

**THE HEWLETT-PACKARD LIMITED RETIREMENT  
BENEFITS PLAN**

**TRUSTEE'S REPORT AND FINANCIAL  
STATEMENTS**

**YEAR ENDED 31 October 2017**

**THE HEWLETT-PACKARD LIMITED RETIREMENT BENEFITS PLAN  
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE  
YEAR ENDED 31 OCTOBER 2017**

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**TRUSTEE AND ADVISERS TO THE PLAN**

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**Trustee Company** Hewlett Packard Enterprise UK Pension Trustee Limited

Trustee Directors

Andrew Dodd\* Chairman from 1 November 2017  
Jonathan Lord Chairman up to 31 October 2017  
Paul Early (member nominated)  
Phil Lawman\* (member nominated)  
Keith Norrington\*  
Philippa Oram  
(Resigned 31 October 2017)  
Gillian Manning  
Martin Smith\* (member nominated)  
(appointed on 1 November 2016)

\*In receipt of Plan pension

**Administration**

**Both sections** Equiniti Pensions Solutions  
**Ex-Medas members only** Capita (up to 31 January 2017)

**Plan Actuary** David Eteen FIA of Aon Hewitt Limited

**Secretary to the Trustee** Inside Pensions

**Investment Managers**

**Digital and HP**

**(incorporating the former  
BOI/Medas Section)**

Legal and General Investment Management  
CQS Asset Management Limited  
Wellington Management International Limited (mandate terminated during the year for Digital Section)  
Morgan Stanley Investment Management Limited  
Threadneedle Asset Management (mandate terminated during the year)  
Lothbury Investment Management (mandate terminated during the year)  
Mesirow Financial Product Group (in process of termination)  
Shoreline Investment Management Company (mandate transferred to Mercer at the end of the year and subsequently terminated)  
Insight Investment Management (Global) Limited  
State Street Global Advisors (mandate terminated during the year)  
UBS Global Asset Management (HP Section only)  
Invesco Asset Management Limited  
BlackRock Investment Management (UK) Limited (HP Section only) (mandate terminated during the year)  
BMO Global Asset Management  
Apollo Global Management  
M&G Investments  
Goldman Sachs Asset Management Limited

**Investment Consultants** Mercer Limited

**AVC Providers – both  
Sections**

Legal & General Assurance Society Limited  
Equitable Life Assurance Society

**AVC Providers  
HP Section**

MGM Assurance  
Standard Life Assurance Limited  
Clerical Medical (ex Medas members only up to 31 March 2017)

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<b>AVC Providers Digital Section</b>	Phoenix Life and Pensions (formerly Royal & Sun Alliance)
<b>Custodians HP and Digital Sections</b>	State Street Europe Limited
<b>Independent Auditor</b>	KPMG LLP
<b>Solicitors</b>	Linklaters LLP
<b>Employer Covenant Adviser</b>	Lincoln Pensions Limited
<b>Bankers</b>	Lloyds Bank Plc
<b>Enquiries</b>	<p>General enquiries from interested parties about the Plan should be addressed to:-</p> <p>Secretary to the Trustee Hewlett-Packard Limited Retirement Benefits Plan Inside Pensions 3<sup>rd</sup> Floor 54 – 56 Victoria Street St Albans Hertfordshire AL1 3HZ</p> <p>Enquiries from individual members and other beneficiaries about their entitlements should be addressed to:-</p> <p>Hewlett-Packard Limited Retirement Benefits Plan Equiniti Paymaster Sutherland House Russell Way Crawley Surrey RH10 1UH</p> <p>A copy of the Plan summary is available on the Members' website by following this link, <a href="http://hprbp.com/">http://hprbp.com/</a> and individual benefit statements are provided to all active members. A summary of the Trustee's Report and Financial statements is produced and made available to all members.</p>

# THE HEWLETT-PACKARD LIMITED RETIREMENT BENEFITS PLAN ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2017

## TRUSTEE REPORT

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### Introduction

The Directors of the Trustee Company (the Trustee) are pleased to present their annual report and the audited financial statements for the Hewlett-Packard Limited Retirement Benefits Plan ("Plan") for the year ended 31 October 2017. The Plan is a defined benefit plan and provides benefits for permanent employees of the Principal Employer, Hewlett-Packard Limited, and associated employers (the "Company") in the United Kingdom.

The Plan consists of two sections. The Hewlett-Packard ("HP") Section of the Plan includes the Bol/Medas Section which transferred into the HP Section of the Plan on 6 July 2016, with transferring members remaining on the same benefits. The Digital Section was created with effect from 1 October 2006 for members transferring from the Digital Pension Plan. Both sections are closed to new members.

### Trustee and advisers

A new incorporated body, Hewlett Packard Enterprise UK Pension Trustee Limited, was formed on 14 October 2016 and replaced the individual trustees on 28 October 2016. The previous individual trustees became Directors of that body. The Trustee Directors are shown on page 1.

The power of appointing and removing directors of the Trustee Company is vested in the Principal Employer, although it exercises this power so as to give effect to the arrangements for the Member Nominated Directors so that at least one-third of the Trustee Directors are member-nominated. At 31 October 2017 the Plan had eight Trustee Directors, three of whom were nominated by members of the Plan.

The Trustee is responsible for running the Plan in accordance with the Rules of the Plan dated 1 September 2008 as amended.

The Trustee's advisers are shown on pages 1 and 2.

### Governance

The Trustee met four times during the past year to review the ongoing management of the Plan and the investment of its assets. The Trustee has also established a number of Sub-Committees which carry out operational activities and act as advisory bodies to the Trustee in respect of strategic matters. Each Sub-Committee meets as often as is required to carry out the duties delegated to it by the Trustee.

### Trustee's Sub-Committees

The Trustee has established eight Sub-Committees, as listed below, and has approved the functions which have been delegated to these Sub-Committees. The delegated powers are included in the Terms of Reference together with details of the way in which the Sub-Committees are regulated. The Trustee has the power to change these Terms of Reference at any time.

The Sub-Committees are as follows:

- **Covenant Sub-Committee (CSC)**
- **Trustee's Investment Sub-Committee (TISC)**
- **Operations Sub-Committee (OSC)**
- **Funding Sub-Committee (FSC)**
- **Appointments Sub-Committee (ASC)**
- **Remuneration Sub-Committee (RSC)**
- **Audit Sub-Committee (Audit SC)**
- **De-Risking Sub-Committee (DSC)**

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**Financial Development of the Plan**

	<b>£'000</b>
Fund value at 1 November 2016	<b>3,446,845</b>
During the year, income to the fund from contributions, investments and other sources amounted to	140,914
Total expenditure was	(173,765)
Net increase/(decrease) before change in market value	(32,851)
The change in market value of investments was	140,312
Which gave total increase/(decrease) in the fund during the year of	<b>107,461</b>
<b>Fund value at 31 October 2017</b>	<b>3,554,306</b>

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

**Spin-mergers of parts of the HPE businesses**

In 2016 Hewlett-Packard Enterprises (HPE) announced plans to spin off two parts of the business.

The first was to spin off and merge the Enterprise Services business with CSC, creating a new IT services business, DXC. The transaction was completed on 31 March 2017. Some Plan members were affected by the spin off and were given the option of transferring their benefits out of the Plan and into the DXC plan or leaving them as deferred benefits within the Plan. Prior to the completion of the transaction, former members of the Electronic Data Systems Retirement Plan joined the Hewlett-Packard Section with effect from 1 December 2016. These ex-EDS members were also given the option of transferring their past service benefits into the Hewlett-Packard Section.

The second was the divestiture of HPE's software business to Microfocus International Plc, which completed on 1 September 2017. Members of the Plan who transferred with the business became deferred pensioners.

**Cessation of Contracting out**

From April 2016, it was not possible for pension schemes to be contracted out of the State Second Pension and active members were advised that they ceased to be contracted out under the Plan from 6 April 2016.

**Actuarial Valuations**

A formal actuarial valuation of each of the sections of the Plan is obtained by the Trustee at least once every three years, which involves seeking the advice of the Scheme Actuary. The main purposes of the actuarial valuation are to review the financial position of the Plan by examining the Plan's assets and liabilities and to assess the future rate of contributions the participating employers should pay to ensure that benefits can be paid. During the year formal actuarial valuations for each Section of the Plan as at 31 October 2015 were signed off on 12 July 2017, after completion of the spin-merger of the Enterprise Services segment of the business.

The Trustee also monitors the funding position at each Trustee's meeting, using approximate updates supplied by the Scheme Actuary.

**Actuarial Valuations as at 31 October 2015 and schedules of contributions**

Under Section 222 of the Pensions Act 2004, every scheme is subject to the Statutory Funding Objective, which is to have sufficient and appropriate assets to cover its technical provisions. The technical provisions represent the present value of the benefits to which members are entitled, based on pensionable service to the actuarial valuation date, and assessed using the assumptions agreed between the Trustee and the Company and set out in the Statement of Funding Principles, which is available to Plan members on request.

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## TRUSTEE REPORT

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### Hewlett-Packard Section – Report on Actuarial Liabilities

The most recent full actuarial valuation of the HP Section of the Plan was carried out as at 31 October 2015. This showed that on that date:

The value of the Technical Provisions was: £1,409.8 million

The value of the assets at that date was: £1,255.7 million

The method and significant actuarial assumptions used to determine the technical provisions are as follows (all assumptions adopted are set out in the Appendix to the Statement of Funding Principles):

#### Method

The actuarial method to be used in the calculation of the technical provisions is the Projected Unit Method.

#### Significant actuarial assumptions

**Discount interest rate:** rate set by reference to the single equivalent yield on UK Gilts plus 0.7% per annum.

**Future Retail Price inflation:** Set assuming 70% of the liabilities are to be valued in line with market-derived inflation (derived from the Bank of England fixed interest and index-linked gilt rates at the valuation date) and 30% of the liabilities to be valued using a long-term assumption of 3.0% p.a.

**Future Consumer Price inflation:** RPI less 0.9% per annum.

**Pension increases:** derived from the assumptions for future retail price and consumer price inflation allowing for the caps and floors on pension increases according to the provisions in the Plan's rules.

**Pay increases:** 2.5% p.a. in line with long-term pay increase expectations.

**Mortality:** standard tables SAPS S2 "Light" with a scaling factor of 98% for males and SAPS S2 "Light" with a scaling factor of 91% for female active members. Future improvements in line with CMI\_2016 projections with a long-term improvement rate of 1.25% p.a. for men and women and a period smooth parameter of 8.0.

A Schedule of Contributions was put in place in July 2017 as part of the actuarial valuation. The Schedule of Contributions sets out the contributions payable in future years, but contributions are recalculated as at 31 October on an annual basis and a new schedule may be put in place if appropriate.

The actuarial report as at 31 October 2016 showed a deficit of £119.6 million relative to the technical provisions, corresponding to a funding ratio of 93.1%. Based on the position as at 31 October 2016, the Company paid contribution of £50.2 million into the HP Section in March 2017 and £0.257 million in October 2017.

The position as at 31 October 2017 has also been assessed, and, based on this, it has been agreed that no deficit funding contributions are required to be paid into the HP Section in the year ending 31 October 2018. As a result, a new Schedule of Contributions was put in place with effect from 30 January 2017 and a copy of the certification is included in this report.

### Digital Section – Report on Actuarial Liabilities

The most recent full actuarial valuation of the Digital Section of the Plan was carried out as at 31 October 2015. This showed that on that date:

The value of the Technical Provisions was: £1,662.7 million

The value of the assets at that date was: £1,487.9 million

The method and significant actuarial assumptions used to determine the technical provisions are as follows (all assumptions adopted are set out in the Appendix to the Statement of Funding Principles):

#### Method

The actuarial method to be used in the calculation of the technical provisions is the Projected Unit Method.

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**Significant actuarial assumptions**

**Discount interest rate:** rate set by reference to the single equivalent yield on UK Gilts plus 0.7% per annum.

**Future Retail Price inflation:** Set assuming 70% of the liabilities are to be valued in line with market-derived inflation (derived from the Bank of England fixed interest and index-linked gilt rates at the valuation date) and 30% of the liabilities to be valued using a long-term assumption of 3.0% p.a.

**Future Consumer Price inflation:** RPI less 0.9% per annum.

**Pension increases:** derived from the assumptions for future retail price and consumer price inflation allowing for the caps and floors on pension increases according to the provisions in the Plan's rules.

**Pay increases:** 2.5% p.a. in line with long-term pay increase expectations.

**Mortality:** standard tables SAPS S2 "Light" with a scaling factor of 104% for males and SAPS S2 "Light" with a scaling factor of 89% for female active members. Future improvements in line with CMI\_2016 projections with a long-term improvement rate of 1.25% p.a. for men and women and a period smooth parameter of 8.0.

A Schedule of Contributions was put in place in July 2017 as part of the actuarial valuation. The Schedule of Contributions sets out the contributions payable in future years, but contributions are recalculated as at 31 October on an annual basis and a new schedule may be put in place if appropriate.

The actuarial report as at 31 October 2016 showed a deficit of £92.3 million relative to the technical provisions, corresponding to a funding ratio of 95.1%. Based on the position as at 31 October 2016, the Company paid a contribution of £43.9 million into the Digital Section in March 2017 and £0.247 million in October 2017.

The position as at 31 October 2017 has also been assessed, and, based on this, it has been agreed that no deficit funding contributions are required to be paid into the Digital Section in the year ending 31 October 2018. As a result a new Schedule of Contributions was put in place with effect from 30 January 2017 and a copy of the certification is included in this report.

**Additional Voluntary Contributions**

The Plan allows active members to boost their benefits by paying Additional Voluntary Contributions (AVCs), as a means of making extra savings for retirement. This is especially useful for members who are thinking of early retirement, would like to receive a lump sum on retirement without having to reduce their pension in the Plan, or those who wish to make up for any periods when they were not earning pension rights.

Active members of the Digital Section can either pay In-Plan AVCs, increasing the rate at which their salary linked retirement benefits build up, or Investment Option AVCs, where AVCs are invested in a range of investment funds on a money purchase basis to secure additional pension benefits at retirement. Active members of the HP Section, including the ex Bol/Medias members, can only pay Investment Option AVCs.

During the year the funds invested with Clerical Medical in which ex-Medias members held AVCs were moved to Legal & General. The funds invested with Old Mutual Wealth, in which ex-EDS members held AVCs were also moved to Legal & General.

**Membership numbers**

Details of the current membership numbers in the two sections of the Plan are given below.

	2017		2016	
	HP*	Digital	Total	Total
Active members	263	216	479	652
Deferred members	2,677	5,847	8,524	8,852
Pensioners	1,503	4,168	5,671	5,359
<b>Total</b>	<b>4,443</b>	<b>10,231</b>	<b>14,674</b>	<b>14,863</b>



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	HP*	Digital	Total
<b>Active members</b>			
Active members at 1 November 2016	332	320	652
Adjustments	11*	(26)	(15)
Adjusted balance at 1 November 2016	343	294	637
Leavers – members leaving before retirement	(58)	(63)	(121)
Retirements	(22)	(14)	(36)
Deaths	0	(1)	(1)
<b>Total active members at 31 October 2017</b>	<b>263</b>	<b>216</b>	<b>479</b>

\*Includes ex-EDS members who joined the Plan during the year

	HP	Digital	Total
<b>Deferred members</b>			
Deferred members at 1 November 2016	2,757	6,095	8,852
Adjustments	(9)	6	(3)
Adjusted balance at 1 November 2016	2,748	6,101	8,849
Members deferring in the year	58	63	121
Transfers Out	(42)	(88)	(130)
Retirements	(83)	(222)	(305)
Deaths	(4)	(7)	(11)
<b>Total deferred members at 31 October 2017</b>	<b>2,677</b>	<b>5,847</b>	<b>8,524</b>

	HP	Digital	Total
<b>Pensioner members</b>			
Pensioners members at 1 November 2016	1,400	3,959	5,359
Adjustments	12	18	30
Adjusted balance at 1 November 2016	1,412	3,977	5,389
New pensioners commencing in the year	105	236	341
New spouse and dependant pensions commencing in the year	0	0	0
Trivial commutation of pension benefits	0	1	1
Deaths	(13)	(41)	(54)
Dependants' pensions ceasing	(1)	(5)	(6)
<b>Total pensioner members at 31 October 2017</b>	<b>1,503</b>	<b>4,168</b>	<b>5,671</b>

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**TRUSTEE REPORT**

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**Statement of Trustee's responsibilities for the financial statements**

The audited financial statements, which are to be prepared in accordance with UK Generally Accepted Accounting Practice (UK GAAP), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*, are the responsibility of the Trustee. Pension Plan regulations require the Trustee to make available to Plan members, beneficiaries and certain other parties, audited financial statements for each Plan year which:

(i) show a true and fair view of the financial transactions of the Plan during the Plan year and of the amount and disposition at the end of the Plan year of the assets and liabilities, other than liabilities to pay pensions and benefits after the end of the Plan year; and

(ii) contain the information specified in the Occupational Pension Plans (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996, including a statement whether the accounts have been prepared in accordance with the Statement of Recommended Practice *Financial Reports of Pension Schemes*.

The Trustee has supervised the preparation of the financial statements and has agreed suitable accounting policies, to be applied consistently, making estimates and judgements on a reasonable and prudent basis. It is also responsible for

- assessing the Plan's ability to continue as a going concern, disclosing, as applicable, matters related to going concern;
- using the going concern basis of accounting unless it either intends to wind up the Plan, or has no realistic alternative but to do so; and
- making available each year, commonly in the form of a Trustee's annual report, information about the Plan prescribed by pensions legislation, which it should ensure is consistent with the financial statements it accompanies.

The Trustee also has certain responsibilities in respect of contributions which are set out in the statement of Trustee's responsibilities accompanying the Trustee's summary of contributions.

The Trustee is responsible for such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and has a general responsibility for ensuring that adequate accounting records are kept and for taking such steps as are reasonably open to it to safeguard the assets of the scheme and to prevent and detect fraud and other irregularities.

# THE HEWLETT-PACKARD LIMITED RETIREMENT BENEFITS PLAN ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2017

## INVESTMENT REPORT

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### Introduction

Investment policy can be considered in two parts; (1) the strategic management, the setting of which is one of the fundamental responsibilities of the Trustee and (2) the day-to-day management of the assets, which has been delegated to professional investment managers.

As detailed on page 3, the Trustee's Investment Sub-Committee ("TISC") considers all investment issues and makes recommendations to the main Trustee Board. A De-Risking Sub-Committee ("DSC") of the Trustee is responsible for overseeing the implementation of the Trustee's de-risking strategy.

### Diversification

The Trustee ensures that risks have been spread in two different ways:

- First, by ensuring that the investments of the Plan are suitably diversified as regards asset class, geographical spread and the number of stocks held.
- Second, by appointing a number of investment management firms, each of whom is a leader in its respective market. Each investment manager has been given clear investment guidelines and performance objectives.

### Statement of Investment Principles

In accordance with section 35 of the Pensions Act 1995, the Trustee has produced a Statement of Investment Principles.

The statement is required by law and summarises how the Trustee:

- sets the investment policy and choose the most suitable types of investments for the Plan;
- delegates buying and selling investments to the Plan's investment managers;
- monitors the performance of the Plan's investments.

The Trustee has considered ethical and socially responsible investments and have delegated to the investment managers responsibility for taking social, environmental and ethical considerations into account when assessing the financial potential and suitability of investment, and for exercising the rights attaching to the Plan's investments. A copy of the statement is available upon request.

### Strategic Asset Allocation

For the HP and Digital Sections, the Plan has adopted a trigger-based approach for moving towards the long-term Growth/Protection asset split and hedging levels, linked to improvements in the funding level.

Over the twelve-month period from 1 November 2016, each Section of the Plan met six funding level triggers (as at 31 December 2016, 31 January 2017, 31 March 2017 and 31 July 2017). This resulted in significant changes to the strategic allocations for both Sections. By the end of the period the HP Section had moved to 21.6% Growth, 78.4% Protection, and the Digital Section had moved to 16.8% Growth, 83.2% Protection.

Over the twelve-month period under review, a number of new mandates were introduced. The L&G Buy & Maintain Credit mandate was funded in December 2016 using proceeds from de-risking activity after funding level triggers were met in 31 October 2016. In June 2017 the Apollo Global Management Multi Asset Credit mandate was introduced with funds sourced from Wellington Absolute Return Bonds, Mesirow Hedge Fund of Funds and cash balances. The M&G Illiquid Secure Income mandate was funded in stages across August and September 2017. The funds for this mandate were largely sourced from the termination of the Shoreline Global Bonds mandate; the Digital Section required additional funds, these were sourced via the termination of the Wellington Absolute Return Bonds mandate. The Goldman Sachs Asset Management Senior Private Debt mandate was introduced in August 2017 sourced from the Insight LDI mandate.

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A number of mandates were also terminated over the year, this included: L&G UK and International Equity, State Street International Equity, Shoreline Global Bonds and property mandates with Threadneedle and Lothbury. The Wellington Absolute Return Bond and Morgan Stanley Property mandates for the Digital Section were also terminated. These terminations were a result of de-risking activity and the subsequent move of assets from Growth to Protection.

The Plan has a passive currency hedge overlay mandate managed by Insight which hedges some of the Plan's currency exposures. This mandate transitioned to Insight from SSGA during the last twelve months. The mandate aims to hedge 50% of the developed market currency exposure arising from the Shoreline International Equity, Mesirow and Morgan Stanley portfolios. The Goldman Sachs Senior Private Debt and USD Liquidity holdings are also both fully hedged from US dollar back to sterling. The currency hedge overlay maintained a 50% hedge on the SSGA and L&G International Equity holdings which were terminated prior to the year end.

**With full approval of the Trustees and after consultation with the Company, the Plan's strategic asset allocation, excluding AVCs, as at 31 October 2017 is as follows:**

**Hewlett-Packard Section**

<b>Asset Class</b>	<b>Allocation as at 31/10/2017 (%)</b>	<b>Allocation as at 31/10/2016 (%)</b>
UK Equity	0.0	5.0
International Equity	15.1	38.0
Fund of Hedge Funds	0.0	5.0
Diversified Growth Fund	4.4	5.0
Property	2.1	7.0
Non-Government Fixed Interest Bonds	2.4	3.0
Global Bonds	0.0	8.0
Absolute Return Bonds	0.0	5.0
Multi Asset Credit	10.0	5.0
Buy & Maintain Credit	10.0	0.0
Illiquid Secure Income**	6.0	0.0
Senior Private Debt**	5.0	0.0
LDI	43.0	17.0
Government Guaranteed Bonds	2.0	2.0
<b>Total</b>	<b>100.0</b>	<b>100.0</b>

50% of the developed market overseas currency exposure is hedged back to sterling for the Growth assets (first 5 rows of the above table) where relevant

100% of the developed market overseas currency exposure is hedged back to sterling for the Protection assets (last 9 rows of the above table) where relevant

\*\* These strategic allocations are inclusive of mandates being used to hold commitment amounts. Illiquid Secure Income allocation will be held in Asset Backed Securities until investment opportunities arise whilst Senior Private Debt will be held in GSAM's USD Liquidity Fund.

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**Digital Section**

<b>Asset Class</b>	<b>Allocation as at 31/10/2017 (%)</b>	<b>Allocation as at 31/10/2016 (%)</b>
UK Equity	0.0	5.0
International Equity	13.3	38.0
Fund of Hedge Funds	0.0	5.0
Diversified Growth Fund	3.5	5.0
Property	0.0	7.0
Non-Government Fixed Interest Bonds	2.4	3.0
Global Bonds	0.0	8.0
Absolute Return Bonds	0.0	5.0
Multi Asset Credit	10.0	5.0
Buy & Maintain Credit	10.0	0.0
Illiquid Secure Income**	6.0	0.0
Senior Private Debt**	5.0	0.0
LDI	47.8	17.0
Government Guaranteed Bonds	2.0	2.0
<b>Total</b>	<b>100.0</b>	<b>100.0</b>

50% of the developed market overseas currency exposure is hedged back to sterling for the Growth assets (first 5 rows of the above table) where relevant

100% of the developed market overseas currency exposure is hedged back to sterling for the Protection assets (last 9 rows of the above table) where relevant

\*\* These strategic allocations are inclusive of mandates being used to hold commitment amounts. Illiquid Secure Income allocation will be held in Asset Backed Securities until investment opportunities arise whilst Senior Private Debt will be held in GSAM's USD Liquidity Fund.

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**INVESTMENT REPORT**

**Distribution of Assets**

The following tables provide a breakdown of the value of the total Plan assets on an investment type and manager basis, by Section, at 31 October 2017:

**Hewlett-Packard Section**

	Market Value (£m)*	Percentage %
International Equity	276.2	16.3
Fund of Hedge Funds <sup>1</sup>	5.3	0.3
Diversified Growth Fund	72.9	4.3
Property	22.7	1.3
Non-Government Fixed Interest Bonds	36.3	2.1
Absolute Return Bonds	22.2	1.3
Multi Asset Credit	177.9	10.5
Buy & Maintain Credit	173.7	10.3
Illiquid Secure Income <sup>2</sup>	105.0	6.2
Senior Private Debt <sup>2</sup>	84.6	5.0
LDI <sup>3</sup>	666.4	39.4
UK Government Bonds <sup>4</sup>	10.9	0.6
UK Government Guaranteed Bonds	28.7	1.7
Cash <sup>1</sup>	8.7	0.5
<b>Total</b>	<b>1,691.5</b>	<b>100.0</b>

\* Based on bid valuations where available. Figures may not sum due to rounding.

<sup>1</sup> Fund of Hedge Funds valuation excludes c.£325.3k disinvestment dated 31 October 2017, this is included in Cash.

<sup>2</sup> Illiquid Secure Income and Senior Private Debt valuations include amounts being held to fund commitment amounts.

<sup>3</sup> LDI valuation includes £1.8m of unrealised gains from the currency hedge.

<sup>4</sup> Includes ex BOI/Medas assets

Investment Manager	Asset Class	Market Value (£m)*	Percentage %
Shoreline	International Equity	276.2	16.3
Mesirow <sup>1</sup>	Fund of Hedge Funds	5.3	0.3
Invesco	Diversified Growth Fund	72.9	4.3
Morgan Stanley	Property	22.7	1.3
Insight <sup>2</sup>	Non-Govt Fixed Interest Bonds, LDI, Cash	702.7	41.5
Wellington	Absolute Return Bonds	22.2	1.3
CQS	Multi Asset Credit	89.8	5.3
Apollo	Multi Asset Credit	88.1	5.2
L&G <sup>3</sup>	Buy & Maintain Credit, UK Government Bonds	184.6	10.9
M&G <sup>4</sup>	Illiquid Secure Income	105.0	6.2
Goldman Sachs <sup>4</sup>	Senior Private Debt	84.6	5.0
BMO	UK Government Guaranteed Bonds	28.7	1.7
Other <sup>1</sup>	Cash	8.7	0.5
<b>Total</b>		<b>1,691.5</b>	<b>100.0</b>

\* Based on bid valuations where available. Figures may not sum due to rounding.

<sup>1</sup> Mesirow valuation excludes c.£325.3k disinvestment dated 31 October 2017, this is included in Cash.

<sup>2</sup> Insight valuation includes £1.8m of unrealised gains from the currency hedge.

<sup>3</sup> Includes ex BOI/Medas assets.

<sup>4</sup> M&G and Goldman Sachs valuations include amounts being held to fund commitment amounts.

**THE HEWLETT-PACKARD LIMITED RETIREMENT BENEFITS PLAN  
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE  
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**INVESTMENT REPORT**

**Digital Section**

	<b>Market Value (£m)*</b>	<b>Percentage %</b>
International Equity	251.5	13.7
Fund of Hedge Funds <sup>1</sup>	5.9	0.3
Diversified Growth Fund	62.9	3.4
Non-Government Fixed Interest Bonds	33.7	1.8
Multi Asset Credit	193.4	10.5
Buy & Maintain Credit	189.3	10.3
Illiquid Secure Income <sup>2</sup>	115.3	6.3
Senior Private Debt <sup>2</sup>	92.9	5.1
LDI <sup>3</sup>	835.9	45.6
UK Government Guaranteed Bonds	34.5	1.9
Cash <sup>1</sup>	19.3	1.1
<b>Total</b>	<b>1,834.6</b>	<b>100.0</b>

\* Based on bid valuations where available. Figures may not sum due to rounding.

<sup>1</sup> Fund of Hedge Funds valuation excludes c.£366.0k disinvestment dated 31 October 2017, this is included in Cash.

<sup>2</sup> Illiquid Secure Income and Senior Private Debt valuations include amounts being held to fund commitment amounts.

<sup>3</sup> LDI valuation includes £1.7m of unrealised gains from the currency hedge.

<b>Investment Manager</b>	<b>Asset Class</b>	<b>Market Value (£m)*</b>	<b>Percentage %</b>
Shoreline	International Equity	251.5	13.7
Mesirow <sup>1</sup>	Fund of Hedge Funds	5.9	0.3
Invesco	Diversified Growth Fund	62.9	3.4
Insight <sup>2</sup>	Non-Govt Fixed Interest Bonds, LDI, Cash	869.6	47.4
CQS	Multi Asset Credit	97.8	5.3
Apollo	Multi Asset Credit	95.6	5.2
L&G	Buy & Maintain Credit	189.3	10.3
M&G <sup>3</sup>	Illiquid Secure Income	115.3	6.3
Goldman Sachs <sup>3</sup>	Senior Private Debt	92.9	5.1
BMO	UK Government Guaranteed Bonds	34.5	1.9
Other <sup>1</sup>	Cash	19.3	1.1
<b>Total</b>		<b>1,834.6</b>	<b>100.0</b>

\* Based on bid valuations where available. Figures may not sum due to rounding.

<sup>1</sup> Mesirow valuation excludes c.£366.0k disinvestment dated 31 October 2017, this is included in Cash.

<sup>2</sup> Insight valuation includes £1.7m of unrealised gains/losses from the currency hedge.

<sup>3</sup> M&G and Goldman Sachs valuations include amounts being held to fund commitment amounts.

**THE HEWLETT-PACKARD LIMITED RETIREMENT BENEFITS PLAN  
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**INVESTMENT REPORT**

**Investment Performance**

The Trustee and the TISC must balance the need to maintain the security of members' benefits with the aim of achieving the best possible return on the assets of the Plan.

The performance of the Plan's two Sections is detailed below:

**Hewlett-Packard Section**

<b>Total Section</b>	<b>1 Year (% p.a.)</b>	<b>3 Year (% p.a.)</b>	<b>5 Year (% p.a.)</b>
Actual	5.6	8.9	7.9
Benchmark	6.6	8.8	8.7

Net of fees, including impact of currency hedging  
Source: State Street

Over the one-year period, the HP Section underperformed its benchmark by 1.0% (net of fees). Over the one-year period, the Section's equity and alternative portfolios outperformed their respective benchmarks, whereas the bond portfolio underperformed its benchmark.

Over the three year period to 31 October 2017, the Section returned 8.9% p.a. outperforming its benchmark by 0.1% p.a. (net of fees). Over three years the equity portfolio continued to outperform its aggregate benchmark whilst bonds and alternatives underperformed their benchmarks.

Over the five-year period to 31 October 2017, the Section returned 7.9% p.a. (net of fees) versus a benchmark return of 8.7% p.a. The Section's equity portfolio outperformed its benchmark, whilst both bonds and alternatives underperformed their respective benchmarks.

As at 31 October 2017 the benchmark comprised:

<b>Benchmark</b>	<b>Allocation (%)</b>
MSCI Emerging Market Index	2.0
MSCI AC World Index	13.1
Markit iBoxx Sterling Non-Gilts Index	2.4
FTSE EPRA/NAREIT Global Developed Real Estate Index	2.1
3 Month GBP LIBOR + 4.5% p.a. in GBP	9.4
3 Month GBP LIBOR + 5.0% p.a. in GBP	5.0
Bank of America Merrill Lynch 5 year Fixed Interest Gilts + 2.5% p.a. <sup>1</sup>	6.0
Absolute Return 6.5% p.a. <sup>2</sup>	5.0
Liability cashflows benchmark	43.0
Fund Return <sup>3</sup>	12.0
<b>Total</b>	<b>100.0</b>

Figures may not sum due to rounding.

<sup>1</sup> Holding assets held in Asset Backed Securities, benchmark of 3 month GBP LIBOR + 1.0% p.a. Illiquid Secure Income benchmark is Bank of America Merrill Lynch 5 year Fixed Interest Gilts + 2.5% p.a.

<sup>2</sup> Holding assets held in USD Liquidity mandate, benchmark is USD 7 day LIBID. Senior Private Debt targets 6.5% p.a. absolute returns, performance figures unavailable for Private Debt until 2 years after initial investment.

<sup>3</sup> L&G Buy & Maintain Credit and BMO Government Guaranteed Bonds mandates have a fund return benchmark.



**THE HEWLETT-PACKARD LIMITED RETIREMENT BENEFITS PLAN  
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**INVESTMENT REPORT**

**Digital Section**

<b>Total Section</b>	<b>1 Year (% p.a.)</b>	<b>3 Year (% p.a.)</b>	<b>5 Year (% p.a.)</b>
Actual	5.1	8.6	7.6
Benchmark	6.1	8.6	8.3

Net of fees, including impact of currency hedging

Source: State Street

Over the one-year period, the Digital Section underperformed its benchmark by 1.0% (net of fees). Over the one-year period, the Section's equity portfolio outperformed its benchmark, whereas the bond portfolio underperformed its benchmark and the alternative portfolio returns were in line with benchmark.

Over the three-year period to 31 October 2017, the Section performed in line with its benchmark (net of fees). Over three years the equity portfolio outperformed its aggregate benchmark, whilst the bond and alternatives portfolios underperformed their respective benchmarks.

Over the five-year period to 31 October 2017, the Section returned 7.6% p.a. (net of fees) versus a benchmark return of 8.3% p.a. The Section's equity portfolio outperformed its benchmark, whilst both bonds and alternatives underperformed their respective benchmarks.

As at 31 October 2017 the benchmark comprised:

<b>Benchmark</b>	<b>Allocation (%)</b>
MSCI Emerging Market Index	1.5
MSCI AC World Index	11.8
Markit iBoxx Sterling Non-Gilts Index	2.4
3 Month GBP LIBOR + 4.5% p.a. in GBP	8.5
3 Month GBP LIBOR + 5.0% p.a. in GBP	5.0
Bank of America Merrill Lynch 5 year Fixed Interest Gilts + 2.5% p.a. <sup>1</sup>	6.0
Absolute Return 6.5% p.a. <sup>2</sup>	5.0
Liability cashflows benchmark	47.8
Fund Return <sup>3</sup>	12.0
<b>Total</b>	<b>100.0</b>

Figures may not sum due to rounding.

<sup>1</sup> Holding assets held in Asset Backed Securities, benchmark of 3 month GBP LIBOR + 1.0% p.a. Illiquid Secure Income benchmark is Bank of America Merrill Lynch 5 year Fixed Interest Gilts + 2.5% p.a.

<sup>2</sup> Holding assets held in USD Liquidity mandate, benchmark is USD 7 day LIBID. Senior Private Debt targets 6.5% p.a. absolute returns, performance figures unavailable for Private Debt until 2 years after initial investment.

<sup>3</sup> L&G Buy & Maintain Credit and BMO Government Guaranteed Bonds mandates have a fund return benchmark

**THE HEWLETT-PACKARD LIMITED RETIREMENT BENEFITS PLAN  
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**INVESTMENT REPORT**

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**Management of investments**

The day-to-day management of the Plan investments is delegated by the Trustee to external investment managers.

The Trustee allocates a proportion of the Plan assets to each investment manager and sets them specific investment performance targets. It reviews the investment managers' investment activity and performance against the targets set for them. The objectives established for the investment managers are either to match or outperform a particular benchmark index or target.

The investment managers and their respective benchmarks are listed on pages 17 and 18 for each of the Sections.

**THE HEWLETT-PACKARD LIMITED RETIREMENT BENEFITS PLAN  
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**INVESTMENT REPORT**

**Hewlett-Packard Section**

Investment Manager	
Legal and General Investment Management (L&G)	Invest in: Global Credit Benchmark: Fund Return <sup>1</sup> Invest in: UK Government Bonds <sup>1</sup> Benchmark: FTSE A Government (over 15 year) Index & FTSE A Index-Linked (over 15 year) Index
Mesirow Financial Product Group (Mesirow)	Invest in: Global Hedge Funds Benchmark: Outperform 3 month USD LIBOR + 4.5% p.a.
Shoreline Investment Management Company (HP Invest Emerging Market Equity):	Invest in: Emerging Market Equity Benchmark: MSCI Emerging Markets
Shoreline Investment Management Company (HP Invest Global Equity)	Invest in: Global Equity Benchmark: MSCI AC World
Invesco Perpetual Ltd (Invesco)	Invest in: Global Targeted Returns Benchmark: Outperform 3 month GBP LIBOR + 4.5% p.a.
Morgan Stanley Investment Management Ltd (Morgan Stanley)	Invest in: Global Real Estate Benchmark: Outperform FTSE EPRA/NAREIT Global Developed Real Estate Index
UBS Global Asset Management (UBS)	Invest in: Global Real Estate Benchmark: 90% IPD All Balanced Funds Index, 10% EPRA/NAREIT Global Developed Real Estate Index
Wellington Management International Ltd (Wellington)	Invest in: Global Credit Benchmark: Outperform Bank of America Merrill Lynch 3-month T-Bill (hedged back to sterling) + 5.0% p.a.
CQS (UK) LLP (CQS)	Invest in: Global Credit Benchmark: Outperform 3 month GBP LIBOR + 4.5% p.a.
Apollo Global Management (Apollo)	Invest in: Global Credit Benchmark: Outperform 3 month GBP LIBOR + 5.0% p.a.
M&G Investments (M&G)	Invest in: Asset Backed Securities Benchmark: Outperform 3 month GBP LIBOR + 1.0% p.a. Invest in: Illiquid Secure Income Benchmark: Outperform Bank of America Merrill Lynch 5 year Fixed Interest Gilts + 2.5% p.a.
Goldman Sachs Asset Management (GSAM)	Invest in: Senior Private Debt Benchmark: Absolute Return 6.5% p.a. Invest in: USD Liquidity Benchmark: USD 7 day LIBID
Insight Investment Management (Global) Limited (Insight)	Invest in: UK bonds, swaps and cash Benchmark: Match liability cashflows Invest in: UK Credit Benchmark: Outperform Markit iBoxx Sterling Non-Gilts Index Invest in: Liquidity Benchmark: 7 Day LIBID Invest in: Foreign exchange contracts Benchmark: Reduce foreign currency volatility

**THE HEWLETT-PACKARD LIMITED RETIREMENT BENEFITS PLAN  
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**INVESTMENT REPORT**

**Hewlett-Packard Section (continued)**

Investment Manager	
RMO Global Asset Management (BMO)	Invest in: UK government guaranteed bonds and cash Benchmark: Fund Return

<sup>1</sup> Including ex BOI/Medas assets

**Digital Section**

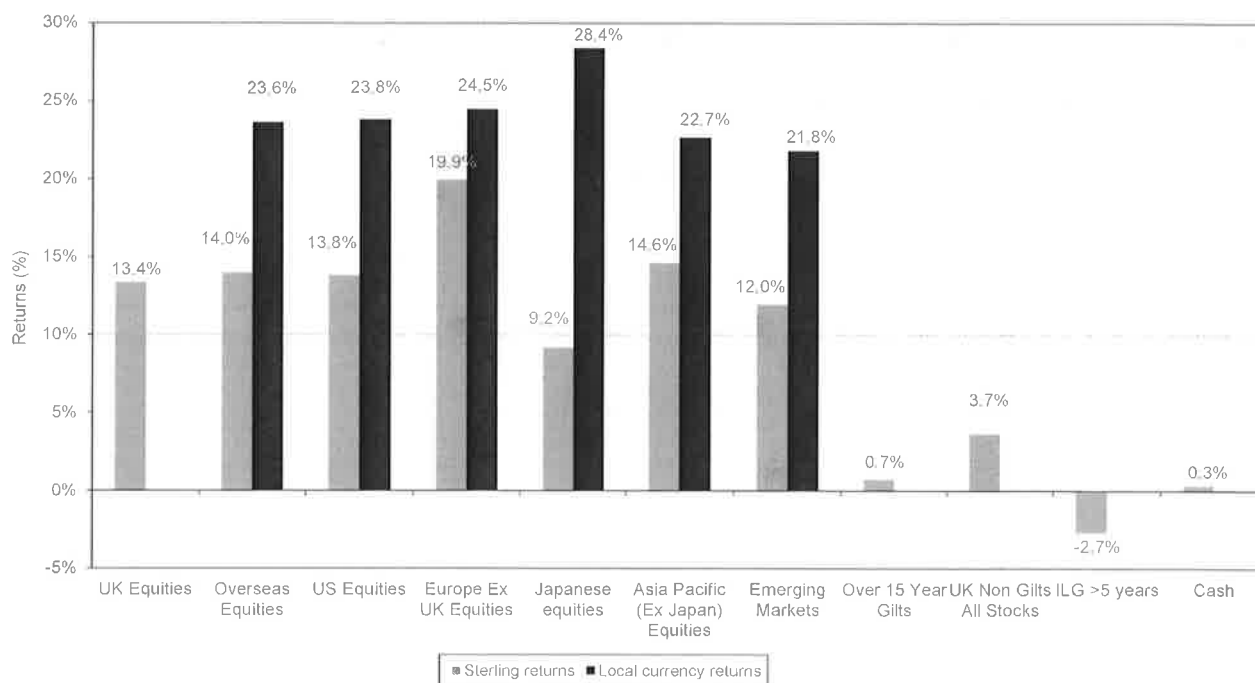
Investment Manager	
Legal and General Investment Management (L&G)	Invest in: Global Credit Benchmark: Fund Return
Shoreline Investment Management Company (HP Invest Global Equity)	Invest in: Global Equity Benchmark: MSCI AC World
Shoreline Investment Management Company (HP Invest Emerging Market Equity)	Invest in: Emerging Market Equity Benchmark: MSCI Emerging Markets
Mesirow Financial Product Group (Mesirow)	Invest in: Global Hedge Funds Benchmark: Outperform 3 month USD LIBOR + 4.5% p.a.
Invesco Perpetual Ltd (Invesco)	Invest in: Global Targeted Returns Benchmark: Outperform 3 month GBP LIBOR + 4.5% p.a.
CQS (UK) LLP (CQS)	Invest in: Global Credit Benchmark: Outperform 3 month GBP LIBOR + 4.5% p.a.
Apollo Global Management (Apollo)	Invest in: Global Credit Benchmark: Outperform 3 month GBP LIBOR + 5.0% p.a.
M&G Investments (M&G)	Invest in: Asset Backed Securities Benchmark: Outperform 3 month GBP LIBOR + 1.0% p.a. Invest in: Illiquid Secure Income Benchmark: Outperform Bank of America Merrill Lynch 5 year Fixed Interest Gilts + 2.5% p.a.
Goldman Sachs Asset Management (GSAM)	Invest in: Senior Private Debt Benchmark: Absolute Return 6.5% p.a. Invest in: USD Liquidity Benchmark: USD 7 day LIBID
Insight Investment Management (Global) Limited (Insight)	Invest in: UK bonds, swaps and cash Benchmark: Match liability cashflows Invest in: UK Credit Benchmark: Outperform Markit iBoxx Sterling Non-Gilts Index Invest in: Foreign exchange contracts Benchmark: Reduce foreign currency volatility
BMO Global Asset Management (BMO)	Invest in: UK government guaranteed bonds and cash Benchmark: Fund Return

**THE HEWLETT-PACKARD LIMITED RETIREMENT BENEFITS PLAN  
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**INVESTMENT REPORT**

**Market Background**

Market returns from 31-Oct-2016 to 31-Oct-2017



All the major regional equity markets delivered positive performance in both local currency and sterling terms. European (ex UK) equities were the strongest performing market in sterling terms whilst Yen appreciation against sterling has led to strong local currency returns.

Over the year credit spreads narrowed resulting in UK corporate bonds providing positive returns, over 5 year index-linked gilts posted negative returns as a result of falling inflation expectations.

**Custody Arrangements**

Custody services are provided by State Street, the Plan's Global Custodian, for Insight, Morgan Stanley, and Legal & General.

The pooled funds (managed by L&G, CQS, Insight, Mesirow, Invesco, Apollo, M&G, GSAM, Wellington and Shoreline) have their own separate custodial arrangements. However, they are included within the Plan's total assets by the Global Custodian for accounting purposes.

The custody services are provided in accordance with FCA regulations. There is no involvement by either the Trustee or the Principal Employer in custody procedures.

**Employer related investments**

As at 31 October 2017 the Plan had exposure to Hewlett-Packard of less than 0.1% of assets at both the Plan and individual Section level.

**THE HEWLETT-PACKARD LIMITED RETIREMENT BENEFITS PLAN  
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE  
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**INVESTMENT REPORT**

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**Investment Managers' Fees**

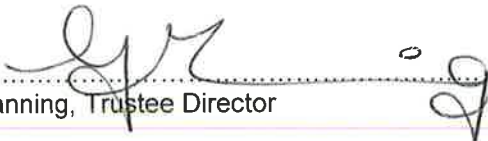
Total fees paid to all of the investment managers except Insight (in regards of the LDI funds), Apollo and Goldman Sachs were calculated as a percentage of the market value of the total funds under their control. Wellington Global Total Return Fund and Goldman Sachs Senior Private Debt both have a performance related element to their fees. These costs are borne by the Plan and charged or deducted on a quarterly basis in arrears. The fees for Insight LDI are calculated as a percentage of the present value of the liability hedging benchmark of the relevant Section.

Signed for and on behalf of the Trustee on 28 February 2018



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Andrew Dodd, Trustee Director and Chairman of the Trustee



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Gill Manning, Trustee Director

# THE HEWLETT-PACKARD LIMITED RETIREMENT BENEFITS PLAN

## INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE HEWLETT-PACKARD LIMITED RETIREMENT BENEFITS PLAN

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### Opinion

We have audited the financial statements of Hewlett-Packard Retirement Benefits Plan ("the Plan") for the year ended 31 October 2017 which comprise *the Fund Account and the Statement of Net Assets* and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- show a true and fair view of the financial transactions of the Plan during the Plan year ended 31 October 2017 and of the amount and disposition at that date of its assets and liabilities, other than liabilities to pay pensions and benefits after the end of the scheme year;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- contain the information specified in Regulation 3 of the Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996, made under the Pensions Act 1995.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the scheme in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

### Going concern

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

### Other information

The Trustee is responsible for the other information, which comprises the Trustee's report including the report on actuarial liabilities and the summary of contributions and the actuarial certification of the schedule of contributions. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon in this report.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on this work we have not identified material misstatements in the other information.

### Trustee's responsibilities

As explained more fully in their statement set out on page 8, the Plan Trustee is responsible for: supervising the preparation of financial statements which show a true and fair view; such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Plan's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless it either intends to wind up the Plan, or has no realistic alternative but to do so.

### Auditor's responsibilities

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

## THE HEWLETT-PACKARD LIMITED RETIREMENT BENEFITS PLAN

### INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE HEWLETT-PACKARD LIMITED RETIREMENT BENEFITS PLAN

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A fuller description of our responsibilities is provided on the FRC's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).

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

This report is made solely to the Plan Trustee in accordance with the Pensions Act 1995 and Regulations made thereunder. Our audit work has been undertaken so that we might state to the Plan Trustee those matters we are required to state to it in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the scheme trustee, for our audit work, for this report, or for the opinions we have formed.



.....  
**Kevin Clark for and on behalf of KPMG LLP,  
Statutory Auditor**  
*Chartered Accountants*  
15 Canada Square  
London  
E14 5GL

Date 6 MARCH 2018



**THE HEWLETT-PACKARD LIMITED RETIREMENT BENEFITS PLAN  
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE  
YEAR ENDED 31 OCTOBER 2017**

**FUND ACCOUNT**

	Note	Year to 31 October 2017			Year to 31 October 2016
		HP £'000	Digital £'000	Total £'000	£'000
<b>Contributions and benefits</b>					
Employer contributions		54,185	48,466	102,651	76,983
Employee contributions		53	20	73	73
Total Contributions	3	<b>54,238</b>	<b>48,486</b>	<b>102,724</b>	77,056
Transfers in	4	8,094	-	8,094	59,837
Other income	5	3	169	172	272
		<b>62,335</b>	<b>48,655</b>	<b>110,990</b>	137,165
Benefits paid or payable	6	29,754	45,153	74,907	72,166
Transfers out	7	44,906	44,328	89,234	81,209
Administrative expenses	8	1,939	2,265	4,204	4,684
		<b>76,599</b>	<b>91,746</b>	<b>168,345</b>	158,059
<b>Net withdrawals from dealing with members</b>		<b>(14,264)</b>	<b>(43,091)</b>	<b>(57,355)</b>	(20,894)
<b>Returns on investments</b>					
Investment income	9	14,491	15,433	29,924	19,032
Change in market value of investments	11	66,129	74,183	140,312	632,373
Investment management expenses	10	(2,445)	(2,975)	(5,420)	(6,700)
<b>Net returns on investments</b>		<b>78,175</b>	<b>86,641</b>	<b>164,816</b>	644,705
<b>Net increase in the Fund during the year</b>		63,911	43,550	107,461	623,811
<b>Net assets of the Plan at 1 November</b>		1,643,572	1,803,273	3,446,845	2,823,034
<b>Net assets of the Plan at 31 October</b>		<b>1,707,483</b>	<b>1,846,823</b>	<b>3,554,306</b>	3,446,845

The notes on pages 25 to 46 form part of these financial statements.

	Note	Year to 31 October 2017			Year to
		HP £'000	Digital £'000	Total £'000	31 October 2016 £'000
<b>Investments assets</b>					
Equities	11	21,843	1	21,844	175,744
Bonds	11	192,929	214,150	407,079	62,165
Pooled investment	12	1,467,070	1,600,965	3,068,035	3,077,430
Derivative assets	13	879	954	1,833	1,036
Cash in transit	11	-	-	-	53,000
Other financial assets	11	3,166	2,681	5,847	10,803
AVCs	14	16,178	10,082	26,260	27,743
		<b>1,702,065</b>	<b>1,828,833</b>	<b>3,530,898</b>	<b>3,407,921</b>
<b>Investment liabilities</b>					
Derivatives	13	(492)	(544)	(1,036)	(1,122)
Other financial liabilities	11	(34)	-	(34)	(958)
		<b>(526)</b>	<b>(544)</b>	<b>(1,070)</b>	<b>(2,080)</b>
<b>Total net investments</b>		<b>1,701,539</b>	<b>1,828,289</b>	<b>3,529,828</b>	<b>3,405,841</b>
<b>Current assets</b>	17	8,633	20,460	29,093	44,840
<b>Current liabilities</b>	18	(2,689)	(1,926)	(4,615)	(3,836)
		<b>5,944</b>	<b>18,534</b>	<b>24,478</b>	<b>41,004</b>
<b>Total net assets of the Plan at 31 October</b>		<b>1,707,483</b>	<b>1,846,823</b>	<b>3,554,306</b>	<b>3,446,845</b>

The financial statements summarise the transactions of the Plan and deal with the net assets at the disposal of the Trustee. They do not take account of obligations to pay pensions and benefits which fall due after the end of the Plan year. The actuarial position of the Plan, which does take account of such obligations, is dealt with in the Report on Actuarial Liabilities, included in the annual report on pages \*\* to \*\* and these financial statements should be read in conjunction with them.

The financial statements on pages 23 and 24 were approved on 28 Feb 2018 by:

  
 Andrew Dodd, Trustee Director and Chairman of the Trustee

  
 Gill Manning, Trustee Director

# THE HEWLETT-PACKARD LIMITED RETIREMENT BENEFITS PLAN ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2017

## NOTES TO THE FINANCIAL STATEMENTS

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### 1. Basis of Preparation

The financial statements have been prepared in accordance with the Occupational Pension Schemes (Requirements to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996, Financial Reporting Standard 102 ("FRS 102") – The Financial Reporting Standard applicable in the UK and Republic of Ireland issued by the Financial Reporting Council and the guidance set out in the Statement of Recommended Practice (revised November 2014) ("the Revised SORP").

In March 2016, an amendment was made to FRS 102 revising the fair value disclosure requirements for retirement benefit plans. This amendment applies for accounting periods beginning on or after 1 January 2017, however, early adoption is permitted for periods ending 31 December 2015 onwards. The Trustee have decided to adopt the amended disclosure early as set out in Note 11 of the financial statements.

**There are two sections of the Plan as follows:**

Hewlett-Packard Section (HP)

Digital Section (Digital)

### 2. Statement of Accounting Policies

The following principal accounting policies, which have been applied consistently (except as noted below), have been adopted in the preparation of the financial statements.

#### 2.1 Contributions

Normal contributions, both from the members and from the employer, are accounted for on an accruals basis in the month employee contributions are deducted from the payroll.

Employers' augmentation and deficit repair contributions from the employer are accounted for in accordance with the agreement under which they are paid, or in the absence of such an agreement, when received.

Additional voluntary contributions from the members are accounted for, on an accruals basis, in the month deducted from the payroll.

Employee directed Employer contributions relate to AVCs paid under salary sacrifice.

#### 2.2 Benefits

Where members can choose whether to take their benefits as a full pension or as a lump sum with reduced pension, retirement benefits are accounted for on an accruals basis on the later of the date of retirement and the date the option is exercised.

Other benefits are accounted for on an accruals basis on the date of retirement, death or leaving the Plan as appropriate.

#### 2.3 Transfer Values

Transfer values represent the capital sums either receivable in respect of members from other pension plans of previous employers or payable to the pension plans of new employers for members who have left the Plan. They are accounted for on a cash basis or where Trustee has agreed to accept the liability in advance of receipt of funds on an accruals basis from the date of the agreement.

Group transfers, where the Trustee has agreed to accept the liability prior to the receipt, are accounted for in accordance with the agreement.

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**2.4 Income from investments and deposits**

Investment income is accounted for as follows:-

- Dividends from quoted UK investments are accounted for on the date when stocks are quoted ex-dividend;
- Dividends from overseas investments are accounted for on an accruals basis;
- Interest on fixed interest securities is accounted for on an accruals basis;
- Interest income on cash deposits is accounted for on an accruals basis;
- Investment income includes United Kingdom and overseas tax recoverable in respect of the year.

**2.5 Valuation of investments**

Investments are valued at bid price.

Equities traded through the Stock Exchange Electronic Trading Service ("SETS") are valued on the basis of the bid price. Other quoted investments are valued on the basis of the bid price (or, if unavailable, most recent transaction) on the relevant stock market.

Pooled investment vehicles are valued at the closing bid price if both bid and offer prices are published, or, if single priced, at the closing single price as advised by the investment managers.

US Equities and Preferred Stock are valued based on the last paid sale price and if no sale occurred then the price will default to mid-market price.

Derivative contracts are valued at fair value. The fair value, being the unrealised profit or loss on the contracts is shown as a separate line within investments. Derivative contract assets are fair valued at bid prices and liabilities are fair valued at offer prices.

Derivative contracts' changes in fair value are included in change in market value where the economic purpose of the contracts relates to assets. Where the economic purpose relates to income the change in fair value is included in investment income.

Futures contracts' fair value is determined using exchange prices at the reporting date. The fair value is the unrealised profit or loss at the current bid or offer market quoted price of the contract. Amounts due from the broker represent the amounts outstanding in respect of the initial margin (representing collateral on the contracts) and any variation margin which is due to or from the broker. The amounts included in change in market value are the realised gains and losses on closed futures contracts and the unrealised gains and losses on open futures contracts.

Exchange traded options' fair value is determined using the exchange price for closing out the option at the reporting date. If a quoted market price is not available on a recognised exchange the over the counter ("OTC") contract options' fair value is determined by the investment manager using generally accepted pricing models such as Black Scholes, where inputs are based on market data at the year-end date.

The fair value of the interest rate swaps and currency swaps is calculated using pricing models based on the market price of comparable instruments at the year-end date, if they are publicly traded. Interest is accrued monthly on a basis consistent with the terms of the contract. The amounts included in change in market value are the realised gains and losses on closed contracts and the unrealised gains and losses on open contracts. Net receipts or payments on swap contracts are either reported in investment income (where the economic purpose relates to income) or change in market value (where the economic purpose relates to assets).

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**2.5 Valuation of investments (continued)**

The fair value of the forward currency contracts is based on market forward exchange rates at the year-end date and determined as the gain or loss that would arise if the outstanding contract was matched at the year end with an equal and opposite contract.

US Government Bonds, US Mortgage Backed, US Corporate Bonds, US Convertible Bonds, US CMO and Asset Backed Securities are valued based on all the bids during the day an evaluation is done.

Accrued interest is excluded from the market value of fixed interest securities and index linked securities but is included in investment income receivable.

Acquisition costs are included in the purchase cost of investments. Transaction costs are included in the cost of purchases and sale proceeds. Transaction costs include costs charged directly to the Plan such as fees, commissions, stamp duty and other fees.

Investments denominated in foreign currencies are translated at closing spot rates into their sterling equivalents at the year end.

The change in market value of investments is accounted for in the year in which it arises and includes all increases and decreases in the market value of investments held at any time during the year, including profits and losses realised on sales of investments and unrealised changes in market value.

AVC investments are included at the values provided by the AVC investment managers.

**2.6 Administrative and investment management expenses**

Administrative and investment management expenses are accounted for on an accruals basis. All other costs of administration other than those shown in these financial statements are borne by the Principal Employer, Hewlett-Packard Limited.

**2.7 Life assurance premiums**

Premiums for group life assurance and widows' death in service benefits are accounted for in the period of cover.

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**3. Contributions**

	Year to 31 October 2017		
	HP £'000	Digital £'000	Total £'000
<b>Employers</b>			
Normal	1,559	1,477	3,036
Deficit repair	50,457	44,147	94,604
Employee directed	437	853	1,290
Augmentations	1,732	1,989	3,721
	<b>54,185</b>	<b>48,466</b>	<b>102,651</b>
<b>Members</b>			
Normal	-	-	-
Additional voluntary contributions	53	20	73
Life Assurance	-	-	-
	<b>53</b>	<b>20</b>	<b>73</b>
	<b>54,238</b>	<b>48,486</b>	<b>102,724</b>

	Year to 31 October 2016			
	HP £'000	Digital £'000	Bol/Medas £'000	Total £'000
<b>Employers</b>				
Normal	2,191	1,497	11	3,699
Deficit repair	34,300	34,300	-	68,600
Employee directed	549	1,000	-	1,549
Augmentations	891	2,206	38	3,135
	<b>37,931</b>	<b>39,003</b>	<b>49</b>	<b>76,983</b>
<b>Members</b>				
Normal	-	-	20	20
Additional voluntary contributions	25	-	4	29
Life Assurance	-	24	-	24
	<b>25</b>	<b>24</b>	<b>24</b>	<b>73</b>
	<b>37,956</b>	<b>39,027</b>	<b>73</b>	<b>77,056</b>

In accordance with the statement of funding principles, the Employer deficit repair contributions are calculated as follows:

- the future cost of accrual of benefits calculated using assumptions underlying the Technical Provisions including an allowance for administrative expenses; less
- the amount by which the expected return on the assets for the year exceeds the amount of interest on the assets for the year assumed in calculating the Technical Provisions; plus
- an adjustment (either positive or negative) to allow for deficit or surplus.

The above calculation is subject to a minimum contribution rate of zero, and contributions relating to member contributions paid under salary sacrifice are payable in addition.

The Employer normal contributions for the 2016/17 Plan year were £3.5m for the two Sections of the Plan. Employer normal contributions relate to member contributions paid under salary sacrifice together with payment in lieu of notice representing contributions paid to the Plan for members' pensionable service accrued during their notice period when they have not been required by the Company to work their notice period.

Employee directed Employer contributions relate to money purchase AVCs paid under salary sacrifice.

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The Employers' augmentations are made to cover the enhancement to certain members' benefits by the Principal Employer, Hewlett-Packard Limited.

The additional voluntary contributions paid by members are either invested as part of the Plan's assets for in-plan benefits or are invested separately. There are four separate money purchase arrangements available to members of the Plan and the assets purchased are held separately from the main Plan assets.

**4. Transfers in**

	Year to 31 October 2017		
	HP £'000	Digital £'000	Total £'000
Group transfers in	7,932	-	7,932
Individual transfers in from other schemes	162	-	162
	<b>8,094</b>	<b>-</b>	<b>8,094</b>

The Group transfer in represents transfers from the EDS Pension Plan

	Year to 31 October 2016			
	HP £'000	Digital £'000	Bol/Medas £'000	Total £'000
Group transfers in	59,538	-	-	59,538
Individual transfers in from other schemes	60	239	-	299
	<b>59,598</b>	<b>239</b>	<b>-</b>	<b>59,837</b>

The transfer into the HP section refers to the Bol/Medas transfer as at 6<sup>th</sup> July 2016.

**5. Other income**

	Year to 31 October 2017		
	HP £'000	Digital £'000	Total £'000
Death benefit income	-	132	132
Other income	3	37	40
	<b>3</b>	<b>169</b>	<b>172</b>

	Year to 31 October 2016			
	HP £'000	Digital £'000	Bol/Medas £'000	Total £'000
Death benefit income	269	-	-	269
Other income	-	3	-	3
	<b>269</b>	<b>3</b>	<b>-</b>	<b>272</b>

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**6. Benefits paid or payable**

	Year to 31 October 2017		
	HP £'000	Digital £'000	Total £'000
Pensions	22,272	38,368	60,640
Commutations and lump sum retirement benefits	7,002	6,221	13,223
Lump sum death benefits	83	274	357
Taxation where lifetime or annual allowance exceeded	397	290	687
	<b>29,754</b>	<b>45,153</b>	<b>74,907</b>

	Year to 31 October 2016			
	HP £'000	Digital £'000	Bol/Medas £'000	Total £'000
Pensions	19,527	35,738	412	55,677
Commutations and lump sum retirement benefits	7,901	7,305	201	15,407
Lump sum death benefits	258	283	11	552
Taxation where lifetime or annual allowance exceeded	442	88	-	530
	<b>28,128</b>	<b>43,414</b>	<b>624</b>	<b>72,166</b>

**7. Transfers out**

	Year to 31 October 2017		
	HP £'000	Digital £'000	Total £'000
Individual transfers out to other schemes	30,011	26,167	56,178
Group transfers out to other schemes	14,895	18,161	33,056
	<b>44,906</b>	<b>44,328</b>	<b>89,234</b>

The group transfer out represents transfers to the EDS Pension Scheme.

	Year to 31 October 2016			
	HP £'000	Digital £'000	Bol/Medas £'000	Total £'000
Individual transfers out to other schemes	13,333	8,338	-	21,671
Group transfers out to other schemes	-	-	59,538	59,538
	<b>13,333</b>	<b>8,338</b>	<b>59,538</b>	<b>81,209</b>



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**8. Administrative expenses**

	Year to 31 October 2017		
	HP	Digital	Total
	£'000	£'000	£'000
Administration and actuarial fees	1,304	1,528	2,832
Audit fees	60	63	123
Legal fees	315	329	644
Trustee fee and expenses	145	138	283
PPF levy	115	207	322
	<b>1,939</b>	<b>2,265</b>	<b>4,204</b>

	Year to 31 October 2016			
	HP	Digital	Bol/Medas	Total
	£'000	£'000	£'000	£'000
Administration and actuarial fees	1,116	1,864	59	3,039
Audit fees	45	66	-	111
Legal fees	227	338	(9)	556
Trustee fee and other expenses	102	160	-	262
PPF levy	224	478	14	716
	<b>1,714</b>	<b>2,906</b>	<b>64</b>	<b>4,684</b>

**9. Investment income**

	Year to 31 October 2017		
	HP	Digital	Total
	£'000	£'000	£'000
Dividends from equities	1,928	1,756	3,684
Income from bonds	5,711	5,551	11,262
Income from pooled investment vehicles	6,672	8,113	14,785
Interest on cash deposits	180	13	193
	<b>14,491</b>	<b>15,433</b>	<b>29,924</b>

	Year to 31 October 2016			
	HP	Digital	Bol/Medas	Total
	£'000	£'000	£'000	£'000
Dividends from equities	2,694	3,345	-	6,039
Income from bonds	809	643	-	1,452
Income from pooled investment vehicles	5,042	6,394	-	11,436
Interest on cash deposits	65	40	-	105
	<b>8,610</b>	<b>10,422</b>	<b>-</b>	<b>19,032</b>

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**10. Investment management expenses**

	Year to 31 October 2017		
	HP	Digital	Total
	£'000	£'000	£'000
Administration, management and custody	2,345	2,855	5,200
Other advisory fees	100	120	220
	<b>2,445</b>	<b>2,975</b>	<b>5,420</b>

	Year to 31 October 2016			
	HP	Digital	Bol/Medas	Total
	£'000	£'000	£'000	£'000
Administration, management and custody	3,063	3,354	55	6,472
Other advisory fees	91	134	3	228
	<b>3,154</b>	<b>3,488</b>	<b>58</b>	<b>6,700</b>

The movement in the administration, management and custody expenses reflects certain timing differences in respect of the fees as well as changes in the Plan's portfolio.

**11. Investment Reconciliation**

The following tables show the movements on Plan investment assets during the year. The change in market value includes realised profits and losses arising on sales of investments during the year together with surpluses and deficits arising from the revaluation of investments held at the year-end to market value and to sterling where the investments are denominated in foreign currencies.

HP Section	Market Value at 1 November 2016 £'000	Purchases at cost and derivative payments £'000	Sales proceeds and derivative receipts £'000	Change in Market Value £'000	Market Value at 31 October 2017 £'000
Equities	82,869	18,888	(79,057)	(857)	21,843
Bonds	28,250	266,385	(97,894)	(3,812)	192,929
Pooled investment vehicles	1,466,703	980,656	(1,033,482)	53,193	1,467,070
Derivatives	(78)	2,187,495	(2,203,632)	16,602	387
AVC investments	17,868	1,250	(4,006)	1,066	16,178
	<b>1,595,612</b>	<b>3,454,674</b>	<b>(3,418,071)</b>	<b>66,192</b>	<b>1,698,407</b>
Cash in transit	25,000			-	-
Other	5,190			(63)	3,132
	<b>1,625,802</b>			<b>66,129</b>	<b>1,701,539</b>

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**11. Investment Reconciliation (continued)**

Digital Section	Market Value at 1 November 2016 £'000	Purchases at cost and derivative payments £'000	Sales proceeds and derivative receipts £'000	Change in Market Value £'000	Market Value at 31 October 2017 £'000
Equities	92,875	14,089	(106,638)	(325)	1
Bonds	33,915	297,632	(130,916)	13,519	214,150
Pooled investment vehicles	1,610,727	1,125,165	(1,175,100)	40,173	1,600,965
Derivatives	(8)	6,506	(6,144)	56	410
AVC investments	9,875	1,045	(1,329)	491	10,082
	<b>1,747,384</b>	<b>1,444,437</b>	<b>(1,420,127)</b>	<b>53,914</b>	<b>1,825,608</b>
Cash in transit	28,000			-	-
Other	4,655			20,269	2,681
	<b>1,780,039</b>			<b>74,183</b>	<b>1,828,289</b>

Included within both Sections' purchases and sales are direct transaction costs comprising fees, commission and stamp duty. These costs are attributable to the key asset classes as follows:

HP Section	Fees £'000	Commission £'000	Stamp Duty £'000	2017 Total £'000	2016 Total £'000
Equities	1	70	-	71	73
Bonds	-	54	-	54	-
Derivatives	-	216	-	216	49
	<b>1</b>	<b>340</b>	<b>-</b>	<b>341</b>	<b>122</b>

Digital Section	Fees £'000	Commission £'000	Stamp Duty £'000	2017 Total £'000	2016 Total £'000
Equities	1	78	-	79	85
Bonds	-	60	-	60	-
Derivatives	-	255	-	255	-
	<b>1</b>	<b>393</b>	<b>-</b>	<b>394</b>	<b>85</b>

Indirect transaction costs are incurred through the bid-offer spread on investments within pooled investment vehicles and are not separately identifiable.

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**12. Pooled investment vehicles**

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

<b>HP Section</b>	<b>Year to 31 October 2017</b>	<b>Year to 31 October 2016</b>
	<b>£'000</b>	<b>£'000</b>
Equities	109,509	726,629
Bonds	152,141	278,407
Liquidity	94,004	946
Multi-Asset	444,978	97,056
Property	6	22,945
LDI	666,432	340,720
	<b>1,467,070</b>	<b>1,466,703</b>

<b>Digital Section</b>	<b>Year to 31 October 2017</b>	<b>Year to 31 October 2016</b>
	<b>£'000</b>	<b>£'000</b>
Equities	92,382	852,070
Bonds	149,024	246,549
Liquidity	102,380	-
Multi-Asset	421,293	107,502
Property	-	35,986
LDI	835,886	368,620
	<b>1,600,965</b>	<b>1,610,727</b>

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**13. Derivatives**

The Trustee has authorised the use of derivatives by its investment managers as part of its investment strategy for the Plan as explained in the Trustee's Report. Summarised details of the derivatives held at the year-end are set out below:

**HP Section Derivatives**

	2017 Assets £'000	2017 Liabilities £'000	2016 Assets £'000	2016 Liabilities £'000
<b>Forward currency contracts</b>	<b>879</b>	<b>492</b>	<b>458</b>	<b>536</b>

**Forward Foreign Exchange (FX)**

The Plan has open FX contracts at the year-end relating to its currency hedging strategy as follows:

Forward Contracts			Asset value at year end £'000	Liability value at year end £'000
Settlement date	Currency Bought	Currency Sold		
22/11/2017	GBP 322,109	EUR 367,000	2	-
20/12/2017	GBP 324,257	EUR 367,000	2	-
24/01/2018	GBP 327,898	EUR 367,000	5	-
22/11/2017	GBP 24,712,721	USD 31,934,000	679	-
20/12/2017	GBP 22,984,437	USD 31,222,000	-	492
24/01/2017	GBP 24,241,800	USD 32,024,000	191	-
<b>Total 2017</b>			<b>879</b>	<b>492</b>
<b>Total 2016</b>			<b>458</b>	<b>536</b>

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**13. Derivatives (continued)**

**Digital Section - Derivatives**

	2017 Assets £'000	2017 Liabilities £'000	2016 Assets £'000	2016 Liabilities £'000
<b>Forward currency contracts</b>	<b>954</b>	<b>544</b>	<b>578</b>	<b>586</b>

**Forward Foreign Exchange (FX)**

Forward Contracts	Currency Bought	Currency Sold	Asset value at year end £'000	Liability value at year end £'000
<b>Settlement date</b>				
22/11/2017	GBP 358,404	EUR 406,000	2	-
20/12/2017	GBP 358,707	EUR 406,000	2	-
24/01/2018	GBP 362,784	EUR 406,000	6	-
22/11/2017	GBP 26,675,638	USD 34,470,500	732	-
22/11/2017	GBP 610,463	USD 800,000	8	-
25/12/2017	GBP 25,366,448	USD 34,460,000	-	544
24/01/2018	GBP 26,095,977	USD 34,475,500	204	-
<b>Total 2017</b>			<b>954</b>	<b>544</b>
<b>Total 2016</b>			<b>578</b>	<b>586</b>

The Plan's investment managers use derivatives (forwards, futures and options) to manage currency risk in portfolios or generate returns from active currency management. Where returns are earned in non-sterling denominated currencies the manager may use currency derivatives to hedge out any change in returns resulting purely from currency moves which are beyond the manager's control. Use of currency in this context is not intended to add value to the portfolio and used only to mitigate the impact of currency movements against sterling. Some of the Plan's investment managers use currency derivatives to add value to their portfolios. Where a manager has a view that one currency is cheap or expensive relative to another, they will use derivatives to express this view.

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**14. AVC assets**

	At 31 October 2017		
	HP	Digital	Total
	£'000	£'000	£'000
Equitable Life	756	847	1,603
MGM Assurance/Scottish Friendly	77	-	77
Standard Life	200	-	200
Clerical Medical	-	-	-
Phoenix Life	-	181	181
Legal & General	15,145	9,054	24,199
	<b>16,178</b>	<b>10,082</b>	<b>26,260</b>

	At 31 October 2016			
	HP	Digital	Bol/Medas	Total
	£'000	£'000	£'000	£'000
Equitable Life	933	880	-	1,813
MGM Assurance/Scottish Friendly	75	-	-	75
Standard Life	181	-	-	181
Clerical Medical	8	-	-	8
Phoenix Life	-	183	-	183
Legal & General	16,671	8,812	-	25,483
	<b>17,868</b>	<b>9,875</b>	<b>-</b>	<b>27,743</b>

The AVCs above are invested in a mix of with-profit policies, building society arrangements, managed and unit-linked funds. These are invested on a money purchase basis. Members participating in these arrangements each receive an annual statement as at 31 October confirming the amounts held in their account and the movements in the period.

In addition to the AVC investments held by the Plan shown above, Digital Section members can pay in-plan AVCs to provide added years benefits. The AVCs invested in this way are held by the Plan in the main pool of investments.

The Trustee holds assets invested separately from the main fund in the form of insurance policies, unit-linked investments and with profit funds securing additional benefits on a money purchase basis for those members electing to pay additional voluntary contributions.

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**15. Investment Fair Value Hierarchy**

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

- Level 1: The unadjusted quoted price in an active market for identical assets or liabilities that the entity can access on the measurement date.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable (i.e. developed using market data) for the asset or liability, either directly or indirectly.
- Level 3: Inputs are unobservable (i.e. that is for which market data is unavailable) for the asset or liability

The Plan's investment assets and liabilities disclosed according to the above hierarchy categories are as follows:

	Level 1 £'000	Level 2 £'000	Level 3 £'000	2017 Total £'000
<b>HP Section</b>				
Equities	21,843	-	-	21,843
Bonds	-	192,929	-	192,929
Pooled investment vehicles	-	1,467,070	-	1,467,070
Derivatives	387	-	-	387
AVC investments	-	15,145	1,033	16,178
Other investment balances	3,132	-	-	3,132
<b>Digital Section</b>				
Equities	1	-	-	1
Bonds	-	214,150	-	214,150
Pooled investment vehicles	-	1,600,965	-	1,600,965
Derivatives	410	-	-	410
AVC investments	-	9,054	1,028	10,082
Other investment balances	2,681	-	-	2,681
	<b>28,454</b>	<b>3,499,313</b>	<b>2,061</b>	<b>3,529,828</b>



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**15. Investment Fair Value Hierarchy (continued)**

	Level 1 £'000	Level 2 £'000	Level 3 £'000	2016 Total £'000
<b>HP Section</b>				
Equities	82,869	-	-	82,869
Bonds	-	28,250	-	28,250
Pooled investment vehicles	-	1,385,776	80,927	1,466,703
Derivatives	(78)	-	-	(78)
AVC investments	-	16,676	1,192	17,868
Cash in transit	25,000	-	-	25,000
Other investment balances	5,190	-	-	5,190
<b>Digital Section</b>				
Equities	92,875	-	-	92,875
Bonds	-	33,915	-	33,915
Pooled investment vehicles	-	1,513,230	97,497	1,610,727
Derivatives	(8)	-	-	(8)
AVC investments	-	8,812	1,063	9,875
Cash in transit	28,000	-	-	28,000
Other investment balances	4,655	-	-	4,655
	238,503	2,986,659	180,679	3,405,841

**16. Investment Risk Disclosures**

**Investment Risks**

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

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

**Market risk;** this comprises currency risk, interest rate risk and other price risk.

**Currency risk:** this is the risk that the fair value of future cash flows of a financial asset will fluctuate because of changes in foreign exchange rates.

**Interest rate risk:** this is the risk that the fair value of future cash flows of a financial asset will fluctuate because of changes in market interest rates.

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

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

Further information on the Trustee's approach to risk management and the Plan's exposures to credit and market risks are set out below. This does not include annuity insurance policies or AVC investments as these are not considered significant in relation to the overall investments of the Plan.

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**16. Investment Risk Disclosures (continued)**

**Credit Risk**

The Plan is subject to credit risk as it invests in bonds, OTC derivatives and has cash balances. The Plan also invests in pooled investment vehicles and is therefore directly exposed to credit risk in relation to the instruments it holds in the pooled investment vehicles and is indirectly exposed to the credit risks arising on the financial instruments held by the pooled investment vehicles.

Analysis of direct credit risk

**HP Section**

31 October 2017 (£'000)	Investment grade	Non-investment grade	Unrated	Total
Bonds	192,929	-	-	192,929
OTC Derivatives	-	-	386	386
Cash	3,132	-	-	3,132
PIVs	-	-	1,467,071	1,467,071
<b>Total</b>	<b>196,061</b>	<b>-</b>	<b>1,467,457</b>	<b>1,663,518</b>

31 October 2016 (£'000)	Investment grade	Non-investment grade	Unrated	Total
Bonds	28,250	-	-	28,250
OTC Derivatives	-	-	(78)	(78)
Cash	30,201	-	-	30,201
PIVs	-	-	1,466,703	1,466,703
<b>Total</b>	<b>58,451</b>	<b>-</b>	<b>1,466,625</b>	<b>1,525,076</b>

**Digital Section**

31 October 2017 (£'000)	Investment grade	Non-investment grade	Unrated	Total
Bonds	214,150	-	-	214,150
OTC Derivatives	-	-	410	410
Cash	2,681	-	-	2,681
PIVs	-	-	1,600,965	1,600,965
<b>Total</b>	<b>216,831</b>	<b>-</b>	<b>1,601,375</b>	<b>1,818,206</b>

31 October 2016 (£'000)	Investment grade	Non-investment grade	Unrated	Total
Bonds	33,915	-	-	33,915
OTC Derivatives	-	-	(7)	(7)
Cash	32,584	-	-	32,584
PIVs	-	-	1,610,727	1,610,727
<b>Total</b>	<b>66,499</b>	<b>-</b>	<b>1,610,720</b>	<b>1,677,219</b>

Credit risk arising on bonds is mitigated by investing in government bonds where the credit risk is minimal, or corporate bonds which are rated at least investment grade.

The Plan also invests via pooled vehicles in a range of bonds which are non-investment grade, including high yield bonds, convertible bonds, leveraged loans and securitised bonds. The Trustee manages the associated credit risk with these non-investment grade bonds by requesting that the investment managers undertake fundamental credit analysis of each of the issues they hold, and that the investment managers diversify their portfolios to minimise the impact of default by any one issuer. This is the position at the year end.

Credit risk arising on derivatives depends on whether the derivative is exchange traded or over the counter (OTC). OTC derivative contracts are not guaranteed by any regulated exchange and therefore the Plan is subject to risk of failure of the counterparty. The credit risk for OTC swaps is reduced by collateral arrangements. Credit risk also arises on forward foreign currency contracts. There are no collateral arrangements for these contracts and the Trustee delegates responsibility for the selection and monitoring of the counterparties to the respective investment managers.

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**16. Investment Risk Disclosures (continued)**

Directly held cash is mostly held at the Plan's custodian, State Street, although some of the investment managers also hold cash with other counterparties, where they are responsible for the selection and monitoring of the counterparties. The Plan's holdings in pooled investment vehicles are unrated. Direct credit risk arising from pooled investment vehicles is mitigated by the underlying assets of the pooled arrangements being ring-fenced from the pooled manager, the regulatory environments in which the pooled managers operate and diversification of investments amongst a number of pooled arrangements. The Trustee carries out due diligence checks on the appointment of new pooled investment managers and on an ongoing basis monitors any changes to the regulatory and operating environment of the pooled manager.

A summary of the pooled investment vehicles by type of arrangement is as follows:

**HP Section**

	31 October 2017 (£'000)	31 October 2016 (£'000)
Unit linked insurance contract	10,870	377,913
Open ended investment companies	298,087	200,478
Common contractual fund	381,138	484,214
Qualifying Investor Alternative Investment Fund	666,433	355,615
Cayman Islands limited company	5,285	48,288
Cayman Islands exempt company	88,146	-
Limited Partnership	17,111	195
<b>Total</b>	<b>1,467,070</b>	<b>1,466,703</b>

**Digital Section**

	31 October 2017 (£'000)	31 October 2016 (£'000)
Unit linked insurance contract	-	344,732
Open ended investment companies	278,037	231,849
Common contractual fund	366,775	587,700
Qualifying Investor Alternative Investment Fund	835,886	392,180
Cayman Islands limited company	5,940	54,266
Cayman Islands exempt company	95,542	-
Limited Partnership	18,785	-
<b>Total</b>	<b>1,600,965</b>	<b>1,610,727</b>

Indirect credit risk arises in relation to underlying investments held in the bond pooled investment vehicles. This risk is mitigated by only investing in pooled funds which invest in predominantly investment grade credit rated securities, i.e. Insight UK Credit, HP Invest Global Bonds.

**Currency Risk**

The Plan is subject to currency risk because some of the Plan's investments are held in overseas markets, either as segregated investments or via pooled investment vehicles. The Trustee manages the risk of overseas currency exposure through a currency hedging policy.

The Plan's total unhedged exposure by major currency at the year end was as follows. The mandate for the currency overlay transitioned to Insight from SSGA during the last twelve months. The figures provided in the table below are before allowing for the Insight currency overlay (described below), but after any currency hedging which is undertaken by the investment managers.

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**16. Investment Risk Disclosures (continued)**

**HP Section**

Currency	31 October 2017 (£'000)	31 October 2016 (£'000)
US Dollar	378,782	488,619
Euro	1,946	6,022
Japanese Yen	2,133	10,020
Other	4,365	16,095

**Digital Section**

Currency	31 October 2017 (£'000)	31 October 2016 (£'000)
US Dollar	350,292	583,238
Euro	1	6,353
Japanese Yen	-	11,053
Other	12	17,837

The Plan has a passive currency hedge overlay mandate managed by Insight which hedges some of the Plan's currency exposures. The mandate aims to hedge 50% of the developed market currency exposure arising from the HP Invest Global Equity, Mesrow and Morgan Stanley portfolios. The Goldman Sachs Senior Private Debt and USD cash holdings are also both fully hedged from US dollar back to sterling. The currency hedge overlay did maintain a 50% hedge on the SSGA and L&G International Equity holdings which were terminated prior to year end. Emerging market currency exposures are not hedged due to practical limitations and costs for hedging these currencies and expected long-term appreciation of emerging market currencies relative to sterling.

**Interest Rate Risk**

The Plan is subject to interest rate risk through its direct holdings in bonds and the indirect holdings in pooled bond funds and the pooled LDI portfolio. The position at the year end was:

**HP Section**

	31 October 2017 (£'000)	31 October 2016 (£'000)
Bonds	192,929	28,250
Bond PIVs	302,011	211,891
Alternatives PIVs	122,060	-
LDI PIVs	666,433	340,890
Total	1,283,433	581,031

**Digital Section**

	31 October 2017 (£'000)	31 October 2016 (£'000)
Bonds	214,150	33,915
Bond PIVs	310,688	228,868
Alternatives PIVs	134,080	-
LDI PIVs	835,885	368,806
Total	1,494,803	631,589

**Other Price Risk**

Other price risk arises principally in relation to the Plan's return seeking portfolio, which includes directly held equities, and also pooled fund investments in equities, property and hedge funds.

The Plan manages this exposure to other price risk by constructing a diverse portfolio of investments across various markets.

At the year end, the Plan's exposure to investments subject to other price risk was:

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**HP Section**

	31 October 2017 (£'000)	31 October 2016 (£'000)
Equities	21,843	82,868
Equity PIVs	276,183	735,272
Property PIVs	6	22,945
Hedge Funds	100,377	155,857
<b>Total</b>	<b>398,409</b>	<b>996,942</b>

**Digital Section**

	31 October 2017 (£'000)	31 October 2016 (£'000)
Equities	1	92,875
Equity PIVs	251,480	807,730
Property PIVs	-	35,986
Hedge Funds	68,831	170,544
<b>Total</b>	<b>320,312</b>	<b>1,107,135</b>

**17. Current assets**

	at 31 October 2017		
	HP	Digital	Total
	£'000	£'000	£'000
Cash balances	8,615	19,154	27,769
Other debtors	18	350	368
Intersection balance	-	956	956
	<b>8,633</b>	<b>20,460</b>	<b>29,093</b>

	at 31 October 2016			
	HP	Digital	Bol/Medas	Total
	£'000	£'000	£'000	£'000
Cash balances	19,369	24,667	-	44,036
Other debtors	524	267	-	791
Intersection balance	-	13	-	13
	<b>19,893</b>	<b>24,947</b>	<b>-</b>	<b>44,840</b>

The intersection balance is made up of asset transfers between the HP and Digital Sections during the year.

**18. Current Liabilities**

	at 31 October 2017		
	HP	Digital	Total
	£'000	£'000	£'000
Unpaid benefits	252	234	486
Accrued expenses	1,055	1,293	2,348
Other creditors	426	399	825
Intersection balance	956	-	956
	<b>2,689</b>	<b>1,926</b>	<b>4,615</b>

**THE HEWLETT-PACKARD LIMITED RETIREMENT BENEFITS PLAN  
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	at 31 October 2016			
	HP £'000	Digital £'000	Bol/Medas £'000	Total £'000
Unpaid benefits	587	-	-	587
Accrued expenses	1,195	1,260	-	2,455
Other creditors	328	453	-	781
Intersection balance	13	-	-	13
	2,123	1,713	-	3,836

**19. Concentration of investments**

Except for the investments noted below, which comprise 66.63% (2016: 63.12%) of the Plan assets, the Plan does not hold over 5% of its funds in any one form of investment:

Managed by:	Holdings	31 October 2017	
		Market Value £'000	Percentage %
Insight	LDI Solutions Plus Fund 11/12 CLS 'B' Shares	1,502,319	42.27
Northern Trust	Invest GLB SB F	461,570	12.99
M&G	Long Dated Asset Fund	220,250	6.20
Apollo	Total Return Fund (Offshore) Ltd	183,688	5.17

Managed by:	Holdings	31 October 2016	
		Market Value £'000	Percentage %
Insight	LDI Solutions Plus Fund 11/12 CLS 'B' Shares	709,340	20.58
Northern Trust	Invest GLB SB F	630,749	18.30
HP Invest	CCF Global Bond Fund Common Stock	203,947	5.92
Northern Trust	Emerging MKT EQT SF	237,219	6.88
SSGA	MPF North America Equities	215,203	6.24
Morgan	Global Property	179,381	5.20

**THE HEWLETT-PACKARD LIMITED RETIREMENT BENEFITS PLAN  
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**19. Concentration of investments (continued)**

The Plan holds units in the Insight LDI Active 11 and 12 funds of £1,502m. The Plan is the sole investor in these funds. The underlying investments in the funds comprise:

	<b>31 October 2017</b>
	<b>£'000</b>
Asset Swaps	(79,725)
Interest Rate Swaps	(29,295)
LPI Swaps	7,894
RPI Swaps	(22,754)
Corporate Index Linked	21,724
Government Index Linked	1,025,640
Government	612,247
Repurchase Agreements	(68,730)
Liquidity Funds	35,317
	<u>1,502,318</u>

	<b>31 October 2016</b>
	<b>£'000</b>
Asset Swaps	(81,580)
Interest Rate Swaps	(87,316)
Futures	(82,975)
Fixed Income Futures	82,975
LPI Swaps	5,795
RPI Swaps	(20,785)
Corporate Index Linked	22,406
Government Index Linked	809,783
Government	1,361,644
Repurchase Agreements	(1,311,787)
Liquidity Funds	11,180
	<u>709,340</u>

**20. Employer related investments**

For the current period the Plan had a direct holding of £nil as at 31 October 2017 in the Hewlett-Packard Company (2016: £nil).

**21. Related party transactions**

During the year the Plan reimbursed fees and expenses incurred by the following whilst carrying out their duties as Trustee Directors of the Plan – A Dodd, P Early, G Manning, P Lawman, J Lord, K Norrington, P Oram and M Smith. These costs are included in note 8.

The company bears additional administrative costs, which are not shown in note 8 and are not recharged to the Plan.

Except as disclosed above and elsewhere in the financial statements, there are no transactions, balances or relationships that require disclosure under the Pension SORP and FRS102.

**THE HEWLETT-PACKARD LIMITED RETIREMENT BENEFITS PLAN  
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE  
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**NOTES TO THE FINANCIAL STATEMENTS**

---

**22. Contingent liabilities**

Other than the liabilities to pay future pensions, there are no contingent liabilities of the Plan at 31 October 2017 (2016: £nil).



# THE HEWLETT-PACKARD LIMITED RETIREMENT BENEFITS PLAN

## INDEPENDENT AUDITOR'S STATEMENT ON CONTRIBUTIONS PAYABLE TO THE PLAN

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### Statement about contributions

We have examined the summary of contributions payable under the schedule of contributions to the Hewlett-Packard Limited Retirement Benefits Plan in respect of the Plan year ended 31<sup>st</sup> October 2017 which is set out on page 48-49.

In our opinion contributions for the Plan year ended 31<sup>st</sup> October 2017 as reported in the summary of contributions and payable under the schedule of contributions have in all material respects been paid at least in accordance with the schedules of contributions certified by the actuary on 27 April 2016 and 12 July 2017.

### Scope of work on statement about contributions

Our examination involves obtaining evidence sufficient to give reasonable assurance that contributions reported in the summary of contributions have in all material respects been paid at least in accordance with the schedule of contributions. This includes an examination, on a test basis, of evidence relevant to the amounts of contributions payable to the Plan and the timing of those payments under the schedule of contributions.

### Respective responsibilities of trustees and auditor

As explained more fully in the Statement of Trustee's Responsibilities set out on pages 48, the Plan's Trustee is responsible for ensuring that there is prepared, maintained and from time to time revised a schedule of contributions showing the rates and due dates of certain contributions payable towards the Plan by or on behalf of the employer and the active members of the Plan. The Trustee is also responsible for keeping records in respect of contributions received in respect of active members of the scheme and for monitoring whether contributions are made to the Plan by the employer in accordance with the schedule of contributions.

It is our responsibility to provide a statement about contributions paid under the schedule of contributions to the scheme and to report our opinion to you.

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

This statement is made solely to the Plan's Trustee, as a body in accordance with the Pensions Act 1995 and Regulations made thereunder. Our work has been undertaken so that we might state to the Plan's Trustee those matters we are required to state to it in an auditor's statement about contributions and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Plan's Trustee, as a body for our work, for this statement, or for the opinions we have formed.



.....  
**Kevin Clark for and on behalf of KPMG LLP,  
Statutory Auditor**

15 Canada Square  
London  
E14 5GL

Date

6 MARCH 2018

**THE HEWLETT-PACKARD LIMITED RETIREMENT BENEFITS PLAN  
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**SUMMARY OF CONTRIBUTIONS**

---

**Statement of Trustee's Responsibilities in respect of contributions**

The Trustee is responsible under pensions legislation for ensuring that there is prepared, maintained and from time to time revised a payment schedule showing the rates of contributions payable towards the Plan by or on behalf of the employer and the active members of the Plan and the dates on or before which such contributions are to be paid.

The Trustee is also responsible for keeping records of contributions received in respect of any active member of the Plan and for procuring that contributions are made to the Plan in accordance with the schedule.

During the year ended 31 October 2017, the contributions payable to the Plan under the Schedules of Contributions were as follows:

<b>Contributions payable under the schedules in respect of the Plan year</b>	<b>£'000s</b>
Employer:	
normal contributions	3,036
deficit repair contributions	94,604
Member:	
normal contributions	0
<b>Contributions payable under the Schedules (as reported on by the Plan auditor)</b>	<b>97,640</b>

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**THE HEWLETT-PACKARD LIMITED RETIREMENT BENEFITS PLAN  
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**SUMMARY OF CONTRIBUTIONS**

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**Reconciliation of contributions**

Reconciliation of contributions payable under the schedules of contributions reported in the accounts in respect of the Plan year:

	<b>£'000s</b>
Contributions payable under the Schedules (as above)	97,640
Contributions payable in addition to those due under the Schedules (and not reported on by the Plan auditor):	
Employee directed	1,290
Augmentations	3,721
Additional voluntary contributions	73
Life Assurance	
Total contributions reported in the accounts	<u>102,724</u>

Signed on behalf of the Trustee on 28 February 2018

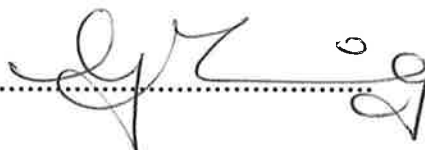
**Andrew Dodd**

Trustee Director Signature



**Gillian Manning**

Trustee Director Signature



# THE HEWLETT-PACKARD LIMITED RETIREMENT BENEFITS PLAN ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2017

## COMPLIANCE STATEMENT

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### Tax status of the Plan

The Plan is established and is governed by the Rules and is a registered pension plan under Schedule 36 of the Finance Act 2004. Prior to the introduction of this Act, the Plan was an "exempt approved Plan" under the terms of the Income and Corporation Taxes Act 1988.

### Contracted out Status

From 6 April 2016, it was not possible for pension schemes to be contracted out of the State Second Pension and active members ceased to be contracted out from that date.

### HP Section's Pension Increases

The elements that receive guaranteed increases are Post 1997 Pension, Pre 1997 Qualifying Pension and Post 1988 GMP. In addition, Hewlett-Packard Limited is required under the Rules of the Plan to regularly review pensions and may award discretionary increases from time to time as it decides, subject to the consent of the Trustee.

The pensions in payment were increased at 6 April 2017 as follows:

Pre 1997 Non-Qualifying Pension	0.0%
Pre 1997 Qualifying Pension	1.67%
Post 1997 Pension	2.5%
Pre 1988 GMP (if applicable)	0.0%
Post 1988 GMP (if applicable)	1.0%
AVC Increasing pension	2.5%
Post 1997 Pension (former Bol members)	1.0%
Post 1997 Pension (former Medas members)	2.5%
Pre 1997 Pension (in excess of GMP)	2.5%
Post 2005 Pension (former Bol members)	1.0%

Hewlett-Packard Limited decided not to award any discretionary pension increases during the year.

### Digital Section's Pension Increases

The elements that receive guaranteed increases are Post 1997 Pension, Post 2005 Pension and Post 1988 GMP. In addition, Hewlett-Packard Limited is required under the Rules of the Plan to review pensions at least annually and may award discretionary increases from time to time as it decides.

The pensions in payment were increased at 6 April 2017 as follows:

Pre 1997 Pension (in excess of GMP)	0.0%
Post 1997 Pension (5% LPI)	2.6%
Post 1997 Pension (2.5% LPI)	2.5%
Post 97 (6-4-97 to 7-3-00 Leavers) (CPI)	1.0%
Post 2005 Pension (5% LPI Members)	2.5%
Post 2005 Pension (non 5% LPI Members)	2.5%
Pre 1988 GMP (if applicable)	0.0%
Post 1988 GMP (if applicable)	1.0%
External AVCs (Non-increasing)	0.0%
External AVCs (2.5% LPI)	2.5%
External AVCs (5% LPI)	2.6%

Hewlett-Packard Limited decided not to award any discretionary pension increases during the year.

# THE HEWLETT-PACKARD LIMITED RETIREMENT BENEFITS PLAN ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2017

## COMPLIANCE STATEMENT

---

### **Increases to pensions in deferment - All sections**

GMP is increased in deferment at a fixed rate depending on the date of leaving service. This rate applies until age 65 (men) or 60 (women).

For all Plan members other than those who transferred in from the Medas Pension Scheme, benefits in excess of GMP are increased in line with statutory deferred increase orders, subject to a maximum increase of 5% p.a. for the period of deferment in respect of service prior to 6 April 2009. For members who left service before 1 January 1991, increases to non-GMP benefit may be below this level.

For service after 5 April 2009 (BoI / Medas) or 1 May 2009 (HP and Digital) the maximum increase is 2.5% p.a. for the period of deferment.

For Plan members who transferred in from the Medas Pension Scheme, benefits in excess of GMP are increased in line with increases in the Retail Price Index.

### **Transfer values**

Transfer values paid during the year were calculated using assumptions set by the Trustee which were expected to place a best estimate value on the cost of providing the preserved benefits within the Plan. In setting these assumptions the Trustee first obtained the advice of the Scheme Actuary. No transfer values paid during the year were reduced as a result of the funding level of the Plan. No discretionary benefits have been included in the calculation of transfer values. It should be noted that the calculation basis and transfer value assumptions for all Sections of the Plan were revised with effect from August 2017.

### **Enquiries**

Any enquiries about the Plan, including requests from individuals for information about their benefits, should be sent to:

The Trustee of the Hewlett-Packard Limited Retirement Benefits Plan care of:  
Equiniti Paymaster Limited  
Sutherland House  
Russell Way  
Crawley  
West Sussex  
RH1 1UH

Equiniti may be contacted on the Hotline number (01293 604844) or by sending an e-mail quoting your badge number or pension ID to:

HP Section (including former BOI/Medas Section members): [hp2@equiniti.com](mailto:hp2@equiniti.com)  
Digital Section: [digital@equiniti.com](mailto:digital@equiniti.com)

### **Internal Dispute Resolution Procedure**

The Trustee has a formal dispute resolution procedure in place. Any complaints about the Plan should be made in writing to:

The Trustee of the Hewlett-Packard Limited Retirement Benefits Plan care of:  
Secretary to the Trustee  
Hewlett-Packard Limited Retirement Benefits Plan  
Inside Pensions  
3<sup>rd</sup> Floor,  
54 – 56 Victoria Street  
St Albans, Hertfordshire, AL1 3HZ

Most pension queries can usually be resolved informally, and initial enquiries from employees should be directed to the Hewlett-Packard Human Resources department.

**THE HEWLETT-PACKARD LIMITED RETIREMENT BENEFITS PLAN  
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE  
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**COMPLIANCE STATEMENT**

---

Enquiries relating specifically to employment matters (e.g. salary queries) will also be dealt with by Hewlett-Packard Human Resources.

If a dispute cannot be resolved informally, the Plan's formal Internal Dispute Resolution Procedure is available.

**Scheme registration numbers**

HP Section:19003501, Digital Section:19003503

**THE HEWLETT-PACKARD LIMITED RETIREMENT BENEFITS PLAN  
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE  
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**ACTUARIAL CERTIFICATION OF THE SCHEDULE OF CONTRIBUTIONS**

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**ACTUARIAL CERTIFICATION OF THE SCHEDULE OF CONTRIBUTIONS**

Name of scheme: THE HEWLETT-PACKARD LIMITED RETIREMENT BENEFITS PLAN -  
HEWLETT-PACKARD SECTION

**Adequacy of rates of contributions**

1. I certify that, in my opinion, the rates of contributions shown in this schedule of contributions are such that the statutory funding objective could have been expected on 31 October 2015 to be met by the end of the period specified in the recovery plan dated 24 January 2018.

**Adherence to statement of funding principles**

2. I hereby certify that, in my opinion, this schedule of contributions is consistent with the Statement of Funding Principles dated 30 June 2017.

The certification of the adequacy of the rates of contributions for the purpose of securing that the statutory funding objective can be expected to be met is not a certification of their adequacy for the purpose of securing the scheme's liabilities by the purchase of annuities, if the scheme were wound up.

Signature:



Date:

30 January 2018

Name: David Eteen

Qualification: Fellow of the Institute and  
Faculty of Actuaries

Address:  
Verulam Point  
Station Way  
St. Albans  
Hertfordshire  
AL1 5HE

Name of employer:  
Aon Hewitt Limited

THE HEWLETT-PACKARD LIMITED RETIREMENT BENEFITS PLAN  
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ACTUARIAL CERTIFICATION OF THE SCHEDULE OF CONTRIBUTIONS

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ACTUARIAL CERTIFICATION OF THE SCHEDULE OF CONTRIBUTIONS

Name of scheme: THE HEWLETT-PACKARD LIMITED RETIREMENT BENEFITS PLAN  
DIGITAL SECTION

**Adequacy of rates of contributions**

1. I certify that, in my opinion, the rates of contributions shown in this schedule of contributions are such that the statutory funding objective could have been expected on 31 October 2015 to be met by the end of the period specified in the recovery plan dated 24 January 2018.

**Adherence to statement of funding principles**

2. I hereby certify that, in my opinion, this schedule of contributions is consistent with the Statement of Funding Principles dated 30 June 2017.

The certification of the adequacy of the rates of contributions for the purpose of securing that the statutory funding objective can be expected to be met is not a certification of their adequacy for the purpose of securing the scheme's liabilities by the purchase of annuities, if the scheme were wound up.

Signature:



Date:

30 January 2018

Name: David Eteen

Qualification: Fellow of the Institute and  
Faculty of Actuaries

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St. Albans  
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Name of employer:  
Aon Hewitt Limited