contributions. Where breaches of the Schedule occur, the Trustee is required by the Pensions Acts 1995 and 2004 to consider making reports to The Pensions Regulator and the members.

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

INVESTMENT REPORT

Defined Benefit Section

Market Background

Global equities generated negative returns over the last twelve months. Equities suffered a sharp sell-off at the beginning of 2022 as geopolitical risk took centre stage with Russia invading Ukraine. Inflation fears were unsettled throughout 2022, leading to significant rate rises across the globe.

Significant volatility in the gilt market occurred following the UK's 'mini-budget' in September, affecting many UK schemes using leveraged liability-driven investments (LDI). The resulting collateral calls were met by forced selling of gilts, swaps, and credit. The Bank of England (BoE) subsequently intervened to restore normal market function.

UK prime minister Liz Truss resigned after her forty-nine-day premiership and became the shortest-serving prime minister in Britain's history. Before resigning, Truss sacked chancellor Kwasi Kwarteng. Former chancellor Rishi Sunak was sworn in as the new UK prime minister after Boris Johnson and Penny Mordaunt dropped out of the contest, and reappointed Jeremy Hunt as the chancellor. Hunt unveiled a £55bn fiscal consolidation including plans to raise £30bn from spending cuts and £25bn from tax increases to restore the health of public finances and regain fiscal credibility. Elsewhere, in the US mid-term elections, the Democrats retained control over the Senate whilst the Republicans won back control of the House of Representatives.

The Russian invasion of Ukraine created significant market volatility and economic uncertainty over the first half of 2022. The European Union (EU) agreed to implement a sixth package of sanctions on Russia which includes removing Sberbank, Russia's largest bank, from the SWIFT cross-border payment system and a ban on sea-borne oil purchases from Russia, which accounts for almost two-thirds of Europe's imports from Russia. In Q3 2022, the Russia-Ukraine conflict escalated after Moscow announced the annexation of four regions in south-eastern Ukraine - Donetsk, Luhansk, Kherson, and Zaporizhzhia. In Q4 2022, the G7 decided to implement a price cap of $60/bbl on seaborne Russian oil in an effort to impair Moscow's ability to finance its conflict in Ukraine. In response, President Vladimir Putin signed a decree banning Moscow from selling oil to countries participating in a price cap mechanism. However, "special permission" for sales may be granted by Russia under certain circumstances, paving the way for continuing sales to countries such as China and India.

The UK gilt curve rose across maturities in 2022. Inflationary concerns drove yields higher in the first half of 2022. In Q3 2022, the BoE temporarily announced an emergency £65bn bond-buying programme to stabilise the government debt market after an expansionary fiscal package was announced. The package increased investor concern over the sustainability of public finances, resulting in a considerable spike in yields. The sharpness of the sell-off was exacerbated by the forced unwinding of LDI positions, as UK pension schemes worked to provide collateral to LDI managers following sharp yield increases. However, in the fourth quarter, yields fell back across the curve following a government U-turn on fiscal policy and Liz Truss' resignation as prime minister. Overall, according to FTSE All-Stocks indices, UK fixed-interest gilts fell by 23.8% and index-linked gilts fell by 33.6% over the last twelve months.

Sterling ended the twelve months 5.9% lower on a trade-weighted basis. The Bank of England (BoE) continued to tighten monetary policy amidst above-target inflation. In Q3 2022, the BoE raised its benchmark interest rate by 100bps to 2.25% over the quarter, its highest level since 2008. The announcement of the unfunded £45bn package of tax cuts and an increase in government borrowing led to the pound hitting its lowest level against the US dollar since 1985, falling below $1.04/£. In Q4 2022, the BoE raised its benchmark interest rate by 125bps to 3.5% over the quarter. Meanwhile, the BoE became the first major central bank to actively start to unwind quantitative easing as it sold £750mn of government bonds in November.

Credit markets declined over the past twelve months. UK investment-grade credit spreads (the difference between corporate and government bond yields), based on the iBoxx Sterling Non-Gilt Index, widened by 60bps to 168bps.

The MSCI UK property index returned -10.1% over the year as capital values depreciated following rising gilt yields. The income return was 4.7% but the 14.2% decrease in capital values weighed over. The retail, office, and industrials sectors fell 3.7%, 10.1%, and 14.9% respectively.

INVESTMENT REPORT (CONTINUED)

Manager Allocation and Performance Summary

During the year, the Trustees began an investment strategy review alongside the Plan's 2021 actuarial valuation. At the year-end, the investment strategy review was still ongoing, however, the Trustees made several interim changes to the investment arrangements over the year with the aim of reducing risk.

Over the third quarter, the Trustees appointed Aon Investments Limited (AIL) as a new investment manager. The Plan invested in two funds managed by AIL:

- Aon Managed Growth Strategy
- Aon Low Risk Bonds Strategy

The investments into these mandates were funded by the full redemption of the following funds:

- Ninety One Global Total Return Credit Fund
- Payden Absolute Return Bond Fund
- Threadneedle Life Multi Asset Fund
- Baillie Gifford Diversified Growth Fund

The Trustee also transferred its existing LDI holdings into two new LDI funds, held on the Mobius platform. The new funds are:

- Columbia Threadneedle (CT) LDI Regular Profile Leveraged Real Gilt Fund
- Columbia Threadneedle (CT) LDI Regular Profile Leveraged Nominal Gilt Fund

These investments were funded by full redemptions from the CT LDI Real Dynamic Fund, and the CT LDI Nominal Dynamic Fund.

Additionally, the Trustee invested in the LGIM Sterling Liquidity Fund, which is held on the Mobius platform.

The table below details the Scheme's manager structure and their objectives at 31 December 2022:

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

INVESTMENT REPORT (CONTINUED)

The table below details the performance (net of fees) of the Scheme's managers for periods ending 31 December 2022.

Fund Name	1 Year % p.a.		3 Years % p.a.		5 Years % p.a.	
	Fund	B'mark	Fund	B'mark	Fund	B'mark
Aon Managed Growth Strategy (1)	-2.3	1.0	n/a	n/a	n/a	n/a
Aon Low Risk Bonds Strategy (1)	0.0	1.0	n/a	n/a	n/a	n/a
CT LDI Regular Profile Leveraged Nominal Gilt Fund (2)	-88.0	-91.4	n/a	n/a	n/a	n/a
CT LDI Regular Profile Leveraged Real Gilt Fund (2)	-73.3	-88.0	n/a	n/a	n/a	n/a
L&G Life TA Sterling Liquidity Fund (3)	0.8	0.8	n/a	n/a	n/a	n/a

Source: Individual fund managers.

Notes: (1) The Scheme first invested with Aon on 5 August 2022 therefore performance is shown since inception, and is not available over three, or five years.
(2) The Scheme first invested in the CT LDI funds on 26 August 2022. Performance is shown since 1 September 2022 and is not available over three, or five years.
(3) The Scheme invested in the LGIM Sterling Liquidity fund on 1 September 2022 therefore performance is shown since inception, and is not available over three, or five years.

The distribution of the Scheme's investments between the managers and investments at 31 December 2022 is set out in the table below.

Manager Allocations	2022 Market Value (£m)	2022 Allocation (%)	2021 Market Value (£m)	2021 Allocation (%)
Growth	**34.3**	**72.5**	**50.7**	**66.0**
Baillie Gifford Diversified Growth Fund	-	-	*23.7*	*30.9*
Threadneedle Life Multi Asset Fund	-	-	*27.0*	*35.1*
Aon Managed Growth Strategy	*23.3*	*49.3*	-	-
Aon Low Risk Bonds Strategy	*11.0*	*23.2*	-	-
Payden Absolute Return Bond Fund	-	-	*4.6*	*6.0*
Ninety One Global Total Return Credit Fund	-	-	*5.1*	*6.6*
Matching	**13.0**	**27.5**	**26.1**	**34.0**
BMO LDI Nominal Dynamic LDI Fund	-	-	*10.8*	*14.1*
BMO LDI Real Dynamic LDI Fund	-	-	*5.6*	*7.3*
CT LDI Regular Profile Leveraged Nominal Gilt Fund	*10.0*	*21.2*	-	-
CT LDI Regular Profile Leveraged Real Gilt Fund	*1.6*	*3.3*	-	-
LGIM Sterling Liquidity Fund	*1.4*	*3.0*	-	-
TOTAL ASSETS	**47.3**	**100.0**	**76.8**	**100.0**

Source: Investment Managers. Figures subject to rounding.

SUMMARY OF CONTRIBUTIONS

Trustee's Summary of Contributions payable under the Schedule of Contributions in respect of the Plan year ended 31 December 2022

This Summary of Contributions has been prepared by, or on behalf of, and is the responsibility of the Trustee. It sets out the Employer and member contributions payable to the Plan under the Schedule of Contributions certified by the Plan Actuary on 28 November 2019.

Contributions payable under the Schedule in respect of the Plan year		£
Employer:	Normal contributions	577,331
	Deficit funding contributions	1,697,448
Member:	Normal contributions	274,967
Total contributions payable under the Schedule (as reported on by the Plan Auditor)		2,549,746

Reconciliation of contributions payable under the Schedule to total contributions as reported in the financial statements		£
Contributions payable under the Schedule		2,549,746
Contributions payable in addition to those payable under the Schedule		
Member:	Additional voluntary contributions	50,071
Contributions reported in the financial statements		2,599,817

All contributions to the DC Section of the Plan ceased on 30 June 2022.

Signed on behalf of the Trustee on 31st July 2023

S Scott

Trustee Director

Trustee Director

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 2022, which is set out on page 12.

In our opinion, contributions for the year ended 31 December 2022, as reported in the Summary of Contributions and payable under the Schedule of Contributions have in all material respects been paid at least in accordance with the Schedule of Contributions certified by the Plan Actuary on 28 November 2019.

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 Schedule 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 Schedule of Contributions.

Responsibilities of the Trustee

As explained more fully in the Statement of Trustee's Responsibilities set out on page 78, 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 Schedule 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 Schedule 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:
BDO LLP
E4A9BFA9CEA6449...

BDO LLP

Statutory Auditor
Leeds
United Kingdom

Date: 31 July 2023 2023

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

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 2022 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 2022 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 (CONTINUED)

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;
  - 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.

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEE OF AMG UK GROUP 2006 PENSION PLAN (CONTINUED)

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.

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.

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BDO LLP
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BDO LLP
Statutory Auditor
Leeds
United Kingdom
Date: 31 July 2023 ………………………………………………. 2023

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FUND ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	DB Section 2022 £	DC Section 2022 £	Total 2022 £	DB Section 2021 £	DC Section 2021 £	Total 2021 £
CONTRIBUTIONS AND BENEFITS							
Employer contributions	4	1,697,448	577,331	2,274,779	1,648,000	973,562	2,621,562
Member contributions	4	-	325,038	325,038	-	513,338	513,338
Total contributions		1,697,448	902,369	2,599,817	1,648,000	1,486,900	3,134,900
Other income	5	-	134,640	134,640	-	120,836	120,836
		1,697,448	1,037,009	2,734,457	1,648,000	1,607,736	3,255,736
Benefits paid or payable	6	(3,959,070)	(330,546)	(4,289,616)	(3,790,818)	(145,184)	(3,936,002)
Group transfer to Aon MasterTrust		-	(26,637,676)	(26,637,676)	-	-	-
Payments to and on account of leavers	7	-	(1,343,954)	(1,343,954)	-	(886,501)	(886,501)
Other payments	8	(25,764)	-	(25,764)	(84,983)	-	(84,983)
Administrative expenses	9	(434,395)	-	(434,395)	(331,985)	(681)	(332,666)
		(4,419,229)	(28,312,176)	(32,731,405)	(4,207,786)	(1,032,366)	(5,240,152)
NET (WITHDRAWALS)/ADDITIONS FROM DEALINGS WITH MEMBERS		(2,721,781)	(27,275,167)	(29,996,948)	(2,559,786)	575,370	(1,984,416)
INVESTMENT RETURNS							
Investment income	10	8,354	175	8,529	8,428	-	8,428
Investment management expenses	11	(61,731)	-	(61,731)	(51,698)	-	(51,698)
Change in market value of investments	12.1	(25,974,999)	(1,455,300)	(27,430,299)	1,564,482	2,650,178	4,214,660
NET RETURNS ON INVESTMENTS		(26,028,376)	(1,455,125)	(27,483,501)	1,521,212	2,650,178	4,171,390
NET (DECREASE)/INCREASE IN THE FUND DURING THE YEAR		(28,750,157)	(28,730,292)	(57,480,449)	(1,038,574)	3,225,548	2,186,974
NET ASSETS OF THE PLAN AT 1 JANUARY		76,921,588	29,555,081	106,476,669	77,960,162	26,329,533	104,289,695
TRANSFERS BETWEEN SECTIONS	14	(10,847)	10,847	-	-	-	-
NET ASSETS OF THE PLAN AT 31 DECEMBER		48,160,584	835,636	48,996,220	76,921,588	29,555,081	106,476,669

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

STATEMENT OF NET ASSETS (AVAILABLE FOR BENEFITS) AT 31 DECEMBER 2022

	Note	2022 £	2021 £
DEFINED BENEFIT SECTION			
INVESTMENT ASSETS			
Pooled investment vehicles	12.4	47,255,341	76,680,178
Cash	12.1	93,496	207,000
TOTAL DB SECTION INVESTMENTS		47,348,837	76,887,178
CURRENT ASSETS	15	1,012,339	103,490
CURRENT LIABILITIES	16	(200,592)	(69,080)
TOTAL NET ASSETS OF THE DB SECTION		48,160,584	76,921,588
DEFINED CONTRIBUTION SECTION			
INVESTMENT ASSETS			
Pooled investment vehicles	12.4	-	28,550,613
AVC investments	12.5	716,034	788,402
Cash	12.1	-	135,286
TOTAL DC SECTION INVESTMENTS		716,034	29,474,301
CURRENT ASSETS	17	175,783	199,108
CURRENT LIABILITIES	18	(56,181)	(118,328)
TOTAL NET ASSETS OF THE DC SECTION		835,636	29,555,081
TOTAL NET ASSETS AT 31 DECEMBER		48,996,220	106,476,669

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 Defined Benefit Section of the Plan, which does take account of such obligations, is dealt with in the Report on Actuarial Liabilities included on pages 31 and 32 and these financial statements should be read in conjunction with that Report.

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

These financial statements were approved by the Trustee on 31st July 2023 and were signed on its behalf by:

S Scott

Trustee Director

Trustee Director

NOTES TO THE FINANCIAL STATEMENTS

1 BASIS OF PREPARATION

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

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 THE FINANCIAL STATEMENTS

The Plan is established as a trust under English law. The address for enquiries to the Plan is included on page 7 of the Trustee's Report.

3 ACCOUNTING POLICIES

The following principal accounting policies have been adopted in the preparation of the financial statements.

3.1 Accruals concept

The financial statements have been prepared on an accruals basis.

3.2 Currency

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

3.3 Contributions

Employee contributions, including AVCs, were accounted for when deducted from member's pay, with the exception of contributions deducted from auto-enrolled members during the opt-out period, which were accounted for on the earlier of receipt or the expiry of the opt-out period. Employer normal contributions were accounted for on the same basis as employee contributions.

Employer deficit funding contributions and contributions in respect of expenses are accounted for on the due dates on which they are payable in accordance with the Schedule of Contributions.

3.4 Payments to members

Pensions in payment 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 or amount of benefit to be taken, or if there is no member choice, on the date of retiring or leaving.

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

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

3.5 Expenses

Administrative expenses, insurance premiums and investment expenses are accounted for on an accruals basis.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3 ACCOUNTING POLICIES (CONTINUED)

3.6 Investment income

Income from investments is accounted for on an accruals basis.

Receipts from annuity policies are accounted for as investment income on an accruals basis.

3.7 Valuation of investments

Investments are valued at fair value.

Pooled investment vehicles which are held in units are valued at the closing bid price, as advised by the investment manager.

Annuity policies held in the name of the Plan are not considered to be material and therefore the value of these policies has not been included within these financial statements.

Realised and unrealised gains and losses on investments are dealt with in the fund account under change in market value for the year in which they arise.

4 CONTRIBUTIONS

	DB Section 2022 £	DC Section 2022 £	Total 2022 £
Employer Contributions			
Normal contributions	-	577,331	577,331
Deficit funding contributions	1,697,448	-	1,697,448
	1,697,448	577,331	2,274,779
Member Contributions			
Normal contributions	-	274,967	274,967
Additional voluntary contributions	-	50,071	50,071
	-	325,038	325,038
	1,697,448	902,369	2,599,817

The Employer and Members paid normal contributions in accordance with the Plan rules. All contributions to the DC Section ceased with effect from 30 June 2022.

The Schedule of Contributions certified by the Plan Actuary on 28 November 2019, required deficit funding contributions of £1,600,000 per annum, payable monthly for a period of 5 years from 1 January 2020 increasing 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. No dividends were paid in respect of the current year.

Following the completion of the 2021 actuarial valuation a new Recovery Plan was agreed in March 2023 and a new Schedule of Contributions was certified by the Plan Actuary on 30 March 2023. To eliminate the funding shortfall, 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:

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4 CONTRIBUTIONS (CONTINUED)

	Deficit Funding	Expenses
January - December 2022	£1.305m	£0.392m
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

	DB Section 2021 £	DC Section 2021 £	Total 2021 £
Employer Contributions			
Normal contributions	-	973,562	973,562
Deficit funding contributions	1,648,000	-	1,648,000
	1,648,000	973,562	2,621,562
Member Contributions			
Normal contributions	-	465,645	465,645
Additional voluntary contributions	-	47,693	47,693
	-	513,338	513,338
	1,648,000	1,486,900	3,134,900

5 OTHER INCOME

	DB Section 2022 £	DC Section 2022 £	Total 2022 £
Claims on term insurance	-	134,640	134,640
	-	134,640	134,640

	DB Section 2021 £	DC Section 2021 £	Total 2021 £
Claims on term insurance	-	120,836	120,836
	-	120,836	120,836

6 BENEFITS PAID OR PAYABLE

	DB Section 2022 £	DC Section 2022 £	Total 2022 £
Pensions	3,782,663	-	3,782,663
Commutations and lump sum retirement benefits	169,450	170,056	339,506
Lump sum death benefits	6,957	160,490	167,447
	3,959,070	330,546	4,289,616

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

6 BENEFITS PAID OR PAYABLE (CONTINUED)

	DB Section 2021 £	DC Section 2021 £	Total 2021 £
Pensions	3,784,682	-	3,784,682
Commutations and lump sum retirement benefits	6,136	39,352	45,488
Lump sum death benefits	-	105,832	105,832
	3,790,818	145,184	3,830,170

7 PAYMENTS TO AND ON ACCOUNT OF LEAVERS

	DB Section 2022 £	DC Section 2022 £	Total 2022 £
Individual transfers out to other schemes	-	1,343,954	1,343,954
	-	1,343,954	1,343,954

	DB Section 2021 £	DC Section 2021 £	Total 2021 £
Refunds to members leaving service	-	72	72
Individual transfers out to other schemes	-	886,429	886,429
	-	886,501	886,501

8 OTHER PAYMENTS

	DB Section 2022 £	DC Section 2022 £	Total 2022 £
Premiums on term insurance policies	25,764	-	25,764
	25,764	-	25,764

	DB Section 2021 £	DC Section 2021 £	Total 2021 £
Premiums on term insurance policies	84,983	-	84,983
	84,983	-	84,983

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

9 ADMINISTRATIVE EXPENSES

	DB Section 2022 £	DC Section 2022 £	Total 2022 £
Administration and processing	73,054	-	73,054
Levies	6,814	-	6,814
Actuarial and consulting fees	220,170	-	220,170
Audit fee	9,275	-	9,275
Legal fees	82,059	-	82,059
Trustee indemnity insurance	24,372	-	24,372
Investment advisory fees	18,250	-	18,250
Other expenses	401	-	401
	434,395	-	434,395

	DB Section 2021 £	DC Section 2021 £	Total 2021 £
Administration and processing	81,265	-	81,265
Levies	10,187	-	10,187
Actuarial and consulting fees	162,436	-	162,436
Audit fee	12,775	-	12,775
Legal fees	5,694	-	5,694
Trustee indemnity insurance	26,435	-	26,435
Investment advisory fees	30,592	-	30,592
Other expenses	2,601	681	3,282
	331,985	681	332,666

10 INVESTMENT INCOME

	DB Section 2022 £	DC Section 2022 £	Total 2022 £
Annuity income	5,141	-	5,141
Income from pooled investment vehicles	2,994	-	2,994
Interest on cash deposits	219	175	394
	8,354	175	8,529

	DB Section 2021 £	DC Section 2021 £	Total 2021 £
Annuity income	8,428	-	8,428
	8,428	-	8,428

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

11 INVESTMENT MANAGEMENT EXPENSES

	DB Section 2022 £	DC Section 2022 £	Total 2022 £
Administration, management and custody	61,731	-	61,731
	61,731	-	61,731

	DB Section 2021 £	DC Section 2021 £	Total 2021 £
Administration, management and custody	51,698	-	51,698
	51,698	-	51,698

12 INVESTMENTS

12.1 RECONCILIATION OF INVESTMENTS

Defined Benefit Section

	Value at 1 January 2022 £	Purchases at cost £	Sales proceeds £	Change in market value £	Value at 31 December 2022 £
Pooled investment vehicles	76,680,178	85,754,670	(89,204,508)	(25,974,999)	47,255,341
	76,680,178	85,754,670	(89,204,508)	(25,974,999)	47,255,341
Cash	207,000				93,496
	76,887,178				47,348,837

Defined Contribution Section

	Value at 1 January 2022 £	Purchases at cost £	Sales proceeds £	Change in market value £	Value at 31 December 2022 £
Pooled investment vehicles	28,550,613	1,254,768	(28,417,674)	(1,387,707)	-
AVC investments	788,402	25,252	(30,027)	(67,593)	716,034
	29,339,015	1,280,020	(28,447,701)	(1,455,300)	716,034
Cash	135,286				-
	29,474,301				716,034

Investments purchased by the Plan in respect of the Defined Contribution Section were allocated to provide benefits to the individuals on whose behalf the corresponding contributions were made and accordingly did not form a common pool of assets available for members generally.

With effect from 1 July 2022 the DC section assets, excluding AVC investments, were transferred to the Aon MasterTrust.

All investment assets under the Defined Contribution Section are allocated to members.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

12.2 TRANSACTION COSTS

Indirect transaction costs are borne by the Plan in relation to transactions in pooled investment vehicles. Such costs are taken into account in calculating the swinging single price or the bid/offer spread of these investments and are not separately reported.

There were no direct transaction costs.

12.3 CONCENTRATION OF INVESTMENTS

The following investments account for more than 5% of the Plan's net assets at 31 December 2022.

	2022 £	2022 % of net assets	2021 £	2021 % of net assets
Defined Benefit Section				
Adept Strategy 9 Fund GBP 25 Class	23,284,660	47.5	-	-
Adept Strategy 25 Fund GBP 20 Class	10,962,773	22.4	-	-
CT LDI Regular Profile Leveraged Nominal Gilt Fund	10,033,161	20.5	-	-
Threadneedle Life Multi Asset Fund	-	-	26,961,695	25.3
Baillie Gifford IF Diversified Growth Fund	-	-	23,773,864	22.3
BMO Nominal Dynamic LDI Fund	-	-	10,679,601	10.0
BMO Real Dynamic LDI Fund	-	-	5,550,539	5.2
Defined Contribution Section				
MRA Diversified Fund	-	-	25,572,874	24.0

12.4 POOLED INVESTMENT VEHICLES

	DB Section 2022 £	DC Section 2022 £	Total 2022 £
Bond Funds	34,247,433	-	34,247,433
Liability Driven Investment Funds (LDI)	11,587,356	-	11,587,356
Cash Funds	1,420,552	-	1,420,552
	47,255,341	-	47,255,341

	DB Section 2021 £	DC Section 2021 £	Total 2021 £
Equity Funds	-	2,231,316	2,231,316
Bond Funds	9,714,478	25,396	9,739,874
Diversified Growth Funds (DGF)	50,735,559	25,572,874	76,308,433
Liability Driven Investment Funds (LDI)	16,230,141	-	16,230,141
Property Funds	-	144,273	144,273
Cash Funds	-	576,754	576,754
	76,680,178	28,550,613	105,230,791

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

12.5 AVC INVESTMENTS

The Trustee holds assets which are separately invested from the main fund to secure additional benefits on a money purchase basis for those members who had elected to pay Additional Voluntary Contributions.

Members participating in this arrangement receive an annual statement made up to 31 December each year, confirming the amounts held to their account and movements during the year.

The amounts of AVC investments held at the year end are as follows:

	2022 £	2021 £
Aviva plc	575,262	648,282
Santander	77,760	75,772
Utmost Life and Pensions Limited	63,012	64,348
	716,034	788,402

12.6 FAIR VALUE HIERARCHY

The fair value of financial instruments has been determined 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 assessment date.

Level 2 Inputs other than the quoted prices included within Level 1 that are observable (i.e. developed 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.

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

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

	Level 1 £	Level 2 £	Level 3 £	Total 2022 £
Defined Benefit				
Pooled investment vehicles	-	47,255,341	-	47,255,341
Cash	93,496	-	-	93,496
Defined Contribution				
AVC investments	-	-	716,034	716,034
	93,496	47,255,341	716,034	48,064,871

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

12.6 FAIR VALUE HIERARCHY (CONTINUED)

	Level 1	Level 2	Level 3	Total 2021
	£	£	£	£
Defined Benefit				
Pooled investment vehicles	-	76,680,178	-	76,680,178
Cash	207,000	-	-	207,000
Defined Contribution				
Pooled investment vehicles	-	28,550,613	-	28,550,613
AVC investments	-	-	788,402	788,402
Cash	135,286	-	-	135,286
	342,286	105,230,791	788,402	106,361,479

12.7 INVESTMENT RISKS

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

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

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

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

The 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.

Further information on the Trustee's approach to risk management and the Plan's exposure to credit and market risk are set out overleaf.

This does not include AVC investments as these are not considered significant in relation to the overall investments of the Plan.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

12.7 INVESTMENT RISKS (CONTINUED)

The SORP recommends adopting an asset class approach (rather than a look through approach) for pooled investment vehicles. As such, some funds (for example DGF 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.

(i) 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 the pooled investment vehicles by type of arrangement is set out below.

	2022 £	2021 £
Unit linked insurance contracts – DB Section	47,255,341	76,680,178
Unit linked insurance contracts – DC Section	-	28,550,613
	47,255,341	105,230,791

Indirect credit risk arises in relation to underlying investments held in the bond and LDI pooled investment vehicles, as well as DGF pooled investment vehicles due to the corporate bond holdings within these funds. 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 Defined Benefit Section of the Plan was exposed to indirect credit risk of £47,255,341 on bond and LDI pooled investment vehicles (2021: £76,680,178 on bond, LDI and DGF pooled investment vehicles).

(ii) 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 Defined Benefit Section of the Plan was not invested in any funds that invest specifically in overseas currencies (2021: nil).

(iii) Interest rate risk

The Plan's liabilities are exposed to a significant level of interest rate movement and for this reason it is desirable for the assets to be exposed to interest rate risk. The Trustee manages the interest rate risk of the DB Section of the Plan by considering the net risk when taking account of how the liabilities are valued.

LDI and bond pooled investment vehicles are part of the Plan's stabilising portfolio. The LDI strategy is set by the Trustee so as to provide an acceptable level of hedging against the interest rate and inflation risk inherent within the Plan's liabilities. Therefore the Plan's assets are subject to indirect interest rate risk through its LDI pooled investment vehicles.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

12.7 INVESTMENT RISKS (CONTINUED)

(iv) Interest rate risk (Continued)

At the year end, the Defined Benefit Section of the Plan was exposed to indirect interest rate risk of £47,255,341 on bond, LDI and cash pooled investment vehicles (2021: £76,680,178 on bond, LDI and DGF pooled vehicles).

(v) Other price risk

Other price risk arises in the LDI pooled investment vehicles due to the inflation sensitive elements of these funds. However, inflation risk is also inherent in the Plan's liabilities in the same way as interest rate risk, as described above. The Trustee similarly considers the net inflation risk when taking account of how the liabilities are valued.

At the year end, the DB Section's exposure to investments subject to indirect other price risk through its LDI pooled investment vehicles was £45,834,789 (2021: £56,286,098 on LDI and DGF pooled investment vehicles).

13 TAX

The AMG UK Group 2006 Pension Plan is a registered pension scheme for tax purposes under the Finance Act 2004. The Plan is therefore exempt from income tax and capital gains tax 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.

14 TRANSFERS BETWEEN SECTIONS

	DB Section 2022 £	DC Section 2022 £
DC Section benefits paid from DB Section	(10,847)	10,847
	(10,847)	10,847

15 CURRENT ASSETS – DB SECTION

	2022 £	2021 £
Bank balance	856,570	63,585
Prepayments	24,869	22,198
Due from Employer - overpaid expenses	92,342	-
Due from DC Section	9,234	8,951
Other debtors	29,324	8,756
	1,012,339	103,490

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

16 CURRENT LIABILITIES – DB SECTION

	2022 £	2021 £
Benefits payable	24,011	6,127
Fees payable	167,653	62,462
Due to DC Section	283	-
Other creditors	8,645	491
	200,592	69,080

17 CURRENT ASSETS – DC SECTION

	2022 £	2021 £
Bank balance	175,500	199,108
Other debtors	283	-
	175,783	199,108

Included in the bank balance is £11,516 (2021: £392) which is not allocated to members.

18 CURRENT LIABILITIES – DC SECTION

	2022 £	2021 £
Benefits payable	46.947	109,363
Monies due to DB Section	9,234	8,951
Other creditors	-	15
	56,181	118,329

19 RELATED PARTY TRANSACTIONS

Five of the Trustee directors are members of the Plan and their benefits are calculated in accordance with the rules of the Plan.

The Employer pays administrative expenses on behalf of the Plan, which are then recharged to the Plan. Administrative fees for the year ended 31 December 2022 totalled £434,395 (2021: £332,666). The amount due to the Employer at the year end was £167,653 (2021: £62,462). Fees totalling £92,342 (2021: £nil) were due from the Employer at the year end in respect of over paid reimbursements.

LSM Additional Pension Plan is a related scheme by virtue of having a Principal Employer in common. Fees totalling £20,783 relating to LSM Additional Pension Plan were paid from the Plan during the year and are 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.

20 EMPLOYER RELATED INVESTMENTS

There were no employer related investments during the year (2021: Nil).

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, 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.

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.

	£m
The value of the technical provisions was:	80.3
The value of the assets at that date was:	76.9

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% per annum.

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

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 - CMI_2021 core projections with Sk=7.0, A parameter = 0.5% and a long-term improvement rate of 1.5% p.a.

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
2026	£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 35 of this report.

Next actuarial valuation

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

SCHEDULE OF CONTRIBUTIONS

AMG UK Group 2006 Pension Plan ("the Plan") Schedule of Contributions

Introduction

This schedule of contributions is required by Section 227 of the Pensions Act 2004. It comes into effect on the date of certification of this schedule by the scheme actuary and covers the following five year period. The Plan's Trustee is responsible for preparing a revised schedule no later than 31 March 2026.

Employer Contributions

The Participating Employers will contribute to the Plan as follows:

Type	Period	Amount
Normal	Between 1 January 2022 and 31 December 2026 the Participating Employers will pay the following contributions towards the Plan's deficit:	2022: £1.305M 2023: £1.844M 2024: £1.899M 2025: £1.956M 2026: £2.015M
Expenses	Between 1 January 2022 and 31 December 2026 the Participating Employers will pay the following contributions towards Plan expenses (to cover ongoing Plan expenses, PPF levies and other levies collected by the Pensions Regulator):	2022: £0.392M 2023: £0.404M 2024: £0.416M 2025: £0.428M 2026: £0.441M

Notes:

- These contributions will be paid monthly and the Participating Employers will ensure that the Trustee receives these contributions within 22 days of the end of the calendar month to which the contributions relate.
- Contributions will typically be paid in equal monthly instalments in a given year, noting though that this won't be the case for the start for 2023 as there will be some back-dating of deficit contributions. The Participating Employers will ensure that the total amount due is indeed paid by the end of each year.
- The contributions up to 29 February 2024 are those needed to remove the technical provisions deficit of £3.4M disclosed by the actuarial valuation as at 31 December 2021. The Participating Employers have agreed to continue paying these contributions beyond that point, through to the end of 2026, as part of a long-term funding strategy.

Profit-Related Contributions

AMG Chrome Limited will pay a sum equal to 10% of any dividends paid by them to their shareholders. Any such additional contributions will be paid within a month of the dividend being paid.

Additional Participating Employer Contributions

The Participating Employers may pay additional contributions of any amount and at any time from those set out above.

SCHEDULE OF CONTRIBUTIONS (CONTINUED)

Employee Contributions

There are no longer any members contributing to the Plan.

Signed on behalf of AMG UK Group Pension Trustee Limited

Signature:	Leonora Scaife	Name:	Leonora Scaife
Capacity:	Trustee Director	Date:	30 March 2023

Signed on behalf of AMG Chrome Limited (signing on behalf of the Participating Employers)

Signature:	Kevin Lawson	Name:	Kevin Lawson
Capacity:	Director	Date:	30 March 2023

SCHEDULE OF CONTRIBUTIONS (CONTINUED)

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**

Name: Paul Crocker

Address: Colmore Gate
2 Colmore Row
Birmingham
B3 2QD

Date: 30 March 2023

Qualification: Fellow of the Institute and Faculty of Actuaries

Name of employer: Aon Solutions UK Limited

MEMBERS' INFORMATION

INTRODUCTION

The Plan consists of a Defined Benefit Section and a Defined Contribution Section and is administered in accordance with the establishing document and rules, solely for the benefit of its members and other beneficiaries.

The registration number in the Register of Occupational and Personal Pension Schemes is 10024685.

Other information

(i) The Pensions Ombudsman (TPO) deals with complaints and disputes which concern the administration and/or management of occupational and personal pension schemes. Members have the right to refer a complaint to TPO free of charge.

Contact with TPO about a complaint needs to be made within three years of when the event(s) being complained about happened, or, if later, within three years of when a member first knew about it (or ought to have known about it). There is discretion for those time limits to be extended.

TPO now operates an Early Resolution Service (ERS) in addition to its normal Adjudication Service that aims to provide a quick, informal and streamlined process. Any member that elects to use the ERS does not need to follow the Trustee's Internal Dispute Resolution Procedure (IDRP). However should any complaint that has gone through the ERS remain unresolved, TPO expects the IDRP to be followed prior to the complaint being passed to its Adjudication Service.

Enquiries should be addressed to:

The Pensions Ombudsman	☎	0800 917 4487
10 South Colonnade	✉	enquiries@pensions-ombudsman.org.uk
Canary Wharf	💻	www.pensions-ombudsman.org.uk
London		
E14 4PU		

(ii) The Money and Pensions Service (MaPS) brings together three respected providers of financial guidance, Pensions Wise, the Money Advice Service and the Pensions Advisory Service. MaPS is committed to ensuring that people throughout the UK have guidance and access to the information that they need to make effective financial decisions over their lifetime. The contact details are:

Holborn Centre	☎	0800 011 3797
120 Holborn	💻	www.moneyandpensionsservice.org.uk
London		
EC1N 2TD		

(iii) The Pensions Regulator (TPR) can intervene if it considers that a scheme's Trustees, advisers or the employer are not carrying out their duties correctly. The address for TPR is:

Napier House	☎	0345 600 1011
Trafalgar Place	💻	www.thepensionsregulator.gov.uk
Brighton		
East Sussex		
BN1 4DW		

MEMBERS' INFORMATION (CONTINUED)

Other information (continued)

(iv) The Pension Protection Fund (PPF) was established under the Pensions Act 2004 to pay compensation to members of eligible defined benefit pension schemes, when the sponsoring employer has suffered a qualifying insolvency event, and where the scheme is assessed as having insufficient assets to cover PPF levels of compensation.

The PPF is funded by a retrospective levy on occupational pension schemes.

(v) The Trust Deed and rules, the Plan details, the Schedule of Contributions and Statement of Investment Principles are available for inspection free of charge by contacting the Trustee at the address shown for enquiries in this report. Any information relating to the members' own pension position, including estimates of transfer values, should be requested from the administrators of the Plan at the address detailed on page 1.

ANNUAL IMPLEMENTATION STATEMENT

Implementation Statement ("IS")

AMG UK Group 2006 Pension Plan (the "Plan")

Plan Year End – 31 December 2022

The purpose of the Implementation Statement 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 2022 to achieve certain policies and objectives set out in the Statement of Investment Principles ("SIP"). It includes:

1. A summary of any review and changes made to the SIP over the year
2. How our policies in the SIP have been followed during the year; and
3. 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.

The IS has been prepared by the Trustee and covers the Retirement Benefits Plan (RBP) Section and Member's Retirement Account (MRA) Section of the Plan covering the Plan year from 1 January 2022 to 31 December 2022.

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 believe our voting rights have been implemented effectively on our behalf.

Changes to the SIP during the year

No changes were made to the SIP over the Plan year. At the year end, the Trustee had commenced an investment strategy review and intends to update the SIP accordingly once the review is complete.

The Plan's latest SIP can be found here: [AMG UK Group Pensions - Pension Information, Scheme Forms (https://amgukgrouppensions.com/)](https://amgukgrouppensions.com/)

ANNUAL IMPLEMENTATION STATEMENT (CONTINUED)

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 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

How the policies in the SIP have been followed

In the table below we set out what we have done during the year to meet the policies in the SIP.

Securing compliance with the legal requirements about choosing investments *The Trustee obtains advice from its investment adviser on investment vehicles that can fulfil the Plan's investment objectives. In the Trustee's opinion this is consistent with the requirements of Section 36 of the Pensions Act 1995*	**RBP Section:** During the Plan year, the Trustee appointed Aon as investment adviser to the RBP Section. Following the appointment, a full review of the investment strategy was undertaken in which recommendations were made to rebalance LDI hedging, adopt a new target return, and restructure the growth portfolio to achieve better diversification and lower fees. All advice provided by the Trustee's investment adviser was in line with the requirements of Section 36 of the Pensions Act 1995. **MRA Section:** On 1st July 2022, the Trustee signed a participation agreement with The Aon MasterTrust. On 6th December 2022 a bulk transfer took place which transferred all existing accrued DC pension assets to The Aon MasterTrust.
Kinds of investments to be held *The Plan holds a Trustee Investment Policy with Mobius Life Limited (Mobius) covering both the MRA and the RBP, which enables investment into a range of underlying funds. All the underlying funds the Plan invests in for both the RBP and MRA sections are pooled, unitised and, in normal circumstances, daily dealt.*	**RBP Section:** During the Plan year, the Trustee appointed Aon Investments Limited (AIL) as a new investment manager. The Plan invested in two funds managed by AIL: • Aon Managed Growth Strategy • Aon Low Risk Bonds Strategy The investments into these mandates were funded by the full redemption of the growth assets held on the Mobius platform. Additionally, the Trustee transferred its existing LDI holdings into two new LDI funds, held on the Mobius platform. The new funds are: • Columbia Threadneedle (CT) LDI Regular Profile Leveraged Real Gilt Fund • Columbia Threadneedle (CT) LDI Regular Profile Leveraged Nominal Gilt Fund Additionally, the Trustee invested in the LGIM Sterling Liquidity Fund, which is held on the Mobius platform. **MRA Section:** On 1st July 2022, the Trustee signed a participation agreement with The Aon MasterTrust. On 6th December 2022 a bulk transfer took place which transferred all existing accrued DC pension assets to The Aon MasterTrust.
Investment Strategy *The Trustee's primary investment objective for the RBP is to achieve an overall rate of return that is sufficient to ensure that assets are available to meet all liabilities as and when they fall due.*	**RBP Section:** During the Plan year, the Trustee carried out a strategy review alongside the Plan's 2021 actuarial valuation. At the end of the Plan year, the investment strategy review was still ongoing, however, the Trustees made several interim changes to the investment arrangements over the year with the aim of reducing risk. The new strategy was implemented by restructuring the portfolio. The section

ANNUAL IMPLEMENTATION STATEMENT (CONTINUED)

	above ("Kinds of investments to be held") details the changes to the investment funds used by the Plan.
For the MRA, the Trustee has determined its investment policy in such a way as to address the key risks recognised. The Trustee is mindful of its responsibility to provide members with an appropriate range of investment funds and a suitable default lifestyle strategy.	**MRA Section:** A review was conducted in late 2021 / early 2022, where the Company and Trustee identified some key areas where members would benefit from changes to the pension arrangements. These included: • Providing members with more flexibility in how they take their pension, without having to transfer their benefits to another arrangement • Giving members access to higher quality communication materials including on-line functionality and pre-retirement guidance • Providing members with access to updated investment fund options • Providing better administration services for members • Reducing the charges that members pay in the default investment fund. The Company and the Trustee believed these changes would be best implemented by moving the pension provision to a Master Trust. A consultation period ran from mid-April through to mid-June where the Company and the Trustee proposed transferring the pension provision to The Aon MasterTrust. Following a positive consultation period by the Company with its employees, it was agreed that the future pension provision would be delivered through The Aon MasterTrust.
Risks, including the ways in which risks are to be measured and managed *The Trustee recognises risk from a number of perspectives in relation to both the RBP and MRA Sections of the Plan.*	As detailed in the Risk section of the SIP, the Trustee considers both quantitative and qualitative measures for managing these risks. The Trustee is satisfied that over the Plan year that the risks have been managed in accordance with their policies. **RBP Section:** Over the year, the Trustee restructured the Plan's investment portfolio to reduce risk. This was achieved by improving the level of diversification within the growth portfolio and rebalancing the level of LDI hedging. **MRA Section:** The Trustee is satisfied that the default lifestyle strategy (prior to 6 December 2022), together with the range of funds available for members to invest in addresses the key investment risks identified in the SIP; investment return risk, annuity-rate risk, capital-stability risk, market-switching risk and foundation risk. The MRA Lifestyle Strategy transitions a member's fund to be 25% invested in the LGIM Sterling Liquidity Fund as a member approaches their chosen retirement date. This protects the fund value of retiring members during times of increased market volatility. This partial transition within the MRA Lifestyle Strategy from the MRA Diversified Fund to the LGIM Sterling Liquidity Fund is undertaken on a quarterly basis over an extended period to avoid placing reliance on asset values on any one transition date.
Manager review and monitoring *The funds in which the Plan is invested are expected to provide a long-term investment return consistent with their benchmarks, acknowledging that it is important to consider the impact of financial market conditions as this can have a significant impact on short-term performance.*	The investment performance reports for both the RBP and MRA Sections are reviewed by the Trustee on a quarterly basis – this includes the performance of the default strategy and additional investment fund choices. The investment performance reports provide information to assess whether each investment manager is delivering against their specific mandates, and also background on general financial market developments to put the performance into context from both a return and risk perspective. **RBP Section:** The Plan's growth assets delivered a negative return over the year. This was primarily driven by falling equity and bond markets in the first 6 months of the year. In August 2023, the Trustee redeemed from the previous growth assets in line with the de-risking strategy. The Plan's LDI investments are designed to broadly track movements in the Plan's liabilities. Over the year, gilt yields increased materially. This has the impact of decreasing the value of the Plan's liabilities and the LDI investments fell in value as a result.

ANNUAL IMPLEMENTATION STATEMENT (CONTINUED)

	MRA Section: The Trustee is satisfied that over the period to 6 December 2022, the default strategy, and the funds in which the members are invested performed in line with their expectations, given financial market conditions.
Financially Material Considerations *The Trustee recognises that environmental, social and corporate governance ("ESG") factors, such as climate change, can have a financially material impact over the investment risk and return outcomes of the Plan's portfolio and it is therefore in the members' and the Plan's best interests that these factors are taken into account within the investment process.* *The Trustee expects the pooled funds in which it is invested to approach investments in a responsible way and take account of ESG related risks as far as appropriate to their mandate.* *RBP Section:* *In setting its investment strategy, the Trustee has invested in funds which provide actively managed diversification across a wide range of investment markets and consider the financially significant benefits of these factors to be paramount.* *MRA Section:* *The Trustee notes that most of the funds available to members of the MRA Section to invest in are managed by Legal and General Investment Management, which is market leading on ESG issues amongst passive investment managers. The Trustee receives ESG scores provided by the Investment Consultant in relation to the funds in which the Plan is invested and will monitor how these develop over time.* *The Trustee have built an ongoing review of ESG considerations into their annual business plan to make sure that their policy evolves in line with emerging trends and developments.*	ESG ratings are included in the quarterly performance reports of Aon and Mercer, so that the Trustee can monitor developments on a regular basis. Based on this information, the Trustee is satisfied that the Plan's fund managers incorporate ESG appropriately in relation to their specific portfolios.
The extent (if at all) to which non-financial matters are taken into account in the selection, retention and realisation of investments *Non-financial matters, such as member views, are not taken into consideration.*	No comment required and in practice no member views in relation to non-financial investment matters have been received by the Trustee even when the Trustee has specifically requested feedback from members.
The exercise of the rights (including voting rights) attaching to the investments	The Plan does not hold any equities directly and the Trustee has therefore not been invited to vote on any matters of corporate policy and has not cast any votes. A summary of the voting and engagement of the Plan's underlying investment funds is set out later in the Implementation Statement.

ANNUAL IMPLEMENTATION STATEMENT (CONTINUED)

The Trustee only invests in pooled investment funds via an investment platform, and therefore has no direct voting rights and no direct ability to influence the voting of the managers of the pooled funds in which the Plan's assets are ultimately invested. *The Trustee policy is to delegate responsibility for engaging with, monitoring investee companies and exercising voting rights to the pooled funds investment managers and expects the investment managers to use their discretion to act in the long term financial interests of investors.* *If the Trustee is specifically invited to vote on a matter relating to corporate policy, it would exercise its right in accordance with what is believes to be the best interests of the majority of the Plan's membership.*	This report does not include commentary on the Plan's liability driven investments and 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.
Compliance with Best Practice *The investment adviser will attend each Trustee meeting to enable developments to be monitored, both in relation to the Plan's circumstances and in relation to evolving guidance, so that the investment approach can be revised if considered appropriate.*	Over the Plan year, the investment adviser attended each Trustee meeting in accordance with the Trustee's policy.
Cash Flow and Re-Balancing and LDI Recapitalisation Policy *RBP Section: The Trustee has put in place appropriate cashflow, re-balancing and LDI Recapitalisation policies* *MRA Section: The investments relate to the individual member, and therefore no cashflow or rebalancing policy is required.*	**RBP Section:** To meet ongoing Plan cashflow requirements, the Trustee's investment adviser receives cashflow forecasts from the Plan's administrators and provides recommendations where to redeem assets from. To meet LDI cashflows, the Plan holds a money market fund on the Mobius Platform alongside the LDI investments. Mobius has a standing instruction to meet collateral calls from the LDI manager. **MRA Section:** No comment required.

Our Engagement Action Plan

The Trustee is currently in the process of moving to a fiduciary mandate. This is an arrangement where the appointed fiduciary manger selects the underlying investment managers on behalf of the Trustee. As such, we will delegate monitoring of ESG integration and stewardship of the underlying managers to the fiduciary manager.

We will review manager voting and engagement policies on an annual basis from our fiduciary manager to ensure they are in line with the Trustee's expectations and in members' best interests.

ANNUAL IMPLEMENTATION STATEMENT (CONTINUED)

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. 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.

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

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 2022.

Fund	Section	Number of resolutions eligible to vote on	% of resolutions voted	% of votes against management	% of votes abstained from
LGIM – Multi-Factor Equity Fund	RBP	11,634	99.7%	20.3%	0.2%
BlackRock – Emerging Markets Equity Fund	RBP	32,753	97.0%	12.0%	4.0%
Threadneedle – Life Multi-Asset Fund[1]	RBP/MRA	6,162	97.9%	7.7%	2.0%
Baillie Gifford – Diversified Growth Fund	RBP	1,140	95.8%	3.4%	0.8%
Nordea – Diversified Return Fund[1]	MRA	2,363	98.8%	9.0%	1.7%
Newton – BNY Mellon Multi-Asset Diversified Return Fund[1]	MRA	1,753	98.3%	7.5%	0.0%
LGIM – Global Equity Fixed Weights (50:50) Index Fund	MRA	40,837	99.8%	17.9%	0.1%

Source: Managers

[1] Threadneedle – Life Multi-Asset Fund, Nordea – Diversified Return Fund and Newton – BNY Mellon Multi-Asset Diversified Return Fund are part of the overall blended MRA Diversified Fund.

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.

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.

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

	Description of use of proxy voting advisers *(in the managers' own words)*
Legal and 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.
BlackRock	• We use proxy research firms, ISS and Glass Lewis, in our voting process, primarily to synthesise information and analysis into a concise, easily reviewable format so that our

ANNUAL IMPLEMENTATION STATEMENT (CONTINUED)

	analysts can readily identify and prioritise those companies where our own additional research and engagement would be beneficial • We do not follow any single proxy research firm's voting recommendations and in most markets, we subscribe to two research providers and use several other inputs, including a company's own disclosures, in our voting and engagement analysis • We also work with proxy research firms, which 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 • The proxy voting operating environment is complex and we work with proxy research firms to execute vote instructions, manage client accounts in relation to voting and facilitate client reporting on voting
Columbia Threadneedle Investments ("Threadneedle")	Proxy voting decisions are made in accordance with the principles established in the Columbia Threadneedle Investments Corporate Governance and Proxy Voting Principles (Principles) document, and our proxy voting practices are implemented through our Proxy Voting Policy. Columbia Threadneedle Investments utilises the proxy voting platform of ISS to cast votes for client securities and to provide recordkeeping and vote disclosure services. We have retained both Glass, Lewis & Co. and ISS to provide proxy research services to ensure quality and objectivity in connection with voting client securities. While final voting decisions are made under a process informed by the RI team working in collaboration with portfolio managers and analysts, our Global Proxy Team serves as the central point of proxy administration with oversight over all votes cast and ultimate responsibility for the implementation of our Proxy Voting Policy.
Baillie Gifford	Whilst we are cognisant of proxy advisers' voting recommendations (ISS and Glass Lewis), we do not delegate or outsource any of our stewardship activities or follow or rely upon their recommendations when deciding how to vote on our clients' shares. All client voting decisions are made in-house. We vote in line with our in-house policy and not with the proxy voting providers' policies. We also have specialist proxy advisors in the Chinese and Indian markets to provide us with more nuanced market specific information.
Nordea Asset Management ("Nordea")	In general, every vote we cast is considered individually on the background of our bespoke voting policy, which we have developed in-house based on our own principles. Our proxy voting is supported by two external vendors (Institutional Shareholder Services and Nordic Investor Services – henceforth, "ISS" and "NIS") to facilitate proxy voting, execution and to provide analytic input. In 2021 these two vendors have merged. The contrast in the services – ISS is a global player with international reach and practices, while NIS is a small niche player whose best practices are much in line with our own, gives us a broad palette of input which is very valuable in the evolution of our own Corporate Governance Principles. The same setup has continued after the merger of ISS and NIS.
Newton Investment Management Limited ("Newton")	Newton utilises an independent voting service provider for the purposes of managing upcoming meetings and instructing voting decisions via its electronic platform, and for providing research. Its voting recommendations are not routinely followed; it is only in the event that we recognise a potential material conflict of interest that the recommendation of our external voting service provider will be applied. We do not maintain a voting policy with ISS. We apply our own Newton voting guidelines. Newton's external voting provider is subject to the requirements set by Newton's Vendor Management Oversight Group. As such, regular due diligence meetings are held and minutes maintained with this provider, which includes reviewing its operational performance, service quality, robustness of research and its internal controls, including management of its potential material conflicts of interest. In addition, and along with its other clients, Newton participates in consultations that seek specific feedback on proxy voting matters. This helps ensure alignment of interest between Newton's expectations and the voting recommendations provided by the external provider.

Source: Managers

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.

ANNUAL IMPLEMENTATION STATEMENT (CONTINUED)

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. Some of the information provided is at a firm-level i.e. is not necessarily specific to the funds invested in by the Plan.

Funds	Section	Number of engagements Fund specific	Firm level	Themes engaged on at a fund-level
Underlying managers in Aon's strategies:				
LGIM – Multi-Factor Equity Fund	RBP	279	1,224	Environment - Climate change Social - Human and labour rights (e.g. supply chain rights, community relations), Human capital management (e.g. inclusion & diversity, employee terms, safety), Inequality, Public health Governance - Remuneration
BlackRock – Emerging Markets Equity Fund	RBP	450	3,886	Environment - Climate Risk Management Social - Human Capital Management, Social Risks and Opportunities Governance - Board Composition and Effectiveness, Business Oversight/Risk Management, Remuneration
Leadenhall Capital Partners LLP ("Leadenhall") – Insurance Linked Securities	RBP	309	321	Environment - Climate change Governance - Remuneration, Shareholder rights Strategy, Financial and Reporting - Risk management (e.g. operational risks, cyber/information security, product risks), Reporting (e.g. audit, accounting, sustainability reporting)
Robeco – Sustainable Development Goals Credit Income Fund	RBP	11	252	Environment - Climate change, Pollution, Waste Social - Human and labour rights (e.g. supply chain rights, community relations) Governance - Board effectiveness SDG Engagement
Schroders – International Selection Fund Securitised Credit Fund*	RBP	80 *(At the securitised and asset-based securities level)*	>2,800	Environment - Climate change, Natural resource use/impact (e.g. water, biodiversity), Pollution and Waste Social - Human and labour rights (e.g. supply chain rights, community relations), Human capital management (e.g. inclusion & diversity, employee terms, safety), Public health Governance - Leadership – Chair/CEO
Aegon Asset Management – European Asset Backed Securities Fund*	RBP	132	441	Environment - Climate change, Pollution and waste Social - Human and labour rights (e.g. supply chain rights, community relations) Governance - Board effectiveness - Independence or Oversight, Remuneration Strategy, Financial and Reporting - Reporting (e.g. audit, accounting, sustainability reporting)
Threadneedle AM – Life Multi-Asset Fund	RBP/MRA	*Not provided*	177	*Not provided*
Baillie Gifford – Diversified Growth Fund	RBP	37	1,225	Environment - Climate change, Natural resource use/impact (e.g. water, biodiversity) Social - Human and labour rights (e.g. supply chain rights, community relations) Governance - Remuneration

ANNUAL IMPLEMENTATION STATEMENT (CONTINUED)

				Strategy, Financial and Reporting - Reporting (e.g. audit, accounting, sustainability reporting), Strategy/purpose
Ninety One – Global Total Return Credit Fund*	RBP	9	387	Environment - Climate change, Pollution, Waste Social - Conduct, culture and ethics (e.g. tax, anti-bribery, lobbying), Human and labour rights (e.g. supply chain rights, community relations) Governance - Board effectiveness - Independence or Oversight, Remuneration Strategy, Financial and Reporting - Capital allocation
Payden & Rygel – Absolute Return Bond Fund	RBP	165	*Not provided*	Climate change, Board Diversity and Others
Nordea – Diversified Return Fund	MRA	109	994	Environment - Climate change, Natural resource use/impact (e.g. water, biodiversity), Pollution, Waste Social - Human and labour rights (e.g. supply chain rights, community relations) Governance - Board effectiveness – Diversity Strategy, Financial and Reporting - Reporting (e.g. audit, accounting, sustainability reporting)
Newton – BNY Mellon Multi-Asset Diversified Return Fund	MRA	*Not provided*	193	*Not provided*
LGIM – Global Equity Fixed Weights (50:50) Index Fund	MRA	738	1,224	Environment - Climate change, Natural resource use/impact (e.g. water, biodiversity) Governance - Board effectiveness – Diversity, Remuneration Strategy, Financial and Reporting - Reporting (e.g. audit, accounting, sustainability reporting), Strategy/purpose

Source: Managers
**Schroders, Aegon and Ninety One did not provide fund-level themes; themes provided are at a firm-level.*

Data limitations

At the time of writing, the following managers did not provide all the information we requested:

- LGIM and BlackRock provided fund-level engagement information but not in the industry standard engagement data request template and as such their examples did not give as much detail as is required by the industry standard template.
- Newton did not provide fund-level engagement information.
- Schroders did not provide the number of engagements relevant to the fund the Scheme is invested in. It did however provide the number of engagements carried out at the asset class level.
- Schroders, Aegon and Ninety One did not provide fund-level themes. Engagement themes are reported at a firm-level.
- Threadneedle did not provide information on fund-level engagement, however it did provide firm-level engagement information. Threadneedle states that its engagement tracking is not categorised in a way consistent with the industry standard template used to collect engagement information.
- Payden & Rygel did not provide firm-level engagement information.

ANNUAL IMPLEMENTATION STATEMENT (CONTINUED)

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

LGIM – Multi-Factor Equity Fund	**Company name**	Apple Inc.
	Date of vote	04-Mar-2022
	How the manager voted	For
	Did the manager communicate its 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 (Annual General Meeting) as our engagement is not limited to shareholder meeting topics.
	Summary of the resolution	Report on Civil Rights Audit
	Approximate size of fund's holding as at the date of the vote (as % of portfolio)	0.6%
	Outcome of the vote	Passed
	Rationale for the voting decision	Diversity: A vote in favour is applied as LGIM supports proposals related to diversity and inclusion policies as we consider these issues to be a material risk to companies.
	Implications of the outcome	LGIM will continue to engage with our investee companies, publicly advocate its position on this issue and monitor company and market-level progress.
	Criteria on which the vote is considered significant?	LGIM views gender diversity as a financially material issue for our clients, with implications for the assets we manage on their behalf.
BlackRock – Emerging Markets Equity Fund	**Company name**	China Tower Corporation Limited
	Date of vote	14-Jan-2022
	How the manager voted	Against
	Did the manager communicate its intent to the company ahead of the vote?	*Not provided*
	Summary of the resolution	Elect Deng Shiji as Director and Authorize Board to Fix His Remuneration
	Approximate size of fund's holding as at the date of the vote (as % of portfolio)	*Not provided*
	Outcome of the vote	Passed
	Rationale for the voting decision	Vote AGAINST director due to concerns of gender-related diversity at the board level
	Implications of the outcome	*Not provided*
	Criteria on which the vote is considered significant?	*Not provided*
Threadneedle AM – Life Multi-Asset Fund	**Company name**	Alphabet Inc.
	Date of vote	01-Jun-2022
	How the manager voted	For
	Did the manager communicate its intent to the company ahead of the vote?	No
	Summary of the resolution	Report on Climate Lobbying

ANNUAL IMPLEMENTATION STATEMENT (CONTINUED)

	Approximate size of fund's holding as at the date of the vote (as % of portfolio)	0.8%
	Outcome of the vote	Failed
	Rationale for the voting decision	Supporting better ESG risk management disclosures
	Implications of the outcome	Active stewardship (engagement and voting) continues to form an integral part of our research and investment process.
	Criteria on which the vote is considered significant?	Vote against management on certain environmental or social proposals & >20% dissent
Baillie Gifford – Diversified Growth Fund	Company name	CBRE GROUP, INC.
	Date of vote	18-May-2022
	How the manager voted	Against
	Did the manager communicate its intent to the company ahead of the vote?	No
	Summary of the resolution	Shareholder Resolution - Governance
	Approximate size of fund's holding as at the date of the vote (as % of portfolio)	0.2%
	Outcome of the vote	Failed
	Rationale for the voting decision	We opposed a shareholder resolution to lower the threshold for shareholders to call a special meeting as we consider that the existing threshold is appropriate.
	Implications of the outcome	We opposed the shareholder resolution to lower the ownership threshold to call a special meeting as we were comfortable with the current 25% threshold in place and do not believe that lowering it would be reasonable. Ahead of voting, we had an engagement call with the company to discuss the proposed agenda. We were satisfied to learn about the company's efforts to engage with their holders, including the proponent, who according to the company, did not have any particular concerns over CBRE but backs a lower threshold out of principle. We intend to follow up with the company later in a year to speak about governance developments.
	Criteria on which the vote is considered significant?	This resolution is significant because it received greater than 20% opposition.
Nordea – Diversified Return Fund	Company name	Microsoft Corporation
	Date of vote	13-Dec-2022
	How the manager voted	For
	Did the manager communicate its intent to the company ahead of the vote?	No
	Summary of the resolution	Report on tax transparency
	Approximate size of fund's holding as at the date of the vote (as % of portfolio)	3.6%
	Outcome of the vote	Failed
	Rationale for the voting decision	We voted for the shareholder proposal as the proposed GRI Tax Standard would enhance the company's transparency in communicating its tax practices to investors globally.
	Implications of the outcome	We will continue to support shareholder proposals on this issue as long as the company is not showing substantial improvements.

ANNUAL IMPLEMENTATION STATEMENT (CONTINUED)

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 considered 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.

Source: Managers

CHAIR'S ANNUAL STATEMENT REGARDING DC GOVERNANCE

Governance Summary

The Occupational Pension Schemes (Scheme Administration) Regulations 1996 ("the Administration Regulations") require the Trustee to prepare an annual statement regarding governance, which should be included in the annual Trustees report and accounts.

This Governance Statement has been produced by AMG UK Group Pension Trustee Limited (the "Trustee") and covers the period 1 January 2022 to 31 December 2022. It explains how the Members' Retirement Account Section of the AMG UK Group 2006 Pension Plan ('the Plan') is meeting the governance standards and charges disclosures that apply to occupational pension schemes that provide defined contribution ('DC') benefits. It also confirms the position in relation to AVC holdings with Utmost Life and Pensions ("Utmost", formerly Equitable Life), Santander and Aviva.

On 29th June 2022 the Employer signed a participation agreement with The Aon MasterTrust. On 6th December 2022 a bulk transfer took place which transferred all existing accrued DC pension assets to The Aon MasterTrust.

The Plan is managed by AMG UK Group Pension Trustee Limited (the "Trustee") which ensures that the Plan is run in the best interests of the members, and in accordance with the Plan's rules and the law.

The Trustee receives professional advice from Aon and typically holds 4 Trustee meetings a year, with Mercer as administrator present (3 full Trustee meetings and one Governance Sub-committee "GSC" meeting), as well as up to 3 further Trustee meetings, at which advisors are not present. Due to changes in working patterns resulting from the COVID-19 pandemic, meetings have converted back to in person meetings but with some attendees joining virtually. In 2022 the Trustee held 3 in person meetings with Aon, with Mercer in attendance virtually when required, and no Trustee only meetings. The Trustees have been involved in regular project meetings in relation to the transfer of actuarial, investment and administration services within the year and the transfer of the DC pension provision to The Aon MasterTrust.

At the Trustee meetings, the high level operational framework of the Plan is set, monitored and managed, so that the Plan continues to be run within relevant codes of practice and best practice, and evolved over time as appropriate.

Oversight and monitoring of the day to day activity and performance of the Plan is also undertaken at these Trustee meetings to check that the Plan is operating effectively.

The GSC meeting specifically covers, amongst other things, governance matters including data protection, data integrity, defined contribution (DC) governance, the Plan's Risk Register and the monitoring of third parties. The Trustee-only meetings oversee the progress of actions from the full Trustee meetings, enable issues that arise to be addressed, and also allow the Trustee to review the performance of its advisers.

This Chair's Statement sets out the actions the Trustee has undertaken over the Scheme Year in addressing key areas of Governance; including investment, charges, administration, communications, as well as in relation to Additional Voluntary Contributions paid by members.

This provides a framework for the Trustee to consider whether the Plan provides value for members. This is addressed later in this Statement.

The Trustee has created a website: https://amgukgrouppensions.com, which it encourages members to visit to find out more information about the Plan.

This Statement includes information about costs and charges in relation to members' investments, as well as a cumulative projection as required by the regulations. This information is available online at https://amgukgrouppensions.com and this has been notified to members as part of communications that were issued in 2021 and will be reconfirmed in future communications and annual benefit statements.

Investment of the Member Retirement Account (MRA) Section funds

The Plan's investment strategy is designed to be appropriate for a majority of the members and to meet the changing investment needs of a typical pension investor, as they progress through life towards retirement. This is known as a Default Investment Strategy. If a member does not wish to be part of the Default Investment Strategy, they have the option to make their own investment choices by investing in a selection of funds made available to members by the Trustee. The investment performance of the optional funds is monitored by the Trustee on a regular basis.

Following the pension reforms announced in the 2014 Budget the Trustee undertook a review of the Default Investment Strategy to ensure members can continue to invest their pension savings in line with the new 'Pension Freedoms'. Following the review, the Trustee changed the default investment strategy in 2016 to the MRA Lifestyle Strategy described below and revised the self-select range of funds in which members can choose to invest.

The Trustee commenced a further review at the Trustee meeting on 27 September 2019. The conclusions of this review were that the MRA Lifestyle Strategy was delivering in line with the objectives that had been set, and that the self-select fund range remained appropriate, although selective additions could be considered.

A further review was conducted in late 2021 / early 2022, where the Employer and Trustee identified some key areas where members would benefit from changes to the pension arrangements. These included:

- Providing members with more flexibility in how they take their pension, without having to transfer their benefits to another arrangement
- Giving members access to higher quality communication materials including on-line functionality and pre-retirement guidance
- Providing members with access to updated investment fund options
- Providing better administration services for members
- Reducing the charges that members pay in the default investment fund.

The Employer and the Trustee believed these changes would be best implemented by moving the pension provision to a master trust. A consultation period ran from mid-April through to mid-June where the Employer and the Trustee proposed transferring the pension provision to The Aon MasterTrust. Following a positive consultation period by the Employer with its employees, it was agreed that the future pension provision would be delivered through The Aon MasterTrust.

Default Arrangement

Defined contribution schemes place the investment risk with the member. As mentioned above, the Trustee has assumed responsibility (in conjunction with written advice from Mercer) for designing the MRA Lifestyle Strategy, which aims to provide a broad level of protection against the key investment related risks, and for offering a suitable range of alternative funds in which members can invest.

The Plan's default strategy, the MRA Lifestyle Strategy has been designed to provide opportunity for long term investment growth. There will be short term volatility, but it is expected to be less than investing in the stock market. It provides some de-risking as members approach their selected retirement date, but it assumes that members are likely to leave the bulk of their pensions savings invested in some form of drawdown arrangement for the longer term and therefore continues to take a balanced approach to managing short term risk and long term return potential.

The MRA Lifestyle Strategy invests in The MRA Diversified Fund and the LGIM Sterling Liquidity Fund. The percentage shareholdings of each of these investments is dependant upon the member's years to retirement.

The MRA Diversified Fund currently invests in three underlying Diversified Growth Funds (DGFs), and will always invest in two or more underlying funds. Each of the DGFs individually provides members access to a diversified range of investments, with the aim of providing long term investment growth, but with lower short term volatility than equity markets. By allocating to three DGFs, this increases the level of diversification even further. Furthermore, the members benefit from the oversight provided by the Trustee, with advice from Mercer, and the Trustee's ability to take advice from Mercer and replace the underlying managers if appropriate.

More information about the MRA Lifestyle Strategy and a list of the self-select funds and their fees is set out in this Statement.

Additional Default Funds

Making changes without member consent to either the funds within the MRA Section results in the relevant funds also being determined to be 'default' arrangements requiring additional disclosures.

Following this principle, the Trustee recognises an additional default fund as follows:

Investment Funds	Date of Change	Reason
LGIM Sterling Liquidity Fund*	July 2020	Fund used on a temporary basis by the MRA Section when the LGIM Managed Property Fund was temporarily closed, or in the event that other funds are temporarily closed in future.

*As the LGIM Managed Property fund reopened in November 2020 and all member contributions were reinvested accordingly, this fund was not in use as a default fund over the Plan year.

More information about these additional default funds is set out in the Scheme's Statement of Investment Principles.

Monitoring Investment Performance

Up until 6 December 2022 (the date of the transfer to Aon MasterTrust) the assets of the MRA were invested through Mobius Life Limited ("Mobius"). Mobius is a UK authorised insurance company, providing an institutional investment platform for UK pension schemes.

The Trustee receives performance monitoring reports from Mobius on a quarterly basis and reviews these, to check that performance is in line with expectations.

CHAIR'S ANNUAL STATEMENT REGARDING DC GOVERNANCE (CONTINUED)

Performance information up to 6 December 2022 (the date of the transfer), net of fees, for the MRA funds invested in is set out in the table overleaf:

Fund	1 Year (%)	3 Years (%p.a.)	5 Years (%p.a.)
MRA Diversified Fund	-4.9%	3.8%	3.9%
LGIM Sterling Liquidity Fund	1.1%	0.5%	0.5%
LGIM AAA-AA-A Corporate Bond	-33.0%	-10.4%	-4.3%
LGIM Over 5 Year Index-Linked	-34.7%	-8.6%	-4.1%
LGIM Over 15 Year Gilts Index	-34.4%	-11.6%	-5.0%
LGIM Ethical Global Equity Index	-5.6%	9.2%	9.5%
LGIM Asia Pacific (ex Japan)	-5.7%	6.1%	4.9%
LGIM Japan Equity Index Fund	-6.7%	2.0%	2.4%
LGIM UK Smaller Companies	-14.4%	4.0%	3.5%
LGIM North America Equity Index	-8.0%	11.1%	11.8%
LGIM Europe (ex UK) Equity Index	-8.0%	5.3%	5.0%
LGIM UK Equity Index Fund	1.3%	2.7%	3.0%
LGIM Managed Property Fund	-13.1%	0.7%	1.5%
LGIM Global Equity Fixed Weights (50:50) Index Fund	-3.0%	4.9%	5.1%

Source: Based on unit prices from Mobius. Performance periods are from 1 January 2022, 1 January 2020 and 1 January 2018.

Performance information up to 6 December 2022 (the date of the transfer), net of fees, for the MRA Lifestyle Investment Strategy by member age at the start of the period, is set out in the table below:

Member Age	1 year	3 years (p.a.)	5 years (p.a.)
55 and under	-4.9%	3.8%	3.9%
60	-4.7%	3.8%	3.6%

Source: Based on information from Mobius. Performance periods are from 1 January 2022, 1 January 2020 and 1 January 2018. For calculation purposes, lifestyling transition assumed to occur annually.

The table illustrates the return achieved for members invested in the MRA Lifestyle Strategy of ages 55 and under, and 60 at the start of the period.

The Trustee is satisfied that over the period to 6 December 2022, investment performance for all the MRA's funds was in line with expectations, given financial market conditions.

The Trustee communicates investment performance to members on a semi-annual basis.

Statement of Investment Principles

The MRA Section's investment strategy is described in detail in the Plan's Statement of Investment Principles (SIP), which was last updated in September 2020. The SIP is available to members via the website (https://amgukgrouppensions.com) and included within the Trustee's Report and Financial Statements (which is available on request.

The MRA Section's investment strategy was reviewed in the year as part of the transfer to the Aon MasterTrust.

The next update of the SIP is scheduled for September 2023.

Core Financial Transactions / Administration

The Trustee has responsibility for ensuring the sound administration of the Plan, including a specific duty to ensure that core financial transactions (including the investment of contributions, transfer of member assets into and out of the Plan, transfers between different investments within the Plan and payments to and in respect of members) relating to the Plan are processed promptly and accurately.

These transactions have been undertaken by the Trustee, in conjunction with the Employer, Mercer (which provides administration services), and Mobius (the investment platform provider).

The Plan's core financial transactions are governed by the contracts in place between the Trustee and Mercer, and are subject to Service Level Agreements (SLA) provided by Mercer and set out in the quarterly Administration Reports presented at full Trustee meetings. The following are examples of the SLA requirements for the processing of these core financial transactions:

- Investment of contributions – investment instructions are issued to the appropriate investment manager(s) within five working days of receipt of final contributions. An investment cycle is made every month.
- Transfers of members' assets out of the Plan – disinvestment instructions for the member designated account are issued within ten working days of receipt of completed transfer out documentation.

Other payments from the Plan to, or in respect of, members - a disinvestment instruction for the member's designated account should in normal course of events be issued up to ten working days prior to normal retirement date, or up to ten working days after receipt of written confirmation from the member. A disinvestment will not be made until confirmation has been received from the member. This should enable the lump sum to be paid in a timely manner. This will allow an annuity purchase to be finalised following receipt of the final contribution in respect of their service. Payments in relation to death benefits are treated in a similar manner to retirements, but a disinvestment instruction is issued five working days after confirmation.

At each full Trustee meeting, the Trustee reviews the latest Mercer Administration Report, which reports on core financial transactions. This report enables the Trustee to monitor delivery against the agreed SLAs and member expectations.

The Trustee also maintains a Financial Management Policy that governs contributions and cash management, the operation of the Trustee bank account, and the Plan's investment and disinvestment policy.

Members will also approach the Trustee Directors from time to time if they have questions about their benefits, or concerns or issues with the Plan's administration. Feedback from members therefore provides a good independent check that the Plan is being operated in line with members' expectations.

The Trustee also reviews the latest internal controls report for Mercer and for Mobius, which review processes and controls implemented.

Taking the above into consideration, the Trustee is satisfied that it carries out appropriate checks and monitoring of the administration services to the Plan.

Over 2021, following continuing concerns with the administration service being provided by Mercer, the Trustee commissioned a review of alternative providers. The result of this review was that the Trustee agreed to appoint Aon as the administrator, and full service provider to the Plan. A contract was signed with Aon on 16th May 2022 with administration services transitioning at a later date to be agreed between the trustees, Mercer and Aon. Aon took responsibility of the administration services from 29th May 2023.

Taking all matters into consideration, the Trustee is satisfied that there were no material issues highlighted that aren't being appropriately addressed and which would negatively impact members.

In the light of the above, the Trustee considers that the requirements for processing core financial transactions specified in the Administration Regulations have been met.

Costs and Charges

The law requires the Trustee to disclose the charges and transaction costs borne by DC scheme members and to assess the extent to which those charges and costs represent good value for money for members. These transaction costs are not limited to the ongoing charges on member funds, but should also include trading costs incurred within such funds.

The table below shows a summary of the funds available for members of the MRA Section to invest in along with their respective charges. All the funds are invested in through the Mobius Investment Platform, and the charges below include all the investment management fees.

Below are the details of the Annual Charge (Total Expense Ratio) and transaction costs for the funds within the MRA Lifestyle Strategy:

Investment Fund	Annual Charge (% p.a.)	Transaction Costs (%)
MRA Diversified Fund	0.631	0.183
LGIM Sterling Liquidity Fund	0.090	0.057

Annual charge (effective March 2022). Transaction costs are based on the year ending 31 December 2022 and have been provided by Mobius Life Limited, the Platform provider. A positive number indicates a cost. Sometimes the methods used in calculating the implicit transaction costs can appear to give rise to a profit. On the grounds of prudence, these have been shown as nil.

The MRA Diversified Fund currently invests in three underlying Diversified Growth Funds (DGFs), and will always invest in two or more underlying funds. Its charge will vary depending on the funds held. The Trustee chooses the underlying funds in conjunction with their advisers and designs the MRA Diversified Fund so that the total charge will typically be in the range between 0.60% and 0.75% per annum and will be less than the charge cap of 0.75% per annum. In making this assessment, it is important to note that the charge cap assessment is made against total ongoing fund costs but before allowance for transaction costs.

As described above, the funds used within the MRA Lifestyle Strategy vary depending on term to retirement. Up to 5 years from retirement default members funds are invested 100% in the MRA Diversified Fund. From 5 years to retirement 25% of members' investments are gradually transferred to the LGIM Sterling Liquidity Fund over a 5 year period. The annual charges that apply for the MRA Lifestyle Strategy are therefore an average of the funds that are invested in at any given time, but as the charge for each fund will be less than the charge cap, the overall charge at each age will also be less than the 0.75% per annum charge cap.

In addition to the MRA Lifestyle Strategy, the Plan also makes a range of funds available to members. Below is the list of funds in which members are invested, along with the accompanying annual charge and transaction costs:

Investment Funds	Annual Charge (TER) (% pa)	Transaction Costs (%)
LGIM Global Equity Fixed Weights (50:50) Index	0.080	0.060
LGIM UK Equity Index GBP	0.059	0.075
LGIM UK Smaller Companies Index	0.230	0.352
LGIM Ethical Global Equity Index	0.330	0.004
LGIM North America Equity Index	0.080	0.113
LGIM Europe (ex UK) Equity Index	0.080	0.107
LGIM Japan Equity Index	0.080	0.042
LGIM Asia Pacific (ex-Japan) Equity Index	0.105	0.133
LGIM Managed Property	0.710	0.211
LGIM Over 15 Year Gilts Index	0.068	0.194
LGIM Over 5 Year Index-Linked Gilts Index	0.068	0.210
LGIM AAA-AA-A Corporate Bond Over 15 Year Index	0.090	0.308

Annual charge (effective March 2022). Transaction costs are based on the year ending 31 December 2022 and have been provided by Mobius Life Limited, the Platform provider. A positive number indicates a cost. Where implicit transaction costs give rise to a credit, these have been shown as nil.

With the use of the Mobius Investment Platform, members benefit from a considerable discount to the standard investment charges that would be payable by most investors.

The Trustee is satisfied that the investment charges set out in this Statement represent reasonable value for money and in particular notes that the administration costs of running the Plan are paid by the Employer and not passed on to members. This means that members only pay the discounted investment charges and so receive better value for the charges they pay than for schemes where members also bear the administration costs themselves.

The total charges of the funds used within the default lifestyle strategy are below the charge cap of 0.75% per annum, as set out by the Regulator, though self-selected funds are not subject to the charge cap.

The Trustee notes that if the MRA Lifestyle Strategy were to invest the growth seeking assets in passive equities that the investment charges could be reduced compared to the current approach of investing in the MRA Diversified Fund. The Trustee believes that the diversification within the Plan's investment approach will provide more stable long term investment growth which will help to enhance members' experience of, and outcomes from the Plan.

The Trustee also notes that cheaper passive equity funds are available as self-select funds for members who would prefer to take on more volatility of fund values with lower investment charges.

Additional Voluntary Contributions (AVCs)

Members have historically been offered arrangements with Santander, Equitable Life (now transferred to Utmost Life and Pensions ["Utmost"]) and Aviva in which to invest their AVCs and some funds remain with these managers.

Members of the MRA may continue to pay AVCs, however they must be invested in the same way as their normal contributions. With Mobius Life, MRA members are able to pay additional contributions into the main range of funds detailed above within this statement. The charges for these funds are as described above.

Santander

The Santander arrangement is a deposit type approach which applies a rate of interest to members' accumulated funds and does not apply explicit charges.

The interest rates which have applied over the last 5 years are as follows:

- 30 September 2016 to 31 August 2018: 0.5%
- 1 September 2018 to 31 March 2020: 0.25%
- 1 April 2020 31 May 2022 0.0%
- 1 June 2022 to 30 June 2022: 0.25% pa
- 1 July 2022 to 31 August 2022: 0.50% pa
- 1 September 2022 to 30 September 2022: 1.00% pa
- 1 October 2022 to 30 November 2022: 1.50% pa
- 1 December 2022 to 31 December 2022: 2.25% pa
- 1 January 2023 to 28 February 2023: 2.75% pa
- 1 March 2023 to 31 March 2023: 3.25% pa
- 1 April 2023 current date: 3.50% pa

The Trustee wrote to these members in July 2022, informing them low rates of interest were being applied to their fund and reminding them of the alternative investment options available to them, including that they can choose to transfer their AVC holdings to the MRA funds with Mobius to benefit from the range of funds available within the Plan. No response was received from members to this communication.

Utmost

The charge for the UMMF is 0.5% p.a. and therefore, the Trustee notes that in the current market, with bank base rates being very low, performance has recently been negative (after taking into account the 0.5% p.a. annual management charge). However, this fund is expected to be considerably less volatile than alternative options. The charge for the Utmost Managed Fund is 0.75% p.a..

The UMMF and Utmost Managed Fund experienced transaction costs of 0.0203% and 0.0971% respectively over the 12 months to 31 December 2022.

Net performance for the funds over 1, 3 and 5 years has been;

Fund	1 Year (%)	3 Years (%p.a.)	5 Years (%p.a.)
Utmost Money Market Fund	0.9	0.1	0.2
Utmost Managed Fund	-5.9	1.6	2.5

Aviva

Aviva offers a range of unit linked funds; the Annual Management Charge for these is 0.65%p.a. in relation to regular contributions, and 0.55%p.a in relation to monies transferred in. The transaction costs in relation to the Aviva funds, as well as net performance for the unit linked funds to 31 December 2022 (based on the regular contribution charge of 0.65%p.a.) for 1, 3 and 5 years are set out below:

AVC Funds	Transaction Costs	1 Year (%)	3 Years (%p.a.)	5 Years (%p.a.)
Aviva Pension European	0.2717%	-10.4%	3.9%	2.9%
Aviva Pension UK Equity	0.1400%	3.3%	2.2%	3.4%
Aviva Pension Fixed Interest	0.0806%	-21.8%	-6.9%	-3.0%
Aviva Pension Global Equity	0.3831%	-10.1%	10.4%	10.3%
Aviva Pension Index-Linked	0.0402%	-34.0%	-8.9%	-4.6%
Aviva Pension Managed	0.0191%	-11.4%	1.6%	2.1%
Aviva Pension North American	0.2945%	-10.0%	12.5%	11.9%
Aviva Pension Pacific Basin	0.1574%	-6.5%	2.6%	3.1%
Aviva Pension Pre-Retirement Fixed Interest	0.0271%	-28.3%	-9.3%	-4.2%
Aviva Pension Property	0.1916%	-10.2%	0.3%	1.5%
Aviva Pension Stewardship Managed	0.1443%	-13.4%	3.5%	5.7%
Aviva Pension Cash	0.0006%	0.7%	-0.1%	0.0%

Transaction costs information provided by Aviva.

All the AVC charges referred to above relate to the cost of the money purchase provider. The AVC benefits will be processed by Mercer's Administration Team, whose costs are met directly by the Employer and are therefore not borne by the members.

The Trustee notes that the charge cap of 0.75%p.a. does not apply to AVC arrangements, but this is still a useful reference measure.

The Trustee also notes that there is a range of AVC arrangements available and members could select other investment options at a lower charge, and that the administration cost is paid by the Employer.

Trustee Knowledge and Understanding

Sections 247 and 248 of the Pensions Act 2004 set out the requirement for trustees to have appropriate knowledge and understanding of the law relating to pensions and trusts, the funding of occupational pension schemes, investment of Plan assets and other matters to enable them to exercise their functions as trustees properly. This requirement is underpinned by guidance in the Pension Regulator's DC Code of Practice (13), paragraphs 41 to 50. The comments in this section relate to the Trustee as a body in dealing with the whole Plan and are not restricted to the DC section. The trustee's knowledge of its scheme documents have been utilised when deciding the payment of death benefits and during the strategic review of DC pensions.

The Trustee Directors are all experienced in their roles, with all5 being in place for over 5 years. They receive advice from professional advisors, who attend all full trustee meetings and the relevant skills and experience of those advisors is a key criterion when evaluating advisor performance or selecting new advisors.

The experience of the Trustee Directors and the assistance of the advisers, both at meetings, and outside meetings as required, helps the Trustee to make sure that the Plan is administered in accordance with its governing documents and policies, as well as the overriding pensions legislation, as well as the Statement of Investment Principles. The Trustee Directors undertake continuous training and development, have an annual training plan and a training log is maintained and updated at each Trustee meeting to evidence this.

All Trustee Directors have completed the Pensions Regulator's Trustee Toolkit and new Trustee Directors are required to complete this within six months of taking up office, as set out in regulations 3 and 4 of the Occupational Pension Schemes Regulations 2006 and underpinned by guidance in the DC Code of Practice (13), paragraph 43.

The Chair of the Trustees has completed the Pensions Management Institute's Pension Trusteeship Examination and furthered their knowledge by successfully passing the Pensions Management Institute Certificate in DC Governance. Another trustee has also completed the Pensions Management Institute's Pension Trusteeship Examination.

In conjunction with their advisers, the Trustee Directors complete a Trustee Board assessment and effectiveness exercise on a periodic basis. One was last completed in September 2019 (previously 2016). The 2019 review concluded that the Trustee Board operates very well, has a good spread of experience and is effectively led. The Trustee Directors expect to conduct the next review in 2024.

Over the Scheme year, between them, the Trustee Directors received the following training:

- 17 May 2022 - Plan documentation storage training
- 12 September 2022 – Single Code Training12 December
- 2022 - Triennial Valuation & Actuarial Factors Training

The Trustee Directors also received updates on legislative developments in the course of their regular meetings, with a Current Pensions Issues document from Mercer being included on the agenda at each Trustee meeting, so that the Trustee Directors can satisfy themselves that they are kept up to date with relevant developments.

Finally, several of the Trustee Directors have attended webinars and presentations from providers, including Mercer and their legal advisors Eversheds Sutherland.

Taking account of actions taken individually and as a Trustee body, and the professional advice available to them, the Trustee Directors consider that they are enabled properly to exercise their functions as Trustee Directors.

Value for Members

The Trustee is aware that for scheme years ending after 31 December 2021, hybrid schemes with an asset size under £100m have a regulatory requirement to carry out a detailed value for members assessment involving a comparison of reported costs and charges and fund performance (net investment returns) with three other DC arrangements, and a consideration of key governance and administration criteria.

The outcome of the assessment must be explained in the annual chair's statement, published on a publicly available website and reported to the Pensions Regulator (TPR) via the annual scheme return.

The purpose of the new 'comparative' element of the assessment is to help trustees determine whether members receive value in their scheme or if they would achieve better value in an alternative DC arrangement.

The transfer of the MRA Section members to the Aon MasterTrust was completed on 6 December 2022.

In making a decision to transfer the MRA members' benefits to The Aon MasterTrust the Trustee carried out a value for members' assessment and concluded that by transferring, the members would receive better value for money.

In making this assessment, the Trustee has taken into consideration the Plan's overall governance framework, competency of administration, default investment strategy and range of investment options, investment performance, investment charges including transaction costs, member communications, including the Plan's website, as well as their own knowledge and understanding.

The Trustee reviewed these factors at its meeting of **[INSERT DATE]** and concluded that it is satisfied that over the year ending 31 December 2022, the Plan provided Value for Members, albeit that members would receive better value in The Aon MasterTrust.

The review also re-iterated the conclusions drawn from recent reviews, that some of the funds in which members are invested may not be the most appropriate to generate long term above inflation returns.

The Trustee is satisfied that a sufficiently wide range of options is available to members and that these are well communicated to members. The Trustee therefore concludes that members receive value for money in relation to the AVCs provided by the Plan.

Chair's statement

As Trustee of the Plan, we have reviewed and assessed our systems, processes and controls across key governance functions and we are satisfied that the actions taken by the Trustee over the year are consistent with those expected by The Pensions Regulator.

This Chair's Statement regarding DC governance was approved by the Trustee on 21st July and signed on its behalf by Leonora Scaife as Chair of the AMG UK Group Pension Trustee Limited on 31st July 2023.

APPENDIX 1

STATEMENT OF INVESTMENT PRINCIPLES

September 2020

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1 INTRODUCTION

This Statement of Investment Principles (the Statement) has been prepared by the AMG UK Group Pension Trustee Limited, as Trustee of the AMG UK Group 2006 Pension Plan (the "Plan") in accordance with Section 35 of the Pensions Act 1995, as amended, and its attendant Regulations.

The Statement outlines the principles governing the investment policy of the Plan and the activities undertaken by the Trustee to ensure the effective implementation of these principles. It replaces the Statement dated September 2019.

In preparing the Statement, the Trustee has:

- Obtained and considered written advice from a suitably qualified individual, employed by their investment consultants, Mercer, whom it believes to have a degree of knowledge and experience that is appropriate for the management of their investments; and
- Consulted with the Sponsoring Employer, although it affirms that no aspect of their strategy is restricted by any requirement to obtain the consent of the Sponsoring Employer.

The advice and the consultation process considered the suitability of the Trustee's investment policy for the Plan.

The Trustee will review the Statement formally at least every three years to coincide with the triennial Actuarial Valuation or other actuarial advice relating to the statutory funding requirements. Furthermore, the Trustee will review the Statement without delay after any significant change in investment policy. Any changes made to the Statement will be based on written advice from a suitably qualified individual and will follow consultation with the Sponsoring Employer.

2 INVESTMENT RESPONSIBILITIES

2.1 TRUSTEE'S DUTIES AND RESPONSIBILITIES

The Trustee is responsible for setting the investment objectives and determining the strategy to achieve the objectives.

The Trustee carries out its duties and fulfils its responsibilities as a single body. It has considered establishing an investment sub-committee but has decided not to do so, as each of the trustee directors wishes to contribute directly to the formulation of the Plan's investment policy and to the monitoring of the investment managers. Moreover, the trustee body is not so large as to be unwieldy in its operations.

Sub-committees may be formed from time to time to examine specific issues.

The duties and responsibilities of the Trustee includes, but are not limited to, the following tasks and activities:

- The regular approval of the content of this Statement
- The appointment and review of the investment adviser
- The appointment and review of the investment platform provider
- The choice of appropriate funds to implement the agreed investment strategy
- The assessment and review of the performance of each investment manager
- The assessment of the risks assumed by the Plan at a total Plan level as well as on a manager by manager basis
- The approval and review of the asset allocation benchmark for the Plan
- The compliance of the investment arrangements with the principles set out in the Statement

2.2 INVESTMENT ADVISER'S DUTIES AND RESPONSBILITIES

The Trustee has appointed Mercer as the investment adviser to the Plan. Mercer provides advice as and when the Trustee requires it, as well as raising any investment-related issues, of which it believes the Trustee should be aware. Matters on which Mercer expects to provide advice, or assistance, to the Trustee include the following:

- Setting of investment objectives
- Determining investment strategy and asset allocation
- Determining an appropriate investment structure
- Determining funds that are suitable to meet the Trustee's objectives for the MRA and RBP
- Monitoring the underlying investment managers to ensure their continuing appropriateness to the mandates given
- Monitoring the Platform provider to ensure its continuing appropriateness for the Plan
- Setting cashflow management (investment and withdrawal) and rebalancing policies (see Appendix 5)

The Trustee may seek advice from Mercer with regard to both strategic and tactical investment decisions (see Section 4 - Investment Strategy); however, the Trustee recognises that it retains responsibility for all such decisions, including those that concern investments and disinvestments relating to cash flows (see Appendix 5). Whilst Mercer may be proactive in advising the Trustee regarding tactical investment decisions, the Trustee does not expect Mercer to provide proactive advice in all circumstances.

Mercer monitors the performance of the Plan's investment managers against their benchmarks.

Mercer will also advise the Trustee of any significant developments of which it is aware relating to the investment managers, or funds managed by the investment managers in which the Plan is invested, such that in its view there exists a significant concern that any of these funds will not be able to meet their long-term objectives.

In respect of the MRA, if the investment manager and fund are not covered by Mercer's manager research process, Mercer will advise the Trustee accordingly.

Mercer makes a fund based charge for the services it provides. This charge is specified in the contractual agreement between the Trustee and Mercer.

Any additional services provided by Mercer will be remunerated primarily on a time-cost basis.

Mercer does not receive commission or any other payments in respect of the Plan that might affect the impartiality of their advice.

The Trustee is satisfied that this is the most appropriate adviser remuneration structure for the Plan.

Mercer is authorised and regulated by the Financial Conduct Authority ("FCA").

2.3 ARRANGEMENT WITH INVESTMENT MANAGERS

The Trustee is a long-term investor and does not look to change the investment arrangements on a frequent basis

The Trustee, after considering appropriate investment advice, has invested the assets of the Plan through a Trustee Investment Policy (TIP) from Mobius Life Limited ("Mobius"), whose appointment foregoes the need for a Custodian. The Trustee first invested through the Mobius TIP in December 2015.

Mobius is authorised by the PRA and regulated by the FCA and the PRA.

The Mobius TIP facilitates investment into a range of underlying funds managed by third party investment managers and the value of the Mobius TIP is directly linked to the change in value in the underlying funds. All of the underlying investment managers used by the Plan are authorised and regulated by the FCA.

Further details of the funds invested in are given in Appendix 3, including the duration of the holdings.

The underlying investment managers used by the Trustee through the Mobius platform are chosen based on advice from the investment advisor. This is based on the investment advisor's view of their capabilities and, therefore, their perceived likelihood of achieving the expected return and risk characteristics required for the asset class being selected.

The Trustee only invests in pooled investment vehicles through the Mobius platform. The Trustee therefore accepts that it cannot specify the risk profile and return targets of the underlying investment managers, but pooled funds are chosen with appropriate characteristics to align with the overall investment strategy.

The underlying investment managers are responsible for all decisions concerning the selection and de-selection of the individual securities within the portfolios they manage.

In the case of multi-asset mandates, the underlying investment managers are responsible for all decisions concerning the allocation to individual asset classes and changes in the allocations to individual asset classes.

Both Mobius and the underlying investment managers are remunerated by ad valorem charges based on the value of the assets that they manage on behalf of the Plan. Where possible, discounts have been negotiated by Mercer and Mobius with the underlying managers on their standard charges.

None of the underlying investment managers in which the Plan's assets are invested have performance based fees which could encourage the manager to make short term investment decisions to hit their profit targets.

The Trustee therefore considers that the method of remunerating fund managers is consistent with incentivising them to make decisions based on assessments of medium to long-term financial and non-financial performance of an issuer of debt or equity. By encouraging a medium to long-term view, it will in turn encourage the investment managers to engage with issuers of debt or equity in order to improve their performance in the medium to long-term.

The Trustee accepts that it cannot influence the charging structure of the pooled funds in which the Plan is invested, but is satisfied that the ad-valorem charges for the different underlying funds are clear and are consistent with each fund's stated characteristics. The Trustee is therefore satisfied that this the most appropriate basis for remunerating the underlying investment managers and is consistent with the Trustee's policies as set out in this SIP.

2.4 SUMMARY OF RESPONSIBILITIES

A summary of the responsibilities of all relevant parties, including the Scheme Actuary and the plan administrators, so far as they relate to the Plan's investments, is set out at Appendix 6.

3 INVESTMENT OBJECTIVES

3.1 RETIREMENT BENEFITS PLAN (RBP) – DEFINED BENEFIT SECTION

The Trustee's primary investment objective for the RBP is to achieve an overall rate of return that is sufficient to ensure that assets are available to meet all liabilities as and when they fall due.

In doing so, the Trustee also aims to maximise returns at an acceptable level of risk taking into consideration the circumstances of the Plan.

The Trustee has also received confirmation from the Plan Actuary during the process of revising the investment strategy that the investment objectives and the resultant investment strategy are consistent with the actuarial valuation methodology and assumptions used in the Statutory Funding Objective.

3.2 MEMBER'S RETIREMENT ACCOUNT (MRA) – DEFINED CONTRIBUTION SECTION

The Trustee aims to provide suitable investment options that are aligned to the needs of the members.

The Trustee recognises that in a defined contribution arrangement, members assume the investment risks themselves. The Trustee further recognises that members are exposed to different types of risk at different stages of their working lifetimes. These risks are set out in Section 5 of this Statement.

The Trustee has determined its investment policy in such a way as to address the risks set out in Section 5 of this Statement. To help mitigate the most significant of these risks, the Trustee has:

- Made a lifestyle strategy available as a default option, which aims to provide long term investment growth to build up a savings pot which will be used in retirement, before transitioning to investments that are appropriate to the form of the benefits which members are expected to take at retirement, and
- Offered a range of self-select funds across asset classes.

Under the rules that became effective in April 2015, it is expected that many members will seek to benefit from the new pensions flexibilities and fewer will use the majority of their fund to purchase an annuity at retirement. This expectation will be monitored and reviewed in light of experience.

The Trustee will review the investment approach from time to time, and make changes as and when it is considered to be appropriate.

When deciding on the investment options available to members, the Trustee took into account the expected return on such investments and was mindful to offer a range of funds with varying levels of expected returns for members to choose from.

When it comes to realisation of investments, the Trustee considers the impact of transaction costs before making any changes.

In considering appropriate investments for the Plan, the Trustee will obtain and consider written advice from Mercer, whom the Trustee believes to be suitability qualified to provide such advice. The advice received and arrangements implemented are, in the Trustee's opinion, consistent with the requirements of Section 36 of the Pensions Act 1995, as amended.

This Statement addresses what the Trustee deems as 'financially material considerations' both for the Plan's self-select fund choices and the default strategy. The Trustee believes the appropriate time horizon for which to assess these considerations should be based on an individual member's expected membership period. This will be dependent on the members' age and when they expect to retire. It is for this reason that the default is a lifestyle strategy. Details of the approach the Trustee has taken to meet these considerations are set out in Section 4.

3.3 ADDITIONAL DEFAULT FUNDS

Making changes without member consent to either the funds within the MRA Section, or to the AVCs within the RBP Section results in the relevant funds also being determined to be 'default' arrangements requiring additional disclosures.

The Trustee's key policies in relation to such Additional Default arrangements are set out in Appendix 4, whilst Section 5 sets out how the Additional Default arrangements address the key risks that the Trustee has identified.

4 INVESTMENT STRATEGY

4.1 SETTING INVESTMENT STRATEGY

RBP Section:

The Trustee has determined its investment strategy after considering the investment objectives, the Plan's liability profile and requirements of the Statutory Funding Objective, its own appetite for risk, the views of the Sponsoring Employer on investment strategy, the Sponsoring Employer's appetite for risk, and the strength of the Sponsoring Employer's covenant. The Trustee has also received written advice from its Investment Adviser.

Taking all these factors into consideration, the Trustee has determined that the benchmark asset allocation as set out in Appendix 1 is suitable for the Plan.

In respect of the investment of contributions and any disinvestments to meet member benefit payments, the Trustee has decided on a structured approach to re-balance the assets in accordance with the overall strategy. This approach is set out in Appendix 4.

MRA Section:

The Trustee has adopted the MRA Lifestyle Strategy as the Default Option for the MRA Section. The approach to setting MRA Lifestyle Strategy is set out in Appendix 2. Details of the funds used within the MRA Lifestyle Strategy are set out in Appendix 3.

The Trustee also offers members a suitable range of funds as an alternative to the MRA Lifestyle Strategy. Details of the alternative funds are also set out in Appendix 3.

4.2 INVESTMENT DECISIONS

The Trustee distinguishes between three types of investment decision: strategic, tactical and stock-level.

Strategic Investment Decisions

These decisions are long-term in nature and are driven by an understanding of the objectives, needs and liabilities of the Plan.

The Trustee takes all such decisions. It does so after receiving written advice from the investment adviser and consulting with the Sponsoring Employer. Examples of such decisions and of tasks relating to the implementation of these decisions include the following:

- Setting investment objectives
- Determining the split between the growth and the matching portfolios
- Determining the allocation to asset classes within the growth and matching portfolios
- Determining the Plan benchmark
- Reviewing the investment objectives and strategic asset allocation

Tactical Investment Decisions

These decisions are short-term and based on expectations of near-term market movements. Such decisions may involve deviating temporarily from the strategic asset allocation and may require the timing of entry into, or exit from, an investment market or asset class.

These decisions are the responsibility of the Trustee. However, where such decisions are made within a pooled fund, they are the responsibility of the investment manager of the fund.

Stock Selection Decisions

All such decisions are the responsibility of the investment managers of the pooled funds in which the Plan is invested.

4.3 TYPES OF INVESTMENTS TO BE HELD

The Trustee is permitted to invest across a wide range of asset classes. All the funds in which the Plan invests are pooled and unitised. The use of derivatives is as permitted by the guidelines that apply to the pooled funds.

Details relating to the pooled funds can be found in Appendix 3.

The Trustee recognises the benefits of diversification across growth asset classes, as well as within them, in reducing the risk that results from investing in any one particular market. The Trustee has therefore decided to invest in Diversified Growth Funds (DGFs), which are actively managed multi-asset funds. The managers of the DGFs aim to deliver equity like returns in the long term, with lower volatility. They seek to do this by investing in a wide range of assets and investment contracts in order to implement their market views.

The Trustee has also invested in pooled Multi Asset Credit ("MAC") / Absolute Return Bond ("ARB") Funds within their portfolio to provide exposure to a diversified range of bond assets and strategies.

The Trustee notes that the actuarial value of the Plan's future benefits payments to members is sensitive to changes in long term interest rates and long term inflation expectations. The Trustee has decided to invest in Liability Driven Investment ("LDI") funds which aim to respond in a similar way to changes in these factors and reduce the volatility of the Plan's funding position. This is referred to as hedging.

4.4 FINANCIALLY MATERIAL CONSIDERATIONS

The Trustee considers many risks which it anticipates could impact the financial performance of the Plan's investments its lifetime. Such risks are set out in the next section of this statement.

The Trustee recognises that environmental, social and corporate governance ("ESG") factors, including climate change, could influence the investment risk and return outcomes of the Plan's portfolio and it is therefore in members' and the Plan's best interests that these factors are taken into account within the investment process.

The Trustee further recognises that investing with a manager which approaches investments in a responsible way and takes account of ESG related risks may lead to better risk adjusted performance results as omitting these risks in investment analysis could skew the results and underestimate the level of overall risk being taken. Therefore, other factors being equal, the Trustee would seek to invest in funds which incorporate ESG principles.

In setting the investment strategy for the DB Section, the Trustee has prioritised funds which provide leveraged protection against movements in the Plan's liability value. For both the DB and DC Section, the Trustee has also prioritised funds which provide actively managed diversification across a wide range of investment markets and consider the financially significant benefits of these factors to be paramount.

The Trustee notes that ESG considerations are not paramount to the first level decision making process within the funds which provide either actively managed diversification or leveraged liability protection. However, in the actively managed Diversified Growth Funds in which the Plan invests, whilst managers typically do not put ESG considerations at the heart of the asset allocation decision, they will embed ESG considerations into the management of the underlying asset classes where it is appropriate to do so.

In considering the investments for the DC Section, the Trustee is pleased that Legal and General takes a leading approach amongst passive investment managers to voting and engaging with the companies it invests in to encourage a responsible approach to ESG.

The Trustee has started a review of the DC Section's default lifestyle strategy and fund range, and as part of this review will consider if and how to incorporate ESG further. It is anticipated that this review will be concluded in 2021.

The Trustee receives ESG scores provided by the Investment Consultant in relation to the funds in which the Plan is invested and will monitor how these develop over time.

The Trustee believes that the importance of ESG considerations will increase over time and has therefore built an ongoing review of this into the annual business plan to make sure that the policy evolves in line with emerging trends and developments.

The Trustee is therefore satisfied that ESG factors are appropriately reflected in the overall investment approach.

4.5 NON FINANCIAL MATTERS

The Trustee has determined that the financial interests of the Plan's members are the first priority when choosing investments.

As such the Trustee has decided not to consider non-financial considerations, such as ethical views, or to take members' preferences into account when setting the investment strategy for the DB Section.

The Trustee will shortly undertake an investment review for the DC Section and will consider whether to seek members' views as part of that review. At the current time, the Trustee notes that there are ethical options available to members as part of the fund range.

4.6 STEWARDSHIP

The Plan is invested solely in pooled investment funds. The Trustee's policy is to delegate responsibility for engaging with, monitoring investee companies and exercising voting rights to the pooled fund investment managers and expects the investment managers to use their discretion to act in the long term financial interests of investors.

If the Trustee is specifically invited to vote on a matter relating to corporate policy, the Trustee would exercise its right in accordance with what it believes to be the best interests of the majority of the Plan's membership.

5 RISK

Under the Pensions Act 2004, the Trustee is required to state its policy regarding the ways in which risks are to be measured and managed. These are set out below.

Solvency Risk and Mismatching Risk

- These are measured through a qualitative and quantitative assessment of the expected development of the assets relative to the liabilities.
- They are managed by setting a Plan-specific strategic asset allocation with an appropriate level of risk.

Manager Risk

- This is assessed as the expected deviation of the prospective risk and return, as set out in the managers' objectives, relative to the investment policy.
- It is measured by monitoring the actual deviation of returns relative to the objective and factors supporting the managers' investment process.
- It is managed through the diversification of the Plan's assets across a range of funds with different investment styles, by monitoring and advice from the Investment Adviser where there have been significant changes to the managers' capabilities, and by using the Mobius Platform, which enables quick and efficient replacement of managers if appropriate.

Liquidity Risk

- This is monitored according to the level of cash flows required by the Plan over a specified period.
- It is managed by holding an appropriate amount of readily realisable investments. The Plan's assets are invested in pooled funds which are readily realisable.

Political Risk

- This is measured by the level of concentration in any one market leading to the risk of adverse influence on investment values arising from political intervention.
- It is managed by regular reviews of the investments and through investing in funds which give a wide degree of diversification.

Corporate Governance Risk

- This is assessed by reviewing the Plan's investment managers' policies regarding corporate governance.
- It is managed by delegating the exercise of voting rights to the managers, who exercise this right in accordance with their published corporate governance policies. Summaries of these policies are provided to the Trustee from time to time and take into account the financial interests of the shareholders, which should ultimately be to the Plan's advantage.

Legislative Risk

- This is the risk that legislative changes will require action from the Trustee so as to comply with any such changes in legislation.
- The Trustee acknowledges that this risk is unavoidable but will seek to address any required changes so as to comply with changes in legislation.

Credit Risk

- This is the risk that is associated with the inability of a borrower to repay, in full or part the monies which it owes to a creditor.
- The Plan invests in pooled investment vehicles and is therefore directly exposed to credit risk in relation to the instruments 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.
- Indirect credit risk arises in relation to underlying bond investments held in the pooled funds. This risk is mitigated by investing in funds with diversified portfolios.

Market Risk

- This is the risk the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of the following three types of risk; currency risk, interest rate risk and other price risk, which are described as follows:

Currency Risk

- This is the risk that occurs when the price of one currency moves relative to another (reference) currency. In the context of a UK pension scheme, the Plan may be invested in overseas stocks or assets, which are either directly or indirectly linked to a currency other than Sterling. There is a risk that the price of that overseas currency will move in such a way that devalues that currency relative to Sterling, thus negatively impacting the overall investment return.
- Within the Diversified Growth Funds and Multi Asset Credit Funds, the management of the currency risk related to overseas investments is delegated to the underlying investment managers, but by investing in a diversified investment portfolio, the impact of currency risk is mitigated.

Interest Rate Risk

- This is the risk that an investment's value will change due to a change in the level of interest rates. This affects debt instruments more directly than growth instruments.
- The Trustee recognises that the RBP Section's liabilities are exposed to a significant level of interest rate risk movement and for this reason it is desirable for the Plan's assets to be exposed to a similar level of interest rate risk and the Trustee has invested in LDI Funds to manage this risk.
- For the MRA, a range of funds has been made available for members seeking to manage their interest rate risk.
- The Trustee acknowledges that the interest rate risk related to individual debt instruments is managed by the investment managers through a combination of strategies, such as diversification, duration and yield curve management.

Other Price Risk

- This is the risk that principally arises in relation to the return seeking assets, for which the RBP invests in DGFs in order to achieve a diversified exposure to different investment markets and manage this risk.
- For the MRA, the Trustee has also invested in DGFs to manage this risk, and has put in place a lifestyling strategy as the default investment option to reduce other price risk as a member approaches retirement. Members are also offered a range of funds and therefore have the opportunity to select a different level of risk if appropriate to their circumstances.

ESG Risk

- This is the risk that Environmental, Social or Corporate Governance concerns, including climate change, have a financially material impact on the return of the Plans assets.
- The Trustee manages this risk by investing in well-respected investment managers where ESG principles are an established part of the investment decision making process, by regularly reviewing the ESG scoring of the investment consultant's scoring of the Plan's managers and by reviewing ESG considerations on an annual basis.

In relation to the MRA Section, the Trustee also considers the following risks:

Investment Return Risk

- The risk is that a member is not invested in those asset classes that are expected to generate the highest returns over the long run.
- To manage this risk the Trustee makes available a range of funds across various asset classes, and within the default strategy makes use of the MRA Diversified Fund, which is a Diversified Growth type fund to generate long term investment growth for the accumulation phase.
- For the Additional Default funds, the Trustee has prioritised reducing volatility over seeking long term investment returns. The Trustee however notes that members have a choice of alternative funds to invest in, either through the MRA self select range of funds or the Utmost fund range.

Volatility Risk

- This is the risk that the value of a member's pot will fluctuate substantially over the investment term.
- To manage this risk the Trustee makes available a range of funds across various asset classes, so that members can select funds which match their own appetite for investment volatility.
- Within the MRA Lifestyle Strategy, members funds are mostly invested in the MRA Diversified Fund, which the Trustee expects to exhibit lower volatility than a fund that invests solely in equities.
- For the Additional Default funds, the Trustee has prioritised reducing volatility and invested in money-market type funds which are expected to have the lowest volatility.

Pension Conversion Risk

- This is the risk that a member is invested in a strategy that does not reflect the way in which they intend to access their savings at retirement.
- The Trustee makes available a range of funds which enable members to manage this risk.
- The Trustee will review the default strategy at least triennially to assess whether the targeted destination remains appropriate.

Lump Sum Risk

- The risk is that, when close to retirement, a member has invested the part of his/her fund that will be used to provide a lump sum in those asset classes (every type except cash), which are subject to volatility in capital-value terms.
- To manage this risk the MRA Lifestyle Strategy transitions 25% of a member's pot to the LGIM Sterling Liquidity Fund as a member approaches their normal retirement age. This is on the expectation that member will typically take a 25% tax free cash sum at retirement.
- For the Additional Default funds, the Trustee has invested in money-market type which are expected to have the lowest volatility.

Market Switching Risk

- The risk arises if there is to be switching between investment vehicles. The risk is that large investment switches are made at one point in time, thereby unnecessarily exposing members to unfavourable market pricing on a particular day.

- This risk is managed by de-risking switches being undertaken on a quarterly basis over a 5 year transition period within the MRA Lifestyle Strategy.
- For the Additional Default funds, there is no lifestyling and so no automatic investment switching.

Inflation Risk

- This is the risk that a member's investments will not grow quickly enough to sufficiently outpace inflation (the cost of living).
- To manage this risk the Trustee makes available a range of funds across various asset classes, with the majority expected to keep pace with inflation.
- Within the MRA Lifestyle Strategy, members' funds are mostly invested in the MRA Diversified Fund which the Trustee expects to provide returns sufficient to outpace inflation.
- For the Additional Default funds, the Trustee has prioritised reducing volatility over seeking to outpace inflation. The Trustee however notes that members have a choice of alternative funds to invest in, either through the MRA self select range of funds or the Utmost fund range.

Annuity-Rate Risk

- This is the risk that, when close to retirement, a member who is intending to convert part of their pot to an annuity has not invested the part of their fund that will be used to purchase a pension in those asset classes (principally bonds), which protect against annuity-rate movements.
- It is managed by making bond type funds available as part of the self select range of funds, and in the funds available from Utmost.

Foundation Risk

- This is the risk that capital value losses in early years could potentially discourage members from saving.
- To manage this risk the Trustee makes available a range of funds across various asset classes, so that members can select funds with a lower chance of capital value loss.
- Within the MRA Lifestyle Strategy, members funds are mostly invested in the MRA Diversified Fund, which the Trustee expects to exhibit lower chance of capital value loss than a fund that invests solely in equities.
- For the Additional Default funds, the Trustee has invested in money-market type funds which are expected to have the lowest volatility.

6 MONITORING OF INVESTMENT ADVISER AND MANAGER

6.1 INVESTMENT ADVISER

The Trustee continually assesses and reviews the performance of the adviser in a qualitative way. In do so, the Trustee will consider the objectives it set for its investment adviser in the document entitled "Strategic Objectives for Investment Consultancy Services" which was signed and formally adopted by the Trustees in November 2019.

6.2 INVESTMENT MANAGERS

In respect of the RBP Section, the Trustee receives quarterly monitoring reports on the performance of the underlying investment managers from Mercer, which present performance information over 3 months, 1 year and 3 years. The reports show the absolute performance and performance against the manager's stated target performance (over the relevant time period) on a net of fees basis. They also provide returns of market indices so that these can also be used to help inform the assessment of the underlying managers' performance.

The reporting also reviews the performance of the Plan's assets in aggregate against the Plan's strategic benchmark.

The Trustee also receives quarterly regular monitoring reports on the performance of the underlying investment managers from Mobius in relation to the MRA Section. The reporting reviews the performance of the Plan's individual funds and presents information over 3 months, 1, 3 and 5 years, as well as returns of market indices. Mercer also provides quarterly information in respect of a peer group of Multi Asset Funds.

The monitoring information received helps the Trustee to make an informed assessment of the underlying managers' performance.

In conjunction with advice and information from their investment adviser, the Trustee has the role of replacing the underlying investment managers where appropriate. It takes a long-term view when assessing whether to replace the underlying investment managers and such decisions would not be made based solely on short-term performance concerns. Instead, changes would be driven by a significant downgrade of the investment manager by Mercer's Manager Research Team. This in turn would be due to a significant reduction in Mercer's confidence that the investment manager will be able to perform in line with their fund's mandate over the long term.

Changes will also be made to the underlying managers if there is a strategic change to the overall strategy that no longer requires exposure to that asset class or manager.

6.3 PORTFOLIO TURNOVER COSTS

The Trustee does not currently monitor portfolio turnover costs for the funds in which the RBP Section is invested, although notes that the performance monitoring which it receives is net of all charges, including such costs. Portfolio turnover cost means the cost incurred as a result of the buying, selling, lending or borrowing of investments.

Information on portfolio turnover costs is monitored and reviewed for the MRA Section as part of the production of the annual Chair's Statement.

The Trustee is also aware of the requirement to define and monitor targeted portfolio turnover and turnover range.

Given that the Plan invests in a range of pooled funds, many of which invest across a wide range of asset classes, the Trustee does not have an overall portfolio turnover target for the Plan.

The Trustee is working with Mercer to determine the most appropriate way to obtain and monitor the information required in relation to the pooled funds in which the Plan is invested and will include further information about this when next updating the SIP.

7 ADDITIONAL VOLUNTARY CONTRIBUTIONS ("AVCS")

The Plan provides a facility for members to pay for Additional Voluntary Contributions ("AVCs") to enhance their benefits at retirement. Historic AVCs were paid to Santander and Friends Life and some funds remain with these managers.

Some historic AVCs were also paid to Equitable Life. On 1 January 2020, following High Court approval and a policyholder vote, the business of Equitable Life was transferred to Utmost Life and Pensions. AVCs that were previously held in the Equitable Life With Profits Fund were transferred initially to the Utmost Secure Cash Fund. Over the second half of 2020, the Utmost Secure Cash Fund holding is being closed down by Utmost and the Trustee decided that members' investments should be transitioned to the Utmost Money Market Fund following investment advice from Mercer, unless members chose to make an investment choice of their own.

Because the Trustee has chosen to invest members' former With Profits AVCs in the Utmost Secure Cash Fund and subsequently the Utmost Money Market Fund in the event that members do not make their own investment choice, these funds are classed as a 'Default' fund. The regulations therefore require that the Statement of Investment Principles details the Trustee's approach to investing for these Additional Default Funds. This is set out in Appendix 4.

Members of the MRA may continue to pay AVCs, which must be invested in the same way as their normal contributions.

8 CODE OF BEST PRACTICE

RBP Section:

The Trustee notes that in March 2017, the Pensions Regulator released 'Investment Guidance for Defined Benefit Pension Schemes'.

The Trustee receives investment advice which ensures that the principles contained within this guidance are applied to the Plan as far as relevant to its circumstances.

The investment adviser attends each full Trustee meeting which enables developments to be monitored, both in relation to the Plan's circumstances and in relation to evolving guidance, so that the investment approach can be revised if considered appropriate.

MRA Section:

The Pensions Regulator also publishes guidance on governance in relation to DC arrangements. The Trustee monitors this guidance and, similarly to the RBP Section, the investment adviser attends each full Trustee meeting which enables developments to be monitored, both in relation to the Plan's circumstances and in relation to evolving guidance, so that the investment approach can be revised if considered appropriate.

9 COMPLIANCE

The Plan's Statement of Investment Principles and annual report and accounts are available to members on request. The Statement of Investment Principles is also available on the Plan's website at: https://amgukgrouppensions.com.

A copy of the Plan's current Statement plus Appendices is also supplied to the Sponsoring Employer, the Plan's auditors and the Scheme Actuary.

This Statement of Investment Principles, taken as a whole with the Appendices, supersedes all others and was approved by the Trustee on..1 SEPTEMBER 2020

Signed on behalf of the AMG UK Group Pension Trustee Limited

By	[signature]	[signature]
On	21 SEPTEMBER 2020	21 SEPTEMBER 2020
Full Name	EMILY WEBSTER	LEONORA SCAIFE
Position	TRUSTEE	TRUSTEE

APPENDIX 1: PLAN ASSET ALLOCATION BENCHMARK

RBP Section:

The Plan's asset allocation benchmark is set out below.

	Allocation (%)	Guideline Range (%)
Growth Assets	**62**	+/-10%
Diversified Growth Funds	62	+/-10%
Stabilising Assets	**38**	+/-10%
Liability Driven Investments	24	+/-12%
Multi-Asset Credit	14	+/- 4%

Appendix 3 provides information about the selection of investment managers.

The policy for rebalancing and investment / disinvestment of cashflows is set out in Appendix 4.

APPENDIX 2: MRA DEFAULT STRATEGY

Defined contribution schemes place the investment risk with the member. The Trustee has assumed responsibility by designing a lifestyle strategy and a suitable range of funds in conjunction with written advice from the Investment Adviser, which aims to provide a broad level of protection against the key risks identified in Section 5.

The Trustee's main objective for the default strategy is to provide members with an investment strategy aligned to their needs that will provide long term investment growth to build up a savings pot which will be used in retirement, before transitioning to investments that are appropriate to the form of the benefits which members are expected to take at retirement.

Under the rules that became effective in April 2015, it is expected that many members will seek to benefit from the new pensions flexibilities and fewer will use the majority of their fund to purchase an annuity at retirement. The AMG Lifestyle Strategy has therefore been determined to be consistent with this expectation, the continuing suitability of which will be monitored and reviewed in light of experience.

Under the MRA Lifestyle Strategy, the funds of members who are some way from retirement are invested in the MRA Diversified Fund.

The MRA Diversified Fund will predominantly invest in Diversified Growth Funds (DGFs).

DGFs are investment funds that invest across a wide range of investment markets and aim to provide equity like returns in the long term, but with lower short term volatility.

Under the new pension flexibilities, it is still expected that many members will seek to benefit from the 25% tax free cash sum allowance at retirement, and therefore the MRA Lifestyle Strategy targets a 25% allocation to the LGIM Sterling Liquidity Fund at retirement.

The LGIM Sterling Liquidity Fund invests in low risk money market securities, and the primary aim is to provide liquidity and capital stability. It is used by the MRA to provide capital stability and prepare for the release of cash at retirement.

The Trustee notes that the MRA Diversified Fund should deliver long term returns above those of cash, which should result in a higher fund value for members compared to investing significant amounts of a member's pot in the LGIM Sterling Liquidity Fund in the run up to retirement. Furthermore, the MRA Diversified Fund should protect members against the volatility of other types of growth assets, such as equities.

Therefore overall, taking into consideration an appropriate balance between risk and reward, the Trustee is satisfied that the remainder of a member's fund, over and above the allocation to the LGIM Sterling Liquidity Fund should be invested in the MRA Diversified Fund in the approach to retirement.

The MRA Diversified Fund will be managed to ensure that it is consistent with the requirement for the default arrangement for an Auto Enrolment compliant DC Scheme to have investment charges of no more than 0.75%p.a.

This partial transition within the MRA Lifestyle Strategy from the MRA Diversified Fund to the LGIM Sterling Liquidity Fund is undertaken on a quarterly basis over an extended period of time to avoid placing reliance on asset values on any one particular transition date. Members are able to choose to target a different retirement age and if so, the lifestyling would commence earlier or later as required.

Details of the MRA Lifestyle Strategy are set out on the next page:

Years to Target Retirement Date	Fund Allocation (%)	
	MRA Diversified Fund	LGIM Sterling Liquidity Fund
5 or more	100	0
4	95	5
3	90	10
2	85	15
1	80	20
0	75	25

As described above, the MRA Lifestyle Strategy is aimed at members who anticipate taking 25% of their pension pot as a cash lump sum and 75% through drawdown over time, irrespective of whether this drawdown is within the Plan or elsewhere by taking a transfer value.

To help facilitate drawdown within the Plan, members are given the option to drawdown up to 5 Uncrystallised Funds Pension Lump Sums.

The Trustee has also made available a range of investment options for members who do not intend to opt for the drawdown option. A list of these funds and their fees are included in Appendix 3.

The Trustee's policy on Financially Material Considerations, including environmental, social and corporate governance ("ESG") factors and climate change are set out in Section 4 of the Statement of Investment Principles (SIP), along with their policy on Non-Financial Matters and Voting.

The Trustee has determined the investment policy in relation to the MRA Lifestyle Investment Strategy, as described above, in such a way as to address the main investment risks, which are set out in Sections 3 and 5 of the SIP.

The MRA Section's assets are invested through the Mobius Life investment platform. Mobius Life produces regular investment monitoring reports, which the Trustee reviews in conjunction with its investment adviser, Mercer. This enables the performance of the funds underlying the MRA Lifestyle Investment Strategy to be reviewed and to determine whether they are performing and managing the risks as expected.

A copy of the SIP is available on request from the Trustee on request. It is also available on the Plan's website at: https://amgukgrouppensions.com.

APPENDIX 3: INVESTMENT MANAGER INFORMATION

RBP Section:

The table below shows a summary of the funds used by the RBP Section along with their respective charges. All the funds are invested in through the Mobius Platform, and the charges below include the fees of Mobius and the underlying investment managers:

Investment Funds	Benchmark	Total Expense Ratio (% pa)	Date First Invested
Baillie Gifford Diversified Growth	To outperform the UK Base Rate by at least 3.5% p.a. over rolling 5 year periods net of fees with an annual volatility of less than 10%	0.75	August 2011
Columbia Threadneedle Multi-Asset	To outperform the UK Bank of England Base Rate by at least 3.5% p.a net of fees over a 5 to 7 year cycle.	0.38	Jan 2016
BMO Real Dynamic LDI	To provide liability hedging by offering interest rate and inflation protection which replicates the liability profile of a typical UK defined benefit pension plan	0.28	Jan 2016
BMO Nominal Dynamic LDI	To provide liability hedging by offering interest rate protection which replicates the liability profile of a typical UK defined benefit pension plan	0.28	Jan 2016
Payden Absolute Return Bond	The fund aims to achieve 1m LIBOR + 2% to 3% p.a. (net of fees) return objective over rolling three year periods with volatility between 1.5%-3%	0.43	Jan 2016
Ninety One Global Total Return Credit	To outperform the benchmark by at least 3m LIBOR by 3% to 5% p.a. (net of fees) over a credit cycle	0.60	Sept 2018

MRA Section:

The table below shows a summary of the funds available for members of the MRA Section to invest in along with their respective charges. All the funds are invested in through the Mobius Life Investment Platform, and the charges below include the fees of the underlying investment managers, Mobius Life and Mercer where appropriate.

Investment Funds	Benchmark	Total Expense Ratio (% pa)
MRA Diversified Fund	The fund aims to achieve cash plus 3% p.a. before fees over a 5 year period	Typically around 0.6% to 0.7%
LGIM Sterling Liquidity Fund	7 Day LIBID Notice Rate	0.093%
LGIM Global Equity Fixed Weights (50:50) Index	Composite of the FTSE UK All-Share and World Indices	0.080%
LGIM UK Equity Index GBP	FTSE UK All-Share Index	0.059%
LGIM UK Smaller companies Index	FTSE UK Small Cap Index	0.230%
LGIM Ethical Global Equity Index	FTSE4Good Global Equity Index	0.330%
LGIM North America Equity Index	FTSE All World Developed North America Index	0.080%
LGIM Europe (ex UK) Equity Index	FTSE All World Developed Europe (ex-UK) Index	0.080%
LGIM Japan Equity Index	FTSE All World Japan Equity Index	0.080%
LGIM Asia Pacific (ex-Japan) Equity Index	FTSE All World Asia Pacific (ex-Japan) Index	0.105%
LGIM Managed Property	BNY Mellon CAPS Pooled Property Fund Survey	0.72%
LGIM Over 15 Year Gilts Index	FTSE Actuaries Government Securities Over 15 Year Index	0.068%
LGIM Over 5 Year Index-Linked Gilts Index	FTSE A Index-Linked Over 5 Year Index	0.068%
LGIM AAA-AA-A Corporate Bond Over 15 Year Index	iBoxx Sterling Non-Gilts (ex-BBB) Over 15 Year Index	0.090%
LGIM Pre Retirement Fund	The Fund aims to provide diversified exposure to sterling assets that reflect the broad characteristics of investments	0.090%

	underlying the pricing of a typical non-inflation linked annuity product.

Notes: The charges shown above are effective as at May 2020 and may vary over time.

The Scheme first invested with LGIM in 1996. The LGIM funds were novated onto the Mobius Platform in December 2016 and the MRA Diversified Fund was incepted in January 2017.

APPENDIX 4: ADDITIONAL DEFAULT FUNDS

The Trustee regularly reviews the default investment option and self-select fund range and, if deemed appropriate, make changes to the managers available as part of these options.

Making changes without member consent to either the funds within the MRA Section, or to the AVCs within the RBP Section results in the relevant funds also being determined to be 'default' arrangements requiring additional disclosures. Following this principle, new default arrangements have been created which are as follows:

Investment Funds	Date of Change	Reason
Utmost Life Secure Cash Fund	January 2020	Fund used to receive the proceeds from the Equitable Life With Profits fund
Utmost Life Money Market Fund	July 2020	Fund to which the Utmost Secure Cash Fund holding was transitioned when Utmost phased it out.
LGIM Sterling Liquidity Fund	July 2020	Fund used on a temporary basis by the MRA Section when the LGIM Managed Property Fund was temporarily closed, or in the event that other funds are temporarily closed in future.

The Aims of the Additional Default Arrangements:

- In setting up the Additional Default Arrangements, the Trustee has explicitly considered the trade-off between risk and expected returns.
- Risk is not considered in isolation, but in conjunction with expected investment returns and outcomes for members.
- If members wish to, they can opt to move assets away from the Additional Default Arrangements and choose their own investment strategy at any time. All affected members have been notified and given this choice.
- Assets in the Additional Default Arrangements are invested in the best interests of members and beneficiaries, taking into account the objectives of the arrangements.
- Assets in the Additional Default Arrangements are invested in a manner which aims to ensure the security, quality, liquidity and profitability of a member's portfolio as a whole.
- Assets are invested in pooled funds which are daily dealing and readily realisable.

Section 5 of this SIP sets out how the Additional Default arrangements address the key risks that the Trustee has identified, and the Trustee's key policies in respect of these Additional Defaults are summarised in the table overleaf:

Investment Funds	Fund Objective and Investments Held	Trustee Objective and Expected Risk and Return
Utmost Life Secure Cash Fund	The main objectives of the Utmost Life Secure Cash Fund are capital preservation, liquidity and yield; in that order. The Trustee notes that the Secure Cash Fund's value is unlikely to keep pace with inflation. Utmost has guaranteed that the unit price (net of fees) will not decrease, after accounting for charges. The Secure Cash Fund will cease to exist on 31 December 2020. The Secure Cash Fund will predominately be invested in UK Treasury Bills, short term gilts and overnight bank deposits. On occasions other high quality money market investments such as commercial paper or repurchase agreements may be purchased. The investment manager is responsible for determining the balance between these different kinds of investments.	The Trustee has determined that with the potential for elevated levels of volatility in investment markets due to Covid 19 that members whose funds previously benefitted from investment guarantees in the Equitable With Profits Fund should be invested in low risk money market funds where capital preservation is the key objective rather than maximising investment return or providing protection against inflation. The Secure Cash Fund and the Money Market Fund have the lowest expected volatility of the funds available with Utmost. The Trustees will review this periodically.
Utmost Life Money Market Fund	The main objective of the Utmost Life Money Market Fund is to preserve capital whilst aiming to provide a return in line with prevailing short term money market rates. The Money Market Fund will predominantly be invested in short term deposits. The investment manager is responsible for determining the balance between the different kinds of investments.	
LGIM Sterling Liquidity Fund	The aim of the LGIM Sterling Liquidity Fund is to provide capital stability, liquidity and diversification while providing a competitive level of return. The Sterling Liquidity Fund invests in high quality, short term money market and fixed income securities. It will seek to obtain and maintain a triple-A rating from at least one internationally recognised rating agency (for example, AAAm by Standard & Poor's).	The Trustee has determined that as this fund is being used on a temporary basis to hold members' contributions whilst the Managed Property Fund is closed, the key aim should be to preserve the value of those contributions rather to seek long term investment growth or providing protection against inflation which would lead to exposing members to investment volatility. The LGIM Sterling Liquidity Fund has the lowest expected volatility of the funds available through the MRA.

Trustee policies that are not explicitly mentioned in this Appendix are as outlined in the main SIP.

In line with regulatory requirements, the Trustee will continue to review their policies in respect of the Plan's additional default arrangements on a regular basis, and no less frequently than with each three yearly review of the SIP.

APPENDIX 5: CASHFLOW AND REBALANCING POLICY

RBP Section:

Rebalancing and Cashflow Policy

Investments or disinvestments will be applied in line with the Plan's financial management policy.

The current policy is as follows:

- Regular disinvestments are taken pro-rate from the non LDI assets
- Ad hoc disinvestments up to £150k are also taken pro-rate from the non LDI assets
- Ad hoc disinvestments between £150k and £500k are taken from the non LDI fund which is most above its central benchmark
- Specific consideration would be given to ad hoc disinvestments of over £500k.

The Trustee is satisfied that there should be no automatic rebalancing policy in place. Instead the Trustee will use the reporting provided by Mercer to determine if any funds have moved outside their guideline range, and if so consider taking appropriate action.

The Trustee notes that the LDI funds will move significantly in value in response to changing liability values and that buying or selling LDI funds would change the level of liability hedging. The LDI funds have therefore been excluded from the rebalancing process.

The Trustee will review the cashflow and rebalancing policy on a regular basis to ensure that it remains appropriate taking into account changes factors including the Plan's cashflow requirements, but will not update this SIP solely in relation to a change in cashflow or rebalancing policy.

LDI Recapitalisation

The Trustee notes that the LDI manager may require additional assets or may release assets from time to time in order to support the operation of the LDI funds. The Trustee has put in place a policy with Mobius regarding this recapitalisation/release procedure.

MRA Section:

The investments relate to the individual member, and therefore no cashflow or rebalancing policy is required.

APPENDIX 6: RESPONSIBILITIES OF PARTIES

TRUSTEE

The Trustee's responsibilities include the following:

- Reviewing at least triennially, and more frequently if necessary, the content of this Statement in consultation with the Investment Adviser and modifying it if deemed appropriate
- Reviewing the investment strategy following the results of each actuarial review, in consultation with the Investment Adviser and Plan Actuary
- Appointing the Investment Manager(s), platform provider and custodian (if required)
- Selecting appropriate investment managers and appropriate funds via the Mobius Platform.
- Assessing the quality of the performance and processes of the underlying investment managers, by means of regular reviews of investment returns and other relevant information, in consultation with the Investment Adviser
- Consulting with the sponsoring employer regarding any proposed amendments to this Statement
- Monitoring compliance of the investment arrangements with this Statement on a continuing basis

INVESTMENT ADVISER

The Investment Adviser's responsibilities include the following:

- Participating with the Trustee in the review of this Statement of Investment Principles
- Production of performance monitoring reports
- Informing the Trustee of any significant changes in the internal performance objectives and guidelines of any pooled fund used by the Plan as and when the Investment Adviser is made aware of them
- Informing the Trustee of any significant changes or concerns in relation to the Platform provider's suitability for the Plan
- Advising the Trustee, at its request, on the following matters:
- – Through consultation with the Scheme Actuary, how any changes within the Plan's benefits, membership, and funding position may affect the manner in which the assets should be invested
- – How any significant changes in the underlying investment managers' organisations, could affect the interests of the Plan
- – How any changes in the investment environment could present either opportunities or problems for the Plan
- Providing advice on funds and investment managers that are suitable to meet the Trustee objectives
- Monitoring the underlying investment managers to ensure their continuing appropriateness to the mandates given
- Advising the Trustee on an appropriate overall cashflow and rebalancing process
- Providing advice in relation to specific cashflows and rebalancing as appropriate
- Undertaking project work, as requested, including:
- – Reviews of asset allocation policy
- – Research into and reviews of investment managers
- Advising on the selection of new managers and/or custodians

INVESTMENT MANAGERS

The responsibilities of the underlying investment managers include:

- Informing the Platform provider of any changes in the internal performance objectives and guidelines of their funds
- Having regard to the need for diversification of investments, so far as appropriate for the particular mandate, and to the suitability of investments
- Managing their funds in accordance with their stated mandates

The underlying investment managers are not directly appointed by the Trustee and therefore do not have any direct responsibility to the Trustee.

PLATFORM PROVIDER

The platform provider's responsibilities include the following:

- Ensure contributions are invested/disinvested in accordance with instructions, and that switches are processed accordingly
- Ensure instructions are in accordance with the Authorised Signatory Lists
- Informing the Trustee of any changes in the internal performance objectives and guidelines of any pooled fund used by the Plan as and when they occur
- Providing the Trustee, on a quarterly basis (or as frequently as agreed), with a statement and valuation of the assets and appropriate management information and reporting.

SCHEME ACTUARY

The Scheme Actuary's responsibilities include the following:

- Liaising with the Investment Adviser regarding the suitability of the Plan's investment strategy given the financial characteristics of the Plan
- Assessing the funding position of the Plan and advising on the appropriate response to any shortfall
- Performing the triennial (or more frequent, as required) valuations and advising on the appropriate contribution levels

ADMINISTRATOR

For the RBP, the Administrator's responsibilities include the following:

- Ensuring there is sufficient cash available to meet benefit payments as and when they fall due
- Paying benefits and making transfer payments
- Investing contributions not required to meet benefit payments with the Investment Managers according to the Trustee's instructions

For the MRA, the Administrator's responsibilities include the following:

- In Investment of member contributions in line with SLAs
- Processing member benefit requests in line with SLAs
- Arranging for switches of funds in line with the Lifestyle Strategy