Scheme Registration Number 101147703

Cambridge University Assistants' Contributory Pensions Scheme

Trustee’s Report and Financial Statements

For the year ended 31 July 2021

Contents

Trustee:

CU Pension Trustee Ltd

The Trustee Directors during the year were:

Appointed by the Finance Committee

Mr. H Jacobs (Chairman)

Appointed by Council

Mr. D P Hearn
Mr. S Hutson
Ms. M Downie (until 17 October 2020)
Mr. A Odgers
Ms. V McPhee (from 19 October 2020)

Elected by a ballot of active members

Mr. S Miah (from 18 November 2020)

Elected by a ballot of retired members

Mr. W Galbraith (until 28 February 2021)

Appointed by Trades Unions

Mr. G Cross - UNISON
Mr. P Stokes - Department of Materials Science and Metallurgy – Unite the Union

The Investments Committee members during the year were:Appointed by the Trustee

Mr. D P Hearn - Chairman
Mr. H Jacobs
Mr. S Hutson
Mr. N Cumming
Mrs. N Landell-Mills

Advisers and Service Providers

The Scheme's professional advisers during the year were as follows:

Legal Advisers: Mills & Reeve LLP

Bankers: Barclays Bank plc

Actuarial Advice: Cartwrights Consulting Ltd

Scheme Actuary: Mr. R J Sweet

FIA **Auditors:** Crowe U.K. LLP

Investment Managers:

Kames Capital
Majedie Asset Management State Street Global
Advisors
Genesis Asset Management
Black Rock Alternative Advisors
Credit Suisse Asset
Management PIMCO
Reams
Copenhagen Infrastructure Partners (from December 2020)
CVC Credit Partners (from June 2021)

Investment Consultant: Aon Solutions UK Limited

Trustee's Report

The audited financial statements for the year ended 31 July 2021, a copy of which is included with this report, show that the Scheme's net assets now stand at £815.2m. These financial statements on pages 21 to 32 have been prepared and audited in accordance with the Regulations made under Section 41 (1) and (6) of the Pensions Act 1995.

Trustee of the Scheme

The Cambridge University Assistants' Contributory Pension Scheme ("Scheme") was established under the authority of the Oxford and Cambridge Act 1923.

The Trustee of the Scheme is CU Pension Trustee Ltd. The procedures for appointment and removal of Directors can be obtained, on request, from the Pensions Office.

The Trustee has prepared a Statement of Investment Principles in accordance with the Pensions Act 1995 and copies are available, on request, from the Pensions Office.

The Trustee is also responsible for the working and control of the Scheme.

Scheme Registration

The Scheme is registered with The Pensions Regulator. The Scheme's registration number is 101147703.

Actuarial Position and Contributions

The formal actuarial certificate required by statute to be included in this Annual Report appears on page 35. In addition, as required by FRS102, the Trustee has included the Report on Actuarial Liabilities on page 13, which forms part of the Trustee's Report.

Covid-19

The rebound of the Schemes' investment values during the year has been significant following the Covid-19 global pandemic. The Trustee continues to monitor the situation with input from the investment manager advisor.

The Trustees have discussed the strength of the employer covenant and consider it remains strong and accordingly, the Trustee does not consider there to be any material uncertainties and continues to adopt the going concern basis in preparing the financial statements as outlined in the Trustee's Responsibilities Statement.

Investment management

The Investment Committee monitors the Portfolio, which met four times during the year to determine policy and monitor performance.

The Fund’s day-to-day management is carried out by Kames Capital, Majedie Asset Managers, State Street Global Advisors, Genesis Asset Management, Black Rock Alternative Advisors, Credit Suisse Asset Management, PIMCO, Reams and Copenhagen Infrastructure Partners (from December 2020). These managers report regularly to the Investments Committee which is advised by Aon.

The total investments of the Scheme (excluding AVC investments) were £774.5m on 31 July 2021 compared with £686.6m at the previous year-end. During the year the net increase in the Scheme’s investments amounted to £123.7m. After adding net income from dealings with members of £1.5m the net return on investment during the year was £125.2m.

All the investments are made via pooled funds and therefore the Scheme does not have direct agreements with any custodians. The custodians are appointed by the investment managers for the pooled fund.

Investment objectives

To achieve the overall financial and investment objective of the Portfolio, which is to meet the pension liabilities of the Scheme’s Members, the Trustee has adopted:

• “funding objective” - to ensure that the Scheme is fully funded using assumptions that contain a modest margin for prudence. Where an actuarial valuation reveals a deficit, a recovery plan will be put in place which will take into account the financial covenant of the employer;

• “stability objective” – to have due regard to the likely level and volatility of required contributions when setting the Scheme’s investment strategy; and

• “security objective” – to ensure that the solvency position of the Scheme (as assessed on a gilt basis) is expected to improve.

In addition, the specific long term investment objectives of the Portfolio are:-

• to attain a real total return (net of investment management fees) sufficient to preserve the funding status of the Scheme, and to enhance the funding status should the Scheme be under-funded;

• to obtain annualised returns in line with the Portfolio’s blended benchmark for the target asset mix selected by the Investment Committee (see Asset Allocation below), measured over a five-year period.

Investments Committee Report

The table below shows the asset allocation in pooled investment vehicles during the year.

Asset Allocation over the last 12 months

Percentage of Total Assets

	31/07/2020	30/09/2020	31/12/2020	31/03/2021	31/07/2021	Market Value at 31/07/2021
	%	%	%	%	%	£
Equity						
U.K.	28.1	28.2	28.7	29.0	28.5	220,669,363
Global ex U.K.	21.9	21.8	22.3	23.7	25.3	195,593,718
Emerging Markets	10.7	11.0	11.2	10.8	10.1	78,135,433
Property	9.8	9.6	9.5	9.3	9.2	71,509,730
Bonds	23.4	23.2	22.1	21.2	20.5	158,907,239
Alternatives	6.1	6.2	6.2	6.0	6.4	49,165,775
TOTAL ASSETS	**100**	**100**	**100**	**100**	**100**	**773,981,258**

Manager Allocations and Performance

The asset classes are managed by eight different fund managers to provide additional diversification benefits.

A summary of the managers' activities is as follows:

State Street Global Advisors: The assets held with State Street are invested across four passive funds that are designed to track the benchmark, a UK Equity Index (£139.9m), a Global Equity Fund (£53.5m), a Fundamental Index (£142.1m) and an Emerging Markets Fund (£32.9m).

Majedie Asset Management: The assets held with Majedie are invested in their high alpha fund called the UK Equity Services, which had a market value of £80.7m at 31 July 2021.

Majedie's benchmark is the FTSE All-Share Index and the target is to outperform the benchmark. Over the year Majedie returned 29.1% outperforming the benchmark of 26.6% by 2.5%.

Genesis Asset Management: The assets held with Genesis are invested in their Genesis Emerging Markets Fund, which had a market value of £45.2m at 31 July 2021. Over the year Genesis returned 13.5% underperforming the benchmark of 14.0% by 0.5%.

Genesis' benchmark is the MSCI Emerging Market Index and the target is to outperform the benchmark over rolling 3-year periods. Genesis Investment Management is a specialist investment manager for Emerging Markets. Genesis' investment approach is long-term. The currency exposure within this mandate is not hedged back to Sterling.

Aegon Asset Management (formally Kames Capital): The assets held with Aegon are invested in their Property Fund, which had a market value of £71.5m as at 31 July 2021. The foreign currency exposure in this fund is not hedged back to Sterling.

Aegon's benchmark is the AREF/IPD UK Quarterly All Balanced Property Funds Index and its target is to outperform the benchmark by 0.5% p.a. over a rolling three-year period. Over the year Aegon achieved a return of 7.3% underperforming the benchmark of -8.5% by 1.2%.

BlackRock Alternative Advisors: Approximately £45.9m is invested in their Capital Appreciation Strategy whichaims to provide returns commensurate with the long-run return of global equity markets, with less volatility. Over the year BlackRock returned 10.1%, underperforming the benchmark of 12.4% by 2.3%.

Credit Suisse Asset Management: The assets held with CSAM are invested in their Credit Suisse Nova (Lux) Global Senior Loan Fund, which had a market value of £34.4m as at 31 July 2021.

The currency exposure in this fund is fully hedged back to Sterling. CSAM employs a bottom-up approach, focusingon the analysis of individual stocks and de-emphasizing the significance of economic cycles and market cycles, to investing in loans, and is allowed the discretion to invest across the capital structure and globally. CSAM's benchmark is the Credit Suisse Leveraged Loan Index and the target is to outperform the benchmark.

Over the year CSAM returned 10.2%, outperforming the benchmark of 9.2% by 1.0%

PIMCO: The Scheme has £38.7m invested with PIMCO in their Diversified Income Fund. The benchmark is 1/3 each of JPM EMBIG, B of A ML Global HY BB-B ex EMD and Bloomberg Barclays Global Aggregate Credit ex EMD (USD Hedged). During the year PIMCO returned 5.2% against a benchmark of 4.5%.

Reams: The assets held with Reams are invested in the Reams Unconstrained Bond Fund. As at 31 July 2021, the market value was £85.7m and returned 3.0% on the year outperforming the benchmark by 2.9%.

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. A statement has been prepared in accordance with these regulations, approved by the Trustee. A copy of the statement may be obtained from the Secretary to the Trustee at the administration office.

In setting the Scheme's investment strategy, the Trustee's primary concern is to act in the best financial interests of the Scheme and its beneficiaries, seeking the best return that is consistent with a prudent and appropriate level of risk.

The Trustee believes that to fulfil this commitment and to protect and enhance the value of the Scheme's investments, it must act as a responsible steward of the assets for which it is responsible. The Trustee recognises the need to ensure high standards of governance and corporate responsibility in the underlying entities in which its investments reside. The Trustee recognises that ultimately this protects the financial interests of the Scheme. The Trustee, therefore, expects the Scheme's investment managers and Investment Consultants to be signatories to the UK's Stewardship Code.

Environmental, Social, and Governance considerations

The Trustee acknowledges that environmental, social and governance (ESG) factors including climate change can negatively impact the value of investments held if not understood and evaluated properly. The Trustee considers this risk by taking advice from their Investment Consultant when setting the Scheme's asset allocation, when selecting managers and when monitoring their performance.

As part of their delegated responsibilities, the Trustee expects the Scheme's investment managers to take into account ESG considerations (including long-term risks posed by sustainability concerns including climate change) in the selection, retention and realisation of investments.

Stewardship - Voting and Engagement

As part of their delegated responsibilities, the Trustee expects the Scheme's investment managers, as major institutional investors to:

- engage with investee companies, where appropriate, with the aim to protect and enhance the long-term value of assetstaking material ESG factors, including climate risks, into account; and

- exercise the Trustee's voting rights in relation to the Scheme's assets in a way that holds directors of investee companies accountable for long-term and responsible behavior, taking into account material ESG factors, including climate risks.

From time to time, the Trustee will consider the methods by which, and the circumstances under which, they would monitor and engage directly with an issuer of debt or equity, an investment manager or another holder of debt or equity, and other stakeholders. The Trustee may engage on matters concerning performance, strategy, risks, social and environmental impact and corporate governance, the capital structure, and management of actual or potential conflicts ofinterest.

Members' Views and Non-Financial Factors

In setting and implementing the Scheme's investment strategy the Trustee does not explicitly consult with Scheme members and beneficiaries in relation to ethical considerations, social and environmental impact, or present and futurequality of life matters (defined as "non-financial factors").

The Trustee is taking several steps to monitor and assess ESG related risks and opportunities

Collaborative initiatives

The Trustee expects the Scheme's investment managers to support collaborative efforts that are in the interests of the Scheme's beneficiaries, as permitted by the relevant legal and regulatory codes.

Selection of managers

In addition to the steps outlined under Choosing Investments above, the Trustee expects to receive, prior to their appointment and annually thereafter, a copy of each manager's Responsible Investment Policy, including details of how they integrate ESG into their investment process and fulfil their stewardship responsibilities through engagements and voting at the underlying investee companies as well as any collaborative efforts.

Before the appointment of a new investment manager, the Trustee reviews the governing documentation associated with the investment and will consider the extent to which it aligns with the Trustee's policies.

The Trustee will share the policies of the Scheme, as set out in this SIP and requests that the investment manager reviews and confirms whether their approach is in alignment with the Trustee's policies, prior to their appointment and annually thereafter.

Any conflicts of interest that exist that could impact the manager's ability to fulfill the required investment and stewardship activities should be declared to the Trustee and assessed.

Where necessary, the Trustee will seek to amend that documentation so that there is more alignment. Where it is not possible to make changes to the governing documentation, for example, if the Scheme invests in a collective vehicle, then the Trustee will seek written confirmation of alignment from the investment manager (such as through a side letter).

Monitoring managers
The Trustee monitors the Scheme's investments to consider the extent to which the investment strategy and decisions of the investment managers are aligned with the Trustee's policies, including those on ESG and stewardship matters. The Trustee is supported in this monitoring activity by the Investment Consultant.

To facilitate this monitoring, the Trustee receives regular reports and verbal updates from the Investment Consultant on various items including the investment strategy, performance, integration of ESG considerations, and longer-term positioning of the portfolio. The Trustee is focused on longer-term performance when considering the ongoing suitability of the investment strategy in relation to the Scheme objectives. The Trustee assesses the investment managers' performance over 3-to-5-year periods.

The Trustee reviews the stewardship activities of their investment managers at least annually, covering both engagement and voting actions. The Trustee expects the Scheme's investment managers to provide:

• Confirmation of ongoing alignment with the Trustee's policies as set out in this SIP;
• Confirmation that they remain signatories to the UK Stewardship Code;
• A report on the implementation of the Responsible Investment Policy, including

1. the integration of ESG considerations (including climate risk) into the investment process;
2. the impact this has had on investment decision-making;
3. engagements over the period and their outcomes; and
4. the voting record with an analysis of how it supports long-term stewardship in line with the Trustee's policies.

Manager incentive alignment and accountability
The Trustee believes that having appropriate governing documentation and regular monitoring of investment managers' performance and investment strategy as outlined above is in most cases sufficient to incentivise the investment managers to deliver long-term investment decisions, taking ESG factors into account, that align with the Trustee's policies.

If an incumbent manager is found to be falling short of the standards the Trustee has set out in their policy, the Trustee will raise this with the manager.

In the event performance is not adequately improved, the Trustee will consider a range of possible sanctions from fee reductions to replacing the manager. These sanctions help to reinforce alignment with the Trustee's policies.

There is typically no set duration for arrangements with investment managers, although the continued appointment for investment managers will be reviewed periodically, and at least every three years.

Cost Monitoring
The Trustee is aware of the importance of monitoring their investment managers' total costs and the impact these costs can have on the overall value of the Scheme's assets. The Trustee recognises that in addition to annual management charges, there are several other costs incurred by the Scheme's investment managers that can increase the overall cost incurred by their investments.

The Trustee collects annual cost transparency reports covering all of their investments and asks that the investment managers provide this data, in line with templates appropriate for each asset class such as those of the Cost Transparency Initiative ("CTI"). This allows the Trustee to understand exactly what the Scheme is paying the investment managers.

The Trustee works with their Investment Consultant and investment managers to understand these costs in more detail where required. Where these costs are out of line with expectations, the managers will be asked to explain the rationale, including why it is consistent with their strategy and the extent they expect it to continue in the future.

Before appointing an investment manager, the Trustee will seek full disclosure of costs according to the relevant template. Where this information is not forthcoming, the Trustee may prescribe a time frame for achieving the necessary disclosure or may decide not to appoint the investment manager.

Evaluation of Investment Managers' performance and remuneration
The Trustee assesses the performance of their investment managers every quarter and the remuneration of their investment managers on at least an annual basis via collecting cost data wherever possible in line with the CTI templates.

The Trustee benchmarks the Scheme's investment managers' cost and performance data against the industry on a triennial basis to assess the value for money being provided. Above-average costs may be acceptable where there is a verifiable track record of delivering expected performance.

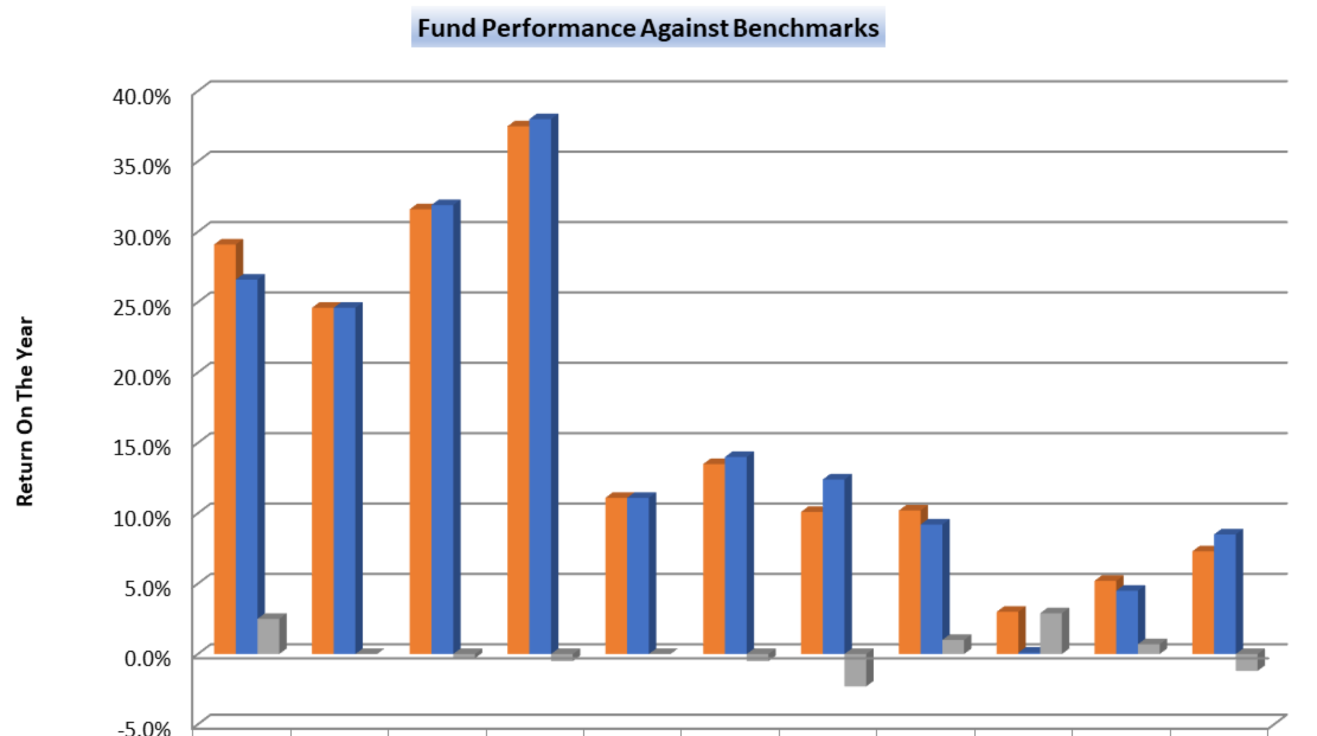
Portfolio turnover costs
The Trustee monitors portfolio turnover costs (defined as the costs incurred as a result of the buying, selling, lending, or borrowing of investments) associated with the Scheme's underlying investments through the information provided by their investment managers. The target portfolio turnover and turnover range are assessed annually with the assistance of the Investment Consultant.

The Trustee understands that transaction costs will vary across asset classes and by manager investment strategy. In both cases, a high level of transaction costs may be acceptable as long as it is consistent with the asset class characteristics, investment strategy and the Trustee's policies to promote long-term stewardship. Where the Trustee's monitoring identifies a lack of consistency the mandate will be reviewed.

The Trustee is supported in their cost transparency monitoring activity by their Investment Consultant. Details of which can be found in the Implementation Statement in the Appendix.

Investment Performance

The table below shows the Pooled Investment Vehicles performance compared to their benchmark.



	Majedie	SSGA UK Equity	SSGA Overseas Equity	SSGA Fundamental	SSGA Emerging Markets	Genesis	BlackRock	CSAM	Reams	PIMCO	Aegon
Fund Performance	29.1%	24.6%	31.6%	37.5%	11.1%	13.5%	10.1%	10.2%	3.0%	5.2%	7.3%
Benchmark	26.6%	24.6%	31.9%	38.0%	11.1%	14.0%	12.4%	9.2%	0.1%	4.5%	8.5%
Relative	2.5%	0.0%	-0.3%	-0.5%	0.0%	-0.5%	-2.3%	1.0%	2.9%	0.7%	-1.2%

There has been a considerable rebound in the value of the Scheme’s investments during the year with most sectors recovering losses that occurred because of the global Covid-19 pandemic. The Scheme’s pooled investments have increased by 19.1% during year.

During the year the Trustee decided to reduce the UK Equity holding with SSGA and began the process of switching the funds into their Overseas Equity Fund. This transition will be undertaken in 4 tranches (1 per quarter) of 1.25% of total assets, with the first transfer taking place in April 2021.

The Trustee also committed to an investment of EUR 38m with Copenhagen Infrastructure Partners their Copenhagen Infrastructure IV fund and investments in the fund started in April 2021.

The table below shows the Scheme’s investment performance against the Retail Price Index (RPI).

	2017 %	2018 %	2019 %	2020 %	2021 %
Total Return	13.5	6.8	2.6	-5.4	19.1
RPI	2.6	3.2	2.8	1.6	1.8
Total Real Return	**10.9**	**3.6**	**-0.2**	**-7.0**	**17.3**

Transfer Values

Transfer values are calculated and verified in accordance with the Occupational Pension Schemes (Transfer Values) Regulations 1985 and no discretionary benefits have been included in the calculation of transfer values. None of the cash equivalent transfer values paid was less than the full value of the member's preserved benefits.

With effect from 1 January 2013 the Scheme only accepts transfers at the discretion of the Principal Employer.

Pension Increases

With effect from 1 August 2021, the pensions in payment for members, who joined the Scheme before 1 January 2013, as at 1 August 2021 were increased by 3.3% (RPI). Pensions in payments for members who joined the Scheme after 1 January 2013 were increased by 2.1% (CPI). For retirements effective between 1 August 2020 and 30 June 2021 the increase was proportionate.

Increases in recent years have been as follows: -

	2017 %	2018 %	2019 %	2020 %
Pre 2013 Joiners	3.7	3.3	3.0	1.0
Post 2013 Joiners	2.9	2.4	2.0	1.0

Revaluation of deferred pensions		
Date of leaving	**Guaranteed Minimum Pension**	**Excess over Guaranteed Minimum Pension**
Prior to Jan 1986	lesser of 5% and increase in National Average Earnings	N/A
Jan 1986 - Jul 1990	lesser of 5% and increase in National Average Earnings	lesser of 5% and increase in Retail Prices Index
Aug 1990 - Jul 1993	lesser of 5% and increase in National Average Earnings	Annual increase in the Retail Prices Index (guaranteed up to 12%)
Aug 1993 -31 Dec 2012	Annual increase in the Retail Prices Index, guaranteed up to 12%	
1 Jan 2013 onwards	Pre 2013 members: Annual increase in the Retail Prices Index, guaranteed up to 5% Post 2013 members: Annual increase in the Consumer Prices Index, guaranteed to 5%	

Taxation Status

The University of Cambridge Assistants' Contributory Pension Scheme is a registered pension scheme 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.

Membership Statistics

Active Members		
Active members at 31 July 2020		5,148
Adjustment for late notification		(2)
Active members at 31 July 2020 restated		5,146
New members during the year		598
		5,744
Less:		
Leavers before retirement age (excluding Death in Service)	264	
To Preserved status	313	
Died in service	3	
Active members fully commuting	2	
Active Pensioners Retiring	83	
		(665)
Active members at 31 July 2021		5,079

Preserved Pensioners		
Preserved pensioners at 31 July 2020		4,682
Adjustment for late notification		(17)
Preserved Pensioners at 31 July 2020 restated		4,665
New preserved pensioners		313
		4,978
Less:		
Preserved pensioners retired	88	
Preserved pensioner deaths	10	
Preserved pensioners fully commuting	1	
Members transferring their preserved benefits	8	
		(107)
Preserved pensioners at 31 July 2021		4,871

Pensioners		
Pensions in payment at 31 July 2020		3,350
Adjustment for late notification		(3)
Pensions in payment at 31 July 2020 restated		3,347
Active members retiring	83	
Preserved pensioners retiring	88	
Widow/ers of pensioners dying	32	
		203
Less:		
Pensioners dying during the year	91	
Widows/ers Pension Totally commuted	2	
Child pensioners ceasing	2	
		(95)
Pensions in payment at 31 July 2021		3,455

Employees who are auto enrolled in the Scheme are included as new members during the year, if they subsequently opt out they are added to leavers before retirement age.

General Data Protection Regulation

In order to manage the Scheme and pay correct benefits at the right time to members and their dependents, some personal data is required. This data includes name, address, date of birth and National Insurance number.

In May 2018, a new European legal framework for the protection of personal data called the General Data Protection Regulations (GDPR) came into effect in the UK. The Trustees and their advisers have reviewed how the new requirements affect the way in which personal data is held and processed and have produced a privacy statement and data protection policy document.

Equalisation of Guaranteed Minimum Pensions (GMPs)

As mentioned in last year's Report, benefits for members who joined the Scheme prior to April 1997 include a Guaranteed Minimum Pension (GMP) which broadly represents the pension which they would otherwise have accrued under the old State Earnings-Related Pension Scheme (SERPS). Following the High Court Judgment in the "Lloyds Bank" Case, the Trustee is aware that there is now a requirement to adjust some members' Scheme benefits to address the current inequalities in the calculations of GMPs between men and women. This may result in modest increases in benefits for some members; however, many may see no change, but no member will see the value of their benefits reduced because of this Judgment.

In November 2020 a further High Court judgement was made in respect of GMP equalisation and historic transfer values. The judge ruled that historic values would fall under the scope of GMP equalisation, and that trustee of pension schemes remain liable to members where transfer value payments reflected unequalised GMP benefits. The Trustee will consider this as part of the wider GMP equalisation project.

Report on Actuarial Liabilities

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

The most recent full actuarial valuation of the Scheme was carried out as at 31 July 2018. This showed that on that date:

Value of the Technical Provisions	£742,670
Value of the assets	£708,068

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

Retail Price Inflation (RPI): The RPI assumption will be determined at the valuation date based on the Bank of England spot yield at a point consistent with the duration of the Scheme liabilities. This rate will be rounded to the nearer 0.05% per annum less an allowance of 0.2% per annum for the Inflation Risk Premium. At this valuation the weighted duration of the liabilities has been calculated as 19 years, and the spot yield at the valuation date is 3.44% per annum. The RPI assumption is therefore 3.25% per annum.

Consumer Price Inflation (CPI): An allowance for future CPI increases is included at an assumed rate equal to the assumption for future RPI increases less 1.0% per annum. As at 31 July 2018 this resulted in an assumption for future CPI increases of 2.25% per annum.

Discount Interest Rate: Technical provisions are determined using a single rate of interest for all pre- and post-retirement benefits.

On retirement, Members' pensions are paid from the fund. Assets providing a risk-free rate of return, such as Government bonds (gilts) provide a good match for pensions in payment.

The Trustee invests in a wide range of assets including equities and property, which are expected to give long term returns in excess of those available on gilts. The Trustee wishes to take credit for some of this out-performance and to that end will use an interest rate of RPI, as defined above, plus a margin of up to 4% pa to allow for this expected out-performance. The Trustee has determined that for the purposes of the calculations as at 31 July 2018 the margin to be adopted is 1.9% per annum.

Salary Increases: Pay increases are expected to exceed CPI increases by 2.0% per annum compound. This relationship with CPI is monitored for accuracy and may be subject to change in future valuations.

Pension Increases in payment: Pension increases in payment are defined in the Rules.

Pensions earned prior to 2013 increase in line with the RPI up to a maximum of 12% per annum compound.

For pensions earned on or after 1 January 2013 the Black-Scholes model is used for pricing these pension increases, where appropriate. This model determines the fair market value for an option over a particular stock and can be adapted to model future pension increases where these are linked to inflation subject to a ceiling (or cap). It results in an assumption for the average rate of pension increases which is slightly lower than the inflation assumptions, to allow for the impact of these caps.

Report on Actuarial Liabilities

For Pre 2013 joiners, pensions increase in line with the RPI up to a maximum of 5% per annum compound and a rate of 3.15% per annum was determined.

For joiners on or after 1 January 2013, pensions increase in line with CPI up to a maximum of 5% per annum compound and a rate of 2.25% per annum was derived.

Pension Increases in Deferment: For all pension earned prior to 2013, the Trustee main revaluation assumption is set to be the same as the assumption for future increases in the RPI. There is also a revaluation underpin based on statutory revaluation. Statutory revaluation on the pension in excess of any GMP is in line with increases in the CPI, whilst the GMP is revalued in line with statutory requirements. For pension earned on or after 1 January 2013, increases to pensions accrued in service and after leaving service are to be calculated by reference to the RPI (or CPI for joiners on or after 1 January 2013) capped at a maximum of 5% per annum compound.

Mortality: Currently the Trustee is using S2NA base tables produced by the Continuous Mortality Investigation Bureau based upon mortality experience of Self-Administered Pension Schemes centred on 2007 but then projected to allow for subsequent improvements in longevity. After carrying out a mortality investigation on Scheme experience on data between 1 August 2011 and 31 July 2017 during 2018 the Actuary recommended, and the Trustee agreed to adjust the S2NxA base tables for males and females by 121% and 90% respectively.

In addition, the Actuary recommended, and the Trustee agreed to make allowance for future longevity improvements using the CMI 2017 projection table, with long term rates of improvement of 1.25% per annum.

New Entrants: The Scheme is open to new entrants. The Trustee does not allow explicitly for new entrants. However, by adopting the Projected Unit Method, to give a stable normal contribution rate, they are implicitly assuming that the active membership average age remains relatively constant – i.e., that new entrants will continue to join the Scheme.

Commutation: On retirement, no allowance is made for Members who commute part of their pension for a cash lump sum at retirement.

Retirement: The Scheme Normal Retirement Age is 65 although members who joined prior to 1 December 2009 have the right to retire without actuarial reduction at age 60. The Trustee wishes to fund benefits to the average expected age of retirement of such members.

Investigations of the pattern of retirements between 1 August 2011 and 31 July 2017 (investigated as in 2018) suggest that, on average, active males currently retire at age 63 and females retire at age 62, whilst deferred males retire at age 61 and females retire at age 61. These average retirement ages will be reviewed by the actuary at each subsequent triennial valuation to ensure that they remain in line with actual Scheme experience.

Members who joined on or after 1 December 2009 are assumed to retire at age 65.

Age Difference of Dependants: Husbands are assumed to be 3 years' older than their wives.

Percentage with Dependant's Benefits at Death: 85% of male and female members are assumed to be married at death.

Expenses: Expenses of administering the Scheme are borne by the Scheme. Part of the expenses relates to past service and part relates to current and future service.

The Trustee's policy is for the actuary to review the allowance for expenses at each valuation and make a recommendation for both elements.

The current assumption is for a past service reserve of 1% of the Technical Provisions and a future allowance of 0.9% of Pensionable Salaries. This is to cover all expenses and levies of administering the Scheme.

Statement of 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 Scheme during the Scheme year and of the amount and disposition at the end of the Scheme year of its assets and liabilities, other than liabilities to pay pensions and benefits after the end of the Scheme year; and

- contain the information specified in Regulation 3A of the Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996, including making a statement whether the financial statements have been prepared in accordance with the relevant financial reporting framework applicable to occupational pension schemes.

In discharging 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 Scheme will not be wound up.

The Trustee is also responsible for making available certain other information about the Scheme 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 Scheme and to prevent and detect fraud and other irregularities, including the maintenance of an appropriate system of internal control.

The Trustee board met four times in the year. Attendance figures for individual directors at board meetings are below.

Director	Board Meetings
Mr. H Jacobs	4
Mr. D P Hearn	4
Mr. S Hutson	4
Mr. W Galbraith	1
Mr. G Cross	4
Mr. P Stokes	1
Ms. M Downie	1
Mr. A Odgers	3
Ms. V McPhee	3
Mr. S Miah	3

Trustee Knowledge and Understanding

The provisions of the Pensions Act 2004 require Trustee Directors of occupational pension schemes to have knowledge and understanding of the law relating to pensions and trusts and the principles relating to the funding of occupational schemes and the investment of scheme assets. Trustee Directors are also required to be conversant with their own scheme's policy documents. The Pensions Regulator has taken the phrase 'conversant with' to mean having a working knowledge of those documents such that the Trustee Directors are able to use them effectively when carrying out their duties.

The Trustee Directors have agreed that they will undertake the e-learning package introduced by the Pensions Regulator which aims to equip Trustee Directors with the knowledge and understanding they need to effectively carry out their duties and the Trustee regularly monitors progress. The Trustee Directors have also agreed that if there are any areas of concern the Scheme's professional advisers will be asked to provide additional training, or when an appropriate training course becomes available, they will attend this.

On appointment each Trustee Director is issued with a 'trustee pack' which includes all the relevant documentation relating to the Scheme and updated copies are provided as required. Copies are also available from the Scheme's webpage.

Contact Details

Any enquires about the information contained in this report or a member's entitlement to benefits should be addressed to Pensions Administration, Greenwich House, Madingley Rise, Cambridge, CB3 0TX or by emailing to the following address, pensionsonline@admin.cam.ac.uk.

Internal Controls

The Pensions Act 2004 requires the Trustee to have adequate internal controls in place to help monitor the management and administration of the Scheme. In order to assist with this the Trustee receives reports from the Scheme Office at each meeting as follows:

- Details of the amounts of any late payment or incorrect payments plus details of any action taken by the Scheme Office in respect of late or incorrect payment of contributions.

- Reports on outstanding work in the Scheme Office and the reasons for the work being outstanding.

This report was approved by the Trustee on 24 February 2022 and were signed on behalf of the Trustee by:

Mr H Jacobs   Chairman

Mr S Hutson   Director

Independent Auditor's Report to the Trustee of the Cambridge University Assistants' Contributory Pension Scheme

Opinion

We have audited the financial statements of the Cambridge University Assistants' Contributory Pension Scheme for the year ended 31 July 2021 which comprise the Fund Account, the Statement of Net Assets (available for benefits) and the related notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our **opinion, the financial statements:**

- show a true and fair view of the financial transactions of the Scheme during the year ended 31 July 2021, 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;
- 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 Trustee with respect to going concern are described in the relevant sections of this report.

Other information

The Trustee is responsible for the other information. The other information comprises the information included in the annual report, 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.

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

We have nothing to report in this regard.

Responsibilities of Trustee

As explained more fully in the statement of Trustee's responsibilities set out on page 16, the Trustee is 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 Trustee determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustee is responsible for assessing the 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 Trustee either intends to wind up the Scheme or has 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 (available for benefits) 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 Trustee.

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

Crowe U.K. LLP.

Crowe U.K. LLP
Statutory Auditor
London

Date: 28 February 2022

Fund Account

	Note	2021	2020
		£	£
Contributions and benefits			
Employer contributions receivable	3	28,626,620	28,653,689
Employee contributions receivable	3	363,487	414,122
Other Income	4	-	433
		28,990,107	29,068,244
Benefits payable	5	25,430,278	25,641,142
Payments to and on account of leavers	6	281,789	748,129
Administrative expenses	7	1,803,539	1,469,533
		27,515,606	27,858,804
Net additions from dealings with members		1,474,501	1,209,440
Returns on investments			
Investment income	8	3,927,443	4,815,032
Change in market value of investments	9	120,350,040	(41,866,252)
Investment management expenses		(343,480)	(517,125)
Investment consultant expenses		(226,789)	(156,995)
Net return on investments		123,707,214	(37,725,340)
Net increase in fund during the period		125,181,715	(36,515,900)
Net Assets of the Scheme at 1 August 2020		689,976,093	726,491,993
Net Assets of the Scheme at 31 July 2021		815,157,808	689,976,093

The notes on pages 23 to 32 form part of these financial statements.

Statement of Net Assets (available for benefits)

	Note		2021		2020
			£		£
Investments					
Pooled Investment Vehicles	10.1		773,981,258		650,010,662
AVC Investments - cash	10.2		508,217		534,392
Cash			38,000,000		36,003,373
Other Investment Values			543,460		630,171
			813,032,935		687,178,598
Current Assets					
Cash at Bank		2,419,107		2,386,128	
Debtors	13	3,243,081		3,110,788	
		5,662,188		5,496,916	
Less Current Liabilities					
Creditors	14	3,537,315		2,699,421	
Net Current Assets			2,124,873		2,797,495
Net Assets of the Scheme at 31 July 2021			815,157,808		689,976,093

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 14 of this Annual Report and these financial statements should be read in conjunction with them.

The notes on pages 23 to 32 form part of these financial statements.

These financial statements were approved by the Trustee on 24/2/2022 and were signed on behalf of the Trustee by:

Mr H Jacobs Chairman

Mr S Hutson Director

Notes to the Financial Statements

1 Basis of preparation

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).

2 Accounting policies

The principal accounting policies of the Scheme are as follows:

a) Investments

Investments are included at fair value as follows:

i. 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.

ii. Annuities purchased which provide the benefits for certain members that are in the name of the Trustee are not included as assets of the Scheme as the Trustee consider these to be not to be material in relation to the financial statements as a whole.

b) Investment income

i. Interest is accrued on a daily basis.

ii. Investment income is reported net of attributable tax credits but gross of withholding taxes which are accrued in line with the associated investment income. Irrecoverable withholding taxes are reported separately as a tax charge.

iii. Income from pooled investment vehicles is accounted for on an accruals basis on the date when declared by the fund manager.

iv. Income arising from annuity policies is included in investment income on an accruals basis.

c) Foreign currencies

The functional and presentational currency of the Scheme is Sterling. Balances denominated in foreign currencies are translated into Sterling at the rate ruling at the year-end date. Asset and liability balances are translated at the bid and offer rates respectively. Transactions denominated in foreign currencies are translated at the rate ruling at the date of the transaction. Differences arising on investment balance translation are accounted for in the ‘Change in Market Value’ of investments during the year.

d) Contributions

i. 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.

ii. 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.

Notes to the Financial Statements

e) Payments to members

i. Benefits are accounted for in the period in which they fall due for payment. Where there is a choice, benefits are accounted for on the later of the date of retirement or when 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.

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

f) Expenses

Expenses are accounted for on an accruals basis. The Scheme bears all the costs of administration.

g) 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 Trustee Knowledge and Understanding on page 17.

h) Taxation

The Scheme 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.

Notes to the Financial Statements

3 Contributions

	2021	2020
	£	£
From Members:		
Normal contributions[1]	207,239	234,871
Additional voluntary contributions (Added years)	145,785	163,290
Additional voluntary contributions (CBS)	10,463	15,961
	363,487	414,122
From Employer:		
Normal contributions	14,031,620	14,058,689
Deficit funding contributions	14,595,000	14,595,000
	28,626,620	29,067,811

Employer normal contributions include contributions in respect of salary sacrifice arrangements made available to members by the Employer. During the year, in accordance with a long-standing agreement between the University of Cambridge and the Trustee, the University of Cambridge overpaid employer normal contributions. For the year ended 31 July 2021, employer contributions of £25,743,908 (2020: £25,617,661) were paid and of these contributions, £11,712,288 (2020: £11,558,972) was calculated to be overpaid and repaid back to the Employer from the Scheme.

[1] *On 1 October 2019, the University of Cambridge removed the 3-month waiting time for entry into the salary sacrifice arrangement for pensions.*

Under the Schedule of Contributions certified by the Scheme Actuary on 30 November 2020 deficit funding contributions, in respect of the shortfall in funding of £14,595,000 per annum, are being paid in monthly instalments by the employer until 31 July 2025

4 Other Income

	2021	2020
	£	£
Fees for CETV's provided	-	433

5 Benefits Payable

	2021	2020
	£	£
Pension payments to retired members	21,270,688	20,527,922
Commuted to lump sum payments	3,629,322	4,255,352
Cash payment on death	530,268	857,868
	25,430,278	25,641,142

Notes to the Financial Statements

6 Payments to and on account of leavers

	2021	2020
	£	£
Refunds of contributions to members	9,538	38,756
Payments to HM Revenue & Customs	2,517	8,368
Transfers out to other schemes for individuals	269,734	701,005
	281,789	748,129

7 Administrative expenses

	2021	2020
	£	£
Expenses borne by the Scheme comprise:		
Actuarial fees	164,593	54,956
Trustee Honorarium	10,000	10,000
Investment Committee Advisor Fees	7,200	7,200
Legal fees	4,795	16,341
Medical Reports	25	25
Salaries and other payroll costs	275,487	203,618
PLSA subscription	2,399	2,373
PPF Levy	1,258,046	1,101,128
Pensions Regulator Levy	36,106	35,987
Printing costs	-	865
PS Pension Administration support costs	14,856	14,352
Travel and Subsistence	-	332
Audit fee	26,760	19,000
Bank charges	120	147
Member tracing	1,422	97
Trustee expenses	600	-
Compensation payment	-	1,000
Other expenses	1,130	2,112
	1,803,539	1,469,533

Notes to the Financial Statements

8 Investment Income

	2021 £	2020 £
Income from pooled investment vehicles	3,886,877	4,568,306
Tax reclaims	37,543	95,407
Interest on cash deposits	1,381	147,113
Interest on building society deposits	505	3,069
Annuities received	1,137	1,137
	3,927,443	4,815,032

9 Investments

	1 August 2020 £	Purchases £	Sale proceeds £	CIMV £	31 July 2021 £
Pooled investment vehicles (see Note 10.1)	650,010,662	13,184,556	(9,564,000)	120,350,040	773,981,258
AVC Investments	534,392	10,968	(37,143)	-	508,217
	650,545,054	13,195,524	(9,601,143)	120,350,040	774,489,475
Cash	36,003,373				38,000,000
Accrued investment Income	630,171				543,460
	687,178,598				813,032,935

Pooled investment vehicles sale proceeds relate to the switch from the State Street UK Equity Fund (£9,564,000) to the State Street Global Equity Fund (£9,564,000). The additional purchases relate to the initial drawdowns to Copenhagen Infrastructure Partners as part of the €38,000,000 (£32,464,758) commitment to invest.

£38,000,000 held in the bank account has been marked for investment by the Investment Committee in line with the investment commitments.

10.1 Pooled Investment vehicles

	2021 £	2020 £
UK equity funds	220,669,363	182,342,808
Overseas equity funds	273,729,151	206,321,236
Hedge funds[1]	49,165,775	41,758,442
Bond funds	158,907,239	152,177,922
Property funds	71,509,730	67,410,254
	773,981,258	650,010,662

[1]Hedge funds hold a variety of investments including bonds, equities, real estate and derivatives.

Notes to the Financial Statements

10.2 Cambridge Building Society AVCs

Movement in value of the AVC account is shown below

	2021	2020
	£	£
INCOME		
Contributions	10,463	15,961
Interest receivable	505	3,069
	10,968	19,030
EXPENDITURE		
AVC balances transferred to Fund Account	37,143	34,409
Net reduction from dealings with members	(26,175)	(15,379)
Balance of members' Voluntary Contributions at 31 July 2020	534,392	549,771
Balance of members' Voluntary Contributions at 31 July 2021	508,217	534,392

Money Purchase Additional Voluntary Contributions represent contributions invested in a special account at the Cambridge Building Society on behalf of the individuals concerned to provide additional benefits within the overall limits laid down by the HM Revenue and Customs.

11 Concentration of Investment

As at 31 July 2021, the following investments represented greater than 5% of the Scheme's Net Assets

	2021	2021	2020	2020
	£	%	£	%
Genesis Emerging Markets Fund	45,219,332	5.5%	40,261,759	5.8%
Majedie AM UK Equity Service Fund	80,720,207	9.9%	62,283,722	9.0%
State Street Passive Equity - UK Equity Fund	139,949,155	17.2%	120,059,086	17.4%
State Street Passive Equity - Fundamental Index Fund	142,082,148	17.4%	103,322,086	15.0%
Kames Property Income Fund	71,509,730	8.8%	67,410,254	9.8%
PIMCO – Multi Asset Credit Fund	-	-	36,848,069	5.3%
Reams – Unconstrained Bonds	85,747,515	10.5%	83,253,575	12.1%
State Street Passive Equity - Global Equity Fund	53,511,570	6.6%	-	-
BlackRock Absolute Return Strategies Fund	45,961,162	5.6%	-	-

12 Self-Investment

The Scheme has no funds held on deposit with the University.

Notes to the Financial Statements

13 Debtors

	2021	2020
	£	£
Contributions due for July 2021*	3,243,081	3,110,788

*Contributions due at current and prior year end were received in line with the Schedule of Contributions

14 Creditors

	2021	2020
	£	£
Pension payments due for July 2021	1,795,929	1,730,790
Deficit Recovery payment July 2021	984,169	104,267
Investment Manager Fees	124,897	98,498
Lump Sum Payments	55,825	253,187
Audit Fees	12,000	10,000
Legal Fees	2,027	-
Actuarial Fees	9,361	8,030
SEI contributions due to the University	13,888	1,512
Staff Costs	124,373	92,795
Building Society AVC's pending Investment	1,476	-
Tax due on Refunds	704	342
PPF Levy	402,812	400,000
Refunds	9,854	-
	3,537,315	2,699,421

15 Transaction costs

Transaction costs are borne by the Scheme in relation to transactions within the investment portfolio managed by the Investment Managers, comprising fees, commissions and stamp duty. Such costs are considered in calculating the bid/offer spread of these investments and are not separately reported.

Notes to the Financial Statements

16 Investment fair value hierarchy

Financial instruments held at fair value in the financial statements must be analysed according to the appropriate level in the following fair value hierarchy. A fair value measurement is categorised in its entirety on the basis of the lowest level input that is significant to the fair value measurement in its entirety.

Level 1: The unadjusted quoted price in an active market for 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 marketdata) 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 Scheme's investments have been analysed using the above hierarchy categories as follows:

As at 31 July 2021	**Level 1**	**Level 2**	**Level 3**	**TOTAL**
	£	**£**	**£**	**£**
Pooled investment vehicles	-	773,981,258	-	773,981,258
Cash (including AVC investments)	38,508,217	-	-	38,508,217
Other investment balances	-	543,460	-	543,460
Total	508,217	774,524,718	-	813,032,935

As at 31 July 2020	**Level 1**	**Level 2**	**Level 3**	**TOTAL**
	£	**£**	**£**	**£**
Pooled investment vehicles	-	582,600,408	67,410,254	650,010,662
Cash (including AVC investments)	36,537,765	-	-	36,537,765
Other investment balances	-	630,171	-	630,171
Total	36,537,765	583,230,579	67,410,254	687,178,598

17 Investment risks

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

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

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

Currency risk: this is the risk that the fair value or future cash flows of a financial asset will fluctuate because of changes in foreign exchange rates.

Notes to the Financial Statements

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

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

The Scheme has exposure to these risks because of the investments it makes to implement its investment strategy described in the Trustee's Report. The Trustee manages investment risks, including credit risk and market risk, within agreed risk limits which are set considering the Scheme's strategic investment objectives. These investment objectives and risk limits are implemented through the investment management agreements in place with the Scheme's investment managers and monitored by the Trustee's Investment Committee by regular reviews of the investment portfolios.

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

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

Investment type	Market risk				**Value at 31 July 2021 (£m)**	**Value at 31 July 2020 (£m)**
	Credit risk	Currency	Interest rate	Other price		
UK equities	○	○	○	●	220.7	182.3
Overseas equities	○	●	○	●	273.7	206.3
Corporate bonds	●	○	●	◐	158.9	152.2
Property	○	◐	○	●	71.5	67.4
Hedge Funds	◐	◐	◐	●	49.2	41.8
Cash	●	○	●	○	38.0	36.0

In the above table, the risk noted affects the asset class [●] significantly, [◐] partially or [○] hardly/not at all.

Credit risk

The Scheme invests in pooled funds and is therefore directly exposed to credit risk in relation to solvency of the investment manager and custodian of those funds. Direct credit risk arising from pooled funds is mitigated by the underlying assets of the pooled arrangements being ring-fenced from the investment managers, the regulatory environments in which the pooled managers operate and diversification of the Scheme's investments amongst a number of pooled arrangements. The Trustee carries out due diligence checks on the appointment of new pooled investment managers, and on an on-going basis monitors any changes to the operating environment of the pooled fund with the help of their investment advisers. The Scheme's holdings in pooled investment vehicles are unrated.

The Scheme is subject to further direct credit risk as the Scheme has cash balances. Cash is held within financial institutions which are at least investment grade credit rated.

The Scheme is indirectly exposed to credit risk arising from the underlying investments held by the pooled funds. The indirect exposure to credit risk arises from the Scheme's investments in bonds, cash and derivatives via the Hedge funds and Bond funds as detailed in Note 10.1 although the extent of the risk is dependent on the portfolio held at the time. The Trustee acknowledges that the assessment of credit risk on underlying debt instruments is delegated to the investment manager. The Trustee however ensure that they are comfortable with the amount of risk that the Scheme's investment manager takes

Notes to the Financial Statements

Currency risk

As at 31 July 2021, £79,611,298 (2020: £72,338,037) of the Scheme's fund were accessed via a US Dollar and Euro share class and as a result was directly exposed to currency risk.

In addition, the Scheme is subject to indirect currency risk because some of the Scheme's investments are held in overseas markets through Overseas Equity Funds, Hedge Funds, Bond Funds and Property Funds as detailed in Note 10.1. The Trustee limits overseas currency exposure through a currency hedging policy

Interest rate risk

The Scheme is indirectly exposed to interest rate risk arising from the underlying investments held by the pooled funds. The indirect exposure to interest rate risk arises from the Scheme's investments in bonds, cash and derivatives via the Hedge Funds and Bond funds as detailed in Note 10.1 although the extent of the risk is dependent on the portfolio held at the time.

The interest rate exposure of the Scheme's assets hedges part of the corresponding risks associated with the Scheme's actuarial liabilities. The net effect will be to reduce the volatility of the funding level, and so the Trustee believes that it is appropriate to have exposures to these risks in this manner.

(i) Other price risk

The Scheme is indirectly exposed to other price risk arising from the underlying investments held by the pooled funds. The indirect exposure to other price risk arises from the Scheme's investments in equities, property and derivatives via the Equity Funds, Hedge Funds and Property funds as detailed in Note 10.1 although the extant of the risk is dependent on the portfolio held at the time. The Scheme manages this exposure to other price risk by constructing a diverse portfolio of investments across various markets.

18 Contingent liabilities and commitments

Aside from the liability to pay future retirement benefits, there is a commitment to invest €38,000,000 (£32,464,758, 2020 £nil) with Copenhagen Infrastructure Partners

19 Related party transactions

Contributions are received in respect of 1 (2020: 1) Trustee Director and pensions are paid in respect of 1 (2020: 2) who are both members of the Scheme. These transactions have been made in accordance with the Trust Deed and Rules.

The Independent Chair of the Trustee receives a fee of £10,000 per year and 2 (2020: 2) Directors receive a fee of £1,200 per year for being members of the Investments Committee. Additional, 2 (2020:2) non-Directors a receive a fee of £1,200 for their service on the Investments Committee.

20 GMP Equalisation

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. On 20 November 2020, the High Court also ruled that pension schemes will need to revisit individual transfer payments made since May 1990.

Notes to the Financial Statements

Under the rulings, schemes are required to backdate benefit and transfer out adjustments in relation to GMP equalisation and provide interest on the backdated amounts. Based on an initial assessment of the likely backdated amounts and related interest the Trustee does not expect these to be material to the financial statements and therefore has not included a liability in respect of these matters in these financial statements. They will be accounted for in the year they are determined.

21 Unauthorised Payments

During the year the Trustee became aware of a number of unauthorised payments that had been made under the Funeral Grant rule. At this stage it is not possible to accurately state what the level of penalties HMRC may levy on the Scheme, but it is highly unlikely to be material. The Trustee is continuing to work with HMRC on a resolution and any costs relating to this will be accounted for in the 2022 Report and Accounts.

Independent auditor’s statement about contributions to the Trustee of the Cambridge University Assistants’ Contributory Pension Scheme

We have examined the summary of contributions to the Cambridge University Assistants’ Contributory Pension Scheme for the Scheme year ended 31 July 2021 which is set out in on page 34.

In our opinion contributions for the Scheme year ended 31 July 2021 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 Scheme actuary on 30 November 2020.

Scope of work on Statement about Contributions
Our examination involves obtaining evidence sufficient 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.

Respective responsibilities of trustees and the auditor
As explained more fully in the Statement of Trustee’s Responsibilities, the Scheme’s Trustee is responsible for preparing, and from time to time reviewing and if necessary revising, a schedule of contributions and for monitoring whether contributions are made to the Scheme by the employer in accordance with the schedule of 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 Scheme's 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 Scheme'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 Scheme’s Trustee as a body, for our work, for this statement, or for the opinion we have formed.

Crowe U.K. LLP

Crowe U.K. LLP
Statutory Auditor
London

Date: 28 February 2022

Summary of Contributions Payable for the year ended 31 July 2021

Statement of Trustee's responsibilities in respect of contributions

The Trustee is responsible under pensions legislation for preparing, maintaining and from time to time reviewing and if necessary, revising a schedule of contributions showing the rates of contributions payable towards the Scheme by or on behalf of the employer and the active members of the Scheme and the dates on or before which such contributions are tobe paid. The Trustee is also responsible for keeping records in respect of contributions received in respect of any active member of the Scheme and for adopting risk-based processes to monitor whether contributions are made to the Scheme by the employer in accordance with the schedule of contributions. Where breaches of the schedule occur, the Trustee is required by the Pensions Acts 1995 and 2004 to consider making reports to The Pensions Regulator and the members.

Trustee's summary of contributions payable under the Schedule of Contributions in respect of the Scheme year ended 31 July 2021

This summary of contributions has been prepared by, and is the responsibility of, the Trustee. It sets out the employer andmember contributions payable to the Scheme under the Schedule of Contributions certified by the actuary on 30 November 2020 in respect of the Scheme year ended 31 July 2021. The Scheme auditor reports on contributions payable under the schedulein the auditor's Statement about Contributions.

During the year ended 31 July 2021, the contributions payable to the Scheme by the employer were as follows:

Contributions payable under the schedule of contributions	**2021** **£**	**2020** **£**
Contributions from employers:		
Normal	14,031,620	14,058,689
Deficit funding	14,595,000	14,595,000
	28,626,620	**28,653,689**
Contributions from members:		
Normal contributions	207,239	234,871
Total contributions payable under the Schedule of Contributions	**28,833,859**	**28,888,560**
Other contributions payable		
Members additional voluntary contributions (added years)	145,785	163,290
Members additional voluntary contributions (Cambridge Building Society)	10,463	15,961
	156,248	**179,251**
Total contributions reported in the financial statements	**28,990,107**	**29,067,811**

Signed on behalf of the Trustee on 24 February 2022 by:

Mr H Jacobs **Chairman**

Mr S Hutson **Director**

SCHEDULE OF CONTRIBUTIONS

CAMBRIDGE UNIVERSITY ASSISTANTS' CONTRIBUTORYPENSION SCHEME

Status

This Schedule of Contributions has been prepared by CU Pension Trustee Limited ("the Trustee" of the Scheme) on 30 November 2020, after obtaining the advice of Robert Sweet, the Actuary to the Scheme.

It replaces an earlier Schedule dated 26 November 2019.

Contributions to be paid to the Scheme from 1 December 2020 to 30 November 2025

1. In respect of the future accrual of benefits, the expenses of administering the Scheme, death in service benefits and PPF levies, the Members and the Employers will pay contributions at the following rates of Members' Pensionable Salaries:

	Salary Sacrifice Members		Non Salary Sacrifice Members	
	Active Members %	Employers %	Active Members %	Employers %
Pre-2013 Members paying additional contributions under Rule 45.6	Nil	20.0	8.5	11.5
Other Pre-2013 Members	Nil	16.5	5.0	11.5
Post-2013 Members	Nil	8.8	3.0	5.8

Active Members' contributions are to be deducted from their Pensionable Salary by their Employer and, together with the Employers' own contributions, are to be paid to the Scheme on or before the 19th day of the calendar month following that to which the payment relates.

2. The Employers will pay additional contributions of £14,595,000 per annum payable in monthly instalments over the period from 1 December 2020 to 31 July 2025, the allocation of this amount between the Employers to be decided by the Principal Employer.

   These contributions are to be paid to the Scheme on or before the 19th of the calendar month following that to which the payment relates

Post-2013 Member

A member who joined the Scheme on or after 1 January 2013.

Pre-2013 Member

A member who joined the Scheme on or before 31 December 2012.

Augmentations

In respect of any augmentations granted, the Employers will pay such additional contributions as have been agreed with the Trustee, to be paid within such reasonable period as has been agreed between the Principal Employer and the Trustee.

Pensionable Salary

Basic salary plus any allowances and other emoluments that have been determined to be pensionable by the Employers. For members who are participating in a Salary Sacrifice Arrangement,Pensionable Salary is deemed to be the amount which it would have been if the Member was not participating in a Salary Sacrifice Arrangement.

Salary Sacrifice Members

Members who are participating in a Salary Sacrifice Arrangement and who as a result of which have been relieved of the duty to pay Member's contributions.

For and on behalf of the University of Cambridge ("the Principal Employer")

Signed: D Hughes

D Hughes

Name:

Position: Director of Finance

For and on behalf of CU Pension Trustee Limited ("the Trustee")

Signed:

Name: H R Jacobs

Position: Trustee

ACTUARY'S CERTIFICATION OF SCHEDULE OF CONTRIBUTIONS

CAMBRIDGE UNIVERSITY ASSISTANTS' CONTRIBUTORY PENSION SCHEME

Adequacy of Rates of Contributions

I hereby 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 July 2018 to be met by the end of the period specified in the Recovery Plan dated 30 April 2019.

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 30 April 2019.

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.

Signed:	Robert. J. Sweet	Date:	30 November 2020
Name:	R J Sweet	Qualification	Fellow of the Institute and Faculty of Actuaries

Engagement Policy ImplementationStatement

Introduction

On 6 June 2019, the Government published the Occupational Pension Schemes (Investment and Disclosure) (Amendment) Regulations 2019 ("the Regulations"). The Regulations require that the Trustee of the Cambridge University Assistants' Contributory Pensions Scheme ("the Trustee") produce an annual engagement policy implementation statement ("EPIS") which outlines the following:

- Explain how and the extent to which it has followed its engagement policy, which is outlined in the Statement ofInvestment Principles (“SIP”).
- Describe the voting behaviour by, or on behalf of the Trustee (including the most significant votes cast) during the Scheme year and state any use of the services of a proxy voter.

The EPIS for the Cambridge University Assistants’ Contributory Pension Scheme ("the Scheme") has beenprepared by the Trustee and covers the Scheme year 1 August 2020 to 31 July 2021.

The Trustee expects ESG issues to evolve further over time. Improvements in disclosures are expected in line withthe increasing expectations on investment managers and their significant influence to generate positive outcomes for the Scheme through considered voting and engagement.

The Trustee will continue to engage with its investment managers to ensure visibility of voting and engagement improves, including greater detail on the specific ESG issues prioritised (including climate risk) and the impacts that have been achieved.

Scheme Stewardship Policy Summary

The bullet points below reflect the Scheme’s Stewardship Policy in force over the majority of the reporting year:

- *The Trustee believes that in order to … protect and enhance the value of the Scheme’s investments, it must act as a responsible steward of the assets for which it is responsible. The Trustee recognises the need to ensure high standards of governance and corporate responsibility in the underlying entities in which its investments reside. The Trustee recognises that ultimately this protects the financial interests of the Scheme. The Trustee therefore expects the Scheme’s investment managers and Investment Consultant to be signatories to the UK’sStewardship Code.*
- *As part of their delegated responsibilities, the Trustee expects the Scheme’s investment managers, as majorinstitutional investors, to:*
  - *engage with investee companies, where appropriate, with the aim to protect and enhance the long-term valueof assets taking material Environmental, Social and Governance (“ESG”) factors, including climate risks, into account; and*
  - *exercise the Trustee's voting rights in relation to the Scheme’s assets in a way which holds directors of investeecompanies accountable for long-term and responsible behaviour, taking into account material ESG factors, including climate risks.*
- *The Trustee reviews the stewardship activities of their investment managers at least annually, covering bothengagement and voting actions.*
- *From time to time, the Trustee will consider the methods by which, and the circumstances under which, they would monitor and engage directly with an issuer of debt or equity, an investment manager or another holder*

ofdebt or equity, and other stakeholders. The Trustee may engage on matters concerning performance, strategy, risks, social and environmental impact and corporate governance, the capital structure, and management of actual or potential conflicts of interest.

Scheme stewardship activity over the year

Updating the Stewardship Policy

Throughout the year, the Trustee has been proactive to ensure the Scheme appropriately updated the Stewardship policy in the SIP.

In line with regulatory requirements, to expand the SIP for policies such as costs transparency and incentivising managers, the Trustee reviewed and expanded the Stewardship policy in September 2020. The updated wording inthe SIP illustrates how the Trustee recognises the importance of its role as a steward of capital, as well as indicating how the Trustee would review the suitability of the Scheme's investment managers and other considerations relating to voting and methods to achieve their Stewardship policy.

Investment Strategy Update

During the year, the Trustee adopted a revised investment strategy. The revised investment strategy is expected to provide a significant reduction in risk and allow it to benefit from the 'illiquidity' premium.

The revised investment strategy will involve reducing the Scheme's equity holdings from 50% to 32% of total assets. Shifting the funds into the Bond portfolio and a new Alternatives Portfolio. Given the nature of the illiquid/alternative investments, it is anticipated that it will take between three to five years to complete the implementation of the revised investment strategy.

In addition to the adoption of the revised investment strategy, the Trustee made the decision to alter the regionalallocation within the Scheme's equity holdings to be more in line with a representative global market cap index.

SSGA Equity Holdings

Effective 18 November 2021, SSGA took the decision to exclude UN Global Compact violators and controversialweapons companies from a subset of their Equity Index funds. The subset included the North American, Asia Pacific ex. Japan, Europe ex. UK, Japan, UK and Emerging Markets Equity Index funds held by the Scheme.

These holdings constituted c.28% of Scheme assets as at 31 July 2021.

The rationale behind SSGA's decision was that interaction with clients, and research on market trends, indicated that institutional investors no longer desired exposure to certain corporate behaviours. The move by SSGA was supported by the Trustee as it moved the investments closer in alignment with the Scheme's Responsible Investment ("RI") policy.

Copenhagen Infrastructure Partners ("CIP") – Renewable Infrastructure Fund

In November 2020, the Trustee made the decision to invest in the CIP Renewable Infrastructure Fund. The Fund focusses on large scale energy infrastructure investments across technologies within the renewables sector. The Trustee committed 5% of Scheme assets to the Fund. Drawdowns commenced in April 2021, the funds of which were used for project development purposes.

CVC – European Direct Lending Responsible Investment SMA Strategy

In June 2021, the Trustee made the decision to commit capital to the CVC European Direct Lending Strategy. As at 31 July 2021, drawdowns are yet to commence.

The Strategy incorporates Environment, Social & Governance ("ESG") key performance indicators into each loan agreement issued by the fund. The objective is to encourage investment companies to improve their ESG profiles, and in doing so the companies will be rewarded with tangible financial benefits.

Training

Over the year, the Trustee had a responsible investment training session with their investment advisor, which provided the Trustee with updates on the evolving regulatory requirements and the importance of stewardship activity and appropriate consideration of ESG factors in investment decision making.

The training session was provided to the Trustee in the May 2021 meeting. The session covered how Aon engages with investment managers on stewardship issues to enable Aon to meet their own duties and help clients comply with their stewardship duties. The training session also introduced the Task Force on Climate Related Financial Disclosures ("TCFD") and detailed the actions being undertaken by other schemes in reaction to the TCFD.

At the same meeting the Trustee also received a presentation from the Sustainable Investment Officer at the Cambridge University Endowment Fund covering the work that the Fund has been doing on Responsible Investment.

Ongoing Monitoring

Investment monitoring takes place on a quarterly basis with a monitoring report being provided to the Trustee by Aon. The reports include ESG ratings and highlights any areas of concern, or where action is required. The ESG rating system is for buy rated investment strategies and is designed to assess whether investment managers integrate responsible investment and more specifically ESG considerations into their investment decision making process. The ESG ratings are based on a variety of qualitative factors, starting with a proprietary due diligence questionnaire, which is completed by the fund manager. Aon's researchers also conduct a review of the managers' responsible investment related policies and procedures, including a review of their responsible investment policy (if they have one), active ownership, proxy voting and/or stewardship policies. After a thorough review of the available materials, data and policies, as well as conversation with the fund manager, the lead researcher will award an ESG rating, which is subject to peer review using an agreed reference framework. Ratings will be updated to reflect any changes in a fund's level of ESG integration or broader responsible investment developments.

It is important to note that Aon's ESG rating framework does not cover the Scheme's investment in the Aegon Property Fund, as this Fund is not rated by Aon.

More information on the Aon ESG Ratings process can be found here: https://www.aon.com/getmedia/0b52d7ec-db77-41bc-bb45-9386034db392/AonCanada-Publication-InvestmentGuideESGRatings.aspx

The Trustee monitors compliance with their SIP at each quarterly meeting, to ensure that the policies set out in their SIP, including those in relation to ESG are being applied.

Manager Meeting Attendance

The Trustee invites its appointed investment managers to attend meetings, typically inviting one manager per quarterly meeting. During the period the Trustee invited Majedie, Aegon and BlackRock. The purpose of the sessions is for the managers to provide an update to the Trustee on their business, the funds held and their ESG policies and practices.

Manager Stewardship Update

For the May 2021 Trustee meeting, Aon conducted the annual investment manager stewardship update. As part of this process Aon shares the SIP with each manager so that the managers can familiarise themselves with the policies of the Scheme. The review highlighted that none of the investment managers were believed to be in conflict with the policies.

A further policy check conducted included confirming the investment managers UK Stewardship Code status. At the time of the review, Credit Suisse was not a signatory to the UK Stewardship Code. Reams had applied to become a signatory and their application was pending. Together with other criteria, the Trustee made the decision to divest from Credit Suisse and the process is expected to be completed by the end of August 2021.

During the period the Trustee made the decision to commit to two alternative/illiquid managers, CVC & CIP. Due to the timing of the commitment and funding, these managers were not covered in the above-mentioned stewardship update. The Trustee is aware that due to the nature of the funds (i.e. the domicile of the manager, the asset class, the location of investments) that being a signatory to the UK Stewardship Code may not be viewed as applicable by the manager. The Trustee may deem this position to be acceptable provided that the manager demonstrates that its ESG policies are in line with the Trustee's expectations. However, engagement around being signatories to the UK Stewardship Code is ongoing.

Voting and Engagement activity – Equity Funds

The Scheme was invested in the following equity funds over the period:

Manager	Fund Name
State Street Global Advisors	Emerging Markets Equity Index Sub-Fund Fundamental Index Global Equity Sub-Fund UK Equity Index Sub-Fund Asia Pacific ex Japan Equity Index Sub-Fund Europe (Ex UK) Equity Index Sub-Fund Japan Equity Index Sub-Fund North America Equity Index Sub-Fund
Majedie Asset Management	UK Equity Fund
Genesis Investment Management Ltd	Global Emerging Markets Equity

State Street Global Advisors ("SSGA")

Voting Approach

SSGA's uses proxy voting service provider Institutional Shareholder Services ("ISS") as a proxy voting agent, to apply SSGA's proxy voting guidelines and for research and analysis on general corporate governance issues and specific proxy items.

SSGA's stewardship team reviews its proxy voting guidelines with ISS on an annual basis or on a case-by-case basis as needed. Members of the stewardship team evaluate each proxy vote against their proxy voting guidelines,which seek to maximize the value of its client accounts. Additionally, the stewardship team may refer significant issues to SSGA's proxy review committee for a determination of the proxy vote.

At a firm level, SSGA votes at over 17,000 meetings on an annual basis and prioritizes companies for review basedon several factors including the size of the holdings, past engagement, corporate performance, and voting items identified as areas of potential concern.

SSGA has also said that it can provide reports based on specific significant vote criteria; for example, they can runa report for votes on environmental proposals. The Trustee's investment adviser, Aon, is following up with SSGA on this and for more rationale on the voting decisions of significant votes which will aid better oversight.

SSGA's full stewardship report for 2020, including a breakdown of their voting actions at a firm level (i.e. not specifically in relation to the fund invested in by the Trustee) can be found here: https://www.ssga.com/library-content/pdfs/asset-stewardship/asset-stewardship-report-2020.pdf

Voting Examples

The investment manager provided a brief outline of the rationale behind significant votes for each of the funds in which the Scheme invests. Examples include concerns over the linkage between pay and performance, concerns around board structure and diversity, and climate change action.

Voting Example – UK Equity Index Sub-Fund

In January 2021, SSGA voted against management to ratify executive officers' compensation for a manufacturing company, Avon Rubber Plc. The rationale behind this decision was that SSGA had concerns with the proposed remuneration structure for senior executives. SSGA considered this a significant vote because they voted against the management's recommendation. The vote was in line with ISS's and SSGA's voting policy. The vote resulted in

76.3% voting in favour and 23.7% voting against.

Voting Example – Emerging Markets Equity Index Sub-Fund

In December 2020, SSGA abstained on a vote to ratify executive officers' compensation for Growthpoint Properties Ltd. SSGA believed that the proposal merited qualified support as SSGA has some concerns with the remunerationstructure for senior executives at the company, the manager notes that where appropriate, it will contact the company to explain voting rationale and conduct further engagement. SSGA considered this a significant vote because they voted against ISS's recommendation, however it was in line with SSGA's voting policy. The vote resulted in 75.6% voting for and 24.0% voting against.

Voting Example – Fundamental Index Global Equity Sub-Fund

In May 2021, SSGA voted for a proposal to improve disclosures around Greenhouse Gas emissions by the company, Chevron Corporation. The rationale for the vote was that SSGA considered there to be room for improvement in the existing disclosures. SSGA considered this a significant vote because they voted against the management's recommendation. The vote was in line with ISS and SSGA's voting policy. The vote resulted in 60.7% voting for and 39.3% voting against.

Voting Example – Asia Pacific ex Japan Equity Index Sub-Fund

In May 2021, SSGA voted against management on the proposal to elect a director for Power Asset Holdings Limited. The rationale behind this decision is that the company has a lack of gender diversity on the board. SSGA considered this a significant vote because they voted against the management's recommendation and ISS's recommendation, however, it was in line with SSGA's voting policy. The vote resulted in 79.8% voting for and 20.1% voting against.

Voting Example – Europe ex-UK Equity Index Sub-Fund

In May 2021, SSGA voted against a shareholder proposal for the energy company, Equinor ASA, to include nuclearfacilities in their portfolio at an annual general meeting where climate change and energy transition was discussed. The rationale behind this decision was that SSGA considered the company's disclosures and practices related to nuclear power to be reasonable (it has a clear net-zero by 2050 target and its operations advance renewable energy production amongst other sustainability focussed solutions). The vote was in line with the management's recommendation (who saw that there was no advantage to the company to widening existing operations into this area), ISS's recommendation and SSGA's voting policy. SSGA considered it a significant vote because of the voting subject matter. The vote resulted in 99.7% voting for and 0.2% voting against.

Voting Example – Japan Equity Index Sub-Fund

In August 2020, SSGA voted against a shareholder proposal to elect a director for Fuji Electric Co., Ltd. The rationale behind this decision was that SSGA believed the company lacked gender diversity on the board. SSGA considered this a significant vote because they voted against the management's recommendation. The vote differed from ISS's recommendation but was in line with SSGA's voting policy. The vote resulted in 89.1% votingfor, the vote against information was not available.

Voting Example – North America Equity Index Sub-Fund

In May 2021, SSGA voted for a shareholder proposal to report on climate change for Berkshire Hathaway Inc. SSGA believed the proposal merited support as the company's disclosures and practices related to climate changecould be improved. SSGA considered this a significant vote because they voted against the management's recommendation. The vote was in line with ISS's recommendation and SSGA's voting policy. The vote resulted in 28.0% voting for and 71.0% voting against the proposal.

Engagement Policy Summary

SSGA's stewardship team has developed an issuer engagement protocol and a framework to increase the transparency of its engagement philosophy, approach and processes. The protocol is designed to communicate theobjectives of SSGA's engagement activities and to facilitate a better understanding of preferred terms of engagement with investee companies.

SSGA monitors the percentage of engagements with companies previously identified as requiring proactive discussions and the percentage of unique engagements to ensure that SSGA's activity is aligned with the long-term, risk-based approach to stewardship that is fundamental to SSGA's engagement program.

Engagement Example

In October 2020, at a firm level, SSGA conducted an ESG engagement with Amazon.com, Inc ("Amazon") in respect of the live streaming platform Twitch owned by Amazon. For many years, SSGA has engaged with companies that run social media platforms to understand how the platforms manage the unique risks created by its products. During the conversation, SSGA asked how the company manages hateful and violent content on Twitch.The Amazon team committed to engaging with the appropriate teams internally to provide more information. In December 2020, Amazon contacted SSGA to share the update that Twitch implemented guidelines to limit hateful content and harassment on the site, a policy which attracted significant press coverage. SSGA noted that they were pleased with Amazon's progress in this area, though they continue to have concerns about Amazon's overallapproach to ESG risk management and will continue to address these concerns through future engagements and proxy votes.

The manager notes that over 2020, they engaged with companies reflecting 78% of their equity portfolios. SSGA also notes that the Scheme's investments are in SSGA index tracking funds so the weighting of positions in theseportfolios would not be changed as a result of engagement.

Majedie Asset Management ("Majedie") UK Equity Fund

Voting Approach

Majedie uses Institutional Shareholder Services ("ISS") for voting research and places electronic votes through ISS ProxyExchange. Majedie aims to vote at all meetings it is eligible to do so. Majedie is guided by a set of voting principles, which can be accessed via: https://www.majedie.com/wp-content/uploads/Proxy-Voting-Principles.pdf.

In terms of reaching a voting decision, where a management recommendation and ISS' recommendation are in alignment, Majedie will be minded to vote the same, except where items concern approval of political donations and expenditure, where Majedie will be minded to vote against. Where there is divergence, the relevant Majedie fund manager will decide how to vote. Majedie also scrutinise the recommendations of management and ISS in theUK small cap space.

Voting Example

In May 2021, Majedie voted against the management of pharmaceutical company, AstraZeneca plc, on a proposalto approve a change to the renumeration policy and performance share plan. The company was proposing significant pay increases for the second consecutive year and Majedie did not consider the rationale for this to be sufficiently compelling. Both items were voted in favour of by a majority of votes. Majedie stated it will continue to monitor remuneration outcomes. Majedie considered this a significant vote since AstraZeneca were one of the portfolio's top 5 holdings (at 30 June 2021) where voting recommendations from ISS and the management disagreed.

Engagement Policy

Majedie views engagement as a critical component of its investment process in helping the manager understand its investments, key issues and potential risks companies might face going forward. Majedie engages with the underlying companies it invests in via meetings, phone calls and written communications as part of its investment process, with the level of engagement being driven by its own assessment of the material issues a company faces.

Majedie will escalate engagements as required on a case by cases basis – this may involve breaking requestsdown into multiple, smaller steps or speaking to multiple company representatives.

Majedie reports on its engagements, including any subsequent votes, in its quarterly reports to clients in their annual responsible capitalism report.

Engagement Example

An example of Majedie engaging with management at strategy level was with Primark. The engagement was initiated in 2020 and Majedie's objective was to address concerns about fast fashion and the sustainability of Primark's business practices. Majedie proposed that the company aim to increase the proportion of sustainable cotton in their manufacturing, consider ways to mitigate waste, increase supply chain oversight and consider onlineoffering.

Majedie believed the company faced headwinds due to the rapid shift to online trading over the longer term and although the company is trying to address sustainability issues, it is likely to be some time until they can do so effectively. As the result of the engagement, Majedie's conviction in the company decreased and so Majedie soldits holding in the company.

Genesis Investment Management Ltd ("Genesis") Global Emerging Markets Equity

Voting Approach

Genesis's objective is to protect and enhance long-term shareholder value in all voting decisions. Proxy voting decisions are based on its set of corporate governance principles and are taken in the best interests of its clients; but Genesis is mindful of the varied market practices across emerging market countries and it recognises that morethan one governance model may be effective. Therefore, Genesis take a pragmatic approach considering the circumstances of each vote and each company.

Genesis views proxy voting as an investment function and in evaluating a proposal, its investment team draws on avariety of resources including their many years of experience as investment analysts. Genesis provides feedback toboards and management on significant voting matters where appropriate and this in turn informs ongoing investment analysis and company engagements.

Genesis has contracted with ISS, an independent third-party provider of proxy voting and corporate governance services. Specifically, ISS has been retained to provide proxy research and recommendations, execute votes as instructed by Genesis and keep various records necessary for tracking proxy voting materials and proxy voting actions taken for Genesis's clients' accounts. ISS services, performance and potential conflicts of interest are reviewed on a periodic basis.

Voting Example

In September 2020, Genesis voted against the management's proposal to approve a merger agreement for classified advertisement website, 58.com Inc. Genesis had material concerns regarding the offer price, which it believed was insufficient and the inherent conflicts of interest and poor corporate governance relating to the transaction. The offer was approved at an extraordinary general meeting despite objections and negative votes of minority shareholders. As a result, the company was de-listed and taken private, so Genesis no longer has a position in this company. Genesis recommended that its clients pursue their right for a fair value assessment of their shares in a dissent litigation, which is ongoing. Genesis considers this to be a significant vote as it was againstthe management's recommendation.

Engagement Policy

Genesis views engagement as the purposeful communication with company management on a wide range of matters which have a material impact on long-term shareholder value. It also aims to create a positive impact for stakeholders, without compromising its ability to generate investment returns. Genesis focuses engagement effortson research and to influence investee companies.

The manager has created a framework that underpins its engagement efforts and proxy voting decisions. It details core principles that it seeks investee companies to apply and covers transparency and communication, shareholder rights, board of directors and remuneration.

Engagement for research

Genesis's investment process is founded on proprietary research with emphasis at the company level. The investment team engage directly with companies on an ongoing basis to develop in-depth knowledge of the risksand opportunities facing the business and to assess the quality of companies' management. Genesis does not make an investment without engaging with company representatives.

Engagement for influence

As part of the investment case for each holding, the portfolio manager includes an engagement plan to address ESG areas of improvement where appropriate. In setting engagement priorities, the portfolio manager weighs the materiality of the issues against factors such as the probability of change, openness of the management team, theownership structure and the size of the investment. Engagement progress is assessed quarterly.

If initial attempts at engagement do not yield results, the portfolio manager may consider a range of options, including meeting privately with the CEO, board members or independent directors, formalising concerns in a letterto the board, or reducing/selling the position in the company. Genesis is mindful of the varied market practices across emerging markets and in encouraging improvements and best practices, so takes a pragmatic approach considering the circumstances of each company.

Engagement Example

In 2020, Genesis engaged with Brazilian software firm, Linx S.A. ("Linx"), following a takeover offer from technologycompany, StoneCo.Ltd (“Stone”) regarding the fair treatment of minority shareholders and to improve the deal terms.

In Q3 2020, Linx received a cash and stock offer from Stone. Genesis had material concerns on the deal processand deal terms, which included a no-shop clause (an agreement between the seller and the buyer that bars the seller from soliciting a purchase proposal from any other party), large breakup fee and a deal for the founding shareholders. Genesis believed that the approval of the deal would set a negative precedent for corporate governance standards in Brazil, potentially impacting Genesis’s clients’ future investments in the country.

In the weeks before the vote, Genesis held multiple calls with Linx’s CEO, Stone’s CEO and other key stakeholders. It also consulted the Brazilian Takeover Panel. Although the deal terms were somewhat improved before the transaction was brought to the shareholder vote, Genesis decided not to support the transaction.

However, the transaction was approved. After the vote, Genesis followed up again in writing with the CEO and independent directors to explain its reasoning for this action. Ultimately, Genesis sold its position in Linx.

Engagement Activity – Fixed income

While equity managers may have more direct influence on the companies they invest in, fixed income managers are becoming increasingly influential in encouraging positive change through engagement with investee companies.

Over the year, the Scheme was invested in the following fixed income funds:

Manager	Fund Name
Credit Suisse Asset Management (“CSAM”)	Global Senior Loans Fund
Pacific Investment Management Company (“PIMCO”)	Diversified Income Fund
Reams	Unconstrained Bond Fund

Overleaf are some examples of engagement activity carried out over the year by the Scheme’s fixed income managers.

Credit Suisse Asset Management (“CSAM”) Global Senior Loans fund

Engagement Policy

At a firm level, CSAM’s investment philosophy is focused on meeting its clients’ investment goals. CSAM strives to consider ESG factors in the investment process of their investment strategies and through exercising voting rights where applicable and engagement with management. CSAM may decide to engage with investee companies whenit has concerns about the following:

- Business strategy and execution
- Risk management
- Environmental and social concerns
- Corporate governance issues such as board composition and remuneration
- Compliance, culture and ethics
- Performance and capital structure

Primarily, CSAM prefers to express its own views individually to companies. However, where appropriate, the manager may seek to collaborate formally with other significant shareholders or investor groups.

The manager's engagement policy is aligned with compliance with the Shareholder Rights Directive II and adherence to the European Fund and Asset Management Association ("EFAMA") Stewardship Code. The manager has also established policies on Corporate Responsibility, Corporate Governance and Sustainabilitywhich together provide a framework for the manager's engagement approach.

Engagement Example

The manager provided firm level engagement examples from their 2020 Active Ownership Engagement report and some further detail on their approach with respect to its credit solutions.

CSAM's credit analysts will engage with issues to assess ESG risks via an ESG checklist, in order to facilitate engagement. The checklist covers E, S and G factors thorough a series of questions to assess understanding andawareness of a range of topics.

CSAM conducted thematic engagements over 2020. This included discussions with 14 companies in relation to food loss and waste, which it notes plays a crucial role in meeting the food waste targets set out by the Paris Agreement and the UN Sustainable Development Goal ("SDG") 12 (Responsible Consumption and Production). Allbut one of the companies CSAM engaged with had clearly defined food waste reduction targets in place.

A hotel CSAM spoke with did not measure food waste, nor was it a part of its sustainability strategy. Their request to engage on the topic landed on the desks of the ESG committee at the beginning of 2020 and was addressed with high importance. CSAM provided the hotel with a peer analysis that gave it insight into what other hotels are doing to tackle the issue. CSAM state they remain in contact with this hotel and are looking forward to monitoring its progress and will support it wherever possible.

Pacific Investment Management Company ("PIMCO") Diversified Income Fund

PIMCO believes its size, scale and history as a premier fixed income manager gives it a special platform to engagewith issuers, help lead the industry and drive positive change. PIMCO believes engagement is an essential tool for delivering impact for investors and can be a direct way for PIMCO to influence positive changes that may benefit all stakeholders, including investors, employees, society and the environment.

PIMCO aims to have an industry-leading engagement program among fixed income investment managers. By investing across a diverse asset class and group of issuers – including corporates, municipalities, sovereigns andothers – PIMCO believes it is ideally positioned to drive meaningful change.

PIMCO's credit research analysts engage regularly with the issuers that it covers, discussing topics with company management teams related to corporate strategy, leverage and balance sheet management, as well as sustainability-related topics such as climate change targets and environmental plans, human capital management,and board qualifications and composition.

Further detail on PIMCO's policy can be found here: https://www.pimco.co.uk/en-gb/our-firm/policy-statements

Engagement Example

In 2021, PIMCO engaged with the West African Development Bank regarding an emerging market impactorientedsustainability bond. The outcome of the engagement resulted in a sustainability bond being issued by the West African Development Bank with emphasis on high impact projects, primarily aimed towards refinancing social projects that increase access to basic services in West Africa. The bank targets 25% of its total financing in relationto projects that have environmental benefits. This engagement demonstrates PIMCO's capacity to leverage the fullscale of its global team of credit analysts and ability to work collaboratively with issuers to encourage long term value creation and positive change. This engagement example is specific to a holding within the Diversified IncomeFund which the Scheme invests in.

PIMCO note that the Diversified Income Fund is not an ESG focused fund and so engagement is not a key objective of the fund, however it does benefit from firm-wide engagement (including from PIMCO's ESG focused strategies) to the extent it holds overlapping securities. PIMCO engaged with 312 issuers in the portfolio over theperiod, amounting to 63% of entities within the Fund and 57% of total portfolio weighting.

Reams Unconstrained Bond Fund

Reams believes corporate engagement is a vital aspect of responsible investing, although it believes that this must be approached differently across different asset classes.

Reams seeks opportunities to engage with bond issuers on ESG topics as circumstances allow. Reams subscribes to a pooled engagement service with ISS, where ISS engages with companies on behalf of subscribers to address ESG issues and risks. Reams believes this is an effective means to leverage the strength of the broader group of investors represented by ISS and influence issuers with material ESG risk. While this process is passive, Reams tracks the engagements ISS makes on a quarterly basis and reviews the progress of ongoing engagements.

Reams' parent company, Carillon Tower Advisers, is developing corporate engagement protocols and tools to facilitate both individual and collaborative engagements across its affiliates, which is expected to lead to more focused and effective engagements in time.

Since Reams' current engagement activities are restricted to the pooled engagement service provided by ISS, Reams was unable to provide any relevant engagement examples.

Engagement Activity – Alternatives

Over the year, the Scheme was invested in the BlackRock Capital Appreciation Strategy and Aegon UK PropertyFund. In April 2021, the Copenhagen Infrastructure Partners Fund commenced its draw down process.

The Trustee recognise that the investment processes and often illiquid nature of alternative investments may meanthat stewardship is potentially less applicable or may have a less tangible financial benefit. Nonetheless, the Trustee still expects that their managers should open a dialogue to engage with the issuers/companies they invest in should they identify concerns that may be financially material.

Below are some examples of engagement activity carried out over the year by the Scheme's Alternative managers.

Hedge Funds: BlackRock Alternative Advisors ("BlackRock") Capital Appreciation Strategy Fund

BlackRock's Capital Appreciation Strategy is a fund of hedge funds strategy and therefore does not directly invest in companies but rather it invests in other hedge funds. Therefore, BlackRock states that the Capital Appreciation Strategy is not eligible for to vote.

At a firm level, BlackRock's Investment Stewardship team's key engagement priorities include:

1. Board quality
2. Environmental risks and opportunities
3. Corporate strategy and capital allocation
4. Compensation that promotes long-termism
5. Human capital management.

Over 2020, Blackrock had over 3,500 engagements — an increase of 35% against 2019 – with 2,110 unique companies, covering nearly 65% by value of their clients' equity investments. They also had 936 engagements on the impact of COVID-19.

BlackRock continues to have strategic conversations with managers on ESG integration. This is done with existingand new managers. BlackRock strive for best practices in the industry. One specific area that BlackRock has sought to enhance ESG integration is through sharing resources with managers, such as an ESG policy creation guide.

BlackRock works collaboratively to drive improvements in practices within the industry. For example, BlackRock presented on best practices for the integration of ESG in hedge funds at BlackRock's virtual hedge fund conferencein November 2020. Most recently, BlackRock has been asked to be a part of the Alternative Investment Management Association new global steering committee for ESG integration across hedge funds and private credit. BlackRock also submitted a case study on ESG integration in hedge funds to the Principles for Responsible Investment ("PRI") network. This was on the back of BlackRock having provided feedback on and beingacknowledged in PRI's hedge fund guide released in May 2020.

<u>Engagement Example</u>

BlackRock engaged with a long/short equity manager resulting in the manager creating their own ESG policy. BlackRock first engaged with the manager in December 2018 about ESG and its relevance to the manager's fundamental long/short equity strategy. At the time, the manager did not have a formal ESG policy but claimed thatit was something they considered in their process. Blackrock continued to have conversations with the manager throughout 2019 and BlackRock found the manager to have a strong awareness of ESG factors. BlackRock recommended that the manager should create a formal ESG policy to ensure consistent ESG integration and provided an ESG policy creation guide to help them get started.

In 2020 the manager drafted an ESG policy which BlackRock provided feedback on. Ultimately, this led to the manager finalising their ESG policy in early 2021. BlackRock now believes that the manager is on a strong upwardtrajectory with respect to ESG integration and later upgraded its internal ESG rating for the manager from a 2 ('standard') to a 3 ('leader').

Real Estate: Aegon Asset Management ("Aegon") UK Property Mandate

Aegon believes that actively engaging with companies to improve sustainability performance and corporate behaviour is more effective than excluding companies from its investment universe. When a company does not meet its minimum standards, it enters into a dialogue with company management. During this engagement process, Aegon shares concerns or the ESG risks that it identified with the company and makes suggestions forimprovement.

There are three components of Aegon's engagement program:

- First it engages with companies that do not comply to its standards. Aegon seeks to use its influence as aninvestor to encourage these companies to meet social and environmental needs.
- Secondly it engages when it believes financial risks arising from sustainability issues could materialise withcompanies that have been assessed by its investment teams.
- The third type of engagements follow a thematic approach. These engagements focus on its strategic business priorities and include critical subjects such as climate change.

After an engagement, Aegon monitors the progress made by the company and reports to clients on these activitieson a regular basis. Aegon is prepared to act where their concerns remain unresolved or companies fall short of goals. Actions are discussed within the manager's responsible investment committee, and divestment and exclusion may be considered.

With respect to ESG considerations within real estate, Aegon recognises that the risks associated with climate change are increasing in understanding and public profile. Aegon believes that climate change has placed a greater focus on due diligence in the selection of property assets. In the UK, the primary concern in this respect isthe assessment of flooding risk and this is undertaken by a specialist consultant with guidance from insurers. Aegon has brought together a responsible investment team in response to the increasing regulatory requirements and expectations of investment managers.

Aegon’s Real Estate business engages with a broad suite of stakeholders. These stakeholders provide representation from all aspects of the built environment sector and include research and working groups and the UN-backed Principles for Responsible Investment to promote informed decision making and best practice withinthe industry.

Engagement Example

In 2020, Aegon engaged with the AEW UK Core Property Fund regarding the use of a pricing adjustment to the deadline price, with the objective of ensuring pricing mechanisms of open-ended property funds treats all investorsfairly.

Pricing of open-ended property funds has been an important point of discussion in the industry in recent years with concerns that investors may not be treated fairly at certain times, especially during periods of market stress where valuers can apply ’material valuation uncertainty’ clauses. Following the onset of Covid and the application of uncertainty clauses by valuers in 2020, Aegon engaged with property managers where it believed the use of pricing adjustments to dealing prices were potentially unfair to certain investors.

As a result of the engagement, the use of a pricing adjustment to the dealing price of the AEW UK Core Property Fund was removed in October 2020. The property manager committed to undertake an investor survey to understand investor attitudes and preferences on various matters, including the use of pricing adjustments.

In the future, Aegon plans to engage with AEW to encourage dealing suspension instead of arbitrary pricing adjustments at times of market stress. It also plans to engage with AEW regarding the investor survey and the proposed changes to fund terms including the use of pricing adjustments. No portfolio allocation decisions or other actions were made as part of this engagement with AEW.

Infrastructure: Copenhagen Infrastructure Partners ("CIP") – Copenhagen Infrastructure IV

The Fund commenced its draw-down process in April 2021, with final payment being made by the Scheme in June 2021. The draw-down process was to fund development costs of the initial assets. Due to the context of the Fund, engagement information for this fund was not collated.

Summary

Based on the evidence provided by the investment managers and a review by its investment advisors, the Trustee believes that it is reasonable to conclude the Scheme’s stewardship policy has been implemented in practice. The Trustee believes that its investment managers understand the importance of complying with engagement and stewardship requirements linked to ESG.

The Trustee recognises that they have responsibility as an institutional investor to encourage and promote high standards of stewardship in relation to the assets that the Scheme invests in.

The Trustee expects ESG issues to evolve further over time. Improvements in disclosures are expected in line withthe increasing expectations on investment managers and their significant influence to generate positive outcomes for the Scheme through considered voting and engagement.

The Trustee will continue to engage with its investment managers to ensure visibility of voting and engagement improves, including greater detail on the specific ESG issues prioritised (including climate risk) and the impacts that have been achieved.

This statement has been approved by the Trustee of Cambridge University Assistants’ Contributory Pension Scheme.

Appendix – Voting Statistics

The voting statistics reflect the year to 30 June 2021 as provided by the investment managers which broadly reflects the activity completed by the managers on the Scheme's behalf over the reporting year ending 31 July 2021.

	% resolutions voted on for which the fund was eligible	% that were voted against management	% that were abstained from
SSGA - Emerging Markets Equity Index Sub-Fund	98.2%	13.3%	2.9%
SSGA - Fundamental Index Global Equity Sub-Fund	98.9%	9.3%	1.4%
SSGA - UK Equity Index Sub-Fund	100.0%	7.9%	0.2%
SSGA - Asia Pacific ex Japan Equity Index Sub-Fund	100.0%	17.0%	0.9%
SSGA - Europe (Ex UK) Equity Index Sub-Fund	99.5%	10.7%	0.4%
SSGA - Japan Equity Index Sub-Fund	99.6%	9.8%	0.2%
SSGA - North America Equity Index Sub-Fund	99.6%	9.8%	0.2%
Majedie - UK Equity Fund	98.8%	3.8%	0.1%
Genesis - Global Emerging Markets Equity	99.6%	11.7%	3.9%