# Vodafone Ireland Pension Plan

## Trustees' Annual Report for the Plan Year Ended 31 December 2023

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| Prepared for | The Trustees of the Vodafone Ireland Pension Plan<br>PB 73804 |
| Prepared by | Aon on behalf of the Trustees |

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# Trustees and Advisers

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|---|---|
| **Participating Companies** | Vodafone Ireland Limited (Principal Employer)<br>Vodafone Group Services Ireland Limited |
| **Trustees** | Eamon Farrell<br>Michael Farrell<br>Brian Kavanagh (Retired 11th September 2023)<br>John Keaney<br>Mike O'Connor<br>Katie Craig<br>David Harney (Appointed 31st October 2023)<br><br>Irish Pensions Trust Limited<br>Hamilton House, 28 Fitzwilliam Place, Dublin 2<br>Directors of Irish Pensions Trust Limited:<br>Martin O'Callaghan<br>Donal O'Flaherty<br>Dave Cooney<br>Barbara Browne<br>Rickard Mills (Appointed 01 February 2024) |
| **Consultant & Registered Administrator** | Aon Solutions Ireland Limited (trading as Aon)<br>Metropolitan Building,James Joyce Street, Dublin 1, D01 K0Y8. |
| **Key Function Holders** | **Risk Management Key Function Holder:**<br>Seamus O’Shea, Aon,<br>Email: seamus.oshea@aon.com<br><br>**Internal Audit Key Function Holder:**<br>Deirdre Lynch, BDO,<br>Email: dlynch@bdo.ie |
| **Actuary** | Aidan Kennedy FSAI, Aon Solutions Ireland Limited |
| **Investment Managers of Pension Fund** | Irish Life Investment Managers Limited (ILIM)<br>Beresford Court, Beresford Place, Dublin 1<br>Insight Investment Management (Global) Limited<br>160 Queen Victoria Street, London, EC4 4LA<br>Blackrock Investment Management (UK) Limited<br>12 Throgmorton Avenue, London, EC2N 2DL<br>Legal and General Assurance (Pensions Management) Limited (LGIM)<br>One Coleman Street, London, EC2R 5AA |

# Trustee and Advisers (continued)

| | |
|---|---|
| **Annuity Provider** | Generali Vie S.A.<br>2 rue de Pillet-Will, Paris, 75009, France |
| **Insurer of Death in Service Benefits** | Irish Life Assurance Plc.<br>Irish Life Centre, Lower Abbey Street, Dublin 1 |
| **Solicitors** | McCann FitzGerald<br>Riverside One, Sir John Rogerson's Quay, Dublin 2 |
| **Independent Auditors** | Forvis Mazars (Appointed January 2024)<br>Audit & Assurance, Block 3 Harcourt Centre,<br>Harcourt Road, Dublin 2.<br><br>PricewaterhouseCoopers (Ceased January 2024)<br>Chartered Accountants & Statutory Audit Firm<br>One Albert Quay, Cork |
| **Pensions Authority Reference No.** | PB 73804 |
| **Pensions Authority** | Verschoyle House, 28-30 Lower Mount Street, Dublin 2 |
| **Bank** | Aon Solutions Ireland Limited operates a conglomerate trustee bank account. |

If you have any queries on this Annual Report or on any aspect of the Plan you should refer them, in the first instance, to:

The Secretary
Vodafone Ireland Pension Plan
c/o Aon
Metropolitan Building,
James Joyce Street,
Dublin 1, D01 K0Y8.
Email: myfutureme@aon.ie

# Trustees' Report

**Introduction**

The Trustees present herewith the annual report to members of the Vodafone Ireland Pension Plan ("the Plan") for the year ended 31 December 2023. The content of this report conforms to the Occupational Pension Schemes (Disclosure of Information) Regulations, 2006 (as amended), as prescribed by the Minister for Social Protection under the Pensions Act, 1990. The report outlines the constitution and structure of the Plan together with details of financial movements for the period, investment matters and membership movements.

The Plan, which operates on a Defined Benefit basis, was established on the 27th May 1996 to provide retirement and life assurance benefits for its members and is a distinct legal entity, separate in every respect from the Principal Employer, Vodafone Ireland Limited. The Plan was closed to new entrants with effect from 1 January 2005.

The Plan is governed by a Definitive Trust Deed and Rules which members are entitled to inspect or receive a copy thereof. Details of members' benefits are also provided in the explanatory booklet which has been distributed to all members and individual details appear on each member's benefit statement.

The Plan has been approved by the Revenue Commissioners as an "exempt approved scheme" under Section 774 of the Taxes Consolidation Act, 1997, and as such its assets are allowed to accumulate free of income and capital gains taxes. In addition, tax relief is given on employer and employee contributions to the Plan and certain lump sum payments to members can be paid free of tax. The Plan has also been registered with the Pensions Authority and its registration number is PB 73804.

The Plan is financed by contributions from the employer and employees. In addition to the employer's contributions, the company pays insurance premiums in respect of death benefits. Details of contributions are set out in note 4.

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**Changes to the Plan**

There have been no changes since the previous Plan year in the information specified in Schedule C of the Occupational Pension Schemes (Disclosure of Information) Regulations, 2006 (as amended).

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**Trustees and Advisers**

The right of members of the Plan to select or approve the selection of Trustees to the Plan is set out in the Occupational Pension Schemes (Member Participation in the Selection of Persons for Appointment as Trustees) (No.3) Regulations, 1996, (S.I. No. 376 of 1996).

Section 59AA of the Pensions Act 1990, which requires Trustees of pension plans to undergo training, was brought into force on 1 February 2010 by virtue of the Social Welfare and Pensions Act 2008 (Section28) (Commencement) Order 2009. The Trustees have access to appropriate training on their duties and responsibilities as Trustees.

The Trustees and the Plan Administrator have access at all times to the Trustee Handbook produced by the Pensions Authority and the Guidance Notes issued by the Authority from time to time.

The Trustees are responsible for the overall management of the Plan.

The Trustees are satisfied that appropriate procedures have been put in place to ensure that contributions payable are received in accordance with the legislative requirements as set out under section 58A of the Pensions Act 1990. The legislation sets out the following requirements:

- Member contributions payable during the Plan year must be received by the Trustees within 21 days of the month end in which they fall due; and
- Employer contributions payable must be paid in accordance with the rules of the Plan and the recommendations of the Actuary and, in any event, within 30 days of the end of the Plan year.

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**Internal Disputes Resolution (IDR) Procedures**

In compliance with Section 55 of the Financial Services and Pensions Ombudsman Act 2017, a procedure has been put in place to facilitate IDR.  Details of the IDR process are set out below.

The complainant discusses their potential complaint with the nominated contact. The nominated contact helps the complainant to understand whether the complaint qualifies for IDR. The nominated contact may be able to resolve the issue to the satisfaction of the complainant.

If it does not qualify for IDR and IDR is not recommended as an appropriate means of resolving the complaint, the nominated contact will report the complaint and details of any resolution that was reached at the next Trustee meeting.

If the complaint qualifies for IDR (or if it does not qualify for IDR but the nominated contact recommends IDR be used to resolve the complaint), the nominated contact will assist the complainant with gathering supporting evidence and putting their case to the Trustees.

The Trustees consider the complaint. They consult with an employer representative, expert advisors if appropriate and any other relevant parties and consider the recommendation of these parties before making a decision.

If the case is reasonably clear, whether for or against the complainant, the Trustees issue their conclusions to the complainant by a ‘notice of determination’. The complainant either accepts the finding or reverts to the Financial Services and Pensions Ombudsman.

If the facts of the case are unusually complex, the case can be put to an independent person. The Trustees consider whether using an independent person is appropriate or will bring additional value to the process.

If the Trustees decide that reference to an independent person is unlikely to be useful, the Trustees issue their conclusions to the complainant by a ‘notice of determination’. The complainant either accepts the finding or reverts to the Financial Services and Pensions Ombudsman.

If the Trustees decide that reference to an independent person is likely to be useful, the Trustees consider who an appropriate independent person might be and the case is referred to the independent person with supporting documents.

The independent person makes a recommendation to the Trustees. The Trustees consider the recommendation of the independent person and issue their conclusions to the complainant by a 'notice of determination'. The complainant either accepts the finding or reverts to the Financial Services and Pensions Ombudsman.

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**Pension Increases**

The rules of the Plan provide for certain increases on pensions in payment and on deferred benefits.

The pensions of Scheme A members under the Plan increase in payment in line with price inflation subject to a maximum increase of 4% p.a.

A Deed of Amendment effective 20 May 2012 clarified the interpretation of Rules 10 & 18.1.6 to reflect the following provisions regarding increases applicable to pensions in payment to former members of the Eircom Superannuation Scheme (Scheme C members):

- In respect of pensionable service completed pre. 15 December 2005 and post 20 May 2012, the Trustees may grant such increases as may be agreed by the Company; and
- In respect of pensionable service completed between 15 December 2005 and 20 May 2012, the Trustees shall grant increases in line with the percentage increase in pensionable remuneration granted to employees in the relevant employment grade.

There were 269 pensions paid from the Plan during the period under review.

Deferred pensions for most former members are revalued annually in accordance with the Pensions Act, 1990 by the lesser of 4% or the rate of change in the Consumer Price Index. The relevant revaluation rate in the period was 4%. The revaluation rate for former members of the Eircom Superannuation Scheme is the same as the basis set out above for determining increases to pensions already in payment (subject to the Pensions Act minimum).

There are no pensions or pension increases being paid by or at the request of the Trustees for which the Plan would not have a liability should it wind-up.

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**Financial Development**

The financial development of the Plan during the year is shown below:

| | **€** |
|---|---:|
| **Opening Value as at 1 January 2023** | 303,917,025 |
| **Net Additions from Dealing with Members** | (6,718,859) |
| **Investment Return** | 26,022,356 |
| **Closing Value as at 31 December 2023** | **323,220,522** |

All contributions were received within 30 days of the Plan year end and in accordance with the recommendations of the Plan Actuary.

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**Statement of Risk**

The financial condition of the Plan is dealt with in the Financial Development and Investment Management sections of this report.

Under the Occupational Pension Schemes (Disclosure of Information) Regulations, 2006 (as amended), the Trustees are required to describe the risks associated with the Plan and disclose these to members.

The Plan is funded by contributions paid by the employer and members. Actuarial advice will have been obtained when setting those contributions. However, there is no guarantee that the Plan will have sufficient funds to pay the benefits promised. It is therefore possible that the benefits payable under the Plan may have to be reduced. If the Plan is wound up and there is a deficit, the employer may not be under an obligation to fund the deficit or, even if the employer is under such an obligation, they may not be in a position to fund the deficit.

A Statement of Risks adopted by the Trustees is set out on pages 44 & 45.

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**Actuarial Position**

Actuarial Valuations are carried out at regular intervals to determine the funding requirements and monitor the funding standard position of the Plan. The last formal actuarial valuation was carried out as at 1 January 2021 and recommended an employer contribution rate of 26.5% of pensionable salary roll in respect of future service accrual and an amount of €450,000 per annum in respect of the expenses of operating the Plan. The employer is currently contributing in line with these recommendations. Member contributions are payable in addition. A copy of the actuarial valuation report is available from the Trustees while a copy of the *Report on Actuarial Liabilities*, which summarises the Plan's ongoing funding level and the key assumptions employed in determining the value of the accrued liabilities, is included as an attachment in this report.

An updated triennial actuarial valuation as at 1 January 2024 is in the course of preparation and due to be finalised by 30 September 2024.

The Actuary confirmed in the last valuation that if the Plan had wound up as at 31 December 2020, the resources of the Plan would have been sufficient to cover the minimum liabilities of the Plan, including the estimated expenses of administering the winding up of the Plan, determined in accordance with section 44 of the Pensions Act 1990. An *Actuarial Funding Certificate* (AFC) with an effective date of 31 December 2020 confirming this was submitted to the Pensions Authority. A *Funding Standard Reserve Certificate* (FSRC) was also submitted to the Pensions Authority confirming that the Plan held sufficient additional resources to satisfy the risk reserve requirement - copies of these certificates are included in this report.

In addition, the Actuary must prepare an annual *Actuarial Statement* as at the last date to which the Trustees' Annual Report relates (in this case 31 December 2023) advising whether or not the Plan remains in a position to satisfy the Funding Standard and Funding Standard Reserve. The Actuarial Statement as at 31 December 2023 confirms that the Actuary was reasonably satisfied that the Plan would have met the Funding Standard and Funding Standard Reserve as at that date and a copy of the actuarial statement is included in this Annual Report.

**Investment Management**

It is the policy of the Trustees to delegate responsibility for the management of the Plan's assets to professional investment managers. Irish Life Investment Managers Limited, Insight Investment Management (Global) Limited, Blackrock Investment Management (UK) Limited and Legal and General Assurance (Pensions Management) Limited are currently the investment managers of the Plan. The investment managers' reports are set out on pages 25 to 38 of this report.

The investment managers have discretion in the investment of Plan assets, within certain constraints agreed with the Trustees, and provide detailed quarterly reports to the Trustees on the strategy adopted and on the performance of the monies invested.

The investment managers are remunerated on a fee basis calculated as a percentage of the assets under management and these fees are reflected in unit prices and are borne by the Plan, with the exception of Insight Investment Management (Global) Limited and Blackrock Investment Management (UK) Limited who bill the Plan directly.

Overall responsibility for investments and their performance lies with the Trustees of the Plan. The Trustees hold regular meetings with the investment managers to discuss investment policy. The Trustees' Statement of Investment Policy Principles is set out on pages 46 to 55 of this report.

Other than within part of the Blackrock Multi-Asset Growth strategy, the Plan's investments do not explicitly take into account the EU criteria for environmentally sustainable economic activities. However, the Trustees are currently undertaking an investment review which may look to incorporate it into other areas of the portfolio in due course.

**Going Concern**

The Trustees have assessed the ability of the Plan to meet its future obligations to pay member benefits as they fall due and the ability of the Employers to continue to meet their obligations to the Plan. The Trustees believe that the Plan remains well positioned to manage its risks successfully and expects that the Plan will continue in operational existence for the foreseeable future.

**Events Subsequent to the year end**

There are no events post year end that would require amendments to or disclosure in this report.

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|---|---|
| **IORP II** | The Directive (EU) 2016/2341 of the European Parliament and of the Council of 14 December 2016 on the activities and supervision of institutions for occupational retirement provision (IORPs) – "IORP II" – was transposed into Irish law on 22 April 2021 by way of the European Union (Occupational Pension Schemes) Regulations 2021 (Statutory Instrument No. 128/2021). This is the most significant regulation to impact occupational pension schemes since the Pensions Act 1990.<br>In November 2021 the Pensions Authority published a code of practice setting out what the Pensions Authority expects of the Trustees to meet their obligations under the Regulations. The primary purpose of the IORP II Directive and transposing Regulations is to raise governance standards with a view to improving member outcomes. The administrative deadline for full compliance, with a few exceptions, is 31 December 2022. The Trustees are satisfied that the code of practice and the requirements of the code have been implemented. |
| **Sustainable Finance Disclosure Regulations (SFDR)** | All of the funds available under the Plan have been classified under Article 6 as defined under the SFDR. Other than within part of the Blackrock Multi-Asset Growth strategy, the Plan's investments do not explicitly take into account the EU criteria for environmentally sustainable economic activities. However, the Trustees are currently undertaking an investment review which may look to incorporate it into other areas of the portfolio in due course. |
| **In Conclusion** | We trust that members find this report informative and we are pleased to acknowledge the assistance received from the Principal Employer and its staff during the year as well as from our various professional advisers. |

**Signed for and on behalf of the Trustees:**

[redacted]

**Trustee**

[redacted]

**Director**
*On behalf of Irish Pensions Trust Limited*

**Date:** 19-Sep-2024

# Summary of Membership

**Membership Movement**

The following is a summary of the Membership Movements in respect of the Plan year ended 31 December 2023.

| | Active Members | Deferred Members | Pensioners |
|---|---|---|---|
| **Membership @ 01/01/2023** | **60** | **766** | **257** |
| **Opening Adjustment** | - | - | - |
| **Actives to Deferred** | (5) | 5 | - |
| **Retired** | - | (18) | 15 |
| **Leavers Administered** | - | (10) | (3) |
| **Membership @ 31/12/2023** | **55** | **743** | **269** |

No members were covered for death benefits only at the year-end (*2022: 0*).

# Statement of Trustees' Responsibilities

The financial statements are the responsibility of the Trustees. Irish pension legislation requires the Trustees to make available for each Plan period the annual report of the Plan, including audited financial statements and the report of the auditors. The financial statements are required to show a true and fair view, in accordance with The Financial Reporting Standard Applicable in the UK and the Republic of Ireland ("FRS 102"), of the financial transactions for the Plan period and the assets and liabilities (other than liabilities to pay benefits in the future) at the end of the Plan period and include a statement whether the financial statements have been prepared in accordance with Statement of Recommended Practice – Financial Reports of Pension Schemes ("SORP"), (Revised 2018), subject to any material departures disclosed and explained in the financial statements.

Accordingly, the Trustees must ensure that in the preparation of Plan financial statements:

- suitable accounting policies are selected and then applied consistently;
- reasonable and prudent judgements and estimates are made;
- the financial statements are prepared on a going concern basis unless it is inappropriate to presume that the Plan will not be wound up; and
- the SORP is followed, or particulars of any material departures have been disclosed and explained.

The Trustees are required by law to have appropriate procedures in place throughout the year under review, to ensure that:

- contributions payable during the Plan year are received by the Trustees in accordance with the timetable set out in Section 58A of the Act where applicable to the contributions and otherwise within 30 days of the Plan year end; and
- contributions payable are paid in accordance with the rules of the Plan and the recommendation of the Actuary.

The Trustees are responsible for making available certain other information about the Plan in the form of an annual report. The Trustees are also responsible for ensuring that proper membership and financial records are kept on a timely basis sufficient to enable an annual report to be prepared for the Plan containing the information specified in Regulation 7 of the Occupational Pension Schemes (Disclosure of Information) Regulations 2006 (as amended), including financial statements which show a true and fair view of the financial transactions of the Plan in the year under review and of the assets and liabilities at the year end, other than liabilities for pensions and other benefits payable after the year end. The Trustees are also responsible for safeguarding the assets of the pension Plan and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities, including the maintenance of appropriate internal controls.

**Signed for and on behalf of the Trustees:**

[redacted]

**Trustee**

[redacted]

**Director**
*On behalf of Irish Pensions Trust Limited*

**Date:** 19-Sep-2024

**REPORT OF THE INDEPENDENT AUDITORS
TO THE TRUSTEES AND MEMBERS OF
THE VODAFONE IRELAND PENSION PLAN**

***Opinion***

We have audited the financial statements of the above pension scheme for the year ended 31 December 2023, which comprise the Fund Account, the Net Assets Statement and notes to the accounts, including the summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is Irish pension law, the Statement of Recommended Practice – Financial Reports of Pension Schemes (SORP) and the Occupational Pension Schemes (Disclosure of Information) Regulations 2006 - 2013.

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 2023, and of the amount and disposition at that date of its assets and liabilities, other than liabilities to pay pensions and benefits after the year end ;
- contain the information specified in Schedule A to the Occupational Pension Schemes (Disclosure of Information) Regulations 2006

In our opinion:

- the contributions payable to the scheme during the period have been received within 30 days of the end of the scheme year; and
- the contributions have been paid in accordance with the scheme rules and the recommendation of the actuary.

***Basis for opinion***

We conducted our audit in accordance with International Standards on Auditing (Ireland) (ISAs (Ireland)) and applicable law. Our responsibilities under those standards are 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 ethical requirements that are relevant to our audit of financial statements in Ireland, including the Ethical Standard issued by the Irish Auditing and Accounting Supervisory Authority (IAASA), 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 trustees' 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 the date 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.

forvis mazars

**REPORT OF THE INDEPENDENT AUDITORS**
**TO THE TRUSTEES AND MEMBERS OF**
**THE VODAFONE IRELAND PENSION PLAN (Continued)**

***Other information***

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

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

We have nothing to report in this regard.

**Respective responsibilities**

***Responsibilities of trustees for the financial statements***

As explained more fully in the trustees' responsibilities statement, the trustees are responsible for:

- the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
- ensuring the financial statements contain the information specified in Schedule A to the Occupational Pension Schemes (Disclosure of Information) Regulations 2006

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 management either intends to wind up the scheme or to cease operations, or has no realistic alternative but to do so.

The trustees are also responsible for ensuring that

- the contributions payable to the scheme during the period have been received by the trustees within thirty days of the end of the scheme year, and
- the contributions have been paid in accordance with the scheme rules and the recommendation of the actuary.

**REPORT OF THE INDEPENDENT AUDITORS**
**TO THE TRUSTEES AND MEMBERS OF**
**THE VODAFONE IRELAND PENSION PLAN (Continued)**

***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 (Ireland) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the IAASA's website at: http://www.iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f- 8202dc9c3a/Description of auditors responsibilities for audit.pdf . This description forms part of our auditor's report.

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

Our report is made solely to the trustees and members of the pension scheme as a body. Our audit work has been undertaken so that we might state to the pension scheme's trustees and members 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 pension scheme and the trustees and members of the pension scheme, as a body, for our audit work, for this report, or for the opinions we have formed.

Forvis Mazars

**Forvis Mazars**
**Chartered Accountants & Statutory Audit Firm**
**Harcourt Road**
**Dublin 2**

**19 September 2024**

# Fund Account

**Fund account for the year ended 31 December 2023**

| | Note | 2023<br>€ | 2022<br>€ |
|---|---|---|---|
| **Contributions and Benefits** | | | |
| Employer Contributions | **4** | 1,704,594 | 1,744,608 |
| Member Contributions | **4** | 234,635 | 244,601 |
| Transfer In | **5** | 37,667 | 197,626 |
| | | 1,976,896 | 2,186,835 |
| Premium on Term Insurance Policies | **6** | (134,917) | (132,315) |
| Benefits | **7** | (6,712,786) | (6,144,442) |
| Payment to and on account of Leavers | **8** | (1,249,087) | (5,119,418) |
| Fees and Expenses | **9** | (598,965) | (617,528) |
| | | (8,695,755) | (12,013,703) |
| **Net (withdrawals) from dealing with members** | | **(6,718,859)** | **(9,826,868)** |
| **Returns on Investments** | | | |
| Investment Income | **10** | 1,827,085 | 1,723,961 |
| Investment Expenses | **11** | (579,716) | (787,919) |
| Change in Market Value of Investments | **11** | 24,774,987 | (79,204,920) |
| **Net Return on Investments** | | 26,022,356 | (78,268,878) |
| **Net Increase\(Decrease) in the Fund** | | 19,303,497 | (88,095,746) |
| **Net Assets as at 1 January** | | 303,917,025 | 392,012,771 |
| **Net Assets as at 31 December** | | **323,220,522** | **303,917,025** |

**The notes on pages 15 to 24 form part of these financial statements.**

**Signed for and on behalf of the Trustees:**

[redacted]

**Trustee**

[redacted]

**Director**
*On behalf of Irish Pensions Trust Limited*

**Date:** 19-Sep-2024

# Statement of Net Assets

**(available for benefits) as at 31 December 2023**

| | Note | 2023 | 2022 |
|---|---|---|---|
| | | **€** | **€** |
| **Investments at Fair Market Value** | | | |
| **Investment Assets** | | | |
| Insurance annuity contract | **11** | 19,236,000 | 19,616,000 |
| Pooled Investment Vehicles | **11** | 302,856,085 | 282,798,720 |
| Cash | **11** | 30,030 | 32,407 |
| **Total Investment Assets** | | **322,122,115** | **302,447,127** |
| | | | |
| Current Assets | **12** | 1,175,391 | 1,604,756 |
| Current Liabilities | **13** | (76,984) | (134,858) |
| **Net Current Assets** | | **1,098,407** | **1,469,898** |
| | | | |
| **Net Assets as at 31 December** | | **323,220,522** | **303,917,025** |

The financial statements summarise the transactions of the Plan and deal with the net assets at the disposal of the Trustees. They do not take account of obligations to pay pensions and benefits, which fall due after the end of the year. The actuarial position of the Plan, which does take account of such obligations, is dealt with in the Trustees' Report and in the Actuarial Funding Certificate, Funding Standard Reserve Certificate and Report on Actuarial Liabilities included in the Annual Report, and these should be read in conjunction with these financial statements.

**The notes on pages 15 to 24 form part of these financial statements.**

**Signed for and on behalf of the Trustees:**

[redacted]

**Trustee**

[redacted]

**Director**
*On behalf of Irish Pensions Trust Limited*

**Date:** 19-Sep-2024

# Notes to the Financial Statements

**1. General Information**

The Vodafone Ireland Pension Plan ("the Plan") is an occupational pension scheme established under trust. The Plan was established to provide retirement benefits for its members.

The Plan has been approved by the Revenue Commissioners as an "exempt approved scheme" under Section 774 of the Taxes Consolidation Act 1997 and, as such, its assets are generally allowed to accumulate free of income and capital gains taxes.

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**2. Statement of Compliance**

The financial statements have been prepared in accordance with the Occupational Pension Schemes (Disclosure of Information) Regulations, 2006 (as amended) ("the Regulations"), the guidance set out in the Statement of Recommended Practice "Financial Reports of Pension Schemes" (Revised 2018) ("the SORP"), and the Financial Reporting Standard (FRS) 102 – The Financial Reporting Standard applicable in the UK and Republic of Ireland issued by the Financial Reporting Council ("FRS 102").

The financial statements summarise the transactions of the Plan and deal with the net assets at the disposal of the Trustees. They do not take account of obligations to pay pensions and benefits, which fall due after the end of the Plan year.

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**3. Summary of Significant Accounting Policies**

The significant accounting policies adopted by the Trustees which have been applied consistently in dealing with items which are considered material in relation to the Plan's financial statements are set out below:

**Accruals Concept**

The financial statements have been prepared on an accruals basis with the exception of individual transfers, which are recognised when received or paid and benefits payable, which are recognised when the options available have been agreed.

**(a) Functional & Presentation Currency**

The reporting currency for the fund is the Euro.

**(b) Valuation and classification of investments**

Investment assets and liabilities are included in the financial statements at fair value. Where separate bid and offer prices are available, the bid price is used for investment assets and the offer price for investment liabilities. Otherwise, the closing single price, single dealing price or most recent transaction price is used.

Where quoted or other unit prices are not available, the Trustees adopt valuation techniques appropriate to the class of investment. Details of the valuation techniques and principal assumptions are given in the notes to the financial statements where used.

The methods of determining fair value for the principal classes of investments are:

- Pooled investment vehicles which are traded on an active market are included at the quoted price, which is normally the bid price.
- Unitised pooled investment vehicles which are not traded on an active market but where the manager is able to demonstrate that they are priced daily, weekly or at each month end, and are actually traded on

**3. Summary of Significant Accounting Policies (continued)**

substantially all pricing days are included at the last price provided by the manager at or before the year end.

- The value of other pooled investment vehicles which are unquoted or not actively traded on a quoted market is estimated by the Trustees. Where the value of a pooled investment vehicle is primarily driven by the fair value of its underlying assets, the net asset value advised by the fund manager is normally considered a suitable approximation to fair value unless there are restrictions or other factors which prevent realisation at that value, in which case adjustment is made.
- Unitised insurance policies are valued on the same basis as pooled investment vehicles with similar characteristics.

**(c) Foreign Exchange**

Investments and current assets denominated in foreign currencies are translated into Euro equivalents at the exchange rates ruling at the year-end.

**(d) Investment Income**

Income from fixed interest securities is accounted for on an accruals basis. Income from equities is recognised on the ex-dividend date of each holding. Other income is accounted for on an accruals basis. Income earned on investments in unit linked funds is not distributed but is accumulated with the capital of the funds.

The change in market value of investments during the year comprises all increases and decreases in the market value of investments held at any time during the year, including profits and losses realised on sales of investments and unrealised changes in market value. In the case of pooled investment vehicles which are accumulation funds, where income if reinvested within the fund without issue of further units, change in market value also includes such income.

**(e) Contributions**

Normal contributions, both from the members and from the employer, are accounted for on an accruals agreement under which they are paid, or in the absence of such an agreement, when received. Deficit funding contributions are accounted for in the year in which they fall due.

**(f) Payments to Members**

Benefits are accounted for in the period in which the member notifies the Trustees of their decision on the type or amount of benefit to be taken or if there is no member choice, on the date of retirement or leaving. Individual transfers in or out are accounted for when paid or received which is normally when members liability is accepted/discharged. Other benefits are accounted for on an accruals basis on the date of retirement, death or leaving the Plan as appropriate.

**(g) Transfers to and from other Plans**

Transfer values represent the amounts receivable and payable during the year for members who have either joined or left the Plan. All the values are based on methods and assumptions determined by the Actuary advising the Trustees. They are accounted for on a cash basis or where Trustees have agreed to accept the liability in advance of receipt of funds on an accruals basis from the date of the agreement.

## 3. Summary of Significant Accounting Policies (continued)

**(h) Expenses**

Expenses are accounted for on an accruals basis.

**(i) Transaction Costs**

Transaction costs include costs charged directly to the Plan such as fees, commissions, stamp duty and other fees. Indirect transaction costs are incurred through the bid – offer spread on unitised funds.

## 4. Contributions

| | 2023 | 2022 |
|---|---|---|
| | € | € |
| **Employer** | | |
| Normal Contributions | 1,119,677 | 1,162,293 |
| Expense Allowance | 450,000 | 450,000 |
| Premium for Death Benefits | 134,917 | 132,315 |
| **Total Employer Contributions** | **1,704,594** | **1,744,608** |
| **Member** | | |
| Normal Contributions | 234,635 | 244,601 |
| **Total Member Contributions** | **234,635** | **244,601** |
| **Total Contributions** | **1,939,229** | **1,989,209** |

The facility to pay Additional Voluntary Contributions (AVCs) is available to members in order to enhance their retirement benefits. Additional Voluntary Contributions are invested through a different Plan, the "Vodafone Ireland Defined Contribution Pension Plan" which is constituted under a separate Trust Deed & Rules.

## 5. Transfer In

| | 2023 | 2022 |
|---|---|---|
| | € | € |
| Individual Transfer In | 37,667 | 197,626 |
| | **37,667** | **197,626** |

## 6. Premium on Term Insurance Policies

Death in service benefits were secured by a policy of assurance underwritten by Irish Life Assurance Plc.

The premium for insured benefits of €134,917 (*2022: €132,315*) excludes the cost of long-term disability benefits, as disability benefits do not form part of the pension Plan.

## 7. Benefits

| | 2023 | 2022 |
|---|---|---|
| | € | € |
| Pensions | 5,748,343 | 5,208,313 |
| Lump Sum Retirement Benefits | 956,626 | 936,129 |
| Death benefit | 7,817 | - |
| **Total** | **6,712,786** | **6,144,442** |

## 8. Payments to and on account of Leavers

| | 2023 | 2022 |
|---|---|---|
| | € | € |
| Individual Transfers to other Schemes | 1,249,087 | 5,119,418 |
| **Total** | **1,249,087** | **5,119,418** |

## 9. Fees and Expenses

| | 2023 | 2022 |
|---|---|---|
| | € | € |
| Administration, Actuarial and Consulting Fees | 130,506 | 424,208 |
| Trustee Fees | 51,119 | 9,411 |
| Pension Authority | 792 | 536 |
| Sundry Expenses | 416,548 | 183,373 |
| **Total** | **598,965** | **617,528** |

All other expenses are borne by the principal employer.

## 10. Investment Income

| | 2023 | 2022 |
|---|---|---|
| | € | € |
| Equity Income | - | - |
| Annuity Income | 1,827,085 | 1,723,961 |
| **Total** | **1,827,085** | **1,723,961** |

## 11. Investments

### a. Summary of movement in net investments during the year

| | Value 31-12-22 | Purchases at cost | Sale proceeds | Change in market value | Value at 31-12-23 |
|---|---|---|---|---|---|
| | € | € | € | € | € |
| Pooled Investment Vehicles | 282,798,720 | 84,142,135 | (89,239,757) | 25,154,987 | 302,856,085 |
| Insurance contract | 19,616,000 | - | - | (380,000) | 19,236,000 |
| Cash Deposits | 32,407 | (2,377) | - | - | 30,030 |
| **Totals** | **302,447,127** | **84,139,758** | **(89,239,757)** | **24,774,987** | **322,122,115** |

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

Transaction costs are included in the cost of purchase and sale proceeds. Transaction costs include costs charged directly to the Plan such as fees, commissions, stamp duty and other fees. Indirect transaction costs are incurred through the bid – offer spread on unitised funds.

The investment managers are remunerated on a fee basis calculated as a percentage of the assets under management and these fees are reflected in unit prices and are borne by the Plan, with the exception of Insight Investment Management (Global) Limited and Blackrock Investment Management (UK) Limited who bill the Plan directly. These amounted to €579,716 (2022: €787,919) during the year.

Other than within part of the Blackrock Multi-Asset Growth strategy, the Plan's investments do not explicitly take into account the EU criteria for environmentally sustainable economic activities. However, the Trustees are currently undertaking an investment review which may look to incorporate it into other areas of the portfolio in due course.

**b. Summary of % of net assets**

| | **2023** | **Net Assets %** | **2022** | **Net Assets %** |
|---|---|---|---|---|
| | **€** | | **€** | |
| **Irish Life Investment Managers** | | | | |
| Pension Levy Cash 2013 | 812 | 0.0% | 788 | 0.0% |
| Indexed World Equity Hedged Fund S15 | - | 0.0% | 37,529,015 | 12.3% |
| Indexed World Equity Fund S14 | - | 0.0% | 27,641,628 | 9.1% |
| **Allied Pensions Trustee Limited** | | | | |
| Delta II 9902777 | - | 0.0% | 148 | 0.0% |
| **Insight Investment Managers** | | | | |
| **- Hedged Sub Portfolio** | | | | |
| Insight LDI Euro Enhanced Real S Eur | 62,302,645 | 19.3% | 81,751,541 | 26.9% |
| Insight high Grade ABS Fund Class S EUR | 55,010,751 | 17.1% | 25,380,008 | 8.4% |
| Insight LDI Euro Enhanced Nominal S EUR | 6,940,607 | 2.2% | - | 0.0% |
| Insight Liquidity ILF EUR Cash 2 EUR | 16,166 | 0.0% | 125,233 | 0.0% |
| Cash | 30,030 | 0.0% | 32,407 | 0.0% |
| **Blackrock Investment Management** | | | | |
| Fixed Income Fund | 40,987,992 | 12.7% | 44,650,143 | 14.7% |
| Multi Asset Fund | 15,723,343 | 4.9% | 21,484,049 | 7.1% |
| Liquidity Fund | 50,740 | 0.0% | 33,674 | 0.0% |
| ASG Reditus Fund | 23,445,571 | 7.3% | 19,474,087 | 6.4% |
| Cash | 9,832 | 0.0% | 9,944 | 0.0% |
| **LGIM** | | | | |
| World Equity (Net WHT) Ind | 84,974,478 | 26.4% | 12,587,326 | 4.1% |
| GER/FR/NL Govt Bond >15Yr Indx | - | 0.0% | - | 0.0% |
| Euro Govt Bond Over 10Yr Index | 13,393,148 | 4.1% | 12,131,137 | 4.0% |

| | | | | |
|---|---|---|---|---|
| **Insurance Contract** | | | | |
| Generali | 19,236,000 | 6.0% | 19,616,000 | 6.5% |
| | **322,122,115** | | **302,447,127** | |

### c. Investments at Market Value

| | 2023 | 2022 |
|---|---|---|
| | € | € |
| **Pooled Investment Vehicles by Type** | | |
| Bond Funds | 178,635,144 | 163,912,830 |
| Equity Funds | 84,974,478 | 77,758,117 |
| Multi Asset Funds | 39,168,914 | 40,958,135 |
| Cash & Liquidity Funds | 77,549 | 159,695 |
| | **302,856,085** | **282,788,777** |

### d. Concentration of Investments

The following investment exceeds 5% of the net assets of the Plan.

| | 2023 | Net Assets % | 2022 | Net Assets % |
|---|---|---|---|---|
| | € | | € | |
| **Insurance Contract** | | | | |
| Generali | 19,236,000 | 6.0% | 19,616,000 | 6.5% |
| | **19,236,000** | | **19,616,000** | |

### e. Investment Fair Value Hierarchy

For financial instruments held at fair value in the statement of net assets, a retirement benefit plan shall disclose for each class of financial instrument, an analysis of the level in the following fair value hierarchy into which the fair value measurements are categorised. 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
- Level 3: Inputs are unobservable (i.e. for which the marker data is unavailable) for the asset or liability.

**2023**

| | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| | € | € | € | € |
| Insurance Contract | - | - | 19,236,000 | 19,236,000 |
| Pooled Investment Vehicles | - | 279,410,514 | 23,445,571 | 302,856,085 |
| Cash | 30,030 | - | - | 30,030 |
| | **30,030** | **279,410,514** | **42,681,571** | **322,122,115** |

| 2022 | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| | € | € | € | € |
| Insurance Contract | - | - | 19,616,000 | 19,616,000 |
| Pooled Investment Vehicles | - | 263,324,486 | 19,474,234 | 282,798,720 |
| Cash | 32,407 | - | - | 32,407 |
| | **32,407** | **263,324,486** | **39,090,234** | **302,447,127** |

### f. Investment Risks

FRS 102 requires the disclosure of information in relation to certain investment risks.

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

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

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

The Trustee determines the Plan's investment strategy after taking advice from Aon Solutions Ireland Limited. The Plan has exposure to the above risks because of the investments it makes in the investment strategy set out below. The Trustees manage these risks taking into account the Plan's strategic investment objectives. These investment objectives are managed through the investment management agreements in place with the Plan's investment managers and monitored by the Trustees by regular reviews of the investment portfolio.

**Investment strategy**

The investment objective of the Plan is to maintain a portfolio of suitable assets of appropriate liquidity which will generate investment returns to meet, together with future contributions, the benefits of the Plan payable under the trust deed and rules as they fall due.

The Trustees set the investment strategy for the Plan taking into account considerations such as the strength of the employer covenant, the long term liabilities of the Plan and the funding agreed with the Employer. The investment strategy is set out in the Plan's Statement of Investment Policy Principles ("SIPP").

Further information on the Trustees' approach to risk management, credit and market risk is set out below.

**Credit risk**

Direct credit risk arising from pooled investment vehicles is mitigated by the underlying assets of the pooled arrangements being ring-fenced from the pooled manager, the regulatory environments in which the pooled managers operate and diversification of investments amongst a number of pooled arrangements.

The Scheme is also subject to credit risk if the Scheme invests directly or indirectly in bonds, over-the-counter ("OTC") derivatives, has cash balances, undertakes stock lending activities or enters into repurchase agreements.

Credit risk arising on bonds held directly is mitigated by investing in government bonds where the credit risk is minimal, or corporate bonds which are rated at least investment grade. Credit risk arising on other investments is mitigated by investment mandates requiring all counterparties to be at least investment grade credit rated.

Cash is held within financial institutions which are at least investment grade credit rated.

Credit risk on repurchase agreements is mitigated through collateral arrangements.

The following table summarises the extent to which the various types of pooled investments and derivatives are affected by financial risks.

| | Credit | Currency | Interest rate | Other Price | 2023 € | 2022 € |
|---|---|---|---|---|---|---|
| **Bond Funds** | ✓ | ✓ | ✓ | ✓ | 178,635,144 | 163,912,830 |
| **Equity Funds** | ✓ | ✓ | ✓ | ✓ | 84,974,478 | 77,758,117 |
| **Multi Asset Funds** | ✓ | ✓ | ✓ | ✓ | 39,168,914 | 40,958,136 |
| **Cash & Liquidity Funds** | ✓ | | ✓ | | 107,579 | 202,044 |
| **Insurance Contract** | ✓ | ✓ | ✓ | ✓ | 19,236,000 | 19,616,000 |
| **Totals** | | | | | **322,122,085** | **302,447,127** |

**Currency Risk**

The Plan is subject to indirect currency risk as some of the underlying investments of the Plan's pooled investment vehicles are held in overseas markets. Currency risk is managed through investment fund diversification by the investment managers within the funds.

**Interest Rate Risk**

The Plan is subject to interest rate risk due to the Plan's investments in fixed income securities and cash. Under the Plan's investment strategy, if interest rates fall, the value of their fixed income investments will rise to help match the increase in actuarial liabilities arising from a fall in the discount rate. Similarly, if interest rates rise, the fixed income investments will fall in value, as will the actuarial liabilities because of an increase in the discount rate.

**Other price risk**

Other price risk arises principally in relation to equities and bonds held in pooled investment vehicles. All of the Plan's pooled investment funds and derivative holdings are exposed to other price risk. The Plan's investment managers manage this exposure to overall price movements by holding a diverse portfolio of investments across various markets.

## 12. Current Assets

| | 2023 | 2022 |
|---|---|---|
| | € | € |
| Bank Balance | 667,065 | 597,745 |
| Employer Contributions Due | 90,086 | 543,166 |
| Employee Contributions Due | 19,660 | 20,315 |
| Risk Premiums Prepaid | 72,218 | 130,093 |
| Pensions Paid in advance | 326,362 | 272,435 |
| Monies due to Plan | - | 41,002 |
| **Total** | **1,175,391** | **1,604,756** |

## 13. Current Liabilities

| | 2023 | 2022 |
|---|---|---|
| | € | € |
| Benefits Payable | 4,765 | 4,765 |
| Risk Contributions Prepaid | 72,219 | 130,093 |
| **Total** | **76,984** | **134,858** |

## 14. Related Party Transactions

**Trustees**

The Trustees of the pension Plan are listed on page 1 of this report. Two of the Trustees are also active members of the Plan and contribute on the same basis as other members.

**Remuneration of the Trustees**

No fees were paid to the individual Trustees for their services as Trustees. Irish Pensions Trust Limited received a fee of €51,119 from the Plan in respect of its services during the year *(2022: €9,411).* These were paid during the year.

**Principal Employer**

Vodafone Ireland Limited is the Principal Employer.

**Administrators**

Aon Solutions Ireland Limited is the Registered Administrator for the Plan and also provides actuarial and consulting services to the Plan. Fees in respect of such services are paid by the Plan. The Registered Administrator operates a Trustee Bank account on behalf of the Plan. The balance held in relation to the Plan at the year-end amounted to €667,065 (*2022: €597,745).*

**Investment Managers**

Irish Life Investment Managers Limited, Insight Investment Management (Global) Limited, Blackrock Investment Management (UK) Limited and Legal and General Assurance (Pensions Management) Limited are currently the investment managers of the Plan.

The investment managers are remunerated on a fee basis calculated as a percentage of the assets under management and these fees are reflected in unit prices and are borne by the Plan, with the exception of Insight Investment Management (Global) Limited and Blackrock Investment

Management (UK) Limited who bill the Plan directly. These amounted to €579,716 (2022: €787,919) during the year.

**15. Self-Investment**

There was no self-investment at any time during the year.

**16. Contingent Liabilities**

There were no contingent liabilities or contractual commitments (except for the liability to pay pensions and other benefits in the future which have not been taken into account) at 31 December 2023 (*2022: Nil*).

**17. Events Subsequent to the year end**

There are other events post year end that would require amendments to or disclosure in this report.

**18. Approval of the Financial Statements**

The financial statements were approved by the Trustees on: 19-Sep-2024

# Investment Reports

Irish Life

## Investment Manager's Report

**VODAFONE IRELAND 21694-01**

**Investment Report for Year Ended 31 December 2023**

**Investment Policy**
The long term investment objectives of your pension fund are to achieve a return on fund assets which is sufficient, over the long-term, to meet your funding objectives and to earn a rate of return on assets that will exceed inflation and the risk free rate (cash).

In general, this will require a long-term investment return of at least price inflation plus 4% per annum. Examination of the long term return characteristics of asset types indicates that these objectives are most likely to be achieved by allocating a higher proportion of the fund to risk assets, such as equities and property with lower allocations to monetary assets such as bonds and cash. Each scheme however is unique and as such will have its own unique characteristics that determine the appropriate asset allocations between risk & monetary assets. Risk assets as outlined above whilst providing superior longer term returns, tend to be more volatile when compared with monetary assets which historically have provided lower returns but with less volatility.

**Investment Performance**
Global equities (MSCI All Country World Index) have rallied strongly over the past 12 months, rising by 22.2% (18.7% in € terms). Equities were buoyed in 2023 as hopes grew for a soft landing whereby while growth slows, a recession is avoided, and inflation continues to fall enabling central banks to begin cutting interest rates in 2024. The MSCI USA rallied by 27.1% (22.8% in € terms) over the past year. European ex-UK equities rose by 17.3% (18.5% in €) over the period, aided by a reversal of some severe headwinds following the outbreak of the war in Ukraine, including the collapse in natural gas prices, which eased inflation and growth pressures in the Eurozone. Meanwhile, emerging markets equities rose by 10.3% (6.5% in € terms) over the period. The asset class was weighed by concerns over a fading of the Q1 2023 reopening led rebound in China through the middle of the year although improving economic data and stimulus measures have been supportive more recently.

Developed-market bonds were particularly impacted by aggressive rate rises from the Fed, the European Central Bank (ECB) and other central banks for most of the past 12 months. The ECB has raised its deposit rate from the low point in 2022 by 450bps to 4.0% currently. Recently bond yields have fallen as inflation has begun to surprise to the downside. As a result, bond markets have rallied sharply in the past two months. This was reflected in the ICE BofA 5+ Year Euro Government bond index, which rose by 8.5% over the past 12 months.

Real estate performance has been hampered by rising interest rates over the past 12 months. Falls in the Irish property market have resulted in more attractive property yields of around 5.2%. Amid the drag from tighter financial conditions, there has been an increase in demand for properties with strong environmental qualities and operational efficiency, as well as properties with inflation-aligned rents which are more common in Europe.

Commodities fell by 4.3% (-7.5% in €) over the past 12 months. The Brent crude oil price fell by 10.3% as uncertainty over continued OPEC+ output restrictions weighed on the price recently and outweighed an improving demand backdrop.

# SCHEME SUMMARY INFORMATION

| Fund Code | Fund Name | Opening Value | Contributions / Withdrawals | Gain / Loss | Closing Value |
|---|---|---|---|---|---|
| IWM | Indexed World Equity Fund S14 | €27,641,628.00 | €(29,203,870.19) | €1,562,242.19 | - |
| FWQ | Indexed World Equity Hedged Fund | €37,529,015.17 | €(40,535,887.32) | €3,006,872.15 | - |
| PL13 | Pension Levy Cash 2013 | €787.56 | - | €24.06 | €811.62 |
| **Total** | | **€65,171,430.73** | | | **€811.62** |

| Fund Code | Fund Name | Opening Units | Price | Opening Value | Closing Units | Price | Closing Value |
|---|---|---|---|---|---|---|---|
| IWM | Indexed World Equity Fund | 10,000,589 | €2.764 | €27,641,628.00 | - | - | - |
| FWQ | Indexed World Equity Hedged | 16,253,363 | €2.309 | €37,529,015.17 | - | - | - |
| PL13 | Pension Levy Cash 2013 | 802 | €0.982 | €787.56 | 802 | €1.012 | €811.62 |
| **Total** | | | | **€65,171,430.73** | | | **€811.62** |

## PERFORMANCE AS AT 31 DECEMBER 2023

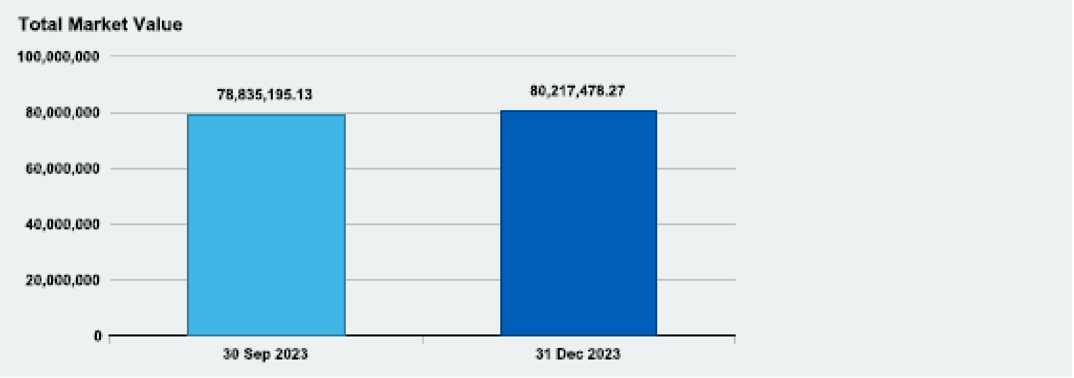
| Fund Name | QTD | YTD | 1 Year | 3 Years p.a. | 5 Years p.a. | 10 Years p.a. | Since Launch p.a. |
|---|---|---|---|---|---|---|---|
| Pension Levy Cash 2013 | 1.0% | 3.1% | 3.1% | 0.8% | 0.3% | 0.1% | 0.1% |

# Vodafone Ireland Pension Plan

31 December 2023

## Executive Summary

**Reporting Currency:** **EUR**




| Investment Accounts | 30 Sep 2023 | | 31 Dec 2023 | |
|---|---|---|---|---|
| Description | Market Value | Weight (%) | Market Value | Weight (%) |
| Total | 78,835,195.13 | 100.00 | 80,217,478.27 | 100.00 |
| Vodafone Ireland Pension Plan - ASG Sleeve | 22,519,190.79 | 28.56 | 23,446,460.69 | 29.23 |
| Vodafone Ireland Pension Plan - Liquid Sleeve | 56,316,004.34 | 71.44 | 56,771,017.58 | 70.77 |

BLACKROCK®

# Vodafone Ireland Pension Plan

31 December 2023

## Performance Report

**Performance Benchmark:** **ICE BofA Euro Currency 3-Month Deposit Offered Rate Constant Maturity Ind**

**Reporting Currency:** **EUR**

### Gross Performance

| Description | 1 Month | 3 Months | Year to Date | 1 Year | 3 Years | 5 Years | Since Inception* |
|---|---|---|---|---|---|---|---|
| **PORTFOLIO** | **0.62** | **1.75** | **4.93** | **4.93** | **1.30** | **0.85** | **-0.11** |
| ICE BofA Euro Currency 3-Month Deposit Offered Rate Constant Maturity Ind | 0.35 | 1.02 | 3.06 | 3.06 | 0.72 | 0.28 | 0.19 |
| Relative Return | 0.27 | 0.73 | 1.87 | 1.87 | 0.58 | 0.57 | -0.30 |

* Since inception returns are provided at the portfolio level only and are based on a 15 Feb 2018 Performance Start Date which may be different from Account Inception Date.
Periods greater than one year are annualized.
The performance presented here represents the returns that have been experienced by the portfolio and as a result may differ from those shown in the related fund fact sheets. This is usually due to transaction costs associated with the trading units in the fund. These returns and those from external measurers may differ, especially in the case of large cash flows, due to methodology differences.
Reported performance also reflects the unit series in which your fund is invested. This means that when fees are paid within the unit price, returns have been adjusted by the relevant amount.
Benchmark returns at the underlying funds level are not client-account specific and are reported only on a monthly basis.
**Past performance is not a reliable indicator of future results.**

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# Actuary’s Statement

## Actuary's Statement

### The Vodafone Ireland Pension Plan (“the Plan”)

**Actuary’s Statement pursuant to**
**Section 55(3) of the Pensions Act 1990 (as amended) ("the Act")**

The most recent Actuarial Funding Certificate (AFC) and Funding Standard Reserve Certificate (FSRC) submitted to the Pensions Authority were prepared with effective dates of 31 December 2020. These certificates confirmed that the Plan satisfied the Funding Standard and Funding Standard Reserve set out in Section 44 of the Pensions Act 1990 as at that date.

In accordance with the requirements of Section 55(3) of the Act and on the basis of the membership data and asset details advised to me as at 31 December 2023, I am reasonably satisfied that, if I were to prepare an actuarial funding certificate and funding standard reserve certificate as at 31 December 2023, I would have been able to certify that the Plan satisfied the funding standard provided for in Section 44(1) and funding standard reserve provided for in Section 44(2) of the Pensions Act 1990 as at that date.

**Signature:** [redacted]

**Name:** Aidan Kennedy

**Date:** 30 July 2024

**Scheme Actuary Certificate Number:** P084

**Qualification:** Fellow of the Society of Actuaries in Ireland

**Name of Actuary’s Employer/Firm:** Aon Solutions Ireland Limited

AON

# Actuarial Funding Certificate

An tÚdarás Pinsean
The Pensions Authority

**SCHEDULE BD**

Article 4

**ACTUARIAL FUNDING CERTIFICATE**

*THIS CERTIFICATE HAS BEEN PREPARED UNDER THE PROVISIONS OF SECTION 42(1) OF THE PENSIONS ACT 1990 (the ACT) FOR SUBMISSION TO THE PENSIONS AUTHORITY BY THE TRUSTEES OF THE SCHEME*

**SCHEME NAME:** Vodafone Ireland Pension Plan

**SCHEME COMMENCEMENT DATE:** 02/04/1997

**SCHEME REFERENCE NO.:** PB73804

**EFFECTIVE DATE:** 31/12/2020

**EFFECTIVE DATE OF PREVIOUS CERTIFICATE (IF ANY):** 31/12/2017

On the basis of information supplied to me, having complied with any guidance prescribed under section 42(4)(b) of the Act and, subject thereto, having regard to such financial and other assumptions as I consider to be appropriate, I am of the opinion that at the effective date of this certificate:-

(1) the resources of the scheme, which are calculated for the purposes of section 44(1) of the Act to be €266,657,800.00, would have been sufficient if the scheme had been wound up at that date to provide for the liabilities of the scheme determined in accordance with section 44(1) of the Act which, including the estimated expenses of administering the winding up of the scheme, amount to €210,081,800.00, and

(2) €0.00 of the resources of the scheme referred to in paragraph (1) comprise contingent assets, in accordance with and within the meaning of the guidance issued by the Authority and prescribed under section 47 of the Act.

I, therefore, certify that as at the effective date of this certificate the scheme satisfies the funding standard provided for in section 44(1) of the Act.

I further certify that I am qualified for appointment as actuary to the scheme for the purposes of section 51 of the Act.

**Signature:** [redacted] **Date:** 27/05/2021

**Name:** Ms Katherine M. Murphy **Qualification:** FSAI

**Name of Actuary's: Employer/Firm** Aon Solutions (Ireland) Limited **Scheme Actuary Certificate No.** P027

**Submission Details**

**Submission Number:** SR2623325 **Submitted Electronically on:** 27/05/2021

**Submitted by:** Kathy Murphy

# Funding Standard Reserve Certificate

An tÚdarás Pinsean
The Pensions Authority

**SCHEDULE BE**

Article 4

**FUNDING STANDARD RESERVE CERTIFICATE**

*THIS CERTIFICATE HAS BEEN PREPARED PURSUANT TO SECTION 42(1A) OF THE PENSIONS ACT 1990 (the ACT) FOR SUBMISSION TO THE PENSIONS AUTHORITY BY THE TRUSTEES OF THE SCHEME*

**SCHEME NAME:** Vodafone Ireland Pension Plan

**SCHEME COMMENCEMENT DATE:** 02/04/1997

**SCHEME REFERENCE NO.:** PB73804

**EFFECTIVE DATE:** 31/12/2020

**EFFECTIVE DATE OF PREVIOUS CERTIFICATE (IF ANY):** 31/12/2017

On the basis of information supplied to me, having complied with any guidance prescribed under section 42(4)(b) of the Act and, subject thereto, having regard to such financial and other assumptions as I consider to be appropriate, I am of the opinion that at the effective date of this certificate:-

(1) the funding standard liabilities (as defined in the Act) of the scheme amount to €210,081,800.00,

(2) the resources of the scheme (other than resources which relate to contributions or a transfer of rights to the extent that the benefits provided are directly related to the value of those contributions or amount transferred (DC resources)), calculated for the purposes of section 44(1) of the Act amount to €266,657,800.00,

(3) €51,465,000.00 , of the amount referred to in paragraph (2) (subject to a maximum of an amount equal to the funding standard liabilities) is invested in securities issued under section 54(1) of the Finance Act 1970 (and known as bonds), securities issued under the laws of a Member State (other than the State) that correspond to securities issued under section 54(1) of the Finance Act 1970, cash deposits with one or more credit institutions and such other assets (if any) as are prescribed under section 44(2)(a)(iv) of the Act,

(4) the amount provided for in section 44(2)(a) of the Act (Applicable Percentage x ((1) minus (3)) is €15,861,900.00,

(5) the amount provided for in section 44(2)(b) of the Act, being the amount by which the funding standard liabilities of the scheme would increase if the interest rate or interest rates assumed for the purposes of determining the funding standard liabilities were one half of one per cent less than the interest rate or interest rates (as appropriate) assumed for the purposes of determining the funding standard liabilities less the amount by which the resources of the scheme (other than DC resources) would increase as a result of the same change in interest rate or interest rates is -€6,616,800.00,

(6) the aggregate of (4) and (5) above amounts to €9,245,100.00, and

(7) the additional resources (as defined in the Act) of the scheme amount to €56,576,000.00, of which, in accordance with and within the meaning of the guidance issued by the Authority and prescribed under section 47 of the Act, €0.00 comprises contingent assets and €0.00 of such contingent assets comprise an unsecured undertaking.

I therefore certify that as at the effective date of the funding standard reserve certificate, the scheme does hold sufficient additional resources to satisfy the funding standard reserve as provided in section 44(2) of the Act.

I further certify that I am qualified for appointment as actuary to the scheme for the purposes of section 51 of the Act.

| | | | |
|---|---|---|---|
| **Signature:** | [redacted] | **Date:** | 27/05/2021 |
| **Name:** | Ms Katherine M. Murphy | **Qualification:** | FSAI |
| **Name of Actuary's: Employer/Firm** | Aon Solutions (Ireland) Limited | **Scheme Actuary Certificate No.** | P027 |

### Submission Details

| | | | |
|---|---|---|---|
| **Submission Number:** | SR2623328 | **Submitted Electronically on:** | 27/05/2021 |
| **Submitted by:** | Kathy Murphy | | |

# Report on Actuarial Liabilities

## The Vodafone Ireland Pension Plan ("the Plan")

**Report on Actuarial Liabilities**

Under Section 56 of the Pensions Act 1990 (as amended), and associated regulations, the Trustees of defined benefit pension plans are required to have a valuation[1] of the plan prepared on a triennial basis. The most recent formal actuarial valuation of the Plan was carried out as at **1st January 2021**. A copy of the report is available to Plan members on request.

One of the purposes of the valuation is to set out the Plan's ongoing funding level. It does this by comparing the value of the Plan's accumulated assets with the value of its accrued liability. The assets and liabilities emerging from the last valuation were as follows:

| | **€'000s** |
|---|---|
| Value of Accumulated Assets | 266,658 |
| Value of Accrued Liability | (266,620) |
| Surplus/(Deficit) | 38 |
| Funding Level | 100.0% |

**Valuation Method & Assumptions**

The valuation method used to calculate the cost of future service benefits and the accrued liability was the attained age method. The value of the accrued liability was calculated by firstly projecting the accrued benefits payable in the future, making assumptions in relation to financial matters such as salary and pension increase rates and demographic matters such as mortality, withdrawal and retirement rates. The resultant projected benefit cashflows were then discounted to the valuation date to arrive at a single capitalised value.

A summary of the most significant actuarial assumptions used to determine the accrued liability is set out below (full details are provided in the Plan's actuarial report):

| *Financial assumptions* | |
|---|---|
| Discount rate | |
| - Pre-retirement | 3.00% p.a. |
| - Post-retirement | 0.70% p.a. |
| Inflation | 1.50% p.a. |
| Salary increases (varies by category) | 1.50% p.a. / 2.00% p.a.<br>plus an age-related promotional salary scale |
| State Pension increases | 1.50% p.a. |
| Revaluation of preserved benefits | 1.50% p.a. |
| Pension increases | 1.50% p.a. |
| | |
| *Demographic assumptions* | |
| Pre-retirement decrements | Allowance for in service mortality and withdrawals |
| Post-retirement Mortality | 90% S3 PXA (All) with CMI (2018) improvements from 2013, $S_k$=7.0, A=0.5 LtR=1.5% pa (year of use = 2021) |
| Average retirement age | Active members: Later of age 60 and 40 years' service<br>Deferred members: 60 years |

The next valuation is due to be completed with an effective date not later than 1st January 2024.

[1] It should be borne in mind that a valuation is only a snapshot of a plan's estimated financial condition at a particular point in time; it does not provide any guarantee of future financial soundness of a plan. Over time, a plan's total cost will depend on a number of factors, including the amount of benefits paid and the return earned on any assets invested to pay benefits.

# Statement of Risks

The Trustees' primary responsibility is to ensure that members receive the benefits to which they are entitled under the rules of the Plan. In order to provide for these future benefit payments, the Trustees invest the assets of the Plan in a range of investments, and agree with the Employer, on the advice of the Actuary, the rate of contribution to be made to the Plan to meet the balance of the cost of benefits. The Trustees are required to provide a statement of the risks associated with the Plan toPlan members.

In a defined benefit plan the main risk is that there will be a shortfall in the assets (for whatever reason) and the employer will not be willing or able to pay the necessary contributions to make up the shortfall. If that occurs a member may not get their anticipated benefit entitlements.

The main types of risks which may lead to a shortfall and the steps being taken by the Trustees to minimise these risks are as follows:

| Risks | Steps being taken to minimise risk |
|---|---|
| **The assets may not achieve the expected return** | This risk will be addressed by ongoing monitoring of investment policy and performance.<br><br>Professional Investment Managers have been appointed to achieve an acceptable return. |
| **Some of the assets may be misappropriated** | The Trustees have appointed professional investment managers who have custodial agreements in place etc.<br><br>The financial statements of the Plan are subject to independent audit. |
| **The value placed on the future liabilities may prove to be an underestimate** | The Trustees discuss with the Actuary the assumptions used for triennial valuations.<br><br>The Trustees are required by law to obtain an annual statement concerning the ability of the Plan to meet the Minimum Funding Standard. |
| **The employer may not pay contributions as they fall due** | The Trustees monitor the receipt of contributions and pursue any shortfall. If this is not successful, the Trustees would report the matter to the Pensions Authority. |
| **The employer may decide to terminate its liability to contribute to the Plan** | If this event occurred, the Trustees would be required to wind up the Plan and provide benefits for members in accordance with the Rules and the Pensions Act 1990. By means of the annual monitoring of the Minimum Funding Standard, the Trustees are working to ensure that sufficient assets will be available to meet the benefits payable. If the Plan were to have insufficient assets at the time of wind up, those already in receipt of pension would be a priority class, and a portion of their pensions, as determined by the Pensions Act 1990, would be secured before assets would be applied to other members. Other members, i.e. active members and deferred pensioners, are therefore more at risk of not receiving their full benefits on wind-up. Future benefit accrual would also cease in these circumstances. |
| **The assets may not be sufficient to pay benefits as and when they fall due** | By means of the triennial valuation the Trustees monitor the ongoing funding position and endeavour to ensure that sufficient assets will be available to meet the benefits payable as and when they fall due. |

In addition to the shortfall risks outlined above, there is also the risk that the records relating to Plan members may not be correct.

| | |
|---|---|
| **The Plan administration records may not be correct and may fail to comply with the Pensions Act 1990** | The Trustees have entered into a service level agreement with the administrator which sets out the administrator's responsibilities.<br>The Trustees receive regular administration reports from the administrator.<br>The financial statements are subject to review by the independent auditors<br>The Pensions Authority has powers to pursue breaches of the Pensions Act 1990 and the Financial Services and Pensions Ombudsman may investigate any complaints of financial loss caused by maladministration. |

# Statement of Investment Policy Principles



## Vodafone Ireland Pension Plan

### Statement of Investment Policy Principles

April 2023

| | |
|---|---|
| Prepared for: | The Trustees |
| Prepared by: | Aon |
| Effective Date: | 1 April 2023 |

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## Background

The responsibility for setting the Plan's investment policy lies with the Trustees who act in consultation with the Principal Employer and Plan Sponsor, Vodafone Ireland Limited.

This is the Trustees' 'Statement of Investment Principles', which sets out our:

- Objectives – what we aim to achieve;
- Strategy – how we plan to meet our objectives;
- Risk management – how we measure and manage the risks of our strategy; and
- Implementation – the practical arrangements for putting our strategy in place.

This statement complies with the EU directive on the Activities and Supervision of Institutions for Occupational Retirement and satisfies the subsequent changes in the Pensions Act.

This statement has been agreed by the Trustees of the Vodafone Ireland Pension Plan (the Plan).

## Plan Structure

The Vodafone Ireland Pension Plan ("the Plan") is a defined benefit pension scheme. The Plan was established in 1997 to provide benefits on pensionable salary and service for members and their dependants on retirement, death or ill-health.

Vodafone Ireland Limited is the Sponsor and the Trustees are charged with primary responsibility for the management and oversight of the pension plan and are responsible for overseeing all aspects of the Plan's operation. The day-to-day administration and operation of the Plan is undertaken by Aon. The Trustees of the Plan are appointed by the Sponsor.

The Trustees have the overall responsibility for the investment of Plan's assets and make the key asset allocation decisions. The Trustees appoint external Investment Managers to manage the Plan's assets. The Trustees have taken expert advice from their investment consultants, currently Aon, in preparing this document and setting out their Investment Principles and Objectives.

## General Principles and Objectives

The Company is the Plan sponsor and contributes to the Plan but is not responsible for the Plan investments. However, the Trustees recognise that the Company's continued financial support for the Plan is of the utmost importance in serving the best interests of members, therefore the principles outlined in the Statement are not shaped by the objectives of the Trustees in isolation, but also by an understanding of the objectives (financial or otherwise) of the Company.

The responsibility for setting investment policy lies with the Trustees.

The overall investment objective is to seek sustained long-term growth sufficient to meet the liabilities over a prolonged period and taking account of the nature and timing of those liabilities. The adequacy of the Plan's assets to achieve this objective is measured every three years through a formal valuation by the Actuary to the Plan.

## Investment Strategy

The Trustees aim to invest the assets of the Plan prudently to ensure that the benefits promised to members are provided. In setting the investment strategy, the Trustees first considered the lowest risk asset allocation that they could adopt in relation to the Plan's liabilities. The asset allocation strategy they have selected is designed to achieve a higher return than the lowest risk strategy while maintaining a prudent approach to meeting the Plan's liabilities.

The strategic asset allocation agreed by the Trustees is set out in the table below. This allocation has been in place since February 2018 to achieve the Trustee's objective at that time.

| Asset Class | Strategic Allocation |
|---|---|
| Growth Assets | 54% |
| Low Risk Assets | 14% |
| Liability Matching Assets | 32% |

The Plan also holds, as an asset, an insurance policy through an annuity buy-in in respect of a portion of benefits in payment. At the time of the transaction this represented approximately 7% of Plan assets. The value of the policy is equal to the corresponding liability on any given measure as assessed by the Plan Actuary. Whilst formally an asset of the Plan, the Trustees agreed to exclude it from the strategic asset allocation for operational and reporting purposes.

It is the Trustees' policy to consider:

- A full range of asset classes
- The risks and rewards of a range of alternative asset allocation strategies
- The suitability of each asset class
- The need for appropriate diversification

The Trustees completed an investment strategy review in conjunction with their advisors, Aon, in 2023 following the merger with the Cable & Wireless Employee Benefits Scheme and annuity buy-in referenced above.

This culminated in the revised strategic asset allocation above. A full list of the investment managers and the funds that the Plan is invested in can be seen in the Appendix.

## Risk Management

The following sources of risk were considered when setting the investment strategy:

1. **Market Risk**: The risk that the return from the assets held is not in-line with the changes in liabilities.

   *This has been addressed by carrying out an investment strategy review to determine the appropriate asset mix relative to the liabilities, by ongoing monitoring of the strategy and the funding position and by holding a diversified portfolio of assets.*

2. **Longevity Risk**: The risk that trends of improvement in mortality lead to higher than expected pension costs.

   *This risk is addressed as part of the regular actuarial valuation, where improvements in mortality are considered in determining the liabilities of the Plan and the required contribution rate.*

3. **Manager Risk**: The risk that the chosen investment manager does not meet its Investment objectives, or deviates from its intended risk profile. An associated risk is active risk, where the Plan is exposed to the actions or decisions of one manager.

   *This risk has been addressed as managers are monitored on an ongoing basis and limiting exposure to any single active manager.*

4. **Interest Rate Risk**: The risk that changes in interest rates results in a change in the liabilities that is not reflected in the change in assets.

*This risk has been addressed by investing in appropriate bonds to match the liabilities of the Plan by nature and duration.*

5. **Cashflow Risk**: The risk that the cashflow needs of the Plan require a disinvestment of assets at an inopportune time.

*This risk is addressed by investing in a diversified portfolio of assets and by keeping illiquid asset classes within an acceptable range given the Schemes cash flow requirements.*

6. **Inflation Risk**: The risk that the inflation linked liabilities of the Plan increase at a faster rate than the assets held.

*This risk is addressed by investing in an appropriate proportion of assets with returns that are expected to exceed inflation.*

7. **Operational Risk**: The risk of fraud or poor advice.

*This is addressed by regular monitoring and review of investment managers and advisers. Appropriate clauses are included in all contracts for professional services.*

8. **Covenant Risk**: The risk that the Sponsor is unable to provide sufficient funding when required.

*This risk is addressed as part of the investment objectives, where due regard is paid to the interests of the Sponsor in relation to the ability to continue paying employer contributions.*

Due to the complex and interrelated nature of some of the above risks, they are considered in a qualitative, rather than quantitative manner as part of each formal investment strategy review (normally triennially). Some aspects of these risks may be modelled explicitly. In these cases the Trustees may monitor the funding level risk by commissioning VaR calculations.

In addition, investment risk is considered as part of the actuarial valuation. The Trustees determine the investment strategy after taking advice from their professional investment adviser and the Trustees implement this strategy.

## Risk Measurement

The risk in the context of investment is that the Plan's funding level will deteriorate as a result of the investment strategy being pursued which would increase the cost of funding and may ultimately threaten the ability of the Plan to satisfy regulatory funding requirements and pay the benefits promised.

The Trustees regularly monitor the funding and investment risk within the Plan through the following processes:

- Periodic investment strategy reviews are carried out which consider specific risk measures and monitor the correlation between and diversification across various asset classes.
- The triennial actuarial valuation contains a specific section on investment risk and highlights in particular the degree of liability mismatching.
- Quarterly investment monitoring reports are provided to the Trustees which monitors the performance and volatility of the Plan's various funds. This report also includes estimated statutory and ongoing funding positions

## Implementation

Aon has been selected as adviser to the Trustees and provides specific investment advice as requested by the Trustees.

The Trustees have employed multiple investment managers to implement the agreed investment strategy set out in the Investment Strategy section above.

The investment managers operate under separate legal management agreements, their investment objectives are set out in the Appendix.

## Governance

The Trustees of the Plan are responsible for the investment of the assets. The Trustees take professional advice and on the basis of this advice, make decisions on the asset allocation to be adopted.

The Trustees have established the following decision-making structure:

**Trustees**

- Set structures and processes for carrying out their role
- Monitor Plan asset allocation strategy
- Monitor fund managers
- Continue to ensure that the Trustees have sufficient training to enable appropriate decision taking with the help of the Investment Consultant
- To keep the overall investment strategy of the Plan under continuous review and to make recommendations from time to time
- To commission work from the Investment Adviser to assist in its role
- To consider and recommend benchmarks for individual managers
- To monitor the asset allocation against the strategic target allocation and execute investment switches to rebalance the portfolio back towards the target where necessary and appropriate
- To review and recommend changes in relation to individual manager mandates
- To review and make recommendations on Investment Management Agreements
- To select and recommend for appointment investment and other advisors and to oversee their performance

**Investment Consultant**

- Advises on all aspects of the investment of the Plan assets, including implementation
- Advises on this statement
- Monitors Investment Managers and Investment Risk
- Provide required training

**Fund Managers**

- Operate within the terms of this statement and their written contracts
- Select individual investments with regards to their suitability and diversification

## Investment Guidelines

Due to the size and nature of the Plan's investments, investments are predominantly on a unitised basis. While the Trustees recognise that they cannot restrict investments in unitised vehicles, they may request all investment managers to furnish, on an annual basis, a statement confirming that the unitised vehicle complies with the following list of principles.

In the event that the fund is not compliant with any particular principle, the investment manager will report on and explain the rationale on an annual basis.

1. The assets of the Plan must be properly diversified in such a way as to avoid excess reliance on any asset, issuer or group of undertakings and to avoid accumulations of risk in the portfolio as a whole;
2. There will be no further investment in a security where the value of the security as a proportion of the total value of a fund exceeds 5%*. Furthermore, the investment manager will report quarterly on any securities that, by virtue of market movements, become more than 5%* of the total value of a fund; (*excluding government bonds);
3. There will be no investment which accounts for more than 5% of the issued capital of any one company;
4. Investment in derivative instruments may be made only in so far as they (a) contribute to a reduction of risks; or (b) facilitate efficient portfolio management, including the reduction of cost or the generation of additional capital or income with an acceptable level of risk. Any such investment must be made and managed so as to avoid excessive risk exposure to a single counterparty and to other derivative operations;
5. The assets of the Plan must consist predominantly of investments admitted to trading on regulated markets. Investments in assets which are not admitted to trading on such markets must in any event be kept to a prudent level;
6. Currency hedging will be permitted but limited to the value of investments denominated in the foreign currency hedged;
7. The Trustees will delegate day-to-day investment decisions to each investment manager, including the realization of investments, accounting for socially responsible factors and voting and corporate governance matters.

The Trustees may, from time to time, ask the investment managers to report on their approach to any of the above issues.

## Review of Investment Managers

The Trustees will review each investment manager at least once per year, focussing on:

- Business Issues
- Organisation & Staff
- Investment Process
- Risk Management and Systems
- Performance
- Client Service & Fees

The current mandates and benchmarks for each manager are listed in the Appendix.

## Compliance with and review of this Statement

The Trustees will monitor compliance with this Statement annually. In particular, they may obtain written confirmation from the investment managers that they have complied with this Statement as supplied to them as far as reasonably practicable and the Trustees undertake to advise the investment managers promptly and in writing of any material change to this Statement.

This Statement of Investment Policy Principles may be revised by the Trustees at any time. Trustees will formally review this Statement at least every three years. Any necessary changes will be made in consultation with the Sponsor.

In addition, the investment managers are required to make any comments or request any changes to this Statement that they feel may be appropriate in assisting the Trustees to meet their objectives.

## Compliance with Additional Regulations

There are various pieces of new legislation that the Plan must comply with having recently been transposed into Irish Law:

- The European Union (Occupational Pension Schemes) Regulations 2021 ("IORP II")
- The European Union (Shareholders' Rights) Regulations 2020, transposing the Second EU Shareholders' Rights Directive ("SRD II")
- Article 4 and 5(1) of the Sustainable Financial Disclosures Regulations ("SFDR")

To demonstrate compliance with these regulations, the Trustees have prepared a separate Responsible Investment Policy covering consideration of and adherence to the following as they relate to the Plan's investments:

1. Environmental, Social and Governance ("ESG") factors
2. Engagement with companies they invest in in terms of sustainability and ESG factors
3. Remuneration policy consistency with the integration of sustainability risks
4. Adverse impacts of investment decisions on sustainability factors

## Review of This Statement

The Trustee will formally review this Statement of Investment Policy Principles at least every three years but may revise it any time should the adopted investment strategy change.

## Signed on behalf of the Trustees

[redacted] 17-Apr-2023

Trustee Date:

*This Statement of Investment Policy Principles is produced to meet the requirements of the Occupational Pension Schemes (Investment) Regulations, 2006.*

# Appendix A - Fund Details

| Asset Class | Allocation | Manager | Fund | Benchmark | Objective |
|---|---|---|---|---|---|
| Equity | 27% | Legal & General Investment Management (LGIM) | Future World Developed Fund | Solactive L&G ESG Global Markets Index | To perform in line with the benchmark |
| Multi-Asset | 27% | Blackrock | Bespoke Growth Portfolio | 4% - 6% p.a. net of fees | To perform in line with the benchmark |
| Asset-Backed Security | 14% | Insight | Insight High Grade ABS Fund | 1-month SONIA | To produce an interest rate based return |
| Liability Driven Investment (LDI) | 27% | Insight | Real Euro LDI Profile Fund | To move in line Plan liabilities through changes in interest rate and inflation expectations | To perform in line with the benchmark |
| Government Bonds | 5% | LGIM | Indexed Euro Government Bond over 10-year | FTSE EMU Govt Bond >10Yr Index | To perform in line with the benchmark |

Equities have a 50% Euro currency hedge. Allocations are strategic and exclude annuity buy-in policy

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