

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

**TRUSTEE'S REPORT AND FINANCIAL  
STATEMENTS**

**YEAR ENDED 31 October 2019**

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**THE HEWLETT-PACKARD LIMITED RETIREMENT BENEFITS PLAN  
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE  
YEAR ENDED 31 OCTOBER 2019**

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**TRUSTEE AND ADVISERS TO THE PLAN**

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<b>Trustee Company</b>	Hewlett Packard Enterprise UK Pension Trustee Limited
	<u>Trustee Directors</u>
	Andrew Dodd*      Chair up to 31 October 2019 Paul Early*      (changed from member nominated to employer nominated) Appointed Chair from 1 November 2019
	Jonathan Lord Phil Lawman*      (member nominated) Keith Norrington* Gillian Manning Martin Smith*      (changed from member nominated to employer nominated)
	Philip French      (member nominated) (appointed on 1 November 2019) Beverly Clements      (member nominated) (appointed on 1 November 2019)
	*In receipt of Plan pension
<b>Administration Both sections</b>	Equiniti Pensions Solutions
<b>Plan Actuary</b>	David Eteen FIA of Aon Hewitt Limited
<b>Secretary to the Trustee</b>	Inside Pensions
<b>Investment Managers Digital and HP (incorporating the former BOI/Medas Section)</b>	Legal and General Investment Management CQS Asset Management Limited Mesirow Financial Product Group (in process of termination) Insight Investment Management (Global) Limited UBS Global Asset Management (HP Section only and in the process of termination) Invesco Asset Management Limited (mandate terminated during the year) Apollo Global Management M&G Investments Goldman Sachs Limited SSGA Ares Management LLC
<b>Investment Consultants</b>	Mercer Limited
<b>AVC Providers – both Sections</b>	Legal & General Assurance Society Limited Equitable Life Assurance Society
<b>AVC Providers HP Section</b>	Scottish Friendly Assurance Society Limited (formerly Marine and General Mutual Life Assurance Society) Standard Life Assurance Limited
<b>AVC Providers Digital Section</b>	Phoenix Life Limited (formerly Royal & Sun Alliance)
<b>Custodians HP and Digital Sections</b>	State Street Europe Limited
<b>Independent Auditor</b>	KPMG LLP

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<b>Solicitor</b>	Linklaters LLP
<b>Employer Covenant Adviser</b>	Lincoln Pensions Limited
<b>Banker</b>	Lloyds Bank Plc
<b>Enquiries</b>	General enquiries from interested parties about the Plan should be addressed to:-

Email : [HP@insidepensions.com](mailto:HP@insidepensions.com)

Address:  
Secretary to the Trustee  
Hewlett-Packard Limited Retirement Benefits Plan  
Inside Pensions  
First Floor,  
Trident House,  
42-48 Victoria Street,  
St Albans  
Hertfordshire  
AL1 3HZ

Enquiries from individual members and other beneficiaries about their entitlements should be addressed to:-

Email : [Hp2@equiniti.com](mailto:Hp2@equiniti.com) (HP members)  
[Digital@equiniti.com](mailto:Digital@equiniti.com) (Digital members)

Address:  
Hewlett-Packard Limited Retirement Benefits Plan  
Equiniti Paymaster  
Sutherland House  
Russell Way  
Crawley  
Surrey  
RH10 1UH

A copy of the Plan summary is available on the Members' website by following this link, <http://hprbp.com/> 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.

# THE HEWLETT-PACKARD LIMITED RETIREMENT BENEFITS PLAN ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2019

## 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 2019. The Plan is a defined benefit plan and provides benefits for permanent employees of the Principal Employer, Hewlett-Packard Limited (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 2019 the Plan had seven 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**

	£'000
Fund value at 1 November 2018	3,476,652
During the year, income to the fund from contributions, investments and other sources amounted to	87,210
Total expenditure was	(128,263)
Net increase/(decrease) before change in market value	(41,053)
The change in market value of investments was	474,379
Which gave total increase/(decrease) in the fund during the year of	433,326
<b>Fund value at 31 October 2019</b>	<b>3,909,978</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.

**Cessation of Hewlett-Packard Manufacturing Limited (HPML)**

Following the restructuring of Hewlett-Packard Limited (HPL), HPML ceased to participate in the Plan from 1 November 2018 and employees transferred to HPL. The Trustee agreed a Flexible Apportionment Agreement with Hewlett-Packard Enterprise Company whereby HPL took over responsibilities for the liabilities of HPML in relation to the Plan.

**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 Valuation**

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. An actuarial valuation of each section of the Plan as at 31 October 2018 has recently been completed.

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

**Actuarial Valuations as at 31 October 2018 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.

**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 2018. This showed that on that date:

The value of the Technical Provisions was:	£1,666.3 million
The value of the assets at that date was:	£1,663.6 million

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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 of the "Term-Dependent Discount Rate", which is equal to the forward gilt curve plus an addition of:

- 1.0% p.a. to the forward rates commencing before 31 October 2030.
- 0.5%p.a. to the forward rates commencing on or after 31 October 2030.

**Future Retail Price Inflation:** Set assuming 25% 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 75% of the liabilities to be valued using a long-term assumption of 3.0% p.a. (or the appropriate lesser percent if more than 25% of RPI linked liabilities are valued in line with market implied retail price inflation). 98% of RPI linked liabilities were hedged as at 31 October 2018.

**Future Consumer Price inflation:** RPI less:

- A deduction of 0.9% p.a. for deriving assumptions relating to revaluations in deferment
- A deduction of 0.8% p.a. for deriving assumptions relating to increases in payment

**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:** 3.0% p.a. in line with long-term pay increase expectations.

**Mortality:** standard tables SAPS S3 "Light" with a scaling factor of 104% for males and SAPS S3 "Light" with a scaling factor of 102% for female active members. Future improvements in line with CMI\_2018 projections with a long-term improvement rate of 1.25% p.a. for men and women, a period smoothing parameter of 7.0, and an initial addition to mortality improvements parameter (A) of 0.5% p.a.

A Schedule of Contributions was put in place in January 2020 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.

Based on the position as at 31 October 2018, the Company paid contribution of £10.7 million into the HP Section in April 2019.

## 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 2018. This showed that on that date:

The value of the Technical Provisions was:	£1,810.7 million
The value of the assets at that date was:	£1,790.4 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 of the "Term-Dependent Discount Rate". The Term-Dependent Discount Rate is equal to the forward gilt curve plus an addition of:

- 1.0% p.a. to the forward rates commencing before 31 October 2030.

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- 0.5%p.a. to the forward rates commencing on or after 31 October 2030.

**Future Retail Price Inflation:** Set assuming 25% 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 75% of the liabilities to be valued using a long-term assumption of 3.0% p.a. (or the appropriate lesser percent if more than 25% of RPI linked liabilities are valued in line with market implied retail price inflation). 99% of RPI linked liabilities were hedged as at 31 October 2018.

**Future Consumer Price Inflation:** RPI less:

- A deduction of 0.9% p.a. for deriving assumptions relating to revaluations in deferment
- A deduction of 0.8% p.a. for deriving assumptions relating to increases in payment

**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:** 3.0% p.a. in line with long-term pay increase expectations.

**Mortality:** standard tables SAPS S3 "Light" with a scaling factor of 109% for males and SAPS S3 "Light" with a scaling factor of 102% for female active members. Future improvements in line with CMI\_2018 projections with a long-term improvement rate of 1.25% p.a. for men and women, a period smoothing parameter of 7.0, and an initial addition to mortality improvements parameter (A) of 0.5% p.a.

A Schedule of Contributions was put in place in January 2020 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.

Based on the position as at 31 October 2018, the Company paid a contribution of £3.8 million into the Digital Section in April 2019.

**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 and would like to receive a lump sum on retirement without having to reduce their pension in the Plan, or for 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/Medas members, can only pay Investment Option AVCs.

**Membership numbers**

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

	2019		2018	
	HP	Digital	Total	Total
Active members	142	114	256	317
Deferred members	2,343	5,028	7,371	7,797
Pensioners	1,783	4,771	6,554	6,288
<b>Total</b>	<b>4,268</b>	<b>9,913</b>	<b>14,181</b>	<b>14,402</b>



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	HP	Digital	Total
<b>Active members</b>			
Active members at 1 November 2018	174	143	317
Adjustments	2	-9	-7
Adjusted balance at 1 November 2018	176	134	310
Leavers – members leaving before retirement	-7	-11	-18
Retirements	-14	-5	-19
Deaths	-1	0	-1
Total	154	118	272
Cash opt out members	-8		-8
Additional query	-4	-4	-8
<b>Total active members at 31 October 2019</b>	<b>142</b>	<b>114</b>	<b>256</b>

	HP	Digital	Total
<b>Deferred members</b>			
Deferred members at 1 November 2018	2,507	5,290	7,797
Adjustments	-12	-2	-14
Adjusted balance at 1 November 2018	2,495	5,288	7,783
Members deferring in the year	7	11	18
Transfers Out	-42	-62	-104
Retirements	-115	-199	-314
Deaths	-2	-10	-12
<b>Total deferred members at 31 October 2019</b>	<b>2,343</b>	<b>5,028</b>	<b>7,371</b>

	HP	Digital	Total
<b>Pensioner members</b>			
Pensioners members at 1 November 2018	1,659	4,629	6,288
Adjustments	9	-14	-5
Adjusted balance at 1 November 2018	1,668	4,615	6,283
New pensioners commencing in the year	129	204	333
New spouse and dependant pensions commencing in the year	14	39	53
Trivial commutation of pension benefits	-5	-26	-31
Deaths	-21	-59	-80
Dependants' pensions ceasing	-2	-2	-4
<b>Total pensioner members at 31 October 2019</b>	<b>1,783</b>	<b>4,771</b>	<b>6,554</b>

**Note: Adjustments in the table above relate to movements notified to the administer after completion of the annual renewal.**

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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 scheme 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 financial statements 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 Plan 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 2019

## 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 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 Board 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 securities held.
- Second, by appointing a number of investment management firms, each of which is considered to be 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 chooses 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 non financially material considerations, including the impact of climate change, as well as ethical and socially responsible investments and has delegated to the investment managers responsibility for taking social, environmental and ethical considerations into account when assessing the financial potential and suitability of investments, 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 12-month period from 1 November 2018, the HP Section met two funding level triggers, at 31 July (100%) and 31 October 2019 (101%). The former resulted in a reduction to the growth portfolio allocation, from 14.4% to 12.0%, and an increase in the liability hedge ratio on the Gilts Hedging Basis from 85% to 87%. The second trigger, resulted in a further 2% increase to the interest rate component of the liability hedge ratio on the Gilts Hedging Basis to 89%. Due to the potential change to the measurement of RPI the inflation component was not increased and remained at 87%. The Digital Section did not meet any funding level triggers over the 12-month period.

Several changes to the strategic asset allocation were made over the year to 31 October 2019 as a result of the introduction of allocations to new asset classes/investment managers:

- (HP and Digital Sections) In May 2019, an allocation of 5% to the Ares Secured Finance Fund was introduced, funded by a reduction in the LDI allocation.

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- (Digital Section) In June, a rebalancing exercise saw the CQS and Apollo Multi Asset Credit Funds allocations increased from 7.2% to 8.6% for each Fund, in order to bring them in line with the allocation of the HP Section.
- (HP and Digital Sections) An allocation to the M&G Real Estate Debt Fund VI was also added over the period, with capital being called from May 2019. This forms part of the 5% Private Debt allocation alongside the existing Goldman Sachs Broad Street Loan Partners III Fund.

The Invesco Global Targeted Returns mandate was terminated in February 2019 for both Sections as a result of a loss of conviction from the TISC in the fund's future return prospects. The monies were transferred to the SSGA Global Equity mandates to maintain the strategic growth allocation.

The Plan maintains 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 residual Mesirow portfolio. The Goldman Sachs Senior Private Debt and USD Liquidity Fund holdings, and the LGIM Buy and Maintain Credit mandates are fully hedged from US dollar back to sterling. Euro exposure within the LGIM Buy and Maintain Credit mandates is also hedged back to sterling.

With full approval of the Trustee and after consultation with the Company, the Plan's strategic asset allocation, excluding AVCs, as at 31 October 2019 is as follows:

**Hewlett-Packard Section**

Asset Class	Allocation as at 31/10/2019 (%)	Allocation as at 31/10/2018 (%)
Global Equity	12.0	10.0
Diversified Growth Fund	0.0	4.4
Multi Asset Credit	17.2	17.2
Buy & Maintain Credit	10.0	10.0
Secured Finance	5.0	0.0
Illiquid Secure Income*	10.0	10.0
Senior Private Debt*	5.0	5.0
LDI	40.8	43.4
Total	100.0	100.0

50% of the developed market overseas currency exposure is hedged back to sterling for the Growth assets (first 2 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 6 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**

Asset Class	Allocation as at 31/10/2019 (%)	Allocation as at 31/10/2018 (%)
Global Equity	12.4	10.0
Diversified Growth Fund	0.0	2.4
Multi Asset Credit	17.2	14.4
Buy & Maintain Credit	10.0	10.0
Secured Finance	5.0	0.0
Illiquid Secure Income*	10.0	10.0
Senior Private Debt*	5.0	5.0
LDI	40.4	48.2
<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 2 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 6 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.

**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, and excluding net current assets as at 31 October 2019:

**Hewlett-Packard Section**

	Market Value (£m)*	Percentage %
Global Equity	222.3	11.8
Fund of Hedge Funds	0.3	0.0
Property	0.0	0.0
Multi Asset Credit	297.0	15.8
Buy & Maintain Credit	188.3	10.0
Secured Finance	82.2	4.4
Illiquid Secure Income <sup>1</sup>	175.2	9.3
Senior Private Debt <sup>1</sup>	88.7	4.7
LDI <sup>2</sup>	786.9	41.8
Cash	42.2	2.2
<b>Total</b>	<b>1,883.1</b>	<b>100.0</b>

\* Based on bid valuations where available.

<sup>1</sup> Illiquid Secure Income and Senior Private Debt valuations include amounts being held to fund commitments.

<sup>2</sup> LDI valuation includes £5.4m of unrealised gains from the currency hedge.

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Investment Manager	Asset Class	Market Value (£m)*	Percentage %
SSGA	Global Equity	222.3	11.8
Mesirow	Fund of Hedge Funds	0.3	0.0
UBS	Property	0.0	0.0
Insight <sup>2</sup>	LDI	786.9	41.8
CQS	Multi Asset Credit	149.9	8.0
Apollo	Multi Asset Credit	147.1	7.8
Ares	Secured Finance	82.2	4.4
L&G	Buy & Maintain Credit	188.3	10.0
M&G <sup>1</sup>	Illiquid Secure Income	175.2	9.3
M&G	Real Estate Debt	9.9	0.5
Goldman Sachs <sup>1</sup>	Senior Private Debt	78.8	4.2
Other	Cash	42.2	2.2
<b>Total</b>		<b>1,883.1</b>	<b>100.0</b>

\* Based on bid valuations where available.

<sup>1</sup> M&G Illiquid Secure Income and Goldman Sachs valuations include amounts being held to fund commitments.

<sup>2</sup> LDI valuation includes £5.4m of unrealised gains from the currency hedge.

**Digital Section**

	Market Value (£m)*	Percentage %
Global Equity	240.0	12.0
Fund of Hedge Funds	0.4	0.0
Multi Asset Credit	323.6	16.2
Buy & Maintain Credit	205.2	10.3
Secured Finance	89.3	4.5
Illiquid Secure Income <sup>1</sup>	190.5	9.5
Senior Private Debt <sup>1</sup>	97.1	4.9
LDI <sup>2</sup>	805.6	40.4
Cash	44.5	2.2
<b>Total</b>	<b>1996.2</b>	<b>100.0</b>

\* Based on bid valuations where available

<sup>1</sup> Illiquid Secure Income and Senior Private Debt valuations include amounts being held to fund commitments.

<sup>2</sup> LDI valuation includes £5.9m of unrealised gains from the currency hedge.

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

<b>Investment Manager</b>	<b>Asset Class</b>	<b>Market Value (£m)*</b>	<b>Percentage %</b>
SSGA	Global Equity	240.0	12.0
Mesirow	Fund of Hedge Funds	0.4	0.0
Insight <sup>2</sup>	LDI	805.6	40.4
CQS	Multi Asset Credit	160.8	8.1
Apollo	Multi Asset Credit	162.8	8.2
Ares	Secured Finance	89.3	4.5
L&G	Buy & Maintain Credit	205.2	10.3
M&G <sup>1</sup>	Illiquid Secure Income	190.5	9.5
M&G	Real Estate Debt	10.6	0.5
Goldman Sachs <sup>1</sup>	Senior Private Debt	86.5	4.3
Other	Cash	44.5	2.2
<b>Total</b>		<b>1996.2</b>	<b>100.0</b>

\* Based on bid valuations where available.

<sup>1</sup> M&G Illiquid Secure Income and Goldman Sachs valuations include amounts being held to fund commitments.

<sup>2</sup> LDI valuation includes £5.9m of unrealised gains from the currency hedge.

**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	16.1	8.3	11.0
Benchmark	17.4	9.3	11.9

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

Over the one-year period, the HP Section underperformed its benchmark by 1.3% (net of fees). Over this period, the Section's equity portfolio performed in line with its benchmark, whereas the bond portfolio underperformed its benchmark.

Over the three-year period to 31 October 2019, the Section returned 8.3% p.a. underperforming its benchmark by 1.0% p.a. (net of fees). Over three years the equity portfolio performed ahead of its aggregate benchmark whilst bonds underperformed the benchmark.

Over the five-year period to 31 October 2019, the Section returned 11.0% p.a. (net of fees) versus a benchmark return of 11.9% p.a. The Section's equity portfolio slightly outperformed its benchmark, whilst bonds underperformed the benchmark.

**THE HEWLETT-PACKARD LIMITED RETIREMENT BENEFITS PLAN  
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE  
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**INVESTMENT REPORT<sup>1</sup>**

As at 31 October 2019 the benchmark comprised:

Asset Class	Benchmark	Allocation (%)
Global Equity	FTSE All World Developed (50% GBP Hedged/ Emerging Unhedged Index – Net UK Tax)	12.0
Multi Asset Credit	3 Month GBP LIBOR + 4.5% p.a. in GBP	8.6
Multi Asset Credit	3 Month GBP LIBOR + 5.0% p.a. in GBP	8.6
Illiquid Secure Income	Bank of America Merrill Lynch 5 year Fixed Interest Gilts + 2.5% p.a. <sup>1</sup>	10.0
Senior Private Debt	Absolute Return of 6.5% <sup>2</sup> p.a.	5.0
Secured Finance	Absolute Return of 5% p.a.	5.0
LDI	Liability cashflows benchmark	40.8
Buy & Maintain Credit	Fund Return <sup>3</sup>	10.0
	<b>Total</b>	<b>100.0</b>

<sup>1</sup> For the assets held in Asset Backed Securities, the benchmark is 3 month GBP LIBOR + 1.0% p.a.; for the assets invested in Illiquid Secure Income assets, the benchmark is Bank of America Merrill Lynch 5 year Fixed Interest Gilts + 2.5% p.a. Over time the Asset Backed Securities will move to Illiquid Secured Income, and the benchmark will move to reflect this.

<sup>2</sup> For the assets held in the USD Liquidity Fund, the benchmark is USD 7 day LIBID; the Senior Private Debt fund targets an absolute return.

<sup>3</sup> L&G Buy & Maintain Credit mandate has a fund return benchmark.

**Digital Section**

Total Section	1 Year (% p.a.)	3 Year (% p.a.)	5 Year (% p.a.)
Actual	15.5	7.7	10.8
Benchmark	17.1	8.7	11.8

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

Over the one-year period, the Digital Section underperformed its benchmark by 1.6% (net of fees). Over the one-year period, the Section's equity portfolio performed in line with its benchmark, whereas the bond portfolio underperformed its benchmark.

Over the three-year period to 31 October 2019, the Section underperformed its benchmark by 1.0% p.a. (net of fees). with the equity portfolio performing slightly ahead of its aggregate benchmark, whilst the bond portfolio continued to underperform the benchmark.

Over the five-year period to 31 October 2019, the Section returned 10.8% p.a. (net of fees) versus a benchmark return of 11.8% p.a. The Section's equity portfolio outperformed its benchmark, whilst bonds underperformed its benchmark.



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

As at 31 October 2019 the benchmark comprised:

Asset Class	Benchmark	Allocation (%)
Global Equity	FTSE All World Developed (50% GBP Hedged/ Emerging Unhedged Index – Net UK Tax)	12.4
Multi Asset Credit	3 Month GBP LIBOR + 4.5% p.a. in GBP	8.6
Multi Asset Credit	3 Month GBP LIBOR + 5.0% p.a. in GBP	8.6
Illiquid Secure Income	Bank of America Merrill Lynch 5 year Fixed Interest Gilts + 2.5% p.a. <sup>1</sup>	10.0
Senior Private Debt	Absolute Return of 6.5% <sup>2</sup> p.a.	5.0
Secured Finance	Absolute Return of 5% p.a.	5.0
LDI	Liability cashflows benchmark	40.4
Buy & Maintain Credit	Fund Return <sup>3</sup>	10.0
	<b>Total</b>	<b>100.0</b>

<sup>1</sup> For the assets held in Asset Backed Securities, the benchmark is 3 month GBP LIBOR + 1.0% p.a.; for the assets invested in Illiquid Secure Income assets, the benchmark is Bank of America Merrill Lynch 5 year Fixed Interest Gilts + 2.5% p.a. Over time the Asset Backed Securities will move to Illiquid Secured Income, and the benchmark will move to reflect this.

<sup>2</sup> For the assets held in the USD Liquidity Fund, the benchmark is USD 7 day LIBID; the Senior Private Debt fund targets an absolute return.

<sup>3</sup> L&G Buy & Maintain Credit mandate has a fund return benchmark.

**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 generally either to match or outperform a particular benchmark index or target.

The investment managers and their respective benchmarks are listed on pages 15, 16 and 17 for each of the Sections.

**Hewlett-Packard Section**

Investment Manager	
Legal and General Investment Management (L&G)	Invest in: Global Credit Benchmark: Fund Return
Mesirow Financial Product Group (Mesirow)	Invest in: Global Hedge Funds Benchmark: Outperform 3 month USD LIBOR + 4.5% p.a.
State Street Global Advisors Ltd (SSGA)	Invest in: Global Equity Benchmark: FTSE All-World (50% GBP Hedged)
Invesco Perpetual Ltd (Invesco) <sup>1</sup>	Invest in: Global Targeted Returns Benchmark: Outperform 3 month GBP LIBOR + 4.5% p.a.
Ares Management LLC	Invest in: Secured Finance Benchmark: Absolute Return of 5% p.a.
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

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

<b>Investment Manager</b>	
<b>CQS (UK) LLP (CQS)</b>	Invest in: Global Credit Benchmark: Outperform 3 month GBP LIBOR + 4.5% p.a.
<b>Apollo Global Management (Apollo)</b>	Invest in: Global Credit Benchmark: Outperform 3 month GBP LIBOR + 5.0% p.a.
<b>M&amp;G Investments (M&amp;G)</b>	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 Gifts + 2.5% p.a. Invest in: Real Estate Debt Benchmark: Absolute Return of 5% p.a.
<b>Goldman Sachs Asset Management (GSAM)</b>	Invest in: Senior Private Debt Benchmark: Absolute Return 6.5% p.a. Invest in: USD Liquidity Benchmark: USD 7 day LIBID
<b>Insight Investment Management (Global) Limited (Insight)</b>	Invest in: UK bonds, swaps and cash Benchmark: Match liability cashflows Invest in: Foreign exchange contracts Benchmark: n/a

<sup>1</sup>Mandate terminated during the period

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

**Digital Section**

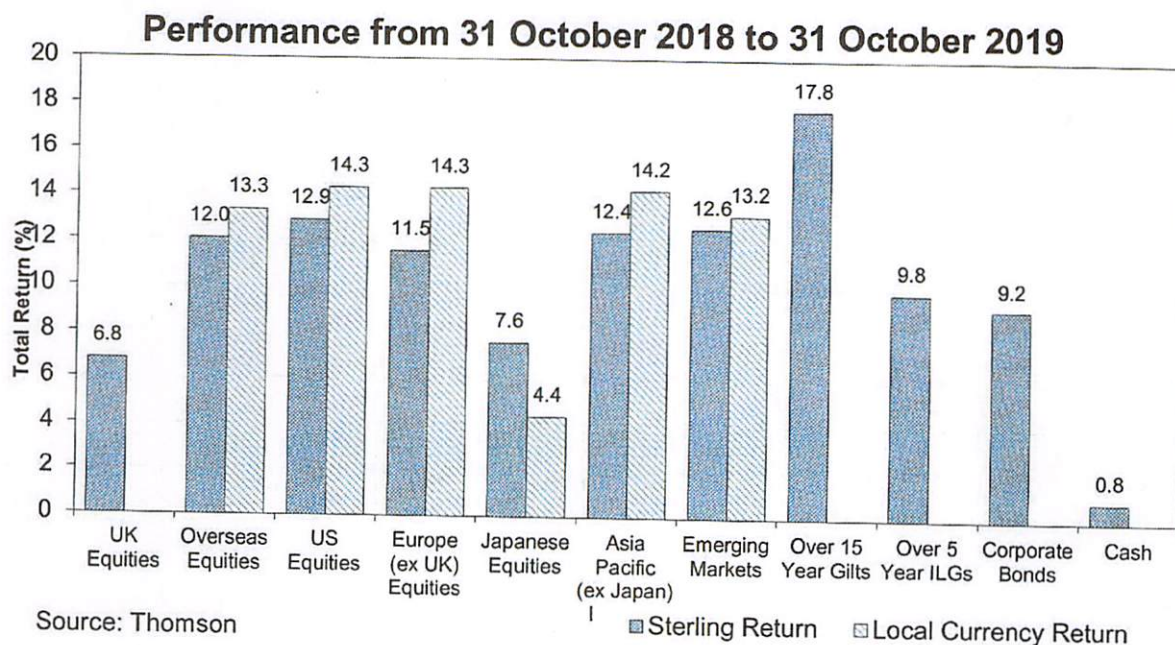
<b>Investment Manager</b>	
<b>Legal and General Investment Management (L&amp;G)</b>	Invest in: Global Credit Benchmark: Fund Return
<b>Mesirow Financial Product Group (Mesirow)</b>	Invest in: Global Hedge Funds Benchmark: Outperform 3 month USD LIBOR + 4.5% p.a.
<b>State Street Global Advisors Ltd (SSGA)</b>	Invest in: Global Equity Benchmark: FTSE All-World (50% GBP Hedged)
<b>Invesco Perpetual Ltd (Invesco)<sup>1</sup></b>	Invest in: Global Targeted Returns Benchmark: Outperform 3 month GBP LIBOR + 4.5% p.a.
<b>Ares Management LLC</b>	Invest in: Secured Finance Benchmark: Absolute Return of 5% p.a.
<b>CQS (UK) LLP (CQS)</b>	Invest in: Global Credit Benchmark: Outperform 3 month GBP LIBOR + 4.5% p.a.
<b>Apollo Global Management (Apollo)</b>	Invest in: Global Credit Benchmark: Outperform 3 month GBP LIBOR + 5.0% p.a.
<b>M&amp;G Investments (M&amp;G)</b>	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. Invest in: Real Estate Debt Finance Benchmark: Absolute Return of 5% p.a.
<b>Goldman Sachs Asset Management (GSAM)</b>	Invest in: Senior Private Debt Benchmark: Absolute Return 6.5% p.a. Invest in: USD Liquidity Benchmark: USD 7 day LIBID
<b>Insight Investment Management (Global) Limited (Insight)</b>	Invest in: UK bonds, swaps and cash Benchmark: Match liability cashflows Invest in: Foreign exchange contracts Benchmark: n/a

<sup>1</sup>Mandate terminated during the period.

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

**Market Background**



Returns across all asset classes were positive over the year. Equity markets were positive for all markets in both local currency and sterling terms. US equities were the strongest performing market in sterling terms.

Over the year gilt yields fell materially, resulting in Over 15 Year Gilts returning 17.8% and Over 5 year Index Linked Gilts returning 9.8%. UK corporate bonds also performed well, returning 9.2%, largely due to the fall in gilt yields.

**Custody Arrangements**

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

The pooled funds (managed by CQS, Mesirow, Apollo, M&G, Goldman Sachs, Ares, UBS and SSGA) 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 2019 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 were calculated as a percentage of the market value of the total funds under their control. Apollo Multi Asset Credit, M&G Real Estate Debt Fund VI and Goldman Sachs Senior Private Debt also 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. In addition, the M&G Real Estate Debt Fund charges an acquisition fee when assets are purchased within the fund. The fees for Insight LDI are calculated as a percentage of the present value of the liability benchmark of the relevant Section.

Signed for and on behalf of the Trustee on 23/3/2020



.....  
Paul Early, Trustee Director and Chair of the Trustee



.....  
Gill Manning, Trustee Director

# THE HEWLETT-PACKARD LIMITED RETIREMENT BENEFITS PLAN

## INDEPENDENT AUDITOR'S REPORT

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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 2019 which comprise the Fund Account and the Statement of Net Assets (available for benefits) and related notes, including the accounting policies in Note 2.

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 2019 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 Plan 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 Plans (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 Plan 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.

### The impact of uncertainties due to the UK exiting the European Union on our audit.

Uncertainties related to the effects of Brexit are relevant to understanding our audit of the financial statements. All audits assess and challenge the reasonableness of estimates made by the Trustee and, related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessment of the future economic environment and the Plan's future prospects and performance.

Brexit is one of the most significant economic events for the UK, and its effects are subject to unprecedented levels of uncertainty of consequences, with the full range of possible effects unknown. We applied a standardised firm-wide approach in response to that uncertainty when assessing the Plan's future prospects and performance. However, no audit should be expected to predict the unknown factors or all possible future implications for a Plan and this is particularly the case in relation to Brexit.

### Going concern

The Trustee has prepared the financial statement on the going concern basis as it does not intend to wind up the Plan, and as it has concluded that the Plan's financial position means that this is realistic. It has also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period")

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 a year from the date of approval of the financial statements. In our evaluation of the Trustee's conclusions, we considered the inherent risks to the Plan, including the impact of Brexit, and analysed how these risks might affect the Plan's financial resource or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to material uncertainty in this auditor's report is not guaranteed that the Plan will continue in operation.

# THE HEWLETT-PACKARD LIMITED RETIREMENT BENEFITS PLAN

## INDEPENDENT AUDITOR'S REPORT

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### 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), the Compliance Statement and the actuarial certifications 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 its 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.

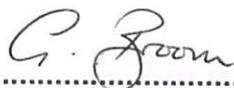
### Auditor's responsibilities

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.

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 Plan Trustee, for our audit work, for this report, or for the opinions we have formed.



.....  
**Gemma Broom for and on behalf of KPMG LLP,**  
**Statutory Auditor**  
15 Canada Square  
London  
E14 5GL

Date 24 March 2020.....

**THE HEWLETT-PACKARD LIMITED RETIREMENT BENEFITS PLAN  
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE  
YEAR ENDED 31 OCTOBER 2019**

**FUND ACCOUNT**

	Note	Year to 31 October 2019			Year to
		HP £'000	Digital £'000	Total £'000	31 October 2018 £'000
<b>Contributions and benefits</b>					
Employer contributions		12,293	5,671	17,964	6,570
Employee contributions		54	9	63	59
<b>Total Contributions</b>	3	<b>12,347</b>	<b>5,680</b>	<b>18,027</b>	<b>6,629</b>
Transfers in	4	-	-	-	4
Other income	5	397	79	476	184
		<b>12,744</b>	<b>5,759</b>	<b>18,503</b>	<b>6,817</b>
Benefits paid or payable	6	35,229	52,520	87,749	95,269
Transfers out	7	19,080	13,386	32,466	71,966
Administrative expenses	8	2,037	2,397	4,434	4,249
		<b>56,346</b>	<b>68,303</b>	<b>124,649</b>	<b>171,484</b>
<b>Net withdrawals from dealing with members</b>		<b>(43,602)</b>	<b>(62,544)</b>	<b>(106,146)</b>	<b>(164,667)</b>
<b>Returns on investments</b>					
Investment income	9	29,407	39,300	68,707	75,962
Change in market value of investments	11	241,000	233,379	474,379	16,214
Investment management expenses	10	(1,803)	(1,811)	(3,614)	(5,163)
<b>Net returns on investments</b>		<b>268,604</b>	<b>270,868</b>	<b>539,472</b>	<b>87,013</b>
<b>Net decrease/increase in the Fund during the year</b>		<b>225,002</b>	<b>208,324</b>	<b>433,326</b>	<b>(77,654)</b>
<b>Net assets of the Plan at 1 November</b>		<b>1,677,974</b>	<b>1,798,678</b>	<b>3,476,652</b>	<b>3,554,306</b>
<b>Net assets of the Plan at 31 October</b>		<b>1,902,976</b>	<b>2,007,002</b>	<b>3,909,978</b>	<b>3,476,652</b>

The notes on pages 24 to 46 form part of these financial statements.



**THE HEWLETT-PACKARD LIMITED RETIREMENT BENEFITS PLAN  
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE  
YEAR ENDED 31 OCTOBER 2019**

**STATEMENT OF NET ASSETS**

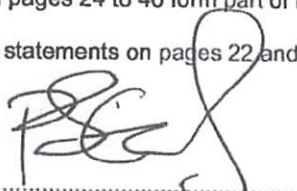
(available for benefits)

	Note	Year to 31 October 2019			Year to
		HP £'000	Digital £'000	Total £'000	31 October 2018 £'000
<b>Investments assets</b>					
Bonds	11	1,881,124	1,692,186	3,573,310	3,164,610
Pooled investment vehicles	12	868,816	944,003	1,812,819	1,566,382
Derivatives	13	8,954	10,889	19,843	6,280
Other investment assets	11	7,777	8,062	15,839	16,057
AVCs	14	14,301	7,825	22,126	22,666
		<b>2,780,972</b>	<b>2,662,965</b>	<b>5,443,937</b>	<b>4,775,995</b>
<b>Investment liabilities</b>					
Derivatives	13	(1,188)	(3,879)	(5,067)	(17,344)
Repurchase agreements	11	(924,515)	(699,876)	(1,624,391)	(1,331,086)
		<b>(925,703)</b>	<b>(703,755)</b>	<b>(1,629,458)</b>	<b>(1,348,430)</b>
<b>Total net investments</b>		<b>1,855,269</b>	<b>1,959,210</b>	<b>3,814,479</b>	<b>3,427,565</b>
<b>Current assets</b>	17	49,181	51,855	101,036	55,367
<b>Current liabilities</b>	18	(1,474)	(4,063)	(5,537)	(6,280)
		<b>47,707</b>	<b>47,792</b>	<b>95,499</b>	<b>49,087</b>
<b>Total net assets of the Plan at 31 October</b>		<b>1,902,976</b>	<b>2,007,002</b>	<b>3,909,978</b>	<b>3,476,652</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 Reports on Actuarial Liabilities, included in the annual report on pages 4 to 6 and these financial statements should be read in conjunction with them.

The notes on pages 24 to 46 form part of the financial statements.

The financial statements on pages 22 and 23 were approved on 23/3/20 by:



Paul Early, Trustee Director and Chairman of the Trustee



Gill Manning, Trustee Director

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**THE HEWLETT-PACKARD LIMITED RETIREMENT BENEFITS PLAN  
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE  
YEAR ENDED 31 OCTOBER 2019**

**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").

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 schedule of contributions or 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. These are accounted for on an accruals basis in the month deducted from payroll.

**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 the 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.

**THE HEWLETT-PACKARD LIMITED RETIREMENT BENEFITS PLAN  
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE  
YEAR ENDED 31 OCTOBER 2019**

**NOTES TO THE FINANCIAL STATEMENTS**

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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.
- Income arising from the underlying investments of the pooled investment vehicles that is reinvested in the pooled investment vehicles is reflected in the unit price. Such income is reported within the change in market value. All other income arising from pooled investment vehicles is taken into account on an accruals basis.

**2.5 Valuation of Investments**

Investments are valued at fair value.

Repurchase agreements are held at cost.

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.

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.

Under repurchase arrangements, the Plan does not recognise the collateral securities received as assets in its Financial Statements. The Plan does recognise the cash delivered to the counterparty as a receivable in the Financial Statements.

Bonds are stated at their clean prices. Accrued income is accounted for within investment income.

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.

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.

**2.8 Foreign Currencies**

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

The Plan's functional and presentational currency is pounds sterling.

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**3. Contributions**

	Year to 31 October 2019		
	HP £'000	Digital £'000	Total £'000
<b>Employers</b>			
Normal	955	656	1,611
Deficit repair	10,700	3,800	14,500
Employee directed	267	415	682
Augmentations	371	800	1,171
	<b>12,293</b>	<b>5,671</b>	<b>17,964</b>
<b>Members</b>			
Additional voluntary contributions	54	9	63
	<b>54</b>	<b>9</b>	<b>63</b>
	<b>12,347</b>	<b>5,680</b>	<b>18,027</b>

	Year to 31 October 2018		
	HP £'000	Digital £'000	Total £'000
<b>Employers</b>			
Normal	1,100	635	1,735
Deficit repair	-	-	-
Employee directed	306	417	723
Augmentations	1,239	2,873	4,112
	<b>2,645</b>	<b>3,925</b>	<b>6,570</b>
<b>Members</b>			
Additional voluntary contributions	49	10	59
	<b>49</b>	<b>10</b>	<b>59</b>
	<b>2,694</b>	<b>3,935</b>	<b>6,629</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.
- following the actuarial valuation as at 31 October 2018 the Company paid £10.7m to the HP Section and £3.8m to the Digital Section in April 2019.

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 2018/2019 Plan year were £1.6m 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.

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**3 Contributions (continued)**

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

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 2019		
	HP £'000	Digital £'000	Total £'000
Individual transfers in from other schemes	-	-	-
	-	-	-

	Year to 31 October 2018		
	HP £'000	Digital £'000	Total £'000
Individual transfers in from other schemes	4	-	4
	4	-	4

The Group transfer in represents transfers from the EDS Pension Plan.

**5. Other income**

	Year to 31 October 2019		
	HP £'000	Digital £'000	Total £'000
Death benefit income	335	-	335
Other income	62	79	141
	397	79	476

	Year to 31 October 2018		
	HP £'000	Digital £'000	Total £'000
Death benefit income	144	-	144
Other income	1	39	40
	145	39	184

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**6. Benefits paid or payable**

	Year to 31 October 2019		
	HP £'000	Digital £'000	Total £'000
Pensions	27,840	45,622	73,462
Commutations and lump sum retirement benefits	6,683	6,511	13,194
Lump sum death benefits	377	214	591
Taxation where lifetime or annual allowance exceeded	329	173	502
	<b>35,229</b>	<b>52,520</b>	<b>87,749</b>

	Year to 31 October 2018		
	HP £'000	Digital £'000	Total £'000
Pensions	25,348	44,531	69,879
Commutations and lump sum retirement benefits	10,257	14,117	24,374
Lump sum death benefits	309	416	725
Taxation where lifetime or annual allowance exceeded	253	38	291
	<b>36,167</b>	<b>59,102</b>	<b>95,269</b>

**7. Transfers out**

	Year to 31 October 2019		
	HP £'000	Digital £'000	Total £'000
Individual transfers out to other schemes	19,080	13,386	32,466
	<b>19,080</b>	<b>13,386</b>	<b>32,466</b>

	Year to 31 October 2018		
	HP £'000	Digital £'000	Total £'000
Individual transfers out to other schemes	36,349	35,617	71,966
	<b>36,349</b>	<b>35,617</b>	<b>71,966</b>

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**8. Administrative expenses**

	Year to 31 October 2019		
	HP	Digital	Total
	£'000	£'000	£'000
Administration and actuarial fees	1,174	1,411	2,585
Audit fees	73	73	146
Legal fees	576	576	1,152
Trustee fee and expenses	185	191	376
PPF levy	29	146	175
	<b>2,037</b>	<b>2,397</b>	<b>4,434</b>

	Year to 31 October 2018		
	HP	Digital	Total
	£'000	£'000	£'000
Administration and actuarial fees	1,328	1,394	2,722
Audit fees	66	66	132
Legal fees	468	459	927
Trustee fee and expenses	161	163	324
PPF levy	49	95	144
	<b>2,072</b>	<b>2,177</b>	<b>4,249</b>

The administrative expenses paid by the Plan exclude recoverable VAT.

**9. Investment income**

	Year to 31 October 2019		
	HP	Digital	Total
	£'000	£'000	£'000
Income from bonds	23,535	30,655	54,190
Income from pooled investment vehicles	1,847	3,241	5,088
Income/(loss) from derivatives	3,947	5,318	9,265
Interest on cash deposits	78	86	164
	<b>29,407</b>	<b>39,300</b>	<b>68,707</b>

	Year to 31 October 2018		
	HP	Digital	Total
	£'000	£'000	£'000
Dividends from equities	17,801	23,429	41,230
Income from bonds	9,729	10,587	20,316
Income from pooled investment vehicles	5,981	8,026	14,007
Interest on cash deposits	336	73	409
	<b>33,847</b>	<b>42,115</b>	<b>75,962</b>



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**10. Investment management expenses**

	Year to 31 October 2019		
	HP	Digital	Total
	£'000	£'000	£'000
Administration, management and custody	1,688	1,696	3,384
Other advisory fees	115	115	230
	<b>1,803</b>	<b>1,811</b>	<b>3,614</b>

	Year to 31 October 2018		
	HP	Digital	Total
	£'000	£'000	£'000
Administration, management and custody	2,819	2,065	4,884
Other advisory fees	144	135	279
	<b>2,963</b>	<b>2,200</b>	<b>5,163</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 2018 £'000	Purchases at cost and derivative payments £'000	Sales proceeds and derivative receipts £'000	Change in Market Value £'000	Market Value at 31 October 2019 £'000
Bonds	1,611,479	262,430	(174,068)	181,283	1,881,124
Pooled investment vehicles	790,493	425,669	(389,132)	41,786	868,816
Repurchase agreements	(770,391)	1,755,077	(1,909,201)	-	(924,515)
Derivatives	(5,068)	559,143	(562,756)	16,447	7,766
AVC investments	14,339	349	(1,871)	1,484	14,301
	<b>1,640,852</b>	<b>3,002,668</b>	<b>(3,037,028)</b>	<b>241,000</b>	<b>1,847,492</b>
Other investment balances	7,543			-	7,777
	<b>1,648,395</b>			<b>241,000</b>	<b>1,855,269</b>

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**11. Investment Reconciliation (continued)**

Digital Section	Market Value at 1 November 2018 £'000	Purchases at cost and derivative payments £'000	Sales proceeds and derivative receipts £'000	Change in Market Value £'000	Market Value at 31 October 2019 £'000
Bonds	1,553,131	311,266	(331,669)	159,458	1,692,186
Pooled investment vehicles	775,889	477,321	(347,388)	38,181	944,003
Repurchase agreements	(560,695)	1,253,578	(1,392,759)	-	(699,876)
Derivatives	(5,996)	926,809	(949,317)	35,514	7,010
AVC investments	8,327	397	(1,125)	226	7,825
	<b>1,770,656</b>	<b>2,969,371</b>	<b>(3,022,258)</b>	<b>233,379</b>	<b>1,951,148</b>
Other investment balances	8,514			-	8,062
	<b>1,779,170</b>			<b>233,379</b>	<b>1,959,210</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	2019 Total £'000	2018 Total £'000
Equities	-	-	-	-	225
Bonds	1	-	-	1	-
Derivatives	-	-	-	-	-
	<b>1</b>	<b>-</b>	<b>-</b>	<b>1</b>	<b>225</b>

Digital Section	Fees £'000	Commission £'000	Stamp Duty £'000	2019 Total £'000	2018 Total £'000
Equities	-	-	-	-	203
Bonds	1	-	-	1	-
Derivatives	-	-	-	-	-
	<b>1</b>	<b>-</b>	<b>-</b>	<b>1</b>	<b>203</b>

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

At the year-end amounts payable under repurchase agreements amounted to £1,624,391,000 (2018: £1,331,086,000).

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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 2019</b>	<b>Year to 31 October 2018</b>
	<b>£'000</b>	<b>£'000</b>
Equities	222,253	163,200
Bonds	379,252	300,286
Multi-Asset	347	70,318
Property	20	24
Alternative	247,195	207,310
Liquidity	19,749	49,355
	<b>868,816</b>	<b>790,493</b>
<b>Digital Section</b>	<b>Year to 31 October 2019</b>	<b>Year to 31 October 2018</b>
	<b>£'000</b>	<b>£'000</b>
Equities	239,994	175,946
Bonds	412,849	275,569
Multi-Asset	389	41,087
Alternative	269,280	225,835
Liquidity	21,491	57,452
	<b>944,003</b>	<b>775,889</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**

	<b>2019</b>	<b>2019</b>	<b>2018</b>	<b>2018</b>
	<b>Assets</b>	<b>Liabilities</b>	<b>Assets</b>	<b>Liabilities</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Swaps	3,317	(999)	1,835	(1,350)
Forward currency contracts	5,637	(189)	568	(6,121)
	<b>8,954</b>	<b>(1,188)</b>	<b>2,403</b>	<b>(7,471)</b>

**Swaps**

<b>Swaps</b>	<b>Nominal</b>		<b>Asset value</b>	<b>Liability value</b>
<b>Nature</b>	<b>Amount</b>	<b>Duration</b>	<b>at year end</b>	<b>at year end</b>
	<b>£'000</b>		<b>£'000</b>	<b>£'000</b>
Total Return Bond Swap	18,135	Expires May 20	820	-
Total Return Bond Swap	36,674	Expires May 20	1,174	-
Total Return Bond Swap	28,223	Expires Jun 20	48	-
Total Return Bond Swap	36,434	Expires Jan 20	1,181	-
Total Return Bond Swap	32,706	Expires Aug 20	-	(999)
Total Return Bond Swap	29,787	Expires Jul 20	2	-
Total Return Bond Swap	29,787	Expires Jul 20	68	-
Total Return Bond Swap	45,251	Expires Oct 20	24	-
<b>Total 2019</b>	<b>256,997</b>		<b>3,317</b>	<b>(999)</b>
<b>Total 2018</b>	<b>237,803</b>		<b>1,835</b>	<b>(1,350)</b>

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**Forward Foreign Exchange (FX)**

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

<b>Forward Contracts</b>				<b>Asset value</b>	<b>Liability value</b>
<b>Settlement date</b>	<b>Currency</b>	<b>Currency</b>		<b>at year end</b>	<b>at year end</b>
	<b>Bought</b>	<b>Sold</b>		<b>£'000</b>	<b>£'000</b>
1 month	USD 3,490,000	GBP 2,860,840		-	(165)
1 month	USD 164,000	GBP 132,919		-	(6)
1 month	GBP 30,311,870	USD 38,005,220		954	-
1 month	GBP 30,312,720	USD 38,005,210		955	-
1 month	GBP 30,310,591	USD 38,005,220		953	-
1 month	GBP 345,494	USD 428,000		15	-
1 month	USD 2,210,000	GBP 1,724,178		-	(17)
1 month	GBP 26,642,867	USD 33,405,000		839	-
1 month	GBP 26,643,621	USD 33,405,000		839	-
1 month	GBP 26,641,743	USD 33,405,000		838	-
1 month	GBP 1,084,334	USD 1,320,000		65	-
1 month	GBP 3,261,210	USD 4,040,000		140	-
1 month	EUR 12,000	GBP 10,367		-	(1)
1 month	GBP 992,144	EUR 1,107,600		37	-
1 month	GBP 11,918	EUR 13,000		1	-
1 month	GBP 26,874	EUR 30,000		1	-
<b>Total 2019</b>				<b>5,637</b>	<b>(189)</b>
<b>Total 2018</b>				<b>568</b>	<b>(6,121)</b>

Within other investments balances future of £178k are included. The Plan had exchange traded overseas stock index futures outstanding at the year-end as follows:

<b>Futures</b>	<b>Nominal</b>		<b>Asset value</b>	<b>Liability value</b>
<b>Nature</b>	<b>Amount</b>	<b>Duration</b>	<b>at year end</b>	<b>at year end</b>
	<b>£'000</b>		<b>£'000</b>	<b>£'000</b>
Long dated GILT Future	47,300	Expires Dec 19	178	-
<b>Total 2019</b>			<b>178</b>	<b>-</b>
<b>Total 2018</b>			<b>-</b>	<b>-</b>

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**13. Derivatives (continued)**

**Digital Section - Derivatives**

	2019 Assets £'000	2019 Liabilities £'000	2018 Assets £'000	2018 Liabilities £'000
Swaps	4,791	(3,712)	3,248	(3,183)
Forward currency contracts	6,098	(167)	629	(6,690)
<b>Net derivatives</b>	<b>10,889</b>	<b>(3,879)</b>	<b>3,877</b>	<b>(9,873)</b>

**Swaps**

Swaps	Nominal Amount £'000	Duration	Asset value at year end £'000	Liability value at year end £'000
Total Return Bond Swap	25,872	Expires May 20	774	-
Total Return Bond Swap	36,255	Expires May 20	2,314	-
Total Return Bond Swap	26,225	Expires Jun 20	-	(204)
Total Return Bond Swap	61,063	Expires Jan 20	1,557	-
Total Return Bond Swap	39,861	Expires Aug 20	-	(1,218)
Total Return Bond Swap	37,029	Expires Jul 20	42	-
Total Return Bond Swap	37,030	Expires Jul 20	2	-
Total Return Bond Swap	91,247	Expires Oct 20	-	(2,281)
Total Return Bond Swap	30,594	Expires Apr 20	102	-
Interest Rate Swap	50,000	Expires Oct 20	-	(9)
<b>Total 2019</b>	<b>435,176</b>		<b>4,791</b>	<b>(3,712)</b>
<b>Total 2018</b>	<b>430,527</b>		<b>3,248</b>	<b>(3,183)</b>

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**Forward Foreign Exchange (FX)**

<b>Forward Contracts</b>				<b>Asset value</b>	<b>Liability value</b>
<b>Settlement date</b>	<b>Currency</b>	<b>Currency</b>		<b>at year end</b>	<b>at year end</b>
	<b>Bought</b>	<b>Sold</b>		<b>£'000</b>	<b>£'000</b>
1 month	USD 3,830,000	GBP 3,139,547		-	(181)
1 month	USD 180,000	GBP 145,887		-	(7)
1 month	GBP 33,290,623	USD 41,740,000		1,048	-
1 month	GBP 33,290,768	USD 41,739,000		1,049	-
1 month	GBP 33,289,218	USD 41,740,000		1,047	-
1 month	GBP 376,976	USD 467,000		16	-
1 month	USD 2,730,000	GBP 2,129,867		-	21
1 month	GBP 28,754,852	USD 36,052,000		906	-
1 month	GBP 28,752,027	USD 36,051,000		904	-
1 month	GBP 28,753,240	USD 36,051,000		905	-
1 month	GBP 1,133,622	USD 1,380,000		68	-
1 month	GBP 3,608,269	USD 4,470,000		155	-
<b>Total 2019</b>				<b>6,098</b>	<b>(167)</b>
<b>Total 2018</b>				<b>629</b>	<b>(6,690)</b>

Within other investments balances future of £195k are included. The Plan had exchange traded overseas stock index futures outstanding at the year-end as follows:

<b>Futures</b>	<b>Nominal</b>		<b>Asset value</b>	<b>Liability value</b>
<b>Nature</b>	<b>Amount</b>	<b>Duration</b>	<b>at year end</b>	<b>at year end</b>
	<b>£'000</b>		<b>£'000</b>	<b>£'000</b>
Long dated GILT Future	25,100	Expires Dec 19	95	-
<b>Total 2019</b>			<b>95</b>	<b>-</b>
<b>Total 2018</b>			<b>-</b>	<b>-</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.

The value of eligible collateral for the Plan's derivatives as at 31 October 2019 were £693,909,838 (HP Section) and £735,186,217 (Digital Section). These figures are based on the market value of the physical gilts less the amount "borrowed" via repo, plus the mark to market value of derivative positions, all held within the Insight portfolios.

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**14. AVC assets**

	At 31 October 2019		
	HP £'000	Digital £'000	Total £'000
Equitable Life	564	733	1,297
MGM Assurance/Scottish Friendly	63	-	63
Standard Life	201	-	201
Phoenix Life	-	87	87
Legal & General	13,473	7,005	20,478
	<b>14,301</b>	<b>7,825</b>	<b>22,126</b>

	At 31 October 2018		
	HP £'000	Digital £'000	Total £'000
Equitable Life	611	729	1,340
MGM Assurance/Scottish Friendly	63	-	63
Standard Life	201	-	201
Phoenix Life	-	104	104
Legal & General	13,464	7,494	20,958
	<b>14,339</b>	<b>8,327</b>	<b>22,666</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	2019 Total £'000
<b>HP Section</b>				
Bonds	-	1,881,124	-	1,881,124
Pooled investment vehicles	-	714,567	154,249	868,816
Repurchase agreements	-	(924,515)	-	(924,515)
Derivatives	-	7,766	-	7,766
AVC investments	-	13,738	563	14,301
Cash	5,977	1,800	-	7,777
<b>Digital Section</b>				
Bonds	-	1,692,186	-	1,692,186
Pooled investment vehicles	-	775,931	168,072	944,003
Repurchase agreements	-	(699,876)	-	(699,876)
Derivatives	-	7,010	-	7,010
AVC investments	-	7,005	820	7,825
Cash	5,833	2,229	-	8,062
	<b>11,810</b>	<b>3,478,965</b>	<b>323,704</b>	<b>3,814,479</b>

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

The Plan's investment assets and liabilities disclosed according to the above hierarchy categories are reanalysed as follows as at 31 October 2018:

	Level 1 £'000	Level 2 £'000	Level 3 £'000	2018 Total £'000
<b>HP Section</b>				
Bonds	-	1,611,479	-	1,611,479
Pooled investment vehicles	-	750,291	40,202	790,493
Repurchase agreements	-	(770,391)	-	(770,391)
Derivatives	-	(5,068)	-	(5,068)
AVC investments	-	13,728	611	14,339
Other investment balances	7,543	-	-	7,543
<b>Digital Section</b>				
Bonds	-	1,553,131	-	1,553,131
Pooled investment vehicles	-	731,739	44,150	775,889
Repurchase agreements	-	(560,695)	-	(560,695)
Derivatives	-	(5,996)	-	(5,996)
AVC investments	-	7,495	832	8,327
Other investment balances	8,514	-	-	8,514
	<b>16,057</b>	<b>3,325,713</b>	<b>85,795</b>	<b>3,427,565</b>

**THE HEWLETT-PACKARD LIMITED RETIREMENT BENEFITS PLAN  
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**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 AVC investments as these are not considered significant in relation to the overall investments of the Plan.

**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 (PIVs) 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 2019 (£'000)	Investment grade	Non-investment grade	Unrated	Total
Bonds	1,879,784	1,340	-	1,881,124
OTC Derivatives	-	-	7,766	7,766
Cash	7,777	-	-	7,777
Repos	(924,515)	-	-	(924,515)
PIVs	16,672	-	852,144	868,816
<b>Total</b>	<b>979,718</b>	<b>1,340</b>	<b>859,910</b>	<b>1,840,968</b>
31 October 2018 (£'000)	Investment grade	Non-investment grade	Unrated	Total
Bonds	1,610,817	662	-	1,611,479
OTC Derivatives	-	-	(5,068)	(5,068)
Cash	7,543	-	-	7,543
Repos	(770,391)	-	-	(770,391)
PIVs	-	-	790,493	790,493
<b>Total</b>	<b>847,969</b>	<b>662</b>	<b>785,425</b>	<b>1,634,056</b>

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**Digital Section**

31 October 2019 (£'000)	Investment grade	Non-investment grade	Unrated	Total
Bonds	1,690,827	1,359	-	1,692,186
OTC Derivatives	-	-	7,010	7,010
Cash	8,062	-	-	8,062
Repos	(699,876)	-	-	(699,876)
PIVs	18,309	-	925,694	944,003
<b>Total</b>	<b>1,017,322</b>	<b>1,359</b>	<b>932,704</b>	<b>1,951,385</b>

31 October 2018 (£'000)	Investment grade	Non-investment grade	Unrated	Total
Bonds	1,552,574	557	-	1,553,131
OTC Derivatives	-	-	(5,996)	(5,996)
Cash	8,514	-	-	8,514
Repos	(560,695)	-	-	(560,695)
PIVs	-	-	775,889	775,889
<b>Total</b>	<b>1,000,393</b>	<b>557</b>	<b>769,893</b>	<b>1,770,843</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.

Indirect credit risk arises in relation to underlying investments held in the bond pooled investment vehicles. This risk is mitigated by investing in pooled funds which invest in predominantly investment grade credit rated securities. 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.

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. These are also collateralised. For OTC swaps and forward foreign currency contracts, the Trustee delegates responsibility for the selection and monitoring of the counterparties to the respective investment managers.

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, with the exception of the Goldman Sachs USD cash fund, which is rated as investment grade. 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 2019 (£'000)	31 October 2018 (£'000)
Open Ended Investment Companies	169,617	271,115
Common Contractual Fund	175,189	166,649
Cayman Islands Limited Company	347	748
Cayman Islands Exempt Company	147,142	148,556
Limited Partnership	144,361	40,225
Limited Liability Company	232,160	163,200
<b>Total</b>	<b>868,816</b>	<b>790,493</b>

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**Digital Section**

	31 October 2019 (£'000)	31 October 2018 (£'000)
Open Ended Investment Companies	182,240	234,688
Common Contractual Fund	190,471	184,458
Cayman Islands Limited Company	389	841
Cayman Islands Exempt Company Limited Partnership	162,837	135,806
Limited Liability Company	157,460	44,150
Total	250,606	175,946
	944,003	775,889

**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 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.

**HP Section**

Currency	31 October 2019 (£'000)	31 October 2018 (£'000)
US Dollar	159,203	158,891
Euro	971	930
Other	0	1

**Digital Section**

Currency	31 October 2019 (£'000)	31 October 2018 (£'000)
US Dollar	173,423	173,924
Euro	1,079	1,046
Other	0	1

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 Mesirov portfolios. The Goldman Sachs Senior Private Debt and USD cash fund holdings are also both fully hedged from US dollar back to sterling, as are the LGIM Buy and Maintain Credit overseas holdings. 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.

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**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. The position at the year end was:

**HP Section**

	31 October 2019 (£'000)	31 October 2018 (£'000)
Bonds	1,881,124	1,611,479
Bond PIVs	379,252	300,286
Alternatives PIVs	247,195	207,310
<b>Total</b>	<b>2,507,571</b>	<b>2,119,075</b>

**Digital Section**

	31 October 2019 (£'000)	31 October 2018 (£'000)
Bonds	1,692,186	1,553,131
Bond PIVs	412,849	275,569
Alternatives PIVs	269,280	225,835
<b>Total</b>	<b>2,374,315</b>	<b>2,054,535</b>

**Other Price Risk**

Other price risk arises principally in relation to the Plan's return seeking portfolio, which includes pooled fund investments in equities, property and multi-asset 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:

**HP Section**

	31 October 2019 (£'000)	31 October 2018 (£'000)
Equity PIVs	222,253	163,200
Property PIVs	20	24
Multi-asset PIVs	347	70,318
<b>Total</b>	<b>222,620</b>	<b>233,542</b>

**Digital Section**

	31 October 2019 (£'000)	31 October 2018 (£'000)
Equity PIVs	239,994	175,946
Property PIVs	-	-
Multi-asset PIVs	389	41,087
<b>Total</b>	<b>240,383</b>	<b>217,033</b>

**THE HEWLETT-PACKARD LIMITED RETIREMENT BENEFITS PLAN  
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**NOTES TO THE FINANCIAL STATEMENTS**

**17. Current assets**

	at 31 October 2019		
	HP	Digital	Total
	£'000	£'000	£'000
Cash balances	42,518	44,835	87,353
Contributions due and Prepayments	113	231	344
Investment cash	6,550	6,789	13,339
	<b>49,181</b>	<b>51,855</b>	<b>101,036</b>

	at 31 October 2018		
	HP	Digital	Total
	£'000	£'000	£'000
Cash balances	31,483	23,514	54,997
Contributions due and Prepayments	123	247	370
	<b>31,606</b>	<b>23,761</b>	<b>55,367</b>

Contributions due at the year end have been received after the year end in accordance with the schedule of contributions in force.

**18. Current Liabilities**

	at 31 October 2019		
	HP	Digital	Total
	£'000	£'000	£'000
Unpaid benefits	507	2,971	3,478
Accrued expenses	359	668	1,027
Other creditors	608	424	1,032
	<b>1,474</b>	<b>4,063</b>	<b>5,537</b>

	at 31 October 2018		
	HP	Digital	Total
	£'000	£'000	£'000
Unpaid benefits	517	2,851	3,368
Accrued expenses	1,064	973	2,037
Other creditors	446	429	875
	<b>2,027</b>	<b>4,253</b>	<b>6,280</b>

As at 31 October 2019 GMP equalisation back payments of approximately £500,000 (HP section) and £2,800,000 (Digital Section) are due to be paid by the Plan.

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

**19. Concentration of investments**

Except for the investments noted below, which comprise 24.05% (2018: 35.17%) of the Plan assets, the Plan does not hold over 5% of its funds in any one form of investment:

		31 October 2019	
Managed by:	Holdings	Market Value £'000	Percentage %
M&G	Long Dated Asset Fund	365,660	9.35
CQS	Credit Multi Asset Fund Class D1D	310,617	7.94
MPF	North America Equity	264,190	6.76
		31 October 2018	
Managed by:	Holdings	Market Value £'000	Percentage %
M&G	Long Dated Asset Fund	348,793	10.03
CQS	Credit Multi Asset Fund Class D1D	291,492	8.38
LGIM	Bonds GBP	206,904	5.95
MPF	North America Equity	194,135	5.58
Apollo	Total Return Fund (Offshore) Ltd	181,971	5.23

**20. Employer related investments**

For the current period the Plan had a direct holding of £0.1% as at 31 October 2019 in the Hewlett-Packard Company (2018: £nil).

**21. Related party transactions**

During the year the Plan paid 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 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.

**22. Contingent liabilities**

Other than the liabilities to pay future pensions, there are no contingent liabilities of the Plan at 31 October 2019 (2018: £nil).

**23. Taxation**

The Scheme is a registered pension scheme under Chapter Two of Part Four of the Finance Act 2004 and is therefore exempt from income tax and capital gains tax.

**24. Contractual commitments**

As at 31 October 2019, the Scheme had a commitment to invest in the Broad Street Loan Partners III Offshore – Unlevered.L.P. Fund of £96,416,900 (Digital Section) and £87,794,300 (HP Section). As at 31 October 2019, £73,406,300 (2018:£41,844,900) (Digital Section) and £66,841,500 (2018:£38,102,700) (HP Section) had been called.

**25. Subsequent events**

In early 2020, a new coronavirus, COVID-19, impacted a significant number of countries globally. COVID-19 has caused disruption to economic activity which has been reflected in recent fluctuations in global stock markets and, in turn, in the valuation of Plan assets. The Trustee considers the emergence and spread of COVID-19 to be a non-adjusting post balance sheet event. The Trustee has designed and implemented the Plan's investment strategy taking a long term view and has built in resilience to withstand short term fluctuations. Given the inherent uncertainties, it is not practicable at this time to provide a quantitative estimate of the impact of the virus.



# THE HEWLETT-PACKARD LIMITED RETIREMENT BENEFITS PLAN

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

### Statement about contributions

We have examined the summary of contributions payable under the schedules of contributions to the Hewlett-Packard Limited Retirement Benefits Plan in respect of the Plan year ended 31 October 2019 which is set out on pages 48-49.

In our opinion contributions for the Plan year ended 31 October 2019 as reported in the summary of contributions and payable under the schedules of contributions have in all material respects been paid at least in accordance with the schedules of contributions certified by the actuary on 30 January 2018.

### 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 schedules 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 schedules of contributions.

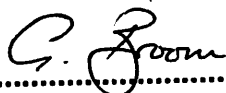
### Respective responsibilities of Trustee and auditor

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 schedules 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 Plan and for monitoring whether contributions are made to the Plan by the employer in accordance with the schedules of contributions.

It is our responsibility to provide a statement about contributions paid under the schedules of contributions to the Plan 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, 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, for our work, for this statement, or for the opinions we have formed.



.....  
**Gemma Broom for and on behalf of KPMG LLP,**  
**Statutory Auditor**  
15 Canada Square  
London  
E14 5GL

Date

.....  
*24 March 2020*  
.....

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

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**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 schedules of contributions 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 2019, the contributions payable to the Plan under the Schedules of Contributions were as follows:

<b>Contributions payable under the Schedules of Contributions in respect of the Plan year</b>	<b>£'000s</b>
<b>Employer:</b>	
normal contributions	1,611
Augmentations	1,171
<b>Member:</b>	
normal contributions	-
<b>Contributions payable under the Schedules of Contributions (as reported on by the Plan auditor)</b>	<b>2,782</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**

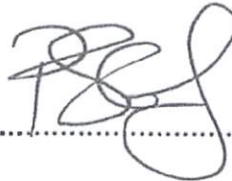
Reconciliation of contributions payable under the schedules of contributions reported in the financial statements in respect of the Plan year:

	<b>£'000s</b>
Contributions payable under the Schedules (as above)	2,782
Contributions payable in addition to those due under the Schedules (and not reported on by the Plan auditor):	
Employee directed	682
Contribution payable in addition	14,500
Additional voluntary contributions	63
 Total contributions reported in the financial statements	 <hr/> 18,027 <hr/>

Signed on behalf of the Trustee on 23/3/2020

**Paul Early**

**Trustee Director Signature.....**



**Gillian Manning**

**Trustee Director Signature.....**



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

**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 2019 as follows:

Pre 1997 Non-Qualifying Pension	0.00%
Pre 1997 Qualifying Pension	1.80%
Post 1997 Pension	2.70%
Pre 1988 GMP (if applicable)	0.00%
Post 1988 GMP (if applicable)	2.40%
AVC Increasing pension	2.70%
Pre 1988 GMP (former Bol members)	0.00%
Post 1988 GMP (former Bol members)	2.40%
Post 1997 Pension (former Bol members)	2.40%
Post 1997 Pension (former Medas members)	2.70%
Pre 1997 Pension (in excess of GMP)	2.70%
Post 2005 Pension (former Bol members)	2.40%

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 2019 as follows:

Pre 1997 Pension (in excess of GMP)	0.00%
Post 1997 Pension (5% LPI)	2.54%
Post 1997 Pension (2.5% LPI)	2.50%
Post 97 (6-4-97 to 7-3-00 Leavers) (CPI)	2.40%
Post 2005 Pension (5% LPI Members)	2.54%
Post 2005 Pension (non 5% LPI Members)	2.50%
Pre 1988 GMP (if applicable)	0.00%
Post 1988 GMP (if applicable)	2.40
External AVCs (Non-increasing)	0.00%
External AVCs (2.5% LPI)	2.50%
External AVCs (5% LPI)	2.54%

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

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

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Inscope increasing In-Plan AVC's

Increasing In-Plan AVC's (70% of RPI capped at 5%)	1.78%
Increasing In-Plan AVC's (70% of RPI capped at 2.5%)	1.75%

**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):  
Digital Section:

[hp2@equiniti.com](mailto:hp2@equiniti.com)  
[digital@equiniti.com](mailto:digital@equiniti.com)

**THE HEWLETT-PACKARD LIMITED RETIREMENT BENEFITS PLAN  
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE  
YEAR ENDED 31 OCTOBER 2019**

**COMPLIANCE STATEMENT**

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**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

1<sup>st</sup> Floor

Trident House

42-48 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.

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  
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YEAR ENDED 31 OCTOBER 2019**

**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  
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE  
YEAR ENDED 31 OCTOBER 2019**

**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

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

Name of employer:  
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