Senior Staff Pension Scheme Annual Report & Accounts

for the year ended 31st December 2020

Cambridge University Press

Contents

Trustee report

Introduction

The Trustee presents its annual report on the Cambridge University Press Senior Staff Pension Scheme (the "Scheme"), together with the investment report, actuary's statements, auditors' report and statements, and audited financial accounts for the year ended 31 December 2020.

Nature of the Scheme

The Scheme is a defined benefit scheme which provides retirement and death benefits for all eligible senior permanent employees of the Press (as defined below).

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

The Cambridge University Press Senior Staff Pension Scheme was originally established under irrevocable trusts with effect from 31 July 1975. The operation of the Scheme is governed by rules adopted on 12 February 2014, as subsequently amended (the "Rules"). It is not contracted-out of the State Second Pension Scheme (S2P).

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

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

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

Management of the Scheme

The Scheme is managed by a Trustee company called Press SSPS Limited.

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

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

Name	Press/member nominated	Date term expires
Simon Baynes Limited represented by Simon Baynes	Press	10 June 2020
Capital Cranfield Pension Trustees Limited represented by William Medlicott (from 11 June 2020)	Press	
Catherine Armor	Press	
Stanley Webster	Press	
James Berry	Member nominated	18 September 2021
Philip Meyler	Member nominated	5 June 2024

Changes in rules

There were no changes to the rules in 2020.

Trustee meetings

Trustee meetings are normally held quarterly.

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

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

The main purpose of the joint meetings is to discuss common business and other matters relevant to the SSPS and CPF, and to consider investment issues in the round.

Trustee's responsibilities

The financial statements, which are prepared in accordance with UK Generally Accepted Accounting Practice, including the Financial Reporting Standard applicable in the UK (FRS 102) are the responsibility of the Trustee. Pension scheme regulations require, 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 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 to be 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.

Advisers and service providers

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

Scheme administration

The day-to-day administration of the Scheme was provided throughout 2020 by the University of Cambridge Pensions Office led by Sue Curryer, Head of Pensions Administration. Mr Kevin Taylor remained as Scheme Administrator, responsible for organising Trustee meetings and managing liaison between Trustee, Press, University and advisers.

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

Transfer values

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

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

Increases in pension benefits

Both pensions in payment and deferred pensions were increased from 1 January 2020 by a minimum 3.0% increase, as the actual increase in the Retail Price Index for the period October 2018 to October 2019 was 2.2%. The increases were in accordance with the Scheme rules.

Scheme membership

The total membership of the Scheme was 109 at 31 December 2020. The breakdown of this total, showing the movement between categories of members since the previous year, is:

	2020	2019
Active members		
Number at start of period	3	3
Transfers to deferred	-	-
Transfers to pensioners	-	-
Number at end of period	3	3
Deferred members		
Number at start of period	10	12
Transfers from active membership	-	-
Transferred-out	-	-1
Brought into payment	-	-1
Number at end of period	10	10
Pensioners		
Number at start of period	85	86
Transfers from active membership	-	-
Deferred into payment	-	1
Died	-1	-2
Number at end of period	84	85
Dependants in payment		
Number at start of period	12	11
New dependants	-	1
Dependant child pension ceased	-	-
Died	-	-
Number at end of period	12	12
Total membership	109	110

Included in the Pensioner category is 1 annuitant (2019: 1)

Financial development of the Scheme

The audited financial accounts on pages 24 to 32 of this report show that the value of the Scheme's assets increased by £0.1million to £94.1 million. The increase was comprised of investment returns of £3.2 million, less net outgoings from dealing with members of £3.1 million. These accounts have been prepared and audited in accordance with regulations made under s41(1) and (6) of the Pensions Act 1995. The Trustee's responsibilities in relation to the financial accounts are set out on page 3.

The Scheme, like other pension funds, is mainly concerned with long-term results. Short-term movements in capital values, up or down, are of limited relevance, when considering pension liabilities many years ahead. On a longer-term view of the past three years, the return on the Scheme's assets has exceeded both prices and earnings inflation.

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

The remaining investments (approx. 0.6%) are with Prudential (Members' funds) and interest- bearing deposits. No part of the PIV is invested in Cambridge University Press or the University of Cambridge.

Actuarial position

The most recent triennial actuarial valuation was carried out as at 1 January 2019 in a report dated 26 February 2019. The results of the valuation showed that the market value of the assets at £84.6m was 84.6% of the technical provisions of £100.0m and consequently a new recovery plan is being discussed with the Employer throughout 2019 to address the deficit within the Regulator's agreed triennial timeframe, aiming to agree a revised Schedule of Contributions in November 2019, which will include contributions in respect of continuing accrual. In addition, the Press continues to pay all Scheme administration costs and PPF levies.

The Scheme Actuary's valuation report indicated that at 1 January 2019 the assets of the Scheme should be sufficient to support approximately 49% of its liabilities if it became necessary to buy out members' benefits with an insurer, in the event of the Scheme winding-up. The valuation for Pension Protection Fund (the "PPF") purposes (pursuant to section 179 of Pensions Act 2004) showed a funding level of 79%. This means that as at the valuation date of 1 January 2019 the assets of the Scheme would not have been sufficient, if the Scheme were to be wound up in circumstances where the University was unable to make good the full funding shortfall, to provide benefits whose value exceeds the PPF levels of compensation.

Further information about the significant actuarial assumptions made, and the method used, to calculate the actuarial valuations can be found in the Report on Actuarial Liabilities on page 15.

During 2020 the Press paid deficit recovery contributions of £191,666.67 per month totalling £2,300,000 pa, on top of the normal contributions. This was in accordance with the Schedule of Contributions dated 11 December 2019.

Investment objectives and strategies

The Trustee's main investment objectives are:

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

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

The Cambridge University Press Joint Trustee boards have taken advice on the suitability of both the Scheme and Contributory Pension Fund ("CPF") investments in light of the liability profiles of both schemes.

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

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

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

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

Statement of Investment Principles

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

https://www.pensions.admin.cam.ac.uk/cup/statement-investment-principles

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

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

Environmental, Social and Governance ("ESG")

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

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

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

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

Stewardship - Voting and Engagement

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

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

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

Policy for taking into account non-financial matters

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

Incentivising alignment with the Trustee's investment policies

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

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

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

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

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

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

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

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

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

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

Method and time horizon for assessing performance

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

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

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

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

Portfolio turnover costs

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

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

Duration of arrangement with asset manager

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

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

Strategy as at 31 December 2020

At the end of 2020 the Scheme's assets were invested in seven funds with six asset managers, having changed the funds held with Legal and General Asset Management ("LGIM") in November 2020. The Scheme now invests in two funds with LGIM and as was the case last year, in one fund each with Baillie Gifford, Barings Asset Management ("Barings"), CBRE, Hermes Investment Management, and Apollo Global Management.

As noted above the Trustee made a change to the funds held within the LGIM equity portfolio investing broadly 50/50 in the GBP hedged and unhedged versions of the Future World Global Index Equity Fund. The funds aim to track an ESG index which has made some ESG specific exclusions and tilts relative to the traditional market capitalisation index.

CBRE convened an Extraordinary General Meeting ("EGM") on 19 March 2020 to consider the Osiris Fund Operator's recommendation that the Osiris Fund be terminated. Reasons for this included increased volume of unitholder redemption requests received, indications of expected further redemptions in 2020 and pricing and liquidity concerns in the UK indirect property market. These factors presented challenges for portfolio structure retention and thus the fair treatment of all investors (both exiting and remaining). More than 80% of units in issue voted in favour of the proposal and Osiris was therefore terminated and is proceeding with an orderly wind down. Proceeds received to date have been used to pay member benefits and the Trustee is considering the allocation to property as part of the investment strategy.

The table below shows the Scheme's investment strategy and broad allocation of assets as at 31 December 2020.

Manager	Asset Class	Allocation	Investment Objective
LGIM	Future World Global Equity Index Fund	19%	To track the performance of the Solactive L&G ESG Global Markets Index (less withholding tax where applicable) to within +/-0.60% p.a. for two years out of three
	Future World Global Equity Index Fund – GBP hedged	19%	To track the performance of the Solactive L&G ESG Global Markets Index - GBP Hedged (less withholding tax where applicable) to within +/-0.60% p.a. for two years out of three
Baillie Gifford	Diversified Growth Fund	21%	To outperform the UK Base Rate by 3.5% p.a. after fees, over rolling five year periods
Barings	Diversified Growth Fund	15%	To outperform 3 month Sterling LIBOR by 4% p.a. after fees
CBRE	Property	6%	To out-perform the benchmark (a composite of AREF/IPD QPFI All Balanced Property Fund Index) by 0.5% p.a. gross of fees
Hermes	Multi Asset Credit	10%	To generate a high level of income by primarily investing in a diversified portfolio of credit securities including investment grade bonds, high yield bonds, credit default swaps and money market securities (including commercial bank loans) while exhibiting lower volatility relative to the global high yield market
Apollo	Multi Asset Credit	10%	To outperform the LIBOR by 6-8% pa before fees (equivalent to 5.2 – 7.2% pa after fees)
	Total	**100%**	

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

Performance to 31 December 2020

Over the course of 2020, the Scheme's investment portfolio returned 3.3%. Performance over the three years to 31 December 2020 was 4.0% p.a.

The table below gives the performance of the individual funds over periods to 31 December 2020. Performance is shown after the deduction of fees with the exception of L&G and CBRE whose performance are shown before the deduction of fees. Total LGIM equity portfolio performance as reported by the manager is shown over longer periods due to the changes in the portfolio over the year. Since inception (30 October 2020) performance for the LGIM Future World Global Equity Index Funds (unhedged and hedged) is shown for information.

LGIM	1 year (%)	3 year (% p.a.)	5 year (% p.a.)
Equity portfolio	5.9	6.1	10.4

	From inception (30 October 2020)
Future World Global Equity Index Fund Solactive L&G ESG Global Markets Index	11.3 11.2
Future World Global Equity Index Fund – GBP hedged Solactive L&G ESG Global Markets Index - GBP Hedged	15.0 15.0

Baillie Gifford	1 year (%)	3 year (% p.a.)	5 year (% p.a.)
Diversified Growth Fund	2.2	2.8	4.5
Bank of England Base Rate + 3.5% pa	3.7	4.0	3.9

Barings	1 year (%)	3 year (% p.a.)	5 year (% p.a.)
Diversified Growth Fund	3.8	2.8	4.8
3 month Sterling LIBOR + 4.0% pa	4.3	4.6	4.6

CBRE	1 year (%)	3 year (% p.a.)	5 year (% p.a.)
Property	-5.2	0.9	2.9
AREF/IPD QPFI All Balanced Property Fund Index Composite	-0.5	2.8	3.3

Hermes	1 year (%)	From inception (14 February 2018) (% p.a.)
Multi Asset Credit	3.1	3.6
Bank of America Merrill Lynch High Yield Credit Index	5.1	5.0
Apollo	1 year (%)	From inception (1 June 2018) (% p.a.)
Multi Asset Credit	2.6	3.7
LIBOR + 5.2% pa	5.7	5.9

Investment Adviser Commentary

Economic and market conditions to 31 December 2020

Economic environment

Strongly positive returns from most asset classes over the 12 months to 31 December 2020 mask an incredibly volatile, and uncertain, period for markets, during which the global economy fell into recession as a result of the COVD-19 pandemic. This was reflected in government bond yields which fell to new all-time lows in March 2020.

In January 2020, China reported an outbreak of a previously unknown virus in the city of Wuhan. The disease, named COVID-19, spread around the world in the following months, forcing governments to impose lockdowns on their own citizens. Markets took notice on 19 February, when major outbreaks were reported outside China for the first time. However, the steepest falls came in the second and third weeks of March, following the imposition of a nationwide lockdown in Italy on 9 March, the first major lockdown outside Asia. This was followed by further lockdowns across the developed world and by 23 March, markets had fallen nearly 33% peak-to-trough. By 26 March, 2.6 billion people, around a third of the global population, had been placed in lockdown. Restrictions and lockdowns would continue in some form throughout the rest of the year. Over the summer of 2020 the number of cases began to rise once more. Several new, more easily transmissible, variants of the virus behind COVID-19 also appeared during the final quarter of the year and contributed to a particularly sharp rise in cases in several countries including the UK. These pressures forced many countries to reimpose national lockdowns.

Reduced economic activity resulting from the initial restrictions has been reflected in estimates for economic growth in 2020. The IMF revised down its estimate from 3.3% in its January 2020 report to -4.4% at the end of September, despite a partial recovery during the summer months. The economic damage could be seen in US unemployment which rose to 14.7% in April 2020, the highest level since the Second World War.

As the first response, the Bank of England (BoE) and the Fed cut rates to just above zero in mid-March. The next stage was to increase or restart asset purchase programmes on a grand scale. The BoE announced £300bn, and the ECB announced €1.7 trillion, of asset purchases between March and June 2020. The Fed promised to provide "unlimited" asset purchases and included corporate bonds and high yield bonds for the first time, in line with other major central banks. Governments also increased fiscal policy support to unprecedented levels. The US committed to a fiscal stimulus worth around $4 trillion over the course of 2020. This included direct payments of $1,200 to most citizens. Other countries launched similarly large stimulus packages, in the UK the government committed to paying 80% of worker's salaries, subject to a cap, through the Job Retention Scheme. As the world entered the final quarter of 2020 policymakers were forced to provide further stimulus, including an extension of the UK Job Retention Scheme until April 2021 and a $600 direct payment to most US citizens.

The combined stimulus measures appeared to have the desired effect in financial markets. Global equities staged a remarkable comeback, rising by 63% from their trough in March to the end of the period, ending the year up by 14%. Corporate bond markets, which had seen spreads widen dramatically also responded to the intervention by policymakers. The spread on US investment grade corporate bonds fell from 4.0% at its peak on 23 March to 1.0% at 31 December 2020. The second wave of lockdowns did not have the same negative effect on markets, partially because of fiscal stimulus, but also because, on 9 November the first vaccine completed trials showing an efficacy of more than 90%. This helped markets look through the increased restrictions to an eventual end to the pandemic. Multiple vaccines eventually gained approval and the vaccine rollout began in December. By the end of the year the UK, the first country to approve a vaccine, had vaccinated nearly 800 000 people.

The final quarter of 2020 also marked the end of two long-running political sagas. On Christmas Eve, the UK and EU reached agreement on the terms of the future relationship, allowing the UK to complete the exit from the EU with a deal. As a result, sterling ended the year at its highest level since early 2018. In the US, the presidential election eventually ended with a victory for Joe Biden over Donald Trump. Moreover, the Democrats took control of both the House of Representatives and the Senate following a run-off election in Georgia.

The 12 months to 31 December 2020 saw all major central banks loosen monetary policy:

- The European Central Bank kept its main lending rate at 0.0% throughout the period. It also resumed asset purchases at a rate of €20bn per month in November 2019. However, it dramatically expanded the pace of asset purchases in March, June and December, taking its total purchases for 2020 to €2.2 trillion

- The Bank of England maintained the base rate at 0.75% until 11 March 2020 when it cut rates to 0.25% in its first emergency meeting since 2008. This was followed by a further emergency cut to 0.1% on 19 March. UK CPI continued to fall over the period, from 1.3% in December 2019 to 0.6% in December 2020. In March, June and November, the BoE announced it would purchase a total of £450 billion of government and corporate bonds.

- The Federal Reserve cut interest rates by 1.0% over the 12 months to 31 December 2020. At the end of the period the Federal Funds Rate was set within the range 0.00% to 0.25%. Throughout the period, the Fed sharply increased the size of its balance sheet through asset purchases. The Fed purchased around $3.2 trillion of assets over the 12 months to December 2020, first to provide short-term liquidity to the US financial system and then in response to the COVID-19 pandemic.

Market performance

Against this backdrop, market returns from traditional asset classes were largely positive in absolute terms over the year to 31 December 2020.

- Equities: Overall, global equities produced positive total returns over the year to 31 December 2020, rising by 14.4% in local currency terms. There were stark differences in performance between geographic regions over the period. The best performing region (in local currency terms) was North America (20.1%) and worst was the UK (-9.8%). US outperformance was largely driven by growth stocks such as the, technology-related, FAANMG Stocks (Facebook, Amazon, Apple, Netflix, Microsoft and Google). In contrast the UK market is underweight technology-related stocks and overweight energy stocks which suffered as the oil price fell by 61% in the first quarter of 2020.

- Bonds: Over the year to 31 December 2020, UK gilt yields fell across all maturities. The net impact was a positive return (8.3%) for UK fixed interest gilts (all stocks). Inflation expectations decreased slightly across all maturities, however, the longer duration of UK index-linked gilts (all stocks) meant that they still delivered a higher return (11.0%) over the year. UK corporate bond spreads (all stocks) ended the period at broadly the same level at which they had started it, despite significant volatility in the first half of 2020 as a result of the pandemic.

- Property: The CBRE property fund returned -5.2%, 4.7% behind its benchmark over the year to the end of 2020. The MSCI UK All Property Index fell by 0.8% over the 12 months to 31 December 2020. This number is likely to overstate property performance over the year because of the illiquid nature of the asset class. The high level of uncertainty resulted in most property funds closing to redemptions as they were unable to provide an accurate valuation during the pandemic. Most funds had reopened by 30 September 2020.

- Alternatives: The CPF has investments in DGF's with both Barings and Baillie Gifford, who are permitted to invest in a range of asset classes, including alternative investments. The funds returned 3.8% and 2.2% over the year respectively against respective benchmark returns of 4.3% and 3.7%. It should be noted that this is a long-term target and should be considered over a suitable timeframe.

Covid 19 pandemic

On 11 March 2020, Covid-19 was declared a pandemic by the World Health Organisation. This has resulted on worldwide restrictions on travel, government fiscal stimulus and extreme financial market volatility.

The impact on the Scheme is unquantifiable at this stage in relation to the effects of the principal Employer's business, future contributions and the valuation of investments.

The Trustee, in close consultation with its advisors, is keeping the situation under review.

Disputes and queries

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

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

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

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

Further information

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

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

- Statement of Investment Principles. This explains how the Trustee directors invest the Scheme.
- Recovery Plan. This explains how the funding shortfall is being met.
- Actuarial Valuation Report (Triennial). This is the full report of the Actuary on the valuation as at 1 January 2016.
- Members' Booklet.

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

DocuSigned by:
William Medlicott
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William Medlicott
Chairman of the Trustee

Date: 23rd July 2021

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 at the valuation date or date of leaving if earlier. This is assessed using the assumptions agreed between the Trustee and the Employer and set out in the Statement of Funding Principles dated 11 December 2019, which is available to the Scheme members on request.

The most recent full actuarial valuation of the Scheme was carried out as at 1 January 2019. Since that date actuarial updates have been carried out as at 1 January 2020 and 1 January 2021.

	1 January 2021	1 January 2020	1 January 2019
The value of the technical provisions was	£108.0m	£103.5m	£100.0m
The value of the assets was	£93.4m	£93.5m	£84.6m

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

Method

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

Significant actuarial assumptions

Assumption		Value as at		
		1 January 2021	1 January 2020	1 January 2019
Discount rate	Derived from prudent assumptions of the returns on the underlying assets based on a long-term asset allocation of 37% equities, 35% Diversified Growth Funds, 8% property and 20% Diversified Credit Funds.	3.9% pa	4.5% pa	5.0% pa
Retail Prices Index (RPI) inflation	Derived by considering the future level of inflation implied by the UK gilt yield curves produced daily by the Bank of England at a duration of 15 years.	3.4% pa	3.4% pa	3.6% pa
Pension increases in payment	The assumed pension increase rate for benefits linked to RPI inflation, but subject to an annual minimum, is set consistently with the relevant inflation assumption and calculated by reference to a probability distribution derived from historic inflation.			
Mortality	The S3PMA/S3PFA tables with future improvements in line with CMI 2017 model with a long-term rate of improvement of 2.0% pa.			
Partner/Spouse	85% of males and 75% of females are assumed to be married at retirement or earlier death, with husbands three years older than their wives.			
Cash commutation allowance	Members are assumed to commute pension to provide 50% of the maximum tax-free cash based on a commutation factor of 17:1 at age 60 for males and 18.2:1 at age 60 for females.			

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

Name of scheme: Cambridge University Press Senior Staff Pension Scheme

Adequacy of rates of contributions

1. I certify that, in my opinion, the rates of contributions shown in this Schedule of Contributions are such that the statutory funding objective could have been expected on 1 January 2019 to be met by the end of the period specified in the Recovery Plan.

Adherence to statement of funding principles

2. I hereby certify that, in my opinion, this Schedule of Contributions is consistent with the Statement of Funding Principles dated 11 December 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.

Signature:		Date: 11 December 2019	
Name:	Keith Williams	Qualification:	Fellow of the Institute and Faculty of Actuaries
Address:	First Actuarial LLP Network House Basing View Basingstoke Hampshire RG21 4HG		

first actuarial

Schedule of Contributions

Cambridge University Press Senior Staff Pension Scheme (the Scheme)

Status

This Schedule of Contributions has been prepared by the Trustee, after obtaining the advice of Keith Williams, the Actuary to the Scheme.

This document replaces the schedule signed 30 November 2016 and comes into force on the date the Scheme Actuary certifies this Schedule of Contributions.

Contributions covering the period from 1 January 2019 to 31 December 2019

The following information is stated for information only and supports the Scheme Actuary's certification of this Schedule. It excludes AVCs. This section does not form part of the Schedule of Contributions.

By active members:	
6% of Salary	
By the Employer:	
In respect of future accrual of benefits and the provision of death in service lump sum benefits:	71.2% of Salary for members with less than 20 years' accrued pensionable service. No contributions are payable in respect of members with at least 20 years' accrued pensionable service.
In respect of the funding shortfall:	£191,667 per month from 1 January 2019 to 31 December 2019.

Contributions covering the period from 1 January 2020 to 31 December 2024

By active members:

6% of Salary

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

Additional Voluntary Contributions may be paid in addition to the above.

By the Employer:

In respect of future accrual of benefits and the provision of death-in-service lump sum benefits the Employer will pay:

- For members with less than 20 years accrued pensionable service: 79.4% of Salary
- For members with at least 20 years accrued pensionable service: 0% of Salary

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

Schedule of Contributions

Cambridge University Press Senior Staff Pension Scheme (the Scheme)

In respect of the shortfall in funding in accordance with the Recovery Plan dated 11 December 2019 the Employer will pay:

- £2,300,000 per annum payable in equal monthly instalments from 1 January 2020 until 30 April 2024.

In addition to the contributions above, the Employer will also pay:

- £2,300,000 per annum payable in equal monthly instalments from 1 May 2024 to 31 December 2024.

These additional discretionary contributions, which do not form part of the Recovery Plan dated 11 December 2019, will be reviewed as part of the next triennial valuation.

These contributions are payable to the Scheme during the calendar month to which the payment relates.

Expenses

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

Additional contributions

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

Salary

Basic salary (or full-time equivalent) as at 1 January 2007, pro-rated for part-time hours worked.

Schedule of Contributions

Cambridge University Press Senior Staff Pension Scheme (the Scheme)

This Schedule of Contributions has been agreed by the Trustee:

Signed on behalf of the Trustee of the Cambridge University Press Senior Staff Pension Scheme:	Simon HC Baynes
Name:	SHC BAYNES
Position: Trustee Director	
Date:	11/12/19

This Schedule of Contributions has been agreed by the Employer:

Signed on behalf of the Chancellor, Masters and Scholars of the University of Cambridge:	
Name:	Andrew Cameron.
Position:	CFO
Date:	11/12/19

Independent Auditor's Report to the Trustee of the Cambridge University Press Senior Staff Pension Scheme

Opinion

We have audited the financial statements of the Cambridge University Press Senior Staff Pension Scheme ("the Scheme") for the year ended 31 December 2020 which comprise the Fund Account, the Statement of Net Assets and the related notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- show a true and fair view of the financial transactions of the scheme during the year ended 31 December 2020, and of the amount and disposition at that date of its assets and liabilities, other than liabilities to pay pensions and benefits after the end of the year;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- contain the information specified in Regulation 3A of the Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996, made under the Pensions Act 1995.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

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

We have nothing to report in this regard.

Responsibilities of trustees

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

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

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

Use of our report

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

Crowe U.K. LLP

Crowe U.K. LLP

Statutory Auditor

London

Date 29 July 2021

Independent Auditor's Statement about Contributions to the Trustee of the Cambridge University Press Senior Staff Pension Scheme

We have examined the summary of contributions payable to the Cambridge University Press Senior Staff Pension Scheme ("the Scheme"), for the Scheme year ended 31 December 2020 which is set out on page 23.

In our opinion contributions for the Scheme year ended 31 December 2020 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 11 December 2019.

Basis of opinion

Our objective is to obtain sufficient evidence to give reasonable assurance that contributions reported in the attached summary of contributions have in all material respects been paid at least in accordance with the schedule of contributions. This includes an examination, on a test basis, of evidence relevant to the amounts of contributions payable to the Scheme and the timing of those payments under the schedule of contributions.

Responsibilities of Trustee

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

Auditor's responsibilities for the statement about contributions

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

Use of our statement

This statement is made solely to the 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

29 July 2021

Summary of contributions payable during the Scheme year ended 31 December 2020

The Trustee is responsible under pensions legislation for ensuring that there is prepared, maintained and from time to time revised a schedule of contributions showing the rates of contributions payable towards the 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 to be 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 monitoring 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.

This summary of contributions has been prepared by, and is the responsibility of, the Trustee. It sets out the employer and member contributions payable to the Scheme under the Schedule of Contributions certified by the actuary on 11 December 2019 in respect of the Scheme year ended 31 December 2020. The Scheme auditor reports on contributions payable under the schedule in the auditor's Statement about Contributions.

During the year ended 31 December 2020, the contributions payable to the Scheme by the employer were as follows:

Contributions payable under the schedule of contributions	**2020**
	£
Contributions from employer:	
Normal contributions	111,526
Deficit funding contributions	2,300,000
Contributions from members: Normal contributions	8,428
Total contributions payable under the schedule	2,419,954
Other contributions payable	
Members' additional voluntary contributions	-
Press paid member additional voluntary contributions	-
Total contributions payable to the Scheme per the financial statements	**2,419,954**

Approved by the Trustee and signed on their behalf by:

DocuSigned by:

William Medlicot

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William Medlicott

Chairman of the Trustee

Date 23rd July 2021

Financial Statements

Scheme account for the year ended 31 December 2020

	Notes	2020	2019
		£	£
Contributions and benefits			
Employer contributions receivable	3	2,411,526	2,400,008
Employee contributions receivable	3	8,428	8,428
Insured benefit claim		36,795	29,772
Benefits payable	4	5,580,546	5,928,298
Transfer out of benefits	5	-	64,506
Life assurance premiums		1,821	5,372
Net (outflow) from dealings with members		**(3,125,618)**	**(3,559,968)**
Returns on investments			
Change in market value of investments	9	1,865,386	11,482,630
Investment income	8	1,392,022	999,667
Net returns on investments		**3,257,408**	**12,482,297**
Net movement in the Scheme during the year		**131,790**	**8,922,329**
Net assets of the Scheme at 1 January		**94,005,539**	**85,083,210**
Net assets of the Scheme at 31 December		**94,137,329**	**94,005,539**

Financial Statements (cont.)

Net asset statement for the year ended 31 December 2020

	Notes	2020	2019
		£	**£**
Investments – PIV	9	92,977,688	92,764,385
Investments - AVC funds	9	495,227	467,362
Current assets	6	795,677	901,691
Current liabilities	7	(131,263)	(127,899)
Total net assets at 31 December		**94,137,329**	**94,005,539**

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

The notes on pages 26 to 32 form part of these financial statements.

The financial statements on pages 24 to 32 were approved by the Trustee Directors and signed on their behalf by:

DocuSigned by:
William Medlicot
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William Medlicott

Chairman of the Trustee

Date 23rd July 2021

Notes forming part of the Financial Statements

1. Basis of presentation

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

Accounting policies

Valuation of investments

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

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

Investment income

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

Interest is accrued on a daily basis.

Contributions

Employee normal contributions are accounted for when deducted from pay. Employer normal contributions which are expressed as a rate of salary are accounted for on the same basis as employees' contributions, otherwise they are accounted for in the period they are due under the Schedule of Contributions.

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

Payments to members

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

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

Expenses

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

Additional Voluntary Contributions ('AVCs')

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

Notes forming part of the Financial Statements

Identification of the financial statements

The Scheme is established as a trust under English Law. The address for enquiries to the Scheme is included in the Trustee's Report under the heading Further Information on page 14

3. Contributions receivable

	2020 £	2019 £
Members' contributions:		
Normal	8,428	8,428
AVCs	-	-
AVC's (Press)	-	-
	8,428	**8,428**
Employers' contributions:		
Normal (including death in service benefits)	111,526	100,008
Deficit funding contribution	2,300,000	2,300,000
	2,411,526	**2,400,008**
Total contributions receivable	**2,419,954**	**2,408,436**

Under the Schedule of Contributions certified on 11 December 2019, from 1 January 2020 to 30 April 2024, deficit funding contributions receivable will amount to £2,300,000 per annum in equal monthly instalments.

4. Benefits payable

	2020 £	2019 £
Pensions payable	5,580,546	5,421,349
Lump sums payable on retirement	-	506,949
Total benefits payable	**5,580,546**	**5,928,298**

5. Payments to and on account of leavers

	2020 £	2019 £
CETV of main scheme benefits	-	64,506
Total payments to and on account of leavers	**-**	**64,506**

6. Current assets

	2020 £	2019 £
Cash and bank deposits	795,677	901,408
Other debtors	-	283
Total current assets	**795,677**	**901,691**

7. Current liabilities

	2020 £	2019 £
HMRC – PAYE	131,263	127,899
Other creditors	-	-
Total current liabilities	**131,263**	**127,899**

8. Investment Income

	2020 £	2019 £
Income from pooled investment vehicles	**1,392,022**	**999,667**

9. Investments

	2020 £	2019 £
Pooled investment vehicles	92,977,688	92,765,385
AVC fund	495,227	467,362
Total Investments	**93,472,915**	**93,231,747**

Notes forming part of the Financial Statements

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

	Pooled Investment Fund	AVC Fund	Total
	£	£	£
Market value at 1 January 2019	83,987,293	469,330	84,456,623
Amounts invested during the year	-	-	-
Amounts withdrawn during the year	(2,643,000)	(64,506)	(2,707,506)
Change in market value	11,420,092	62,538	11,482,630
Market value at 31 December 2019	**92,764,385**	**467,362**	**93,231,747**
Market value at 1 January 2020	92,764,385	467,362	93,231,747
Amounts invested during the year	34,076,777	-	34,076,777
Amounts withdrawn during the year	(35,700,995)	-	(35,700,995)
Change in market value	1,837,521	27,865	1,865,386
Market value at 31 December 2020	**92,977,688**	**495,227**	**93,472,915**

Included within sales and purchases is an amount of £33,075,826 which was disinvested from the four LGIM Equity funds and £16,537,913 and £16,537,913 which was invested was invested in the LGIM Global Index Equity Index Fund and Global Index Equity Index Fund Hedged funds respectively.

9.1 Pooled investment vehicles

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

	2020£	2020%	2019£	2019%
Return seeking portfolio				
UK equity fund	-	-	11,049,112	11.88%
Overseas equity funds	35,598,187	38.27%	24,305,262	26.21%
Diversified growth funds	33,746,571	36.30%	33,323,355	35.94%
Property fund	5,724,619	6.16%	6,127,595	6.61%
Defensive portfolio				
Bonds	-	-	-	-
Multi-Asset Credit Funds	17,908,311	19.26%	17,959,061	19.36%
	92,977,688	**100.00%**	**92,764,385**	**100.00%**

9.2 Transaction costs

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

9.3 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 market data) for the asset or liability, either directly or indirectly.

Level 3: Inputs are unobservable (i.e. for which market data is unavailable) for the asset or liability. The Scheme's investments have been analysed using the above hierarchy categories as follows:

As at 31 December 2020	Level 1	Level 2	Level 3	Total
	£	£	£	£
Pooled investment vehicles	-	87,253,069	5,724,619	92,977,688
AVC investments	-	495,227	-	495,227
Total	**-**	**87,748,296**	**5,724,619**	**93,472,915**

As at 31 December 2019	Level 1	Level 2	Level 3	Total
	£	£	£	£
Pooled investment vehicles	-	86,636,790	6,127,595	92,764,385
AVC investments	-	467,362	-	467,362
Total	**-**	**87,104,152**	**6,127,595**	**93,231,747**

9.4 Investment risk disclosures

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

- Credit risk – the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.
- Market risk – comprises the following three types of risk:
    1. Interest rate risk: The risk that the fair value or future cashflows of a financial asset will fluctuate because of changes in market interest rates
    2. Currency risk: The risk that the fair value or future cashflows of a financial asset will fluctuate because of changes in foreign exchange rates
    3. Other price risk: The risk that the fair value or future cashflows of a financial asset will fluctuate because of changes in market prices (other than those due to interest rates and currency).

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

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

Credit risk

The Scheme has indirect exposure to credit risk from the underlying investments held by the Diversified Growth Funds and Multi-Asset Credit Funds. In particular the Multi Asset Credit fund managers are credit specialists with the flexibility to invest in a wide variety of asset classes, such as investment grade and high yield corporate bonds, loans, structured credit and derivatives. Although these type of credit holdings are of lower credit quality relative to say government bonds, the higher risk is expected to be awarded with higher returns over the longer term. Diversification and active management by the fund managers mitigate some of this additional credit risk and is expected to be a source of outperformance.

The pooled investment arrangements used by the Scheme comprise insurance contracts and pooled investment vehicles. Direct credit risk arising from pooled investment vehicles is mitigated by the underlying assets of the pooled arrangements being ring-fenced from the pooled manager, the regulatory environments in which the pooled managers operate and the ongoing due diligence of the pooled manager. Due to the nature of the investments, units in the pooled investment vehicles are unrated. The pooled investment vehicles held by the Scheme consist of £35,598,187 (2019: £35,316,624) unit linked insurance contracts and £ 57,379,501 (2019: £57,410,011) open ended investment funds.

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

Market risk: Interest rates

The Scheme is subject to interest rate risk because some of the Scheme's investments are held in bonds, through pooled vehicles, and cash. These funds are specifically the Multi Asset Credit Funds and the Diversified Growth Funds.

The Joint Trustee boards have set a benchmark for total exposure of 55% to the Multi Asset Credit and Diversified Growth funds. As at 31 December 2020, this allocation amounted to £51,643,288 (2019: £51,282,416) and made up 55.5% of invested assets (2019: 55.3%) although not all of this allocation will have interest rate risk. The fund managers also have the ability to reduce and mitigate this risk by managing the duration of the holdings and through the use of derivatives.

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

Market risk: Currency

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

The Scheme's liabilities are denominated in sterling and some currency hedging is employed to manage the impact of exchange rate fluctuations on the Scheme investments. 50.7% (2019: 40.3%) of the overseas equity holdings as detailed in note 9.1 are hedged to sterling.

In addition, the Scheme is exposed to indirect currency risk as a result of the overseas investments held via the Diversified Growth Funds as detail in note 9.1 and the pooled investment funds' holdings in overseas assets may alter over time.

Market risk: Other price

Other price risk arises due to the market volatility of return-seeking assets. The Joint Trustee boards have not set a target for investment in government bonds or cash and so as at December 2020 all of the Scheme's assets were exposed to other price risk.

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

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

10. Contingent liabilities and commitments

Other than the liability to pay future retirement benefits, there were no contingent liabilities or capital commitments as at 31 December 2020.

11. Related party transactions

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

12. Events occurring after the year end

At the time of approval of the financial statements, the COVID19 virus continues to develop and has had a significant negative impact on investment values post year end. The long-term impact on investment values is currently unknown and the Trustee will continue to monitor the situation.

13. 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.

Implementation Statement

This is the Implementation Statement prepared by the Trustee, Press SSPS Limited, of the Cambridge University Press Senior Staff Pension Scheme ("the Scheme") and sets out:

- How the Trustee's policies on exercising rights (including voting rights) and engagement have been followed over the year.
- The voting behaviour of the Trustee, or that undertaken on their behalf, over the year to 31 December 2020.

How voting and engagement policies have been followed

The Scheme invests entirely in pooled funds, and as such delegates responsibility for carrying out voting and engagement activities to the Scheme's fund managers.

The Trustee reviewed the stewardship and engagement activities of the current managers during the year, alongside preparation of the Implementation Statement. The Trustee monitors the ESG performance of its managers on a regular basis. The Trustee was also provided training on ESG during the year, and proceeded to replace the passive equity portfolio with funds with ESG characteristics. The Trustee was satisfied that the managers' policies were reasonable and no further remedial action was required during the period.

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

Voting Data

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

The Scheme's equity investments are managed by Barings Asset Management ("Barings"), Baillie Gifford & Co ("Baillie Gifford") and Legal & General Investment Management ("LGIM"). The table below provides a summary of the voting activity undertaken by each manager during the year to 31 December 2020. The underlying pooled equity funds held with LGIM were changed towards the end of 2020 and as such voting data for all the LGIM funds held during the year is shown below.

Manager	Barings	Baillie Gifford*	LGIM			
Fund name	Baring Dynamic Asset Allocation Fund	Baillie Gifford Diversified Growth Fund	LGIM Future World Global Equity Index Fund – Unhedged and hedged	LGIM UK Equity Index	LGIM World (ex UK) Developed Equity Index – Unhedged and hedged	LGIM World Emerging Markets Equity Index
Structure	Pooled					
Does manager vote at a fund level or at a firm-wide level?	Fund					
Ability to influence voting behaviour of manager	The pooled fund structure means that there is limited scope for the Trustee to influence the manager's voting behaviour.					
Number of company meetings the manager was eligible to vote at over the year	101	97	4,502	894	2,570	3,778
Number of resolutions the manager was eligible to vote on over the year	1,049	877	49,856	12,468	30,809	34,537

Manager	Barings	Baillie Gifford*	LGIM			
Percentage of resolutions the manager voted on	97.1%	94.5%	100.0%	100.0%	99.4%	99.9%
Percentage of resolutions the manager abstained from	0.4%	1.5%	0.5%	0.0%	0.1%	1.5%
Percentage of resolutions voted *with* management, as a percentage of the total number of resolutions voted on	91.9%	92.9%	84.1%	93.1%	79.7%	85.5%
Percentage of resolutions voted *against* management, as a percentage of the total number of resolutions voted on	7.7%	5.7%	15.4%	6.9%	20.1%	13.0%
Percentage of resolutions voted contrary to the recommendation of the proxy advisor	0.4%	N/A	0.3%	0.8%	0.3%	0.0%

*Data does not add up to exactly 100% due to rounding

Significant votes

For the first year of implementation statements we have delegated to the investment manager(s) to define what a "significant vote" is. A summary of the data they have provided is set out below.

Barings, Dynamic Asset Allocation Fund

	Vote 1	Vote 2	Vote 3
Company name	Doric Nimrod	JPEL Private Equity	East Japan Railway Company
Date of vote	10 December 2020	25 November 2020	23 June 2020
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	<2%	c<3%	<0.5%
Summary of the resolution	Re-election of Charles Wilkinson, Geoffrey Hall, Suzie Procter and Andreas Tautscher	Re-election of Chris Spencer, John Loudon, Tony Dalwood and Sean Hurst	Appointment of director
How the manager voted	For	For	Against
If the vote was against management, did the manager communicate their intent to the company ahead of the vote?	Yes	Yes	Yes
Rationale for the voting decision	No significant concerns have been identified.	No significant concerns have been identified.	Board is not sufficiently independent; Responsible for lack of board independence.

	Vote 1	Vote 2	Vote 3
Outcome of the vote	Data not provided by manager	Data not provided by manager	Data not provided by manager
Implications of the outcome	Data not provided by manager	Data not provided by manager	Data not provided by manager
Criteria on which the vote is considered "significant"	Holding size	Holding size	Barings voted against management

Baillie Gifford, Diversified Growth Fund

	Vote 1	Vote 2	Vote 3
Company name	Covivio REIT	EDP Renovaveis	Gecina
Date of vote	22/04/2020	26/03/2020	23/04/2020
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	0.45%	0.38%	0.34%
Summary of the resolution	Remuneration - Policy	Elect Director(s)	Incentive Plan
How the manager voted	Against	Against	Against
If the vote was against management, did the manager communicate their intent to the company ahead of the vote?	No	Yes	Yes
Rationale for the voting decision	Baillie Gifford opposed five resolutions regarding the in-flight and proposed long term incentive scheme because it could lead to rewarding under-performance.	Baillie Gifford opposed the election of a director due to the lack of independence and diversity on the board.	Baillie Gifford opposed three resolutions relating to remuneration as they do not believe there is sufficient alignment between pay and performance.
Outcome of the vote	Pass	Pass	Pass
Implications of the outcome	Following the AGM in 2020, Baillie Gifford informed the company of our voting decision and advised that they expect more stretching performance criteria to apply to long term incentives going forward.	Baillie Gifford have taken action on the election of directors at the company since the 2018 AGM. Their concerns are regarding the attendance record of some directors, a lack of board independence and diversity. Baillie Gifford have spoken to the company a number of times regarding these concerns and continue to raise the issue and take action where possible.	Baillie Gifford have been opposing remuneration at the company since 2017 due to concerns with the targets applied to the restricted stock plan. They are yet to see improvements in the remuneration plan however continue to engage with the company to advise on areas for improvement.
Criteria on which the vote is considered "significant"	Baillie Gifford opposed remuneration.	Baillie Gifford opposed the election of a director.	Baillie Gifford opposed remuneration.

LGIM, Future World Global Equity Index Fund and Future World Global Equity Index Fund GBP Hedged (invested November 2020)

	Vote 1	Vote 2	Vote 3
Company name	Qantas Airways Limited	International Consolidated Airlines Group	Pearson
Date of vote	23-Oct-20	07-Sep-20	18-Sep-20
Approximate size of fund's holding as at the date of the vote (as % of portfolio)		Data not provided by manager	
Summary of the resolution	Resolution 3: Approve participation of Alan Joyce in the Long-Term Incentive Plan	Resolution 8: Approve Remuneration Report'	Resolution 1: Amend remuneration policy

	Vote 1	Vote 2	Vote 3
	Resolution 4: Approve Remuneration Report.		
How the manager voted	LGIM voted against resolution 3 and supported resolution 4.	Against	Against
If the vote was against management, did the manager communicate their intent to the company ahead of the vote?	Yes	Yes	Yes
Rationale for the voting decision	Impact of COVID crisis	Impact of COVID crisis	Appointment of new CEO contingent on amendment to the company's remuneration policy.
Outcome of the vote	90% of shareholders supported resolution 3 and 91% supported resolution 4.	28.4% of shareholders opposed the remuneration report.	At the EGM, 33% of shareholders voted against the co-investment plan and therefore, by default, the appointment of the new CEO.
Implications of the outcome	LGIM will continue engagement with the company.	LGIM will continue to engage closely with the renewed board.	LGIM believe it is important that the company has a new CEO; but key governance questions remain which will now need to be addressed through continuous engagement.
Criteria on which the vote is considered "significant"	It highlights the challenges of factoring in the impact of the COVID situation into the executive remuneration package.	It illustrates the importance for investors of monitoring our investee companies' responses to the COVID crisis.	The unusual approach taken by the company and LGIM's outstanding concerns.

LGIM, UK Equity Index Fund (disinvested November 2020)

	Vote 1	Vote 2	Vote 3
Company name	International Consolidated Airlines Group	Pearson	SIG plc.
Date of vote	07-Sep-20	18-Sep-20	09-Jul-20
Approximate size of fund's holding as at the date of the vote (as % of portfolio)		Data not provided by manager	
Summary of the resolution	Resolution 8: Approve Remuneration Report'	Resolution 1: Amend remuneration policy	'Resolution 5: Approve one-off payment to CEO, Steve Francis'
How the manager voted	Against	Against	Against
If the vote was against management, did the manager communicate their intent to the company ahead of the vote?	Yes	Yes	Yes
Rationale for the voting decision	Impact of COVID crisis	Appointment of new CEO contingent on amendment to the company's remuneration policy.	Opposed one-off remuneration payment to the CEO outside scope of remuneration policy and on top of existing remuneration.
Outcome of the vote	28.4% of shareholders opposed the remuneration report.	At the EGM, 33% of shareholders voted against the co-investment plan and	The resolution passed with 66% support from shareholders

	Vote 1	Vote 2	Vote 3
		therefore, by default, the appointment of the new CEO.	
Implications of the outcome	LGIM will continue to engage closely with the renewed board.	LGIM believe it is important that the company has a new CEO; but key governance questions remain which will now need to be addressed through continuous engagement.	LGIM intend to engage with the company over the coming year to find out why this payment was deemed appropriate and whether they made the payment despite the significant opposition.
Criteria on which the vote is considered "significant"	It illustrates the importance for investors of monitoring our investee companies' responses to the COVID crisis.	The unusual approach taken by the company and LGIM's outstanding concerns.	The vote is high-profile and controversial.

LGIM, World (ex UK) Developed Equity Index Fund and World (ex UK) Developed Equity Index Fund GBP Hedged (disinvested November 2020)

	Vote 1	Vote 2	Vote 3
Company name	Qantas Airways Limited	Whitehaven Coal	Lagardere
Date of vote	23-Oct-20	22-Oct-20	05-May-20
Approximate size of fund's holding as at the date of the vote (as % of portfolio)		Data not provided by manager	
Summary of the resolution	Resolution 3: Approve participation of Alan Joyce in the Long-Term Incentive Plan Resolution 4: Approve Remuneration Report.	Resolution 6: Approve capital protection. Shareholders are asking the company for a report on the potential wind-down of the company's coal operations, with the potential to return increasing amounts of capital to shareholders.	Shareholder resolutions A to P. Activist Amber Capital, which owned 16% of the share capital at the time of engagement, proposed 8 new directors to the Supervisory Board (SB) of Lagardere, as well as to remove all the incumbent directors (apart from two 2019 appointments).
How the manager voted	LGIM voted against resolution 3 and supported resolution 4.	For	LGIM voted in favour of five of the Amber-proposed candidates (resolutions H,J,K,L,M) and voted off five of the incumbent Lagardere SB directors (resolutions B,C,E,F,G).
If the vote was against management, did the manager communicate their intent to the company ahead of the vote?	Yes	Yes	Yes
Rationale for the voting decision	Impact of COVID crisis	In line with LGIM's view of a 'managed decline' for fossil fuel companies in line with global climate targets.	Company strategy not value-enhancing with governance structure not allowing the SB to challenge management on this.
Outcome of the vote	90% of shareholders supported resolution 3 and 91% supported resolution 4.	Did not pass, 94% of shareholders voted against.	Even though shareholders did not give majority support to Amber's candidates, its proposed resolutions received approx. between 30-40% support, a clear indication that many shareholders have concerns with the board.
Implications of the outcome	LGIM will continue engagement with the company.	LGIM will continue to monitor this company	LGIM will continue to engage with the company to understand its future strategy and how it will add value to shareholders over the long term, as well as to keep the structure of SB under review.
Criteria on which the vote is considered "significant"	It highlights the challenges of factoring in the impact of the	The vote received media scrutiny and is emblematic of a growing	LGIM noted significant media and public interest on this vote

	Vote 1	Vote 2	Vote 3
	COVID situation into the executive remuneration package.	wave of green shareholder activism.	given the proposed revocation of the company's board.

LGIM, World Emerging Markets Equity Index Fund (disinvested November 2020)

LGIM have stated that there were no significant votes made in relation to the securities held by this fund during the reporting period.

Fund level engagement

The investment managers may engage with their investee companies on behalf of the Trustee. The table below provides a summary of the engagement activity undertaken by Barings, Baillie Gifford, LGIM, Federated Hermes ("Hermes"), CBRE Global Investors ("CBRE") and Apollo Global Management ("Apollo") during the year.

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

Manager	Barings	Baillie Gifford	LGIM	Hermes	CBRE	Apollo
Fund name	Barings Dynamic Asset Allocation Fund	Baillie Gifford Diversified Growth Fund	LGIM Future World Global Equity Index Fund unhedged and GBP hedged, LGIM UK Equity Index, LGIM World (ex UK) Developed Equity Index unhedged and GBP hedged, LGIM World Emerging Markets Equity Index	Hermes Multi Strategy Credit Fund	CBRE Osiris Property Fund	Apollo Total Return Fund
Does the manager perform engagement on behalf of the holdings of the fund	Yes	Yes	Yes	Yes	Yes	Yes
Has the manager engaged with companies to influence them in relation to ESG factors in the year?	Yes	Yes	Yes	Yes	No	Yes
Number of engagements undertaken on behalf of the holdings in this fund in the year	69	100	Data not provided by manager	35	6	28
Number of engagements undertaken at a firm level in the year	180	Data not provided by manager	891	1,365	Data not provided by manager	Data not provided by manager

Examples of engagement undertaken	Data not provided by manager	**Amedeo Air Four Plus Ltd** - contacted both the board of Amedeo Air Four Plus and Nimrod separately to offer support for an amical rebuilding of their relationship and support for further exploration of a reduction to Nimrod's fees in interest of shareholders	**Samsung C&T** - LGIM wrote to Samsung C&T urging the company to reconsider its involvement in Vung Ang 2 and to commit to no involvement in the construction of new coal plants without carbon capture and storage. The company announced with immediate effect, that it will no longer participate in coal-fired power generation projects in any capacity, including investment or construction. However, the company reaffirmed its participation in the Vung Ang 2 as its final coal project. In response LGIM will be sanctioning the board at its next AGM.	**NARI Technology** - have exposure to NARI Technology, a company that manufactures products that are used to improve the energy efficiency of China's electricity grid network, thereby connecting renewable energy projects. NARI also produces solar and wind power control equipment as well as charging infrastructure for electric vehicles. Hermes have no exposure to thermal coal miners or coal-fired utilities.	**Hermes Property Unit Trust** – manager voted in favour of the re-election of the Appointment Committee, re-appointment of PWC as auditor and approved the report and accounts.	Data not provided by manager

Summary

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

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

Prepared by the Trustee of the Cambridge University Press Senior Staff Pension Scheme

Date: 16 March 2021