C.I.É. Pension Scheme for Regular Wages Staff

Annual Report

Year Ended 31st December, 2021

Contents

Trustees and Other Information

Trustees and Other Information (continued)

Investment Managers (continued)	Irish Property Unit Trust, 47 - 49 St. Stephen's Green, Dublin 2, D02 W634.
	Insight Investment, 160 Queen Victoria Street, London, EC4V 4LA.
	J.P.Morgan, Asset Management, Institutional Client Account Management, 60 Victoria Embankment, London, EC4Y OJP.
	ACT Venture Capital Ltd., 6 Richview Office Park, Clonskeagh, Dublin 14.
Venture Capital	Delta Partners, Media House, South County Business Park, Leopardstown, Dublin 18.
	I.F.M. Investors (Infrastructure) 3rd Floor, 60 Gresham Street, London EC2V 8BB.
Infrastructure	Antin Infrastructure Partners, 14 St.Georges Street, London W1S 1FE.
Custodians to Investment Managers	J.P. Morgan, Worldwide Securities Services, Treasury & Securities Services, J.P. Morgan Bank (Ireland) Ltd., J.P. Morgan House, IFSC, Dublin 1.
Bankers to the Scheme	Bank of Ireland, 2 College Green, Dublin 2.
Solicitors	Mr C. Costello, Legal Department, Córas Iompair Éireann, Bridgewater House, Dublin 8.
Registered Administrator	Córas Iompair Éireann Pensions Section, Heuston Station, Dublin 8.

Trustees and Other Information (continued)

Regular Wages Scheme Committee ** Employer Representatives	Mr. Ciaran Masterson (Chairman—December 2020) Ms. Helen Byrne Mr. Greg O'Sullivan (Appointed March 2020) Ms. Carol Grennan (Appointed December 2020)
Trade Union Representatives	Mr. Pierce Cullinan Mr. Cormac Hyland Mr. David Keating Mr. Colm Meagher
Principal and Participating Employers	Córas Iompair Éireann (CIÉ) Iarnród Éireann (Irish Rail) Bus Átha Cliath (Dublin Bus) Bus Éireann
Enquiries about the Scheme	Any enquiries about the Scheme or about members' entitlement to benefit should be sent to: Secretary to the Scheme or emailed to pensions@cie.ie
Revenue Reference Number	SF 2199555
Pensions Authority Number	PB 43658

* **Note** - The named Trustees are Company nominated. A further four Member nominated Trustees will be appointed following an election. This change in Trusteeship has resulted from New Statutory Instruments that became effective 18th July 2022.

** **Note** - This committee was no longer operative from the 18th July 2022.

Constitution and Summary of Main Provisions of the Schemes

Constitution

The Córas Iompair Éireann (CIÉ) Pension Scheme for Regular Wages Staff was established by Statutory Instrument No. 242 of 1945 and subsequent amending statutory instruments and approved by the Revenue Commissioners on the 6th April, 1980.

Administration of the Scheme is now monitored by eight Trustees, of whom four are appointed by the CIÉ Board and four are to be member elected Trustees (see the notes on the bottom of page four). Trustees of the Scheme are appointed by the CIÉ Board with the consent of the Minister for Transport.

Every permanent employee holding a position on the Regular Wages staff of the CIÉ Board and its subsidiaries, who is entitled to become a member of the Scheme, must do so. The Scheme is designed to provide defined benefits for members, a summary of which is set out below.

Summary of Main Provisions of the Scheme

CIÉ Pension Scheme for Regular Wages Staff

Membership

Members

Permanent wages staff over 20 on joining the CIÉ Group. There is now no upper age limit for entry to the scheme.

Member Contributions

Members pay a contribution of €2.63 per week on a basic wage not exceeding €107.93 and this contribution increases by €0.19 per week in respect of each €6.35 by which basic weekly wage exceeds €107.93.

CIÉ Board Contributions

Each year the CIÉ Board contributes an amount necessary to support and maintain the solvency of the Fund.

Benefits

Retirement Gratuity

The retirement gratuity ranges from 164 to 325 times weekly pension, depending on scheme membership completed at date of retirement.

Pension at Normal Retirement Age (NRA)

A minimum of €20.95 per week increasing by €1.27 per week for each €6.35 per week of basic pay above €107.93 per week.

From 18th of July 2022, the benefits due to New Entrants on retirement at State Pension Age (normal retirement) are calculated as 1/150th of Pensionable Salary for each year of Scheme Membership to a maximum of 30 years.

Commutation

At time of retirement a member may apply to the CIÉ Board to commute up to 1/4 of weekly pension for a lump sum.

Ill-health Retirement

A pension payable after 10 years qualifying service is calculated as:

$$\frac{\text{Actual pensionable service completed}}{\text{Possible Pensionable Service at NRA}} \times \text{Expected pension at NRA}$$

Death in Service Benefit

Lump sum equal to 3/80ths of annual basic pay for each year of membership (maximum 120/80ths and minimum one year's basic pay).

Where a pension is payable under the separate Spouses' and Children's Pension Scheme the lump sum mentioned above applies, but any arrears of contributions (periodic and non-periodic) will be deducted from the lump sum payable.

Constitution and Summary of Main Provisions of the Schemes *(continued)*

Death after Retirement Benefit

Where no benefit is payable from the CIÉ Spouses' and Children's Pension Scheme for Regular Wages Staff the amount payable to the Personal Representative is the difference (if any) between 260 times the appropriate weekly pension for life and the actual amount of pension paid to date of death.

Vested Benefit (Leaving Service)

If a member's service ceases and the member has completed at least 2 years qualifying service then the member is entitled to a vested benefit. No refund of the members contributions is payable in this case.

Where the member has less than 2 years qualifying service the member's contributions are refunded less tax at the appropriate rate.

Review of Pensions in Payment

A review is undertaken by the CIÉ Board to establish the level of increase in pensions which is to be applied on 1st July each year. The review does not apply to vested pensions which have come into payment.

Dispute Procedures

Statutory Instrument No. 263 of 2004 and provides for the handling of complaints and disputes concerning this Scheme. Queries should be addressed to the Head of Group Human Resources, CIÉ, Heuston Station, Dublin 8.

CIÉ Spouses' and Children's Scheme for Regular Wages Staff

Membership

Members

All appointed members of the CIÉ Pension Scheme for Regular Wages Staff at 4th June, 2003 were given the option of joining the Scheme. Membership of the Scheme is compulsory for all those becoming members of the CIÉ Pension Scheme for Regular Wages Staff after 4th June, 2003.

Members' Contributions

Members pay contributions of 1.00% of pensionable pay.

CIÉ Board's Contributions

As for the CIÉ Pension Scheme for Regular Wages Staff.

Benefits

Spouse's Pension

In the case of deceased members with at least 5 years membership of the CIÉ Pension Scheme for Regular Wages Staff, 1/80th of the pension which the deceased would qualify for at age 65 for each year of membership of this Scheme (maximum 40/80ths) based on pensionable pay at date of death is payable to spouse. In the case of deceased pensioners, 1/80th of the deceased's pension multiplied by the number of completed years in membership of this Scheme (maximum 40/80ths) is payable to the spouse. Amounts are increased where there are qualifying children.

Vested Benefit (Leaving Service)

If a member's service ceases after 4th June, 2003 and the member has completed at least 2 years qualifying service in this Scheme, then such a member is entitled to a vested benefit in respect of all membership in this Scheme provided the member was married at date of cessation of service.

Where the member has less than 2 years qualifying service in this Scheme or was unmarried throughout their membership of the Scheme a refund of member's contributions with no interest, less tax at the appropriate rate is payable.

Review of Pensions in Payment

A review is undertaken by the CIÉ Board to establish the level of increase in pensions which each year is applied on 1st July. The review does not apply to vested pensions which have come into payment.

Dispute Procedures

Statutory Instrument No. 264 of 2004 and provides for the handling of complaints and disputes concerning this Scheme. Queries should be addressed to the Head of Group Human Resources, CIÉ, Heuston Station, Dublin 8.

Statement of Investment Policy Principles

Background
This document contains the Statement of Investment Policy Principles (the "SIPP") of the Córas Iompair Éireann Pension Scheme for Regular Wages Staff.

The recently appointed trustees have taken up the work commenced by the previous trustees of updating and finalising the SIPP. This SIPP has been agreed by the Trustees of the Córas Iompair Éireann Pension Scheme for Regular Wages Staff on the 16th September 2022.

Scheme Structure
The Córas Iompair Éireann Pension Scheme for Regular Wages Staff (the "Scheme") is a defined benefit scheme. The Scheme was established by Statutory Instrument No. 242 of 1945 and approved by the Revenue Commissioners on the 6th April 1980. Statutory Instrument No. 343 of 2022 confirmed the amendment of existing schemes relating to the Scheme and provided, inter alia, for the continuance in being of the Fund.

The Scheme has eight Trustees. Four Trustees are appointed by Córas Iompair Éireann ("CIÉ") with the approval of the Minister for Transport. Four Trustees are elected by the members of the Scheme. The Trustees are responsible for setting the investment strategy, having consulted with and given due consideration to the views of CIÉ. The Trustees, having consulted with and given due consideration to the views of CIÉ, have overall responsibility for the investment of the Scheme's assets. The Trustees, following prior consultation with and having had due regard to the views of CIÉ, appoint external investment managers to manage the Scheme's assets.

The Trustees have taken expert advice from their investment consultants, Aon, in preparing this SIPP.

Review of this SIPP
This SIPP may be revised by the Trustees at any time and will be formally reviewed at least every three years. The previous SIPP was reviewed and agreed by the previous Trustees in July 2016.

Investment Objective
The responsibility for setting investment policy lies with the Trustees, having consulted with and given due consideration to the views of CIÉ.

The Trustees' primary objective is to ensure that the Scheme should be able to meet benefit payments as they fall due. The overall investment objective is to invest the assets of the Scheme prudently and to seek long-term asset growth, sufficient to meet Scheme liabilities over a prolonged period, taking account of the nature and duration of the liabilities.

In addition to the primary objective, the Trustee has additional objectives, as follows;

–To maximise the return on assets subject to an acceptable level of risk; including de-risking of the plan where appropriate; and

- That the Scheme meets its funding obligations under the Pensions Act.

Investment Strategy
The investment strategy of the Scheme is to be reviewed every three years, or after any significant change in the liability profile. The last comprehensive review of the investment strategy was in 2019. An interim investment strategy review was carried out in 2020.

Strategic Asset Allocation

The following is the current strategic asset allocation of the Scheme:

Strategic Asset Allocation

Asset Type	Asset Class	Target Asset Allocation
Growth (45%)	Equities	30%
	Hedge Funds	5%
	Property	5%
	Infrastructure	5%
Matching (55%)	LDI	33
	Euro Credit Buy and Maintain	16.5%
	Multi Asset Credit	5.5%

Actual allocations vary from the above from time to time, reflecting market movements and related factors. The Trustees monitor the asset allocation and make appropriate adjustments taking account of the target long-term allocations.

When setting the investment strategy, the Trustees considered a wide range of asset classes for investment, taking account of the expected returns and key individual risks associated with those asset classes.

The Scheme also currently has an equity protection strategy in place to provide some mitigation against a significant fall in equity markets.

Risk Measurement and Management

The Trustees consider that there are several different types of investment risk that are important to manage and monitor. These include, but are not limited to:

1. **Market Risk:** *The risk that the return from the assets held is not in-line with the changes in liabilities.* This risk is 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 Scheme and the required contribution rate.
3. **Manager Risk:** The risk that the chosen investment managers do not meet their investment objectives or deviate from their intended risk profile. An associated risk is active risk, where the Scheme is exposed to the actions or decisions of one manager. This risk has been addressed by investing the assets of the Scheme with multiple investment managers, thus diversifying the exposure of the Scheme assets to the fortunes of one manager. This risk is also addressed as managers are monitored on an ongoing basis, relative to investment objectives.
4. **Interest Rate Risk:** The risk that changes in interest rates result in a change in the liabilities that is not reflected in the change in assets. This risk is addressed by the Scheme holding a Liability Driven Investment ("LDI") portfolio with Insight, as a tool for managing interest rate risk within the Scheme. The LDI mandate creates and manages a pool of assets with the aim of matching the movement in the Scheme's liabilities.
5. **Cashflow Risk:** The risk that the cashflow needs of the Scheme 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 Scheme's cash flow requirements. The cashflow position is monitored formally on a quarterly basis.
6. **Inflation Risk:** The risk that the inflation linked liabilities of the Scheme 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 risk is addressed by regular monitoring and review of investment managers and advisers.
8. **Covenant Risk:** The risk that CIÉ 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 CIÉ 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 addition, investment risk is considered as part of the actuarial valuation.

Governance

With effect from 18th July 2022, following the coming onto operation of Statutory Instrument No. 344/343 of 2022. The Trustees of the Scheme, in consultation with CIÉ, are responsible for the investment of the Scheme's assets. The Trustees in consultation with CIÉ take professional advice, and on the basis of this advice, make decisions on the asset allocation to be adopted and investment managers to be appointed.

CIÉ	Trustees
Sets structures and processes for carrying out its role	Set structures and processes for carrying out their role
Consulted on Scheme asset allocation strategy	Set and monitor Scheme asset allocation strategy, having consulted with and given due consideration to the views of CIÉ
Consulted on appointment of investment advisers and fund managers	Appoint and monitor fund managers, following prior consultation with and having had due consideration to the views of CIÉ
	Continue to ensure that the Trustees have sufficient training to enable appropriate decision taking with the help of the investment consultants
Notes the performance of the Scheme's Investment advisers and consultants and is consulted on any matters arising	Monitor investment advisers and investment consultants

The following decision-making structure is in place for the Scheme:

Investment Consultants	Fund Managers
Advise on all aspects of the investment of the Scheme assets, including implementation	Operate within the terms of their written contracts
Advise on this SIPP	Select individual investments with regard to their suitability and diversification
Monitor investment managers and investment risk	
Provide required training	

Responsible Investment

Environmental, Social & Governance ("ESG") Factors

The Trustees recognise that their appointed investment managers are best suited to incorporate ESG factors within their specified mandates. Accordingly, the Trustees have not placed any direct constraints, ESG or otherwise, on their managers but monitor their asset managers over time and review ratings of their managers ESG credentials from their investment consultant.

The Trustees employ a range of strategies, many of which rate highly on their investment consultant's ESG rating system. The Trustees approach ESG through their arrangement and engagement with their asset managers through the policies set out below.

The Trustees will continually review and re-evaluate their approach to managing ESG factors over time as the issues and industry best practice evolves.

Arrangements with asset managers

The European Union (Shareholders' Rights) Regulations 2020 (the "2020 Regulations") transposed the Second EU Shareholders' Rights Directive ("SRD II") into Irish law in 2020. The 2020 Regulations require Trustees to disclose their arrangements with their asset managers.

The Trustees regularly monitor the Scheme's investments to consider the extent to which the investment strategy and decisions of the asset managers are aligned with the Trustees' policies, including those on ESG factors. This includes monitoring the extent to which asset managers:

make decisions based on assessments about medium to long-term financial and non-financial performance of an issuer of debt or equity; and

engage with issuers of debt or equity in order to improve their performance in the medium to long-term.

The Trustees are supported in this monitoring activity by their appointed investment consultants.

The Trustees receive regular reports and verbal updates from their investment consultants on various items including the investment strategy, performance, and longer-term positioning of the portfolio. The Trustees focus on longer-term performance when considering the ongoing suitability of the investment strategy in relation to the Scheme's objectives and assess the asset managers over 3-year periods.

Before appointment of a new asset manager, the Trustees will consider the extent to which the new investment aligns with the Trustee's policies. The Trustee will seek to express their expectations to the asset managers to try to achieve greater alignment and consider ESG as an important part of their evaluation of an asset manager. The Trustees believes that this, together with regular monitoring of asset managers' performance and investment strategy, is in most cases sufficient to incentivise the asset managers to make decisions that align with the Trustee's policies and are based on assessments of medium and long-term financial and non-financial performance.

Where asset managers are considered to make decisions that are not in line with the Trustee's policies, expectations, or the other considerations set out above, the Trustees will typically first engage with the manager but could ultimately replace the asset manager where this is deemed necessary.

There is typically no set duration for arrangements with asset managers, although the continued appointment of all asset managers will be reviewed periodically, and at least every three years in conjunction with the triennial investment strategy review. The Trustees will review portfolio turnover costs on a periodic basis.

Engagement Policy

SRD II also requires Trustees to develop an engagement policy.

The purpose of the engagement policy is to set out the Trustees' approach to engaging with companies they invest in in terms of sustainability and ESG factors.

The Trustees recognise the importance of their role as stewards of capital and the need to ensure the highest standards of governance and promotion of corporate responsibility in the underlying companies and assets in which the Scheme invests, as this ultimately creates long-term financial value for the Scheme and its beneficiaries.

As the Trustees largely invest in pooled funds, the Trustees will appoint investment managers who engage with companies where ESG issues are a concern and provide proxy voting on ESG issues. The Trustees will require their investment managers to regularly report on their engagement activities.

Where the investment manager invests, on behalf of the Trustees, in a company that does not appear to be pursuing sound ethical business practices and/or displaying appropriate environmental responsibility, the investment managers would be expected to encourage that company to operate in a more socially and environmentally responsible manner by, among other possible forms of engagement:

- raising issues relating to ethical business practices and environmental responsibility at annual general meetings
- exercising its shareholder's right to vote on such issues

The Trustees will periodically review the suitability of the Scheme's appointed asset managers and take advice from their investment consultants with regard to any changes. This advice includes consideration of broader stewardship matters and the exercise of voting rights by the appointed managers.

If an incumbent manager is found to be falling short of the standards the Trustees have set out in their policy, the Trustees will engage with the manager and seek a more sustainable position but may look to replace the manager.

The Trustees will engage with their investment managers as necessary for more information, to ensure that robust active ownership behaviours, reflective of their active ownership policies, are being actioned.

Sustainability Risks

Under Article 5(1) of the Sustainable Financial Disclosures Regulation (the "SFDR"), the Scheme is required to include in its remuneration policy, information on how the policy is consistent with the integration of sustainability risks. A 'sustainability risk' is an environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of Scheme investments.

The Trustees' Remuneration Policy applies to the Trustees, persons who carry out key functions in respect of the Scheme, other categories of staff employed by the trustees whose professional activities have a material impact on the risk profile of the Scheme and service providers to whom the Trustees have outsourced activities within the scope of Section 64AM(1) of the Pensions Act, other than those service providers that fall outside the scope of Section 64AG(4)(e) of the Pensions Act.

In some cases, those persons or others who provide services to the Scheme may be required under legislation to include in their own remuneration policy information on how their policy is consistent with the integration of sustainability risks. The Trustees rely on the statements made by such persons in their own remuneration policies in considering whether Trustees' Remuneration Policy is consistent with remuneration provided to those persons. For other persons to whom the Trustees' Remuneration Policy applies, remuneration is not dependent upon the performance of Scheme investments and the Trustees' Remuneration Policy does not encourage excessive risk-taking, including in respect of sustainability risks.

The Trustees consider that, given the nature, scale, size and complexity of the Scheme, as well as the Scheme's system of governance and Conflicts of Interest Policy, the Trustees' Remuneration Policy is consistent with the integration of sustainability risks.

Principal Adverse Impact Statement

The Trustees do not consider the principal adverse impacts of investment decisions on sustainability factors, as per Article 4 of the SFDR, due to the size, nature and scale of activities undertaken by the Scheme. The Trustees will keep this under review, and may consider such impacts in the future.

Notwithstanding the above, the Trustees expect the asset manager (s) they employ to consider such impacts and will assess their policies in this area periodically.

Asset Class	Manager	Fund Name	Benchmark	Objective	Strategic Asset Allocation
Equity	Walter Scott	Walter Scott Global Equity	MSCI AC World Index NDR	To outperform the benchmark by 3% p.a. net of fees over rolling 3 year periods	7.5%
Equity	Irish Life Investment Managers	ILIM Indexed World Equity Hedged Fund	FTSE World Equity Index Euro Hedged	To perform in line with the benchmark before fees	7.5%
Equity	Irish Life Investment Managers	ILIM RAFI Multi Factor (EUR Hedged)	RAFI Multi Factor Developed Index (EUR) Hedged index	To perform in line with the benchmark before fees	7.5%
Equity	Irish Life Investment Managers	ILIM RAFI Multi Factor	RAFI Multi Factor Developed Index	To perform in line with the benchmark before fees	7.5%
Hedge Fund	BlackRock	BlackRock Appreciation Strategy Fund	HFRI Fund of Funds Conservative Index	To outperform the index over the long term	5.0%
Property	CBRE	Global Alpha Fund	9% - 11% p.a. return, net of fees	To achieve the stated target return	2.5%
Property	Irish Property Unit Trust	Irish Property Unit Trust	IPD Irish Property Index	To outperform the benchmark	2.5%
Infrastructure	IFM	IFM Global Infrastructure Fund	N/A	Target return of 10% p.a. net of fees	3.0%
Infrastructure	Antin Infrastructure Partners	Antin Infrastructure Fund III	Burgiss iQ European Infrastructure (EUR)	15% Gross IRR with a gross yield target of 5% p.a.	2.0%
Credit	Insight	Insight Buy and Maintain	Bespoke Liability Benchmark	To hedge a percentage of the liability benchmark	5.5%
Credit	Robecco	Robecco Credit Fund	Bespoke Liability Benchmark	To hedge a percentage of the liability benchmark	11.0%
Credit	JP Morgan	JP Morgan Multi Sector Credit	N/A	Total Return of 3-7% p.a. over rolling three year periods	5.5%
Fixed Income/LDI	Insight	Insight LDI	Bespoke Liability Benchmark	To hedge a percentage of the liability benchmark	33.0%

Trustees:

R. Gill Ross Gill

P. Neary Paul Neary

Date: **21 September 2022**

Trustees' Report Year Ended 31st December, 2021

Introduction
In accordance with the requirements of the Pensions Act, 1990, and the Occupational Pensions Schemes (Disclosure of Information) Regulations, 2006-2021 provided hereunder is a review of the events of the past year as they apply to the benefit provision, financial development, management and administration of the Scheme.

The Scheme has been approved by the Revenue Commissioners as an "Exempt Approved Scheme" under Section 774 of the Taxes Consolidation Act, 1977 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 member contributions to the Scheme and certain lump sum payments to members can be paid free of tax.

Arising from an agreement between the CIE Group and the Trade Union Group facilitated by the Workplace Relations Commission (WRC), Statutory Instruments came into operation on 18th July 2022. The Statutory instruments included changes to the Scheme's governance structure which had consisted of Trustees and a monitoring committee. There is now a board of Trustees who assumed all of the powers and responsibilities of Trustees for the purposes of the Pensions Act and IORP II regulations. The board of Trustees will have four members appointed by CIE and four members elected by the Scheme members.

The Statutory instruments also implemented changes to the Scheme's governance structure which had consisted of Trustees and a monitoring committee. There is now a board of Trustees who assumed all of the powers and responsibilities of Trustees for the purposes of the Pensions Act and IORP II regulations. The board of Trustees will have four members appointed by CIE and four members elected by the Scheme members.

Pensions Authority Registration
The Scheme is registered with the Pensions Authority - Registration number 43658.

Trustees
The Trustees of the Scheme are appointed by the Minister for Transport on the recommendation of the Board of Córas Iompair Éireann. Stewardship of the Scheme assets is the responsibility of the Trustees.

The Trustees and the Secretary have access to the Trustee Handbook and Guidance Notes produced by the Pensions Authority, from time to time in accordance with Section 10 of the Pensions Act, 1990. Section 59AA of the Pensions Act 1990, requires Trustees of pension schemes to undergo training. All Trustees have confirmed that they have adhered to their training obligations as required by the Pensions Act within the time limits set out therein.

Trustee training will be undertaken by the new Trustees of the scheme, as per the Pension Act. Such training will paid for by the Scheme.

There were twenty four Trustee meetings throughout 2021.

Pension Increases
A review by CIÉ of pensions in payment (excluding vested pensions which have come into payment) took place in July 2021, and it was agreed that no increase would be granted. There are no pensions or pension increases being paid by or at the request of the Trustees for which the Scheme would not have a liability in the event of winding up.

Actuarial Valuation
The most recent Actuarial Valuation of the Scheme's assets and liabilities was carried out as at 31st December, 2020. In the Report on this valuation, the Actuary commented that there is a past service surplus of €50.4m, equivalent to a past service funding level of 105.6%.

Were the Scheme to have wound up at the Valuation Date, the Scheme would not have satisfied the Funding Standard. An Actuarial Funding Certificate (AFC) confirming this result was submitted to the Pensions Authority. The results disclosed a recommended employer contribution rate of 2.35 times the members' contributions to be maintained for 2020 and that the employer multiple would increase to 2.45 times the employee contributions from 2022 onwards. This contribution would be maintained until either (i) a Revised Funding proposal was agreed, which may indicate a different rate, or (ii) until the next Triannual valuation.

Funding Standard and Funding Standard Reserve
A funding proposal was in place in mid 2013, which targeted 31 December 2023 as the date by which the Scheme would satisfy the funding standard and funding standard reserve.

This proposal was certified as "off track" as at 31 December 2016, which triggered a requirement to prepare a revised funding proposal. The Statutory Instruments which arose from the agreement between the CIE Group and the Trade Union Group facilitated by the Workplace Relations Commission (WRC), changed some Scheme benefits and amended the minimum retirement age. In conjunction with a Section 50 application, this was anticipated to place the Scheme in a position whereby it satisfies the funding standard and funding standard reserve, therefore no funding proposal would be required. At this point in time the Section 50 application has not been approved, but there is ongoing engagement with the Pensions Authority.

Investment Management
The investment policy of the Scheme is designed to achieve, over the life of the Scheme, the highest possible return within an acceptable degree of risk. This policy is implemented by the construction of a balanced portfolio which is diversified over asset types and currencies. The Scheme is thus protected against problems which may emerge in any one asset type or in any single investment within an asset type. Investment mandates are agreed with each of the Investment Managers. Further details on investment policy together with a more detailed comment on investment performance are contained in the Investment Managers' Reports on pages 44 to 61. A Statement of Investment Policy Principles adopted by the Trustees is included in this report (page 8).

The Investment Managers have, within specified mandates, total discretion in the investment of Scheme assets and provide detailed reports to the Trustees on the strategies adopted and on the performance of the monies invested.

Trustees' Report Year Ended 31st December, 2021 *(continued)*

Statements of Risk

The Trustees' primary objective is to ensure that the Scheme should be able to meet benefit payments as they fall due. In order to provide for these future benefit payments the assets of the Scheme are invested in a range of investments. Each year CIÉ contributes to the fund such sum as CIÉ after consulting the Actuary determines to be necessary to support and maintain the solvency of the Fund. In any year if CIÉ's contribution exceeds 2.7 times the members' contributions then CIÉ and the members' contributions will be reviewed.

In a defined benefit scheme 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 risks**
The assets may not achieve the expected return	See Statement of Investment Policy Principles at page 8.
Some of the assets may be misappropriated	A custodial agreement is in place with J.P. Morgan. Reconciliations are performed to monitor and ensure that all assets are correctly accounted for.
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. The Trustees are required by law to obtain an annual statement concerning the ability of the Scheme to meet the 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 dissolve the Scheme	If CIÉ determines with the consent of the Minister for Transport to dissolve the Scheme, the Trustees are required to wind up the Scheme and provide benefits for members in accordance with the Rules and the Pensions Act. The Trustees endeavour to ensure that sufficient assets are available at all times to meet the liabilities on wind up, by means of the annual statement mentioned above. If, however, the Scheme has insufficient assets to meet the liabilities, those already in receipt of pension at the wind-up date are a priority class, to a maximum pension of €12,000, and their pensions must be secured before assets are applied to other members. These 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 will also cease in these circumstances.

Trustees' Report Year Ended 31st December, 2021 *(continued)*

Financial Developments of the Scheme

The total value of the Scheme's net assets as at 31st December, 2021 amounted to €996.4m compared to a value of €957.3m at the end of the preceding year.

Performance

The overall return on the Fund for the year was a positive return of 4.1% compared to a positive return of 6.3% for the previous year.

Financial Statements

Total contributions and transfers in for the year amounted to €32.9m (2020 – €31.4m). The Trustees are satisfied that appropriate procedures have been put in place to ensure that contributions payable were received in accordance with the legislative requirements as set out under Section 58 (a) of the Pensions Act, 1990 which states:

Members contributions must be received within 21 days from the end of the month they were deducted from pay. Employers contributions must be received within 30 days of the end of the scheme year.

Contributions were paid in accordance with the rules of the Scheme and the recommendation of the Actuary and were received in full within 30 days of the year end.

Benefits payable and expenses amounted to €25.1m (2020 - €24.4m). Investment income for the year amounted to €10.9m (2020 – €7.4m). Change in Market Value of Investments amounted to €21.7m in 2021 (2020 – €44.1m) while Investment Managers' fees, and Custodian fees totalled €1.4m (2020 - €1.3m).

The net increase in the Fund for the year was €39.1m thus increasing the Fund at the end of the year to €996.4m (2020 - €957.4m)

Management of the Scheme

In accordance with the rules of the Scheme all monies in the hands of the Trustees belonging to the Fund and not required for the immediate purposes of the Scheme may be lent to CIÉ, re-payable on demand at an agreed rate of interest, or may be invested as the Trustees shall think proper and with the consent of CIÉ, in any investments for the time being authorised by law as investments for trust monies, or in any other investments for the time being approved of, for the purpose of the Scheme, by the Minister for Finance.

The cost of administering the Scheme has been borne by the Fund.

The Investment Managers fees are calculated as an agreed percentage of the market value of the portfolio; the fees do not include any commissions paid on the purchase and sale of investments which are included within the change in market value of investments.

The Trustees have been recently appointed (see page 3) and are still serving at the date of approval of the annual report.

Scheme Changes

There were no Scheme Changes in 2021. Changes were effected 18th July in 2022.

Employer Related Investments

There were no employer related investments at any time during the year.

Subsequent Events

The impact of the Covid 19 pandemic on the Pension Scheme since March 2020, is closely monitored by the Scheme Investment Advisors, the Trustees and the Committee. There has not been any substantial fall off in the valuations of the assets of the Scheme in the twelve months of 2021 resulting from the pandemic.

As per the introduction to this report, Statutory Instruments that became effective on the 18th of July 2022 gave rise to some benefit and structural changes for the scheme.

There was no other significant event post year end that would require amendment to or disclosure in this Annual Report.

Trustees' Report Year Ended 31st December, 2021 *(continued)*

IORP II Directive

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. 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 have met all deadlines set to date and are working with its professional advisors to achieve full compliance ahead of time.

Membership Statistics

The following table shows the membership of the Scheme as at 31st December 2021

	Actives	Deferred	Pensioners	Total
Membership as at 31st December 2020	**6,674**	**1,747**	**3,960**	**12,381**
New Members	341	85	172	598
Leavers etc.	(268)	(67)	(170)	(505)
Membership as at 31st December 2021	**6,747**	**1,765**	**3,962**	**12,474**

Trustees:

R. Gill Ross Gill

P. Neary Paul Neary

Date: 21 September 2022

Statement of Trustees' and Committee's Responsibilities

The rules of the Scheme require the Trustees to cause full and true financial statements to be kept of the Scheme and of all dealings with the Scheme.

The financial statements are to be audited annually by the auditors of the Scheme. The financial statements are required to include a statement as to whether the financial statements have been prepared in accordance with the Statement of Recommended Practice, Financial Reports of Pension Schemes (Revised 2018) ("SORP") subject to any departures being disclosed and explained in the financial statements. They must contain the information specified in the Occupational Pensions Schemes (Disclosure of Information) Regulations, 2006-2021 including a statement as to whether the financial statements have been prepared in accordance with the Financial Reporting Standard 102—the financial reporting standard applicable in the UK and the Republic of Ireland issued by the Financial Reporting Council. The financial statements are prepared in accordance with Financial Reporting Standard 102 to give a true and fair view of the financial transactions of the Scheme and of its assets and liabilities, other than liability to pay pensions and benefits in the future. The Trustees must ensure that they have supervised the preparation of the Scheme Financial Statements, and in the preparation:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- Ensure that the financial statements have been prepared in accordance with the Statement of Recommended Practice, Financial Reports of Pension Schemes (revised 2018), or that particulars of any material departures have been disclosed and explained;

The Trustees are responsible for safe-keeping the assets of the Scheme and ensuring that reasonable steps are taken for the prevention and detection of fraud and other irregularities including the maintenance of an appropriate system of internal control.

The Trustees are responsible for ensuring that proper membership and financial records are kept and contributions are made to the Scheme in accordance with the Scheme rules and the requirements of legislation.

Trustees:

R. Gill Rae Gill

P. Neary Paul Neary

Date: **21 September 2022**

The CIÉ Pension Scheme for Regular Wages Staff Committee was charged with monitoring the administration of the Scheme. The Committee consists of 4 employer representatives and 4 trade union representatives (representing the members). The Committee met on four occasions in 2021.

This Committee ceased to exist from the 18th July 2022.

CIÉ Pension Scheme for Regular Wages Staff

Effective date of last triennial valuation: 31 December 2020

The most recent triennial valuation of the CIÉ Pension Scheme for Regular Wages Staff ("the Scheme"), as required under Section 56 of the Pensions Act 1990 (as amended), was carried out with an Effective Date of 31 December 2020.

1. Security of Accrued Rights:

An exercise to assess if the Scheme met the Funding Standard and Funding Standard Reserve as at 31 December 2020 ("the Effective Date") has been carried out. The result of this test confirmed that the Scheme did not satisfy the Funding Standard when allowance is made for the Funding Standard Reserve.

In my opinion, the assets of the Scheme as at the Effective Date would have been sufficient, after allowing for the estimated expenses of administering the winding up of the Scheme, and after allowing for the revised priority order provided for in section 48(1AA) and benefit limits set out in section 48(1AC) of the Act, to cover the following:

(a) 100% of the benefits attributable to current pensioners, deferred members (i.e. former employees entitled to preserved benefits) who have attained age 60, and current active service employees who have attained age 60 but have not yet retired, based on service completed to, and salary at, the Effective Date.

(b) 100% of standard transfer values payable in lieu of deferred benefits attributable to deferred members who have yet to attain age 60.

(c) 100% of standard transfer values payable in lieu of deferred benefits attributable to active service members who have yet to attain age 60 based on service completed to, and salary at, the Effective Date.

An updated Actuarial Funding Certificate (AFC) was prepared with an effective date of 31 December 2019 and submitted to the Pensions Authority. A copy of that AFC is included in this report and confirmed that the Scheme did satisfy the funding standard as provided for in section 44(1) of the Act. In addition to the preparation of an Actuarial Funding Certificate, a Funding Standard Reserve Certificate (FSRC) has been prepared and submitted to the Pensions Authority – a copy of that FSRC is included in this report. The FSRC confirmed that the Scheme did not hold sufficient additional resources to satisfy the funding standard reserve as at the effective date as provided for in section 44(2) of the Act.

2. Security of Prospective Rights:

A consequence of the Scheme's failure to satisfy the Funding Standard (when allowance is made for the Funding Standard Reserve) is the requirement for a Funding Proposal to be prepared and submitted to the Pensions Authority. A Funding Proposal is a recovery plan, which sets out the actions to be taken, calculated on the basis of reasonable actuarial assumptions, to place the Scheme in a position to meet the Funding Standard and Funding Standard Reserve within a time period agreed by the Employer, Trustees and Pensions Authority.

A Funding Proposal was submitted to the Pensions Authority on 25 June 2013 under which the companies undertook to pay contributions to the Scheme over the period from 1 January 2013 to 31 December 2023 at the rate of 2.3 times members' contributions. This proposal was designed to enable the Scheme to meet the Funding Standard and the Funding Standard Reserve by 31 December 2023. A key assumption built into the funding proposal was that a general pensionable pay pause (excluding increases due to increments or promotions) would prevail over the duration of the recovery period.

Pursuant to Section 55(4) of the Pensions Act 1990, I reviewed the position as at 31 December 2016 to ascertain whether, if contributions continued to be made to the Scheme in accordance with the funding proposal, the Scheme would satisfy the funding standard and funding standard reserve provided for in Section 44 of the Pensions Act at the end of the funding proposal period, which was 31 December 2023.

Based on the information provided to me as at 31 December 2016, and adopting assumptions which I considered to be appropriate and which were consistent with professional guidance, I was not reasonably satisfied that the Scheme would meet the funding standard and funding standard reserve at 31 December 2023. In carrying out a projection of the funding standard position I had allowed for the impact on pension benefits of agreed pay deals across the operating companies as well as anticipated future pay claims.

On the back of an "off track" or negative actuarial statement being included in the Trustee Annual Report for the year ended 31 December 2016, a revised AFC and FSRC were prepared as at that date and submitted to the Pensions Authority. As noted above updated certificates as at 31 December 2019 have been submitted.

A consequence of the funding proposal being certified off track in 2017 was a requirement to submit a revised funding proposal to the Pensions Authority for approval by 31 December 2017.

Discussions between CIÉ Group and the Trade Union Group, facilitated by the Workplace Relations Commission (WRC), took place in 2019 and culminated in a set of proposals that would form the basis for a revised funding proposal. The proposals were accepted by the CIÉ Board and by union members in a ballot in June 2020.

On foot of this result the Trustees agreed to implement the proposals and, following completion of a member consultation process, submitted a section 50 application, dated 26 March 2021, to the Pensions Authority. In parallel, draft statutory instruments which amend the rules of the Scheme were submitted to the Department of Transport for consideration and were duly signed by the Minister on 6 July 2022 with an Operative Date of 18 July 2022 (9 June 2020 for certain rule changes). At the time of signing this statement the Trustees are awaiting approval for the section 50 direction from the Pensions Authority.

The proposed benefit changes, in conjunction with a section 50 application to increase minimum retirement age, are designed to place the Scheme in a position whereby it satisfies the funding standard and funding standard reserve from the operative date of the changes without requiring a funding proposal.

As at 31 December 2021 I was reasonable satisfied that the Scheme met the Funding Standard and Funding Standard Reserve at that date on the basis of existing 'Pre WRC' benefits but not if certain benefit improvements such as changes to pensionable pay had applied; however I was reasonably satisfied that the Scheme would have met the Funding Standard and Funding Standard Reserve had the 'Post WRC' benefit changes in full applied at that date.

The most recent actuarial valuation of the Scheme, carried out as at 31 December 2020, recommended an increase in the employers' long term contribution multiple to 2.45 times members' contributions effective from 1 January 2022. This revised rate has been accepted by the CIÉ Board. The next triennial valuation is due no later than 31 December 2023.

Signature	Aidan Kennedy
Name	Aidan Kennedy
Date	18 August 2022
Qualification	Fellow of the Society of Actuaries in Ireland
Scheme Actuary Certificate Number	P084
Name of Actuary's Employer/Firm	Aon Solutions Ireland Limited

The CIE Pension Scheme for Regular Wages Staff ("the Scheme")
Report on Actuarial Liabilities

Under Section 56 of the Pensions Act 1990 (as amended), and associated regulations, the Trustees of defined benefit pension schemes are required to have a valuation[1] of the scheme prepared on a triennial basis. The most recent formal actuarial valuation of the Scheme was carried out as at **31st December 2020**. A copy of the report is available to Scheme members on request.

One of the purposes of the valuation is to set out the Scheme's ongoing funding level. It does this by comparing the value of the Scheme'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	957,348
Value of Accrued Liability	(906,948)
Surplus/(Deficit)	50,400
Funding Level	105.6%

Valuation Method & Assumptions

The valuation method used to calculate the cost of future service benefits and the accrued liability was the projected unit credit 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 wages 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 Scheme's actuarial report):

Financial assumptions	
Discount rate	2.90% pa tapering down to 2.50% pa from 2029
Inflation	1.25% pa
Wage increases	1.25% pa from 2022 *plus* a promotional pay scale)
Pension increases	1.25% pa from 2024 [0% 2021-2023]
Demographic assumptions	
Post-retirement Mortality	100% of S3 PMA (Middle) / PFA (Middle) (with CMI (2018) improvements from 2013, S_k=7.0, A=0.5, LtR 1.5% pa) (year of use = 2021)
Retirement age	Varies by individual member between ages 60 and 66 in accordance with revised benefit scale ('WRC changes'). Assumed average retirement age varies between ages 63.9 and 65.5 – see valuation report for detail.
Commutation (active members only)	15% of pension commuted @ €624 per €1 of weekly pension

The next valuation is due to be completed with an effective date not later than 31st December 2023.

[1] It should be borne in mind that a valuation is only a snapshot of a scheme's estimated financial condition at a particular point in time; it does not provide any guarantee of future financial soundness of a scheme. Over time, a scheme'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.

REPORT OF THE INDEPENDENT AUDITORS
TO THE TRUSTEES AND MEMBERS OF
C.I.É. PENSION SCHEME FOR REGULAR WAGES STAFF

Opinion

We have audited the financial statements of above pension scheme for the year ended 31 December 2021, 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 2021, and of the amount and disposition at that date of its assets and liabilities, other than liabilities to pay pensions and benefits after the 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 year 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.

mazars

**REPORT OF THE INDEPENDENT AUDITORS
TO THE TRUSTEES AND MEMBERS OF
C.I.É. PENSION SCHEME FOR REGULAR WAGES STAFF
(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 end, and
- the contributions have been paid in accordance with the scheme rules and the recommendation of the actuary.

mazars

REPORT OF THE INDEPENDENT AUDITORS
TO THE TRUSTEES AND MEMBERS OF
C.I.É. PENSION SCHEME FOR REGULAR WAGES STAFF
(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.

Mazars

Mazars
Chartered Accountants & Statutory Audit Firm
Harcourt Road
Dublin 2

30 September 2022

Fund Account

	Note	2021	2021	2020	2020
		Year Ended 31st December			
		€000	€000	€000	€000
Contributions and Benefits					
Employer Contributions	5	23,049		21,872	
Employee Contributions	5	9,823		9,332	
Transferred in	5	27		-	
Contributions receivable			32,899		31,204
Benefits paid or payable	6	(22,751)		(22,416)	
Payments to and on account of leavers	7	(1,014)		(680)	
Administrative expenses	8	(1,332)	(25,097)	(1,327)	(24,423)
Net additions from dealings with members			7,802		6,781
Return on investments					
Investment income	9	10,934		7,403	
Change in market value of investments	10	21,733		44,056	
Investment management expenses	11	(1,413)		(1,257)	
Net return on investments			31,254		50,202
Net increase in the fund during the year			39,056		56,983
Net assets of the scheme					
At 1st January			957,348		900,365
At 31st December			996,404		957,348

There were no recognised gains or losses other than those included in the fund account for the years 2020 and 2021.

The notes on pages 26 to 39 form part of the financial statements.

Trustees:

R. Gill Ray Gill

P. Neary Paul Neary

Date **21 September 2022**

Statement of Net Assets (Available for Benefits)

	Note	As at 31st December 2021 €000	2020 €000
Investment Assets			
Equities	10	87,551	67,362
Bonds	10	424,991	288,620
Pooled Investment Vehicles including property	10	398,257	496,263
Pooled Investment Vehicles—Property only	10	24,651	41,054
Infrastructure	12	50,076	40,789
Derivatives	14	16,707	23,037
Cash and other net investments	15	3,144	1,490
Total Investment Assets		1,005,377	958,615
Investment Liabilities			
Derivatives	14 A+B	(29,737)	(17,945)
Total Net Investment		975,640	940,670
Current Assets	16	22,941	19,595
Current Liabilities	16	(2,177)	(2,917)
Net assets available for benefits		996,404	957,348

The notes on pages 26 to 39 form part of the financial statements.

The financial statements summarise the transactions of the Scheme and deal with the net assets at the disposal of the Trustees. They do not take account of obligations to pay pensions and other benefits which fall due after the end of the Scheme year. The actuarial position of the Scheme, which does take account of such obligations, is dealt with in the Report of the Actuary (including report on Actuarial Liabilities) and Funding Certificates, and these annual financial statements should be read in connection with those reports.

Trustees:

R. Gill Rea Gill

P. Neary Paul Neary

Date: 21 September 2022

Notes to the Financial Statements

1. General Information

The Córas Iompair Éireann Pension Scheme for Regular Wages Staff ("the Fund") provides pension benefits to certain employees of Córas Iompair Éireann (the Principal Employer) and other participating employers.

The establishment and operation of the Fund is governed by the Córas Iompair Éireann Pension Fund for Regular Wages Staff (Statutory Instrument No. 242 of 1945), as amended by the following Statutory Instruments:

(i)	115 of 1949
(ii)	34 of 1955
(iii)	226 of 1957
(iv)	56 of 1961
(v)	48 of 1965
(vi)	7 of 1967
(vii)	58 of 1969
(viii)	77 of 1971
(ix)	252 of 1974
(x)	288 of 1977
(xi)	74 of 1980
(xii)	181 of 1982
(xiii)	132 of 1985
(xiv)	288 of 1985
(xv)	319 of 1985
(xvi)	55 of 1987
(xvii)	117 of 1988
(xviii)	258 of 1988
(xix)	31 of 1989
(xx)	233 of 1991
(xxi)	120 of 1992
(xxii)	420 of 1992
(xxiii)	115 of 1996
(xxiv)	428 of 2000
(xxv)	93 of 2001
(xxvi)	123 of 2002
(xxvii)	230 of 2003
(xxviii)	209 of 2004
(xxix)	263 of 2004
(xxx)	264 of 2004
(xxxi)	9 of 2006
(xxxii)	671 of 2007
(xxxiii)	49 of 2010
(xxxiv)	204 of 2010
(xxxv)	205 of 2010
(xxxvi)	90 of 2015
(xxxvii)	91 of 2015
(xxxviii)	476 of 2015
(xxxix)	63 of 2016
(xl)	64 of 2016
(xli)	373 of 2017
(xlii)	378 of 2017
(xliii)	536 of 2018
(xliv)	645 of 2018
(xlv)	343 - 345 of 2022

2. Basis of preparation

The financial statements have been prepared in accordance with the Occupational Pensions Schemes (Disclosure of Information) Regulations, 2006-2021 and Financial Reporting Standard 102—the financial reporting standard applicable in the UK and Republic of Ireland (FRS 102) issued by the Financial Reporting Council (and promulgated by the Institute of Chartered Accountants in Ireland) and in line with the guidelines set out in the Statement of Recommended Practice, Financial Reports of Pension Schemes (Revised 2018), published by the Pensions Research Accountants Group.

The financial statements summarise the transactions of the Scheme 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 Scheme year. The actuarial position of the Scheme, which does take account of such obligations, is dealt with in the report by the actuary including the actuarial liabilities report on page 18 and these financial statements should be read in conjunction with it.

3. Taxation

The Scheme has been approved as an “exempt approved Scheme” for the purpose of Section 774 of the Taxes Consolidation Act 1997 and this Scheme income and gains are generally exempt from taxation. A levy was introduced by Section 4 of the Finance (No. 2) Act, 2011 which introduced a new section (125b) to the Stamp Duties Consolidation Act 1999.

Notes to the Financial Statements (continued)

4. Accounting policies

The principal accounting policies adopted by the Scheme are as follows:

a) Currency
The Scheme's functional currency and presentational currency is Euro.

Assets and liabilities in foreign currencies are expressed in Euro at the rates of exchange ruling at the year end. Foreign currency transactions are translated into Euro at the spot exchange rate at the date of the transaction.

Gains and losses arising on conversion or translation are dealt with as part of the change in market value of investments.

b) Contributions

Normally, both contributions from members and employers, are generally accounted for on an accruals basis in the payroll period to which they relate. In the case of member contributions, this is when deducted from pay.

Employers' augmentation contributions are accounted for in accordance with the agreement under which they are paid, or in the absence of such an agreement, when received.

Employers' deficit funding contributions are accounted for on the due dates set out in the schedule of contributions, or on receipt if earlier, with the agreement of the employer and the Trustees.

c) Transfers from and to other plans

Transfer values represent the capital sums either receivable in respect of members from other pension plans of previous employers or payable to the pension plans of new employers for members who have left the Scheme. They are accounted for on an accruals basis on the date the Trustees of the receiving plan accept the liability. In the case of individual transfers, this is normally when the payment of the transfer value is made.

d) Benefits and payments to and on account of leavers.

Pensions in payment are accounted for in the period to which they relate.

Where members can choose whether to take their benefits as a full pension or as a lump sum with reduced pension, retirement benefits are accounted for on an accruals basis on the later of the date of retirement and the date the option is exercised.

Other benefits are accounted for on an accruals basis on the date of retirement or death as appropriate. Refunds are accounted for when the Trustees are notified of the member's decision to leave the Scheme.

e) Administrative and other expenses

Administrative expenses are accounted for on an accruals basis.

f) Investment Income and expenditure.

Income from equities and any pooled investment vehicles which distribute income, is accounted for on an accruals basis on the date stocks are quoted ex-dividend, or in the case of unquoted instruments, when the dividend is declared.

Income from bonds is accounted for on an accruals basis and includes income bought and sold on purchases and sales of bonds. Other interest on cash and short term deposits and income from other investments are accounted for on an accruals basis.

Investment income includes withholding taxes. Withholding tax is accrued on the same basis as investment income. Where withholding tax is not recoverable, this is shown as a separate expense within investment returns.

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.

Transaction costs are included in the cost of purchases and sale proceeds. Transaction costs include costs charged directly to the Scheme such as fees, commissions, stamp duty and other fees. Other investment management expenses are accounted for on an accruals basis and shown separately within investment returns.

g) 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:

- Equities, bonds and certain pooled investment vehicles which are traded on an active market are included at the quoted price, which is normally the bid price.

Notes to the Financial Statements (continued)

- 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 substantially all pricing days are included at the last price provided by the manager at or before the year end.
- The value of other equities, bonds and 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.
- Exchange traded futures are valued at the difference between exchange settlement prices and inception prices.
- Forward exchange contracts are valued at the gain or loss that would arise from closing out the contract at the reporting date by entering into an equal and opposite contract at that date.
- Unitised insurance policies are valued on the same basis as pooled investment vehicles with similar characteristics.

Notes to the Financial Statements (continued)

5. Contributions

	Year Ended 31st December	
	2021	2020
	€000	€000
Employers		
Normal	22,868	21,674
Additional	181	198
	23,049	21,872
Employees	9,823	9,332
Transferred In	27	-
Total	32,899	31,204

6. Benefits paid or payable

	Year Ended 31st December	
	2021	2020
	€000	€000
Pensions	17,325	17,270
Commutation of pensions and lump sum retirement benefits	5,023	4,534
Benefits payable to representatives of deceased members	403	285
Preserved pension deaths	-	327
Total	22,751	22,416

7. Payments to and on account of leavers

	Year Ended 31st December	
	2021	2020
	€000	€000
Refunds to members leaving Scheme	73	99
Transfer of service	941	581
Total	1,014	680

Notes to the Financial Statements (continued)

8. Administrative expenses	Year Ended 31st December	
	2021	**2020**
	€000	**€000**
Administration and processing	**424**	**620**
Insurance policy premiums	**28**	**16**
Actuarial fees	**171**	**116**
Audit fees	**23**	**16**
Professional fees	**556**	**433**
Registration fees	**26**	**26**
Miscellaneous	**104**	**100**
Total	**1,332**	**1,327**

9. Investment income	Year Ended 31st December	
	2021	**2020**
	€000	**€000**
Income from bonds	**7,873**	**5,314**
Dividends from equities	**893**	**774**
Income from Pooled Investment Vehicles—Property	**1,252**	**1,298**
Infrastructure income	**916**	**17**
Total	**10,934**	**7,403**

Notes to the Financial Statements (continued)

10. Reconciliation of Net Investments

	Value at 01/01/21	Purchases At Cost	Sales Proceeds	Change in Market Value	Value at 31/12/21
	€000	€000	€000	€000	€000
Equities	67,362	4,935	(4,332)	19,586	**87,551**
Bonds	288,620	389,512	(218,886)	(34,255)	**424,991**
Pooled Investment Vehicles	496,263	113,507	(269,390)	57,877	**398,257**
Property Pooled Investment Vehicles	41,054	-	(16,693)	290	**24,651**
Infrastructure	40,789	622	(414)	9,079	**50,076**
Derivatives	5,092	15,669	(2,947)	(30,844)	**(13,030)**
Equities and Fixed Income	**939,180**	**524,245**	**(512,662)**	**21,733**	**972,496**
Cash	**1,490**	-	-	-	**3,144**
Total	**940,670**				**975,640**

At 31st December 2021 there were no investments in excess of 5% of the net assets of the Scheme.

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 purchases and sales proceeds. Transaction costs include costs charged directly to the scheme such as fees, commissions, stamp duty and other fees. In addition to the transaction costs, indirect transactions costs are incurred through the bid-offer spread on investments within pooled investment vehicles. The amount of indirect transaction costs are not separately provided to the scheme.

With the exception of Irish Life Investment Managers (ILIM), Irish Property Unit Trust (IPUT), Delta, Partners ACT Venture Capital Ltd. and Kleinwort Benson Investors who are registered in Dublin, all other investment managers are registered in the United Kingdom.

Notes to the Financial Statements (continued)

11. Investment Management Expenses

	Year Ended 31st December	
	2021	2020
	€000	€000
Investment management fees	1,282	1,140
Custodian fees	131	117
Total	1,413	1,257

12. Infrastructure

	Year Ended 31st December	
	2021	2020
	€000	€000
Infrastructure Investments	46,029	40,270
Cash	4,047	519
Total	50,076	40,789

13. Pooled Investment Vehicles (including property)

	Year Ended 31st December	
	2021	2020
	€000	€000
Equity	287,628	234,051
Bonds	52,434	162,457
Derivatives	(80)	-
Hedge Funds	49,360	53,275
Property	24,651	41,042
Cash	8,915	46,492
Total	422,908	537,317

14. Derivatives

	Year Ended 31st December			
	2021		2020	
	Assets	Liabilities	Assets	Liabilities
	€000	€000	€000	€000
Options	626	(21,079)	6,361	(15,027)
Swaps	16,081	(8,658)	16,676	(2,918)
Total	16,707	(29,737)	23,037	(17,945)

Notes to the Financial Statements (continued)

14 A. Options	Fair Value 2021		Fair Value 2020	
	Assets	Liabilities	Assets	Liabilities
Expires Within	€000	€000	€000	€000
1—10 Years	626	(21,079)	6,361	(15,027)
Total	626	(21,079)	6,361	(15,027)

14 B.	Swaps	Expires	Fair Value 2021		Fair Value 2020	
	Type	Within	Assets	Liabilities	Assets	Liabilities
	Govrn Interest Rate	1-10 years	4,399	(990)	5,480	(10)
	Govrn Interest Rate	10-20 years	4,137	(2,830)	937	(2,088)
	Govrn Interest Rate	20-30 years	7,362	(4,579)	6,830	(29)
	Govrn Interest Rate	30 years +	183	(259)	3,429	(791)
Total			16,081	(8,658)	16,676	(2,918)

The Trustees have authorised the use of derivative financial instruments by their investment managers as part of their investment strategy as follows:

- Futures: Where cash is held for short-term liquidity, the Trustees have entered into index-based contracts of equivalent economic value to avoid being “out-of-the market”.
- Forward foreign currency: The Trustees invest in overseas markets and assets denominated in foreign currency in order to construct a suitably diversified investment portfolio. Bearing in mind the Trustees’ obligation to settle benefits in Euro, the Trustees have agreed a maximum net exposure to equities in foreign currencies of 15% of net Defined Benefit investments, and have entered into hedged share classes to achieve this.

15. Cash and other net investments	Year Ended 31st December	
	2021	2020
	€000	€000
Cash Euro	3,144	1,490
Total	3,144	1,490

Notes to the Financial Statements (continued)

16. Current assets and liabilities

	2021 €000	2021 €000	2020 €000	2020 €000
	Year Ended 31st December			
Assets				
Cash	6,477		12,619	
Contributions due from Employer	1,769		1,851	
Contributions due from Employee	753		790	
Due to Scheme re administration charges	407			
Prepayments	9,200		1,214	
Taxation recoverable	67		54	
Interest receivable	4,268		3,067	
		22,941		19,595
Liabilities				
Investment managers' fees payable	(431)		(592)	
Due to CIÉ re pension payments	(1,742)		(2,239)	
Due to CIÉ re administration charges	-		(79)	
Misc Expense Accrual	(4)	(2,177)	(7)	(2,917)
Total		20,764		16,678

Contributions due:
At the end of 2021 an amount of €1.769m was due to the Scheme from the employers which was in respect of December 2021 contributions, which were received in January 2022.

17. Related party transactions
Transactions in relation to the employer and other members are disclosed on the face of the fund account on page 15.

The Trustees
The Trustees of the Scheme are detailed on page 5.

The Trustees did not receive and are not due any remuneration from the Scheme in connection with the management of the Scheme for 2021.

None of the Trustees are members of this Scheme.

Principal Employer:
Corás Iompair Éireann is the principal employer. The employer contributions to the Scheme are made in accordance with the various Statutory Instruments, and the recommendation of the actuary.

Other than the provision of administration services by the principal employer, there were no further material related transactions during the Scheme year.

Participating Employers
Córas Iompair Éireann
Irish Rail
Dublin Bus
Bus Éireann

Investments Managers
The Investment Managers are as outlined in pages 3 and 4. Investment managers fees are borne by the Scheme. The Investment managers are appointed by the Trustees to manage the Scheme's assets. The investment management expenses are outlined in note 11.

Registered Administrator
Corás Iompair Éireann is the registered administrator. The registered administrator did not receive, and is not due to receive any fees from the Scheme. It should be noted all costs associated with the administration of the fund are paid out of the Scheme Fund.

18. Contingent liabilities and contractual commitments
As stated in Note 2 of these financial statements, liabilities to pay pensions and other benefits have not been taken into account. On that basis, in the opinion of the Trustees, there were no contingent liabilities or contractual commitments at the year end.

Notes to the Financial Statements (continued)

19. Self investment
There was no employer related investment, as described by the Occupational Pensions Schemes (Disclosure of Information) Regulations, 2006-2021 at any time during the year.

20. Subsequent Events
The impact of the Covid 19 pandemic on the Pension Scheme since March 2020, is closely monitored by the Scheme Investment Advisors, the Trustees and the Committee. There has not being any substantial fall off in the valuations of the assets of the Scheme in the eight months of 2020 resulting from the pandemic.

During 2019 a cohort of staff who had exited with entitlement to preserved benefits were identified where there was a mismatch in the calculation basis applied by the Administrator and the Scheme Actuary for lump sum payments. A small number of members, despite efforts made by the Registered Administrator, have yet to receive their additional entitlement.

There was no other significant event post year end that would require amendment to or disclosure in this Annual Report.

21. Risk Measurement and Management
The following sources of risk were considered when setting the investment strategy for the Scheme:

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

Market Risk: this risk 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 Trustees determine their investment strategy after taking advice from their professional investment adviser. The Scheme has exposure to the above risks because of the investments it makes in following the investment strategy set out below. The Trustees manage investment risks, including credit risk and market risk, within agreed risk limits which are set taking into account the Scheme's strategic investment objectives. These investment objectives and risk limits are implemented through the investment management agreements in place with the Scheme's investment managers and monitored by the Trustees by regular reviews of the investment portfolio.

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

The investment objective is to maintain a portfolio of suitable assets of appropriate liquidity which will generate investment returns to meet, together with future contributions, the benefits are payable under the rules of the Scheme.

The Trustees set the investment strategy taking into account considerations such as the plans of sponsoring employers, the long term liabilities of the Scheme and the funding agreed. The investment strategy is set out in its Statement of Investment Policy Principles on page 8 of this report ("SIPP").

The current strategy is to hold:

- 45% in growth assets. The target allocation for the growth assets are 30% global equities, 5% diversified alternatives and 10% property and infrastructure.
- 55% in matching assets that moves in line with the liabilities of the Scheme. The matching assets comprise a portfolio government bonds and corporate bonds (including non-Euro) the purpose of which is to hedge against the impact of interest rate movement on long term liabilities.

Credit Risk
The Scheme is subject to credit risk if the Scheme invests directly or indirectly in bonds, over-the-counter ("OTC") derivatives, and has cash balances.

Credit risk arising on bonds held directly is mitigated by investing in government bonds where the credit risk is minimal or corporate bonds where each manager is subject to a written investment management agreement which contain prudent credit rating restrictions on investments.

Credit risk arising on other investments is mitigated by investment mandates requiring all counterparties to be at least investment grade credit rated.

The Trustees consider financial instruments or counterparties to be of investment grade if they are rated at BBB- or higher by Standard & Poor's or Fitch, or rated at Baa3 or higher by Moody's.

Credit risk arising on derivatives depends on whether the derivative is exchange traded or OTC. OTC derivative contracts are not guaranteed by any regulated exchange and therefore the Scheme is subject to risk of failure of the counterparty. Credit risk arises on forward foreign currency contracts. Counterparties are required to be at least investment grade.

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

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 and the regulatory environments in which the pooled managers operate. For example investments in contracts of assurance are with entities which are well capitalised

Notes to the Financial Statements (continued)

with requiring the entity to be investment grade rated. Pooled Investment arrangements used by the Scheme comprise unit linked insurance contracts and authorised unit trusts. See note 22 for Summary of Investments exposed to Credit Risk.

Currency Risk

The Scheme is subject to currency risk because some of the Scheme's investments are held in overseas markets, either as segregated investments (direct exposure) or via pooled investment vehicles (indirect exposure). This is monitored by the Trustees and the Investment Advisors as part of the ongoing monitoring of the Scheme assets.

Interest Rate Risk

The Scheme is subject to interest rate risk due to the Scheme's investments in fixed income securities and cash. Under the Scheme'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 the Scheme's return seeking portfolio which includes growth assets including equities, equity funds and property funds. This is managed by investing in a diversified portfolio of growth assets to reduce the reliance on any single asset class, sector or region.

Notes to the Financial Statements (continued)

22. Investments Exposed to Credit Risk	Year Ended 31st December	
	2021	2020
	€000	€000
Bonds	424,991	285,390
Pooled Investment Vehicles:		
- Bond Funds (Direct and Indirect Risk)	398,246	496,234
- Other Funds (Direct Risk Only)	24,662	41,083
Infrastructure	4,047	1,490
Derivatives—Assets	16,707	23,037
Derivatives—Liabilities	(29,737)	(17,945)
Cash and other Net Investment Assets	7,412	4,556
Total	**846,328**	**833,845**

22 A. Investments Exposed to Interest Rate Risk	Year Ended 31st December	
	2021	2020
	€000	€000
Bonds	424,991	285,390
Pooled Investment Vehicles:		
- Bond Funds	110,658	262,527
Derivatives—Assets	16,707	23,037
Derivatives—Liabilities	(29,737)	(17,945)
Cash and other Net Investment Assets	7,412	4,556
Total	**530,031**	**557,565**

Notes to the Financial Statements (continued)

22 B. Investments Exposed to Other Price Risk	Year Ended 31st December	
	2021	2020
	€000	€000
Equity	87,550	67,362
Bonds	2,405	3,230
Pooled Investment Vehicles:		
- Bond Funds	287,382	233,651
- Other Funds (Direct risk only)	24,897	41,151
Infrastructure	4,047	1,490
Total	**406,281**	**346,884**

22 C. Investments Exposed to Financial Risk

The following table summarises the extent to which the various classes of investments are affected by financial risks:
(x) significant, p (partially), (o) hardly (not at all).

	Credit Risk	Currency	Interest Rate	Other Price	Value 2021 €'000's	Value 2020 €'000's
Equities	o	p	o	x	87,551	67,362
Bonds	x	p	x	o	424,991	288,620
Pooled Investment Vehicles	x	p	p	p	398,257	496,263
Property Pooled Investment Direct	p	p	p	x	24,651	41,054
Infrastructure	p	p	p	p	50,076	40,789
Derivatives	p	p	p	p	(13,030)	5,092
Cash and cash equivalents	p	p	p	o	3,144	1,490
Total					**975,640**	**940,670**

Notes to the Financial Statements (continued)

23. Fair Value of Investments

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

Level 1 - (The unadjusted quoted price in an active market for identical assets or liabilities that the entry can access at the measurable date).

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

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

	Level 1	Level 2	Level 3	2021
Investment Assets	**€'000's**	**€'000's**	**€'000's**	**€'000's**
Equities	87,551	-	-	87,551
Bonds	-	424,991	-	424,991
Pooled Investment Vehicles	9,152	389,185	(80)	398,257
Property Pooled Investment Vehicles	-	29	24,622	24,651
Derivatives	-	-	16,707	16,707
Infrastructure	4,047	18,761	27,268	50,076
Cash/ Cash Equivalent's	3,144	-	-	3,144
Total	103,894	832,966	68,517	1,005,377
Investment Liabilities				
Derivatives	-	-	(29,737)	(29,737)
Total Net Investments	103,894	832,966	38,780	975,640

	Level 1	Level 2	Level 3	2020
Investment Assets	**€'000's**	**€'000's**	**€'000's**	**€'000's**
Equities	67,362	-	-	67,362
Bonds	-	288,620	-	288,620
Pooled Investment Vehicles	46,865	449,403	(5)	496,263
Property Pooled Investment Vehicles	12	28	41,014	41,054
Derivatives	-	-	23,037	23,037
Infrastructure	1,490	14,409	24,890	40,789
Cash/Cash Equivalent's	1,490	-	-	1,490
Total	117,219	752,460	88,936	958,615
Investment Liabilities				
Derivatives	-	-	(17,945)	(17,945)
Total Net Investments	117,219	752,460	70,991	940,670

Compliance Statement

Changes to Scheme Rules
There were no changes to the Scheme rules in 2021.

Tax Status of the Scheme
No provision has been made for taxation on income or chargeable gains as the Fund is an exempt approved Scheme under the Finance Act, 1972.

Funding Standard
A Funding Proposal in accordance with Section 49 of the Pensions Act was submitted to the Pensions Authority on 25th June 2013. This proposal was certified as "off track" as at 31 December 2016, which triggered a requirement to prepare a revised funding proposal.

The Statutory Instruments which arose from the agreement between the CIE Group and the Trade Union Group facilitated by the Workplace Relations Commission (WRC), changed some Scheme benefits and amended the minimum retirement age. In conjunction with a Section 50 application, this was anticipated to place the Scheme in a position whereby it satisfies the funding standard and funding standard reserve, therefore no funding proposal would be required. At this point in time the Section 50 application has not been approved, but there is ongoing engagement with the Pensions Authority.

As at 31 December 2021, the Actuary was reasonably satisfied that the Scheme met the Funding Standard and Funding Standard Reserve at that date on the basis of existing 'Pre WRC' benefits but not if certain benefit improvements such as changes to pensionable pay had applied however he was reasonably satisfied that the Scheme would have met the Funding Standard and Funding Standard Reserve had the 'Post WRC' benefit changes in full applied at that date.

Pension Increases
Under the amended Scheme Rules CIÉ, in consultation with the Actuary, reviews the pensions in payment prior to 1st July, each year. Following its review, CIÉ advises the Trustees of the amount of any increase which is to be made to each pension in payment. Unless the Trustees, having consulted the Actuary, decide that the increase should not be paid or should be reduced, the increase, as advised by CIÉ, will be paid from the next 1st July. The review does not apply to vested pensions which have come into payment.

There were no increases applied to pensions in 2021.

A revaluation took place in 2021 in respect of vested benefits. This revaluation resulted in an increase of -0.3% for vested benefits which had not come into payment as at 31st December 2020.

There are no pensions being paid from the Scheme which are not a liability of the Scheme.

Calculation of Transfer Values
Transfer values are calculated in accordance with schedules prepared by the Actuary.

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: C.I.E. Pension Scheme for Regular Wages Staff

SCHEME COMMENCEMENT DATE: 01/01/1991

SCHEME REFERENCE NO.: PB43658

EFFECTIVE DATE: 31/12/2019

EFFECTIVE DATE OF PREVIOUS CERTIFICATE (IF ANY): 31/12/2016

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 €900,365,000.00, 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 €882,224,000.00, 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:	Aidan Kennedy	**Date:**	30/09/2020
Name:	Mr Aidan Kennedy	**Qualification:**	FSAI
Name of Actuary's: Employer/Firm	Aon Hewitt (Ireland) Limited	**Scheme Actuary Certificate No.**	P084

Submission Details

Submission Number:	SR2425993	**Submitted Electronically on:**	30/09/2020
Submitted by:	Aidan Kennedy		

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: C.I.E. Pension Scheme for Regular Wages Staff

SCHEME COMMENCEMENT DATE: 01/01/1991

SCHEME REFERENCE NO.: PB43658

EFFECTIVE DATE: 31/12/2019

EFFECTIVE DATE OF PREVIOUS CERTIFICATE (IF ANY): 31/12/2016

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 €882,224,000.00,

(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 €900,365,000.00,

(3) €324,133,000.00 , 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 €55,809,000.00,

(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 €15,161,000.00,

(6) the aggregate of (4) and (5) above amounts to €70,970,000.00, and

(7) the additional resources (as defined in the Act) of the scheme amount to €18,141,000.00, 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 not 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:		**Date:**	30/09/2020
Name:	Mr Aidan Kennedy	**Qualification:**	FSAI
Name of Actuary's: Employer/Firm	Aon Hewitt (Ireland) Limited	**Scheme Actuary Certificate No.**	P084

Submission Details

Submission Number:	SR2425998	**Submitted Electronically on:**	30/09/2020
Submitted by:	Aidan Kennedy		

Investment Managers Reports

Delta Equity Fund LP

Investment Report 2021

Valuation of funds 31.12.2021	€6,960

Delta Equity Fund LP (DEF) was established in 1994. It is a venture capital fund which made investments in technology and life sciences companies.

The committed capital of the fund is €28.7 million, and it is fully drawn.

Market/Fund overview

Over the life of the fund to date we have invested €28.1 million in 26 projects. We have now exited from all of the investments made by the Partnership. On average, across both profitable and unprofitable exits, we have received 2.8 times capital invested by way of return. During 2021, the fund exited from Tango. The remaining assets primarily comprise escrows receivable arising from the sale of Tango and the fund's investment in the Bank of Ireland Entrepreneurs Fund (BIEF). BIEF's only remaining asset is Tango escrows.

Portfolio performance

The fund has returned €72.5 million to Limited Partners to date, or 253% of capital. The Net IRR to Limited Partners (the return after deducting all fees, carried interest and expenses) at 31 December 2021 was 16.6%.

Transactions during 2021

In May 2021, Tango Telecom was sold to CSG Systems International (NASDAQ: CSGS), a leading provider of revenue management and digital monetization, payments and customer engagement. Under the terms of the sale, DEF received ~€0.6m on closing. In addition, DEF is due to receive escrows of ~€0.3m at various intervals over the 48 months post-closing, subject to certain conditions being met. The cost of DEF's investment in Tango was €425k, implying a multiple of 2.1x on proceeds receivable under the sale, assuming the collection of all escrows.

2022 outlook

We expect minimal activity in 2022. The first Tango escrow is due to be collected in Q2 2023.

Derivatives

The fund does not use derivative instruments.

Investment Managers Reports

Irish Life Investment Review

Irish Life Investment Managers (ILIM)

Investment Report for Year Ended 31st December 2021

Global equities showed string performance over 2021 rising 21.4% in local currency terms and 28.1% in Euro terms reflecting the recovery from the correction associated with the sell down caused by the emergence of COVID-19.
Eurozone bonds declined over the year with the Eurozone 5yr+ sovereign bond benchmark down -4.7%. With the emergence of COVID 19 bond yields declined as investors pivoted towards safe-haven assets sue to fears over economic fallout from the virus. Yields rose in the later half of 2020 and through 2021 due unprecedented monetary and fiscal stimulus and inflation fears.
Commodity prices have rose 40.4% in 2021. Prices have rallied off the back of improved growth outlook, reopening of economies and pent-up demand.

Portfolio Performance

Fund Name	QTD	YTD	3 Years p.a.	5 Years p.a.	10 Year p.a.	Since Launch p.a.
Alpha Cash Fund Series 4	-0.2%	-0.6%	-0.5%	-0.5%	-0.2%	19.7%
Hedged Indexed World Equity Fund	7.4%	22.3%	19.3%	12.6%	13.7%	12.7%
Index Minimum Volatility Fund S1	9.1%	22.5%	13.6%	9.3%	-	9.7%
Indexed Minimum Volatility Hedged Fund	7.2%	15.7%	11.9%	-	-	7.6%
RAFI Multi Factor Developed Index Fund	8.2%	29.2%	-	-	-	27.9%

Market Outlook

Equities – Equity market have experienced a frustrating start to 2022 as the US Federal Reserve becomes more hawkish and points towards policy tightening as early as March and the invasion of Ukraine by Russia. The outlook for equities remains dependent on several factors such as central bank policies, inflation and the evolution of the invasion of Ukraine.

We believe we are still in the early to mid-stage of economic recovery which is usually positive for equity markets. Equities have recently found support on an absolute valuation basis as 12 month forward P/E ratios revert back towards their long term averages and also remain attractive on a relative basis given the low yields available on bonds and cash.

Bonds – The range at which yields could trade at over the coming months depends on several variables including central bank policy stance and any renewal deterioration in global growth resulting from the war in Ukraine.

There is caution within the ECB to raise rates too quickly after the policy error they made in 2011. The Fed is adopting a more hawkish policy stance and we expect the first 25 bp interest rate rise to occur in March 2022.

Valuation of Fund as at 31.03.2016 (Inception date)	€209,181,293
Valuation of fund as at 31.12.2021	€294,905,432

Investment Managers Reports

Walter Scott

Annual Commentary Year Ending 31 December 2021

PERFORMANCE COMMENTARY

Global equity markets rose significantly over the year, with MSCI ACWI (ndr) returning 27.5%. The portfolio outperformed with a return of29.6%.

The technology sector was the primary absolute and relative contributor, with **Fortinet, Paychex** and **Microsoft Corporation** particularly strong. Communication services and healthcare holdings were also strong in absolute terms and contributed notably to relative return. Financial companies, **AIA Group** and **Prudential,** were weakest and lagged their benchmark. This underperformance, combined with the portfolio's lower than benchmark weight in the strong sector, detracted the most from relative performance. Industrials companies, particularly **Fanuc,** lagged their benchmark counterparts and detracted in relative terms. An absence from energy, the benchmark's strongest sector, was also a drag on relative performance. Consumer discretionary stocks, such as **LVMH,** were the other relative contributors of note.

From a regional viewpoint, US stocks were the top performers and majority contributors to absolute return. Europe ex-UK holdings were notable absolute and relative contributors, with **Novo Nordisk** particularly strong. Pacific ex-Japan returns were weakest in aggregate and, lagging their benchmark, were the biggest relative detractors. The portfolio's UK holdings were the other relative detractors of note. A low exposure to the weaker emerging markets, along with stock outperformance from **Taiwan Semiconductor,** was the largest relative contributor.

COMMENTARY

Global equity markets continued their robust recovery from the pandemic-induced lows of March 2020. Although the year was marked by occasional bouts of volatility, the gradual economic rebound and strong corporate earnings outweighed the gathering clouds of higher inflation and monetary tightening.

The first quarter saw solid gains as investors maintained a positive outlook on recovery prospects despite the resurgence of Covid-19 infection rates in parts of the world. Although many countries remained in a fragile state of recovery, sentiment was bolstered by supportive monetary and fiscal stimuli which showed little sign of being brought to an end.

In the second quarter, the world showed further signs of gradually hauling itself out of the downturn. For many global- facing companies, irrespective of their domicile, a more positive narrative emerged as indicated by buoyant earnings releases, and the robust performance of most stock markets. The US was in the vanguard of economic resurgence, as evidenced by the April announcement of 6.4% GDP growth for the first quarter. However, accompanying this economic vigour was a rise in inflation, with a wide range of companies reporting an increase in costs. While the Federal Reserve hinted towards an eventual tightening of monetary policy, there was little appetite for stimulus withdrawal, given the nascency of the recovery.

Corporate confidence was on the mend in Europe, with companies benefiting from the gradual reopening of European economies and the buoyant growth in the region's trading partners. In Asia, the Chinese economy continued to grow strongly, although pre-Olympic Japan continued to battle with Covid-19 outbreaks, which did not help the moribund economy, nor investor sentiment.

However, emerging doubts regarding the durability of a recovery amidst a pick-up in Covid-19 infection rates and renewed containment measures were evidenced by the September market pull-back in most countries. Also troubling investors was the onward march of inflation. Central banks attributed this to pandemic-induced supply/demand mismatches and were anxious to maintain their policies of monetary largesse and not risk impeding economic recovery. Policy moves in China to rein in excesses in the economy, the not-unrelated Evergrande saga, and a Covid-induced slowdown in the country's economic growth further frayed investor nerves.

The final quarter of the year was marked by volatility and performance disparity between regions and stock markets, with the US and Europe showing solid returns while much of Asia was lacklustre. Equities were periodically buffeted by concerns over the emergence of the Omicron variant of Covid- 19 and its impact on economic growth and supply chains. Investor nerves were also tested by the tilt towards monetary tightening by the Federal Reserve, with Chairman Powell ditching the 'transitory' element of his view on inflation, accelerating the planned reduction in asset buying, and touting the likelihood of several interest rate increases in 2022. The eurozone, Japan and subsequently China, kept to the stimulus playbook given the uncertainty over the effects of the Omicron outbreak and the belief that price pressures would eventually ease.

OUTLOOK

Equity markets have travelled far from the depths of the pandemic-driven downturn in early 2020. With the challenges that lie ahead, earnings are going to have to work hard to justify valuations in some sectors. Given Omicron- related uncertainty about its effect on growth and supply chains, and the prospect of a tighter monetary environment, the scene is potentially set for a period of volatility. Central banks will tread warily, mindful of the risks to growth, but will also monitor the inflationary impact from potential further disruptions to supply chains. However, although it will take longer than expected, supply and demand mismatches will eventually be addressed, and the prospect of ongoing growth with only a modest monetary reset may be a recipe for further equity gains. We have been pleased how the companies we hold in the portfolio have risen to the challenges posed by the pandemic and the subsequent surge in inflation, showing both resilience and adaptability. At times like these, the merits of market leadership, financial strength, good management, the ability to control costs and maintain pricing power come to the fore, and we are confident that our companies remain well positioned to deliver strong returns over the long term.

Investment Managers Reports

Walter Scott (continued)

The statements and opinions expressed in this article are those of Walter Scott & Partners Limited (Walter Scott) as at the date stated, and should not be construed as investment advice. In addition, it should not be construed as an offer to sell or a solicitation to buy any security or make an offer where otherwise unlawful. Walter Scott and its affiliates are not responsible for any subsequent investment advice given based on the information supplied. Past performance is not a guide to future results and returns may increase or decrease as a result of currency fluctuations. Walter Scott is not the primary record-keeper of your assets and the valuation and information contained within this report is not provided to support any tax-related reporting and may differ from that of the primary record-keeper. Bookcost is calculated using the weighted average methodology. Dividends are accrued from the ex-date using data sourced from Bloomberg. Withholding tax rates are estimated based on historical custodian data and are subject to change. Walter Scott does not accrue for Tax Reclaims or Fees. It is recommended that you review the information provided in these statements against those provided by your custodian. This document is not to be published in hard copy, electronic form, via the web or in any other medium accessible to the public, unless authorised by Walter Scott.
This document may contain information about an investment decision where the trading activity is yet to be completed. Such information may be considered non-public, price sensitive and/ or 'inside information', generally defined as information relating to particular securities or to a particular issuer of securities which has not been made public and which, if it were made public, would be likely to have a significant effect on the price or value of those securities. Walter Scott's disclosure of this information to you could result in you being deemed an 'insider' in respect of such information and such information should therefore be treated appropriately in compliance with applicable laws.
Performance return calculation methodology is available on request.
The MSCI information may only be used for your internal use, may not be reproduced or redisseminated in any form and may not be used as a basis for or a component of any financial instruments or products or indices. None of the MSCI information is intended to constitute investment advice or a recommendation to make (or refrain from making) any kind of investment decision and may not be relied on as such. Historical data and analysis should not be taken as an indication or guarantee of any future performance analysis, forecast or prediction. The MSCI information is provided on an "as is" basis and the user of this information assumes the entire risk of any use made of this information. MSCI, each of its affiliates and each other person involved in or related to compiling, computing or creating any MSCI information (collectively, the "MSCI Parties") expressly disclaims all warranties (including, without limitation, any warranties of originality, accuracy, completeness, timeliness, non-infringement, merchantability and fitness for a particular purpose) with respect to this information. Without limiting any of the foregoing, in no event shall any MSCI Party have any liability for any direct, indirect, special, incidental, punitive, consequential (including, without limitation, lost profits) or any other damages. (www.msci.com)
None of MSCI or its affiliates has provided any attribution information. Such data is calculated by Walter Scott as part of its attribution process.

The term 'sector' in this document is a contraction of' GICS Sector' unless explicitly noted otherwise.

The Global Industry Classification Standard ("GICS") was developed by and is the exclusive property and a service mark of MSCI Inc. ("MSCI") and Standard & Poor's, a division of The McGraw-Hill Companies, Inc. ("S&P") and is licensed for use by Walter Scott & Partners Limited. Neither MSCI, S&P nor any third party involved in making or compiling the GICS or any GICS classifications makes any express or implied warranties or representations with respect to such standard or classification (or the results to be obtained by the use thereof), and all such parties hereby expressly disclaim all warranties of originality, accuracy, completeness, merchantability and fitness for a particular purpose with respect to any of such standard or classification. Without limiting any of the foregoing, in no event shall MSCI, S&P, any of their affiliates or any third party involved in making or compiling the GICS or any GICS classifications have any liability fm any direct, indirect, special, punitive, consequential or any other damages (including lost profits) even if notified of the possibility of such damages.

Value of Investment as at 31.03.2016 (Inception date—Current Mandate)	€61,863,218
Value of fund as at 31.12.2021	€89,260,310

Investment Managers Reports (Continued)

JP Morgan Asset Management

Multi Sector Credit Fund – 2021

Market review

Corporate bonds experienced a strong first half of 2021. Vaccinations programmes globally began in earnest, and many countries achieved re-openings of their economies by the summer months, in spite of some resurgences in cases and intermittent lockdowns. This global re-opening was aided by significant fiscal stimulus, particularly in the US, pushing up real GDP growth to some of the highest rates witnessed in the mid-1980s. The big bounce in economic activity brought several quarters of improving corporate earnings, particularly for those credits most impacted by pandemic-related shutdowns.

Higher growth rates and buoyant inflation expectations began to cause core government bond yields to rise as markets began to fear possible economic overheating. In particular, investors began to question whether inflation would be “transitory” or a persistent phenomenon. Persistent supply chain constraints weighing on the path of the recovery began feeding fears of longer lasting inflationary pressures. Later in the final quarter of the year, news of a new Covid-19 variant, Omicron, sent shock waves through markets, with the World Health Organization labelling it as “variant of concern” given the high number of mutations in the spike protein. Investors quickly began to price in risks of renewed lockdowns, border closures and other pandemic-related shutdowns, which saw broad-based spread widening. However, the market was largely been willing to look through the near-term risk as reports of the Omicron variant coming with milder symptoms and relatively lower hospitalization rates started to circulate. As such, investor attention is moved away from Covid19 and towards the post-pandemic process of normalisation, and in particular the hawkish shift in central bank rhetoric globally.

Market behaviour and newsflow in January created a volatile start to 2022. First, it has become clear that the transitory inflation narrative has become short-lived, with US consumer inflation climbing to 7% year-on-year in December, and Europe and the UK witnessing similarly strong prints. Second, central banks globally are delivering increasingly hawkish messaging. In the US, Powell left open the possibility of faster and larger rate hikes at January’s press conference leading to the market pricing in at least five rate hikes in 2022. In Europe, the ECB has announced a reduction in the pace of its asset purchases, ending in March 2022, and will look to hike rates by start of 2023. In the UK, investors are anticipating a further 25bp rate rise to 0.50% to combat surging inflation. Third, the dampening effects of the Omicron wave on growth should prove temporary, as reports of the variant coming with milder symptoms and relatively lower hospitalization rates started to circulate, and the market has largely been willing to look through the near-term risk.

Portfolio positioning and performance

The fund produced a total return of 3.01% over 2021 (USD, gross of fees). Total returns experienced in each respective quarter were -0.09%, 2.02%, 0.68% and 0.39%. The fund has returned 4.82% since inception.

We entered the first quarter of the year with a risk-on mindset. While we remained cognizant of the short-term risks posed by the delta variant, the discovery and initial distribution of vaccines against the coronavirus at the end of 2020 signaled the prospect for recovery from the pandemic. Within the Multi-Sector Credit Fund, this was reflected by increasing our allocation to risk assets. In particular, we reduced our allocation to investment grade credit in favour of loans, US high yield & European high yield.

As we moved into the second quarter, we continued this re-risking trend. Our loans, US high yield & European high yield allocations stood at 21.5%, 13.1% and 16.4% compared to 16.7%, 17.9% and 10.6% at the end of 2020. In contrast, we had taken down our global IG exposure to 16.5% from 20.8%. While technicals were supportive for the IG market, we were cognisant of rich valuations. We also felt comfortable dipping down into lower quality credit, given robust corporate fundamentals.

In the third quarter, we increased our exposure to bank capital. Results from the most recent EBA stress tests were encouraging. We were focusing on higher quality issuers in the market as attractive opportunities to add carry.

Finally, in the fourth quarter of the year, we maintained our loans allocation at 21.0%. Loans offer an attractive opportunity to invest without taking on interest rate risk, given the increased signs of an accelerated taper and higher interest rates from the Fed, and hawkish rhetoric from central banks globally. We increased our allocation to European high yield, as spread widening during September provided relatively attractive valuation opportunities. The widening has created a greater cushion from any sell-off in duration, and also created more attractive levels to take risk.

Reviewing the year as a whole our allocation to US high yield has been amongst the top contributors to performance over the last 12 months. In addition, our positioning to non-core allocations such as bank capital has also performed strongly in 2021. We believed banks were well positioned to weather the pandemic, supported by robust liquidity, resilient capital under severe stress scenarios, and the expectation that realized credit losses would remain modest. In addition, the attractive valuations has supported performance as investors searched for yield.

Outlook

Our base case on global growth remains positive. Our base case for Q421 was an expectation of above trend global growth with an 80% probability, and we continue to believe Q122 will witness an environment of above trend global growth, with the same likelihood. Our consistent outlook is supported as developed market economies have learned how to live and work in pandemic conditions. Vaccination progress contributes to the resilience against emerging new variants in many developed economies. Services remains a catalyst for growth, given the high potential to

Investment Managers Reports (Continued)

JP Morgan Asset Management (continued)

to catch up to pre-pandemic levels. However, iiinflation should shift from transitory to more persistent nature, driven by continuing supply chain bottlenecks and labor shortages. Monetary policy support slows as Central Banks embark on the policy normalization.

From a portfolio standpoint, headline duration is lower at ~2.89 years reflecting our view of more hawkish monetary policy and rates moving higher over the coming months and quarters. While we continue to like the high quality nature of investment grade credit, we have reduced our allocation over the year, while taking advantage of other opportunities within the multi-sector spectrum. For example, we have added to our high yield exposure which currently accounts for ~29% (in terms of quality allocation, using middle of S&P, Fitch and Moodys).

This mandate was reduced in size in 2021.

Valuation at Inception 31.03.2016	€81,129,047
Valuation of fund as at 31.12.2021	€53,980,822

Investment Managers Reports (Continued)

BlackRock Appreciation Fund

Global economic overview

Global equities, as represented by the MSCI All Country World Index (“ACWI”) (in US Dollar terms), posted a return of 16.25% for the twelve months ended 31 December 2020. After a short period of relatively stable growth at the beginning of the reporting period, the spread of the COVID-19 in early 2020 injected uncertainty into global markets, leading to steep declines for all classes of equities. Countries around the globe instituted restrictions to slow the progress of COVID-19, resulting in a sharp economic downturn and a sudden rise in unemployment. Turbulence in energy markets also impacted equities, as a rapid fall in oil prices threatened the viability of parts of the energy sector.

Beginning in late March 2020, however, equities regained a significant portion of their losses as aggressive policy responses from governments and central banks, the phased reopening of economies around the world, and new treatments of COVID-19 raised hopes for an economic recovery. Despite economic data that indicated substantial weakness, some indices surpassed pre-pandemic highs in early September 2020, reflecting investors’ optimism that economic conditions would continue to improve as countries adapt to life with the COVID-19. Stocks gave back some of those gains throughout September and October 2020, amid rising infections and the fading impact of stimulus programs. But in November 2020, news that multiple vaccines had shown high effectiveness rates and were ready to be put into production reassured investors and provided a strong boost to equities.

The environment for global bond markets was positive prior to the COVID-19 pandemic, as low inflation, risk avoidance, and demand for yield led to higher bond prices despite yields near historic lows. However, as the outbreak worsened in March 2020 and the impact to the global economy became apparent, many bond prices fell, particularly for corporate and emerging market bonds, before recovering due to central bank interventions. The demand for less risky assets led to solid returns for US treasuries, and the yield on the 10-year US treasury, a benchmark lending rate for the bond market, touched an all-time low in August 2020.

Global government and corporate bonds posted solid returns, as bond prices recovered significantly after reaching lows in late March 2020. In the wake of the crisis, the US Federal Reserve (the “Fed”) implemented an unprecedented corporate bond purchasing facility, which provided significant support to US corporate bond prices. Fed support led to record corporate bond issuance, as companies took advantage of the additional liquidity it provided.

Stocks in emerging markets posted a strong advance for the reporting period. These stocks were initially among the most affected by the COVID-19 pandemic, as lockdowns and factory closures in China weighed on Chinese markets. Many of the emerging Asian economies that have substantial trade with China also suffered significant supply and demand shocks. However, emerging market equities rebounded sharply as infection rates slowed and economies reopened, and China reported economic data indicating a strong recovery. Emerging market bond prices, which fell sharply in March 2020, recovered due to optimism about the pace of economic recovery, performing roughly in line with other international bonds for the 12-month period.

In the commodities market, gold prices rose sharply, touching an all-time high in August 2020 as investors sought alternative stores of value amid a large increase in the money supply. Oil prices, already low throughout the first part of the reporting period, fell rapidly to a 21-year low in April 2020. The combination of weakened demand and increased supply following a dispute between Russia and Saudi Arabia (two of the world’s leading oil producers) drove oil prices down sharply, although prices recovered somewhat thereafter.

Looking at currencies, the US Dollar declined against most global currencies, particularly in the second half of the reporting period, reflecting unprecedented monetary stimulus, record low interest rates, and the continued spread of COVID-19 infections. The Euro, the Sterling, the Swiss franc, and the Japanese yen all advanced against the US Dollar.

The disruption caused by the pandemic led to a significant worldwide economic contraction early in the reporting period. The US economy shrank by an annualised record 31.4% in the second quarter of 2020, and the economies of the Eurozone and Japan fell into recession. Signs of recovery appeared later in the reporting period, however, as the Chinese economy returned to growth in the second quarter of 2020, and the US, the Eurozone, and Japan followed in the third quarter.

After the COVID-19 outbreak, the Fed instituted two emergency rate cuts, and along with other influential central banks implemented major bond-buying programs to stabilise debt markets. The synchronised economic stimulus ultimately jumpstarted economic growth and supported risk taking in global markets. The Fed further committed to a near-zero interest rate policy through 2022 in a bid to promote longer-term economic expansion, even if inflation temporarily rises above its 2% target rate.

Fund performance review and activity

Over the financial year to 31 December 2020, the Fund’s return was 6.03% for the Strategic Class 1 Accumulating Shares (SEK Hedged).

2020 was marked by extreme uncertainty and dispersion in the markets as the COVID-19 pandemic triggered a dramatic sell-off in March. Soon after, investors shifted focus to unprecedented monetary and fiscal stimulus, which led to a stronger-than-expected economic rebound across the globe. The compound impact of the strong market recovery and vaccine optimism continued to drive the rally through the fourth quarter, returning many assets to record setting territory.

Following a challenging start of the year, the Fund recouped losses and maintained stable positive returns in the subsequent quarters

Investment Managers Reports (Continued)

BlackRock (Continued)

given the dispersion in returns across companies, sectors, and geographies, which provided a favourable backdrop for the Fund.

During the financial year the following were the largest contributors to and detractors from the Fund's return:

Strategy Effect on Fund return Strategy Effect on Fund return

Event Driven 3.29% - -
Relative Value 1.39%
Fundamental Long/Short 1.35%

All strategies contributed positively to returns over the year. Despite a challenging start, the event driven strategy finished the year as a strong contributor. Event driven equity programmes posted strong gains on the back of robust capital market activity and continued spread tightening in merger trades. Distressed strategies also posted positive returns, as default activity picked up significantly in 2020 as a result of the crisis caused by COVID-19.

Relative value managers were additive overall, and profited from rates, volatility and statistical arbitrage strategies. Within the fundamental long/short strategy, equity funds produced stable and strong returns against a favourable stock picking backdrop, while credit managers also benefitted from solid security selection.

The following table details the significant portfolio weightings at 31 December 2020 and 31 December 2019:

Strategy Gross exposure Strategy Gross exposure

Fundamental Long/Short 42.89%	Fundamental Long/Short 47.44%
Event Driven 25.54%	Relative Value 27.07%
Relative Value 23.64%	Event Driven 19.40%
Directional Trading 5.26%	Directional Trading 3.71%
Direct Sourcing 2.67%	Direct Sourcing 2.37%

With respect to changes in the composition of the Fund's portfolio, thirteen new programmes across strategies were added to the Fund in 2020. The portfolio redeemed two underlying programmes in 2020, in relative value and fundamental long/short respectively.

Valuation 31.12.2021	€49,359,758

Investment Managers Reports (Continued)

Robeco

Market Overview

Over the first three quarters of 2021 volatility in the credit market was remarkably low as spreads continued to grind tighter in an robust recovery of the European economy. It took almost eleven months before European corporate bonds markets experienced some spread volatility, but during the fourth quarter it finally happened. Omicron ultimately resulted in markets selling off in November. But markets recovered in December, when Omicron turned out to be a milder variant. It also became ever more apparent that higher inflation will linger somewhat longer. We remained cautious throughout the last quarter. Our view is that central bank activity and communication might cause a bout of risk aversion, after years of increased risk taking by asset owners. The ECB seemed to be least in a hurry to become more hawkish, though the bank confirmed that net PEPP bond purchases will end in March 2022. We saw plenty of reasons to enter 2022 with a fairly cautious positioning, though on the other hand we did still see opportunities in for example financials and Covid-recovery plays.

Portfolio Performance

Since end of March 2021 until end of 2021 the total return of the portfolio amounted to -1.09%, driven mainly by a negative contribution of rates return as Euro rates rose over 2021, accompanied by a smaller negative contribution in spread performance.
Despite the tightening of spreads in December, European credit spreads on average widened slightly for investment grade over the investment period in 2021. Still, spreads were trading well below the median spread levels of the past decade and markets were certainly not cheap yet. In terms of sectors Financials in the portfolio performed relatively better than average and investments in Utilities worse.

Outlook 2022

Moving into 2022 humility is still the most appropriate term to use while assessing the economic prognosis. Consider the intraday volatility of equity markets as a proxy for the difficulties most of us have in assessing the current and future likely outcomes. A few things are safe to state, though. Global manufacturing growth is solid enough despite the recent downward adjustment in growth estimates. Consumer goods demand continues to underpin growth. Most corporates are doing very well and profits are up. Rising input costs are increasingly a theme, but margins have held up well in general and it is clear that most corporates are able to pass through rising input prices.
A key source of concern for markets of course is inflation. Inflation prints have headed persistently higher. Despite central banks having been very firm that this would be transitory, more and more market participants no longer believe this. In Europe, it's too soon to talk about rate hikes. In fundamentals, our biggest concern is still China. And even though net bond purchases under the PEPP program will end in March, the ECB's credit purchases will continue in some shape or form in 2022. The continued global portfolio rebalancing into risky assets is not over yet. Further escalation of the Ukraine - Russia crisis however obviously also will have consequences.

Valuation 31.12.2021	€103,578,915

Investment Managers Reports (Continued)

Irish Property Unit Trust (IPUT)

Review of the year ended 31 December 2021

IPUT – Extract from Chairman's Statement - Well positioned to move forward

2020 will be remembered due to the challenges that the pandemic brought globally. It's effect has already recalibrated our thinking on how we want to work and live, accelerated structural trends, and will impact our behaviour and that of our occupiers going forward. At IPUT, we adapted quickly, putting protocols in place to ensure our buildings offered a safe working environment and that we could meet all health and safety requirements.

While the pandemic is a health issue, the consequential impact on the economy was quickly obvious. From the outset, it was important for us to work with our occupiers and assist them through this period. Now, as we look forward towards the second half of 2021, there is cautious optimism that the roll out of the vaccines will slowly bring normality back to everyday life and assist in the recovery of the economy. We are confident that as normality emerges, the city centre will again be the centre of commercial, social and cultural activity and that there will be renewed demand for offices.

The year in summary

I am pleased to report that despite the challenges of the pandemic, our firm financial footing and the multi-cycle experience of our management team delivered a solid performance for 2020. Our financial resilience has been the result of time spent understanding the needs of our occupiers and incorporating that into our investment decision-making and day to day running of the business.

Our net asset value (NAV) as at 31 December 2020 was €2.7 billion, down from €2.75 billion in 2019. Contracted annual rent increased by 2% to €122 million at year-end. Despite a reduction in tenant demand in 2020, we successfully completed a number of lettings and assignments including; Dunnes Stores to a 325,000 sq ft logistics facility at Damastown, the letting of three floors at No. 3 Dublin Landings to Microsoft, and we re-let vacant units at Carrickmines Park and Mahon Retail Park following the liquidation of Mothercare Ireland in June. These initiatives stabilised over €5 million of annualised income for the Fund.

In addition, we made considerable progress with our development projects despite construction sites closing due to lockdown restrictions. One Wilton Park is due to reach practical completion in the summer of 2021 and will provide 600,000 sq ft of grade A offices with LEED Platinum certification as well as retail, restaurants, and amenity space.

We also continued to strengthen the IPUT team adding a total of five professionals to the business in 2020 covering roles in development, asset management and administration. In particular, we were pleased to welcome Caroline McCarthy to IPUT as Head of Fund Management.

Shareholder engagement

We set ourselves a high standard of transparency and seek to have regular engagement with our shareholders. 2020 was a challenging year in this regard as travel restrictions and work from home protocols limited our ability to meet face-to-face. During times of uncertainty, we believe it is important to increase communication to re-assure shareholders of the resilience and performance of the Fund. While our usual calendar of meetings, face-to-face presentations and attendance at industry conferences were cancelled, we directly engaged with over 90% of our shareholders through 35 virtual presentations.

Culture

We strive for excellence in all we do and believe our people are the engine for success in our business. We aim to recruit the best people and encourage learning and training throughout one's career. We want to foster independent lateral thinking. Strong ethics, fairness and collaboration go to the heart of all we do. In light of the challenges faced this year, we embraced flexible working to ensure the wellbeing of the IPUT team and foster an appropriate work, life balance. We believe investing in our people is an investment in the business and underpins our market-leading performance.

Outlook

As we look ahead to 2021 and beyond, the strength and resilience of the Fund is evident in our 2020 performance. We have weathered the shocks of 2020 and despite entering another lockdown for the first quarter of 2021, we remain well placed to seek further opportunity for growth both within the portfolio by continually re-positioning and priming our buildings, and by seeking out further opportunity in the market.

Valuation 31.12.2021	€24,622,266

Investment Managers Reports (Continued)

Insight

Market Commentary—2021 in review

The first half of the year saw a continuation of the risk asset recovery fuelled by continuing global government stimulus measures and highly accommodative monetary policy. Government bond yields rose sharply in Q1 2021, initially reflecting declining global COVID-19 cases, the vaccine rollout and a consensus that inflation would remain steady during the recovery. However, economic divergences were increasingly evident in market performances, with emerging markets, and China in particular struggling. The emergence of the delta variant and mounting concerns about inflation in Q2 caused market optimism to fade. Global central banks viewed inflation as "transitory" and largely driven by base effects and pent-up consumer demand from lockdowns.

The softer tone in risk accelerated in Q3 amid inflation concerns, soaring energy prices and debt problems in the Chinese property sector centred around beleaguered real estate developer Evergrande. Doubts about the "transitory" inflation narrative also crept in and global central banks began signalling a more hawkish stance. Notably, the Fed pencilled in at least one rate hike in 2022 at its September meeting. Against that backdrop most asset classes (including equities and bonds) suffered with commodities and the US dollar, among the few to post positive returns.

In the final quarter, the emergence of the omicron variant of COVID-19 led to renewed restrictions globally. However, higher energy prices and the persistent nature of some the supply side disruptions meant that the inflationary pulse had proven both stronger, and longer lasting, than initially assumed by policymakers. This caused central banks to accelerate plans to normalise monetary policy in December. The Fed announced plans to accelerate the pace of tapering as well as the timeline of future rate hikes. Additionally, the Bank of England increased its benchmark interest rate from 0.1% to 0.25%.

Eurozone inflation hit a record high of 4.9% year-on-year in November. The European Central Bank (ECB) announced at its December meeting that it would be ending the Pandemic Emergency Purchase Programme (PEPP) in March 2022. However, purchases under the older Asset Purchase Programme (APP) would continue for "as long as necessary to reinforce the accommodative impact of its policy rates". The ECB also stated that it expected net asset purchases to end "shortly before it starts raising the key ECB interest rates".

Interest rate swap rates rose across all maturities. Inflation swap rates also rose across all maturities and most notably at shorter maturities.

Equities climbed even higher during the year with the S&P500 up +26.9% and the Eurostoxx 50 up +21.0%, , driven by strong earnings growth.

In European government bond markets, the asset swap spread on the German 2040 bund tightened by c.32bp over the year, while the asset swap spread on the French 2040 bond remained broadly unchanged.

Corporate credit spreads widened, with a similar move across all rating segments. Longer-maturity issues outperformed, tracking Treasury markets.

Performance
LDI

Regular Wages

During 2021, the portfolio decreased in value by €28.0m or -6.27%, outperforming the liability benchmark by €0.4m or 0.04%. The negative absolute performance was driven by increases in interest rates over the year.

Since inception, the portfolio increased in value by €41.6m or 1.79% pa, outperforming the liability benchmark by €5.2m or 0.22% pa. The positive absolute performance was driven by falls in interest rates since inception.

The positive performance relative to the benchmark was driven by the government bonds in the portfolio which outperformed the swaps-based benchmark both over the year and since inception.
Buy & Maintain

Regular Wages

Since inception in March 2021, the portfolio fell in value by 0.59%. The negative performance was been driven by a widening in credit spreads (particularly during Q4 2021) and an increase in interest rates.

Synthetic Equity

Regular Wages

During 2021, the portfolio fell in value by €27.0m. Since inception, the portfolio decreased in value by €38.0m. The negative performance was driven by an increase in the underlying equity markets. Equities rising increases the market-implied likelihood of the equity indices being above short call strikes at the maturity date. This is expected to be offset by positive equity returns elsewhere for the scheme.

Market Outlook

The rapid recovery in demand, outpacing the rate at which supply chains could rebuild capacity, has squeezed prices upwards in certain sectors, compounded by elevated shipping costs and soaring commodity prices. Inflation has accelerated, fraying central bank nerves, and policy normalisation is being pursued with varying degrees of urgency. In some emerging markets the hiking cycle has already started, with some central banks prioritising inflationary concerns over economic fundamentals. In developed markets, bond purchase programmes are being brought to a close, with the BoE the first central bank to raise interest rates the timing of interest rate hikes in other markets now an active point of

Investment Managers Reports (Continued)

Insight

discussion. Variations in future fiscal impulse complicate the outlook. In the US, the unprecedented fiscal stimulus will continue for some years to come, but most countries will experience some fiscal tightening in the year ahead.

In the eurozone, inflation remains a key risk along with the impact of the new COVID-19 strain on global demand given the eurozone's reliance on exports. Our view is that the weak medium-term inflation outlook implies that monetary policy should continue to be accommodative, which points to further QE, and we expect a smooth handover to an expanded asset purchase programme but clearly the risk of inflation are to the upside which could prove to be a headache for the ECB.

With valuations now appearing expensive on a historical basis, investment grade markets are reliant on a supportive growth and monetary policy outlook to sustain the current level of spreads. Although the economic backdrop should continue to be positive in 2022, the more moderate pace of growth and the potential for tightener monetary policy leave us increasingly cautious on an absolute return basis. If growth disappoints and volatility increases, spreads are likely to widen. Although valuations remain at least fully valued within investment grade markets overall, there remain pockets of value in shorter-dated parts of the high yield and emerging markets. The outlook is now heavily dependent on the strategy being pursued. For investors seeking absolute returns, caution is needed amidst a backdrop of rising rates and widening spreads. Careful security and sector selection, targeting those companies best positioned to benefit from the ongoing recovery, can be one way to mitigate against this. For those using longer-maturity credit as a hedging instrument, rising rates and widening credit spreads can potentially be an opportunity to increase hedge ratios

Valuation as at 31.03.2016 (Inception)	€266,843,152
Valuation of fund as at 31.12.2021	€314,085,051

Investment Managers Reports (Continued)

Antin Infrastructure Partners

CIÉ—2021 report

1. Market Overview

2021 was a truly remarkable year for Antin, marked by continued strength across the firm's flagship funds and the launch of two new highly complementary infrastructure strategies focused on mid cap and next generation infrastructure opportunities.

2. Portfolio Performance since inception, with particular emphasis on 2021

Antin can report that nearly all of our portfolio companies continued to prove resilient to the effects of the pandemic, with several such as Sølvtrans, Lyntia or Hippocrates demonstrating impressive results.

In addition, Antin's existing portfolio companies completed 184 add-on acquisitions in 2021, of which 98% were proprietary, and Antin offered c.€2.5bn of additional co-investment, bringing total co-investment delivered to €4.1bn across 11 transactions as of today.

Antin also reinforced our track record with two exits realised across Fund II and Fund III, bringing the overall Antin realised track record to 24% Gross IRR and 2.7x Gross Multiple, significantly in excess of our target returns. Finally, the firm was very busy on the investment front with four new investments across Fund IV and Mid Cap I.

Kisimul key events

• A 100% Kisimul focused management team (Executive chair, CEO, director of quality and head of children services) is now firmly in place. New CFO and CPO are joining in March and May respectively

• Pandemic-related staffing issues have moderately pushed back the anticipated occupancy ramp-up impacting financial performance vs budget

• Management, advisors and Antin continue working on a debt restructuring plan with lenders. Woodstock School, a non-core site, was divested and £11.1m of proceeds will be used to repay a portion of the outstanding debt

Hesley key events

• Financial underperformance was driven by the suspension of service at Fullerton and Wilsic Hall schools since March 2021 with limited revenue but a large portion of the cost base still in place

• In November 2021 the board took the difficult decision to voluntarily de-register the two affected sites driven by the likely inability to re-open them in the medium term while the regulatory investigation of alleged wrongdoing continues and the carrying costs of site staff and functions during that period

• The board has approved a plan to convert the sites into adult supported living, shifting the group to a primarily adult care business

• Management, advisors and Antin continue working on a debt restructuring plan with lenders

• The adult segment of the business is performing well with nearly fully occupancy at most sites (c.98% for Hesley village, 100% for Low Laithes and more than 80% for other adult facilities)

Almaviva key events

• Antin was pleased to execute the first exit of Fund III in Q4 2021, with the December sale of Almaviva to Wren House delivering a Gross IRR of 37% and a Gross Multiple of 3.1x.

FirstLight Fiber key events

• In 2021, FirstLight grew its EBITDA by 20% and finished the year with a record $3.5m in bookings as business activity increased in FirstLight's footprint following the Covid-19 vaccine roll-out

• Carrier bookings in Q4 were bolstered by the closing of a systemwide upgrade for a large carrier customer's entire tower network. The customer's service will be upgraded from 1 Gbps to 10 Gbps and the new contract pricing will increase overall MRC and cover the entire capex cost of the upgrade

• FirstLight had record low churn in 2021, averaging 0.64% per month. Churn has remained low throughout the pandemic, highlighting the essential nature of bandwidth connectivity

• By the end of 2021, payback periods on bookings had declined to 10 months as FirstLight continued to capitalise on its investment in growing its addressable market by densifying the network through on-net and near-net bookings

CityFibre key events

• For FTTH, construction was ongoing in 62 cities, of which 57 were already delivering homes ready for service (RFS). Cumulative homes passed reached 1.4m, with November and December being record-setting months for RFS

• The total number of consumer ISPs that have signed wholesale agreements with CityFibre now stands at 34

• Metro performance continued to show strength as the on-net business sector was 84% above budget on initial contract value, driven by the public sector, which has seen deliveries of more than 200 connections for two consecutive months

• In the mobile vertical CityFibre re-set the delivery schedule with Three during Q3 and is now working towards delivering connections at a slower pace, after having experienced wayleaves issues

• In Q3 2021 the company completed the largest capital raise to date in the UK fibre space and is now targeting H1 2022 to refinance existing debt facilities and upsize its capex facility

Lyntia key events

• Lyntia Networks (dark and lit fibre) Q4 performance 2021 improved compared to the previous year but was slightly below budget due to lingering issues with delivery time which have impacted sales and conversion to revenue. Nevertheless, delivery and sales organisation improvement started to have a positive impact on both dark and lit performance

• Lyntia Access (FTTH) continued its very strong growth on the back of a continued acquisition strategy and due to higher organic penetration growth than expected

• Management continues to work on a strong near-term pipeline for further acquisitions.

Investment Managers Reports (Continued)

Antin Infrastructure Partners

IDEX key events

• During the quarter IDEX won a major energy from waste concession in France with over €100m of growth capex. In addition, on the back of performance improvement efforts, the energy services business continued to show positive commercial dynamics coupled with improving margins. The push on low carbon building solutions also yielded the first commercial success
• Extremely high natural gas and electricity prices as well as government decisions to alleviate impact on consumers (e.g. through regulated gas price freeze) create unprecedented conditions – current context closely followed by management
• The company is also working on a new round of employee share ownership programme in particular to allow employees who joined IDEX recently to become shareholders, following the original ESOP successfully implemented by Antin in 2019

Sølvtrans key events

• Q4 revenues and EBITDA came in slightly lower vs budget primarily due to delayed delivery of Ronja Nærøysund and extended yard stays (resulting in more off-hire days vs budget)
• Sublease revenues were strong in the fourth quarter and two new short-term agreements for Ronja Strand and Ronja Fjord agreed with a better rate than budgeted
• 2021 full year results broadly in line with budget. Strong revenue and EBITDA growth following the DESS acquisition and continued organic growth through newbuilds

3. Outlook for 2022

Looking ahead to 2022, Antin expects to hold a final closing for NextGen I and launch the fundraising for Fund V, the next vintage of our flagship fund series. The firm currently expects to hold a first close in Q2/Q3 2022, with additional information available to follow from the Investor Relations team.

Valuation of fund as at 31.12.2021	€18,912,700

Investment Managers Reports (Continued)

I.F.M. Investors – Infrastructure

Fund performance

The IFM Global Infrastructure Fund ("GIF" or "the Fund") delivered a quarterly gross return of 4.74% (in local currency terms). The Fund returned 4.23% in USD terms on a gross, unhedged basis, reflecting a net USD appreciation against portfolio currencies.

The top performers in local currency terms during the quarter were Naturgy Energy S.A. ("Naturgy", +39.8%), GCT Global Container Terminals ("GCT", +13.7%) and Freeport Train 2 ("Freeport", +12.1%). The majority of the remaining assets performed largely in line with roll forward of the valuations, with four assets recording negative returns.

The Fund received distributions totaling US$298.1 million during the quarter, primarily from Buckeye Partners, GCT, Freeport, MIP and Colonial Pipeline.

COVID-19 recovery

Toll roads have demonstrated resilience, with the recovery trend particularly evident in heavy vehicle traffic. Commuter traffic has remained on a slower path to recovery and has been approaching pre-crisis levels due to advancing vaccination programs, easing of travel restrictions and other gradual policy shifts towards "living with COVID".

Port assets generally continue to exhibit solid performance underpinned by strength in consumer demand, despite disruptions to global supply chains.

Airports continue to be the most impacted infrastructure sub-sector from the COVID-19 pandemic, although during the second half of 2021, we have seen continued recovery in aviation with the success of vaccine roll-out programs leading to reduced international travel restrictions. For the month of November, the International Air Transport Association ("IATA") reported that global aviation passenger kilometers were at 53.0% of 2019 levels, up from 37.3% and 29.7% six and twelve months ago, respectively (all versus 2019 pcp).

However, since December, the Omicron variant has led to a sharp increase in global COVID cases and the re-imposition of restrictions in some countries, causing increased uncertainty in the timing of continued recovery of air travel.

Management teams at the Fund's infrastructure assets continue to adapt to the Omicron outbreak, by updating health and safety plans, phasing of teams in the operational or office setting, and refining remote working arrangements.

Fund activity

On 19 October, following the voluntary tender offer process, GIF successfully acquired a 10.83% ownership stake in Naturgy, a Spanish multinational natural gas and electrical utilities company which is listed on the IBEX 35 stock exchange, at an offer price of €22.07. GIF subsequently purchased additional shares on market, increasing its participation to c.12.16% as of 31 December. The transactions were financed through a combination of GIF funding and a fully underwritten acquisition debt facility obtained by GIF.

In November, GIF entered into an agreement to form a broadband fibre roll-out joint venture ("GlasfaserPlus GmbH") with Telekom Deutschland GmbH ("TDG"), subject to regulatory approvals. The joint venture will be ultimately owned by GIF and TDG on a 50:50 basis and will be responsible for the roll out and operation of an open-access optical fibre-to-the-home network across rural areas of Germany. GIF will acquire a 50% stake in GlasfaserPlus GmbH for a purchase price of €912 million. Half of this amount is expected to be paid upon closing in the first quarter of 2022, with the payment of the balance to be based on achieving certain project milestones. In addition, GIF will contribute its proportionate share of the required equity funding during the roll out period, bringing the total expected payments from GIF to c.€1.6 billion.

On 8 November, following a period of due diligence, Sydney Airport announced that it had entered into a Scheme Implementation Deed with Sydney Aviation Alliance ("SAA"), comprising the IFM Australian Infrastructure Fund, the IFM Global Infrastructure Fund, QSuper, AustralianSuper and Global Infrastructure Partners. The Scheme consideration involves cash consideration of A$8.75 per stapled security and values Sydney Airport's equity at approximately A$23.6 billion (c.US$17.2 billion).

During December, the Australian Competition and Consumer Commission ("ACCC"), as well as the European Commission, announced that they will not oppose SAA's proposal. In addition, the Foreign Investment Review Board ("FIRB") provided written notice to SAA on 22 December that the Commonwealth Government has no objection to the proposed acquisition of Sydney Airport. This represents a significant step in completing the transaction, with SAA now having received all relevant regulatory approvals.

The Scheme Meetings to vote on the proposed offer and the Scheme Resolutions are scheduled for 3 February 2022 and the board of Sydney Airport unanimously recommends that shareholders vote in favour of the Scheme, subject to various customary conditions such as in the absence of a superior proposal.

The Fund distributed US$370.7 million to investors for the five months ended 30 November. With distributions of US$1,613.4 million for the first six months ended 30 June, the Fund paid a total distribution amount of US$1,984.1 million for the year. No distributions have been declared for the month of December.

Effective on 1 December, the Fund issued a capital call of US$2.7 billion, primarily to fund the Naturgy acquisition, bringing undrawn investor commitments to US$6.3 billion as at 31 December.

Market outlook

The emergence of the Omicron variant has generated renewed global uncertainty, as the impact on health, economies and markets is still unfolding. Existing vaccines and boosters appear to be reasonably effective, however restrictions to travel and personal activities are generally on the rise once again in order to prevent an overwhelming spike in hospitalization rates and fatalities.

Most economies, led by the US, have experienced inflationary price pressures over recent months, in response to COVID-induced supply constraints, strong consumer demand for goods as well as soaring energy prices. Amidst the uncertainty in global recovery and the prospect of rising interest rates, we believe that GIF is well positioned

Investment Managers Reports (Continued)

I.F.M. Investors – Infrastructure

due to its diversification, prudent use of asset level leverage and the positive linkages that many of the portfolio's assets have to increasing inflation and economic growth.

While the IFM investment team continues to actively review potential investments in the Americas and Europe, we continue to be focused on asset management activities at portfolio companies targeted at health and safety, operational and financial resilience. We also focus on implementing the Naturgy transition plan, closing the acquisition of GlasfaserPlus and progressing the Sydney Airport transaction.

Value of fund as at 31.12.2021	€31,0163,256