Mercer

THE ABRDN REPUBLIC OF IRELAND STAFF SCHEME
ANNUAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2023

Pensions Authority Number: PB 2946

Contents

Trustees, Principal Employer and Advisers

Trustees

Brian Denyer

Liam Stack

BESTrustees Limited (Christopher Wheeler-representative)

Principal Employer

Aberdeen Corporate Services Limited

Actuary

Sean O'Donovan, F.S.A.I
Mercer (Ireland) Limited

Independent Auditors

PricewaterhouseCoopers
Chartered Accountants & Statutory Audit Firm
One Albert Quay
Cork

Registered Administrator

Mercer (Ireland) Limited
Charlotte House
Charlemont Street
Dublin 2

Consultant

Mercer (Ireland) Limited
Charlotte House
Charlemont Street
Dublin 2

Investment Manager

Abrdn investments Limited
2-4 Merrion Row
Dublin 2

Additional Voluntary Contribution (AVC) Provider

Standard Life Assurance Limited
90 St Stephen's Green
Dublin 2

Risk Manager

Aon Solutions Ireland Limited
Block D
Iveagh Court Harcourt Road
Dublin
Ireland

Internal Auditor

Grant Thornton
13-18 City Quay
Dublin
Ireland

Trustees, Principal Employer and Advisers

Contact for further information and complaints about the Scheme

Mercer (Ireland) Limited
Charlotte House
Charlemont Street
Dublin 2

Introduction

Introduction to Trustees' Annual Report for 2023

The Trustees of the abrdn Republic of Ireland Staff Pension Scheme are pleased to present our Report for 2023.

The funding position of the Scheme continues to be satisfactory. Following the results of the 1 January 2022 triennial actuarial valuation, the Company have agreed to maintain the current contribution amount with an annual contribution of €4 million per annum for the next 3 years.

The Trustees keep the investment strategy of the Scheme under regular review. The Trustees agreed to increase their interest rate hedge ratio so it is aligned with the inflation rate hedge ratio, with further de-risking to be considered to reduce the level of investment risk.

The Trustees will continue to engage with the Sponsor in relation to the funding of the Scheme with the aim of ensuring that members' benefits are appropriately secured.

The Scheme

The Scheme, which operates on a defined benefit basis, was established to provide retirement and life assurance benefits for its members and is a distinct legal entity, separate in every respect from the principal employer, Aberdeen Corporate Services Limited, 2-4 Merrion Row, Dublin 2. Membership is closed to new members.

In compliance with Financial Services & Pensions Ombudsman Act, 2017, a procedure has been put in place to facilitate Internal Dispute Resolution. Details of this procedure have been set out in the explanatory booklet which has been made available and distributed to members.

The Scheme is governed by the Trust Deed and Rules; members are entitled to inspect these documents or, on payment of a small charge, receive a copy of them. Details of members' benefits are also provided in the explanatory booklet which has been distributed to all members and individual details appear on each member's benefit statement.

A Deed of Removal, Appointment, Amendment and Disassociation dated 02 May 2023 whereby Brian Denyer was appointed as a trustee with effect from 1 May 2022 and Mark Foster was removed as a trustee with effect from 12 December 2022 and also The Standard Life Assurance Company ceased to participate in the Scheme with effect from 16 September 2018 and the name of the Scheme was amended to 'The abrdn Republic of Ireland Staff Scheme' with effect from 9 January 2023. There have been no other changes during the year to the Scheme information specified in Schedule C of the Occupational Pension Schemes (Disclosure of Information) Regulations 2006 (as amended).

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

The Scheme has also been registered with The Pensions Authority and its registration number is PB 2946.

The Scheme is financed by contributions from the employer. Details of contributions and other financial developments during the year are set out herein.

The Trustees

Stewardship of Scheme assets is in the hands of its Trustees. The right of members to select, or approve the selection of, trustees is set out in the Occupational Pension Schemes (Member Participation in the Selection of Persons for Appointment as Trustees) (No. 3) Regulations 1996.

The Trustees and the Scheme administrator have access at all times to the Guidelines, Guidance Notes and Codes of Practice issued by The Pensions Authority in accordance with Section 10 of the Pensions Act 1990.

Section 59AA of the Pensions Act 1990, which requires trustees of pension schemes to undergo training, was brought into force on 1 February 2010 by virtue of the Social Welfare and Pensions Act 2008 (Section 28) (Commencement) Order 2009.

All Trustees have adhered to their training obligations as required by the Pensions Act within the time limits set out therein. All costs or expenses incurred in respect of trustee training, was met by the employer during the year.

Compliance

The content of this report conforms to the Occupational Pension Schemes (Disclosure of Information) Regulations 2006 (as amended) prescribed by the Minister for and Social Protection under the Pensions Act 1990. The report outlines the constitution and structure of the Scheme together with details of financial developments for the year, investment matters and membership movements.

Queries in relation to Scheme benefits or related matters should be addressed, in the first instance to Sheena Cowan, Interim Head of Pension Benefits, abrdn, 1 George Street, Edinburgh**.**

Management of the Scheme

The Trustees of the Scheme are detailed on page 1.

Unless otherwise indicated the Trustees served for the entire year and are still serving at the date of approval of the Annual Report.

Additional advisers to the Scheme are also outlined on pages 1 to 2.

Condition of the Scheme

The financial condition of the Scheme is dealt with in the Financial Developments, Actuarial Position and Investment Management sections of this report.

Statement of risks

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

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

The Statement of Risks adopted by the Trustees is as follows:

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, members may not get their anticipated benefit entitlements. Some of the reasons why a shortfall could arise are as follows (this list may not be exhaustive):

- The assets may grow more slowly than expected, or even fall in value, depending on the performance of underlying markets and the securities chosen.
- Similarly, the liabilities may grow faster than expected due to higher salary or pension increases, or due to unfavourable movements in interest rates, or due to mortality and other elements of the Scheme’s experience varying from the assumptions made.
- The administration of the Scheme may fail to meet acceptable standards. The Scheme could fall out of statutory compliance, the Scheme could fall victim to fraud or negligence or the benefits communicated to members could differ from the liabilities valued by the Actuary.

If the Scheme were to wind up and the assets were insufficient to meet benefits due, the law specifies that members' Additional Voluntary Contributions ("AVCs") and then pensioners have first call on the assets of the Scheme before benefits can be paid to those who have yet to reach normal retirement age.

The priority order governing the wind up of a defined benefit Scheme signed on the 25 December 2013 states that where there is a Scheme deficit and a solvent employer, pensioners will no longer receive full priority up front on wind up but will continue to receive priority over active and deferred members in respect of their benefits (excluding post-retirement pension increases) in accordance with the following limits:

- 100% of the pension if the annual pension is €12,000 or less
- the greater of €12,000 or 90% of the pension where the annual pension is between €12,000 and €60,000
- the greater of €54,000 or 80% of the pension if the annual pension is €60,000 or more

Any remaining Scheme assets would then be used to secure 50% of active and deferred members' benefits (excluding post-retirement pension increases) before any further distribution can be made to "top up" pensioners' benefits to 100%.

Apart from the potential for regulatory or legislative change, which is outside the control of the Trustees, the Trustees are satisfied that they are taking all reasonable steps to protect the members from the effects of these risks, including:

- Professional investment managers have been appointed to manage the Scheme’s investments, the Scheme holds a range of diversified assets and there is regular monitoring of how these investments are performing.
- An actuarial valuation of the Scheme is carried out at least every three years to assess the financial condition of the Scheme and determine the rate of contributions likely to be required to meet the future liabilities of the Scheme. In addition, an annual review of the solvency position is carried out of the Scheme on the assumption that it is wound up. If the Scheme is found to be insolvent, the Trustees and the employer are required to complete a funding proposal for submission to the Pensions Authority with the objective of returning the Scheme to solvency.
- The Trustees have access to experienced professional advisers and administrators to assist with the proper running of the Scheme.

However, it is not possible to guard against every eventuality. For example, the employer may cease to trade, go into liquidation or may for other reasons decide to cease its liability to contribute to the Scheme. In this event, the Scheme may be wound up, future accrual of benefits may cease and accrued entitlements would be discharged from the available assets (which may or may not be sufficient to discharge member benefit expectations, as outlined above).

Also, it is necessary to take some investment risk and other risks in order to manage the affordability of the Scheme benefits and the capacity of the employer to meet this commitment.

Financial developments

The value of the Scheme's net assets increased from €99,675,347 at 31 December 2022 to €102,640,229 at 31 December 2023. This increase was accounted for by the net returns on investments of €1,842,337 together with the net additions from dealings with members of €1,122,545.

Benefits and payments to leavers amounted to €3,465,804.

Contributions

Contributions for the year amounted to €4,173,900. Contributions were paid in accordance with the rules of the Scheme and the recommendations of the Actuary and were received in full within 30 days of the year end.

Apart from the above, the Trustees are satisfied that appropriate procedures have been put in place to ensure that contributions payable are received in accordance with the Trust Deed and Rules and the legislative requirements as set out under Section 58A of the Pensions Act 1990. This legislation sets out the following requirements:

- Member contributions must be received within 21 days from the end of the month in which they were deducted from pay.
- Employer contributions must be received in accordance with the timings noted by the Actuary or stated in the Trust Deed and Rules or otherwise within 30 days of the end of the Scheme year.

The above details have been extracted from the financial statements of the Scheme which form part of this report.

Pensions

The Scheme does not provide for automatic increases to pensions in the course of payment but the funding objective (if investment assumptions are realised) is that the Scheme's assets will allow pensions in course of payment to be increased at 50% of the rate of CPI. Pension increases will be reviewed by the Trustees together with the Employer each year. The pension increase granted in 2023 was 4.35%.

The statutory element of deferred pensions is revalued annually in accordance with the Pensions Act 1990 (as amended), generally at the lower of 4% and the rate of change in the Consumer Price Index.

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.

Membership

The membership movements of the Scheme for the year are given below:

	Active Members	Pensioners	Deferred Pensioners	Total
At 1 January 2023	2	83	533	618
Adjustments	-	-	1	1
New entrants	-	7	-	7
Leavers	-	(1)	(17)	(18)
At 31 December 2023	2	89	517	608

Actuarial position

Ongoing funding position

The development of the Scheme is monitored by the Scheme Actuary by means of an actuarial valuation which is carried out every three years. The most recent valuation was carried out as at 1 January 2022. Based on that valuation the Actuary recommended the future contribution rate to be paid by the employer such that, if the valuation projections reflected the actual experience, the recommended rate would suffice to meet the future benefit payments from the Scheme as they fall due. The next valuation is due with an effective date of 1 January 2025.

Discontinuance funding position

Section 44 of the Pensions Act 1990 (the Act) sets out a minimum funding standard test which is a measure of liabilities if the Scheme discontinued. If assets are insufficient to meet liabilities on this statutory minimum discontinuance level, the Trustees and company must take action to restore the funding level. The actual liabilities on discontinuance may be substantially higher than this statutory minimum level. The minimum funding standard test includes additional statutory funding standard reserves.

An Actuarial Funding Certificate (AFC) stating that the Scheme met the statutory minimum funding test was prepared by the Actuary with an effective date of 1 January 2022. A copy of this most recent AFC, the original of which has been forwarded to The Pensions Authority, is included as one of the Appendices to this report.

A Funding Standard Reserve Certificate stating that the Scheme met the statutory test was prepared by the Actuary with an effective date of 1 January 2022. A copy of this FSRC, the original of which has been forwarded to The Pensions Authority, is included as one of the Appendices to this report. In line with guidelines set out in the Statement of Recommended Practice, Financial Reports of Pensions Schemes (Revised June 2018) an additional requirement to include a Report on Actuarial Liabilities alongside the financial statements of the Plan is also included in the Appendices to this report.

The Act requires a statement from the Scheme Actuary concerning the funding standard and funding standard reserve position of the Scheme as at the year end. A copy of this statement in which the Actuary confirms that the Scheme met the statutory test as at 31 December 2023 is included as one of the Appendices to this report.

Investment management

It is the policy of the Trustees to delegate the management of the Scheme's assets to professional investment manager, currently abrdn Investments Limited.

The Scheme's investments are held in the SLI "Standard Life Republic of Ireland Staff Pension Fund" in which the Scheme is the only participant at the year end. The fund invests in Absolute Return Global Bond Fund, Diversified Growth Fund, Global Corporate Bond Fund and in cash and derivatives. The Scheme also invests in the European Property Growth Fund and the European Long Income Real Estate Fund.

The Trustees set the investment strategy taking into account considerations such as long term liabilities and the funding agreed with the employer. The investment strategy is set out in the Statement of Investment Policy Principles as are the investment objectives, investment risk measurement methods, risk management processes to be used and the strategic asset allocation.

A Statement of Investment Policy Principles adopted by the Trustees is included as one of the Appendices to this report.

The main objective of the Trustees is to ensure that the benefits of the Scheme continue to be affordable and that ultimately the level of benefits set out in the Trust Deed and Rules are secured.

The investment manager has, within specified mandates, total discretion in the investment of Scheme assets and the investment manager provides detailed reports to the Trustees on the strategy adopted and on the performance of the monies invested. A commentary by the investment manager on the performance achieved during the year is included in the Appendices to this report.

Financial Reporting Standard 102 - The Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102") requires the disclosure of the nature and extent of credit and market risks the investments are subject to and the risk management practices in place to manage these risks. These details are included in the investment risks note to the financial statements included with this report.

The investment manager is remunerated on a fee basis calculated as a percentage of the assets under management and these fees are reflected in unit prices and borne by the Scheme.

Sustainable Finance Disclosure Regulations ("SFDR")

Under SFDR, the Trustees are viewed as financial market participants, whilst the Scheme is considered to be the financial product offered by the Trustees. Products under SFDR can be classified as those that have sustainable investment as its investment objective (Article 9) or those products that promote social or environmental characteristics, among other characteristics (Article 8). As the Scheme has not been classified under Article 8 or Article 9 of Regulation (EU) 2019/2088 (SFDR), the Trustees must therefore make the following disclosure:

- The investments underlying this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

The Trustees continue to review the Scheme’s approach to sustainability considerations and their current approach is documented in the Statement of Investment Policy Principles.

Climate change

The Trustees do not consider that there is a current material climate change risk to the Plan. However, given the maturity profile of the Plan and the objective to fund future member benefits from the Plan’s assets as they fall due, the Trustees have a long-term time horizon over which it considers the financial materiality of ESG factors (including climate change). The Trustees continue to review the Plan’s approach to climate risk considerations and their current approach is documented in the Statement of Investment Policy Principles.

IORP II Directive

An EU Directive on the stewardship of institutions for occupational retirement provision (the IORP II Directive), was adopted in 2016 and signed into Irish Law on 22 April 2021. The Regulations introduced new requirements and changes regarding governance procedures and activities of trustees of occupational pension schemes.

The Trustees are pleased to confirm certification of full compliance with the Regulations and guidance issued by the Pensions Authority, including the appointment of Risk Manager and Internal Auditor key function holders.

Employer related investments

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

Subsequent events

Since the year end, there have been no significant events that would require amendment to or disclosure in the Annual Report.

In conclusion

We trust that members find this report informative and we are pleased to acknowledge the assistance received from the Principal Employer and its staff during the year as well as from our various professional advisers.

Signed for and on behalf of the Trustees:

Trustee: Signed by: Liam Stack A8367F9161ED4DC...

Trustee: DocuSigned by: Christopher Wheeler E22D35E2227E43D...

Date: 17-09-2024

Statement of Trustees' Responsibilities

The financial statements are the responsibility of the Trustees. Irish pension legislation requires the Trustees to make available for each Scheme year the Annual Report of the Scheme, including audited financial statements and the report of the auditor. The financial statements are required to show a true and fair view, in accordance with Financial Reporting Standard 102 - The Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102"), of the financial transactions for the Scheme year and of the amount and disposition of the assets and liabilities (other than liabilities to pay benefits in the future) at the end of the Scheme year and 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 material departures disclosed and explained in the financial statements.

Accordingly, the Trustees must ensure that it has supervised the preparation of the Scheme financial statements and ensure that:

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

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

- contributions payable during the Scheme year are received by the Trustees in accordance with the timetable set out in Section 58A of the Pensions Act 1990 where applicable to the contributions and otherwise within 30 days of the end of the Scheme year; and
- contributions payable are paid in accordance with the rules of the Scheme and the recommendations of the Actuary.

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

Signed for and on behalf of the Trustees:

Trustee: Signed by: Liam Stack A8367F9161ED4DC...

Trustee: DocuSigned by: Christopher Wheeler E22D35E2227E43D...

Date: 17-09-2024

Independent auditors' report to the trustees of The abrdn Republic of Ireland Staff Scheme

Report on the audit of the financial statements

Opinion

In our opinion, The abrdn Republic of Ireland Staff Scheme's financial statements:

- give a true and fair view of the financial transactions of the scheme during the year ended 31 December 2023 and of the amount and disposition of the assets and liabilities (other than liabilities to pay pensions and other benefits in the future) at that date; and
- have been properly prepared in accordance with Generally Accepted Accounting Practice in Ireland (accounting standards issued by the Financial Reporting Council of the UK, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and Irish law).

We have audited the financial statements, included within the Annual Report, which comprise:

- the statement of net assets (available for benefits) as at 31 December 2023;
- the fund account for the year then ended;
- the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) ("ISAs (Ireland)") and applicable law.

Our responsibilities under ISAs (Ireland) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the scheme in accordance with the ethical requirements that are relevant to our audit of the financial statements in Ireland, which includes IAASA's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

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 on which the financial statements are authorised for issue.

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.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the scheme's ability to continue as a going concern.

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

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance 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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

Responsibilities for the financial statements and the audit

Responsibilities of the trustees for the financial statements

As explained more fully in the statement of trustees' responsibilities set out on page 10, the trustees are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view.

The trustees are also responsible for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The trustees are also responsible for ensuring that contributions are made to the scheme in accordance with the scheme's rules and the recommendation of the actuary.

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

Auditors' 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 auditors' 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.

Our audit testing might include testing complete populations of certain transactions and balances, possibly using data auditing techniques. However, it typically involves selecting a limited number of items for testing, rather than testing complete populations. We will often seek to target particular items for testing based on their size or risk characteristics. In other cases, we will use audit sampling to enable us to draw a conclusion about the population from which the sample is selected.

A further description of our responsibilities for the audit of the financial statements is located on the Irish Auditing and Accounting Supervisory Authority website at: https://www.iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f-a98202dc9c3a/Description_of_auditors_responsibilities_for_audit.pdf.

This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the trustees as a body in accordance with section 56 of the Pensions Act 1990, as amended and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Occupational Pension Schemes (Disclosure of Information) Regulations, 2006

In our opinion:

- The financial statements include the information specified in Schedule A to the Occupational Pension Schemes (Disclosure of Information) Regulations, 2006 which is applicable and material to the scheme;
- the contributions payable to the scheme during the year ended 31 December 2023 have been received by the trustees within thirty days of the end of the scheme year; and
- such contributions have been paid in accordance with the rules of the scheme and the recommendations of the actuary.

PricewaterhouseCoopers

PricewaterhouseCoopers
Chartered Accountants and Statutory Audit Firm
Cork
18 September 2024

Fund Account

	Note	2023 €	2022 €
Employer contributions	6	**4,173,900**	4,129,210
Transfers in	7	**414,449**	-
		4,588,349	4,129,210
Benefits paid or payable	8	**(2,941,779)**	(1,992,976)
Payments to and on account of leavers	9	**(524,025)**	(1,440,337)
		(3,465,804)	(3,433,313)
Net additions from dealings with members		**1,122,545**	695,897
Returns on investments			
Investment income	10	**445,928**	318,139
Change in market value of investments	11	**1,396,409**	(29,313,762)
Net returns on investments		**1,842,337**	(28,995,623)
Net increase/ (decrease) in the fund during the year		**2,964,882**	(28,299,726)
Net assets at 1 January		**99,675,347**	127,975,073
Net assets at 31 December		**102,640,229**	99,675,347

The notes on pages 15 to 28 form part of these financial statements.

Signed for and on behalf of the Trustees:

Trustee: Signed by: Liam Stack A8307F9161ED4DC...

Trustee: DocuSigned by: Christopher Wheeler E22D35E2227E43D...

Date: 17-09-2024

Statement of Net Assets (available for benefits)

	Note	2023 €	2022 €
Investment assets	11		
Pooled investment vehicles	13	**97,156,665**	93,476,636
Pooled investment vehicles - AVC's	14	**1,189,206**	1,476,170
Total investments	11	**98,345,871**	94,952,806
Current assets	17	**4,755,238**	4,736,071
Current liabilities	18	**(460,880)**	(13,530)
Net assets at 31 December		**102,640,229**	99,675,347

The notes on pages 15 to 28 form part of these 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 Trustees' Report and in the Actuary's Statement, Actuarial Funding Certificate, Funding Standard Reserve Certificate and Report on Actuarial Liabilities included in the Annual Report and these financial statements should be read in conjunction with them.

Signed for and on behalf of the Trustees:

Trustee: Signed by: Liam Stack A8367F9161ED4DC...

Trustee: DocuSigned by: Christopher Wheeler E22D35E2227E43D...

Date: 17-09-2024

Basis of preparation

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

The financial statements have been prepared on the going concern basis. In making this assessment, the Trustees have assessed the ability of the Scheme to meet its future obligations to pay member benefits as they fall due and the ability of the Principal Employer to continue to meet their obligations to the Scheme. The Trustees believe that the Scheme remains well positioned to manage its risks successfully and expects that the Scheme will continue in operational existence for the foreseeable future.

1. Accounting policies

The significant accounting policies adopted by the Trustees which have been applied consistently in dealing with items which are considered material in relation to the Scheme's financial statements are as follows.

a. Valuation of investments

Investments are included at fair value.

The fair value of unitised investments and pooled investment vehicles is taken as the closing bid price if both bid and offer prices are published, or if single priced, at the closing single price quoted by the investment manager as at the date of the net assets statement. The fair value of the Scheme's investments is determined on the basis of the single price valuation as provided by the investment manager.

b. Investment income

Income from equities and any pooled investment vehicles which distribute income, is accounted for on an accrual basis on the date stocks are quoted ex dividend or in the case of unquoted instruments, when the dividend is declared. 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 sale 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 further issue of units, change in market value also includes such income.

c. Investment management fees

Investment management fees are calculated as a percentage of the assets under management and these fees are borne by the Scheme. Fees relating to unit funds are not levied directly but are reflected in unit prices and also borne by the Scheme.

d. Contributions

Normal and additional contributions, from the employer, are accounted for on an accruals basis. Employers' deficit funding contributions are accounted for in accordance with the agreement under which they are being paid, or in the absence of such an agreement on a receipt basis.

e. Transfers

Transfer values represent the capital sums either receivable in respect of members from other pension schemes 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 scheme accept the liability. In the case of individual transfers, this is normally when the payment of the transfer value is made.

f. Payments in respect of benefits and on account of leavers

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

Where the Trustees are required to settle tax liabilities on behalf of a member (such as when lifetime or annual allowances are exceeded) with a consequent reduction in that member's benefits receivable from the Scheme, this is shown separately within benefits.

g. Additional Voluntary Contributions

In addition to their normal contributions under the Scheme, members may make additional voluntary contributions to acquire further benefits on a money purchase basis. In line with the SORP (revised 2018) AVC assets are now included in the Net Assets of the Scheme and are included in the Statement of Net Assets available for benefits on page 14.

h. Expenses

Expenses are accounted for on an accruals basis.

i. Insurance Policies

The investments have been valued (Note 13) by SLI on a single unit price basis at the year end. Income earned on insurance policies in unit-linked funds is not distributed but re-invested in the Capital of the funds.

j. Transaction Costs:

Transaction costs include costs charged directly to the Scheme such as fees, commissions, stamp duty and other fees. Indirect transaction costs are incurred through the unit price on unitised funds. The amount of indirect transaction costs are not separately provided for the Scheme.

2. Taxation

The Scheme has been approved as an “exempt approved scheme” for the purposes of Section 774 of the Taxes Consolidation Act 1997 and thus Scheme income and gains are generally exempt from taxation.

3. Constitution of the Scheme

The Scheme was established as a Defined Benefit Scheme with effect from 16 November 1992 under a Definitive Trust dated 24 November 1992 and subsequent amending deeds. A new Trust Deed and Rules replaced the original Trust Deed and Rules with effect from 9 August 2004. These were further updated by amending deeds, including a Deed of Removal Appointment, Amendment and Disassociation dated 2 May 2023.

The Scheme is established as a trust under Irish law and has been registered with the Pensions Authority. The address for enquiries to the Scheme is included in the Trustees Report.

4. Benefits

Pension benefits under the Scheme are provided by direct investment.

5. Actuarial valuation

An actuarial valuation of the Scheme has been carried out as at 1 January 2022 indicating that the present value of its assets did exceed the present value of its liabilities on the funding standard basis. The Actuary's recommended contribution rates for the subsequent three years were accepted by the Trustees.

An Actuarial Funding Certificate stating that the Scheme met the statutory minimum funding test was prepared by the Actuary with an effective date of 01 January 2022. A Funding Standard Reserve Certificate stating that the Scheme met the statutory test was prepared by the Actuary with an effective date of 01 January 2022. A statement by the Actuary concerning the statutory funding position as at the scheme year end has been prepared and is included as one of the Appendices to this report. The next valuation is due to be carried with an effective date of 01 January 2025.

6. Contributions

	2023	2022
	€	€
Employer contributions:		
Normal	**173,900**	129,210
Deficit	**4,000,000**	4,000,000
	4,173,900	4,129,210

7. Transfers in

	2023	2022
	€	€
AVC maturities transfers in from other schemes	**414,449**	-

8. Benefits paid or payable

	2023	2022
	€	€
Pensions	**2,043,976**	1,955,932
Commutation of pensions and lump sum retirement benefits	**366,018**	37,044
Purchase of annuities	**337,975**	-
Lump sum death benefits	**193,810**	-
	2,941,779	1,992,976

9. Payments to and on account of leavers

	2023	2022
	€	€
Individual transfers to other schemes	**524,025**	1,440,337

10. Investment income

	2023	2022
	€	€
Income from pooled investment vehicles	**445,928**	318,139

11. Reconciliation of investments

	Market value at 1 January 2023 €	Cost of investments purchased €	Proceeds of sales of investments €	Change in market value €	**Market value at 31 December 2023 €**
Pooled investment vehicles	93,476,636	4,183,656	(2,187,000)	1,683,373	**97,156,665**
Pooled investment vehicles- AVC's	1,476,170	-	-	(286,964)	**1,189,206**
	94,952,806	4,183,656	(2,187,000)	1,396,409	**98,345,871**

12. Concentration of investments

	2023 €	**%**	2022 €	%
Unitised Insurance Policy Client Fund*	**85,315,859**	**83.1**	80,301,839	80.6
Standard Life Investment European Property Growth Fund	**6,064,140**	**5.9**	6,644,013	6.7
Aberdeen Standard European Long Income Real Estate Fund	**5,776,666**	**5.6**	6,530,786	6.6

*The fund consists of €Nil (2022: €22.9m) invested in Global Absolute Return Strategies Fund €8.9 m (2022 : €9.2m) invested in Absolute Return Global Bond Fund, €13.9 m (2022: €18.3m) invested in Diversified Growth Fund, €15.7 m (2022: 11.5m) invested in Global Corporate Bond Fund and €46.8 m (2022: €18.4m) invested in cash and derivatives.

The investment manager is remunerated on a fee basis calculated as a percentage of the assets under management and these fees are reflected in unit prices and borne by the Scheme.

13. Pooled investment vehicles

	2023 €	2022 €
Client Fund (Diversified)	**85,315,859**	80,301,838
Property Fund	**6,064,140**	6,644,013
Real Estate Fund	**5,776,666**	6,530,785
	97,156,665	93,476,636

14. AVC investments

The total amount of AVC investments at the year end is shown below:

	2023 €	2022 €
Equity	**394,422**	648,149
Bond	**4,473**	4,136
Diversified Growth	**790,311**	823,885
	1,189,206	1,476,170

15. Fair value determination

In line with the guidelines set out in the SORP and FRS 102, for all financial instruments held at fair value, a retirement benefit Scheme is required to disclose, for each class of assets, an analysis of the level of fair value hierarchy. A fair value measurement is categorised in its entirety on the basis of the lowest level input that is significant to the fair value measurement in its entirety.

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

Level 1	Unadjusted quoted prices in active markets for identical assets or liabilities that the reporting entity can access at the measurement date.
Level 2	Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset or liability developed based on market data obtained from sources independent of the reporting entity.
Level 3	Unobservable inputs for the asset or liability. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability developed based on the best information available.

The Scheme's investment assets have been included at fair value using the above hierarchy levels as follows:

	2023 Level 1 €	**2023 Level 2 €**	**2023 Level 3 €**	**2023 Total €**
Pooled investment vehicles	**-**	**86,505,065**	**11,840,806**	**98,345,871**
	-	**86,505,065**	**11,840,806**	**98,345,871**

Analysis for the prior year end is as follows:

	2022 Level 1 €	2022 Level 2 €	2022 Level 3 €	2022 Total €
Pooled investment vehicles	-	81,778,008	13,174,798	94,952,806
	-	81,778,008	13,174,798	94,952,806

16. Investment risks

Risk Disclosures for Pension Schemes

Introduction

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

- **Credit risk**: the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.
- **Market risk**: comprises currency risk, interest rate risk and other price risk.
    - **Currency risk**: 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**: 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**: the risk that the fair value or future cash flows of a financial asset will fluctuate because of changes in market prices, 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.

Investment Objectives

The overall investment objective of the Trustees is to ensure that the benefits of the Scheme continue to be affordable and that ultimately the level of benefits set out in the Trust Deed and Rules are secured.

Investment Policy

The Trustees have established a Statement of Investment Principles (SIPP) which sets out the investment strategy and policies for the scheme, the investment objectives, asset allocations as well as the procedures for managing and monitoring investments and the related risks. The Trustees have determined an investment strategy after receiving advice from their investment consultants. Implementation of the investment strategy has been delegated to professional investment manager, abrdn Investment Management Limited (formerly named as Standard Life Investments Limited (SLIL). The investment strategy and implementation arrangements of the Scheme are reviewed regularly by the Trustees.

Risk measurement

The Scheme is exposed to credit risk and market risk (which includes currency risk, interest rate risk, and other price risk) arising from the financial instruments it holds. The Trustees will manage a range of investment risks in order to create a prudent, diversified and efficient portfolio. The Trustees recognise the importance of measuring the risk of the chosen investment policy by reference to the liabilities. Risk is measured by considering the following risk factors:

– The potential deterioration of the financial position of the Scheme;
– The risk of not achieving a sufficient level of investment return to match the growth in liabilities; and
– The intentions of the Sponsor

16. Investment risks

Risk Management Processes

The Trustees measure and monitor risk in their portfolio on a regular basis. They do this by ensuring effective reporting of portfolio and liability information, which is considered as part of trustee meetings.

Strategic Asset Allocation

The investment strategy was reviewed in conjunction with the 2022 actuarial valuation process, with the growth portfolio and defensive portfolios being reviewed in 2023. The review involved consideration on how the risk-reducing portfolio might best be constructed in order to reflect the nature of the liabilities. The level of interest rate and inflation hedging being employed by the Scheme was considered. The investment strategy of the Scheme resulting from those reviews is tabulated below:

Strategy	Strategic Weight	Fund	Benchmark
Diversified Growth	5.2%	5.2% Aberdeen Diversified Growth Fund	Aims to deliver a return of Cash + 5.0% (gross) over rolling 5-year periods.
Total Return Credit	9.1%	9.1% SICAV II Total Return Credit	Seeks to deliver a total return of 3-6% p.a. over the credit cycle with reduced volatility
Equity	9.1%	9.1% Sustainable World Equity	To match MSCI World Select ESG Climate Solutions Target Index (before charges)
Corporate Bonds	16.1%	16.1% Euro Sustainable Corporate Bond Fund	Outperform the IBoxx Euro Corporate Index (EUR) gross of fees
Property	12.5%*	6.25% ASI European Long Income Real Estate Fund 6.25% European Property Growth Fund (EPGF)	The fund targets delivery of a stable yield distribution yield of 3-4% p.a. while preserving capital over the rolling 5-year periods. EPGF- target return of 8-10% p.a. net over rolling 5- year periods
Cash/ Liability Hedging	48%	48% Cash/Bonds/Swaps	Cash and Movement in the Economic value of liabilities
Total Portfolio	**100%**	**Composite**	
Liability Hedge*	The Trustees are supportive of hedging as a risk mitigant. Hedge ratios at year end stood at 70% of interest rate exposure and 70% of inflation exposure on the Economic valuation basis.		

**Disposal instructions have been issued on the property allocations in order to allocate to a private market strategy. This will take c3 years to complete due to the dealing requirements of the funds involved. The strategy will be updated overtime to reflect the progress of the disposal process.*

***To protect the financial position of the Scheme from adverse movements in interest rates and inflation. Hedge ratios are assessed by measuring the funding level of the Scheme with reference to the Eurozone interest rate swap curve.*

16. Investment risks

Implementation arrangements

The arrangements through which the investments of the Scheme are managed are described below.

Pooled Vehicles

The funds held by the Scheme are implemented using authorised pooled investment vehicles which are managed by abrdn Investment Management Limited and are therefore written as life assurance policies. The Scheme thus has a counterparty credit risk to the investment manager of these vehicles. The risk is managed by the Trustees by investing with manager which are appropriately regulated and audited. This risk is monitored by the Trustees, on an ongoing basis by way of regular review of the investment manager performance reports and the regulatory environment in which the investment manager operates.

Both Standard Life International Designated Activity Company Limited ("SLI DAC"), a wholly-owned subsidiary of Standard Life Assurance Limited and abrdn Investment Management Limited (aIML), a wholly owned subsidiary of abrdn Plc (formerly named as Standard Life Investments Limited (SLIL) are regulated by the appropriate authorities in the UK and Ireland. Standard Life International Designated Activity Company Limited is required to comply with the solvency requirements of a life insurance company.

A summary of pooled investment vehicles by type of arrangement, as provided by the investment manager(s), is as follows:

	2023	2022
	€	€
Limited Partnerships	11,840,806	13,174,798
Unit linked insurance contracts	85,315,859	80,301,838
	97,156,665	93,476,636

Risk disclosure under FRS 102

The funds used to implement the investment strategy above are exposed to indirect credit and market risks and, as required under FRS 102, these risks are tabulated below.

Key:

● Significant impact

● Partial impact

● Low/Occasional impact

○ No impact

	Market Risk

16. Investment risks

Asset Class	Investment Manager	Credit Risk	Currency	Interest rate	Other
Total Return Credit	abrdn Investment Management Limited	●	◉	●	●
Sustainable World Equity	abrdn Investment Management Limited	◌	●	◌	●
Diversified Growth Fund	abrdn Investment Management Limited	◉	◌	◉	●
Euro Sustainable Corporate Bond Fund	abrdn Investment Management Limited	●	○	●	●
European Long Income Real Estate Fund	abrdn Investment Management Limited	◉	○	◌	●
European Property Growth Fund	abrdn Investment Management Limited	◉	○	◌	●
Cash/Bonds/ Swaps	abrdn Investment Management Limited	◉	○	●	◌

The scheme invests in currency hedged share classes of the RGAS and ARGBS strategies above.

Investment risk can be considered in a number of different ways and so there must be an element of subjectivity involved in the interpretation of the risks listed under FRS102 and in the assessment of their impact above.

It should be noted that the risks above are not independent; no asset class is risk free and combinations of the above risks (and others) can influence any asset as market conditions vary.

The Trustees consider investment risk holistically by regularly reviewing their investment strategy in the context of the evolution of the liabilities.

Further, it should be noted that defined benefit pension scheme liabilities are valued with reference to interest rates. Consequently, the Scheme tries to mitigate the interest rate risk relative to its liabilities by employing a liability driven investment strategy which is constructed to reflect the specific liability profile of the Scheme

The value of assets held in each asset class/fund above is outlined in the Trustee Annual Report.

16. Investment risks

AVC Section

This policy is a legacy arrangement with Standard Life which includes with-profit policies and their attending guarantees (penalties can apply on early surrender). The potential for revision to the fund offerings must therefore be considered in that context.

Investment Objectives

The investment objectives are:
- To provide a range of efficiently managed fund options that meets the broad needs of the members of the Scheme;
- To provide appropriate information about those fund options so that members can make an informed choice.

Important Note for Scheme Members

Members must understand that the Trustees do not accept responsibility for the success or otherwise of the investment choices that members make. Members have responsibility to read and understand the documentation available to them so that the choices made by them adequately reflect their objectives and their own attitude to risk.

Investment Policy

The Scheme's investment strategy and implementation arrangements are outlined in the Statement of Investment Policy Principles (SIPP) which forms part of the Scheme's Trustee Annual report. Implementation of the investment strategy has been delegated to professional investment managers. The investment strategy and implementation arrangements of the Scheme are reviewed regularly by the Trustees.

Implementation arrangements

The arrangements through which the investments of the Scheme are managed are described below.

Pooled Vehicles

The funds held by the AVC Plan are implemented using a (range of) regulated pooled investment vehicle(s), including some which are written as life assurance policies. An element of counterparty credit risk (described as direct credit risk under FRS102) is therefore inherent in the fund structure employed. However, the investment manager is obliged to comply with regulatory requirements applicable to the asset management sector. In addition, the life assurance companies are required to comply with regulatory requirements applicable to the insurance sector.

16. Investment risks

A summary of pooled investment vehicles by type of arrangement, as provided by the investment manager, is as follows:

	2023 €	2022 €
Unit linked insurance contracts	1,189,206	1,476,170

Risk disclosure under FRS 102

The funds held by the Scheme are implemented using authorised pooled investment vehicles which are managed by abrdn Investment Management Limited and are therefore written as life assurance policies. The Scheme thus has a counterparty credit risk to the investment manager of these vehicles. The risk is managed by the Trustees by investing with manager which are appropriately regulated and audited. This risk is monitored by the Trustees, on an ongoing basis by way of regular review of the investment manager performance reports and the regulatory environment in which the investment manager operates.

Both Standard Life International Designated Activity Company Limited ("SLI DAC"), a wholly-owned subsidiary of Standard Life Assurance Limited and abrdn Investment Management Limited (aIML), a wholly owned subsidiary of abrdn Plc (formerly named as Standard Life Investments Limited (SLIL) are regulated by the appropriate authorities in the UK and Ireland. Standard Life International Designated Activity Company Limited is required to comply with the solvency requirements of a life insurance company.

The current investment arrangements of the Scheme and the risk profile of the asset classes as required under FRS 102 is tabulated below.

Key:

● Significant impact

◐ Partial impact

◌ Low/Occasional impact

○ No impact

Asset Class	Investment Manager	Fund Name	Credit Risk	Market Risk		
				Currency	Interest rate	Other
Mixed Assets	abrdn Investment Management Ltd	Pensions Managed Fund	◐	◌	◐	●
Equity	abrdn Investment Management Ltd	Pensions Managed Equity Fund	◌	●	◌	●
Equity	abrdn Investment Management Ltd	Pension European Equity Fund	◌	◌	◌	●

16. Investment risks

Equity	abrdn Investment Management Ltd	Pension International Equity Fund	◌	●	◌	●
Fixed Income	abrdn Investment Management Ltd	Pension Fixed Interest Fund	◌	◌	●	●
Cash	abrdn Investment Management Ltd	Pension Global Liquidity Fund	◌	○	◐	●
With Profits	abrdn Investment Management Ltd	Pension With Profits Fund	◐	◌	◐	●
With Profits	abrdn Investment Management Ltd	Pension With Profits Fund A	◐	◌	◐	●
With Profits	abrdn Investment Management Ltd	Pension With Profits Fund D	◐	◌	◐	●

Investment risk can be considered in a number of different ways and so there must be an element of subjectivity involved in the interpretation of the risks listed under FRS102 and in the assessment of their impact above.

It should be noted that the risks above are not independent; no asset class is risk free and combinations of the above risks (and others) can influence any asset as market conditions vary.

Further, aggregate member level risk exposures for AVCs depend on each individual member's investment choices.

The value of assets held in each fund above is outlined in the Trustee Annual Report.

Effective Date: December 2023

17. Current assets

	2023	2022
	€	€
Contributions due from the employer in respect of:		
- Employer Deficit	**4,000,000**	4,000,000
- Employer Normal	**15,940**	-
Pensions Prepaid	**175,021**	151,924
Investment income due	**155,149**	1,648
Fees due from Employer	**6,150**	6,150
Cash in transit	**-**	230,000
Cash Balance	**402,978**	346,349
	4,755,238	4,736,071

The contributions due as at 31 December 2023 were received within 30 days the year end.

18. Current liabilities

	2023	2022
	€	€
Retirement benefits payable	**342,752**	-
Death benefits payable	**104,669**	-
Overpaid normal employer contributions	**13,459**	13,530
	460,880	13,530

19. Employer related investments

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

20. Contingent liabilities

As stated on page 14 of these financial statements, liabilities to pay pensions and other benefits in the future have not been taken into account. On that basis, in the opinion of the Trustees, the Scheme had no contingent liabilities at the year end.

21. Related party transactions

(a) The Trustees

The Trustees of the Scheme are detailed on page 1 of the report.

During the year, one of the Trustees was a member of the Scheme.

(b) Remuneration of the Trustees

One of the Trustees received remuneration in his role as Scheme Trustee. This cost was met by Employer and in 2023 was :€16,500 (2022 :€16,500) included his role as a chairman of the abrdn Republic of Ireland DC Scheme. None of the other Trustees received or were due remuneration in relation to their role as Trustees.

(c) Principal Employer

Aberdeen Corporate Services Limited is the Principal Employer.

The employer contributions to the Scheme are made in accordance with the Trust Deed and Rules and the recommendations of the Actuary.

(d) The Registered Administrator

Mercer (Ireland) Limited is the registered administrator, actuary and consultant to the scheme. All costs of administration including audit related and actuarial costs and consulting costs are borne by Aberdeen Corprate Services Limited.

The cash held by Mercer (Ireland) Limited at the year end on behalf of the Scheme was €402,978 (2022: €346,349).

(e) The Investment Manager

The investment manager is set out on page 1 of the Annual Report.

The investment manager was appointed by the Trustees to manage the Scheme's assets. The investment manager is remunerated on a fee basis calculated as a percentage of the assets under management. These fees are reflected in unit prices and borne by the Scheme.

22. Subsequent events

Since the year end, there have been no significant events that would require amendment to or disclosure in the financial statements.

23. Approval of financial statements

The financial statements were approved by the Trustees on 17-09-2024 .

The abrdn Republic of Ireland Staff Pension Scheme ('the Scheme')

Statement of Investment Policy Principles

1. Introduction

The purpose of this Statement of Investment Policy Principles is to document the policies and guidelines that govern the management of the Scheme's assets. It has been reviewed and adopted by the Trustees and outlines their objectives, investment policies and risk management processes.

The intention is not to outline detailed guidelines for the Scheme's Investment Manager but rather to state the general philosophy, risk appetite and policies of the Trustees that will shape the governance of the Scheme as a whole.

The Trustees will ensure that the investment of the Scheme's assets adheres to the requirements of the Pensions Act 1990 and relevant regulations made under that Act.

This Statement will be reviewed at least every three years, and also following any change in investment policy which impacts on the content of the Statement.

2. Investment Objectives

The overall investment objective of the Trustees is to ensure that the benefits of the Scheme continue to be affordable and that ultimately the level of benefits set out in the Trust Deed and Rules are secured. This is achieved by adopting an appropriate investment strategy through ensuring that:

- The level of investment risk is acceptable relative to the liabilities
- The asset portfolio is structured as efficiently as possible

Having agreed an appropriate investment strategy, the Trustees must then put in place a suitable investment manager structure.

3. Risk Measurement

The Trustees will manage a range of investment risks in order to create a prudent, diversified and efficient portfolio.

The Trustees recognise the importance of measuring the risk of the chosen investment policy by reference to the liabilities. Risk is measured by considering the following:

- The potential deterioration of the financial position of the Scheme
- The risk of not achieving a sufficient level of investment return to match the growth in liabilities; and
- The role and strength of the Sponsor covenant.

4. Risk Management

The Trustees will measure and monitor risk in their portfolio on a regular basis. They will do this by ensuring an effective reporting of portfolio and liability information from the appointed investment manager and Scheme Actuary respectively, along with an appropriate level of meeting frequency to enable the Trustees to discuss and assess the various risk measurements.

The Trustees will ensure, either through direct guidance or through ascertaining the suitability of any commingled (unitised) vehicles that are used, that policies and guidelines are in place for the appointed Investment Manager(s) and other providers such that:

- Investments are, for the most part, limited to marketable securities traded on recognised/regulated markets;
- Investment in derivative instruments may be made only in so far as they either contribute to a reduction of investment risks or facilitate efficient portfolio management. Any such derivative investment must avoid excessive risk exposure to a single counterparty and to other derivative operations;
- The portfolio is properly diversified in such a way as to avoid excessive reliance on any particular asset, issuer or group of undertakings and so as to avoid accumulations or concentration of risk in the portfolio as a whole; and
- The security, quality and liquidity of the portfolio as a whole is appropriate with due regard paid to the level of non-Euro currency exposure.

5. Current Investment Policy

In setting their investment policy, the Trustees recognise that the Sponsor's continued financial support for the Scheme is of utmost importance in serving the best interests of members. Therefore the principles outlined in this Statement are not shaped by the objectives of the Trustees in isolation, but also by an understanding of the objectives (financial or otherwise) of the Sponsor.

The Trustees also recognise the need for expert advice in formulating investment policy and has therefore appointed an Investment Consultant to provide advice appropriate to the Scheme.

The current investment policy of the Trustees has arisen from the 2022 investment strategy review of the Scheme.

5.1 Risk Budget

In setting the risk budget the Trustees considered the following risk factors:

- The volatility of investment returns relative to the movement in all relevant liability measures, with due consideration of the impact this volatility may have on the Sponsor's contribution rates and various accounting items.
- The need to achieve a sufficient level of investment return to meet the Sponsor's funding objectives.
- The role of the Sponsor in terms of funding the Scheme, including funding aims and objectives of the Sponsor (if known) and an assessment of the Sponsor covenant, in terms of their willingness and ability to fund the scheme under a range of scenarios.

In spending the agreed risk budget, the Trustees considered:

- The most appropriate liability hedging assets in which to invest, considering the term & nature of the liabilities.
- The range of possible asset classes (both liability hedging and growth), available to the scheme and the appropriateness of these asset classes to meet their objectives.

5.2 Strategic Asset Allocation

The investment strategy was reviewed in conjunction with the 2022 actuarial valuation process; with the growth portfolio and defensive portfolios being reviewed in mid 2023. The investment strategy of the Scheme resulting from those reviews is tabulated below

Growth Portfolio	
Diversified Growth Fund	5.2%
Total Return Credit	9.1%
Sustainable Index World Equity Fund	9.1%
European Long Lease Property Income Fund*	6.25%
European Property Growth Fund*	6.25%
SUBTOTAL	35.9%

Defensive Portfolio	
Sustainable Euro Corporate Bond Fund	16.1%
SUBTOTAL	16.1%

Hedging Portfolio	
Cash / Collateral Swaps / Derivatives	48.0%
SUBTOTAL	**48.0%**

Interest Rate Hedge Ratio**	**c70%**
Inflation Hedge Ratio**	**c70%**

** Disposal instructions have been issued on the property allocations in order to allocate to a private market strategy. This will take c3 years to complete due to the dealing requirements of the funds involved. The strategy will be updated overtime to reflect the progress of the disposal process.*

***To protect the financial position of the Scheme from adverse movements in interest rates and inflation. Hedge ratios are assessed by measuring the funding level of the Scheme with reference to the Eurozone swap curve.*

The base currency of the Scheme (and hence of the benchmark) is the Euro. The composite asset performance benchmark is to be calculated on a quarterly basis. The Trustees have factored into account the Euro nature of the liability when constructing the benchmark strategy.

The success in the current strategy will be reviewed on at least an annual basis, with a formal review of the performance of the strategy and the continued appropriateness of the Trustees' objectives carried out every 3-years.

The Trustees recognize that even though the Scheme's investments are subject to short-term volatility, it is critical that a long-term investment focus be maintained. The Trustees intend to avoid ad-hoc revisions to their philosophy and policies in reaction to either speculation or short-term market fluctuations.

5.3 Rebalancing

Market movements will cause the Scheme's portfolio to differ from the strategic mix outlined in the table above. To address this issue, the investment manager will rebalance the portfolio to its strategic asset allocation on a quarterly basis.

The rebalancing policy may be suspended in certain market conditions and at the discretion of the Trustees.

5.4 Manager Structure

The Trustees have chosen to appoint a single active manager, abrdn to implement this target strategy. The Scheme's relationship with abrdn is separately documented through a Statement of Investment Policy and Objectives (SIPO). The Trustees regularly reviews Mercer's Manager Research views on abrdn and the relevant funds.

5.5 Fund Details/Performance Objectives

Summary information on the Investment Manager's fund and performance objectives is set out.

Asset Class	Fund	Benchmark Index
Growth Assets		
Diversified Growth	abrdn Diversified Growth Fund	Aims to deliver a return of Cash plus 5.0% (gross) over rolling five year periods.
Equities	Sustainable World Equities	To match MSCI World Select ESG Climate Solutions Target Index (before charges)
Multi Asset Fixed Income	SICAV II Total Return Credit	Seeks to deliver a total return of 3%-6% per annum over the credit cycle with reduced volatility
Property	▪ European Long Lease Property Fund ▪ European Property Growth Fund (EPGF)	▪ Long lease fund – The fund targets delivery of a stable distribution yield of 3-4% p.a. while preserving capital over the rolling 5 year periods. ▪ Growth Fund - target return of 8-10% p.a. net over rolling five year periods
Defensive Assets		
Corporate Bond Fund	Euro Sustainable Corporate Bond fund	Outperform the IBoxx Euro Corporate Index (EUR) gross of fees
Hedging Assets		
Cash	Euro Global Liquidity	6 month Euribor
Liability Hedge	Euro interest rate and inflation swaps	Hedge ratios are calculated by measuring the liabilities of the Scheme against the Eurozone interest rate swap curve

Performance is evaluated against these objectives on a quarterly basis. A formal investment strategy review is carried out every three years.

6. Additional Voluntary Contributions ('AVC') Section

Additional voluntary contributions for some members are also held under the Scheme.

The investment objectives of the Trustees regarding these are:

- To provide a range of efficiently-managed investment fund options that meet the broad needs of the members of the Scheme;
- To provide appropriate information on these fund options such that members are assisted in understanding and making their choice of fund.

Notwithstanding the above, the Trustees' objective is to ensure that members understand that the Trustees do not accept responsibility for the success or otherwise of the options made available to them. Members are informed that they have a responsibility to read and understand the documentation available to them so that the choices made by them adequately reflect their own investment objectives and their own attitude to risk.

This policy is a legacy arrangement with Standard Life which includes with-profit policies and their attending guarantees (penalties can apply on early surrender). The potential for revision to the fund offerings must therefore be considered in that context.

Risk Measurement Methods

Given the nature of the AVC funds, the key investment risks are categorised as investment risks and member decision-making risks. Details of both are provided below (although this is not an exhaustive list of all risks):

(a) *Investment Risks*
- That longer term investment returns do not keep up with inflation (inflation risk)
- That the value of a member's account moves significantly out of line with movements in annuity prices so that the member cannot afford to buy the same level of retirement income as previously (annuity risk);
- That members' accounts can drop sharply in value because of investment market volatility (volatility risk).

(b) *Member Decision-making Risks*
- That the member is overwhelmed by the number or complexity of investment choices (complexity risk);
- That the member does not get enough clear information to make a good choice (inadequate information risk).

Risk Management Processes

Within the fund choices that are available to each member:
- The risks outlined in the previous section can (if the member so chooses) be kept to a level that is appropriate for that individual member;
- Investments are, for the most part, limited to equities and bonds that are predominantly traded on recognised/regulated markets;

- Investment in derivative instruments is made only in so far as it either contributes to a reduction of investment risks or facilitates efficient portfolio management. Any such derivative investment must avoid excessive risk exposure to a single counterparty and to other derivative operations; and
- The funds are properly diversified in such a way as to avoid accumulations of risk. Investments in assets issued by the same issuer or by issuers belonging to the same group should not expose the member to excessive risk concentration.

Current Investment Policy

A description of the investment manager arrangements adopted and of the selected funds is provided below. All are actively managed by Standard Life.

Category / Asset Class	Fund Name	Approach
Managed Fund	Pensions Managed Fund	Invests in blend of equity, bonds, cash and other asset classes.
Equity	Pensions Managed Equity Fund Pensions European Equity Fund Pensions International Equity Fund	Aims to outperform the relevant equity benchmark
Fixed Income	Pension Fixed Interest Fund	The fund aims to outperform a composite benchmark of Eurozone government, corporate and supranational bonds.
Cash	Pension Global Liquidity Fund Pension Cash Fund	Short term money market fund
With Profits	Pension With Profits Fund Pension With Profits Fund A Pension With Profits Fund D	Invests in a blend of equity, bonds, cash and other asset classes. Aggregate returns are smoothed to provide stability to the value of accumulated assets. Penalties can apply on early surrender.

7. Environmental, Social, Governance

7.1 ESG, Stewardship and Climate Change

The Trustees believe that environmental, social, and corporate governance (ESG) factors have a material impact on investment risk and return outcomes, and that good stewardship can create and preserve value for companies and markets as a whole. The Trustees also recognise that long-term sustainability issues, particularly climate change, present risks and opportunities that require explicit consideration.

By using pooled investment vehicles for the Scheme’s equity investments, day-to-day application of voting rights will be carried out by the investment manager in accordance with its own corporate governance policy and current best practice.

The Trustees consider Mercer’s ESG ratings (where available) and SFDR fund categorisations for each of their strategies. Rating reviews are undertaken on a regular basis and documented at least annually. The Trustees, in conjunction with their advisers, will actively monitor and engage with the investment manager on ESG integration, consistent with this Policy statement. The Trustees have not set any investment restrictions on the appointed investment managers in relation to particular products or activities, but may consider this in future.

The Trustees have given the appointed investment manager full discretion in evaluating ESG factors, including climate change considerations, and exercising voting rights and stewardship obligations attached to the investments. In accordance with its own corporate governance policies and current best practice. The Trustees have requested that the manager provide information on ESG (e.g: the application of voting rights) to trustee advisors and as part of their normal reporting to the Trustees.

Rating reviews are undertaken on a regular basis and documented at least annually.

Over time, the Trustees aim to reflect sustainable asset classes where possible and appropriate in the investment strategy of the Scheme. . Going forward, the Trustees will take account of the manager's approach to ESG when considering new investment options for the Scheme to employ.

7.2 Shareholder's Rights Regulations 2020

With respect to the European Union (Shareholders' Rights) Regulations 2020, the Trustees have not developed a standalone engagement policy. The Scheme invests in units in various pooled funds that may from time to time invest in equities of companies which are listed on EU regulated markets. However, in each case the Scheme is one investor among others so has no direct voting rights or other means of engagement with any companies in which the pooled fund may have invested.

The Trustees have engaged with the investment manager and it has provided a copy of its Engagement Policy and confirmed that it is in compliance with the Regulations.

The investment horizon of the Scheme's equity investments is medium to long term in nature, and the Trustees expect the manager to use its engagement activity to drive improved performance over those periods.

The Trustees also expect investment manager appointments to be long-term in nature, and assess the performance over longer-term periods. Short term performance issues would not be expected to result in a manager termination, although other factors may necessitate a changeover relatively short timeframes.

7.3 Sustainable Finance Disclosure Regulations

The Trustees acknowledge that under Article 4 of the Disclosure Regulations there is a requirement to publish, and maintain on a website, whether principal adverse impacts of investment decisions on sustainability factors are considered. The Trustees are aware Level II regulations came into force in January 2023 but await further guidance from the Pensions Authority as to the practical application for occupational pension schemes.

8. Glossary

- Investment Consultant: Mercer, or such investment consultant as the Trustees may appoint from time to time.
- Investment Manager: abrdn or such investment manager as the Trustees may appoint from time to time. AVCs are managed by Standard Life.
- Scheme: The abrdn Republic of Ireland Staff Pension Scheme.
- Scheme Actuary: Sean O'Donovan, Mercer or such Actuary as the Trustees may appoint from time to time.
- Sponsor: Aberdeen Corporate Services Limited.

Effective Date of this Statement: November 2023

For the year ended 31 December 2023

Annual Disclosure Report

STANDARD LIFE REPUBLIC OF IRELAND STAFF PENSION SCHEME (Policy No: G58001)

Investment managers

Your investment holds units in the following Standard Life Funds in accordance with the provisions of a Standard Life Trustee Investment Plan policy. Standard Life Assurance Limited has delegated its investment management function to abrdn Investment Management Limited.

Statement of assets

Fund	Number of units	Value (EUR)	Holding (%)
Extended Duration	15,312,400	85,315,859	100.0
TOTAL		**85,315,859**	

Performance

Fund Benchmark	12 months to 31/12/2023 (%)	3 years to 31/12/2023 p.a. (%)	5 years to 31/12/2023 p.a. (%)
Extended Duration	4.1	-4.3	0.6
ICE BofAML Euro Gov (USD UnHGD)	6.7	-5.5	-1.1

Fund performance figures are calculated net of annual management charge (excluding any rebates) over the stated periods, with net income reinvested.

Global Overview

Global stock markets rose strongly in euro terms and even more notably in local-currency terms over the 12 months. The prospect of monetary tightening coming to an end, with potential rate cuts ahead in 2024, supported global bond markets, after a torrid year for performance in 2022. Meanwhile, corporate bonds generated solid returns as investor risk appetite improved.

After central banks in Western economies had raised interest rates faster and much further than previously anticipated to counter multi-decade-high inflation, inflationary pressures lessened in many countries over the course of 2023. Meanwhile, global economic growth held up better than many investors expected, defying fears of a recession triggered by higher rates.

As US and eurozone inflation continued to trend down, investor hopes rose that an end to interest-rate rises could be in sight. Therefore, 2023 started with strong stock market gains. However, the collapse of two regional US banks and the forced sale of Credit Suisse to rival UBS in March then evoked fears of a banking crisis. Despite an initial sell-off, stock markets recovered, while bond markets benefited from a flight to safety and expectations of lower peak interest rates. After more market volatility in April and May, equities performed strongly over June and July due to news of a compromise agreement on the US debt ceiling and further encouraging inflation data. Nevertheless, still-hawkish rhetoric from central banks continued to weigh on bonds. Both equities and bonds generated negative returns in August, September and October on concerns that interest rates would stay higher for longer. However, equities and bonds then notably recovered in November and December as reassuring inflation trends led to investors looking ahead to the prospect of rate cuts in 2024.

Europe

Continental Europe's stock markets, as measured by the FTSE World Europe ex UK Index, rose strongly over the 12-month period in euro terms.

The region's equity markets had faced various challenges for much of 2022, including surging inflation, higher interest rates and the shock of the Russia-Ukraine war. However, investor sentiment improved at the start of 2023. This was due to declining annual inflation – driven by falling energy prices as supply issues improved – and an unexpectedly resilient European economy, with continued low unemployment.

As a result, European equities performed well until the summer of 2023. They then weakened over August, September and October on concerns about further monetary tightening and slowing economic growth. However, those fears then eased, leading to a notable rebound in equities in November and December.

The European Central Bank (ECB) continued to raise rates over the period as it strove to bring the annual inflation rate down to its 2% target. The ECB's 25 bps increase in its key interest rates in September 2023, the sixth hike of the year, took the base rate to 4.50%. Against this backdrop, annual inflation rose from 2.4% in November to a lower-than-expected 2.9% in December, a preliminary estimate showed. Meanwhile, according to a third estimate, the eurozone economy shrank by 0.1% in the third quarter of 2023. This was the first contraction in the region’s GDP since the final quarter of 2022.

UK

The UK stock market, as represented by the FTSE All-Share Index, recorded a gain in both euro and sterling terms over the period. The FTSE 100 Index, home of multinational companies, and the FTSE 250 Index, which contains smaller companies typically more focused on the domestic UK economy, both rose by a similar amount.

The performance of the FTSE 100 Index lagged those of many overseas markets given it is home to many so-called defensive shares. It also contains several energy and mining companies; commodity prices, while still historically high, ended the year below the levels reached after the outbreak of the war in Eastern Europe in early 2022. Meanwhile, smaller UK companies were held back for much of 2023 by heightened economic uncertainty. However, they performed strongly towards the end of the year due to improved investor risk appetite given an improving outlook for the domestic economy.

The Bank of England (BoE) announced a further five interest-rate increases in 2023, taking its base rate from 3.50% at the start of the year to 5.25% by the end of it. In 2023, the BoE increased its base rate by 50 basis points (bps) in February, by 25 bps in both March and May, by 50 bps in June and then by 25 bps in August. As a result, UK annual consumer inflation has continued to trend downwards over 2023. However, it has still remained above the BoE's 2% target and the rates recorded in both the US and eurozone, in part due to elevated food prices. Annual core inflation in the UK declined from 5.7% in October to a lower-than-expected 5.1% in November.

US

US share prices, as measured by the broad S&P 500 Index, rose strongly in euro terms and by even more in US dollar terms over the 12-month period.

Growth-focused stocks, such as technology companies, performed particularly well. These stocks are more sensitive to the prospect of monetary tightening coming to an end, and then reversing, because of the favourable effect on their future discounted earnings.

Faced with a relatively robust economy, the US Federal Reserve (Fed) continued to tighten policy in 2023. However, a sustained fall in annual inflation meant that the Fed reduced the size of its rate hikes to 25 bps at its February, March and May meetings. Nonetheless, the latest 25 bps increase in July took the target range for the fed funds rate to 5.25-5.50%, the highest level since 2001.

US stock markets rose steadily over most of the period, even shaking off turmoil in the banking sector in March, when two regional banks, Silicon Valley Bank and Signature Bank, collapsed. In particular, investor sentiment was helped by the long-awaited news in late May of an agreement over raising the US debt ceiling. A strong performance by the technology sector, especially artificial intelligence-related stocks, such as NVIDIA, Microsoft and Alphabet, was also supportive. Investor concern that interest rates would stay higher for longer led to stocks notably weakening in August, September and October. However, equities rebounded notably in November and December as these fears eased due to encouraging inflation trends.

Asia Pacific

Stock markets in the Asia Pacific (excluding Japan) region gained modestly over the 12-month period in euro terms but rose by more in local-currency terms.

Markets in the region were supported by signs that high annual inflation globally was beginning to subside, with fears diminishing that the world economy could be tipped into a recession by interest-rate hikes. However, uncertainty caused by both Russia's invasion of Ukraine and the Israel-Hamas conflict capped stock-market returns.

Share prices continued to rise sharply in China over January, driven by the reopening of the Chinese economy and indications that the latest wave of Covid-19 infections had peaked. These positive developments in the region's largest economy helped other Asian stock markets enjoy a strong first quarter of 2023.

However, from April to the end of the year, Chinese share prices more than relinquished their post-reopening gains. This reversal was due to renewed investor concerns about the country's highly indebted property sector, geopolitical tensions with the US and an ongoing regulatory crackdown (which focused on data privacy and national security). Chinese equities continued to weaken, despite authorities announcing various stimulus measures aimed at boosting investor sentiment. In contrast, the Taiwanese and South Korean stock markets both recorded impressive gains over the course of 2023, helped by their relatively high weightings to the technology sector.

Japan

The Japanese stock market, as measured by the TOPIX Index, recorded a strong double-digit gain in yen terms over the 12-month period; it increased more modestly in euro terms due to the depreciation of the yen.

The Bank of Japan (BoJ) still faced milder inflationary pressures than the world's other major central banks, so it left its key interest rate unchanged at -0.1% and the target for the 10-year government bond yield at around 0% over the period. After new BoJ Governor Ueda, who succeeded Governor Kuroda in April 2023, stressed his commitment to an ultra-loose monetary policy, the Japanese yen steadily weakened (leading to speculation of currency-market intervention). With annual core inflation of 3.3% in June – still above the BoJ's 2% target – the central bank decided to make its yield-curve control policy more flexible at its July meeting.

Annual core inflation then declined from 3.1% in August to a still-higher-than-expected 2.8% in September. As a result, the BoJ further tweaked its yield-curve control policy at its October meeting. Annual core inflation fell from 2.9% in October to 2.5% in November, as expected, but remained higher than the central bank would like.

Solid company results and an increased focus by Japanese companies on shareholder returns helped share prices climb higher over the year. However, the Japanese economy shrank by a worse-than-expected 0.7% in the third quarter of 2023, translating into a contraction of 2.9% on an annualised basis, given weak domestic consumption and an uncertain global economic backdrop.

Corporate Bonds

Corporate bond prices had a solid performance over the 12-month period, although investment-grade bonds underperformed riskier high-yield bonds. A backdrop of sharply rising interest rates, stubbornly high annual inflation and a worsening economic outlook had created challenging market conditions and reduced investor risk appetite for much of 2022. However, from the start of 2023 onwards, credit spreads — the yield premium received by investors in return for the typically greater risk of lending to companies rather than governments —

tightened on growing expectations that global inflation pressures may be peaking. This fuelled investors' hopes that the current cycle of interest-rate rises could be nearing its end and helped corporate bonds to perform better as investors' appetite for riskier assets started to return.

Turbulence in the global banking sector in March then caused credit spreads to widen to levels last seen in the autumn of 2022. However, the negative effect of wider credit spreads was offset by lower government bond yields amid a flight to safety. Calm then returned to bond markets over the next few months, with spreads tightening to end the period lower than where they were before March's volatility. Corporate bond markets had strong months in November and December. Over the last month of the year, in local-currency terms, US investment-grade bonds performed well due to the increased likelihood of interest-rate cuts in 2024, while sterling corporate bonds and European high-yield bonds also generated positive returns.

Government Bonds

Global government bonds recorded gains in local-currency terms, but performance was more mixed in euro terms. After years of record-low interest rates, many central banks have now significantly raised rates in an effort to contain inflation. Following a major sell-off in 2022, though, government bond markets recovered notably in 2023. This was driven by expectations of an end to interest-rate hikes and anticipations of potential rate cuts in 2024.

Faced with falling, but still-high, annual inflation, the Fed continued to raise rates in 2023. It hiked them by 25 bps in each of February, March and May. However, with increasing signs that its policy was having an impact on reducing the rate of price increases, the Fed then paused its tightening campaign in June before announcing another 25 bp hike in July.

The BoE increased its base rate a further five times over the course of 2023. It raised it by 50 bps in February, 25 bp in both March and May, another 50 bp in June and then 25 bp in August. As a result, annual inflation in the UK has continued to fall in recent months. However, the UK's central bank has not yet ruled out further rate hikes.

While inflationary pressures in the eurozone eased somewhat as 2023 progressed, they remained elevated. As a result, the ECB continued to raise rates, with further 50-bp increases in February and March being followed by 25-bp hikes in May, June, July and September.

In contrast, the Japanese central bank maintained its ultra-loose monetary policy, marked by a negative base rate, arguing that underlying demand in the Japanese economy remained weak. However, the BoJ tweaked its yield-curve control policy at its July and October meetings by effectively raising the cap for the allowance band from 0.5% to 1.0% while saying that the upper bound was merely a reference point, rather than a strict limit.

UK Commercial Real Estate

Total returns in sterling terms for UK commercial real estate were -0.1% over the 12 months to the end of December (the latest data available). The office sector was the weakest, returning -11.9%, while residential was the strongest, with a return of 8.2%.

UK real estate pricing has been stabilising during 2023, after the significant correction in the sector in late-2022. However, performance has been varied across sectors, with those that are benefiting from structural and thematic tailwinds proving more resilient in the face of a weaker macroeconomic environment. For example, the logistics and living sectors both outperformed the wider market over the past year. While UK real estate capital values fell over the course of 2023, the pace of declines moderated. There were tentative signs of stabilisation for some sectors but not all. There is a risk that further pricing discovery in the first half of 2024 will result in more market softening, particularly for out-of-favour sectors. UK real estate investment volumes for the calendar year 2023 reached £34.3 billion, representing a year-on-year fall of 47%. While we expect greater liquidity to return to the market in 2024, this will, in part, be driven by buyer and seller expectations becoming more closely aligned. With the increased prospect of interest-rate cuts in 2024, we expect an improvement in UK real estate performance, driven primarily by improved investor confidence and greater liquidity in the market. Although the macroeconomic environment will continue to dominate, polarisation in performance from both a sector and asset quality perspective will remain a key differentiator. The downside risk to our forecasts remains elevated given weaker UK economic growth prospects and the potential uncertainty created by the upcoming general election. Real estate refinancing also poses a risk, but the office sector is most exposed given the amount of outstanding debt and lack of appetite for lending in this sector.

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welcome to brighter

abrdn Republic of Ireland Staff Pension Scheme
Year ended 31 December 2023

Pensions Authority reference number PB 2946

Actuary's Statement

The last Actuarial Funding Certificate was prepared with an effective date of 1 January 2022. This certificate confirmed that the Plan satisfied the Funding Standard set out in Section 44 of the Pensions Act, 1990 at that effective date. The last Funding Standard Reserve Certificate, prepared on the same effective date, confirmed that the Plan held sufficient additional assets to satisfy the Funding Standard Reserve also set out in Section 44 of the Pensions Act, 1990 at that effective date.

I have completed a review of the financial condition of the Plan as at 31 December 2023. Based on that review, I am reasonably satisfied that the Plan continued to meet the Funding Standard and the Funding Standard Reserve at that effective date.

Sean O'Donovan, Scheme Actuary
Scheme Actuary Certificate Number P021
Fellow of the Society of Actuaries in Ireland
Date: 16th May 2024

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: Standard Life Republic of Ireland Staff Pension Scheme

SCHEME COMMENCEMENT DATE: 16/11/1992

SCHEME REFERENCE NO.: PB2946

EFFECTIVE DATE: 01/01/2022

EFFECTIVE DATE OF PREVIOUS CERTIFICATE (IF ANY): 01/01/2019

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 €127,621,000.00, 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 €95,901,000.00, 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: ____________________ **Date:** 27/09/2022

Name: Mr Sean T. O'Donovan **Qualification:** FSAI

Name of Actuary's: Employer/Firm Mercer (Ireland) Limited **Scheme Actuary Certificate No.** P021

Submission Details

Submission Number: SR2989754 **Submitted Electronically on:** 27/09/2022

Submitted by: Sean O'Donovan

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: Standard Life Republic of Ireland Staff Pension Scheme

SCHEME COMMENCEMENT DATE: 16/11/1992

SCHEME REFERENCE NO.: PB2946

EFFECTIVE DATE: 01/01/2022

EFFECTIVE DATE OF PREVIOUS CERTIFICATE (IF ANY): 01/01/2019

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 €94,195,000.00,

(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 €125,915,000.00,

(3) €70,167,000.00 , 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 €2,403,000.00,

(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 -€6,061,000.00,

(6) the aggregate of (4) and (5) above amounts to €0.00, and

(7) the additional resources (as defined in the Act) of the scheme amount to €31,719,000.00, of which, in accordance with and within the meaning of the guidance issued by the Authority and prescribed under section 47 of the Act, €0.00 comprises contingent assets and €0.00 of such contingent assets comprise an unsecured undertaking.

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

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

Signature:		**Date:**	27/09/2022
Name:	Mr Sean T. O'Donovan	**Qualification:**	FSAI
Name of Actuary's: Employer/Firm	Mercer (Ireland) Limited	**Scheme Actuary Certificate No.**	P021

Submission Details

Submission Number: SR2990034

Submitted Electronically on: 27/09/2022

Submitted by: Sean O'Donovan

The Standard Life Republic of Ireland Staff Pension Scheme ("the Scheme") – PB 2946

Report on Actuarial Liabilities

Under Section 56 of the Pensions Act, 1990, 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 1 January 2022. 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	125,915
Value of Accrued Liability	173,054
Surplus / (Deficit)	(47,140)
Funding Level	73%

Valuation Method & Assumptions

The value of the accrued liability was calculated by firstly projecting the accrued benefits payable in the future, making assumptions in relation to financial matters such as salary and pension increase rates and demographic matters such as mortality 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 funding report):

Financial assumptions	
Discount Rate	
Pre-retirement	1%
Post retirement	1%

Benefit Increases		
Price inflation	In line with Eurozone HICP swap curve	
Salary Increases	1% above Price inflation assumption	
Pension increases	50% of Price inflation assumption	
Demographic assumptions		
Post retirement mortality table	S3P (-1 age rating) CMI 2019 [1.5%]	
Future life expectancies	Male	Female
Current retiree aged 60	27.4	29.3
Future retiree at age 60, currently aged 40	29.2	31.2
A complete description of all other demographic assumptions can be found in the formal actuarial funding valuation report.		

The next valuation is due to be completed with an effective date not later than 1 January 2025.

[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.

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