

THE HEWLETT-PACKARD LIMITED RETIREMENT BENEFITS PLAN

TRUSTEE REPORT TO MEMBERS 2018

DIGITAL SECTION

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Welcome...

to this year's report from the Trustee of the Hewlett-Packard Limited Retirement Benefits Plan.

The latest Summary Funding Statement for the Section, which provides an update on the position as at 31 October 2017, is now available. I am pleased to report that there has been an improvement in the funding level to a peak of 99%, although this has now fallen back slightly. The Trustee has been working hard during the year to manage the funding level of the Section and has made some changes to the investment strategy to support this. You can read more about the Plan's investments on page 7.

As we approach 100% funding of the Plan on a technical provisions (ongoing) basis, we enter the next phase of the life of the Plan. We anticipate that the majority of our members will put their pensions into payment during the next 10 years and that most of our active members will have left service with HPE within the same timeframe. The Trustee and the Company are planning what this means for the life of the Plan and how we continue to improve the funding position to ensure the pensions are paid with the best certainty to members.

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There are a couple of changes on the Trustee Board to tell you about. Firstly, we say farewell to Philippa Oram, who resigned as a Trustee Director in October 2017, following her appointment as Finance Director for HPE UK. We thank her for her service to the Plan over the past 16 years. Secondly, I would like to thank Jonathan Lord, who has served the Trustee Board as chairman until October 2017, for his hard work and insight in guiding the Plan through what continues to be an increasingly complex pensions landscape. We are pleased to confirm that he remains a Trustee Director and that we retain his knowledge and expertise on the Board. At present, there are no plans to replace Philippa and the Trustee will continue with seven Trustee Directors.

I hope you enjoy reading this newsletter and if you have any questions or if there are any subjects you would like to know more about in a future issue, please get in touch, using the contact details on page 8.

Andrew Dodd
Chairman of the Trustee



The Trustees – from far left: Paul Early, Martin Smith, Keith Norrington, Andrew Dodd, Gill Manning, Phil Lawman and Jonathan Lord (far right).

Plan highlights 2017

Digital Section



As at 31 October 2017,
the value of the Plan was

£1.8
billion



The Digital Section had

10,231
members



During the year, the Plan paid
benefits to members of

£89.5
million



In the 12 months to
31 October 2017, our
investments grew by

£86.6
million



The Plan has
a funding level of

99%

Your pension online

We recently sent you a postcard, 'Your Pension Connection', by email or post introducing the new-look Hewlett-Packard pensions website. If you have a query about your benefits or about pensions and retirement in general, you can find lots of useful Plan information here.

You will find several 'How to' guides, covering topics such as taking your pension or transferring your benefits out of the Plan. The useful FAQs section provides the answers to common pension questions, while a General Information section includes details on contribution limits and taxation. You can also download forms from the Document Library section that you need to update your details and make changes. The News area is regularly updated with the latest pensions news items, which you might find of interest, including Plan News, which contains updates from the Trustee.

My Pension – the secure members' area

Using this secure area, you can manage all aspects of your pension online, much as you would do with your online bank account.

For active members

Most members can view their latest benefit statement and can run calculations to show retirement benefits.

For deferred members

Most members can view and update their contact details and run retirement or transfer value calculations.

For pensioner members

You can view and update your contact details, as well as access your payslips and P60s.

How to log into My Pension

If you haven't yet had a look at the pensions website and the secure members' portal, why not visit today at www.hprbp.com

All members have been pre-registered for My Pension and to log in, you will need your Username. This is the first two letters of your surname, followed by your first initial and then your Pension Reference number, which you can find on any correspondence you have received from the Plan administrator.



Example:

Name:	John Smith
Reference number:	234567
Username:	SMJ234567

Your password:

Simply combine your year of birth followed by your full National Insurance number.

Year of birth:	1968
NI number:	AA 11 22 33 A
Initial password:	1968AA112233A

Retirement planning

Approaching retirement is an exciting time. It can also seem a bit daunting if you're worried about making the wrong financial decisions. To help you decide what's best for you when you consider taking your benefits from the Plan, please see our retirement guides on the Plan website (www.hprbp.com).

Online calculators and modellers

If you're an active member, don't forget to log into the My Pension secure portal, where you can view your latest benefit statement and use the online calculators to show you an estimate of how much your benefits from the Plan could be. This will help you plan ahead for your retirement and compare different scenarios.

Alternatively, you can contact the Plan administrator if you have a specific question about your retirement benefits, using the details on [page 8](#) of this report.

Is your expression of wish up to date?

Don't leave your benefits to the wrong person!

According to a recent report, as many as 750,000 people in the UK may risk leaving their pension to an ex-partner because they have failed to update their expression of wish form.

It's really important to make sure you remember to complete an up-to-date expression of wish form that reflects your current circumstances, such as if you get married, divorced, enter or leave a civil partnership or have a child.

If you'd like to update your expression of wish, you can do so at any time. Please download a new form from the Document Library area of the Plan website (www.hprbp.com) or contact the Plan administrator.

Transfers

If you're a deferred member, you can also use the calculators to get an estimated transfer value. Please note, if your transfer value is more than £30,000, it is a legal requirement to take independent financial advice before any transfer can proceed and the Trustee will need to see proof that this advice has been received.

Do you have AVCs?

Active members are eligible to pay AVCs to top up their retirement funds. Details can be found on the Plan website (www.hprbp.com) in the Plan Information section, by selecting the box called 'Increasing your pension'.

Whether you're an active or a deferred member, it's a good idea to review your AVCs and how they are invested from time to time. This way, you can make sure they're still on track with your plans for retirement and that they continue to suit your circumstances and your attitude to risk.



A word of warning – have you been cold called?

We would like to remind members that pension scams are still prevalent. Scammers are after your pension pot and know that you can now access your savings in new ways. A recent survey revealed that almost one fifth of people aged over 50 (1.5 million individuals) were targeted by pension scammers between April and July last year.

If someone contacts you unexpectedly, claiming to be able to help you access your pension before the age of 55, it's likely to be a scam. The Pensions Regulator has published the following warning signs to be aware of:

1. a free pension review
2. the promise of guaranteed returns on your investment
3. low tax/tax-free rates, including tax-free lump sums
4. exotic-sounding and/or overseas investments
5. pressure to sign up quickly to avoid missing out

You can find out more about pension scams, including what to do if you think you're being targeted, at www.pension-scams.co.uk

Financial update


Money in and money out

The table shows a summary of how much money has been paid into the Digital Section of the Plan in the form of contributions and investment returns, along with how much has been paid out in benefits to members, investment expenses and administration costs for the year to 31 October 2017.

	£'000
Value of the Plan at 1 November 2016	1,803,273
Money in	48,655
Money out	(91,746)
Change in the value of investments	86,641
Value of the Plan at 31 October 2017	1,846,823

Membership

As at 31 October 2017, there were 10,231 members in the Digital Section of the Plan. The membership is made up as follows:

	2017	2016
 Active members	216	320
 Deferred members	5,847	6,095
 Pensioners and dependants	4,168	3,959
TOTAL	10,231	10,374

The information on this page has been taken from the Trustee's formal Report and Financial Statements which have been audited by KPMG LLP, who confirm that they give a true and fair view of the Plan's finances for the year to 31 October 2017. If you would like to see a copy of the full Report and Financial Statements, you can find one on the [pensions website](#).

The Plan’s investments

Investment strategy

The Trustee is responsible for investing the Plan’s assets in order to ensure that there is enough money to pay pensions to members now and in the future.

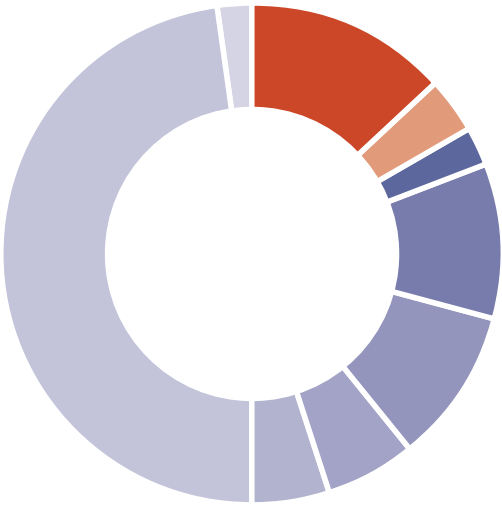
Working with the Plan’s investment advisers, the Trustee has adopted a trigger-based approach for the Plan for moving towards the long-term allocation of the Plan’s assets. The way the assets are split between growth and protection investments is linked to improvements in the funding level.

The latest [Summary Funding Statement](#) for the Plan gives you more information about the Section’s funding.



Asset allocation at 31 October 2017

Over the 12 months to 31 October 2017, the Plan met six funding level triggers, which resulted in significant changes to the strategic asset allocation so that by the end of the period, the Digital Section’s assets were split 16.8% to growth assets and 83.2% to protection assets.



Strategic allocation %		
Growth assets	● International Equity	13.3
	● Diversified Growth Fund	3.5
Protection assets	● Non-Government Fixed Interest Bonds	2.4
	● Multi Asset Credit	10.0
	● Buy & Maintain Credit	10.0
	● Illiquid Secure Income	6.0
	● Senior Private Debt	5.0
	● Liability Driven Investments (LDI)	47.8
	● Government Guaranteed Bonds	2.0

Investment performance

Over the one year period to 31 October 2017, the Digital Section underperformed its benchmark (target return) by 1%. Within the portfolio, equities outperformed the benchmark while bonds underperformed and the alternative investment returns were in line with the benchmark.

The investment performance for the Section over one year, three years and five years is shown in the table:

	1 year (%)	3 years (% p.a.)	5 years (% p.a.)
Return	5.1	8.6	7.6
Benchmark	6.1	8.6	8.3

Looking after the Plan

The Plan is managed by a Trustee company called Hewlett-Packard Enterprise UK Pension Trustee Limited. There are currently seven Trustee Directors: four are appointed by the Company and three are nominated by members of the Plan, known as Member-nominated Directors (MNDs).

Your current Trustee Directors

Appointed by the Company

Andrew Dodd*, Chairman
Jonathan Lord (Independent Trustee)
Gillian Manning
Keith Norrington*

Nominated by members

Paul Early
Phil Lawman*
Martin Smith*

* Trustee Directors in receipt of a Plan pension

Advisers to the Trustee

The Trustee Directors have appointed the following professional advisers to help them run the Plan.

Actuary

David Eteen FIA, Aon Hewitt

Administrator

Equiniti Pensions Solutions

Auditors

KPMG LLP

Bankers

Lloyds Bank plc

Employer covenant adviser

Lincoln Pensions Limited

Investment consultant

Mercer Limited

Secretary to the Trustee

Inside Pensions Limited

Solicitors

Linklaters LLP

Getting in touch

If you have any queries about the Plan or your benefits, please get in touch with the administrator:

Tel: 0333 207 6553

Email: digital@equiniti.com

Address: The Administrator of the Hewlett-Packard Limited Retirement Benefits Plan
Equiniti
Sutherland House
Russell Way
Crawley
West Sussex
RH10 1UH

My Pension Online (Secure member area) website queries only: 0345 408 2991

Website: www.hprbp.com

If you would like to contact the Trustee, please do so via the Secretary:

Tel: 01727 733150

Email: hpplan@insidepensions.com

Address: Beryl Whittaker
Secretary to the Trustee
Hewlett-Packard Limited Retirement Benefits Plan
Inside Pensions
54-56 Victoria Street
St Albans
AL1 3HZ



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