Senior Staff Pension Scheme Annual Report & Accounts

for the year ended 31st December 2021

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 2021.

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
Capital Cranfield Pension Trustees Limited represented by William Medlicott	Press	
Catherine Armor	Press	
Stanley Webster	Press	
James Berry (until 18th September 2021)	Member nominated	
Kevin Taylor (from 18th September 2021)	Member Nominated	18 September 2024
Philip Meyler	Member nominated	5 June 2024

Changes in rules

There were no changes to the rules in 2021.

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 2021 by the University of Cambridge Pensions Office led by Sue Curryer, Head of Pensions Administration. Mr Kevin Taylor retired as Scheme Administrator and was replaced by Ms Fiona Kelly. The Scheme Administrator is responsible for organising Trustee meetings and managing liaison between Trustee, Press, University, and advisers.

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

Transfer values

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

All cash equivalents (transfer values) paid during the year were calculated and verified in the manner required by regulations issued under the Pension Schemes Act 1993. There are no discretionary benefits included in cash equivalent transfer values. A revised basis for calculating transfer values was adopted on 7 March 2017 following recommendations from the 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 2021 by a minimum 3.0% increase, as the actual increase in the Retail Price Index for the period October 2019 to October 2020 was 1.3%. The increases were in accordance with the Scheme rules. Any members who retired or left the schemes during the current scheme year, will receive a pro rata increase.

Scheme membership

The total membership of the Scheme was 107 at 31 December 2021. The breakdown of this total, showing the movement between categories of members since the previous year, is:

	2021	**2020**
Active members		
Number at start of period	3	3
Transfers to deferred	-1	-
Transfers to pensioners	-1	-
Number at end of period	1	3
Deferred members		
Number at start of period	10	10
Transfers from active membership	1	-
Transferred-out	-	-
Brought into payment	-2	-
Number at end of period	9	10
Pensioners		
Number at start of period	84	85
Transfers from active membership	1	-
Deferred into payment	2	-
Died	-2	-1
Number at end of period	85	84
Dependants in payment		
Number at start of period	12	12
New dependants	1	-
Dependant child pension ceased	-	-
Died	-1	-
Number at end of period	12	12
Total membership	107	109

The Pensioner in receipt of an annuity died during the year.

Financial development of the Scheme

The audited financial accounts on pages 27 to 35 of this report show that the value of the Scheme's assets increased by £7.7 million to £101.1 million. The increase was comprised of investment returns of £11.6 million, less net outgoings from dealing with members of £3.9 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 PIVs (Pooled investment vehicles) are invested in Cambridge University Press or the University of Cambridge.

Actuarial position

The most recent triennial actuarial valuation was carried out as at 1 January 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 was agreed with the Employer to address the deficit of £15.4m. The Trustee agreed a revised Schedule of Contributions on 11 December 2019 (see pages 19 to 21) with the Press, which includes contributions in respect of continuing accrual. In addition, the Press continues to pay all Fund 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 17.

During 2021 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:

- to ensure that the Scheme can meet the members' entitlements under the Trust Deed and Rules as they fall due;
- • to achieve a long-term positive real return;
- • to manage the expected volatility of the returns achieved in order to control the level of volatility in the Scheme's required contribution levels;
- • to invest in assets of appropriate liquidity which will generate income and capital growth to meet, together with new contributions from members and the participating employer, the cost of current and future benefits which the Scheme provides;
- • to reduce the risk of the assets failing to meet the liabilities over the long term, particularly noting the maturity of the Scheme;
- to minimise the long-term costs of the Scheme by maximising the return on the assets whilst having regard to the above objectives and the financial strength of the Sponsor.

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.

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 Scheme's investments. Given the Scheme remains open to accrual and the objective to fund future member benefits from the Scheme's assets as they fall due, the Trustee has a long-term time horizon which is not likely to be less than 20 years from the date of this Statement of Investment Principles, 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 elected to invest the Scheme's assets through pooled funds. The choice of underlying funds is made by the Trustee after taking advice from their investment consultant and having reviewed the managers of the underlying funds approach to incorporating ESG factors in their decisions in relation to the selection, retention and realisation of investments and taking into account UNPRI scores where appropriate.

The Trustee is comfortable that the funds currently invested in by the Scheme are managed in accordance with their views on financially material factors, as set out in this policy. This position is monitored 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, such as how ESG considerations are taken into account in decisions to realise investments. The views set out below will be considered when appointing and reviewing managers.

A summary of the Trustee's views for each asset class in which the Scheme invests is outlined below.

Passive Equities

The Trustee accepts that fund managers must invest in line with the specified index and, however, the Trustee invest the passive equities via a fund where ESG considerations are reflected, and some exclusions and adjustments are made on ESG grounds provided that it does not have a meaningful impact on the tracking error of the fund. The Trustee believes that positive engagement on ESG issues can lead to improved risk-adjusted returns. Therefore, the Trustee looks to the passive equity manager to positively engage with companies where there is scope to improve the way ESG issues are considered when running the company. However, engagement activities (including the exercise of rights) should be consistent with, and proportionate to, the rest of the investment process.

Multi-asset funds

The Trustee believes that ESG issues will be financially material to the risk-adjusted returns achieved by the Scheme's multi-asset fund managers. The investment process for any multi-asset fund manager should take ESG into account when selecting holdings. The Trustee also supports engagement activities and, where relevant, the exercise of rights attaching the investments by the Scheme's multi-asset fund manager. However, the process for incorporating ESG issues should be consistent with, and proportionate to, the rest of the investment process.

Credit The Trustee believes that ESG issues will be financially material to the risk-adjusted returns achieved by the Scheme's credit holdings. The investment process for the manager should take ESG into account when selecting holdings. The Trustee also supports engagement activities, although they appreciate that fixed income assets do not typically provide voting rights. The process for incorporating ESG issues should be consistent with, and proportionate to, the rest of the investment process.

Property

The Trustee believes that ESG issues can be financially material to the risk-adjusted returns achieved by the Scheme's property manager. Environmental issues are particularly important when selecting appropriate properties for the property portfolio, and so the Trustee looks to the manager to incorporate environmental issues into their investment process.

Stewardship - Voting and Engagement

The Trustee's policy on the exercise of rights attaching to investments, including voting rights, and in undertaking engagement activities in respect of the investments is that these rights should be exercised by the investment managers on the Trustee's behalf. The Trustee has taken into consideration the Financial Reporting Council's UK Stewardship Code, and is supportive of the Code. However, the Trustee cannot usually directly influence the managers' policies on the exercise of investment rights where the Trustee holds assets in pooled funds. This is due to the nature of these investments. The Trustee receives reporting on the voting and engagement policies of the fund managers and considers these as part of manager appointment and review processes.

The Trustee expects that the investment managers will use their influence as major institutional investors to exercise the Trustee's rights and duties as shareholders and will reflect the recommendations of the Code. This includes where appropriate engaging with underlying investee companies to promote good corporate governance, accountability and to understand how those companies take account of ESG issues in their businesses.

The Trustee does not undertake engagement activities itself, however, the Trustee will monitor and engage with the investment managers about relevant matters (including matters concerning an issuer of debt or equity, including their performance, strategy, capital structure, management of actual or potential conflicts of interest, risks, social and environmental impact and corporate governance), through the Scheme's investment consultant.

Investment managers will be asked to provide details of their stewardship policy and engagement activities on at least an annual basis including information on the proportion of voting rights which have been exercised and key voting decisions. The Trustee will, with input from their investment consultant, monitor and review the information provided by the investment managers and will review data on this on an annual basis. Where possible and appropriate, the Trustee will engage with their investment managers for more information and ask them to confirm that their policies comply with the principles set out in the Financial Reporting Council's UK Stewardship Code.

The Trustee acknowledges the importance of ESG and climate risk within their investment framework. When delegating investment decision making to their investment managers they provide their investment managers with a benchmark they expect the investment managers to either follow or outperform. The investment manager has discretion over where in an investee company's capital structure it invests (subject to the restrictions of the mandate), whether directly or as an asset within a pooled fund.

The Trustee is of the belief that ESG and climate risk considerations extend over the entirety of a company's corporate structure and activities, i.e. that they apply to equity, credit and property instruments or holdings. The Trustee also recognises that ESG and climate related issues are constantly evolving and along with them so too are the products available within the investment management industry to help manage these risks.

The Trustee considers it to be a part of their investment managers' roles to assess and monitor developments in the capital structure for each of the companies in which the managers invest on behalf of the Scheme or as part of the pooled fund in which the Scheme holds units.

The Trustee also considers it to be part of their investment managers' roles to assess and monitor how the companies in which they are investing are managing developments in ESG related issues, and in particular climate risk, across the relevant parts of the capital structure for each of the companies in which the managers invest on behalf of the Scheme.

Should an investment manager be failing in these respects, this should be captured in the Scheme's regular performance monitoring and annual ESG monitoring. In the event of an investment manager not meeting expectations in respect of these matters, further engagement would take place with the investment manager and further action could include a review of the appointment.

Through their consultation with the employer when setting this Statement of Investment Principles, the Trustee has made the employer aware of their policy on ESG and climate related risks, how they intend to manage them and the importance that the pensions industry as a whole, and its regulators, place on them.

The Scheme's investment consultant is independent and no arm of their business provides asset management services. This, and their FCA Regulated status, makes the Trustee confident that the investment manager recommendations they make are free from conflict of interest.

The Trustee expects all investment managers to have a conflict-of-interest policy in relation to their engagement and ongoing operations. In doing so the Trustee believes they have managed the potential for conflicts of interest in the appointment of the investment manager and conflicts of interest between the Trustee/investment manager and the investee companies.

In selecting and reviewing their investment managers, where appropriate, the Trustee will consider investment managers' policies on engagement and how these policies have been implemented.

Policy for considering 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. That is that the Trustee does not consider the views of Scheme members and beneficiaries in relation to ethical considerations, social and environmental impact, or present and future qualify of life of the members and beneficiaries of the Scheme (referred to as "non-financial matters" in the relevant Regulations) in the selection, retention and realisation of investments. 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. The Trustee expects that exclusions made by the fund managers are made on the basis of financial risk and returns

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 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 of the Statement of Investment Principles.

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.

Asset allocation at 31 December 2021

At the end of 2021 the SSPS's assets were invested in eight funds with five asset managers – one fewer manager than at the start of the year.

In June 2021, the Scheme disinvested from the Barings Dynamic Asset Allocation Fund following the fund's closure. The proceeds were invested with Legal and General Investment Management ("LGIM") across a number of funds and in proportions that broadly matched the equity, credit and cash allocation of the Barings fund prior to its closure. The equity portion was allocated to the existing equity portfolio, the credit allocation was invested in the Short-Dated Sterling Corporate Bond Index Fund and cash was allocated to the Sterling Liquidity Fund. In addition, the winding down of the CBRE Property Fund, which is gradually returning capital to investors, meant that this fund had moved below its target allocation (and could not be topped up) meaning that the allocation had moved materially away from the target.

As at the year end, the Scheme invested in four funds with LGIM and in one fund each with Baillie Gifford, CBRE, Hermes Investment Management, and Apollo Global Management.

The Trustee had been considering various changes to their strategy during 2021 to reflect the increasing maturity and cashflow needs of the Scheme. Some of these changes were agreed by the end of 2021, some further details have been finalised, but other elements of the strategy remain under discussion at the point of signing these accounts. A new SIP was agreed at their June 2022 meeting reflecting the decisions made to date and setting out a new temporary target asset allocation.

The asset allocation as at 31 December 2021 represents how the assets were temporarily held pending agreement of a new target but did not reflect the strategic allocation within the old or new SIP. The table below sets out the broad target allocation of invested assets as at 31 December 2021 given the interim strategy.

Manager	Asset Class	Proxy Target Allocation	Investment Objective
LGIM	Future World Global Equity Index Fund	22.60%	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	22.60%	To track the performance of the Solactive L&G ESG Global Markets Index - GBP Hedged (less withholding tax where applicable) to within +/-0.60% p.a. for two years out of three
	LGIM Short-Dated Sterling Corporate Bond Index Fund	4.50%	To track the performance of the Markit iBoxx Sterling Corporates 1-5 Year Index
	LGIM Sterling Liquidity Fund	2.30%	To provide capital stability and a return in line with money market rates whilst providing daily access to liquidity and providing an income. The fund seeks to maintain a AAA rating.
Baillie Gifford	Diversified Growth Fund	20%	To outperform the UK Base Rate by 3.5% p.a. after fees, over rolling five year periods
CBRE	Property	8%	The fund is winding up and so the objective no longer applies
Hermes	Multi Asset Credit	10%	To generate a high level of income by primarily investing in a diversified portfolio of credit securities including investment grade bonds, high yield bonds, credit default swaps and money market securities (including commercial bank loans) while exhibiting lower volatility relative to the global high yield market
Apollo	Multi Asset Credit	10%	To outperform SONIA by 6-8% pa before fees (equivalent to 5.2 – 7.2% pa after fees)
	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 2021

Over the course of 2021, the Scheme's investment portfolio returned 12.6%. Performance over the three years to 31 December 2021 was 9.9% p.a.

The table below gives the performance of the individual funds over periods to 31 December 2021. Performance is shown after the deduction of fees with the exception of LGIM and CBRE whose performance are shown before the deduction of fees. Longer term performance of the LGIM equity funds is not currently available as the Scheme has not been invested over that period.

LGIM	1 year (%)	From inception* (% pa)
Unhedged overseas equities Solactive L&G ESG Global Markets Index	20.8	29
Hedged overseas equities Solactive L&G ESG Global Markets Index - GBP Hedged	21.7	33.6
Short Dated Sterling Corporate Bond Fund	-	-0.9
Markit iBoxx GBP Corporates 1-5 Years		-0.7
Sterling Liquidity Fund	-	0
SONIA		0

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

Baillie Gifford	1 year (%)	3 year (%)	5 year (% pa)
Diversified Growth Fund	9.1	7.6	4.9
Bank of England Base Rate + 3.5% pa	3.6	3.9	3.9

CBRE	1 year (%)	3 year (%)	5 year (% pa)
Property	21	4.9	6.4
MSCI/AREF UK QPFI All Balanced Property Fund Index	19.6	6.2	15.8

Hermes	1 year (%)	3 year (% pa)
Multi Asset Credit	1.2	5.2
Bank of America Merrill Lynch High Yield Credit Index	2.8	6.7

Apollo	1 year (%)	3 year (% pa)
Multi Asset Credit	4.5	4.9
SONIA + 5.2% pa	5.2	5.7

Investment Adviser Commentary: Economic and market conditions to 31 December 2021

Economic environment

Strongly positive returns from equities and negative returns from most fixed income assets over the 12 months to 31 December 2021 reflect a period of economic recovery from the COVID-19 pandemic. This recovery was driven by the gradual reopening up of the economy following the vaccine rollout and by the ongoing monetary and fiscal stimulus measures. However, by the end of the period these two factors had also contributed to rising inflation in most developed economies.

The economic damage the pandemic, and responses to it, had inflicted on the global economy was immense. The IMF, recorded global growth of -3.2% over 2020, marking the largest global recession since the Second World War. However, by January 2021, signs of recovery from the pandemic had begun to appear as a result of successful vaccination programmes and an unprecedented level of fiscal and monetary policy stimulus. As a result, by 31 December 2020 equity markets were only 2.4% below their pre-pandemic maximum. However, uncertainty remained at the beginning of 2021 as most countries had reintroduced stricter lockdown restrictions at the end of 2020 in an attempt to slow the spread of the new "Delta variant" of the disease.

The second wave of lockdowns did not have the same negative effect on markets as the first. This was partially due to the rapid speed of the rollout of vaccines demonstrating efficacy of more than 90% in trials. This helped markets look through the increased restrictions to an eventual end to the pandemic. Multiple vaccines eventually gained approval and the vaccine rollout continued to pick up speed over 2021. By the end of the period 9.2 billion vaccine doses had been administered worldwide. This includes 520 million booster doses administered in an effort to increase global immunisation levels against the "Omicron variant", which was first detected on 24 November 2021. As a result of the emergence of the new variant, many countries once again increased restrictions in early December 2021. However, while cases skyrocketed, data soon emerged suggesting that the new variant was less virulent than feared.

In the US, the presidential election eventually ended with a victory for Joe Biden over Donald Trump and Democrat control of both the House of Representatives and the Senate. This allowed the US to pass a larger than expected stimulus package in March 2021, on top of the nearly $4 trillion already provided by that country since the beginning of the pandemic. This latest package consisted of $1.9 trillion, including direct payments of $600 to most citizens. In total the US stimulus efforts during the pandemic totalled nearly 25% of pre-pandemic GDP.

The vaccine rollout and stimulus measures caused the IMF to upgrade its outlook for the recovery and by the end of the period it was estimating that the rate of global growth in 2021 was 5.9%, the highest rate since the 1970's. The global recovery, combined with ongoing fiscal and monetary support helped equity markets sustain all-time highs, ending the period as much as 34% above their pre-pandemic maximum by 31 December 2021.

The same factors also led to increased global demand, particularly for goods purchases, which exacerbated supply disruption resulting from the pandemic to cause rising prices. A wide range of goods and commodities including lumber, semiconductors and used cars experienced sharp price rises over the period. Energy prices also rose significantly with oil rising by 51% over the 12 months to 31 December 2021 and the price of natural gas in Europe rising by 370% over the same period. As a result, inflation began to increase globally. In the UK, CPI inflation reached 5.4% in December 2021, its highest level in thirty years. In the US, CPI inflation reached as high as 7.0% in December 2021, the highest level in forty years. Markets therefore began to price in more interventions by central banks to stem the tide of inflation through interest rate rises and a reduction in asset purchases. In the UK, this resulted in 10-year gilt yields rising by 75 basis points over the year to 31 December 2021. On 16 December 2021, the Bank of England became the first major central bank to raise interest rates, increasing the base rate from 0.1% to 0.25%. It also confirmed the cessation of further asset purchases outside maintaining the existing stock. The Federal Reserve and European Central Bank also confirmed plans to significantly scale back their rate of asset purchases during 2022.

Overall, the 12 months to 31 December 2021 saw all major central banks loosen monetary policy. The period saw economies recover to pre-pandemic levels and central banks began discussions surrounding the tapering of quantitative easing measures and the raising of interest rates.

The European Central Bank kept its main lending rate at 0.0% throughout the period. Over the 12 months to 30 September 2021, the ECB's total asset purchases, including purchases as part of the Pandemic Emergency Purchase Programme, totalled €1.1 trillion.

The Bank of England raised the base rate by 0.15% to 0.25% in December 2021. Over the period the BoE purchased a total of £157 billion of additional government bonds and maintained its existing stock of corporate bond purchases through reinvestment of the proceeds.

The Federal Reserve maintained the Federal Funds Rate within the range 0.00% to 0.25% throughout the period. The Fed sharply increased the size of its balance sheet purchasing around $1.4 trillion of assets over the 12 months to December 2021.

Market performance

Against this backdrop, market returns from traditional asset classes were largely positive in absolute terms over the year to 31 December 2021, with bonds producing negative returns as yields rose.

Equities: Overall, global equities produced positive total returns over the year to 31 December 2021, rising by 21.4% in local currency terms. All geographical regions produced a positive return over the year but this varied considerably between regions. The best performing region (in local currency terms) was North America (26.9%) and the worst performing region (in local currency terms) was Emerging Markets (1.8%).

Bonds: Over the year to 31 December 2021, UK gilt yields rose across all maturities. The net impact was a negative return (-5.2%) for UK fixed interest gilts (all stocks). However, a rise in implied inflation resulted in UK index-linked gilts (all stocks) delivering a positive return (4.2%) over the year. UK corporate bond spreads (all stocks) remained broadly flat over the period widening by less than 0.1% over the year.

Property: The MSCI UK All Property Index rose by 20.0% over the 12 months to 31 December 2021.

Alternatives: The Scheme has investments in a DGF with Baillie Gifford, who are permitted to invest in a range of asset classes, including alternative investments. The fund returned 9.1% over the year against respective a benchmark return of 3.6%. It should be noted that this is a long-term target and should be considered over a suitable timeframe.

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 2019.
- 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
5EAC6FF83737453...

William Medlicott
Chairman of the Trustee
Date: 27 July 2022

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

Under Section 222 of the Pensions Act 2004, every scheme is subject to the Statutory Funding Objective, which is to have sufficient and appropriate assets to cover its technical provisions. The technical provisions represent the present value of the benefits members are entitled to, based on pensionable service at the valuation date or date of leaving if earlier. This is assessed using the assumptions agreed between the Trustee and the Employer and set out in the Statement of Funding Principles dated 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. The next actuarial valuation as at 1 January 2022 is currently underway.

	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		
		01-Jan-21	01-Jan-20	01-Jan-19
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 2021 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 2021, and of the amount and disposition at that date of its assets and liabilities, other than liabilities to pay pensions and benefits after the end of the year;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; 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 within an investment transition were agreed to trustee authorisation.

- 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

29 July 2022

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 2021 which is set out on page 26.

In our opinion contributions for the Scheme year ended 31 December 2021 as reported in the summary of contributions and payable under the schedule of contributions have in all material respects been paid at least in accordance with the schedule of contributions certified by the Scheme actuary on 11 December 2019.

Scope of work on Statement about Contributions

Our examination involves obtaining evidence sufficient to give reasonable assurance that contributions reported in the attached summary of contributions have in all material respects been paid at least in accordance with the Schedule of Contributions. This includes an examination, on a test basis, of evidence relevant to the amounts of contributions payable to the Fund 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.

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 2022

Summary of contributions payable during the Scheme year ended 31 December 2021

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 2021. The Scheme auditor reports on contributions payable under the schedule in the auditor's Statement about Contributions.

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

Contributions payable under the schedule of contributions	**2021**
	£
Contributions from employer:	
Normal contributions	62,623
Deficit funding contributions	2,300,000
Contributions from members: Normal contributions	4,732
Total contributions payable under the schedule	2,367,355
Other contributions payable	
Members' additional voluntary contributions	-
Press paid member additional voluntary contributions	-
Total contributions payable to the Scheme per the financial statements	**2,367,355**

Approved by the Trustee and signed on their behalf by:

DocuSigned by:

William Medlicott

5EAC6FF83737453...

William Medlicott

Chairman of the Trustee

Date 27 July 2022

Financial Statements

Scheme account for the year ended 31 December 2021

	Notes	2021	2020
		£	£
Contributions and benefits			
Employer contributions receivable	3	2,362,623	2,411,526
Employee contributions receivable	3	4,732	8,428
Insured benefit claim		29,963	36,795
Benefits payable	4	6,150,367	5,580,546
Transfer out of benefits	5	147,754	-
Life assurance premiums		5,453	1,821
Net (outflow) from dealings with members		**(3,906,256)**	**(3,125,618)**
Returns on investments			
Change in market value of investments	9	10,989,836	1,865,386
Investment income	8	583,113	1,392,022
Net returns on investments		**11,572,949**	**3,257,408**
Net movement in the Scheme during the year		**7,666,693**	**131,790**
Net assets of the Scheme at 1 January		**£94,137,329**	**94,005,539**
Net assets of the Scheme at 31 December		**£101,804,022**	**£94,137,329**

Financial Statements (cont.)

Net asset statement for the year ended 31 December 2021

	Notes	2021	2020
		£	£
Investments – PIV	9	100,838,515	92,977,688
Investments - AVC funds	9	26,683	495,227
Current assets	6	1,075,836	795,677
Current liabilities	7	(137,012)	(131,263)
Total net assets at 31 December		**101,804,022**	**94,137,329**

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

The notes on pages 29 to 35 form part of these financial statements.

The financial statements on pages 27 to 35 were approved by the Trustee Directors and signed on their behalf by:

DocuSigned by:
William Medlicott
5EAC6FF83737453...

William Medlicott

Chairman of the Trustee
Date 27 July 2022

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

Notes forming part of the Financial Statements

contributions are recognised as forming part of the overall assets which are under the supervision of the Trustee and accordingly they are included within the net assets of the Scheme. Contributions received from members and monies payable by the Trustee in respect of benefits arising under AVC arrangements are similarly included within the fund account.

Identification of the financial statements

The Scheme is established as a trust under English Law. The address for enquiries to the Scheme is included in the Trustee's Report under the heading Further Information on page 15.

3. Contributions receivable

	2021 £	2020 £
Members' contributions:		
Normal	4,732	8,428
AVCs	-	-
AVC's (Press)	-	-
	4,732	**8,428**
Employers' contributions:		
Normal (including death in service benefits)	62,623	111,526
Deficit funding contribution	2,300,000	2,300,000
	2,362,623	**2,411,526**
Total contributions receivable	**2,367,355**	**2,419,954**

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

	2021 £	2020 £
Pensions payable	5,708,435	5,580,546
Lump sums payable on retirement	441,932	-
Total benefits payable	**6,150,367**	**5,580,546**

5. Payments to and on account of leavers

	2021 £	2020 £
CETV of main scheme benefits	147,754	-
Total payments to and on account of leavers	**147,754**	**-**

Notes forming part of the Financial Statements

6. Current assets

	2021 £	2020 £
Cash and bank deposits	1,075,836	795,677
Total current assets	**1,075,836**	**795,677**

7. Current liabilities

	2021 £	2020 £
HMRC – PAYE	137,012	131,263
Total current liabilities	**137,012**	**131,263**

8. Investment Income

	2021 £	2020 £
Income from pooled investment vehicles	**583,113***	**1,392,022**

*(Investment income has reduced following the closure of the CRBE fund)

9. Investments

	2021 £	2020 £
Pooled investment vehicles	100,838,515	92,977,688
AVC fund	26,683	495,227
Total Investments	**100,865,198**	**93,472,915**

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 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**
Market value at 1 January 2021	92,977,688	495,227	93,472,915
Amounts invested during the year	14,749,842	-	14,749,842
Amounts withdrawn during the year	(17,887,141)	(460,254)	(18,347,395)
Change in market value	10,998,126	(8,290)	10,989,836
Market value at 31 December 2021	**100,838,515**	**26,683**	**100,865,198**

Included within sales and purchases are amount of £14,749,842 divested from Barings and subsequently invested with LGIM following the closure of the Barings fund. Also included in sales is £3,137,299 received into the Scheme's bank account as part of the winding down of the CBRE investment.

9.1 Pooled investment vehicles

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

	2021£	**2021%**	**2020£**	**2020%**
Return seeking portfolio				
UK equity fund	-	-	-	-
Overseas equity funds	51,879,107	51.45%	35,598,187	38.27%
Diversified growth funds	21,297,353	21.12%	33,746,571	36.30%
Property fund	3,090,492	3.06%	5,724,619	6.16%
Defensive portfolio				
Bonds	-	-	-	-
Multi-Asset Credit Funds	24,571,563	24.37%	17,908,311	19.26%
	100,838,515	**100.00%**	**92,977,688**	**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 2021	Level 1	Level 2	Level 3	Total
	£	£	£	£
Pooled investment vehicles	-	97,748,023	3,090,492	100,838,515
AVC investments	-	26,683	-	26,683
Total	**-**	**97,774,706**	**3,090,492**	**100,865,198**

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**

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).

Notes forming part of the Financial Statements

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 and the investment of AVCs is a choice for the member, not the Trustee.

Credit risk

The Scheme has indirect exposure to credit risk from the underlying investments held by the Sterling Liquidity Fund, Short Dated Sterling Corporate Bond Index Fund, Diversified Growth Fund 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 rewarded with higher returns over the longer term. Diversification and active management by the fund managers mitigate some of this additional credit risk and is expected to be a source of outperformance. The Short-Dated Sterling Corporate Bond Index Fund is a passively managed fund with all holdings being at least investment grade credit quality. The Sterling Liquidity Fund has a principal investment objective to provide capital stability, liquidity and income through investment in a diversified portfolio of high credit quality short term fixed income and variable rate securities. The fund will also seek to obtain and maintain a triple-A rating from a recognized rating agency, demonstrating the creditworthiness of the funds aggregate holdings.

The 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 £56,264,734 (2020: £35,598,187) unit linked insurance contracts and £44,573,780 (2020: £57,379,501) 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 Sterling Liquidity Fund, Short Dated Sterling Corporate Bond Index Fund, Multi Asset Credit Funds and Diversified Growth Fund.

Following the closure of the Barings fund, the implied allocation across these five funds was 47% of the invested assets.As at 31 December 2021, this allocation amounted to £45,868,916 (2020: £51,643,288) and made up 45.5% of invested assets (2020: 55.6%) 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 liabilities are denominated in sterling.

The Scheme's pooled investments are all held in funds denominated in sterling, but the Scheme is indirectly exposed to some currency risk due to holdings in overseas assets through pooled investment vehicles.

Some currency hedging is employed to manage the impact of exchange rate fluctuations on the Scheme's equity fund investments. 50.6% (2020: 50.7%) of the overseas equity holdings as detailed in note 9.1 were hedged to sterling as at the year end and the Trustee has a central of hedging 50% of the currency risk on the equities.

In addition, the Scheme is exposed to indirect currency risk as a result of the overseas investments held via the multi-asset funds as detail in note 9.1. The pooled investment funds' holdings in overseas assets will fluctuate 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 2021 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 2021.

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. 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.

Appendix 1

Cambridge University Press Senior Staff Pension Scheme

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 2021.

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

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

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

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

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

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

Having reviewed the above in accordance with their policies, the Trustee is comfortable the actions of the fund managers are in alignment with the 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 Baillie Gifford & Co ("Baillie Gifford") and Legal and General Investment Management ("LGIM"). The table below provides a summary of the voting activity undertaken by each manager during the year to 31 December 2021. The Scheme disinvested from the Barings Dynamic Asset Allocation Fund in June 2021 following its closure, and so voting data for this fund is shown below for the year to 30 June 2021.

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
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	87	132	3,859
Number of resolutions the manager was eligible to vote on over the year	817	1,505	41,876
Percentage of resolutions the manager voted on	96.2%	88.8%	99.9%
Percentage of resolutions the manager abstained from	0.0%	0.6%	0.7%
Percentage of resolutions voted *with* management, as a percentage of the total number of resolutions voted on	95.4%	96.0%	81.9%
Percentage of resolutions voted *against* management, as a percentage of the total number of resolutions voted on	4.6%	3.4%	17.4%
Percentage of resolutions voted contrary to the recommendation of the proxy advisor	0.5%	N/A	10.7%

*The Baring Dynamic Asset Allocation Fund closed on 30 June 2021 and so voting data is shown here for the year to 30 June 2021.

Significant votes

We have delegated to the investment managers to define what a "significant vote" is. A summary of the data they have provided is set out in Appendix 1 to this statement.

Fund level engagement

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

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 Scheme disinvested from the Barings Dynamic Asset Allocation Fund in June 2021 following its closure, and so engagement data for this fund is shown below for the year to 30 June 2021. Examples of engagement undertaken have been set out in Appendix 2 to this statement.

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

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

Manager	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 hedged	Short Dated Sterling Corp Bond Index Fund	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	Yes
Has the manager engaged with companies to influence them in relation to ESG factors in the year?	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Number of engagements undertaken on behalf of the holdings in this fund in the year	70	Data not provided by manager	Data not provided by manager	121	241	Data not provided by manager	Data not provided by manager
Number of engagements undertaken at a firm level in the year	415	3,133	772		4,145	Data not provided by manager	Data not provided by manager

*The Baring Dynamic Asset Allocation Fund closed on 30 June 2021 and so voting data is shown here for the year to 30 June 2021.

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

Summary

Based on the information received, the Trustee 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

Appendix 1 – Significant Votes

The table below summarises significant votes across all funds held by the Scheme during the year. The Fund disinvested from the Barings Dynamic Asset Allocation Fund in June 2021 following its closure, and so engagement data for this fund is shown below for the year to 30 June 2021.

	Vote 1	Vote 2	Vote 3	Vote 4	Vote 5	Vote 6
Funds affected	Barings Dynamic Asset Allocation Fund	Barings Dynamic Asset Allocation Fund	Barings Dynamic Asset Allocation Fund	Baillie Gifford Diversified Growth Fund	Baillie Gifford Diversified Growth Fund	Baillie Gifford Diversified Growth Fund
Company name	KATITAS Co., Ltd.	SCSK Corp.	WealthNavi, Inc.	Ediston Property Investment Company Plc	Rio Tinto Plc	Vonovia SE
Date of vote	25 June 2021	23 June 2021	26 March 2021	23 February 2021	9 April 2021	16 April 2021
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	Data not provided by manager	Data not provided by manager	Data not provided by manager	0.14%	0.19%	0.58%
Summary of the resolution	Appoint Statutory Auditor Tsunoda, Tomoko	Elect Director Tabuchi, Masao	Approve Restricted Stock Plan	Rumuneration - Policy	Rumuneration - Policy	Amendment of Share Capital
How the manager voted	Against	Against	Against	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	No	No	Yes
Rationale for the voting decision	Data not provided by manager	Data not provided by manager	Data not provided by manager	Baillie Gifford opposed the resolution to approve the remuneration policy because they are concerned that an additional fee proposed for the Senior Independent Director could impact his independence.	Baillie Gifford opposed the remuneration report as they did not agree with the decisions taken by the Remuneration Committee in the last year regarding executive severance payments and the vesting of long-term incentive awards.	Baillie Gifford opposed two resolutions which sought authority to issue equity because the potential dilution levels are not in the interests of shareholders.
Outcome of the vote	Data not provided by manager	Data not provided by manager	Data not provided by manager	Pass	Pass	Pass
Implications of the outcome	Data not provided by manager	Data not provided by manager	Data not provided by manager	Baillie Gifford engaged with the company on the issue and will	Following the submission of their votes Baillie Gifford engaged	In advance of the AGM Baillie Gifford contacted the company to

				continue to take voting action in relation to remuneration if concerns remain.	with the company to communicate their concerns. Whilst they did not support the backwards looking remuneration report, they took the decision to support the forward looking remuneration policy. Baillie Gifford continue to be focussed on having good open communication with the leadership team which they believe is valuable as long-term investors.	see if they could provide an assurance they would not issue shares below Net Tangible Asset (NTA). The company were not able to provide that assurance therefore the manager did not feel it was in their clients' interest to support the two equity issuance resolutions. They encourage the company to provide this additional assurance so they could consider supporting in future.
Criteria on which the vote is considered "significant"	Barings voted against management	Barings voted against management	Barings voted against management	Baillie Gifford opposed remuneration.	Baillie Gifford opposed remuneration.	This resolution is significant because it received greater than 20% opposition.

	Vote 7	Vote 8	Vote 9
Funds affected	LGIM FW Global Equity Index Funds (unhedged & hedged)	LGIM FW Global Equity Index Funds (unhedged & hedged)	LGIM FW Global Equity Index Funds (unhedged & hedged)
Company name	JPMorgan Chase & Co.	Facebook, Inc.	NVIDIA Corporation
Date of vote	18 May 2021	26 May 2021	3 June 2021
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	1.06%	1.00%	0.76%
Summary of the resolution	Resolution 1c: Elect Director Todd A. Combs	Resolution 1.9 Elect Director Mark Zuckerberg	Resolution 1g Elect Director Harvey C. Jones
How the manager voted	Against	Withhold	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	LGIM has a longstanding policy advocating for the separation of the roles of CEO and board chair.	LGIM has a longstanding policy advocating for the separation of the roles of CEO and board chair.	LGIM places a vote against all companies in the S&P500 and the S&P/TSX where there is less than 25% women on the board. Their expectation is for all companies in this market to reach a minimum of 30% women on the board and at senior management level by 2023.

	Vote 7	Vote 8	Vote 9
Outcome of the vote	96.1% of shareholders supported the resolution	97.2% of shareholders supported the resolution	94.2% of shareholders supported the resolution
Implications of the outcome	LGIM will continue to engage with their investee companies, publicly advocate their position on this issue and monitor company and market-level progress.	LGIM will continue to engage with their investee companies, publicly advocate their position on this issue and monitor company and market-level progress.	LGIM will continue to engage with their investee companies, publicly advocate their position on this issue and monitor company and market-level progress.
Criteria on which the vote is considered "significant"	The vote is an application of an escalation of LGIM's vote policy on the topic of the combination of the board chair and CEO.	The vote is an application of an escalation of LGIM's vote policy on the topic of the combination of the board chair and CEO.	LGIM views gender diversity as a financially material issue for their clients, with implications for the assets LGIM manage on their behalf.

Appendix 2 – Examples of engagement undertaken

The table below summarises examples of engagement activity undertaken across all funds held by the Scheme during the year.

Fund	Engagement example
Barings Dynamic Asset Allocation Fund*	**Gold exposure and responsible sourcing** – In an effort to extend their ESG requirements the manager engaged with Amundi, who are used by the manager to access Physical Gold Exchange Traded Commodities. The manager engaged with Amundi to push for compliance with the London Bullion Market Association (LBMA) programme that validates the supply chain quality for gold bars sourced post-2012. It was confirmed that the Amundi fund is 100% backed by LBMA gold bars from post-2012, ensuring compliance with the responsible sourcing guidelines.
Baillie Gifford Diversified Growth Fund	**Amedeo Air Four Plus Ltd** – the manager's engagement relates to the Board's relationship with Nimord Capital, the company's corporate advisor. In Feb 2021 the 'divorce' settlement with Nimrod was announced, which is substantial since Nimrod's contract lasted until 2027. While unpalatable for the company to incur these costs, Baillie Gifford have engaged with both the Chairman of the Board and with the corporate adviser directly and consider it to be a positive step taken by the board to reduce fixed costs over the future. The manager will continue to engage with the company.
LGIM Future World Global Equity Index Fund – Unhedged and hedged	**Climate Impact Pledge** – LGIM launched its 5th engagement cycle of the Climate Impact Pledge. They analyse and directly engage with around 60 companies in 15 climate-critical sectors on their approach to strategic approach to climate change, and to what extent they are aligning their businesses with the constraints and opportunities of a net-zero transition. By the end of 2021 75% of companies had responded to engagement requests and although this is positive the manager's focus for 2022 is to continue to press companies to develop robust decarbonisation strategies.
LGIM Short Dated Sterling Corp Bond Index Fund	**The top engagement topics at a fund level over the year to 31 December 2021 were**: • Climate Change • Remuneration • Board Composition • Climate Impact Pledge • Gender Diversity At a firm level, LGIM engage through the Climate Impact Pledge, as described above.

Hermes Multi Strategy Credit Fund	**Levi's** – Hermes engaged with Levi's to discuss the company's strategy emerging from pandemic-related conditions and ESG matters. The company has a suite of sustainability commitments for its products, which includes environmental and social commitments and considerations from design to sourcing to manufacturing and to consumer use and end-of-life. The depth and material impact of their commitments will require further analysis and engagement.
CBRE Osiris Property Fund	The manager has engaged with the Curlew Student Trust over the year to guide them with updating their ESG policies and targets which also included tracking progress against these targets. With the introduction of the Stark ESG reporting platform allows the Trust to monitor water, gas and electricity usage for their assets. This will aid the manager in being able to better answer PRI and GRESB questionnaires.
Apollo Total Return Fund	**Adani Ports and Special Economic Zone Limited** - Apollo discussed steps taken to improve the company's ESG, particularly issues around investment in Myanmar, exposure to coal, governance, and the appointment of a new CFO. Following the engagement the company announced its exit from Myanmar, provided information on a trajectory of coal put through its ports over the next 10 years, and confirmed that no investments into Carmichael mine would be made from Adani Ports. The company also constituted a Corporate Responsibility Committee comprising Independent Directors to provide assurance for all ESG commitments.

*The Baring Dynamic Asset Allocation Fund closed on 30 June 2021 and so voting data is shown here for the year to 30 June 2021.