



Smurfit Executive Pension Fund

Trustee Annual Report for the year ended 31 December 2022

Prepared for The Trustee of the Smurfit Executive Pension Fund

Prepared by Aon Solutions Ireland Limited

Pensions
Authority
Number PB 48062

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Trustee, Fund Advisors and Other Information

Principal Employer	Smurfit Kappa Packaging Limited, Beech Hill, Clonskeagh, Dublin 4.
Trustee	Smurfit Kappa Group Pension Trustees Limited, Beech Hill, Clonskeagh, Dublin 4. Directors at the date of signing: K Bowles (Chairman), E Murnane and M Madden (appointed 6 December 2022). K Goss resigned 6 December 2022.
Consultant & Registered Administrator	Aon Solutions Ireland Limited (T/A Aon), Block D, Iveagh Court Harcourt Road Dublin 2.
Investment Consultant	Mercer Global Investments Europe Ltd., 25-28 Adelaide Road Dublin 2.
Investment Managers of Pension Fund	Mercer Global Investments Europe Ltd., 25-28 Adelaide Road, Dublin 2. Irish Forestry Unit Trust, 1st Floor, Unit 3, Woodford Business Park, Santry, Dublin 9. Neofilar Sp Zoo Ul. Cypryjska 15 1502-761 Warszawa NIP PL 5213449063
Custodians	State Street International Ireland Limited, (Mercer Global Investments Europe Ltd.) 78 Sir John Rogerson's Quay, Dublin 2.
AVC/DC Providers	Irish Life Assurance plc
Actuary	Paddy Ryan FSAI, FIA, Aon, Block D, Iveagh Court, Harcourt Road, Dublin 2.

Insurer of Death in Service Benefits	Irish Life Assurance plc, Lower Abbey Street, Dublin 1.
Key Function Holders	<p>Risk Management Key Function Holder: Caroline Rowan, Aon Email: Caroline.Rowan@aon.com</p> <p>Internal Audit Key Function Holder: Rachel O'Shea, Grant Thornton Email: Rachel.OShea@ie.gt.com</p>
Independent Auditor	Mazars, Chartered Accountants & Statutory Audit Firm, Harcourt Centre, Block 3, Harcourt Road, Dublin 2.
Solicitors	Eversheds Sutherland, One Earlsfort Centre, Earlsfort Terrace, Dublin 2.
Pensions Authority Registration Number	PB 48062
Pensions Authority	Verschoyle House, 28-30 Lower Mount Street, Dublin 2.
<p>If you have any queries in relation to this Annual Report or any other aspect of the Fund you should refer them, in the first instance, to:</p> <p>The Administrator of the Smurfit Executive Pension Fund, Aon, Block D, Iveagh Court, Harcourt Road, Dublin 2.</p> <p>Email: smurfitkappa.ireland.mailbox@aon.com</p>	

Trustee Report

Introduction

The Trustee presents herewith the Annual Report to members of the Smurfit Executive Pension Fund ('the Fund') for the year ended 31 December 2022. The content of this Annual Report conforms to the Occupational Pension Schemes (Disclosure of Information) Regulations, 2006 (as amended), as prescribed by the Minister for Social and Family Affairs under the Pensions Act, 1990 (as amended). The Annual Report outlines the constitution and structure of the Fund together with details of financial movements for the year, investment matters and membership movements.

The Fund, which operates on a defined benefit basis, was established to provide retirement and life assurance benefits for its members and is a distinct legal entity, separate in every respect from the Principal Employer, Smurfit Kappa Packaging Limited. The Fund closed to future accrual with effect from 30 June 2016.

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

The Fund has been approved by the Revenue Commissioners as an "exempt approved fund" under Section 774 of the Taxes Consolidation Act, 1997 and as such its assets are allowed to accumulate free of income and capital gains taxes with the exception of an annual levy introduced in The Finance (No. 2) Act, 2011 (the "Act"). The annual pension levy ceased in June 2015. In addition, tax relief is given on employee contributions (ceased 30 June 2016) and employer contributions to the Fund, and certain lump sum payments to members can be paid free of tax.

The Fund has also been registered with the Pensions Authority and its registration number is PB 48062.

The Fund was financed by contributions from the employer and members up to the date it was closed to future accrual and by contributions from the employer thereafter. Details of contributions are set out in note 3 to the financial statements.

Changes to the Fund

There have been no changes since the previous year in the information specified in Schedule C of the Occupational Pension Schemes (Disclosure of Information) Regulations, 2006 (as amended).

Trustee and Registered Administrator

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

The Trustee Directors have access to appropriate training on their duties and responsibilities as Trustee Directors. The cost of providing trustee training during the year was met by the Principal Employer and no costs or expenses were incurred by the Fund in relation to this training.

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

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

The Trustee and Registered Administrator had appropriate procedures in place to ensure that:

- Contributions payable during the year were received by the Trustee in accordance with the Actuary's recommendations and the timetable set out in section 58A of the Pensions Act, 1990 (as amended) where applicable to the contributions and otherwise within 30 days of the year end; and
- Contributions payable were paid in accordance with the Rules of the Fund and the recommendations of the Actuary.

Internal Disputes Resolution (IDR) Procedures

In compliance with Section 55 of the Financial Services and Pensions Ombudsman Act, 2017 the Trustee has drawn up a set of procedures for dealing with complaints from actual or potential beneficiaries under the Fund to facilitate internal disputes resolution.

If any members feel they have suffered financial loss as a result of maladministration of the Fund, they may make a complaint in writing to the Trustee of the Fund. The Trustee will review the complaint and make a decision on the matter. If the member is unhappy with the Trustee's decision, the member may make an appeal to the Financial Services and Pensions Ombudsman.

Further information about these IDR Procedures is available from Tom Gallagher, Director Compensation & Benefits, Smurfit Kappa Group, Beech Hill, Clonskeagh, Dublin 4.

Pension Increases

Those pensions which are subject to increases in the course of payment increase on each 1 January at the rate of 5% per annum or the rate of the annual increase in the Consumer Price Index (CPI), whichever is the lower. The rate of increase for the year ended 31 December 2022 was 5% (2021: Nil%) for qualifying persons.

All other pensions are reviewed periodically by the Trustee and are increased at its discretion, subject to funding considerations. No discretionary increase was applied in 2022.

The statutory rate of revaluation applied to deferred pensions for the year ended 31 December 2022 was 4.0% (2021: 2.4%).

There are no pensions and no pension increases being paid by or at the request of the Trustee for which the Fund would not have a liability should it wind up.

Financial Development The financial development of the Fund's Net Assets during the year is shown below:

	€
Opening Value as at 31 December 2021	74,522,168
Net increase from dealing with members	460,774
Investment Return	<u>(15,515,558)</u>
Closing Value as at 31 December 2022	<u>59,467,384</u>

All contributions payable during the year were received by the Trustee in accordance with the Actuary's recommendations and the timetable set out in section 58A of the Pensions Act, 1990 (as amended) where applicable to the contributions and otherwise within 30 days of the year end. There were no other employer related investments at any time during the year.

Events Subsequent to the Balance Sheet Date There are no events post year end that would require amendments to or disclosure in this report.

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

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

Condition of the Fund The financial condition of the Fund is dealt with in the Investment Management section of this Annual Report.

Under the Occupational Pension Schemes (Disclosure of Information) Regulations, 2006 (as amended), the Trustee is required to describe the risks associated with the Fund and disclose these to members.

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

Actuarial Position The Fund did not satisfy the Funding Standard at 31 December 2018 and was no longer on track to meet the Funding Standard by 31 December 2020 if the Company continued to make contributions as provided for

under the original Funding Proposal for a further two years. Therefore, in accordance with the legislative requirements it was necessary to submit a revised Funding Proposal to the Pensions Authority.

A new Funding Proposal was submitted to the Pensions Authority on 16 September 2019 and subsequently approved on 15 November 2019. The Funding Proposal was put in place with the aim of improving the security for members' benefits such that, if the assumptions made were borne out and the terms of the Proposal were met, the Fund would be expected to satisfy the Funding Standard and the Funding Standard Reserve by 31 December 2024.

The most recent Actuarial Funding Certificate has an effective date of 31 December 2021. This certificate confirmed that the Fund did satisfy the Funding Standard at that date. A corresponding Funding Standard Reserve Certificate with an effective date of 31 December 2021 also confirmed that the Fund did hold sufficient additional resources to satisfy the Funding Standard Reserve at that date. Copies of the Actuarial Funding Certificate and Funding Standard Reserve Certificate are included in pages 40-42 of this Annual Report.

The Actuary's Statement on page 43 of this Annual Report confirms that the Fund is also on target as at 31 December 2022 to satisfy the Funding Standard and the Funding Standard Reserve by 31 December 2024 in accordance with the Funding Proposal.

Fund Risks

Under the Occupational Pension Schemes (Disclosure of Information) Regulations, 2006 (as amended), the Trustee is required to describe the risks associated with the Fund and disclose these to members.

Under a defined benefit scheme, members' benefits are paid from a central fund. The adequacy of the Fund to meet members' benefits depends on the following:

- i. The Actuary setting a funding rate that is sufficient.
- ii. The contributions paid by the members (up to 30 June 2016, when the build-up of future benefits ceased under the Fund) and the participating employers meeting this funding rate.
- iii. A reasonable return on investments.
- iv. The Principal Employer deciding to continue the Fund.

If any of the above does not occur, there may be a shortfall in members' benefits.

To mitigate against these risks the Trustee, with assistance from its professional advisors, has adopted a Statement of Investment Policy Principles, a copy of which is included in pages 29 to 39 of this Annual Report, which sets out an investment strategy best suited to the membership profile of the Fund. To implement this strategy the Trustee has appointed professional Investment Managers to manage the assets of the Fund.

Investment Management

It is the policy of the Trustee to delegate the management of the Fund's assets to professional investment managers. Mercer Global Investments Europe Ltd reports regularly to the Trustee on its performance. The performance of the key asset classes is described in the Investment Report included in pages 25 to 28 of this Annual Report which was provided by Mercer Global Investments Europe Ltd.

The Fund also holds specific investments for legacy reasons with a few other investment managers.

The Investment Managers are remunerated on a fee basis calculated as a percentage of the assets under management.

Overall responsibility for investments and their performance lies with the Trustee of the Fund. The Trustee holds meetings with its professional advisors to discuss investment policy and review investment performance. The Trustee's Statement of Investment Policy Principles is set out on pages 29 to 39 of this Annual Report.

**Sustainable Finance
Disclosure
Regulations (SFDR)
Disclosures**

All of the investment funds under the Fund, including those available to members to invest additional voluntary contributions, have been classified under Article 6 as defined under the SFDR, with the exception of Sustainable Global Equity which is classified under Article 8. The investments underlying Article 6 classified financial products do not take into account the EU criteria for environmentally sustainable economic activities. As an Article 8 classified fund, Sustainable Global Equity seeks to promote environmental characteristics within the meaning of the SFDR.

The Trustee continues to review the Fund's approach to sustainability risk considerations and its current approach is documented in the Statement of Investment Policy Principles contained in this report.

Summary of Membership

Membership Movement

The following is a summary of the Membership Movements in respect of the Fund for the year ended 31 December 2022.

	Active Members Not Accruing Future Benefits	Deferred Members	Pensioners
Membership @ 31/12/2021	10	9	35
Active to Deferred	(2)	2	
Retirements	-	-	-
New Pensioners	-	-	-
Deaths	-	-	-
Membership @ 31/12/2022	8	11	35

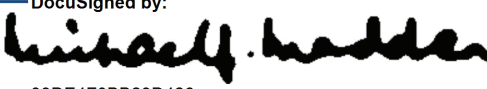
In Conclusion

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

Signed on behalf of the Trustee:

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Director

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Director

13 September 2023

Date

Statement of Trustee Responsibilities

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

Accordingly, the Trustee must ensure that in the preparation of the Fund's financial statements:

- suitable accounting policies are selected and then applied consistently;
- reasonable and prudent judgements and estimates are made;
- the financial statements are prepared on a going concern basis unless it is appropriate to presume that the Fund will be wound up; and
- the SORP is followed, or particulars of any material departures have been disclosed and explained.

The Trustee is required by law to have appropriate procedures in place throughout the year under review, to ensure that:

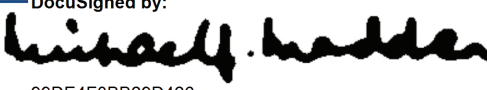
- contributions payable during the year are receivable by the Trustee in accordance with the timetable set out in Section 58A of the Pensions Act, 1990 (as amended) where applicable to the contributions and otherwise within 30 days of the Fund's year end; and
- contributions payable are paid in accordance with the rules of the Fund and the recommendation of the Actuary.

The Trustee is responsible for making available certain other information about the Fund in the form of an Annual Report. The Trustee is responsible for ensuring that proper membership and financial records are kept on a timely basis sufficient to enable an Annual Report to be prepared for the Fund containing the information specified in regulation 7 of the Occupational Pension Schemes (Disclosure of Information) Regulations, 2006 (as amended), including financial statements which show a true and fair view of the financial transactions of the Fund in the 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. The Trustee is also responsible for safeguarding the assets of the Fund and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities, including the maintenance of appropriate internal controls.

Signed on behalf of the Trustee:

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Director

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Director

13 September 2023

Date

**REPORT OF THE INDEPENDENT AUDITORS
TO THE TRUSTEES AND MEMBERS OF THE
SMURFIT EXECUTIVE PENSION FUND**

Opinion

We have audited the financial statements of above pension scheme for the year ended 31 December 2022, which comprise the Fund Account, the Net Assets Statement and notes to the accounts, including the summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is Irish pension law, the Statement of Recommended Practice – Financial Reports of Pension Schemes (SORP) and the Occupational Pension Schemes (Disclosure of Information) Regulations 2006 - 2013.

In our opinion the financial statements:

- show a true and fair view of the financial transactions of the scheme during the year ended 31 December 2022, and of the amount and disposition at that date of its assets and liabilities, other than liabilities to pay pensions and benefits after the year end;
- contain the information specified in Schedule A to the Occupational Pension Schemes (Disclosure of Information) Regulations 2006

In our opinion:

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

Basis for opinion

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

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

Conclusions relating to going concern

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

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

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

**REPORT OF THE INDEPENDENT AUDITORS
TO THE TRUSTEES AND MEMBERS OF
THE SMURFIT EXECUTIVE PENSION FUND (continued)**

Other information

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

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

We have nothing to report in this regard.

Respective responsibilities

Responsibilities of trustees for the financial statements

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

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

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

The trustees are also responsible for ensuring that

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

**REPORT OF THE INDEPENDENT AUDITORS
TO THE TRUSTEES AND MEMBERS OF
THE SMURFIT EXECUTIVE PENSION FUND (continued)**

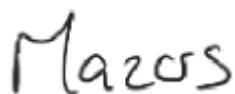
Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the IAASA's website at: [http://www.iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f-8202dc9c3a/Description of auditors responsibilities for audit.pdf](http://www.iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f-8202dc9c3a/Description%20of%20auditors%20responsibilities%20for%20audit.pdf) . This description forms part of our auditor's report.

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

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



Mazars
Chartered Accountants & Statutory Audit Firm
Harcourt Road
Dublin 2

19 September 2023

Fund Account for the Year Ended 31 December 2022

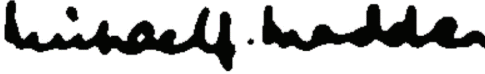
	Note	2022 €	2021 €
Contributions and benefits			
Employer Contributions	3	2,875,616	2,833,119
Employee Contributions	3	9,944	10,848
Other Income		-	112,993
		<u>2,885,560</u>	<u>2,956,960</u>
Benefits payable	4	(2,399,776)	(2,725,762)
Payments to Leavers	5	-	-
Risk Premiums	6	(25,010)	(13,845)
		<u>(2,424,786)</u>	<u>(2,739,607)</u>
Net additions/(deductions) from dealing with members		<u>460,774</u>	<u>217,352</u>
Returns on investments			
Investment income	7	55,169	122,513
Change in market value of investments	8	(15,690,868)	5,088,664
Investment managers rebate		120,141	136,585
Net return on investments		<u>(15,515,558)</u>	<u>5,347,762</u>
Net increase/(decrease) in the Fund		<u>(15,054,784)</u>	<u>5,565,114</u>
Net Assets as at 1 January		<u>74,522,168</u>	<u>68,957,054</u>
Net Assets as at 31 December		<u><u>59,467,384</u></u>	<u><u>74,522,168</u></u>

The notes on pages 15 to 24 form part of these financial statements.

Signed on behalf of the Trustee:

DocuSigned by:

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Director

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Director

13 September 2023

Date

Net Assets Statement (available for benefits) as at 31 December 2022

		2022	2021
	Note	€	€
Investment assets	8		
Equities		-	3,596
Pooled investment vehicles		57,843,807	72,335,787
AVC Investments		982,546	1,039,663
		<u>58,826,353</u>	<u>73,379,046</u>
Current Assets	9	641,031	1,175,059
Current Liabilities	10	<u>-</u>	<u>(31,937)</u>
Net Assets as at 31 December		<u>59,467,384</u>	<u>74,522,168</u>

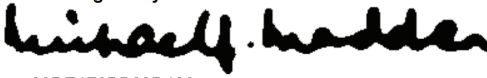
The notes on pages 15 to 24 form part of these financial statements.

The financial statements summarise the transactions of the Fund 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 year. The actuarial position of the Fund, which does take account of such obligations, is dealt with in the Actuarial Valuation Report, and the Actuarial Funding Certificate and Funding Standard Reserve Certificate included in this Annual Report, and these financial statements should be read in conjunction with them.

Signed on behalf of the Trustee:

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 Director

DocuSigned by:

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 Director

13 September 2023

Date

Notes to the Financial Statements

1. Basis of Preparation

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

The financial statements summarise the transactions and net assets of the Fund. Liabilities to pay pensions and other benefits which are expected to become payable in the future are not dealt with in the financial statements. The actuarial position of the Fund, which does take account of such liabilities, is dealt with in the Actuarial Valuation Report, Actuarial Funding Certificate and Funding Standard Reserve Certificate. The financial statements should be read in conjunction with these. The most recent valuation was at 1 January 2022 and the next actuarial valuation of the Fund is due to be carried out as at 1 January 2025. The Report on Actuarial Liabilities, Actuarial Funding Certificate, Funding Standard Reserve Certificate and Actuary's Statement are provided on pages 40 to 45 of this Annual Report.

2. Accounting Policies

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

Accruals concept

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

Contribution income

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

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

Transfers to and from other plans

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

Investment income

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

Investment income from segregated funds and deposits is recognised separately in the return on investments and is highlighted in note 7 of these financial statements.

Benefits payable

Benefits are accounted for in the period in which members notify the Trustee of their decisions on the type or amount of benefit to be taken or, if there is no member choice, on the date of retirement or leaving.

Administrative expenses

Administrative expenses are borne by the Principal Employer.

Valuation of investments

Quoted investments are valued at bid market value. Investments in the limited partnership are valued on the basis of the Fund's share of the net assets. Other investments are stated at the Trustee's valuation based on the advice of the Investment Managers.

Investment properties are valued in accordance with the Royal Institution of Chartered Surveyors' Valuation Standards.

The Valuation Standards UK PS 1.1, Valuation of Financial Statements (which also applies in the Republic of Ireland) provides that properties should be included at open market value or other appropriate basis of valuation. An example of circumstances in which open market value may not be the appropriate basis of valuation are properties in the occupation of the Fund, which should be valued at existing use value. As none of the investment properties are used solely in the occupation of the Fund, investment properties are valued at market value in accordance with the Royal Institution of Chartered Surveyors' Valuation Standards.

Taxation

The Fund has been approved as an "exempt approved fund" for the purposes of Section 774, Part 30, Chapter 1 of the Taxes Consolidation Act, 1997 and thus the Fund's income and gains are exempt from taxation.

Investment management fees

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

3. Contributions

	2022	2021
Employer	€	€
Deficit Funding	2,875,616	2,833,119
Augmentation Funding	-	-
	<u>2,875,616</u>	<u>2,833,119</u>
Employee		
Additional voluntary contributions	9,944	10,848
	<u>9,944</u>	<u>10,848</u>
Total	<u>2,885,560</u>	<u>2,843,967</u>

4. Benefits payable

	2022	2021
	€	€
Pensions Payable	2,399,776	2,425,869
Retirement Lump sum	-	299,893
Total	<u>2,399,776</u>	<u>2,725,762</u>

5. Payments to Leavers

	2022 €	2021 €
Transfers Out	-	-
Total	<u>-</u>	<u>-</u>

6. Risk Premiums

	2022 €	2021 €
Death in service premium	<u>25,010</u>	<u>13,845</u>

7. Investment Income

	2022 €	2021 €
Managed & unitised funds	55,169	122,513
Total	<u>55,169</u>	<u>122,513</u>

8. Net Investment Assets**(a) Summary of movement in investments during the year**

	Value at 31-12-21 €	Purchases €	Sale proceeds €	Change in market value €	Value at 31-12-22 €
Equities	3,596	-	(3,596)	-	-
Pooled Investment Vehicles	72,335,787	1,198,153	(66,326)	(15,623,807)	57,843,807
AVC Investments	1,039,663	9,944	-	(67,061)	982,546
Total Investments	<u>73,379,046</u>	<u>1,208,097</u>	<u>(69,922)</u>	<u>(15,690,868)</u>	<u>58,826,353</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, profits and losses realised on the sale of investments during the year and foreign exchange differences arising on the translation of investments denominated in foreign currencies. Where the investments are held in unitised funds, the change in market value also includes expenses both implicit and explicit for the year and any reinvested income, where the income is not distributed.

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

(b) Summary of % of net assets

	2022 €	Net Assets %	2021 €	Net Assets %
Main Scheme Investments				
Mercer	54,485,204	91.62%	69,253,399	92.93%
Irish Forestry Unit Trust	3,358,603	5.65%	3,082,388	4.14%
Neofilar sp Zoo	-	0.00%	3,596	0.00%
	<u>57,843,807</u>		<u>72,339,383</u>	
AVC Investments				
Irish Life Assurance	982,546	1.65%	1,039,663	1.40%
	<u>982,546</u>		<u>1,039,663</u>	
	<u>58,826,353</u>		<u>73,379,046</u>	

(c) Breakdown of Pooled Investment Vehicles

Pooled Investment Vehicles	2022		2021	
	Main	AVC	Main	AVC
	€	€	€	€
Equity Funds	1,174,968	47,141	11,205,711	13,344
Bonds	27,692,468	-	33,344,186	-
Property and Forestry Funds	3,405,504	-	4,565,174	-
Multi-Asset Funds	14,741,630	613,276	23,200,485	759,482
Cash/Liquidity Funds	10,829,237	322,129	23,827	266,837
Total Investment Assets	<u>57,843,807</u>	<u>982,546</u>	<u>72,339,383</u>	<u>1,039,663</u>

(d) Investment Fair Value Hierarchy

The fair value of financial instruments has been determined 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.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable (i.e. developed using market data) for the asset or liability.
- Level 3: Inputs are unobservable (i.e. for which the market data is unavailable) for the asset or liability.

	As At 31 December 2022			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Equities	-	-	-	-
Pooled Investment Vehicles	-	50,051,486	7,792,321	57,843,807
AVC Investments	-	982,546	-	982,546
	<u>-</u>	<u>51,034,032</u>	<u>7,792,321</u>	<u>58,826,353</u>

	As At 31 December 2021			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Equities	-	-	3,596	3,596
Pooled Investment Vehicles	-	64,672,082	7,663,705	72,335,787
AVC Investments	-	1,039,663	-	1,039,663
	<u>-</u>	<u>65,711,745</u>	<u>7,667,301</u>	<u>73,379,046</u>

(e) Investment Risks

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

- **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 is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables.

The maximum risk resulting from financial instruments, except for written options and securities sold short, equals their value.

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

- **Currency risk:** This is the risk that the fair value of 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 – primarily bonds, interest rate swaps and pooled investment vehicles held mainly in bonds – will fluctuate because of changes in market interest rates.
- **Other price risk:** This is the risk that the fair value of future cash flows of a financial asset will fluctuate because of changes in market prices (other than those arising from currency risk or interest rate risk – primarily equity prices), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

Investment Objectives

The overall investment objective of the Trustee is to carry out the investment terms as set out in the Fund's trust deed. When considering investment matters for the Fund the Trustee is cognisant of its duty to act in the best interests of the beneficiaries which typically means their interests in receiving secure retirement benefits as set out in the Trust Deed and Rules. To achieve this, the Trustee seeks to implement an investment strategy which is appropriate to the liabilities of the Fund and the funding and risk tolerances of both the Trustee and the Sponsoring Employer (the "Company").

The Fund's current investment strategy results from the 2021 investment strategy review which was implemented in June 2021 and recalibrated in 2022. A de-risking framework is in place, under which the investment strategy targets evolution to a lower risk strategy over a target period to 2029.

Investment Policy

The Trustee has established a Statement of Investment Principles (SIPP) which sets out the investment strategy and policies for the Fund, the investment objectives, asset allocations as well as the procedures for managing and monitoring investments and the related risks. The Trustee has determined an investment strategy after receiving advice from its investment consultants. Implementation of the investment strategy has been delegated to professional investment managers. The investment strategy and implementation arrangements of the Fund are reviewed regularly by the Trustee.

Risk measurement

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

- The potential deterioration of the financial position of the Fund;
- The risk of not achieving a sufficient level of investment return to match the growth in liabilities; and
- The intentions of the Company.

Risk Management Processes

The Trustee measures and monitors risk in its portfolio on a regular basis. It does this by ensuring effective reporting of portfolio and liability information, which is considered as part of its meetings.

Strategic Asset Allocation

A review of the investment policy of the Fund was carried out during 2022. The review involved consideration of the split between growth and risk-reducing assets in order to best reflect the funding and risk tolerances of both the Company and the Trustee. It also involved consideration of:

- How the risk-reducing portfolio might best be constructed in order to reflect the nature of the liabilities; and
- How the growth portfolio might best be most efficiently constructed to seek to deliver return.

The Trustee has put in place a pre-planned de-risking strategy linked to the funding level of the Fund. Under this de-risking strategy, Mercer monitors the assets and liabilities on a daily basis and, if pre-agreed funding level improvements are observed, automatically moves pre-agreed portions from growth assets to liability hedging assets. A time-based trigger framework operates in parallel to the funding level triggers in order to ensure de-risking progress in the event that funding level de-risking triggers are not reached.

The agreed funding level triggers following the 2022 review are set out in the Trustee's Statement of Investment Policy Principles, a copy of which is contained in pages 29 to 39 of this Annual Report. They were agreed in advance with the Trustee and are reviewed annually as part of an investment strategy recalibration exercise. The initial objective is to reduce the allocation to growth assets to 20%, with the aim of achieving this by 2029. The funding level is measured on an agreed de-risking basis of swaps + 0.25% margin. A complementary time-based trigger framework is also in place to increase the level of interest rate hedging as the Fund matures.

Growth and Liability-Hedging Portfolios

These are described in the Trustee's Statement of Investment Policy Principles, a copy of which is contained in pages 29 to 39 of this Annual Report.

Liability Hedging Portfolio Weights

These are described in the Trustee's Statement of Investment Policy Principles, a copy of which is contained in pages 29 to 39 of this Annual Report.

Risk disclosure under FRS 102

Pooled Vehicles

The investment strategy of the Fund is implemented using a range of regulated pooled investment vehicles. An element of counterparty credit risk is therefore inherent in the fund structure employed. However, the investment managers are obliged to comply with regulatory requirements applicable to the asset management sector.

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

Key:

- Significant impact
- Partial impact
- Low/Occasional impact
- No impact

Asset Class	Fund Vehicle Name	Credit Risk	Market Risk		
			Currency	Interest rate	Other
Global Equities (passive, fundamental indexation basis)	Mercer Fundamental Indexation Global Equity	●	●	●	●
	Mercer Fundamental Indexation Global Equity Hedged	●	○	●	●
Sustainable Global Equity	Mercer Sustainable Global Equity Fund	●	●	●	●
Sustainable Global Equity	Mercer Sustainable Global Equity Fund Hedged	●	○	●	●
Small Cap Equities	Mercer Global SmallCap Equity Fund	●	●	●	●
Small Cap Equities	Mercer Global SmallCap Equity Fund Hedged	●	○	●	●
Emerging Market Equities	MGI Emerging Markets Equity Fund	●	●	●	●
Low Volatility Equities	Mercer Low VolatilityEquity Fund	●	●	●	●
Low Volatility Equities	Mercer Low VolatilityEquity Fund Hedged	●	○	●	●
Global Listed Infrastructure Equities	Sustainable Listed Infrastructure UCITS CCF	●	●	●	●
Global Listed Infrastructure Equities	Sustainable Listed Infrastructure UCITS CCF (Hedged)	●	○	●	●
Absolute Return Strategies	Mercer Diversifying Alternative Strategies	●	○	●	●
Absolute Return Strategies	UCITS Alternatives Strategies (Hedged)	●	○	●	●
Absolute Return Bonds	Mercer Absolute Return Fixed Income	●	○	●	●
Multi-Asset Credit	Mercer Multi-Asset Credit Fund Hedged	●	○	●	●
Emerging Market Debt	MGI Emerging Market Debt Fund	●	●	●	●
Emerging Market Debt	Mercer Emerging Market Debt – Hard Currency Fund	●	●	●	●
Eurozone Equities	MGI Eurozone Equity Fund	●	●	●	●

China Equities	Mercer China Equity Fund	●	●	●	●
UK Equities	MGI UK Equity Fund	●	●	●	●
Multi-Asset	Mercer Dynamic Asset Allocation Fund	●	●	●	●
Infrastructure	Private Markets	●	●	●	●
Private Equity	Private Markets	●	●	●	●
Senior Private Debt	Private Markets	●	●	●	●
Private Debt	Private Markets	●	●	●	●
Sustainable Opportunities	Private Markets	●	●	●	●
Credit Opportunities	Private Markets	●	●	●	●
Forestry & Property	Irish Forestry Unit Trust	●	○	●	●
Real LDI Bonds	Mercer Euro Long Real LDI Fund	●	○	●	●
Nominal LDI Bonds	Mercer Euro Medium Nominal LDI Fund	●	○	●	●
High Yield Bonds	Mercer Global High Yield Bond Fund	●	○	●	●
Corporate Bonds	Mercer Passive Euro Over 5 Year Bond Fund	●	○	●	●
Corporate Bonds	Mercer Passive Euro Corporate Bond Fund	●	○	●	●
Corporate Bonds	Mercer Euro Tailored Credit Fund	●	○	●	●
Inflation Linked Bonds	Mercer Passive Euro Inflation Linked Bond Fund	●	○	●	●
Cash	MGI Euro Cash Fund	●	○	●	●

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

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

The Trustee considers investment risk holistically by regularly reviewing its investment strategy in the context of the evolution of the Fund's liabilities.

9. Current Assets

	2022	2021
	€	€
Bank	407,665	955,918
Contributions	33,275	-
Benefits	200,091	198,352
Risk premiums	-	20,789
Total	641,031	1,175,059

10. Current Liabilities

	2022	2021
	€	€
Contributions in Advance	-	31,937
Total	-	31,937

11. Related Party Transactions**Trustee**

The Trustee Directors did not receive and are not due any remuneration from the Fund. The names of the Trustee Directors at the date of signing are set out on page 1 of this Annual Report. Contributions include amounts in relation to Ken Bowles and Paul Regan who were both Trustee Directors and active members not accruing future benefits of the Fund during the period covered by this Annual Report. Contributions also include amounts in relation to Kevin Goss who was a Trustee Director and pensioner of the Fund during the period covered by this Annual Report.

Principal Employer

Smurfit Kappa Packaging Limited is the Principal Employer. Employer contributions to the Fund are disclosed in the Fund Account. Contributions are made in accordance with the Trust Deed and Rules and the recommendation of the Actuary. Any administration work undertaken by the Principal Employer in connection with the management of the Fund is carried out free of charge.

The Registered Administrator & Consultants

Aon Solutions Ireland Limited T/A Aon provides general consulting, actuarial consulting and administration services to the Fund. Mercer Global Investments Europe Ltd provides investment consulting services to the Fund.

Investment Manager

The Investment Managers, Mercer Global Investments Europe Ltd, Irish Forestry Unit Trust and Neofilar Sp Zoo are remunerated on a fee basis calculated as a percentage of the assets under management. These fees are reflected in unit prices borne by the Fund.

12. Self-Investment

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

13. Concentration of Investments

There was no individual stock representing in excess of 5% of the fund assets other than holdings in unitised funds as detailed in note 8 (b).

14. Contingent Liabilities	There were no contingent liabilities or contractual commitments (save for the liability to pay pensions and other benefits in the future which have not been taken into account) at 31 December 2022 (2021: €Nil).
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15. Events Subsequent to the Balance Sheet Date	There are no events post year end that would require amendments to or disclosure in this report.
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16. Approval of the Financial Statements	The financial statements were approved by the Trustee on: <u>13 September 2023</u>
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Investment Report



Smurfit Kappa Group Pension Trustees Ltd a/c as Trustee Smurfit Executive Pension Fund

Investment Management performance report for the 1-year period to 31 December 2022

The Mercer Funds structures are utilised by the Trustees in order to access a blend of highly-rated specialist managers across different asset categories, in an efficient manner. Using these structures, Mercer are employed to select, blend and replace managers where necessary, and to manage the overall operation of each fund to meet the Trustees' risk and performance objectives.

Market Background

2022 started on a positive note. The continued absence of far-reaching Covid restrictions in developed countries supported demand. Although inflation came in at elevated levels, a combination of improving supply chains and moderate monetary tightening was expected to bring it under control. The invasion of Ukraine and subsequent spike in commodity markets completely changed this narrative, however. Central banks were forced to accelerate the pace of tightening even as growth expectations were dialled down. The recovery in supply chains was nipped in the bud due to the conflict, sanctions on Russia and to a lesser degree China locking down large swathes of its economy again.

The second quarter of 2022 saw a continuation of the broad macro trends seen since the beginning of 2022. Surging commodity prices, to some degree the result of the ongoing conflict in Ukraine and associated sanctions against Russia, alongside the enormous monetary and fiscal stimulus of the last two years led to new multi-decade inflation records. Central banks in the major regions doubled down on monetary tightening as a consequence, resulting in elevated market volatility and a sell-off in pretty much all asset classes except commodities. Growth expectations were dialled down over the quarter, with a growing number of investors seeing a recession as an increasingly plausible scenario. On the brighter side, there was evidence of supply chains gradually beginning to improve.

Inflation and central bank policy continued to drive markets in the third quarter of 2022. Inflation readings in most major regions remained high and rising. Central banks therefore continued to tighten monetary policy and maintained a hawkish outlook, resulting in elevated market volatility. Risk assets rose in July on the back of hopes of inflation peaking and the hiking cycle ending, but these hopes were quashed later in the quarter. Furthermore, markets priced in the increasing risk of a recession resulting from the monetary tightening. Therefore most major asset classes ended the quarter with negative returns. Significant continued weakening in sterling mitigated the drawdown for unhedged UK investors. The conflict in Ukraine added to negative sentiment as Russia stepped up its anti-west rhetoric and further restricted natural gas supplies to Europe which exacerbated pressure on energy prices. Volatility spiked in UK markets at the end of Q3 2022 as an unfunded fiscal budget led to a crisis in government bond markets.

In Q4, developed market central banks continued tightening monetary policy but the pace of tightening began to slow in the US amid an encouraging downwards trend in inflation albeit from high levels. In China, a near total reversal of all Covid-related restrictions were a late year boost to its ailing economy. The narrative of peaking inflation and resilient economic growth drove positive equity returns during October and November, but hawkish messaging from central banks in December led to a premature end of the "Santa rally".

Overall, the 12-month period to December 2022 saw tightening of financial conditions by major central banks, with the notable exception of China and Japan. Inflation remained rampant although tentative signs of a potential peak began to show late in 2022. Commodities and the US dollar were among the few asset classes to provide positive returns. Returns for cash, floating rate and gold were flat to slightly negative, compared to the high single digit drawdown for a typical 60/40 portfolio in unhedged sterling terms.

Fund asset allocation as at 31 December 2022	Valuation (€)	Units	Fair value level	Fund Return for 1Yr Period	Benchmark Return for 1Yr Period
Mercer Fundamental Indexation Global Equity ⁽¹⁾	71,057.85	350.8510	2	-11.0%	-11.3%
Mercer Fundamental Indexation Global Equity Hedged ⁽¹⁾	72,727.25	378.0199	2	-16.5%	-16.5%
MGI Eurozone Equity ⁽¹⁾	36,395.23	138.8813	2	-16.9%	-12.5%
MGI Emerging Markets Equity Fund ⁽¹⁾	502,190.69	2,997.9744	2	-21.5%	-14.9%
Mercer Low Volatility Equity Fund ⁽¹⁾	2,000.23	12.6886	2	-8.0%	-12.8%
Mercer Low Volatility Equity Fund Hedged ⁽¹⁾	78,072.09	525.8442	2	-13.3%	-17.9%
Mercer Global Small Cap Equity Fund ⁽¹⁾	16,915.09	89.1676	2	-10.8%	-13.4%
Mercer Global Small Cap Equity Fund Hedged ⁽¹⁾	14,849.66	124.0262	2	-15.1%	-17.2%
Mercer Sustainable Global Equity Fund ⁽¹⁾	46,964.89	293.4205	2	-17.0%	-12.8%
Mercer Sustainable Global Equity Fund Hedged ⁽¹⁾	4,148.13	34.7095	2	-22.0%	-17.9%
Mercer Global High Yield Bond Fund Hedged ⁽¹⁾	14,424.63	146.8006	2	-13.7%	-12.3%
MGI Emerging Market Debt Fund ⁽¹⁾	16,871.48	144.7450	2	-2.9%	-5.9%
MGI Absolute Return Fixed Income Fund ⁽¹⁾	112,342.65	1,181.4350	2	-6.7%	1.5%
Mercer Euro over 5 Year Bond Fund ⁽¹⁾ *	4,612,263.43	41,838.3838	2	-19.7%	N/A
MGI Euro Cash Fund ⁽¹⁾	10,829,237.20	102,375.0917	2	-0.3%	0.0%
Mercer Multi-Asset Credit Fund Hedged ⁽¹⁾	1,320,148.01	11,883.5900	2	-9.9%	3.0%
Mercer Diversifying Alternative Strategies Fund ⁽¹⁾	1,263,180.97	11,578.1940	3	5.4%	3.0%
Mercer UCITS Alternative Strategies Fund ⁽¹⁾	526,872.01	5,496.2655	2	1.3%	2.0%
Mercer Global Listed Infrastructure ⁽¹⁾	42,763.96	317.9713	2	1.1%	1.4%
Global Listed Infrastructure EUR Hedged ⁽¹⁾	4,136.73	39.8107	2	-5.1%	-4.5%
Mercer Passive Euro Inflation Linked Bond Fund ⁽¹⁾	8,885,703.07	65,712.9350	2	-17.3%	-15.8%
Mercer Euro Medium Nominal LDI Fund ⁽¹⁾	3,148,277.94	111,601.4866	2	-70.7%	-70.7%
Mercer Euro Long Real LDI Fund ⁽¹⁾	5,961,399.23	61,167.6506	2	-39.6%	-39.6%
Mercer Passive Euro Corporate Bond Fund ⁽¹⁾	4,687,094.33	54,909.7274	2	-13.7%	-13.7%
Mercer Euro Tailored Credit Fund ⁽¹⁾ *	7,042,622.61	78,347.1199	2	N/A	N/A
MGI UK EQUITY ⁽¹⁾	26,792.04	319.2950	2	-19.5%	-5.1%
Mercer Dynamic Asset	201,989.79	2,102.9650	2	-13.6%	-13.6%

Allocation Fund ⁽¹⁾					
Mercer Emerging Market Debt Hard CCY Fund ⁽¹⁾	254,091.00	2,744.8525	2	-11.4%	-11.8%
Mercer China Equity Fund ^{(1)*}	302,854.71	3,202.4396	2	N/A	N/A
PIP V – Infrastructure	836,628.00	N/A	3	N/A	N/A
PIP V – Private Equity	940,744.00	N/A	3	N/A	N/A
PIP V – Senior Private Debt	774,769.00	N/A	3	N/A	N/A
PIP V – Private Debt	709,731.00	N/A	3	N/A	N/A
PIP V – Sustainable Opportunities	526,950.00	N/A	3	N/A	N/A
PIP VI – Credit Opportunities	597,995.00	N/A	3	N/A	N/A
Total**	54,485,203.90				

Our funds operate on a 'single-swinging price' basis. Trustees should assess whether any additional adjustments are needed if for some reason they believe that the NAV does not reflect fair value, however Mercer would not expect that these funds exhibit any factors that should materially affect the NAV and hence that they represent fair value.

*Please note 1 year performance is not available as the fund has been in operation for less than 1 year.

**Total valuation figure does not include pending trades of €676.06 into Mercer Multi-Asset Credit Fund Hedged and Mercer Diversifying Alternative Strategies as at 31/12/2022.

⁽¹⁾ Fund performance figures are in Euro and are gross of Mercer fees, net of underlying manager fees, gross of hedging fees

⁽²⁾ Fund performance figures are in Euro and are gross of Mercer Fees, net of underlying Manager Fees, net of hedging fees

Reference to Mercer shall be construed to include Mercer LLC and/or its associated companies. Mercer Global Investments Europe Limited and Mercer (Ireland) Limited are regulated by the Central Bank of Ireland to its clients.

Mercer Global Investments Europe Limited has established a range of funds, MGI Funds plc, Mercer PIF plc, Mercer QIF plc and Mercer QIF CCF. These funds have been approved by the Central Bank of Ireland.

This document is issued by Mercer Global Investments Europe Limited. This document refers to funds managed by Mercer Global Investments Europe Limited ("the Funds").

Past performance is not a guide to the future. The value of your investments and any income from it may fall as well as rise and you may receive back less than the amount invested.

There is also a currency risk involved in investing in assets which are in a foreign currency. Changes in the rates of exchange may therefore lead to a rise or fall in the value of your investments. The levels and basis of, and relief from, taxation can change. For the most recent approved ratings of an investment strategy, and a fuller explanation of their meanings, contact your Mercer representative.

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Mercer Global Investments Europe Limited accepts no responsibility for a Scheme's failure to meet its liabilities, nor the failure of the Scheme to meet its investment objective.

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Statement of Investment Policy Principles

Smurfit Executive Pension Fund (the "Fund")

Statement of Investment Policy Principles

Introduction

The purpose of this Statement of Investment Policy Principles (the "Statement") is to document the policies and guidelines that govern the management of the Fund's assets. It has been reviewed and adopted by the Trustee; it outlines the responsibilities, objectives, policies and risk management processes in place for the Fund.

Detailed guidelines for the Fund's investment managers are separately documented.

Investment Objectives

The overall investment objective of the Trustee is to carry out the investment terms as set out in the Fund's Trust Deed. When considering investment matters for the Fund, the Trustee is cognisant of its duty to act in the best interests of the beneficiaries which typically means their interests in receiving secure retirement benefits as set out in the Trust Deed and Rules. To achieve this, the Trustee seeks to implement an investment strategy which is appropriate to the liabilities of the Fund and the funding and risk tolerances of both the Trustee and the Sponsoring Employer (the "Company").

The Fund's current investment strategy results from the 2022 investment strategy review which was implemented in July 2022. Further, a de-risking framework is in place, under which the investment strategy evolves to a lower risk strategy under pre-agreed funding level triggers over the period to 2029.

Formulating Investment Policy

The Trustee has responsibility for setting and monitoring the investment strategy and arrangements of the Fund.

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

The Trustee also recognises the need for expert advice in formulating investment policy and have therefore appointed an Investment Consultant (Mercer) to provide advice appropriate to the Fund.

Risk Measurement

A portfolio of high quality bonds of term and characteristics appropriate to the liabilities could be considered a reasonably low risk investment portfolio for any defined benefit pension plan. However, such a bond strategy would generally be expected to deliver low long-term investment returns and thus require higher contributions to fund the benefits of the Fund over its lifetime. Taking into consideration affordability of the Fund for the Company, the Trustee recognises that the Fund therefore needs to hold asset classes with higher expected returns (e.g. growth assets such as equities, higher-yielding fixed income, and other growth asset classes) in order to try to reduce funding costs over the longer term. Growth assets will typically involve higher risk and volatility, particularly over the short term and the Trustee therefore conducts regular investment risk assessments to gain comfort on the level of investment risk in the Fund's portfolio of assets.

The key risk in the context of investment is that the Fund's funding level may deteriorate as a result of the investment strategy being pursued, which would in turn increase the costs of funding and may threaten the future sustainability of the Fund. The Trustee has therefore considered the following as part of their investment risk analysis:

- Value at Risk
- Duration of the liabilities
- Hedge ratios
- Other statistical analysis, including stochastic projections
- Qualitative risk assessment

Some of the risk assessments above are carried out periodically and typically in line with the completion of a triennial actuarial funding valuation for the Fund. Some of the other risk assessments may be reviewed more frequently as and when relevant e.g. as part of the annual review of the de-risking framework. The assumptions underlying the risk assessments above are typically based on a suitable set of assumptions based on the effective date of the analysis being carried out. Actual experience will differ from the assumptions (perhaps significantly) and consequently, the Trustee will regularly review the investment strategy.

Current Investment Policy

In 2018, the Trustee, with the support of the Investment Sub-Committee and the Company, agreed a pre-planned, de-risking strategy linked to the funding-level of the Fund. Under this de-risking strategy, Mercer monitors the assets and liabilities on a daily basis and, if pre-agreed funding level improvements are observed, automatically moves pre-agreed portions from growth assets to liability hedging assets.

The overall investment strategy, including the de-risking framework, was reviewed and revised in mid-2022.

The agreed funding level triggers following the 2022 review are set out below. They have been approved by the Trustee and will be reviewed annually as part of an investment strategy recalibration exercise.

The initial objective is to reduce the allocation to growth assets to 20%, with the aim of achieving this by 2029. The funding level is measured on an agreed de-risking basis of swaps +0.25% margin. As of 31 August 2022, the Fund sits in band 10 below, equating to a 27% target weighting in growth assets.

Funding Level Trigger Framework

Funding Level Band	Bottom of Funding Level Band (Funding Level %)	Trigger to move into next Funding Level Band (Funding Level %)	Target Growth Allocation (% of total assets)	Tolerance Bands (% divergence from target allocation)
5*	0.0%	90.5%	50%	+/- 2.0%
6	90.5%	92.4%	47%	+/- 2.0%
7	92.4%	94.3%	43%	+/- 2.0%
8	94.3%	96.2%	39%	+/- 2.0%

9	96.2%	98.1%	34%	+/- 2.0%
10*	98.1%	100.0%	27%	+/- 2.0%
11	100.0%	100.0%	20%	+/- 2.0%

*As of August 2022, the Fund sits in band 10.

The de-risking triggers will be regularly reviewed to ensure alignment with the development of the liabilities of the Fund; de-risking to a lower risk target can be considered as part of these reviews. The target will take account of the allocation of the liabilities and a desire to maintain a sustainable funding agreement with the Sponsor.

Growth and Liability-Hedging Portfolios

The Trustee has agreed a strategic mix of asset classes within the Liability Hedging portfolio. This mix is reviewed on an ongoing basis and will evolve as the liabilities develop.

The Growth portfolio allocation will comprise a combination of equity, growth fixed income, alternatives and any other asset classes, and in such proportions, as determined by Mercer at its discretion. The Growth portfolio allocations (as adjusted from time to time in accordance with Mercer's 'best ideas' strategic investment views). Mercer also has discretion to apply short-term dynamic tilts to the asset allocation within the growth portfolio, to exploit market opportunities and manage risks.

Mercer has been appointed via a delegated or fiduciary investment solution, to formally select, blend and monitor active and passive investment managers within each of the individual asset classes according to their best ideas.

The following tables outline the target asset class allocations within the Liability Hedging portfolio, and the asset classes that comprise the Growth portfolio strategic asset allocation (as at the date of preparation of this Statement). The benchmark indices against which Mercer measure the performance of the appointed managers on the Trustee's behalf are also outlined.

Growth Portfolio

Asset Class	Benchmark Index
Fundamental Indexation Global Equity CCF (Euro Hedged and Unhedged)	MSCI Customised Index
Sustainable Global Equity	MSCI World Index
Global Small Cap Equity	MSCI World Small Cap (NDR) Index
Emerging Markets Equity	MSCI Emerging Markets Index

Asset Class	Benchmark Index
Low Volatility Equity (Euro Hedged and Unhedged)	MSCI World Index
Global Listed Infrastructure (Euro Hedged and Unhedged)	FTSE Global Core Infrastructure 50/50 Index
Diversifying Alternatives Strategies (Hedged)	* HFRI FOF: Market Defensive Index
Absolute Return Fixed Income (Euro Hedged)	Citi EUR 1 Month Euro Deposit
Multi-Asset Credit	FTSE EUR 1 Month Euro Deposit
Dynamic Asset Allocation – Opportunistic Growth (Frontier Market debt, Convertible Bonds, Asian High Yield)	Composite Benchmark
Emerging Markets Debt	J.P.Morgan GBI EM Global Diversified Composite Index
Emerging Markets Debt – Hard Currency	J.P.Morgan EMBI Global Diversified ex CCC Index
Eurozone Equity	MSCI EMU Index
China Equity Fund	60% MSCI China 40% MSCI China A Onshore
Fundamental Indexation Global Equity CCF (Euro Hedged and unhedged)	MSCI Custom Index
Global High Yield Bond Fund	ICE BofAML BB-B Rated Developed Markets High Yield Constrained
Global Small Cap Equity Fund (Euro Hedged and Unhedged)	MSCI World Small Cap Equity
Sustainable Global Equity Fund (Euro Hedged and Unhedged)	MSCI World Index
UCITS Alternative Strategies	FTSE EUR 1 month Deposit

Asset Class	Benchmark Index
UK Equity	FTSE All-Share Net Total Return Index
Private Markets: Senior Private Debt, Private Debt, Private Equity, Infrastructure, Sustainable Opportunities and Credit Opportunities	Composite Benchmark
Forestry & Property	Composite Benchmark

*The short-term performance gauge for Mercer Diversifying Alternatives Strategies is HFRI POF: Market Defensive Index. The longer-term target is to outperform cash by 3%-5% p.a. over a market cycle with specified correlation and volatility targets.

The Trustee also intends to build up a long-term allocation to Private Market investments through commitments made to Senior Private Debt, Private Debt, Sustainable Opportunities, Infrastructure, Private Equity and Credit Opportunities. Mercer has been appointed to structure and implement these investments, as with the Fund's other allocations. As the first step in this long-term programme, the Trustee committed amounts equivalent to c.20% of the Growth portfolio (split equally across senior private debt, private debt, sustainable opportunities, infrastructure and private equity) in 2019. An additional commitment, to Credit Opportunities was made in February 2021. As capital calls are made, assets are drawn from the rest of the growth portfolio to meet these commitments.

Liability Hedging Portfolio Weights

The effective date of the below matching portfolio is as at August 2022. The matching allocations can be expected to change as de-risking triggers are met.

Asset Class	Target Weight %*	Benchmark** Index
Euro Long Real LDI	17.1%	Composite benchmark with leveraged duration of c45yrs
Euro Medium Nominal LDI	13.7%	Composite benchmark with leveraged duration of c40yrs
Mercer Euro Inflation Linked Bond Fund	20.9%	ML EMU Government HICP >5 yrs GDP Weighted
Mercer Passive Euro Corporate Bond Fund	10.0%	Bloomberg Euro Aggregate Corporates
MGI Euro Cash Fund	12.3%	FTSE EUR 1 Month Euro Deposit
Euro Over 5 Year Bonds	11.0%	Linked Barclays 5yr+ GDP weighted/ ICE BofAML 5yr+ GDP weighted Index

Asset Class	Target Weight %*	Benchmark** Index
Mercer Euro Tailored Credit Fund	15.0%	Composite benchmark with overall duration of 10-12yrs
Total Liability Portfolio	100%	

*Asset classes noted with a target weight of 0% are available to the Fund under the Investment Management Agreement. They may be included in the strategy in future, depending on the evolution of the de-risking journey.

** Composite benchmarks derived in line with asset class specific objectives in terms of duration and country exposures

The base currency of the Fund (and hence of the benchmark) is the Euro. The Trustee has factored the Euro nature of the liabilities when constructing the benchmark strategy.

Analysis of current Strategy

As at the effective date of this Statement, the most recent analysis carried out on the Fund's investment strategy was performed as at August 2022 using Mercer's Euro investment modelling assumptions as at 31 March 2022. The output from this analysis showed the following:

- The expected return was assessed as 1.9% p.a. net of fees
- The expected volatility was measured as 6.6% p.a.
- The Value at Risk (VaR) measure was assessed as €4.4m, using a 5% probability and a 1 year time horizon. This is based on a funding level of 98.4% as at August 2022, measured by reference to the Fund's target de-risking basis; a market basis which values liabilities by reference to a curve comprising of core Eurozone swap yields + a margin of 0.25%
- The duration of the liability hedging portfolio was estimated to be c18 years, and the estimated duration of the liabilities of the Fund on the target de-risking basis described above was c13 years.

Market movements will cause the Fund's portfolio to differ from the strategic mix agreed by the Trustee. An automatic rebalancing policy, implemented by Mercer on the Trustee's behalf, is in place to limit these movements within pre-defined tolerance ranges.

Risk Management

The Trustee will measure and monitor risk in their portfolio on a regular basis. Investments are regularly considered as part of Trustee meetings, which are also attended by the Fund's investment consultant. The Trustee receives and reviews quarterly reports from their Investment Consultants.

Under Mercer's Dynamic De-Risking Solution, the continued suitability of the investment strategy in place is assessed each year as part of an investment strategy recalibration exercise. This includes consideration of the progress of the de-risking strategy towards its target. In addition, the Trustee formally reviews the Fund's investment strategy in conjunction with formal actuarial funding valuations of the Fund and will do so following any significant change to the Fund.

The Trustee will ensure that the investment of the Fund's assets adheres to the requirements of the Occupational Pension Schemes (Investment) Regulations 2006.

ESG, Stewardship, and Climate Change

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

The Fund invests in explicitly in sustainability themed investments via the delegated framework, including sustainable equity, sustainable opportunities and infrastructure in its investment strategy.

The Trustee has delegated day to day management of the assets to Mercer Global Investments Europe (MGIE), who in turn delegates responsibility for the investment of the assets to a range of underlying investment managers. MGIE monitors how the investment managers evaluate ESG factors, including climate change considerations, as well as how they exercise voting rights and stewardship obligations attached to the investments, in accordance with their own corporate governance policies and current best practice, including the UK Corporate Governance Code and UK Stewardship Code.

MGIE provides reporting on a regular basis, at least annually, on ESG integration progress, stewardship monitoring results, and climate-related metrics such as carbon footprint for equities.

The Trustee has not set any investment restrictions on MGIE or the underlying investment managers in relation to particular products or activities from an ESG perspective.

Sustainable Finance Disclosure Regulations

The Trustee acknowledges that under Article 4 of the Disclosure Regulations there is a requirement to publish and maintain on a website whether principal adverse impacts of investment decisions on sustainability factors are considered. The Trustee is awaiting the clarity of the Level II regulations prior to making such a statement.

This policy may be made publicly available in the future but is currently included within the SIPP of the Fund, as this is available to members each year through the Trustee Annual Report.

Shareholders' Rights Regulations 2020

With respect to the European Union Shareholders' Rights Regulation 2020 ("SRDII"), the Trustee does not have a standalone engagement policy as the Fund invests in pooled funds and therefore has no direct engagement with the underlying entities held.

The Trustee has engaged with Mercer Global Investments Europe Limited (MGIE) and they have provided a copy of their Engagement Policy and confirmed that MGIE complies with the Irish legislation transposing SRDII, which came into operation on 30 March 2020.

An annual report is published by MGIE outlining how the Engagement Policy was implemented, include a general description of voting behaviour, a summary of significant votes taken and information on the use of the services of proxy advisors.

In terms of how the Trustee's arrangement with MGIE incentivises the asset manager to align its investment strategy and decisions with the profile and duration of the Fund's liabilities, as noted above, the Trustee with the support of the Sponsor has agreed a long term de-risking strategy linked to the funding level of the Fund which is monitored and implemented by MGIE. The overall investment strategy, including the de-risking framework, is reviewed annually by the Trustee. Under this de-risking strategy MGIE monitors the assets and liabilities on a daily basis and, if pre-agreed funding level improvements are observed, automatically moves pre-agreed portions from growth assets to liability hedging assets. The funding level triggers involved are reviewed annually by the Trustee. The Trustee's arrangements with MGIE enable the Trustee to implement its chosen investment strategy, and provides the necessary operational infrastructure to do so.

In terms of how MGIE makes assessments about the performance of investee companies and engages with those investee companies, details of this are set out in MGIE's Engagement Policy as referred to above.

In terms of how the method and time horizon of the evaluation of MGIE's performance and its remuneration are aligned with the profile and duration of the Fund liabilities, and take absolute long term performance into account, the Trustee understands that the Fund's liabilities are long term and therefore sets investment strategy with a long-term horizon in mind. Performance is assessed on a quarterly basis with a review of the overall investment strategy, including the de-risking framework, undertaken on an annual basis. The quarterly reports assess individual fund performance versus benchmark, assess aggregate performance versus the strategic benchmark and provide Mercer research views both from the traditional investment and responsible investment perspectives. Further, the Trustee recognizes that even though the Fund's investments are subject to short-term volatility, it is critical that a long-term investment focus be maintained. The Trustee intends to avoid ad-hoc revisions to its philosophy and policies in reaction to either speculation or short-term market fluctuations and thus has agreed a rebalancing policy under which the asset allocation will be restored to the strategic allocation. This is documented in the Investment Management Agreement ('IMA') with MGIE.

Asset manager remuneration is calculated as a percentage of assets under management. Under the delegated arrangement, MGIE leverages its scale to ensure the underlying manager fees are highly competitive. The aggregate fee paid to MGIE for its provision of services under the delegated arrangement was reviewed by the Trustee and the Sponsor with the assistance of an external advisor prior to the appointment. There are performance related components in the private markets asset classes but those are contingent on relative outperformance and are structured to ensure a long-term outlook, appropriate to the nature of the asset classes themselves.

In terms of how the Trustee monitors portfolio turnover costs incurred by the asset manager and how it defines and monitors a target portfolio turnover or turnover range, MGIE provides a statement of costs in the MiFID II Costs & Charges statement which is issued to its clients annually, which includes information on turnover costs

Finally, the IMA with MGIE has an indefinite duration but is subject to regular performance reviews.

AVC Section

The investment objectives of the Trustees are:

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

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

Risk Measurement Methods

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

Investment Risks

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

Member Decision-making Risks

- That the member is overwhelmed by the number or complexity of investment choices (complexity risk);
- That the member does not get enough clear information to make a good choice (inadequate information risk).
- The table in section 5 classifies which funds aim to address the main investment risks for members according to inflation risk, annuity risk and volatility risk.
- The Trustees can receive reporting from their investment managers.

Risk Management Processes

Within the fund choices that are available to each member:

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

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

All investment managers are appointed by the Trustees and the appointment, including the terms on which the appointment may be terminated, is governed by a specific written agreement.

Strategic Asset Allocation

To manage the risks set out earlier in this Statement, the Trustees currently offer the following broad categories of fund options to members:

- Mixed Assets
- Cash
- Bonds
- Equities
- Alternatives
-

A description of the investment manager arrangements adopted and of the selected funds is provided below.

Fund Name	Investment Objective
Irish Life Empower Stability Fund	Long term expected return is cash deposit rates +2%
Irish Life Empower Cash Fund	To achieve a reasonable rate of interest with a high degree of security
Irish Life Cash Fund	To achieve a reasonable rate of interest with a high degree of security
Irish Life Empower Growth Fund	Long term expected return is cash deposit rates +4% p.a. gross of fees managed within a risk range.
Irish Life Active Managed Fund	Cash + 4% over 5 year periods
Irish Life Consensus Fund	To perform in line with the average managed fund
Irish Life Indexed European Equity Fund	To perform in line with the benchmark index
Irish Life Capital Protection Fund	To provide low to mid-range returns on a smoothed basis
Irish Life Secured Performance Fund	Achieve average market returns over the long term

ESG, Stewardship, and Climate Change

The Trustees believe that environmental, social, and corporate governance (ESG) factors may have a material impact on investment risk and return outcomes, and that good stewardship can create and preserve value for companies and markets as a whole. The Trustees also recognise that long-term

sustainability issues, particularly climate change, present risks and opportunities that increasingly may require explicit consideration.

By using pooled investment vehicles for its equity investments, the Trustees accept that the day-to-day application of voting rights will be carried out by the managers in accordance with their own corporate governance policy and current best practice.

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

Shareholders' Rights Regulations 2020

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

The Trustees have engaged with the Scheme's equity fund manager - who have provided a copy of their Engagement Policy and confirmed that they are in compliance with the Regulations.

The investment horizon of the Scheme's equity investments is medium to long term in nature, and the Trustee expects the managers to use their engagement activity to drive improved performance over those periods.

Sustainable Finance Disclosure Regulation (SFDR)

The Trustees acknowledge that under Article 4 of the SFDR there is a requirement to publish and maintain on a website whether principal adverse impacts of investment decisions on sustainability factors are considered. The Trustees are awaiting the clarity of the Level II regulations prior to making such a statement.

Communication

Information is provided to members through booklets and fund factsheets available from the AVC administrators and investment managers. Regular opportunities to switch between fund options are also offered.

Effective Date of this Statement: August 2022

Actuarial Funding Certificate



An tÚdarás Pinsean
The Pensions Authority

SCHEDULE BD

Article 4

ACTUARIAL FUNDING CERTIFICATE

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

SCHEME NAME: Smurfit Executive Pension Fund

SCHEME COMMENCEMENT DATE: 01/10/1992

SCHEME REFERENCE NO.: PB48062

EFFECTIVE DATE: 31/12/2021

EFFECTIVE DATE OF PREVIOUS CERTIFICATE (IF ANY): 31/12/2018

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 €72,890,000.00, would have been sufficient if the scheme had been wound up at that date to provide for the liabilities of the scheme determined in accordance with section 44(1) of the Act which, including the estimated expenses of administering the winding up of the scheme, amount to €69,550,000.00, and

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

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

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

Signature:



Date:

26/07/2022

Name:

Mr. Patrick Ryan

Qualification:

FSAI

Name of Actuary's Employer/Firm

Aon Solutions (Ireland) Limited

Scheme Actuary Certificate No.

P144

Submission Details

Submission Number: SR2947487

Submitted Electronically on: 26/07/2022

Submitted by: Patrick Ryan

Funding Standard Reserve Certificate



An tÚdarás Pinsean
The Pensions Authority

SCHEDULE BE

Article 4

FUNDING STANDARD RESERVE CERTIFICATE

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

SCHEME NAME: Smurfit Executive Pension Fund

SCHEME COMMENCEMENT DATE: 01/10/1992

SCHEME REFERENCE NO.: PB48062

EFFECTIVE DATE: 31/12/2021

EFFECTIVE DATE OF PREVIOUS CERTIFICATE (IF ANY): 31/12/2018

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 €69,550,000.00,

(2) the resources of the scheme (other than resources which relate to contributions or a transfer of rights to the extent that the benefits provided are directly related to the value of those contributions or amount transferred (DC resources)), calculated for the purposes of section 44(1) of the Act amount to €72,890,000.00,

(3) €32,025,000.00, of the amount referred to in paragraph (2) (subject to a maximum of an amount equal to the funding standard liabilities) is invested in securities issued under section 54(1) of the Finance Act 1970 (and known as bonds), securities issued under the laws of a Member State (other than the State) that correspond to securities issued under section 54(1) of the Finance Act 1970, cash deposits with one or more credit institutions and such other assets (if any) as are prescribed under section 44(2)(a)(iv) of the Act,

(4) the amount provided for in section 44(2)(a) of the Act (Applicable Percentage x ((1) minus (3))) is €3,752,000.00,

(5) the amount provided for in section 44(2)(b) of the Act, being the amount by which the funding standard liabilities of the scheme would increase if the interest rate or interest rates assumed for the purposes of determining the funding standard liabilities were one half of one per cent less than the interest rate or interest rates (as appropriate) assumed for the purposes of determining the funding standard liabilities less the amount by which the resources of the scheme (other than DC resources) would increase as a result of the same change in interest rate or interest rates is -€1,406,000.00,

(6) the aggregate of (4) and (5) above amounts to €2,346,000.00, and

(7) the additional resources (as defined in the Act) of the scheme amount to €3,340,000.00, of which, in accordance with and within the meaning of the guidance issued by the Authority and prescribed under section 47 of the Act, €0.00 comprises contingent assets and €0.00 of such contingent assets comprise an unsecured undertaking.

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

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

Signature:



Date:

26/07/2022

Name:

Mr. Patrick Ryan

Qualification:

FSAI

**Name of Actuary's:
Employer/Firm**

Aon Solutions (Ireland) Limited

**Scheme Actuary
Certificate No.**

P144

Submission Details

Submission Number: SR2947512

Submitted Electronically on: 26/07/2022

Submitted by: Patrick Ryan

Actuary's Statement

Actuary's Statement

The Smurfit Executive Pension Fund ("the Plan")



A funding proposal with an effective date of 31 December 2018 was submitted to the Pensions Authority pursuant to Section 49(3) of the Pensions Act.

In accordance with the requirements of Section 55(4) of the Act, I have reviewed the position as at 31 December 2022 to ascertain whether, if contributions continue to be made to the Plan in accordance with the funding proposal, the Plan will satisfy both the funding standard provided for in Section 44(1) of the Act and the funding standard reserve provided for in section 44(2) of the Act at 31 December 2024, i.e. the end date of the funding proposal.

Based on the information provided to me as at 31 December 2022 and adopting assumptions which I consider to be appropriate, and which are consistent with professional guidance, I am reasonably satisfied that the Plan will satisfy the funding standard and will hold sufficient additional resources to satisfy the funding standard reserve at 31 December 2024.

In making this statement, reference has been made to guidance issued by the Society of Actuaries in Ireland under ASP PEN-3 and ASP PEN-4.

Paddy Ryan
Fellow of the Society of Actuaries in Ireland
Scheme Actuary Certificate Number P144

Prepared for: Trustees Annual report for members
Prepared by: Paddy Ryan
Date: 3 July 2023

Report on Actuarial Liabilities

Under Section 56 of the Pensions Act, 1990 (as amended), and associated regulations, the trustees of defined benefit pension plans are required to have a valuation of the plan prepared on a triennial basis. The most recent formal actuarial valuation of the Smurfit Executive Pension Fund ('the Fund') was carried out as at 1 January 2022. A copy of the actuarial valuation is available to Fund members on request.

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

	1 January 2022 €000s
Value of accumulated assets	73,483
Value of accrued liability	79,207
Surplus/(Deficit)	(5,724)
Funding Level	93%

Valuation Method & Assumptions

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

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

Financial Assumptions	1 January 2022
Discount Rate	Interest rate Swap curve plus 0.25%
Inflation	Inflation Swap curve
Increases in deferment	Inflation Swap curve
Pension increases in payment	Inflation Swap curve
Demographic Assumptions	
Post-retirement mortality	90% of S3PMA (all) 90% of S3PFA (all) CMI 2019 improvements from 2013 onwards
Life expectancy Male 62	26.2
Life expectancy Female 62	27.9

The actuarial valuation also makes a recommendation in relation to the contributions that should be made to the Fund in the future. The recommended employer contribution emerging from the most recent valuation was a fixed amount of €1,916,000 per annum over a 3-year period. Premiums for insured lump sum death in service benefits and the expenses of operating the Fund are payable in addition. As accrual of future service benefits has ceased no member contributions have been payable since 30 June 2016.

There is a Funding Proposal in place for the Fund. Where contributions payable under the Funding Proposal are higher than those set out above, the amounts required under the Funding Proposal should continue to be paid over the period to the next actuarial valuation.

The effective date of the next valuation should be no later than 1 January 2025.

Actuarial Statement

Under the Pensions Act, 1990 and subsequent amending legislation there is a requirement to have an Actuarial Funding Certificate and Funding Standard Reserve Certificate produced for defined benefit plans. Such certificates must be prepared at least every three years. The latest funding certificates prepared for this Fund have an effective date of 31 December 2021 and copies are included on pages 40-42 of this Annual Report. As at the effective date of the certificate, the Fund did satisfy the Funding Standard. The Fund also satisfied the Funding Standard Reserve at the effective date.

A Funding Proposal with an effective date of 31 December 2018 was submitted to the Pensions Authority on 16 September 2019 and subsequently approved on 15 November 2019. The Funding Proposal set out the contributions which, if the underlying assumptions are borne out in practice, would enable the Fund to satisfy the Funding Standard by 31 December 2024.

The Pensions (Amendment) Act, 2002 introduced an annual requirement for the Actuary to set out in a statement if he/she is reasonably satisfied that, if contributions continue to be made to the Fund in accordance with the Funding Proposal, the Fund could reasonably be expected to satisfy the Funding Standard by the appropriate date. A copy of this statement at 31 December 2022 is set out on page 43 of this Annual Report.