

The Mercer DC Master Trust No. 2

Trustee's Report and Financial Statements

For the year ended 31 December 2023

Pensions Authority Reference Number: PB 286121

Trustee Annual Report

The Mercer DC Master Trust No. 2

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Trustee Annual Report

The Mercer DC Master Trust No. 2

TRUSTEES AND OTHER INFORMATION

<p>Trustees</p> <p>Mercer Master Trust No. 2 Designated Activity Company (<i>appointed 12 August 2022</i>)</p> <p>Directors:</p> <ul style="list-style-type: none"> • Brian Buggy • Dave Cooney 	<p>Registered Administrator</p> <p>Zurich Life Assurance plc Zurich House Frascati Road Blackrock Co. Dublin</p>
<p>Consultant</p> <p>Mercer (Ireland) Limited Charlotte House Charlemont Street Dublin 2</p>	<p>Investment Manager</p> <p>Zurich Life Assurance plc Zurich House Frascati Road Blackrock Co. Dublin</p> <p>Mercer Aspire is provided by Mercer (Ireland) Limited and Zurich Life Assurance plc. as a unitised insurance policy with Zurich Life Assurance plc. The underlying investment managers for all Mercer Aspire portfolios and funds are selected and monitored by Mercer Global Investments Europe Limited.</p>
<p>Participating Employers</p> <p>Please see attached Annex</p>	<p>Registered Auditors</p> <p>CLA Evelyn Partners (Ireland) Ltd Chartered Accountants & Statutory Audit Firm Paramount Court, Corrig Road Sandyford Business Park Dublin 18</p>
<p>Key Function Holder - Internal Auditor</p> <p>Mazars Harcourt Centre Block 3 Harcourt Road Dublin 2</p>	<p>Key Function Holder - Risk Manager</p> <p>Mercer (Ireland) Limited Charlotte House Charlemont Street Dublin 2</p>

The Mercer DC Master Trust No. 2

TRUSTEE'S REPORT:

1. Introduction

The Trustee presents the annual report on the operation of The Mercer DC Master Trust No. 2 (the "Trust") for the year ending 31 December 2023. The content of this report conforms to the Occupational Pension Schemes (Disclosure of Information) Regulations 2006 (as amended), prescribed by the Minister for Employment Affairs and Social Protection under the Pensions Act, 1990. The report outlines the constitution and structure of the Trust together with details of financial developments for the year, investment matters and membership movements.

An Internal Dispute Resolution Procedure is in place in compliance with the Financial Services and Pensions Ombudsman Act 2017. Queries in relation to Trust benefits or related matters should be addressed in the first instance to the relevant Participant's HR Department.

2. The Trust

The Trust, which is a single defined contribution Trust with a number of Participating Employers and Associated Participating Employers for the purposes of the Pensions Act 1990, was established to provide retirement benefits for its members and is a distinct legal entity, separate in every respect from the Participating Employers (the "Participants") involved. Membership is set out in the General Rules, with eligibility for membership of each Plan stated in the Participant Agreement applicable to that Plan.

The Trust is governed by the Trust Deed & General Rules which members are entitled to inspect or receive a copy of. Details of members' benefits are also provided in the member explanatory booklet which has been distributed to all members and individual details appear on each member's benefit statement. There have been no changes during the year to the Trust information specified in Schedule C of the Occupational Pension Schemes (Disclosure of Information) Regulations 2006 (as amended).

The Trust has been approved by the Revenue Commissioners as an "exempt approved scheme" under Section 774 of the Taxes Consolidation Act, 1997 and as such its assets are generally allowed to accumulate free of income and capital gains taxes. Tax relief is given on Participant and member contributions to the Trust and certain lump sum payments to members can be paid free of tax. The Trust has also been registered with the Pensions Authority and its registration number is PB 286121.

The Trust is financed by contributions from the Participants and employees. The assets attributable to any one participant are not available for use by any other participant. Details of contributions and other financial developments during the year are set out in the Investment Manager's Report. The Trustee has in place procedures to ensure that contributions are received in accordance with Section 58A of the Pensions Act 1990 and are paid in accordance with the rules of the Trust. There were no Participant related investments at any time during the year, with the exception of those detailed in Note 20 to the financial statements.

3. The Trustee

Stewardship of Trust assets is in the hands of its Trustee. The right of members to select, or approve the selection of, trustees is set out in the Occupational Pension Schemes (Member Participation in the selection of Persons for Appointment as Trustees) (No. 3) Regulations, 1996. The Trustee and the Trust Administrator have access at all times to the Trustee Handbook produced by the Pensions Authority and to Guidance Notes that are issued by the Pensions Authority from time to time in accordance with Section 10 of the Pensions Act 1990. Section 59AA of the Pensions Act 1990, which requires trustees of pension schemes to undergo training, was brought into force on 1st February 2010, by virtue of the Social Welfare and Pensions Act 2008 (Section 28) Commencement Order 2009. Training must be arranged for new directors of the Trustee within 6 months of their appointment, while directors appointed as at 1st February 2010 must receive training within 2 years of that date, and every 2 years thereafter. No costs or expenses were incurred by the Trust in respect of trustee training during the year.

The legislation requires that trustee training must cover (a) the Pensions Act, the regulations made under it and any other laws relevant to the operation of the Trust, and (b) the duties and responsibilities of a trustee generally. The Trustee is required to keep records of the training undertaken and such information must be included in the Trust's annual report. Trustees who fail to undertake appropriate training may be subjected to a fine, and where an employer breaches their obligation to provide appropriate training they may be prosecuted.

The Mercer DC Master Trust No. 2

TRUSTEE'S REPORT – Continued:

3. The Trustees (continued)

We confirm that the Trustee Directors have had access to appropriate training on their duties and responsibilities. During the year, the following Directors of the Trustees have received appropriate trustee training as required by the Pensions Act within the time limits set out:

Dave Cooney

Brian Buggy

4. Financial, technical and other risks associated with the Trust and the distribution of those risks

The principal risks affecting the Trust and their distribution are as follows:

Cessation of future contributions

A Participating Employer may cease to trade, go into liquidation or for other reasons may decide to cease contributing to their Plan under the Trust. In this event no further contributions will be paid into that Participant's Plan and the Trustee may decide to terminate the Participant's Administration Agreement. As the Participants are in a Defined Contribution arrangement (money purchase) for the purposes of the Pensions Act 1990, the assets equal the liabilities based on contributions remitted to the Trustee by the Participating Employers. If at the date contributions cease being remitted to the Trust and the Trustee ascertains arrears are due to be paid to the Trust, the Trustee will actively liaise with the related Participating Employers seeking a full and final payment of arrears due to that Plan. Any un-paid contributions will be communicated to members.

Investment loss and currency risk

The Trust's activities expose it to a variety of financial and other risks. The Trust's overall risk management programme focuses on the unpredictability of investment markets and seeks to minimise potential adverse effects on the Trust's financial assets. All investments present a risk of loss of all or part of the capital and for investments in currencies other than the euro there is the added risk of losses due to adverse currency movements. The Trustee moderates this risk by investing in units in managed funds, each of which has a wide spread of carefully selected quoted investments. The Investment Manager in turn reduces the risk of currency loss to some extent by purchasing/selling foreign currency forward to hedge certain parts of the investment portfolio. The risk of loss when in the process of buying or selling an investment due to failure of the other party to meet their obligations is considered minimal as the Trust holds no individual securities.

Delegated administration activities

The Trustee has delegated the administration tasks to the Registered Administrator. These tasks include the collection of contributions and the investment of them within the legal time limits. The Registered Administrator is also tasked with keeping the Trust's membership, financial and other records.

Sources of information

The Trustee is reliant on information from many sources in operating the Trust, including the Participants, Associated Participants, employees/members and the Investment Manager. It is possible because of the disparity of sources and the unavailability of any method of confirming the information from other sources that the Trust is operating on the basis of incomplete, inaccurate or false information.

Nature of resources

The nature of the Trust resources would make it vulnerable to the possibility of fraud or misappropriation of those resources. The Trust has been registered with the Pensions Authority and is administered in accordance with all relevant legislative guidelines, thus mitigating this risk.

5. Financial Developments

This report covers the Trust year ending 31 December 2023. At 1 January 2023, the value of the assets held in the Trust was €226,815,801. Pension contributions of €84,199,136 were paid into the Trust during this year. Death in Service premiums of €2,174,427 were paid during the year. Transfer Values of €125,651,646 were also received. Benefits and Payments to leavers amounted to €11,349,200. This is made up of deaths and retirements of €3,613,791, transfers out of €6,594,926, refunds of €1,124,230 and return of un-invested contributions of €16,253. The increase in market value of the assets amounted to €30,763,554. Administration and investment management expenses were €38,138 and €1,245,741 respectively.

The Mercer DC Master Trust No. 2

TRUSTEE'S REPORT – Continued:

The Trust's net assets increased by €227,981,257 during the Trust year to €454,799,620 at the end of the year. Contributions were paid in accordance with the rules of the Trust and were received in full within 30 days of the year end. The above details have been extracted from the financial statements of the Trust which form part of this report.

6. Contributions

Contributions for the Trust year amounted to €84,199,136. Contributions were paid in accordance with the rules of the Plan under which they were deducted and were received in full within 30 days of the Trust year end.

The Trustee recognises that further work is required with some participating employers to ensure they submit contributions in accordance with the Trust rules and legislative requirements and the Registered Administrator on behalf of the Trustee will continue to communicate with those participating employers regarding changes required to processes. The legislation sets out the following requirements:

- Member contributions must be received within 21 days from the end of the month in which they were deducted from payroll.
- Employer contributions must be received within 21 days from the end of the month to which they relate.
- The Trustee must invest the contributions within a further 10 days from the end of the 21 day period.

All contributions were received and invested in accordance with the legislative requirements, with the exception of those noted in Note 20 to the financial statements.

Appropriate procedures are in place by the Registered Administrator to ensure that contributions payable are received in accordance with the legislative requirements.

These details have been extracted from the financial statements of the Trust and also tie into the figures mentioned in the Financial Developments section above.

7. Material Changes

There have been no changes in the Rules of the Trust during the year to which this report relates. If there are any changes we confirm that the members will be notified within 4 weeks of the date of any such change.

8. Material Transactions

There have been no material transactions between/with related parties during the year ending 31 December 2023, other than as disclosed in Note 22 to the financial statements.

9. Benefit Increases

There are no pensions or pension increases being paid by or at the request of the Trustee for which the Trust would not have a liability should it wind up. There were no increases made during the Trust year to benefits payable following termination of a member's service in relevant employment.

Where members elect or are required to purchase annuities on retirement, these are bought from insurance companies at the time pensions come into payment. The member can choose the type of annuity to purchase from an appropriate selection made available to them. As it is a defined contribution Trust, retiring members have the option to secure whatever level of pension increases they require when purchasing an annuity on retirement with the realised value of their retirement account. The levels of increases are subject to the limits imposed by the Revenue Commissioners and the approval of the Trustee.

10. Benefit Statements

Benefit Statements have been furnished to all members of the Trust in relevant employment for the year to which the Trustee Annual Report relates. Benefit Statements for each of the defined contribution Plans involved in the Trust will be due at different times during the year due to the Renewal Date chosen at the outset of each Plan.

The Mercer DC Master Trust No. 2

TRUSTEE'S REPORT – Continued:

11. Membership Movements

	Active Members	Deferred Members
Movements:		
At 1 January 2023	5,416	1,687
Adjustments	(2)	(1)
Re-instated	-	1
New Members during the year	2,934	236
Re-activated	13	(13)
Transfer to Deferred Pensioners during the year	(912)	912
Deaths	(5)	(2)
Retirements	(19)	(15)
Transfers Out of the Trust	(14)	(111)
Refunds	(5)	(141)
At 31 December 2023	7,406	2,553

There were 353 risk only members in the Trust during the year ending 31 December 2023 (2022: 339).

12. Investment Management

The Trust's assets are invested in an Exempt Approved Pension Policy issued by Zurich Life Assurance plc. There was no self-investment in excess of 5 per cent of the resources of the Trust.

Zurich Life Assurance plc was appointed by the Trustee to manage the Trust's assets in so far as they are invested in an insurance policy. In order to help it manage the Trust's assets, Zurich Life Assurance plc receives investment management services from Mercer Global Investments Europe Limited (MGIE). MGIE provides these investment services in accordance with agreed investment parameters which may be altered from time to time. MGIE does not select individual stocks but, utilising Mercer's global manager research capabilities, selects a range of best in class investment managers and/or funds.

More details on the investment policies pursued during the year and of any material changes of policy are set out in the Statement of Investment Policy Principles later in this report.

13. Investment Strategy and Principles

The Trustee is responsible for determining the Scheme's investment strategy.

The Trustee has complied with its obligations under section 59(1B) of the Pensions Act 1990, as amended (the Pensions Act), to produce a written statement of investment policy principles and to review and amend the statement every three years or earlier if there is a significant change in investment policy which is inconsistent with the existing statement. This statement is compliant with the requirements of the Occupational Pension Schemes (Investment) Regulations 2008, as amended and has regard to both the investment rules contained in section 59AB of the Pensions Act and to the requirements of the Regulation 2019/2088/EU on sustainability-related disclosures in the financial services sector.

The Trustee has agreed a Statement of Investment Policy Principles ("SIPP"). This was last revised for the Trust in August 2023. A copy of the SIPP can be found accompanying this document.

14. Employer Related Investments

There were no employer related investments at any time during the year, with the exception of those listed in Note 20 to the Financial Statements.

15. Subsequent Events

Changes in the market value of investments since the year end are not reflected in the financial statements. There were no significant events post 31 December 2023 that would require amendments to or disclosure in the financial statements.

Trustee Annual Report

The Mercer DC Master Trust No. 2

TRUSTEE'S REPORT – Continued:

16. Enquiries

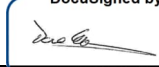
Any enquiries regarding this report or any other aspect of the Trust should be directed to the Registered Administrator of the Trust. The contact name and address is:

Mercer Aspire Team
Zurich Corporate Pensions
Zurich Life Assurance plc
Zurich House
Frascati Road
Blackrock
Co Dublin
aspire@zurich.com

Conclusion

We trust that members find this report informative and we are pleased to acknowledge the assistance received from the Participants in preparing the report.

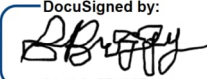
**On behalf of the Trustee (Mercer Master
Trust No. 2 Designated Activity Company):**

DocuSigned by:


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Director

25-09-2024

Date

DocuSigned by:


801A01371697441...
Director

25-09-2024

Date

Trustee Annual Report

The Mercer DC Master Trust No. 2**STATEMENT OF TRUSTEE'S RESPONSIBILITIES:**

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

Accordingly, the Trustee must ensure that in the preparation of Trust financial statements:


- suitable accounting policies are selected and then applied consistently;
- reasonable and prudent judgements and estimates are made;
- the financial statements are prepared on a going concern basis unless it is inappropriate to presume that the Trust will not 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 ending 31 December 2023 are received by the Trustee in accordance with the timetable set out in Section 58A of the Pensions Act 1990 where applicable to the contributions and otherwise within 30 days of the Trust year; and
- contributions payable are paid in accordance with the rules of the Trust.

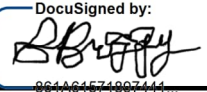
The Trustee is responsible for making available certain other information about the Trust in the form of an annual report. The Trustee is responsible for ensuring that proper membership and financial records are kept on a timely basis sufficient to enable an annual report to be prepared for the Trust 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 Trust in the year under review and of the assets and liabilities at 31 December 2023, other than liabilities for pensions and other benefits payable after the 31 December 2023. The Trustee is also responsible for safeguarding the assets of the pension Trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities, including the maintenance of an appropriate system of internal control.

**On behalf of the Trustee (Mercer Master
Trust No. 2 Designated Activity Company):**

DocuSigned by:

CD650AB9EBFA476...
Director

25-09-2024

Date

DocuSigned by:

864A6467199744...
Director

25-09-2024

Date

The Mercer DC Master Trust No. 2

INDEPENDENT AUDITORS' REPORT

TO THE TRUSTEE AND MEMBERS OF THE MERCER DC MASTER TRUST NO. 2

Report on the audit of the financial statements

Opinion

We have audited the financial statements of The Mercer DC Master Trust No.2 ("the scheme") for the year ended 31 December 2023, which comprise the Fund Account, Statement of Net Assets and related notes. The financial reporting framework that has been applied in their preparation is Irish law and Financial Reporting Standards applicable in the UK and Republic of Ireland.

In our opinion the financial statements:

- give a true and fair view of the financial transactions of the plan during the period ended 31 December 2023 and the amount and disposition of the assets, and liabilities other than liabilities to pay pensions and other benefits in the future at that date.
- have been properly prepared in accordance with Financial Reporting Standards applicable in the UK and Republic of Ireland.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) ("ISAs Ireland") and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of The Mercer DC Master Trust No.2 in accordance with the ethical requirements that are relevant to our audit of financial statements in Ireland, 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.

Conclusion 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 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.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Trustees' report and Financial Statements, other than the financial statements and our Auditors' report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

The Mercer DC Master Trust No. 2

INDEPENDENT AUDITORS' REPORT

TO THE TRUSTEE AND MEMBERS OF THE MERCER DC MASTER TRUST NO. 2

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.

Opinion on other matters prescribed by the Occupational Pension Scheme (Disclosure of Information) Regulations 2006 (as amended)

In our opinion:

- the financial statements include the information specified in Schedule A to the Occupational Pension Schemes (Disclosure of Information) Regulations 2006 (as amended) which is applicable and material to the scheme;
- The contributions payable to the plan during the year ended 31 December 2023 have been received by the trustees within thirty days of the end of the scheme year except for those outlined in note 20; and
- The contributions have been paid in accordance with the rules of the scheme.

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 the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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 (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 IAASA's website at: <https://iaasa.ie/publications/description-of-the-auditors-responsibilities-for-the-audit-of-the-financial-statements/>. This description forms part of our Auditors' Report.

Financial Statements

The Mercer DC Master Trust No. 2

INDEPENDENT AUDITORS' REPORT

TO THE TRUSTEE AND MEMBERS OF THE MERCER DC MASTER TRUST NO. 2

The purpose of the audit report and to whom we owe our responsibilities

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



John O'Callaghan
Statutory auditor
For and on behalf of

CLA Evelyn Partners (Ireland) Limited
Chartered Accountants & Statutory Audit Firm,
Paramount Court,
Corrig Road,
Sandyford Business Park
Dublin 18.

Date: 25 September 2024

Financial Statements**The Mercer DC Master Trust No. 2****FUND ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2023**

These financial statements are presented in euro (EUR).

	Notes	2023 €	2022 €
Contributions and Benefits			
Participant contributions		46,699,969	29,138,270
Employee contributions		39,673,594	27,949,166
Total contributions	4	86,373,563	57,087,436
Transfers from other Trusts	5	125,651,646	22,947,253
Total Contributions		212,025,209	80,034,689
Benefits Payable	6	(3,613,791)	(1,433,450)
Transfers to other Trusts	7	(6,594,926)	(5,639,873)
Payments to and on account of leavers	8	(1,140,483)	(742,506)
Other Payments	9	(2,174,427)	(489,219)
Administration expenses	10	(38,138)	(40,606)
Total Benefits & Payments		(13,561,765)	(8,345,654)
Net additions from dealings with Members		198,463,444	71,689,035
Returns on investments			
Change in market value of investments	11	30,763,554	(10,221,219)
Investment management expenses	13	(1,245,741)	(751,890)
Net returns on investment		29,517,813	(10,973,109)
Net increase in fund value		227,981,257	60,715,926
Opening net assets		226,818,363	166,099,875
Closing net assets		454,799,620	226,815,801

The notes on pages 15 to 22 form part of the financial statements.

**On behalf of the Trustee (Mercer Master
Trust No. 2 Designated Activity Company):**

DocuSigned by:

 Director

25-09-2024

Date

DocuSigned by:

 Director

25-09-2024

Date

The Mercer DC Master Trust No. 2

STATEMENT OF NET ASSETS
AVAILABLE FOR BENEFITS AS AT 31 DECEMBER 2023

These financial statements are presented in euro (EUR).

	Notes	2023 €	2022 €
Investment assets			
Pooled investment vehicles	12	450,558,029	223,479,256
Total net investments		450,558,029	223,479,256
Current assets	21	4,241,591	3,336,545
Net assets available for benefits		454,799,620	3,336,545

All of the above assets were designated to members of the Trust with exception of €1,999,862 which was designated to individual Participants at 31 December 2023 (2022: €1,822,595). Please refer to Note 16 of the financial statements for more detail on this.

The financial statements summarise the transactions of the Trust and deal with the net assets at the disposal of the Trustee. They do not take account of obligations to pay pensions and other benefits which fall due after the end of the Trust year.

The notes on pages 15 to 22 form part of the financial statements.

On behalf of the Trustee (Mercer Master
Trust No. 2 Designated Activity Company):


Director

25-09-2024

Date



Director

25-09-2024

Date

The Mercer DC Master Trust No. 2

NOTES TO THE FINANCIAL STATEMENTS

1 Accounting Policies

Basis of preparation:

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

The financial statements deal with income, expenditure and net assets of the Trust but do not take account of long term liabilities for pensions and other benefits expected to arise in the future.

Summary of Significant Accounting Policies:

The significant accounting policies adopted by the Trustee which have been applied consistently in dealing with items which are considered material in relation to the Trust's financial statements are set out below:

- (a) **Investments:** Investments are included at market value. The market value of pooled investment vehicles (including unitised funds) is taken at bid price (or single unit price where bid and offer prices are not published), as provided by the Investment Manager, as at the date of the Statement of Net Assets.
- (b) **Investment Income/Change in Market Value:** Investment income and interest on bank deposits is accounted for on an accruals basis. Income from equities and any pooled investment vehicles which distribute income, is accounted for on the date stocks are quoted ex-dividend/interest. 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, change in market value also includes income, net of withholding tax, which is reinvested in the fund.
- (c) **Investment Management Fees:** Investment management fees are calculated as a percentage of the assets under management and these fees are borne by the Trust. Fees relating to unitised funds are not levied directly but are reflected in unit prices and also borne by the Trust.
- (d) **Contributions:** Normal contributions, both from the members and from the Participants, are accounted for on an accruals basis in the month employee contributions are deducted from the payroll. Participant/Employee augmentation contributions are accounted for in accordance with the agreement under which they are paid, or in the absence of such an agreement, when received. In addition to their normal contributions under the Trust, members may make additional voluntary contributions to acquire further benefits on a money purchase basis. Such contributions are invested together with the main assets of the Trust and are reflected in these financial statements.
- (e) **Benefits Payable/Payments to and on account of leavers:** Benefits are accounted for in the period in which the member notifies the Trust of their decision on the type or amount of benefit to be taken or if there is no member choice, on the date of retirement or leaving service.
- (f) **Transfers to and from other Trusts:** Transfer values represent the capital sums either receivable in respect of members from other pension Trusts of previous employers or payable to the pension Trust of the new employers for members who have left the Trust. They are accounted for on a cash basis or where the Trustee has agreed to accept the liability in advance of receipt of funds on an accruals basis from the date of agreement.
- (g) **Expenses:** Expenses are accounted for on an accruals basis.
- (h) **Transaction costs:** Transaction costs include costs charged directly to the Plan such as fees, commissions, and other fees.

Financial Statements**The Mercer DC Master Trust No. 2****NOTES TO THE FINANCIAL STATEMENTS – Continued:****2 Constitution of the Trust and Taxation**

The Trust was established with effect from 1st December 2014 and is governed by a definitive trust deed dated 1 July 2022.

The Trust has been approved as an “exempt approved scheme” for the purposes of Section 774 of the Taxes Consolidation Act 1997 and thus Trust income and gains are generally exempt from taxation.

3 Benefits Offered

Pension benefits under the Trust are provided on a defined contribution (money purchase) basis. Up-to-date accumulated values are furnished annually on an individual basis to each member. The death in service benefits are secured by policies underwritten by the insurer to the Trust.

4 Contributions

	2023	2022
	€	€
<u>Participants</u>		
<i>Normal</i>	37,800,454	26,779,179
<i>Augmentation</i>	6,725,088	1,869,872
<i>Death In Service Premiums</i>	2,174,427	489,219
 <u>Members</u>		
<i>Normal</i>	23,980,249	17,422,290
<i>Augmentation</i>	215,332	175,414
<i>Additional Voluntary Contributions</i>	15,478,013	10,351,462
	<u>86,373,563</u>	<u>57,087,436</u>

5 Transfers In from Other Trusts

	2023	2022
	€	€
Bulk transfers into the Trust	116,871,622	14,795,067
Individual transfers into the Trust	8,780,024	8,152,186
	<u>125,651,646</u>	<u>22,947,253</u>

6 Benefits Payable

	2023	2022
	€	€
Deaths	404,574	65,938
Retirements	3,209,217	1,367,512
	<u>3,613,791</u>	<u>1,433,450</u>

7 Transfers to Other Trusts

	2023	2022
	€	€
Individual transfers out to other Trusts	6,594,926	5,639,873
	<u>6,594,926</u>	<u>5,639,873</u>

Financial Statements**The Mercer DC Master Trust No. 2****NOTES TO THE FINANCIAL STATEMENTS – Continued:****8 Payments to and on Account of Leavers**

	2023	2022
	€	€
Refund of Contributions	1,124,230	655,526
Return of Un-invested Contributions	16,253	86,980
	<u>1,140,483</u>	<u>742,506</u>

9 Other Payments

	2023	2022
	€	€
Death In Service Premiums	2,174,427	489,219
	<u>2,174,427</u>	<u>489,219</u>

10 Administration Expenses

	2023	2022
	€	€
Pension Authority Fees	38,138	40,606
	<u>38,138</u>	<u>40,606</u>

The administration and management of the Trust is provided by Zurich Life Assurance plc. Mercer Aspire is provided by Mercer (Ireland) Limited and Zurich Life Assurance plc. as a unitised insurance policy with Zurich Life Assurance plc. Each Participants' Plan bears the relevant costs.

11 Reconciliation of Net Investments

Investment Assets	Opening Value	Purchases	Sales Proceeds	Change in Market Value	Closing Value
	€	€	€	€	€
Pooled Investment Vehicles	223,479,256	220,644,017	(24,328,798)	30,763,554	450,558,029
	<u>223,479,256</u>	<u>220,644,017</u>	<u>(24,328,798)</u>	<u>30,763,554</u>	<u>450,558,029</u>

12 Pooled Investment Vehicles by type

	2023	2022
	€	€
Cash	36,805,283	10,861,153
Bonds	117,145,166	68,239,289
Equity	207,658,925	106,295,727
Property	57,450,943	26,118,232
Commodity & Energy	9,689,840	3,303,274
Alternatives	21,807,872	8,661,581
	<u>450,558,029</u>	<u>223,479,256</u>

The Mercer DC Master Trust No. 2

NOTES TO THE FINANCIAL STATEMENTS – Continued:

13 Investment Management Expenses

	2023	2022
	€	€
Fund Management Charges	1,210,886	723,120
Policy Fees	34,855	28,770
	<u>1,245,741</u>	<u>751,890</u>

The Investment Management of the Trust is provided by Zurich Life Assurance plc. Mercer Aspire is provided by Mercer (Ireland) Limited and Zurich Life Assurance plc as a unitised insurance policy with Zurich Life Assurance plc. Each Participants Plan bears the relevant costs.

14 Details of Investment

Investments purchased by the Trust are allocated to provide benefits to the individuals on whose behalf corresponding contributions are paid. The Investment Manager holds the investment units on a pooled basis for the Trustee. The Trust administrator allocates investment units to members. The Trustee may hold investment units representing the value of Participants contributions that have been retained by the Trust that relate to members leaving the Trust prior to vesting. See Note 16 for further information.

Investments include investments held in respect of Additional Voluntary Contributions from members.

The change in market value of investments during the year comprises all increases and decreases in the market value of investments held at the year-end, and profits and losses realised on the sale of investments held during the year. 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 Manager is 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 Trust. All the above funds are managed funds. All of the funds are registered in the Republic of Ireland. The Investment Manager operating the managed funds is registered in the Republic of Ireland.

Transaction costs are included in the costs of purchases and sales proceeds. Transaction costs include costs directly charged to the Trust such as fees, commissions, stamp duty and other fees. The amount of any indirect transaction costs are not separately provided to the Trust.

15 Additional Voluntary Contribution (“AVC”) Investments

Members may make AVCs and such contributions are accounted for on an accruals basis in the month in which they have been deducted from payroll. These contributions are invested with all other assets and are not separately distinguishable. The amount any Employee can pay over the contribution rates stated in the relevant Participant's Plan rules is dependent on their age. The Revenue Commissioners have prescribed maximum contribution rates based on an individual's age.

16 Contributions designated to the Participants

Investments purchased by the Trust are allocated to provide benefits for those to whom the contributions relate. Zurich Life Assurance plc holds these investments on a pooled basis. Zurich Life Assurance plc allocates units to member's funds as contributions are received.

The amount not designated to members is made up of units which arise as follows; Members, upon leaving service can opt (if they are within the time limits prescribed by legislation) to take a refund of the value of their own contributions net of withholding taxation at 20% and they therefore waive any right to

The Mercer DC Master Trust No. 2

NOTES TO THE FINANCIAL STATEMENTS – Continued:

16 Contributions designated to the Participants (continued)

the value of the employer contributions paid on their behalf. These units therefore no longer belong to the member who has taken a refund and are designated to the relevant Participants. As a result of this, some of the assets of the Trust will be designated to members and some of the assets will not be designated to Participants, as follows:

	2023	2022
	€	€
Designated to Members	448,558,167	221,656,661
Not Designated to Members	1,999,862	1,822,595
	<u>450,558,029</u>	<u>223,479,256</u>

17 Fair Value of Investments

In line with the guidelines set out in the Statement of Recommended Practice – Financial Reports of Pension Schemes (SORP) (Revised June 2018) and FRS 102, the market value of investments has been determined using the following 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, either directly or indirectly.
- *Level 3*: Inputs are unobservable (i.e. for which market data is unobservable) for the asset or liability.

Pooled investment vehicles which are traded regularly are generally included under *Level 2*. Where the absence of regular trading or the unsuitability of recent transaction prices as a proxy for market value applies, valuation techniques are adopted and the vehicles are included under Level 3.

Investments held under this Trust are valued as follows:

Investment Assets	Level 1	Level 2	Level 3	2022 Total
	€	€	€	€
Pooled Investment Vehicles	-	450,558,029	-	450,558,029

Investment Assets	Level 1	Level 2	Level 3	2021 Total
	€	€	€	€
Pooled Investment Vehicles	-	223,479,256	-	223,479,256

18 Investment Risk

Types of risk relating to investments

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

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

Market Risk: This is composed of currency risk, interest rate risk and other price risk.

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

The Mercer DC Master Trust No. 2

NOTES TO THE FINANCIAL STATEMENTS – Continued:

18 Investment Risk (continued)

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

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

Investment Assets	Credit Risk	Market Risk			Value	
		Currency	Interest Rate	Other Price	2023 €	2022 €
Cash	Significant Risk	Partial Risk	Slight Risk	Slight Risk	36,805,283	10,861,153
Bonds	Significant Risk	Partial Risk	Significant Risk	Slight Risk	117,145,166	68,239,289
Equity	Slight Risk	Partial Risk	Slight Risk	Significant Risk	207,658,925	106,295,727
Property	Partial Risk	Partial Risk	Slight Risk	Significant Risk	57,450,943	26,118,232
Commodity & Energy	Slight Risk	Significant Risk	Slight Risk	Partial Risk	9,689,840	3,303,274
Alternatives	Slight Risk	Partial Risk	Slight Risk	Significant Risk	21,807,872	8,661,581

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

Investment strategy

The Trustee's objective is to make available to members of the Trust an appropriate range of investment options designed to generate income and capital growth, which together with new contributions from members and Participants, will provide a retirement amount with which the member can purchase a pension annuity (or other type of retirement product). The SIPP outlines the investment objectives and strategy.

The investment funds offered to members are provided by Zurich Life Assurance plc. These are funds specifically created for this Trust which are invested in other funds available through the Mercer Aspire platform.

The Trustee has an investment management agreement in place with Zurich Life Assurance plc. The day to day management of the underlying investments of the funds is the responsibility of Zurich Life Assurance plc, including the direct management of credit and market risks.

The Trustee monitors the underlying risks by seeking regular investment updates from the Investment Manager. The risks disclosed here relate to the Trust's investments as a whole. Members are able to choose their own investments from the range of funds offered by the Trustee and therefore may face a different profile of risks from their individual choices compared with the Trust as a whole.

The Trustee has complied with their obligations under section 59(1B) of the Pensions Act 1990, as amended (the Pensions Act), to produce a written statement of investment policy principles and to review and amend the statement every three years or earlier if there is a significant change in investment policy which is inconsistent with the existing statement. This statement is compliant with the requirements of the Occupational Pension Schemes (Investment) Regulations 2008, as amended and has regard to both the investment rules contained in section 59AB of the Pensions Act and to the requirements of the Regulation 2019/2088/EU on sustainability-related disclosures in the financial services sector.

The Mercer DC Master Trust No. 2

NOTES TO THE FINANCIAL STATEMENTS – Continued:

18 Investment Risk (continued)

Credit risk

The Trust is subject to direct credit risk in relation to Zurich Life Assurance plc as the Trust's investments are held by way of a policy of assurance with Zurich Life Assurance plc. The investments are held in unit linked insurance funds provided and monitored by Mercer Global Investments Europe Limited. Zurich Life Assurance plc and Mercer Global Investments Europe Limited are regulated by the Central Bank of Ireland. Zurich Life Assurance plc maintains separate funds for its policy holders. The Trustee monitors the creditworthiness of Zurich Life Assurance plc by reviewing published credit ratings. Mercer Aspire is provided by Mercer (Ireland) Limited and Zurich Life Assurance plc. as a unitised insurance policy with Zurich Life Assurance plc. The underlying investment managers for all Mercer Aspire portfolios and funds are selected and monitored by Mercer Global Investments Europe Limited.

The Trust is also subject to indirect credit and market risk arising from the underlying investments held in the investment funds. Member level risk exposures will be dependent on the funds invested in by members. Management of the underlying pooled investment vehicles is delegated to a professional investment manager. The Trustee regularly reviews the appropriateness of the funds made available to members and monitors the performance of the investment manager. The underlying assets of the pooled arrangements are ring fenced from the pooled manager.

The Trustee only invests in funds where the financial instruments and all counterparties are at least investment grade.

Market risk

Defined contribution trusts are subject to indirect foreign exchange, interest rate and other price risk arising from the underlying financial instruments held in the funds managed by Zurich Life Assurance plc, the underlying investment managers for all Mercer Aspire portfolios and funds are selected and monitored by Mercer Global Investments Europe Limited.

19 Concentration of Investments

Investments accounting for more than 5% of the net assets of the Trust were:

<i>Pooled Investment Vehicles</i>	2023		2022	
	Value	%	€	%
Aspire Moderate Growth B *	172,233,440	37.87	67,666,915	29.83
Aspire Moderate Growth D *	134,153,903	29.50	91,083,377	40.16
Aspire High Growth D *	27,633,067	6.08	18,711,903	8.25

* These investments are pooled investment vehicles which have multiple underlying assets none of which exceed 5% of the net assets of the Trust.

** Not disclosed as <5%

20 Participant Related Investment

There were no Participant related investments at any time during the year, with the exception of those detailed in the attached Annex, which reflects the contributions due to the Trust during the year ending 31 December 2023 and the date they were received. Any contributions received after the due date constitutes "self-investment" under the Occupational Pension Schemes (Disclosure of Information) Regulations 2006 (as amended).

Financial Statements**The Mercer DC Master Trust No. 2****NOTES TO THE FINANCIAL STATEMENTS – Continued:****21 Current Assets**

	2023	2022
	€	€
Designated to Members		
Gross contribution due		
Participant normal	2,169,721	1,670,365
Employee normal	1,352,638	1,039,738
Additional Voluntary Contribution	705,518	522,112
Cash	13,714	104,330
	<u>4,241,591</u>	<u>3,336,545</u>

22 Related Party Transactions

- (a) **The Trustee:** The directors of the Trustee are listed on page 3 of this report. None of the directors during the year were members of the Trust.
- (b) **Remuneration of the Trustee:** The Trustee did not receive and were not due any remuneration from the Trust in connection with the management of the Trust.
- (c) **Participating Employers:** The Participating Employers are listed in the Annex attached to this report. Participating employer contributions to the Trust are made in accordance with the Trust Deed and within the time limits specified in law, except for those referred to in Note 20.
- (d) **The Registered Administrator:** Zurich Life Assurance plc is the registered administrator. The Registered Administrator is remunerated on a fee basis and these fees are borne entirely by the Trust. These fees are reflected in the change in market value and are borne by the Trust.
- (e) **The Investment Manager:** Mercer Aspire is provided by Mercer (Ireland) Limited and Zurich Life Assurance plc as a unitised insurance policy with Zurich Life Assurance plc. The underlying investment managers for all Mercer Aspire portfolios and funds are selected and monitored by Mercer Global Investments Europe Limited.
- (f) **The Consultant:** Mercer (Ireland) Limited was appointed by the Trustee as the financial advisor. The cost of any Consultants was borne by the Participating Employers.

23 Contingencies and Commitments

As stated in note 1 of these financial statements, liabilities to pay pensions and other benefits in the future have not been taken into account. On that basis, in the opinion of the Trustee, the Trust had no contingent liabilities at the year end.

24 Subsequent Events

Changes in the market value of investments since the year end are not reflected in the financial statements. There was no significant events post 31 December 2023 that would require amendments to or disclosure in the financial statements.

25 Approval of Financial Statements

The financial statements were approved by the Trustee on 25-09-2024.

The Mercer DC Master Trust No. 2

APPENDICES

REPORT ON THE VALUATION OF LIABILITIES


As a defined contribution Trust, all assets are held in respect of the liabilities for members’ benefits expected to arise in the future, with the exception of those assets that are not designated to members and are ultimately due back to the Participants.

The liabilities have been valued using the applicable market value of the corresponding assets at the year-end date. The current and future liabilities of the Trust as at 31 December 2023 can be summarised as follows:

	Designated to Members €	Not designated to Members €	Total €
Current Liabilities	(-)	(-)	(-)
Future Liabilities	452,799,758	1,999,862	454,799,620
Total Liabilities	452,799,758	1,999,862	454,799,620

Note 1: Current Liabilities are liabilities that have been identified as payable at the 31 December 2023.

Note 2: Future Liabilities are all liabilities that become payable after the year end date and represent the value of the net assets of the Trust at the 31 December 2023.

On behalf of the Trustee (Mercer Master
Trust No. 2 Designated Activity Company):

DocuSigned by:
C0650AB9EBFA476...
Director

25-09-2024
Date


DocuSigned by:
001A01071091441...
Director

25-09-2024
Date