Contributory Pension Fund Annual Report & Accounts

for the year ended 31st December 2022

CAMBRIDGE
UNIVERSITY PRESS

Contents

Trustee report

Introduction

The Trustee presents its annual report on the Cambridge University Press Contributory Pension Fund, (the "CPF"), together with the investment report, actuary's statements, auditor's report and statements and audited financial accounts for the year ended 31 December 2022.

Nature of the Fund

The CPF is a defined benefit fund which provides retirement and death benefits for eligible permanent employees of the Press (as defined below) and (up until its cessation of participation on 29 June 2012) Cambridge Printing Services Ltd.

The principal employer of the CPF (and now the sole participating and statutory employer) is the Chancellor, Masters and Scholars of the University of Cambridge. The Syndicate of the Press of the University of Cambridge (the "Press") acts on behalf of the University in relation to the Fund.

The CPF was established under irrevocable trusts with effect from 12 March 1930, and governed by rules adopted on 21 April 2011, as subsequently amended (the "Rules"). To the extent that these Rules formally document the benefit structure for Cambridge Printing Services Ltd members for the first time, the Rules have backdated effect (so far as is lawful) from 1 September 2007.

IMPORTANT: This report gives a broad summary of the position in relation to the CPF. The legal position, including benefit entitlements for members, is governed by legislation and the formal governing documents for the CPF (including the Rules mentioned above). If there is any discrepancy between this report and either legislation or the formal governing documents then the legislation and the formal governing documents will prevail. No benefit entitlement arises from this report and no member should rely on this report to take any decision about their benefits.

The CPF is registered with HM Revenue and Customs as a registered pension fund for the purposes of Chapter 2 Part IV of the Finance Act 2004.

A contracting-out certificate, effective from 1 July 1988, was issued to the CPF. The employer's scheme number (ECON) is E3027876C. The scheme number (SCON) is S4003727Q. The CPF ceased to contract out on 5 April 2016.

Additional Voluntary Contributions ("AVCs") paid by members do not secure additional pensionable service under the CPF. Contributions are invested with the Prudential Assurance Society in the name of the individual contributor, and contributors receive an annual benefit statement. When an AVC Fund generated by such contributions reaches maturity on the retirement or death of the member, it may be used to provide either an additional pension or a cash sum, or a combination of both.

Management of the CPF

The CPF is managed by a Trustee company called Press CPF Limited.

Under the Trustee's articles of association, the Press has the power to remove from or appoint any director of the Trustee to their office, subject to the requirements of the Pensions Act 2004 (which requires arrangements to be put in place allowing for at least one-third of the total number of directors of the Trustee Company to be nominated by members of the CPF).

The following list shows the names of the Trustee Directors who served during the year. The list is split between Press nominated and member nominated.

Name of Trustee Director:	Press/member nominated:	Date term expires:
Capital Cranfield Pension Trustees Limited represented by William Medlicott	Press	
Catherine Armor	Press	
John Haslam	Press	
Stanley Webster (until 7 September 2022)	Press	
Roger Astley	Member nominated	06/03/2024
Catherine Ashbee	Member nominated	08/09/2024
Mark Whitehouse (from 08/09/2022)	Press	08/09/2025

Changes in rules

There were no changes to the rules during 2022.

Trustee meetings

Trustee meetings are normally held quarterly.

The Trustee of the SSPS, together with the trustee of the CPF, also meet jointly.

Terms of reference for the management of joint meetings and decision-making processes were signed on 17 February 2015, which make clear that all decisions in relation to investment for the CPF are made solely by Trustee of the CPF.

Trustee responsibilities

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

- show a true and fair view of the financial transactions of the CPF during the fund year and of the amount and disposition at the end of the fund year of its assets and liabilities, other than liabilities to pay pensions and benefits after the end of the fund 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''.

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

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

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

Advisers and service providers

Name	Advice/service provided
Mr Keith Williams FIA, First Actuarial LLP	Actuarial
Crowe U.K. LLP	Auditing of accounts
Barclays Bank PLC	Banking
Addleshaw Goddard LLP	Legal
Barnett Waddingham LLP	Investment Fund advice
Baillie Gifford Life Ltd (until January 2023)	Fund management
Barings Investment Management Ltd	Fund management
Legal & General Investment Management	Fund management
CBRE	Fund management
Hermes	Fund management
Apollo	Fund management
Insight Investments (from July 2022)	Fund management

Scheme administration

The day-to-day administration of the Scheme was provided throughout 2022 by the University of Cambridge Pensions Office led by Sue Curryer, Head of Pensions Administration. Fiona Kelly is the Scheme Secretary. The Scheme Secretary is responsible for organising Trustee meetings and managing liaison between Trustee, Press, University, and advisers.

The contact address for general and benefit enquiries is University of Cambridge Pensions Office, Greenwich House, Madingley Road, Cambridge CB3 0TX; Email address: pensionsonline@admin.cam.ac.uk

Transfer values

Transfer values are accepted at the discretion of the Trustee for contributing members and are applied to awarding additional pensionable service.

All cash equivalents (transfer values) paid during the year were calculated and verified in the manner required by regulations issued under the Pension Schemes Act 1993. There are no discretionary benefits included in cash equivalent transfer values. A revised basis for calculating transfer values was adopted on 7 March 2017 following recommendations from the CPF actuary following the completion of the triennial valuation.

Increases in pension benefits

The Rules make provision for increases in pensions in payment and deferred pensions. Both pensions in payment and deferred pensions (excluding any benefits accrued under the Printing section post 1 September 2007) were increased from 1 January 2022 by a 6% increase, as the actual increase in the Retail Price Index for the period October 2020 to October 2021 was 6%. Any proportion of pension accrued under the Printing section post 1 September 2007 was increased by 2.5%. These increases were made in accordance with the Rules. Any members who retired or left the schemes during the current scheme year, will receive a pro rata increase.

Scheme membership

The total membership of the Scheme was 772 at 31 December 2022. The breakdown of this total, showing the movement between categories of members since the previous year, is:

Active members	**2022**	**2021**
Number at start of period	48	55
Transfers to deferred	-1	-2
Transfers to pensioners	-4	-5
Number at end of period	**43**	**48**
Deferred members		
Number at start of period	164	180
Brought into payment	-18	-18
Transfers from Active membership	1	2
Number at end of period	**147**	**164**
Pensioners		
Number at start of period	479	470
Adjustment for late notification	1	-
Transfers from active membership	4	5
Deferred into payment	18	18
Died	-21	-14
Number at end of period	**481**	**479**
Dependants in payment		
Number at start of period	105	107
Adjustment for late notification	3	-
New dependants	5	5
Death of dependants	-12	-7
Number at end of period	101	105
Total membership	**772**	**796**

Financial development of the Scheme

The audited financial accounts on pages 24 to 31 of this report show that the value of the Scheme's assets decreased by £28.2 million to £152.2 million. The decrease was comprised of investment losses of £22.7 million, less net outgoings from dealing with members of £5.5 million. These accounts have been prepared and audited in accordance with regulations made under s41(1) and (6) of the Pensions Act 1995. The Trustee's responsibilities in relation to the financial accounts are set out on page 3.

The CPF, like other pension funds, is mainly concerned with long-term results. Short-term movements in capital values, up or down, are of limited relevance, when considering pension liabilities many years ahead.

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

The remaining investments (approx. 0.9%) are with Prudential (Members' Funds) and interest- bearing deposits. No part of the PIVs (Pooled investment vehicles) are invested in Cambridge University Press or the University of Cambridge.

Actuarial position

The most recent triennial actuarial valuation was carried out as at 1 January 2022 in a report dated 30 March 2023. The results of the valuation showed that the market value of the assets at £178.7m was equal to 90.9% of the technical provisions of £196.6m. The funding position was updated to 31 January 2023 allowing for post valuation date experience and this showed a surplus of £1.8m. After considering the results of the valuation and of the updated funding position as at 31 January 2023, the Trustee and the Press agreed that the Press was not required to pay any shortfall contributions. The Trustee agreed a revised Schedule of Contributions on 8 March 2023 (see pages 18, 20 and 21) with the Press, which includes contributions in respect of continuing accrual. In addition, the Press continues to pay all CPF administration costs and PPF levies.

The Scheme Actuary's valuation report indicated that at 1 January 2022 the assets of the CPF should be sufficient to support approximately 61% of its liabilities if it became necessary to buy out members' benefits with an insurer, in the event of the CPF winding-up. The valuation for Pension Protection Fund (the "PPF") purposes (pursuant to section 179 of Pensions Act 2004) showed a funding level of 91%. This means that as at the valuation date of 1 January 2022 the assets of the CPF would not have been sufficient, if the Fund were to be wound up in circumstances where the University was unable to make good the full funding shortfall, to provide benefits whose value exceeds the PPF levels of compensation.

Investment objectives and strategies

The Trustee's main investment objectives are:

- That the Fund should be able to meet benefit payments as they fall due, by maintaining an adequate level of funding for members' benefits. The benefit payments payable are defined by the Fund's Trust Deed and Rules. The Fund's assets are held by the Trustee for this purpose.
- That the Fund's funding position (i.e., value of its assets relative to the assessed value of its liabilities) should remain at an appropriate level.

The Trustee is aware that there are various measures of funding and have given due weight to those considered most relevant to the Fund. In particular, the Trustee has considered the funding requirements detailed in the Occupational Pension Schemes (Scheme Funding) Regulations 2005 and subsequent amendments.

The Cambridge University Press Joint Trustee boards have taken advice on the suitability of the investments of both the Senior Staff Pension Scheme ("SSPS") and the Fund considering the liability profiles of both schemes.

The Fund's assets are invested in pooled funds managed by the Fund's investment managers.

At the year end, the Fund invests primarily in the following asset classes: equities, corporate bonds, diversified growth funds ("DGFs"), multi asset credit, and UK property. The Trustee Boards believe that by diversifying appropriately across both asset classes and investment managers, the risk from individual securities is minimised. The majority of the funds that the Fund invests in deal on a daily or weekly basis.

Safekeeping of the physical assets underlying the pooled funds is performed by the custodians appointed by the investment managers.

The Fund does not invest in any employer-related investments.

Strategy as at 31 December 2022

At the end of 2022 the Fund's assets were invested in ten funds with six asset managers. In July 2022, the Fund invested in the Maturing Buy and Maintain Credit Fund 2021-2025 and Maturing Buy and Maintain Credit Fund 2026-2030 with Insight Investment ("Insight"). The Fund invested in these funds using some proceeds held in the Future World Global Equity Funds (hedged and unhedged versions) managed by Legal and General Investment Management ("LGIM"). The Fund invests in four funds with LGIM, two funds with Insight and in one fund each with Baillie Gifford, CBRE, Hermes Investment Management, and Apollo Global Management.

The table below sets out the Fund's target investment strategy as at the end of December 2022 and broad allocation of assets as at 31 December 2022.

Since the year-end, the Trustees have made some additional changes to the Fund's investment strategy and a new SIP was approved at the June meeting. In particular, the Fund has made a 20% allocation to Insight's Index-Linked Gilts and has increased the strategic allocation to Insight's Maturing Buy & Maintain Credit Funds from 10% to 20%. The Fund has made these changes using proceeds from disinvesting from the LGIM Short-Dated Sterling Corporate Bond Index Fund, LGIM Sterling Liquidity Fund and Baillie Gifford Diversified Growth Fund.

In addition, the CBRE UK Osiris Property Fund was terminated on 19th March 2020 and as such is undergoing an orderly wind up. The Property allocation will be gradually diminished over time as the Fund's holdings are distributed.

Manager	Asset Class	Allocation	Investment Objective
LGIM	Future World Global Equity Index Fund	20%	To track the performance of the Solactive L&G ESG Global Markets Index (less withholding tax where applicable) to within +/-0.60% p.a. for two years out of three
	Future World Global Equity Index Fund – GBP hedged	20%	To track the performance of the Solactive L&G ESG Global Markets Index - GBP Hedged (less withholding tax where applicable) to within +/-0.60% p.a. for two years out of three
	LGIM Short-Dated Sterling Corporate Bond Index Fund	5%	To track the performance of the Markit iBoxx Sterling Corporates 1-5 Year Index
	LGIM Sterling Liquidity Fund	2%	To provide capital stability and a return in line with money market rates whilst providing daily access to liquidity and providing an income. The fund seeks to maintain a AAA rating.
Baillie Gifford	Diversified Growth Fund	20%	To outperform the UK Base Rate by 3.5% p.a. after fees, over rolling five-year periods
CBRE	Property	3%	The fund is winding up and so the objective no longer applies
Hermes	Multi Asset Credit	10%	To generate a high level of income by primarily investing in a diversified portfolio of credit securities including investment grade bonds, high yield bonds, credit default swaps and money market securities (including commercial bank loans) while exhibiting lower volatility relative to the global high yield market
Apollo	Multi Asset Credit	10%	To outperform SONIA by 6-8% pa before fees (equivalent to 5.2 – 7.2% pa after fees)
Insight	Maturing Buy & Maintain Credit Funds	10%	To generate a return for investors by investing primarily in a portfolio of debt securities. Each fund aims to deliver annual returns for investors principally from the maturity of investments within the maturity period specified in the name of each fund.
	Total	**100%**	

This strategy is implemented through investments in pooled funds. The investment managers and AVC providers are authorised and regulated by the Financial Conduct Authority, the Central Bank of Ireland or U.S. Securities and Exchange Commission.

Statement of investment principles

The Trustee is required under The Occupational Pension Schemes (Investment) Regulations 2005 to prepare and maintain a Statement of Investment Principles as described by Section 35 of the Pensions Act 1995, as amended by the Pensions Act 2004. A statement has been prepared in accordance with these regulations, approved by the Trustee having taken appropriate advice and consulting the Employer. A copy of the statement may be obtained from the Secretary to the Trustee at the administration office and is also available publicly online:

https://www.pensions.admin.cam.ac.uk/files/cpf_sip.pdf

The Trustee aims to be a responsible investor in a manner which is consistent with its investment objectives and legal duties, believing this approach to protect and to enhance the value of the Fund's assets. The Trustee therefore expects its investment managers to integrate material extra-financial factors (such as corporate, environmental, social, governance and ethical considerations) into the selection, retention and realisation of the Fund's investments;

- to give appropriate weight to such extra-financial factors in the monitoring of the policies and practices of current and potential investee companies;
- to follow good practice themselves;
- to encourage good practice in investee companies, including where feasible by the exercise of voting rights attaching to the Fund's investments;
- to consider collaboration with others, as permitted by relevant legal and regulatory codes, where collaboration is likely to be the most effective mechanism for encouraging issues to be addressed;
- to choose the investment which seems best to reflect material extra-financial factors if there is a choice to be made between two or more investments with identical financial properties;

During the year there was a departure from the previous Statement of Investment Principles and this report reflects the revised version signed by the Trustee in April 2023.

Environmental, Social and Governance ("ESG")

The Trustee believes that Environmental, Social and Governance ("ESG") factors are financially material - that is, they have the potential to impact the value of the members' investments from time-to-time.

The Trustee takes these factors into account, alongside other factors, in their decisions in relation to the selection, retention and realisation of the Fund's investments.

Given the Fund remains open to accrual and the objective to fund future member benefits from the Fund's assets as they fall due, the Trustee has a long-term time horizon over which it takes into account the financial materiality of ESG factors (including, but not limited to, climate change). The Trustee appreciates that the method of incorporating ESG in the investment strategy and process will differ between asset classes.

The Trustee has reviewed the approach to ESG of all of the managers taking into account PRI scores where appropriate. The Trustee is comfortable that the funds currently invested in by the Fund are managed in accordance with their views on financially material factors. This position is monitored periodically, at least annually. As part of the monitoring process the Trustee is provided with quarterly updates on governance and engagement activities of the managers and input from the investment advisors on ESG matters. The Trustee has the opportunity to meet the managers and question them on policies.

Stewardship - voting and engagement

The Trustee has taken into consideration the Financial Reporting Council's UK Stewardship Code and is supportive of the Code. However, the Trustee cannot usually directly influence the managers' policies on the exercise of investment rights where the Trustee holds assets in pooled funds. This is due to the nature of these investments.

The Trustee understands that investment rights (including voting rights) will be exercised by the investment managers in line with the investment managers' general policies on corporate governance, which reflect the recommendations of the Code, and which are provided to the Trustee from time to time, taking into account the financial interests of the beneficiaries. The Trustee also expects managers to engage with companies in relation to ESG matters. The Trustee is comfortable with the fund managers' strategies and processes for exercising rights and conducting engagement activities, and specifically that they attempt to maximise shareholder value as a long-term investor. The Trustee does not undertake engagement activities itself.

The Trustee regularly reviews the continuing suitability of the appointed managers and takes advice from their Investment Consultant with regard to any changes. This advice includes consideration of broader stewardship matters and the exercise of voting rights by the appointed managers.

Policy for taking into account non-financial matters

The Trustee does not consider any non-financial matters when constructing the investment strategy and/or when selecting or reviewing fund managers. The Trustee does not expect their managers to consider any non-financial factors in the selection, retention and realisation of underlying holdings in the pooled funds.

Incentivising alignment with the Trustee's investment policies

Prior to appointing an investment manager, the Trustee discusses the investment manager's approach to the management of ESG and climate related risks with the Fund's investment consultant, and how their policies are aligned with the Trustee's own investment beliefs.

When appointing an investment manager, in addition to considering the investment manager's investment philosophy, process and policies to establish how the manager intends to make the required investment returns, the Trustee also considers how ESG and climate risk are integrated into these. If the Trustee deems any aspect of these policies to be out of line with their own investment objectives for the part of the portfolio being considered, they will consider using another manager for the mandate.

The Trustee carries out a strategy review at least every three years where they assess the continuing relevance of the strategy in the context of the Fund's membership and their aims, beliefs and constraints. The Trustee monitors the investment managers' approach to ESG and climate related risks on an annual basis.

In the event that an investment manager ceases to meet the Trustee's desired aims, including the management of ESG and climate related risks, using the approach expected of them, their appointment may be terminated. The investment managers have been informed of this by the Trustee.

Investment manager ESG policies are reviewed in the context of best industry practice and feedback will be provided to the investment manager.

Incentivising decisions based on assessments about medium to long term, financial and non-financial considerations

The Trustee is mindful that the impact of ESG and climate change has a long-term nature. However, the Trustee recognizes that the potential for change in value as a result of ESG and climate risk may occur over a much shorter term than climate change itself. The Trustee acknowledges this in their investment management arrangements.

When considering the management of objectives for an investment manager (including ESG and climate risk objectives), and then assessing their effectiveness and performance, the Trustee assesses these over a rolling timeframe. The Trustee believes the use of rolling timeframes, typically 3 to 5 years, is consistent with ensuring the investment manager makes decisions based on an appropriate time horizon. Where a fund may have an absolute return or shorter-term target, this is generally supplementary to a longer-term performance target. In the case of assets that are actively managed, the Trustee expects this longer-term performance target to be sufficient to ensure an appropriate alignment of interests.

The Trustee expects investment managers to be voting and engaging on behalf of the Fund's holdings and the Trustee (assisted by the Trustee's investment consultants) monitors this activity and reports on these areas within the Implementation Statement in the Fund's Annual Report and Accounts. The Trustee does not expect ESG considerations to be disregarded by the investment managers in an effort to achieve any short-term targets.

The Trustee does not expect their asset managers to consider or make decisions based on non-financial matters as set out in Appendix 2.

Method and time horizon for assessing performance

The Trustee monitors the performance of their investment managers over medium to long term periods that are consistent with the Trustee's investment aims, beliefs and constraints. Investment monitoring is provided to the Trustees on a quarterly basis at an individual fund and total Fund level and covering quarterly, annual and multi-year performance. Investment manager performance is monitored relative to their respective benchmarks and objectives as well as relative to peers, expectations for the mandate and the wider market.

The Fund invests exclusively in pooled funds. The investment manager is remunerated by the Trustee based on the assets they manage on behalf of the Trustee. As the funds grow, due to successful investment by the investment manager, they receive more and as values fall, they receive less

The Trustee believes that this fee structure, including the balance between any fixed and performance related element, enables the investment manager to focus on long-term performance without worrying about short term dips in performance significantly affecting their revenue. The Trustee considers that the fee structure is consistent with their investment policies.

The Trustee asks the Fund's investment consultant to assess if the asset management fee is in line with the market when the manager is selected, and the appropriateness of the annual management charges are considered annually and as part of any review of the Statement of Investment Principles ("SIP").

Portfolio turnover costs

The Trustee acknowledges that portfolio turnover costs can impact on the performance of their investments. Overall performance is assessed as part of the quarterly investment monitoring process.

During the investment manager appointment process, the Trustee may consider both past and anticipated portfolio turnover levels. When underperformance is identified, deviations from the expected level of turnover may be investigated with the investment manager concerned if it is felt they may have been a significant contributor to the underperformance. Assessments reflect the market conditions and peer group practices. The Trustee acknowledges that for some asset classes, such as LDI, a higher turnover of contracts such as repurchase agreements, can be beneficial to the fund from both a risk and cost perspective.

Duration of arrangement with asset manager

For the open-ended pooled funds in which the CPF invests, there are no predetermined terms of agreement with the investment managers.

The suitability of the CPF's asset allocation and its ongoing alignment with the Trustee's investment beliefs is assessed every three years, or when changes deem it appropriate to do so more frequently. As part of this review the ongoing appropriateness of the investment managers, and the specific funds used, is assessed.

Performance to 31 December 2022

Over the course of 2022, the Fund's investment portfolio returned -12.7%. Performance over the three years to 31 December 2022 was 0.7% p.a.

The table below gives the performance of the individual funds over periods to 31 December 2022. Performance is shown after the deduction of fees with the exception of LGIM and CBRE whose performance are shown before the deduction of fees. Longer term performance of the LGIM equity funds and Insight funds is not currently available as the Fund has not been invested over that period.

LGIM	1 year (%)	Since inception* (% pa)
Unhedged overseas equities	-9.2	9.6
Solactive L&G ESG Global Markets Index	-9.3	9.4
Hedged overseas equities	-17.1	7.1
Solactive L&G ESG Global Markets Index - GBP Hedged	-17.2	6.9
Short Dated Sterling Corporate Bond Fund	-7.6	-5.6
Markit iBoxx GBP Corporates 1-5 Years	-8.1	-5.8
Sterling Liquidity Fund	1.4	1.0
SONIA	1.4	0.9

Baillie Gifford	1 year (%)	3 year (%)	5 year (% pa)
Diversified Growth Fund	-16.3	-2.3	-0.2
Bank of England Base Rate + 3.5% pa	5.0	4.1	4.1

CBRE	1 year (%)	3 year (% pa)	5 year (% pa)
Property	-17.0	-1.4	0.7
MSCI/AREF UK QPFI All Balanced Property Fund Index	-9.0	2.2	2.9

Hermes	1 year (%)	3 year (% pa)
Multi Asset Credit	-10.7	-2.3
Bank of America Merrill Lynch High Yield Credit Index	-12.6	-1.9

Apollo	1 year (%)	3 year (% pa)
Multi Asset Credit	-4.2	0.9
SONIA + 5.2% pa	6.3	5.7

Insight*	1 year (%)	3 year (% pa)
Maturing Buy and Maintain Credit Funds	n/a	n/a
Aggregate benchmark based on iBoxx GBP Corporates Index	n/a	n/a

*Inception is 30 October 2020 for the LGIM equity funds and 15 June 2021 for the Corporate Bond Fund and Sterling Liquidity Fund.

Investment Adviser Commentary

Economic and market conditions to 31 December 2022

Economic environment

2022 began with high and rising inflation and markets focused on the actions that central banks would need to take to bring it under control. The concerns around inflation were exacerbated in February 2022 as the Russian invasion of Ukraine led to further disruption, particularly in energy markets. To bring inflation under control, central banks began to raise interest rates, with the pace of rate rises picking up sharply in the second half of the year. These factors resulted in most asset classes producing deeply negative returns over the year. In the UK, markets were also significantly impacted by the September fiscal statement and the resulting extreme volatility in gilt markets.

Following the Russian invasion of Ukraine in February 2022, western governments responded to the invasion by imposing sanctions on Russia and their ally, Belarus. In particular, the US, UK and EU placed strict sanctions on Russian government bodies, Russian oligarchs, and the Russian financial system, including a ban on trading Russian government bonds issued after 1 March 2022 on the secondary market. Russia is a major producer of several important commodities, and the risk of disruption to those markets, from the war or from retaliatory sanctions, caused prices to rise. Oil rose above $100 a barrel for the first time since 2014, briefly touching close to $140, a 14-year high. European natural gas prices rose to an all-time high as did several other important commodities such as nickel. While some of these prices would fall over the coming months, natural gas prices would remain highly elevated in Europe and the UK throughout the middle of the year as Europe stockpiled gas for winter. However, the end of the stockpiling period and a warmer than average winter helped natural gas prices to fall nearly 60% over the final quarter of 2022.

US CPI inflation peaked in June at 9.1%, before falling to 6.5% in December as supply chain disruption and pandemic stimulus measures passed through the system. However, European gas prices meant that UK and EU inflation reached a higher and later peak in October 2022, with UK CPI inflation reaching 11.1% and Eurozone inflation reaching 10.6%. This high level of inflation forced central banks to raise interest rates at the fastest pace for several decades and reduce or reverse asset purchase programmes. This process began on 16 December 2021, when the Bank of England became the first major central bank to raise interest rates, increasing the base rate from 0.1% to 0.25%. The Federal Reserve and ECB also began to raise interest rates on 16 March and 27 July respectively. From May 2022, central banks started to step up the pace of rate rises from 0.25% increments to 0.5% or 0.75% increments at each meeting. By the end of the year interest rates had reached 3.5% (Bank of England), 4.25-4.50% (Federal Reserve) and 2.5% (ECB), their highest levels since the Global Financial Crisis.

Rising inflation and interest rates resulted in rising government bond yields across the world. The pace of the rise was steep compared to history with UK 15-year nominal gilt yields rising from 1.15% on 31 December 2021 to 3.16% on 31 August 2022, broadly in line with other developed market government bonds. However, on 23 September, the new UK government produced a fiscal statement including tax cuts and measures to cap energy price increases. The total costs and increased borrowing required contributed to a sharp rise in gilt yields. 15-year gilt yields spiked as high as 4.9% on the morning of 28 September. The speed and scale of this rise in long-term gilt yields was far larger than at any time since the early 1970's and later that day the Bank of England stepped into calm markets. It announced that it would purchase up to £65bn of long dated gilts. Purchases were later extended to include index-linked gilts and increase the maximum daily purchase limit, although only around £19bn of total purchases were made. This intervention, alongside the replacement of Liz Truss as Prime Minister by Rishi Sunak, calmed markets and by 23 November 15-year yields had fallen back to 3.28%. The Bank of England was therefore also able to sell the gilts purchased during this intervention back into the market, selling the final gilts in the first week of 2023.

Over the year, major central banks began to tighten monetary policy as economies recovered to pre-pandemic levels and inflation rose far above target. All major central banks raised interest rates over this period.

- The Bank of England (BoE) raised the base rate from 0.25% to 3.5% over the year. In February 2022, it stopped reinvesting the proceeds of its bond assets and in November 2022 began to actively sell bonds. After the BoE's intervention in September and October, it was able to sell all the gilts it had bought during that period by the first week of 2023.

- The Federal Reserve (The Fed) raised the Federal Funds Rate range from 0.00%-0.25% at the beginning of the year to 4.25%-4.50% during its last monetary policy meeting of 2022. The Fed ended bond purchase in March and began the process of reducing its balance sheet in June. The proceeds from its US Treasury holdings would no longer be reinvested below a monthly cap of $30bn from June to August and $60bn after that.

- The European Central Bank (ECB) raised its main lending rate from 0.0% to 2.5% over the year to 31 December 2022. The ECB's total asset purchases over the period, including purchases as part of the Pandemic Emergency Purchase Programme, totalled €263 billion. The ECB decided to end its asset purchase program in June effective from 1 July 2022.

Market Performance

The 12 months to 31 December 2022 saw negative returns across almost all asset classes.

- Equities: Overall, global equities produced negative total returns over the year to 31 December 2022, falling by 15.3% in local currency terms. Almost all geographical regions produced a negative return over the year. The best performing region was the UK (0.3%), and the worst performing region (in local currency terms) was North America (-18.7%).

- Bonds: Over the year to 31 December 2022, UK gilt yields rose significantly across all maturities. UK fixed interest gilts (all stocks) produced very deep negative returns (-23.8%) and UK index-linked gilts (all stocks) delivered even deeper negative returns (-33.6%) as implied inflation fell over the year. UK corporate bond spreads (all stocks) widened significantly (0.7%) over the year.

- Property: The MSCI UK All Property Index fell by 10.4% over the 12 months to 31 December 2022.

GMP Equalisation

As set out in Note 11 the Trustee has commenced work on the GMP equalisation exercise, initial calculations indicate that any liability will be immaterial, and we will only accrue when we can quantify the liability.

Disputes and queries

Members of pension schemes have statutory rights to ensure that complaints, queries and problems concerning pension rights are properly resolved.

To facilitate this process, the Trustee has established an Internal Disputes Resolution Procedure which is published in the Members' Booklet. Basically, in the first instance, members are expected to take up matters informally with the CPF Administrator. If the matter remains unresolved, then a 2-stage process is in place whereby your complaint will first be considered by the CPF Secretary and subsequently by the Trustee if no resolution has proved possible.

If the problem remains unresolved, members then have the facility to refer the matter to the Pensions Ombudsman. The Pensions Ombudsman can be contacted at 10 South Colonnade, Canary Wharf, E14 4PU.

The statutory body responsible for the regulation of pension schemes in the United Kingdom is The Pensions Regulator (TPR) and can be contacted at Napier House, Trafalgar Place, Brighton, East Sussex BN1 4DW.

Further information

For information about the CPF generally, further information about resolving disputes, or requests for benefit calculations please contact Pensions Administration, Greenwich House, Madingley Road, Cambridge, CB3 0TX. E-mail address: pensionsonline@admin.cam.ac.uk.

A number of documents about the CPF are also available on request and can be supplied in electronic or hard copy form, and include the:

- Statement of Investment Principles. This explains how the Trustee directors invest the CPF.

- Actuarial Valuation Report (Triennial). This is the full report of the Actuary on the valuation as at 1 January 2022.

- Members' Booklet.

The Trustee Report, the Report of Actuarial Liabilities, and the Investment Adviser commentary were approved by the Trustee and signed on their behalf by:

DocuSigned by:

William Medlicott

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William Medlicott

Chairman of the Trustee

Date: 18 July 2023

Report on Actuarial Liabilities (forming part of the Trustee Report)

Under Section 222 of the Pensions Act 2004, every scheme is subject to the Statutory Funding Objective, which is to have sufficient and appropriate assets to cover its technical provisions. The technical provisions represent the present value of the benefits members are entitled to, based on pensionable service at the valuation date or date of leaving if earlier. This is assessed using the assumptions agreed between the Trustee and the Employer and set out in the Statement of Funding Principles dated 8 March 2023, which is available to the Fund members on request.

The most recent full actuarial valuation of the Fund was carried out as at 1 January 2022.

	1 January 2022
The value of the technical provisions was	£196.6m
The value of the assets was	£178.7m

The method and significant actuarial assumptions used to determine the technical provisions are as follows:

Method

The actuarial method to be used in the calculation of the technical provisions is the projected unit method.

Significant actuarial assumptions

Assumption		Value as at 1 January 2022
Discount rate	A yield curve approach has been adopted for future asset returns. The prudent discount rate is set as equal to 2.3% pa in excess of the Bank of England implied nominal gilt spot yield curve.	Bank of England Nominal Yield Curve plus 2.3% pa
Retail Prices Index (RPI) inflation	A yield curve approach has been adopted for the future inflation assumptions. The assumed rate of Retail Prices Index (RPI) inflation is in line with the Bank of England implied inflation yield curve.	Bank of England Implied Inflation Yield Curve
Pension increases in payment	The assumed pension increase rate for benefits linked to RPI inflation, but subject to an annual minimum and cap, is set consistently with the relevant inflation assumption and calculated by reference to a probability distribution derived from historical inflation.	
Mortality	The S3PMA/S3PFA tables with future improvements in line with CMI 2021 model with a long-term rate of improvement of 1.5% pa.	
Partner/Spouse	85% of males and 75% of females are assumed to be married at retirement or earlier death, with husbands three years older than their wives.	
Cash commutation allowance	Members are assumed to commute pension to provide 50% of the maximum tax-free cash based on a commutation factor of 17:1 at age 60 for males and 18.2:1 at age 60 for females.	

Actuarial Certificates

Actuarial Certificate for the purposes of Section 227(5) of The Pensions Act 2004

Name of scheme: Cambridge University Press Contributory Pension Fund

Adequacy of rates of contributions

1. I certify that, in my opinion, the rates of contributions shown in this Schedule of Contributions are such that the statutory funding objective can be expected to continue to be met for the period for which the schedule is to be in force.

Adherence to statement of funding principles

2. I hereby certify that, in my opinion, this Schedule of Contributions is consistent with the Statement of Funding Principles dated 8 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 scheme's liabilities by the purchase of annuities, if the scheme were to be wound up.

Signature:		Date: 8 March 2023	
Name:	Keith Williams	Qualification:	Fellow of the Institute and Faculty of Actuaries
Address:	First Actuarial LLP Network House Basing View Basingstoke Hampshire RG21 4HG		

Schedule of Contributions

Cambridge University Press Contributory Pension Fund (the Fund)

I Status

This Schedule of Contributions has been prepared by the Trustee of the Cambridge University Press Contributory Pension Fund (the Fund), after obtaining the advice of Keith Williams, the Scheme Actuary.

This document replaces the schedule signed 11 December 2019 and comes into force on the date the Scheme Actuary certifies this Schedule of Contributions.

The Principal Employer of the Fund is the Chancellor, Masters and Scholars of the University of Cambridge. The Syndicate of the Press & Assessment of the University of Cambridge acts on behalf of the University in relation to the Fund.

For the purpose of this Schedule of Contributions, the term "Employer" refers to the Press & Assessment or the University as appropriate.

I Contributions covering the period from 1 April 2023 to 31 March 2028

By active members:

6% of Contribution Salary.

To be deducted from salaries by the Employer and paid to the Fund on or before the 19th of the calendar month following deduction.

Additional Voluntary Contributions may be paid in addition to the above

By the Employer:

In respect of future accrual of benefits and the provision of death-in-service lump sum benefits the Employer will pay 50.8% of Contribution Salary.

To be paid to the Fund on or before the 19th of the calendar month following that to which the payment relates.

No funding shortfall contributions are due.

Expenses

The Employer will meet all running expenses of the Fund including the Pension Protection Fund levy. The Employer will pay the full amount of the levy following the receipt of the levy invoice by the Trustee.

Additional Contributions

The Employer may pay contributions in excess of those listed after notifying the Trustee.

Contribution Salary

Basic salary as at 1 January 2007 plus shift pay as at 1 January 2007, pro-rated for part-time hours worked.

Schedule of Contributions

Cambridge University Press Contributory Pension Fund (the Fund)

This Schedule of Contributions has been agreed by the Trustee:

Signed on behalf of the Trustee of the Cambridge University Press Contributory Pension Fund:
Name: WILLIAM MOULT
Position: Trustee Director
Date: 8/3/2023

This Schedule of Contributions has been agreed by the Employer:

Signed on behalf of the Chancellor, Masters and Scholars of the University of Cambridge:
Name: Anthony Cummings
Position: CFO.
Date: 8/3/23

Independent Auditor's Report to the Trustee of the Cambridge University Press Contributory Pension Fund

Opinion

We have audited the financial statements of the Cambridge University Press Contributory Pension Fund for the year ended 31 December 2022 which comprise the Fund Account, the Statement of Net Assets and the related notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- show a true and fair view of the financial transactions of the scheme during the year ended 31 December 2022, and of the amount and disposition at that date of its assets and liabilities, other than liabilities to pay pensions and benefits after the end of the year;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- contain the information specified in Regulation 3A of the Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996, made under the Pensions Act 1995.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The trustees are responsible for the other information contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities set out on page 3, the trustees are responsible for the preparation of the financial statements, for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the scheme's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to wind up the scheme or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

We set out below the key areas which, in our opinion the financial statements are susceptible to material misstatement by way of irregularities including fraud and the extent to which our procedures are capable of detecting these.

- Management override of controls. Our audit procedures to respond to these risks included enquiries of management about their own identification and assessment of the risks of irregularities and the review of journals and accounting estimates for bias.
- Misappropriation of investment assets owned by the scheme. This is addressed by obtaining direct confirmation from the investment fund managers of investments held at the Statement of Net Assets date.
- Diversion of assets through large investment transactions. A sample of transactions are agreed to supporting documentation testing the authorisation of the amount and approval of the payment of the transactions.
- Non-receipt of contributions due to the scheme from the employer. This is addressed by testing contributions due are paid to the scheme in accordance with the schedules of contributions agreed between the employer and trustees.

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. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

These inherent limitations are particularly significant in the case of misstatement resulting from fraud as this may involve sophisticated schemes designed to avoid detection, including deliberate failure to record transactions, collusion or the provision of intentional misrepresentations.

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

Use of our report

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

DocuSigned by:

Crowe U.K. LLP

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Crowe U.K. LLP

Statutory Auditor

London

Date: 27 July 2023

Independent auditor's statement about contributions to the Trustee of the Cambridge University Press Contributory Pension Fund

We have examined the summary of contributions payable to the Cambridge University Press Contributory Pension Fund for the CPF year ended 31 December 2022 which is set out on page 23.

In our opinion contributions for the CPF year ended 31 December 2022 as reported in the summary of contributions and payable under the schedule of contributions have in all material respects been paid at least in accordance with the schedule of contributions certified by the CPF actuary on 11 December 2019.

Basis of opinion

Our objective is to obtain sufficient evidence to give reasonable assurance that contributions reported in the attached 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 Scheme and the timing of those payments under the schedule of contributions.

Responsibilities of Trustee

As explained more fully in the Statement of Trustee's Responsibilities, the CPF's Trustee is responsible for ensuring that there is prepared, maintained and from time to time revised a schedule of contributions which sets out the rates and due dates of certain contributions payable towards the CPF by or on behalf of the employer and the active members of the CPF. The Trustee is also responsible for keeping records in respect of contributions received in respect of active members of the CPF and for monitoring whether contributions are made to the CPF by the employer in accordance with the schedule of contributions.

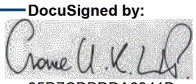
Auditor's responsibilities for the statement about contributions

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

Use of our statement

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

DocuSigned by:



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Crowe U.K. LLP
Statutory Auditor
London
Date: 27 July 2023

Summary of contributions payable during the Scheme year ended 31 December 2022

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 CPF under the Schedule of Contributions certified by the actuary on 11 December 2020 in respect of the CPF year ended 31 December 2022. The CPF's auditor reports on contributions payable under the schedule in the auditor's Statement about Contributions.

During the year ended 31 December 2022, the contributions payable to the CPF by the employer were as follows:

Contributions payable under the schedule of contributions	**2022**
	£
Employer normal contributions	526,578
Employer costs for members in receipt of long-term sickness	14,797
Employee normal contribution	51,573
Deficit Funding contributions	1,300,000
Total contributions payable under the schedule	1,892,948
Other contributions payable	
Employee additional voluntary contributions	55,832
Press paid Employee additional voluntary contributions	21,525
Total contributions payable to the CPF per the financial statements	**1,970,305**

Approved by the Trustee and signed on their behalf by:

DocuSigned by:
William Medlicott
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William Medlicott
Chairman of the Trustee

Date 18 July 2023

Scheme account for the year ended 31 December 2022

	Notes	2022 £	2021 £
Contributions and benefits			
Employer contributions receivable	3	1,841,375	1,923,634
Employee contributions receivable	3	128,930	173,035
Benefits payable	4	(7,598,969)	(6,901,006)
Net (outflow) from dealings with members		(5,628,664)	(4,804,337)
Returns on investments			
Change in market value of investments	8	(25,125,913)	19,894,884
Investment income	7	2,394,664	972,900
Net returns on investments		**(22,731,251)**	**20,867,784**
Net movement in the Scheme during the year		**(28,359,913)**	**16,063,447**
Net assets of the Scheme at 1 January		180,442,058	164,378,611
Net assets of the Scheme at 31 December		**152,082,145**	**180,442,058**

Net asset statement for the year ended 31 December 2022

	Notes	**2022**	**2021**
		£	**£**
Investments – Pooled Investment Vehicle	8	149,604,591	176,518,542
Investments - AVC Funds	8	1,583,176	1,766,066
Current assets	5	1,124,675	2,240,711
Current liabilities	6	(230,297)	(83,261)
Total net assets at 31 December		**£152,082,145**	**180,442,058**

The financial statements summarise the transactions of the Scheme and deal with the net assets at the disposal of the Trustee. They do not take account of obligations to pay pensions and benefits which fall due after the end of the scheme year. The actuarial position of the Scheme, which does take account of such obligations, is dealt with in the report on Actuarial Liabilities on page 15 of this Annual Report and these financial statements should be read in conjunction with them.

The notes on pages 26 to 31 form part of these financial statements.

The financial statements on pages 24 to 31 were approved by the Trustee Directors and signed on their behalf by:

DocuSigned by:

William Medlicott

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William Medlicott

Chairman of the Trustee

Date 18 July 2023

Notes forming part of the Financial Statements

1. Basis of presentation

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

Accounting policies

Valuation of investments

Pooled investment vehicles are stated at bid price for funds with bid/offer spreads, or single price where there are no bid/offer spreads, as provided by the investment manager.

AVC funds are valued at the unit prices quoted by Prudential Pensions Ltd.

Investment income

Income distributed from pooled investment vehicles and on cash deposits is accounted for on an accruals basis. Income arising from pooled investment vehicles which is rolled up in the investment fund and reflected in the value of the units is not separately reported.

Interest is accrued daily.

Contributions

Employee normal contributions are accounted for when deducted from pay. Employer normal contributions which 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.

Employer deficit funding contributions are accounted for on the due dates on which they are payable in accordance with the Schedule of Contributions and Recovery Plan under which they are being paid.

Payments to members

Benefits are accounted for in the period in which they fall due for payment. Where there is a choice, benefits are accounted for in the period in which the member notifies the Trustee of his decision on the type or amount of benefit to be taken or, if there is no member choice, they are accounted for on the date of retirement or leaving.

Individual transfers in or out are accounted for when paid or received which is normally when member liability is accepted or discharged.

Expenses

Expenses are accounted for on an accruals basis. The employer bears all the costs of administration, other than investment management expenses.

Additional Voluntary Contributions ('AVCs')

AVCs paid by members do not secure additional pensionable service under the Scheme. Contributions received are invested with an insurance company in the name of the individual contributor. All additional voluntary contributions are recognised as forming part of the overall assets which are under the supervision of the Trustee and accordingly, they are included within the net assets of the Scheme. Contributions received from members and monies payable by the Trustee in respect of benefits arising under AVC arrangements are similarly included within the fund account.

Identification of the financial statements

The Scheme is established as a trust under English Law. The address for enquiries to the Scheme is included in the Trustee's Report under the heading Further Information on page 13.

3. Contributions receivable

	2022 £	2021 £
Members' contributions:		
Normal	51,573	76,558
AVCs	55,832	73,962
AVC's (Press)	21,525	22,515
	128,930	**173,035**
Employers' contributions:		
Normal (including death in service benefits)	526,578	595,273
Contributions for members in receipt of long-term sickness benefits	14,797	28,361
Deficit funding contribution	1,300,000	1,300,000
	1,841,375	**1,923,634**
Total contributions receivable	**1,970,305**	**2,096,669**

Under the Schedule of Contributions certified by the Actuary on 11 December 2019, deficit funding contributions were receivable at £1,300,000 per annum until 31 December 2022 in order to meet the shortfall in funding, following the January 2022 valuation and subsequent update in January 2023, the Scheme Actuary has determined that no contributions are required from April 2023 to meet the shortfall in funding.

4. Benefits payable

	2022 £	2021 £
Pensions payable	6,731,431	6,273,401
Lump sums payable on retirement	721,014	627,605
AVC funds disinvested	146,524	-
Total benefits payable	**7,598,969**	**6,901,006**

5. Current assets

	2022 £	2021 £
Cash and bank deposits	1,064,202	2,240,711
Other debtors	60,473	-
Total current assets	**1,124,675**	**2,240,711**

6. Current liabilities

	2022 £	2021 £
HMRC – PAYE	(90,890)	(83,261)
Lump sum benefits due	(139,407)	-
Total current liabilities	**(230,297)**	**(83,261)**

7. Investment income

	2022 £	2021 £
Income from pooled investment vehicles	2,394,664	972,900
Total investment income	**2,394,664**	**972,900**

(Income increased during the year due to the Buy and Maintain Insight Investments)

8. Investments

	2022 £	2021 £
Pooled investment vehicles	149,604,591	176,518,542
AVC fund	1,583,176	1,766,066
Total	**151,187,767**	**178,284,608**

Movements in investments during the year, and during the previous year, were as follows:

	Pooled Investment Vehicles	AVC Fund	Total
	£	£	£
Market value at 1 January 2021	**162,134,581**	**1,585,216**	**163,719,797**
Amounts invested during the year	24,942,956	96,476	25,039,432
Amounts withdrawn during the year	(30,248,335)	(121,170)	(30,369,505)
Change in market value	19,689,340	205,544	19,894,884
Market value at 31 December 2021	**176,518,542**	**1,766,066**	**178,284,608**
Market value at 1 January 2022	**176,518,542**	**1,766,066**	**178,284,608**
Amounts invested during the year	15,348,000	77,357	15,425,357
Amounts withdrawn during the year	(17,249,761)	(146,524)	(17,396,285)
Change in market value	(25,012,190)	(113,723)	(25,125,913)
Market value at 31 December 2022	**149,604,591**	**1,583,176**	**151,187,767**

Amounts invested during the year reflect the investment in Insight Investments Buy and Maintain funds (£15,348,000). Amounts withdrawn reflect the sale from Future World Global Equity Funds (hedged and unhedged versions) managed by Legal and General Investment Management (£15,348,000), Capital repayments from the CBRE Property fund (£1,001,761) and disinvestment from Legal and General Investment Management to meet the liquidity requirements of the Fund (£900,000).

8.1 Pooled investment vehicles:

The Scheme's holding of pooled investment vehicles are analysed below:

	2022 £	2022%	2021 £	2021%
Return seeking portfolio				
Overseas equity Funds	65,015,238	43.46%	94,020,447	53.26%
Diversified growth Funds	50,988,776	34.08%	41,249,018	23.37%

Property Fund	3,439,652	2.30%	5,226,226	2.96%
Multi Asset Credit Funds	30,160,926	20.16%	36,022,851	20.41%
	149,604,591	**100.00%**	**176,518,542**	**100.00%**

8.2 Transaction costs

Indirect transaction costs are borne by the scheme in relation to transactions in pooled investment vehicles. Such costs are taken into account in calculating the bid/offer spread of these investments and are not separately reported. There are no direct transaction costs borne by the scheme.

8.3 Investment fair value hierarchy

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

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

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

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

The CPF's assets have been fair valued using the above hierarchy categories as follows:

As at 31 December 2022				
	Level 1	**Level 2**	**Level 3**	**Total**
	£	**£**	**£**	**£**
Pooled investment vehicles	-	146,164,939	3,439,652	149,604,591
AVC investments	-	1,583,176	-	1,583,176
Total	**-**	**147,748,115**	**3,439,652**	**151,187,767**

As at 31 December 2021				
	Level 1	**Level 2**	**Level 3**	**Total**
	£	**£**	**£**	**£**
Pooled investment vehicles	-	171,292,316	5,226,226	176,518,542
AVC investments	-	1,766,066	-	1,766,066
Total	**-**	**173,058,382**	**5,226,226**	**178,284,608**

Investment risk disclosures

FRS102 requires the disclosure of information in relation to certain investment risks as follows:

- Credit risk – 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 – comprises the following three types of risk:
  1. Interest rate risk: The risk that the fair value or future cashflows of a financial asset will fluctuate because of changes in market interest rates
  2. Currency risk: The risk that the fair value or future cashflows of a financial asset will fluctuate because of changes in foreign exchange rates

3. Other price risk: The risk that the fair value or future cashflows of a financial asset will fluctuate because of changes in market prices (other than those due to interest rates and currency).

The Joint Trustee boards determine the investment strategy after taking advice from a professional investment adviser, which is described in "Investment objectives and strategy" on page 6. The Fund has exposure to these risks because of the investments it makes in following the investment strategy set out above. The Joint Trustee boards manage investment risks, including credit risk and market risk, within agreed risk limits which are set taking into account the Fund's strategic investment objectives. These investment objectives and risk limits are implemented through the investment management agreement in place with the Fund's investment manager and monitored by the Joint Trustee boards by regular reviews of the investment portfolio.

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

Credit risk

The Fund has indirect exposure to credit risks from the underlying investments held by the Sterling Liquidity Fund, Short Dated Sterling Corporate Bond Index Fund, Diversified Growth Fund, Multi-Asset Credit Funds and Maturing Buy and Maintain Credit Funds. In particular the Multi Asset Credit fund managers are credit specialists with the flexibility to invest in a wide variety of asset classes, such as investment grade and high yield corporate bonds, loans, structured credit and derivatives. Although these type of credit holdings are of lower credit quality relative to say government bonds, the higher risk is expected to be awarded with higher returns over the longer term. Diversification and active management by the fund managers mitigate some of this additional credit risk and is expected to be a source of outperformance. The Short-Dated Sterling Corporate Bond Index Fund is a passively managed fund with all holdings being at least investment grade credit quality. The Sterling Liquidity Fund has a principal investment objective to provide capital stability, liquidity and income through investment in a diversified portfolio of high credit quality short term fixed income and variable rate securities. The fund will also seek to obtain and maintain a triple-A rating from a recognized rating agency, demonstrating the creditworthiness of the funds aggregate holdings. The Maturing Buy and Maintain Credit Funds invest in investment grade credit, focusing on credit quality, avoidance of default and stability of cash flows.

The pooled investment arrangements used by the Fund comprise insurance contracts and pooled investment vehicles. 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 the ongoing due diligence of the pooled manager. Due to the nature of the investments, units in the pooled investment vehicles are unrated. The pooled investment vehicles held by the Fund consist of £71,861,360 (2021: £101,436,833) unit linked insurance contracts and £77,743,232 (2021: £75,081,709) open ended investment funds.

The Joint Trustee boards monitor the performance of the Fund's investment managers on a regular basis in addition to having meetings with the manager from time to time as necessary. The Joint Trustee boards have a written agreement with the investment manager, which contains a number of restrictions on how the investment manager may operate.

Market risk: Interest rates

The Fund is subject to interest rate risk because some of the Fund's investments are held in bonds, through pooled vehicles, and cash. These funds are specifically the Sterling Liquidity Fund, Short Dated Sterling Corporate Bond Index Fund, Multi Asset Credit Funds, the Diversified Growth Fund and the Maturing Buy and Maintain Credit Funds.

. As at 31 December 2022, this allocation amounted to £81,149,701 (2021: £77,271,869) and made up 54% of total assets (2021: 44%) although not all of this allocation will have interest rate risk. The fund managers also have the ability to reduce and mitigate this risk by managing the duration of the holdings and through the use of derivatives.

The value of the holdings exposed to interest rates will rise if interest rates fall, this will help match the increase in actuarial liabilities arising from a fall in the discount rate. Similarly, if interest rates rise, the underlying holdings exposed to interest rate risk will fall in value, as will the actuarial liabilities because of an increase in the discount rate.

Market risk: Currency

The Fund's investments are denominated in sterling and therefore the Fund is not directly exposed to currency risk. The Fund is indirectly exposed to currency risk due to holdings in overseas equities and other asset classes through pooled investment vehicles.

The Fund's liabilities are denominated in sterling and some currency hedging is employed to manage the impact of exchange rate fluctuations on the Fund's investments. 48.2% (2021: 50.4%) of the overseas equity holdings as detailed in note 8.1 are hedged to sterling.

In addition, the Fund is exposed to indirect currency risk as a result of the overseas investments held via the Diversified Growth Funds as detail in note 8.1 and the pooled investment funds' holdings in overseas assets may alter over time.

Market risk: Other price

Other price risk arises due to the market volatility of return-seeking assets. As at 31 December 2022, the Joint Trustee boards had not set a target for an investment in government bonds or cash and so as at December 2022 all of the Fund's assets were exposed to other price risk.

The Fund manages this exposure by investing in pooled funds that invest in a diverse portfolio across various markets. As set out in the Fund's SIP, the investment manager is expected to manage a broadly diversified portfolio and to spread assets across a number of individual shares and securities. This is reflected in the underlying holdings of the pooled funds in which the Fund invests which are governed by guidelines published by the investment manager.

In addition, the Fund's asset allocation is detailed in the Appendix of the SIP document and is monitored on a regular basis by the Trustee.

9. Contingent liabilities and commitments

Other than the liability to pay future retirement benefits, there was a capital commitment of £19,721,974 to Insight Investment as at 31 December 2022.

10. Related party transactions

Contributions received in respect of Trustee directors who are members of the scheme have been made in accordance with the Trust Deed and Rules.

11. GMP Equalisation and First pensions increases

On 26 October 2018, the High Court handed down a judgment involving the Lloyds Banking Group's defined benefit pension schemes. The judgment concluded the schemes should be amended to equalise pension benefits for men and women in relation to guaranteed minimum pension benefits. The issues determined by the judgment arise in relation to many other defined benefit pension schemes. The Trustee is aware that the issue will affect the CPF and will be considering this at future meetings and decisions will be made as to the next steps. Under the ruling, schemes are required to backdate benefit adjustments in relation to GMP equalisation and provide interest on the backdated amounts.

There is a separate matter relating to the treatment of first pensions increases for certain members. The current and past CPF administration practice is to apply a proportionate first increase in both deferment and in payment. Following recent legal advice, it was confirmed that the CPF Rules allow for a proportionate first increase in deferment but not in payment. This is not in line with the administration practice. As a result, members retiring in the same calendar year as they have left active service, will have received a lower first increase in payment than required under the CPF Rules.

Based on an initial assessment of the matters noted above, the likely backdated amounts and related interest the Trustee does not expect these to be material to the financial statements and therefore have not included a liability in respect of these matters in these financial statements. They will be accounted for in the year they are determined.

12. Taxation

The CPF is a registered pension schemed for tax purposes under the Finance Act 2004. The Scheme is therefore exempt from taxation except for certain withholding taxes relating to overseas investment income. Tax charges are accrued on the same basis as the investment income to which they relate.

Appendix 1

Cambridge University Press Contributory Pension Fund

Implementation Statement

This is the Implementation Statement prepared by the Trustee, Press CPF Limited, of the Cambridge University Press Contributory Pension Fund ("the Fund") and sets out:

- How the Trustee's policies on exercising rights (including voting rights) and engagement have been followed over the year.
- The voting behaviour of the Trustee, or that undertaken on their behalf, over the year to 31 December 2022.

Stewardship policy

The Trustee's Statement of Investment Principles (SIP) in force at 31 December 2022 describes the Trustee's stewardship policy on the exercise of rights (including voting rights) and engagement activities. It was last reviewed in May 2023 and has been made available online here:

https://www.pensions.admin.cam.ac.uk/files/cpf_sip.pdf

The were no changes made to the stewardship policy over the year.

The Trustee has delegated the exercise of rights attaching to investments, including voting rights, and in undertaking engagement activities to the Fund's investment managers.

At this time, the Trustee has not set stewardship priorities or themes for the Fund but will be considering the extent that they wish to do this in due course, in line with other Fund risks.

How voting and engagement policies have been followed

The Fund invests entirely in pooled funds, and as such delegates responsibility for carrying out voting and engagement activities to the Fund's fund managers. The Trustee has taken into consideration the Financial Reporting Council's UK Stewardship Code and is supportive of the Code. However, the Trustee cannot usually directly influence the managers' policies on the exercise of investment rights where the Trustee holds assets in pooled funds. This is due to the nature of these investments. The Trustee receives reporting on the voting and engagement policies of the fund managers and considers these as part of manager appointment and review processes.

The Trustee acknowledges the importance of ESG and climate risk within their investment framework and believes that integrating these risks will lead to a better long-term outcome in terms of risk and return.

The Trustee reviewed the stewardship and engagement activities of the current managers during the year, alongside preparation of the Implementation Statement. The Trustee monitors the ESG performance of its managers on a regular basis.

The Trustee considers it to be part of their investment managers' roles to assess and monitor how the companies in which they are investing are managing developments in ESG related issues, and in particular climate risk, across the relevant parts of the capital structure for each of the companies in which the managers invest on behalf of the Fund. This applies to the bond-only managers as well as the equity and multi-asset managers.

While the bond managers do not vote on behalf of the Trustee, the Trustee does monitor their investment process with reference to ESG characteristics and the managers' alignment with Principles for Responsible Investment. The Trustee is aware that some bond managers engage with issues on ESG matters and are supportive of them doing so.

The Trustee was satisfied that the managers' policies were reasonable and no further remedial action was required during the period.

Having reviewed the above in accordance with their policies, the Trustee is comfortable the actions of the fund managers are in alignment with the Fund's stewardship policies.

Voting Data

Voting only applies to equities held in the portfolio. The Fund's equity investments are held through pooled funds, and as such the investment managers of these funds vote on behalf of the Trustee.

As at 31 December 2022, the Fund's equity investments were managed by Baillie Gifford & Co ("Baillie Gifford") and Legal and General Investment Management ("LGIM"). The table below provides a summary of the voting activity undertaken by each manager during the year to 31 December 2022.

Manager	Baillie Gifford*	LGIM
Fund name	Baillie Gifford Diversified Growth Fund	LGIM Future World Global Equity Index Fund – Unhedged and hedged
Structure	Pooled	
Does manager vote at a fund level or at a firm-wide level?	Fund	
Ability to influence voting behaviour of manager	The pooled fund structure means that there is limited scope for the Trustee to influence the manager's voting behaviour.	
Number of company meetings the manager was eligible to vote at over the year	106	4,942
Number of resolutions the manager was eligible to vote on over the year	1,140	53,097
Percentage of resolutions the manager voted on	95.8%	99.9%
Percentage of resolutions the manager abstained from	0.8%	1.0%
Percentage of resolutions voted *with* management, as a percentage of the total number of resolutions voted on	95.7%	80.4%
Percentage of resolutions voted *against* management, as a percentage of the total number of resolutions voted on	3.4%	18.6%
Percentage of resolutions voted contrary to the recommendation of the proxy advisor	N/A	10.6%

Significant votes

We have delegated to the investment managers to define what a "significant vote" is. In future, the Trustee will consider the most significant votes in conjunction with any agreed stewardship priorities or themes. A summary of the data they have provided is set out in the appendix 1 to this statement.

Fund level engagement

The investment managers may engage with their investee companies on behalf of the Trustee. Whilst the Fund's credit holdings do not attach any voting rights, the Trustee focuses on how the investment process and profile of the managers is aligned with the Fund's ESG policies.

The table below provides a summary of the engagement activity undertaken by Baillie Gifford, LGIM, Federated Hermes ("Hermes"), CBRE Global Investors ("CBRE") and Apollo Global Management ("Apollo") during the year. Examples of engagement undertaken have been set out in Appendix 2 to this statement.

The CBRE Osiris Property Fund was terminated with effect from 19th March 2020, and is in the process of an orderly wind up. For this reason, longer term engagement by the manager has ceased.

The Trustee has reviewed the information below and was satisfied that the managers' engagements were reasonable and no further remedial action was required during the period.

Manager	Baillie Gifford	LGIM	LGIM	Hermes	Apollo	Insight
Fund name	Baillie Gifford Diversified Growth Fund	LGIM Future World Global Equity Index Fund – Unhedged and hedged	Short Dated Sterling Corp Bond Index Fund	Hermes Multi Strategy Credit Fund	Apollo Total Return Fund	Maturing Buy and Maintain Credit Funds
Does the manager perform engagement on behalf of the holdings of the fund	Yes	Yes	Yes	Yes	Yes	Yes
Has the manager engaged with companies to influence them in relation to ESG factors in the year?	Yes	Yes	Yes	Yes	Yes	Yes
Number of engagements undertaken on behalf of the holdings in this fund in the year	37	583	125	456	54	2021-2025: 131 2026-2030: 170
Number of engagements undertaken at a firm level in the year	1,255	711	711	4,229	Data not provided by manager	948

The Trustee receives annual independent reporting on the ESG performance of their investment managers and this is used to compare the actual performance to the Trustee's expectations. In addition, the Trustee receives quarterly reporting covering investment performance (net of fees and costs) and highlighting any other governance issues with managers.

Summary

Based on the information received, the Trustee are satisfied that the fund managers have acted in accordance with the Fund's stewardship policies.

Where information is not included, it has been requested but has not been provided in a useable format or at all by the investment manager. The Trustee's investment consultants are in discussion with the managers around how this data will be provided for future statements.

Prepared by the Trustee of the Cambridge University Press Contributory Pension Fund

April 2023

Significant Votes

The change in Investment and Disclosure Regulations that came into force from October 2022 requires information on significant votes carried out on behalf of the Trustee over the year to be set out. The guidance does not currently define what constitutes a “significant” vote. However, recent guidance states that a significant vote is likely to be one that is linked to one or more of a scheme’s stewardship priorities or themes. At this time, the Trustee has not set stewardship priorities or themes for the Fund but will be considering the extent that they wish to do this in due course, in line with other Fund risks. So, for this Implementation Statement, the Trustee has asked the investment managers to determine what they believe to be a “significant vote”. The Trustee has not communicated voting preferences to their investment managers over the period, as the Trustee is yet to develop a specific voting policy. In future, the Trustee will consider the most significant votes in conjunction with any agreed stewardship priorities or themes.

Baillie Gifford have provided a selection of 10 votes which they believe to be significant, and LGIM have provided over 500 votes. In the absence of agreed stewardship priorities or themes, the Trustee has selected 3 votes from each manager, that cover a range of themes to represent what it considers the most significant votes cast on behalf of the Fund. To represent the most significant votes, the votes of the largest holdings relating to each topic are shown below.

The table below summarises significant votes across all funds held by the Fund during the year.

	Vote 1	Vote 2	Vote 3
Funds affected	Baillie Gifford Diversified Growth Fund	Baillie Gifford Diversified Growth Fund	Baillie Gifford Diversified Growth Fund
Company name	Galaxy Entertainment Group Ltd	Booking Holdings Inc.	CBRE Group, Inc.
Date of vote	12 May 2022	9 June 2022	18 May 2022
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	6.06%	5.82%	6.22%
Summary of the resolution	Amendment of Share Capital	Remuneration	Shareholder Resolution - Governance
How the manager voted	Against	Against	Against
If the vote was against management, did the manager communicate their intent to the company ahead of the vote?	No	No	No
Rationale for the voting decision	Baillie Gifford opposed two resolutions which sought authority to issue equity because they believed the potential dilution levels were not in the interests of shareholders.	Baillie Gifford opposed executive compensation due to concerns with adjustments made to the plan and the granting of retention awards.	Baillie Gifford opposed a shareholder resolution to lower the threshold for shareholders to call a special meeting as they consider that the existing threshold is appropriate.
Outcome of the vote	Pass	Fail	Fail
Implications of the outcome	Baillie Gifford have opposed similar resolutions in previous years and will continue to advise the company of their concerns and seek to obtain proposals that they can support.	Baillie Gifford engaged with the company in advance of the AGM, specifically discussing executive compensation. They outlined their concerns that the adjustments to executive pay and the special payments do not align with shareholders' experience or provide appropriate incentives for management. Following that engagement Baillie Gifford decided to oppose the executive compensation resolution and communicated their decision to the company. They intend	Baillie Gifford opposed the shareholder resolution to lower the ownership threshold to call a special meeting as they were comfortable with the current 25% threshold in place and do not believe that lowering it would be reasonable. Ahead of voting, they had an engagement call with the company to discuss the proposed agenda. They were satisfied to learn about the company's efforts to engage with their holders, including the proponent, who according to the

	Vote 1	Vote 2	Vote 3
		to re-engage with the company to learn how it intends to respond to the vote outcome and shareholders' concerns.	company, did not have any particular concerns over CBRE but backs a lower threshold out of principle. They intend to follow up with the company later in the year to speak about governance developments.
Criteria on which the vote is considered "significant"	Baillie Gifford believe this resolution is significant because it received greater than 20% opposition.	Baillie Gifford believe this resolution is significant because it received greater than 20% opposition.	Baillie Gifford believe this resolution is significant because it received greater than 20% opposition.