



**CERS**

BUILDING FOR YOUR FUTURE

# ANNUAL REPORT AND ACCOUNTS

for the Year Ended 31st May 2020



CONSTRUCTION EXECUTIVE  
RETIREMENT SAVINGS



## **Building For Your Future**

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

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# 01

## CHAIRMAN'S MESSAGE



On behalf of the Board, I am pleased to present you with the Trustee Annual Report of Construction Executive Retirement Savings (CERS) for the year ending 31 May 2020.

I hope that you and your family are safe and well during these current unprecedented times, including the temporary closures of our industry. I would like to wish everyone involved in the construction sector ongoing success and compliment all on the swift implementation of the new Covid-19 protocols.

CERS is a Master Trust with an independent Trustee Company, which offers an important additional layer of independent protection for employers and employees. For employers, it removes the significant responsibility for taking on the Trustee role and the ensuing statutory and regulatory issues which arise. For employees, it ensures that their interests as members of CERS are always treated as paramount.

Despite the Covid-19 restrictions, the Directors of the Trustee Company continue to meet regularly, albeit with some meetings held virtually. Through regular meetings with the Scheme's independent investment adviser, fund managers and actuarial and administration team, we are kept informed about the investment markets, the performance of the Scheme's various investments and any legislative or regulatory changes. We ensure we keep ourselves up to date on pension industry developments and complete regular Trustee training.

We would encourage employers to consider reviewing their risk benefit cover which is available at very competitive rates for the industry and generous non-medical limits. I would also like to encourage members to consider the option of making additional voluntary contributions (AVCs) as a tax efficient way of saving for their retirement.

CERS gives members a wide choice of investment options and gives them online access with up to date values of their savings and their prospective pension entitlements.

Member engagement is very important to the Trustee of CERS and I would like to encourage both members and employers in the Scheme to avail of the services the Scheme provides, particularly our member online portal or to visit our website [www.cers.ie](http://www.cers.ie).

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

This current report sets out the key features of the Scheme with particular emphasis on the investment performance, the statement of accounts for the year which includes the Auditor's report and the Actuary's statement. We hope that you will find the report to be of interest and would encourage you to read it.

If you have any queries on the content of this report or if you require further particulars on CERS or on Milestone Advisory please contact the CERS Administration Team on [info@cers.ie](mailto:info@cers.ie) or visit [www.cers.ie](http://www.cers.ie) or [www.milestoneadvisory.ie](http://www.milestoneadvisory.ie).

A handwritten signature in black ink that reads "Leo Crehan". The signature is written in a cursive, flowing style.

**Leo Crehan**  
Chairman of the Trustee

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

## Key Features and Highlights of the Year

- All CERS assets are totally separate from the assets of participating companies and the Construction Industry Federation.
- The Multi Asset Fund's equity assets, being managed by Irish Life Investment Managers, continue to be managed on a passive basis.
- The Pensioner Fund is held on a segregated basis with a third party custodian.
- SSGA, KBI and IPUT all actively manage property portfolios within the Property Fund and Quadrant Real Estate Advisors LLC, with effect from August 2019 and Fidelity Investments with effect from September 2019.
- Funds under Management with Irish Forestry Unit Trust (IFUT), the Irish Infrastructure Fund (IIF), Abbey Capital, Aberdeen Standard Investments Infrastructure Fund and Aberdeen Standard Investments Diversified Growth Fund form the Alternative Assets fund.
- There is also a separate Bond Fund which is an investment option for active arrangements and individual member funds which is passively managed by Irish Life Investment Managers.
- In addition to the Irish Life Cash Fund, there is a portion of assets for the CERS Cash Fund on deposit with AIB.
- Over the scheme year the Multi Asset Fund recorded a net investment return of 3.0%. Please refer to [www.cers.ie/funds](http://www.cers.ie/funds) for information on returns from 1st June 2020 to date.
- Total benefits paid since the inception of CERS amount to €501.876 million.
- Total contributions by participating employers (and their employees) for the year amounted to €25.66 million. This represents an increase over the previous 12 months.
- An actuarial valuation of the Scheme was carried out as at 31st May 2020 and this indicated that the Scheme's assets were €17.6 million in excess of its liabilities on the statutory Minimum Funding Standard basis and €26.6 million in excess of its liabilities on the ongoing actuarial basis. The next actuarial valuation will be carried out to ascertain the value of the assets and liabilities as at 31st May 2021.
- At 31st May 2020 there were 2,053 active members in relevant employment. There were 1,092 pensioners receiving benefit and 2,406 members with entitlement to deferred benefits.
- For members of defined benefit arrangements a copy of their arrangement's Annual Actuarial Statement is attached to this Report. For all members, details as to whether or not there were contributions outstanding at the renewal year end are also attached.
- The facility under the CERS Scheme whereby employees can avail of tax relief attaching to Additional Voluntary Contributions (AVCs) continues to prove attractive to employees.
- A list of participating employers is available on request to the Administration Team and is only available to relevant persons as defined in the Occupational Pension Schemes (Disclosure of Information) Regulations, 2006 (as amended).

# 02

## ABOUT CERS

Construction Executive Retirement Savings (CERS) is an umbrella pension arrangement that has been offering a flexible retirement solution for over 45 years and can be adapted to the individual requirements of employers and members in the construction and related industries. Using our specialist knowledge of the sector and delivered by our experienced team, we offer a full service approach throughout and after the working lives of our members.

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

### The Benefit of CERS

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

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

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

### Flexible Approach

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

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

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

## Independent Trustee Company

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

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

## Communication

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

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

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

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

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

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

## Internal Disputes Resolution Procedure

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

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

For full details of the Internal Dispute Resolution Procedure, please contact the Scheme Administration at Canal House, Canal Road, Dublin 6. (Phone 01 407 1430).

# 03

## LOOKING AFTER YOUR SCHEME

<b>Trustee</b>	Construction Executive Retirement Savings Trustees Designated Activity Company
<b>Officers of the Trustee</b>	<b>Directors:</b> Leo Crehan Colman Cronin Michael Kennedy Gerry Morrissey Brian O'Neill Conor Scott Eamon Booth (Appointed 01 February 2020)  <b>Company Secretary:</b> Gabriel P. MacGrath
<b>Secretary to the Trustee</b>	Anne Keogh
<b>Scheme Administrator</b>	<b>CIF Pension Administration Services Designated Activity Company (CPAS)</b> Canal House Canal Road Dublin 6
<b>CERS Administration Team</b>	<b>Manager:</b> Frances McNally  <b>Consultants:</b> John Geraghty, Damien Starcken
<b>Scheme Actuary</b>	<b>James O'Connor</b> <b>Willis Towers Watson Ireland</b> Elm Park, Merrion Road Dublin 4
<b>Investment Advisor</b>	<b>Mercer</b> Charlotte House Charlemont Street Dublin 2
<b>Independent Auditor</b>	<b>Grant Thornton</b> Chartered Accountants & Statutory Audit Firm Penrose One, Penrose Quay, Cork
<b>Bankers</b>	<b>Allied Irish Banks Plc.</b> 1-4 Lower Baggot Street, Dublin 2

**Investment Managers****Abbey Capital**

1-2 Cavendish Row, Dublin 1

**Aberdeen Standard Investments Luxembourg S.A**

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

**AMP Capital**

31 Leeson Street Lower, Dublin 2

**Fidelity Investments** (Appointed September 2019)

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

**Irish Forestry Unit Trust**

Woodford Business Park, Santry, Dublin 17

**Irish Life Investment Managers Limited**

Beresford Court, Beresford Place, Dublin 1

**Irish Property Unit Trust Plc.**

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

**Kleinwort Benson Investors**

International Financial Services Centre, 2 Harbour Place, Dublin 1

**Quadrant Real Estate Advisors LLC** (Appointed August 2019)

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

**SL Capital Partners LLP**

1 George Street, Edinburgh, EH2 2LL

**State Street Global Advisors Ireland Limited**

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

**Custodians****Citibank Europe Plc.**

1 North Wall Quay, International Financial Services Centre, Dublin 1

**Solicitor****Arthur Cox**

Ten, Earlsfort Terrace, Dublin 2

**Insurers****Irish Life Assurance Plc.**

Irish Life Centre, Lower Abbey Street, Dublin 1

# 04

## INVESTMENTS

### Investments Review

#### 1st June 2019 to 31st May 2020

The year ending May 2020 was a volatile period for global equity markets. Equity markets ended a remarkable 2019 rally on a strong note with major stock indices reaching fresh all-time highs. While accommodative monetary policy stances adopted by central banks contributed to these returns, by the end of 2020 the global economy began to slow and was growing below trend.

Global equities maintained their momentum into the early part of 2020 before falling sharply as the emergence of the coronavirus forced the world's largest economies into full lockdown. In April and May, the announcement of some countries' plans to reopen their economies coupled with unprecedented central bank and government stimulus saw markets rebound strongly. Emerging market equities lagged developed markets as depressed exports, falling commodity prices and an abrupt halt to the tourist industry all combined to create a challenging backdrop.

Bond markets enjoyed strong returns in 2019 driven by a reversal in direction on monetary policy, notably with the US Federal Reserve and the ECB switching to an easing trajectory. The slowdown in global growth and falling inflation expectations also affected bond market returns over the latter half of 2019. In 2020, Central Banks and Governments reacted quickly to the emergence of the coronavirus to provide unprecedented fiscal and monetary stimulus. Eurozone sovereign bonds rose slightly as investors moved into safe haven assets following the deteriorating growth outlook.

The dynamics seen in global markets over the 12-month period were reflected in the returns of the funds in the Scheme. The CERS Multi Asset Fund is the default growth phase portfolio within the lifestyle strategy and returned 3.0% over the year buoyed by strong equity and bond performance. While equity performance was volatile throughout the year, the CERS Equity Fund saw a positive return of 3.8 % over the period. The CERS Bond Fund performed strongly over the year, ending the period with a positive return of 6.2%.

The CERS Property Fund benefitted from ongoing strength in the Irish property market and produced steady positive returns of 2.3% over the year. The Alternative Assets Fund performance remained flat over the year with a 0.2% return. The CERS Cash Fund saw a negative return of -0.9%, driven by the ongoing negative yield environment. The CERS Pensioner Fund in which members are invested in post-retirement saw returns of 6.2% over the period reflecting the fall in bond yields over the period.

**The asset distribution of the Multi Asset Fund at year end 31st May 2020 was:**

ASSET TYPE	MANAGER	WEIGHT
Equity	Irish Life Investment Managers	39%
Bonds	Irish Life Investment Managers	12%
Alternative Assets	Abbey Capital, SLI Infrastructure, ASI DGF, IFUT & ILIM Infrastructure	29%
Property	IPUT, SSGA, KBI, Fidelity & Quadrant	14%
Cash	Irish Life Investment Managers & Bank Deposit	6%

A full description of the long term strategic asset allocation determined by the Trustee is set out in the Statement of Investment Policy Principles (SIPP) which is available on page 26.

**CERS Investment returns for the Scheme year ending 31st May 2020**

CERS Multi Asset Fund	CERS Bond Fund	CERS Cash Fund	CERS Equity Fund	CERS Property Fund	CERS Alternative Assets Fund
+3.0%	+6.2%	-0.9%	+3.8%	+2.3%	+0.2%

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

Please visit [www.cers.ie/funds](http://www.cers.ie/funds) for up to date fund performance.



Abbey Capital

## Abbey Capital - ACL Alternative Fund

### How the Assets are Managed

The ACL Alternative Fund (the “Fund”), a segregated account of ACL Alternative Fund SAC Limited, is a multimanager fund focused on managed futures and foreign exchange. The Fund allocates to managed accounts which are traded by 20 Commodity Trading Advisors (“CTAs”), as at 31 May 2020, across different styles of managed futures trading. The CTAs trade global financial and commodity futures and foreign exchange markets on a directional and spread basis. They trade over 250 different markets and can be long or short in each of these markets. Positions are taken in futures, forwards and in OTC and exchange-traded options.

### Value of the Assets

Value of the assets at 31st May 2019	€	7,270,477
Net Contribution – Subscriptions / (Withdrawals)	€	0
Appreciation / (Depreciation)	€	286,188
Value of the assets at 31st May 2020	€	7,556,665

### How the Assets are Invested

The Fund aims to generate absolute returns with a target portfolio volatility of approximately 12.5% and with a low correlation to equity markets over time. The Fund allocates to broadly two types of CTAs: a core allocation to trendfollowing CTAs and a diversifying allocation to non-trendfollowing CTAs. The Fund allocates between 50% and 60% of risk to trendfollowing strategies and the remainder to diversifying satellite strategies. These non-trendfollowing strategies include global macro, short-term systematic, counter trend and value strategies.

### Overview of Investment Performance

Trading profits were generated in fixed income, energy and precious metals, while performance was negative in equities, currencies and soft commodities. By trading style, Trendfollowing, Value and Short-term were all positive, while Global Macro and FX detracted over the period. The cost of hedging also detracted from returns, as US short-term rates remained above eurozone short-term rates over the period.

The largest gains for the period were recorded in fixed income, with long exposures in bonds, interest rates and interest rate swaps all profitable. Gains were initially realised in the June to August 2019 period as bonds rallied amid dovish central bank guidance and US-China trade uncertainty, before performance turned more difficult in the latter part of 2019 with global yields rising as US-China trade sentiment improved. Further gains were realised in 2020 as global fixed income markets rallied strongly as global central banks aggressively eased monetary policy in response to the economic slowdown caused by the Covid-19 pandemic. Trendfollowing drove gains in fixed income while holding long exposures throughout the period, with Value and Short-term also positive.

On the downside, losses were concentrated in equities. The Fund initially profited from long exposures held from June to December 2019, however notable losses were recorded from long positions in Q1 2020 as equities fell sharply as the Covid-19 pandemic resulted in a spike in both volatility and investor risk aversion. Trendfollowing, Value and Global Macro were all negative in equities for the twelve-month period, while Short-term was positive due to gains from short exposures in Q1 2020. Further losses were recorded in both major and emerging market currencies, with mixed USD/CHF and short USD/MXN positions the most notable detractors in each sector respectively.

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

**The gross investment return for the period +3.9%**

# Aberdeen Standard Investments - Diversified Growth Fund

## How the Assets are Managed

The Fund's investment objective is to achieve capital growth combined with income by actively managing allocation in worldwide permitted investments including, but not limited to, shares of companies, bonds (which are loans that can pay a fixed or variable interest rate) issued by governments, banks and international companies directly or indirectly through the use of investment funds. The Fund is a global fund insofar as its investments are not confined to or concentrated in any particular geographic region or market.

## Value of the Assets

Value of the assets at 31st May 2019	€ 44,118,536
Net Contribution - Subscriptions / (Withdrawals)	(€ 4,400,000)
Appreciation / (Depreciation)	(€ 2,394,149)
Value of the assets at 31st May 2020	€ 37,324,387

## How the Assets are Invested

	% Weight		% Weight
Emerging Market Bonds	9.1%	Property	9.1%
Listed Equity	18.0%	Private Equity	3.0%
Asset Backed Securities	19.0%	High Yield	6.7%
Infrastructure	18.3%	Corporate Bonds	1.9%
Special Opportunities	11.4%	Cash & Other	3.5%
		<b>Total</b>	<b>100%</b>

## Overview of Investment Performance

Emerging Market (EM) Bonds delivered the strongest contribution over the year benefitting in 2019 as US rate cuts led EM bond yields to then decline. Our largest exposure going into the crisis was in emerging market (EM) local currency bonds. This exposure is funded from a basket of six currencies (AUD, NZD, CAD, NOK, SEK and GBP) which have been carefully selected to reflect their sensitivities to economic conditions, commodity prices and debt vulnerabilities.

Our infrastructure holdings also performed well over the period and most notably in Q4 2019. Social infrastructure companies saw share price rises following the UK General Election outcome, with the nationalisation risk for PFI projects and utility companies posed by the Labour Party now off the political agenda for the foreseeable future.

Credit was added to the portfolio at the end of Q1 2020 after spreads on both investment grade and high yield bonds had widened dramatically at the onset of the pandemic as liquidity declined sharply and investors became increasingly concerned by credit rating downgrades and defaults.

## Aberdeen Standard Investments - Diversified Growth Fund



In 2019, Equities benefitted as central banks eased interest rates offsetting concerns attached a weakening outlook for global growth and escalating trade tensions. Equities then benefitted from agreement of the US China phase one trade deal into the year end, prior to falling severely at the onset of the Covid-19 pandemic. Central bank and government stimulus then helped equities to start a swift recovery. Over the year, our equity exposures delivered a negative contribution.

Prior to the onset of the pandemic, Asset Backed Securities had delivered a modest positive contribution. However, having held up relatively well in the early stages of the crisis, asset backed securities sold off meaningfully in mid-March 2020 resulting in significant spread widening.

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

**The gross investment return for the period -4.5%**

# Aberdeen Standard Investments - Standard Life Infrastructure Fund

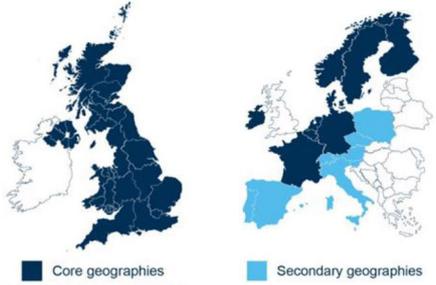
## How the Assets are Managed

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

## Value of the Assets

Value of the assets at 31st May 2019	€	5,070,804
Net Contribution - Subscriptions / (Withdrawals)	(€)	108,062
Appreciation / (Depreciation)	€	251,853
Value of the assets at 31st May 2020	€	5,214,595

## How the Assets are Invested

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

## Overview of Investment Performance

A total of approximately 890 km of natural gas distribution grids in Helsinki, covering 17 networks in southern Finland. Although the initial effects of the Covid-19 pandemic were seen in Q1 2020, the main impact of the outbreak will be observable over the course of Q2 2020 but is expected to be immaterial in the context of the overall Auris business.

Nordic Power AS ("Nordic Power") is a portfolio of 15 small hydroelectric power plants operating in Norway. The Norwegian hydropower market is highly developed with approximately 95% of Norway's energy generated by this sector. Hydroelectric power plants benefit from long lifecycles of 40 -100 years, simple, proven technology and well-defined maintenance programmes. Production volumes for Q1 2020 were ahead of both budget and Q1 2019 driven primarily by strong performance in January and February. Covid-19 has had no operational impact on the business. All power plants are fully operational and have no significant technical issues.

## Aberdeen Standard Investments - Standard Life Infrastructure Fund



Performance of the RR Moorgate fleet continues to be strong, with all 25 units on lease to Govia and in service. The asset continues to increase up the reliability growth curve and initial passenger satisfaction feedback has been very positive. The RR South Western project has continued to progress during the quarter, however, Covid-19 has had a small impact on the manufacturer supply chain and on the ability to perform testing resulting in a delay to the previously envisaged production plan. At this stage we believe the delay to be between 3 to 5 weeks, with first unit acceptance now expected to be during Q3 2020. This is likely to have a very minor, negative financial impact on the investment.

Oikos continued to deliver solid financial performance in line with the original business plan. During the quarter, the business successfully completed a capital project involving reconnecting the terminal to the CLH Pipeline System (CLH-PS), providing additional pipeline export capacity to the asset, and from a financial perspective, additional long-term fixed take-or-pay contracted revenue.

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

**The gross investment return for the period +4.7%**

## How the Assets are Managed

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

## Value of the Assets

Value of the assets at 31st May 2019	€	6,599,826
Net Contribution - Subscriptions / (Withdrawals)	€	1,000,000
Appreciation / (Depreciation)	€	506,898
Value of the assets at 31st May 2020	€	8,106,724

## How the Assets are Invested

The portfolio of the fund comprises commercial forests covering an area of more than 20,000 hectares. These forests cover a range of ages from very young to fully mature crops and have a wide regional spread, primarily in Ireland but with some forests in Scotland and Northern England.

Region	% Weight
Connacht	42.1%
Leinster	13.0%
Munster	39.0%
Ulster	2.0%
Ulster (NI)	0.5%
England	0.4%
Scotland	3.0%

## Overview of Investment Performance

Net Timber revenue for the period was €9.5 million. IForUT has a policy of actively managing timber sales through timber price cycles to improve long term performance. A total of €9.6 million was invested in new forest properties in the period.

Net subscription of all Trust units was €13.9 million for the period and the total of net assets attributable to unit holders in the Trust increased to €319.8 million from €292.1 million at the end of May 2019. The Trust is actively pursuing new forest assets to invest funds. Forest operations showed total timber sales of 193,000m<sup>3</sup> / €9.9 million in Ireland and the UK. IForUT has also continued to negotiate several new forest acquisitions as well as forest improvement works and harvesting road construction.

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

**The gross investment return for the period +7.7%**

## Irish Infrastructure Fund

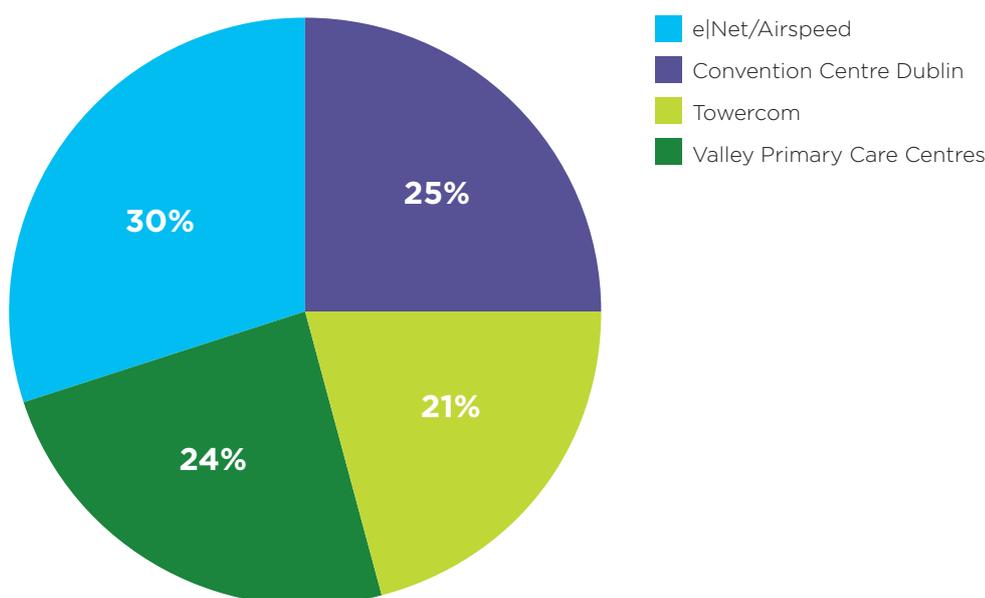
### How the Assets are Managed

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

### Value of the Assets

Value of the assets at 31st May 2019	€	12,101,079
Net Contribution – Subscriptions / (Withdrawals)	€	0
Appreciation / (Depreciation)	€	1,181,795
Value of the assets at 31st May 2020	€	13,282,874

### How the Assets are Invested



### Overview of Investment Performance

The Convention Centre Dublin (“CCD”) is Ireland’s only purpose-built convention centre, strategically positioned on the banks of the River Liffey in the centre of Dublin. The CCD has won a number of accolades during the period, including Best Overseas Conference Centre’ at the M&IT Industry Awards 2020, for the 10th time in a row. Due to the cessation of events as a result of Covid-19, the CCD’s EBITDA was 7.4% behind budget for the quarter.

Towercom is the largest independent telecom tower / mast owner in the Republic of Ireland and owns/controls 406 telecom tower/mast sites. Towercom was marginally ahead of budget for Q1 2020. 90% of revenues are on long term contracts from the major Irish mobile network operators and the business anticipates to still achieve budget in a stress case scenario. Despite the impact of Covid-19 on every business in Ireland, the Towercom management team believe they will still deliver year-on-year growth in all scenarios due to the highly contracted nature of their revenue base.

## Irish Infrastructure Fund

Valley Healthcare (“Valley”) was set up to acquire and develop a portfolio of Health Centres (HCs) and Primary Care Centres (PCCs). The business is managed by Glencar Healthcare who are responsible for identifying acquisition & development opportunities and provide property management services. With over 65% of the portfolio’s revenue derived from HSE contracts, Valley forecasts achieving its budget this year even in a stress case scenario. The Team responded quickly in assisting the HSE with the provision of health infrastructure in response to Covid-19.

Enet/Airspeed fibre operator manages a combination of metro networks (via concessions and direct ownership), long-haul fibre routes, and a wireless retail/wholesale business. The business sells broadband connections and capacity on its networks to customers who are mostly telecom companies such as BT, Verizon, 3, and Virgin Media or medium to large Irish corporates. Management are forecasting a 10% reduction in revenue for 2020 due to Covid-19. However a cost cutting exercise underway should reduce much of the impact to profits.

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

**The gross investment return for the period +9.8%**

## Irish Life Investment Managers



### How the Assets are Managed

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

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

### Value of the Assets

Value of the assets at 31st May 2019	€ 178,125,527
Net Contribution – Subscriptions / (Withdrawals)	(€ 4,603,584)
Appreciation / (Depreciation)	€ 4,236,463
Value of the assets at 31st May 2020	€ 177,758,406

### How the Assets are Invested

#### CERS Equity Fund

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

**The gross investment return for the CERS Equity Fund for the period +4.7%**

#### CERS Cash Fund

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

**The gross investment return for the CERS Cash Fund for the period -0.4%**

#### CERS Bond Fund

The CERS Bond Fund is a passively managed unitised fixed interest fund. Its objective is to perform in line with its benchmark of 75% ML>10 Year Bonds and 25% ICE BofA ML EMU Large Cap Non-Financial Corporate Bonds. The fund is re-balanced on a quarterly basis.

**The gross investment return for the CERS Bond Fund for the period +7.0%**

## CERS Multi Asset Active Bond Fund

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

**The gross investment return for the CERS Multi Asset (MA) Active Bond Fund for the period -1.1%**

## CERS Multi Asset Bond Fund

The CERS Multi Asset Bond Fund is a passively managed fund investing in Cash (30%), 1-5 year Euro Sovereign Bonds (40%) and Euro Investment Grade Corporate Bonds (30%). The fund is rebalanced on a quarterly basis.

**The gross investment return for the CERS Multi Asset (MA) Bond Fund for the period -0.3%**

## Overview of Investment Performance

Global equities have generated positive returns over the last twelve months, rising 6.5% in local currency terms and 6.2% in Euro terms. Following a strong 2019 when equities were supported by accommodative central bank policies which offset the negative impact of the trade war between the US and China, equities have fallen year to date on the back of concerns over the economic fallout from the outbreak of coronavirus across the globe. The slowing growth backdrop, various political tensions, trade war fears and end-of-cycle concerns have all contributed to volatility in equity markets at various points over the last year. In 2020, concerns over the potential economic and earnings impact of the coronavirus have contributed to weakness in equity markets.

Eurozone bonds have generated positive returns over the last twelve months. German 10 year yields reached new all-time lows in March 2020 of -0.91% with the onset of recession following the implementation of restrictions to contain the coronavirus. A general slower economic growth backdrop throughout 2019, political tensions in the Eurozone, global trade war fears and expectations for and eventual delivery of additional policy accommodation from the ECB have all contributed to lower yields over the last twelve months.

Peripheral spreads against Germany have been mixed over the last year. Peripheral spreads have been supported by the yield pickup available compared to core bond markets and by the resumption of ECB asset purchases. The announcement of a new €750bn bond purchase programme by the ECB to combat the impact of the coronavirus has however caused spreads to narrow again from their recent highs.

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

## Irish Life Investment Managers



### Pensioner Fund

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

### Value of the Assets

Value of the assets at 31st May 2019	€ 243,076,834
Net Contribution – Subscriptions / (Withdrawals)	(€ 13,200,000)
Appreciation / (Depreciation)	€ 15,046,776
Value of the assets at 31st May 2020	€ 244,923,610

### How the Assets are Invested

	% Weight		% Weight
Corporate Bonds	10.5%	Germany	18.9%
Italy	6.8%	Belgium	5.8%
France	28.8%	Austria	1.7%
Ireland	12.7%	Cash	0.2%
Spain	14.6%	<b>Total</b>	<b>100%</b>

### Overview of Investment Performance

Eurozone bonds have generated positive returns over the last twelve months. German 10 year yields reached new all-time lows in March of -0.91% with the onset of recession following the implementation of restrictions to contain the coronavirus. A general slower economic growth backdrop throughout 2019, political tensions in the Eurozone, global trade war fears and expectations for and eventual delivery of additional policy accommodation from the ECB have all contributed to lower yields over the last twelve months.

Peripheral spreads against Germany have been mixed over the last year. Peripheral spreads have been supported by the yield pickup available compared to core bond markets and by the resumption of ECB asset purchases. The formation of a more EU friendly government in Italy also helped lower Italian spreads. Spreads widened this year as Italy and Spain became the epicentre of the virus outbreak in Europe. Comments by ECB President Lagarde that it was not the ECB's role to narrow peripheral spreads also contributed to the widening. The announcement of a new €750bn bond purchase programme by the ECB to combat the impact of the coronavirus has however caused spreads to narrow again from their recent highs.

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

**The gross investment return for the Pensioner Fund for the period +6.4%**

# CERS Property Commentary

## Year ended 31st May 2020

The CERS Property Fund is diversified over a number of quality managers and sectors and continues to be reviewed on an ongoing basis. The fund invests primarily in Irish properties, with some exposure to both UK and European properties. It is diversified across commercial offices, industrial (including logistics) and retail.

The performance of the property fund was positive across all sectors and geographies up to the end of December 2019, despite continued uncertainty around Brexit and the geo-political noise that dominated the news agenda.

With performance boosted by supportive monetary policy, the second half of 2019 was a period of very strong performance for the Irish commercial property market in particular. We saw large volumes of both Irish and international capital targeting opportunities in the Irish commercial real estate market, with an increase in appetite from Asian investors being particularly notable during 2019. Demand for office space remained elevated and allocations to retail were supported by continued job creation and rising wage levels.

The performance of the Property Fund was positive over the first five months of 2020. Investment in high quality assets that offered strong security of income proved valuable via the high proportion of ongoing payment of rents to the end of May. The prime office and industrial allocations within the fund remained resilient over the period, with the retail sector coming under the most pressure.

The transition to online purchases accelerated throughout the retail sector over 2020 as the pandemic forced business to trade exclusively online. Elevated demand for office space towards the end of 2019 resulted in a healthy volume of carryover into Q1 2020. However due to the emergence of Covid-19, many occupiers put off decision making for the foreseeable future. The industrial and logistics sector has been busy due to increased focus on logistics and the continuity of the supply chain as consumers increase spending on food and consumables as they work from home.

Given the physical nature of property and the logistical difficulties associated with arranging inspections and conducting technical due diligence, agents and valuers reported a slowdown in transactions across property markets in March 2020. As transactional evidence of sales and lettings form the basis of independent valuers' work, some valuers were unable to provide accurate and reliable valuations of some of the assets within the Property Fund. This resulted in a 'material valuation uncertainty' clause being included in some valuations, indicating that the valuers ascribe less certainty and a higher degree of caution to the valuations than would normally be the case. In Q4 2020 some of the "material valuation uncertainty" clauses began to be lifted from elements of the Property Fund.

Covid-19 may have significant longer-term impacts on certain sectors of the property market. However, it is very uncertain how this plays out in the long term. The Investment Consultants will continue to monitor the investments and engage with the property managers over time.

## CERS Property Commentary (continued)

### Fidelity International



#### Value of the Assets

Value of assets held at 31st May 2019	€	0
Net Contribution - Subscriptions / (Withdrawals)	€	10,000,000
Appreciation / (Depreciation)	(€)	198,123
Value of assets held at 31st May 2020	€	9,801,877*

#### How the assets are invested

Commercial property in the Eurozone.

\*The closing value at 31st May 2020 is the bid price which is the value recorded in the Financial Statements in accordance with the SORP. The market value of the assets at 31st May 2020 is €10,180,595.

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

### Irish Property Unit Trust



#### Value of the Assets

Value of assets held at 31st May 2019	€	13,055,575
Net Contribution - Subscriptions / (Withdrawals)	(€)	544,337
Appreciation / (Depreciation)	€	607,291
Value of assets held at 31st May 2020	€	13,118,529

#### How the assets are invested

Commercial property in the Republic of Ireland.

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

### The European Property Fund



#### Value of the Assets

Value of assets held at 31st May 2019	€	274,986
Net Contribution - Subscriptions / (Withdrawals)	(€)	133,153
Appreciation / (Depreciation)	€	2,423
Value of assets held at 31st May 2020	€	144,256

#### How the assets are invested

Commercial property in the Eurozone.

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

## CERS Property Commentary (continued)

### Quadrant Real Estate Advisors



#### Value of the Assets

Value of assets held at 31st May 2019	€	0
Net Contribution - Subscriptions / (Withdrawals)	€	3,558,000
Appreciation / (Depreciation)	€	156,451
Value of assets held at 31st May 2020	€	3,714,451

#### How the assets are invested

Commercial property in Ireland.

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

### SSGA Property Fund



#### Value of the Assets

Value of assets held at 31st May 2019	€	8,725,711
Net Contribution - Subscriptions / (Withdrawals)	€	0
Appreciation / (Depreciation)	€	75,270
Value of assets held at 31st May 2020	€	8,800,981

#### How the assets are invested

Commercial property in the Republic of Ireland and the UK.

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

**The investment return for the CERS Property Fund for the period +2.3%**

# 05

## STATEMENT OF INVESTMENT POLICY PRINCIPLES

### Introduction

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

This statement has been prepared in consultation with our actuarial and investment advisors. It will be reviewed at least every 3 years and revised whenever there is a change in our investment principles.

### Overview

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

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

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

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

### The Pensioner Fund

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

### Investment Objective and Asset Allocation

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

### The liabilities in question fall into two broad categories

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

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

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

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

### Risk Measurement and Monitoring

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

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

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

### Member Selected Funds

There are 6 Member Selected Funds as noted above. Defined Contribution members who have not yet retired may direct that their retirement accounts be invested in any combination of one or more of these funds. In the case of Defined Benefit schemes, the Trustee in consultation with the Sponsoring Employer and having regard to the liabilities of the Scheme will determine the combination of funds to be used having regard to the principles set out on page 30.

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

## The Equity Fund

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

<b>MSCI Developed Market Equity</b>	42.5%
<b>MSCI Developed Market Equity Unhedged</b>	42.5%
<b>MSCI Emerging Market Equity</b>	15.0%

This passive approach to investment eliminates manager risk i.e. the risk that the Investment Manager might underperform index returns. The passive manager used for the Equity Fund and the benchmark indices used are subject to Trustee review on a regular basis. The Trustee may also from time to time decide to hedge all or part of the currency risk arising from investment in non Euro markets.

As the Fund invests entirely in shares it may be expected to exhibit a high level of volatility in line with the performance of global stock markets. The value of the Equity Fund may therefore rise or fall considerably over relatively short periods (possibly by 30% or more). However, in the long term the expected return from the Equity Fund is greater than that expected from any of the other fund choices available under the Scheme. The Equity Fund may therefore be a suitable vehicle for younger members who have many years to go to retirement and are more concerned with maximising long term return than with short term volatility.

## The Bond Fund

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

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

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

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

## The Property Fund

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

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

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

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

## The Cash Fund

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

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

The Trustee review the manager and strategies used for the Cash fund on a regular basis.

## The Alternative Assets Fund

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

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

## The Multi Asset Fund

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

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

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

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

## CERS Multi Asset Bond Fund

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

## CERS Inflation Linked Multi Asset Bond Fund

The Inflation Linked Multi Asset Bond Fund comprises inflation linked bonds with the following target ranges:

Fund	Central Allocation	Agreed Range
France	24%	14% - 34%
Italy	15%	0% - 30%
Spain	20%	10% - 30%
Germany	36%	26% - 46%
Euro Cash	7.5%	5% - 10%

## CERS - Structure of Lifestyling Arrangement

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

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

### Standard Lifestyle Strategy

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

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

**The Standard Lifestyle table is as follows:**

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

## Approved Retirement Fund (ARF) Lifestyle Strategy

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

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

The ARF Lifestyle table is as follows:

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

### Summary - Volatility and Expected Returns

Fund	Volatility	Long Term Expected Returns
Equity Fund	6	6
Property Fund	6	6
Multi Asset Fund	5	5
Alternative Assets Fund	5	5
Bond Fund	4	4
Cash Fund	1	1

7	Very High
6	High
5	Medium to High
4	Medium
3	Low to Medium
2	Low
1	Very Low

## Defined Benefit Sub-Schemes – Measurement and Management of Investment Risk

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

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

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

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

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

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

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

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

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

## Defined Contribution Schemes and Additional Voluntary Contributions

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

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

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

## Risk Measurement and Management

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

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

Date: January 2021

# 06

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MAY 2020

### Statement of Trustee's Responsibilities

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

Accordingly, the Trustee must ensure that they have supervised the preparation of the Scheme financial statements and ensure that:

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

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

Signed for and on behalf of the Trustee:

Colman Cronin  
**Director of Trustee Company**  
**Date:** 2nd December 2020.

Gerry Morrissey  
**Director of Trustee Company**  
**Date:** 2nd December 2020.

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

### Opinion

We have audited the financial statements of Construction Executive Retirement Savings (“the Scheme”), which comprise the Fund Account and the Statement of Net Assets for the financial year ended 31 May 2020, and the related notes to the financial statements, including the summary of significant accounting policies.

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

In our opinion, the Scheme's financial statements:

- give a true and fair view in accordance with Generally Accepted Accounting Practice in Ireland of the financial transactions of the Scheme during the year ended 31 May 2020 and of the amount and disposition of the assets and liabilities (other than liabilities to pay pensions and other benefits in the future) at that date.

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

In our opinion:

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

Due to the nature of the Scheme, being a Master Trust, we are unable to state whether contributions payable to the Scheme by all employers on behalf of Scheme members have been received by the Scheme within 30 days of the end of the scheme year.

### Basis for opinion

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

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

### Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (Ireland) require us to report to you where:

- the Trustee's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustee has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Scheme's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

### Other information

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

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

We have nothing to report in this regard.

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

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

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

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

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

### Responsibilities of the auditor for the audit of the financial statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for their opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Scheme's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustee.
- Conclude on the appropriateness of the Trustee's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Scheme's ability to continue as a going concern. If they conclude that a material uncertainty exists, they are required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify their opinion. Their conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause the Scheme to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a matter that achieves a true and fair view.

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

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

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

Michael Nolan

**For and on behalf of GRANT THORNTON  
Chartered Accountants & Statutory Audit Firm, Cork  
Date:** 2nd December 2020.

## Fund Account for the Year Ended 31st May 2020

	Notes	2020 €	2019 €
<b>Contributions and Benefits</b>			
Employer contributions	5	17,082,521	14,546,393
Employee contributions	5	8,577,687	6,548,585
Transfers from other schemes	6	1,240,093	895,980
Other income	7	151,195	-
		<u>27,051,496</u>	<u>21,990,958</u>
Benefits	8	(25,371,968)	(22,519,153)
Payments to and on account of leavers	9	(3,287,570)	(5,959,857)
Other costs	10	(1,918,735)	(1,701,804)
Administrative expenses	11	(1,840,909)	(1,722,126)
		<u>(32,419,182)</u>	<u>(31,902,940)</u>
<b>Net withdrawals from dealings with members</b>		<u>(5,367,686)</u>	<u>(9,911,982)</u>
<b>Returns on Investments</b>			
Investment income	12	1,297,216	1,880,045
Change in market value of investments	13	18,464,615	17,404,358
Investment management fees	14	(236,752)	(277,468)
Net returns on investments		<u>19,525,079</u>	<u>19,006,935</u>
<b>Net increase in the fund during the year</b>		14,157,393	9,094,953
<b>Net assets of the Scheme</b>			
At 1 June		<u>527,327,878</u>	<u>518,232,925</u>
At 31 May		<u><u>541,485,271</u></u>	<u><u>527,327,878</u></u>

The notes on pages 41 to 51 form part of these financial statements. These financial statements were approved by the Trustee on 2 December 2020 and are signed on its behalf by:

Colman Cronin  
**Director of Trustee Company**  
**Date:** 2nd December 2020.

Gerry Morrissey  
**Director of Trustee Company**  
**Date:** 2nd December 2020.

**Statement of Net Assets at 31st May 2020**

	Notes	2020 €	2019 €
<b>Investment Assets</b>			
Pooled investment vehicles	13	524,532,761	513,348,551
Private equity investments	13	5,214,596	5,070,804
Cash on deposit	13	2,121,003	2,130,327
<b>Total Investments</b>		<u>531,868,360</u>	<u>520,549,682</u>
<b>Current Assets</b>	18	10,827,311	7,308,039
<b>Current Liabilities</b>	19	(1,210,400)	(529,843)
<b>Net assets of the Scheme at 31 May</b>		<u><u>541,485,271</u></u>	<u><u>527,327,878</u></u>

The notes on pages 41 to 51 form part of these financial statements.

The financial statements summarise the transactions of the Scheme and deal with the net assets at the disposal of the Trustee. They do not take account of obligations to pay pensions and benefits which fall due after the end of the Scheme year. The actuarial position of the Scheme, which takes into account such obligations, is dealt with in the Trustee's Report and in the actuarial certificates included in the annual report and these financial statements should be read in conjunction with this report.

These financial statements were approved by the Trustee on 2 December 2020 and are signed on its behalf by:

Colman Cronin  
**Director of Trustee Company**  
**Date:** 2nd December 2020.

Gerry Morrissey  
**Director of Trustee Company**  
**Date:** 2nd December 2020.

## Notes to the Financial Statements

### 1. Basis of Preparation

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

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

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

### 2. Summary of Significant Accounting Policies

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

#### 2.1 Contributions

Contributions are recognised on an accruals basis.

Due to the unique nature of the Scheme, being a Master Trust, and the volume and variety of sub schemes, an accounting estimate is applied in order to calculate the year end accrual.

#### 2.2 Benefits Payable

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

#### 2.3 Transfers To and From Other Schemes

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

#### 2.4 Pensions in Payment

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

#### 2.5 Administrative Expenses

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

## Notes to the Financial Statements (*continued*)

### 2.6 Valuation of Investments

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

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

### 2.7 Change in Market Value of Investments

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

### 2.8 Investment Income

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

### 2.9 Investment Management Fees

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

### 2.10 Foreign Exchange

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

## 3. Judgement in Applying Accounting Policies and Key Sources of Estimation Uncertainty

### 3.1 Fair Value Determination

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

### 3.2 Fair Value Measurement

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

### 3.3 Contributions Due

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

## Notes to the Financial Statements (*continued*)

### 4. Taxation

The Scheme has been approved as an Exempt Approved Scheme for the purposes of Section 774 of the Taxes Consolidation Act 1997 and thus the Scheme's income and gains are generally exempt from taxation. In addition, tax relief is given on employer and member contributions to the Scheme and certain lump sum payments to members can be paid free of tax.

### 5. Contributions

	<b>2020</b>	<b>2019</b>
	€	€
<b>Employer Contributions</b>		
Normal	11,065,511	10,147,067
Risk	1,828,041	1,756,760
Special	4,188,969	2,642,566
	<u>17,082,521</u>	<u>14,546,393</u>
<b>Employee Contributions</b>		
Normal	5,991,313	4,394,172
Additional voluntary contributions	2,586,374	2,154,413
	<u>8,577,687</u>	<u>6,548,585</u>

### 6. Transfers From Other Schemes

	<b>2020</b>	<b>2019</b>
	€	€
Individual transfers in from other schemes	<u>1,240,093</u>	<u>895,980</u>

### 7. Other Income

	<b>2020</b>	<b>2019</b>
	€	€
Claims on term insurance policies	<u>151,195</u>	<u>-</u>

### 8. Benefits

	<b>2020</b>	<b>2019</b>
	€	€
Pensions	12,655,218	12,517,930
Commutation of lump sum retirement benefits	3,979,056	3,318,154
Tax on excess lump sum retirement benefits	250,066	59,563
Transfer to approved retirement funds	8,139,363	6,132,138
Lump sum death benefits	348,265	491,368
	<u>25,371,968</u>	<u>22,519,153</u>

## Notes to the Financial Statements (*continued*)

### 9. Payments To and On Account of Leavers

	<b>2020</b>	<b>2019</b>
	<b>€</b>	<b>€</b>
Transfers to other arrangements	3,214,553	5,929,642
Refunds of contributions in respect of non-vested leavers	73,017	30,215
	<u>3,287,570</u>	<u>5,959,857</u>

### 10. Other Costs

	<b>2020</b>	<b>2019</b>
	<b>€</b>	<b>€</b>
Premiums on term insurance policies	<u>1,918,735</u>	<u>1,701,804</u>

### 11. Administrative Expenses

	<b>2020</b>	<b>2019</b>
	<b>€</b>	<b>€</b>
Administration charges	1,628,667	1,572,667
Trustee fees and expenses	35,132	37,469
Pension authority fees	6,956	5,639
Bank charges	33,162	12,478
Legal and consultancy fees	101,322	58,203
Audit fee	35,670	35,670
	<u>1,840,909</u>	<u>1,722,126</u>

### 12. Investment Income

	<b>2020</b>	<b>2019</b>
	<b>€</b>	<b>€</b>
Deposit expense	(10,675)	(2,782)
Quoted and other securities	1,307,891	1,882,827
	<u>1,297,216</u>	<u>1,880,045</u>

## Notes to the Financial Statements (*continued*)

### 13. Reconciliation of Investments

	Value at 01/06/2019	Purchases at cost	Sales proceeds	Change in market value	Value at 31/05/2020
	€	€	€	€	€
Pooled investment vehicles	513,348,551	55,031,595	(62,168,208)	18,320,823	524,532,761
Private equity investments	5,070,804	-	-	143,792	5,214,596
	518,419,335	55,031,596	(62,168,208)	18,464,615	529,747,357
Cash deposits	2,130,327				2,121,003
	<u>520,549,682</u>				<u>531,868,360</u>

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

### 14. Investment Management Fees

	2020	2019
	€	€
Investment management fees	<u>236,752</u>	<u>277,468</u>

### 15. Pooled Investment Vehicles

The Scheme investments in pooled investment vehicles comprised:

#### At 31 May 2020

	Level 1	Level 2	Level 3	Total
	€	€	€	€
Equities	7,556,666	99,186,280	-	106,742,946
Bonds	-	278,743,948	-	278,743,948
Cash	-	44,751,788	-	44,751,788
Property	-	-	48,862,968	48,862,968
Others	-	37,324,387	8,106,724	45,431,111
	<u>7,556,666</u>	<u>460,006,403</u>	<u>56,969,692</u>	<u>524,532,761</u>

## Notes to the Financial Statements (*continued*)

### 15. Pooled Investment Vehicles (*continued*)

At 31 May 2019

	Level 1	Level 2	Level 3	Total
	€	€	€	€
Equities	7,270,477	102,404,974	-	109,675,451
Bonds	-	281,027,720	-	281,027,720
Cash	-	37,769,666	-	37,769,666
Property	-	-	34,157,352	34,157,352
Others	-	44,118,536	6,599,826	50,718,362
	7,270,477	465,320,896	40,757,178	513,348,551

### 16. Fair Value Determination

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

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

- Level 1 The unadjusted quoted price in an active market for identical assets or liabilities that the entity can access at the measurement date. This level comprises of exchange traded pooled investment vehicles and cash.
- Level 2 Inputs other than quoted prices included within Level 1 that are observable (i.e. developed using market data) for the asset or liability, either directly or indirectly. This level comprises of unlisted, open-ended pooled investment vehicles priced on a daily and weekly basis held in equity, bond, cash and alternative funds.
- Level 3 Inputs using other relevant data for the asset or liability. Included in this level are open-ended pooled investment vehicles priced on a monthly and quarterly basis and all closed-ended pooled investment vehicles. Level 3 comprises of private equity investments and pooled investment vehicles held in property and equity funds.

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

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

At 31 May 2020

	Level 1	Level 2	Level 3	Total
	€	€	€	€
Pooled investment vehicles	7,556,666	460,006,403	56,969,692	524,532,761
Private equity investments	-	-	5,214,596	5,214,596
Cash on deposit	2,121,003	-	-	2,121,003
	9,677,669	460,006,403	62,184,288	531,868,360

## Notes to the Financial Statements (*continued*)

### 16. Fair Value Determination (*continued*)

Analysis for the prior year is as follows:

#### At 31 May 2019

	Level 1 €	Level 2 €	Level 3 €	Total €
Pooled investment vehicles	7,270,477	465,320,896	40,757,178	513,348,551
Private equity investments	-	-	5,070,804	5,070,804
Cash on deposit	2,130,327	-	-	2,130,327
	9,400,804	465,320,896	45,827,982	520,549,682

### 17. Investment Risk Disclosures

#### (a) Types of risk relating to investments

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

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

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

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

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

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

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

## Notes to the Financial Statements (*continued*)

### 17. Investment Risk Disclosures (*continued*)

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

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

#### (b) Investment Strategy

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

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

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

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

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

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

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

## Notes to the Financial Statements (*continued*)

### 17. Investment Risk Disclosures (*continued*)

#### Credit Risk

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

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

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

#### Market Risks

##### (i) Currency Risk

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

##### (ii) Interest Rate Risk

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

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

##### (iii) Other Price Risk

Other price risk arises principally in relation to the Scheme's indirect (through pooled vehicles) exposure to growth assets including equities, property and alternative investment funds.

The Scheme manages this exposure to overall price movements by constructing a portfolio of investments which is diversified across asset types, geographical regions and investment managers. The Trustee has embedded diversification into the investment process by setting ranges for the main asset class categories. These ranges also provide a framework for making informed decisions to vary the allocation within those bands.

## Notes to the Financial Statements (*continued*)

### 18. Current Assets

	2020	2019
	€	€
Contributions due in respect of:		
Employer	1,175,695	1,233,640
Employee	1,129,591	368,214
Cash at bank	6,955,636	4,727,221
Prepayments	1,489,915	978,964
Accrued income	76,474	-
	<u>10,827,311</u>	<u>7,308,039</u>

### 19. Current Liabilities

	2020	2019
	€	€
Investment manager fees	31,429	138,141
Audit fees	35,670	35,670
PAYE payable	198,764	212,295
Death benefits payable	348,252	48,662
Sundry accrual	99,142	95,075
Trade creditors	47,143	-
Risk premium insurance	450,000	-
	<u>1,210,400</u>	<u>529,843</u>

### 20. Self-Investment

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

### 21. Related Party Transactions

- (a) **The Trustee:** The Trustee of the Scheme is outlined on page 8 of the report. Trustee costs incurred are disclosed in note 11 to the financial statements, with outstanding fees and expenses payable at year end of €46,195.
- (b) **The Registered Administrator:** The Trustee has appointed a Scheme administrator to carry out all administration functions associated with the Scheme. This administrator has been listed on page 8 of the report. Costs borne by the Scheme in respect of such administrative functions comprise administration charges as disclosed in note 11 to the financial statements, with a prepayment at year end of €137,083.

## Notes to the Financial Statements (*continued*)

### 21. Related Party Transactions (*continued*)

- (c) **The Investment Managers:** The Trustee has appointed a number of Investment Managers to manage the Scheme's assets. A list of the investment managers has been included on page 9 of this report. Investment management fees are calculated as a percentage of the assets under management as described in note 2.9. Fees incurred are disclosed in note 14 of this report.
- (d) **Participating Employers:** Employer related parties include participating employers who remit contributions to the Scheme based on the Trust Deed and Rules.

### 22. Concentration of Investments

The majority of investments are held in pooled investment vehicles which in turn invest in a number of underlying funds, all of which are below 5% of the net asset value of the Scheme. The Scheme has no single investment holding which accounts for more than 5% of the Scheme's net assets at 31 May 2020, or at 31 May 2019, that would require separate disclosure.

### 23. Significant Events During the Year

On the 11 March 2020, the World Health Organisation officially declared the disease caused by a novel coronavirus, Covid-19, a pandemic. The Trustee is closely monitoring the evolution of this pandemic including how it may affect the Scheme, financial markets, the economy and the general population. The extent of the impact of this global pandemic on the Scheme's financial performance and investments is unknown and will be determined by future developments, including the duration and spread of the outbreak and the impact on the population, economy and financial markets. As at 31 May 2020, the Trustee is unable to quantify the future impact on the Scheme's net assets and as such, no adjustment has been made in this respect. The Trustee will continue to monitor the situation and any impact it may have on the Scheme.

### 24. Subsequent Events

Post year end, Covid-19 continues to impact the population, economy and financial markets. The ongoing effects of Covid-19 may impact the value and performance of the Scheme however there has been no indication of impairment to the Scheme's assets at this date. Due to the uncertainty and unpredictability of the pandemic, the Trustee will as always continue to monitor the impact and review the Scheme's performance and valuation on a regular basis.

There were no other events post year end that would require amendments to or disclosure in the financial statements.

### 25. Approval of Financial Statements

The financial statements were approved by the Trustee on 2 December 2020.

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This Trustee Report was approved by the Trustee Board on 17th February 2021 and are signed on its behalf by:

Colman Cronin  
**Director of Trustee Company**  
**Date:** 17th February 2021

Gerry Morrissey  
**Director of Trustee Company**  
**Date:** 17th February 2021

## 07

## ACTUARIAL STATEMENT

WillisTowersWatson 

**Construction Executive Retirement Savings (PB3538)**

**Actuarial Statement for year ended 31 May 2020**

On the instruction of the Trustee, we carried out an actuarial valuation of Construction Executive Retirement Savings (the "scheme") as at 31 May 2020. It is intended that the next valuation of the scheme will be carried out as at 31 May 2021.

**Ongoing funding assessment**

The results of the valuation show that based on the ongoing assumptions used for the purposes of the valuation, the assets of the scheme were sufficient to meet the liability values of the following at 31 May 2020:

1. Pensions in payment;
2. Deferred benefits for members who have left service which are not covered by the pension arrangements for participating employers;
3. Guaranteed benefits for employed members in respect of service completed to 31 May 2020 which are not covered by the pension arrangements for participating employers; and
4. Individual defined contribution accounts for certain deferred members which are no longer a liability of their former employers' pension arrangements.
5. Assets allocated to the pension arrangements for participating employers.

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

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

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

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

No account has been taken of any events that have taken place after 31 May 2020.



**James O'Connor FSAI      8 December 2020**

**Willis Towers Watson**



### Schedule BD – Actuarial Funding Certificate

Article 4

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

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

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

- (1) the resources of the scheme, which are calculated for the purposes of section 44(1) of the Act to be €527.4 million, **would** have been sufficient if the scheme had been wound up at that date to provide for the liabilities of the scheme determined in accordance with section 44(1) of the Act which, including the estimated expenses of administering the winding up of the scheme, amount to €509.8 million, and
- (2) €0 of the resources of the scheme referred to in paragraph (1) comprise contingent assets, in accordance with and within the meaning of the guidance issued by the Board and prescribed under section 47 of the Act.

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

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

Signature:  Date: 09/12/2020

Name: James O'Connor Qualification: FSAI

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

## 09

# ACTUARIAL FUNDING STANDARD RESERVE CERTIFICATE



## Schedule BE – Funding Standard Reserve Certificate

### Article 4

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

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

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

- (1) the funding standard liabilities (as defined in the Act) of the scheme amount to €234.0m,
- (2) the resources of the scheme (other than resources which relate to contributions or a transfer of rights to the extent that the benefits provided are directly related to the value of those contributions or amount transferred (**DC resources**)), calculated for the purposes of section 44(1) of the Act amount to €251.6 m,
- (3) €247.1m of the amount referred to in paragraph (2) (subject to a maximum of an amount equal to the funding standard liabilities) is invested in securities issued under section 54(1) of the Finance Act 1970 (and known as bonds), securities issued under the laws of a Member State (other than the State) that correspond to securities issued under section 54(1) of the Finance Act 1970, cash deposits with one or more credit institutions and such other assets (if any) as are prescribed under section 44(2)(a)(iv) of the Act,
- (4) the amount provided for in section 44(2)(a) of the Act ( $10\% \times ((1) \text{ minus } (3))$ ) is -€1.3m,
- (5) the amount provided for in section 44(2)(b) of the Act, being the amount by which the funding standard liabilities of the scheme would increase if the interest rate or interest rates assumed for the purposes of determining the funding standard liabilities were one half of one per cent less than the interest rate or interest rates (as appropriate) assumed for the purposes of determining the funding standard liabilities less the amount by which the resources of the scheme (other than DC resources) would increase as a result of the same change in interest rate or interest rates is -€1.1m,
- (6) the aggregate of (4) and (5) above amounts to €0.0m, and



- (7) the additional resources (as defined in the Act) of the scheme amount to €17.6m of which, in accordance with and within the meaning of the guidance issued by the Board and prescribed under section 47 of the Act, €0.0m comprises contingent assets and €0.0m of such contingent assets comprise an unsecured undertaking.

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

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

*Signature:* 

*Date:* 09/12/2020

*Name:* James O'Connor

*Qualification:* FSAI

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

*Actuary Certificate No.* P128

# 10

## DATA PRIVACY NOTICE

### For CERS Members effective 25 May 2018

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

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

### Information we collect about you and how we use it

#### Information you and your employer give us

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

#### What types of personal data do we collect about you?

We may hold the following personal information about you:

- personal details such as your name, gender, age, date of birth, email address, postal address, telephone or mobile number and identifiers such as PPS No.
- family details such as details about current marriage and partnerships and marital history, details of family and dependents
- employment details such as pensionable pay, length of service, employment and career history, job title, financial details such as income, salary, bank account details to process pension payments, benefits
- physical or mental health or medical conditions for the purposes of administering your Scheme benefits
- technical information and other information about your visits to our website and to our Pensions Portal

### **How do we use your information?**

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

We process your data to comply with our legal obligations under the Scheme's governing documents and pension and trust law requirements and otherwise for the purposes of our legitimate interests in promoting the proper and efficient administration of the Scheme in order to provide benefits for you and your dependants. From time to time, it may be necessary to process personal data relating to your health or other sensitive data for the purpose of establishing, exercising or defending a legal claim in respect of the Scheme (which includes assessing your eligibility or that of your beneficiaries for certain benefits).

### **Who we share your personal data with?**

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

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

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

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

### **Where do we store your personal data?**

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

We will only transfer your information outside of the EEA where we have adequate measures in place to provide appropriate safeguards such as the Privacy Shield (where recipients comply with the US Department of Commerce's EU-US Privacy Shield) or use of contracts approved by the European Commission.

### **How long will we keep your personal data?**

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

## Your Rights

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

**Right of access** – you have the right to request a copy of the information that we hold about you.

**Right of rectification** – you have a right to correct data that we hold about you that is inaccurate or incomplete.

**Right to object** – you have the right to object to certain types of processing such as direct marketing.

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

## Direct Marketing

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

## Technical information (including cookies) that we collect about you

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

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

## Complaints

In the event that you wish to make a complaint about how we process your personal data, please contact us in the first instance at [dataprotection@cers.ie](mailto:dataprotection@cers.ie) and we will endeavour to deal with your request as soon as possible. This does not interfere with your right to raise a complaint to the Office of the Data Protection Commissioner, details of which can be found at [www.dataprotection.ie](http://www.dataprotection.ie) or by contacting their office on 1890 252 231.

## Changes to our Privacy Notice

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

## Contact

If you have any queries or concerns please contact:

CERS, Canal House, Canal Road, Dublin 6

Tel: (01) 4071430 | E-mail: [dataprotection@cers.ie](mailto:dataprotection@cers.ie)





**CERS**

BUILDING FOR YOUR FUTURE

**CONSTRUCTION EXECUTIVE RETIREMENT SAVINGS**

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