BANK OF AMERICA

Bank of America UK Retirement Plan

Annual Report and Financial Statements

For the year ended 31 December 2023
Scheme registration number: 10136490

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TRUSTEE AND SERVICE PROVIDERS

YEAR ENDED 31 DECEMBER 2023

Principal Employer	Merrill Lynch International Ltd (the "bank")
Trustee	Bank of America UK Retirement Plan Trustees Limited
Trustee Directors	Peter J Gibbs (Chair of Trustee Board) Stuart J Baxter Kiran Benning Mervyn Gutteridge Dermot John McMullan Philip Middleton (resigned 9 June 2023, re-appointed 1 December 2023) John Plaxton Andrew Hackling Katy Coles (Member nominated) Vivienne McKenzie (Member nominated) Paul Marshall (Member nominated) Simon Miles (Member nominated)
Plan Consultants	Aon Solutions UK Limited Silver Wolf Associates Limited
Investment Advisers	Aon Investments Limited
Plan Administrator	Towers Watson Limited (trading as WTW)
Plan Actuary	Jonathan Wicks FIA Aon Solutions UK Limited
Independent Auditor	KPMG LLP
Covenant Adviser	Cardano Advisory Limited
Communications Adviser	Towers Watson Limited (trading as WTW)
Legal Adviser	Linklaters LLP
Bankers	Barclays Bank PLC
Investment Managers	**Defined Benefit (DB) Section:** BlackRock Investment Management (UK) Limited PIMCO Global Investment Pantheon Ventures Limited HarbourVest Partners LLC Insight Investment Management (Global) Limited ICG Longbow Bentall GreenOak T. Rowe Price (until 20 May 2024) M&G Investments
DC Investment Platform Provider	FIL Life Insurance Limited
Annuity Insurer	Scottish Widows

AVC Managers	FIL Life Insurance Limited Aviva Life & Pensions UK Limited
Custodians	BlackRock Investment Management (UK) Limited Bank of New York Mellon

Contact details
Questions and requests for information about benefits or for a copy of Plan documentation should be sent to the Plan's administrator at:

Email: bofapension@wtwco.com
Post: Bank of America UK Retirement Plan
WTW
PO Box 545
Redhill
Surrey
RH1 1YX

Telephone: +44 1737 230 493

Please note that the telephone helpline operates between 9:00am and 5:00pm, Monday - Friday, and a voice messaging service operates outside of these hours.

Introduction

The Trustee of the Bank of America UK Retirement Plan ("Plan") presents the annual report for the year ended 31 December 2023.

About the Plan

The Plan is an Occupational Pension Scheme established within a trust. It is governed by a Trust Deed and Rules which set out the way in which the Plan operates. The Plan has a single trustee, Bank of America UK Retirement Plan Trustees Limited (the 'Trustee'), represented by a board of Trustee Directors.

The power of appointing and removing Trustee Directors is contained in the Articles of Association of the Trustee. The Trustee is responsible for managing the Plan, including setting the Plan strategy, and holding Plan assets on trust, for the payment of benefits to members in line with the Trust Deed and Rules.

In accordance with the Occupational Pension Schemes (Member nominated Trustees and Directors) Regulations 2006, members have the option to nominate and vote for member nominated Trustee Directors. Member nominated Trustee Directors are nominated by the members under the Rules notified to the members of the Plan. They may be removed before the end of their term only by agreement of all the remaining Trustee Directors, although their appointment ceases if they no longer have benefits in the Plan.

The Plan has two sections: the Defined Benefit (DB) Section and the Defined Contribution (DC) Section. Throughout this report, content may refer specifically to either section. Members may have benefits in one or both sections.

The DB Section closed to future accrual on 30 June 2004. On closure, the active members became deferred members, however they have retained a salary link to their pension.

How the Trustee oversees the Plan

The Trustee's role is to ensure that the Plan is an efficient, well-governed pension savings vehicle that delivers good retirement savings outcomes for its members.

For the DB Section of the Plan, this means operating a robust management framework that includes:

- Ensuring the assets of the Plan are invested appropriately.
- Commissioning regular actuarial valuations to ensure that the Plan's DB Section has sufficient assets to pay members' benefits as they become due.
- Ensuring that any contributions payable by the bank to meet the costs of providing DB benefits are correct and are received on time, as documented in a Schedule of Contributions. A summary of contributions payable and the most recent Actuarial Certification of the Schedule of Contributions are included in this report.
- Regularly assessing the employer covenant to ensure that it can continue to financially support the Plan into the future.
- Working with administrators to ensure that member's benefits are paid correctly and at the right time.
- Operating appropriate risk management processes with robust internal controls to ensure that the Plan and members are not exposed to unnecessary risks.
- Working with legal and other advisers to ensure that all legislative requirements are met and best-practice processes and governance arrangements are implemented.

How the Trustee oversees the Plan ***(continued)***

Similar comprehensive governance arrangements are also in place in respect of the DC Section, with more details provided in the annual Chair's Annual DC Governance Statement, a copy of which is included in the Appendices.

Each year the Trustee holds at least four Board meetings with their professional advisers. The Trustee also operates two specific sub-committees, one covering investment strategy (DB & DC) and the other covering administration, accounting and governance. Each of these sub-committees also meets at least four times a year, with additional meetings being held as required. Additional working parties or sub-committees are also created as necessary to ensure that specific issues and complex projects are considered in appropriate detail and progressed efficiently.

Statement of Investment Principles

As required by section 35 of the Pensions Act 1995, the Trustee has agreed a Statement of Investment Principles (SIP) explaining how the Trustee:

- Aims to invest the Plan's DB Section assets to ensure that the benefits promised to Plan members are provided.
- Allocates the Plan's DB Section assets in order to meet this objective.
- Provides a range of investment options that are suitable for meeting DC members' long-term and short-term investment objectives.
- Measures and manages any risks that may impact its ability to meet these objectives.
- Implements a structure and investment objectives for each fund manager.

The SIP also provides information on the Trustee's policies relating to arrangements with investment managers, stewardship (voting and engagement), Environmental, Social and Governance (ESG) considerations and cost and transparency.

A copy of the SIP is included in the Appendices and forms part of the Trustee's report.

The SIP was last reviewed in September 2023. A copy of the latest SIP can also be found on the Plan website: BoARP > Resources > Statutory Information

Departures from the Investment Principles

To the best of its knowledge, the Trustee can confirm that there has not been any variation from the principles set out in the two SIP's in force during the year ended 31 December 2023.

Investment managers

A written agreement between the Trustee and each manager sets out the terms on which the manager will act.

The managers' duties include the consideration of social, environmental or ethical issues in the selection, retention and realisation of investments as well as voting and corporate governance in relation to the Plan's assets. The Trustee has reviewed each of the investment managers' policies on these issues. The Trustee believes that the policies adopted by the managers are consistent with their own views.

Taskforce on Climate-Related Financial Disclosures (TCFD)

The Trustee is required to produce and publish an annual report in line with the recommendations of the TCFD. The TCFD establishes a set of eleven clear, comparable and consistent recommended disclosures about the risks and opportunities presented by climate change. The increased transparency encouraged through the TCFD recommendations is intended to lead to decision-useful information and therefore better-informed decision-making on climate-related financial risks. The requirements are oriented around four pillars that represent the core elements of how organisations operate.

The Trustee has undertaken a thorough assessment of its climate related risks and opportunities, in line with the TCFD's recommended disclosures, which is described in the table below.

TCFD pillar	Action undertaken by the Trustee
Governance	Developed a robust governance structure, to ensure that it is able to make informed decisions on climate-related financial risks and opportunities.
Strategy	Assessed how climate related risks and opportunities have the potential to impact the different asset classes in which the Plan invests. The Trustee is committed to working with its advisers and underlying investment managers to continue to understand and manage these risks and integrate appropriate climate-related investment opportunities within the Plan's overall investment strategy. The Trustee's assessment includes quantitative climate-change scenario analysis, whereby the Trustee considered the possible impacts on the Plan's DB and DC investment strategies under five different possible climate scenarios.
Risk management	Created a Climate Risk Management Plan to integrate climate-related risks into its various documents and processes. This enables the Trustee to identify, assess and monitor climate-related risks and opportunities on a continuous basis.
Metrics and Targets	Gathered select carbon metrics data for the Plan's DB and DC assets. Measured progress versus climate-related targets to support the Trustee in monitoring the Plan's exposure to climate-related risks.

The DC Section members are notified of the TCFD report via their annual benefit statements (and for DB Section members, in the annual funding statement).

A copy of the TCFD report can be found on the Plan website: BoARP > Resources > Statutory Information

Custodial arrangements

The providers of the pooled investment vehicles have their own custodians which they appoint and monitor. For the DB Section assets (including the segregated investments portfolio) which are invested with BlackRock, the Trustee has a tripartite agreement with BlackRock and Bank of New York Mellon Limited (acting as the custodian).

Full details of all DC Section fund options are available in the Plan Handbook, on the Plan website:
BoARP > Resources > Statutory Information

Annual Implementation Statement

The Annual Implementation Statement required by the Occupational Pension Schemes (Investment and Disclosure) (Amendment) Regulations 2019, which demonstrates how the principles documented in the Statement of Investment Principles have been implemented, is set out in the Appendices and forms part of this Trustee's Report.

Employer-related investments

There have been no direct employer-related investments within the meaning for Section 40 (2) of the Pensions Act 1995 (see below) and there were no indirectly held employer-related investments during the year greater than 5% of the Plan's assets.

The Trustee is restricted in its investment in the sponsoring employers and is not allowed to:

- Invest more than 5% of the current market value of the Plan's assets in employer-related investments.
- Invest in employer-related loans.

Chair's Annual DC Governance Statement

The Occupational Pension Schemes (Scheme Administration) Regulations 1996 require the Trustee to include an annual statement regarding governance in the annual report. The Chair's Annual DC Governance Statement is included in the Appendices.

Data protection and General Data Protection Regulation (GDPR)

Protecting member information is a key priority for the Trustee and the bank, and the Plan's data protection and safeguarding processes have been closely monitored to make sure they comply with all relevant data protection laws.

The Trustee uses personal information to communicate with members, record and pay benefits to members or their beneficiaries, administer the Trust and meet regulatory or other legal obligations. In limited cases, this information will include sensitive personal information, such as a member's medical details.

Personal information may be shared with third parties, such as the Plan administrator, the Plan Actuary, the Plan's legal advisers, other suppliers who provide services (such as for IT, communication or tracing reasons) and the bank. In some circumstances, the Trustee or these third parties may transfer personal information outside the UK and/or European Economic Area.

When making these disclosures or transfers, steps are taken to protect member personal information. For further details on how we use and disclose your personal information, the protections we apply, the legal basis for our use of your information, how long this information is kept for, your rights under the GDPR, and contact details if you have questions, please visit the Plan website: BoARP > Resources > Statutory Information

Copies of the Trustee privacy notice can be sent to members by post on request; please contact the Plan administrator at bofapension@wtwco.com.

Principal Employer

The Plan's Principal Employer is Merrill Lynch International Ltd, whose registered address is 2 King Edward Street, London, EC1A 1HQ.

Trustee's Report: DB Section Membership

The changes in membership during the year are as follows:

DB Section

	Active members	Deferred members	Pensioners	**Total**
At 1 January 2023	47	2,707	1,215	**3,969**
Adjustments to prior period	1	(16)	15	**–**
Retirements	(2)	(122)	124	**–**
Members leaving with deferred benefits	(1)	1	–	**–**
Deaths	–	(5)	(21)	**(26)**
New spouse and dependent pensions	–	–	5	**5**
Cessation of dependent pensions	–	–	(1)	**(1)**
Transfers out	–	(14)	–	**(14)**
Trivial commutations	–	(5)	–	**(5)**
Full commutation of pension	-	-	(3)	**(3)**
At 31 December 2023	45	2,546	1,334	**3,925**

The adjustments to prior period represent members who changed membership status prior to 1 January 2023, but the administrative process was not completed until after 31 December 2022.

Enhanced deferred members were active members of the DB Section of the Plan on 30 June 2004. For these members, the service used in the calculation of their DB pension stopped increasing after 30 June 2004. However, the pensionable salary used in the calculation of their DB pension continues to be based on earnings after 30 June 2004 until the member leaves the bank.

Pension increases on deferred pensions

DB Section members who leave the bank with a vested benefit are entitled to the full value of their DB benefit and any AVCs they have in the Plan. A number of options are available, including a transfer to a personal pension, a Section 32 buy-out policy or to the pension plan of their new employer. They may also leave their benefits in the Plan until retirement.

Current legislation requires deferred pensions to be increased over the period to retirement by a minimum of the lower of the change in the Consumer Prices Index and 5% p.a. (2.5% p.a. for pensions accrued since 6 April 2009). Any income arising from contributions paid while the Plan was contracted out of the State Scheme between 5 April 1997 and 30 June 2004 must be reviewed each year in accordance with pension scheme regulations.

Pension increases in payment

Pensions in payment are increased annually each 1 July as required by legislation and the Plan rules. The annual increases paid depend on the pension element and when it was accrued, as follows:

Pension in payment type	2023 increase	2022 increase
Accrued before 1 April 1997 for pensioners who had become members of the Merrill Lynch Europe Plc Retirement Benefits Plan before 1 April 1997 (increase on excess made on a discretionary basis as the bank decides with the consent of the Trustee)	4% on excess over GMP (3% on post 88 GMP in payment, 0% on pre 88 GMP in payment)	4% on excess over GMP (3% on post 88 GMP in payment, 0% on pre 88 GMP in payment)
Accrued before 1 April 1987 for former members of the Smith New Court Plc Pension Plan and the SGH Service Company Pension Scheme	3% p.a. guaranteed	3% p.a. guaranteed
Accrued from 1 April 1997 (the lesser of 5% p.a. or the increase in the Retail Price Index is granted)	5% (based on March 2023 Retail Price Index)	5% (based on March 2022 Retail Price Index)
For former members of the Mercury Asset Management Group Limited Pension and Life Assurance Scheme (the lesser of 5% p.a. or the increase in the Retail Price Index is granted)	5% on excess over GMP (3% post 88 GMP in payment, 0% pre 88 GMP in payment)	5% on excess over GMP (3% on post 88 GMP in payment, 0% pre 88 GMP in payment)

The bank awarded a discretionary increase of 4% (2022: nil) to "Merrill Lynch" members' pensions (in excess of GMP) accrued in respect of service before 1 April 1997 with effect from 1 July 2023.

Transfer values

Cash equivalents paid during the year with respect to transfers from the Defined Benefit section have been calculated and verified in the manner prescribed by the Pension Schemes Act 1993 and do not include discretionary benefits. None of the transfer values paid were less than the amount required by the Regulations.

Investment matters

The Trustee is responsible for determining the Plan's investment policies and strategy.

DB Section - asset allocation

The DB Section's asset allocation is provided below, showing how the Trustee invests the Plan's assets to provide benefits to members as they become due. The Trustee has considered the nature, disposition, marketability, security and valuation of the Plan's investments and consider them to be appropriate relative to the reasons for holding each class of investment.

The largest single manager of the Plan's assets is BlackRock. As at the end of 2023, the Trustee held investments in several portfolios managed by BlackRock - a UK property portfolio, a private equity portfolio, an investment-grade credit portfolio and an LDI portfolio. There are also significant assets invested with other investment managers as set out in the financial statements.

There have been a number of changes to the DB Section investment strategy during the year:

- In September 2022, the Trustee submitted an instruction to fully redeem the Plan's holdings in the BlackRock UK Property Fund, which at the end of September 2022 totalled £48.1m. However, citing the volume of redemption requests received and reduced liquidity in the real estate market, Blackrock deferred the redemption request to protect the interests of other investors in the Fund. Blackrock continue to progress towards full repayment of the Plan's redemption request. In addition to receiving regular income from the Fund (around £100,000 per month), the Trustee received a redemption of c.£1.1m in Q4 2022 and c.£3.1m in Q4 2023. As at 31 December 2023, the value of the Trustee's holdings in the UK Property Fund was £35.3m. The end date for repaying the Plan's tranche is January 2025.

- During 2022, the Trustee agreed to amend its investment strategy with changes implemented in early 2023. The amended investment strategy is designed to achieve the Trustee's new funding objectives focussing on the Plan's solvency funding level.

- Over Q4 2022, the Trustee implemented several transitions to rebalance the portfolio and provide further support to the collateral in the BlackRock LDI portfolio. This included full redemptions from BlackRock FIGO (c.£38.8m) and Barings Global Loan Fund (c.£79.3m), and a £37.5m redemption from each of the Insight High Grade ABS Fund, PIMCO Low Duration Opportunities Fund and T. Rowe Price Dynamic Global Bond Fund. Additionally, in March 2023, £40m was redeemed from the M&G Alpha Opportunities Fund.

- The proceeds from the redemptions over Q4 2022 were held within the LDI portfolio over year end to provide further collateral where necessary. In April 2023, an initial £100m investment was made in the BlackRock Buy and Maintain Credit mandate (using the £40m proceeds from the M&G redemption, with the remainder funded from the BlackRock LDI portfolio). This investment moved the Plan towards the new strategic allocation, which is designed to help the Plan's assets to better match insurer pricing.

Investment matters ***(continued)***

The target weights shown in the table below reflect the Plan's investment strategy, excluding bulk annuities. The actual weights (excluding bulk annuities) and market values reflect the Plan's position as at the end of 2023.

Asset Class/Section	Target Weight (%)	Actual Weight (%)	Market Value (£m)	Benchmark	Performance Target (p.a.)
Beta portfolio	0.0	5.0	37.4	IPD UK Pooled Property All Balanced Funds Total Return Index	+1%
Cash + 4% portfolio	5.0	8.6	64.3	SONIA	+4%
Protection section	95.0	86.4	648.9	Liability benchmark	n/a
Insured Annuities	n/a	n/a	248.5	n/a	n/a
Total Assets	**100.0**		**999.1**	**Composite benchmark**	**n/a**

Source: Managers/Aon
Estimates have been used where final valuations are not available. Numbers are subject to rounding.

- The Beta portfolio consists of the private equity funds and a property fund. The benchmark shown represents the benchmark which feeds into the total Plan benchmark performance.
- The Cash + 4% portfolio consists of the Plan's multi-asset credit fund and property debt funds.
- The Protection section consists of the LDI portfolio, two absolute return bond portfolios and an asset backed securities fund, and an investment-grade credit fund.
- The market value of the insured annuities is based on the Plan's technical provisions liability basis.

An LDI portfolio has been implemented by the Trustee. The LDI portfolio is not designed to achieve a profit for the Plan. Instead, it has been implemented to try to reduce the volatility of the Plan’s overall funding level through time. Movements in long-term interest rates and inflation expectations affect the present value of the Plan’s expected future liabilities. The LDI portfolio aims to hedge 100% of the Plan's liability interest rate and inflation risk as measured on an economic basis.

The Trustee monitors the actual asset allocation versus the target weights on a quarterly basis. The Trustee also monitors each investment manager's performance against the relevant benchmark.

Performance of DB Section Investments

The Trustee has appointed HSBC as independent performance measurer for the Plan. The performance of the total assets (excluding insured annuities) of the Plan is compared against a composite benchmark (derived from the individual benchmarks for each asset class and the target weights for those asset classes).

The performance of the Plan's DB Section assets (in Sterling terms, excluding insured annuities) over periods to 31 December 2023 is set out in the tables below. Where the "Asset Class/Section" has been set up in the performance structure for less than the period shown, it has not been included in the relevant performance table. However, its contribution to return will have been taken into account.

Performance over the 12 months to 31 December 2023

Asset Class/Section	Plan Performance (%)	Benchmark Performance (%)
Beta portfolio	-3.2	0.8
Cash + 4% portfolio	5.2	4.4
Protection section	0.2	2.3
Total	**0.9**	**1.4**

Performance over the 3 years (p.a.) to 31 December 2023

Asset Class/Section	Plan Performance (%)	Benchmark Performance (%)
Beta portfolio	0.5	2.8
Cash + 4% portfolio	2.1	1.8
Protection section	-26.0	-24.4
Total	**-16.5**	**-15.8**

Performance over the 5 years (p.a.) to 31 December 2023

Asset Class/Section	Plan Performance (%)	Benchmark Performance (%)
Beta portfolio	1.6	2.5
Cash + 4% portfolio	2.9	1.3
Protection section	-9.7	-8.5
Total	**-5.3**	**-5.4**

Source: HSBC/Aon.

Trustee's Report: DC Section

	Active members	Deferred members	Pensioners	**Total**
At 1 January 2023	6,670	19,142	–	**25,812**
Adjustments to prior period	(15)	(25)	–	**(40)**
New members joining	641	–	–	**641**
Retirements	(1)	(18)	–	**(19)**
Members leaving with deferred benefits	(468)	468	–	**–**
Members leaving without refunds	(16)	–	–	**(16)**
Deaths	(9)	(6)	–	**(15)**
Transfers out	–	(421)	–	**(421)**
Opted-Out	(7)	5	–	**(2)**
At 31 December 2023	6,795	19,145	–	**25,940**

The adjustments to prior period represent members who changed membership status prior to 1 January 2023, but the administrative process was not completed until after 31 December 2022.

DC Section Investments

Delivering on our principles

Details of how the Trustee delivers on its investment principles in respect of the DC section, including how it designs, monitors and governs the Default Arrangement and wider fund range and ensures that members receive good value for money, can be found in the Chair's Annual DC Governance Statement in the Appendices.

In addition, the Chair's Annual DC Governance Statement also includes details of all of the investment charges that apply, including underlying transaction costs incurred in the running of each of the fund options, with examples of the impact that these costs might have on your savings over the long-term.

Over the year ending 31 December 2023, there have been changes to the DC investment strategy:

- The Trustee changed the weightings of the underlying funds within the Index Linked Gilt Lifestyle Fund. These changed from a blend of 55% BlackRock Index Linked Gilt Tracker Fund, and 45% BlackRock Aquila Connect Up To 5 Year Index Linked Gilt Fund, to be 55% in favour of the up to 5 year fund.

Performance of DC Section Assets

Blended and Actively Managed Funds Performance Summary 31 December 2023	**Values (£m)**	**12 Month Performance (%) Net fund**	**Benchmark**	**Relative**
Equity Lifestyle Fund & Equity Growth Fund	1,388.3	17.2	16.0	1.2
UK Equity Fund - Active	47.7	9.9	7.9	2.0
Global Equity Fund - Active	104.1	18.4	16.8	1.6
Environmental, Social & Governance Global Equity Fund	15.3	9.9	20.5	-10.6
Emerging Market Equity Fund - Active	21.8	2.5	3.6	-1.1
Diversified Lifestyle Fund & Diversified Growth Fund	324.8	5.9	7.4	-1.5
UK Property Fund	7.9	0.5	-1.4	1.9
Pre-Retirement Lifestyle Fund & Pre-Retirement Fund	32.4	7.4	3.8	3.6
Money Market Lifestyle Fund & Money Market Fund	42.8	4.7	4.6	0.1
Index Linked Gilt Lifestyle Fund	12.3	3.4	2.9	0.5
UK Corporate Bond Fund - Active	2.3	9.3	8.6	0.7
Corporate Bond Lifestyle Fund	45.2	9.2	8.6	0.6

Passively Managed Funds Performance Summary 31 December 2023	**Values (£m)**	**12 Month Performance (%) Gross fund**	**Benchmark**	**Relative**
World (ex-UK) Equity Fund - Passive	79.9	18.6	18.6	0.0
UK Equity Fund - Passive	50.8	6.6	6.7	-0.1
North American Equity Fund - Passive	104.5	21.3	21.4	-0.1
European (ex-UK) Equity Fund - Passive	45.1	15.5	15.6	-0.1
Asia Pacific (ex-Japan) Equity Fund - Passive	23.1	4.3	4.4	-0.1
Japanese Equity Fund - Passive	13.8	13.0	12.9	0.1
Gilt Fund	5.6	1.6	1.6	0.0
Index Linked Gilts Fund	8.4	0.4	0.2	0.2
UK Corporate Bond Fund - Passive	7.3	8.9	8.6	0.3
Shariah Fund	13.3	27.7	27.5	0.2

Source: Fidelity and underlying managers

Report on Actuarial Liabilities (DB Section)

Each year the Plan Actuary evaluates the sufficiency of the Plan to meet the current and future obligations to members based on contributions from members and the participating employers. If you have benefits in the DB Section of the Plan, you can read the Plan Actuary's latest valuation and Schedule of Contributions on the Plan website: BoARP > Resources > Statutory Information

Under Section 222 of the Pensions Scheme Act 2004, every scheme is subject to the Statutory Funding Objective, which is to have sufficient and appropriate assets to cover its technical provisions. The technical provisions represent the amount of money the Trustee needs to have to pay the benefits members have accrued. This is assessed using the assumptions agreed by the Trustee and the bank and these assumptions are set out in the Statement of Funding Principles, available on the Plan website: BoARP > Resources > Statutory Information

The table below sets out the results of the most recent triennial valuation of the Plan carried out at 31 December 2021, from the Plan Actuary's valuation report dated 29 March 2023 and the results of the annual actuarial review as at 31 December 2022.

	31 December 2021	**31 December 2022**
Value of technical provisions (£M)	1,568.0	953.5
Market value of assets (£m)	1,756.5	1,028.7
Funding Surplus (£m)	188.5	75.2
Funding Ratio	112%	108%

The Plan's assets above include the audited value of the non-insured assets and the unaudited value of the insured annuities. For more details of the annual actuarial review as at 31 December 2022, set out in the Summary Funding Statement issued in 2023, please see the Funding Update on the Plan website:
BoARP > Resources > Statutory Information

An annual actuarial review as at 31 December 2023 is currently in progress and must be completed by 31 December 2024.

The method and significant assumptions used were as follows:

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

Funding Assumptions

The key assumptions are:

Basis item	**Description**
Discount Rate	Term-dependent rates set by reference to the nominal gilt yield curve plus a margin for asset outperformance of 0.39% p.a.
Retail Price inflation (RPI)	Term-dependent rates implied by the gilt RPI inflation curve.
Consumer Price inflation (CPI)	Derived at 31 December 2021 as the RPI assumption less an adjustment of 0.7% p.a. up to 2030 and 0.1% p.a. thereafter. The deduction from RPI has varied as market conditions change.
Salary Inflation	RPI plus 1.5% p.a. In addition, an allowance is made for age- related promotional increases.
Pension increases in payment	Determined by reference to the gilt RPI inflation curve with allowance for Aon's best estimate of future inflation volatility.
Mortality (base table) as at 31 December 2021	SAPS S3 Light tables, adjusted to allow for individual years of birth with scaling factors as follows:

	Male member / their contingent dependant	Female members / their contingent dependant
Actives	101% / 99%	104% / 108%
Deferred	105% / 102%	104% / 112%
Non-insured pensioners	103% / 101%	103% / 112%
Insured pensioners	102% / 100%	101% / 109%

Mortality (projection) as at 31 December 2021	Future improvements in line with the CMI 2021 core projections (S=7.0, A=0.5%), with a long-term improvement rate of 1.5% p.a. The latest projections available are adopted at each year-end, with adjustments made to the scaling factors as required.
Commutation	Allowance is made for future pensioners to exchange 10% of their pensions for lump sums at retirement
Expense reserve	A reserve of £40m at 31 December 2021, as an allowance for the possibility of expenses being paid from the Plan in the future.

Insured Pensioners

The table below sets out the values in respect of the insured pensioners as at 31 December 2021, 31 December 2022 and 31 December 2023. The figures at 31 December 2022 and 31 December 2023 have been calculated on the same assumptions outlined above, updated for market conditions as appropriate. The figure at 31 December 2021 was calculated on the Trustee's prior technical provisions basis. These values are included in both the assets and liabilities at the appropriate dates.

The values of the annuity policies below have been estimated using a roll-forward approach. The roll-forward allows for market conditions at the effective date, benefit outgo and expected changes to the membership profile.

	31 December 2021	31 December 2022	31 December 2023
Value of Insured Pensioners (£m)	374.2[1]	262.0[2]	248.5[3]

1. This was estimated by rolling forward the value of the pensioner liabilities as at 31 December 2020. As part of the formal triennial valuation this figure was calculated accurately as £379.1m. This change was considered immaterial for the purpose of updating the Annual Report and Financial Statements.

2. This figure was estimated by rolling forward the more accurate value of the insured pensioner liabilities as at 31 December 2021. As part of the 31 December 2022 annual actuarial review this figure was calculated accurately as £254.5m. This change was considered immaterial for the purpose of updating the Trustee's Report and Financial Statements.

3. This figure was estimated by rolling forward the more accurate value of the insured pensioner liabilities as at 31 December 2022. This figure will be calculated accurately as part of the 31 December 2023 annual actuarial review.

Financial developments and financial statements

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

Contacts and Resources

The following organisations are available to assist you in managing your pension arrangements and resolving any problems.

The DWP Pension Tracing Service, MoneyHelper, the Pensions Ombudsman and The Pensions Regulator

In accordance with the Occupational and Personal Pension Schemes (Disclosure of Information) Regulations 2013, as amended, members are advised that:

- The Government has established a website to assist members with finding lost pensions:
  Telephone: 0800 731 0193
  Website: www.gov.uk/find-pension-contact-details

- General requests for information or guidance concerning pension arrangements can be pursued by contacting MoneyHelper:
  Telephone: 0800 011 3797
  Website: www.moneyhelper.org.uk

- Complaints or disputes concerning a workplace or personal pension arrangement can be pursued by contacting The Pensions Ombudsman free of charge:
  Telephone: 0800 917 4487
  Website: www.pensions-ombudsman.org.uk
  Email: enquiries@pensions-ombudsman.org.uk

- The Pensions Regulator regulates company pension schemes and enforces the law as it relates to them. Please note that the Pensions Regulator cannot help with queries about an individual's pension benefits:
  Address: Telecom House
  125-125 Preston Road
  Brighton
  BN1 6AF
  Telephone: 0345 600 0707
  Website: www.thepensionsregulator.gov.uk
  Email: customersupport@tpr.gov.uk

The Pensions Regulator has wide ranging powers which include the power to:

- Suspend, disqualify and remove a trustee, or director of a trustee company, for consistently not carrying out their duties.

- Wind up schemes where necessary.

- Apply for injunctions to prevent the misuse and misappropriation of pension scheme assets and apply for restitution where necessary.

The Independent Auditor and Plan Actuary have a statutory duty to make an immediate written report to The Pensions Regulator if they believe that legal duties concerned with the running of the Plan are not being carried out.

Internal disputes resolution procedures

A disputes resolution procedure has been agreed by the Trustee to resolve any queries raised by beneficiaries or potential beneficiaries of the Plan and details of this can be obtained by contacting the Plan's administrator on page 1.

Statement of Trustee's responsibilities for the financial statements

The audited financial statements, which are required to be prepared in accordance with UK Generally Accepted Accounting Practice (UK GAAP), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland, 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 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.

The Trustee has supervised the preparation of the financial statements and has agreed suitable accounting policies, to be applied consistently, making estimates and judgements on a reasonable and prudent basis. It is also responsible for:

- Assessing the Plan’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern.

- Using the going concern basis of accounting unless they either intend to wind up the Plan, or have no realistic alternative but to do so.

- Making available each year, commonly in the form of a Trustee’s annual report, information about the Plan prescribed by pensions legislation, which the Trustee should ensure is fair and impartial.

The Trustee also has certain responsibilities in respect of contributions which are set out in the statement of Trustee's responsibilities on the following page.

The Trustee is responsible for such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have 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.

The Trustee is responsible for the maintenance and integrity of the Plan and financial information included on the Plan’s website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Statement of Trustee's Responsibilities in respect of Contributions

The Plan's Trustee is responsible, under pensions 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 Plan's Trustee is also responsible for keeping records of contributions received in respect of any active member of the Plan and for monitoring that contributions are made to the Plan in accordance with the Schedule.

Please see note 5 for more details on the contributions received by the Plan.

Approval of the Trustee's Report

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

Trustee Director	Trustee Director
Date	Date

ACTUARY'S CERTIFICATE OF THE SCHEDULE OF CONTRIBUTIONS

Purpose of this certificate

Shown below is the latest available Adequacy of Rate of Contributions certificate, which the Trustee is required to show in the Annual Report. This certification of the Plan's Schedule of Contributions is to certify that the contribution rates shown in the current Schedule of Contributions are expected to be adequate to meet the Plan's Statutory Funding Objective. A summary of the contributions paid is shown on the following page and a copy of the latest Schedule of Contributions can be downloaded from the website: BoARP > Resources > Statutory Information

Name of Plan: **Bank of America UK Retirement Plan**

Adequacy of rates of contributions

I certify that, in my opinion, the rates of contributions shown in this Schedule of Contributions are such that the statutory funding objective could have been expected on 31 December 2021 to continue to be met for the period for which the schedule is to be in force.

Adherence to statement of funding principles

I hereby certify that, in my opinion, this Schedule of Contributions is consistent with the Statement of Funding Principles dated 29 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 wound up.

Signature:

Date: 29 March 2023

Name: Jonathan Wicks

Qualification: Fellow of the institute and Faculty of Actuaries

Address: The Leadenhall Building
122 Leadenhall Street
London EC3V 4AN

Name of Employer: Aon Solutions UK Limited

SUMMARY OF CONTRIBUTIONS

YEAR ENDED 31 DECEMBER 2023

This summary of contributions has been prepared by, and is the responsibility of, the Trustee. It sets out the employer and member contributions payable to the Plan under the Schedules of Contributions certified by the Actuary on 3 October 2019 and on 29 March 2023, in respect of the Plan year ended 31 December 2023. The Plan Auditor reports on contributions payable under the Schedules in the Auditor's Statement about Contributions.

During the year ended 31 December 2023 the contributions payable to the Plan by the participating employers under the Schedules of Contributions were as follows:

	2023 £'000
Contributions payable under the Schedules of Contributions	
Employer normal contributions (DC)*	**89,503**
Employer additional contributions (DB)	**718**
Employer augmentation contributions (DB)	**2,670**
Total contributions payable under the Schedules of Contributions (as reported on by the Plan Auditor)	**92,891**
Employee additional voluntary contributions (DC)	**327**
Employer additional contributions (DC)	**1,549**
Total contributions included in the financial statements	**94,767**

*Includes employee contributions through the flexible benefits programme

The Schedules of Contributions requires the Participating Employers to pay for the cost of insuring the lump sum payable on death in service. These payments are met directly by the sponsoring employers and therefore are not reflected in the above summary of contributions.

Signed for and on behalf of the Trustee of the Bank of America UK Retirement Plan by:

Trustee Director

Trustee Director

Date

Date

INDEPENDENT AUDITOR'S STATEMENT ABOUT CONTRIBUTIONS TO THE TRUSTEE OF BANK OF AMERICA UK RETIREMENT PLAN

YEAR ENDED 31 DECEMBER 2023

Statement about contributions

We have examined the Summary of Contributions payable under the Schedule of Contributions to the Bank of America UK Retirement Plan in respect of the Plan year ended 31 December 2023 which is set out on Page 21.

In our opinion, contributions for the Plan year ended 31 December 2023 as reported in the Summary of Contributions and payable under the Schedule of Contributions have in all material respects been paid for the period from 1 January 2023 to 28 March 2023 at least in accordance with the Schedule of Contributions certified by the actuary on 3 October 2019 and subsequently at least in accordance with the Schedule of Contributions certified by the actuary on 29 March 2023.

Scope of work

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.

Respective responsibilities of Trustee and auditor

As explained more fully in the Statement of Trustee's Responsibilities set out on page 19, 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 active members of the Plan and for monitoring whether contributions are made to the Plan in accordance with the Schedule of Contributions.

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

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

This statement is made solely to the Plan's Trustee in accordance with the Pensions Act 1995 and Regulations made thereunder. Our 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 about contributions and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Plan's Trustee for our work, for this statement, or for the opinions we have formed.

Pamela Marco
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
Challenge House
Sherwood Drive, Bletchley
Milton Keynes
MK3 6DP

Date:

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEE OF BANK OF AMERICA UK RETIREMENT PLAN

Opinion

We have audited the financial statements of the Bank of America UK Retirement Plan ("the Plan") for the year ended 31 December 2023 which comprise the Plan Account, the Statement of Net Assets (available for benefits) and related notes, including the accounting policies in note 4.

In our opinion the financial statements:

- Show a true and fair view of the financial transactions of the Plan during the Plan year ended 31 December 2023 and of the amount and disposition at that date of its assets and liabilities, other than liabilities to pay pensions and benefits after the end of the Plan year.
- Have been properly prepared in accordance with UK accounting standards, including FRS 102 - the Financial Reporting Standard applicable in the UK and Republic of Ireland.
- Contain the information specified in Regulation 3A of the Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996, made under the Pensions Act 1995.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the Plan in accordance with, UK ethical requirements including the FRC Ethical Standard as applied to other entities of public interest. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The Trustee has prepared the financial statements on the going concern basis as it does not intend to wind up the Plan, and as it has concluded that the Plan's financial position means that this is realistic. It has also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the Trustee's conclusions, we considered the inherent risks to the Plan and analysed how those risks might affect the Plan's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- We consider that the Trustee's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.
- We have not identified, and concur with the Trustee's assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Plan's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Plan will continue in operation.

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud (“fraud risks”) we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of the Trustee, and inspection of policy documentation, including risk register, as to the Plan’s high-level policies and procedures to prevent and detect fraud, as well as enquiring whether they have knowledge of any actual, suspected or alleged fraud.

- Reading Trustee Board, Audit and Governance Sub-Committee, and Investment Sub-Committee Meeting minutes and the Plan's breach log.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, we perform procedures to address the risk of management override of controls, in particular the risk that the Trustee (or its delegates, including the Plan administrator) may be in a position to make inappropriate accounting entries and the risk of bias in accounting estimates and judgements such as the valuation of Insurance Policies. On this audit we do not believe there is a fraud risk related to revenue recognition because revenue in a pension scheme relates to contributions receivable as paid under an agreed schedule or pre-determined by the Trustee; there are no subjective issues or judgements required.

We did not identify any additional fraud risks.

We also performed procedures including:

- Identifying journal entries to test based on risk criteria, and comparing the identified entries to supporting documentation. These included those posted after the first draft of the financial statements have been prepared and unusual journals to cash.

- Assessing whether the judgements made in making accounting estimates are indicative of potential bias.

Identifying and responding to risks of material misstatement related to compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the Trustee and its delegates (as required by auditing standards), and discussed with the Trustee the policies and procedures regarding compliance with laws and regulations.

As the Plan is regulated by The Pensions Regulator, our assessment of risks involved gaining an understanding of the control environment including the Plan’s procedures for complying with regulatory requirements and reading the minutes of Trustee meetings.

Fraud and breaches of laws and regulations – ability to detect ***(continued)***

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Plan is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related pensions legislation) and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Plan is subject to other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation, or the loss of the Plan's registration. We identified the following areas as those most likely to have such an effect: pensions legislation and data protection legislation, recognising the financial and regulated nature of the Plan's activities and its legal form. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustee and inspection of regulatory and legal correspondence, if any. Therefore, if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

We have reported separately on contributions payable under the Schedule of contributions in our statement about contributions on Page 22 of the annual report.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Other information

The Trustee is responsible for the other information, which comprises the Trustee report (including the report on actuarial liabilities and the Summary of Contributions), the Chair's Annual DC Governance Statement, Annual Implementation Statement, the actuarial certification of the Schedule of Contributions and the TCFD report. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon in in this report.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on this work we have not identified material misstatements in the other information.

Trustee's responsibilities

As explained more fully in their statement set out on page 18, the Plan Trustee is responsible for:

- Supervising the preparation of financial statements which show a true and fair view.
- Such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
- 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 they either intend to wind up the Plan, or have no realistic alternative but to do so.

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities

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

This report is made solely to the Plan Trustee in accordance with the Pensions Act 1995 and Regulations made thereunder. Our audit work has been undertaken so that we might state to the Plan Trustee those matters we are required to state to it in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Plan Trustee, for our audit work for this report or for the opinions we have formed.

Pamela Marco
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
Challenge House
Sherwood Drive, Bletchley
Milton Keynes
MK3 6DP

Date:

FUND ACCOUNT

YEAR ENDED 31 DECEMBER 2023

	Note	DB Section 2023 £'000	DC Section 2023 £'000	**Total 2023 £'000**	*Total 2022 £'000*
Contributions and benefits					
Employer contributions		3,388	91,052	**94,440**	*81,358*
Employee contributions		–	327	**327**	*214*
Total contributions	**5**	3,388	91,379	**94,767**	*81,572*
Transfers in	**6**	–	5,828	**5,828**	*2,069*
Other income	**7**	1	3,350	**3,351**	*580*
		3,389	100,557	**103,946**	*84,221*
Benefits paid or payable	**8**	(27,698)	(13,700)	**(41,398)**	*(31,682)*
Payments to and on account of leavers	**9**	(8,180)	(47,352)	**(55,532)**	*(89,084)*
Administrative expenses	**10**	(13)	(9)	**(22)**	*435*
		(35,891)	(61,061)	**(96,952)**	*(120,331)*
Net (withdrawals)/additions from dealings with members		(32,502)	39,496	**6,994**	*(36,110)*
Returns on investments					
Investment income	**11**	25,161	235	**25,396**	*15,091*
Change in market value of investments	**12**	(18,504)	299,151	**280,647**	*(961,660)*
Investment management expenses	**14**	(21)	–	**(21)**	*(282)*
Net return on investments		6,636	299,386	**306,022**	*(946,851)*
Net (decrease)/increase in the fund during the year		(25,866)	338,882	**313,016**	*(982,961)*
Transfers between sections	**16**	600	(600)	**–**	*–*
Net assets of the Plan					
At 1 January		1,036,288	2,070,083	**3,106,371**	*4,089,332*
At 31 December		1,011,022	2,408,365	**3,419,387**	*3,106,371*

The notes on pages 31 to 57 form part of these financial statements.

STATEMENT OF NET ASSETS (available for benefits)

AS AT 31 DECEMBER 2023

	Note	2023 £'000	*2022* *£'000*
DB Section			
Investment assets	**12**		
Bonds		**752,589**	*692,611*
Pooled investment vehicles	**17**	**207,007**	*513,523*
Derivatives	**18**	**4,793**	*2,392*
Insurance policies	**19**	**248,500**	*262,000*
AVC investments	**20**	**6**	*34*
Cash	**21**	**4,868**	*8,520*
Other investment balances	**22**	**5,659**	*–*
Reverse repurchase agreements	**23**	**–**	*80,596*
		1,223,422	*1,559,676*
Investment liabilities	**12**		
Derivatives	**18**	**(4,250)**	*(10,938)*
Cash	**21**	**(820)**	*–*
Other investment balances	**22**	**–**	*(847)*
Repurchase agreements	**23**	**(219,265)**	*(519,001)*
		(224,335)	*(530,786)*
Total investments		**999,087**	*1,028,890*
Current assets	**27**	**12,287**	*7,845*
Current liabilities	**28**	**(352)**	*(447)*
Net assets of the Plan at 31 December		**1,011,022**	*1,036,288*
DC Section			
Investment assets	**12**		
Pooled investment vehicles	**17**	**2,396,682**	*2,064,437*
Current assets	**27**	**13,683**	*6,642*
Current liabilities	**28**	**(2,000)**	*(996)*
Net assets of the Plan at 31 December		**2,408,365**	*2,070,083*
Total net assets of the Plan at 31 December		**3,419,387**	*3,106,371*

The notes on pages 31 to 57 form part of these financial statements.

STATEMENT OF NET ASSETS (available for benefits) *(continued)*

AS AT 31 DECEMBER 2023

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 that fall due after the end of the Plan year. The actuarial position of the Plan, which does take account of such obligations, is dealt with within the report on actuarial liabilities on pages 14 and 15 of the annual report and these financial statements should be read in conjunction therewith.

The notes on pages 31 to 57 are an integral part of this statement of net assets.

The financial statements were approved by the Trustee and signed on their behalf by:

Trustee Director

Trustee Director

Date

Date

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 (FRS 102) – The Financial Reporting Standard applicable in the UK and Republic of Ireland issued by the Financial Reporting Council and the guidance set out in the Statement of Recommended Practice (SORP) - (Revised June 2018).

Going concern

The going concern basis of accounting is appropriate and the assessment includes the impact of the current economic conditions on the contributions of the Plan, volatility in assets under management and ability to pay out retirements and cost of operations of the Plan.

The Trustee receives regular funding updates from its actuarial advisers and the latest funding level assessed on a technical provisions basis is above 100% for the Plan which provides comfort that the Plan is sufficiently funded to be able to operate independently and provide promised retirement income in the long run.

The financial strength of the Principal Employer is also considered and any short-term/long-term impact on the liquidity leading to inability to provide employer contribution obligations to the Plan. There is continuing intention by the Principal Employer to pay any future deficit contributions and any other employer contributions due. In terms of Investments, the Trustee has designed and implemented the Plan's investment strategy taking a long-term view and has built in resilience to withstand short-term fluctuations.

Taking the factors outlined above into account, as well as the Employer's ability to continue to make contributions as they fall due not being significantly impacted by the current economic conditions, this 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 in the Trustee's Report on page 2.

3. Comparative fund account

	Note	DB Section 2022 £'000	DC Section 2022 £'000	**Total 2022 £'000**
Contributions and benefits				
Employer contributions		3,837	77,521	**81,358**
Employee contributions		–	214	**214**
Total contributions	**5**	3,837	77,735	**81,572**
Transfers in	**6**	–	2,069	**2,069**
Other income	**7**	1	579	**580**
		3,838	80,383	**84,221**
Benefits paid or payable	**8**	(23,049)	(8,633)	**(31,682)**
Payments to and on account of leavers	**9**	(32,644)	(56,440)	**(89,084)**
Administrative expenses	**10**	(27)	462	**435**
		(55,720)	(64,611)	**(120,331)**
Net (withdrawals)/additions from dealings with members		(51,882)	15,772	**(36,110)**
Returns on investments				
Investment income	**11**	15,091	–	**15,091**
Change in market value of investments	**12**	(679,336)	(282,324)	**(961,660)**
Investment management expenses	**14**	(282)	–	**(282)**
Net return on investments		(664,527)	(282,324)	**(946,851)**
Net (decrease) in the fund during the year		(716,409)	(266,552)	**(982,961)**
Transfers between sections	**16**	1,100	(1,100)	**–**
Net assets of the Plan				
At 1 January		1,751,597	2,337,735	**4,089,332**
At 31 December		1,036,288	2,070,083	**3,106,371**

4. Summary of significant accounting policies

The principal accounting policies applied to these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Foreign currency translation

- Purchases and sales of investments, and income and expenditure, denominated in foreign currencies are translated into sterling at the rates ruling at the transaction date.
- Assets and liabilities denominated in foreign currencies held by the Plan at the period end are translated into sterling at the rates ruling on that date.
- Gains and losses arising on translation of foreign currency investments are accounted for within the change in market value of the investment in the fund account.

Presentation currency

- The Plan's functional and presentation currency is pounds sterling.

Contributions

- Normal contributions from the employer represent those payments made to the Plan to enable it to provide pension benefits on the retirement of members and are accounted for on an accruals basis. Employee contributions are accounted for when deducted from pay, except for the first contribution due where the employee has been auto-enrolled by the Employer which is accounted for when received by the Plan. Employer contributions are expressed as a rate of salary are accounted for on the same basis as employees' contributions, otherwise they are accounted for in the period they are due under the Schedule of Contributions.
- Additional contributions are accounted for as received, except for those in respect of the cost of DB death in service spouses' pension additional contributions, which are accounted for on an accruals basis.
- AVCs are accounted for when deducted by the employer.
- Employer's augmentation contributions are accounted for when received.

Payments to members

- Benefits payable are accounted for in the period in which they fall due. Where members have a choice, 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 retirement or leaving.
- Individual transfers to and from other pension plans are accounted for on a cash basis.
- Bulk transfers are accounted for on an accruals basis, once binding agreement between the Trustee of the transferor and transferee plans has been reached.

Administration expenses

- All costs of administration other than investment manager fees, bank charges and other expenses as shown on the Fund Account are borne by the Principal Employer. Costs incurred by the Plan are recognised on an accrual basis.

4. Summary of significant accounting policies ***(continued)***

Investment income

- Income from DB Section pooled investment vehicles which is distributed is accounted for in the period in which it falls due. Interest on bank deposits is accounted for as it accrues. Tax recoverable on investment income is accrued on the same basis as the related income.
- Income from the DB and DC Section pooled investment vehicles (PIVs) which is not distributed is reinvested and reflected in the increase in the fund's unit price through change in market value.
- Accrued interest is excluded from the market value of fixed income securities (bonds) and is included in investment income receivable.
- Income from bonds is accounted for on an accruals basis and includes interest bought and sold on investment purchases and sales.
- Receipts from annuity income policies in the Trustee's name are accounted for as investment income on an accrual basis.

Investments

Investments are included at fair value as described below:

- All types of pooled investment vehicles, including Property Unit Trusts, are stated at closing bid or closing single prices as provided by the investment managers at the year-end date.
- Cash instruments are valued at the year-end price as provided by the investment managers.
- AVC funds are included at bid or single price market value provided by the AVC providers at the year-end date.
- Over-the-counter derivatives, principally comprising swaps, are valued using established market convention and prevailing interest rates. The amounts included in the change in market value are the realised gains and losses on closed contracts and the unrealised gains and losses on open contracts.
- The Plan receives and gives legal and beneficial titles to assets as collateral under derivatives arrangements. In such circumstance, the related assets are recognised or de-recognised in the Net Assets Statement with a corresponding liability or debtor to or from the derivatives counterparty.
- The insurance policies with Scottish Widows have been valued by the Plan Actuary at the amount of the related obligation, determined using the most recent Plan funding valuation assumptions updated for market value at the reporting date. Legacy insurance policies are not included on grounds of materiality. They were issued by Friends Life and HBOS.
- Accrued interest is excluded from the market value of fixed income securities and is included in interest income receivable.
- Fixed interest securities are stated at their clean prices.

4. Summary of significant accounting policies ***(continued)***

Investments*(continued)*

- The Plan recognises assets delivered out under repurchase contracts to reflect its ongoing interest in those securities. Cash received from repurchase contracts is recognised as an investment asset, and an investment liability is recognised for the value of the repurchase obligation and accrued interest thereon.

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

Term assurance claims

These are accounted for on an accruals basis.

5. Contributions

	2023		
	DB Section £'000	DC Section £'000	**Total £'000**
Employer contributions			
Normal	–	89,503	**89,503**
Additional	718	1,549	**2,267**
Augmentation	2,670	–	**2,670**
	3,388	91,052	**94,440**
Employee contributions			
Additional voluntary contributions	–	327	**327**
	3,388	91,379	**94,767**

	2022		
	DB Section £'000	DC Section £'000	*Total £'000*
Employer contributions			
Normal	–	76,368	*76,368*
Additional	717	1,153	*1,870*
Augmentation	3,120	–	*3,120*
	3,837	77,521	*81,358*
Employee contributions			
Additional voluntary contributions	–	214	*214*
	3,837	77,735	*81,572*

All employee normal contributions are paid under a salary sacrifice arrangement and are therefore shown as employer contributions. These amount to £26,951,119 (2002: £20,672,407).

Additional employer contributions in:

- The DB Section relate to the funding of the provision of death in service spouses' pensions for employees amounting to £718,167 (2022: £717,013).
- The DC Section relate to the purchase of enhanced benefits facilitated by a bonus sacrifice amounting to £1,548,734 (2022: £1,153,335).

6. Transfers in

	2023		
	DB Section £'000	DC Section £'000	**Total £'000**
Individual transfers in	–	4,131	**4,131**
Group transfers in	–	1,697	**1,697**
	–	5,828	**5,828**

6. Transfers in *(continued)*

		2022	
	DB Section	DC Section	*Total*
	£'000	£'000	*£'000*
Individual transfers in	–	2,069	*2,069*
Group transfers in	–	–	*–*
	–	2,069	*2,069*

7. Other income

		2023	
	DB Section	DC Section	**Total**
	£'000	£'000	**£'000**
Death-in-service insurance receipts	–	3,344	**3,344**
Other income	1	6	**7**
	1	3,350	**3,351**

		2022	
	DB Section	DC Section	*Total*
	£'000	£'000	*£'000*
Death-in-service insurance receipts	–	575	*575*
Other income	1	4	*5*
	1	579	*580*

8. Benefits paid or payable

		2023	
	DB Section	DC Section	**Total**
	£'000	£'000	**£'000**
Pensions	20,900	–	**20,900**
Commutation of pensions and lump sum retirement benefits	5,316	5,402	**10,718**
Purchase of annuities	85	3,329	**3,414**
Lump sum death benefits	1,397	4,922	**6,319**
Taxation where lifetime or annual allowance exceeded	–	47	**47**
	27,698	13,700	**41,398**

		2022	
	DB Section	DC Section	*Total*
	£'000	£'000	*£'000*
Pensions	18,985	–	*18,985*
Commutation of pensions and lump sum retirement benefits	3,575	3,627	*7,202*
Purchase of annuities	61	3,955	*4,016*
Lump sum death benefits	428	1,028	*1,456*
Taxation where lifetime or annual allowance exceeded	–	23	*23*
	23,049	8,633	*31,682*

8. Benefits paid or payable *(continued)*

Taxation arising on benefits paid or payable is in respect of members whose benefits exceeded the Lifetime or Annual Allowance and who elected to take lower benefits from the Plan in exchange for the Plan settling their tax liability.

9. Payments to and on account of leavers

		2023	
	DB Section	DC Section	**Total**
	£'000	£'000	**£'000**
Individual transfers to other schemes	8,180	47,352	**55,532**

		2022	
	DB Section	DC Section	*Total*
	£'000	£'000	*£'000*
Individual transfers to other schemes	32,644	56,440	*89,084*

10. Administrative expenses

		2023	
	DB Section	DC Section	**Total**
	£'000	£'000	**£'000**
Administration and processing	–	(3)	**(3)**
Other admin expenses	13	12	**25**
	13	9	**22**

		2022	
	DB Section	DC Section	*Total*
	£'000	£'000	*£'000*
Administration and processing	(1)	(465)	*(466)*
Other admin expenses	28	3	*31*
	27	(462)	*(435)*

Other than the costs disclosed above, all other expenses are borne by the Principal Employer.

11. Investment income

		2023	
	DB Section	DC Section	**Total**
	£'000	£'000	**£'000**
Income from bonds	3,184	–	**3,184**
Income from pooled investment vehicles	5,696	–	**5,696**
Income from derivatives	(263)	–	**(263)**
Investment income from annuities to fund on-going liabilities	16,076	–	**16,076**
Income from other investments	161	–	**161**
Interest on cash deposits	307	235	**542**
	25,161	235	**25,396**

11. Investment income *(continued)*

	DB Section	2022 DC Section	*Total*
	£'000	£'000	*£'000*
Income from bonds	5,842	–	*5,842*
Income from pooled investment vehicles	13,375	–	*13,375*
Income from derivatives	(20,971)	–	*(20,971)*
Investment income from annuities to fund on-going liabilities	15,432	–	*15,432*
Income from other investments	1,413	–	*1,413*
Interest on cash deposits	–	–	*–*
	15,091	–	*15,091*

12. Reconciliation of investments

DB Section

	Value at 1 January 2023	Purchases at cost and derivative payments	Sales proceeds and derivative receipts	Change in market value	Value at 31 December 2023
	£'000	£'000	£'000	£'000	**£'000**
Bonds	692,611	603,577	(533,279)	(10,320)	**752,589**
Pooled investment vehicles	513,523	135,937	(444,074)	1,621	**207,007**
Derivatives	(8,546)	202,596	(197,205)	3,698	**543**
Insurance policies	262,000	–	–	(13,500)	**248,500**
AVC investments	34	–	(25)	(3)	**6**
	1,459,622	942,110	(1,174,583)	(18,504)	**1,208,645**
Cash	8,520			–	**4,048**
Other investment balances	(847)			–	**5,659**
Repurchase agreements	(438,405)			–	**(219,265)**
	1,028,890			(18,504)	**999,087**

DC Section

	Value at 1 January 2023	Purchases at cost	Sales proceeds	Change in market value	Value at 31 December 2023
	£'000	£'000	£'000	£'000	**£'000**
Pooled investment vehicles	2,064,437	231,969	(198,875)	299,151	**2,396,682**

12. Reconciliation of investments ***(continued)***

The above sales and purchases for the DC Section includes switches between investments amounting to £139,224k.

13. Transaction costs

Transaction costs are included in the cost of purchases and sales proceeds within each underlying investment fund. Transaction costs include costs such as fees, commissions and stamp duty. No direct investment transaction costs are charged to the Plan.

14. Investment management expenses

		2023	
	DB Section £'000	DC Section £'000	**Total £'000**
Administration, management and custody	21	–	**21**

		2022	
	DB Section £'000	DC Section £'000	*Total £'000*
Administration, management and custody	282	–	*282*

15. Taxation

The Plan is a registered Pension Scheme under Chapter 2 of Part 4 of the Finance Act 2004 and is therefore exempt from income tax and capital gains tax. The tax charge in the Fund account represents irrecoverable withholding taxes arising on overseas investment income. Tax charges are accrued on the same basis as the investment income to which they relate.

16. Transfers between sections

		2023	
	DB Section £'000	DC Section £'000	**Total £'000**
Transfers between sections	600	(600)	**–**

		2022	
	DB Section £'000	DC Section £'000	*Total £'000*
Transfers between sections	1,100	(1,100)	–

17. Pooled investment vehicles

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

		2023	
	DB Section	DC Section	**Total**
	£'000	£'000	**£'000**
Equity	–	1,907,636	**1,907,636**
Bond	–	81,164	**81,164**
Hedge funds	32,418	–	**32,418**
Diversified growth	–	399,989	**399,989**
Private equity	1,929	–	**1,929**
Property	35,203	7,893	**43,096**
Cash	4,845	–	**4,845**
Multi Asset Credit	40,029	–	**40,029**
Absolute Return Bond Investment	68,541	–	**68,541**
Property debt	24,042	–	**24,042**
	207,007	2,396,682	**2,603,689**

		2022	
	DB Section	DC Section	*Total*
	£'000	£'000	*£'000*
Equity	–	1,651,405	*1,651,405*
Bond	–	59,663	*59,663*
Hedge funds	30,453	–	*30,453*
Diversified growth	–	344,647	*344,647*
Private equity	3,391	–	*3,391*
Property	40,861	8,722	*49,583*
Cash	255,908	–	*255,908*
Multi Asset Credit	75,033	–	*75,033*
Absolute Return Bond Investment	68,266	–	*68,266*
Property debt	39,611	–	*39,611*
	513,523	2,064,437	*2,577,960*

The defined contribution assets are allocated to provide benefits to the individuals on whose behalf the contributions were paid. Those assets identified as designated to members in the Statement of Net Assets and accordingly do not form a common pool of assets available for members generally. The above defined contribution assets include £943,000 not designated to members (2022: £869,000).

18. Derivatives

The Trustee has authorised the use of derivatives by their investment managers as part of their investment strategy for the Plan as explained in the Trustee's report. At the year-end the Plan had the following derivatives:

	2023 DB Section £'000	2023 DC Section £'000	**2023 Total £'000**
Derivative assets			
Swaps	3,842	–	**3,842**
Forward FX contracts	951	–	**951**
	4,793	–	**4,793**
Derivative liabilities			
Swaps	(4,216)	–	**(4,216)**
Forward FX contracts	(34)	–	**(34)**
	(4,250)	–	**(4,250)**
	543	–	**543**

	2022 DB Section £'000	DC Section £'000	*Total £'000*
Derivative assets			
Swaps	2,392	–	*2,392*
Forward FX contracts	–	–	–
	2,392	–	*2,392*
Derivative liabilities			
Swaps	(10,938)	–	*(10,938)*
Forward FX contracts	–	–	–
	(10,938)	–	*(10,938)*
	(8,546)	–	*(8,546)*

18. Derivatives ***(continued)***

Swaps
The Plan had outstanding derivative swap contracts at the year-end as follows:

DB Section

Nature	No. of contracts	Notional amounts £'000	Expires	Asset value £'000	Liability value £'000
SWAP: 3.030000 to 3.941000	12	9,015	28 JULY 2033	2	(234)
SWAP: EUR 2.915000 to 2.969000	8	8,819	15 MAY 2042	–	(251)
SWAP: EUR 3.003000 to 3.030000	1	978	04 MAY 2033	–	(36)
SWAP: IFS 3.965000	1	5,502	15 JULY 2032	194	–
SWAP: IFS 4.140000 to 4.235000	2	49,423	15 JULY 2029	2,079	–
SWAP: OIS 2.222000 to 2.272000	2	47,780	14 JULY 2032	–	(3,667)
SWAP: OIS 3.028000 to 3.989000	37	3,853	19 MAY 2053	1,336	(28)
SWAP: OIS 4.139000 to 4.586000	7	3,097	26 MAY 2043	231	–
Total 2023		128,467		3,842	(4,216)
Total 2022		295,188		2,392	(10,938)

For the swap derivatives that are 'out of the money' at year-end, BlackRock will have posted collateral to the relevant counterparties as per the terms of the agreements in place with the counterparties.

Forward FX contracts
The Plan had open forward foreign exchange contracts at the year-end as follows:

DB Section

Contract	No. of contracts	Currency bought	Currency sold	Asset value £'000	Liability value £'000
FX 17 Jan 2024	5	GBP 16,137	EUR 18,630	3	(17)
FX 17 Jan 2024	3	EUR 1,020	GBP 886	1	(3)
FX 17 Jan 2024	8	GBP 24,690	USD 30,270	947	–
FX 17 Jan 2024	3	USD 530	GBP 430	–	(14)
Total 2023				951	(34)
Total 2022				–	–

Collateral

Under the cleared OTC contracts, the Plan has posted net collateral of £5,000,000 (of face value £4,000,000) in the form of government bonds.

19. Insurance policies

	DB Section	DC Section	Total
		2023	
	£'000	£'000	**£'000**
Annuities	248,500	–	**248,500**

	DB Section	DC Section	*Total*
		2022	
	£'000	£'000	*£'000*
Annuities	262,000	–	*262,000*

The values of the annuity policies above have been estimated using a roll-forward approach. The roll-forward allows for market conditions at the effective date, benefit outgoings and expected changes to the membership profile.

20. AVC investments

	DB Section	DC Section	Total
		2023	
	£'000	£'000	**£'000**
Aviva (Insurance Policies)	6	–	**6**

	DB Section	DC Section	*Total*
		2022	
	£'000	£'000	*£'000*
Aviva (Insurance Policies)	34	–	*34*

In the DB Section of the Plan, the Trustee holds assets invested separately from the main fund in the form of individual insurance policies.

In the DC Section of the Plan, these assets are held in pooled investment vehicles with other DC investments.

In both sections these assets secure additional benefits on a DC basis for those members electing to pay AVCs. Members participating in this arrangement each receive an annual statement made up to 31 December of the relevant year confirming the amounts held in their account and the movements in the year.

21. Cash

	DB Section £'000	2023 DC Section £'000	**Total £'000**
Cash assets			
Sterling	4,868	–	**4,868**
Cash liabilities			
Sterling	(820)	–	**(820)**
	4,048	–	**4,048**

	DB Section £'000	*2022* DC Section £'000	*Total £'000*
Cash assets			
Sterling	8,520	–	*8,520*
	8,520	–	*8,520*
Cash liabilities			
Sterling	–	–	–
	8,520	–	*8,520*

22. Other investment balances

	DB Section £'000	2023 DC Section £'000	**Total £'000**
Other investment balances assets			
Accrued income	5,659	–	**5,659**
Other investment balances liabilities			
Accrued income	–	–	**–**

22. Other investment balances ***(continued)***

	2022 DB Section £'000	2022 DC Section £'000	*2022 Total £'000*
Other investment balances assets			
Accrued income	–	–	*–*
Other investment balances liabilities			
Accrued income	(847)	–	*(847)*

23. Repurchase and reverse repurchase agreements

At the year-end, amounts payable under repurchase agreements (of book value £214,580,000) amounted to £219,265,000 and amounts receivable under reverse repurchase agreements (of book value £Nil) amounted to £Nil.

At the year end, £220,512,000 of bonds (being bonds subject to the repurchase agreement with a value of £226,642,000 and additional collateral with a value of £6,130,000) reported in Plan assets are held by counterparties under repurchase agreements. The security which has been bought is held as collateral whilst the other party has agreed to repurchase the security at expiration of the contract. The agreements in place with BlackRock's counterparties require collateral to be exchanged daily to reduce credit risk, subject to a minimum transfer amount.

24. Fair value determination

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

- Level 1: The unadjusted quoted price in an active market for identical assets or liabilities that the entity can access at the measurement date.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable (i.e. developed using market data) 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.

24. Fair value determination ***(continued)***

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

	At 31 December 2023			
	Level 1 £'000	Level 2 £'000	Level 3 £'000	**Total £'000**
DB Section				
Bonds	648,739	103,850	–	**752,589**
Pooled investment vehicles	–	145,830	61,177	**207,007**
Derivatives	–	543	–	**543**
Insurance policies	–	–	248,500	**248,500**
Other investments	5,659	–	–	**5,659**
AVC investments	–	–	6	**6**
Cash	4,048	–	–	**4,048**
Repurchase agreements	–	(219,265)	–	**(219,265)**
	658,446	30,958	309,683	**999,087**
DC Section				
Pooled investment vehicles	–	2,396,682	–	**2,396,682**
	658,446	2,427,640	309,683	**3,395,769**

	At 31 December 2022			
	Level 1 £'000	Level 2 £'000	Level 3 £'000	*Total £'000*
DB Section				
Bonds	692,611	–	–	*692,611*
Pooled investment vehicles	–	429,659	83,864	*513,523*
Derivatives	–	(8,546)	–	*(8,546)*
Insurance policies	–	–	262,000	*262,000*
Other investments	(847)	–	–	*(847)*
AVC investments	–	–	34	*34*
Cash	8,520	–	–	*8,520*
Repurchase agreements	–	(438,405)	–	*(438,405)*
	700,284	(17,292)	345,898	*1,028,890*
DC Section				
Pooled investment vehicles	–	2,064,437	–	*2,064,437*
	700,284	2,047,145	345,898	*3,093,327*

25. Investment risk disclosures

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 of 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 of 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 of 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 in dividual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

The Trustee determines its investment strategy after taking advice from a professional investment adviser. The Plan has exposure to these risks because of the investments it makes in following the investment strategy set out in the DB asset allocation table outlined below. Plan members have exposure to these risks through the investment options they select from a range offered through the DC Section of the Plan.

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

25. Investment risk disclosures ***(continued)***

DB Section

Investment strategy

The core investment objective of the DB Section is to maintain a portfolio of suitable assets of appropriate liquidity which will generate investment returns to meet, together with future contributions, the benefits of the DB Section payable under the Trust Deed and Rules as they fall due.

The Trustee sets the investment strategy for the DB Section taking into account considerations such as the strength of the employer covenant, the long-term liabilities of the DB Section and the funding agreed with the Employer. The investment strategy is set out in its Statement of Investment Principles (SIP).

The investment strategy over 2023 included:

- Return-seeking 'cash plus' type investments; where performance is expected to be determined, to a significant extent, by manager skill and measured against cash benchmarks. These include two property debt funds and a multi-asset credit fund.

- Protection assets; which are designed to hedge against the impact of interest rate and inflation movements on the uninsured long-term liabilities of the Plan. These assets comprise of a segregated portfolio of gilts, repurchase agreements, swaps and cash/liquidity funds, and are supplemented by two absolute return bond funds, an asset backed securities fund, and an investment-grade credit portfolio. The absolute return bond funds and asset backed securities are low volatility, "cash plus" type investments which are an efficient means of generating modest return on excess collateral. The interest rate sensitivity of the investment grade credit portfolio contributes to the liability hedge i.e. it is taken into account within the LDI portfolio.

- Bulk annuities; where the Plan receives cash flows from an insurer to cover the benefit payments of the insured members. In September 2018 the Plan entered into a large bulk annuity contract with Scottish Widows which insured the pensioner membership as at 31 December 2017.

25. Investment risk disclosures ***(continued)***

Credit risk

The Plan is subject to direct credit risk because the Plan directly invests in bonds and has cash balances. The Plan is also subject to direct credit risk from the potential default of any of the pooled fund managers with which it invests. The underlying assets of the pooled investment vehicles are however held separately from the assets of the investment manager.

Within the LDI portfolio, credit risk arising on bonds held directly is mitigated by investing in government bonds where the credit risk is minimal. Credit risk arising on derivatives depends on whether the derivative is exchange traded, centrally cleared or over the counter (OTC). OTC derivative contracts are not guaranteed by any regulated exchange and therefore the Plan is subject to risk of failure of the counterparty. The credit risk for OTC derivatives is reduced by the daily exchange of collateral between the Plan and the counterparties.

The Plan also invests in a segregated Buy and Maintain Credit mandate with BlackRock. As at 31 December 2023, 97.6% of the Plan's holdings in the Buy and Maintain Credit mandate were investment grade (rating of BBB- or higher), with the remaining 2.4% being unrated. The credit risk from these assets is mitigated by holding a well diversified portfolio by issuer and sector, and through limits on the percentage of the portfolio which can be invested in non-investment grade assets.

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. Within the property debt allocation, credit risk is mitigated by diversifying the Plan's investment between two managers and each manager investing in a range of debt seniority (whole loans as well as mezzanine debt).

The Trustee carries out due diligence checks on the appointment of new pooled investment managers and on an ongoing basis monitors any changes to the regulatory and operating environment of the pooled manager.

Direct credit risk also arises from the bulk annuity contract with Scottish Widows; however this is mitigated by the regulatory environment in which insurers operate. This regulatory environment requires insurers to hold sufficient capital reserves to withstand significant shocks whilst the Financial Services Compensation Scheme is expected to provide compensation to policyholders if an insurer becomes insolvent, but this is untested.

Indirect credit risk arises from the underlying assets of the pooled investment vehicles, where some of the managers will have the discretion to invest in credit including non-investment grade credit. The investment managers decide on the credit allocation taking into account the objectives of the fund. The Trustee manages the associated credit risk by selecting a range of investment managers and mandates consistent with the Plan's objectives. The holdings of each mandate are diversified. The return from these investments is expected to compensate for the risk taken.

25. Investment risk disclosures ***(continued)***

Currency risk

The Plan is subject to currency risk in two ways:

Indirect: To the extent that managers of Sterling-denominated pooled funds in which the Plan invests, purchase assets denominated in currencies other than Sterling without hedging the currency risk.

The investment managers decide whether or not to hedge the currency risks associated with any non-Sterling denominated investments taking into account the objectives of the fund. The asset-backed securities, absolute return bond funds and multi-asset credit fund may or may not hedge currency risks associated with their non-Sterling positions.

Direct: To the extent it invests in funds denominated in non-Sterling currencies without hedging the currency risk.

The Plan's private equity funds are largely denominated in USD and the Trustee does not hedge the currency risk. The Trustee is comfortable with this approach as the Plan's allocation to private equity is very small.

Interest rate risk

The Plan is subject to direct interest rate risk because some of the Plan's investments are held directly in bonds, repurchase agreements, swaps and cash (largely in the segregated LDI portfolio). The value of the bulk annuity with Scottish Widows is sensitive to interest rate movements, but the liabilities are covered by the contract (i.e. the bulk annuity is a matching asset).

The Plan's economic liabilities are broadly as sensitive to changes in interest rates as the Plan's assets. To the extent that the assets are subject to interest rate risk, this provides a hedge to movements in interest rates and therefore reduces risk for the Plan in aggregate.

Within some of the Plan's pooled investment vehicles, the manager will have discretion to invest in assets which result in indirect interest rate risk. The investment managers decide whether or not to hedge the interest rate risk taking into account the objectives of the fund.

25. Investment risk disclosures *(continued)*

Other price risk

Other price risk arises in relation to all of the Plan's invested assets. The Trustee manages this exposure to overall price movements by constructing a diverse portfolio of investments across various asset classes and markets.

During the year, the following asset types were exposed to underlying credit risk, currency, interest rate and other price risk arising from the underlying financial instruments held:

	Risk Categories					
			Market Risk			
	Credit Risk	Currency	Interest Rate	Other Price Risk	2023	2022
Segregated (direct)					**£'000**	*£'000*
Bonds	✓	x	✓	✓	647,901	*692,611*
Derivatives	✓	✓	✓	✓	543	*(8,546)*
Investment Grade Credit	✓	x	✓	✓	104,688	*–*
Pooled investment vehicles (indirect)						
Private Equity	✓	✓	x	✓	1,929	*3,391*
Property	x	✓	x	✓	35,203	*40,862*
Property Debt	✓	x	✓	✓	24,042	*39,611*
Asset Backed Securities	✓	✓	✓	✓	32,418	*30,453*
Absolute Return Bond Investment	✓	✓	✓	✓	68,541	*68,265*
Liquidity Funds	✓	x	✓	x	4,845	*255,908*
Multi Asset credit	✓	✓	✓	✓	40,029	*75,033*

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

	2023	2022
	£'000	*£'000*
Jersey Property Unit Trust (JPUT)	35,203	*40,862*
Undertakings for Collective Investment in Transferable Securities (UCITS)	37,263	*286,361*
Open-Ended Investment Companies (OEIC)	35,517	*33,383*
Qualifying Investor Alternative Investment Fund (QIAIF)	40,029	*75,033*
Société d'Investissement à Capital Variable (SICAV)	33,024	*34,882*
Limited Partnership	25,971	*43,002*
Total	**207,007**	*513,523*

25. Investment risk disclosures ***(continued)***

DC Section

Investment strategy

The Trustee is responsible for providing an appropriate range of investment options to members. Its key aim is to provide a range of investments that are suitable for meeting members' long and short-term investment objectives. It has taken into account members' circumstances, in particular the range of members' attitudes to risk and term to retirement. The SIP outlines the investment objectives and strategy for the DC Section.

The investment funds offered to members are white labelled funds provided by Fidelity.

The Trustee has an insurance policy in place with Fidelity that sets out guidelines for the underlying investments held by the funds. The day-to-day management of the underlying investments of the funds is the responsibility of the third-party investment managers, including the direct management of credit and market risks.

The Trustee, with the help of its investment advisers, regularly monitors the underlying funds' performance, on-going suitability and adherence with the respective investment mandates, including through performance monitoring metrics that highlight any underperforming funds. The Trustee, with the help of its investment advisers, undertakes a more in-depth review of the underlying fund range on an annual basis. This includes an assessment of whether costs and charges borne by members continue to represent good value to those members.

Credit risk

The DC Section is subject to direct credit risk in relation to each of the underlying investment managers and Fidelity through its holding in unit linked funds made available by FIL Life Insurance Limited. FIL Life Insurance Limited is regulated by the Financial Conduct Authority and maintains separate funds for its policy holders.

FIL Life Insurance Limited policyholders bear the risks and rewards of investing in their chosen funds. FIL Life Insurance Limited invests in underlying assets and passes to the relevant funds the proceeds that it receives from the sale of those assets when a policyholder cancels units in a FIL Life Insurance Limited fund or switches from one fund to another.

Where assets backing FIL Life Insurance Limited policy liabilities are reinsurance contracts, FIL Life Insurance limited seeks to obtain deeds of charge or an equivalent form of security from the relevant life insurance companies to rank FIL Life Insurance united equally with other policyholders of the reinsurer were it to become insolvent and have to pay out its assets in an order of priority. The law would otherwise put FIL Life Insurance Limited below direct policyholders of the reinsurer.

Policyholders still bear the risk that a fund manager, whether a reinsurer or not, does not pay FIL Life Insurance Limited whatever is due. Policyholders will not have recourse to the Financial Services Compensation Scheme ('FSCS') in respect of defaults by fund managers beyond the amounts received by FIL Life Insurance Limited.

25. Investment risk disclosures *(continued)*

Credit risk *(continued)*

To ensure that all investment options made available are offered through a transparent and highly governed and risk-controlled infrastructure, FIL Life Insurance Limited undertakes rigorous due diligence processes with all investment managers.

The Trustee monitors the creditworthiness of FIL Life Insurance Limited by reviewing published credit ratings. In the event that FIL Life Insurance Limited becomes insolvent, direct insurance policyholders may be eligible for protection under the FSCS. Hence, the Trustee may make a claim (on behalf of members) for 100% of its policy value with FIL Life Insurance limited.

The DC Section is also subject to indirect credit and market risk arising from the underlying investments held in the white labelled funds. The types of funds which have significant exposure to these risks are set out below:

	Credit risk	**Currency**	**Interest rate**	**Other Price risk**	**2023 £'000**	*2022 £'000*
Bonds	✓	✓	✓	x	81,164	*59,663*
Diversified Growth	✓	✓	✓	✓	357,203	*299,709*
Money Market	✓	x	✓	✓	42,786	*44,938*
Equity	x	✓	x	✓	1,907,636	*1,651,405*
Property	✓	✓	✓	✓	7,893	*8,722*

26. Concentration of investments

The following investments amounted to more than 5% of the total net assets as at 31 December:

	2023 £'000	**2023 %**	*2022 £'000*	*2022 %*
DB Section				
Scottish Widows Insured Annuity	**248,500**	**7.27**	*262,000*	*8.43*
BLK ICS STER LEAF AGENCY DIST	**–**	**–**	*255,600*	*8.23*

	2023 £'000	**2023 %**	*2022 £'000*	*2022 %*
DC Section				
Fidelity BOARP Equity Lifestyle Fund	**1,383,762**	**40.46**	*1,202,095*	*38.70*
Fidelity BOARP Diversified Lifestyle Fund	**300,872**	**8.80**	*246,747*	*7.94*

27. Current assets

	DB Section	DC Section	**Total**
	2023		
	£'000	£'000	**£'000**
Other debtors	353	748	**1,101**
Due between Sections	23	112	**135**
Prepayments	1,407	-	**1,407**
Cash balances	10,504	12,823	**23,327**
	12,287	13,683	**25,970**

	DB Section	DC Section	*Total*
	2022		
	£'000	£'000	*£'000*
Other debtors	353	1,790	*2,143*
Due between Sections	23	112	*135*
Prepayments	1,314	-	*1,314*
Cash balances	6,155	4,740	*10,895*
	7,845	6,642	*14,487*

Included in the Defined contribution section cash balances shown above is £627,243 (2022: £237,208) which is not allocated to members.

28. Current liabilities

	DB Section	DC Section	**Total**
	2023		
	£'000	£'000	**£'000**
Unpaid benefits	240	1,805	**2,045**
Due between sections	112	23	**135**
Other creditors	–	172	**172**
	352	2,000	**2,352**

	DB Section	DC Section	*Total*
	2022		
	£'000	£'000	*£'000*
Unpaid benefits	335	801	*1,136*
Due between sections	112	23	*135*
Other creditors	–	172	*172*
	447	996	*1,443*

29. Related party transactions

The bank directly paid costs relating to the death in service insurance premiums of the Plan and administration costs except as included in Note 10.

All directors of Bank of America UK Retirement Plan Trustees Limited during the 2023 year, with the exceptions of Dermot John McMullan, Peter J Gibbs and Mervyn Gutteridge are members of the Plan. Contributions and pensions in relation to these members were paid in accordance with the Plan's Trust Deed and Rules.

Certain Trustee Directors receive remuneration for their services to the Plan. This amounted to £429,248 for the year (2022: £375,213). As with all other administration costs these are borne by the bank.

30. Capital commitments and contingent liabilities

The following represents the remaining capital commitments held at the year-end are in relation to the Plan’s investments in Private Equity Funds and Property Debt Funds. These assets are disclosed under pooled investment vehicles in note 17.

	2023	2022
	£'000	£'000
BlackRock Vesey Street Portfolio III*	1,005	1,064
HarbourVest Partners 2007 Cayman Direct Fund*	353	374
Pantheon Asia Fund V*	698	739
Pantheon Global Secondary Fund IV*	1,694	1,794
GreenOak UK Secured Lending II	17,215	23,246
Total	20,965	27,217

** Commitments denominated in overseas currencies which have been converted into Sterling at an exchange rate prevailing at the respective period/year-end.*

The Plan had no contingent liabilities at 31 December 2023 (2022: nil) except as set out in note 31.

31. GMP equalisation

On 26 October 2018, the High Court handed down a judgment involving the Lloyds Banking Group's DB pension schemes. The judgment concluded the schemes should be amended to equalise pension benefits for men and women in relation to guaranteed minimum pension benefits.

On November 2020, the High Court issued a follow-on judgement to the Lloyds case and ruled that pension schemes will also need to revisit transfer payments made since 17 May 1990 to consider if any additional value is due as a result of GMP equalisation. The issues determined by the judgment arise in relation to many other DB pension schemes.

The Trustee of the Plan is aware that the issue will affect the Plan and has been considering this further at meetings and decisions will be made as to the next steps. Under the ruling's schemes are required to backdate benefit adjustments in relation to GMP equalisation and provide interest on the backdated amounts.

The Trustee has obtained an estimate of the additional liability for the Plan as at 31 December 2021 in respect of the October 2018 GMP equalisation ruling. The estimated additional liability on the technical provisions basis as at 31 December 2018 is around £3.4m. This estimate is based on the Trustee's view of the most likely equalisation methodology to be adopted and a top-down assessment of the likely impact on members.

In respect of the November 2020 ruling, it has been estimated that the additional liability as at 31 December 2020 is around £0.75m. The main areas of uncertainty relating to the determination of the additional liability relate to the identification of the number of members affected and the amount of backdated pension per member. The Trustee is currently working with the Plan administrators to determine this information, and the backdated pension adjustments, related interest and increases to transfer values will be paid to members once the exercise is completed.

For the purposes of determining the impact on the Plan's liabilities as at 31 December 2021 and beyond the Trustee has made its best efforts based on reasonable assumptions and taking into account the time value of money. Due to the estimates not being material the financial statements have not been adjusted and will be accounted for when paid. GMP equalisation is a complex area and the Trustee expects the project to be resolved by 2027, but with a significant amount of the work to be completed in 2026.

Bank of America UK Retirement Plan (the 'Plan')

Defined Contribution Governance – Chair's Statement (forming part of the Trustee's Report)

July 2024

BANK OF AMERICA

A message from the Chair of Bank of America UK Retirement Plan Trustees Limited (the 'Trustee')

This statement is required by law to explain how the Trustee, with the help of its professional advisers, meets a number of statutory governance standards, including the requirements of the Occupational Pension Schemes (Charges and Governance) Regulations 2015 and the Occupational Pension Schemes (Scheme Administration) Regulations 1996. These standards apply to the Defined Contribution (DC) section of the Plan and Additional Voluntary Contributions (AVCs) paid by members of the Plan's Defined Benefit (DB) Section.

The Plan is established within a Trust and is governed by a Trust Deed and Rules that set out how the Plan operates. The Plan has a single Trustee, Bank of America UK Retirement Plan Trustees Limited, which has a Board of Trustee Directors.

This statement is in respect of the twelve-month period to 31 December 2023 (the Plan year) and covers the following:

Section 1: How the Trustee oversees the Plan summarises the rigorous governance processes the Trustee undertakes each year to operate the Plan.

Section 2: Improving the Trustee's knowledge and understanding shows the continuous efforts the Trustee makes to ensure it maintains the specialist knowledge required to make sure the Plan is well run.

Section 3: Managing the Plan's investment options and reviewing the Default Arrangement focuses on how the Trustee designs and monitors the investment options offered by the Plan, to ensure that they are appropriate for members.

Section 4: Statement of Investment Principles (SIP) describes the requirements on the Trustee to produce a SIP, what it contains (including the principles used to design the Default Arrangement), when it was last updated and where you can find a copy.

Section 5: Charges and transactions costs provides information on the various deductions made from members' Member Accounts each year to pay for the investment management services and associated running costs of the Plan.

Section 6: Charges and transaction costs – illustrations provides examples showing how the investment charges and transaction costs described in Section 5 may affect the value of a member's Member Account over time.

Section 7: Net investment returns provides details of the performance of the Plan's various investment options, after deduction of the costs described in Section 5.

Section 8: Value for members states what the Trustee does to ensure that members are receiving value for money from the Plan, including the results of its latest annual assessment.

Section 9: Monitoring and processing of core financial transactions explains the internal controls the Trustee has in place in respect of the administration services, including ensuring that financial transactions such as investment switches and transfers out are processed promptly and accurately.

This statement outlines the requirements in each area, how the Trustee ensures it meets or exceeds these requirements on an ongoing basis and the specific actions taken during the 2023 Plan year to meet the requirements.

Peter Gibbs – Chair

On behalf of Bank of America UK Retirement Plan Trustees Limited

Section 1: How the Trustee oversees the Plan

What are the Trustee's responsibilities?

The Trustee is required to ensure that the Plan offers a robust, well-governed pension savings vehicle that offers good value for money, helping members achieve their retirement savings goals.

How does the Trustee meet these requirements?

The Trustee's long-term strategy for helping improve member outcomes at retirement is guided by the following beliefs:

- The Trustee is here to serve all members, while also helping the bank to provide a well-governed pension savings vehicle.
- All members should be encouraged and helped to develop a plan for attaining an appropriate income for life after work.
- While members have the opportunity to make their own investment decisions, the quality and suitability of the Default Arrangement is likely to be of key importance for many members.
- Operating robust internal controls and reliable administration processes is important to the Plan being trusted and respected by members.
- The Trustee keeps abreast of industry innovations and solutions, and levels of charges for comparable pension plans in order to ensure that the Plan continues to provide members with good value for money.

To this end, the Trustee is committed to compliance with both the letter and spirit of regulations and will also seek out and implement best-practice governance arrangements where possible.

Each year the Trustee holds a number of meetings, each with a different focus:

- The Investment Sub-Committee (ISC) meets at least quarterly, tasked with reviewing the performance of the investment fund range and the underlying investment managers. It also meets with the investment managers on a regular basis, discusses new developments and, as required, makes changes to the investment options offered by the Plan.
- The Administration & Governance Sub-Committee (AGSC) meets at least quarterly, to review the administration service provided to Plan members, ensure that the Plan maintains robust risk management processes and internal controls, and to ensure completion of the Annual Independent Audit of the Plan.
- The Trustee Board also meets at least quarterly, to consider the recommendations of the two sub-committees, monitor the overall operation of the Plan and deal with any issues not directly covered by the sub-committees.

The Trustee believes that good governance is key to ensuring better member outcomes and regularly reviews and updates its governance processes and procedures, to reflect industry best practice. The Trustee receives substantial support from the bank and its in-house team of pension experts, who liaise with the advisers and the Plan administrator on a continuous basis to deal with any issues as they arise, ensuring the continued ongoing development and smooth running of the Plan.

What did we do in 2023?

During the year the ISC, the AGSC and the Trustee Board each held formal quarterly meetings. In addition to these formal meetings:

- Six meetings were held jointly with the Audit & Administration Sub-Committee (AASC) of Bank of America (LBAC) Pension Trustees Limited to discuss the administration arrangements, risk management and independent audits across all of the bank's UK pension arrangements.
- Four training meetings were held jointly with Bank of America (LBAC) Pension Trustees Limited, to provide training to the two Trustee Boards.
- One additional ad-hoc meeting was held jointly with Bank of America (LBAC) Pension Trustees Limited, to agree the annual Report and Accounts.
- One additional ad-hoc meeting was held of the ISC to select two new DC Corporate Bond Lifestyle Fund managers.
- Five meetings of the GMP Steering Committee were held to progress the reconciliation and sex-equalisation of Guaranteed Minimum Pension rights for those members who have them.

At all these meetings, key issues were discussed and progressed with the Trustee's appointed advisers and representatives of the bank. Further information regarding the key actions undertaken by the Trustee during the year is provided within the various sections of this statement.

Section 2: Improving the Trustee's knowledge and understanding

What are the Trustee's responsibilities?

The Plan is operated by a single corporate Trustee, Bank of America UK Retirement Plan Trustees Limited, which must ensure that its Trustee Directors have appropriate knowledge and understanding to fulfil their roles.

In accordance with Section 248 of the Pensions Act 2004, the Trustee is required to maintain an appropriate level of knowledge and understanding of pension-related legislation, best practice requirements and how these relate to the provisions of the Plan. This, together with the professional advice available to the Trustee, enables it to properly carry out its duties in relation to the Plan.

How does the Trustee meet these requirements?

The Trustee has a rigorous process for developing and maintaining the knowledge and understanding (TKU) of its Trustee Directors. The following points cover the Trustee's ongoing approach to meeting the TKU requirements.

- The training needs of new Trustee Directors are assessed, and they are given appropriate training in the first six months of their appointment, including on the law relating to pensions and trusts and relevant principles relating to funding and investment of occupational schemes.
- Refresher training is provided where appropriate so that all Trustee Directors have sufficient knowledge and understanding of the relevant pensions and trust laws and principles relating to the funding and investment of occupational pension schemes.
- All Trustee Directors have completed the Pensions Regulator's Trustee Toolkit within six months of their appointment and undertake new modules as required.
- The Trustee and the bank support the completion of the Pensions Management Institute (PMI) Trusteeship exams and a number of the Trustee Directors hold further professional trustee qualifications with either the Association of Professional Pension Trustees (APPT) or the PMI.
- Regularly, the Chair of the Trustee holds meetings with each individual Trustee Director to discuss their role, assess their individual training requirements, provide feedback on their performance and obtain feedback on the performance and effectiveness of the Trustee Board as a whole. During these meetings, the individual skill set of each Trustee Director is considered against the backdrop of the combined capabilities of the Trustee Board, to ensure the Trustee Board is well balanced and equipped to exercise its functions as Trustee of the Plan.
- The Trustee obtains appropriate advice and training on the Plan documents, including ensuring that all Trustee Directors have a working knowledge of the Trust Deed and Rules, the Statement of Investment Principles and all other documents setting out the Trustee's policies. The Trustee is also familiar with the reporting requirements for the Task Force on Climate-Related Financial Disclosures (TCFD). In addition, when dealing with benefit queries that require

legal advice, the Plan's advisers will refer the Trustee to the specific Plan Rules, to ensure they are clear on the interpretation of the Plan's governing documentation.

- The Trustee's legal advisers attend every Trustee Board meeting to provide input on legal considerations, update the Trustee Directors on new legal issues and ensure that the Trustee is always acting in accordance with the Plan's formal documentation.
- All Plan documents and policies are reviewed regularly in accordance with the Trustee's ongoing Business Plan and updated as required. A number of key Plan documents are available to members on the dedicated Plan website (www.bofapension.co.uk).
- The Trustee regularly assesses the individual and group training requirements of its Directors through the completion of self-assessment questionnaires, which are then used to create an ongoing Trustee Training Plan.
- Regular, specific training from professional advisers on the latest current issues and legislation, regulatory and best-practice requirements is incorporated into appropriate Trustee and sub-committee meetings, along with extensive reading materials from the Plan's professional advisers.
- All training and attendance at appropriate seminars is recorded via the Plan's training log which is reviewed on a biannual basis.
- All Trustee Directors aim to complete at least 15 hours of formal and informal Continuous Professional Development each year, related to their ongoing Trustee duties. Compliance with this requirement is monitored by the bank's Pension Team.

The Trustee also receives professional advice to support it in reviewing the performance of the Plan and in governing it in line with the Trust Deed and Rules and other formal documentation. If there are any ambiguities or questions over the interpretation of the Rules or legislative requirements, legal advice is always obtained.

Overall, the Trustee and its advisers are satisfied, given the advice received and the extensive combined experience of the individual Trustee Directors, that it exceeds the required regulatory standards, is compliant with the Pensions Regulator's DC Code of Practice No. 13 and the Code of Practice No. 7 on Trustee Knowledge and Understanding, enabling it to properly exercise its function as Trustee of the Plan.

What did we do in 2023?

During 2023:

- The Trustee Directors made discretionary decisions on death benefits in line with the Trust Deed and Rules.
- The Trustee undertook specific reviews of Plan documentation including the Statement of Investment Principles and the Implementation Statement. The following policies were also reviewed:
    - Implementation of Pension Sharing Orders.
    - Trustee Security Policy.
- The Trustee also continued its review of the Terms of Reference for its sub-committees to clarify ongoing roles and responsibilities, to be completed in 2024.
- The Trustee continued to develop its cyber-security policies and procedures following a Trustee response workshop led by security experts at the bank on 12 April 2023.
- The Trustee completed a full review of the Plan's Risk Register in preparation for the finalisation of The Pension Regulator's General Code of Practice.
- The Trustee, with the bank's Pension Team, worked to implement a training plan for 2023 based on identified knowledge gaps and the future requirements of the Plan. Training was delivered at four training meetings held jointly with Bank of America (LBAC) Pension Trustees Limited. In addition to receiving updates on current issues at all Trustee Board and sub-committee meetings, specific training was undertaken on a number of important issues, including the following:
    - TCFD reporting.
    - DC developments on the horizon, including the new Value for Members assessment framework, supporting members at retirement and decumulation proposals.
    - Regulatory and legal issues.
    - Trustee discretions.
    - Equality, Diversity and Inclusion.
    - Cyber Security.
- The Trustee Directors all exceeded their goal of achieving at least 15 hours of formal and informal Continued Professional Development in 2023, certified by the Pensions Management Institute.

Section 3: Managing the Plan's investment options & reviewing the Default Arrangement

What are the Trustee's responsibilities?

The Trustee is responsible for setting the investment strategy for the Plan's DC Section, including appointing investment managers to deliver appropriate investment options for members.

The Plan is used by the bank as a 'Qualifying Scheme' to meet the requirements of automatic enrolment legislation in respect of the majority of active employees. As a result, the Trustee must establish and regularly review a Default Arrangement, into which the savings of those members who do not wish to select their own investment options are invested. The Default Arrangement is also available to members who do make an active investment choice.

The Trustee is required to review the Plan's Default Arrangement at least every three years to ensure that it remains appropriate, taking into account the profile and likely requirements of the Plan's membership as a whole. The Trustee is also required to monitor the performance and ongoing return expectations of the Default Arrangement on a regular basis, to ensure that it continues to meet its objectives.

Finally, the Trustee is also required to monitor and regularly review the range of Freestyle investment options offered by the Plan, making changes as necessary to ensure that they meet the varied and evolving requirements of members who wish to select their own investment options.

The Plan's investment options

Plan members are offered a range of investment options they can invest in. These fall under either the 'hands-on' Freestyle approach or the 'hands-off' Lifestyle approach, which includes the Default Arrangement. Following the implementation of the changes to the Lifestyle Strategy implemented in 2022, Plan members can invest in either, or a combination of these approaches.

Within the Lifestyle approach, the Plan offers members two options each with a different level of risk and potential return ('Principal' and 'Lower Risk'). For each of these Lifestyle options, members can also select any one of three Pre-retirement phase options. These three Pre-retirement phase options target different asset allocations at retirement aiming to be suitable for members seeking to either:

- Purchase an annuity.
- Take the full amount as cash.
- Move into a flexible drawdown product – this option also reflects the fact that many members will not know how they wish to access their retirement savings from the options available to them.

More information on the two Lifestyle approaches is included in the Plan Handbook which can be found in the Resources section of the **Plan website**.

A continuing area of focus for the Trustee has been its policy on responsible investment and the relevant options available to members. The Trustee believes that investing in companies that do not consider Environmental, Social and Governance (ESG) issues creates an undesirable long-term investment risk. Moreover, integrating ESG considerations into the governance of the Plan is important and necessary to help members to achieve good retirement outcomes.

As part of the ongoing monitoring of the Plan's investment managers, the Trustee uses ESG ratings provided by the Plan's investment advisers, where relevant and available, to monitor the level of the Plan's investment managers' integration of ESG considerations on a quarterly basis.

Default Arrangement: How does the Trustee meet the requirements?

- The Plan's Default Arrangement for those members who previously did not select their own investment options is the 'Principal Lifestyle – Flexible' option. The Trustee agreed this strategy, having consulted with its advisers, based on in-depth analysis of the demographics and likely risk profile of the Plan's membership.
- The objective of the 'Principal Lifestyle – Flexible' option is to generate capital growth over the long term, with increasing levels of retirement income protection and capital protection as members approach retirement. The Trustee believes

that this offers a suitable balance between the exposure to investment risk (by a sufficient level of diversification) and expected growth over the longer term.
- All the Plan's investments are monitored by the Investment Sub-Committee (ISC), made up of Trustee Directors with specific investment expertise. The Trustee regularly undertakes an assessment of their training needs and members of the ISC receive ongoing and frequent training from their professional advisers on investment principles, strategies and risks, which is recorded in a formal training log. This ensures that they maintain knowledge and relevant understanding to carry out sound and prudent oversight of the investment strategy.
- The ISC meets at least quarterly to review the investment performance of the Default Arrangement and all the additional funds made available to members.
- The Trustee's professional investment advisers attend every ISC meeting, to assist with decision-making, based on their comprehensive investment manager research.
- Investment managers attend and present at ISC meetings typically once every two to three years or following the identification of an issue that the Trustee wishes to probe further.
- In between the quarterly meetings, the Trustee's investment advisers provide regular updates and ratings of the investment managers.
- The Trustee may decide to change the percentage of each fund that is allocated to specific asset classes, change the percentage allocation to each underlying fund manager or amend the mix of assets in which members are invested at different ages. The Trustee may also decide to replace investment managers if appropriate or to introduce other investment managers with attractive or alternative offerings. Members are notified of any changes made to the investment managers or investment strategy.

The Trustee, with the help of its investment advisers, also undertakes a more in-depth review of the Plan's underlying fund range on an annual basis. This includes:

- Considering the on-going suitability of the funds that make up the Default Arrangement and other Lifestyle options and their adherence to their investment mandates.
- Reviewing the future investment return expectations of the Default Arrangement.
- Ensuring that the funds available to members continue to compare favourably with other funds available in the market.
- Ensuring costs and charges borne by members continue to represent good value to those members.

The Trustee also undertakes a formal review of the Default Arrangement every three years, as required by legislation.

Default Arrangement: What did we do in 2023?

The Trustee changed the weightings of the underlying funds within the Index Linked Gilt Lifestyle Fund. These changed from a blend of 55% BlackRock Index Linked Gilt Tracker Fund, and 45% BlackRock Aquila Connect Up To 5 Year Index Linked Gilt Fund, to be 55% in favour of the latter fund.

Triennial review of the Default Arrangement

Strategic reviews of the Plan's investments are carried out on a triennial basis, with the most recent review completed on 22 June 2023. This review considered the Plan's membership profile, the needs of members, how members access their savings as well as the expected member outcomes at retirement.

As a result of the review, the Trustee agreed to retain the 'Principal Lifestyle – Flexible' option as the Default Arrangement. As further consideration is being given to the overall range of Lifestyle options as a follow up to the review, the Trustee will keep members up to date with any changes.

The underlying funds used within the Default Arrangement were also reviewed, and changes agreed as follows:

- Corporate Bond Lifestyle Fund: remove allocation to one of the existing UK bond funds and reduce the allocation to the remaining UK bond fund from 50% to 33%. Introduce two new fixed income funds which invest on a global basis. The Trustee believes the introduction of a more geographically diversified fixed income fund to be beneficial for members.

The Equity Lifestyle Fund, which makes up 100% of the Growth phase within the Default Arrangement, was last reviewed in 2022, where a number of changes were made to the asset allocation of the portfolio. As part of the triennial review, the Equity Lifestyle Fund was reviewed to consider potential enhancements to the active equity allocation of the portfolio. This review is ongoing, and any changes expected to be implemented in 2024.

Appendix 1 shows how the savings of members invested in the Plan's Default Arrangement were being invested as at 31 December 2023, across each of the main asset classes.

Freestyle fund range: How does the Trustee meet the requirements?

The Trustee is aware that no single investment strategy can be designed to suit the differing investment needs of all Plan members, which will change during their working lives. To help members make appropriate investment decisions, the Trustee makes available a range of suitable investment funds, and provides members with guides, factsheets and modelling tools. These include a wide range of Freestyle investment options, made available via Fidelity, the Plan's investment platform, covering various asset classes and regions, and in some case focusing on specific investment principles e.g.:

- For members who wish to invest in a way that takes account of ESG factors, the fund range includes the Environmental, Social & Governance Global Equity Fund.
- The range also includes the Shariah Fund, for members who wish to invest in line with Shariah law principles.

The Plan also operates a number of legacy investment options that are not offered via the Fidelity platform, into which further contributions and investment switches are not permitted. The Trustee reviews these legacy options periodically with support from its advisers. Further information is provided below under 'Legacy investment policies'.

As well as conducting a review of the Plan's Default Arrangement, the Trustee also carries out ongoing and formal reviews of the Freestyle fund range on a regular basis, including the following:

- The ISC meets at least quarterly to review the investment performance of all fund options offered by the Plan and receives updates from its professional investment advisers, who attend every ISC meeting.
- In between the quarterly meetings, the Trustee's investment advisers provide regular updates and ratings of the investment managers.
- Investment managers attend and present at ISC meetings typically once every two to three years or following the identification of an issue that the Trustee wishes to probe further.
- The Trustee may decide to replace Freestyle fund options and the underlying investment managers if appropriate or to introduce other options with attractive or alternative offerings that may be appropriate for Plan members. The Trustee may also change the benchmark allocation to specific asset classes. The Trustee endeavours to notify members of any changes made to the fund range, or the investment managers.

Freestyle fund range: What did we do in 2023?

Over the course of 2023, the Trustee held meetings with PIMCO, who manage the assets underlying one of the Plan's Freestyle fund options.

Triennial review of the Freestyle fund range

The Freestyle fund range was reviewed in 2023 as part of the triennial strategy review. This review concluded that the current fund range offers members the ability to build an investment portfolio that meets their specific investment beliefs, and no significant gaps were identified in the fund range.

In addition to the changes agreed to the Corporate Bond Lifestyle Fund mentioned above, the Trustee agreed it would be appropriate to add this fund to the Freestyle fund range, offering members a differentiated fund from the other Freestyle funds. This fund will replace the existing UK Corporate Bond Active Fund and is expected to be launched in 2024.

Reviewing investment performance

The performance of the Default Arrangement and the Freestyle investment options is regularly monitored between each strategic review to ensure that the funds and strategies are performing as expected. The Trustee did this over 2023 via:

- Quarterly investment monitoring reports.
- Conducting an investment strategy review.
- Fund reviews.

The Trustee is satisfied that over the Plan year its funds and strategies have performed in line with their aims and objectives as set out in the Trustee's SIP– see Section 4. The Trustee has in place performance monitoring metrics that bring any underperforming funds to the attention of the Trustee for closer review.

Other Default Arrangements

As a result of a historical requirement to redirect member contributions without their consent, the Money Market Fund is classified as an additional Default Arrangement, subject to the same statutory requirements as the Plan's main Default Arrangement. It is subject to a triennial review, which was carried out over 2023 alongside the main Default Arrangement review.

This review concluded the Money Market Fund remains appropriate as an additional Default Arrangement.

Section 4: Statement of Investment Principles (SIP)

What are the Trustee's responsibilities?

The Trustee is required to include within this statement a copy of the latest SIP prepared for the Plan in compliance with Section 35 of the Pensions Act 1995 and regulation 2 and 2A of the Occupational Pension Schemes (Investment) Regulations 2005.

The SIP covers the following key matters in relation to the Default Arrangement:

- The Trustee's aims and objectives in relation to the investments held in the Default Arrangement.
- The Trustee's policies on issues such as: the kinds of investments to be held; the balance between different kinds of investments; risks, including the ways in which risks are to be measured and managed; the expected return on investments; the realisation of investments; and the extent (as appropriate) to which social, environmental or ethical considerations are taken into account when selecting, retaining or realising investments.
- An explanation of how these aims, objectives, and policies (which together form a part of the Trustee's 'default investment strategy') are intended to ensure that assets are invested in the best interests of members whose savings are invested in the Default Arrangement.

The Trustee reviews the SIP at least every three years and following any significant change in investment policy. The Trustee takes investment advice and consults with the sponsoring employer over any changes to the SIP.

What did we do in 2023?

The SIP (and the Default Arrangement detailed within the SIP) was last reviewed and approved in September 2023.

The most recent SIP reflects the changes to the investment options comprising of twenty Freestyle options and two risk-differentiated lifestyle strategies. The Trustee allows members to have simultaneous investments in both Freestyle and Lifestyle options.

The Stewardship Policy within the SIP was updated to reflect the stewardship priorities that were adopted by the Trustee during 2023.

The SIP will be updated in 2024 following the triennial strategy review and will also cover the Trustee's policy on investment in illiquid assets or other investments that cannot easily be sold.

A copy of the latest SIP is in Appendix 8.

Implementation Statement

The Trustee also publishes an Implementation Statement each year, describing how it has ensured that the policies and objectives set out in the SIP were adhered to over the course of the year. A copy of the latest Implementation Statement can be found on the Plan website, **bofapension.co.uk > Resources**.

Section 5: Charges and transaction costs

What are the Trustee's responsibilities?

Regulations require the Trustee to obtain and publish annually the level of costs and charges that apply to:

- Each Default Arrangement during the Plan year.
- Each fund option available to members, in which members' savings have been invested during the Plan year. For the Plan this is the Freestyle fund range and a small number of investment funds held in legacy investment policies.

These requirements are intended to ensure transparency on the costs that members pay from their retirement savings.

Charges include the Annual Management Charge (AMC), the annual fee charged by the investment manager for investing in a fund. The AMC, along with additional expenses such as trading fees or legal fees, are included in the Total Expense Ratio (TER), which is an estimate of the total annual cost of investing in a fund.

Any relevant charges are deducted as a percentage of a member's funds. For the funds on the Fidelity investment platform, details about the charges for each fund are provided on Fidelity factsheets available on the Plan website, bofapension.co.uk.

Transaction costs are costs incurred within the day-to-day management of the assets by the fund manager. This covers such things as the cost of buying and selling investments within a fund. Transaction costs can be incurred on an ongoing basis and are implicit within the performance of a fund. The prescribed method of calculating transaction costs requires that trading costs are calculated by comparing the price at which the transaction was actually executed with the price when the transaction order entered the market. So, when selling into a rising market or buying in a falling market, the calculation produces a credit that may outweigh the other 'explicit' transaction costs, resulting in negative total transaction costs over the Plan year.

Details of any performance-based fees paid to the investment manager(s) of the Default Arrangement must also be disclosed.

The Trustee is required to assess annually the extent to which these charges and costs represent good value for members. See 'Value for Members' in Section 8.

The Trustee has taken account of statutory guidance when producing this section and the related appendices and has not deviated from the approach set out in that guidance.

How does the Trustee meet the requirements?

The Trustee formally reviews the charges and transaction costs paid by members on an annual basis and, through the ISC, works closely with the Plan's investment managers throughout the year to obtain the lowest possible charges for all the available fund options. The Trustee also uses the combined purchasing power of the assets held in all the bank's UK pension arrangements to secure the best possible terms for Plan members.

The Trustee confirms that, over the Plan year, no performance-based fees were incurred by members, either in the Default Arrangement, any of the other Lifestyle options, or Freestyle funds.

What did we do in 2023?

Default Arrangement(s)

The level of charges and transaction costs applicable to each component fund within the Default Arrangement during 2023 are as shown in Appendix 2, expressed as a percentage of a member's fund holdings.

These charges and transaction costs were supplied by Fidelity, the Plan's investment platform provider. These are the only charges and costs incurred by Plan members during 2023.

The Trustee is pleased to confirm that the total charges for the Default Arrangement (the 'Principal Lifestyle – Flexible' option) and the additional Default Arrangement (not used for the purposes of auto-enrolment), the Money Market Fund, both remain below the Government's charge cap of 0.75% p.a.

Freestyle fund range

The level of charges as at 31 December 2023 and transaction costs that applied over the 12 months up to that date to the Freestyle fund range in which members have chosen to invest are shown in Appendix 3.

Legacy investment policies

Additional Voluntary Contributions (AVCs) are also held outside of the Plan, in BlackRock Sub Investment Accounts, a Common Investment Fund, and with Aviva. Further details regarding the external AVC arrangements are set out below.

BlackRock Sub Investment Accounts

The Trustee regularly reviews the Plan's Money Purchase arrangements to ensure they remain fit for purpose and are compliant with the regulations. As part of this process, the Trustee reviewed the sub-investment accounts and decided that they should be closed due to the increased governance requirements, the nature of the accounts and the lack of Trustee involvement in the investment process. There is currently one remaining notional account with zero value which is in the process of being closed.

Given the sub-investment accounts do not hold any member funds, there were no member borne charges during the year.

Common Investment Fund (CIF)

Historically, members of the Defined Benefit (DB) Section of the Plan were given the option to pay AVCs on a Money Purchase basis into the DB Section via a CIF. These AVCs also included transfers-in and bonus waiver payments and are attributed a value based on a notional portfolio of assets. The CIF also offers a guaranteed investment return of 8% p.a. to some members on a portion of their previous CIF contributions.

All contributions and other payments into the CIF AVC arrangement have now ceased. With regards to the notional funds in the CIF AVC arrangement, these carry no explicit charges or direct transaction costs.

Aviva

The Aviva arrangement is closed to new contributions. Members are invested in unit-linked funds. The AMCs and transaction costs for these funds are shown in Appendix 4.

Section 6: Charges and transaction costs – illustrations

What are the Trustee's responsibilities?

Regulations require the Trustee to produce illustrations of the cumulative effect over time of the charges and transaction costs that apply to certain fund options offered by the Plan. This is to improve transparency and help members understand the impact that charges and transaction costs might have on their own savings.

Charges and transaction cost illustrations – 2023

The Trustee has taken account of the applicable statutory guidance and has produced illustrations to demonstrate the effect of the charges and transaction costs for the investment funds and strategies offered by the Plan for three different example members (two active and one deferred), with different terms to retirement and accumulated fund values.

The illustrations in Appendix 5 show, based on a number of assumptions and investment options, the projected fund values at retirement before and after charges and transaction costs have been deducted, such that the potential impact of these costs is clearly shown.

Please note that the figures in Appendix 5 are only illustrations and the actual fund values and impact of charges on members' investments will be different, depending on their personal details and investment choices, and whether or not the assumptions are borne out. The information contained in Appendix 5 is not a substitute for the individual and personalised illustrations the Plan provides to members each year.

In line with statutory requirements, we show these illustrations for members invested in the following funds:

- Default Arrangement – Principal Lifestyle – Flexible. This automatically transitions members' funds between the underlying funds as they approach their Target Retirement Date.
- The highest charging fund – Active Emerging Market Equity Fund.
- The lowest charging fund – Passive Asia Pacific ex Japan Equity Fund.
- Additional Default Arrangement – Money Market Fund.

Section 7: Net investment returns

What is required?

Regulations require the Trustee to calculate and publish the return on investments of the Plan's Default Arrangement and the Freestyle and Legacy investment options in which members have invested, after taking account of charges and transaction costs.

Net investment return disclosures – 2023

Appendices 6 and 7 provide the net investment disclosures as at 31 December 2023, showing the investment performance of the Plan's various default, Freestyle and Legacy fund options, after adjustment for all the charges and transaction costs discussed in Sections 5 and 6. The Trustee has taken account of the statutory guidance when preparing these disclosures.

It is important to note that past performance is not a guarantee of future performance.

Section 8: Value for members

What are the Trustee's responsibilities?

Regulations require that the Trustee conducts an annual review of the value for money that members receive from the Plan and discloses the results of this review in this statement. If it is identified that members are not receiving good value, the Trustee is required to investigate and identify what steps can be taken to improve the position for the affected members.

How does the Trustee meet the requirements?

The Trustee is committed to ensuring that members receive value for money from the Plan, meaning that all the services and features that members receive, compared to the charges deducted from their savings, should represent good value.

Plan members only meet the charges and costs associated with the management and delivery of the Plan's investment options, with all other costs met by the bank. These charges and transaction costs, along with illustrations of the impact of these costs on members' Member Accounts, are discussed earlier in this statement in Sections 5 and 6.

The Trustee aims to ensure that the Plan provides good value for money by utilising the combined purchasing power of all the bank's UK pension arrangements to secure the lowest possible member charges.

Each year, the Trustee, with its advisers, carries out a formal assessment of the investment charges paid by members and the services that they receive, compared to other similar pension arrangements. The assessment considers the value provided by the Plan's investment options and the broader financial and non-financial value of the additional services provided by the Plan where the bank meets the costs. This includes administration, communications and online services. These assessments are undertaken in line with the Department for Work and Pensions (DWP) guidance and The Pension Regulator's DC Code of Practice.

The review process considers governance, investments, quality of administration and member communications and engagement, in particular:

- Effectiveness of the Trustee Board in the overall Governance of the Plan.
- Level and competitiveness of charges paid by members.
- Range, quality and suitability of the investment options available to members.
- Performance and quality of the administration service.
- Range and quality of member communications and support.

Value for members assessment – 2023

Aon carried out an independent value for members assessment on behalf of the Trustee, which was discussed by the Administration and Governance Sub-Committee (AGSC) at its meeting on 30 April 2024. Under the Trustee's assessment framework, the Trustee believes that overall, the Plan is well run for its size and profile and offers good value for members.

Governance

- Plan governance covers the time spent by the Trustee to ensure the Plan is run in compliance with the law and regulations, including taking account of the interests of its members.
- The Trustee believes in having robust processes and structures in place to support effective management of risks and ensure members' interests are protected, increasing the likelihood of better member outcomes. The Trustee regularly reviews its governance processes and procedures in light of industry best practice. The Plan will need to focus on demonstrating that it operates an effective system of governance over the 2024 Plan year and commencing the work required.
- There is strategic oversight of the DC arrangements through the AGSC, the ISC and the Trustee Board.

Investments

- The Plan offers a variety of Lifestyle strategies and Freestyle funds covering a range of member risk profiles and asset classes. The investment funds available have been designed, following advice from the Plan's investment advisers, with the specific needs of members in mind.
- The Trustee completed a triennial strategic review of the Plan's investment strategy in June 2023 and agreed changes to make to the investment options offered to members. The strategy review considered the membership profile of the Plan and the way in which members are expected to take benefits, and the changes are expected to produce better member outcomes. These changes are described in Section 3.
- The Trustee will also complete its review of the legacy AVC arrangements during 2024 to consider the value provided to members relative to the alternative investment options available to members through the Plan.

Administration

- The administration service was transitioned to WTW from Capita with effect from 2 June 2021, as the Trustee recognised that the administration service was an area that could be improved for members. Given the size of the project, several issues arose, including an unexpected backlog of unprocessed member requests being inherited by WTW and there being significantly higher than anticipated member demand for administration services throughout the transition.
- These put additional pressure on the administration team resources in 2022 and resulted in delays to processing some member requests, with the administration service provided to members not at the level expected by the Trustee.
- Throughout 2023, the Trustee has worked closely with WTW to improve the quality of administration. In particular, a new operational model at WTW was implemented, with all additional resource in place from 1 April 2023. This was a significant investment made by the Trustee and the bank and as a result, the overall administration service and performance against Service Level Agreement targets improved and was 97% throughout the Plan year.

Member communications and engagement (including support at retirement)

- The Plan provides various member communications that are accurate, clear, informative and timely.
- A variety of communication media is used, including access to online tools and helpful information around retirement planning. These can be found in the My Resources section of the Plan website, bofapension.co.uk, after logging in.
- Members can access help to support them in their decision making in the form of decision trees, factsheets and case studies.

Section 9: Monitoring and processing of core financial transactions

What are the Trustee's responsibilities?

Regulations require that a pension plan's core financial transactions are processed promptly and accurately. These transactions include, but are not limited to:

- Investment of contributions paid to the Plan.
- The transfer of member assets out of the Plan.
- Switching between different investments within the Plan.
- Payments to and in respect of members, for example on retirement or death.

The Trustee is required to monitor these activities and take action where there are systematic process delays or inaccuracies.

How does the Trustee meet the requirements?

Active member contributions

The bank is responsible for ensuring that contributions in respect of active members are paid to the Plan promptly. The Trustee relies on the bank to ensure contribution payments are accurate by carrying out appropriate checks. The timing of these payments and their subsequent investment is monitored by the Trustee through quarterly reports produced by the Plan administrator.

Administration arrangements

The Trustee outsources the administration of the Plan and the operation of the Plan's bank account to a professional administration provider, WTW, which carries out the bulk of the core financial transactions undertaken by the Plan.

The Trustee has agreed target timescales with the Plan administrator for the processing of all member-related services, including core financial functions relating to contribution handling, quoting benefits and paying benefits. When a member transaction request is received, it is recorded on a work management system by the administrator, which assigns an appropriate Service Level Agreement (SLA) target timescale to each task.

Examples of target timescales for WTW are set out below:

Task	Service Level Agreement
Transfer out quotations*	10 working days
Provision of current fund value*	5 working days
Retirement – Settlement	5 working days
Death claim	4 working days
Investment switches*	5 working days

**Also available to members online via ePA.*

The Trustee, after taking advice, believes that these target timescales are in line with industry best practice and should ensure that all transactions are completed within any applicable statutory timescales.

The Plan administrator produces quarterly administration reports disclosing its performance against these agreed timescales. These reports are reviewed on behalf of the Trustee at the quarterly meetings of the AGSC.

The AGSC also requires additional disclosures from the Plan administrator in respect of any transactions and benefit processing activity that has not been completed within the agreed timescales, including details of the cause of the delay, the extent to which agreed timescales were not met and remedial measures taken to ensure that the delays do not reoccur. The Trustee requires that the Plan administrator reports back to them on the completion of any remedial measures, with oversight from its advisers where appropriate.

The Trustee also operates a system of controls designed to ensure that core financial transactions are carried out both promptly and accurately, with any problems being quickly identified and resolved.

The table below sets out two examples of the Plan's core financial transactions and the controls that existed during the year to 31 December 2023 to ensure accuracy and promptness.

Core financial transaction	Key internal controls	
Investment switches requested by members	**Promptness** The Plan administrator's SLA for switching investments is five days from the date of request. Data on the events received each quarter, the number completed within and outside of the SLA target and the number of work-in-progress cases at the quarter end are provide to the Trustee for review.	**Accuracy** All switches are reconciled with manager transaction statements. All members are notified when an investment switch is completed.
Payment of benefits	**Promptness** Cash flow preparation includes identification of forthcoming benefit payments to minimise delay. SLAs for core benefit transactions, particularly retirement and transfer payments, help ensure that members' financial requests are processed promptly. Regular appraisal of the quality of common data items for all members helps to ensure that member data are accurate, reducing the likelihood of delay due to data issues. Clear authorisations exist for the payment of transactions, balancing the need for promptness against a requirement for appropriate senior oversight, with the approval of at least two individuals being required to authorise payments. Data on any events that breached the target timescales is provided to the Trustee for review. Regular meetings take place between the bank's Pension Team and the Plan administrator to quickly identify problems that might arise and agree appropriate solutions, which are then monitored to completion.	**Accuracy** The administrator operates a peer review system for all benefit calculations. Data accuracy is subject to regular evaluation and updating. All members are notified when their benefit payments have been completed.

Independent governance monitoring

Silver Wolf Associates, a pension consulting firm independent of the Plan administrator and other advisers, verifies the administration reports and carries out additional ongoing governance monitoring and one-off projects for the Trustee, to ensure that member requests and benefit payments are dealt with in accordance with statutory requirements.

Core financial transactions – accuracy and timely processing in 2023

There was a backlog inherited when the administration services for the Plan moved to WTW. This backlog and higher than expected demand placed significant additional pressure on the new WTW team and resulted in turnaround times for members falling below the standard expected by the Trustee. Throughout 2023, the Trustee has worked closely with WTW to improve the quality of administration with a new operational model implemented, and all additional resource in place from 1 April 2023. This was a significant investment made by the Trustee and the bank and as a result, the overall administration service and performance against SLA targets improved. The Trustee can see that the changes implemented resulted in an improvement in the experience of members contacting the Plan administrator. Over 2023, 97% of work items, on average, were completed within SLA.

The table below sets out performance against SLAs over 2023.

Task	SLA	Total cases (2023)	% within SLA (2023)	*% within SLA (2022)*
Transfer out quotes	10 days	1,191	**100%**	*99%*
Transfer out completion	5 days	439	**79%**	*74%*
Transfer in quotes	5 days	228	**94%**	*75%*
Transfer in completion	5 days	118	**86%**	*51%*
Retirement quotes	5 days	394	**95%**	*99%*
Retirement settlement	5 days	194	**85%**	*63%*
Leaver claim	5 days	697	**98%**	*99%*
Death claim	4 days	17	**18%**	*0%*
Investment switches	5 days	4	**75%**	*11%*

While there has been an overall improvement over the year, the Trustee recognises that SLAs for some core financial transactions were lower than the standard set by the Trustee. The Trustee recognises that this is an area where more needs to be done and is working with WTW to ensure that these core financial transactions are processed in a timely fashion.

Actions taken by the Trustee in 2023 and 2024 include commencing a number of projects specifically designed to improve the timeliness and accuracy of all member transactions, including:

- Data cleansing and address tracing projects.
- Updating of member records to increase automation and the ability of members to obtain calculations online.
- An independent review by Silver Wolf of the cases identified by KPMG in their 2023 Benefit Audit, to identify root causes and ensure that appropriate processes are implemented.
- Undertaking a review of the extent to which benefit calculations can be automated.
- Review of member letter templates to ensure that members are given accurate information regarding their benefit entitlements.

Data quality – 2023

The Trustee monitors the accuracy of the Plan's common data on a regular basis, based on quarterly analysis reports produced by the Plan administrator. Reasons for any decline in common data quality are considered, alongside the remedial measures available to the Trustee. The Trustee requires updates on any agreed remedial measures to ensure they have been satisfactorily implemented.

As directed by the Trustee, throughout 2023 WTW completed address tracing for deferred members and where possible, took actions to update member records and correct addresses. More detailed tracing is being carried out in 2024 for any members where the initial results were unsuccessful.

Additional data cleansing activities were carried out throughout 2023 including preparatory work ahead of Pensions Dashboards, address tracing and existence checking exercises.

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Internal controls – 2023

The Trustee believes that strong and well documented internal controls are a key element in delivering high quality, risk managed services to members.

The Trustee operates a comprehensive Risk Register that aims to identify all the risks to which the Plan is exposed, including those relating to the promptness, accuracy, and security of the Plan's financial transactions. It also describes the internal controls that are in place to mitigate the impact of those risks on member benefits and the Plan as a whole. The Trustee works closely with its advisers to review the processes that monitor financial transactions and ensure that they are working effectively.

The Risk Register is considered at each AGSC meeting and formally reviewed at least annually. The last annual review of the full Risk Register was undertaken in November 2023.

The Trustee also reviews the Plan administrator's assurance report on its internal controls each year. These internal controls reports are expected to conclude that the administrator's internal controls are suitably designed and those tested generally operated effectively. However, where a report does highlight any exceptions, the administrator is required to confirm that it did not have any negative impact on Plan members and confirm implementation and completion of an action plan to avoid a recurrence of the issue.

In August 2023, the AASC reviewed the Plan administrator's internal controls report for the year 1 October 2021 to 30 September 2022. This review concluded the controls had been fairly designed and implemented during that reporting period. In addition, it found the control activities were suitably designed to provide assurance that the specific objectives would be achieved if the designed control activity operated effectively throughout the operation period. Six exceptions were identified and WTW's responses and actions in respect of these exceptions were noted by the AGSC as part of their review.

Conclusion

Overall, the Trustee is satisfied that core financial transactions were processed accurately over 2023. Although some members did experience delays in processing their requests, there was a clear improvement in the service received compared to the prior year, due to the significant investment made by the Trustee and the bank. However, the Trustee recognises more needs to be done to improve the timeliness of some of the core financial transactions. This remains a key area of focus for the Trustee, which continues to work closely with the bank's Pension Team and the Plan administrator to deliver the expected level of service to Plan members.

Chair's declaration

This statement has been prepared in accordance with the Regulations and I confirm that the above statement has been produced by the Trustee to the best of my knowledge.

Peter Gibbs – Chair

Signed on behalf of Bank of America UK Retirement Plan Trustees Limited

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Date

Appendix 1: Asset Allocation in the Default Arrangement

In order that members invested in the Plan's Default Arrangement or any additional Default Arrangements can see how their savings were being invested as at 31 December 2023, the table below shows the percentage of each of the main asset classes held by the 'Principal Lifestyle – Flexible' option and the Money Market Fund for members at different ages. Where the fund invests in one or more underlying funds, the asset allocation shown is that of the underlying funds.

For more information on the investment options offered by the Plan, please see the Plan Handbook on the Plan website.

Principal Lifestyle – Flexible

Asset Class	Percentage allocation: 37 years to retirement	Percentage allocation: 17 years to retirement	Percentage allocation: 7 years to retirement	Percentage allocation: Age 62 (Normal Retirement Date)
Cash	**1.2%**	**1.2%**	**4.6%**	**3.4%**
Bonds	**0.0%**	**0.0%**	**35.6%**	**55.1%**
Corporate bonds	0.0%	0.0%	29.6%	30.8%
Government bonds – fixed	0.0%	0.0%	4.7%	4.2%
Government bonds – index-linked	0.0%	0.0%	1.1%	19.8%
Other bonds	0.0%	0.0%	0.3%	0.2%
Listed Equity	**98.2%**	**98.2%**	**48.7%**	**33.9%**
UK	3.0%	3.0%	1.6%	1.1%
Developed markets (exc UK)	80.7%	80.7%	39.5%	27.6%
Emerging markets	14.5%	14.5%	7.5%	5.2%
Private Equity	**0.0%**	**0.0%**	**0.0%**	**0.0%**
Venture Capital	0.0%	0.0%	0.0%	0.0%
Growth Equity	0.0%	0.0%	0.0%	0.0%
Buyout funds	0.0%	0.0%	0.0%	0.0%
Property	**0.0%**	**0.0%**	**6.5%**	**4.4%**
Infrastructure	**0.0%**	**0.0%**	**0.0%**	**0.0%**
Private Debt	**0.0%**	**0.0%**	**0.0%**	**0.0%**
Other	**0.6%**	**0.6%**	**4.6%**	**3.2%**

Values may not sum to 100% due to rounding.

Money Market Fund

The Money Market Fund invests 100% in cash.

Appendix 2: Charges and transaction costs – Lifestyle strategies

The tables below set out the charges and transaction costs applicable to the Default Arrangement and other Lifestyle strategies, taking into account the remaining term to retirement.

For more information on the investment options offered by the Plan, please see the Plan Handbook on the **Plan website**.

Principal Lifestyle – Flexible (the Default Arrangement)			
Term to retirement	Total Expense Ratio (% p.a.)	Transaction costs (% p.a.)	Total (% p.a.)
0	0.35	0.17	0.52
1	0.37	0.18	0.55
2	0.39	0.19	0.58
3	0.40	0.20	0.60
4	0.42	0.21	0.63
5	0.43	0.21	0.64
6	0.44	0.22	0.66
7	0.44	0.23	0.67
8	0.44	0.23	0.67
9	0.44	0.23	0.67
10	0.43	0.22	0.65
11	0.41	0.20	0.61
12	0.40	0.18	0.58
13	0.39	0.17	0.56
14	0.37	0.15	0.52
15+	0.36	0.13	0.49

Principal Lifestyle – Annuity			
Term to retirement	Total Expense Ratio (% p.a.)	Transaction costs (% p.a.)	Total (% p.a.)
0	0.12	0.03	0.15
1	0.17	0.06	0.23
2	0.21	0.10	0.31
3	0.26	0.13	0.39
4	0.30	0.17	0.47
5	0.35	0.20	0.55
6	0.37	0.21	0.58
7	0.40	0.22	0.62
8	0.42	0.23	0.65
9	0.44	0.23	0.67
10	0.43	0.22	0.65
11	0.41	0.20	0.61
12	0.40	0.18	0.58
13	0.39	0.17	0.56
14	0.37	0.15	0.52
15+	0.36	0.13	0.49

Principal Lifestyle – Cash			
Term to retirement	Total Expense Ratio (% p.a.)	Transaction costs (% p.a.)	Total (% p.a.)
0	0.13	0.01	0.14
1	0.17	0.05	0.22
2	0.21	0.09	0.30
3	0.26	0.13	0.39
4	0.30	0.17	0.47
5	0.35	0.20	0.55
6	0.37	0.21	0.58
7	0.40	0.22	0.62
8	0.42	0.23	0.65
9	0.44	0.23	0.67
10	0.43	0.22	0.65
11	0.41	0.20	0.61
12	0.40	0.18	0.58
13	0.39	0.17	0.56
14	0.37	0.15	0.52
15+	0.36	0.13	0.49

Lower Risk Lifestyle – Flexible			
Term to retirement	Total Expense Ratio (% p.a.)	Transaction costs (% p.a.)	Total (% p.a.)
0	0.35	0.17	0.52
1	0.36	0.17	0.53
2	0.37	0.18	0.55
3	0.37	0.18	0.55
4	0.38	0.19	0.57
5	0.39	0.19	0.58
6	0.40	0.20	0.60
7	0.40	0.20	0.60
8	0.41	0.20	0.61
9	0.42	0.21	0.63
10	0.43	0.21	0.64
11	0.43	0.22	0.65
12	0.44	0.22	0.66
13	0.44	0.22	0.66
14	0.44	0.22	0.66
15+	0.44	0.22	0.66

Lower Risk Lifestyle – Annuity			
Term to retirement	Total Expense Ratio (% p.a.)	Transaction costs (% p.a.)	Total (% p.a.)
0	0.12	0.03	0.15
1	0.15	0.05	0.20
2	0.18	0.07	0.25
3	0.21	0.09	0.30
4	0.24	0.11	0.35
5	0.27	0.13	0.40
6	0.29	0.14	0.43
7	0.32	0.15	0.47
8	0.34	0.17	0.51
9	0.36	0.18	0.54
10	0.39	0.19	0.58
11	0.41	0.20	0.61
12	0.44	0.22	0.66
13	0.44	0.22	0.66
14	0.44	0.22	0.66
15+	0.44	0.22	0.66

Lower Risk Lifestyle – Cash			
Term to retirement	Total Expense Ratio (% p.a.)	Transaction costs (% p.a.)	Total (% p.a.)
0	0.14	0.02	0.16
1	0.17	0.05	0.22
2	0.19	0.07	0.26
3	0.21	0.09	0.30
4	0.24	0.11	0.35
5	0.27	0.13	0.40
6	0.29	0.14	0.43
7	0.32	0.15	0.47
8	0.34	0.17	0.51
9	0.36	0.18	0.54
10	0.39	0.19	0.58
11	0.41	0.20	0.61
12	0.44	0.22	0.66
13	0.44	0.22	0.66
14	0.44	0.22	0.66
15+	0.44	0.22	0.66

The table below sets out the charges and transaction costs for the underlying funds in the Default Arrangement and other Lifestyle funds.

Fund name	Total Expense Ratio* (% p.a.)	Transaction costs** (% p.a.)
Equity Lifestyle Fund[1, 2, 3, 4, 5]	0.36	0.13
Diversified Lifestyle Fund[1, 2, 3, 4, 5]	0.53	0.34
Pre-Retirement Lifestyle Fund[2, 3, 4, 5]	0.12	0.03
Money Market Lifestyle Fund[2, 3, 4, 5]	0.13	0.01
Corporate Bond Lifestyle Fund[1, 4, 5]	0.31	0.02
Index-Linked Gilt Lifestyle Fund[1, 5]	0.06	0.07

Notes:

* Total Expense Ratio (TER) is the total cost of investing in the fund. It is automatically deducted from the price of the funds in which you are invested. The TER includes the annual management charge for that fund and any other additional fund expenses such as legal fees, auditor fees and other operational expenses. The TERs are effective as at 31 December 2023.

** Transaction costs are costs incurred in the day-to-day management of the assets by the fund manager. This covers such things as the cost of buying and selling securities within a fund. Transaction costs are incurred on an on-going basis, are included within the overall performance of the fund and are in addition to the TER shown. The transaction costs reflect the latest information provided to Fidelity by the fund managers as at 31 December 2023.

[1]Funds underlying Principal Lifestyle – Flexible (the Default Arrangement) and Lower Risk Lifestyle – Flexible.

[2]Funds underlying Principal Lifestyle – Annuity.

[3]Funds underlying Principal Lifestyle – Cash.

[4]Funds underlying Lower Risk Lifestyle – Annuity.

[5]Funds underlying Lower Risk Lifestyle – Cash.

Appendix 3: Charge and transaction costs – Freestyle fund range

The level of charges and transaction costs applied to the non-default fund options on the Fidelity Platform for the year to 31 December 2023 can be seen in the table below.

For more information on the investment options offered by the Plan, please see the Plan Handbook on the Plan website.

Fund name	Total Expense Ratio* (% p.a.)	Transaction costs** (% p.a.)
Asia Pacific ex Japan Equity Fund – Passive	0.07	0.00
Diversified Growth Fund	0.53	0.34
Emerging Market Equity Fund – Active	0.95	0.35
Environmental, Social and Governance Global Equity Fund	0.59	0.20
European (ex UK) Equity Fund – Passive	0.07	0.01
Gilt Fund	0.07	0.03
Global Equity Fund – Active	0.60	0.06
Index Linked Gilts Fund	0.07	0.15
Japanese Equity Fund – Passive	0.07	0.03
Money Market Fund	0.13	0.01
North American Equity Fund – Passive	0.07	0.02
Pre-Retirement Fund	0.12	0.05
Shariah Fund	0.33	0.12
UK Corporate Bond Fund – Active	0.31	0.02
UK Corporate Bond Fund – Passive	0.07	0.05
UK Equity Fund – Active	0.53	0.14
UK Equity Fund – Passive	0.07	0.08
UK Property Fund	0.54	0.07
World (ex UK) Equity Fund – Passive	0.07	0.01
Equity Growth Fund	0.36	0.13

Notes:

* Total Expense Ratio (TER) is the total cost of investing in the fund. It is automatically deducted from the price of the funds in which you are invested. The TER includes the annual management charge for that fund and any other additional fund expenses such as legal fees, auditor fees and other operational expenses. The TERs are effective as at 31 December 2023.

** Transaction costs are costs incurred in the day-to-day management of the assets by the fund manager. This covers such things as the cost of buying and selling securities within a fund. Transaction costs are incurred on an on-going basis, are included within the overall performance of the fund and are in addition to the TER shown. The transaction costs reflect the latest information provided to Fidelity by the fund managers as at 31 December 2023. Where transaction costs have been provided as a negative cost, these have been set to zero by the Trustee.

Appendix 4: Charge and transaction costs – external AVC arrangements

The table below sets out the charges and transaction costs for the AVC policy with Aviva.

Fund name	Total Expense Ratio* (% p.a.)	Transaction costs** (% p.a.)
European Equity Fund	0.88	0.07
Gilt Fund	0.88	0.10
Global Bond Fund	0.88	0.06
Mixed Investment Fund (40-85% Shares)	0.88	0.06
Pacific Equity Fund	0.88	0.10
US Equity Fund	0.88	0.00

Notes:

* The TER is capped at the annual management charge. The TERs are effective as at 31 December 2023.

** Transaction costs are costs incurred in the day-to-day management of the assets by the fund manager. This covers such things as the cost of buying and selling securities within a fund. Transaction costs are incurred on an on-going basis, are included within the overall performance of the fund and are in addition to the TER shown. The transaction costs reflect the latest information provided by the fund managers as at 31 December 2023.

Appendix 5: Charges and transaction costs – illustrations

The information in this appendix illustrates the effect of the costs and charges (as set out in Appendix 2 and Appendix 3) for investment funds and strategies available through Fidelity, for three different example members (two active and one deferred) with different terms to retirement and accumulated fund values.

- **Example member A**: Active member with 44 years until retirement at age 62, current salary of £22,000 and current fund value of £0. The member is assumed to have no past years of service, with future contributions of 8% of salary per annum for the first 10 years and 12% of salary per annum until Normal Retirement Date (age 62).
- **Example member B**: Active member with 22 years until retirement at age 62, current salary of £108,000 and current fund value of £64,000. The member is assumed to have more than 10 years of past service, with future contributions of 12% of salary per annum until Normal Retirement Date (age 62).
- **Example member C**: Deferred member with 16 years until retirement at age 62 and a current fund value of £76,000. No further contributions will be paid until Normal Retirement Date (age 62).

The illustrations show the projected fund values (rounded to the nearest £1) before and after charges so that the potential impact of costs and charges is clearly shown.

The illustrations show the potential impact that costs and charges might have if the example members were invested in the following funds:

- Default Arrangement – Principal Lifestyle – Flexible.
- Active Emerging Market Equity Fund – represents the highest charging fund in which members are invested.
- Passive Asia Pacific ex Japan Equity Fund – represents the lowest charging fund in which members are invested.
- Money Market Fund – additional Default Arrangement.

Members should be aware that these are simply illustrations, so the actual fund values and implication of charges for members' investments may be different if members' personal details or investment choices differ from those shown or the assumptions are not borne out. Due to the effect of rounding, the impact of charges on members' Member Account values may appear uneven, particularly in the early years. The information contained here is not a substitute for the individual and personalised illustrations provided to members each year by the Plan.

Example Member	Age	Principal Lifestyle – Flexible		Emerging Market Equity Fund		Asia Pacific ex Japan Equity		Money Market Fund	
		Before charges (£)	After charges (£)	Before charges (£)	After charges (£)	Before charges (£)	After charges (£)	Before charges (£)	After charges (£)
Example A (Youngest active member)	18	0	0	0	0	0	0	0	0
	20	3,630	3,620	3,560	3,520	3,630	3,630	3,430	3,420
	25	14,200	13,980	13,260	12,730	14,200	14,160	11,560	11,510
	30	28,180	27,450	25,070	23,420	28,180	28,060	19,980	19,830
	35	49,480	47,720	42,130	38,430	49,480	49,170	31,130	30,830
	40	75,880	72,330	61,390	54,440	75,880	75,260	41,490	40,970
	45	108,610	102,200	83,100	71,500	108,610	107,480	51,110	50,330
	50	147,780	137,030	107,600	89,680	149,180	147,280	60,050	58,970
	55	183,720	166,610	135,230	109,070	199,470	196,440	68,350	66,940
	60	214,870	190,510	166,400	129,740	261,820	257,170	76,060	74,290
	62	227,410	200,130	179,960	138,390	290,760	285,300	78,990	77,070
Example B (Average active member)	40	64,000	64,000	64,000	64,000	64,000	64,000	64,000	64,000
	45	150,730	148,340	140,210	134,320	150,730	150,320	121,150	120,550
	50	255,900	248,190	226,190	209,290	258,250	256,950	174,250	172,730
	55	362,310	344,170	323,170	289,220	391,530	388,660	223,570	220,880
	60	463,780	431,710	432,570	374,420	556,760	551,360	269,380	265,300
	62	505,410	467,450	480,150	410,060	633,450	626,690	286,780	282,090
Example C (Average deferred member)	46	76,000	76,000	76,000	76,000	76,000	76,000	76,000	76,000
	50	89,390	87,820	83,690	79,990	90,250	90,000	71,650	71,260
	55	102,720	98,000	94,410	85,280	111,880	111,170	66,560	65,750
	60	112,520	104,160	106,500	90,910	138,690	137,320	61,830	60,670
	62	116,310	106,540	111,750	93,270	151,140	149,430	60,030	58,750

Notes and assumptions:

- The projected Member Account values are shown in today's terms and are calculated using the same assumptions as the Statutory Money Purchase Illustration (SMPI) benefit projections issued annually to members.
- Annual investment returns and costs/charges as a percentage reduction are assumed to be deducted at the end of each year. Charges and costs are deducted before the application of investment returns.
- The projected gross growth rates (ignoring the effect of inflation) for each fund are as follow:
    - Equity Lifestyle Fund – 7.0% p.a.
    - Diversified Lifestyle Fund – 3.0% p.a.
    - Corporate Bond Lifestyle Fund – 3.0% p.a.
    - Index Linked Gilt Lifestyle Fund – 3.0% p.a.
    - Emerging Market Equity Fund – Active – 5.0% p.a.
    - Asia Pacific ex Japan Equity– Passive – 7.0% p.a.
    - Money Market Fund – 1.0% p.a.
- Price inflation is assumed to be 2.5% each year and is deducted from the above returns as part of the calculations.
- Earnings inflation is assumed to be 2.5% each year.
- The transaction costs have been averaged over a five-year period based on information received from Fidelity. A floor of 0% p.a. has been used for the transaction costs if these were negative in any year so as not to potentially understate the effect of charges on fund values over time.

Appendix 6: Net investment returns

The tables below provide the net investment returns as at 31 December 2023 for each of the investment options offered by the Plan. The Trustee has taken into account the statutory guidance when providing these net investment returns.

It is important to note that past performance is not a guarantee of future performance.

Principal Lifestyle – Flexible (Default Arrangement)		
Performance to 31 December 2023	Annualised returns (% p.a.)	
Age of member at start of reporting period	1 year	5 years
25	17.2	9.9
45	17.2	7.6
55	10.8	4.4

Principal Lifestyle – Annuity		
Performance to 31 December 2023	Annualised returns (% p.a.)	
Age of member at start of reporting period	1 year	5 years
25	17.2	9.9
45	17.2	7.6
55	9.0	-0.5

Principal Lifestyle – Cash		
Performance to 31 December 2023	Annualised returns (% p.a.)	
Age of member at start of reporting period	1 year	5 years
25	17.2	9.9
45	17.2	7.6
55	9.0	-0.8

Lower Risk Lifestyle – Flexible		
Performance to 31 December 2023	Annualised returns (% p.a.)	
Age of member at start of reporting period	1 year	5 years
25	11.8	3.4
45	10.7	2.9
55	9.8	2.2

Lower Risk Lifestyle – Annuity		
Performance to 31 December 2023	Annualised returns (% p.a.)	
Age of member at start of reporting period	1 year	5 years
25	11.8	3.4
45	10.7	2.9
55	8.1	-0.1

Lower Risk Lifestyle – Cash		
Performance to 31 December 2023	Annualised returns (% p.a.)	
Age of member at start of reporting period	1 year	5 years
25	11.8	3.4
45	10.7	2.9
55	8.1	-0.1

Freestyle fund range

Performance to 31 December 2023	Annualised returns (% p.a.)	
Fund name	1 year	5 years
Asia Pacific ex Japan Equity Fund – Passive	4.3	6.3
Diversified Growth Fund	5.7	2.2
Emerging Market Equity Fund – Active	2.5	2.3
Environmental, Social and Governance Global Equity Fund	9.9	12.4
European (ex UK) Equity Fund – Passive	15.2	10.3
Gilt Fund	1.5	-6.5
Global Equity Fund – Active	18.4	11.5
Index Linked Gilts Fund	0.1	-5.0
Japanese Equity Fund – Passive	14.0	7.2
Money Market Fund	4.7	1.4
North American Equity Fund – Passive	21.5	15.6
Pre-Retirement Fund	7.4	-1.9
Shariah Fund	27.3	16.8
UK Corporate Bond Fund – Active	9.3	0.8
UK Corporate Bond Fund – Passive	8.7	0.4
UK Equity Fund – Active	9.9	6.3
UK Equity Fund – Passive	6.5	6.0
UK Property Fund	0.5	0.5
World (ex UK) Equity Fund – Passive	18.5	13.3
Equity Growth Fund	17.2	n/a*

*The Equity Growth Fund was introduced to the Freestyle fund range in February 2022, so 5-year annualised returns are not available.

Appendix 7: Net investment returns – Legacy investment policies

Performance to 31 December 2023	Annualised returns (% p.a.)	
Fund name	1 year	5 years
European Equity Fund	13.3	7.8
Gilt Fund	3.9	-3.2
Global Bond Fund	5.5	0.2
Mixed Investment Fund (40-85% Shares)	7.7	5.3
Pacific Equity Fund	9.6	7.4
US Equity Fund	19.2	14.7

Bank of America UK Retirement Plan

Statement of Investment Principles

September 2023

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Contents

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Section 1: Introduction

This Statement of Investment Principles (SIP) is produced to meet the requirements of the Pensions Acts 1995 & 2004, the Occupational Pension Schemes (Investment) Regulations 2005 and to reflect the Government's Voluntary Code of Conduct for Institutional Investment in the UK. The Trustee also complies with the requirements to maintain and take advice on the Statement and with the disclosure requirements.

This SIP covers both the Defined Benefit (‘DB’; also known as ‘final salary’) and the Defined Contribution (‘DC’; also known as ‘money purchase’) sections of the Bank of America UK Retirement Plan (the ‘Plan’). Each of the two sections of the Plan are covered individually below. This SIP also covers the Trustee’s policy on issues that apply equally to both sections.

Details of the appointed managers can be found in a separate document produced by the Trustee entitled ‘Summary of Investment Arrangements'.

Section 2: Defined Benefit Section

Investment Objective

The Trustee aims to invest the assets of the Plan prudently to ensure that the benefits promised to Plan members are provided. In setting the Plan's investment strategy, the Trustee took advice from its Investment Adviser and consulted with the sponsoring employer. The asset allocation strategy selected is designed to achieve a higher return than the lowest risk strategy while maintaining a prudent approach to meeting the Plan's liabilities.

Strategy

The current planned asset allocation strategy chosen to meet the objective above is set out in the table below. In addition to the assets detailed below, the Trustee has purchased an annuity policy designed to pay the benefits of the pensioner membership covered in the policy. The annuity policy provides protection, however the Trustee does not target a specific allocation to annuity policies. Instead, the Trustee considers opportunities to purchase annuity policies as and when pricing and the Plan's circumstances permit. The strategic allocation set out in the table below therefore excludes the allocation to any annuity policies.

Based on the Trustee's Gilts +0% p.a. basis, the value of the Plan's annuity policies was estimated to be c. £250m as at 30 June 2023, calculated using 31 December 2022 membership data and rolled forward to allow for changes in market conditions, benefit outgo, and expected changes to the membership profile to 30 June 2023. At 30 June 2023 this c. £250m valuation was out of total assets of c. £978m i.e. 26% of total assets. This percentage of total assets will vary over time.

Section / Asset Class	Target Weight (ex. buy-in) (%)	Benchmark	Performance Target (p.a)
Returns Section	**5**	**Composite**	
Cash Plus	5		
Unconstrained Bonds		SONIA	+4%
Protection Section	**95**	**Composite**	
Absolute Return Bond Investments (ARBIs)	15	SONIA	+2%
Asset Backed Securities		SONIA	+2%
Investment Grade Credit	15	SONIA	+2%
Cash/Money Market	65	SONIA	
LDI		Plan specific liability benchmark	

- The Returns section consists of 'Cash Plus' mandates whose performance is expected to be determined largely by manager skill.
- Target weights are in respect of total assets excluding the annuity policy.
- The Trustee agreed to remove the Plan's private equity, property debt, and property allocation as a means of lowering the overall risk profile of the Plan as well as increasing the liquidity of the Plan. This is being done in part to enable the Trustee to act quickly should they choose to purchase further annuity policies and better align the Plan’s assets with insurer assets.

The Plan has a Liability Driven Investment (LDI) allocation within the Protection section. The value of the LDI allocation will vary over time in line with its objective of mitigating the interest rate and inflation risks faced by the Plan (excluding those already hedged by the annuity policy). This allocation is complemented by an Investment Grade Credit allocation which is also used to help hedge interest rate and inflation risks, derived from the Investment Grade Credit’s interest rate exposure within the portfolio. The exposure to credit within the portfolio targets a 2% return above SONIA.

The Trustee monitors the actual asset allocation versus the target weights listed in the asset allocation strategy on a quarterly basis. The Trustee considers rebalancing the assets back towards the target weights should the asset allocations deviate significantly from the target.

The current investment strategy was determined with regard to:

- The actuarial characteristics of the Plan, i.e. the nature and timing of the Plan’s expected future liability cash flows. These characteristics were considered when designing the Plan’s LDI mandate.
- The strength of the current funding position and sponsoring employer’s covenant (the direct covenant rests with the sponsoring employers of the Plan: MLI and MLIH).
- The sponsoring employer’s contribution policy.

The Trustee’s policy is to make the assumption that return seeking asset classes will outperform the Plan's liabilities over the long term. The Trustee also assumes that active fund management can be expected to add value. However, the Trustee recognises the potential volatility in return seeking assets relative to the present value of the Plan’s liabilities.

Prior to setting the current investment strategy, the Trustee considered written advice from its Investment Adviser and in doing so addressed the following:

- The need to consider a full range of asset classes including private equity, property and other alternative assets.
- The overall risks and expected returns of a range of alternative asset allocation strategies.
- The suitability of each asset class.
- The need for appropriate diversification.
- The current funding position of the Plan.

The Trustee also consulted with the sponsoring employer when setting the Plan's investment strategy.

Risk Measurement and Management

The Trustee maintains a 'Statement of Funding Principles' which specifies that the funding objective is to have sufficient assets so as to make provision for 100% of the Plan's liabilities as determined by an actuarial calculation.

The Trustee recognises that the key risk to the Plan is if it has insufficient assets to make provisions for 100% of its liabilities ('funding risk'). The Trustee has identified a number of risks which have the potential to cause a deterioration in the Plan's funding level and therefore contribute to funding risk. These are as follows:

- The risk of a significant difference in the sensitivity of asset and liability values to changes in financial and demographic factors ('mismatching risk'). The Trustee and its advisers considered this mismatching risk when setting the investment strategy and have specifically structured the Plan's assets so as to mitigate this risk.
- The risk of a shortfall of liquid assets relative to the Plan's immediate liabilities ('cash flow risk'). The Trustee and its advisers will manage the Plan's cash flows taking into account the timing of future payments in order to minimise the probability that this occurs.
- The failure by the fund managers to achieve the performance targets set by the Trustee relative to the benchmark ('manager risk'). This risk is considered by the Trustee and its advisers both upon the initial appointment of the fund managers and on an ongoing basis thereafter.
- The failure to spread investment risk ('risk of lack of diversification'). The Trustee and its advisers considered this risk when setting the Plan's investment strategy and when appointing multi asset fund managers.
- The possibility of failure of the Plan's sponsoring employer ('covenant risk'). The Trustee and its advisers considered this risk when setting investment strategy and consulted with the sponsoring employer as to the suitability of the proposed strategy. The Trustee has appointed a covenant adviser to monitor the covenant on an ongoing basis.
- The risk of fraud, poor advice or acts of negligence ('operational risk'). The Trustee has sought to minimise such risk by ensuring that all advisers and third-party service providers are suitably qualified and experienced, and that suitable liability and compensation clauses are included in all contracts for professional services received.
- The risk that the investment vehicles in which monies are invested underperform the expectations of the Trustee due to other external factors (e.g. environmental, social and governance factors, including climate change) over the short and long-term.

Due to the complex and interrelated nature of these risks, the Trustee considers the majority of these risks in a qualitative rather than quantitative manner as part of each formal investment strategy review (normally triennially). Some of these risks may also be modelled explicitly during the course of such reviews.

The Trustee's policy is to monitor, where possible, these risks quarterly. The Trustee receives quarterly reports showing:

- Estimated current funding level versus the Plan's specific funding objective.
- Performance of the Plan's assets versus the overall investment objective.
- Performance of individual fund managers versus their respective targets.
- Evaluative comments and any significant issues regarding the Plan's current fund managers.
- Performance of the Plan's LDI mandate and its success at reducing mismatching risk.
- Projected risk attribution for the Plan's assets relative to the liabilities.

More broadly the Trustee maintains a risk register which looks at the whole range of risks to which the Plan may be subject. This includes the risks described above.

Implementation

The Plan's strategy is implemented largely through investment in pooled funds (at the time of writing the only exception is the segregated LDI and investment grade credit mandates). The fund managers are monitored and may change from time to time. The investment objectives of each mandate and its alignment with the Plan's strategy is considered at inception and on an ongoing basis.

The Plan's LDI mandate has been implemented through a portfolio of physical gilts and gilt derivatives of various maturities. The LDI mandate is not designed to achieve a profit for the Plan. Instead, it has been implemented to try and reduce the volatility of the Plan's overall funding level through time. Movements in long-term interest rates and inflation expectations affect the present value of the Plan's expected future liabilities. The LDI mandate, complemented by the investment grade credit allocation, hedge the Plan against these movements.

Section 3: Defined Contribution Section

Investment Objective

The Trustee is responsible for providing an appropriate range of investment options to members. Its key aim is to provide a range of investments that are suitable for meeting members' long and short-term investment objectives. It has taken into account members' circumstances, in particular the range of members' attitudes to risk and term to retirement.

Strategy

The Trustee's policy is to provide suitable information for members so that they can make appropriate investment decisions. The range of funds was chosen by the Trustee after taking expert advice from the Trustee's Investment Advisers. In choosing the Plan's investment options, it is the Trustee's policy to consider:

- A wide range of asset classes.
- The suitability of each asset class for a defined contribution plan.
- The need for appropriate diversification of asset classes.
- The suitability of the possible styles of investment management and the need for manager diversification.

In addition, the Trustee will consider the characteristics of various member types or groups and the potential differences between these in relation to attitude to risk over the period of their membership in the Plan, and the different ways in which benefits may be taken at retirement.

The Trustee expects the long-term return on the investment options that invest predominantly in equities to exceed price inflation and general salary growth. The long-term returns on the bond and cash options are expected to be lower than returns on predominantly equity options. However, bond funds have the potential to broadly offset changes in the price of annuities, giving some protection to the amount of pension that can be secured by members choosing to purchase an annuity at retirement. Cash funds are expected to provide protection against changes in short-term capital values.

Investment options

The investment options for members of the DC Section of the Plan comprise 20 freestyle and two risk-differentiated lifestyle strategies. The Trustee allows members to have simultaneous investments in both freestyle and lifestyle options.

The two lifestyle strategies each have options aligned to the at retirement access choices of: flexible, annuity or cash.

The lifestyle options are designed based on analysis of the demographics of the Plan's membership to provide a range of options offering members a choice of investment risk and potential for growth. These will be reviewed on an ongoing basis to ensure they remain appropriate for a broad range of the membership.

The lifestyle options are designed using a retirement age that can be pre-selected by the member, otherwise a default age is used. The Trustee recognises that the lifestyle options may be less suitable for members who retire earlier or later than their chosen, or the Plan's, default age, and communicates this issue to members.

The freestyle fund range has been designed to enable members to create a diversified investment portfolio; the range comprises both single-manager funds and multi-manager 'blended' funds, with blending used where it is felt that manager diversification and/or style differentiation could enhance member outcomes. The range contains a number of passively managed options as well as actively managed funds, offering the member the option of paying a lower level of fees for index-tracking, or higher fees in seeking the potential of additional risk adjusted returns. Actively managed funds have the objective to outperform the index net of fees to ensure that active management is delivering value for members. The Plan also makes available a Shariah Fund and an Environmental, Social & Governance Global Equity Fund for those wishing to invest in line with the specific objectives of these funds.

Default strategy

The Trustee has chosen the Principal Flexible Lifestyle option as the default investment for the Plan. This is the strategy that has the most balanced approach to risk and return of the Lifestyle options available and the Trustee therefore views it as being the one most appropriate for the majority of members who have not made a decision on where to invest. The 'Flexible' pre-retirement option has been chosen as the Trustee expects, based on analysis of the membership and in particular the projected longer term average value of members' funds at retirement, that many would potentially look for income drawdown in retirement. Importantly in selecting this as the default, this strategy also reflects flexibility in its design for members who are considering a combination of options or wish to choose alternative options such as annuity or cash at retirement.

Under regulatory definitions, the Money Market Fund is also a Plan default. During a period when the UK Property Fund temporarily suspended cashflows, member contributions were automatically redirected into the Money Market Fund, thereby designating it as a deemed default.

Ongoing monitoring and review

The Trustee has a policy in place to review the funds within both the lifestyle and freestyle funds on an on-going basis. Where it is deemed that a manager or fund is no longer appropriate, the Trustee has operational procedures in place to remove and replace the manager or fund from the fund range. To support this process, the Trustee has created a number of blended 'white labelled' funds which allow the replacement of underperforming managers or funds to be carried out in a timely manner to the benefit of members.

Risk Measurement and Management

The Trustee recognises the key risk is that members will have insufficient income in retirement or an income that does not meet their expectations. The Trustee considered this risk when setting the investment options and strategy for the Plan. The Trustee's policy in respect of risk measurement methods and risk management processes is set out below.

The Trustee considers the following sources of risk:

- Risk of not meeting the reasonable expectations of members, bearing in mind members' contributions and fund choices.
- Risk of fund managers not meeting their objectives ('manager risk'). This risk is considered by the Trustee and its advisers both upon the initial appointment of the fund manager and on an ongoing basis thereafter.
- Risk of asset classes not delivering the anticipated rate of return over the long-term.
- Risk of the lifestyle options being unsuitable for the requirements of some members.
- The risk of fraud, poor advice or acts of negligence ('operational risk'). The Trustee has sought to minimise such risk by ensuring that all advisers and third-party service providers are suitably qualified and experienced and that suitable liability and compensation clauses are included in all contracts for professional services received.
- The risk that the investment vehicles in which monies are invested underperform the expectations of the Trustee due to other external factors (e.g. environmental, social and governance factors, including climate change) over the short and long-term.

Due to the complex and interrelated nature of these risks, the Trustee considers these risks in a qualitative rather than quantitative manner as part of each formal defined contribution strategy review. The Trustee considers feedback from members to ensure that a sufficient range of funds are offered to meet members' needs. The Trustee's policy is to review the range of funds offered and the suitability of the lifestyle option at regular intervals.

The Trustee measures risk in terms of the performance of the funds compared to the respective benchmarks on a quarterly basis. The Trustee also monitors any significant issues with the fund managers that may impact their ability to meet the performance targets set by the Trustee.

Implementation

The Trustee has implemented the above investment strategy by offering members of the Plan a range of funds and lifestyle options via an investment only platform operated by Fidelity (Policy number INVE/MLDB/100157). The investment options available have been designed, following advice from the Plan's Investment Adviser, with the specific needs of members in mind.

The funds have been structured as tailored portfolios and the Trustee retains the right to add, remove or replace fund managers within each of the tailored portfolios, as well as make changes to the asset allocation between the underlying funds, as and when required. The tailored portfolio structure ensures this is applied in an efficient manner for the benefit of all members invested in them.

Cashflow rebalancing is in place to ensure these funds are weightings are maintained as closely to the benchmark weights as such cashflow rebalancing achieves. The funds have additional triggers, based on tolerances ranges expressed as a +/- percentage deemed appropriate for each underlying fund, to ensure the funds are brought back to the benchmark allocations if they move beyond these tolerance thresholds. The rebalancing is monitored and executed by Fidelity.

Members are provided with information on each of the tailored portfolios through individual fund factsheets that are provided by Fidelity and updated on a quarterly basis.

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Section 4: Defined Benefit and Defined Contribution Sections

Implementation

The Trustee has appointed an Investment Adviser. The Investment Adviser operates under an agreement to provide a service which ensures the Trustee is fully briefed to take decisions itself and to monitor those it delegates. The Investment Adviser is paid on a time cost basis for all the work it undertakes for the Plan although fixed fees may be negotiated by the Trustee for certain projects. This structure has been chosen to ensure that cost-effective, independent advice is received.

The Trustee has delegated all day-to-day decisions about the investments that fall within each mandate, including the realisation of investments, to the relevant fund manager through a written contract. When choosing investments, the Trustee and the fund managers (to the extent delegated) are required to have regard to the criteria for investment set out in the Occupational Pension Schemes (Investment) Regulations 2005 (regulation 4).

In setting the Plan's investment strategy, including the default investment strategy of the DC Section of the Plan, the Trustee's primary concern is to act in the best financial interests of the Plan and its beneficiaries, seeking the best return that is consistent with a prudent and appropriate level of risk. The Trustee believes that in order to fulfil this commitment and to protect and enhance the value of the Plan's investments, it is important to act as a responsible steward of the assets in which the Plan invests.

Environmental, Social and Governance considerations

The Trustee further acknowledges that an understanding of financially material considerations including environmental, social and corporate governance (ESG) factors (such as climate change) and risks related to these factors can contribute to the identification of investment opportunities and financially material risks.

The Trustee has agreed the following set of belief statements in connection with ESG matters:

- Our fiduciary duty requires us to take all financially material risks into account, including ESG risks.
- Our fund managers should consider sustainability issues related to the companies they invest in, as doing so is likely to improve risk-adjusted returns in the long-term.
- We believe that our investment managers should integrate ESG factors into their investment process.

To this end, as part of their delegated responsibilities, the Trustee expects the Plan's investment managers to take into account corporate governance, social, and environmental considerations (including long-term risks posed by sustainability concerns including climate change risks) in the selection, retention and realisation of investments. Any decision made by the Plan's fund managers should not apply personal ethical or moral judgments to these issues but should consider the sustainability of business models that are influenced by them.

The Trustee is taking the following steps to monitor and assess ESG related risks and opportunities:

- Trustee Directors will have periodic training on Responsible Investment to understand regulatory requirements and approaches to this area, and how ESG factors could impact the Plan's assets and liabilities.
- As part of ongoing monitoring of the Plan's investment managers, the Trustee will use ESG ratings information provided by its Investment Adviser, where relevant and available, to monitor the level of the Plan's investment managers' integration of ESG on a quarterly basis.
- Supported by its Investment Adviser, the Trustee has also undertaken a 'deep dive' review of their managers' responsible investment policies and approaches, and subsequently have engaged directly with a number of their fund managers on these areas.
- Regarding the risk that ESG factors negatively impact the value of investments held if not understood and evaluated properly; Trustee Directors have received training on these risks. Further, the Trustee will take advice from its Investment Adviser on this matter when setting the asset allocation for the Plan's DB Section and strategy for the DC Section, when selecting managers and when monitoring their performance.
- The Trustee will include ESG-related risks on the Plan's risk register as part of ongoing risk assessment and monitoring.

Stewardship – Voting and Engagement

The Trustee recognises the importance of its role as a steward of capital and the need to ensure the highest standards of governance and promotion of corporate responsibility in the underlying companies and assets in which the Plan invests, as this ultimately creates long-term financial value for the Plan and its beneficiaries. The Trustee also recognises that these issues may be of particular interest to Plan members in the DC Section.

The Trustee delegates stewardship activities related to underlying investee companies, including the exercise of voting rights and engagement with said companies, to its appointed investment managers. The Trustee acknowledges that it is ultimately responsible for decisions taken by its appointed investment managers in relation to the stewardship of assets, including the casting of votes in line with each manager's individual voting policies.

The Trustee expects its managers, or other third parties, to use their influence as major institutional investors to carry out the Trustee's rights and duties as a responsible shareholder and asset owner. This includes voting, along with – where relevant and appropriate – engaging with underlying investee companies on ESG considerations and other relevant matters (such as the companies' performance, strategy, risks, capital structure, and management of conflicts of interest) to promote good corporate governance, accountability, and positive change.

Review of Stewardship Activities

The Trustee regularly reviews the suitability of the Plan's appointed asset managers and takes advice from its Investment Adviser with regard to any changes. This advice includes consideration of broader stewardship matters and the exercise of voting rights by the appointed managers.

The Trustee reviews the stewardship activities of its incumbent asset managers on an annual basis, covering both engagement and voting actions to ensure the managers are acting in line with expectations, and therefore the members' best interests. With regard to transparency over voting, the Trustee requires reporting from its asset managers on voting actions and rationale for those votes, where relevant to the Plan, in particular, where: votes were cast against management; votes against management generally were significant (more than 20%), or votes were abstained. This information will be shared with members in the annual Implementation Statement.

The Trustee, with support from its Investment Adviser, will engage with its asset managers as necessary for more information, to ensure that robust active ownership behaviours, reflective of its stewardship policies, are being actioned.

If an incumbent manager is found to be falling short of the standards the Trustee has set out in its policy, the Trustee will engage with the manager where possible, via different methods such as emails and meetings, to seek a more sustainable position but may ultimately look to replace the manager.

From time to time, the Trustee will consider the methods by which, and the circumstances under which, it would monitor and engage with an asset manager. The Trustee may engage on matters concerning an issuer of debt or equity, including its performance, strategy, risks, social and environmental impact and corporate governance, the capital structure, and management of actual or potential conflicts of interest.

Stewardship Priorities

The Trustee has identified three stewardship priorities for the Plan:

- Environmental issues;
- Social issues; and
- Corporate governance issues.

These have been selected because the Trustee believes it has the potential to significantly impact the value of the Plan's investments and that consideration of them is likely to improve risk-adjusted returns in the long-term. Therefore, it is in members' best interests to ensure there is active stewardship regarding the management of these risks.

Based on advice from its Investment Adviser, the Trustee has also identified focus areas within each priority that it deems to be key risks:

Stewardship Priority	Focus areas
Environmental issues	Climate change Biodiversity loss
Social issues	Human and labour rights Working conditions Employee/Board diversity
Corporate governance issues	Capital structure Remuneration

The Trustee keeps its relevant investment managers informed of its stewardship priorities and expectations, and levels scrutiny on its investment managers regarding how they are carrying out stewardship activities in relation to these priorities and focus areas. It is the expectation of the Trustee that the Scheme's investment managers will actively monitor for these risks within their investment portfolios and that they will provide transparency on engagement and voting actions with respect to mitigating these risks.

The Trustee will keep its stewardship priorities and corresponding focus areas under review and update these as required based on its understanding of the most material risks faced by the Plan and its beneficiaries.

Alignment with wider corporate sustainability policies and practices

When setting their own policies, particularly in relation to stewardship and corporate sustainability, the Trustee has regard to the employer's policies on corporate sustainability. The Trustee will look to integrate their policies and practices with those of the employer, provided these do not cause a financial detriment to members.

The employer has stated that 'Bank of America is committed to improving the environment in how we approach our global business strategy, work with partners, make our operations more sustainable, support our employees, manage risks and govern our activities'. The Trustee therefore seeks to apply the same principle to its investment decision making, and stewardship policies, including the selection of stewardship priorities.

Members' Views and Non-Financial Factors

Where members make an active decision to share their views with the Trustee on ethical matters, social and environmental impact matters and present and future quality of life matters (defined as 'non-financial factors' under the 2018 Regulations) the Trustee will note and discuss any feedback received.

The Trustee has made available the Environmental, Social & Governance Global Equity Fund and the Shariah Fund for members of the DC Section of the Plan who would like to invest in funds with these specific considerations. The underlying funds that make up the default fund and other freestyle fund options should not apply personal ethical or moral judgements as the sole basis for an investment decision.

Governance

The Trustee is responsible for the investment of the Plan's assets. The Trustee takes some decisions itself and delegates others. When deciding which decisions to take itself and which to delegate, the Trustee has taken into account whether it has the appropriate training and expert advice in order to take an informed decision. The Trustee has established the following decision-making structure:

<table>
<tr><td colspan="2">Trustee

• Monitor actual returns versus Plan investment objective.
• Appoint and monitor Investment Advisers, fund managers and custodians.
• Set structures and processes for carrying out its role.
• Select and monitor planned asset allocation strategy.
• Make ongoing decisions relevant to the operational principles of the Plan's investment strategy.
• Select and review direct investments (see below).
• The Trustee has set up an administration and governance sub-committee to exercise powers in relation to the Plan's administration and governance, and an investment sub-committee to exercise powers in relation to monitoring and reviewing the Plan's investments and fund managers. The powers delegated by the Trustee are set out in respective terms of reference documents.</td></tr>
<tr><td>Investment Adviser

• Advise on all aspects of the investment of the Plan assets, including implementation.
• Advise on this statement.
• Provide required training.</td><td>Fund Managers

• Operate within the terms of this statement and their written contracts.
• Select individual investments with regard to their suitability and diversification.
• Advise Trustee on suitability of the indices in its benchmark.</td></tr>
</table>

Part of the Investment Adviser's role is to evaluate equity managers as to their stewardship capabilities. This evaluation is provided to the Trustee as part of the Investment Adviser's standard manager monitoring service.

The Pensions Act 1995 distinguishes between investments where the management is delegated to a fund manager under a written contract and those where a product is purchased directly, e.g. the purchase of an insurance policy or units in a pooled vehicle. The latter are known as direct investments.

The Trustee’s policy is to review its direct investments and to obtain written advice about them at regular intervals. These include vehicles available for members' DC contributions and AVCs. When deciding whether or not to make any new direct investments the Trustee will obtain written advice and consider whether future decisions about those investments should be delegated to the fund manager(s).

The written advice will consider the issues set out in the Occupational Pension Schemes (Investment) Regulations 2005 and the principles contained in this statement. The regulations require all investments to be considered by the Trustee (or, to the extent delegated, by the fund managers) against the following criteria:

- The best interests of the members and beneficiaries.
- Security.
- Quality.
- Liquidity.
- Profitability.
- Nature and duration of liabilities.
- Tradability on regulated markets.
- Diversification.
- Use of derivatives.

The Trustee’s Investment Adviser has the knowledge and experience required under the Pensions Act 1995.

The Trustee expects its fund managers to manage the assets delegated to them under the terms of their respective contracts and to give effect to the principles in this statement so far as is reasonably practicable.

The majority of the Plan’s fund managers are remunerated on an ad valorem fee basis. This means that the total fee is based on the total size of assets under management. Some of the Plan’s property debt and private equity fund managers are remunerated on a performance-based fee scale. The level of remuneration paid to fund managers is reviewed at regular intervals by the Trustee against market rates in an effort to ensure the Plan and its members benefit from the lowest fees possible.

The Trustee monitors those investments used by the Plan on an annual basis to consider the extent to which the investment strategy and decisions of the asset managers are aligned with the Trustee's policies as set out in the Statement of Investment Principles, including those on non-financial matters.

This includes monitoring the extent to which asset managers:

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

The Trustee is supported in this monitoring activity by its Investment Adviser.

The Trustee receives reporting and verbal updates from its adviser on various items including the investment strategy, performance, and longer-term positioning of the strategy. The Trustee focusses on longer-term performance when considering the ongoing suitability of the investment strategy in relation to the Plan’s objectives and assesses the asset managers over the long-term.

Before appointment of a new asset manager, the Trustee reviews the governing documentation associated with the investment and will consider the extent to which it aligns with its policies. Where possible, the Trustee will seek to express its expectations to the asset managers to try to achieve greater alignment.

The Trustee believes that having appropriate governing documentation, setting clear expectations to the asset managers (and doing so by other means e.g. verbally or in writing at time of appointment), and regular monitoring of asset managers’ performance and investment strategy, is in most cases sufficient to incentivise the asset managers to make decisions that align with the Trustee’s policies and are based on assessments of medium- and long-term financial and non-financial performance.

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

There is typically no set duration for arrangements with asset managers, although the continued appointment for all asset managers will be reviewed periodically.

The Trustee reviews its SIP at least every three years and immediately following any significant change in investment policy. The Trustee takes investment advice and consults with the sponsoring employer over any changes to the SIP.

Costs and transparency

The Trustee has engaged a third-party specialist to assist in collating data on the costs and charges incurred on the Plan's investment funds, as described in more detail below.

The Trustee believes it is important to understand the different costs and charges. For the DC Section, costs are borne by the members whilst costs incurred in respect of the DB Section are incurred by the DB Plan (and therefore ultimately paid for by the sponsoring employer). These costs include:

- Explicit charges, such as the annual management charge, and additional expenses that are disclosed by fund managers as part of the Total Expense Ratio (TER).
- Investment platform costs.
- Implicit charges, such as the portfolio turnover costs (transaction costs) borne within a fund.
- Performance-based fees in respect of illiquid property debt and Private Equity mandates in the DB Section.

The Trustee defines portfolio turnover costs as the costs incurred in buying and selling underlying securities held within the fund's portfolio. These are incurred on an ongoing basis and are implicit within the performance of each fund.

Other costs of providing the DC Section of the Plan (e.g. administration and adviser costs) are not charged to members.

For the DC Section, the Trustee collects information on these member-borne costs and charges on an annual basis, where available, and sets these out in the Plan's Annual Chair's Statement regarding DC Governance (the 'Annual Chair's Statement'), which is made available to members in a publicly accessible location. The Trustee has engaged a specialist third-party provider to assist with collating this data.

No specific ranges are set for acceptable costs and charges, particularly in relation to portfolio turnover costs. However, the Trustee expects its DC Investment Adviser to highlight if these costs and charges appear unreasonable when they are collected as part of the Annual Chair's Statement exercise.

It is the Trustee's view that long-term performance, net of fees, is the most important metric on which to evaluate its asset managers.

The Trustee believes that active investment managers can add value, net of fees. It is therefore comfortable with the use of active funds in the DB Plan and the investment lifestyle options and freestyle range available to members in the DC Plan. Passive funds are also made available for those members who prefer low-cost solutions.

Dated: September 2023

BANK OF AMERICA

Bank of America UK Retirement Plan (‘the Plan’)

Annual Implementation Statement
(forming part of the Trustee’s Report)

July 2024

BANK OF AMERICA

Annual Implementation Statement – for Plan year ending 31 December 2023 (forming part of the Trustee's Report)

The purpose of the Implementation Statement is for us, the Trustee of the Bank of America UK Retirement Plan ('the Trustee'), to explain what we have done during the year ending 31 December 2023 to implement our policies and achieve our objectives, as set out in the Statement of Investment Principles (SIP).

It includes:

- A summary of any review and changes made to the SIP over the year.
- How our policies in the SIP have been followed during the year.
- How the Trustee has exercised its voting rights, or how these rights have been exercised on its behalf, including the use of any proxy voting advisory services.

This statement covers the Plan year from 1 January 2023 to 31 December 2023 and covers the Defined Benefit (DB), Defined Contribution (DC) and Additional Voluntary Contributions (AVC) Sections of the Plan. However, due to the relatively small size of the AVC funds, these have not been explicitly commented on in the voting and engagement sections below.

Our conclusion

Based on the activity undertaken during the year, the Trustee believes that the policies set out in the SIP have been implemented effectively.

The Trustee notes that most of the Plan's Investment Managers have disclosed adequate evidence of voting and/or engagement activity. Based on the information provided, the Trustee believes that the activities carried out on its behalf by the appointed managers align with its stewardship priorities, and that its stewardship policy (including the exercise of voting rights) has been implemented effectively in practice. This includes activity in relation to the Trustee's chosen stewardship priorities.

Despite all managers having robust stewardship policies in place, some Investment Managers were unable to provide information requested. This primarily revolves around fund-specific engagement information although there were also some gaps in the examples of significant votes cast (e.g., implications of voting outcomes). The Trustee has asked for explanations from the managers that have not been able to provide all the data requested as part of writing this statement.

The Trustee expects improvements in disclosures over time in line with the increasing expectations on Investment Managers and their significant influence to generate positive outcomes for the Plan through considered voting and engagement. The Trustee meets with its Investment Managers regularly and will engage with them further as necessary over 2024 to set expectations regarding the provision of future information.

Changes to the SIP during the year

The Trustee has a policy to review the SIP formally at least every three years, or after any significant change in investment policy or member demographics.

The Trustee reviewed the SIP during the year and updated it in September 2023.

The changes made included:

- Updates to the Stewardship policy to further detail the Trustee's policy on Investment Manager voting and engagement, and the methods of engagement with managers, in line with updated guidance from the DWP.
- Updates to both the DB Section and DC Section to reflect investment strategy changes.
- More general updates for both the DB and DC Sections, including the introduction of flexible investment options for DC members, allowing investments to be held across both lifestyle and freestyle funds simultaneously.

The Plan's latest SIP can be found here:

https://epa.towerswatson.com/doc/BAM/pdf/bofa-boarp-investment-principles--.pdf

How the policies in the SIP have been followed

The SIP outlines a number of the Trustee's key objectives and policies. The full wording of these SIP policies can be found in the SIP (which can be accessed via the link above). The table below sets out what has been done during the year to meet the policies in the SIP. The Trustee has considered the broad themes these objectives and policies fit into and have noted these below, together with an explanation of how these objectives have been met and policies adhered to over the course of the year.

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Policies relating to both the DB and DC Sections

Policies relating to Responsible Investment (RI), Environmental, Social and Governance (ESG) related factors

In relation to the investments held by the Plan, an ESG rating for each Investment Manager is reported by the Plan's Investment Adviser, Aon, in the quarterly monitoring reports, with the exception of some illiquid managers within the DB Section. These ratings consider the Investment Manager's awareness of all known and potentially financially material ESG risks in the investment strategy, and the steps that have been taken by the manager to identify, evaluate and potentially mitigate these risks across the portfolio. These ratings help the Trustee to understand the ESG risks the investment strategy is exposed to, and where relevant, this can help to inform decision-making. No concerns were raised over the year with regard to the ESG ratings of the investment strategy.

The Trustee also considered responsible investment (RI) policies and integration of these policies in the investment processes for all prospective managers over the year. Specifically, the Trustee received the RI policies and integration information before implementing the BlackRock Buy and Maintain credit solution in early 2023.

Over the year the Trustee took advice from Aon on opportunities to integrate ESG into the Plan's investments over the short and longer-term. For the DB Section this included incorporating an ESG tilt into the documentation for the segregated BlackRock Buy and Maintain credit mandate which was implemented in April 2023.

Since 1 October 2022, the Trustee has been required to produce and publish an annual report in line with the recommendations of the Taskforce on Climate Related Financial Disclosures (TCFD). The Plan's first TCFD report was published in July 2023 and the latest report can be found here: https://epa.towerswatson.com/doc/BAM/pdf/bofa-boarp-tcfd-report--.pdf. Over 2023, the Trustee has carried out several activities, with the support of Aon, to formally align with the recommendations of the TCFD and more fully understand the potential impact that climate-related risks and opportunities could have on the DB and DC sections of the Plan. These activities supplement the wider ESG-related monitoring exercises already carried out by the Trustee.

This includes:

- Developing a robust governance structure, to ensure that it is able to make informed decisions on climate-related financial risks and opportunities.
- Surveying all of its appointed Investment Managers on how they view their exposures to climate-related risks and opportunities, both at an individual fund level and a firm level. The Trustee and its advisers then assessed these responses to identify key areas of investment risk for the Plan and implications for the Plan's investment strategy.

- Carrying out quantitative climate change scenario analysis on both the DB and DC Sections of the Plan to understand the potential impact of climate change on each section over the next 30 years.
- Creating a Climate Risk Management Plan to integrate climate-related risks into its various documents and processes. This enables the Trustee to identify, assess and monitor climate-related risks and opportunities on a continuous basis.
- Gathering climate-related data on the Plan's investments to aid understanding of the Plan's current exposure to climate-related risks.
- Setting and measuring progress against climate-related targets to support future monitoring and management of climate-related risks.

Climate-related risks and TCFD reporting have been discussed at Trustee and Investment Sub-Committee meetings over 2023. The Trustee will publish its second TCFD report before 31 July 2024, which has additional requirements. This includes:

- Reporting on indirect greenhouse gas Scope 3 emissions. These are emissions that are a consequence of the activities of the company but occur from sources not owned or controlled by the company. The DWP guidance provided leniency in the first year of reporting to not include this due to the difficulty in obtaining this information, however from year 2 onwards, the reporting of this data is mandatory.

The Trustee will carry out this exercise on an annual basis in line with the regulatory requirements.

The Trustee also monitors the ESG profile of the Plan's investments through the RI-360i Dashboard. The Trustee uses the tool to identify and review ESG risks and opportunities and then engage with managers where required to improve the Plan's investment profile. The added transparency supports Trustee understanding of reputational risks posed by exposure to controversial sectors and regions and aids decision making during strategy conversations.

The Trustee will consider feedback on non-financial factors and member views when received. No such feedback was received over the year but the Trustee continues to maintain an ESG-aligned freestyle fund and a Shariah Equity freestyle fund options for DC members who want to invest with specific considerations in mind.

Policies relating to Stewardship – Voting and Engagement

Over the Plan year, the Stewardship policy in the SIP was updated to further reflect the Trustee's activities in relation to voting and engagement with their appointed managers. These amendments were made in line with updated guidance on how trustees should take account of financially material risks and stewardship of investments.

The Stewardship policy has also been updated to further reflect the methods in which the Trustee engages with their managers. As referenced above, the Trustee carries out a specific review of the Plan's Investment Managers on an annual basis through the RI-360i dashboard, where the Trustee reviews the exercise of voting rights by their appointed managers. Managers' voting and engagement activities over the year are also reviewed as part of this statement on an annual basis.

Responsibility for voting and engagement is delegated to the Plan's Investment Managers, which is in line with the Trustee's policy. The Trustee reviewed the stewardship activity of the material Investment Managers carried out over the Plan year and is of the view that most of the Investment Managers were able to disclose good evidence of voting and/or engagement activity. More information on the stewardship activity carried out by the Plan's Investment Managers can be found in the following sections of this report.

The Trustee has also collected the voting and engagement records of each of its Investment Managers over the Plan year. Some examples of these are reported in detail later in this statement.

To date, most managers are meeting the requirements and those that are falling short have plans in place to do so, and the Trustee will continue to monitor the situation.

The SIP demonstrates that:

- The Trustee recognises the importance of its role as a steward of capital and the need to ensure the highest standards of governance and promotion of corporate responsibility in the underlying companies and assets in which the Plan invests, as this ultimately creates long-term financial value for the Plan and its beneficiaries. The Trustee also recognises that these issues may be of particular interest to Plan members in the DC Section.
- The Trustee regularly reviews the suitability of the Plan's appointed Investment Managers and takes advice from its Investment Adviser with regard to any changes. This advice includes consideration of broader stewardship matters and the exercise of voting rights by the appointed managers.
- The Trustee, with support from its Investment Adviser, will engage with its Investment Managers as necessary for more information, to ensure that robust active ownership behaviours, reflective of its stewardship policies, are being actioned.

Policies in relation to monitoring the Plan investments

The Trustee receives quarterly investment monitoring reports from Aon covering both the DB and DC sections. The investment reports include performance reporting on all the investment funds relative to their respective benchmarks or targets and a performance attribution commentary which highlights key factors affecting the performance of the funds over the quarter. Any issues with the managers' investment strategy, including the ESG assessment, are flagged to the Trustee.

The Trustee receives reports on the DB Section's performance on a quarterly basis from an independent performance measurer, HSBC.

As part of a Fund Review exercise, the Trustee reviewed a number of freestyle active equity funds over the scheme year including a review of the underlying components within the UK Equity Fund – Active, Environmental, Social, Governance Equity Fund - Active and the Global Equity Fund – Active. Overall, no changes were recommended to the funds that were reviewed.

Following a period of volatile performance over 2023, T. Rowe Price's Dynamic Global Bond Fund's overall rating was adjusted by Aon to 'In Review' in November 2023, and subsequently revised back to 'buy' following a deep-dive meeting with T. Rowe Price in December 2023. The Trustee used reports provided by Aon's Investment Manager Research team and met with T. Rowe Price at the December 2023 ISC to appraise the Fund's ongoing suitability in the context of the wider investment portfolio.

Policies in relation to appointing new managers

As part of Aon's Investment Manager research process, the governing documentation of investments is reviewed for appropriateness before a 'buy' rating is assigned.

The Trustee considered the Investment Manager policies, including those on ESG factors, before appointing the Buy and Maintain credit mandate held with BlackRock (DB Section) during the year.

Policies in relation to engagement with Investment Managers

The Trustee, with advice from Aon, considers the suitability of the Plan's Investment Managers on an ongoing basis. Aon's investment manager research function meets the rated managers on a regular basis to assess any changes in the investment staff, investment process, risk management and other manager evaluation factors to ascertain whether the overall rating assigned to the fund remains appropriate and the manager remains suitable to manage the assets. The Trustee also meets with the Investment Managers directly at Trustee meetings on a regular basis, where their ongoing suitability is reviewed and discussed. Over the year, the Trustee met with PIMCO and T. Rowe Price. The managers' awareness regarding potential ESG risks in the investment strategy is also considered as part of monitoring and assigning the ESG rating to the fund.

In case of any noteworthy development regarding a manager that may or may not have resulted in a change in the overall rating assigned to the fund by Aon, the Trustee is apprised of the development and advised accordingly.

If a fund is no longer 'buy' rated by Aon, the Trustee reviews the fund's appropriateness for the Plan.

In September 2022 the Trustee submitted an instruction to redeem the Plan's remaining holdings in the BlackRock UK Property Fund. However, citing the volume of redemption requests received and reduced liquidity in the real estate market, BlackRock deferred the redemption request to protect the interests of other investors in the Fund. Over the year, BlackRock have continued to progress towards full repayment of the Plan's redemption request. The end date for repaying the Plan's tranche is January 2025, which BlackRock believe they are on track to meet. The Trustee continues to work with BlackRock to encourage transparency and further information regarding the progression of the UK Property Fund's repayment of queued redemptions.

Policies in relation to Plan charges

DB Section

The Trustee has appointed ClearGlass (a cost gathering company) to collect costs data on the DB Section assets. The Trustee reviewed data from the ClearGlass report detailing the Plan's Investment Managers' costs data over the 2022 Plan year, which resulted in the Trustee being satisfied with the fee schedules in place for those managers with an allocation in the 2023/2024 investment strategy.

The Trustee has successfully negotiated a tiered fee discount on the BlackRock Buy and Maintain credit mandate which was implemented in April 2023.

DC Section

Cost and charges data has been collated by Fidelity for the Plan year and are published in the Annual Chair's Statement.

The charges data includes the annual management charge, which is the annual fee charged by the manager for investing in the fund; additional expenses such as trading fees or legal fees are also summarised to reflect the total cost of investing in a fund. In addition to this, transaction costs that are incurred within the day-to-day management of the assets by the manager are also collated and published in the statement.

Aon has reviewed these member borne costs and have confirmed that they all appear appropriate for each mandate.

Over the year, the 0.1% per annum discount on the charge for the Sands Global Growth Fund was implemented.

Meeting the objectives and policies as set out in the SIP that apply to the DC Section alone

Policies in relation to investment strategy and Investment Managers

The Trustee has continued to provide members with a broad range of investment choices over the year. Members can access two different approaches to invest their pension account:

- The 'Freestyle' approach, where the member chooses to invest in one or more individual funds from the available range to meet their long and short-term investment objectives.
- The 'Lifestyle' approach, where the Trustee offers members two options, each with a different level of expected risk and potential return. For each of these options, members can also select any one of the three pre-retirement phase options in the run up to retirement.

These pre-retirement options target different asset allocations at retirement that may be more suitable for members depending on whether they are seeking to purchase an annuity, move into a flexible drawdown product, or take the full amount as cash.

Members are able to choose either Freestyle or Lifestyle, or a combination of these to meet their particular requirements.

The Trustee regularly monitored the strategies and funds available to members to ensure they were meeting their objectives and that their inclusion in the fund range continued to be in members' best interests.

During the year the Trustee conducted its triennial investment strategy review, reviewing the Plan's lifestyle and freestyle arrangements. Outcomes of the strategy review include:

- Equity Lifestyle Fund: The fund was reviewed to consider potential enhancement to the active equity allocation of the portfolio. The review is ongoing, and changes expected to be implemented in 2024.
- Corporate Bond Lifestyle Fund: remove allocation to one of the existing UK bond funds and reduce the allocation to the remaining UK bond fund from 50% to 33%. Introduce two new fixed income funds which invest on a global basis. The Trustee believes the introduction of a more geographically diversified fixed income fund to be beneficial for members.

Also, the Trustee made changes to the weightings of the underlying funds within the Index Linked Gilt Lifestyle Fund. These changed from a blend of 55% BlackRock Index Linked Gilt Tracker Fund, and 45% BlackRock Aquila Connect Up To 5 Year Index Linked Gilt Fund, to be 55% in favour of the latter fund.

The Trustee has received an investment monitoring report from Aon each quarter. This report has enabled the Trustee to monitor the performance of each of its investment funds and strategies relative to their respective benchmarks and targets over the last year. Fund performance is evaluated based on Aon's 'Planwatch' methodology. This assigns red, amber, or green ratings to fund performance over the short and long terms. Any fund found to be consistently in breach of Planwatch triggers over the long term will be reviewed by the Trustee and may be replaced.

The quarterly monitoring reports contain any updates from Aon on the Plan's Investment Managers. Over the year, Aon have also issued some ad-hoc communications to the Trustee in relation to Investment Manager updates. These are usually flash reports from Aon's Investment Manager Research (IMR) team on any strategy updates.

Over the year, the Trustee invited PIMCO, one of the Plan's Investment Managers to a Trustee meeting to provide an update on the Diversified Income Fund, which is one of the underlying components within the Diversified Lifestyle Fund and Diversified Growth Fund. This meeting provided the Trustee with an opportunity to question the manager on any areas of concern.

Policies in relation to member information

The Trustee ensures that the Plan website contains up to date information on all the Plan's investments, including; Lifestyle Guide & Freestyle Summary within the Plan Handbook, Statement of Investment Principles and Fund Factsheets which are available on the member profile. In addition, a member update was issued in Autumn.

Fund Factsheets have been provided by the platform provider on a quarterly basis. These are reviewed by Aon on behalf of the Trustee on an annual basis. Interim checks are also undertaken after any changes to the underlying funds.

Meeting the objectives and policies as set out in the SIP that apply to the DB Section alone

Policies in relation to investment objective

The Trustee has acquired and maintained suitable assets of appropriate liquidity which have a reasonable expectation of meeting the Plan's long-term liabilities. The Liability Driven Investment (LDI) portfolio effectively mitigates interest rate and inflation risks and the remaining growth assets held are suitably diversified across managers, asset classes and markets.

The Trustee receives quarterly updates on the funding position of the Plan, the progress against the long-term funding target and a measure of risk known as Value at Risk (VaR).

Policies in relation to investment strategy

The Trustee's ongoing review of the investment strategy and the risks the Plan is exposed to has contributed to the investment strategy related changes during 2023, as described below:

- In Q4 2022, the Trustee agreed to adopt a new investment strategy which would target an expected return of Gilts+1% p.a. and included an allocation to a new Buy and Maintain Credit mandate.
- The amendments to the investment strategy – involving further de-risking – reflected the strong funding position of the Plan and are consistent with the Trustee's funding objectives based on the Plan's solvency funding position and approaching the insurance market.

The Trustee made the following changes to investment strategy over the year to 31 December 2023:

- In March 2023, £40m was redeemed from the M&G Alpha Opportunities Fund. The proceeds were used to part fund a £100m initial investment in the BlackRock Buy and Maintain Credit mandate (with the remainder funded from the BlackRock LDI portfolio).
- From Q4 2023, the Plan began to receive redemption proceeds from the BlackRock UK Property Fund, for which a full redemption request had been placed in Q3 2022 but, at the time, BlackRock had issued a notice to defer redemptions from the Fund. c.£3.2m received in Q4 2023 and c.£3.8m received in Q1 2024.
- The redemption of the UK Property Fund formed part of the wider transition to de-risk the Plan's strategic portfolio. In addition, the Trustee agreed to remove the target allocation to illiquid assets within the portfolio. Given the illiquid nature of these mandates, the Trustee has agreed to leave the funds to continue winding up and will receive income and capital distributions as they are returned to the Plan.

- The Plan's actual asset allocation is reviewed by the Trustee on at least a quarterly basis – via quarterly monitoring reports and ad-hoc asset updates – to determine whether any rebalancing is required. The Trustee's investment adviser provides advice on any potential rebalancing opportunities.

Policies in relation to investment risk

The SIP identifies a number of key investment risks – including risks related to investment strategy, potential employer failure and Investment Manager risk – and details the policies implemented to mitigate these risks.

The LDI portfolio, now in tandem with the Buy and Maintain Credit portfolio, effectively mitigates the interest rate and inflation risk faced by the Plan and suitable diversification of growth and other matching assets helps to reduce risk further. The Trustee updated the Plan's Cashflow Management Policy in June 2023, ensuring that the formal process for sourcing the Plan's short-term cashflow requirements remained appropriate, expanding the policy to outline specific sources for cashflows and collateral top-ups under normal circumstances. This was in line with the Pensions Regulator's guidance to improve the resilience within LDI portfolios and strengthen operational governance.

Additionally, a framework has now been implemented to handle significant yield shocks and maintain sufficient collateral and liquidity. Collateral adequacy is monitored by the Trustee quarterly or more regularly as required.

The Trustee receives updates from the Employer and its covenant adviser regarding any developments in the employer covenant, as required. There were no significant changes in the strength of the employer's covenant over the year, therefore the Trustee has not been required to reconsider the appropriateness of the investment strategy in relation to this.

The Trustee's investment adviser regularly updates the Trustee on any matters of material significance that might affect the ability of the appointed Investment Managers to achieve their performance objectives. This is also reflected in the individual fund ratings the Trustee receives on a quarterly basis from its investment adviser. Any changes in ratings are highlighted to the Trustee as soon as practically possible.

The exercise of voting rights

Executive summary

The DB and DC Sections of the Plan invest in pooled funds. The DB Section of the Plan is also invested in a segregated mandate, though this does not carry voting rights. The Trustee has delegated responsibility for the selection, retention, and realisation of investments to the Plan's appointed Investment Managers. This means that the Trustee has also delegated its stewardship activities, including the exercise of its voting rights, to its managers.

As part of the production of this statement, the Trustee – supported by its Investment Adviser, Aon – has reviewed the voting and engagement activities carried out on its behalf by the Plan's Investment Managers. Where the stewardship of managers is found to be falling short of the expectations set out by the Trustee (that votes are excised and engagement is carried out to create long-term financial value), it may take further action; for example, by setting up an ad-hoc meeting with the manager in question or requesting that Aon engage on its behalf.

Based on the information provided, the Trustee is comfortable that most managers are carrying out stewardship activities that are in line with the expectations and policies set out in the SIP. This includes voting and carrying out engagement on topics related to the Trustee's stewardship priorities.

However, some managers, including GreenOak and ICG Longbow, have not been able to provide details of engagements carried out over the Plan year either at a fund level or a firm level. There were also some gaps in the examples of significant votes cast (e.g. implications of voting outcomes). This includes Dodge & Cox, BlackRock, Standard Life and William Blair. Where managers have been unable to provide the requested information, Aon are engaging with these managers on the Trustee's behalf to set expectations regarding the provision of this data in the future.

The Trustee recognises that it has a responsibility as an institutional investor to encourage and promote high standards of stewardship in relation to the assets that the Plan invests in. Accordingly, the Trustee continues to expect improvements over time in line with the increasing expectations on Investment Managers and their significant influence to generate positive outcomes for the Plan through considered voting and engagement.

The rest of this section sets out the stewardship activities, including the exercise of voting rights, carried out on behalf of the Trustee over the year to 31 December 2023.

BANK OF AMERICA

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

Stewardship Priorities

In 2023, the Trustee adopted the following stewardship priorities for the Plan:

- Environmental issues:
    - Climate change
    - Biodiversity loss
- Social issues:
    - Human and labour rights
    - Working conditions
    - Employee/Board diversity
- Corporate Governance issues:
    - Capital structure
    - Remuneration

The Trustee believes these issues have the potential to significantly impact the value of the Plan's investments, and that consideration of them is likely to improve risk-adjusted returns in the long-term.

Engagement Action Plan

Based on the work done for the IS, the Trustee has decided to take the following steps over the next 12 months:

1. Request that the Plan's Investment Adviser, Aon, engages on its behalf with the following managers who were unable to provide the complete set of information requested as part of writing this statement: Dodge & Cox; BlackRock; GreenOak; ICG-Longbow; RWC; Standard Life; and William Blair.
2. The Trustee will use the regular meeting schedule already in place with the Plan's Investment Managers to get a better understanding of their voting and engagement practices, and how these help the Trustee fulfil its RI policies.
3. The Trustee will undertake an annual review of its Investment Managers' ESG practices and RI policies to ensure they are in line with its own.

4. The Trustee will monitor and report on how the Plan's Investment Managers have carried out engagement and voting activities with regard to the stewardship priorities set out in the 2023 SIP as part of future implementation statements.

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. Good stewardship is in the members’ best interests to promote best practice and encourage investee companies to access opportunities, manage risk appropriately, and protect shareholders’ interests. Understanding and monitoring the stewardship that Investment Managers practice in relation to the Plan’s investments is an important factor in deciding whether a manager remains the right choice for the Plan.

Voting rights are attached to listed equity shares, including equities held in multi-asset funds. The Trustee expects the Plan’s equity-owning Investment Managers to responsibly exercise their voting rights. As the DB Section of the Plan does not have a material equity holding, only the Plan’s material equity managers from the DC Section have been considered in the table below.

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 2023.

Section	Funds	Number of resolutions eligible to vote on	% of resolutions voted	% of votes against management	% of votes abstained from
DC	BlackRock ACS World Multifactor ESG Equity Tracker Fund*	3,816	86.0%	5.0%	0.5%
	BlackRock ACS US Equity Fund*	7,564	99.0%	2.0%	0.0%
	BlackRock ACS World ex UK Fund*	24,987	98.0%	6.0%	0.0%
	BlackRock ACS Continental European Equity Fund*	8,581	94.0%	10.0%	1.0%
	BlackRock ACS UK Equity Fund*	9,974	99.0%	2.0%	0.0%
	BlackRock ACS Japanese Equity Fund*	5,880	100.0%	3.0%	0.0%
	BlackRock Aquila Life Market Advantage Fund*	26,360	93.0%	6.0%	1.0%
	BlackRock DC Diversified Growth Fund*	7,631	92.0%	4.0%	1.0%
	BlackRock Life UK Growth*	2,399	100.0%	2.0%	0.0%
	Dodge and Cox Worldwide Global Stock Fund	1,380	100.0%	2.6%	0.0%
	HSBC Islamic Global Equity Fund*	1,726	95.9%	23.2%	0.1%
	Impax Environmental Leaders Strategy Fund	747	93.8%	4.3%	1.0%
	Jupiter UK Special Situations Fund*	1,012	100.0%	0.0%	0.0%

	Lindsell Train UK Equity Fund	336	98.5%	0.6%	0.6%
	Sands Capital Global Growth Fund	425	100.0%	3.5%	0.0%
	Sands Capital Emerging Markets Growth Fund	490	100.0%	2.7%	1.2%
	Schroders Global Emerging Markets Fund*	2,154	93.0%	8.0%	3.0%
	Schroders Sustainable Future Multi Asset Fund*	9,286	93.9%	10.9%	0.8%
	Veritas Global Focus Fund*	499	96.8%	10.1%	0.2%
	RWC Global Emerging Markets Fund	1,007	98.3%	9.9%	1.8%
	William Blair Emerging Market Leaders Fund*	753	100.0%	11.2%	7.7%

Source: Managers.

**The voting statistics provided by BlackRock, HSBC, Jupiter, Schroders, Veritas and William Blair suggests that abstained votes are being counted as votes against management resulting in double counting within the voting statistics. The sum of 'Votes supporting Management', 'Votes against Management' and 'Votes abstained' adds up to more than 100%.*

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 material managers of assets with voting rights use proxy voting advisers.

	Description of use of proxy voting adviser(s) *Wording provided directly by managers*
BlackRock	BlackRock's proxy voting process is led by the BlackRock Investment Stewardship team (BIS), which consists of three regional teams – Americas (AMRS), Asia-Pacific (APAC), and Europe, Middle East and Africa (EMEA) – located in seven offices around the world. The analysts with each team will generally determine how to vote at the meetings of the companies they cover. Voting decisions are made by members of the BlackRock Investment Stewardship team with input from investment colleagues as required, in each case, in accordance with BlackRock's Global Principles and custom market-specific voting guidelines. While we subscribe to research from the proxy advisory firms Institutional Shareholder Services (ISS) and Glass Lewis, it is just one among many inputs into our vote analysis process, and we do not blindly follow their recommendations on how to vote. 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 primarily use proxy research firms to synthesise corporate governance information and analysis into a concise, easily reviewable format so that our investment stewardship analysts can readily identify and prioritise those companies where our own additional research and engagement would be beneficial. Other sources of information we use include the company's own reporting (such as the proxy statement and

	the website), our engagement and voting history with the company, and the views of our active investors, public information and ESG research. 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. In summary, proxy research firms help us deploy our resources to greatest effect in meeting client expectations.
Dodge & Cox Worldwide Funds plc ('Dodge & Cox')	Dodge & Cox does not delegate voting decisions, but the operational aspects of voting are delegated to a third-party service provider. Dodge & Cox retains an outside vendor (ISS) to provide notification and research related to proxies. The vendor also administers proxy voting (i.e. implements the proxy voting decisions made by Dodge & Cox). The firm's Proxy Officer or her delegate reviews proxy research received from the outside proxy research firms prior to voting each proxy according to the Dodge & Cox Proxy Voting Policy. Proxy vote recommendations are then ratified by a securities analyst when deemed appropriate. Exceptions, including potential conflicts of interest that arise when an issue is not clearly covered by these guidelines, and when deemed appropriate by the Proxy Officer or delegate, may be referred to one or more members of the Proxy Policy Committee for review.
HSBC Global Asset Management ('HSBC')	We use the leading voting research and platform provider Institutional Shareholder Services (ISS) to assist with the global application of our voting guidelines. ISS reviews company meeting resolutions and provides recommendations highlighting resolutions which contravene our guidelines. We review voting policy recommendations according to the scale of our overall holdings. The bulk of holdings are voted in line with the recommendation based on our guidelines.
Impax Asset Management ('Impax')	Impax have used the Glass Lewis & Co. voting platform and vote reporting tool since March 2019. Impax reviews vote recommendations provided by Glass Lewis & Co. but assesses every meeting and resolution individually, based on Impax's own proprietary ESG analysis of the companies. Ultimately Impax makes its own voting decisions, based on its ESG and voting policies.
Jupiter Asset Management ('Jupiter')	In order to assist in the assessment of corporate governance and sustainability issues, Jupiter subscribes to external corporate governance and sustainability research and data providers. Such external resources contribute to forming a balanced view on voting matters. However, while Jupiter takes the proxy adviser's recommendations into account, stewardship activities are not delegated or outsourced to third parties and recommendations are not automatically followed when deciding how to vote. Our primary proxy research providers are Institutional Shareholder Services (ISS).

Lindsell Train Limited ('Lindsell')	Lindsell Train has appointed Glass Lewis to aid the administration of proxy voting and provide additional support in this area. It is important to stress however that the portfolio managers maintain final decision-making responsibility, which is based on their detailed knowledge of the companies in which we invest, as this forms an important part of our investment process and proactive company engagement strategy. We have a bespoke policy, which the portfolio managers may choose to refer to.
Sands Capital	Sands Capital monitors the occurrence of shareholders' meetings for the businesses owned in each strategy and obtains and evaluates the proxy-related research and materials relating to the securities being voted. The firm also receives proxy voting research from Glass Lewis, Stakeholders Empowerment Services (SES) and ISS but does not necessarily vote according to the guidelines provided by these services. Instead, the research is used as an efficient means to collect and organize the proxy issues.
Schroders Investment Management International Limited ('Schroders')	ISS act as our one service provider for the processing of all proxy votes in all markets. ISS delivers vote processing through its internet-based platform Proxy Exchange. Schroders receives recommendations from ISS in line with our own bespoke guidelines, in addition, we receive ISS' Benchmark research. This is complemented with analysis by our in-house ESG specialists and where appropriate with reference to financial analysts and portfolio managers.
Veritas Asset Management ('VAM')	VAM LLP has appointed, ISS, for vote execution and policy application. ISS provides vote recommendations and vote execution services. When casting votes, whilst Veritas may draw on the research of an independent voting service provider to help inform decisions, Veritas does not automatically adopt global proxy voting rules from any third-party service as a default vote decision. Further information on the voting policy is available here: **https://www.vamllp.com/assets/VAM-LLP-Proxy-Voting-Policy-June-2023-v2.pdf**
Redwheel Capital ('RWC')	ISS has been appointed as proxy advisor to facilitate voting activity on the team level. Applicable ISS policies are available at: https://www.issgovernance.com/policy-gateway/voting-policies/ Vote recommendations are provided to us by the specialist corporate governance research organisation, Institutional Shareholder Services (ISS), and take the form of the ISS Climate Voting Policy. This policy builds on ISS' well-established benchmark policy which focuses exclusively on corporate governance matters but gives greater emphasis

	to climate risk management considerations within the analysis that supports vote recommendations. In this way, where climate risk management is considered poor, default recommendations will reflect this automatically. Nonetheless, all investment teams retain full discretion in relation to voting; the recommendations they receive from ISS inform but are not determinative of the votes that are cast. Where votes are cast against management or differ from the default vote recommendation received, rationales are recorded as standard. Where it has authority to vote, Redwheel undertakes to vote each proxy in a timely manner and for the exclusive purpose of providing benefits to its clients. Whilst votes will typically be cast by proxy, by exception Redwheel may also attend shareholder meetings to vote in person. Further information on our voting policy is available in our stewardship policy here: **https://www.redwheel.com/uk/en/individual/resources/**
William Blair	Generally, William Blair relies upon ISS to facilitate our proxy voting activities. ISS reviews all proxies received, subject to the requirement that all votes shall be cast solely in the best interest of the clients in their capacity as shareholders of a company. ISS votes the proxies according to the firm's voting guidelines, which are designed to address matters typically arising in proxy votes.

Source: Managers

Significant voting examples

To illustrate the voting activity being carried out on the Trustee's behalf, the Plan's Investment Managers were asked to provide a selection of what they consider to be the most significant votes in relation to the Plan's funds.

The Trustee's definition of a significant vote is broadly consistent with the managers' definitions.

A sample of these significant votes, including information on how they relate to the Trustee's stewardship priorities, can be found in the Appendix.

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.

DC Section	Funds	Number of engagements		Themes engaged on at a fund-level
		Fund specific	Firm level	
	BlackRock ACS World Multifactor ESG Equity Tracker Fund (Hedged and Unhedged)	399	3,768	Environment - Climate Risk Management, Other company impacts on the environment. Social - Human Capital Management, Diversity and Inclusion. Governance - Board Composition and Effectiveness, Business Oversight/Risk Management, Corporate Strategy, Remuneration.
	BlackRock ACS US Equity Fund	635	3,768	Environment - Climate Risk Management, Other company impacts on the environment. Social - Human Capital Management, Social Risks and Opportunities. Governance - Board Composition and Effectiveness, Corporate Strategy, Remuneration.
	BlackRock ACS World ex UK Fund	1,600	3,768	Environment - Climate Risk Management, Other company impacts on the environment, Water and Waste. Social - Diversity and Inclusion, Human Capital Management, Social Risks and Opportunities.

				Governance - Board Composition and Effectiveness, Business Oversight/Risk Management, Corporate Strategy, Remuneration.
	BlackRock ACS Continental European Equity Fund	415	3,768	Environment - Biodiversity, Climate Risk Management. Social - Human Capital Management, Diversity and Inclusion, Social Risks and Opportunities. Governance - Board Composition and Effectiveness, Corporate Strategy, Remuneration, Governance Structure.
	BlackRock ACS UK Equity Fund	3,118	3,768	Environment - Biodiversity, Climate Risk Management. Social - Diversity and Inclusion, Health and Safety, Human Capital Management. Governance - Board Composition and Effectiveness, Corporate Strategy, Remuneration.
	BlackRock ACS Japanese Equity Fund	327	3,768	Environment - Climate Risk Management. Social - Human Capital Management, Diversity and Inclusion, Other Human Capital Management issues. Governance - Corporate Strategy, Governance Structure, Board Composition and Effectiveness, Business Oversight/Risk Management.
	BlackRock Aquila Life Market Advantage Fund	995	3,768	Environment - Climate Risk Management, Other company impacts on the environment, Water and Waste. Social - Human Capital Management, Diversity and Inclusion, Social Risks and Opportunities. Governance - Board Composition and Effectiveness, Business Oversight/Risk Management, Corporate Strategy, Remuneration.
	BlackRock DC Diversified Growth Fund	414	3,768	Environment - Climate Risk Management.

				Social - Human Capital Management. Governance - Board Composition and Effectiveness, Corporate Strategy, Remuneration, Executive Management.
	BlackRock Life UK Growth	149	3,768	Environment - Climate Risk Management, Other company impacts on the environment. Social - Human Capital Management, Social Risks and Opportunities. Governance - Remuneration, Board Composition and Effectiveness, Corporate Strategy, Board Gender Diversity.
	BlackRock Systematic Multi Asset Credit Fund	524	3,768	Environment - Climate Risk Management, Other company impacts on the environment. Social - Diversity and Inclusion, Human Capital Management, Social Risks and Opportunities. Governance - Board Composition and Effectiveness, Corporate Strategy, Remuneration.
	Dodge and Cox Worldwide Global Stock Fund	*Not provided - The manager stated 'Dodge & Cox does not currently provide this information. We engage with companies on ESG issues on an ad hoc basis where we deem it to be financially material and relevant to our investment thesis.'*		
	HSBC Islamic Global Equity Fund	77	2,310	Environment - Climate change. Social - Conduct, culture and ethics (e.g. tax, anti-bribery, lobbying), Human capital management (e.g. inclusion & diversity, employee terms, safety). Governance – Remuneration Strategy, Financial and Reporting - Reporting (e.g. audit, accounting, sustainability reporting).
	Impax Environmental Leaders Strategy Fund	71	386	Environment - Climate change, Natural resource use/impact (e.g. water, biodiversity). Social - Human and labour rights (e.g. supply chain rights, community relations), Human capital

				management (e.g. inclusion & diversity, employee terms, safety). Governance - Board effectiveness – Diversity Strategy, Financial and Reporting - Reporting (e.g. audit, accounting, sustainability reporting).
	Invesco Global Real Estate Fund	4	206	Environment - Climate change. Social - Conduct, culture and ethics (e.g. tax, anti-bribery, lobbying). Governance - Board effectiveness – Diversity, Leadership – Chair/CEO, Remuneration. Strategy, Financial and Reporting - Risk management (e.g. operational risks, cyber/information security, product risks).
	Jupiter UK Special Situations Fund	40	*Not provided*	Environment - Climate change.
	Lindsell Train UK Equity Fund	14	40	Social - Human and labour rights (e.g. supply chain rights, community relations). Governance - Remuneration, Leadership – Chair/CEO, Shareholder rights. Strategy, Financial and Reporting - Capital allocation, Strategy/purpose.
	Standard Life Corporate Bond Fund	*Not provided - The Manager stated that they have not provided engagement data due to the nature of the fund and the limited engagements carried out.*		
	M&G Pooled Pension All Stocks Corporate Bond Fund	8	297	Environment - Climate change. Social - Human capital management (e.g. inclusion & diversity, employee terms, safety). Governance – Remuneration.
	PIMCO Diversified Income Fund	267	>1,355	Environment - Climate change.

				Social - Human and labour rights (e.g. supply chain rights, community relations). Governance - Board, Management & Ownership. Strategy, Financial and Reporting - Capital allocation, Financial performance, Strategy/purpose. Other - ESG Bonds and Product Safety & Quality.
	Sands Capital Global Growth Fund	139	323	Environment - Environmental policy and strategy, Energy use and efficiency. Social - Human capital management (e.g. inclusion & diversity, employee terms, safety), Regulation, Data security and privacy. Governance - Board effectiveness – Independence or Oversight, Leadership – Chair/CEO, Remuneration, Regulation. Strategy, Financial and Reporting - Capital allocation, Reporting (e.g. audit, accounting, sustainability reporting). Other - Non-ESG engagements.
	Sands Capital Emerging Markets Growth Fund	94	323	Environment - Environmental policy and strategy, Materials use and sourcing. Social - Human capital management (e.g. inclusion & diversity, employee terms, safety), Data security and privacy. Governance - Board effectiveness – Independence or Oversight, Regulation, Other governance. Strategy, Financial and Reporting - Capital allocation, Reporting (e.g. audit, accounting, sustainability reporting). Other - Non-ESG engagements.

	Schroders Global Emerging Markets Fund	>140	6,724	Environment - Climate change, Natural resource use/impact (e.g. water, biodiversity). Social - Human and labour rights (e.g. supply chain rights, community relations). Governance - Board effectiveness – Diversity, Leadership – Chair/CEO. Strategy, Financial and Reporting - Reporting (e.g. audit, accounting, sustainability reporting), Financial performance, Strategy/purpose.
	Schroders Sustainable Future Multi Asset Fund	1,075	6,724	Environment - Climate change, Natural resource use/impact (e.g. water, biodiversity). Social - Human and labour rights (e.g. supply chain rights, community relations), Human capital management (e.g. inclusion & diversity, employee terms, safety). Governance - Board effectiveness – Other, Remuneration. Strategy, Financial and Reporting - Reporting (e.g. audit, accounting, sustainability reporting), Strategy/purpose.
	Veritas Global Focus Fund	9	24	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). Governance - Leadership – Chair/CEO. Strategy, Financial and Reporting - Capital allocation.
	RWC Global Emerging Markets Fund	36	*Not provided*	Environment - Climate change.

				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 – Diversity, Remuneration. Strategy, Financial and Reporting - Reporting (e.g. audit, accounting, sustainability reporting).
	William Blair Emerging Market Leaders Fund	3	33	*Not provided.*

DB Section	Funds	Number of engagements		Themes engaged on at a fund-level
		Fund specific	**Firm Level**	
	BlackRock Buy and Maintain Credit Fund	112	3,768	Environment - Climate Risk Management. Governance - Corporate Strategy, Remuneration, Board Effectiveness - Independence/Oversight, Board Composition & Effectiveness.
	BlackRock UK Property Fund	*Not provided, the manager stated that the Fund does not hold publicly listed securities, hence they do not produce engagement report.*		
	GreenOak UK RE Secured Lending Fund II	0*	*Not provided*	Environment - Net Zero Carbon, Climate change.
	ICG-Longbow UK RE Debt Investments IV	*Not provided*	>455	Environment - Climate data, Science based targets programme. Social - Employee Diversity, Inclusion and Engagement.
	Insight High Grade ABS Fund	80	2,521	Environment - Climate change. Social - Human and labour rights (e.g. supply chain rights, community relations). Governance - Shareholder rights.

				Strategy, Financial and Reporting - Financial performance, Strategy/purpose.
	M&G Alpha Opportunities Fund	9	297	Environment - Net Zero/Decarbonisation (including Net Zero Commitments and Climate Transition Plans). Social – Inequality. Governance - Board Composition & Effectiveness, Executive Remuneration.
	PIMCO Low Duration Opportunities Fund	152	>1,355	Environment - Climate change. Governance - Board, Management & Ownership. Strategy, Financial & Reporting - Capital allocation, Financial performance, Strategy/purpose.
	T. Rowe Price Dynamic Global Bond Fund	52	866	Environment - Pollution, Waste. Governance - Remuneration, Shareholder rights, Board effectiveness – Diversity. Other - Proxy voting topics.

Source: Managers. Lindsell Train, GreenOak, ICG-Longbow and Insight did not provide fund level themes; themes provided are at a firm level.

**The Fund have closed any new investments for UK SL II, so the answer is 0 for number of engagements.*

Data limitations

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

- GreenOak, Jupiter and RWC were unable to provide engagement information carried out at a firm level. BlackRock also informed us that they do not report engagement data for the UK Property Fund.
- ICG-Longbow was unable to provide engagement information at the fund level.
- Dodge & Cox did not provide any significant voting examples and engagement information, although they did confirm that engagements are carried out where it is deemed to be financially material and relevant.
- Standard Life have not provided engagement information, noting that engagement is limited due to the nature of the fund.
- William Blair did not provide engagement themes.

This report does not include commentary on the Plan's liability driven investments, cash or gilts investments because of the limited materiality of stewardship to these asset classes.

Appendix – Significant Voting Examples

In the table below are some significant vote examples provided by the Plan's managers. As stated previously, the Trustee's definition of a significant vote aligns with what the manager considers significant. Managers use a wide variety of criteria to determine what they consider a significant vote, and have provided a number of examples of what they consider to be significant votes cast for each investment fund.

Note that the Plan's managers provided multiple examples of significant votes for each fund. The Trustee has selected one significant vote for each fund to disclose in this statement based on those provided by the Investment Manager, with examples being chosen based on relevance to the Trustee's stewardship priorities. These significant votes are detailed below.

BlackRock ACS World Multifactor ESG Equity Tracker Fund	Company name	Koninklijke Ahold Delhaize NV
	Date of vote	12-April-2023
	Approximate size of fund's/mandate's holding as at the date of the vote (as % of portfolio)	*Not provided.*
	Summary of the resolution	Approve Remuneration Report.
	How you voted	For.
	Where you voted against management, did you communicate your intent to the company ahead of the vote?	We endeavor to communicate to companies when we intend to vote against management, either before or just after casting votes in advance of the shareholder meeting.
	Rationale for the voting decision	BIS supported the advisory vote to approve the 2022 remuneration report, following engagements with company management and members of the board of directors. This recognizes the year-over-year progress that Ahold Delhaize has made in addressing prior shareholder concerns regarding their remuneration policies and related disclosures.
	Outcome of the vote	Pass.
	Implications of the outcome e.g. were there any lessons learned and what likely future steps will you take in	We do not see engagement as one conversation. We have ongoing direct dialogue with companies to explain our views and how we evaluate their actions on relevant ESG issues over time. Where we have concerns that are not addressed by these conversations, we may vote against management for their action or inaction. Where concerns are raised

	response to the outcome?	either through voting or during engagement, we monitor developments and assess whether the company has addressed our concerns.
	On which criteria have you assessed this vote to be "most significant"?	Vote Bulletin; BIS periodically publishes Vote Bulletins on key votes at shareholder meetings to provide insight into details on certain vote decisions we expect will be of particular interest to clients. Our vote bulletins can be found here: https://www.blackrock.com/corporate/insights/investment-stewardship#vote-bulletins The bulletin for this vote can be found here: https://www.blackrock.com/corporate/literature/press-release/vote-bulletin-ahold-delhaize-april-2023.pdf
	How this vote relates to the Trustee's stewardship priorities	Corporate Governance: Remuneration
BlackRock ACS US Equity Fund & BlackRock Aquila Life Market Advantage Fund	Company name	Broadcom Inc.
	Date of vote	03-April-2023
	Approximate size of fund's/mandate's holding as at the date of the vote (as % of portfolio)	*Not provided.*
	Summary of the resolution	Advisory vote to approve named executive officer compensation.
	How you voted	Against.
	Where you voted against management, did you communicate your intent to the company ahead of the vote?	We endeavor to communicate to companies when we intend to vote against management, either before or just after casting votes in advance of the shareholder meeting.
	Rationale for the voting decision	BIS did not support Broadcom's say-on-pay proposal which sought approval of pay policies that we did not. consider to be aligned with the interests of long-term shareholders.
	Outcome of the vote	Fail.

	Implications of the outcome e.g. were there any lessons learned and what likely future steps will you take in response to the outcome?	We do not see engagement as one conversation. We have ongoing direct dialogue with companies to explain our views and how we evaluate their actions on relevant ESG issues over time. Where we have concerns that are not addressed by these conversations, we may vote against management for their action or inaction. Where concerns are raised either through voting or during engagement, we monitor developments and assess whether the company has addressed our concerns.
	On which criteria have you assessed this vote to be "most significant"?	Vote Bulletin; BIS periodically publishes Vote Bulletins on key votes at shareholder meetings to provide insight into details on certain vote decisions we expect will be of particular interest to clients. Our vote bulletins can be found here: https://www.blackrock.com/corporate/insights/investment-stewardship#vote-bulletins The bulletin for this vote can be found here: https://www.blackrock.com/corporate/literature/press-release/vote-bulletin-broadcom-april-2023.pdf
	How this vote relates to the Trustee's stewardship priorities	Corporate Governance: Remuneration.
BlackRock ACS World ex UK Fund	Company name	Restaurant Brands International Inc.
	Date of vote	23-May-2023
	Approximate size of fund's/mandate's holding as at the date of the vote (as % of portfolio)	*Not provided.*
	Summary of the resolution	Advisory Vote to Ratify Named Executive Officers' Compensation.
	How you voted	Against.
	Where you voted against management, did you communicate your intent to the company ahead of the vote?	We endeavor to communicate to companies when we intend to vote against management, either before or just after casting votes in advance of the shareholder meeting.

	Rationale for the voting decision	BIS believe this was a poor use of remuneration committee discretion regarding the grant of a one-off remuneration award.
	Outcome of the vote	Pass.
	Implications of the outcome e.g. were there any lessons learned and what likely future steps will you take in response to the outcome?	We do not see engagement as one conversation. We have ongoing direct dialogue with companies to explain our views and how we evaluate their actions on relevant ESG issues over time. Where we have concerns that are not addressed by these conversations, we may vote against management for their action or inaction. Where concerns are raised either through voting or during engagement, we monitor developments and assess whether the company has addressed our concerns.
	On which criteria have you assessed this vote to be "most significant"?	Vote Bulletin; BIS periodically publishes Vote Bulletins on key votes at shareholder meetings to provide insight into details on certain vote decisions we expect will be of particular interest to clients. Our vote bulletins can be found here: https://www.blackrock.com/corporate/insights/investment-stewardship#vote-bulletins The bulletin for this vote can be found here: https://www.blackrock.com/corporate/literature/press-release/vote-bulletin-rbi-may-2023.pdf
	How this vote relates to the Trustee's stewardship priorities	Corporate Governance: Remuneration.
BlackRock ACS Continental European Equity Fund	Company name	BE Semiconductor Industries NV
	Date of vote	26-April-2023
	Approximate size of fund's/mandate's holding as at the date of the vote (as % of portfolio)	*Not provided.*
	Summary of the resolution	Approve 2022 Remuneration Report.

	How you voted	Against.
	Where you voted against management, did you communicate your intent to the company ahead of the vote?	We endeavor to communicate to companies when we intend to vote against management, either before or just after casting votes in advance of the shareholder meeting.
	Rationale for the voting decision	At Besi's 2023 AGM, BIS did not support the 2022 remuneration report given we continue to observe areas for improvement. For example, the metrics introduced were not challenging – the long-term incentive plan still vests for underperformance against peers on a total shareholder return basis. We also noted that the company used the same metrics in both the short- and long-term incentive plans, resulting in the rewarding of executives for the same performance twice.
	Outcome of the vote	Fail.
	Implications of the outcome e.g. were there any lessons learned and what likely future steps will you take in response to the outcome?	We do not see engagement as one conversation. We have ongoing direct dialogue with companies to explain our views and how we evaluate their actions on relevant ESG issues over time. Where we have concerns that are not addressed by these conversations, we may vote against management for their action or inaction. Where concerns are raised either through voting or during engagement, we monitor developments and assess whether the company has addressed our concerns.
	On which criteria have you assessed this vote to be "most significant"?	Vote Bulletin; BIS periodically publishes Vote Bulletins on key votes at shareholder meetings to provide insight into details on certain vote decisions we expect will be of particular interest to clients. Our vote bulletins can be found here: https://www.blackrock.com/corporate/insights/investment-stewardship#vote-bulletins The bulletin for this vote can be found here: https://www.blackrock.com/corporate/literature/press-release/vote-bulletin-rbi-may-2023.pdf
	How this vote relates to the Trustee's stewardship priorities	Corporate Governance: Remuneration.

BlackRock ACS UK Equity Fund; BlackRock DC Diversified Growth Fund; BlackRock Life UK Growth	Company name	Shell Plc.
	Date of vote	23-May-2023
	Approximate size of fund's/mandate's holding as at the date of the vote (as % of portfolio)	*Not provided.*
	Summary of the resolution	Approve the Shell Energy Transition Progress.
	How you voted	For.
	Where you voted against management, did you communicate your intent to the company ahead of the vote?	We endeavor to communicate to companies when we intend to vote against management, either before or just after casting votes in advance of the shareholder meeting.
	Rationale for the voting decision	BIS supported this management proposal in recognition of the delivery to date against the company's Energy Transition Strategy. Shell's current disclosure states that the company aims to reduce their scope 1 and 2 greenhouse gas (GHG) emissions by 50% by 2030 compared to 2016 levels on a net basis. By 2022, operational emissions had been reduced by 30%. In addition, Shell has continued to deliver against their target to increase total capex spending on low- and zero-carbon energy.
	Outcome of the vote	Pass.
	Implications of the outcome e.g. were there any lessons learned and what likely future steps will you take in response to the outcome?	We do not see engagement as one conversation. We have ongoing direct dialogue with companies to explain our views and how we evaluate their actions on relevant ESG issues over time. Where we have concerns that are not addressed by these conversations, we may vote against management for their action or inaction. Where concerns are raised either through voting or during engagement, we monitor developments and assess whether the company has addressed our concerns.
	On which criteria have you assessed this vote to be "most significant"?	Vote Bulletin; BIS periodically publishes Vote Bulletins on key votes at shareholder meetings to provide insight into details on certain vote decisions we expect will be of particular interest to clients. Our vote bulletins can be found here:

		https://www.blackrock.com/corporate/insights/investment-stewardship#vote-bulletins The bulletin for this vote can be found here: https://www.blackrock.com/corporate/literature/press-release/vote-bulletin-rbi-may-2023.pdf
	How this vote relates to the Trustee's stewardship priorities	Environmental Issues: Climate Change.
BlackRock ACS Japanese Equity Fund	Company name	Toyota Motor Corp.
	Date of vote	14-June-2023
	Approximate size of fund's/mandate's holding as at the date of the vote (as % of portfolio)	*Not provided.*
	Summary of the resolution	Amend Articles to Report on Corporate Climate Lobbying Aligned with Paris Agreement.
	How you voted	Against.
	Where you voted against management, did you communicate your intent to the company ahead of the vote?	We endeavor to communicate to companies when we intend to vote against management, either before or just after casting votes in advance of the shareholder meeting.
	Rationale for the voting decision	AGAINST shareholder proposal as the proposal will not serve shareholder's interest.
	Outcome of the vote	Fail.
	Implications of the outcome e.g. were there any lessons learned and what likely future steps will you take in response to the outcome?	We do not see engagement as one conversation. We have ongoing direct dialogue with companies to explain our views and how we evaluate their actions on relevant ESG issues over time. Where we have concerns that are not addressed by these conversations, we may vote against management for their action or inaction. Where concerns are raised either through voting or during engagement, we monitor developments and assess whether the company has addressed our concerns.
	On which criteria have you assessed this vote	*Not provided.*

	to be "most significant"?	
	How this vote relates to the Trustee's stewardship priorities	Environmental Issues: Climate change.
HSBC Islamic Global Equity Fund	Company name	Microsoft Corporation.
	Date of vote	07-December-2023
	Approximate size of fund's/mandate's holding as at the date of the vote (as % of portfolio)	7.6%
	Summary of the resolution	Advisory Vote to Ratify Named Executive Officers' Compensation.
	How you voted	Against.
	Where you voted against management, did you communicate your intent to the company ahead of the vote?	No.
	Rationale for the voting decision	We consider the quantum of the total pay excessive. The vesting period is not sufficiently long. The performance measurement period is not sufficiently long.
	Outcome of the vote	Pass.
	Implications of the outcome eg were there any lessons learned and what likely future steps will you take in response to the outcome?	We will likely vote against a similar proposal should we see insufficient improvements.
	On which criteria have you assessed this vote to be "most significant"?	The company has a significant weight in the portfolio, and we voted against management.
	How this vote relates to the Trustee's stewardship priorities	Corporate Governance: Remuneration.
	Company name	Deere & Co.

Impax Environmental Leaders Strategy Fund	Date of vote	22-February-2023
	Approximate size of fund's/mandate's holding as at the date of the vote (as % of portfolio)	2.0%
	Summary of the resolution	Shareholder Proposal Regarding Severance Approval Policy.
	How you voted	For.
	Where you voted against management, did you communicate your intent to the company ahead of the vote?	No.
	Rationale for the voting decision	Supportive of board seeking shareholder approval before the Company enters into severance agreements that provide benefits exceeding 2.99 times salary and bonus.
	Outcome of the vote	Fail.
	Implications of the outcome eg were there any lessons learned and what likely future steps will you take in response to the outcome?	No follow-up planned on this issue.
	On which criteria have you assessed this vote to be "most significant"?	Vote for shareholder proposal.
	How this vote relates to the Trustee’s stewardship priorities	Corporate Governance: Remuneration.
Jupiter UK Special Situations Fund	Company name	GSK Plc
	Date of vote	03-May-2023
	Approximate size of fund's/mandate's holding as at the date of the vote (as % of portfolio)	4.5%
	Summary of the resolution	Approve Remuneration Report.

	How you voted	Against.
	Where you voted against management, did you communicate your intent to the company ahead of the vote?	No.
	Rationale for the voting decision	Vote against warranted due to concerns with pay quantum and shareholder returns. We voted against the remuneration report due to concerns with pay quantum, especially considering the poor shareholder returns and the company has shrunk in size following Haleon demerger, so actual pay relative to company size and complexity has increased substantially.
	Outcome of the vote	Pass.
	Implications of the outcome eg were there any lessons learned and what likely future steps will you take in response to the outcome?	The item passed. We remain invested in the Company.
	On which criteria have you assessed this vote to be "most significant"?	Potential impact on financial outcome.
	How this vote relates to the Trustee's stewardship priorities	Corporate Governance: Remuneration.
Lindsell Train UK Equity Fund	Company name	Sage
	Date of vote	02-February-2023
	Approximate size of fund's/mandate's holding as at the date of the vote (as % of portfolio)	6.5%
	Summary of the resolution	Approve Remuneration Report.
	How you voted	For.
	Where you voted against management, did you communicate your intent to the	Yes.

	company ahead of the vote?	
	Rationale for the voting decision	We voted in favour of Sage's remuneration report. We like that remuneration is tied to clear business performance metrics. For example, 70% of the annual bonus scheme is linked to ARR growth targets, and 50% of the Performance Share Plan is linked to Sage Business Cloud penetration. In both cases there are three performance tiers. Additionally, non-executive directors are paid in cash, there's a ROCE underpin, and there are also clear ESG performance goals.
	Outcome of the vote	Pass.
	Implications of the outcome eg were there any lessons learned and what likely future steps will you take in response to the outcome?	N/A
	On which criteria have you assessed this vote to be "most significant"?	Sage's remuneration policy provides clarity on the links between remuneration and clear business performance metrics.
	How this vote relates to the Trustee's stewardship priorities	Corporate Governance: Remuneration.
Sands Capital Global Growth Fund	Company name	Amazon.com, Inc.
	Date of vote	24-May-2023
	Approximate size of fund's/mandate's holding as at the date of the vote (as % of portfolio)	4.9%
	Summary of the resolution	Commission a Third-Party Audit on Working Conditions.
	How you voted	For.
	Where you voted against management, did you communicate your intent to the company ahead of the vote?	No. We engaged with the company on the topics of labor and health and safety before the vote.

	Rationale for the voting decision	We believe that Amazon is making positive progress in terms of labor practices. Amazon has been widely scrutinized over labor practices. As the second largest employer in the United States, we believe that scrutiny has reached the point where more transparency would be helpful in understanding working conditions. We acknowledge that a safety report is already created by Amazon. The broader issue is that Amazon is capable of suffering reputational risk if these concerns are not addressed thoroughly. We actually believe that offering more transparency could be turned into a competitive advantage.
	Outcome of the vote	Fail.
	Implications of the outcome e.g. were there any lessons learned and what likely future steps will you take in response to the outcome?	We will continue to monitor this issue and if needed, continue our engagement with the company.
	On which criteria have you assessed this vote to be "most significant"?	The criteria we selected to assess the 'significance' of the vote were the dissent level, shareholder proposals we voted FOR, times we voted AGAINST management or ISS, historical votes on similar proposals, and overall relevance to the strategy.
	How this vote relates to the Trustee's stewardship priorities	Social issues: Working conditions.
Sands Capital Emerging Markets Growth Fund	Company name	CP All Public Company Limited
	Date of vote	21-April-2023
	Approximate size of fund's/mandate's holding as at the date of the vote (as % of portfolio)	1.6%
	Summary of the resolution	Elect Directors.
	How you voted	Against.
	Where you voted against management, did you communicate your intent to the company ahead of the vote?	Yes.

	Rationale for the voting decision	None of the 5 board member nominees were independent directors. We voted against all elected directors as we have been engaging with CP on Board independence since 2014 with no real progress.
	Outcome of the vote	Pass.
	Implications of the outcome e.g. were there any lessons learned and what likely future steps will you take in response to the outcome?	This was an escalation after an unsuccessful engagement. Will most likely continue to vote against board directors in the future.
	On which criteria have you assessed this vote to be "most significant"?	The criteria we selected to assess the 'significance' of the vote were the dissent level, shareholder proposals we voted FOR, times we voted AGAINST management or ISS, historical votes on similar proposals, and overall relevance to the strategy.
	How this vote relates to the Trustee's stewardship priorities	Social Issues: Employee / Board diversity.
Schroders Global Emerging Markets Fund	Company name	Hellenic Telecommunications Organization SA
	Date of vote	07-June-2023
	Approximate size of fund's/mandate's holding as at the date of the vote (as % of portfolio)	*Not provided.*
	Summary of the resolution	Advisory Vote on Remuneration Report.
	How you voted	Against.
	Where you voted against management, did you communicate your intent to the company ahead of the vote?	We may tell the company of our intention to vote against the recommendations of the board before voting, in particular if we are large shareholders or if we have an active engagement on the issue. We always inform companies after voting against any of the board's recommendations.
	Rationale for the voting decision	Lack of transparency, therefore the Manager was unable to make an informed decision.
	Outcome of the vote	Pass.
	Implications of the outcome e.g. were there any lessons learned and	We monitor voting outcomes particularly if we are large shareholders or if we have an active engagement on the issue. If we think that the

	what likely future steps will you take in response to the outcome?	company is not sufficiently responsive to a vote or our other engagement work, we may escalate our concerns by starting, continuing or intensifying an engagement. As part of this activity, we may also vote against other resolutions at future shareholder meetings, such as voting against the election of targeted directors.
	On which criteria have you assessed this vote to be "most significant"?	Vote against management.
	How this vote relates to the Trustee's stewardship priorities	Corporate Governance: Remuneration.
Schroder Sustainable Future Multi Asset Fund	Company name	Wells Fargo & Company
	Date of vote	25-April-2023
	Approximate size of fund's/mandate's holding as at the date of the vote (as % of portfolio)	*Not provided.*
	Summary of the resolution	Report on Climate Transition Plan Describing Efforts to Align Financing Activities with GHG Targets.
	How you voted	For.
	Where you voted against management, did you communicate your intent to the company ahead of the vote?	We may tell the company of our intention to vote against the recommendations of the board before voting, in particular if we are large shareholders or if we have an active engagement on the issue. We always inform companies after voting against any of the board's recommendations.
	Rationale for the voting decision	The company is asked to produce a report disclosing how it intends to align its financing activities with its 2030 sectoral GHG emission reduction targets. We welcome additional disclosures that help better understand how the company is implementing its climate strategy. We believe that how we have voted is in the best financial interest of our clients' investments.
	Outcome of the vote	Fail.
	Implications of the outcome e.g. were there any lessons learned and what likely future steps will you take in	We monitor voting outcomes particularly if we are large shareholders or if we have an active engagement on the issue. If we think that the company is not sufficiently responsive to a vote or our other engagement work, we may escalate our concerns by starting, continuing or intensifying an

	response to the outcome?	engagement. As part of this activity we may also vote against other resolutions at future shareholder meetings, such as voting against the election of targeted directors.
	On which criteria have you assessed this vote to be "most significant"?	Environmental issues: Climate Change.
	How this vote relates to the Trustee's stewardship priorities	Environmental Issues: Climate change.
Veritas Global Focus Pension Fund	Company name	Alphabet Inc.
	Date of vote	02-June-2023
	Approximate size of fund's/mandate's holding as at the date of the vote (as % of portfolio)	6.5%
	Summary of the resolution	Amend Omnibus Stock Plan.
	How you voted	Against.
	Where you voted against management, did you communicate your intent to the company ahead of the vote?	No.
	Rationale for the voting decision	Based on an evaluation of the estimated cost, plan features, and grant practices using the Equity Plan Scorecard (EPSC), a vote AGAINST this proposal is warranted due to the following key factor(s): - The plan cost is excessive – The three-year average burn rate is excessive – The disclosure of change-in-control (CIC) vesting treatment is incomplete (or is otherwise considered discretionary) – The plan permits liberal recycling of shares – The plan allows broad discretion to accelerate vesting.
	Outcome of the vote	Pass.
	Implications of the outcome e.g. were there any lessons learned and what likely future steps will you take in response to the outcome?	None to report.

	On which criteria have you assessed this vote to be "most significant"?	Votes against management.
	How this vote relates to the Trustee's stewardship priorities	Corporate Governance: Capital Structure.
RWC Global Emerging Markets Fund	Company name	Pinduoduo Inc.
	Date of vote	08-February-2023
	Approximate size of fund's/mandate's holding as at the date of the vote (as % of portfolio)	5.5%
	Summary of the resolution	Elect Director George Yong-Boon Yeo.
	How you voted	Against Management.
	Where you voted against management, did you communicate your intent to the company ahead of the vote?	Yes.
	Rationale for the voting decision	Voted against the incumbent nominating committee chair for lack of board gender diversity.
	Outcome of the vote	Pass.
	Implications of the outcome e.g. were there any lessons learned and what likely future steps will you take in response to the outcome?	Despite our engagement, no women BOD candidates were presented at the 2023 AGM leading us to vote against incumbent Nominating Committee chair Yong-Boon (George) Yeo for lack of board gender diversity. Consequently, in August 2023, along with second quarter 2023 results publication, PDD announced the appointment of Ms. Ivonne Rietjens, a Wageningen University professor with extensive experience in food safety, as an independent non-executive director improving board independence and diversity at the same time.
	On which criteria have you assessed this vote to be "most significant"?	Board gender diversity.
	How this vote relates to the Trustee's stewardship priorities	Social Issues: Employee/ Board diversity.

William Blair Emerging Market Leaders Fund	Company name	Bangkok Dusit Medical Services Public Co. Ltd.
	Date of vote	01-April-2023
	Approximate size of fund's/mandate's holding as at the date of the vote (as % of portfolio)	*Not provided.*
	Summary of the resolution	Elect Prasert Prasarttong-Osoth as Director.
	How you voted	Against Management.
	Where you voted against management, did you communicate your intent to the company ahead of the vote?	No.
	Rationale for the voting decision	A vote AGAINST the proposal is warranted as Prasert Prasarttong-Osoth has been sanctioned for a price manipulation case, which raises serious concerns over their suitability to serve as director of the company.
	Outcome of the vote	Pass.
	Implications of the outcome e.g. were there any lessons learned and what likely future steps will you take in response to the outcome?	*Not provided.*
	On which criteria have you assessed this vote to be "most significant"?	Significant votes were determined by votes against management and by number of shares voted.
	How this vote relates to the Trustee's stewardship priorities	Social Issues: Employee/ Board diversity.

Source: Managers