



ANNUAL REPORT AND ACCOUNTS

for the Year Ended 31st May 2022



CONSTRUCTION EXECUTIVE
RETIREMENT SAVINGS



Building For Your Future

CERS are specialists in pension planning for the construction and related industries.

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CHAIRMAN'S MESSAGE



On behalf of the Board I am very pleased to present the latest CERS Trustee Annual Report.

The last 12 months has been a volatile period for investment markets with the global economy facing issues on multiple fronts, including the aftermath of the pandemic, the effects of the conflict in Ukraine and rising inflation. The Trustee has been monitoring this with their investment advisors on a regular basis and are committed to working to protect our members pensions and deliver value for money outcomes on their behalf.

Through regular meetings with the Scheme independent investment advisers, fund managers and actuarial and administration team, the Trustee is kept fully informed about the investment markets, the performance of the Scheme's various investments and any legislative or regulatory changes. The Trustee also

ensures it is kept up to date and informed on pension industry developments and completes regular Trustee training.

CERS is a large multi-employer Scheme with an independent trustee company, which offers an important additional layer of independent protection for employers and employees. For employers, it removes the significant responsibility for taking on the Trustee role and the ensuing statutory and regulatory issues, including the increased governance requirements required under IORP II. For employees, it ensures that their interests as members of the CERS Scheme are always treated as paramount.

This current report sets out the key features of the Scheme with particular emphasis on the investment performance and the statement of accounts for the year, which includes the Auditor's report and Actuary's statement. I would urge members to read through the report and I hope that the content will help you understand how your pension is being looked after.

I would like to encourage employers to consider reviewing their risk benefit cover for their employees, which is available at very competitive rates for the industry we work in and offers generous non-medical limits.

Making Additional Voluntary Contributions (AVCs) to the Scheme is a tax efficient way of saving for retirement and I would like to encourage members to consider this option, in particular our members who are approaching retirement age.

CERS gives members a wide choice of investment options and provides online access with up to date values of their savings and their prospective pension entitlements. In the coming months a new Employer online portal will be launched in conjunction with CPAS, our Administration Company and I encourage all employers to engage with this.

Member engagement is very important to the Trustee of CERS and I would like to encourage members of the Scheme to visit our website www.cers.ie and avail of the services of the Scheme, in particular our member online portal and pension projection tool which members find useful as they plan for retirement.

In conjunction with our Administration Company, CIF Pension Administration Services DAC (CPAS), we can offer to those members approaching retirement access to comprehensive post retirement planning, protection, savings and investment solutions through Milestone Advisory*. This allows us to offer continuity of service through our team who have been dealing with members throughout their working career.

Finally I would like to thank the entire pension team at CERS and my fellow Board members for their dedication and efforts during the past year.

If you have any queries on the content of this report or if you require further particulars on CERS or on Milestone Advisory please contact the CERS Administration Team on info@cers.ie or logon to www.cers.ie or www.milestoneadvisory.ie

*Milestone Advisory DAC t/a Milestone Advisory is regulated by the Central Bank of Ireland. Milestone Advisory DAC is an operating division of CPAS.

Eamon Booth
Chairman of the Trustee

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Key Features and Highlights of the Year

- All CERS assets are totally separate from the assets of participating companies and the Construction Industry Federation.
- The Multi Asset Fund's equity assets, being managed by Irish Life Investment Managers, continue to be managed on a passive basis.
- SSGA, KBI, IPUT, Quadrant Real Estate Advisors LLC and Fidelity Investments all actively manage property portfolios within the Property Fund.
- Funds under Management with Irish Forestry Unit Trust (IFUT), the Irish Infrastructure Fund (IIF), Abbey Capital, Aberdeen Standard Investments Infrastructure Fund, Aberdeen Standard Investments Diversified Growth Fund, J.P. Morgan Asset Management, with effect from September 2021, and Bluebay Asset Management LLP, with effect from November 2021, form the Alternative Asset fund.
- The Pensioner Fund is held on a segregated basis with a third party custodian.
- There is also a separate Bond Fund which is an investment option for active arrangements and individual member funds which is passively managed by Irish Life Investment Managers.
- In addition to the Irish Life Cash Fund, there is a portion of assets for the CERS Cash Fund on deposit with AIB.
- Over the scheme year the Multi Asset Fund recorded a net investment return of 2.6%. Please refer to www.cers.ie/funds for information on returns from 1st June 2022 to date.
- Total benefits paid since the inception of CERS amount to €547.485 million.
- Total contributions by participating employers (and their employees) for the year amounted to €36,109 million. This represents an increase over the previous 12 months.
- An actuarial valuation of the Scheme was carried out as at 31st May 2022 and this indicated that the Scheme's assets were €19.4 million in excess of its liabilities on the statutory Minimum Funding Standard basis and €19.0 million in excess of its liabilities on the ongoing actuarial basis. The next actuarial valuation will be carried out to ascertain the value of the assets and liabilities as at 31st May 2023.
- At 31st May 2022 there were 2,277 active members in relevant employment. There were 1,064 pensioners receiving benefit and 2,597 members with entitlement to deferred benefits.
- For members of defined benefit arrangements a copy of their arrangement's Annual Actuarial Statement is attached to this Report. For all members, details as to whether or not there were contributions outstanding at the renewal year end are also attached.
- The facility under the CERS Scheme whereby employees can avail of tax relief attaching to Additional Voluntary Contributions (AVCs) continues to prove attractive to employees.
- A list of participating employers is available on request to the Administration Team and is only available to relevant persons as defined in the Occupational Pension Schemes (Disclosure of Information) Regulations, 2006 (as amended).

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ABOUT CERS

Construction Executive Retirement Savings (CERS) is an umbrella pension arrangement that has been offering a flexible retirement solution for over 50 years that can be adapted to the individual requirements of employers and members in the construction and related industries. Using our specialist knowledge of the sector and delivered by our experienced team, we offer a full service approach throughout and after the working lives of our members.

CERS is registered with the Pensions Authority. It's registration number is PB3538. It is classed as a defined benefit scheme for the purposes of the Pensions Act, 1990.

The Benefit of CERS

CERS offers a transparent competitive charging structure, comprehensive Investment Fund choices, two Lifestyling options and an informative website providing online member access and a bespoke pension calculator.

CERS is designed to meet the needs of employers in the construction and related industries and offers a wide range of benefits to members that will help them achieve financial security in retirement. Our clear objective is to provide members with:

- **Adequate and sustainable income** in retirement through promoting the benefits of making pension contributions, offering a considered range of investment choices with a low charging structure and preferential annuity rates.
- **Peace of mind** through protection and death benefits and for employers through our dedicated Trustee Board.
- **Transparent information** (including charges) is provided in a clear concise format on our website, booklets, and information leaflets. Experienced Pension Consultants offer one to one meetings and presentations to staff groups.

Flexible Approach

We have a long history of providing flexible pension arrangements and protection benefits and over the years, we've learned to adapt to the ever-changing nature of the industry. We provide individual pension solutions for each member company. Employers can choose the contribution amount, the retirement age and protection benefits to meet their specific needs. The Trustee has appropriate procedures for the payment and receipt of contributions.

The CERS default fund is the CERS Standard Lifestyle Strategy. CERS provides investment flexibility by offering members a range of funds they can directly invest in. CERS also offers the CERS ARF Lifestyle Strategy for members who are planning to select the ARF option at retirement. There is oversight of the investment funds by the Scheme Actuary and an independent Investment Adviser appointed by the Trustee.

CERS offers financial value ensuring that every euro is working hard for members. There are low charges leaving more in a member's pension fund and there are no additional ongoing fees for employers. Our preferential annuity rates at retirement result in higher pensions for members and there are no penalties for members changing employer within the Scheme. Where applicable, pensions are increased annually. The level of increase granted will be in line with the option chosen by the member at the time of retirement.

Independent Trustee Company

CERS is an industry wide multi employer scheme arrangement and has an independent trustee company which offers an important additional layer of independent protection for employers and members. This removes the burden from employers and provides peace of mind at no extra cost.

The Directors of the Trustee Company actively keep themselves informed of investment developments through regular meetings with the Investment Managers and their independent Investment Adviser and fulfil their Trustee training requirements. As part of their training, all of the Trustees have access to the Pensions Authority 'Trustee Handbook and Guidance Notes'. The Trustee has an Investment Sub-Committee and an Audit Sub-Committee which meet regularly.

Communication

Through our communications, we aim to ensure that employers and members are clear about the benefits of being a member of CERS and understand the importance of their retirement savings.

A key element of our communication is a strong visual identity reinforcing the message that a pension is 'Building for your future'. CERS has a dedicated website www.cers.ie with relevant information, literature and forms for employers, members, pensioners and non-members. We also provide members with secure online access where they can view details of their retirement savings and daily updated values of their accounts. On this interactive part of the website, members are able to update personal information and contact the experienced Administration Team at CERS.

We also have our pension calculator on www.cers.ie. This should be helpful for members when planning for their retirement and will allow them to develop their own individual retirement savings strategy.

CPAS, who are the Administration Company responsible for administering CERS, issue a bi-monthly newsletter "CPAS Insights" and members can sign up to receive copies of this newsletter electronically to their work or personal email address. The facility to sign up to this newsletter is available on our website www.cers.ie.

CERS is designed to meet the needs of today's members, giving them the opportunity to build a pension for retirement, whilst providing other important protection benefits. We can also provide access to Milestone Advisory* for broader personal financial planning services and product solutions.

*Milestone Advisory DAC t/a Milestone Advisory is regulated by the Central Bank of Ireland. Milestone Advisory DAC is an operating division of CPAS.

Internal Disputes Resolution Procedure

The Internal Disputes Resolution Procedure (or IDR) is a set of procedures drawn up in order to deal with certain types of complaints that may be made by actual or potential beneficiaries of the pension plan. Complaints should, in the first instance, be brought with any supporting documents to your employer's pension contact and be discussed. If a resolution is not agreed you can contact the Scheme Administration and then, if you are not satisfied with the Administration's response, you can contact the Trustee. If any party to the dispute does not accept the decision of the Trustee, they are then free to refer the matter to the Financial Services and Pensions Ombudsman at The Office of Financial Services and Pensions Ombudsman, 4th Floor, Lincoln House, Lincoln Place, Dublin 2, for final adjudication.

The Financial Services and Pensions Ombudsman can only consider complaints that have already gone through the IDR. Complaints may be referred to the Ombudsman if, having gone through IDR, you are not satisfied with the outcome.

For full details of the Internal Dispute Resolution Procedure, please contact the Scheme Administration by post: Linden House, 4 Clonskeagh Square, Clonskeagh Road, Dublin 14, D14 FH90, by email (info@cers.ie) and by phone: (01) 407 1430.

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LOOKING AFTER YOUR SCHEME

Trustee	Construction Executive Retirement Savings Trustees Designated Activity Company
Officers of the Trustee	Directors: Eamon Booth (Chairman) Colman Cronin Michael Kennedy Gerry Morrissey Brian O'Neill Conor Scott Seamus Noonan appointed 1 December 2022 Company Secretary: Gabriel P. MacGrath
Secretary to the Trustee	Anne Keogh
Scheme Administrator	CIF Pension Administration Services Designated Activity Company (CPAS) Linden House, 4 Clonskeagh Square, Clonskeagh Road, Dublin 14, D14 FH90.
CERS Administration Team	Manager: Frances McNally Consultant: Damien Starcken
Scheme Actuary	James O'Connor Willis Towers Watson Ireland Elm Park, Merrion Road Dublin 4
Investment Advisor	Mercer Charlotte House Charlemont Street Dublin 2
Independent Auditor	Grant Thornton Chartered Accountants and Statutory Audit Firm 6th Floor, Penrose One, Penrose Dock, Cork
Bankers	Allied Irish Banks Plc. 1-4 Lower Baggot Street, Dublin 2

Investment Managers**Abbey Capital**

1-2 Cavendish Row, Dublin 1

Aberdeen Standard Investments Luxembourg S.A

35a Avenue John F. Kennedy, L-1855 Luxembourg,
Grand Duchy of Luxembourg

AMP Capital

31 Leeson Street Lower, Dublin 2

Bluebay Asset Management LLP

77 Grosvenor St, London W1K 3JR, United Kingdom

Fidelity Investments

One Waterside, Citywest Business Campus,
Kingswood Avenue, Dublin 24

Irish Forestry Unit Trust

Woodford Business Park, Santry, Dublin 17

Irish Life Investment Managers Limited

Beresford Court, Beresford Place, Dublin 1

Irish Property Unit Trust Plc.

47-49 St. Stephen's Green, Dublin 2

J.P. Morgan Asset Management

200 Capital Dock, 79 Sir John Rogerson's Quay, Dublin 02 RK57

Kleinwort Benson Investors

International Financial Services Centre, 2 Harbourmaster Place,
Dublin 1

Quadrant Real Estate Advisors LLC

2300 Lakeview Parkway, Suite 225, Alpharetta, GA 30009,
United States of America

SL Capital Partners LLP

1 George Street, Edinburgh, EH2 2LL

State Street Global Advisors Ireland Limited

78 Sir John Rogerson's Quay, Grand Canal Dock, Dublin 2

Key Function Holders (KFH) Internal Audit KFH

Breda Collins, Align Advisory Limited

Risk Management KFH

Ciara Farren, Mercer

Custodians**Citibank Europe Plc.**

1 North Wall Quay, North Dock, Dublin 1

Solicitor**Arthur Cox**

Ten, Earlsfort Terrace, Dublin 2

Insurers**Irish Life Assurance Plc.**

Irish Life Centre, Lower Abbey Street, Dublin 1

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INVESTMENTS

Investments Review

Market Commentary for the 1 year period ending 31 May 2022

Reoccurring lockdowns, supply chain issues, regulatory crackdowns in China, soaring energy prices, Russia's invasion of Ukraine, and inflationary pressures were the main investment themes over the one year period to 31 May 2022.

As we continued to recover from the impacts of the COVID-19 pandemic in 2021, dovish central bank rhetoric and fiscal stimulus policies helped to support broad risk appetite. Equity markets rallied to close out a very strong year with the MSCI World finishing 2021 with a gain of more than 30%.

However as we entered 2022, the recovery began to fade. Growth slowed initially due to the influence of the Delta and Omicron variants. However more significantly, inflation continued to rise driven by supply chain disruptions, reopening price pressures and some base effects. Global equity and government bond markets were negatively impacted.

Volatility remained high for 2022. Hawkish central banks and geopolitical tensions in Eastern Europe weighed on investor sentiment. Equities fell sharply at the start of 2022 while bond prices saw a sharp decline as investors brought forward their interest rate hike expectations. Inflation remained elevated in most developed countries. The war in Ukraine and its impact on commodity markets made it even more challenging to predict peak inflation. Inflation expectations broadly increased in the US and even more so in the UK and Europe.

The UK and Europe were most directly affected by the potential reduction in energy supply from Russia. Emerging market debt suffered losses due to index exposure to Russian debt. The Russian Ruble collapsed after sanctions were imposed and Russia's ability to intervene in currency markets was limited. This forced Russia's Central Bank to more than double its benchmark rate to 20% at the start of 2022.

Commodities continued to rally with oil prices passing c. \$110 per barrel while Gold also performed well as a safe-haven asset during this period of uncertainty. Nominal bond yields soared with the yield on 10 year German government bond rising by c. 1% over the year, while corporate bonds also struggled as spreads widened. Despite the aforementioned challenges labour markets remained strong, with unemployment rates coming close to or below pre-COVID levels.

The dynamics seen in global markets over the 12-month period were reflected in the performance of the funds within the Scheme. The CERS Multi Asset Fund is the default growth phase portfolio within the lifestyle strategy and returned 2.6% over the year buoyed by strong performance from the allocation to alternatives within the fund. The CERS Equity Fund saw a positive 1 year return of 0.8% with much of the gains made in the 2nd half of 2021 wiped out by the volatility in 2022. The CERS Bond Fund returned negative 19.8% for the one year period ending 31 May 2022, reflecting in particular increased inflation and rising bond yields over 2022. The CERS Property Fund held positive and returned 5.7% to investors, while the Alternative Assets Fund returned 6.7% in the one year period ending 31 May 2022. The CERS Cash Fund saw a negative return of 1.1%.

The asset distribution of the Multi Asset Fund at year end 31st May 2022 was:

ASSET TYPE	MANAGER	WEIGHT
Equity	Irish Life Investment Managers	45%
Bonds	Irish Life Investment Managers	10%
Alternative Assets	Abbey Capital, SLI Infrastructure, ASI DGF, Bluebay Total Return Diversified Credit Fund, JPM Infrastructure, IFUT and ILIM Infrastructure	31%
Property	IPUT, SSGA, KBI, Fidelity and Quadrant	12%
Cash	Irish Life Investment Managers and Bank Deposit	2%

A full description of the long term strategic asset allocation determined by the Trustee is set out in the Statement of Investment Policy Principles (SIPP) which is available on page 29.

CERS Investment returns for the Scheme year ending 31st May 2022

CERS Multi Asset Fund	CERS Bond Fund	CERS Cash Fund	CERS Equity Fund	CERS Property Fund	CERS Alternative Assets Fund
+2.6%	-19.8%	-1.1%	+0.8%	+5.7%	+6.7%

The returns shown above are net of the annual management charge.

Please visit www.cers.ie/funds for up to date fund performance.



Abbey Capital

Abbey Capital - ACL Alternative Fund

How the assets are managed

The ACL Alternative Fund (the “Fund”), a segregated account of ACL Alternative Fund SAC Limited, is a multimanager fund focused on managed futures and foreign exchange. The Fund allocates to managed accounts which are traded by 19 Commodity Trading Advisors (“CTAs”), as at 31 May 2021, across different styles of managed futures trading. The CTAs trade global financial and commodity futures and foreign exchange markets on a directional and spread basis. They trade over 250 different markets and can be long or short in each of these markets. Positions are taken in futures, forwards and in OTC and exchange-traded options.

Value of the assets

Value of the assets at 31st May 2021	€8,818,919
Net contribution – Subscriptions	€0
Appreciation / (Depreciation)	€1,795,487
Value of the assets at 31st May 2022	€10,614,406

How the assets are invested

The Fund aims to generate absolute returns with a target portfolio volatility of approximately 12.5% and with a low correlation to equity markets over time. The Fund allocates to broadly two types of CTAs: a core allocation to Long Term trendfollowing CTAs and a diversifying allocation to non-trendfollowing CTAs. The Fund allocates between 50% and 60% of risk to trendfollowing strategies and the remainder to diversifying satellite strategies. These non-trendfollowing strategies include Global Macro, Short-Term Systematic, Counter trend and Value strategies.

Overview of Investment Performance

Trading profits were seen in energy, fixed income and currencies, while performance was negative in precious metals. All trading styles were positive, with Trendfollowing contributing most to the positive performance of the Fund over the period*. The cost of hedging also detracted from returns, as US short-term rates remained above eurozone short-term rates over the period.

Energy was the best performing sector for the Fund, with longs in natural gas and crude oil the primary contributors. A global supply crunch and strong demand saw prices for both commodities rally at the start of the period, before tapering off during Q4 2021 as the emergence of the Omicron Covid-19 variant fuelled global demand concerns. However, the upward price trend returned to energy commodities in 2022 owing to ongoing output restrictions of crude oil from OPEC+ members, a strong demand outlook and supply concerns following Russia’s invasion of Ukraine. Trendfollowing drove positive performance in the sector due to long exposures, while Short-term and Value were also positive.

Currencies was another positive sector, with long USD positions held for most of the period resulting in gains for the Fund. A strong uptrend in the USD started in mid-2021 as the Federal Reserve began tightening monetary policy. This initially consisted of tapering asset purchases, before increasing rates by a cumulative 75bps over the period along with issuing guidance of more hikes to follow. US yields rose, helping the US Dollar index to hit a 20-year high. Long USD contracts relative to the JPY and EUR were notable contributors.

On the downside, losses were reported in precious metals. These stemmed primarily from mostly long positioning in gold. The precious metal was choppy and fell through to the end of January, incurring losses for the Fund. These losses were recovered as gold prices rallied sharply on news of Russia invading Ukraine. However, losses resumed once the metal began falling again from March 8th alongside the stronger USD and higher yields. All trading styles generated losses in the precious metals sector, gold in particular.

Abbey Capital Ltd is regulated by the Central Bank of Ireland.

The gross investment return for the period +22.3%

Aberdeen Standard Investment - Diversified Growth Fund

The philosophy behind the Diversified Assets fund management approach is that by using skill, experience and active management the team can invest in a breadth of asset classes many of which are not generally available to individual investors. The team believes these asset classes provide the ability to deliver attractive returns with greater resilience to market turbulence, than from traditional asset classes alone. In addition, to traditional asset classes such as listed equities, the fund also invests in asset classes such as infrastructure, royalties (including healthcare, music and precious metals mining) and litigation finance amongst others as well as asset classes that in some cases are less economically sensitive, all accessible through a range of listed investment companies or funds with daily accessibility.

Value of the assets

Market value of the assets held at 31st May 2021	€43,770,746
Net Contributions-Subscriptions/(Withdrawals)	(€10,000,000)
Appreciation / (Depreciation)	€636,618
Market value of assets held at 31st May 2022	€34,407,364

How the assets are invested

Listed Equity	13.6%
Emerging Market Bonds	20.6%
North America	9.1%
UK	18.1%
Europe (ex-UK)	12.5%
Other	0.9%
Non-economic *	18.5%
Non-geographic**	6.7%

* Non-economic includes social/renewable infrastructure and social housing.

** Non-geographic includes insurance-linked, absolute return, aircraft leasing, litigation finance and cash.

Overview of Investment Performance

The onset of the Covid19 pandemic and the introduction of lockdowns was the major driver of market. The positive market outlook from the year to May'21 continued until September'21. However, growing concerns around the level and persistence of inflation and the potential for central bank action, together with the threat of a new and potentially more transmissible strain of the Covid-19 virus, brought volatility to traditional asset classes. While many emerging market countries, and latterly some developed markets, started to raise interest rates in 2021 to address inflation fears, the US and Europe preferred to wait. However Russia's invasion of Ukraine in late Feb'22, following a period of rising tensions, shocked markets and compounded inflation fears as energy and broader commodity prices rose steeply. The US and Europe duly followed the path of other nations in raising interest rates as efforts to quell rising inflation intensified. Equity and Bond markets were hit hard as investors reacted to the evolving outlook.

In a volatile year for equities, the ESG enhanced core equity sleeve slightly underperformed global equities while meeting its ESG objectives - 50% of MSCI ACWI carbon footprint, 150% of green revenues, and 110% of the index score. Dividend futures are typically expected to be less volatile than global equities, and this was beneficial delivering outperformance over the period.

Aberdeen Standard Investment - Diversified Growth Fund

Green Infrastructure Equity had performed well following the onset of the pandemic, however as equity markets rotated as the outlook evolved, we closed the position. The growth oriented UK Mid cap portfolio underperformed as the outlook evolved.

Special Opportunities delivered a positive contribution to the fund with several of the sub-asset classes performing well. In late Q3'21 we introduced two precious metals royalty companies, Franco Nevada and Wheaton Precious Metals. These companies acquire the rights to a percentage of a mine's future production. This provides a series of cash flows to the owner based on the production level from a diversified portfolio of mines and the achieved sales price of the underlying commodities. Importantly, the owner of such instruments does not bear the risks or costs of exploration, mine construction and operation. The predominant metals are gold, silver and platinum group metals. We believe these highly cash generative businesses are able to deliver attractive returns over the long term. These investments typically perform well in risk-off scenarios and that was apparent for much of the review period. Our Shipping exposure also performed strongly benefitting from strong demand while progressively improving the energy efficiency of the fleet. Burford, our litigation finance exposure performed less well. While it was a quiet period for portfolio progress, new activity was particularly strong with Burford's balance sheet committing record amounts of capital to new opportunities. In addition, changes to the treatment of staff compensation accruals resulted in a reported loss.

Asset Backed Securities (ABS) delivered a negative contribution over the year that largely arose in the final months of the period under review as the economic outlook deteriorated and global interest rates were rising. ABS were impacted by increasing spreads as investors began to factor in higher probabilities of recessions in the coming months and years with lower rated bonds exhibiting the most volatility. We continue to believe that even the most junior bonds within an ABS structure can withstand significant defaults over time. In addition, the asset class offers a materially higher spread than traditional credit and is floating rate in nature and therefore benefits from rising rates.

With rising inflation, and the benefit of inflation linkage within subsidy regimes and concession contracts, infrastructure exposures performed strongly. Renewables and Battery Storage assets performed best with power price volatility benefitting Battery Storage, while the surge in gas and energy prices benefitted Renewables more broadly. Fears that windfall taxes on exceptional profits would extend to renewables saw premium to NAV pricing decline, and UK forward guidance of an increase to corporation tax also impacted as modest headwinds. Social Infrastructure was the weakest contributor over the period with the UK corporation tax initially impacting, however collectively, these investments finished up around 7%.

Aberdeen Standard Investment Luxembourg S.A is authorised in Luxembourg and regulated by CSSF.

The gross investment return for the period +1.4%

Aberdeen Standard Investments






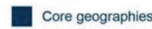

- Standard Life Infrastructure Fund

The primary objective of SL Capital Infrastructure I is to achieve long term, consistent returns, principally through yield generation and capital appreciation. The Fund will focus on building a diversified portfolio of core infrastructure assets in the UK and continental Europe. The Fund's strategy is to invest in six to ten core infrastructure assets in Europe. The Fund will seek to invest in assets generating attractive yields from year one, together with focussing on operating assets with limited construction risk.

Value of the Assets

Market value of the assets held at 31st May 2021	€5,471,749
Net Contributions	(€175,725)
Appreciation / (Depreciation)	€577,572
Market value of assets held at 31st May 2022	€5,873,596

How the Assets are Invested

SECTORS			GEOGRAPHIES	
Regulated Utilities	Transport	Energy Infrastructure		
				
Gas/electricity distribution, transmission pipelines, water and waste	Regulated/major regional airports, ports, rolling stock, toll roads	Operational renewables, district heating/CHP, terminal storage	At Least 50% UK	Up to 50% Europe

Overview of Investment Performance

Auris Kaasunjakelu Oy ("Auris") is the largest regulated Finnish gas Distribution System Operator ("DSO"). Auris operates and maintains a total of approximately 893 km of natural gas distribution grids in Helsinki, covering 17 networks in southern Finland. Auris has performed in a steady and robust manner and has shown resilience in the face of minor short term fluctuations in volumes. The business continues to be underpinned by a transparent and stable regulatory regime which enables recovery of unrealised profits over the remainder of the current and the following regulatory period.

Nordic Power AS ("Nordic Power") is a portfolio of 39 small scale hydro power plants as well as an operational wind farm operating in Norway. The Norwegian hydropower market is highly developed with approximately 95% of Norway's energy generated by this sector. Hydroelectric power plants benefit from long lifecycles of 40 -100 years, simple, proven technology and well-defined maintenance programmes. Nordic Power is a long term infrastructure asset with limited risk related to COVID-19, as neither volumes nor prices are significantly impacted.

Rock Rail Moorgate PLC ("RR Moorgate") is a rolling stock leasing company, which will procure and lease an essential fleet of 25 electric units (150 carriages), manufactured by Siemens AG ("Siemens"), for operation on the Great Northern Franchise. The operations form part of the London commuter network servicing railway lines from Moorgate Station in central London. Rock Rail East Anglia PLC ("RR East Anglia") is a rolling stock leasing company, which will procure and lease an essential fleet of 58 electric and bi-mode vehicles (378 carriages) for operation on the East Anglia Franchise.

Aberdeen Standard Investments - Standard Life Infrastructure Fund



Rock Rail South Western PLC (“RR South Western”) is a rolling stock leasing company, which will procure and lease an essential fleet of 90 electric vehicles (750 carriages) for operation on the South Western Franchise. The fleet will operate London inner suburban services into London Waterloo, a service that is critical for the commuters residing in South Western London, and is part of wider transformational railway infrastructure and service enhancements in the region. The performance of RR Moorgate, RR East Anglia and RR South Western is currently anticipated to continue in line with the investment business plan, which is reflected in the current valuation of the asset.

SLCI I acquired an 18% stake in the Noordgastransport (“NGT”) Extension, a 140km natural gas pipeline constructed in 1999 and located on the Dutch Continental Shelf (“DCS”) from Nederlandse Aardolie Maatschappij B.V. (“NAM”), a joint venture between Shell and ExxonMobil. The network is connected directly to the Netherlands’ national gas transmission network. NGT system will continue to capture significant volumes of natural gas, being the sole export route for existing fields and future developments.

Oikos Storage is the only independent owner and operator of a state-of-the-art liquid bulk storage terminal located on the River Thames Estuary uniquely offering c.300,000 cubic metres of tank storage capacity and access to a deep-water jetty for imports and onward distribution via, largely, pipeline connections and road loading facilities. Oikos has demonstrated its resilience, performing well financially despite significant demand headwinds in the downstream jet fuel market as a result of travel restrictions related to COVID-19, due to its robust contractual arrangements and an ability to maintain safe and secure operations. We therefore expect the Oikos investment to continue performing in line with expectations.

Aberdeen Standard Investment Luxembourg S.A is authorised in Luxembourg and regulated by CSSF.

The gross investment return for the period +9.7%

Bluebay Total Return Diversified Credit Fund



RBC BlueBay Asset Management

How the assets are managed

The Total Return Diversified Credit Fund is a multi-asset credit product that provides diversified, global exposure, primarily to sub-investment grade credit throughout the credit cycle. It has been developed to meet investor demand for a more flexible, non-benchmark-driven approach to credit markets, and allows active shifts between areas of the market in a timely fashion. The Fund contains our best ideas across global high yield, loans, financial capital bonds, convertible bonds and emerging market debt.

Expected returns are generated by three key areas; asset allocation – our Multi-Asset Decision Group (MADG) seeks to adjust beta exposure, favouring better performing credit markets; security selection – bottom up decision making by the specialist portfolio managers within each asset class; and capital preservation in the form of cash management and macro hedges to minimise draw down.

Value of the assets:

Market value of the assets held at 31st May 2021	€0
Net Contributions	€7,505,418
Appreciation / (Depreciation)	€(414,915)
Market value of assets held at 31st May 2022	€7,090,503

How the assets are invested

The Fund contains our best ideas across global high yield, loans, financial capital bonds, convertible bonds and emerging market debt.

Asset Allocation (by % NAV)	
Description	Fund
Cash/Hedges	5.85
High yield	25.62
Loans	9.28
Structured Credit	10.39
Financial capital bonds (cocos)	12.57
Convertibles	7.91
EMD local currency sovereign	8.10
EMD local currency sovereign and corporates	18.39
EMD local currency corporates	0.00
Opportunistic	1.90
Total:	100.00

Overview of Investment Performance

Fixed income returns were broadly negative over the second half of 2021 as renewed weakness in core government bonds, lingering COVID-19 variant apprehensions and rising inflation concerns all weighed on risk sentiment. This trend continued into 2022, as central bankers continue to rise rates to push down inflation and the recessionary risk grew. Over the period, all asset classes were negative contributors to performance, although some notably less so than others. The lowest detractors were those exposures to floating rate instruments, namely structured credit and bank loans, which performed well against rising core interest rates. The allocations to EMD hard currency, convertibles and high yield on weighed the most on returns. The two areas of positive absolute

Bluebay Total Return Diversified Credit Fund



RBC BlueBay
Asset Management

performance were the opportunistic allocation and macro hedges. In the case of the former, we focus on idiosyncratic positions that fall outside of the other asset classes. Icelandic government bonds and Italian bank Monte Dei Paschi have been names we held over the period.

Against a challenging market backdrop, macro hedges have been, and continues to be, a key driver of positive performance and a means of preserving capital. We have been actively hedging the US duration of the Fund over the period, primarily through US 10-year futures, which has been notably additive. We have also been additive through similar positioning in Italian and UK government bonds.

In the European Economic Area (EEA), the BlueBay Funds Management Company S.A. (the ManCo) is regulated by the Commission de Surveillance du Secteur Financier (CSSF).

The gross investment return for the period -6.98%

Irish Forestry Unit Trust

Pensioner Fund

The objective of IForUT is to provide long-term, sustainable, attractive real returns on forestry investments for its Unit Holders through the management of its existing forests and by continuing to plant new, and acquire established forest properties. The management of the assets on day to day basis is done by a team of Forestry Professionals with in-depth knowledge of the forest industry and market trends.

Value of the Assets

Value of the assets at 31st May 2021	€8,237,830
Net contribution - Subscriptions	€1,228,947
Appreciation / (Depreciation)	€1,052,054
Value of the assets at 31st May 2022	€10,518,831

How the Assets are Invested

The portfolio of the fund comprises commercial forests covering an area of more than 21,000 hectares. These forests cover a range of ages from very young to fully mature crops and have a wide regional spread, primarily in Ireland but with some forests in Scotland and Northern England.

Region	% Weight
Connacht	40.5%
Leinster	13.2%
Munster	38.0%
Ulster	2.5%
England	0.2%
Scotland	5.6%
	100.00%

Overview of Investment Performance

Net Timber revenue for the period was €20.4 million. IForUT has a policy of actively managing timber sales through timber price cycles to improve long term performance. A total of €12.6 million was invested in new forest properties in the period.

The total of net assets attributable to unit holders in the Trust increased to €358 million from €324.8 million at the end of May 2021. The Trust continues to actively pursue new forest assets to invest funds. Notwithstanding the softening of the market in 2022, overall timber sales increased in the year. We do not expect to have the same levels of sales volumes in the year to May 2023. However, IForUT has continued achieve prices above their long term averages for sales to date.

IForUT has also continued to negotiate several new forest acquisitions as well as forest improvement works and harvesting road construction.

Irish Forestry Unit Trust Forestry Management Ltd is regulated by the Central Bank of Ireland.

The gross investment return for the period +11.7%

Irish Infrastructure Fund

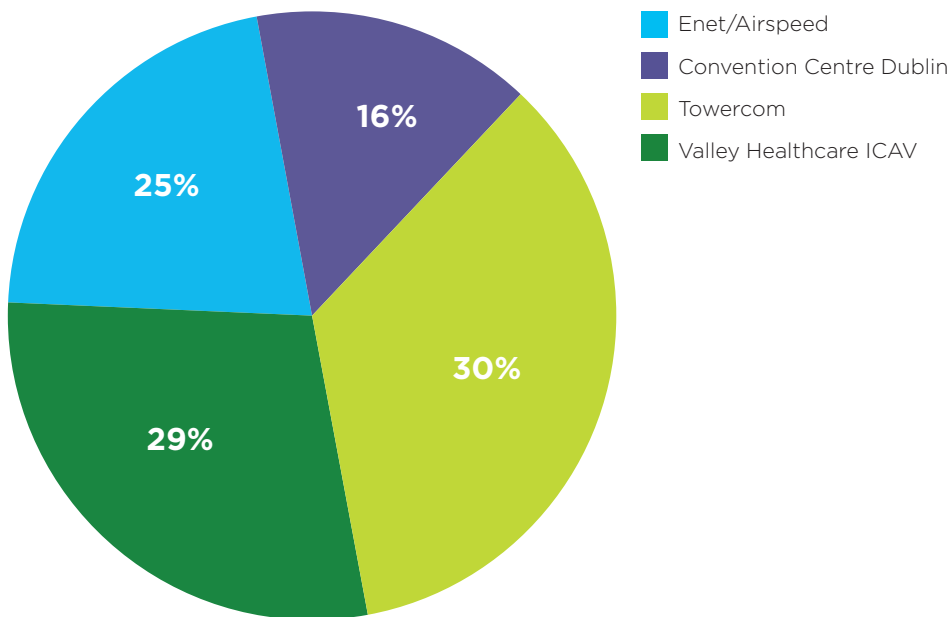
How the Assets are Managed

The Fund seeks to pursue its investment objective by identifying, acquiring and managing a portfolio of Infrastructure Assets which are wholly or substantially located or based in Ireland. Infrastructure Assets may be acquired either on the primary or secondary market. Each prospective investment is assessed on a stand-alone basis, and as part of the investment process. Once Infrastructure Assets have been acquired, the Infrastructure Investment Manager monitors and manages all strategic, financial (including gearing) and operational aspects of the Fund's Infrastructure Assets with a view to long term value creation.

Value of the Assets

Market value of the assets held at 31st May 2021	€15,195,779
Net Contributions	€0
Appreciation /(Depreciation)	€1,564,421
Market value of assets held at 31st May 2022	€16,760,200

How the Assets are Invested



Overview of Investment Performance

The Convention Centre Dublin (“CCD”) is Ireland’s only purpose-built convention centre, strategically positioned on the banks of the River Liffey in the centre of Dublin. The business remains resilient through the receipt of the concession unitary charge from the OPW (which represents 65% of the CCD’s revenue base). The CCD continues to operate effectively within the lender covenants despite reduced trading as a result of Covid restrictions.

Towercom is the largest independent telecom tower / mast owner in the Republic of Ireland and owns/controls 406 telecom tower/mast sites. Towercom’s upgrade programme of existing sites is progressing well, with a lot of success in both the planning programme (>120 final grants received) and customers being signed up for mast space. Towercom was awarded the ISO 55001 Asset Management certification for the first time with zero non-conformances or observations recorded.

Irish Infrastructure Fund

Valley Healthcare (“Valley”) was set up to acquire and develop a portfolio of Health Centres (HCs) and Primary Care Centres (PCCs). The business is managed by Glencar Healthcare who are responsible for identifying acquisition and development opportunities and provide property management services. During Q1 2022, Valley achieved practical completion on Buncrana and Ennis PCCs with the HSE commencing their lease thereafter. Valley also continues construction at the Clondalkin Boot Road site. The HSE leases at Ballincollig, Fermoy and Ferrybank PCCs commenced during Q1. Valley continues to progress its acquisition and development pipeline and closed on a site acquisition in Dunfanaghy Co. Donegal.

Speed Fibre Group is an Irish Fibre operator who manage a combination of metro networks (via concessions and direct ownership), long-haul fibre routes, and a wireless retail/wholesale business. The business sells broadband connections and capacity on its networks to customers who are mostly telecom companies such as BT, Verizon, 3, and Virgin Media or medium to large Irish corporates. The business had a robust start to 2022 with Q1 EBITDA 0.7% ahead of budget owing to strong recurring revenues across the business and effective cost and churn management. A number of strategic growth initiatives are being pursued by management with the support of the board. Speed Fibre Group continues to support Ireland's rural broadband initiative, National Broadband Ireland (NBI), by connecting ‘Strategic Community Points’ in hundreds of communities around rural Ireland.

The Irish Infrastructure Fund is regulated by the Central Bank of Ireland as a Qualifying Investor Alternative Investment Fund.

The gross investment return for the period +10.4%

How the Assets are Managed

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

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

Value of the Assets

Value of the assets at 31st May 2021	€216,271,797
Net contribution	€13,734,606
Appreciation / (Depreciation)	(€1,006,758)
Value of the assets at 31st May 2022	€228,999,645

How the Assets are Invested

CERS Equity Fund

The CERS Equity Fund is managed on a passive basis, 42.5% against the MSCI Developed World Equity Index, 42.5% Developed World Equity Hedged and 15% MSCI Emerging Markets. The fund tracks the market return by investing in a basket of securities in the same proportion as they are represented in the market index. The fund is re-balanced on a monthly basis.

The gross investment return for the CERS Equity Fund for the period +1.36%

CERS Cash Fund

The fund is actively managed and invests in a mix of cash deposits with different maturities and other cash like instruments. The objective of the fund is to provide capital protection. However it is not guaranteed and aims to deliver a return in line with interest rates being achieved on short term cash deposit rates. The fund can invest in deposits, short dated bonds and other money market instruments. All investments within the fund are Euro denominated.

The gross investment return for the CERS Cash Fund for the period -0.64%

CERS Bond Fund

The fund invests in a blend of indexed bonds, including government and corporates, trying to match the movement in annuity prices. The bond mix is reviewed periodically and can be updated if a mix that better matches annuity prices can be achieved. This fund aims to broadly follow the long-term changes in annuity prices due to interest rates which are just one of the main factors that determine annuity prices.

The gross investment return for the CERS Bond Fund for the period -19.15%

Irish Life Investment Managers

CERS MA Bond Fund Active

The CERS Multi Asset Active Bond Fund is an actively managed inflation linked bond fund investing in French, Italian, Spanish and German inflation linked bonds. The fund operates with a duration range of 7.7-9.7 years.

The gross investment return for the CERS Multi Asset (MA) Bond Fund Active for the period +3.92%

The CERS MA Bond Fund

The fund aims to track the performance of the EMU Large Cap Corporate Index. This index tracks the performance of large issue, Euro-denominated, investment grade public debt of Corporate issuers. Qualifying bonds must have at least one year remaining term to maturity, a fixed coupon schedule, and a minimum amount outstanding of EUR 500m.

The gross investment return for the CERS Multi Asset (MA) Bond Fund for the period -8.99%

CERS Emerging Market Fund

The fund is managed on an indexed basis against the MSCI Emerging Markets Index. The fund captures the characteristics of the underlying index in terms of country and industry exposure.

The gross investment return for the CERS Emerging Market Fund for the period -8.42%

Overview of Investment performance

Global equities are down over the last twelve months, falling -2.8% in local currency terms although rose 6.9% in Euro terms as the weaker euro boosted returns for euro based investors. Equities rose through most of the second half of 2021, supported by the strong economic environment which resulted in earnings forecasts being significantly upgraded with earnings growing 56% for the year as a whole. Equities however have fallen from all time highs in early January on concerns over tighter central bank policies, higher bond yields and uncertainty over the potential fallout on growth and inflation following the invasion of Ukraine by Russia adding to volatility in markets.

Eurozone bonds fell and yields rose through the year with the Eurozone 5yr+ sovereign bond benchmark down -14.5%. Bond yields rose as the Eurozone economy recovered from the double dip recession experienced in early 2021 following renewed lockdowns at the start of the year while increasing concerns around inflation also contributed to higher yields which resulted in an expectation of reduced policy accommodation from the ECB and other central banks.

Irish commercial property is higher over the last twelve months, with the property fund rising 4.4%. Despite the continued disruption and, indeed, uncertainty posed by the Covid-19 pandemic, inward investment into Irish property remained relatively high during 2021. Rental values in the modern office space have held up well despite the pandemic, while the industrial/logistics sector has experienced a surge in growth over the last twelve months.

Commodities rose 63.8% over the last twelve months and are up 86.3% in Euro terms due to their sensitivity to global growth expectations and tight supplies. Recent concerns over possible supply disruptions and sanctions following Russia's invasion of Ukraine have also pushed commodity prices higher.

Irish Life Investment Managers Limited is regulated by the Central Bank of Ireland.

Pensioner Fund

The CERS Pensioner Fund is invested in a bespoke mix of Fixed Income Securities – Nominal and Inflation Linked Bonds and Eurozone Corporate Large Cap Bonds. The fund is managed to a specific duration target as instructed by the Scheme Actuary and Investment adviser from time to time. The CERS Pensioner Fund invests in fixed income securities through a segregated account. Virtually all of these assets are readily tradable on recognised markets or exchanges. The securities are valued daily in accordance with recognised practices. The fund is re-balanced on instruction from the Trustee.

Value of the Assets

Value of the assets at 31st May 2021	€239,872,688
Net contributions - Subscriptions	(€9,900,000)
Appreciation / (Depreciation)	(€24,513,723)
Value of the assets at 31st May 2022	€205,458,965

How the Assets are Invested

	% Weight		% Weight
Corporate Bonds	15.1%	Germany	19.6%
Italy	4.2%	Belgium	4.9%
France	27.6%	Austria	1.6%
Ireland	13.1%	Cash	0.3%
Spain	13.6%	Total	100%

Overview of Investment Performance

Eurozone bonds fell and yields rose through the year with the Eurozone 5yr+ sovereign bond benchmark down -14.5%. Bond yields rose as the Eurozone economy recovered from the double dip recession experienced in early 2021 following renewed lockdowns at the start of the year while increasing concerns around inflation also contributed to higher yields which resulted in an expectation of reduced policy accommodation from the ECB and other central banks.

The gross investment return for the Pensioner Fund for the period -10.9%

Irish Life Investment Managers Limited is regulated by the Central Bank of Ireland.

JPM Infrastructure

Diversified private core/core plus infrastructure exposure

Infrastructure Investment Fund (IIF) is a diversified open-ended strategy that invests in private infrastructure equity and focuses on core assets where a majority of the return is cash yield. The IIF Team has over 15 years of operating experience, using scale, control positions and existing portfolio construction to reduce volatility and deliver stable cash yield. There are 18 portfolio companies representing 677 assets in 28 countries and 13 subsectors. The fund is Principles for Responsible Investment (PRI) A rated in direct infrastructure.

Value of the assets:

Market value of the assets held at 31st May 2021	€0
Net Contributions	€9,452,608
Appreciation / (Depreciation)	€904,370
Market value of assets held at 31st May 2022	€10,356,978

How the assets are invested

Distributed/Regulated Assets

Monopolistic regulatory frameworks give visibility into stable cash flows

Portfolio Guideline

30-60%

Contracted/Power Assets

Long-term contracts with volume minimums

30-60%

GDP-Sensitive Assets

Mature assets with significant demand history and often underpinned by contracts

10-30%

Overview of Investment Performance

Beginning with the Distribution/Regulated sector, Adven, a leading provider of district heating and industrial energy solutions across the Nordics and Baltics, closed on the acquisition of a 50% stake in Per torps Fjärrvärme AB, the district heating assets in the Swedish municipality of Perstorp. This transaction represents a continuation of the platform's strong track record of both organic and inorganic growth, as well as partnering with local municipalities.

IIF increased its stake in Norte Gas, a gas distribution company servicing Northern Spain. IIF and one of its co-shareholders acquired ADIC's 19.2% stake in the company, increasing IIF's share from 60.5% to 74.9%. Summit Utilities, a U.S. regulated natural gas distribution company, closed on the acquisition of the gas distribution assets of CenterPoint Energy, Inc. serving approximately 525,000 customers in Arkansas, Oklahoma, and Texas, and including 17,000 miles of gas main pipeline across those three states. As part of the acquisition, Summit welcomed nearly 600 CenterPoint team members to the company. Integration efforts are on track and continue to be a key area of focus to ensure a smooth transition of operations.

In the Contracted/Power sector, Sonnedix, IIF's global solar platform, closed on the acquisition of Sun Power Energy ("SPE"), a Polish solar PV developer. The SPE platform is comprised of a 950MW pipeline of 100% owned projects across Poland and the transaction serves as an entry into a new jurisdiction. Sonnedix continues to pursue accretive growth through M&A and is focused on progressing its development portfolio into operations.

The Gross asset performance for the period* was 4.6%

*CERS investment was drawn down on the 1st October 2021

CERS Property Commentary

Year ended 31st May 2022

The 12-month period to 31 May 2022 continued to be a challenging time for property funds as they navigated through the impact of the global pandemic.

The CERS Property Fund has a broad exposure across the various sectors of the market – office, logistics, and retail as well as geographical diversity, investing across Ireland and Europe. This broad exposure has helped the fund through this challenging environment.

With employees starting to return to the office, activity within the office sector began to pick up over the 12 month period. This trend accelerated in 2022 with rents for prime assets almost recovering to pre-pandemic levels.

The retail segment of the property market was worst hit during the pandemic, as it was impacted by lockdowns and closures. However as we have begun to emerge from the pandemic, pent-up consumer demand and savings have translated into strong retail spending on goods and services, which has benefitted the retail exposure in the portfolio.

The logistics market has been a strong performing segment, continuing to benefit from the shift to online purchasing. As a result this market has seen very strong demand with additional large sites being developed as fulfilment centres to support further growth across e-commerce.

Despite the challenges for certain sectors, property is an asset class that continues to attract investors owing to the attraction of stable rent payments and the ability to provide a hedge against rising inflation. Rent collection has proved very stable throughout the period, allowing the underlying investments in the CERS Property Fund to maintain consistent dividend yields.

The quality of portfolio holdings combined with diversification across sectors, occupant types and asset type has contributed positively to portfolio resilience during a challenging period.

The CERS Property Fund remains well-diversified over a number of quality managers and has proven to be resilient throughout the period. The structure of the fund and manager allocations continue to be reviewed on an ongoing basis.

CERS Property Commentary (continued)

Irish Property Unit Trust

Value of the Assets



Market value of assets held at 31st May 2021	€12,854,762
Net Contributions	€0
Appreciation / (Depreciation)	€319,621
Market value of assets held at 31st May 2022	€13,174,383

How the assets are invested

Commercial property in the Republic of Ireland

IPUT plc is authorised and regulated by the Central Bank of Ireland

SSGA Property Fund

Value of the Assets



Market value of assets held at 31st May 2021	€8,692,584
Net Contributions	€0
Appreciation / (Depreciation)	€376,628
Market value of assets held at 31st May 2022	€9,069,212

How the assets are invested

Commercial property in the Republic of Ireland and UK

State Street Global Advisors Ireland Limited is regulated by the Central Bank of Ireland.

The European Property Fund



Value of the Assets

Market value of assets held at 31st May 2021	€53,011
Net Contributions	(€16,139)
Appreciation / (Depreciation)	€2,480
Market value of assets held at 31st May 2022	€39,352

How the assets are invested

Commercial property in the Eurozone

KBI Global Investors Ltd is regulated by the Central Bank of Ireland

CERS Property Commentary (continued)

Fidelity International



Value of the Assets

Market value of assets held at 31st May 2021	€10,093,549
Net Contributions	€0
Appreciation / (Depreciation)	€1,306,294
Market value of assets held at 31st May 2022	€11,399,843

How the assets are invested

Commercial property in the Eurozone

Fidelity International are authorised and regulated in the UK by the Financial Conduct Authority.

Quadrant Real Estate Advisors



Value of the Assets

Market value of assets held at 31st May 2021	€3,708,989
Net Contributions	(€394,488)
Appreciation / (Depreciation)	€329,093
Market value of assets held at 31st May 2022	€3,643,594

How the assets are invested

Commercial property in Ireland

QREA Investments ICAV is regulated by the Central Bank of Ireland.

The net investment return for the CERS Property Fund for the period +5.7%

05

STATEMENT OF INVESTMENT POLICY PRINCIPLES

Introduction

Section 59 of the Pensions Act requires that the Trustee prepares a statement describing the principles underlying their investment policy.

This statement has been prepared in consultation with our actuarial and investment advisors.

It will be reviewed at least every 3 years and revised whenever there is a change in our investment principles.

Overview

The assets of the Scheme are sub-divided into 2 separate sections for investment purposes:

The Pensioner Fund invests primarily in a combination of both fixed interest and inflation linked Eurozone government bonds.

The Member Selected Funds consist of 6 sub-funds, as follows:

- a) The Equity Fund
- b) The Bond Fund
- c) The Property Fund
- d) The Cash Fund
- e) The Alternative Assets Fund
- f) The Multi Asset Fund

The Pensioner Fund

The Pensioner Fund holds assets in respect of retired members and certain deferred members who are no longer a direct liability of an employer's sub-fund. The pensioner fund invests primarily in both fixed interest and inflation linked Eurozone government bonds as well as a unit linked Corporate bond fund.

Investment Objective and Asset Allocation

The investment objective for the Pensioner Fund is to hold assets which as far as practicable will "match" its liabilities. This means holding a portfolio of assets which will, as closely as possible, change in value in line with changes in the value of these liabilities as financial conditions change.

The liabilities in question fall into two broad categories

- Liabilities which are linked to the rate of Irish price inflation and
- Liabilities which are not inflation linked e.g. pensions in payment which do not increase while in payment or which increase at a fixed rate.

Inflation linked liabilities are "matched" by holding inflation linked bonds of average duration equivalent to the average duration of these liabilities. As it is not possible to purchase stocks linked to Irish price inflation the Pensioner Fund invests in stocks linked to Eurozone inflation. While rates of Irish and Eurozone inflation may diverge in the short- term, it is considered that investment in stocks linked to Eurozone inflation provides the best available long-term match for liabilities linked to Irish inflation in the expectation that rates of inflation within the Eurozone will converge in the long-term. The index linked stocks held are all issued by Eurozone governments.

Fixed Liabilities are “matched” by holding Eurozone government fixed interest stock and units of a Corporate bond fund of average duration equivalent to the average duration of these liabilities.

The Pensioner Fund is therefore entirely managed on a matched (as closely as possible) basis by reference to its liabilities.

Measurement and Monitoring

The principal investment risk facing the Pensioner Fund is that the change in the value of its assets fails to match the change in the value of its liabilities as bond yields and rates of inflation change or as a result of a full or partial default of the bonds held. This risk is managed by reviewing on an annual basis the suitability of the stocks held to match these liabilities. This includes a review of:

- (a) The overall value of the liabilities of the Pensioner Fund held in respect of the “Matched Liabilities” having regard to cash flows and new retirements during the year.
- (b) The proportion of the Pensioner Fund to be held in fixed interest bonds and the proportion to be held in inflation linked bonds.
- (c) The duration of the stocks held by comparison with the duration of the liabilities of the Pensioner Fund.
- (d) The Investment Manager is given a mandate setting out the credit rating required for any bonds held.

The financial effect of investment risk is quantified each year as part of the overall actuarial valuation of the Scheme.

Member Selected Funds

There are 6 Member Selected Funds as noted above. Defined Contribution members who have not yet retired may direct that their retirement accounts be invested in any combination of one or more of these funds. In the case of Defined Benefit schemes, the Trustee in consultation with the Sponsoring Employer and having regard to the liabilities of the Scheme will determine the combination of funds to be used having regard to the principles set out on page 36.

Each of the Member Selected funds has its own investment strategy, as follows:

The Equity Fund

The Equity Fund invests in a diversified manner in global equity markets including an allocation to emerging markets. The Fund is passively managed. This means that the Fund holds all of the shares in the relevant benchmark indices in proportion to their relative market capitalisation. The benchmark indices for the Fund are currently:

MSCI Developed Market Equity	42.5%
MSCI Developed Market Equity Unhedged	42.5%
MSCI Emerging Market Equity	15.0%

This passive approach to investment eliminates manager risk i.e. the risk that the Investment Manager might underperform index returns. The passive manager used for the Equity Fund and the benchmark indices used are subject to Trustee review on a regular basis. The Trustee may also from time to time decide to hedge all or part of the currency risk arising from investment in non-Euro markets. As the Fund invests entirely in shares it may be expected to exhibit a high level of volatility in line with the performance of global stock markets. The value of the Equity Fund may therefore rise or fall considerably over relatively short periods (possibly by 30% or more). However, in the long term the expected return from the Equity Fund is greater than that expected from any of the other fund choices available under the Scheme. The Equity Fund may therefore be a suitable vehicle for younger members who have many years to go to retirement and are more concerned with maximising long term return than with short term volatility.

The Bond Fund

The fund invests in a blend of index linked bonds, including government and corporates, trying to match the movement in annuity prices. The bond mix is reviewed periodically and can be updated if a mix that better matches annuity prices can be achieved. The fund aims to broadly follow the long term changes in annuity prices due to interest rates which are just one of the factors that determine annuity prices. The benchmark indices for the Fund are currently:

ICE BAML 15+ YR AAA Euro Gov Index	60%
ICE BAML 10+ YR Euro Lg Cap Corp Index	40%

The Investment Managers used for the Bond Funds and the benchmark indices used will be reviewed on a regular basis by the Trustee.

The Bond Fund may be expected to exhibit some volatility (but not generally as much as the Equity Fund). In particular, if interest rates increase the value of the Bond Fund may be expected to fall. In the longer term the return to be expected from the Bond Fund is less than the expected return from the Equity Fund but more than the expected return from the Cash Fund. The Bond Fund may also be a suitable vehicle for Scheme members who, in the years approaching their retirement, wish to align some or all of their investments with the cost of purchasing a pension on retirement. This is because the value of the Bond Fund may be expected to move broadly in line with the cost of buying a pension as interest rates change.

The Property Fund

The Property Fund is invested in five underlying unitised property funds managed by separate managers. As well as this diversification across managers, the Fund is geographically diversified with Ireland the largest element but with exposure also to the United Kingdom and Europe. The Fund also provides diversification across the major property sectors i.e. office, retail and industrial.

The value of the Property Fund may fluctuate considerably over relatively short periods. In some years the return provided may be a negative, perhaps significantly so. Property is a relatively illiquid asset which may exacerbate market fluctuations (both up and down) and may also lead to delays in implementing redemptions (or withdrawals) from the Property Fund.

In the longer term the return from the Property Fund may be expected to be somewhat lower than that from the Equity Fund. However, the Property Fund may experience long periods during which values decline.

The Trustee reviews the managers and strategy adopted for the Property Fund on a regular basis.

The Cash Fund

The Cash Fund may invest in Euro denominated Bank deposits and other cash-like instruments such as certificates of deposit, treasury bills and short term bonds. The Fund's focus is to place money with high quality counterparties i.e. banks and other issuers. The Fund's exposure to counterparty risk is rigorously managed by a policy of diversification which controls the maximum amount that may be invested in any individual country, bank or issuer. The credit worthiness of counterparties is subject to ongoing review by the Fund's Investment Manager.

As the Cash Fund is invested entirely in bank deposits and other similar instruments it may be expected to provide a return in line with Euro deposit rates with a stable capital value. The Cash Fund may be a suitable vehicle for those Scheme members who, in the years approaching their retirement, wish to preserve the capital value of some or all of their investments (in particular that part of their fund which they plan to take as a lump sum). In the longer term, the Cash Fund is unlikely to provide a return sufficient to support members' benefit expectations and in times of very low interest rates may provide negligible or even slightly negative returns. The Trustee reviews the manager and strategies used for the Cash fund on a regular basis.

The Alternative Assets Fund

The Alternative Assets Fund is diversified across a wide range of assets, strategies and managers. The fund may contain investments including, but not limited to, equities, bonds, forestry, property, infrastructure, absolute return and derivatives including managed futures and asset backed securities. Absolute return funds typically aim to deliver modest absolute returns relative to a cash benchmark at relatively low risk. The objective of the Alternative Assets Fund is to reduce volatility through diversification. The underlying managers may use financial instruments (e.g. derivatives) in their investment strategies, employing a wide range of different strategies some of which may be relatively high risk.

The Alternative Asset Fund may be expected to exhibit a level of volatility which is somewhere between that exhibited by the Bond and Equity Funds. Similarly, the return to be expected in the longer term from the Alternative Assets Fund would normally be considered to be lower than the expected return from the Equity Fund but greater than the expected return from the Bond Fund. This Fund may be a suitable vehicle for part of a member's assets to improve diversification. The underlying funds and assets in which the Alternative Assets Fund invests are reviewed regularly by the Scheme Trustee.

The Multi Asset Fund

The Multi Asset Fund invests in four of the five available CERS Funds – Equity Fund, Property Fund, Alternative Assets Fund and the Cash Fund as well as two bond funds which are specific to the CERS Multi Asset Fund. The allocation to each fund will vary from the central allocation within an agreed range from time to time to take account of market conditions as determined by the Trustee. The central allocation and agreed ranges are as follows:

Sub Fund	Central Allocation	Agreed Range
Bonds	7.5%	5% - 10%
Inflation Linked Bonds	7.5%	5% - 10%
Equities	45%	37.5% - 52.5%
Alternative Assets	27%	22% - 32%
Property	11%	8% - 14%
Cash	2%	0% - 4%

The Multi Asset Fund may be expected to exhibit the same characteristics as regards volatility and expected returns as the underlying funds in which it invests. However, overall volatility is reduced by investing across the full range of funds and the level of volatility experienced is likely to be lower than the Equity Fund but greater than the Bond or Cash Funds. Similarly, the expected long term return from the Multi Asset Fund would normally be considered to be lower than that of the Equity Fund but greater than that of the Bond or Cash Funds. The central allocation to each of the sub funds will be subject to regular review by the Trustee. The Trustee also reviews the managers and strategies used for each of the underlying Funds on a regular basis.

A lifestyle option based on gradual de-risking of investment strategy over the last 7 years prior to a member's anticipated retirement age is the default option for Defined Contribution members who do not wish to or feel they are unable to make their own fund choice.

CERS Multi Asset Bond Fund

The CERS Multi Asset Bond fund is a passively managed fixed interest fund. Its objective is to track the performance of the EMU Large Cap Corporate Index.

CERS Inflation Linked Multi Asset Bond Fund

The Inflation Linked Multi Asset bond Fund comprises inflation linked bonds with the following target ranges.

Fund	Central Allocation	Agreed Range
France	24%	14% - 34%
Italy	20%	0% - 30%
Spain	20%	10% - 30%
Germany	36%	26% - 46%
Euro Cash	7.5%	5% - 10%

CERS - Structure Of Lifestyling Arrangement

The Trustee introduced 2 lifestyle options based on gradual de-risking of investment strategy over the last 7 years prior to a member's anticipated retirement age. The standard lifestyle (default option) and an ARF lifestyle strategy are available for Defined Contribution members who do not wish to or feel that they are unable to make their own fund choice.

A key element of both lifestyle options which are available to members, is the gradual and automatic de-risking of lifestyle members' investment strategy to target a more conservative mix of assets when a member reaches their Normal Retirement Age (NRA). The target investment allocations at NRA for each of the lifestyle options has been set following consideration of the likely mix of benefits which will be taken by members at retirement.

Standard Lifestyle Strategy

The Standard Lifestyle Option may be suitable for members who intend to purchase a pension from the CERS scheme at their normal retirement age (NRA). The strategy is based on gradual de-risking of investment strategy over the last 7 years prior to a member's NRA. This strategy is automatically included as part of the Multi Asset Fund (default fund). Members will invest 100% in the Multi Asset Fund until 7 years prior to their NRA with 10% being automatically transferred out of the Multi Asset Fund (to a combination of the Cash Fund 7.5% and Bond Fund 2.5%) in each of the last 7 years. Ongoing future contributions would also be invested in accordance with this Standard Lifestyle matrix with effect from the switch date. The member's fund will rebalance at yearly intervals thereafter.

The Scheme will have 4 Lifestyle dates each year, 1st January, 1st April, 1st July and 1st October. Once a member is within 7 years of their NRA, the first switch and contribution redirection will occur on the quarterly switch date immediately after the member's birthday.

The Standard Lifestyle Table Is As Follows:

Period Remaining to Normal Retirement Age	Allocation of Existing Assets and Future Contributions		
	Multi Asset Fund	Cash Fund	Bond Fund
More than 7 Years	100%	Nil	Nil
6-7 Years	90%	7.5%	2.5%
5-6 Years	80%	15.0%	5.0%
4-5 Years	70%	22.5%	7.5%
3-4 Years	60%	30.0%	10.0%
2-3 Years	50%	37.5%	12.5%
1-2 Years	40%	45.0%	15.0%
0-1 Year	30%	52.5%	17.5%

Approved Retirement Fund (ARF) Lifestyle Strategy

The Approved Retirement Fund (ARF) Lifestyle Option may be suitable for members who intend to transfer their retirement accounts to an ARF at retirement instead of purchasing a pension from the CERS scheme. This strategy is based on gradual de-risking of investment strategy over the last 7 years prior to a member's normal retirement age (NRA). Members who select the ARF Lifestyle Option will invest 100% in the Multi Asset Fund until 7 years prior to their NRA with 5.5% being automatically transferred out of the Multi Asset Fund to the Cash Fund in each of the last 7 years. Ongoing future contributions would also be invested in accordance the ARF Lifestyle matrix with effect from the switch date. The member's fund will rebalance at yearly intervals thereafter.

The Scheme will have 4 Lifestyle dates each year, 1st January, 1st April, 1st July and 1st October. Once a member is within 7 years of their NRA, the first switch and contribution redirection will occur on the quarterly switch date immediately after the member's birthday.

The ARF Lifestyle Table Is As Follows:

Period Remaining to Normal Retirement Age	Allocation of Existing Assets and Future Contributions	
	Multi Asset Fund	Cash Fund
More than 7 Years	100%	Nil
6-7 Years	94.5%	5.5%
5-6 Years	89.0%	11.0%
4-5 Years	83.5%	16.5%
3-4 Years	78.0%	22.0%
2-3 Years	72.5%	27.5%
1-2 Years	67.0%	33.0%
0-1 Year	61.5%	38.5%

Summary - Volatility and Expected Returns

Fund	Volatility	Long Term Expected Returns	Legend: Volatility	Volatility Type
Equity Fund	6	6	7	Very High
Property Fund	6	6	6	High
Multi Asset Fund	5	5	5	Medium to High
Alternative Assets Fund	5	5	4	Medium
Bond Fund	4	4	3	Low to Medium
Cash Fund	1	1	2	Low
			1	Very Low

Defined Benefit Sub-Schemes – Measurement And Management Of Investment Risk

In the case of Defined Benefit sub-schemes, investment risk is measured relative to the liabilities of the sub-scheme and is assessed at each triennial actuarial valuation. Investment risk is managed as set out below.

The Trustee requires that the strategy outlined below be implemented as a condition of their supporting an extended funding proposal period of more than 3 years.

At the date of each actuarial valuation (normally every 3 years) the percentage of past service liabilities to be invested in the Bond Fund is calculated in accordance with the following table based on the age distribution of the employed and deferred members in the sub-scheme at the valuation date.

Period Remaining to Normal Retirement Date	% of Past Service Liabilities to be Invested in Bond Fund
0 – 3 years	75%
3 – 5 years	50%
5 – 7 years	25%
Over 7 years	Nil

The balance of the assets of the sub-scheme is invested in the Multi Asset Fund.

This calculation results in an overall percentage of past service liabilities to be invested in the Bond Fund. This percentage is applied to the value of existing assets to determine the proportions to be invested in the Bond Fund and the Multi Asset Fund. Future contributions are allocated in the same proportions. Disinvestments to fund retirements will be made 75% from the Bond Fund and 25% from the Multi Asset Fund unless otherwise advised by the Scheme Actuary.

This strategy will be implemented on a phased basis as funding proposals, requiring a recovery period of more than 3 years, are implemented for each DB sub-scheme. Where the application of this strategy results in a material increase in the proportion of existing assets to be invested in the Bond Fund the increased bond content may be implemented on a phased basis in consultation with the Sponsoring Employer over the funding proposal period.

The employer sponsoring a DB sub-scheme may in consultation with the Trustee opt to have a greater allocation to the Bond and Cash funds than is derived from this strategy.

In the case of sub-schemes which do not require an extended recovery period the investment strategy to be adopted is determined by the Trustee in consultation with the Sponsoring Employer having regard to the liabilities of the DB sub-scheme.

Defined Contribution Schemes And Additional Voluntary Contributions

The Trustee's key investment objectives in relation to DC members and those paying AVCs are:

- To provide a suitable range of fund options to meet the requirements of individual members and
- To provide members with adequate information in relation to these options.

It is acknowledged that individual members will have different requirements depending on their age, their attitude to risk and investment knowledge.

Risk Measurement And Management

The risks considered by the Trustee in determining the fund options currently available and their response to the management of these risks are shown below:

- (a) The risk of insufficient long-term capital growth for younger members - managed by providing access to the Multi Asset Fund which has a benchmark allocation of 74% to return seeking assets.
- (b) The risk that the value of a member's investment account may fall shortly before retirement due to stock market volatility leading to a permanent loss of retirement income - managed by offering members a Cash Fund and two Lifestyle options.
- (c) The risk that bond yields may fall shortly before retirement leading to an increase in annuity costs and a permanent loss of retirement income - managed by offering members a Bond Fund and two Lifestyle options.
- (d) The risk that members may have insufficient investment knowledge to make appropriate choices in relation to the investment of their accounts. This risk is managed by offering the two Lifestyle options, one of which is the default option in the event that a member does not make a written fund choice.
- (e) The risk that individual Investment Managers may underperform leading to a loss of investment return - controlled by offering funds which are mainly managed on a passive basis and by broadly diversifying the Alternative Assets Fund.
- (f) The risk of loss due to inadequate diversification and/or investment in unregulated markets - managed by only offering unitised funds which are themselves broadly diversified and which invest mainly in regulated stock markets.

Environmental, Social and Governance (ESG)

The Trustee believes that environmental, social, and corporate governance (ESG) factors may 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 Trustee also recognises that long-term sustainability issues, particularly climate change, present risks and opportunities that increasingly may require explicit consideration.

By using a pooled investment vehicle for its equity investments, the Trustee accepts that the day-to-day application of voting rights will be carried out by the investment managers in accordance with their own corporate governance policy and current best practice. These managers have in place clear policies of normally voting on all issues on behalf of its investors' best financial interests and have provided the Trustee with a statement detailing their voting policy and practices.

The Trustee considers Mercer's ESG ratings (where available) for each of their strategies. Rating reviews are undertaken on a regular basis and documented at least annually. The Trustee, in conjunction with its advisers, will actively monitor and engage with its managers on ESG integration, consistent with this Policy statement.

The Trustee has given appointed investment managers full discretion in evaluating ESG factors, including climate change considerations and not set any investment restrictions on the appointed investment managers in relation to particular products or activities, but may consider this in future.

Shareholders' Rights Regulations 2020

With respect to the European Union (Shareholders' Rights) Regulations 2020, the Trustee has 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 Trustee has engaged with the managers and they have provided a copy of their Engagement Policy and confirmed that they are in compliance with the Regulations. The investment horizon of the Scheme's equity investments is medium to long term in nature, and the Trustee expects the managers to use their engagement activity to drive improved performance over those periods.

The Trustee also expects 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 change over relatively short timeframes.

Sustainable Finance Disclosure Regulations

The Trustee acknowledges 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 Trustee is awaiting the clarity of the Level II regulations prior to making such a statement.

This policy is available to members on www.cers.ie.

Date: April 2022

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FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MAY 2022

Trustee and advisors

Trustee
Trustees

Construction Executive Retirement Savings
Designated Activity Company

Officers of the Trustee

Directors:

Colman Cronin
Michael Kennedy
Gerry Morrissey
Brian O'Neill
Conor Scott
Eamon Booth

Company Secretary:

Gabriel MacGrath

Secretary to the Trustee

Anne Keogh

Scheme Administrator

CIF Pension Administration Services Designated
Activity Company (CPAS)
Linden House
4 Clonskeagh Square
Clonskeagh Road
Dublin 14

Scheme Actuary

James O'Connor
Willis Towers Watson Ireland
Elm Park
Dublin 4

Investment Advisor

Mercer (Ireland) Limited
Charlotte House
Charlemont Street
Dublin 2

Investment Managers

Aberdeen Standard Investments Luxembourg S.A
35a Avenue John F. Kennedy
L-1855 Luxembourg
Grand Duchy of Luxembourg

IPUT plc
2 Hume street
Dublin 2

Irish Forestry Unit Trust
Woodford Business Park
Santry
Dublin 17

AMP Capital
Level 1
South Bank House
Barrow Street
Dublin 4

Irish Life Investment Managers Limited
Beresford Court
Beresford Place
Dublin 1

Kleinwort Benson Investors
International Financial Services Centre
2 Harbour Place
Dublin 1

State Street Global Advisors Ireland Limited
78 Sir John Rogerson's Quay
Dublin 2

Abbey Capital
1-2 Cavendish Row
Dublin 1

SL Capital Partners LLP
1 George Street
Edinburgh
United Kingdom
EH2 2LL

Fidelity Investments
One Waterside
Citywest Business Campus
Kingswood Avenue
Dublin 24

Quadrant Real Estate Advisors LLC
2300 Lakeview Parkway
Suite 225
Alpharetta
GA 30009
United States of America

J.P Morgan Asset Management
200 Capital Dock
79 Sir John Rogerson's Quay
Dublin 2

Bluebay Asset Management LLP
77 Grosvenor Street
London
United Kingdom
W1K 3JR

Custodians

Citibank Europe Plc.
1 North Wall Quay
International Financial Services Centre
Dublin 1

Independent Auditor

Grant Thornton
Chartered Accountants and Statutory Audit Firm
Penrose One, Penrose Dock
Cork

Bankers

Allied Irish Banks Plc.
1-4 Lower Baggot Street
Dublin 2
Solicitor Arthur Cox
Earlsfort Terrace
Dublin 2

Insurers

Irish Life Assurance Plc.
Irish Life Centre
Lower Abbey street
Dublin 1

Construction Executive Retirement Savings is registered with The Pensions Authority. Its registration number is PB3538. It is classed as a defined benefit scheme for the purposes of the Pensions Act, 1990.

Statement of Trustee's Responsibilities

The financial statements are the responsibility of the Trustee. Irish pension legislation requires the Trustee 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 the Republic of Ireland ("FRS 102"), of the financial transactions for the Scheme year and 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), ("the SORP"), subject to any material departures disclosed and explained in the financial statements.

Accordingly, the Trustee must ensure that they have 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 Trustee is 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 Trustee 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 Trustee is responsible for making available certain other information about the Scheme in the form of an Annual Report. The Trustee is 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 Trustee:

Gerry Morrissey
Director of Trustee company

Date: 7 December 2022

Eamon Booth
Director of Trustee company

Date: 7 December 2022

Independent auditor's report to the Trustee of Construction Executive Retirement Savings

Opinion

We have audited the financial statements of Construction Executive Retirement Savings ("the Scheme"), which comprise the Fund Account and the Statement of Net Assets for the financial year ended 31 May 2022, and the related notes to the financial statements, including the summary of significant accounting policies.

The financial reporting framework that has been applied in the preparation of the financial statements is Irish pension law and accounting standards issued by the Financial Reporting Council including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland and with the guidelines set out in the Statement of Recommended Practice "Financial Reports of Pension Schemes", ("SORP") (revised 2018) (Generally Accepted Accounting Practice in Ireland).

In our opinion, the Scheme's financial statements:

- give a true and fair view in accordance with Generally Accepted Accounting Practice in Ireland of the financial transactions of the Scheme during the year ended 31 May 2022 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.

Opinions and other matters prescribed by the Occupational Pension Schemes (Disclosure of Information) Regulations 2006 (as amended)

In our opinion:

- the financial statements include the information specified in Schedule A to the Occupational Pension Schemes (Disclosure of Information) Regulations 2006 (as amended) which is applicable and material to the Scheme; and
- contributions have been paid in accordance with the rules of the Scheme and the recommendations of the Actuary.

Due to the nature of the Scheme, being an industry wide multi-employer scheme, we are unable to state whether contributions payable to the Scheme by all employers on behalf of Scheme members have been received by the Scheme within 30 days of the end of the scheme year.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) ("ISAs (Ireland)") and applicable law. Our responsibilities under those standards are further described in the 'responsibilities of the auditor for the audit of the financial statements' section of our report. We are independent of the Scheme in accordance with the ethical requirements that are relevant to our audit of the financial statements in Ireland, namely the Irish Auditing and Accounting Supervisory Authority's ("IAASA") Ethical Standard for Auditors concerning the integrity, objectivity and independence of the auditor, and the ethical pronouncements established by Chartered Accountants Ireland, applied as determined to be appropriate in the circumstances for the entity. We have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

Independent auditor's report to the Trustee of Construction Executive Retirement Savings *(continued)*

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

Other information

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

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

We have nothing to report in this regard.

Responsibilities of the Trustee and those charged with governance for the financial statements

As explained more fully in the Statement of Trustee's Responsibilities, the Trustee is responsible for the preparation of the financial statements which give a true and fair view in accordance with Generally Accepted Accounting Practice in Ireland, including Financial Reporting Standard 102 – The Financial Reporting Standard applicable in the UK and Republic of Ireland, and for such internal control as they determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustee is 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 Trustee either intends to liquidate the Scheme or to cease operations, or has no realistic alternative but to do so.

The Trustee is responsible for overseeing the Scheme's financial reporting process.

Responsibilities of the auditor for the audit of the financial statements

The auditor's objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes their 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 that users take on the basis of these financial statements.

As part of an audit in accordance with ISAs (Ireland), the auditor will exercise professional judgment and maintain professional scepticism throughout the audit. The auditor will also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for their opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Independent auditor's report to the Trustee of Construction Executive Retirement Savings *(continued)*

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Scheme's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustee.
- Conclude on the appropriateness of the Trustee's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Scheme's ability to continue as a going concern. If they conclude that a material uncertainty exists, they are required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify their opinion. Their conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause the Scheme to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a matter that achieves a true and fair view.

The auditor communicates with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that may be identified during the audit.

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

This report is made solely to the Scheme's Trustee, as a body, in accordance with Section 56 of the Pensions Act 1990 and Regulations made there under. Our audit work has been undertaken so that we might state to the Scheme's Trustee those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Scheme's Trustee as a body, for our audit work, for this report, or for the opinions we have formed.

Michael Nolan
For and on behalf of

Grant Thornton

Chartered Accountants and Statutory Audit Firm
Cork

Date: 8/12/2022

Fund Account

	Notes	2022 €	2021 €
Contributions and benefits			
Employer contributions	5	27,405,888	22,189,395
Employee contributions	5	8,702,961	7,379,591
Transfers from other schemes	6	778,692	855,237
Other income	7	573,384	669,541
		<u>37,460,925</u>	<u>31,093,764</u>
Benefits	8	(21,658,837)	(23,950,039)
Payments to and on account of leavers	9	(4,161,145)	(4,475,144)
Other costs	10	(2,136,471)	(2,232,308)
Administrative expenses	11	(1,797,990)	(1,782,935)
		<u>(29,754,443)</u>	<u>(32,440,426)</u>
Net additions/(withdrawals) from dealings with members		<u>7,706,482</u>	<u>(1,346,662)</u>
Returns on investments			
Investment income	12	1,365,588	1,227,887
Change in market value of investments	13	(18,265,434)	47,758,752
Investment management fees	14	(171,687)	(183,291)
Net returns on investments		<u>(17,071,533)</u>	<u>48,803,348</u>
Net (decrease) / increase in the fund during the year		(9,365,051)	47,456,686
Net assets of the Scheme			
At the beginning of the year		<u>588,941,957</u>	<u>541,485,271</u>
At the end of the year		<u>579,576,906</u>	<u>588,941,957</u>

The notes on pages 46 to 56 form part of these financial statements.

Signed for and on behalf of the Trustee:

Gerry Morrissey
Director of Trustee Company
Date: 7 December 2022.

Eamon Booth
Director of Trustee Company
Date: 7 December 2022.

Statement of Net Assets (available for benefits)

	Notes	2022 €	2021 €
Investment Assets			
Pooled investment vehicles	13	550,918,674	567,570,655
Private equity investments	13	16,230,574	5,471,750
Cash on deposit	13	2,100,255	2,111,205
Total Investments		569,249,503	575,153,610
Current Assets	18	11,595,718	14,371,143
Current Liabilities	19	(1,268,315)	(582,796)
Net assets of the Scheme at 31 May		579,576,906	588,941,957

The notes on pages 46 to 56 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 Trustee. 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 takes into account such obligations, is dealt with in the Trustee's Report and in the actuarial certificates included in the annual report and these financial statements should be read in conjunction with this report.

Signed for and on behalf of the Trustee

Gerry Morrissey
Director of Trustee Company
Date: 7 December 2022.

Eamon Booth
Director of Trustee Company
Date: 7 December 2022.

Notes to the Financial Statements

1. Basis of preparation

The Scheme was established by a Trust Deed dated 1 May 1971 and is now governed by a Definitive Trust Deed and Rules dated 12 March 2002 (as amended). The Scheme has been approved by the Revenue Commissioners, and is registered with The Pensions Authority as a defined benefit pension scheme. The Scheme pays pensions to retired members and for each member on a defined contribution basis, individual member accounts are maintained.

The financial statements record the transactions of the Scheme during the year and summarise the assets held by the Trustee at the end of the financial year. The transactions and assets in respect of individual schemes for participating employees are included in the financial statements on an aggregate basis.

The financial statements have been prepared under the historical cost convention, except that investments are stated at fair value. The financial statements have been prepared in accordance with the Occupational Pension Schemes (Disclosure of Information) Regulations 2006 (as amended), Generally Accepted Accounting Principles in Ireland, including the Financial Reporting Standard 102 - the Financial Reporting Standard applicable in the UK and the Republic of Ireland ("FRS 102") as issued by the Financial Reporting Council, and in line with the guidelines set out in the Statement of Recommended Practice - Financial Reports of Pension Schemes (revised 2018), ("the SORP").

2 Summary of Significant Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Scheme's financial statements:

2.1. Contributions

Contributions are recognised on an accruals basis.

Due to the unique nature of the Scheme, being an industry wide multi-employer scheme, and the volume and variety of sub schemes, an accounting estimate is applied in order to calculate the year end accrual.

2.2. Benefits payable

Benefits are accounted for in the year in which the member notifies the Trustee of their decision and type or amount of benefit to be taken, or if there is no choice, on the date of retiring or leaving.

2.3. Transfers to and from other schemes

Transfer values are accounted for when member liability is accepted or discharged which is usually as they are received/paid at a value determined by the Actuary advising the Trustee.

2.4. Pensions in payment

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

2.5. Administrative expenses

The administrative expenses represent amounts payable in respect of administration services provided to the Scheme during the year.

2.6. Valuation of investments

Unitised pooled investments have been valued at the latest available bid or single price provided by the pooled investment managers. Shares in other pooled arrangements have been valued at the latest available net asset value ("NAV"), determined in accordance with fair value principles, provided by the pooled investment managers.

Unquoted securities are included at fair value estimated by the Trustee based on advice from the investment managers.

Notes to the Financial Statements (*continued*)

2. Summary of significant accounting policies (*continued*)

2.7. Change in market value of investments

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 the sale of investments during the year.

2.8. Investment income

Distributions and dividends from quoted securities are accounted for when received and recorded as investment income in the Fund Account. Income from bonds is accounted for on an accruals basis and is included in the change in market value of investments in the Fund Account. Income earned on investments in unit linked funds is not distributed but is accumulated with the capital of the funds.

2.9. Investment management fees

Investment management fees are calculated as a percentage of the assets under management. Fees relating to unit funds are levied directly in either the unit price or by surrendering units from the Scheme to the value of the fee. Fees incurred in the year relate to funds managed on a segregated basis. All fees are borne by the Scheme.

2.10. Foreign exchange

Investments and current assets and liabilities denominated in foreign currencies are translated into their Euro equivalents at the rates ruling at the statement of net assets date. Transactions during the year have been translated at the rate of exchange ruling at the date of the transaction. Differences arising on translation of investments are accounted for in the net returns on investments and reported within change in market value of investments in the Fund Account. Refer to note 13.

3. Judgement in applying accounting policies and key sources of estimation uncertainty

3.1. Fair value determination

The extent to which the fair value determination of investments requires judgement is based on a hierarchy of accounting literature. Refer to note 16.

3.2. Fair value measurement

Management uses valuation techniques to determine the fair value of investments (where active market quotes are not available). This involves developing estimates and assumptions consistent with how market participants would price the instrument. Management bases its assumptions on observable data as far as possible but this is not always available. In that case management uses the best information available. Estimated fair values may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

3.3. Contributions due

Management uses an accounting estimate to determine the contributions due from all sub schemes at year end. This is calculated using a financial model with assumptions based on reliable data and is reviewed annually. Estimates may vary from actual.

Notes to the Financial Statements (*continued*)

4. 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 the Scheme's income and gains are generally exempt from taxation. 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.

5. Contributions

	2022	2021
	€	€
Employer contributions		
Normal	15,763,512	12,889,827
Risk	2,278,957	2,197,773
Special	9,363,419	7,101,795
	<u>27,405,888</u>	<u>22,189,395</u>
Employee contributions		
Normal	6,148,160	6,029,732
Additional voluntary contributions	2,554,801	1,349,859
	<u>8,702,961</u>	<u>7,379,591</u>

6. Transfers from other schemes

	2022	2021
	€	€
Individual transfers in from other schemes	<u>778,692</u>	<u>855,237</u>

7. Other income

	2022	2021
	€	€
Claims on term insurance policies	<u>573,384</u>	<u>669,541</u>

8. Benefits

	2022	2021
	€	€
Pensions	12,324,460	12,338,337
Commutation of lump sum retirement benefits	2,934,091	3,996,574
Tax on excess lump sum retirement benefits	63,776	97,560
Transfer to approved retirement funds	5,314,844	6,055,266
Lump sum death benefits	1,021,666	1,462,302
	<u>21,658,837</u>	<u>23,950,039</u>

Notes to the Financial Statements (*continued*)

9. Payments To and On Account of Leavers

	2022	2021
	€	€
Transfers to other arrangements	4,029,075	4,385,448
Refunds of contributions in respect of non-vested leavers	132,070	89,696
	<u>4,161,145</u>	<u>4,475,144</u>

10. Other costs

	2022	2021
	€	€
Premiums on term insurance policies	2,136,471	2,232,308

11. Administrative expenses

	2022	2021
	€	€
Administration charges	1,551,540	1,509,500
Trustee fees and expenses	18,577	32,143
Pension authority fees	10,250	7,806
Bank charges	2,526	7,211
Legal and consultancy fees	179,427	191,124
Audit fee	35,670	35,151
	<u>1,797,990</u>	<u>1,782,935</u>

12. Investment income

	2022	2021
	€	€
Deposit expense	(67,966)	(48,716)
Quoted and other securities	1,433,554	1,276,603
	<u>1,365,588</u>	<u>1,227,887</u>

Notes to the Financial Statements (*continued*)

13. Reconciliation of Investments

	Value at 01/06/2021	Purchases at cost	Sales proceeds	Change in market value	Value at 31/05/2022
	€	€	€	€	€
Pooled investment vehicles	567,570,655	44,035,075	(41,115,406)	(19,571,650)	550,918,674
Private equity investments	5,471,750	9,452,608	-	1,306,216	16,230,574
	573,042,405	53,487,683	(41,115,406)	(18,265,434)	567,149,248
Cash on deposit	2,111,205				2,100,255
	<u>575,153,610</u>				<u>569,249,503</u>

The change in market value of investments during the year comprises all increases and decreases in the market value of investments held at any time during the year, including profits and losses realised on sales of investments during the year. Indirect transaction costs are incurred through the bid offer spread on investments within pooled investment vehicles. The amounts of indirect transactional costs are not separately provided to the Scheme.

14. Investment Management Fees

	2022	2021
	€	€
Investment management fees	<u>171,687</u>	<u>183,291</u>

15. Pooled Investment Vehicles

The Scheme investments in pooled investment vehicles comprised:

	At 31 May 2022			
	Level 1	Level 2	Level 3	Total
	€	€	€	€
Equities	10,614,406	145,397,737	-	156,012,143
Bonds	-	243,721,235	-	243,721,235
Cash	-	45,389,639	-	45,389,639
Property	-	-	53,778,958	53,778,958
Others	-	41,497,868	10,518,831	52,016,699
	<u>10,614,406</u>	<u>476,006,479</u>	<u>64,297,789</u>	<u>550,918,674</u>

15. Pooled Investment Vehicles (*continued*)

	At 31 May 2021			
	Level 1	Level 2	Level 3	Total
	€	€	€	€
Equities	8,818,919	137,294,438	-	146,113,357
Bonds	-	277,480,999	-	277,480,999
Cash	-	41,369,048	-	41,369,048
Property	-	-	50,598,674	50,598,674
Others	-	43,770,746	8,237,831	52,008,577
	<u>8,818,919</u>	<u>499,915,231</u>	<u>58,836,505</u>	<u>567,570,655</u>

Notes to the Financial Statements (*continued*)

16. Fair Value Determination

In line with the guidelines set out in SORP and FRS 102, all financial instruments held at fair value are 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 estimated using the following fair value hierarchy:

Level 1 The unadjusted quoted price in an active market for identical assets or liabilities that the entity can access at the measurement date. This level comprises of exchange traded pooled investment vehicles and cash.

Level 2 Inputs other than quoted prices included within Level 1 that are observable (i.e. developed using market data) for the asset or liability, either directly or indirectly. This level comprises of unlisted, open-ended pooled investment vehicles priced on a daily and weekly basis held in equity, bond, cash and alternative funds.

Level 3 Inputs using other relevant data for the asset or liability. Included in this level are open-ended pooled investment vehicles priced on a monthly and quarterly basis and all closed-ended pooled investment vehicles. Level 3 comprises of private equity investments and pooled investment vehicles held in property and equity funds.

All investment valuations are regularly verified to investment manager valuation reports.

The following shows the fair value hierarchy of the Scheme's investment assets and liabilities measured at fair value in the statement of net assets:

	At 31 May 2022			
	Level 1	Level 2	Level 3	Total
	€	€	€	€
Pooled investment vehicles	10,614,406	476,006,479	64,297,789	550,918,674
Private equity investments	-	-	16,230,574	16,230,574
Cash on deposit	2,100,255	-	-	2,100,255
	<u>12,714,661</u>	<u>476,006,479</u>	<u>80,528,363</u>	<u>569,249,503</u>

Analysis for the prior year is as follows:

	At 31 May 2021			
	Level 1	Level 2	Level 3	Total
	€	€	€	€
Pooled investment vehicles	8,818,919	499,915,231	58,836,505	567,570,655
Private equity investments	-	-	5,471,750	5,471,750
Cash on deposit	2,111,205	-	-	2,111,205
	<u>10,930,124</u>	<u>499,915,231</u>	<u>64,308,255</u>	<u>575,153,610</u>

Notes to the Financial Statements (*continued*)

17. Investment Risk Disclosures

(a) Types of risk relating to investments

FRS 102 requires the disclosure of information relating to certain investment risks. The following sources of risk were considered when setting the investment strategy for the Scheme:-

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

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

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

The Trustee determines their investment strategy after taking advice from a professional investment advisor.

The Scheme has exposure to these risks because of the investments it makes to implement its investment strategy. The Trustee manages investment risks, including credit risk and market risk, within agreed risk limits which are set taking into account the Scheme's strategic investment objectives. These investment objectives and risk limits are implemented through the investment management agreements in place with the Scheme's investment managers and are monitored by the Trustee through regular reviews of the investment portfolios.

The following table sets out the extent to which the various classes of investment assets are affected by financial risks:

Asset Class	Credit Risk	Market Risk		
		Currency	Interest Rate	Other Price
Equities	Low	Medium	Medium	High
Bonds	Medium	Low	High	Low
Property	Medium	Low	Medium	High
Forestry	Medium	Low	Low	Medium
Absolute Return Funds	Medium	Medium	Medium	Medium
Currency Funds	Medium	High	Low	High
Cash	Low	Low	Low	Low

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

Notes to the Financial Statements (*continued*)

(b) Investment Strategy

The investment objective of the Trustee is to maintain a portfolio of suitable assets of appropriate liquidity which will generate superior long term investment returns within acceptable limits of risk. The Trustee sets out to deliver to members a cost-effective investment solution that is appropriate to member requirements, sensitive to evolving conditions in investment markets and which is truly diversified and balanced.

The Trustee has adopted a prudent investment strategy with respect to pensions in payment. This seeks to match expected future liabilities with appropriate bonds. The Trustee arranges for the Actuary to complete an annual actuarial assessment of the sufficiency of the Scheme's assets to meet the pensioner liabilities.

For active members in defined contribution schemes, the Trustee has prepared a range of investment solutions which permit members to construct investment strategies appropriate to their individual risk requirements. The CERS Multi Asset Fund is made available by the Trustee as a default strategy.

To reduce the risk of significant losses in expected benefit outcomes for active members nearing retirement, the Scheme is structured to systematically reduce investment risk as a member moves closer to the normal retirement age.

The Statement of Investment Policy Principles (SIPP) outlines the investment objectives and strategy for Construction Executive Retirement Savings. In setting asset allocation strategy, the Trustee has considered:

- the Scheme's liability profile and funding position,
- a full range of asset classes,
- the risks and rewards of a range of alternative asset allocation strategies,
- the suitability of each asset class,
- the need for appropriate diversification.

The Trustee monitors the underlying risks through monthly investment reviews with their Investment Advisors.

Credit Risk

Construction Executive Retirement Savings is subject to direct credit risk in relation to its holdings of sovereign European government bonds, European Corporate bonds, its cash balances and its holdings in pooled investment vehicles. It is indirectly exposed to credit risks arising on some of the financial instruments held by the pooled investment vehicles.

Direct credit risk arising from exposure to sovereign European government bonds is mitigated by prudent diversification and by active monitoring and management of the bond portfolio. Direct credit risk arising from pooled investment vehicles is mitigated by the underlying assets of the pooled arrangements being ring-fenced from the pooled manager, the regulatory environments in which the pooled managers operate and diversification of investments amongst a number of pooled arrangements. The Trustee carries out due diligence checks on the appointment of new pooled investment managers and on an ongoing basis monitor any changes to the operating environment of the pooled manager. Pooled investment arrangements used by the Scheme include unit linked insurance contracts, unit trusts and qualifying investor alternative investment funds.

Indirect credit risk arises in relation to underlying investments held in the bond pooled investment vehicles and in a number of the alternative investment pooled vehicles. This risk is mitigated by prudent diversification.

Notes to the Financial Statements *(continued)*

17. Investment Risk Disclosures *(continued)*

Market Risks

(i) Currency Risk

The Scheme is subject to currency risk because some of the Scheme's investments are held in overseas markets via pooled investment vehicles (indirect exposure). The Trustee monitors currency exposure and use currency hedging within the equities allocation to manage overall currency exposure.

(ii) Interest Rate Risk

The Scheme's assets are subject to interest rate risk through its direct holdings of European sovereign bonds and corporate bonds, its cash holdings (direct) and its investment in pooled vehicles which invest in fixed income instruments.

Under the Scheme's investment strategy with regard to pensions in payment, if interest rates fall, the value of the fixed income investments will rise to help match the increase in actuarial liabilities arising from a fall in the discount rate. Similarly, if interest rates rise, the fixed income investments will fall in value as will the actuarial liabilities because of an increase in the discount rate.

(iii) Other Price Risk

Other price risk arises principally in relation to the Scheme's indirect (through pooled vehicles) exposure to growth assets including equities, property, infrastructure, forestry and alternative investment funds. The Scheme manages this exposure to overall price movements by constructing a portfolio of investments which is diversified across asset types, geographical regions and investment managers. The Trustee has embedded diversification into the investment process by setting ranges for the main asset class categories within the Multi Asset Fund. These ranges also provide a framework for making informed decisions to vary the allocation within those bands.

18. Current Assets

	2022	2021
	€	€
Contributions due in respect of:		
Employer	2,161,614	1,321,185
Employee	481,295	1,269,374
Cash at bank	8,799,057	11,635,414
Prepayments	153,752	145,170
	<u>11,595,718</u>	<u>14,371,143</u>

Notes to the Financial Statements (*continued*)

19. Current Liabilities

	2022	2021
	€	€
Investment manager fees	27,333	29,955
Audit fees	35,670	35,670
PAYE payable	211,190	206,024
Death benefits payable	867,282	191,013
Sundry accrual	126,840	120,134
	<u>1,268,315</u>	<u>582,796</u>

20. Self-Investment

Under Section 58A of the Pensions Act, 1990, employers are required to remit contributions to the Scheme within 21 days following the end of the month in which they were deducted from the member or became due from the Employer, and ultimately within 30 days of year end. Due to the nature of the Scheme, being an industry wide multi-employer scheme, it is impractical to quantify the amount of self-investment at an employer level. This is monitored by the Trustee on an on-going basis. From a financial reporting perspective, amounts are not material to the financial statements.

21. Related Party Transactions

- a. **The Trustee:** The Trustee of the Scheme is outlined on page 5 of the report. Trustee costs incurred are disclosed in note 11 to the financial statements, with outstanding fees and expenses payable at year end of €30,934.
- b. **The Registered Administrator:** The Trustee has appointed a Scheme administrator to carry out all administration functions associated with the Scheme. This administrator has been listed on page 5 of the report. Costs borne by the Scheme in respect of such administrative functions comprise administration charges as disclosed in note 11 to the financial statements, with a prepayment at year end of €141,167.
- c. **The Investment Managers:** The Trustee has appointed a number of Investment Managers to manage the Scheme's assets. A list of the investment managers has been included on pages 1 and 2 of this report. Investment management fees are calculated as a percentage of the assets under management as described in note 2.9. Fees incurred are disclosed in note 14 of this report.
- d. **Participating Employers:** Employer related parties include participating employers who remit contributions to the Scheme based on the Trust Deed and Rules.

22. Concentration of investments

The following investments each account for more than 5% of the Scheme's net assets at the year end:

Pooled Investment Vehicles	2022		2021	
	€	%	€	%
Diversified Growth Fund	34,407,364	6%	43,770,746	7%
Alpha Cash Fund Series 4	40,225,307	7%	33,103,822	6%
Eurozone Corporate Large Cap	31,009,505	5%	34,076,750	6%
Alpha Main Fund 2	138,247,023	24%	129,486,373	22%

Notes to the Financial Statements (*continued*)

23. Significant events during the year

A conflict between Russia and Ukraine occurred during the year. This has led to volatility in both the commodity and equity markets. The ongoing effect of the coronavirus (“COVID-19”), pandemic was also experienced during the year. There were no other significant events during the year which would require disclosure in, or amendment to this Annual Report.

24. Subsequent events

The impact of the Covid-19 pandemic and the war in Ukraine have continued post year end. The Trustee is monitoring the impact of these events and working with its advisors to ensure the continued smooth running of the Scheme. The ultimate impact of these events on the Scheme is not possible to determine at this time.

There were no other subsequent events post year end that would require amendments to or disclosure in the annual report.

25. Approval of financial statements

The financial statements were approved by the Trustee on **7 December 2022**

The Trustee Report was approved by the Trustee Board on 15 February 2023 and is signed on its behalf by:

Gerry Morrissey

Director of Trustee Company

Date: 15 February 2023.

Eamon Booth

Director of Trustee Company

Date: 15 February 2023.

07

ACTUARIAL STATEMENT

WillisTowersWatson 

Construction Executive Retirement Savings (PB3538)

Actuarial Statement for year ended 31 May 2022

On the instruction of the Trustee, we carried out an actuarial valuation of Construction Executive Retirement Savings (the “scheme”) as at 31 May 2022. It is intended that the next valuation of the scheme will be carried out as at 31 May 2023.

Ongoing funding assessment

The results of the valuation show that based on the ongoing assumptions used for the purposes of the valuation, the assets of the scheme were sufficient to meet the liability values of the following at 31 May 2022:

1. Pensions in payment;
2. Deferred benefits for members who have left service which are not covered by the pension arrangements for participating employers;
3. Guaranteed benefits for employed members in respect of service completed to 31 May 2022 which are not covered by the pension arrangements for participating employers; and
4. Individual defined contribution accounts for certain deferred members which are no longer a liability of their former employers’ pension arrangements.
5. Assets allocated to the pension arrangements for participating employers.

Separate actuarial valuations are carried out for defined benefit pension arrangements for participating employers in order to determine the contribution rates required for these arrangements. Actuarial valuations are not required for defined contribution pension arrangements.

Funding Standard assessment in accordance with Section 55(4) of the Pensions Act 1990

The most recent Actuarial Funding Certificate prepared in respect of the scheme under Section 42 of the Pensions Act 1990 (‘the Act’) has an effective date of 31 May 2020 and shows that at that date the scheme satisfied the funding standard provided for in section 44 of the Act. The most recent Funding Standard Reserve Certificate prepared under Section 42 (2A) of the Act was also at 31 May 2020 and shows that the scheme satisfied the funding standard reserve provided for in section 44 of the Act.

I am reasonably satisfied that if I had prepared an Actuarial Funding Certificate under Section 42 of the Act and a Funding Standard Reserve Certificate under Section 42 (2A) of the Act with an effective date of 31 May 2022, I would have certified that the scheme would have been able to satisfy the funding standard provided for in Section 44 of the Act and the Funding Standard Reserve provided for in Section 44 (2) of the Act.

Separate certificates are prepared for the defined benefit pension arrangements of participating employers. In making these statements reference has been made to guidance issued by the Society of Actuaries in Ireland under Actuarial Standard of Practice PEN-3.

No account has been taken of any events that have taken place after 31 May 2022.



James O’Connor FSAI 12 December 2022

Willis Towers Watson



Schedule BD – Actuarial Funding Certificate

Article 4

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

SCHEME NAME:	Construction Executive Retirement Savings
SCHEME COMMENCEMENT DATE:	24/04/1975
PENSIONS BOARD REFERENCE NO.	PB3538
EFFECTIVE DATE OF THIS CERTIFICATE:	31/05/2020
EFFECTIVE DATE OF PREVIOUS CERTIFICATE (IF ANY)	31/05/2017

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

- (1) the resources of the scheme, which are calculated for the purposes of section 44(1) of the Act to be €527.4 million, **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 €509.8 million, and
- (2) €0 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 Board 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: 09/12/2020

Name: James O'Connor Qualification: FSAI

Name of Actuary's Employer/Firm: Willis Towers Watson Actuary Certificate No. P128

09

ACTUARIAL FUNDING STANDARD RESERVE CERTIFICATE



Schedule BE – Funding Standard Reserve Certificate

Article 4

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

SCHEME NAME:	Construction Executive Retirement Savings
SCHEME COMMENCEMENT DATE:	24/04/1975
PENSIONS BOARD REFERENCE NO.	PB3538
EFFECTIVE DATE OF THIS CERTIFICATE:	31/05/2020
EFFECTIVE DATE OF PREVIOUS CERTIFICATE (IF ANY)	31/05/2017

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

- (1) the funding standard liabilities (as defined in the Act) of the scheme amount to €234.0m,
- (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 €251.6 m,
- (3) €247.1m 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 ($10\% \times ((1) \text{ minus } (3))$) is -€1.3m,
- (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 -€1.1m,
- (6) the aggregate of (4) and (5) above amounts to €0.0m, and

ACTUARIAL FUNDING STANDARD RESERVE CERTIFICATE



- (7) the additional resources (as defined in the Act) of the scheme amount to €17.6m of which, in accordance with and within the meaning of the guidance issued by the Board and prescribed under section 47 of the Act, €0.0m comprises contingent assets and €0.0m 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: *James O'Connor*

Date: 09/12/2020

Name: James O'Connor

Qualification: FSAI

Name of Actuary's Employer/Firm: Willis Towers Watson

Actuary Certificate No. P128

10

DATA PRIVACY NOTICE

Effective 25 May 2018

Construction Executive Retirement Savings Trustees Designated Activity Company, which is the trustee of the Construction Executive Retirement Savings (the “Scheme”) is committed to protecting your privacy. For the purposes of the General Data Protection Regulation (the “GDPR”) and any related data protection legislation in Ireland, we are the data controller.

This Privacy Notice sets out the basis on which we will process any personal data we collect from you, or that you or third parties provide to us, in connection with your membership in the Scheme and which relates to you or to any individual connected with you. Please read this Privacy Notice carefully so that you understand your rights in relation to your personal data, and how we will collect, use and process your personal data.

Information we collect about you and how we use it

Information you and your employer give us

We will collect your personal information i.e. information that identifies you for the purposes of the Scheme. This information may be provided to us directly by you, or through your employer who requests that you be admitted as a member of the Scheme. We also collect information through our website and our CCTV footage. We will sometimes record phone conversations and we will always let you know when we do this. We will take great care of the information provided and we will take steps to keep it secure.

What types of personal data do we collect about you?

We may hold the following personal information about you:

- Personal details such as your name, gender, age, date of birth, email address, postal address, telephone or mobile number and identifiers such as PPS number.
- Family details such as details about current marriage and partnerships and marital history, details of family and dependents.
- Employment details such as pensionable pay, length of service, employment and career history, job title, financial details such as income, salary, bank account details to process pension payments, benefits.
- Physical or mental health or medical conditions for the purposes of administering your Scheme benefits.
- Technical information and other information about your visits to our website and to our online pensions portal.

How do we use your information?

We will use your personal information to administer the Scheme and any future agreements that we may have with you relating to the Scheme and to manage and develop our relationship with you.

We process your data to comply with our legal obligations under the Scheme’s governing documents and pension and trust law requirements and otherwise for the purposes of our legitimate interests in promoting the proper and efficient administration of the Scheme in order to provide benefits for you and your dependants. From time to time, it may be necessary to process personal data relating

to your health or other sensitive data for the purpose of establishing, exercising or defending a legal claim in respect of the Scheme (which includes assessing your eligibility or that of your beneficiaries for certain benefits).

Who we share your personal data with?

For the purposes of administering the Scheme we may provide relevant personal information to:

- the Administrator of the Scheme, CPAS
- your employer
- other companies within our Administrator's group
- Cloud and other data storage providers
- IT service providers
- external printing and office support providers
- payment providers
- insurance companies
- legal and other professional advisers
- actuarial, administration and consultancy service providers
- the Pensions Authority and the Financial Services and Pensions Ombudsman
- Revenue Commissioners

We may also disclose personal information if required to do so by law and believe that such action is necessary to conform with the law.

If we provide your personal information to the above-mentioned third parties, we will take all reasonable precautions regarding the practices utilised by them in protecting your personal information. Those third parties will be required to: (i) keep your information safe and secure; and (ii) handle your information on our behalf and in accordance with our instructions.

Where do we store your personal data?

The information that we collect from you will be transferred to, and stored at/processed in the EEA. We will take all steps reasonably necessary to ensure that your personal data is treated securely and in accordance with this Privacy Notice.

We will only transfer your information outside of the EEA where we have adequate measures in place to provide appropriate safeguards or use of contracts approved by the European Commission.

How long will we keep your personal data?

Pension benefits are paid over a long period and your right to benefits payable under the Scheme is based on information that may date back many years. We may decide to delete some of the data held in relation to you and operate to a retention period of life of Scheme plus 7 years. However, your personal information may be held for longer where: (i) it is required by law or a court order; (ii) it is needed to defend or pursue legal claims; (iii) we consider it is necessary to ensure the Scheme pays the correct benefits; and (iv) to deal with any queries relating to your benefits as they may arise after that time.

Your Rights

You have certain rights in relation to the personal information we hold about you, which we detail below. Some of these only apply in certain circumstances as set out below. Please note that we will require you to verify your identity before we respond to any of your requests. We must respond to a request by you to exercise those rights without undue delay and at least within one month (although this may be extended by a further two months in certain circumstances).

- **Right of Access** – you have the right to request a copy of the information that we hold about you.
- **Right of Erasure** – you have the right to ask for your personal data to be erased.
- **Right to be Informed** – you have the right to be informed when your personal data is collected.

- **Right of Rectification** – you have a right to correct data that we hold about you that is inaccurate or incomplete.
- **Right to Restrict Processing** – you have the right to request the processing of your data is restricted or suppressed.
- **Right to Data Portability** – you have the right to obtain and reuse any of the personal data provided for your own purposes.
- **Right to Object** – you have the right to object to certain types of processing, such as marketing.

Please note that if you fail to provide accurate membership information or object to processing of your data it may result in a delay or an inability to process a claim for benefit under the Scheme.

Direct Marketing

Construction Executive Retirement Savings Trustees Designated Activity Company and other companies within our Administrator's group CPAS i.e. CIRT, CWPS, Milestone Advisory, CIF, construction related charities and trusted partner charities (e.g. the Marie Keating Foundation, the Irish Heart Foundation, Pieta House) may contact you about products and services they provide where you have consented to receiving same. If you do not wish us to use your data for this reason please telephone us on 01-4071430 or email us at info@cpas.ie. You will be given an opportunity to opt-out of receiving such messages and information on each occasion by post and email.

Technical information (including Cookies) that we collect about you

When you visit our website, we collect technical information about your computer, such as your internet protocol address (which is a number that can uniquely identify a specific computer on the internet), time zone setting, your login information, browser type and version, browser plug-in types and versions, operating systems and platforms.

We use Cookies to collect information about your browsing activities over time following your use of our services. They allow us to recognise and count the number of users and to see how users move around our website when they are using it. This helps us to improve the services we provide to you and the way our website works.

Complaints

In the event that you wish to make a complaint about how we process your personal data, please contact us in the first instance at dataprotection@cers.ie and we will endeavour to deal with your request as soon as possible. This does not interfere with your right to raise a complaint to the Office of the Data Protection Commissioner (DPC), details of which can be found on the DPC website www.dataprotection.ie or by contacting their office on 1800 437 737.

Changes to our Privacy Notice

We may update this privacy notice from time to time. You will be able to see when we last updated the notice because we will include a revision date. Updates are effective from the date on which they are notified to members or posted on the website (www.cers.ie).

Contact

If you have any queries or concerns please contact:

Construction Executive Retirement Savings (CERS),
Linden House,
4 Clonskeagh Square,
Clonskeagh Road,
Dublin 14,
D14 FH90.

Tel: (01) 4071430

Email: dataprotection@cers.ie



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