

# Chubb Common Investment Fund

Annual report and financial statements for the year  
ended 31 March 2023

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## Trustees and advisers

### Trustees:

B D McGowan \*+ (Chairman)

T P Allen \*

W Jones \*+

G P Smart

K Krumm \* No longer a director of trustee company (with effect from 5 June 2023)

C Forbes +

\* *Trustee of Chubb Pension Plan*

+ *Director of Chubb Security (Pensions) Limited (Trustee of Chubb Security Pension Fund)*

### Secretaries to the Trustees:

P Clarke – Barnett Waddingham LLP (until 13 September 2023)

H Willcox – Barnett Waddingham LLP (from 13 September 2023)

### Enquiries:

H Willcox

Barnett Waddingham LLP

3 Devon Way

Longbridge

Birmingham

B31 2TS

### Investment Managers:

Insight Investment Management (until 15 June 2022)

### Custodian, Bank and Administrator:

Bank of New York Mellon

### Investment Advisers:

Barnett Waddingham LLP

### Participating Schemes:

Chubb Security Pension Fund

Chubb Pension Plan

### Independent Auditors:

PricewaterhouseCoopers LLP

## Trustees and advisers (Cont)

### Legal Advisers:

CMS Cameron McKenna Nabarro Olswang LLP  
Cannon Place  
78 Cannon Street  
London EC4N 6AF

Geldards LLP  
Dumfries House  
Dumfries Place  
Cardiff  
CF1 4YF

### Bankers:

All banking is transacted through the Custodian cash account.

### Sponsoring Company:

Chubb Group Limited  
Ground Floor,  
2 Lotus Park,  
Staines,  
Middlesex  
TW18 3AG

## The Trustees' Report

### Constitution

The Chubb Common Investment Fund ("CCIF") is governed by a definitive Trust Deed dated 23 June 1998 (as amended). The CCIF was established with effect from 1 July 1998 in accordance with the wishes of the "Participating Schemes" which are the Chubb Pension Plan ("CPP") and the Chubb Security Pension Fund ("CSPF") (together the "Participating Schemes").

The CCIF Trust Deed provides that any appointment and/or removal of the Trustees be made by the Sponsoring Company (Chubb Group Limited).

The Trustees are responsible for the administration of the CCIF and the investment policy, subject to the policy being consistent with the Statements of Investment Principles maintained by the Participating Schemes. The Trustees meet quarterly to discuss reports received from the investment managers and to assess the overall investment policy. Under the terms of the Trust Deed, resolutions are passed on a simple majority of those voting.

### Management and custodian arrangements

The day to day management of the investments has been delegated by the Trustees to the Investment Managers. Bank of New York Mellon have been appointed as administrators, global custodian and the banker to the CCIF. This is in accordance with the agreement between the CCIF and the above parties dated 23 June 1998. The Trustees of the CCIF provide quarterly performance and investment details to the Trustees of the Participating Schemes together with copies of all Trustees' minutes and decisions.

Bank of New York Mellon acts as custodian for the Insight Investment Management segregated portfolios. These investments are held in a designated nominee account at Bank of New York Mellon, in the name of the Trustees of the CCIF.

The Trustees receive reports each month covering the assets held by the custodian and transactions in the month. These are monitored and, if appropriate, followed up with the custodian on a timely basis. The custodian is independent of the fund managers and provides a check on the records of these assets of the CCIF.

### Financial development of the Fund

The financial statements have been prepared and audited in compliance with regulations made under section 41 (1) and (6) of the Pensions Act 1995.

Significant developments affecting the financial position of the CCIF during the year include:

- The Trustees of each of the Participating Schemes decided, during the prior year, to withdraw from the CCIF and assets began to be transferred to new individual policies and mandates of the two schemes.
- The overall value of the CCIF therefore decreased by £3.041 million to £35K at 31 March 2023 following withdrawal from the CCIF of the CPP and CSPF.
- The only asset remaining at 31 March 2023 was accrued investment income from the property companies received post year end which was transferred to the Participating Schemes in June 2023.

## The Trustees' Report (Cont)

### Trustees Fees

Trustees' fees were paid from the CCIF until 30 June 2020. After that date all Trustees' fees became payable from the Participating Schemes.

### Investment policy

The Trustees of the CCIF determine the investment policy within the guidelines laid down by the Statement of Investment Principles of the Participating Schemes. The objective set for each investment manager is summarised in their agreements with the Trustees.

### Financial instruments

The investment managers have the authority to use financial instruments, when hedging currency risks, in the course of implementing the investment strategy.

### Valuation

The investments underpinning the unit prices are valued in the Statement of net assets attributable to unit holders at their bid market value at 31 March 2023. An analysis of investments by category is set out in note 5 of the financial statements. The movement of funds between the CCIF and the Participating Schemes for the year ended 31 March 2023 is shown in note 16.

The CCIF maintains units that are specific to the Participating Schemes for the purpose of ring-fencing assets held specifically for each of the two Participating Schemes. All other assets are aggregated and underpin the valuation of units referred to as comingled asset units.

As at 31 March 2023, the allocation of units between the Participating Schemes was as follows: -

	Value £000	Percentage
Chubb Pension Plan – comingled asset units	16	46.7*
Chubb Security Pension Fund – comingled asset units	19	53.3*
<b>Total</b>	<b>35**</b>	

\* As a percentage of comingled assets.

\*\* The only asset remaining at 31 March 2023 was accrued investment income from the property companies received post year end which was transferred to the Participating Schemes in June 2023.

### Investment restrictions

The Participating Schemes have instructed the Trustees not to invest directly in the following:

- (a) Carrier Global Corporation, the ultimate holding company of the sponsoring employers of the Participating Schemes.
- (b) Companies where the Trustees of the CCIF or the Trustees or Trustee directors of the Participating Schemes have a material interest or are a Director, with the exception of the subsidiary undertakings, details of which are shown below.

The Trustees of the Participating Schemes have imposed this policy on the Trustees based on the belief that without such a policy, conflicts of interest would inevitably arise.

## The Trustees' Report (Cont)

### Employer related investments

At 31 March 2023 and 31 March 2022, the CCIF had no employer related investments.

### Marketability of investments

At the year-end all of the CCIF net investments were considered to be marketable on a short term basis.

### Policy on voting rights and social, environmental and ethical considerations

The Trustees believe that environmental, social and governance (ESG) factors, including management of climate related risks are potentially financially material and therefore have a policy to take these into account, alongside other factors, in the selection, retention and realisation of investments. However, these factors do not take precedence over other financial and non-financial factors, including but not limited to historical performance or fees. The Trustees may consider both financial and non-financial factors when selecting or reviewing the CCIF investments.

The Trustees do not apply any specific ethical criteria to their investments.

As the CCIF investments were held in pooled funds, ESG considerations were set by each of the investment managers. The CCIF investment managers would ultimately act in the best interests of the CCIF assets to maximise returns for a given level of risk. The Trustees were aware of the approach that each of their investment managers take in relation to ESG considerations.

The Trustees believe that good stewardship and positive engagement can lead to improved governance and better risk-adjusted investor returns. The Trustees delegate the exercise of rights (including voting rights) attached to the CCIF investments to the investment managers. The managers are all signatories to the UN Principles of Responsible Investment and to the UK Stewardship Code.

In selecting, monitoring and reviewing their investment managers, where appropriate, the Trustees will consider the managers' policies on engagement and how these policies have been implemented.

The Trustees have not considered it appropriate to take into account individual members' views when establishing the policy on environmental, social and governance factors, engagement and voting rights.

### Investment performance

The overall investment performance of the CCIF and that of the appointed investment managers are monitored quarterly by the Trustees.

Shortly after 31 December 2021 the split of the CCIF's assets were separated into individual holding for CPP and CSPF, hence CCIF performance is only reported until 31 December 2021.

The total return for the CCIF for the year ended 31 December 2021 was 0.7%, compared with a benchmark return of 0.2%. Over a three-year period to 31 December 2021 the return was 6.2% per annum, compared with a benchmark of -1.1% per annum.

During the year ended 31 March 2023, the remaining assets in the CCIF were transferred to the individual holdings for the CPP and CSFP, apart from a small amount of accrued income. After the year end, the remaining amounts have been transferred to the CPP and CSPF.

## The Trustees' Report (Cont)

### Statement of trustees' responsibilities

#### The trustees' responsibilities in respect of the financial statements

The financial statements, which are prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including the Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102"), are the responsibility of the trustees. The trustees are responsible for ensuring that the financial statements:

- give a true and fair view of the financial transactions of the CCIF during the year and of the amount and disposition at the end of the year of its assets and liabilities;
- state whether applicable United Kingdom Accounting Standards, including FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements; and
- comply with the requirements of the Trust Deed dated 23 June 1998.

In discharging these responsibilities, the trustees are responsible for selecting suitable accounting policies, to be applied consistently, making any estimates and judgements on a prudent and reasonable basis, and for ensuring that the financial statements are prepared on a going concern basis unless it is inappropriate to presume that the CCIF will continue as a going concern.

The trustees have a general responsibility for ensuring that accounting records are kept and for taking such steps as are reasonably open to them to safeguard the assets of the CCIF and to prevent and detect fraud and other irregularities, including the maintenance of an appropriate system of internal control.

The trustees are also responsible for the maintenance and integrity of the <https://chubbfs.com/uk-en/reports/> website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

### Further information

Requests for additional information about the CCIF should be made to the Secretary whose address appears on page 1 of this report.

### Approval of Trustees' Report

The Trustees' report on pages 3 to 6 was approved by the Trustees and signed on their behalf by:

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**B D McGowan**

Date:

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# Independent auditors' Report

## to the Trustees of Chubb Common Investment Fund

### Report on the audit of the financial statements

#### Opinion

In our opinion, Chubb Common Investment Fund's financial statements:

- give a true and fair view of the financial transactions of the CCIF during the year ended 31 March 2023, and of the amount and disposition at that date of its assets and liabilities; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law).

We have audited the financial statements, included in the Annual report and financial statements, which comprise: the Statement of net assets attributable to unit holders as at 31 March 2023; the Fund Account and Statement of changes in net assets for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### *Independence*

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

#### Conclusions relating to going concern

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

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

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

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

## Independent auditors' Report (Cont)

### Reporting on other information

The other information comprises all the information in the Annual report and financial statements other than the financial statements and our auditors' report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

### Responsibilities for the financial statements and the audit

#### *Responsibilities of the trustees for the financial statements*

As explained more fully in the statement of trustees' responsibilities, the trustees are responsible for ensuring that the financial statements are prepared in accordance with the applicable framework and for being satisfied that they give a true and fair view. The trustees are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

#### *Auditors' responsibilities for the audit of the financial statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the CCIF and its environment, we identified that the principal risks of non-compliance with laws and regulations related to the administration of the CCIF in accordance with the Pensions Acts 1995 and 2004 and regulations made under them, and codes of practice issued by the Pensions Regulator; and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered the direct impact of these laws and regulations on the financial statements. We evaluated incentives and opportunities for fraudulent manipulation of the financial statements, including the risk of override of controls, by the trustees and those responsible for, or involved in, the preparation of the underlying accounting records and financial statements, and determined that the principal risks were related to posting inappropriate journals to conceal misappropriation of assets and inappropriate adjustments of asset valuations. Audit procedures performed by the engagement team included:

## Independent auditors' Report (Cont)

- Testing journal entries where we identified particular fraud risk criteria.
- Obtaining independent confirmations of material investment valuations and cash balances at the year end.
- Testing estimates and judgements made in the preparation of the financial statements for indicators of bias.
- Reviewing meeting minutes, any correspondence with the Pensions Regulator, and significant contracts and agreements.
- Holding discussions with the trustees to identify significant or unusual transactions and known or suspected instances of fraud or non-compliance with applicable laws and regulations.
- Assessing financial statement disclosures, and agreeing these to supporting evidence, for compliance with the Pensions Acts 1995 and 2004 and regulations made under them.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditors' report.

### *Use of this report*

This report, including the opinion, has been prepared for and only for the trustees as a body as required by the Trust Deed in accordance with our engagement letter dated 11 September 2023 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come, including without limitation under any contractual obligations of the CCIF, save where expressly agreed by our prior consent in writing.

**PricewaterhouseCoopers LLP**  
Chartered Accountants  
London

**Date:**

## Fund Account and Statement of changes in net assets

for the year ended 31 March 2023

	Note	31 March 2023 £000	31 March 2022 £000
<b>Returns on investments</b>			
Investment income	4	41	27,421
Change in market value of investments	5	1	(9,021)
Investment management expenses	6	(13)	(1,056)
		<b>29</b>	<b>17,344</b>
<b>Change in net assets attributable to participating schemes from investment activities</b>			
	15	(3,041)	(1,746,874)
<b>Opening net assets attributable to participating schemes</b>			
		3,047	1,732,577
<b>Closing net assets attributable to unit holders</b>			
		<b>35</b>	<b>3,047</b>

The notes on pages 12 to 20 form part of these financial statements.

## Statement of net assets attributable to unit holders

as at 31 March 2023

	Note	31 March 2023 £000	31 March 2022 £000
<b>Investment assets:</b>			
Pooled investment vehicles	7	-	154
Derivatives	8	-	1,544
Cash	10	-	8,301
Other investment balances	10	35	-
		35	9,999
<b>Investment liabilities:</b>			
Derivatives	8	-	(2,077)
Cash	10	-	(4,873)
Other investment balances	10	-	(2)
		-	(6,952)
<b>Total net Investments</b>		35	3,047
<b>Total net assets attributable to unit holders</b>		35	3,047

The notes on pages 12 to 20 form part of these financial statements.

These financial statements on pages 10 to 20 were approved by the Trustees and signed on their behalf by:

\_\_\_\_\_  
**B D McGowan**

Date: \_\_\_\_\_

## Notes to the Financial Statements

### 1. General information

The Chubb Common Investment Fund ('CCIF') was established on 1 July 1998 for the purpose of managing the assets of the participating schemes from time to time. As at 31 March 2023, the participating schemes were:

- Chubb Pension Plan
- Chubb Security Pension Fund

The CCIF is registered in the United Kingdom and is governed by a Trust Deed dated 23 June 1998 (as amended) which was drawn up under English law. The principle office is at Ground Floor, 2 Lotus Park, Staines, Middlesex TW18 3AG.

All investment manager fees and custodian fees associated with the running of the CCIF are paid by the CCIF.

### 2. Basis of preparation of the financial statements

The individual financial statements of Chubb Common Investment Fund have been prepared in accordance with Financial Reporting Standard (FRS) 102 - The Financial Reporting Standard applicable in the UK and Republic of Ireland issued by the Financial Reporting Council ("FRS 102") and the guidance set out in the Statement of Recommended Practice "Financial Reports of Pension Schemes" (revised June 2018) ("the SORP") insofar as they relate to common investment funds.

The Trustees do not consider the CCIF to be a Financial Institution as described in the Glossary to FRS 102.

### 3. Accounting policies

The principal accounting policies of the CCIF which are applied consistently are as follows:

#### Currency

The functional currency and presentational currency of the CCIF is pounds sterling (GBP).

Assets and liabilities in foreign currencies are expressed in sterling at the rates of exchange ruling at the year end. Foreign currency transactions are translated into sterling at the spot exchange rate at the date of the transaction.

Gains and losses arising on conversion or translation are dealt with as part of the change in market value of investments.

#### Investment income and expenditure

Income from bonds is accounted for on an accruals basis and includes income bought and sold on purchases and sales of bonds. Other interest on cash and short term deposits and income from other investments are accounted for on an accruals basis.

Distributions in respect of the property development companies are accounted for when due.

The change in market value of investments during the year comprises all increases and decreases in the market value of investments held at any time during the year, including profits and losses realised on sales of investments and unrealised changes in market value. In the case of pooled investment vehicles which are accumulation funds, where income is reinvested within the fund without issue of further units, change in market value also includes such income.

Transaction costs are included in the cost of purchases and sale proceeds. Transaction costs include costs charged directly to the CCIF such as fees, commissions, stamp duty and other fees. Other investment management expenses are accounted for on an accruals basis.

## Notes to the Financial Statements (Cont)

### 3. Accounting policies (Cont)

#### Valuation and classification of investments

Investment assets and liabilities are included in the financial statements at fair value. Where separate bid and offer prices are available, the bid price is used for investment assets and the offer price for investment liabilities. Otherwise, the closing single price, single dealing price or most recent transaction price is used.

Where quoted or other unit prices are not available, the administrator adopts valuation techniques appropriate to the class of investment.

The methods of determining fair value for the principle classes of investments are:

- Unitised pooled investment vehicles which are not traded on an active market but where the manager is able to demonstrate that they are priced daily, weekly or at each month end, and are actually traded on substantially all pricing days are included at the last price provided by the manager at or before the year end.
- Forward exchange contracts are valued at the gain or loss that would arise from closing out the contract at the reporting date by entering into an equal and opposite contract at that date.

#### Critical accounting judgements and estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

### 4. Investment income

	2023	2022
	£000	£000
Income from bonds	2	27,950
Net interest on repurchase agreements / reverse repurchase agreements	-	(397)
Income from pooled investment vehicles	3	38
Interest receivable on loans to property development companies	35	-
Interest on cash deposits	1	125
Net derivative expense	-	(295)
	41	27,421

## Notes to the Financial Statements (Cont)

### 5. Reconciliation of investments

	Value at 1 April 2022 £000	Purchases at cost and derivative payments £000	Sales at cost and derivative receipts £000	Change in market value £000	Value at 31 March 2023 £000
Pooled Investment Vehicles	154	259	(413)	-	-
Derivatives - net	(533)	10,928	(10,395)	-	-
	(379)	11,187	(10,808)	-	-
Cash and cash equivalents	3,428			1	-
Other investment balances - net	(2)			-	35
Net Investment assets	3,047			1	35

#### Investment transaction costs

Direct transaction costs incurred in the year amounted to £nil (2022: £14k).

In addition to the direct transaction costs, indirect costs are incurred through the bid-offer spread on pooled investment vehicles and charges made within those vehicles. It is not possible to quantify the level of indirect transaction costs.

### 6. Investment management expenses

	2023 £000	2022 £000
Custodial, investment management and administration	13	1,056

Trustees' fees are payable from the participating schemes to B D McGowan, T P Allen, W Jones and G P Smart.

### 7. Pooled investment vehicles

The CCIF's investments in pooled investment vehicles at the year-end comprised:

	2023 £000	2022 £000
Cash liquidity fund	-	154

## Notes to the Financial Statements (Cont)

### 8. Derivatives

#### Objectives and policies for holding derivatives

The Trustees have authorised the use of derivative financial instruments by the investment managers as part of their investment strategy as follows;

- Forward foreign currency: FX may be used for currency hedging purposes, but not for speculative purposes.

At year end, the CCIF had the following derivatives:

	2023		2022	
	Asset £000	Liability £000	Asset £000	Liability £000
<b>Over-the-counter contracts</b>				
Forward FX contracts	-	-	1,544	(2,077)

### 9. Other investments – property development companies

The CCIF previously held investments in property development sites through CCIF Venture Limited, a company wholly owned by the CCIF. Each investment site was a separate company which is a subsidiary of CCIF Venture Limited.

The final development at Gloucester was sold in April 2021 and the development companies are in the process of being wound up.

## Notes to the Financial Statements (Cont)

### 10. Cash and other net investment balances

	2023	2022
	£000	£000
<b>Cash</b>		
Cash – sterling assets	-	8,300
Cash – sterling liabilities	-	(4,873)
Cash – foreign currency	-	1
	-	3,428
<b>Amounts receivable / payable</b>		
Accrued investment income	35	(2)
	35	(2)

The cash liability at the prior year end above represented the overdrawn investment cash accounts.

### 11. Fair value of investments

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

Level 1: The unadjusted quoted price in an active market for identical assets or liabilities which the entity can access at the assessment dates.

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

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

Pooled investment vehicles which are traded regularly are generally included in level (2). Where the absence of regular trading or the unsuitability of recent transaction prices as a proxy for fair value applies, valuation techniques are adopted and the vehicles are included in level (3).

The CCIF's investment assets and liabilities fall within the above hierarchy as follows:

	As at 31 March 2023			
	Level 1	Level 2	Level 3	Total
	£000	£000	£000	£000
Pooled investment vehicles	-	-	-	-
Derivatives - net	-	-	-	-
Cash deposits	-	-	-	-
Other investment balances	35	-	-	35
	35	-	-	35
	As at 31 March 2022			
	Level 1	Level 2	Level 3	Total
	£000	£000	£000	£000
Pooled investment vehicles	-	154	-	154
Derivatives - net	-	(533)	-	(533)
Cash deposits	(4,873)	8,301	-	3,428
Other investment balances	(2)	-	-	(2)
	(4,875)	7,922	-	3,047

## Notes to the Financial Statements (Cont)

### 12. Investment risk disclosures

#### Investment risks

FRS102 requires the disclosure of information in relation to certain investment risks as follows:

- Credit risk – one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.
- Market risk – comprises the following three types of risk:
  1. Interest rate risk: The risk that the fair value or future cashflows of a financial asset will fluctuate because of changes in market interest rates
  2. Currency risk: The risk that the fair value or future cashflows of a financial asset will fluctuate because of changes in foreign exchange rates
  3. Other price risk: The risk that the fair value or future cashflows of a financial asset will fluctuate because of changes in market prices (other than those due to interest rates and currency).

The Trustees determined their investment strategy after taking advice from a professional investment adviser. The CCIF had exposure to these risks because of the investments it made in following the investment strategy set out below. The Trustees managed investment risks, including credit risk and market risk, within agreed risk limits which were set taking into account the CCIF's strategic investment objectives. These investment objectives and risk limits were implemented through the investment management agreements in place with the CCIF's investment managers and were monitored by the Trustees by regular reviews of the investment portfolio.

The Trustees of each of the Participating Schemes decided, during the prior year, to withdraw from the CCIF and assets began to be transferred to new individual policies and mandates of the two schemes.

The only asset remaining at 31 March 2023 was accrued investment income from the property companies received post year end which was transferred to the participating schemes in June 2023.

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

#### Credit risk

The CCIF was subject to credit risk because it directly invested in bonds, OTC derivatives, had cash balances and held units in pooled investment vehicles (PIVs). The CCIF had indirect exposure to credit risks from the underlying investments held by the pooled investment vehicles. The exposure to credit risk was minimal at the current and prior year end following the withdrawal of the majority of the CCIF assets by the participating schemes in March 2022 and the transfer of the remaining investment assets in the year and post year end.

#### Analysis of direct credit risk:

	2023 £000	2022 £000
Bonds	-	-
Derivatives	-	(533)
Cash	-	3,428
PIVs	-	154
Total	-	3,049

Credit risk arising on derivatives depended on whether the derivative is exchange traded or over the counter (OTC). The CCIF held OTC derivatives. OTC derivative contracts were not guaranteed by any regulated exchange and therefore the CCIF was subject to risk of failure of the counterparty. The risk was reduced through collateral arrangements.

## Notes to the Financial Statements (Cont)

### 12. Investment risk disclosures (Cont)

Cash is held within financial institutions which are at least investment grade credit rated.

Pooled investment arrangements used by the CCIF comprised open-ended investment companies. Direct credit risk arising from PIVs was mitigated by the underlying assets of the pooled arrangements being ring-fenced from the pooled manager, the regulatory environments in which the pooled managers operated and the ongoing due diligence of the pooled manager.

Pooled investment vehicles analysed by type of arrangement are as follows:

Legal nature of pooled investment vehicle	2023 £000	2022 £000
Irish domiciled Undertakings for the Collective Investment in Transferable Securities Open-Ended Investment Company	-	154

Indirect credit risk arose in relation to underlying investments held in the bond pooled investment vehicles. This risk was mitigated by only investing in pooled funds which invest in at least investment grade credit rated securities or use active management.

The Trustees monitored the performance of each of the CCIF's investment managers on a regular basis in addition to having meetings with each manager from time to time as necessary. The Trustees had a written agreement with each investment manager, which contained a number of restrictions on how each investment manager may operate.

#### Market risk: Interest rates

The exposure to interest rate risk minimal at the current and prior year end following the withdrawal of the majority of the CCIF assets by the participating schemes in March 2022 and the transfer of the remaining investment assets in the year and post year end.

#### Market risk: Currency

The exposure to currency risk was minimal at the current and prior year end following the withdrawal of the majority of the CCIF assets by the participating schemes in March 2022 and the transfer of the remaining investment assets in the year and post year end.

#### Market risk: Other price

The exposure to other price was minimal at the year end following the withdrawal of the majority of the CCIF assets by the participating schemes in March 2022 and the transfer of the remaining investment assets in the year and post year end.

## Notes to the Financial Statements (Cont)

### 12. Investment risk disclosures (Cont)

The following table summarises the extent to which the various classes of investments are affected by financial risks:

	Credit Risk	Market currency risk	Market interest rate risk	Market other price risk	2023 £000	2022 £000
Pooled investment vehicles;					-	154
Direct	3	1	1	1		
Indirect	2	2	3	3		
Derivatives	2	2	2	2	-	(533)
Cash	3	2	1	1	-	3,428
Other investment balances	3	2	1	1	35	(2)
<b>Total net investment assets</b>					<b>35</b>	<b>3,047</b>

In the table above, a risk rating '1' is deemed none/hardly any risk, '2' is partial and '3' is significant.

### 13. Concentration of investments

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

	2023		2022	
	£000	%	£000	%
Insight Liquidity Fund	-	-	154	5.1

### 14. Employer related investments

At 31 March 2023 and 31 March 2022, the CCIF had no employer related investments.

## Notes to the Financial Statements (Cont)

### 15. Change in net assets attributable to participating schemes from investment activities

	Chubb Pension Plan £000	Chubb Security Pension Fund £000	Total £000
Value at 1 April 2022	1,423	1,624	3,047
Amounts withdrawn	(1,830)	(1,211)	(3,041)
Share of return on investments*	423	(394)	29
Value at 31 March 2023	16	19	35

\* At 31 March 2022 £526k of Chubb Pension Plan specific assets were incorrectly included as comingled funds. As a result, the current year share on return of investments includes a reallocation of £447k from the Fund to the Plan.

### 16. Related party transactions

#### Key management personnel

In the year no Trustees' fees were paid (2022: £nil). From 1 July 2020, these fees became payable from the participating schemes. Some of the Trustees also receive fees from the participating schemes for trustee services provided to those schemes.

Fees totalling £nil (2022: £5,000) were paid to a Director of the Development Companies and are included within custodial, investment management and administration costs in note 6.

Trustees' details and relationships are set out on page 1.

#### Employer and other related parties

VAT amounting to £nil (2022: £23,000) was recovered from Chubb Group Limited during the year.

Amounts paid and withdrawn on cancellation of units are detailed in note 16.

### 17. Capital commitments/contingent liabilities

There were no capital commitments or contingent assets or liabilities requiring disclosure at 31 March 2023 or 31 March 2022.