The KPMG Staff Pension Scheme

Trustee's Annual Report for year ended 30 April 2022

Prepared for	The Trustees of The KPMG Staff Pension Scheme
Prepared by	Aon
Pensions Authority Registration Number	PB 2761
UK Pensions Schemes Registry Number	10055066

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Trustees, Scheme Advisors and Other Information

Principal Employer	KPMG Participating Employer: KPMG Services
Trustee	KPMG Staff Pension Schemes Trustee DAC Directors as at date of signing*: Martin Dobey (Chair) John Ahern Colm Gorman Brian Morrissey Mark Mulqueen Frankie Devlin *Cathy Byrne resigned on 15 December 2021. Secretary Alison Tierney
Consultant & Registered Administrator	Aon Solutions Ireland Limited* t/a Aon, Hibernian House, Building 5200 Cork Airport Business Park, Co. Cork.
Investment Managers of Pension Fund	Zurich Life Assurance Plc Schroders Investment Management Limited PIMCO MAN Group plc BlackRock Investor Services Utmost Life and Pension Limited
Custodians	State Street Custodial (Services Ireland) Limited Citigroup N.A. Schroders Investment Management Limited JP Morgan S.A. Brown Brothers Harriman Fund Administration Services (Ireland) Limited BNY Mellon Trust Company (Ireland) Limited.
Actuary	Paul O'Brien FIA, FSAI, Willis Towers Watson (Ireland) Limited
Independent Auditor	Mazars, Chartered Accountants and Statutory Audit Firm, Harcourt Centre, Harcourt Road, Dublin 2
Solicitors	A & L Goodbody, North Wall Quay, Dublin 1.

Bankers	Ulster Bank Limited, College Green, Dublin 2 Aon maintain a Trustee Bank Account on behalf of the scheme
Pensions Authority Registration Number	PB 2761
Pensions Authority	Verschoyle House, 28-30 Lower Mount Street, Dublin 2.
UK Pensions Schemes Registry Number	10055066

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

Alison Tierney,
HR Department,
KPMG,
1 Stokes Place,
Dublin 2
alison.tierney@kpmg.ie

Chair's Statement

I am pleased to introduce the annual report of The KPMG Staff Pension Scheme for the year ended 30 April 2022.

The annual report provides information on the financial position of your pension scheme, on investment performance and policies and other relevant developments which have occurred during that period. I think that you will find the report both interesting and informative.

This report relates to the operation of the KPMG Staff Pension Scheme (the Scheme) during the year ended 30 April 2022. The content of this report conforms to the Occupational Pension Schemes (Disclosure of Information) Regulations, 2006 (as amended), as prescribed by the Minister for Social Protection under the Pensions Act, 1990. The report outlines the constitution and structure of the Scheme together with details of financial developments for the year, investment matters, membership movements and contributions for the year.

Due to some significant benefit changes agreed between the employer a number of active members of the scheme, it was agreed to that benefit statements normally due in October 2022, be deferred until these changes have been finalised with individual members.

The Scheme Actuary completed a formal actuarial valuation of the Scheme at an effective date of 1 May 2021. The HR Department holds a copy of the actuarial report and you are welcome to look at it or to address to the HR Department any queries you may have on the Scheme.

I would like to draw your attention to the Summary of Scheme Investment Performance for the DB Section on pages 8 to 10 of this report and to the individual Investment managers' commentaries set out in pages 30 to 49 of this report. This provides members with information on the performance of the markets and of the investment managers. This should assist those members who wish to make active investment choices on their DC or AVC assets.

The IORP II directive was transposed into Irish Law in April 2021. These regulations represent a significant change in how Pension schemes are regulated. The administrative changes required by these regulations were completed by the Trustee before the Pension Authority deadline of 31 December 2022.

The Statement of Investment Policy Principles on pages 50 to 59 has been updated in accordance with the IORP II directive. This update includes how the Trustee has considered Environmental Social and Governance factors as part of the Investment Principles Policy.

The benefits provided to members of the Scheme are important and financially significant. I encourage you to provide any feedback that you may have to the Directors, either about this Report or about your benefits in general.

Martin Dobey
Chair
KPMG Staff Pension Schemes Trustee DAC

Trustees' Report

Introduction

The Trustees present herewith the annual report to members of The KPMG Staff Pension Scheme ('the Scheme') for the year ended 30 April 2022. The content of this report conforms to the Occupational Pension Schemes (Disclosure of Information) Regulations (as amended), as prescribed by the Minister for Employment Affairs and Social Protection under the Pensions Act 1990. The report outlines the constitution and structure of the Scheme together with details of financial movements for the period, investment matters and membership movements.

The Scheme, which operates on a defined benefit basis, was established to provide retirement and life assurance benefits for its members and is a distinct legal entity, separate in every respect from the principal employer, KPMG.

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

The Scheme has been approved by the Revenue Commissioners as an "exempt approved scheme" under Section 774 of the Taxes Consolidation Act 1997 and as such its assets are allowed to accumulate free of income and capital gains taxes. In addition, tax relief is given on employer and member contributions to the Scheme and certain lump sum payments to members can be paid free of tax. The Scheme has also been registered with the Pensions Authority in the Republic of Ireland (registration number is PB 2761) and the Pensions Regulator in the UK (registry number 10055066).

The Scheme has received approval from the Pensions Authority to operate as a cross border pension scheme under the EU Pensions Directive.

Under the provisions of the Scheme trust deed, the Trustee is appointed and removed by the Sponsoring Employer and this power must be exercised by trust deed.

The Scheme is financed by contributions from the employer. In addition to the employer's contributions, the company pays insurance premiums in respect of death benefits.

Management of the Scheme

The Trustee of the Scheme is currently The KPMG Staff Pension Schemes Trustee DAC.

The Directors of KPMG Staff Pension Scheme Trustee DAC are listed on page 1. Except as noted on page 1 all Directors served throughout the year.

All Trustees are invited to attend Trustee meetings at which a minimum of two Trustees must be present for valid decisions to be taken. Decisions require the majority support of those Trustees present. During the year under review, Trustee meetings were held on 11 May 2021, 7 September 2021, 7 December 2021, 26 January 2022, 1 March 2022 and 26 April 2022. Investment committee meetings were held on 6 May 2021, 29 June

2021, 17 September 2021, 18 November 2021 and 15 February 2022. The Risk Committee meetings were 10 June 2021, 29 September 2021 and 14 December 2021.

Changes to the Scheme

The Trustees amended the scheme rules to formalise the arrangements for late retirees. There have been no changes since the previous Scheme year in the information specified in Schedule C of the Occupational Pension Schemes (Disclosure of Information) Regulations (as amended).

Trustees and Advisors

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

The Trustees have access to appropriate training on their duties and responsibilities as Trustees. No costs or expenses were incurred by the Scheme during the year in relation to the provision of trustee training.

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

The Trustees of the Scheme as at the date of approval of these financial statements are detailed on page 1. Unless otherwise indicated, on page 1, the Trustees served for the entire period and are still serving at the date of approval of this Annual Report.

The Trustees and Registered Administrator have appropriate procedures in place to ensure that:

- Contributions payable during the Scheme year have been received by the Trustees in accordance with the Actuary's recommendations and the timetable set out in section 58A of the Act where applicable to the contributions and otherwise within 30 days of the Scheme year end, and
- Contributions payable have been paid in accordance with the rules of the Scheme and the recommendations of the Actuary.

Internal Disputes Resolution (IDR) Procedures

In compliance with Article 5 of the Pensions Ombudsman Regulations, 2003 the Trustees have drawn up a set of procedures for dealing with complaints from actual or potential beneficiaries under the Scheme to facilitate internal disputes resolution.

If any member feels they have suffered financial loss as a result of maladministration of the Scheme, they may make a complaint in writing to

Secretary to the KPMG Staff Pension Schemes Trustee DAC
1 Stokes Place
St.Stephens Green
Dublin 2

This application should provide information regarding the person invoking the procedure, their representative (if any) and the complaint or dispute being made. The Trustee of the Scheme or a formal independent person nominated by them will review the details of the complaint or dispute. After the details have been reviewed the initial application will be acknowledged.

The acknowledgement letter will indicate the investigation process that will follow as well as the likely timescale involved.

- Any sub-committee may make a recommendation to the Trustee but it is for the Trustee, at a Trustee meeting to reach a final determination.
- After the Trustee have reached a decision, they will convey this decision to all parties associated with the case in a written reply called a Notice of Determination. This will be issued within three months after the date on which all particulars of the complaint or dispute had been received.
- The complainant and respondent(s) are not bound by the outcome of the Internal Dispute Resolution procedure, unless they assent in writing to be bound by it, at the time of the making of the determination, or subsequently.
- Further information on any aspect of the IDR can be obtained from the Trustee.

If the member is unhappy with the Trustees' decision, the member may make an appeal to the Financial Services and Pensions Ombudsman.Lincoln House, Lincoln Place,Dublin 2. Email:info@fspo.ie

Members may also contact The Pensions Authority which was established under the terms of the Pensions Act 1990 to safeguard the pension rights of members of pension schemes. It has extensive powers to enforce compliance with the legislation, including those of investigating and prosecutions. The address and registration number are provided on page 2 of this report.

Pension Increases

The rate of pension increase for former members of the KPMG (Closed) Defined Benefit Pension Plan is guaranteed under the rules applying to them. The rate of pension increase applicable to these members is 5% per annum.

Pensions for Northern Ireland members are subject to minimum annual increases prescribed under UK legislation. The Pension Increase applicable to post 1988 Guaranteed Minimum Pensions for Northern Ireland members as at 1 May 2022 was 3.1% (2021:0.5%). The increase to non Guaranteed Minimum Pensions accrued April 1997-2013 was 3.1% (2021: 0.7%), Pensions accrued post 2013 was 2.5% (2021:0.7%) in line with the Trustee's policy and legislative requirements having regard to the increase in the relevant inflationary index.

At retirement, members who have made additional voluntary contributions (AVCs) have various options available to them in relation to their AVCs. Some pensioners have elected to secure a pension with their AVCs which increases whilst in payment. For those members, their AVC pension increased with effect from 1 May 2020 in line with the level of increase purchased. The level of increases for AVC pensions is in the range 0% to 4%.

In line with the statutory requirement, deferred pensions are revalued each year by CPI, subject to an overall maximum increase of 4% in each year. The reference year 2021 had a 2.4% statutory valuation, therefore revaluation of applicable deferred pensions was 2.4% for the accounting year.

Apart from the above there are no increases to pensions.

There are no pensions or pension increases being paid by or at the request of the Trustee for which the Scheme would not have a liability in the event of its winding up.

Financial Development

The financial development of the Scheme Net Assets during the year is shown below:

	€
Opening Value as at 30 April 2021	203,874,889
Net additions from Dealing with Members	4,186,351
Investment Return	5,246,880
Closing Value as at 30 April 2022	**213,308,120**

With the exception of the late remittance of contributions outlined in note 12 all contributions payable during the Scheme year have been received by the Trustees in accordance with the actuary's recommendations and the timetable set out in section 58A of the Act where applicable to the contributions and otherwise within 30 days of the Scheme year end.

Costs of the Scheme

The administration costs of the Scheme are borne by the Principal Employer.

Invasion of Ukraine

On 24 February 2022, Russia began a military invasion of Ukraine. The conflict in Ukraine continues to be a key driver of global markets with commodity markets remaining volatile. It is not possible to estimate the impact of these events on the Plan at this time. The Trustee will continue to monitor the position in conjunction with its investment advisers.

Events Subsequent to the Balance Sheet Date

No events occurred subsequent to the year-end that would affect the information contained in this report.

Condition of the Scheme

The financial condition of the Scheme is dealt with in the Actuarial commentary and the Investment Management section of this report.

Under the Occupational Pension Schemes (Disclosure of Information) Regulations (as amended), the Trustees are required to describe the risks associated with the Scheme and disclose these to members. A Statement of Risks adopted by the Trustees is set out on pages 13.

Actuarial Position

A formal actuarial valuation of the Scheme was carried out at an effective date of 1 May 2021. The recommendations under this actuarial valuation replaced those contained in the previous valuation dated 1 May 2018.

The 2021 actuarial valuation recommended the payment of employer contributions to cover future benefit accrual equal to 27.6% of the salary roll of Republic of Ireland members and 42.9% of the salary roll of Northern Ireland members. In addition, the valuation recommended that additional contributions equal to €3.2 million p.a. to the Republic of Ireland Section and £1.1 million p.a. to the Northern Ireland Section be paid by KPMG to address the deficit within the Scheme. These annual deficit funding contributions will be adjusted each year in line with the increase in inflation.

The HR Department holds a copy of the actuarial report and you are welcome to look at it or address to the HR Department any queries you may have on the Scheme.

The Scheme Actuary prepared an Actuarial Funding Certificate and a Funding Standard Reserve Certificate for the Scheme as at 1 May 2021. The Actuarial Funding Certificate confirmed that the assets of the Scheme were sufficient to meet the statutory minimum valuation of the Scheme's liabilities in the event of wind up as set out in Section 44 of the Pensions Act 1990. Effective from 1 January 2016, the Pensions Act requires Schemes to build up assets in excess of the statutory minimum measure. The Funding Standard Reserve Certificate confirmed the assets of the scheme met the additional funding requirement at 1 May 2021.

This annual report includes the Actuarial Funding Certificate and Funding Standard Reserve Certificate dated 1 May 2021 on page 60 to 62. A copy of the Actuarial Statement prepared by the Scheme Actuary which stated the Scheme satisfied the Funding Standard and the Funding Standard Reserve at 30 April 2022 is included on page 63.

Investment Management

The Trustees have delegated responsibility for the investment and day to day administration of the Scheme's assets to Zurich Life Assurance Plc, Schroders Investment Management Limited, BlackRock, PIMCO and Man Group plc. See note 8 in the Notes to the Financial Statements.

The performance of the Scheme is dealt with in the investment reports from the Scheme's then principal investment managers, Zurich Life Assurance Plc, Schroders Investment Management Limited, BlackRock, PIMCO and Man Group plc as set out at pages 30 to 49.

The Investment Managers have discretion in the investment of Scheme assets and provide detailed reports to the Trustees on the strategy adopted and on the performance of the monies invested. The investments are held in pooled investment vehicles.

All Investment Managers of the Scheme are remunerated on a fee basis calculated as a percentage of the assets under their management and these fees are reflected in unit prices and borne by the Scheme.

Overall responsibility for investments and their performance lies with the Trustees of the Scheme. The Trustees hold meetings with the Scheme's Investment Consultant to discuss investment policy and performance. The Trustees' Statement of Investment Policy Principles is set out on pages 50 to 59.

Investment Performance

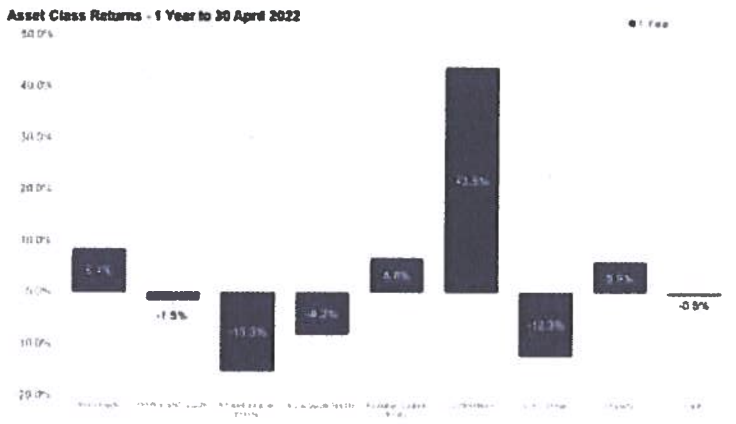
Global equities advanced 15.1% from May to December 2021, before coming under pressure in Q1 of 2022 due to the inflationary pressure and the spread of the Omicron variant of Covid-19. The invasion of Ukraine by Russia led to further uncertainty and the disruption of financial markets with the surging prices of commodities adding to surging inflation. This led to an overall return of 8.4% for global equities in euro terms for the one-year period to 30 April 2022.

Eurozone government bond performance was relatively stable over the 8-month period from May 2021 to December 2021 before falling in the first four months of 2022 as economies reacted to surging inflation brought upon by rising commodity prices. For the one-year to the end of April 2022 Eurozone government bonds returned -15.3%, while corporate bonds were negative and inflation-linked bonds were positive over the same time period. With Eurozone bond yields moving higher, from historically low levels, the cost of securing a guaranteed income in retirement (through the purchase of an annuity) has now fallen as a result.

Commodities in general surged on the back of the Russia-Ukraine invasion, with energy, metals, and agricultural commodities all participating in the sharp moves higher. The commodity index gained 40% in US dollar terms, with Brent oil rallying 60%, over the 12 months to the end of April 2022. The Euro fell 12.3% versus the US dollar over the same time period.

The returns achieved on money market cash funds continued to be negative over the year reflecting the continuation of the ECB's negative deposit interest rate over the period. With Central Banks now forced to act to combat the inflationary threat. via tighter monetary policy, deposit rates are expected to move higher on a forward-looking basis.

A chart summarizing the performance of the major asset classes over the year to 30 April 2022 is set out below:



*Source: Aon, Bloomberg, Datastream. All returns expressed in Euro except for Commodities which are expressed in US Dollar.

Summary of Scheme Investment Performance – Defined Benefit Sections of the Scheme

Performance numbers and commentary as follows:

	1 Year (%)	3 Year (% p.a.)	5 Year (% p.a.)
ROI DB Section	2.4%	2.3%	3.6%
NI DB Section	-4.9%	-5.2%	-1.9%

*performance is to 30 April 2022

The performance of the Scheme's assets over the past year was positive across the ROI DB section and negative across the NI DB section.

AVC/DC Fund Performance

The Trustee has made available a range of investment options which cover the risk/return spectrum (from low risk/low return to high risk/high return) and therefore are expected to be sufficient to allow members to select an investment strategy which is consistent with their individual circumstances and objectives.

A summary of the performance of the different fund options is set out in the table below (all performance figures are expressed net of investment manager fees) and illustrates the positive investment environment that has prevailed over the past 5 years. More detailed commentary on the performance achieved by the investment managers during the year are set out in pages 30 to 49 of this report.

	Performance Over Period to 30 April 2022		
	1 Year (%)	3 Year (% p.a.)	5 Year (% p.a.)
BlackRock Indexed Global Equity	**10.1%**	**12.6%**	**n/a**
MSCI World Index	*9.9%*	*12.5%*	*n/a*
Zurich Life Performance Fund	**0.6%**	**10.3%**	**8.9%**
MSCI World Index	*9.8%*	*12.4%*	*10.6%*
BlackRock ESG Multi Asset Fund	**5.2%**	**8.7%**	**n/a**
50% MSCI Wrold Index & 50% FTSE World Government Bond Euro Hedged Index	*1.0%*	*5.9%*	*n/a*
BlackRock Dynamic Diversified Growth	**-4.4%**	**2.7%**	**2.9%**
Euro Overnight Index Average + 4% Gross	*2.9%*	*3.0%*	*3.0%*
Diversified Bond Strategy	**-2.0%**	**0.1%**	**n/a**
Euribor 3 month + 2% Gross	*1.0%*	*1.1%*	*n/a*
Annuity Matching Option	**-16.1%**	**-3.4%**	**-0.2%**
ICE BoA EMU Direct Govt 10+ Year AAA/AA	*-15.6%*	*-3.4%*	*-0.3%*
Zurich Life Cash Fund	**-1.0%**	**-0.9%**	**-0.8%**
Euribor 3 Month	*-1.3%*	*-1.2%*	*-1.2%*

Note: The fund returns above are shown net of fees

In addition to the range of individual fund options, the Trustee also provide a number of lifestyle investment strategies which combine individual fund options in a defined manner focusing on investment growth during a member's early working life while gradually reducing the investment risk profile over the period to retirement. The derisking approach adopted varies across each of the available lifestyle strategies to reflect a particular benefit drawdown strategy. Members should refer to the Scheme's explanatory documentation for further information on the default lifestyle strategies and to the annual benefit statements for details of the investment return achieved if invested in these strategies.

Financial, Technical and Other Risks associated with the

The principal risk associated with the Defined Contribution elements within the Scheme is that investment market experience will adversely impact on the level of funds available to members to secure their retirement benefits or on the annuity terms available to purchase pension benefits at

Defined Contribution element of the Scheme

retirement. These investment and pension conversion risks are fully borne by the members of the Scheme. In order to mitigate this risk, the Trustee has appointed independent professional investment managers to manage the Scheme's assets and has made available a range of investment funds to members for investment of their personal retirement accounts. The funds available have varying risk and return profiles to cater for the varying risk preferences of the Scheme members.

In addition to the range of individual fund options, the Trustee also provide a lifestyle investment strategy which combines individual fund options in a defined manner focusing on investment growth during a member's early working life while gradually reducing the investment risk profile over the period to retirement. This lifestyle strategy has been selected by the Trustee as the default investment option for AVC members. Members should refer to the Scheme's explanatory documentation for further information on the default lifestyle strategy. Active members may also refer to the annual benefit statements for details of the investment return achieved if invested in this strategy.

Membership Movement

The following is a summary of the membership movements in respect of the Scheme for the year ended 30 April 2022.

ROI	Active		Deferred		Pensioners		Total	
Male/Female	M	F	M	F	M	F	M	F
Membership 30/04/2021	37	72	201	224	62	58	300	354
Data Correction	-	-	2	-	-	-	2	-
Actives to deferred	(2)	(4)	2	4	-	-	-	-
Retirements	(2)	-	(3)	(5)	3	4	(2)	(1)
Leavers administered	-	-	(3)	-	(2)	(3)	(5)	(3)
Membership 30/04/2022	33	68	199	223	63	59	295	350

Northern Ireland	Active		Deferred		Pensioners		Total	
Male/Female	M	F	M	F	M	F	M	F
Membership 30/04/2021	8	9	36	22	11	9	55	40
Actives to deferred	-	-	-	-	-	-	-	-
Retirements	-	-	(2)	-	2	-	-	-
Leavers administered	-	-	-	-	-	(1)	-	(1)
Membership 30/04/2022	8	9	34	22	13	8	55	39

There are no members (*2021:nil*) covered for death benefits only at the year-end.

IORPS II

The Directive (EU) 2016/2341 of the European Parliament and of the Council of 14 December 2016 on the activities and supervision of institutions for occupational retirement provision (IORPs) – "IORP II" – was transposed into Irish law on 22 April 2021 by way of the European Union (Occupational Pension Schemes) Regulations 2021 (Statutory Instrument No. 128/2021). This is the most significant regulation to impact occupational pension schemes since the Pensions Act 1990.

The Pensions Authority have, in November 2021, published a code of practice setting out what the Pensions Authority expects of the Trustee to meet its obligations under the Regulations. The primary purpose of the IORP II Directive and transposing Regulations is to raise governance standards with a view to improving member outcomes. The administrative deadline for full compliance, with a few exceptions, is 31 December 2022. The Trustees completed these requirements in compliance with this deadline.

Sustainable Finance Disclosure Regulations (SFDR)

Under SFDR, the Trustees are viewed as a financial market participant, whilst the Scheme is considered to be the financial product offered by the Trustees. The Scheme (as a financial product) has been classified as Article 6 as defined under SFDR and the following disclosure is therefore required;

The investments underlying these financial products do not take into account the EU criteria for environmentally sustainable economic activities.

The Trustees continue to review the Scheme's approach to sustainability risk considerations and its current approach is documented in the Statement of Investment Policy Principles of this report with some of the individual funds offered already promoting social or environmental characteristics.

In Conclusion

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

Signed for and on behalf of the Trustees

Trustee: Martin Dobey

Trustee: Mark Mulqueen

Date: 24 January 2023

Statement of Risks

The scheme is funded by contributions paid by the employers and members which are determined by the Scheme Actuary and calculated by the Trustee following actuarial advice. The benefits provided by the scheme are met from the scheme's assets and its ability to meet members' benefits are dependent on the scheme's funding position. There is therefore no guarantee that the scheme will have sufficient funds to pay the benefits promised and the funding agreed with KPMG is intended to strengthen the funding position over time.

Until such time as the scheme has sufficient funding to secure all benefits, it is therefore possible that an event might result in further funding having to be sought or the benefits payable under the scheme further reduced. If events were to lead to the scheme being wound up and there is a deficit, whilst the employers would be under an obligation to make contributions to the scheme as determined by the Trustee following actuarial advice, it is of course possible that a situation could arise whereby the employers may not be in a position to fund the deficit.

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

Risks	Steps being taken to minimise risk
The assets may not achieve the expected return	This risk will be addressed by ongoing monitoring of investment performance. See Statement of Investment Policy Principles as set out on pages 50 to 59 of this report.
Some of the assets may be misappropriated	The Trustees have put in place custodial agreements etc (see Statement of Investment Policy Principles).
The value placed on the future liabilities may prove to be an underestimate	The Trustees discuss with the actuary the assumptions used for triennial valuations. The Trustees are required by law to obtain an annual statement concerning the ability of the Scheme to meet the funding standard.
The employer may not pay contributions as they fall due	The Trustees monitor the receipt of contributions and pursue any shortfall. If this is not successful, the Trustees would report the matter to the Pensions Authority.
The employer may decide to terminate its liability to contribute to the Scheme	In this event, the Trustees are required to wind up the Scheme and provide benefits for members in accordance with the Rules and the Pensions Act. The Trustees endeavour to ensure that sufficient assets are available at all times to meet the liabilities on wind up, by means of the annual statement mentioned above. If, however, the Scheme has insufficient assets to meet the liabilities, those already in receipt of pension at the wind-up date are a priority class, and a portion of their pensions, as determined by the Pensions Act, must be secured before assets are applied to other members. These other members, i.e. active members and deferred pensioners, are therefore more at risk of not receiving their full benefits on wind-up. Future benefit accrual will also cease in these circumstances.

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

The Scheme administration records may not be correct and may fail to comply with the Pensions Act	The Trustees have entered into a service level agreement with the administrator which sets out the administrator's responsibilities. The Trustees receive regular administration reports from the administrator. The Pensions Authority has powers to pursue breaches of the Act and the Financial Services and Pensions Ombudsman may investigate any complaints of financial loss caused by maladministration.

Statement of Trustees' Responsibilities

The financial statements are the responsibility of the Trustees. Irish pension legislation requires the Trustees to make available for each Fund period the annual report of the Fund, 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 The Financial Reporting Standard applicable in the UK and the Republic of Ireland ("FRS 102"), of the financial transactions for the Fund period and the assets and liabilities (other than liabilities to pay benefits in the future) at the end of the Fund period and include a statement whether the financial statements have been prepared in accordance with the Statement of Recommended Practice - Financial Reports of Pension Plans ("SORP"), (revised 2018), subject to any material departures disclosed and explained in the financial statements.

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

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

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

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

The Trustees are responsible for making available certain other information about the Fund in the form of an annual report. The Trustees are 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 Fund 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 Fund in the period under review and of the assets and liabilities at the period end, other than liabilities for pensions and other benefits payable after the period end. The Trustees are also responsible for safeguarding the assets of the Fund and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities, including the maintenance of appropriate internal controls.

Signed for and on behalf of the Trustees

Trustee:

Trustee: Mark McQueen

Date: 24 JAN 2023

mazars

REPORT OF THE INDEPENDENT AUDITORS
TO THE TRUSTEES AND MEMBERS OF
THE KPMG STAFF PENSION SCHEME

Opinion

We have audited the financial statements of above pension scheme for the year ended 30 April 2022, which comprise the Fund Account, the Net Assets Statement and notes to the accounts, including the summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is Irish pension law, the Statement of Recommended Practice – Financial Reports of Pension Schemes (SORP) and the Occupational Pension Schemes (Disclosure of Information) Regulations 2006 - 2013.

In our opinion the financial statements:

- show a true and fair view of the financial transactions of the scheme during the year ended 30 April 2022, and of the amount and disposition at that date of its assets and liabilities, other than liabilities to pay pensions and benefits after the year end ;
- contain the information specified in Schedule A to the Occupational Pension Schemes (Disclosure of Information) Regulations 2006

In our opinion:

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

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) (ISAs (Ireland)) and applicable law. Our responsibilities under those standards are described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the scheme in accordance with ethical requirements that are relevant to our audit of financial statements in Ireland, including the Ethical Standard issued by the Irish Auditing and Accounting Supervisory Authority (IAASA), and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

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REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES AND MEMBERS OF THE KPMG STAFF PENSION SCHEME (Continued)

Other information

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

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

We have nothing to report in this regard.

Respective responsibilities

Responsibilities of trustees for the financial statements

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

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

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

The trustees are also responsible for ensuring that

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

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REPORT OF THE INDEPENDENT AUDITORS
TO THE TRUSTEES AND MEMBERS OF
THE KPMG STAFF PENSION SCHEME (Continued)

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (Ireland) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

Our report is made solely to the trustees and members of the pension scheme as a body. Our audit work has been undertaken so that we might state to the pension scheme's trustees and members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the pension scheme and the trustees and members of the pension scheme, as a body, for our audit work, for this report, or for the opinions we have formed.

Mazars
Chartered Accountants & Statutory Audit Firm
Harcourt Road
Dublin 2

DATE ACCOUNTS ARE SIGNED 24 JANUARY 2023

Fund Account

for the year ended 30 April 2022

	Note	2022 DB	2022 DC/AVC	2022 Total	2021 Total
Contributions and benefits		€	€	€	€
Employer Contributions	3 & 10	7,568,311	48,623	7,616,934	3,214,714
Member Contributions	3 & 10	558,994	641,129	1,200,123	1,040,357
		8,127,305	689,752	8,817,057	4,255,071
Benefits payable	4 & 10	(2,583,867)	(799,966)	(3,383,833)	(3,108,727)
Payment to and on account of leavers	5 & 10	(657,034)	(518,797)	(1,175,831)	(1,361,550)
Group life assurance	6 & 10	(69,479)	-	(69,479)	(66,907)
Fees		(1,563)	-	(1,563)	-
		(3,311,943)	(1,318,763)	(4,630,706)	(4,537,184)
Net movement from dealing with members		4,815,362	(629,011)	4,186,351	(282,113)
Returns on investments					
Change in market value of investments	7 & 10	4,791,243	443,145	5,234,388	25,270,051
Gain on Exchange		12,492	-	12,492	46,091
		4,803,735	443,145	5,246,880	25,316,142
Net Increase in the fund		9,619,097	(185,866)	9,433,231	25,034,029
Net Assets at 1 May		170,863,604	33,011,285	203,874,889	178,840,860
Net Assets at 30 April		**180,482,701**	**32,825,419**	**213,308,120**	**203,874,889**

The notes on pages 20 to 29 form part of these financial statements.

Signed for and on behalf of the Trustees

Trustee: [signature]

Trustee: Mark Mulqueen

Date: 24 JAN 2023

Statement of Net Assets (available for benefits)

as at 30 April 2022

	Note	2022 €	2021 €
Combined Net Assets of the Scheme			
Investment Assets at fair value			
Pooled Investment Vehicles	7	211,337,023	203,388,007
Current Assets	8	2,018,926	1,025,387
Current Liabilities	9	(47,829)	(538,505)
Total Net Assets as at 30 April		**213,308,120**	**203,874,889**
Net Assets Designated to members			
DC Assets			
Pooled Investment Vehicles	7	6,457,234	6,475,382
Current Assets	8	693	6,959
		6,457,927	**6,482,341**
AVC Assets			
Pooled Investment Vehicles – AVC Investments	7	26,336,507	26,423,193
Current Assets	8	30,985	256,520
Current Liabilities	9	-	(150,769)
		26,367,492	**26,528,944**
Total Net Assets Designated to Members		**32,825,419**	**33,011,285**
Net Assets Not Designated to Members			
Pooled Investment Vehicles	7	178,543,282	170,489,432
Current Assets	8	1,987,248	761,908
Current Liabilities	9	(47,829)	(387,736)
Total Net Assets Not Designated to Members		**180,482,701**	**170,863,604**

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

The notes on pages 20 to 29 form part of these financial statements.

Signed for and on behalf of the Trustees

Trustee:

Trustee: Mark Mulqueen

Date: 24 JAN 2023

Notes to the Financial Statements

1. Basis of Preparation

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

The financial statements summarise the transactions and net assets of the Scheme. Liabilities to pay pensions and other benefits which are expected to become payable in the future are not dealt with in the financial statements. The actuarial position of the fund, which does take account of such liabilities, is dealt with in the Actuarial Valuation Report. The financial statements should be read in conjunction with that report. The most recent valuation was at 1 May 2021. The next actuarial valuation due will have an effective date of 1 May 2024. The Actuarial Funding Certificate, Funding Standard Reserve Certificate and Actuary Statement are provided on pages 60 to 63 of this report.

2. Accounting Policies

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

Accruals concept

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

Contribution income

The employer's normal contributions are accounted for as they fall due as agreed between the Trustees and the Principal Employer for the year and as recommended by the Actuary.

The employee contributions relate to the wages and salaries earned and deducted up to the year-end using the rates outlined in the rules of the Scheme. The Principal Employer is required under the Regulations to remit to the Trustees the employee contributions within 21 days of the end of the calendar month of deduction.

Employers' contributions for deficit funding or for benefit augmentation (where applicable) are accounted for on the basis agreed with the Principal Employer, the Trustees and the Scheme Actuary, or, if there is no agreement, they are accounted for on a cash basis.

Transfers to and from other schemes

Individual transfer values represent the amounts received or paid during the year. All the values are based on methods and assumptions determined by the Actuary for the Trustees.

Investment income

Income is accounted for on an accruals basis. Income earned on investments in pension managed funds is not distributed but is accumulated with the capital of the funds and dealt with as part of the change in market value.

Investment income from segregated funds and deposits is recognised separately in the return on investments and is highlighted in note 8 of these financial statements.

Benefits payable

Benefits are accounted for in the period in which the member notifies the Trustees of his decision on the type or amount of benefit to be taken or, if there is no member choice, on the date of retirement or leaving.

Valuation of investments

Investments are shown in the net assets statement at their market values at the year end. Unit trusts and managed funds are stated at the latest bid prices quoted by the trust managers prior to the year end. Quoted investments are valued on the basis of bid value quoted on the relevant stock exchange.

Taxation

The Scheme has been approved as an "exempt approved Scheme" for the purposes of Section 774 of the Taxes Consolidation Act, 1997 and thus Scheme income and gains are 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.

Investment management fees

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

Administration Expenses

The administration costs of the Scheme are borne by the Principal Employer.

Foreign currency translation

Foreign income is translated into euro at the rate prevailing on the date the income is received. Income accrued at the year end is translated at the rate ruling at the end of the period, 30 April 2022. Investments and current assets and liabilities denominated in foreign currencies are translated using the euro rate of exchange prevailing at the period end. Differences arising on translation of current assets and liabilities are included in the fund account. Exchange gains and losses arising on translation of investments are included as part of the change in market value of investments as shown in the fund account.

3. Contributions

	2022 DB €	**2022** DC/AVC €	**2022** Total €	2021 Total €
Employer				
Normal	3,001,988	48,623	3,050,612	1,793,595
Additional	4,496,844	-	4,496,844	1,354,212
Risk Contribution	69,479	-	69,479	66,907
Total Employer	7,568,311	48,623	7,616,935	3,214,714
Employee				
Normal	558,994	24,312	583,305	623,335
Additional Voluntary Contributions	-	616,817	616,817	417,022
Total Employee	558,994	641,129	1,200,122	1,040,357

4. Benefits Payable

	2022 DB €	2022 DC/AVC €	2022 Total €	2021 Total €
Pensions payable	2,454,866	-	2,454,866	2,387,692
Commutations	129,001	541,883	670,884	615,791
Approved retirement funds	-	258,083	258,083	97,545
Death benefit payable	-	-	-	7,699
Total	**2,583,867**	**799,966**	**3,383,833**	**3,108,727**

5. Payments to and on account of leavers

	2022 DB €	2022 DC/AVC €	2022 Total €	2021 Total €
Transfers to other schemes	657,034	518,797	1,175,831	1,361,550
Total	**657,034**	**518,797**	**1,175,831**	**1,361,550**

6. Group Life Assurance

	2022 €	2021 €
Premiums on term insurance policies	69,479	66,907

Death in service benefits are secured by a policy of assurance underwritten by Irish Life Assurance Company.

A disability benefit policy (which is separate to and does not form part of The KPMG Staff Pension Scheme) was secured with Irish Life Assurance plc at a cost of €87,996 (2021: €84,049) for the year ended 30 April 2022 and is borne directly by KPMG.

7. Investments

(a) Summary of movement in investments during the year

	Value at 30-04-21	Purchases costs	Sale proceeds	Change in market value	Value at 30-04-22
	€	€	€	€	€
Pooled Investment vehicles	780	-	-	(200)	580
Managed Funds	170,488,652	3,295,639	(33,032)	4,791,443	178,542,702
AVC	26,423,193	681,617	(1,124,640)	356,337	26,336,507
DC	6,475,382	79,200	(184,156)	86,808	6,457,234
	203,388,007	**4,056,456**	**(1,341,828)**	**5,234,388**	**211,337,023**

	Value at 30-04-21	Value at 30-04-22
€ assets	182,426,285	189,358,215
£ assets	20,961,722	21,978,808
Total	**203,388,007**	**211,337,023**

At the 30 April 2022 there is a total of £ 18,441,978 (2021 £18,207,981) sterling assets translated into euro at a rate of 0.83908 (2021 0.86863) making a total of € 21,978,808 (2021 €20,961,722). These assets are held to meet the sterling pension liabilities of the Northern Ireland section of this scheme.

The change in market value of investments during the year comprises all increases and decreases in the market value of investments held at any time during the year, profits and losses realised on the sale of investments during the year and foreign exchange differences arising on the translation of investments denominated in foreign currencies. Where the investments are held in unitised funds, the change in market value also includes expenses both implicit and explicit for the year and any reinvested income, where the income is not distributed.

Transaction costs are included in the cost of the purchases and sales proceeds. Indirect transaction costs are incurred through the bid/offer spread on investments within pooled investment vehicles. The amount of indirect transaction costs are not separately provided to the Scheme.

The Investment Managers are remunerated on a fee basis calculated as a percentage of the assets under management and these fees are reflected in unit prices and borne by the Scheme. The Fees charged are netted against gains during the year.

(b) Summary of % of net assets

Investment Manager	2022 €	Net Assets %	2021 €	Net Assets %
ACT	580	0.00%	780	0.00%
Blackrock				
Blackrock iShares Developed World Index Fund	50,267,383	23.57%	44,699,150	21.92%
Blackrock iShares Emerging Markets Index Fund	5,818,363	2.73%	6,356,179	3.12%
Blackrock Liability Matching Funds Leveraged EUR Long Liability Real Profile	42,544,679	19.95%	43,909,207	21.54%
Schroders				
Schroders ISF Alternative Securitized Income	9,598,595	4.50%	9,561,001	4.68%
MAN				
Man Alternative Style Risk Premia	25,420,497	11.92%	21,408,597	10.48%
PIMCO				
PIMCO Diversified Income Duration Hedged Fund	22,933,747	10.75%	23,700,314	11.60%
NI – Schroders				
Schroders Dynamic Multi Asset Fund	4,000,294	1.88%	3,745,142	1.83%
Schroders LDI	4,579,910	2.15%	5,418,198	2.65%
NI – Blackrock				
iShares Developed World Index Fund (IE) Flexible Accumulating GBP Hedged	7,066,908	3.31%	6,665,898	3.27%
iShares Emerging Markets Index Fund (IE) Inst Acc	814,241	0.38%	886,915	0.44%
MAN				
Man Alternative Style Risk Premia	2,846,099	1.33%	1,964,514	0.96%
PIMCO				
PIMCO Diversified Income Duration Hedged Fund	2,651,986	1.24%	2,173,538	1.06%
AVC/DC				
Zurich AVC	15,818,880	7.42%	15,622,983	7.65%
Zurich 30-35	465,005	0.22%	555,158	0.27%
Zurich Insured	16,432,889	7.70%	16,606,995	8.13%
Blackrock	57,597	0.03%	5,921	0.00%
Utmost Life and Pension Limited	19,370	0.01%	107,517	0.05%
	211,337,023		**203,388,007**	

(c) Investment Fair Value Hierarchy

For investments held at fair value in the statement of net assets available for benefits, a retirement benefit scheme shall disclose for each class of financial instrument, an analysis of the level in the following fair value hierarchy into which the fair value measurements are categorised. A fair value measurement is categorised in its entirety on the basis of the lowest level input that is significant to the fair value measurement.

Level 1: The unadjusted quoted price in an active market for identical assets or liabilities that the entity can access at the measurement date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable (i.e. developed using market data) for the asset or liability

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

The Scheme's investment assets and liabilities have been fair valued using the above hierarchy categories as follows:

At 30 April 2022	Level 1	Level 2	Level 3	Total
	€	€	€	€
Pooled investment vehicles	-	184,999,936	580	185,000,516
AVC pooled investment vehicles	-	26,317,137	19,370	26,336,507
	-	**211,317,073**	**19,950**	**211,337,023**

At 30 April 2021	Level 1	Level 2	Level 3	Total
	€	€	€	€
Pooled investment vehicles	-	176,964,034	780	176,964,814
AVC pooled investment vehicles	-	26,315,676	107,517	26,423,193
	-	**203,279,710**	**108,297**	**203,388,007**

(d) Breakdown of Pooled Investment Vehicles

	2022	2021
	€	€
Pooled Investment Vehicles		
Equity Funds	63,967,475	58,608,922
Bond Funds	72,710,322	75,201,257
Multi-Asset Funds	19,192,193	18,867,767
Cash Funds	1,168,954	1,168,954
Alternative Risk Funds	37,865,190	32,934,112
Insurance Policies	16,432,888	16,606,995
Total Investment Assets	**211,337,023**	**203,388,007**

(e) Investments at market value by reporting currency of fund

	2022		2021	
	€	£	€	£
Equity Funds	580	-	780	-
Managed funds	156,583,264	18,425,726	149,634,447	18,114,588
AVC managed funds	26,317,137	16,252	26,315,676	93,393
DC managed Funds	6,457,234	-	6,475,382	-
Total Investment Assets	**189,358,215**	**18,441,978**	**182,426,285**	**18,207,981**

At the 30 April 2022 there is a total of £18,960,664 (2021 £18,250,732) sterling assets, Investments and bank account, translated into euro at a rate of 0.83908 making a total of €22,596,968 (2021 €21,010,939).

All defined contribution and AVC section investments are allocated to members.

(f) Investment Risks

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

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

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

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

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

Investment strategy

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

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

Fund	Credit Risk	Currency Risk	Interest Rate Risk	Other Pric Risk
Blackrock iShares Developed World Index Fund	N	Y	N	Y
Blackrock iShares Emerging Markets Index Fund	N	Y	N	Y
Blackrock Liability Matching Funds Leveraged EUR Long Liability Real Profile	Y	N	Y	N
Utmost Life and Pensions	Y	N	Y	Y
Man Alternative Style Risk Premia	Y	Y	Y	Y
PIMCO Diversified Income Duration Hedged Fund	Y	Y	Y	N
Schroders ISF Alternative Securitized Income	Y	N	Y	N
Schroders Dynamic Multi Asset Fund	N	Y	N	Y
Zurich Dynamic Fund	Y	Y	Y	Y
Zurich Performance Fund	Y	Y	Y	Y
Blackrock Dynamic Diversified Fund	Y	Y	Y	Y
Zurich Long Bond Fund	Y	N	Y	N
Zurich Secure Fund	Y	N	Y	N

Management of the underlying pooled investment vehicles is delegated to professional investment managers. The Trustee regularly reviews the appropriateness of the funds made available to members and monitor the performance of the investment managers. The investment managers invest predominantly in regulated markets and underlying investments which are at least investment grade. The underlying assets of the pooled arrangements are ring-fenced from the pooled manager.

8. Current Assets

	2022 DB €	2022 DC €	2022 AVC €	2022 Total €
Employer Contributions	-	463	-	463
Employee Contributions	45,320	230	30,985	76,535
Bank €	1,322,972	-	-	1,322,972
Bank £	618,956	-	-	618,956
Total Current Assets	**1,987,248**	**693**	**30,985**	**2,018,926**

	2021 DB €	2021 DC €	2021 AVC €	2021 Total €
Employer Contributions	-	4,639	-	4,639
Employee Contributions	48,260	2,320	25,445	76,025
Bank €	401,009	-	-	401,009
Bank £	312,639	-	-	312,639
Cash in Transit	-	-	231,075	231,075
Total Current Assets	**761,908**	**6,959**	**256,520**	**1,025,387**

9. Current Liabilities

	2022 DB €	2022 AVC €	2022 Total €	2021 Total €
Employer Contributions in advance	-	-	-	339,927
Retirement Lump Sums	22,377	-	22,377	173,146
Refunds to Employer	25,432	-	25,432	25,432
Fees	20	-	20	-
Total Current Liabilities	**47,829**	**-**	**47,829**	**538,505**

10. Comparative disclosures for the Fund Account

	2021 DB	2021 AVC/DC	2021 TOTAL
Contributions and Benefits	**€**	**€**	**€**
Employer Contributions	3,166,944	47,770	3,214,714
Member Contributions	599,450	440,907	1,040,357
	3,766,394	488,677	4,255,071
Lump sums, death benefits, ARF transfers	(2,456,164)	(652,563)	(3,108,727)
Transfers out	(1,336,618)	(24,932)	(1,361,550)
Group life assurance	(66,907)	-	(66,907)
	(3,859,689)	(677,495)	(4,537,184)
Net additions from dealings with members	(93,295)	(188,818)	(282,113)
Returns on Investments			
Change in market value of Investments	19,515,628	5,754,423	25,270,051
Gain on Exchange	46,091	-	46,091
Net Returns on Investments	19,561,719	5,754,423	25,316,142
Net Increase in the Fund	19,468,424	5,565,605	25,034,029
Net Assets as at 1 May	151,395,180	27,445,680	178,840,860
Net Assets as at 30 April	**170,863,604**	**33,011,285**	**203,874,889**

11. Related Party Transactions

Trustees
The Trustees of the Scheme are listed on page 1 of this report. John Ahern, Frankie Devlin and Cathy Byrne are active members of the scheme and Colm Gorman and Brian Morrissey are deferred members of the Scheme. The contributions paid during the year include amounts payable in respect of Trustee members of the Scheme. There were no other related party transactions with the Trustees during the year under review.

Remuneration of the Trustees
The Directors of the Corporate Trustee did not receive any remuneration in connection with the management of the Scheme during the year save for Martin Dobey. The cost of his services is borne directly by the sponsoring employer.

Principal Employer
KPMG is the Principal Employer. Employer contributions to the Scheme are disclosed in the Fund Account. Contributions are made in accordance with Trust Deed and Rules and the recommendation of the Actuary.

The Registered Administrator
Aon Solutions Ireland provides administration, consulting and investment services to the Scheme.

Scheme Actuary
Willis Towers Watson provide actuarial services to the Scheme.

Investment Managers

The investment managers are listed on page 1 of this report. The investment managers are remunerated on a fee basis calculated as a percentage of the assets under management. Such charges are levied by adjusting the relevant unit prices of the unitised or managed fund. The amount of indirect costs is not separately provided to the Scheme.

12. Self Investment

With the exception of the late remittance of Contributions as outlined below there was no employer related investment at any time during the year.

Month	Amount	Due Date	Received
June 2021	5,243	21-Jul-21	16-Sep-21
July 2021	5,243	21-Aug-21	30-Sep-21
August 2021	5,243	21-Sep-21	20-Oct-21
September 2021	5,243	21-Oct-21	22-Oct-21

13. Concentration of Investments

There was no individual stock representing in excess of 5% of the fund assets other than holdings in unitised funds as detailed in note 7 (b).

14. Contingent Liabilities

There were no contingent liabilities or contractual commitments (save for the liability to pay pensions and other benefits in the future which have not been taken into account) at 30 April 2022 (2021: €nil).

15. Events Subsequent to the Balance Sheet Date

There were no events subsequent to the year-end that would affect the information contained in this report.

16. Approval of the Financial Statements

The financial statements were approved by the Trustee on 24 JAN 2023

Account Valuation Excluding Suspended Units

Account name: KPMG STAFF PENSION SCHEME TRUSTEE DAC

Schroders

Total value in Reporting Currency 9,598,594.66 EUR

KPMG Staff Pension Scheme NI Section - Life LDI Portfolio

Net AUM c/f at 30 April 2022 7,199,477.80

SCHRODER ISF[1] ALTERNATIVE SECURITISED INCOME

Monthly commentary

As of 30 April 2022

Fund Information

Schroder ISF Alternative Securitised Income invests with a broad global ABS mandate, targeting returns of 350 basis points over the 3 Month US Treasury Bill Index.

The Fund is an alternative to higher yielding fixed income allocations such as floating rate corporate debt, corporate high yield or leveraged loans.

The Fund is unconstrained with respect to credit quality, managed within a 0-year to 3-year duration range, and aims to provide attractive return while focussing on capital preservation.

Fund Characteristics	
Total net assets (base, USD)	550 mm
Fund type	UCITS
Fund manager(s)	Michelle Russell-Dowe Anthony Breaks
Effective Duration	0.00
Class	**ISIN**
A Class (accumulation shares)	LU2114932085
Institutional Class (accumulation shares)	LU2114932168
Fund inception	17 December 2019
Number of issuers	164
Number of bond holdings	201

Performance

	Fund (A Acc)	Fund (I Acc)	BM**
YTD 2022	-0.30%	0.06%	0.05%
2021	2.15%	3.17%	0.05%

Source: Schroders. NAV to NAV (Bid to Bid), adjusted for dividends, net of ongoing charge (OGC). ** Benchmark changed to the ICE BofA 3 Month US Treasury Bill Index from the USD three-month LIBOR.

Past performance is not a reliable indicator of future results, the value of investments and the income from them may fall as well as rise and investors may not get the amount originally invested.

*Source: Schroders as at 30 April 2022. NAV to NAV (Bid to Bid), adjusted for dividends, net of ongoing charge (OGC), USD.

Performance Summary

The Schroder ISF Alternative Securitised Income Fund returned +0.33% (institutional class, accumulation shares) in April*. Over the last 3 months, the fund returned -0.24%*. On a one-year basis, the fund returned +1.87%*.

Monthly Market Focus:

Ongoing uncertainty

After a bad first quarter, there was little respite for markets in April. Both equities and fixed income markets saw negative performance, driven by the Ukraine/Russia conflict, China's Covid lockdown Covid and central bank interest rate hikes due to strong and persistent inflation. Indeed, central banks' rhetoric has changed dramatically in the last months, and we have now seen rate hikes in the UK, the US and Australia, with signals of further hikes to come.

Due to its proximity to Ukraine/Russia, the risk of recession is, in our view, greater in Europe than in the US. Our global mandate has the benefit of allowing us to pivot the fund towards fundamentally stronger geographical markets, with a continued focus on real estate and the prime consumer.

In this market, with higher inflation and idiosyncratic risks, volatility is anticipated to increase and liquidity to go down. It is important to have a playbook with the flexibility to adapt to rapidly changing markets, with low duration and backed by hard assets to weather the storm ahead. As such, a strategic allocation to floating rate securitized products is a must.

Past performance is not a reliable indicator of future results. The value of investments and the income from them may fall as well as rise and investors may not get the amount originally invested.

Some performance differences between the fund and the benchmark may arise because the fund performance is calculated at a different valuation point from the benchmark.

Please see the respective fund factsheets for the performance of other share classes.

Securitised markets re-cap: April saw another month of negative returns in the financial markets, as markets continue to readjust to a new inflation and interest rate paradigm. The US 10-year breached 3%, resting at month end at around 2.9%, a 0.5% increase month-on-month. The Bloomberg US Aggregate Index posted -3.8% in April and -9.5% on a year-to-date basis.

On the month, Agency MBS, measured by the BofA Mortgage Backed Securities Index, returned -3.5%. The BofA CMBS Index returned -2.1%, while the BofA Fixed & Floating Rate ABS Index ended April comparatively better, with total returns of-0.5%.

Floating rate product fared considerably better than fixed rate as rates continued to rise. High yield CLOs, measured by the JPM BB CLO Index, were one of the only positive performers, returning +0.7%. AAA CLOs, measured by the JPM Index, returned -0.1%. Leveraged loans were also positive at +0.2%.

Traditional corporate fixed income is down significantly, and securitized product feels well protected in comparison. On a year-to-date basis, AAA securitized product total returns were -3.2% versus investment grade corporate returns of -12.3%. Down in credit securitized delivered -1.8% for the same period, while high yield corporates returned -8.0%.

We believe that a traditional asset allocation benefits from a strategic allocation to securitized products in developed markets, bolstered by strong fundamentals and natural protection against rate volatility.
Index performance source: BofA Research.

Portfolio performance and attribution

Contributors:

- Non-US securities, particularly UK/EU MBS, delivered the strongest performance
- Strong housing fundamentals were supportive of positive contributions from mortgage insurance CRT

Detractors:

- Allocations to corporate financials were the largest performance detractor
- US ABS and US MBS detracted from performance, showing slightly negative contributions

*Source: Aladdin. Performance may differ due to timing differences.

Material sector level contribution to monthly return (gross):

Non-US: +0.11%/28% of the fund's assets

US MI CRT: +0.06%/22% of the fund's assets

US CLO: +0.04%/12% of the fund's assets

EU CLO: +0.01%/6% of the fund's assets

US GSE CRT: +0.02%/2% of the fund's assets

CMBS: +0.01%/8% of the fund's assets

US RMBS: -0.01%/5% of the fund's assets

US ABS: -0.06%/5% of the fund's assets

Corporate: -0.08%/4% of the fund's assets

*Source: Aladdin. Weights are average for the period. Performance may differ due to timing differences. Sectors with contributions of 0% have been removed.

Outlook and strategy

Rates outlook: Higher inflation expectations and a healthy and resilient economy are not a constraint to policy normalization, which will lead to central bank action that is expected to continue beyond this year to normalize policy. We believe the 10-year US Treasury yield could end the year much higher, and risks are skewed towards a faster rate hiking cycle.

Credit outlook: Despite deceleration from high growth, economic indicators are strong. Looking at the three basic pillars of the economy, corporates, the consumer and banks are all in good health.

Valuations: As we are in an "out of historical sample" economic environment, there will be more uncertainty and volatility. Factors like QT and cross-over buying will affect technicals. We are seeing increased idiosyncratic risks. Conviction around what is technical and what is fundamental is key.

Portfolio positioning

Every holding has a purpose aligned to one of our 4 principal groupings:

✓ FAST LIQUIDITY – ready for potential redeployment if opportunity arises

✓ OPPORTUNITY – inefficiencies that generate excess return and develop over time

✓ CARRY – the source of steady return, that offers safe income

✓ RECOVERY – assets that are mispriced

Risk considerations

ABS and MBS risk: The fund may invest in mortgage or asset-backed securities. The underlying borrowers of these securities may not be able to pay back the full amount that they owe, which may result in losses to the fund.

Counterparty risk: The fund may have contractual agreements with counterparties. If a counterparty is unable to fulfil their obligations, the sum that they owe to the fund may be lost in part or in whole.

Credit risk: A decline in the financial health of an issuer could cause the value of its bonds to fall or become worthless.

Currency risk: The fund may lose value as a result of movements in foreign exchange rates.

Derivatives risk – efficient portfolio management and investment purposes: Derivatives may be used to manage the portfolio efficiently. A derivative may not perform as expected, may create losses greater than the cost of the derivative and may result in losses to the fund. The fund may also materially invest in derivatives including using short selling and leverage techniques with the aim of making a return. When the value of an asset changes, the value of a derivative based on that asset may change to a much greater extent. This may result in greater losses than investing in the underlying asset.

High yield bond risk: High yield bonds (normally lower rated or unrated) generally carry greater market, credit and liquidity risk.

IBOR risk: The transition of the financial markets away from the use of interbank offered rates (IBORs) to alternative reference rates may impact the valuation of certain holdings and disrupt liquidity in certain instruments. This may impact the investment performance of the fund.

Interest rate risk: The fund may lose value as a direct result of interest rate changes.

Liquidity risk: In difficult market conditions, the fund may not be able to sell a security for full value or at all. This could affect performance and could cause the fund to defer or suspend redemptions of its shares.

Market risk: The value of investments can go up and down and an investor may not get back the amount initially invested.

Operational risk: Operational processes, including those related to the safekeeping of assets, may fail. This may result in losses to the fund.

Performance risk: Investment objectives express an intended result but there is no guarantee that such a result will be achieved. Depending on market conditions and the macro economic environment, investment objectives may become more difficult to achieve.

Fund Data 30 April 2022

Portfolio Statistics	Fund	Index**
Yield (%)	4.63	0.84
Weighted Avg. Life (years)	2.50	–
Duration (years)	0.00	0.24
Spread duration (years)	2.85	–
Spread	285 bps	–
Convexity (years)	-0.03	–
Average credit rating	A-	–
Floating-rate securities (%)	74.30%	–

Ratings higher of S&P, Moody's and Fitch. Yield to maturity is over the life of the bond, including pull to par over the life of a bond.

Credit Quality	Portfolio (%)
AAA	26.54
AA	0.28
A	9.85
BBB	28.06
Below Investment Grade	18.77
NA/NR	15.96

Regional Allocation (of Risk)	Portfolio (%)
United States	60.64
United Kingdom	20.55
Europe**	12.24
Cash, Equiv. and Derivatives*	6.57

*includes T-bills. **ex UK.

Sector Allocation	Portfolio (%)
Agency MBS	0.43
US MBS	29.51
UK/EU MBS	18.92
US CLO	12.05
EU CLO	5.97
ABS	14.05
CMBS	8.45
Corporate	4.05
Cash, Equiv. and Derivatives	6.57
Total	100

Contribution by sector	Dur	WAL	Spread Dur
Agency MBS	-0.02	0.03	0.02
US MBS	0.08	0.86	0.94
UK/EU MBS	0.01	0.40	0.38
US CLO	0.05	0.50	0.45
EU CLO	0.00	0.22	0.21
ABS	0.14	0.51	0.46
CMBS	0.07	0.25	0.23
Corporate	0.12	0.20	0.16
Cash, Equiv. and Derivatives	-0.46	-0.48	
Total	0.00	2.50	2.85

**ICE BofA 3 Month US Treasury Bill. Source: Schroders

Schroder International Selection Fund Alternative Securitised Income

IZ Accumulation EUR Hedged | Data as at 29.04.2022

Fund objectives and investment policy

The fund aims to provide income and capital growth of ICE BofA 3 Month US Treasury Bill Index + 3.5% before fees have been deducted* over a three to five year period by investing in securitised bonds issued by entities worldwide.*For the target return after fees for each Share Class please visit the Schroder website: https://www.schroders.com/en/lu/private-investor/investing-with- us/after-fees-performance-targets/

For details of the fund's investment policy please refer to the fund's Key Investor Information Document (KIID).

Relevant risks associated with an investment in this fund are shown overleaf and should be carefully considered before making any investment.

Past Performance is not a guide to future performance and may not be repeated. The value of investments and the income from them may go down as well as up and investors may not get back the amounts originally invested. Exchange rate changes may cause the value of any overseas investments to rise or fall.

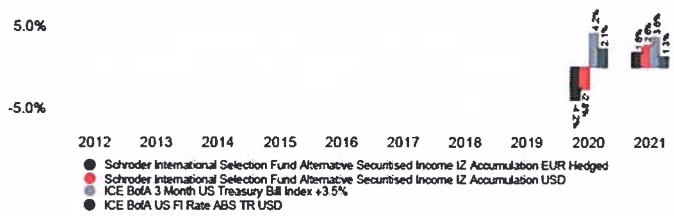
Share class performance (%)

Cumulative performance	1 month	3 months	YTD	1 year	3 years	5 years	Since inception
EUR Hedged	-0.2	-0.6	-0.6	0.2	-	-	-3.3
USD Unhedged	-0.1	-0.4	-0.4	1.1	-	-	-0.7
Target USD	0.3	0.9	0.9	3.6	-	-	9.1
Comparator USD	-0.0	-0.7	-0.7	-0.1	-	-	2.7

Discrete yearly performance	Mar 12 - Mar 13	Mar 13 - Mar 14	Mar 14 - Mar 15	Mar 15 - Mar 16	Mar 16 - Mar 17	Mar 17 - Mar 18	Mar 18 - Mar 19	Mar 19 - Mar 20	Mar 20 - Mar 21	Mar 21 - Mar 22
EUR Hedged	-	-	-	-	-	-	-	-	6.6	0.2
USD Unhedged	-	-	-	-	-	-	-	-	7.7	1.1
Target USD	-	-	-	-	-	-	-	-	3.8	-
Comparator USD	-	-	-	-	-	-	-	-	4.6	-

Calendar year performance	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
EUR Hedged	-	-	-	-	-	-	-	-	-4.2	1.8
USD Unhedged	-	-	-	-	-	-	-	-	-2.8	2.6
Target USD	-	-	-	-	-	-	-	-	4.2	3.6
Comparator USD	-	-	-	-	-	-	-	-	2.1	1.3

Performance over 10 years (%)



Fund facts

Fund manager	Michelle Russell-Dowe
Managed fund since	17.12.2019
Fund management company	Schroder Investment Management (Europe) S.A.
Domicile	Luxembourg
Fund launch date	17.12.2019
Share class launch date	17.12.2019
Fund base currency	USD
Share class currency	EUR
Fund size (Million)	USD 570.09
Number of holdings	202
Target	ICE BofA 3 Month US Treasury Bill Index +3.5%
Comparator	ICE BofA US FI Rate ABS TR USD
Unit NAV	EUR 96.9182
Dealing frequency	Daily
Distribution frequency	No Distribution

Fees & expenses

Ongoing charge	0.56%
Redemption fee	0.00%

Purchase details

Minimum initial subscription	USD 100M or their near equivalent in any other freely convertible currency.

Codes

ISIN	LU2084127443
Bloomberg	SAIIZEA LX
SEDOL	BK6FBL6

Schroder International Selection Fund Alternative Securitised Income

IZ Accumulation EUR Hedged | Data as at 29.04.2022

Risk considerations

Liquidity risk: In difficult market conditions, the fund may not be able to sell a security for full value or at all. This could affect performance and could cause the fund to defer or suspend redemptions of its shares.
ABS and MBS risk: The underlying borrowers of these securities may not be able to pay back the full amount that they owe, which may result in losses to the fund.
Please see the KIID and Prospectus for a full list of risk considerations applicable to this fund.

Synthetic risk & reward indicator (SRRI)

LOWER RISK Potentially lower reward — **HIGHER RISK** Potentially higher reward

1 2 **3** 4 5 6 7

The risk category was calculated using historical performance data and may not be a reliable indicator of the fund's future risk profile. The fund's risk category is not guaranteed to remain fixed. Please see the Key Investor Information Document for more information.

Risk statistics & financial ratios

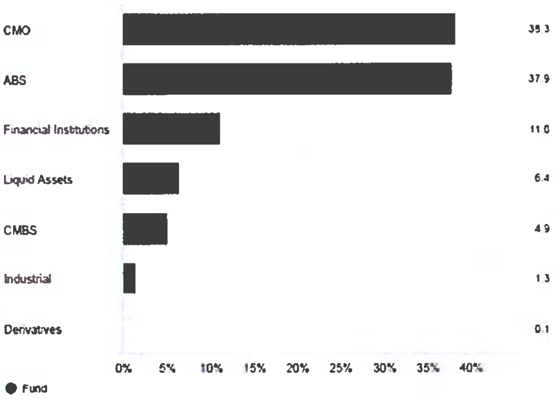
	Fund	Target
Effective duration (years)	0.1	-
Current yield (%)	4.0	-
Yield to maturity	4.4	-

Source: Morningstar. The above ratios are based on bid to bid price based performance data.

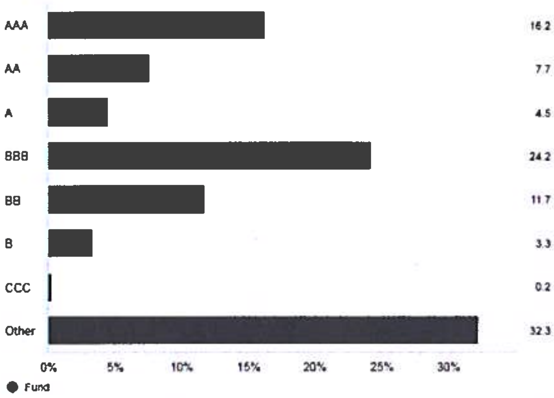
Asset allocation

Source: Schroders. Top holdings and asset allocation are at fund level.

Sector (%)



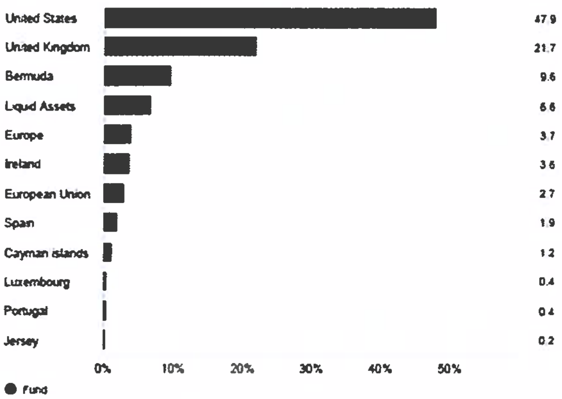
Credit quality (%)



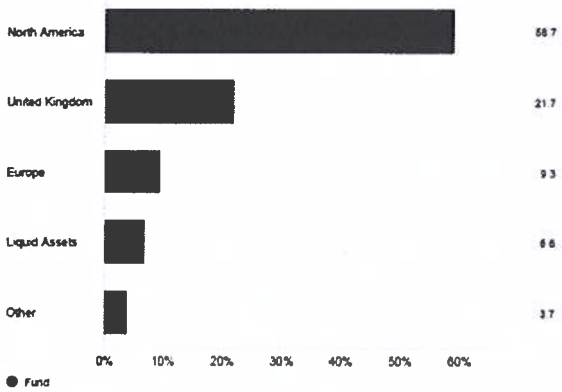
Schroder International Selection Fund Alternative Securitised Income

IZ Accumulation EUR Hedged | Data as at 29.04.2022

Geographical breakdown (%)



Region (%)



Top 10 holdings (%)

Holding name	%
BLUE MOTOR FINANCE B1 FRN 3.0501 01/09/2025	2.7
FORMT_22-1 FRN 1.3478 28/07/2047 - REGS	2.5
TREASURY BILL 0.0000 10/05/2022 SERIES GOVT	2.1
STRA_21-2X FRN 3.7109 20/07/2060 - REGS	1.6
BMIR_21-3A FRN 3.4387 25/09/2031 - 144A	1.5
SITKA HOLDINGS LLC FRN 06/07/2026 SERIES 144A	1.5
MOTR 2020-1 D	1.5
YRKCL_19-1 FRN 5.0719 20/03/2029	1.4
PRPM_21-9 2.3630 25/10/2026 - 144A	1.4
EHMU_07-2 FRN 15/09/2044	1.4

Contact information

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For your security, communications may be taped or monitored.

Information relating to changes in fund manager, investment objective, benchmark and corporate action information

Some performance differences between the fund and the benchmark may arise because the fund performance is calculated at a different valuation point from the benchmark. The full track record of the previous index has been kept and chain linked to the new one. The fund's performance should be assessed against its target benchmark, being to deliver ICE BofA 3 Month US Treasury Bill Index + 3.5% and compared against the ICE BofA Merrill Lynch US Floating Rate Asset Backed Securities index. The comparator benchmark is only included for performance comparison purposes and does not have any bearing on how the investment manager invests the fund's assets. Whilst the fund's investments are generally expected to deviate significantly from the components of the comparator benchmark, dependent on the investment manager's views, the fund's investments may overlap with them. The investment manager invests on a discretionary basis and there are no restrictions on the extent to which the fund's portfolio and performance may deviate from the comparator benchmark. The investment manager will invest in companies or sectors not included in the comparator benchmark. The target benchmark has been selected because the target return of the fund is to deliver the return of that benchmark as stated in the investment objective. The comparator benchmark has been selected because the investment manager believes that the benchmark is a suitable comparison for performance purposes given the fund's investment objective and policy. On 01.05.2021 the ICE BofA 3 Month US Treasury Bill Index +3.5% replaced the 3-month USD LIBOR +3.5%.

Benchmarks:

The investment manager invests on a discretionary basis and there are no restrictions on the extent to which the fund's portfolio and performance may deviate from the benchmark. The investment manager will invest in companies or sectors not included in the benchmark in order to take advantage of specific investment opportunities.

Source and ratings information

Source of all performance data, unless otherwise stated: Morningstar, bid to bid, net income reinvested, net of fees.

Important information

Costs

Certain costs associated with your investment in the fund may be incurred in a different currency to that of your investment. These costs may increase or decrease as a result of currency and exchange rate fluctuations.

If a performance fee is applicable to this fund, details of the performance fee model and its computation methodology can be found in the fund's prospectus. This includes a description of the performance fee calculation methodology, the dates on which the performance fee is paid and details of how the performance fee is calculated in relation to the fund's performance fee benchmark, which may differ from the benchmark in the fund's investment objective or investment policy.

For further information regarding the costs and charges associated with your investment, please consult the funds' offering documents and annual report.

General

Schroders
solutions

Marketing material for professional clients only

Liability and Duration Solutions

Period ending 29 April 2022

Market Conditions

Markets dashboard

	10 year	20 year	50 year
FI Gilt yield	↓ -4	↑ +2	↑ +3
IL Gilt yield	↓ -6	↑ +12	↑ +14
RPI swap	↑ +1	↓ -11	↓ -18
FI Gilt/Swap spread	→ -0	↑ +3	→ -0

Risk asset market changes		
MSCI World	↓	-3.0%
FTSE 100	→	+0.3%
5yr Euro CDS	↑	+9 bps

Market period: 22 Apr 22 to 29 Apr 22

Source: Schroders, Bloomberg. Data shown as at close of business market conditions (4.15PM UK time for sterling markets) Yields shown are zero coupon unless otherwise stated. 1 bps is 0.01%.

Liability and Duration Solutions Desk Commentary

LDI Solutions and Portfolio Management

- Equities and sovereign bonds both lost ground over April, with the S&P 500 posting its worst monthly return since covid seized markets in March 2020. Brent and WTI Crude were among the top performing assets amidst the continuing war in Ukraine.
- FI Gilt yields steepened last week, with the short end falling (-0.04%) whereas long maturity yields rose (+0.03%).
- IL Gilts yields also steepened last week, with the short end falling (-0.06%) whereas long maturity yields rose (+0.14%) in the aftermath of the 2073 IL Gilt syndication on Wednesday.
- Knock-on effects from the war in Ukraine and disruptions to China's supply chains increased pressure on central banks to halt runaway prices during a time when global growth looks destined to slow.
- Subsequently, the US Federal Reserve (Fed) appear ready to raise rates and reduce its balance sheet, ending an era of cheap money and causing markets to reassess valuations.
- The UK is expected to follow suit, with predictions of a 0.25% increase in interest rates as the Bank of England (BoE) tries to avoid exacerbating economic slowdown with the risk of a period of stagflation developing following the surging consumer prices.

LDI Structuring and Execution

- Ahead of Thursday's Monetary Policy Committee (MPC) meeting, participants in the repo market are keeping cash parked in the front end, in order to avoid any unwanted surprises.
- Indicative repo levels for 3 month maturity are at Sonia + 5 bps (vs. S+10 last week), 6 month at S+5 (vs S+12), 9 month at S+7 (vs S+14) and 12-month at S+7 (vs S+15).

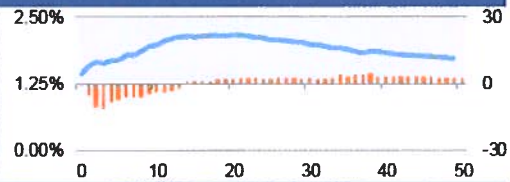
Buy & Maintain Credit Market Update

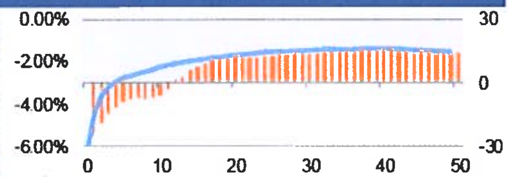
- Global risk markets experienced a large amount of volatility across the month due to a number of interlinked factors.
- The war in Ukraine continued to develop during April, with Russia undertaking a major new offensive in the country's Donbas region and President Putin moving away from signs that he may be open to diplomatic efforts to end the war. The US vowed to resume diplomatic operations, sending key government figures to Kyiv to meet with Ukrainian President Zelensky and subsequently pledge $322m in military funding.
- Covid-19 cases began to rise across China, leading the government to implement strict new lockdown measures across Shanghai. This intensified disruption to global supply chains, escalating strains on transport and logistics, as the activity in China's largest onshore financial hub came to a standstill.
- In Europe, French president Emmanuel Macron succeeded in defeating Marine Le Pen and earning a second term in charge.
- Credit spreads finished the month at 164bps. (ICE BofA £ Corporate Index).

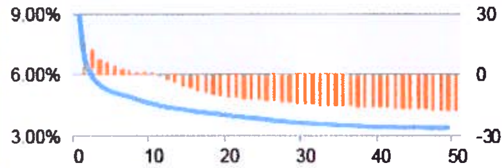
Market data: Bond markets and currencies

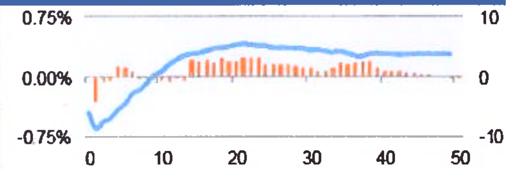
Current curve (LHS): Week change (RHS, Bps):

	YTD range •L H•	Last Week 29 Apr 2022	Week Before 22 Apr 2022	Last Quarter 31 Mar 2022	Last Year 30 Apr 2021
Nominal rates – Gilt markets					
5 Year		1.69%	1.77%	1.44%	0.40%
10 Year		1.95%	1.99%	1.65%	0.94%
20 Year		2.16%	2.14%	1.86%	1.35%
30 Year		2.03%	2.01%	1.77%	1.37%
50 Year		1.73%	1.70%	1.52%	1.09%
Real rates – Index-linked gilt markets					
5 Year		-2.97%	-2.87%	-3.16%	-2.87%
10 Year		-2.39%	-2.33%	-2.59%	-2.51%
20 Year		-1.77%	-1.88%	-2.10%	-2.15%
30 Year		-1.51%	-1.64%	-1.89%	-1.98%
50 Year		-1.55%	-1.69%	-1.90%	-2.12%
Inflation rates – RPI swap market					
5 Year		5.27%	5.22%	5.16%	3.62%
10 Year		4.67%	4.66%	4.58%	3.69%
20 Year		4.05%	4.16%	4.11%	3.59%
30 Year		3.64%	3.79%	3.78%	3.40%
50 Year		3.37%	3.55%	3.53%	3.26%
Nominal gilt curve vs Sonia swap curve					
5 Year		-0.40%	-0.42%	-0.44%	-0.09%
10 Year		0.02%	0.03%	0.00%	0.12%
20 Year		0.37%	0.35%	0.34%	0.36%
30 Year		0.35%	0.34%	0.34%	0.41%
50 Year		0.28%	0.29%	0.28%	0.29%
Global bond markets					
10 Year Bund		0.94%	0.97%	0.55%	-0.20%
10 Yr Gilt/Bund Spread		0.96%	0.98%	1.06%	1.05%
10 Year US Treasury		2.93%	2.90%	2.34%	1.63%
10 Yr Gilt/US Spread		-1.00%	-0.91%	-0.71%	-0.77%
5 year IG CDS – Euro		90	81	73	50
5 year IG CDS – US		83	79	67	50
Money markets					
Bank of England base		0.75%	0.75%	0.75%	0.10%
SONIA		0.69%	0.69%	0.69%	0.05%
3m Libor		1.23%	1.24%	1.04%	0.08%

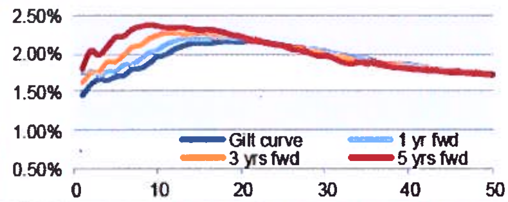








Forward gilt curves



Currency rates	YTD range	29 Apr 2022	22 Apr 2022	31 Mar 2022	30 Apr 2021
GBP/USD		1.26	1.28	1.31	1.38
GBP/EUR		1.19	1.19	1.19	1.15
GBP/JPY		163.0	165.0	159.9	151.0

Interest rate swaptions versus prior year range:

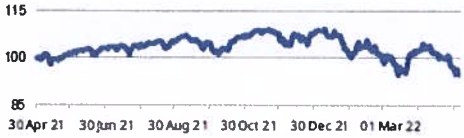
	1y20y	3y20y	1y30y	3y30y	5y30y
ATM* Forward Par swap rate	1.77%	1.67%	1.67%	1.59%	1.54%
ATM* Implied volatility	1.01%	0.88%	0.80%	0.86%	0.77%

Source: Schroders, Bloomberg. *At the money. Data shown as at close of business market conditions (4.15PM UK time for sterling markets).

Equity Market Backdrop

Equity indices	YTD range • L H •	Last Week 29 Apr 2022	Week Before 22 Apr 2022	Last Quarter 31 Mar 2022	Last Year 30 Apr 2021
MSCI World		2,796	2,882	3,053	2,939
FTSE 100		7,545	7,522	7,516	6,970
S&P 500		4,132	4,272	4,530	4,181
Euro Stoxx 50		3,803	3,840	3,903	3,975
Nikkei 225		26,848	27,105	27,821	28,813

MSCI All World Total Return (re-based to 100)



Source: Schroders, Bloomberg. Data shown as at close of business market conditions.

About us

The Liability Driven Investment and Advance Bod Beta teams sit within our wider Solutions Group, bringing together LDI and buy & maintain credit expertise.

The Solutions Group's Investment teams are responsible for structuring and executing physical and derivative-based strategies to manage our clients' exposure to global equity and fixed income markets. These strategies draw on the full opportunity set of exchange traded and Over-The-Counter derivatives.

To help manage interest and inflation rate risk, Schroders Solutions offer a comprehensive and fully flexible proposition. We utilise both segregated solutions (encompassing physical bonds, swaps, swaptions and synthetic gilt-based strategies), as well as the Schroder Life Matching Gilt and Matching Plus pooled fund ranges. We also provide funding level and market-based trigger monitoring and execution for both pooled and segregated solutions.

These capabilities are available to our clients under directed or discretionary mandates.

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BlackRock

Investment Commentary

Global equities, as represented by the MSCI All Country World Index ("ACWI"), posted a return of -5.44% (in US Dollar terms) for the twelve months ended 30 April 2022. Amid a slowing economic recovery, both bonds and equities were pressured by persistently high inflation (rate of increase in the prices of goods and services), the spread of the Omicron variant of COVID-19 and moves towards monetary tightening from the world's central banks. Russia's invasion of Ukraine led to further uncertainty and disruption of financial markets. Sanctions imposed on Russia negatively impacted businesses with ties to the region and prompted concerns about further rises in commodity prices.

The US economy, powered by a surge in consumer spending and increased international trade, grew at a brisk pace in 2021, posting its highest annual growth rate since 1984. However, US gross domestic product contracted in the first quarter of 2022, raising concerns among investors about the economy's trajectory. Japanese growth was uneven, as a semiconductor shortage hindered production in its electronics and automobile industries. The UK economy posted strong growth in the second quarter of 2021, amid an increase in COVID-19 vaccinations, followed by slower growth for the remainder of the period. Economic growth in the eurozone slowed significantly in the final quarter of 2021 and the first quarter of 2022.

Emerging market economies were volatile, as higher commodity prices, COVID-19 variant outbreaks, and differing central bank policies led to significant variation in growth. The Chinese economy slowed while still growing at a solid pace amid regulatory shifts, concerns about the heavily indebted property sector, and renewed lockdowns late in the twelve-month period. India's economy contracted sharply in the second quarter of 2021 before rebounding strongly in the third quarter, as easing lockdown restrictions led to higher consumer spending.

As the global economy improved, the world's largest central banks began to implement various measures aimed at monetary policy tightening, in the face of rising inflation. The US Federal Reserve ("the Fed") raised interest rates in March 2022 as inflation proved more persistent than it initially anticipated. The Fed also ended its bond-buying programmes and indicated that it would begin selling some of its accumulated bonds later in 2022.

The Bank of England ("BoE") raised interest rates three times, as inflation reached a thirty-year high. Inflation pressure also affected the Eurozone, and while the European Central Bank ("ECB") maintained record low interest rates, it also shifted its stance by indicating that interest rate increases were likely later in 2022.

Global equity performance was mostly down during the reporting period, with significant variation by size and region. The continued implementation of COVID-19 vaccination programmes early in the period provided a strong boost to equities. However, inflation pressure amid supply chain constraints and tighter monetary policy from many central banks pressured equities in the second half of the reporting period. Globally, bonds and equities that factor in companies' ESG characteristics continued to attract strong investor interest. Bond issuance for ESG-related projects grew to a record in 2021 amid rising investor demand and inflows into ESG equity funds also increased, particularly in US and Asian markets.

Global corporate bond returns were negative overall, as yields (which move inversely to prices) rose substantially. As inflation concerns increased, investors' expectations for future interest rate increases, which reduce the value of existing bonds, ramped up. Corporate bond prices fell globally as yield spreads (the difference in yield between government and corporate bonds with similar maturities) widened and investors reassessed credit conditions amid heightened uncertainty.

Yields on the 10-year US Treasury, a benchmark lending rate for the global bond market, rose during the reporting period as inflation moved higher and investors anticipated further interest rate increases from the Fed. Yields also rose on most other government bonds, particularly UK gilts and European government bonds, while Japanese government bond yields rose more slowly.

Equities in emerging markets posted a substantial decline as the US dollar strengthened and interest rates rose. Central banks in several emerging markets, such as Brazil, Mexico, and South Korea, raised interest rates in response to heightened inflation. In the aftermath of Russia's invasion of Ukraine, the Moscow Exchange halted trading, reopening weeks later with substantial restrictions. Emerging market bond prices declined sharply, particularly following the outbreak of the war in the latter part of the reporting period.

In the commodities market, supply and demand shifts induced by the COVID-19 pandemic and subsequent recovery led to a notable rise in many commodity prices. Energy commodities, which had fallen sharply at the beginning of the pandemic, rebounded due to higher demand amid a rise in industrial output, and Brent crude oil, natural gas, and coal prices all rose. Sanctions on Russia further exacerbated concerns surrounding supply constraints in oil and gas commodity markets late in the reporting period. The prices of other commodities associated with Russia and Ukraine, including wheat and nickel, also rose notably. Gold gained slightly as investors sought a store of value amid high inflation and geopolitical instability.

On the foreign exchanges, the US Dollar rose against most other global currencies, particularly as the Fed began tightening monetary policy in 2022. The relatively accommodative stances of the Bank of Japan and the ECB meant that the Japanese Yen and the Euro both declined notably compared to the US Dollar. The pound Sterling also fell versus the US Dollar as investors saw the US Dollar as more insulated from geopolitical turmoil.

Man Alternative Style Risk Premia had strong performance for the period 30 April 2021 to 30 April 2022: I H GBP (+12.30%) and I H EUR (+11.33%)[1].

Over the period, annualised volatility was 7.4%. We target a long-term volatility of 6-8% (and since inception have achieved 6.8%) but allow and expect the portfolio to deviate from this in both periods of sustained volatility, and lengthy periods of subdued trading.

One of the key features of the portfolio is to provide diversification to traditional sources of return, the two of which that are most important in the liquid space being equities and bonds (if this isn't offered then is it really an alternative?). Since inception the portfolio has a beta to global equities of just 0.16[2]. As with the annualised volatility though, we allow and expect this to vary through time, not least as some of the strategies, most obviously Momentum, time traditional premia to generate an alternative return stream.

The period return was generated across multiple strategies. The philosophy of the portfolio construction is a relatively simple one: to bet roughly equally on each return source within the portfolio. The strategies that make up the return sources all have a relatively low Sharpe ratio[3] so it's always good to see a range of drivers at the portfolio level, rather than one strategy having an outsized gain (or loss). This was true at the portfolio level, but was perhaps even more pertinent within the equity strategies. Importantly, none of the core ideas suffered outsized losses on the year. The underlying strategy contributions to the portfolio are shown below:

Underlying strategy contributions[4]:

	Strategy	30 April 2021 to 30 April 2022
Macro	Momentum	0.40%
	Volatility	0.79%
	FX Premia	-2.15%
	Fixed Income	-1.84%
	Seasonality	-0.13%
Micro – Equity strategies	LowBeta	1.56%
	Equities Liquid	9.79%
	Equities Size	3.55%

Macro Strategies

The Macro strategies were a detractor for the portfolio (-2.93%) for the period. Within this there was quite some dispersion among the individual strategies.

The Volatility strategy did well, in a period of heightened implied vol. The VIX index spent 2021 elevated relative to long term history, (though clearly not nearly as dramatically as 2020), with the median close of 19 the 2nd highest since 2011. Though the periodic sharp spikes were painful, the shape of the curve reflected this, and the premia was as rich as ever. This helped the strategy have its best year since the inception of the portfolio.

The Fixed Income and FX Premia strategies were the two largest detractors, and both had their worst years in contributions since inception. This is despite both strategies being held at half weight in the portfolio due to a poor tail risk vs the return available.

Momentum was up for the period. The strategy did particularly well in Q1 2022, navigating a challenging backdrop as a confluence of events drove performance. Short bonds proved a profitable stance as global yields rose and currencies positions were also profitable.

Collectively, the Macro strategies were doing rather better up to (nearly) the end of November. On the 26th of November the world digested news of the Omicron variant emerging in South Africa, and there was a sharp unwind of the reflation theme that had been prevalent for much of the year. The result was the 2nd worst day for the portfolio since its inception (-2.5%). Each of Momentum, Seasonality and Volatility were major detractors, with Momentum and Seasonality both suffering their worst single day since inception.

A portfolio construction process using just realised correlation between strategies would treat each of these strategies as independent from one another – over the long term the correlation between these strategies is close to zero. Our process is more focussed on tail events, and the propensity for strategies to suffer large losses simultaneously. Seasonality and Momentum may be uncorrelated over the long run, but from time to time they can have identical positions. Volatility and Momentum have been uncorrelated, but we know they suffer simultaneously in these sharp unwinds. Because of this, we group these strategies together as a cluster in the portfolio, and control the allocation to this cluster.

Equity Strategies

The Equity strategies were responsible for most of the positive performance this period. The LowBeta strategy was a positive contributor (+1.56%), but it was really the Equity Market Neutral strategies which were responsible for the returns (+13.34%). Collectively, in 2021 they added more to portfolio performance than they have in any other calendar year since inception. This occurred in the first year following the enhancements made to these strategies in late 2020. These enhancements improved the returns, but even without these changes the returns from the Equity Market Neutral strategies would still have been the strongest year since inception.

We have made a conscious effort to diversify across the return drivers available. There is a Value component to the strategy, and it was a positive contributor to performance, but it's far from dominating the overall profile. In the period, one of the features was positive returns across most of the signals we use, including some of the less traditional signals, rather than the return being dominated by one source. And though most of these signals made money over the year, the correlation between them was low (and much lower than 2020). Together these resulted in the consistent returns, rather than a lumpy return profile.

Past performance is not indicative of future results. Returns may increase or decrease as a result of currency fluctuations.

1. Performance data is shown net of fees with income reinvested, and does not take into account sales and redemption charges where such costs are applicable. Returns are calculated net of 1% management fees. Other share classes may charge higher fees.
2. Equities: MSCI World Net Total Return Index hedged to EUR.
3. Sharpe ratio is a measure of risk-adjusted performance that indicates the level of excess return per unit of risk. It is calculated using the risk-free rate in the appropriate currency over the period analysed. Where an investment has underperformed the risk-free rate, the Sharpe ratio will be negative. As the Sharpe ratio is an absolute measure of risk-adjusted return, negative Sharpe ratios can be misleading and are therefore shown as n/a. The risk free rate is typically Libor/Euribor 3month deposit rate (in the appropriate currency) until such time as that rate is discontinued when it will be replaced by the alternative risk free rate (all in ISDA fallback rate) compounded 3m in arrears.
4. Performance contributions shown are for the underlying strategies that make up Man Alternative Style Risk Premia. Please note the Strategies are not available for direct, separate investment. Strategy contributions shown are gross of Man Solutions Ltd fees and expenses.
5. Man Alternative Style Risk Premia I H EUR. Performance data is shown net of the maximum 1% management fee with income reinvested, and does not take into account sales and redemption charges where such costs are applicable. Other share classes may charge higher fees.

Important information

For the exclusive use of KPMG Pension Scheme only.

The Fund is a sub-fund of Man Funds VI plc, domiciled in Ireland and registered with the Central Bank of Ireland. Full details of the Fund's objectives, investment policy and risks are located in the Prospectus which with the Key Investor Information Document (KIID), and the Report and Accounts of the UCITS, are accessible free of charge from the local information/paying agent, from authorised distributors and from www.man.com/documents. The KIID is available in English and in an official language of the jurisdictions in which the Fund is registered for public sale. The Prospectus and the Reports and Accounts of the UCITS can be obtained in English. In **Switzerland**, the Prospectus is also available in German.
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Please note that at any time the Manager or the Management company retains the right to terminate arrangements for the marketing of the Fund.

www.man.com

PIMCO Diversified Income Duration Hedged Fund – Review of year ended 30 April 2022

Performance

In the year ended 30 April 2022, the GIS Diversified Income Duration Hedged Fund (EUR Hedged) in which KPMG is invested returned -6.60% net of fees vs. a benchmark return of -3.39%. This year's underperformance is primarily due to idiosyncratic factors, namely exposure to Chinese property developers, and the market impact of Russia's invasion of Ukraine.

Positioning in investment grade credit benefitted the portfolio. An overweight to investment grade financials, specifically within the banking sector contributed to performance as improvements in revenues were evident amid rising rates. Security selection within transportation was accretive, as the sector outperformed amid the gradual reopening of the economy. An underweight to the healthcare sector also contributed to performance as select issuers underperformed. Non-Agency RMBS were accretive as spreads tightened alongside rising real estate prices in the US and continued resilience across market environments.

Exposure to high yield credit detracted from performance. An overweight to high yield financials, specifically to tier 2 banking debt detracted from performance as spreads widened amid risk-off market sentiment. Positioning in high yield industrials also detracted, notably an overweight to automotive as the sector underperformed as supply chain issues continued to hamper production. An underweight to energy negatively impacted performance as the sector outperformed during the year alongside rising commodity prices and the post COVID recovery. Select REIT exposure also dragged on returns.

Elsewhere, the Fund's positioning within Emerging Market external debt was the main driver of underperformance; the challenges in performance were driven by the Chinese real estate and Russian energy sector. An overweight to Chinese property developers detracted from performance as restructuring and liquidity concerns in the sector, led spreads to widen. Furthermore, performance was challenged by the Russian invasion of Ukraine; an overweight to Russian quasi-sovereign debt dragged on performance, as these bonds quickly moved to distressed levels amid increasing sanctions. The Fund was underweight Russian sovereign debt, the majority of exposure to Russia is via Gazprom, which we liked due to strong financial health, government support and monopoly position delivering gas to central Europe.

Net of Fees Performance, 12 months as of 30 April 2022 (%)	Fund	Benchmark	Alpha
PIMCO GIS Diversified Income Duration Hedged Fund - (EUR Hedged)	-6.60	-3.39	-3.21
PIMCO GIS Diversified Income Duration Hedged Fund - (GBP Hedged)	-5.08	-2.62	-2.46

Strategy & Outlook

The PIMCO GIS Diversified Income Duration Hedged Fund offers investors a flexible and highly tactical access to the full global credit opportunity set with limited interest rate exposure. The fund aims to provide diversified total returns in line with the highest earning credit sectors while achieving lower volatility. Testament to this is the fund's outperformance since inception, returning 86bps over the benchmark on an annualised basis (before fees).

Over the last two-and-a-half years, global fixed income markets have seen significant volatility and our secular economic outlook is one of more uncertainty with higher volatility relative to what we have seen over the past ~10 years leading up to the coronavirus pandemic.

On spread strategies, we will look to be underweight generic corporate credit. We see the potential to increase spread risk opportunistically, but our strong preference is to focus on structured credit and corporate credit investments that we see as default remote; there are several areas of securitized products markets – such as in the U.S. residential mortgage-backed securities (RMBS), asset-backed securities (ABS), and commercial mortgage-backed securities (CMBS) markets, with a focus on U.S., U.K., and select higher-quality European collateral that we believe are attractive. Within the corporate credit sectors, we expect to continue to favour senior financials and maintain a bias for U.S. over Europe and EM. We will continue emphasise liquidity and resilience.

We will maintain our cautious stance on exposure to EM assets, we expect to have reduced exposure but continue to seek attractive opportunities in a difficult environment.

Significant uncertainty clouds the outlook as the global economy confronts a shock that is negative for growth and will likely spur further inflation. In our base case, growth remains supported by the post-pandemic economic reopening and pent-up savings bolstering demand, and inflation may peak in the next few months and then moderate gradually. However, there are obvious risks to this outlook, especially if the Russia–Ukraine war escalates further, additional central banks tightening if inflation remains stickier than predicted, and the increasing risk of a recession over the cyclical horizon.

In a radically uncertain environment, detailed point forecasts are not particularly helpful in shaping investment strategy. And so the macro outlook remains more high-level than usual, mindful of the wide range of possible scenarios and of the potential for nonlinearities and abrupt regime changes in the economy and financial markets. First, the global economy and policymakers are confronted with a stagflationary supply shock that is negative for growth and will tend to push up inflation further. A second point worth emphasizing is that the outlook for both growth and inflation is clouded by potential nonlinearities related to already fragile initial condition (supply chain disruptions, Russia's war in Ukraine, Chinese Covid-related lockdowns). Third, the implication of the war in Ukraine is that it will likely lead to a greater dispersion of economic and inflation outcomes among countries and regions over the cyclical horizon. Lastly, most central banks seem determined to fight inflation more than support growth, and we expect relatively muted fiscal policy support from governments over the cyclical horizon.

ZURICH

KPMG Staff Pension Scheme - AVC Scheme

Investment Managers' Report
30th April 2020 to 30th April 2021

The accumulated assets of the scheme amounted to a bid value of € 15,818,881 at the end of the period under review. The money-weighted rate-of-return for the year was 1.1%.

Global Overview

The increased volatility seen in equity markets in the later months of the period must be seen in the context of the colossal strength enjoyed by stocks through most of 2021. Markets have been unsettled by a combination of factors - the continuation of China's zero Covid policy, the increasing certainty that inflation is now more than just the transitory phenomenon initially forecast by central banks, the fraught geopolitical situation. However, many of the positive impulses behind the equity bull market remain intact and are likely to re-assert themselves. Vaccine roll-out continues, economies are reopening to a greater extent, fiscal and monetary policy are broadly still supportive and corporate earnings have been impressive. The Ukraine situation remains a wild card. Eurozone bonds have struggled, leaving the > 5-year Index down 12.1% overall. Attention is focused on inflation on both sides of the Atlantic and on how central banks might tailor their policies accordingly.

Equities

- The pull back in equities seen so far in 2022 dented the overall return over the period but it was still decent. The policy response to Covid, together with the super-fast vaccine development success have been major positives, offset by rising inflation and geopolitical unrest. All told, the global equity index rose 10.1% in euro terms.

- The weakness of the euro has enhanced returns for euro-based investors everywhere except Japan.

- In the US energy (+60%) and consumer staples (+16%) performed excellently. Telecommunication services fared worst, down 24%. In Europe energy and healthcare led the way, up 50% and 24% respectively. Consumer discretionaries fared worst, down 13%.

Bonds & Interest Rates

- Eurozone bonds returned -12.1% against an increasingly difficult background of swiftly rising inflation, withdrawal of monetary stimulus and rising interest rates. Within the eurozone all individual markets were negative with Irish bonds broadly in line with the overall index.

- The Federal Reserve raised US interest rates in March for the first time in three years. The market has priced in six or more further increases for 2022. The ECB has kept eurozone rates unchanged so far but has alerted the market to a possible first increase in July.

- The European Central Bank has just discontinued its Pandemic Emergency Purchase Programme, while the Federal Reserve is about to embark on a rapid reduction of its balance sheet.

Commodities & Currencies

- Brent oil enjoyed a strong recovery during 2021, albeit from a low base. This continued into 2022 and moved into overdrive in February with the Russian invasion of Ukraine. Russia is a major oil supplier to the European Union. Brent closed at $109 per barrel, up around 63%.

- The price of gold traded around $1,800 per ounce throughout most of 2021 but has risen sharply in 2022, peaking at over $2,000 in early March, before easing to $1,912 per ounce, up 8% on the period.

- The euro/dollar rate finished the period at 1.05, down 12% over the past year, with US rate rises now a fact and with more to come. The euro was also weaker (3.6%) against sterling over the period. At the end of April, the euro/sterling rate was 0.84.

Corporate News

- Johnson & Johnson announced in late 2021 plans to split its overall business into a consumer products business (brands include Listerine, Band-Aid and Nicorette) and a medical company, which will develop, produce and distribute pharmaceuticals and medical devices.

- In a further sign of the possible end of the major conglomerate, General Electric also recently announced its break-up into three separate, publicly-traded companies for its aviation, healthcare and energy businesses.

- Elon Musk, the world's richest man, has agreed a highly publicised deal to take sole control of social media giant Twitter, valuing the company at roughly $44 billion.

Zurich Life
April 2022

Statement of Investment Policy Principles

KPMG Staff Pension Scheme

Statement of Investment Policy Principles

Introduction

This Statement has been prepared in accordance with the requirements of the Occupational Pension Schemes (Investment) Regulations, 2006 and details the principles governing the investment policy of the KPMG Staff Pension Scheme (the Scheme).

It has been prepared by the directors of the KPMG Pension Schemes Trustee DAC (the Trustee), following consultation with KPMG Ireland (the Sponsoring Employer). The Trustee has also taken advice from its investment advisors, Aon, in preparing this Statement.

Scheme Structure

The Scheme is approved by the Pensions Authority as a cross border scheme which includes members resident in both the Republic of Ireland (ROI) and Northern Ireland (NI).

The Scheme is a Defined Benefit Scheme although benefits in respect of ROI members under the age of 35 are subject to a defined contribution underpin. In addition, benefits arising from members' Additional Voluntary Contributions are also provided on a defined contribution basis.

The responsibility for setting investment policy and determining appropriate investment objectives rests with the Trustee. However, the Trustee recognises the importance of the ongoing support of the Sponsoring Employer and therefore consults with the Sponsoring Employer regularly on investment policy and prior to any significant changes to the Scheme's investment arrangements.

Investment Objectives

The Trustee's primary investment objective is to invest the Scheme's assets prudently in order to meet the liabilities of the Scheme taking into account the nature and timing of those liabilities.

In addition to the primary objective, the Trustee has also agreed a number of secondary investment objectives which are summarised below:

- To exceed a liability basis calculated using risk free yields (EU Swaps for ROI and UK Gilts for NI) plus 1.5% p.a. in 2029
- To take sufficient investment risk to target an expected return which maintains a relatively stable employer contribution requirement into the future while ensuring that overall funding level volatility is at an acceptable level within the context of the strength of the Sponsoring Employer's covenant;
- To ensure that the Scheme meets its funding obligations as defined under the Pensions Act;
- To gradually move the Scheme's asset allocation to a higher weighting of liability matching assets (e.g. bonds, liability driven investment (LDI), cash) which better matches the expected liability cashflows as the proportion of pensioner liability increases;
- To ensure the Scheme complies with all KPMG Risk Management requirements;
- To ensure that the Scheme's assets are invested in a manner which is consistent with the requirements of the laws of the Republic of Ireland and the United Kingdom (as appropriate).

Strategic Asset Allocation – DB Sections

The Trustee has defined a Strategic Asset Allocation which reflects the specific characteristics of the Scheme, in particular its liability profile, the risk tolerance of the Trustee and the strength of the Sponsoring Employer's covenant. The Strategic Asset Allocation is expected to achieve the objectives outlined in the previous section.

The agreed investment strategy is reviewed on an ongoing basis, with a formal review of investment strategy typically carried out every three years which considers:

- The full range of available investment opportunities;
- The risks and rewards of a range of alternative asset allocation strategies
- The suitability of each asset class
- The need for appropriate diversification

The practice of the Trustee has been to define separate investment strategies in respect of the ROI and NI sections of the Scheme. This approach is considered appropriate given the different financial conditions prevailing within each jurisdiction (different currencies, monetary policy, inflation expectations etc.), as well as the difference in liability profiles between each section.

Target Asset Allocation – RoI Section

High Level Allocation	Asset Class	Target Weighting
Growth Assets	Equity	30.0%
	Multi-Asset Credit	16.7%
	Alternative Risk Premia	16.7%
	Securitized Credit	6.7%
Liability Matching Assets*	Liability Driven Investment (EUR Nominal)	18.0%
	Liability Driven Investment (EUR Real)	12.0%

* Targeting a liability hedge of [illegible] on interest rates and [illegible] on inflation

Target Asset Allocation – NI Section

High Level Allocation	Asset Class	Target Weighting
Growth Assets	Equity	30.0%
	Multi-Asset Credit	10.0%
	Alternative Risk Premia	10.0%
	Diversified Growth	20.0%
Liability Matching Assets*	Liability Driven Investment (GBP Real)	30.0%

* Targeting a liability hedge of 50% on interest rates and inflation

Actual allocations to asset classes may vary from that set out above, reflecting market movements and related factors. The Trustee monitors the asset allocation and may make appropriate adjustments taking account of the agreed Strategic Asset Allocation and net cashflow into and out of the Scheme.

Investment Risk Measurement & Management

The Trustee acknowledges that the Scheme's Strategic Asset Allocation means that the funding position is exposed to investment risk i.e. the risk that the funding position deteriorates as a result of adverse investment experience which increases the cost of providing benefits and may ultimately threaten the ability of the Scheme to pay the benefits promised.

The Trustee gives qualitative and quantitative consideration to these risks when formulating investment policy and strategic asset allocation both at an overall scheme level as well as the underlying risk drivers (market risk, credit risk, currency risk, interest rate risk, inflation risk, manager risk etc.)

when setting the Scheme's investment strategy and are satisfied that the overall risk profile is consistent with the risk tolerance of the Scheme.

In order to ensure that the Scheme's risk profile remains within tolerance, the Trustee has established a number of risk management processes which are summarised below:

- ***Monitoring of Funding Position***: The Scheme Actuary measures the overall adequacy of the Scheme's assets every three years and reviews compliance with the Minimum Funding Standard on an annual basis. In addition, the Trustee has established a formal structure to review the estimated funding position on a quarterly basis;
- ***Quantitative Risk Analysis***: In order to ensure that the overall investment risk exposure remains within tolerance, the Trustee commissions formal reviews of investment strategy from time-to-time which focus on quantitative risk modelling and Value-at-Risk analysis;
- ***Scenario Testing:*** The Trustee considers the impact of various investment scenarios on the overall funding position as part of the triennial actuarial valuation process and may undertake additional testing from time-to-time to explore the sensitivity of the Scheme's funding position to particular scenarios.
- ***Quarterly Investment Monitoring:*** The Trustee employs its Investment Advisers to report on:
    - The performance of the Scheme investments and the underlying Investment Managers on a quarterly basis, using both quantitative and qualitative measures;
    - The asset allocation of the Scheme's investments on a quarterly basis to ensure that it is consistent with the agreed Strategic Asset Allocation.

Additional Voluntary Contribution Investment Strategy

In respect of member Additional Voluntary Contribution assets, the Trustee's principal investment objective is to assist the members in maximizing their benefit in retirement subject to acceptable levels of risk during their working life. More specifically, the Trustee recognises that;

a) Individual members have differing investment needs and that these may change during the course of their working lives, and

b) Individual members have differing attitudes to risk.

In order to address the different investment needs of members, the Trustee provides a range of investment options which have the following characteristics:

- They cover the entire risk/return spectrum (from low volatility/low return to high volatility/high return) and are clearly distinguishable from one another;
- They are diversified and managed by experienced, professional investment managers;
- They carry fees which are appropriate for the asset class;
- They can be combined to achieve different risk/return characteristics.

In addition to the range of individual fund options, the Trustee also provide a range of investment strategies (called lifestyle strategies) which combine individual fund options in a defined manner focusing on investment growth during a member's early working life while gradually reducing the investment risk profile over the period to retirement. The derisking approach adopted varies across each of the available lifestyle strategies to reflect a particular benefit drawdown strategy.

For members who do not wish to make his/her own investment decision, the Trustee has established a default investment strategy which is considered reasonable for a typical member of the Scheme. The current default investment strategy is a lifestyle strategy which aims to:

- Achieve long-term investment growth by investing in a mix of growth seeking assets until 10 years before Normal Retirement Age;
- Gradually derisk the investment strategy over the final 10 years before Normal Retirement Age such that the member is invested 100% Cash at retirement.

Implementation of Investment Strategy

The Trustee delegates day to day investment decisions to suitably qualified independent investment managers. In making its selection of investment managers, the Trustee is obliged, under the Trust Deed, to accept direction from the sponsoring employer if any current or any proposed investment manager creates an independence issue for the Sponsoring Employer.

The Scheme's assets are invested on a unitised basis. While the Trustee recognises that it cannot restrict investments in pooled or unitised vehicles, it acknowledges its responsibility to ensure that the Scheme's assets are invested in accordance with the investment risk management principles set out in the Occupational Pension Scheme, (Investment) Regulations, 2006.

To ensure compliance with the specified investment risk management principles, the Trustee require its investment managers to adhere to investment guidelines which are designed to ensure that:

- The Scheme's assets are invested in a manner designed to ensure the security quality, liquidity and profitability of the portfolio having regard to the nature and duration of the expected liabilities of the Scheme;
- The Scheme's assets are invested predominantly on regulated markets;
- The Scheme's assets are properly diversified to avoid excessive reliance on any particular assets, issuer or group of undertakings;
- Investments in derivative instruments are only made where they contribute to a reduction of investment risks or the facilitation of efficient portfolio management.

The Trustee requires the appointed investment managers to furnish, on an annual basis, a statement confirming that their investments comply with the guidelines.
The Scheme's Appointed Investment Managers are listed in the Scheme's Annual Report which also contains information about investment performance and significant investment decisions taken during the year.

Responsible Investment

In setting the Scheme's investment strategy, the Trustee's primary concern is to act in the best financial interests of the members of the Scheme, seeking the best return that is consistent with a prudent and appropriate level of risk.

The Trustee acknowledges that an understanding of financially material considerations including environmental, social and governance (ESG) factors (such as climate change) and risks related to these factors is necessary to allow them to discharge their fiduciary duties in a prudent manner. The Trustee is aware of their regulatory responsibilities in relation to responsible investment and sustainability.

As part of ongoing monitoring of the Scheme's investments, the Trustee uses ESG ratings information provided by its Investment Consultant to monitor the level of integration of ESG on a quarterly basis.

The Trustee's Responsible Investment policies are shown in the Appendix.

Governance

The Trustee has established the following decision-making structure:

Trustee	Investment Adviser / Consultant	Fund Mangers
Set structures, processes and objectives for carrying out their role, including setting up an Investment Committee with appropriate terms of reference	Advises on all aspects of the investment of the Scheme assets, including the appropriateness of the range of investment options and implementation strategy	Operate within the terms of this statement and their written contracts
Delegates the selection and monitoring of planned asset allocation strategy to the Investment Committee	Monitors investment managers and investment risk	Select individual investments with regard to their suitability and diversification
Approves the selection of investment advisers and investment managers by the Investment Committee	Advises on this statement	Advise the Investment Committee and the Trustee on suitability of the indices in their benchmark
Delegates to the Investment Committee the decisions on the structure for implementing investment strategy	Provide required training	
Monitor investment advisers and fund managers through reporting from the Investment Committee		
Make ongoing decisions relevant to the operational principles of the Scheme's investment strategy		
Continue to ensure that the Trustee has sufficient training to enable them to make appropriate decisions with the help of the investment advisers		

Investment Guidelines

Due to the size and nature of the Scheme's investments, investment will be on a unitised basis.

While the Trustee recognises that they cannot restrict investments in pooled or unitised vehicles, it requests all investment managers to furnish on an annual basis a statement confirming that the unitised vehicle complies with the following list of principles. In the event that the fund is not compliant with any particular principle, the investment manager will report on and explain the rational on at least an annual basis.

1. Investment portfolios will be well diversified;
2. The assets shall be invested in such a manner as to ensure the security, quality, liquidity, and profitability of the portfolio as a whole so far as is appropriate having regard to the nature and duration of the expected liabilities of the Scheme;
3. There will be no further investment in a security where the value of the security as a proportion of the total value of a fund exceeds 5%*. Furthermore, the investment manager will report quarterly on any securities that, by virtue of market movements, become more than 5%* of the total value of a fund; (*excluding government bonds)

4. There will be no investment which accounts for more than 5% of the issued capital of any one company;

5. Subject to point (3) above, investing in unlisted securities (with the exception of other unitised vehicles which is not restricted) is permitted up to a limit of 7.5% of a fund;

6. Investment in derivative instruments may be made only in so far as they (a) contribute to a reduction of risks; or (b) facilitate efficient portfolio management, including the reduction of cost or the generation of additional capital or income with an acceptable level of risk. Any such investment must be made and managed so as to avoid excessive risk exposure to a single counterparty and to other derivative operations;

7. Investments should be predominantly on regulated markets;

8. The Trustee has delegated all day-to-day decisions about the investments that fall within each mandate to the relevant fund manager through a written contract. These duties include:

   a. Realisation of investments

   b. Taking into account socially responsible factors so far as they relate to the financial potential of the Scheme's assets

   c. Voting and corporate governance in relation to the financial potential of the Scheme's assets

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

Review of Investment Managers

The trustee, through the Investment Committee, will review each investment manager at least once a year. These reviews will focus on the following:

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

Compliance With This Statement

This Statement will be formally reviewed by the Trustee every three years or earlier should any changes in investment policy be agreed during the interim period. Any necessary changes will be made in consultation with the Sponsoring Employer.

Review of This Statement

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

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

Signed on behalf of the Trustee

Signed on behalf of the KPMG Staff Pension Schemes Trustee DAC:

Martin Dobey
Director

24 JAN 2023
Date

Mark Mulqueen
Director

24 JAN 2023
Date

Appendix – Responsible Investment Policies

Environmental, Social and Governance (ESG) Considerations

The European Union (Occupational Pension Schemes) Regulations 2021 transposed the IORP II directive into Irish law, and the regulations state that the system of governance shall include consideration of environmental, social and governance ("ESG") factors related to investment assets in investment decisions. The regulations further states that the risk management system shall cover ESG risks relating to the investment portfolio and the management thereof. In addition, the Sustainable Financial Disclosures Regulations ("SFDR") requires pension plans to publish information about their policies on the integration of sustainability risks in their investment decision-making process.

In order to develop its Responsible Investment beliefs, the Trustee has undertaken extensive training and undertook a Responsible Investment beliefs questionnaire. The Trustee endeavors to keep up to date in this ever-evolving area.

The Trustee recognises its primary fiduciary duty is to provide the benefits promised under the Scheme to the members and integration of financially material ESG risks and factors should supplement but not override this duty.

The Trustee recognises that their appointed investment managers are best suited to incorporate ESG risks within their specified mandates. Accordingly, the Trustee has not placed any direct constraints, ESG or otherwise, on its managers but monitor its asset managers over time and review ratings of its managers ESG credentials from its Investment Consultants.

The Trustee approach ESG through their arrangements and engagement with their asset managers through the policies set out below. The Trustee will continually review and re-evaluate their approach to managing ESG risks over time as the issues and industry best practice evolves.

Arrangements with asset managers

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

The Trustee regularly monitors the scheme's investments to consider the extent to which the investment strategy and decisions of the asset managers are aligned with its policies, including those on ESG matters.

This includes monitoring the extent to which asset managers:

- make decisions based on assessments about medium to long-term financial and non-financial performance of an issuer of debt or equity; and
- engage with issuers of debt or equity in order to improve their performance in the medium to long-term.

The Trustee is supported in this monitoring activity by its Investment Consultant.

The Trustee receives regular reports and verbal updates from its Investment Consultant on various items including the investment strategy, performance, and longer-term positioning of the portfolio. The Trustee focuses on longer-term performance when considering the ongoing suitability of the investment strategy in relation to the scheme objectives, and endeavours to assess asset managers over at least 3-year periods.

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

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

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

Engagement Policy

SRD II also requires the Trustee to develop an Engagement Policy.

The purpose of the Engagement Policy ("Policy") is to set out the Trustee's approach to engaging with companies they invest in in terms of sustainability and ESG factors.

The Trustee recognises the importance of its role as a steward of capital and the need to ensure the highest standards of governance and promotion of corporate responsibility in the underlying companies and assets in which the scheme invests, as this ultimately creates long-term financial value for the scheme and its beneficiaries.

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

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

- Raising issues relating to ethical business practices and environmental responsibility at Annual General Meetings
- Exercise its shareholder's right to vote on such issues

The Trustee will periodically review the suitability of the scheme's appointed asset managers and take advice from its Investment Consultant with regard to any changes. This advice includes consideration of broader stewardship matters and the exercise of voting rights by the appointed managers. If an incumbent manager is found to be falling short of the standards the Trustee has set out in its policy, the Trustee undertakes to engage with the manager and seek a more sustainable position but may look to replace the manager.

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

Sustainability Risks - Renumeration Policy

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

This Policy applies to the Trustee, persons who carry out key functions in respect of the scheme, and service providers to whom the Trustee have outsourced activities within the scope of Section 64AM(1) of the Pensions Act, other than those service providers that fall outside the scope of Section 64AG(4)(e) of the Pensions Act.

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

The Trustee considers that, given the nature, scale, size and complexity of the scheme, as well as the scheme's system of governance and Conflicts of Interest Policy, the Policy is consistent with the integration of sustainability risks.

Principal Adverse Impact Statement

The Trustee does not consider the adverse impacts of investment decisions on sustainability factors, as per Article 4 of the Sustainable Financial Disclosures Regulations ("SFDR"), due to the size, nature and scale of activities undertaken by the scheme. The Trustee will keep this under review and may consider adverse impacts in the future.

Notwithstanding the above, the Trustee expects the asset manager(s) it employs to consider such impacts and will assess their policies in this area periodically.

Actuarial Funding Certificate

An tÚdarás Pinsean
The Pensions Authority

SCHEDULE BD

Article 4

ACTUARIAL FUNDING CERTIFICATE

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

SCHEME NAME:	The KPMG Staff Pension Scheme
SCHEME COMMENCEMENT DATE:	07/05/1985
SCHEME REFERENCE NO.:	PB2761
EFFECTIVE DATE:	01/05/2021
EFFECTIVE DATE OF PREVIOUS CERTIFICATE (IF ANY):	31/05/2020

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 €203,800,000.00, would have been sufficient if the scheme had been wound up at that date to provide for the liabilities of the scheme determined in accordance with section 44(1) of the Act which, including the estimated expenses of administering the winding up of the scheme, amount to €170,300,000.00, and

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

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

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

Signature:		**Date:**	28/01/2022
Name:	Mr. Paul O'Brien	**Qualification:**	FSAI
Name of Actuary's: Employer/Firm	WTW	**Scheme Actuary Certificate No.**	P066

Submission Details

Submission Number:	SR2841352	**Submitted Electronically on:**	28/01/2022
Submitted by:	Paul O Brien		

Funding Standard Reserve Certificate

An tÚdarás Pinsean
The Pensions Authority

SCHEDULE BE

Article 4

FUNDING STANDARD RESERVE CERTIFICATE

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

SCHEME NAME:	The KPMG Staff Pension Scheme
SCHEME COMMENCEMENT DATE:	07/05/1985
SCHEME REFERENCE NO.:	PB2761
EFFECTIVE DATE:	01/05/2021
EFFECTIVE DATE OF PREVIOUS CERTIFICATE (IF ANY):	31/05/2020

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 €141,400,000.00,

(2) the resources of the scheme (other than resources which relate to contributions or a transfer of rights to the extent that the benefits provided are directly related to the value of those contributions or amount transferred (DC resources)), calculated for the purposes of section 44(1) of the Act amount to €174,900,000.00,

(3) €42,900,000.00 , of the amount referred to in paragraph (2) (subject to a maximum of an amount equal to the funding standard liabilities) is invested in securities issued under section 54(1) of the Finance Act 1970 (and known as bonds), securities issued under the laws of a Member State (other than the State) that correspond to securities issued under section 54(1) of the Finance Act 1970, cash deposits with one or more credit institutions and such other assets (if any) as are prescribed under section 44(2)(a)(iv) of the Act,

(4) the amount provided for in section 44(2)(a) of the Act (Applicable Percentage x ((1) minus (3)) is €9,800,000.00,

(5) the amount provided for in section 44(2)(b) of the Act, being the amount by which the funding standard liabilities of the scheme would increase if the interest rate or interest rates assumed for the purposes of determining the funding standard liabilities were one half of one per cent less than the interest rate or interest rates (as appropriate) assumed for the purposes of determining the funding standard liabilities less the amount by which the resources of the scheme (other than DC resources) would increase as a result of the same change in interest rate or interest rates is -€8,800,000.00,

(6) the aggregate of (4) and (5) above amounts to €1,000,000.00, and

(7) the additional resources (as defined in the Act) of the scheme amount to €33,500,000.00, of which, in accordance with and within the meaning of the guidance issued by the Authority and prescribed under section 47 of the Act, €0.00 comprises contingent assets and €0.00 of such contingent assets comprise an unsecured undertaking.

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

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

Signature:		**Date:**	28/01/2022
Name:	Mr. Paul O'Brien	**Qualification:**	FSAI
Name of Actuary's: Employer/Firm	WTW	**Scheme Actuary Certificate No.**	P066

Submission Details

Submission Number:	SR2841360	**Submitted Electronically on:**	28/01/2022
Submitted by:	Paul O Brien		

Actuarial Statement

The KPMG Staff Pension Scheme
"the Scheme"

PB No. 2761

Actuarial Statement as at 30 April 2022

An Actuarial Funding Certificate and Funding Standard Reserve Certificate with effective dates of 1 May 2021 were prepared and submitted to the Pensions Authority certifying that as at the effective date, the Scheme satisfied the Funding Standard and Funding Standard Reserve provided for in Section 44 of the Pensions Act 1990 (as amended) ("the Act").

I confirm, for the purpose of Section 55 (3) of the Act, that I am reasonably satisfied that the Scheme ***would have satisfied*** the Funding Standard provided for in Section 44 (1) of the Act as at 30 April 2022.

I confirm, for the purpose of Section 55 (3) of the Act, that I am reasonably satisfied that the Scheme ***would have satisfied*** the Funding Standard Reserve provided for in Section 44 (2) of the Act as at 30 April 2022.

Signed:

Name: Paul O'Brien

Date: December 2022

Qualification: Fellow of the Society of Actuaries in Ireland

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

Additional notes:

1. **It should be noted that satisfying the Funding Standard and Funding Standard Reserve should not be interpreted as the Scheme being in a position to purchase identical benefits with an insurance company in the event of a wind up.**
2. **In making the above Statement, no account has been taken of any events that have taken place after 30 April 2022**
3. **The actuarial work involved in the preparation of this Statement complies with ASP PA-2, published by the Society of Actuaries in Ireland. For the purposes of ASP PA-2, the sole "user" of this material is the Trustee of the Scheme.**
4. **In making this statement reference has been made to Actuarial Standards of Practice ASP PEN-3, issued by the Society of Actuaries in Ireland and in force at the effective date of this statement.**

Report on Actuarial Liabilities

The KPMG Staff Pension Scheme ("the Scheme"),

Report on Actuarial Liabilities

Under Section 56 of the Pensions Act, 1990, and associated regulations, the Trustees of defined benefit pension schemes are required to have a valuation[1] of the scheme prepared every three years. The most recent formal actuarial valuation of the Scheme was carried out as at 1 May 2021. The next actuarial valuation is due as at 1 May 2024. A copy of the report at 1 May 2021 is available to Scheme members on request.

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

	ROI €'m	NI £'m
Value of Accumulated Assets	153.8	18.4
Value of Accrued Liability	191.1	30.2
Past Service Surplus/(Deficit)	(37.3)	(11.8)

Valuation Method & Assumptions

The value of the accrued liability was calculated by firstly projecting the benefits earned to date and payable in the future, making assumptions in relation to key future financial outcomes such as salary, deferred pension and pension increase rates and demographic outcomes such as mortality rates. The resultant projected benefit cashflows were then discounted to the valuation date to arrive at a single capitalised value for the total liabilities.

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

Financial assumptions	ROI	NI
Discount rate		
- Pre-retirement	2.40%	3.65%
- Post-retirement (current pensioners)	0.35%	1.20%
- Post-retirement (future pensioners)	1.30%	1.80%
Inflation (CPI)	1.45%	3.20%
Salary increases	3.45%	5.20%
Discretionary Pension increases	0.00%	0.00%

Demographic assumptions	
Post-retirement Mortality	
- Males	73% of the S3 Pensioners Middle table, with CMI 2019 improvements tending towards 1.5% pa with initial addition of 0.5% and core smoothing parameter
- Females	95% of the S3 Pensioners Middle table, with CMI 2019 improvements tending towards 1.5% pa with initial addition of 0.5% and core smoothing parameter

The post-retirement mortality assumptions used in the valuation are based on the findings of the 2020 Society of Actuaries mortality investigation and allowing for the different levels of average pensions for male and female members.

The next valuation is due to be completed with an effective date of 1 May 2024.

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

An tÚdarás Pinsean
The Pensions Authority

Part VIB compliance statement for 2022 under section 26T of the Pensions Act 1990

Information

- Sections 26T and 26U of the Pensions Act 1990, as amended (the Act), require the trustees of applicable schemes[1] to prepare an annual compliance statement (ACS) that provides information specified by the Pensions Authority (the Authority) in relation to Part VIB of the Act.
- One-member arrangements established before 22 April 2021 are not required to submit an ACS until 2027.
- The ACS must be prepared by no later than 31 January each year for the preceding year.
- The form below is the form for the 2022 ACS.
- The 2022 ACS form does not address all provisions of Part VIB of the Act.
- It is expected that the content of the ACS form will change over the coming years and trustees will be notified of such changes.
- The form below includes references to the relevant sections of the Act and Code of Practice for trustees for each question.

Name of scheme	**KPMG Staff Pension Scheme**
PB number	**2761**
Date of preparation	**24 January 2023**

[1] All schemes must comply with section 26T of the Act except for death-benefit only and pay-as-you-go schemes.

An tÚdarás Pinsean
The Pensions Authority

Section 1: General governance

#	Question	Yes/No	Pensions Act reference
1	Does the scheme have a clear organisational structure that specifies the functions and activities required to manage the scheme and identifies who is responsible for performing those functions and activities?	Yes	s64AB(1)
2	Do the trustees consider environmental, social and governance (ESG) factors when making investment decisions?	Yes	s64AB(2)
3	Have the trustees put in place administrative procedures?	Yes	s64AB(8)(a)
4	Have the trustees put in place accounting procedures?	Yes	s64AB(8)(b)
5	Have the trustees put in place reporting arrangements?	Yes	s64AB(8)(d)
6	Does the scheme have at least two trustees? Or where the sole trustee is a body corporate does it have at least two directors?	Yes	s64AC
7	Have the trustees established a remuneration policy?	Yes	s64AG(1) s64AG(5)(b)

Section 2: Key function: risk management

#	Question	Yes/No	Pensions Act reference	Code of Practice reference
1	Have the trustees approved a written risk management policy?	**Yes**	s64AB(5)(a) s64AB(6)	Paragraph 51
2	Have the trustees appointed a person to carry out the risk management key function?	**Yes**	s64AD, s64AH and s64AI	Paragraphs 48 to 50

Section 3: Key function: internal audit

#	Question	Yes/No	Pensions Act reference	Code of Practice reference
1	Have the trustees approved a written internal audit policy?	**Yes**	s64AB(5)(b) s64AB(6)	Paragraph 67
2	Have the trustees appointed a person to carry out the internal audit key function?	**Yes**	s64AD, s64AH and s64AJ	Paragraphs 65 and 66.

Section 4: Trustee certification

Pursuant to section 26T(5) of the Act, I as a trustee of the scheme/director of the sole corporate trustee of the scheme[2], certify that the information provided in this Part VIB compliance statement has been reviewed for accuracy and completeness.

I declare that the information given in this form is correct to the best of my knowledge.

[2] This declaration must be signed by at least two trustees of the scheme or, where the trustee is a 'body corporate', by at least two directors of that body corporate.

An tÚdarás Pinsean
The Pensions Authority

Name	Signature	Date
MARTIN DOBEY	Mart Dobey	24 JAN 2023
MARK MULQUEEN	Mark Mulqueen	24 JAN 2023