Statement Regarding DC Governance

On behalf of the DLA Piper UK Pension Scheme Trustee Limited (**"Trustee"**), the trustee of the DLA Piper UK Pension Scheme (**"Scheme"**).

ANNUAL CHAIR'S STATEMENT

In accordance with regulations effective from 6 April 2015 (updated 6 April 2018), this statement outlines how the Trustee has governed the Scheme during the Scheme year to 30 April 2021.

This statement can be accessed online at https://vfm.aviva.co.uk/dla-piper/. This is a publicly available website hosted by the Scheme's administrator, Aviva. In addition, members were notified of its availability on the site via their annual benefit statement as at 30 April 2021.

The statement covers four principal areas:

1. **Investment**, with particular focus on the Scheme's default investment arrangement.
2. **Internal controls**, with particular focus on the processing of core financial transactions.
3. **Value**, with particular focus on charges and transaction costs deducted from members' funds.
4. **The Trustee's knowledge and resources**, including how the Trustee maintained the statutory levels of knowledge and understanding to govern the Scheme and how these help the Trustee ensure the Scheme is governed effectively.

COVID-19 has continued to impact countries globally and has caused significant disruption to economic activity. This has been reflected in recent global stock market fluctuations and, in turn, the valuation of Scheme assets during the Scheme year. The Trustee has designed and implemented the Scheme's investment strategy taking a long term view and has built in resilience to withstand short term fluctuations. The Trustee is comfortable that the systems of the administrator, Aviva, in respect of processing member benefits in accordance with the Scheme Rules and responding to member queries in a timely manner, will continue to operate with minimal disruption (see subsequent note regarding Core Financial Transactions).

NOTES ON THE CHAIR'S STATEMENT

Aviva Life and Pensions UK Limited (**"Aviva"**) is the current administrator for the Scheme and references to the administrator are to Aviva. A small proportion of the overall Scheme holdings were previously held and administered by the historical administrator Equitable Life Assurance Society, in the With Profits Fund. At the start of 2020 the assets were transferred to Utmost Life and Pensions Limited (**"Utmost"**) and on 26 May 2021 were transferred to Aviva.

This statement is provided in accordance with the regulations effective 6 April 2015 (updated 6 April 2018) and demonstrates how the Trustee has met the minimum governance standards in relation to defined contribution benefits. It includes the disclosures on the default investment arrangement, core financial transactions, value from member borne deductions and the Trustee's knowledge, understanding and resources. As outlined in this statement, the Trustee is satisfied that these

minimum standards have been embedded over the Scheme year, taking account of the relevant updates since the requirements have been in place.

INVESTMENT

Investments available under the Scheme

The Trustee is responsible for setting the Scheme's investment strategy. The Trustee believes that no single investment strategy can be designed to suit the needs of all members, given that individuals will have different attitudes to risk, aims for retirement and investment needs that may change during the course of their membership. The Trustee therefore provides three Lifetime Investment Programmes, which each target different outcomes at retirement, as well as 17 self-select funds for those members who wish to manage their own investments. Members are provided with an investment guide, fund factsheets and online modelling tools to help them with investment decisions.

The default investment strategy

For those members who do not make an active investment choice, the Trustee provides a default investment strategy.

Approximately 83% of members currently invest in the default strategy, accounting for 68% of the Scheme's total assets. The Trustee therefore understands the importance of designing and maintaining a default investment arrangement that is suited to members' needs.

Subsequent to the 27 June 2019 review of the default investment arrangement, the default strategy was changed to the 'Drawdown Targeting Lifetime Investment Programme'. This change was implemented on 17 September 2019. This investment programme is suitable for members who are looking to leave their pension invested through to retirement and make withdrawals as needed.

Throughout the Scheme year to 30 April 2021, the Trustee has undertaken a comprehensive review of the underlying equity investment in the Multi-Asset Blended Fund, which makes up the growth phase of all (including the default) Lifetime Investment Programmes. The review took account of the opportunities for real long-term growth whilst maintaining a suitable balance of risk and return.

As a result of the review, the Trustee has incorporated additional funds with distinctive Environmental, Social and Governance (ESG) features into the Scheme's default investment strategy, and has explored investment propositions in more niche investment opportunities, such as Global Small Cap equities and Emerging Market equities, as a means to enhance the portfolio's risk and return characteristics over longer time horizons.

These changes were implemented on 26 May 2021, after the Scheme year end, and details of these changes will be covered in next year's Chair Statement. The Trustee has already communicated separately to members regarding these changes and the details of the new arrangements.

The Trustee's Statement of Investment Principles (SIP) in effect as at the end of the Scheme year, signed 28 September 2020, is included in this statement on pages 18 to 32. The SIP includes a statement of principles in relation to the Scheme's default investment arrangement, which covers the Trustee's aims and objectives in relation to the default, as well as its policies in relation to matters

such as risk and return. It also states why the Trustee believes the default investment arrangement is designed to be in members' best interests i.e. appropriate for a typical member of the Scheme.

In this iteration of the SIP, the Trustee enhanced its monitoring and engagement policies with the underlying investment managers on management fees, investment risks, performances and ESG matters. This subsequently led to increased transparency in regard to the Trustee's process of manager selection and retention based on the above criteria. The Trustee considers the performance of its underlying funds at each of the quarterly Trustee meetings, taking input from its professional investment adviser, Mercer Limited (**"Mercer"**). Mercer is suitably qualified and is capable of giving clear and practical advice. This enables the Trustee to understand fully the options available in setting and reviewing the default strategy.

The Trustee maintains a programme of ongoing review of the suitability of the default arrangement in light of appropriate considerations such as how members withdraw benefits at retirement and the ages at which they do so.

The Trustee intends communicating at least annually with members aged 55 and over to point out the key features of each Lifetime Investment Programme (annuity targeting, cash targeting and drawdown targeting) and the type of investor to whom each may be suited. The Trustee will also point out other investment options within the Scheme's wider fund range.

The following table sets out the key features of the Trustee's investment strategy and explains why the Trustee believes each one to be in members' interests.

Default Feature / Aim	Rationale for being in members' interests
To generate returns in excess of inflation during the "growth phase"	The growth phase structure invests in equities and other growth seeking assets through Diversified Growth Funds (DGFs). These funds are expected to provide growth with some protections against significant market falls and a degree of protection against inflation erosion. Younger members can withstand the potential downside of equities as they have sufficient time for markets to recover.
To provide a strategy that reduces investment risk for members as they approach retirement	As a member's fund grows, investment risk will have a greater impact on retirement outcomes. The Trustee believes that a default strategy that seeks to reduce investment risk as the member approaches retirement is therefore appropriate.

The Scheme holds investments where mapping exercises take place, or have taken place in the past. This is where the Trustee has changed the funds available to members, and the members' assets are 'mapped' to new funds. This may be because the funds in which members' assets were held are no longer offered, or the Trustee board no longer considered them appropriate.

The result of such exercises is that a member may now be investing in a fund that they have not chosen to invest in, even though they made a choice to invest in the original fund. This means that the investment fund falls into the definition of a default arrangement, and for the purpose of this document is called a 'technical default'.

Date of Change	New Default Arrangement	Reason
23 March 2020	BlackRock Institutional Sterling Liquidity Fund	Default fund used to take ongoing contributions on a temporary basis whilst the Threadneedle Pension Property Fund was temporarily suspended, or in the event that other funds are temporarily closed in future.
17 September 2019	Annuity Targeting Lifetime Investment Programme	Default changed to Drawdown Targeting Lifetime Investment Programme, but members within two years of retirement remain in the original default investment arrangement (Annuity Targeting Lifetime Investment Programme).
22 October 2018	Baillie Gifford International Fund	Fund replaced Newton Global Equity Fund upon transition to MyMoney platform.

The Trustee monitors the ongoing performance of the Scheme's investments and receives a quarterly performance report from their investment adviser. The Trustee is satisfied with the performance of the Scheme's funds over the last year and have no immediate concerns regarding any of the funds used.

INTERNAL CONTROLS

Core financial transactions

The Trustee is required to explain how it ensures that core financial transactions are processed promptly and accurately. Core financial transactions include:

- Investment of contributions paid to the Scheme
- Transfers of members' assets into and out of the Scheme
- Transfers of members' assets between different investment options available within the Scheme
- Payments from the Scheme to, or in respect of, members

The Trustee has in place with its administrator Service Level Agreements ("SLAs"): these cover agreed timescales for the processing of all member-related services including core financial transactions relating to contribution handling, quoting benefits and paying benefits. These timescales are well within any applicable statutory timescale. See the following table.

Task	Service Level Agreement
Quotes	5 days
Contributions and Payments	5 days
Transfers In	5 days
Fund Switch	2 days
Customer Amendments	5 days
New Entrant / Joiner	Immediately on submission of data

Task	Service Level Agreement
Transfer Out Process	5 days
Leaver Process	Immediately on notification
Death Claim Process	5 days
Retirement Settlements	5 days

Aviva records all member transactions and benefit processing activities in a work management system which assigns the relevant timescale to the task.

Aviva reports on these quarterly which the Trustee receives and reviews at the Trustee meetings. If the Trustee requires additional disclosures in respect of any transactions or benefit processing activity that has not been completed within the agreed timescales, including the cause of the delay and the extent to which agreed timescales were exceeded, it liaises with Aviva to understand these and agree the proposed remedial measures to avoid re-occurrence.

The ongoing COVID-19 crisis has continued to have some impact on Aviva's performance against agreed SLAs. The overall performance against SLA during the year was 76.9%, versus a target of 95%. Performance has been impacted by higher than average levels of staff sickness and reduced productivity (with staff balancing work demands against childcare requirements). Changes in member behaviours have led to a sustained increase in work volumes, which have exceeded predicted volumes. The Trustee has liaised with Aviva around its contingency planning and the measures being put in place to return to agreed service levels. Performance against SLA has improved over the year, with performance to 30 June 2020 at 71.5% (when the impact of the pandemic most significantly affected service) to 80.9% to 31 March 2021. The Trustee continues to engage with Aviva in this respect and closely monitor Aviva's performance, particularly in terms of core financial transactions.

Aviva operates a peer review system for all benefit calculations and separate checks in relation to any payments made via an authorisation process.

The Trustee also receives Aviva's independent report (AAF Report, conducted annually) in order to review how the provider assesses and controls their risk environments.

The Scheme Auditor spot-checks the accuracy of financial transactions, including retirements and transfers, as part of its annual audit of the Scheme's Report and Accounts. The following table sets out the Scheme's core financial transactions and the controls that exist to ensure accuracy and promptness.

Overall, the Trustee is satisfied that the administrator's controls to process transactions promptly and accurately functioned well during the Scheme year. During the year there have been no material administration issues which need to be reported here by the Trustee. The Trustee is confident that the processes and controls in place with the administrator are robust and will ensure that the financial transactions which are important to members are dealt with properly.

Core Financial Transaction	Key Internal Control
Payment of monthly contributions	**Promptness** The Scheme's Payments Schedule requires DLA Piper UK LLP (**"DLA Piper"**) to pay contributions to Aviva by the 6th of the month following that to which they relate (as opposed to 19th permitted by legislation, or 22nd if paid electronically). The Payroll Team (**"Payroll"**) checks that all contributions have been uploaded and contributions taken each month and will flag with the HR Benefits team if contributions remain unallocated so this can be escalated and actioned promptly with Aviva.
	Accuracy Payroll has a number of checks in place to ensure what is paid to Aviva is correct. For example, reconciling all pension contributions that go through the payroll system against what is posted through the accounts and what is paid to Aviva. Contributions are shown on members' payslips and benefit statements so members can check the contributions being made.
Investment of monthly contributions following receipt	**Promptness** Contributions are processed via an automated straight-through process to ensure speed and accuracy. The Trustee reviews the quarterly Aviva report to confirm that contributions are invested within the agreed timescale of five working days from the date of receipt.
	Accuracy Transactions (including investment switches) are processed on Aviva's policy administration system (PAS). At the end of each day the total of all transactions processed are consolidated. Reconciliations are also monitored throughout the month.
Investment switches requested by members	**Promptness** The Trustee reviews the quarterly Aviva report to confirm that investment switches are completed within the agreed timescale of two working days from the date of request.
	Accuracy All members are notified when a switch is completed.
Payment of benefits to members	**Promptness** Systems are in place to identify member events, such as forthcoming retirements, so an action is triggered. SLAs for core benefit transactions help ensure that member wishes are known in advance so payments can be made promptly (where possible). Quarterly testing of common data (see following note) reduces the likelihood of delay from data gaps.

	Accuracy Aviva operates a peer review system for all benefit calculations. Aviva has defined authority levels for the release of payments. Each instance of paying money from Aviva requires at least one authoriser and the number increases depending on the sum involved. Authorisers are typically managers or individuals who are deemed experts in a process area. Regular internal auditing at Aviva takes place to ensure that authorisations are completed correctly and to expected quality standards. Data accuracy is subject to regular evaluation and updating.

Alongside measuring its performance against SLA, Aviva uses a range of additional 'customer experience' measures to build a comprehensive picture of the service it is providing. These include measuring the complete end-to-end time (the total number of days it takes to complete a customer request from the initial point of enquiry to the point when the enquiry has been fully resolved) and the percentage of requests that are completed at the initial point of contact (known as 'First Point Resolution'). Aviva also undertakes qualitative research with members after an interaction, to understand how easy it was for them to obtain the information they required and how satisfied they were with the process. The results of this research are analysed and used to identify and prioritise areas for improvement.

In addition to Aviva's internal controls to ensure integrity of member data is maintained, there are quarterly checks in place to test the accuracy of common data and there is an annual test of scheme-specific data. Common data items checked quarterly are National Insurance Number, surname, forename(s) or initials, gender, date of birth, policy start date, expected retirement date, membership status, last status event, address and postcode. The annual test of scheme-specific data comprises 11 tests (for example, that each deferred member has a leave date and which is after date joined scheme, members' investment splits add up to 100%, date joined scheme is present and not earlier than date of birth or date joined company, members invested in a Lifetime Investment Programme are invested in the correct proportions). The assessment of scheme-specific data as at 30 May 2021 stated accuracy of 91.1%. This score reflects performance in two tests: Fund at A-Day and Protected cash at A-Day. These data are not typically recorded on members' policies, but are instead calculated at the point a member with pre A-Day service enquires about their tax free cash entitlement or retirement. All other scheme-specific data tests returned a score of 99%-100% accuracy.

Disaster recovery plans are in place to ensure that, where there is physical damage to the property or premises of Aviva, the data will continue to be available, accurate and secure; that core scheme financial transactions can continue to be processed accurately and promptly; computer hardware and software is maintained; and data will regularly be backed up and tested.

Aviva is now the sole administrator of the Scheme. However, during the Scheme year, Utmost provided administration support for a small number of members, until their assets were transferred to Aviva on 26 May 2020. The following table outlines the core financial transactions and controls that were in place for the assets held with Utmost during the Scheme year.

Core Financial Transaction	Key Internal Control
Payment of monthly contributions	Not applicable. No contributions were paid to Utmost.
Investment of monthly contributions following receipt	Not applicable. No contributions were paid to Utmost.
Investment switches requested by members	Not applicable. No investment switches were requested by members during the period the assets were held with Utmost.
Payment of benefits to members	**Promptness** There are no formal SLAs but all requests were actioned promptly, within a maximum of three working days of receipt.
	Accuracy All benefit calculations, all correspondence which states fund values or retirement figures and all payments were peer checked before being issued. At the point retirement benefits were settled, Utmost disinvested a member's fund and paid this to the Trustee bank account. Payments made from the Trustee bank account require the signatures of one authorised signatory and one Trustee Director (up to £50,000) and two Trustee Directors (£50,000 and over).

Prior to the transition of assets to Aviva, an annual reconciliation of member movements and current membership data was undertaken. The HR Benefits team at DLA Piper maintained up-to-date member data, conducting address traces where a current address was not held.

Risk management

The Trustee embeds awareness of risk in all of its strategic planning and decision making.

The Trustee believes that an effective risk management programme focuses simultaneously on creating and protecting value. Risks that threaten to destroy value but with little upside are mitigated, whereas other risks, particularly in relation to investment strategy, need to be taken in a calculated and managed way.

A risk management framework is established to identify, manage and monitor significant operational, financial, regulatory and compliance risks. Its key features include:

- A risk register is maintained that looks at all of the main functions and activities involved in the running of the Scheme and identifies the risks that attach to each one.
- Each risk is assessed as being "Acceptable" or "Unacceptable" based on the likelihood of it occurring and its impact should it occur.
- For each risk, the risk register identifies: an owner, who is ultimately responsible; the key controls; any action points and next review date.
- The risk register is tabled at each quarterly Trustee meeting. Those risks with a review date of that meeting are considered in detail. All risks are reviewed on an annual basis. Particular attention is given to any risks deemed unacceptable, focusing on the required actions. This is documented in

the Trustee meeting agendas and minutes. In addition the Trustee asks its advisers to report on any change to the status of key risks.

- Trustee meeting agendas include standard items that provide oversight of important risk areas. This includes a report from the investment consultant covering the performance of all funds against benchmark, major developments at appointed investment firms and research ratings for each fund.

VALUE

The Trustee is required to report on the charge and transaction costs for the investments used in the default arrangement and the non-default arrangements in which members are invested, and provide its assessment of the extent to which these charges and costs represent good value for members. There is no legal definition of "good value", so the process of determining good value is a subjective one. "Value" is not a straightforward concept to quantify and can be open to broad interpretation. The value for money assessment undertaken by the Trustee's adviser, Mercer, examined the current investment management charges relative to the core fees charged to schemes of a similar demographic as well as looking at Mercer Manager Research Ratings and historical performance. Where funds offered to members are highly rated by Mercer, being offered at a competitive fee rate, and are performing in line with the benchmark over the longer term, the Trustee and Mercer believe that they can be considered as offering good value for money to members.

The Total Expense Ratio (**"TER"**) of the most expensive phase of the default arrangement is 0.46%, which is lower than the charge cap of 0.75%. Each of the funds in the default investment arrangement is available to members on a self-select basis, as well as a number of additional self-select funds with TERs ranging from 0.20% to 0.91%. There are no differences in the TERs for active and deferred members. The TERs are inclusive of all charges.

The following table shows the TERs and transaction costs for each of the funds underlying the Scheme's default investment arrangement (the Drawdown Targeting Lifetime Investment Programme). The overall charge being deducted from a member's fund will reflect the member's allocations in each of the underlying funds, each of which is significantly below the charge cap of 0.75% per annum. The TER is at its highest during the growth phase when invested in the Multi-Asset Blended Fund (at 0.46% p.a.), falling during the eight years prior to Target Retirement Age, to reflect the automated transition of assets to the Pre-retirement fund and Sterling Liquidity fund, which have lower TERs.

Default investment arrangement fund	Active/Passive	Management fee (TER)	Transaction Costs (%)
Multi-Asset Blended Fund	Passive/Active	0.46%	0.19
BlackRock Corporate Bond All Stocks Index Tracker	Passive	0.20%	0.11
Sterling Liquidity Fund	Active	0.20%	0.01

The fees for each fund available under the Scheme are detailed here.

Fund	TER (% p.a.)	Transaction Costs (%)
Diversified Growth Blended Fund	0.68	0.32
Baillie Gifford International Fund	0.52	0.07

Fund	TER (% p.a.)	Transaction Costs (%)
Baillie Gifford Long Term Global Growth Fund	0.85	0.15
Threadneedle Pension Property Fund	0.85	0.09
BlackRock Institutional Sterling Liquidity Fund	0.20	0.01
Multi-Asset Blended Fund	0.46	0.19
BlackRock UK Equity Index Tracker	0.20	0.24
HSBC Islamic Global Equity Index Fund	0.50	0.02
BlackRock Over 15 Year Gilt Index Tracker	0.20	0.03
BlackRock Over 5 Year Index-Linked Gilt Index Tracker	0.20	0.02
BlackRock World Ex-UK Equity Index Tracker	0.20	0.04
BlackRock (30:70) Currency Hedged Global Equity Index Tracker	0.26	0.11
BlackRock Emerging Markets Equity (Aquila) Fund	0.44	0.00
Legal & General (PMC) Pre-Retirement Fund	0.27	0.00
BlackRock Corporate Bond All Stocks Index Tracker	0.20	0.11
Medium Growth/Medium Risk Blended Fund	0.39	0.14
Lower Growth/Lower Risk Blended Fund	0.33	0.09

Source: Aviva and investment managers

TERs and Transaction costs are updated to 30 April 2021.

The final column in the previous tables sets out the transaction costs for each fund. These are costs incurred by fund managers as a result of buying, selling, lending or borrowing investments. These costs are taken into account by the fund managers when calculating the unit price for each of the funds. The transaction costs shown are calculated on a methodology known as 'slippage cost'. This compares the price of the stocks being traded when a transaction was executed with the price at which the transaction was requested. Market movements during any delay in transacting may be positive or negative and may also outweigh other explicit transaction costs. For this reason, overall transaction costs calculated on the slippage method can be negative as well as positive. We are comfortable that the levels of transaction costs across the funds are appropriate, given their various mandates.

The Utmost Secure Cash Fund, used as a temporary fund for the legacy With Profits investments, prior to moving to Aviva, guaranteed no reduction in the assets. The fund had a charge of 0.5% p.a. (provided this charge did not reduce the amount invested).

To illustrate the impact of charges on a typical member's pension pot, the following illustrations are provided for a number of funds available under the Scheme (provided by Aviva). The Trustee has had regard to the statutory guidance in preparing this example.

There are two columns under each fund. The first shows the projected pension values assuming no charges are taken. The second shows the projected pension values after costs and charges are taken. This includes all member costs, including the TER, transaction costs and inflation. The

illustrations assume someone has nothing in their pension pot when they start saving. Contributions are assumed to be £100, paid monthly, increasing in line with assumed earnings inflation of 2.5% each year. The figures are given in "today's money", taking into account inflation by discounting values at 2.5% each year. Transaction costs may not have been included where data was not available from the fund managers. The values shown are estimates and are not guaranteed.

Table 1

Illustration of effect of cost and charges for typical funds within your scheme – DLA Piper UK Pension Scheme

	Av MyM DLA Piper Multi-Asset Blended		Av MyM BlackRock Corporate Bond All Stocks Index Tracker		Av MyM BlackRock World ex UK Equity Index Tracker		Av MyM BlackRock Emerging Markets Equity (Aquila C)		Av MyM BlackRock Sterling Liquidity	
	Assumed growth rate 3.6%		Assumed growth rate 2%		Assumed growth rate 4.5%		Assumed growth rate 4.5%		Assumed growth rate 0.5%	
	Assumed costs and charges 0.67%		Assumed costs and charges 0.31%		Assumed costs and charges 0.24%		Assumed costs and charges 0.44%		Assumed costs and charges 0.21%	
At end of year	Projected value assuming no charges are taken	Projected value after costs and charges are taken	Projected value assuming no charges are taken	Projected value after costs and charges are taken	Projected value assuming no charges are taken	Projected value after costs and charges are taken	Projected value assuming no charges are taken	Projected value after costs and charges are taken	Projected value assuming no charges are taken	Projected value after costs and charges are taken
1	£1,190	£1,190	£1,180	£1,180	£1,200	£1,200	£1,200	£1,200	£1,170	£1,170
2	£2,400	£2,380	£2,360	£2,350	£2,420	£2,420	£2,420	£2,410	£2,320	£2,320
3	£3,620	£3,580	£3,530	£3,520	£3,670	£3,650	£3,670	£3,640	£3,450	£3,440
4	£4,850	£4,780	£4,700	£4,670	£4,940	£4,910	£4,940	£4,890	£4,560	£4,540
5	£6,100	£5,990	£5,860	£5,810	£6,230	£6,200	£6,230	£6,160	£5,640	£5,610
10	£12,500	£12,100	£11,600	£11,400	£13,100	£12,900	£13,100	£12,800	£10,800	£10,600
15	£19,300	£18,300	£17,200	£16,800	£20,700	£20,300	£20,700	£20,000	£15,400	£15,200
20	£26,500	£24,700	£22,600	£21,900	£29,000	£28,300	£29,000	£27,700	£19,600	£19,200
25	£34,000	£31,200	£27,900	£26,900	£38,200	£37,000	£38,200	£36,000	£23,400	£22,800
30	£42,000	£37,800	£33,100	£31,700	£48,300	£46,400	£48,300	£44,900	£26,900	£26,100
35	£50,400	£44,600	£38,200	£36,200	£59,400	£56,700	£59,400	£54,600	£30,000	£29,000
40	£59,200	£51,500	£43,100	£40,600	£71,700	£67,900	£71,700	£65,000	£32,800	£31,600
45	£68,600	£58,500	£47,900	£44,900	£85,200	£80,100	£85,200	£76,200	£35,400	£34,000
50	£78,400	£65,700	£52,600	£48,900	£100,000	£93,400	£100,000	£88,200	£37,700	£36,100

Table 2

Illustration of effect of costs and charges for funds with different growth rates and charges within **your scheme – DLA Piper UK Pension Scheme**								
	Av MyM BlackRock Over 5 Year Index-Linked Gilt Index Tracker		Av MyM BlackRock Sterling Liquidity		Av MyM BlackRock UK Equity Index Tracker		Av MyM DLA Piper Diversified Growth Blended	
	Assumed growth rate 1%		Assumed growth rate 0.5%		Assumed growth rate 4.5%		Assumed growth rate 3.6%	
	Assumed costs and charges 0.22%		Assumed costs and charges 0.21%		Assumed costs and charges 0.44%		Assumed costs and charges 1.02%	
At end of year	Projected value assuming no charges are taken	Projected value after costs and charges are taken	Projected value assuming no charges are taken	Projected value after costs and charges are taken	Projected value assuming no charges are taken	Projected value after costs and charges are taken	Projected value assuming no charges are taken	Projected value after costs and charges are taken
1	£1,180	£1,180	£1,170	£1,170	£1,200	£1,200	£1,190	£1,190
2	£2,340	£2,330	£2,320	£2,320	£2,420	£2,410	£2,400	£2,370
3	£3,480	£3,470	£3,450	£3,440	£3,670	£3,640	£3,620	£3,560
4	£4,610	£4,590	£4,560	£4,540	£4,940	£4,890	£4,850	£4,750
5	£5,720	£5,680	£5,640	£5,610	£6,230	£6,160	£6,100	£5,940
10	£11,000	£10,900	£10,800	£10,600	£13,100	£12,800	£12,500	£11,900
15	£16,000	£15,700	£15,400	£15,200	£20,700	£20,000	£19,300	£17,900
20	£20,500	£20,100	£19,600	£19,200	£29,000	£27,700	£26,500	£23,800
25	£24,800	£24,200	£23,400	£22,800	£38,200	£36,000	£34,000	£29,800
30	£28,700	£27,900	£26,900	£26,100	£48,300	£44,900	£42,000	£35,900
35	£32,400	£31,300	£30,000	£29,000	£59,400	£54,600	£50,400	£41,900
40	£35,800	£34,500	£32,800	£31,600	£71,700	£65,000	£59,200	£47,900
45	£39,000	£37,400	£35,400	£34,000	£85,200	£76,200	£68,600	£54,000
50	£41,900	£40,000	£37,700	£36,100	£100,000	£88,200	£78,400	£60,100

The Trustee regularly monitors and challenges TERs of the funds to ensure members are getting the best value for money. A reduction to the TERs was negotiated in December 2010, March 2011, September 2012 and October 2014. The TERs are reviewed annually with the Trustee's advisers. The fees for the majority of the funds compare favourably when measured against the universe of similar funds monitored by Mercer, with thirteen funds lying below the median. There are five funds within the median to upper quartile. No funds are within the upper quartile.

The Scheme is a bundled arrangement, which means that the overall fee charged to members includes a fee for administration services provide by Aviva and an investment management charge.

In conjunction with advice received, the Trustee has concluded that the Scheme's overall benefits and options represent **good value** in the context of costs payable by members. The reasons underpinning this conclusion include:

- Charges for the Scheme's default arrangement are below the charge cap of 0.75% per annum.
- Charges on funds have been assessed by the Trustee’s advisers as comparing favourably with those of peer funds.
- The funds are highly rated by Mercer as having good prospects of achieving their risk and return objectives.
- The performance of the majority of the Scheme's funds over the three year and five year periods to the end of April 2021 compare favourably relative to the benchmark(s) set by the Trustee. The Multi-Asset Blended Fund underperformed its target over the 3 year period but outperformed its

benchmark. This underperformance was primarily attributed to the market falls for growth assets in Q1 2020 brought about by the impact of the global economic downturn caused by the pandemic. It is a feature of these funds that benchmarks are typically ‘cash +’ which remains positive in all market conditions. Approximately 50% of the MABF has a target to outperform a cash benchmark which remains positive in all market conditions. This is the primary driver of the MABF’s slight underperformance over the three year period.

- The levels of transaction costs across the funds are appropriate, given their various mandates.
- Member communication and advisory costs associated with the running of the Scheme are paid by DLA Piper and are not paid by members, thereby further enhancing the value that members receive.
- Members are provided with access to a number of tools such as "evaluate" which allows them to evaluate their attitude to investment risk and "etutor" which allows members to forecast what their benefits might provide them with at retirement.
- Members are provided with access to an annuity broking service (with HUB Financial Solutions Limited), the cost of which is met by DLA Piper.

THE TRUSTEE'S KNOWLEDGE AND RESOURCES

Sections 247 and 248 of the Pensions Act 2004 requires trustees to have appropriate knowledge and understanding of the law relating to pensions and trusts and the investment of assets.

A corporate trustee, such as the DLA Piper UK Pension Scheme Trustee Limited, must ensure that its directors have appropriate knowledge and understanding as if they were individual trustees.

The Trustee is required to disclose how the requirements for Trustee knowledge and understanding have been met during the Scheme year and provide an explanation of how the combined knowledge and understanding of the Trustee Directors, together with advice which is available to the Trustee Directors, enables them to properly exercise their duties and responsibilities.

During the year the Trustee has completed training at each Trustee meeting on the following topics:

- Current issues in pensions (15 June 2020, 28 September 2020, 15 December 2020 and 22 March 2021)
- DC News and Views (15 June 2020, 28 September 2020, 15 December 2020 and 22 March 2021)
- DC Investments. Presentations from investment managers (28 September 2020 and 20 January 2021).
- “Introduction to UK Pensions Law and the DLA Scheme Rules”, a training session from the Scheme’s Legal Advisor, delivered on 22 March 2021.

During the year individual Trustee Directors have attended external seminars on current issues of importance to occupational DC schemes, including trustee legal duties, ESG considerations and new governance regulations, as well as investment manager presentations and forums.

During the period, the Trustee Directors undertook a number of activities that involved giving detailed consideration to pensions and trust law, the Scheme’s governing documents and the SIP. This allowed them to exercise their knowledge and understanding and to further strengthen their

capabilities, for example, by developing their knowledge and understanding of the relevant principles relating to the funding and investment of occupational pension schemes.

Additional training requirements that have been met during the period to which this Statement relates :

Requirement	How Met
Trustees must describe and demonstrate that they have sufficient knowledge and understanding of the law relating to pensions and trusts	The Trustee is conversant with, and has demonstrated a working knowledge of, pensions law and trusts during the year. In accordance with Section 36 of the Pensions Act 1995, the Trustee obtained professional advice on the suitability of funds for investment of the Scheme's assets in respect of the transition of funds from Utmost to Aviva in May 2020. In accordance with Section 36 of the Pensions Act 1995, the Trustee took advice on updating the SIP when this was updated in September 2020 (and post year end in May 2021). The Trustee takes advice in this respect from Mercer, who is authorised by the Financial Conduct Authority to give such advice. As per the statutory requirement, the Trustee consulted the Principal Employer, DLA Piper, to the changes to the SIP on both occasions.
	The Trustee adheres to statutory and regulatory reporting requirements, for example during the Scheme year ensuring timely submission of the annual scheme return and signing the audited Report and Accounts by the statutory deadline of 30 November 2020.
	Where Trustee duties are delegated to a third party, the Trustee liaises with these third parties to ensure these are fulfilled. For example, this year the Trustee worked with the administrator to ensure the annual benefit statement including statutory money purchase illustration was issued in advance of the statutory deadline, and that this included all the required information, including the link to the publicly available website on which information including the Chair's Statement can be found.
	The Trustee keeps up-to-date with changes to pensions law and regulations by receiving updates from its Scheme consultant, Mercer, and its legal adviser at Trustee Meetings. The Trustee acts in response to changes to ensure the Scheme's compliance. For example, the SIP was updated during the Scheme year to include the necessary disclosures on ESG.

Requirement	How Met
The Trustees must describe and demonstrate that they have sufficient knowledge and understanding of the relevant principles relating to the funding and investment of an occupational scheme	The Trustee Directors have sufficient knowledge and understanding of the relevant principles relating to the funding and investment of the Scheme. For the Scheme year they exercised this knowledge and understanding throughout the default investment strategy review and implementation of the agreed investment changes.
The Trustees must describe and demonstrate a working knowledge of all documents setting out the Trustees' current policies	The Trustee has a copy of all documents for this purpose, including the Trust Deed and Rules and the SIP. The Trustee Directors have a working knowledge of all documents setting out the Trustee's current policies. A review of the Scheme's documentation is carried out at least annually, and any changes are reviewed by the Trustee before updating. For example, the Trustee has recently reviewed the SIP in order to consider and agree the new requirements around ESG factors, and therefore has a good understanding of this document.
The Trustees must describe and demonstrate a working knowledge of the Trust Deed and Rules	Trustee Directors have access to a copy of the Scheme's Definitive Trust Deed and Rules dated 15 August 2013. An up-to-date "working copy" of the Rules is updated and provided by the legal adviser, incorporating all changes made subsequently. If there are any ambiguities over the interpretation of the Rules legal advice is sought from the Scheme's legal advisers.
	The Chairman ensures each Trustee Meeting is quorate, as defined in the Trust Deed and Rules. At each Trustee Meeting during the year, the Trustee Directors have ratified retirement benefits settled since the previous meeting. Decisions as to the payment of death benefits during the year have been made in accordance with the documented delegation of responsibility to the Chairman (up to a total benefit of £500,000) and ratified by the Trustee board at the subsequent meeting.
	The Trustee Directors instruct a Deed of Amendment to the Trust Deed and Rules where necessary, and during the year four Deeds of Amendment were signed.

Requirement	How Met
The Trustees must describe and demonstrate a working knowledge of the current Statement of Investment Principles (SIP)	The Trustee reviewed the SIP in September 2020 to consider and agree the new requirements around ESG factors, and subsequently to reflect the changes implemented to the MABF and self-select fund range in May 2021, and therefore has a good understanding of this document.
The Trustees must describe and demonstrate that their combined knowledge and understanding, together with available advice, enables them to properly exercise their functions	Based on the Trustee's knowledge and understanding, and with the expert advice of its appointed advisers, the Trustee ensures that the Scheme operates within applicable law and regulations, and in accordance with the Trust Deed and Rules. Where Trustee duties are delegated to a third party, the Trustee works with and closely monitors these providers to ensure duties are fulfilled. Where Trustee duties are delegated to the Chairman, the Trustee follows the documented delegation and ratifies any decisions accordingly.
	During the year there have been a number of changes and challenges which the Trustee has navigated to ensure smooth running of the Scheme. The Trustee has overseen the transition of assets from one administrator to another, taking regulated investment advice as required. Changes have been made to the SIP (to keep up-to-date with new disclosure requirements and to reflect changes to the underlying funds in the Scheme's default investment strategy and the self-select fund range post year end) and the Trustee has consulted the Principal Employer, DLA Piper, as required by law. The Trustee, understanding the Trust Deed and Rules, has instructed four Deeds of Amendment to be put into effect during the Scheme year.

The Trustee undertakes an annual evaluation of training requirements, which includes specific consideration of whether any further training is required in respect of these statutory areas.

A learning programme has been developed which utilises the Scheme's legal team and centres on the law relating to pensions. The Scheme's legal adviser delivers this training, typically annually, at the Trustee's meetings which incorporates a Q&A session. An introduction to UK Pensions Law and the Scheme's Rules was delivered on 22 March 2021.

The Trustee receives professional advice from Mercer and the Scheme's legal adviser to support it in reviewing the performance of the Scheme and in governing the Scheme in line with the Trust Deed and Rules. The advice received, along with the Directors' own experience, allows them to properly exercise their function as Trustee. If there are any ambiguities over the interpretation of the Rules, legal advice is sought.

The Trustee also reviews and assesses, on an ongoing basis, whether the systems, processes and controls across key governance functions are consistent with those set out in the Pensions Regulator's Code of Practice 13. The last review was completed in 2021.

The Trustee is required to have a robust training programme in place for newly appointed Directors. For the Scheme, upon appointment, a Director is required to undertake an induction process. This includes a training session with relevant advisers, as well as completion of the Pensions Regulator's online training programme. The training session must be completed ahead of the Director's first formal Trustee's meeting, with the Trustee toolkit completed within six months of appointment. All Trustee Directors have completed this, with the exception of the new Director appointed post year end, who is in the process of completing this.

A training log is maintained for all Trustee Directors which sets out all training activity undertaken. The Trustee Directors attend courses, seminars and webinars as appropriate so their skills and knowledge are kept up to date. Each Trustee Director aims to attend one or two courses each year which is relevant to their learning or keeping them up to date.

There is a dedicated section at each Trustee's meeting relating to Trustee training.

The Trustee comprises individuals with diverse professional skills and experiences, reflecting the varied nature of the challenges that its governance must address.

The Scheme's pension consultant, Mercer, and legal adviser attend meetings and are asked to input into the agenda. The consultant provides regular updates on changing regulatory and legislative requirements, as well as current issues in the pensions industry.

The Trustee board periodically conducts assessments of its effectiveness. These assessments obtain candid feedback on an anonymous basis from each Trustee Director as well as external advisers on the Trustee's diversity, inclusiveness culture, operating framework and general performance. The results are collated and reported by external advisers and discussed openly at Trustee meetings. The next assessment is due in 2022.

CHAIR'S DECLARATION

This statement has been prepared in accordance with Regulation 23 of the Occupational Pension Schemes (Scheme Administration) Regulations 1996 as amended by the Occupational Pension Schemes (Charges and Governance) 2015 (together 'the Regulations') and I confirm that the above statement has been produced by the Trustee to the best of my knowledge.

September 2020

DLA PIPER UK PENSION SCHEME

Statement of Investment Principles

1. Introduction

The Trustee of the DLA Piper UK Pension Scheme ("the Scheme") has drawn up this Statement of Investment Principles ("the Statement") to comply with the requirements of:

- The Pensions Act 1995, as amended by the Pensions Act 2004;
- The Occupational Pension Schemes (Investment) Regulations 2005, as amended by the Occupational Pension Schemes (Charges and Governance) Regulations 2018; and
- Subsequent legislation.

The Trustee has consulted a suitably qualified person by obtaining written advice from Mercer Limited. The Trustee, in preparing this Statement, has consulted the Scheme sponsor, DLA Piper UK LLP, in particular on the Trustee's objectives.

The Scheme is a Defined Contribution ("DC") arrangement. This means that the pension entitlement of individual members depends upon the level of contributions net of management charges, the performance of the assets invested on their behalf and where relevant the cost of purchasing an annuity upon retirement.

Overall investment policy falls into two parts:

(1) The strategic management of the assets is fundamentally the responsibility of the Trustee acting on expert advice. As the Scheme is a DC arrangement the principal decisions with respect to the strategic management relate to the default investment option and the range of asset classes / lifetime investment programmes available for investment. The Trustee's investment objectives relating to this are set out in section 2 below.

(2) The specific investment options, including choice of individual investment managers to whom the Trustee delegate day to day management of the assets are described in section 3.

1.1 Process for choosing investments and investment managers

In considering the appropriate investments for the Scheme, the Trustee will obtain and consider the written advice of the Scheme's Investment Consultant, Mercer Limited, whom the Trustee believes to be suitably qualified to provide such advice. The advice received and arrangements implemented are, in the Trustee's opinion, consistent with the requirements of Section 36 of the Pensions Act 1995 (as amended).

1.1. Investment managers are appointed based on their capabilities and, therefore, their perceived likelihood of achieving the expected return and risk characteristics required for the asset class in which they invest.

1.2. The Trustee considers its Investment Consultant's forward-looking assessment of an investment manager's ability to outperform over a full market cycle. This view will be based on an assessment of the investment manager's idea generation, portfolio construction,

implementation and business management in relation to the particular investment fund that the Scheme invests in.

1.3. The Trustee will consider how ESG and stewardship are integrated into the investment process as well as ensuring fees are competitive within the asset class. The Trustee considers the Investment Consultant's manager research ratings when taking decisions on selection and retention of investment manager appointments.

1.4. If the investment objective for a particular investment manager's fund changes, the Trustee will review the fund appointment to ensure it remains appropriate and consistent with the Trustee's wider investment objectives.

1.5. As the Trustee invests in pooled investment vehicles, it accepts that it has no ability to specify the risk profile and return targets of the investment manager, but appropriate mandates have been selected to align with the overall investment strategy

2. Investment Objectives and Risk

2.1 Investment Objectives

The Trustee's principal objective is to offer members a reasonable choice over how contributions are invested on their behalf so that they can tailor their choice to suit their own objectives and personal circumstances.

The Trustee recognises that members of the Scheme have differing investment needs, that these may change during the course of their working lives and that they may have differing attitudes to risk.

The Trustee's main aim is therefore to ensure that obligations to members of the Scheme are met, specifically through:

i. Offering members a default lifestyle investment strategy and ensuring that the other investment options also allow members to plan for retirement.

ii. Making available a focused range of investment funds which serve to meet the varying investment needs and risk tolerances of Scheme members.

iii. Providing general information as to the purpose of each investment option.

iv. Encouraging members to seek impartial guidance and / or financial advice from an appropriate organisation or person in determining the most suitable option where required.

The Trustee encourages individual members to make their own choices, while recognising that not all members believe themselves to be qualified to take investment decisions. They recognise that, while individual needs will differ, many members value a default option and they therefore offer a default which intends to meet the above objectives for a 'typical' member. This is described in Section 2.3.

2.2 Risk

The Trustee has considered the following risks and have policies in place to help mitigate these:

1. That the markets in which the funds invest perform poorly such that the investment objectives are not met.

   The Trustee manages this risk principally through offering members sufficient choice of investment vehicles to manage their own risks diversified across asset classes, regions,

sectors, individual stocks, etc. The Trustee carries out periodic reviews of the overall range of funds with the assistance of their investment consultant.

2. That the individual investment managers perform poorly relative to the markets in which they invest, or their performance prospects deteriorate leading to the need to select a new investment manager.

   The Trustee manages this risk first through investment choice by offering members a choice of passive and active investment management. The former type of management is expected to produce a return that is very close to the relevant market return, whereas active management is expected to perform better than the relevant benchmark but may perform worse. The decision to offer both reflects the Trustee's belief that the additional return prospects from active management can outweigh the higher fees and risk of underperformance relative to a passive approach. The Trustee assesses the performance and performance prospects of their investment managers, relative to relevant market benchmarks, on a regular basis both in terms of performance and performance volatility, with the assistance of their investment consultant and makes changes to the funds available for investment where it is considered appropriate.

3. The risk that the investment profile of the default option is unsuitable for the requirements of some members.

   The Trustee manages this risk by giving due care and thought to the membership characteristics and likely preferences whilst also offering sufficient choice of investment options to members who wish to make their own investment decisions. Further information on this is set out in the next section.

4. The risk that investments do not keep pace with inflation.

   The Trustee offers equity based investments which are expected to achieve a real rate of return over both price inflation and earnings growth in the long term. In addition, index linked gilts are expected to maintain purchasing power for members looking for a lower risk alternative to equities.

5. The risk of members not being able to realise their investments.

   The Trustee has invested in unitised pooled funds which are dealt daily and are kept separate from the assets of the employer and investment manager.

2.3 The Default Option – the Drawdown Targeting Lifetime Investment Programme

For members who do not wish to take an active role in investment decisions, the Trustee offers a default option (the Drawdown Targeting Lifetime Investment Programme"). The defaultincludes a lifestyling arrangement to de-risk investments to an asset allocation designed to be appropriate for a typical member who intends to take a cash lump sum at retirement, while keeping the remaining amount allocated to a diversified investment strategy that is suitable for someone funding their retirement income needs with periodic withdrawals. The Trustee also offers two alternative lifestyles that target cash (the Cash Targeting Lifetime Investment Programme) and annuity purchase (the Annuity Targeting Lifetime Investment Programme) in light of the change in pension regulations in 2015. The Trustee periodically reviews membership behaviour and market developments to assess the ongoing suitability of the default option.

The aims of the default option, and the ways in which the Trustee seeks to achieve these aims, are detailed below:

- To generate returns in excess of inflation during the "growth" phase of the strategy whilst managing downside risk.

  The default strategy's growth phase structure invests in equities and other growth-seeking assets through diversified growth funds. These investments are expected to provide growth with some protection against significant market falls and a degree of protection against inflation erosion.

- To provide a strategy that reduces investment risk for members as they approach retirement.

  As a member's fund grows, investment risk will have a greater impact on retirement outcomes. The Trustee believes that a default strategy that seeks to reduce investment risk as the member approaches retirement is therefore appropriate. This is achieved via automated quarterly lifestyle switches over the 8 year period prior to a member's target retirement date.

- To offer to members a mix of assets at retirement that are broadly appropriate for an individual planning to take a drawdown approach to managing their retirement income needs and take the maximum allowable tax free cash (25% of the value of the Member's Fund)

  At the member's selected retirement date, 40% of the member's assets will be invested in the Multi-Asset Blended Fund ("MABF"), 30% invested in UK corporate bonds with the aim of retaining allocations to growth assets, and 30% in a pooled cash fund.

Risk is not considered in isolation, but in conjunction with expected investment returns and retirement outcomes for members. In designing the default option, the Trustee has explicitly considered the trade-off between risk and expected returns.

Assets in the default investment option are invested in the best interests of members and beneficiaries, taking into account the investment objectives set out in section 2.1.

The Trustee considered the membership demographics and characteristics in particular, and the estimated size of final pension funds in order to inform decisions regarding the default option. Based on these considerations and the options available, a default option that targets income drawdown and a tax-free cash lump sum (25% of the value of the Member's Fund) is considered appropriate.

Members will be supported by clear communications regarding the aims of the default and the alternative investment options. The default option does not mean that members have to take their benefits in this format at retirement – it merely determines the investment strategy that will be in place pre-retirement.

Taking into account the demographics of the Scheme's membership and the Trustee's views of how the membership will behave at retirement, the Trustee believes that the current default strategy is appropriate. However, as noted at the start of this section, the Trustee will continue to review this over time, at least triennially, or after significant changes to the Scheme's demographic or membership behaviour.

2.4 **Additional Default Arrangements**

The Trustee regularly reviews the default investment option and self-select fund range and, if deemed appropriate, make changes to the investment managers available as part of these options.

Making changes without member consent results in these funds also being determined to be 'default' arrangements requiring additional disclosures. Following this principle, from 6 April 2018, following changes to funds, new default arrangements have been created which are as follows:

Date of Change	New Default Arrangement	Reason
23 March 2020	BlackRock Institutional Sterling Liquidity Fund	Default fund used to take ongoing contributions on a temporary basis whilst the fund underlying the Aviva Pension MyM Threadneedle Pensions Property Fund is temporarily suspended, or in the event that other funds are temporarily closed in future.
17 September 2019	Annuity Targeting Lifetime Investment Programme	Default changed to Drawdown Targeting Lifetime Investment Programme, but members within two years of retirement remain in the original default investment arrangement (Annuity Targeting Lifetime Investment Programme)
22 October 2018	Baillie Gifford International Fund	Fund replaced Newton Global Equity Fund upon transition to MyMoney platform.

2.5 The Aims of the Additional Default Arrangements:

- In designing the Additional Default Arrangements, the Trustee has explicitly considered the trade-off between risk and expected returns.
- Risk is not considered in isolation, but in conjunction with expected investment returns and outcomes for members. Any investment in derivative instruments contributes to risk reduction, or efficient portfolio management.
- If members wish to, they can opt to move assets away from the Additional Default Arrangements and choose their own investment strategy at any time.

- Assets in the Additional Default Arrangements are invested in the best interests of members and beneficiaries, taking into account the objectives of the arrangements.
- Assets in the Additional Default Arrangements are invested in a manner which aims to ensure the security, quality, liquidity and profitability of a member's portfolio as a whole.
- Assets are invested mainly on regulated markets (those that are not must be kept to prudent levels).

2.6 In addition, the Trustee's policies in respect of these Additional Defaults are summarised in the table below:

Fund	Trustee's policies
BlackRock Institutional Sterling Liquidity Fund	***Trustee's Aims and Objectives*** To provide members with a fund that: – Preserves the value of the temporary contributions rather than to seek long term investment growth. ***Types of investment primarily held*** This fund invests in a diversified portfolio of primarily sterling denominated short-term instruments considered to be high quality. ***Expected risk and return*** The Fund aims to outperform the 7 Day LIBID rate of interest. It also has the lowest expected volatility of the funds available in the Scheme.
Baillie Gifford International Fund	***Trustee's Aims and Objectives*** To provide members with a fund that: – Produce attractive returns over the long term by investing principally in companies worldwide, excluding the United Kingdom; and – seeks to outperform the benchmark return (MSCI ACWI ex-UK Index. ***Types of investment primarily held*** This fund invests entirely in equities. ***Expected risk and return*** This fund has an outperformance target of 2% p.a. over benchmark (net of fees) over rolling 5 year periods.

Fund	Trustee's policies
Annuity Targeting Lifetime Investment Programme	***Trustee's Aims and Objectives*** To provide members with a strategy that: – is suitable for an individual intending to purchase a fixed annuity at retirement as a means to meeting their retirement income needs – takes prudent levels of risk on a members' behalf when it is reasonable to expect (based on time horizon to retirement) that they can tolerate any associated volatility ***Types of investment primarily held*** Up until eight years from retirement, this strategy is invests in the Multi-Asset Blended Fund (i.e. identical to the Scheme's current default). As members get closer to retirement age, this strategy de-risks from growth oriented assets in favour of gilts and corporate bonds to more closely track the movement in annuity prices. ***Expected risk and return*** The levels of risk taken and expected returns vary depending on a member's age but the Trustee has satisfied itself that these are reasonable based on the ultimate objective of preparing a member to purchase a fixed annuity with their savings.

3. Investment Options

3.1 Main Assets

Access to a range of pooled investment vehicles is provided by Aviva ("Aviva"). Responsibility for the day to day management of the assets lies with individual investment managers. These are BlackRock Investment Management (UK) Limited ("BlackRock"), Baillie Gifford & Co ("Baillie Gifford"), Columbia Threadneedle Asset Management ("Threadneedle"), HSBC Global Asset Management ("HSBC"), Legal & General Investment Management ("LGIM") and Schroder Investment Management ("Schroder") .

Custody of the assets underlying each pooled fund is provided by professional custodians selected by the investment manager. The specific investment options, including choice of investment manager are set out below. The fees for each fund are also shown. These include an allowance for administration and are therefore not directly comparable with investment-only fees.

The Trustee believes that the range of funds is appropriate taking into account the objectives set out in section 2. Specifically, funds investing predominantly in equities are likely to be volatile especially in the short term but are expected to provide positive long-term and real rates of return. Diversified growth funds aim to produce an equity-like return but with lower volatility by investing in a range of asset classes. Property is also expected to deliver real rates of return over the longer term. Funds invested in gilts, corporate bonds and cash provide varying degrees of protection for accumulated assets. The Lifestyle option aims to provide a balance between the conflicting return and risk characteristics for a typical member. The Trustee is satisfied that the spread of assets available to members through these funds and the investment managers' policies on investing in individual securities within each fund, provide adequate diversification of investments.

Actively Managed

- Global Equity Fund (Baillie Gifford International Fund) – The Fund invests in a diversified portfolio of international equities, excluding the UK. The Fund aims to outperform the MSCI AC World ex UK index by 2 to 3%p.a. gross of fees.

- Global Equity Fund (Baillie Gifford Long Term Global Growth Fund) – The Fund invests in a diversified portfolio of international equities, including the UK. The Fund aims to outperform the MSCI AC World index by greater than 3%p.a. gross of fees.

- Property Fund (Threadneedle Pension Property Fund) – The Fund invests in commercial and industrial property, primarily in the UK. The Fund aims to outperform the CAPS Pooled Pension Fund Property Median by 1-1.5% p.a. (before fees) over rolling three year periods.

- Cash Fund (BlackRock Institutional Sterling Liquidity Fund) - The Fund invests in a diversified portfolio of primarily sterling denominated short-term instruments considered to be high quality. The Fund aims to outperform the 7 Day LIBID rate of interest.

- Diversified Growth Fund (blended fund) investing in Legal & General Investment Management Diversified Fund ("LGIM Diversified"), Schroder Diversified Growth Fund ("Schroder DGF") and BlackRock DC Diversified Growth Fund ("BlackRock DGF")) – LGIM Diversified, the Schroder DGF and the BlackRock DGF invest in a wide range of asset classes including equities, bonds, real estate, commodities, futures, options, swaps, currency contracts and cash. The targets for each fund are shown in the table below

Fund	Allocation	Target
LGIM Diversified	33.4	Bank of England UK Base Rate +4.0% p.a.
BlackRock DC Diversified Growth	33.3	Bank of England UK Base Rate +3.5% p.a.
Schroder DGF	33.3	UK CPI + 5% p.a. (gross of fees)

- Multi-Asset Blended Fund (default blend for growth phase) - The fund aims to deliver long term investment returns comparable to those of a fund which focuses on equity investments alone, but with a lower level of volatility of return achieved through investing in a broader spread of types of investments. The fund invests in those listed in the table below along with their corresponding allocation to the overall fund. The fund is rebalanced back to target on a quarterly basis. The benchmark of this total fund is a composite of its underlying funds' benchmarks at the same weightings.

Fund	Allocation (%)
BlackRock (30:70) Currency Hedged Global Equity Index	30.00
BlackRock World ex UK Equity Index	16.25
BlackRock Emerging Markets Equity	3.75
Diversified Growth Fund	50.00

- Medium Growth/Medium Risk Blended Fund (closed to new members) - The fund aims to provide long-term investment returns by investing in a broader spread of investments than a fund which focuses on investing in company shares. The fund invests in those funds listed in the table below along with their corresponding allocation to the overall

fund. The fund is rebalanced back to target on a quarterly basis. The benchmark of this total fund is a composite of its underlying funds' benchmarks at the same weightings.

Fund	Allocation (%)
BlackRock (50:50) Global Equity Index	37.50
BlackRock DC Diversified Growth	18.75
LGIM Diversified Fund	18.75
BlackRock Over 15 Year Corporate Bond Index	8.33
BlackRock Over 15 Year Gilt Index	8.34
BlackRock Over 5 Year Index-Linked Gilt Index	8.33

Lower Growth/Lower Risk Blended Fund (closed to new members) - The fund aims to provide more stable investment returns over the long-term than funds with significant allocations to company shares, which is achieved by investing in a broad range of bonds. The fund invests in those listed in the table below along with their corresponding allocation to the overall fund. The fund is rebalanced back to target on a quarterly basis. The benchmark of this total fund is a composite of its underlying funds' benchmarks at the same weightings.

Fund	Allocation (%)
BlackRock (50:50) Global Equity Index	25.00
BlackRock DC Diversified Growth	12.50
LGIM Diversified Fund	12.50
BlackRock Over 15 Year Corporate Bond Index	16.66
BlackRock Over 15 Year Gilt Index	16.67
BlackRock Over 5 Year Index-Linked Gilt Index	16.66

Passively Managed

1. UK Equity Fund (BlackRock UK Equity Index Tracker) - The Funds invests in a diversified portfolio of UK equities. The Fund aims to match the FTSE All-Share index return.

2. HSBC Islamic Global Equity Index Fund - The Fund invests in a diversified portfolio of international equities which aim to meet Islamic Principles[1]. The Fund aims to match the return of its benchmark, the Dow Jones Islamic Market Titans 100 Index.

3. Fixed Interest Fund (BlackRock Over 15 Year Gilt Index Tracker) – The Fund invests in a diversified portfolio of long dated fixed interest gilts. The Fund aims to match the FTSE-A Over 15 Years UK Gilts index return.

4. Index-Linked Fund (BlackRock Over 5 Year Index-Linked Gilt Index Tracker) - The Fund invests in a diversified portfolio of index linked gilts. The Fund aims to match the FTSE-A Over 5 Years Index Linked Gilts index return.

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[1] The index benchmark provider (Dow Jones Indexes) is advised by the DJIM Sharia Supervisory Board in relation to the composition of the index. Additionally, HSBC Global Asset Management is guided by the HSBC Islamic Central Sharia Committee.

5. BlackRock World Ex-UK Equity Index Tracker – The fund Invests in a diversified portfolio of international equities across the world with the exclusion of UK equity. The fund aims to match the FTSE All-World Ex-UK Equity Index.

6. BlackRock (30:70) Currency Hedged Global Equity Index Tracker – The fund invests in a diversified portfolio of UK and international equities. The fund allocates 30% to UK equity, 60% to overseas equity and 10% to emerging market equities. The fund uses currency hedging on a proportion of the overseas equity allocation, in order to reduce the associated currency risk when holding overseas assets. The fund aims to track a composite benchmark weighted between the allocations with the relevant level of currency hedging.

7. BlackRock Emerging Markets Equity (Aquila) Fund – The fund invests in a diversified portfolio of equity in countries with emerging economies. The fund aims to track the MSCI Global Emerging Markets Index.

8. Legal & General (PMC) Pre-Retirement Fund – The fund invests in a mix of gilts and corporate bonds in order to match the underlying investments used in the pricing of a fixed annuity in the UK. The fund is measured relative to changes in the FTSE UK Level Adjusted Annuity Index Series.

9. BlackRock Corporate Bond All Stocks Index Tracker – The fund invests in a diversified mix of investment grade corporate bonds denominated in Sterling. The fund aims to track the iBoxx £ Non-Gilts Index.

10. LGIM Future World Fund (GBP currency hedged) – the fund invests in globally diversified portfolio of listed company shares. It is designed to favour investment in companies which exhibit characteristics that have historically led to higher returns or lower risk than the market as a whole, and companies which are less carbon-intensive or earn green revenues. The fund aims to track the FTSE All-World ex CW Climate Balanced Factor GBP Index.

The fees for each of the above funds are detailed below:

Fund	Fee (% p.a.)
Diversified Growth Fund	0.69
Baillie Gifford International Fund	0.54
Baillie Gifford Long Term Global Growth Fund	0.84
Threadneedle Pension Property Fund	0.83
BlackRock Institutional Sterling Liquidity Fund	0.20
Multi-Asset Blended Fund[1]	0.48
BlackRock UK Equity Index Tracker	0.20
HSBC Islamic Global Equity Index Fund	0.50
BlackRock Over 15 Year Gilt Index Tracker	0.20
BlackRock Over 5 Year Index-Linked Gilt Index Tracker	0.21
BlackRock World Ex-UK Equity Index Tracker	0.21
BlackRock (30:70) Currency Hedged Global Equity Index Tracker	0.27
BlackRock Emerging Markets Equity (Aquila) Fund	0.45
Legal & General (PMC) Pre-Retirement Fund	0.27
BlackRock Corporate Bond All Stocks Index Tracker	0.22

LGIM Future World Fund (GBP currency hedged)	0.48

[1] the fee is determined by the allocation to the underlying funds. This may deviate from the target in the short term due to market movements.

The return anticipated on these options (and the volatility of this return) will be primarily dependent on underlying market returns relevant to the overall investment strategy followed by each fund.

Lifestyle

- The Trustee has made available three Lifestyle options to members - the default option (the Drawdown Targeting Lifetime Investment Programme) and two alternative options the Cash Targeting Lifetime Investment Programme and Annuity Targeting Lifetime Investment Programme reflecting the need for choice for members. The options invest in a range of the above funds according to the period to retirement.
- If members select to invest in the lifestyle strategy, they will need to invest all of their investments in this strategy and are not able to make separate investments in the standalone funds.
- In the period until eight years from retirement, the lifestyle strategy will rebalance back to the central benchmark allocation between the funds shown on a quarterly basis.
- If the member is in the default investment strategy, eight years from a member's target retirement date, assets will be switched from equity/diversified growth fund holdings into the pre-retirement fund and cash over the remaining period until the member reaches their target retirement date. The switches/rebalancing will take place on a quarterly basis.
- The tables below show the asset allocation of the available lifestyle strategies (for ease of understanding, the annual switch positions are shown rather than each quarterly stage).

Lifestyle Options

The Drawdown Targeting Lifetime Investment Programme (Default)

This is the default lifestyle for members and targets drawdown on retirement. Allocations are made between the Multi-Asset Blended Fund, the BlackRock Corporate Bond All Stocks Index Tracker and the BlackRock Institutional Sterling Liquidity fund. The switching matrix is detailed below:

% invested in	Period to Retirement (years)									
	>8	8	7	6	5	4	3	2	1	0
Multi-Asset Blended Fund	100.00	100.00	90.00	80.00	70.00	60.00	50.00	46.67	43.33	40.00
BlackRock Corporate Bond All Stocks Index Tracker	0.00	0.00	10.00	20.00	30.00	40.000	50.00	43.33	36.67	30.00
Liquidity Fund	0.00	0.00	0.00	0.00	0.00	0.00	0.00	10.00	20.00	30.00
Total	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**

The Annuity Targeting Lifetime Investment Programme

This is an alternative lifestyle for those members wishing to target annuity purchase at retirement. The programme allocates between the Multi-Asset Blended Fund, the Legal &

General (PMC) Pre-Retirement Fund and the BlackRock Institutional Sterling Liquidity Fund. The switching matrix is detailed in the table below.

% invested in	Period to Retirement (years)									
	>8	8	7	6	5	4	3	2	1	0
Multi-Asset Blended Fund	100.00	100.00	87.50	75.00	62.50	50.00	37.50	25.00	12.50	0.00
Pre-Retirement Fund	0.00	0.00	12.50	25.00	37.50	50.00	62.50	67.00	71.50	75.00
Liquidity Fund	0.00	0.00	0.00	0.00	0.00	0.00	0.00	8.00	16.00	25.00
Total	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**

The Cash Targeting Lifetime Investment Programme

This is an alternative lifestyle for those members wishing to target cash on retirement. Allocations are made between the Multi-Asset Blended Fund, the BlackRock Corporate Bond All Stocks Index Tracker and the BlackRock Institutional Sterling Liquidity fund. The switching matrix is detailed below:

% invested in	Period to Retirement (years)									
	>8	8	7	6	5	4	3	2	1	0
Multi-Asset Blended Fund	100.00	100.00	87.50	75.00	62.50	50.00	37.50	25.00	12.50	0.00
BlackRock Corporate Bond All Stocks Index Tracker	0.00	0.00	12.50	25.00	37.50	50.00	62.50	41.67	20.83	0.00
Liquidity Fund	0.00	0.00	0.00	0.00	0.00	0.00	0.00	33.33	66.67	100.00
Total	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**

3.2 Realisation of Investments

In general, the investment managers have discretion in the timing of realisations of investments and in considerations relating to the liquidity of those investments held within each fund. The Trustee may realise fund units for cash on any of the investment managers' dealing dates by selling units at the prevailing unit price, and will do so in order to implement members' individual investment decisions.

4. Responsible Investment and Corporate Governance

The Trustee believes that financially material considerations, including environmental, social, and corporate governance (ESG) factors, can have a material impact on investment risk and return outcomes over a longer-term time horizon (greater than 40 years which is a typical member's working life), and that good stewardship can create and preserve value for companies and markets as a whole. The Trustee also recognises that long-term sustainability issues, particularly climate change, present risks and opportunities that increasingly may require explicit consideration.

The Trustee has given appointed investment managers full discretion in evaluating ESG factors, including climate change considerations, and exercising voting rights and stewardship obligations attached to the investments, in accordance with their own corporate governance policies and current best practice, including the UK Corporate Governance Code and UK Stewardship Code. The Trustee will review the investment managers' policies and engagement activities (where applicable) on an annual basis.

The Trustee considers how ESG, climate change and stewardship is integrated within investment processes in appointing new investment managers and monitoring existing investment managers. Monitoring is undertaken on a regular basis and is documented at least annually.

The Trustee works closely with the firm on issues of responsible investment and ESG principles, and intends to follow the same approach in as much as it is appropriate to do so.

The Trustee has a policy of avoiding investment in employer related assets in respect of any of the funds available to members. Since DLA Piper UK LLP does not issue publicly traded equity or bonds, the Trustee is confident that employer related investments will not be an issue. If the Trustee has reason to believe this situation has changed they will review their position.

The Trustee currently does not actively solicit member views with respect to the selection, retention and realisation of investments.

The Trustee has not set any investment restrictions on the appointed investment managers in relation to particular products or activities, but may consider this in future.

5. Investment Manager Monitoring

5.1 Whilst the Trustee cannot directly influence the attainment of each investment manager's performance target, they will regularly assess performance and review appointments using quantitative and qualitative factors.

5.2 The Trustee receives investment manager performance reports on a quarterly basis, which present performance information over a variety of time periods. The Trustee review the absolute and relative performance against the investment manager's stated performance target. The Trustee focus on long term performance but may review an investment manager's appointment if:

- There are sustained periods of underperformance;
- There is a change in the portfolio manager;
- There is a change in the underlying objectives of the investment manager;
- There is a significant change to the Investment Consultant's rating of the investment manager/strategy.

5.3 The investment managers set performance objectives and risk tolerances for each of the Scheme's funds. The Trustee considers these investment performance objectives to be appropriate against which to assess each fund's performance.

5.4 The investment objectives will be treated as a target only and will not be considered as an assurance or guarantee of the performance or risk of the Scheme or any part of it.

5.5 The Trustee recognises that the active investment managers' performance relative to their benchmarks may be volatile and that they will not always achieve their target. Nonetheless, the investment managers should demonstrate that the skill exercised in managing the portfolios is consistent with the target given the levels of risks adopted.

5.6 The Trustee may meet with the investment managers if they are dissatisfied with their performance or engagement activity, and may choose to terminate the relationship with the investment manager if they see fit.

5.7 The investment adviser to the Trustee also provides help in monitoring the investment managers, both in the form of written reports or attendance at meetings as required by the Trustee.

5.8 Investment manager fees are calculated as a percentage of assets under management. If investment managers fail to meet their performance objectives, the Trustee may ask investment managers to review their fee. As part of the annual Value for Money assessment, the Trustee reviews the investment manager fees

6. Portfolio Turnover Costs

The Trustee asks investment managers to include portfolio turnover and turnover costs in their presentations and reports to the Trustee. The Trustee consider portfolio turnover costs as part of the annual Value for Money assessment.

7. Investment Manager Turnover

The Trustee is a long-term investor and is not looking to change investment arrangements on a frequent basis. All the funds are open-ended with no set end date for the arrangement. The

self-select fund range and default option are reviewed on at least a triennial basis. An investment manager's appointment may be terminated if it is no longer considered to be optimal nor have a place in the default strategy or self-select fund range.

8. Compliance with this Statement

The Trustee will monitor compliance with this Statement annually.

9. Review of this Statement

The Trustee will review this Statement following any significant change in investment policy or the demographic profile of the relevant members and at least every three years. Any such review will again be based on written, expert investment advice and will be undertaken in consultation with the Company.