CLIFFORD CHANCE PENSION SCHEME

(Scheme Registration Number : 10137020)

ANNUAL REPORT AND FINANCIAL STATEMENTS

For the year ended 30 April 2024

Clifford Chance Pension Scheme

CONTENTS

CLIFFORD CHANCE PENSION SCHEME - TRUSTEE AND ADVISERS:
TRUSTEE: Clifford Chance Pension Trustees Limited, 10 Upper Bank Street, London, E14 5JJ

BOARD OF DIRECTORS	
Employer Appointed	*Member Nominated*
Robin Tremaine (Chairman)	Alistair Dawson (Pensioner member)
Anne Drakeford – resigned 30 June 2024	Ian Shay (Pensioner member) – appointed 1 January 2024
Pension Lawyer Trustee Limited (represented by Jane Kola)	Amrita Hofmaier (Deferred member) – resigned 30 June 2024
David Saleh	Pradeep Patel (Deferred member)

SCHEME SECRETARY:	TMF Corporate Administration Services Limited, 13th Floor, One Angel Court, London, EC2R 7HJ Andy Darlison, Clifford Chance London Limited, 10 Upper Bank Street, London E14 5JJ
SCHEME ADMINISTRATOR:	Clifford Chance London Limited
ACTUARY:	Keith Poulson FIA, Aon Solutions UK Limited
INDEPENDENT AUDITORS:	PricewaterhouseCoopers LLP
LEGAL ADVISERS:	Eversheds Sutherland (International) LLP Sacker & Partners LLP Clifford Chance LLP
COVENANT ADVISER:	Aon plc
INVESTMENT ADVISER:	DB - Lane Clark & Peacock LLP DC - Barnett Waddingham LLP
INVESTMENT MANAGERS:	Legal & General Investment Management Limited Columbia Threadneedle Investments Invesco Fund Managers Limited IFM Investors JP Morgan Asset Management Nordea Asset Management Baillie Gifford & Co (to May 2023) Ruffer LLP Aegon Asset Management Newton Investment Management (BNY Mellon) M&G Investments
AVC MANAGERS:	Legal & General Investment Management Limited Clerical Medical Investment Group Utmost Life and Pensions Limited Scottish Widows plc Aviva Life & Pensions UK Limited
BANKER:	National Westminster Bank plc
PRINCIPAL EMPLOYER:	Clifford Chance LLP
NAME AND ADDRESS FOR ENQUIRIES:	Andy Darlison, Clifford Chance Pension Scheme, 10 Upper Bank Street, London E14 5JJ (andrew.darlison@cliffordchance.com or hradvice@cliffordchance.com)

CHAIRMAN'S REVIEW
For the year ended 30 April 2024

During the year 1 May 2023 to 30 April 2024 there have been quite a number of activities which have continued to require action and consideration by the Trustee Directors. This review sets out my summary of the main events having an impact on the Scheme.

Following the review of the investment strategy for the final salary arrangements, alongside our investment adviser, Lane Clark & Peacock ("LCP"), we have been busy implementing the following changes:

- a reduction in the level of the synthetic equity exposure
- an increase in the leveraged exposure in the Liability Driven Investment ("LDI") portfolio with Columbia Threadneedle Investments, to reflect an increase in the target liability hedging ratios.

A triennial actuarial valuation was due with effect from 30 April 2022 and has now been completed and the employer continues to make contributions in line with those previously agreed for the 2019 valuation.

Robin Tremaine
Chairman

TRUSTEE DIRECTORS' REPORT

For the year ended 30 April 2024

The Trustee Directors of the Clifford Chance Pension Scheme (the "Scheme") present their annual report for the year ended 30 April 2024.

Scheme Constitution and Management

The Scheme is an occupational pension scheme set up under trust to provide retirement benefits for certain groups of employees of Clifford Chance LLP and its current and former entities. It is governed by the First Supplemental Definitive Trust Deed and Rules dated 13 December 2001 and subsequent amendments.

The Scheme has two sections (a) Clifford Chance Pension Scheme Final Salary section (CCPSFS) which is a defined benefit section which is closed to new members and to future accrual, and (b) Clifford Chance Pension Scheme Money Purchase section (CCPSMP) which is a defined contribution/money purchase section also closed to new members and future benefit provision. Responsibility for setting the strategy and for managing the Scheme rests with the Trustee. The persons who acted as Trustee Directors during the year are listed on page 1. The Trustee Directors aim to meet at least quarterly and decisions are passed on a simple majority of those voting. During the year covered by this report the Trustee Directors did, however, meet on five occasions.

The Trustee may be appointed and removed by the sponsoring employer, Clifford Chance LLP, and the Trustee Directors may be appointed and removed by the corporate trustee company, Clifford Chance Pension Trustees Limited, under its articles of association.

Since 1997 there has been a formal procedure for the nomination and selection of members of the Scheme to serve as Directors of the Trustee. Until this year there have been four Member Nominated Trustee Directors (MNTDs), with at least one MNTDs being an existing deferred member and an existing pensioner member respectively, with the remaining two MNTDs being either further deferred members or further pensioner members.

Until 30 June 2024 the MNTDs were Alistair Dawson (Pensioner Member); Ian Shay (Pensioner Member); Amrita Hofmaier (Deferred Member) and Pradeep Patel (Deferred Member). Amrita Hofmaier resigned 30 June 2024. The Scheme is in compliance with the Member Nominated Trustee Regulations requiring at least one third of the Trustee board to be nominated by the membership.

The Trustee Directors' attendance at meetings of the Trustee board is summarised below. Additional trustee meetings can be convened at short notice in order to deal with more immediate matters and it would therefore not be expected, feasible or necessary for all trustee directors to attend.

Trustee Directors	**Quarterly board meetings - 4 held**
Alistair Dawson	4
Anne Drakeford	4
Amrita Hofmaier	3
Jane Kola (PLTL)	4
Pradeep Patel	4
Ian Shay	1
David Saleh	4
Robin Tremaine	4

Trustee Directors are not paid by the Scheme for their services. However, the Trustee Corporate Director is paid fees for their services by the principal employer without recharge to the Scheme. The Trustee Directors have agreed a business plan to support their governance arrangements. This includes periodic review of registers of risks and conflicts and to ensure that appropriate internal controls are put in place and remain effective.

The Trustee Directors have appointed professional advisers and other organisations to support them in delivering the Scheme's objectives. These individuals and organisations are listed on page 1. The Trustee Directors have written agreements in place with each of them.

Financial developments and financial statements

The financial statements included in this annual report are the financial statements required by the Pensions Act 1995. They have been prepared and audited in compliance with regulations made under sections 41(1) and (6) of that Act.

Membership and benefits

The change in membership during the year is set out below. As the Scheme matures, the number of Pensioners will form an increasing proportion of the members of the Scheme who have pension benefit entitlements.

Membership Statistics	CCPSFS Deferreds (i)	CCPSMP Deferreds (i)	CCPSFS Pensioners	CCPSFS Beneficiaries	LA Only Members (ii)	Total
At the start of the year	3,664	114	671	68	1,821	6,338
Joiners	-	-	-	-	247	247
Leavers (with no Scheme benefits)	-	-	-	-	(229)	(229)
Transfers out of Scheme	(17)	(6)	-	-	-	(23)
Retirements	(68)	-	68	7	-	7
Deaths	(6)	-	(16)	(2)	-	(24)
At the end of the year	**3,573**	**108**	**723**	**73**	**1,839**	**6,316**

CCPSFS = Clifford Chance Pension Scheme Final Salary section (of the 3,573 Deferred Members at the end of the year 13 also have Money Purchase benefits – 13 of the 3,664 Deferred Members at the end of the prior year also had Money Purchase benefits)

CCPSMP = Clifford Chance Pension Scheme Money Purchase section

LA = Life Assurance only members

Notes:-

(i) Deferred Members are employees who have left the Scheme but retain a right to a pension to be paid to them (or pension account under the Money Purchase section to be available) once they reach age 65 (or for some females, age 60). Following the closure of the Scheme to future benefit accrual after 30 April 2011 there are 143 Deferred Members (2023: 245) who also remain members of the Scheme for death in service life assurance benefits.

(ii) These employees remain covered for death in service lump sum life assurance benefits only under the Scheme.

Pension increases

The Trust Deed and Rules makes provision for increases in pensions in payment and deferred pensions. The increases applied depend on when the benefits were accrued and under which pension arrangements. The following table summarises the most recent increases applied. None of the increases was discretionary.

Effective date	Minimum	Maximum	Average
Pensions in payment			
1 January 2022	0%	5%	**4.7%**
1 January 2023	0%	5%	**4.7%**
1 January 2024	0%	5%	**4.7%**
Deferred pensions			**Average**
1 April 2022	0%	11.1%	**4.4%**
1 April 2023	0%	11.4%	**4.4%**
1 April 2024	0%	3.3%	**3.3%**

Transfer values

All cash equivalent transfer values paid during the year have been calculated and verified in the manner prescribed by the Pensions Schemes Act 1993 and do not include discretionary benefits.

Actuarial liabilities

As required by the Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" (FRS 102), the financial statements do not include liabilities in respect of promised retirement benefits.

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, which represent the present value of benefits to which members are entitled based on eligible pensionable service. This is assessed at least every 3 years using assumptions agreed between the Trustee Directors and the sponsoring employer and set out in the Statement of Funding Principles, a copy of which is available to members on the Scheme's website (www.ccpensionsinfocus.co.uk) or on request.

The triennial actuarial valuation of the Scheme which was completed and effective for the period of this report as that carried out as at 30 April 2019 (completed on 29 July 2020).

Valuation date: 30 April	2019
Value of technical provisions	£675m
Value of assets available to meet technical provisions	£499m
as a percentage of technical provisions	74%

The triennial actuarial valuation of the Scheme which was due as at 30 April 2022 was completed on 27 September 2024 and the table below shows the results.

Valuation date: 30 April	2022
Value of technical provisions	£812m
Value of assets available to meet technical provisions	£614m
as a percentage of technical provisions	76%

Following the closure of the Scheme to future benefit provision with effect from May 2011, there are no further ongoing contributions due although deficit repair contributions remain payable.

In addition to this, the Principal Employer pays an insurance premium to cover the cost of providing the death in service lump sum benefit.

Although there are no current plans to discontinue the Scheme and buy-out liabilities with an insurance company, the Trustee Directors also consider the level of funding relative to the estimated costs of such a buy-out (known as "solvency liabilities") and equivalent information on this basis is provided as follows at the triennial actuarial valuations carried out as at 30 April 2019:

Valuation date: 30 April	2019
Value of solvency liabilities	£1,369m
Value of assets available to meet solvency liabilities	£499m
as a percentage of solvency liabilities	36%

The position as at 30 April 2022 was as set out below:

Valuation date: 30 April	2022
Value of solvency liabilities	£1,237m
Value of assets available to meet solvency liabilities	£614m
as a percentage of solvency liabilities	50%

The value of technical provisions is based on assumptions about various factors that will influence the Scheme in the future, such as the levels of investment returns, when members will retire and how long members will live. The method and significant actuarial assumptions used in the calculations are as follows:

Method

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

Significant actuarial assumptions for 30 April 2022 valuation (2019 valuation in brackets)

Pre-retirement discount interest rate: set by reference to the gilt yield curve plus an addition of 1.75% per annum (2019: 3.4% per annum).

Post-retirement discount interest rate: set by reference to the gilt yield curve and data at the valuation date plus an addition of 0.5% per annum (2019: 0.5% per annum).

Future Retail Price inflation: derived from the future retail price index curve at the valuation date less an inflation risk premium of 0.1% per annum (2019: 0.1% per annum).

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

Mortality: in line with standard SAPS S3 'light' tables with a scaling factor of 105% for male members and 100% for female members. Future improvements in longevity in line with CMI 2018 tables with a long term rate of improvement of 1.5% per annum.

Recovery plan

The triennial actuarial valuation of the Scheme as at 30 April 2019 was completed on 29 July 2020 and a schedule of contributions and recovery plan were agreed and put into place.

Under the 2019 valuation recovery plan, deficit repair contributions of £22m per annum (plus inflationary increases) will be paid for a period of 9 years and 1 month with effect from the first payment due on 31 May 2021 in addition to a single payment of £6m being paid by 31 August 2020. On the basis of conditions prevailing, and allowing for the additional £6m contribution being paid by 31 August 2020 and the deficit repair contribution under the schedule of contributions dated 29 July 2020 being paid on 31 May 2021 along with the monthly on-account contributions of at least £583,333 the Scheme funding deficit is expected to be eliminated by 31 May 2030. These arrangements were formalised in the schedule of contributions which the Scheme Actuary certified on 29 July 2020 and a copy of the schedule and his certificate are included on pages 48 to 51 of this annual report. The next valuation as at 30 April 2022 was completed on 25 September 2024. Under regulations, the 30 April 2022 actuarial valuation, which was completed 25 September 2024, should have been completed by 31 July 2023. A recovery plan was agreed and put into place as part of the 2022 valuation.

Investment management

Investment strategy and principles

The Trustee Directors are responsible for determining the Scheme's investment strategy. In accordance with section 35 of the Pensions Act 1995, the Trustee Directors have agreed a statement of investment principles ("SIP"). The Final Salary SIPs in place during the year were dated March 2023 and September 2023, and reflected the changes in investment managers and target asset allocation. Appendices I and II to this annual report includes the Implementation Statements for both the Final Salary and Money Purchase sections of the Scheme for the year ended 30 April 2024 (incorporated by reference herein). A copy of the SIPs and the Implementation Statements are also available on the Scheme's website (www.ccpensionsinfocus.co.uk) or on request.

The Trustee Directors' investment strategy considers the Scheme's investments in the following groupings:

- **Final salary assets**: Predominantly equities, diversified funds, property, infrastructure and credit where the objective is to achieve growth within the constraints of the risk profile set by the Trustee Directors; supplemented with an allocation to an LDI strategy that seeks to match movements in the value of the proportion of the Scheme's Technical Provisions; all Final Salary assets are held through pooled investment vehicles.
- **Money purchase assets**: As these are chosen by individual members, the Trustee Directors focus primarily on the suitability of the range of investments offered only for Money Purchase members.

The investment managers are permitted to move away from their targets (within a range specified by the Trustee Directors). This mix of investments provides a suitable spread for the Scheme bearing in mind that, in pension scheme terms, the Scheme is relatively young, both in terms of the age of its membership and the length of time that the Scheme has been in operation. During the year the mix of investments remained within the range specified by the Trustee Directors in the SIP. The managers aim to invest this portfolio in a manner which would enable them to produce real investment returns which adequately meet the long-term pension liabilities of the Scheme.

Management and custody of investments

The Trustee Directors have delegated management of investments to professional investment managers which are listed on page 1. These managers are regulated by the Financial Conduct Authority in the United Kingdom. The Trustee Directors instruct the investment managers as to the general manner in which the funds should be invested. The assets managed by all managers are invested in pooled funds which gives the Trustee Directors a right to the cash value of the units rather than to the underlying assets. As a result, the Trustee Directors have no influence over the underlying investments and how the investments are acted upon, including voting participation and the consideration of Environmental, Social and Governance (ESG) or ethical factors when making investment decisions, although they can review the managers' policies and statements of compliance in respect of these matters. The investment managers of the pooled fund are responsible for the appointment and monitoring of the custodian of the underlying assets. The investment management fees charged by all managers involve a cancellation of units in the pooled funds and are not expressed explicitly.

Investment performance

The Trustee Directors assess the performance of the Scheme's investments in the following groupings consistent with the overall strategy:

- **Final salary assets** are assessed by reference to benchmarks and performance targets set and agreed with each manager.
- **Money purchase assets**: As these are chosen by individual members, the Trustee Directors receive information about performance against benchmarks. Performance information is provided to members as part of the annual package of information.

The Trustee Directors receive detailed reports from their investment adviser quarterly, along with monthly updates, showing actual performance by manager and fund. Monitoring of Final Salary section managers is delegated to Lane Clark & Peacock and monitoring of Money Purchase section managers is delegated to Barnett Waddingham, although investment managers may be required to present to the Trustee Directors during the year if and when required. Money purchase members are provided with an annual summary of the performance of their chosen funds and further information is available through fund factsheets which are available on the Scheme's website or on request. The last quarterly performance report made available was as at 31 March 2024 (which is the nearest practicable date to 30 April 2024) and the performances (net of fees) are set out in the following table for the Final Salary section:

Annualised return	**1 year**		**3 years (pa)**	
Final Salary assets	*Portfolio*	*Benchmark/Target*	*Portfolio*	*Benchmark/Target*
Global Equities				
Legal & General	22.7%	22.8%	11.6%	11.8%
Property				
Invesco ([1] since inception 16 Dec 2021)	-5.3%	6.2%	-2.4%[1]	6.2%[1]
M&G	11.8%	-10.7%	12.1%	1.5%
Infrastructure				
IFM	4.3%	10.0%	13.5%	10.0%
J P Morgan	7.2%	10.0%	10.1%	10.0%
Liability Driven Investment (LDI)				
Columbia Threadneedle (unleveraged)	-9.0%	-9.5%	-13.5%	-14.2%
Diversified Growth (DGF)				
Ruffer ([2] since inception 1 March 2023)	-6.2%	8.5%	5.8%[2]	8.4%[2]
BNY Mellon ([3] since inception 29 March 2023)	7.6%	8.5%	8.0%[3]	8.5%[3]
Nordea	4.1%	8.5%	2.6%	5.8%
Credit				
Aegon ([4] since inception 25 April 2023)	8.9%[4]	5.2%[4]	n/a	n/a
Cash				
Scheme total	**-1.1%**	**1.3%**	**-9.9%**	**-8.2%**

[1] 3-year performance figures for Invesco relate to the investment since inception 16 Dec 2021.

[2] 3-year performance figures for Ruffer relate to the investment since inception 1 Mar 2023.

[3] 1 and 3-year performance figures for BNY Mellon relate to the investment since inception 29 Mar 2023.

[4] 1-year performance figures for Aegon relate to the investment since inception 25 Apr 2023 up to 31 Mar 2024. 3-year performance figures have not been reported given that the period invested is less than a year.

Over the 1-year period to 31 March 2024 the Scheme underperformed the composite benchmark/target of 1.3% pa by 2.4% pa and over the 3-year period to 31 March 2024 the Scheme underperformed the composite benchmark/target of -8.2% pa by 1.7% pa.

The Scheme total benchmark is a composite of underlying fund benchmarks (using the relevant asset indices) and fund target returns where more appropriate.

Money purchase funds

Since March 1996, members have had the choice between two investment options, namely:

1. a with-profits arrangement, intending to provide steady growth; and
2. the unitised mixed asset fund investment, which is shared with the main pension scheme, but separately identified by the pensions administration team unitisation arrangements. The aim was to provide higher returns in the longer term, but likely to be more volatile in the short term. The unitised fund was replaced by a Legal & General Workplace pensions policy with all assets transitioned by March 2021.

A further investment option, a cash based fund operated by Clerical Medical, was made available from October 2004 and from 1 May 2015 two "passive" UK Equity and Overseas Equity index funds were made available managed by Legal & General.

The Trustee Directors originally selected Equitable Life (now Utmost Life) as the provider for members who wished to pay AVCs on a with-profits basis. This decision was reviewed and Clerical Medical have been operating the ongoing with-profits contract for some time now. The funds which support with-profits contracts invest in a diversified range of assets, but in order to support the guarantees offered by the contracts, the funds maintain a larger exposure to fixed interest investments and a correspondingly smaller amount in equities, compared to typical unit-linked managed funds.

Life Office with-profits contracts have a capital guarantee and a bonus structure which enables the capital value of an investment to accumulate steadily. The Clerical Medical policy offers an accumulation of "Bonus Interest" each year and a terminal bonus at the end of the contract term.

It is not possible to provide meaningful analysis of the performance for the Clerical Medical with-profits fund, or to compare it against other with-profits funds. This is primarily due to the changing bonus rates and adjustments under with-profit policies. However, members are provided with an annual summary of the performance of their chosen funds and further information is available through fund factsheets which are available on the Scheme's website or on request.

The Clerical Medical with-profits option has been available since June 2001. The with-profits fund invests in a wide range of stocks and shares. The returns achieved on these investments within their with-profits fund will determine the level of growth achieved by investors in the with-profits fund. This growth is achieved by way of a regular bonus added to member's funds each year. By awarding a regular bonus, the with-profits fund aims to smooth out any fluctuations in market performance. At retirement or on leaving the Scheme, members may also receive an additional bonus payment (the "terminal bonus") to reflect the investment earnings from the with-profits fund. This will depend on the performance of the fund over the period they are invested.

During September and October 2021, all members who held individual contribution investments in funds operated by Clerical Medical, Utmost, Scottish Widows and Aviva were provided with the option to switch holdings to the Legal & General Workplace policy.

The Trustee has considered the nature, disposition, marketability, security, and valuation of the Scheme's investments and believe them to be appropriate relative to the reasons for holding each class of investments.

Employer-related investments

A statement regarding employer-related investments is given in note 18 to the financial statements.

Statement of trustee's responsibilities

The trustee's responsibilities in respect of the financial statements

The financial statements, which are prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including the Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102"), are the responsibility of the trustee. Pension scheme regulations require, and the trustee is responsible for ensuring, that those financial statements:

- show a true and fair view of the financial transactions of the scheme during the scheme year and of the amount and disposition at the end of the scheme year of its assets and liabilities, other than liabilities to pay pensions and benefits after the end of the scheme year; and
- contain the information specified in Regulation 3A of the Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996, including making a statement whether the financial statements have been prepared in accordance with the relevant financial reporting framework applicable to occupational pension schemes.

In discharging these responsibilities, the trustee is responsible for selecting suitable accounting policies, to be applied consistently, making any estimates and judgements on a prudent and reasonable basis, and for ensuring that the financial statements are prepared on a going concern basis unless it is inappropriate to presume that the scheme will continue as a going concern.

The trustee is also responsible for making available certain other information about the scheme in the form of an annual report.

The trustee has a general responsibility for ensuring that accounting records are kept and for taking such steps as are reasonably open to it to safeguard the assets of the scheme and to prevent and detect fraud and other irregularities, including the maintenance of an appropriate system of internal control.

The trustee is also responsible for the maintenance and integrity of the www.ccpensionsinfocus.co.uk website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The trustee's responsibilities in respect of contributions

The trustee is responsible under pensions legislation for preparing, and from time to time reviewing and if necessary revising, a schedule of contributions showing the rates of contributions payable to the scheme by or on behalf of employers and the active members of the scheme and the dates on or before which such contributions are to be paid.

The trustee is also responsible for keeping records in respect of contributions received in respect of any active member of the scheme and for adopting risk-based processes to monitor whether contributions that fall due to be paid are paid into the scheme in accordance with the schedule of contributions.

Where breaches of the schedule occur, the trustee is required by the Pensions Acts 1995 and 2004 to consider making reports to the Pensions Regulator and to members.

Further information

Requests for additional information about the Scheme generally, or queries relating to members' own benefits, should be made to the contact listed on page 1.

Approval

The Trustee Directors' Report on pages 3 to 11 was approved by the Trustee Directors and signed on their behalf by:

J A Dawson

(Trustee Director)

Chair's statement regarding the governance of Defined Contribution arrangements

Scheme year - 1 May 2023 to 30 April 2024

1. INTRODUCTION

1.1. This statement has been prepared by the Trustee Directors of the Clifford Chance Pension Trustees Limited (the "Trustee"), the Trustee of the Clifford Chance Pension Scheme ("the Scheme"), to report on compliance with governance standards.

1.2. The governance standards apply to Defined Contribution ("DC") arrangements and are designed to help members achieve good outcomes from their pension savings.

1.3. This statement covers the Scheme year 1 May 2023 to 30 April 2024.

1.4. This statement covers six key areas:

1.4.1. The investment strategy in relation to the Scheme's default investment arrangements;

1.4.2. The net investment returns and asset allocations for the Scheme's investment options;

1.4.3. The processing of core financial transactions;

1.4.4. Charges and transaction costs within the Scheme;

1.4.5. Value for members assessment; and

1.4.6. The Trustee's compliance with the statutory knowledge and understanding requirements.

1.5 A copy of this statement will be included in the Scheme's Annual Report and Accounts and will be published on a publicly available website https://pensioninformation.aon.com/cliffordchance.

1.6 This statement does not contain advice in respect of actions that members should take, and it is not intended to be used for that purpose. If members need advice they can get help finding a regulated financial adviser through the Money Helper website at www.moneyhelper.org.uk/en/pensions-and-retirement/taking-your-pension/find-a-retirement-adviser.

2. THE SCHEME'S DC ARRANGEMENTS

2.1. The Scheme's DC arrangements comprises:

2.1.1. The Scheme's Money Purchase Section

2.1.2. Voluntary Contributions ("VCs") providing additional benefits for members of the Defined Benefit Section ("the DB Section")

2.2. The Scheme is not and has never been used as a Qualifying Scheme for auto-enrolment purposes and it is closed to future contributions.

3. DEFAULT INVESTMENT ARRANGEMENTS

3.1. Despite not being used for auto-enrolment purposes, due to historic bulk transfers of members' benefits there are some investments which are technically deemed as default arrangements for the purposes of reporting requirements. These are:

- The Legal & General (L&G) Target Date Funds
- The L&G Cash Target Date Funds
- The Utmost Life and Pensions Investing By Age strategy

More details on these are set out below.

Review of the default

3.2. The objectives, strategy and performance against peers of the L&G default Target Date Fund and Cash Target Date Fund strategies were formally reviewed during the Scheme year by the newly appointed Investment Adviser, Barnett Waddingham. This was presented at the Trustee meeting on 23 February 2024. This review included analysis of the membership. The conclusion of the review was the ongoing suitability of the strategies.

3.3. The on-going suitability of the Utmost arrangement had been reviewed in the previous Scheme year, being completed at a Trustee meeting in November 2022, with no changes proposed.

3.4. The Trustee monitors the performance of all investment options, including the default, on a quarterly basis. These quarterly reviews are part of the regular governance of the Scheme and do not constitute a formal review of the default, which ordinarily follows a three-year cycle.

Further information on the default strategies

3.5. Further details of the default investment arrangement can be found in the SIP. For the purposes of Regulation 2A of the Occupational Pension Schemes (Investment) Regulations 2005 the SIP sets out more detail around the Trustee's investment objectives, as well as the default investment strategy. The SIP was last updated in September 2024 and the most recent version is appended to this Statement.

Legal & General

3.6. The key features of the L&G Target Date Funds and L&G Cash Target Date Funds are:

3.6.1. They are structured as a target date investment strategy which consists of a series of separate funds that are designed to target the date (across five-year windows) most closely aligned with each member's Normal Retirement Date (NRD). For example, a member with an NRD in 2047 would be invested in the 'Default Target Date Fund 2045 – 2050'. The NRD of the DC Section is set at a member's 65th birthday, however members can amend their target retirement date should they wish.

3.6.2. It invests in a broad mix of assets which are automatically rebalanced at different stages of membership. When a member is a long way from accessing their retirement savings, emphasis is placed on medium to higher risk funds (i.e. investing predominantly in growth assets) in search of long-term returns that exceed inflation. As each member approaches their NRD, their retirement savings are progressively switched to lower risk funds with the aim of protecting their value relative to the way in which they are expected to be accessed.

3.6.3. The target investment profile of the L&G Target Date Fund has been designed with the assumption that members are likely to access their pension savings through drawdown. This means that the Default Target Date Fund will hold a proportion of assets that offer the prospect of future growth in the lead up to and through retirement.

3.6.4. The target investment profile of the L&G Cash Target Date Fund has been designed with the assumption that members are likely to access their pension savings as cash – which is reflective of most of the members with VC benefits linked to their DB section.

3.6.5. Legal & General, as the provider of the Target Date Funds, will adjust the investment profile, strategy and asset allocation of the Funds on an ongoing basis in order to take account of changes in market conditions.

Utmost Life and Pensions

3.7. The key features of the Utmost Investing By Age Strategy are:

3.7.1. This uses a 'lifestyle' strategy to automatically reduce risk/volatility in the years approaching retirement age and utilises white labelled investment funds.

3.7.2. Up until 10 years before a member's retirement age, the default allocates 100% to the Multi Asset Moderate Fund.

3.7.3. Over the 10 years to a member's retirement age, the default automatically and gradually switches out of the Multi-Asset Moderate Fund and into the Multi-Asset Cautious Fund. Members then remain 100% invested in the Multi-Asset Cautious Fund until 10 years post-retirement, when they automatically and gradually switch out of the Multi-Asset Cautious Fund and into the Money Market Fund.

3.7.4. Utmost, as the provider of the Investing By Age Strategy, can adjust the investment profile, strategy and asset allocation of the strategy on an ongoing basis in order to take account of changes in market conditions.

Asset allocation of the defaults - the last quarterly performance data made available was as at 31 March 2024 (which is the nearest practicable date to 30 April 2024).

3.8. We have provided further details in the tables below of the underlying asset allocation of the default investment arrangements. We have provided this information in line with statutory guidance.

3.9. Within the default investment arrangements, the underlying assets change over time. Asset allocations are shown for members aged 25, 45, 55 and 1 day before retirement age, all assuming retirement at age 65.

L&G Target Date Funds (as at 31 March 2024)

Asset Class	Allocation (%) 25-year-old	Allocation (%) 45-year-old	Allocation (%) 55-year-old	Allocation (%) 1 day before retirement age (65)
Cash	0.43%	0.43%	0.85%	8.86%
Bonds	18.45%	18.45%	36.90%	48.08%
Listed Equities	70.00%	70.00%	40.00%	14.11%
Private Equity	1.00%	1.00%	2.00%	0.18%
Infrastructure	5.88%	5.88%	11.75%	5.90%
Property/Real Estate	0.00%	0.00%	0.00%	2.44%
Private Debt/Credit	4.25%	4.25%	8.50%	18.73%
Other	0.00%	0.00%	0.00%	1.70%

As the Target Date Fund and the Cash Target Date Fund strategies are the same up to 10 years before target retirement age, the asset allocation for the L&G Cash Target Date Fund would be as above apart from the allocation 1 day before retirement age would be 100% in cash.

Utmost Investing By Age Strategy (as at 31 March 2024)

Asset Class	Allocation (%) 25-year-old	Allocation (%) 45-year-old	Allocation (%) 55-year-old	Allocation (%) 1 day before retirement age (65)
Cash	3.63%	3.63%	3.63%	4.25%
Bonds	28.13%	28.13%	28.13%	52.49%
Listed Equities	67.50%	67.50%	67.50%	42.49%
Private Equity	0.00%	0.00%	0.00%	0.00%
Infrastructure	0.00%	0.00%	0.00%	0.00%
Property/Real Estate	0.00%	0.00%	0.00%	0.00%
Private Debt/Credit	0.00%	0.00%	0.00%	0.00%
Other	0.74%	0.74%	0.74%	0.76%

4. CORE FINANCIAL TRANSACTIONS

4.1. The Trustee has a duty to ensure that 'core financial transactions' are processed promptly and accurately.

4.2. Core financial transactions comprise the following:

4.2.1. transfers into and out of the Scheme

4.2.2. investment switches within the Scheme

4.2.3. payments out of the Scheme

4.3. Core financial transactions for the DC Section are undertaken on behalf of the Trustee by the HR Team of Clifford Chance London Limited, in its capacity as the Scheme administrator, and by the by DC providers – L&G, Clerical Medical, Aviva, Utmost and Scottish Widows.

Controls and monitoring arrangements

4.4. The controls in place in relation to ensuring the promptness and accuracy of core financial transactions are:

L&G

4.4.1. The Trustee has a Service Level Agreement (SLA) in place with the administrator. The SLA sets out the timeline standards expected for each step of the Scheme's main administration tasks, including core financial transactions. The administrator aims to process at least 95% of core financial transactions within the service level for each type of transaction.

Core financial transaction	Service level
Contribution/allocations	5 working days
Transfer payments in	5 working days
Transfer payments out	3 working days
Investment switches	5 working days
Retirement payments out of the Scheme	5 working days

4.4.2. The Trustee receives quarterly governance reports on performance against the SLA from L&G and reviews the latest report at each trustee meeting. In the year to 31 March 2024 the SLA achieved for core financial transactions was 97.4% with only one item missing the agreed service levels.

Utmost Life and Pensions

4.4.3. This information is the latest published, is not plan specific and applies across Utmost's book of business

Service Level Agreements during 2023 were measured as follows:

- *95% of payments out made within 5 days*
- *95% of illustrations completed within 10 days*
- *90% of general servicing completed within 10 days*

All Service Level Agreements were met during 2023.

Utmost have published details which confirm that

- *We have internal standards which ensure that staff are properly trained, qualified, supervised and monitored. Staff are encouraged to enhance their skills and knowledge by also attending external training courses where appropriate.*
- *Our administration procedure manuals are regularly reviewed and updated. Both automated and manual processes are subject to checking and/or regular quality sampling.*
- *We carry out regular data integrity exercises covering both core and conditional data. Any errors identified are investigated and corrected. As we are not the scheme administrator, we do not hold full details of the common or conditional data. We do not, therefore, measure the data or calculate data scores.*
- *The adequacy and effectiveness of Governance and control over Data Protection, Information Security and Cyber Security is periodically reviewed by our Internal Audit function.*

4.4.4. We recognise that Utmost provides a limited administration service with benefit statements being provided and an annual financial report. Members do not interact directly with Utmost, this is via the DB section administrator, and there is no on-line functionality or member support provided by Utmost

Aviva, Clerical Medical and Scottish Widows

4.4.5. No information has been provided by Aviva, Clerical Medical and Scottish Widows although we note that there have been minimal transactions during the period. Whilst the providers produce the annual benefit statements, members do not interact with these providers, this is via the Clifford Chance HR team.

Clifford Chance HR Team and wider controls

4.4.6. The Clifford Chance HR Team manage the administration of the DB Section and have oversight of all the administration arrangement. A report is provided in advance of each Trustee meeting confirming the activity in respect of members' DC arrangements.

4.4.7. The Clifford Chance Finance Team are responsible for reconciliation of the Scheme bank account and are provided with details of all transactions as they occur.

4.4.8. Additional measures that help to monitor the accuracy of core financial transactions are the external audit of the Scheme's annual report and accounts and the administrator's checks on data quality. As at Aporil 2021. The common data score for the scheme was 95%, and the scheme specific data score was 100%.

4.4.9. The providers' controls and processes are also subject to a formal external audit for its annual assurance report on internal controls.

4.4.10. Any material issues uncovered regarding inaccuracies with core financial transactions are included within the reporting to the Trustee.

Performance during the Scheme year

4.5. The Trustee received quarterly reports from L&G together with the pre-Trustee meeting report from the Clifford Chance HR Team during the Scheme year and was satisfied with the performance against the SLA.

4.6. Neither the administrator's quarterly reports nor the audit of the annual report and accounts identified material issues with the accuracy of core financial transactions.

Assessment

4.7. In view of the controls and monitoring arrangements, and the lack of material issues experienced during the Scheme year, the Trustee believes that core financial transactions have been processed promptly and accurately.

5. MEMBER-BORNE CHARGES AND TRANSACTION COSTS

5.1. Members bear charges and transaction costs, which will differ depending on the investment options in which their pension savings are invested:

5.1.1. Charges: these are expressed as a percentage of the value of a member's holdings within an investment fund and can be made up of a combination of charges, e.g. annual management charge and additional expenses. We refer to the total annual charge as the Total Expense Ratio (TER).

5.1.2. Transaction costs: these relate to the variable costs incurred within an investment fund arising from the trading activities of the fund, e.g. incurred in the buying and selling of securities, which are not accounted for in the TER charge.

Charges in relation to the DC Arrangements

5.2. The following tables provide details of the charges and transaction costs for each of the investment options provided through the DC arrangements over the Scheme year. Data has been sourced from each relevant investment manager as at 30 April 2024 unless otherwise noted. Many providers reporting on transaction costs is limited to quarter end dates so information to 30 April 2024 is not necessarily available. The Trustee will continue to request this information but they are comfortable that the detail provided to 31 March 2024 will give a good indication of the transaction costs incurred by members over the Scheme year.

5.3. In certain circumstances, the methodology used for calculating transaction costs (known as slippage) can lead to negative costs being reported. This can be, for example, where other market activity pushes down the price of the asset being traded, whilst the transaction was in progress, resulting in the asset being purchased for a lower price than when the trade was initiated.

Legal & General (as at 31 March 2024)

Investment option	TER (p.a.)	Transaction costs (p.a.)
2020 – 2025 Target Date Fund	0.28%	0.0747%
2025 – 2030 Target Date Fund	0.28%	0.0451%
2030 – 2035 Target Date Fund	0.28%	0.0338%
2035 – 2040 Target Date Fund	0.28%	0.0492%
2040 – 2045 Target Date Fund	0.28%	0.0532%
2045 – 2050 Target Date Fund	0.28%	0.0563%
2020 – 2025 Cash Target Date Fund	0.28%	0.0000%
2025 – 2030 Cash Target Date Fund	0.28%	0.0000%
2030 – 2035 Cash Target Date Fund	0.28%	0.0185%
2035 – 2040 Cash Target Date Fund	0.28%	0.0465%
2040 – 2045 Cash Target Date Fund	0.28%	0.0523%
LGIM World (ex UK) Equity Index Fund	0.25%	0.020%
LGIM Multi-Asset Fund	0.26%	0.020%
LGIM Future World Equity Fund	0.37%	0.090%
LGIM UK Equity Index Fund	0.23%	0.000%
LGIM Future World Annuity Aware Fund	0.25%	0.000%
LGIM North America Equity Index Fund	0.25%	0.000%
LGIM Cash Fund	0.22%	0.000%
LGIM Asia Pacific (ex Jap) Equity Index Fund	0.27%	0.010%

Utmost Life and Pensions Investing by Age Strategy (as at 28 March 2024)

Investment option		TER (p.a.)	Transaction costs (p.a.)
Investing by Age Strategy	Age 25	0.75%	0.2082%
	Age 45	0.75%	0.2082%
	Age 55	0.75%	0.2082%
	1 day before selected retirement age	0.75%	0.2404%

The charges and transaction costs for the Utmost strategy, which is a lifestyle strategy, have been calculated as a composite of the underlying fund charges and transaction costs. These vary depending upon a member's term to retirement age (assumed 65).

Aviva (as at 31 March 2023)

Investment option	TER (p.a.)	Transaction costs (p.a.)
Pension Mixed Investment Fund	0.875%[1]	0.045%[1,2]

Clerical Medical (as at 31 March 2023)

Investment option	TER (p.a.) [1]	Transaction costs (p.a.) [1,2]
Balanced Fund	0.495%	0.380%
Cash Fund	0.495%	0.380%
Halifax Cash Fund	0.495%	0.000%
With-Profits Fund	1.000%	0.330%

Scottish Widows[3] (as at 31 March 2023)

Investment option	TER (p.a.) [1]	Transaction costs (p.a.) [1,2]
With-Profits Fund – unitised	0.875%[4]	0.390%
With-Profits Fund – conventional	See note 5	0.390%
Mixed Fund	0.939%	0.190%
Cash Fund	0.875%	0.020%
UK Equity Fund	0.875%	0.260%
International Fund	0.926%	0.260%

Notes:

1. The total costs and charges paid by members is the sum of the TER and transaction costs shown for each fund, plus for Scottish Widows funds a monthly policy fee (see note 3).

2. As noted above, the TER and transaction costs shown are over the year to 31 March 2023 as was the most recent charge information received from the providers.

3. Members invested with Scottish Widows also pay a monthly policy fee. The exact fee charged from month to month varies by member.

4. The charges on the Clerical Medical and Scottish Widows unitised with-profits funds are not explicit, they are taken into account when the interest rate or annual bonus rate is declared. However, Clerical Medical has confirmed that it aims to take no more than 1% p.a. in charges and Scottish Widows has estimated that charges on the with-profits fund are in line with those on the unit-linked funds i.e. 0.875% p.a. We have therefore shown these charge estimates in the table.

5. The charges on the Scottish Widows conventional with-profits funds are not explicit. Scottish Widows were unable to estimate these charges over the year but did note that they vary depending on the type and term of the policy. As an example, for policies maturing in 2019 the estimated charges ranged from 0.90% p.a. to 1.50% p.a.

Impact of costs and charges

5.4. To demonstrate the impact of charges and transaction costs on members' pension savings over time, the Trustee has produced illustrations, and these are set out in Appendix 1.

6. NET INVESTMENT RETURNS

6.1. The Trustee is required to disclose returns, net of charges and transaction costs, for the default investment arrangement and for each fund that members are able, or were previously able, to select and in which members' assets were invested during the Scheme year. When preparing this section of the statement the Trustee has taken account of the relevant statutory guidance. Data sourced from the relevant investment managers was requested as at 30 April 2024 however given the usual quarterly reporting this have been provided as at 31 March 2024 unless stated otherwise.

Legal & General Target Date Funds

Investment option	1yr net return	3yr net return (p.a.)	5yr net return (p.a.)
2020 – 2025 Target Date Fund	6.74%	1.39%	2.91%
2025 – 2030 Target Date Fund	7.52%	1.44%	3.46%
2030 – 2035 Target Date Fund	8.82%	2.29%	4.17%
2035 – 2040 Target Date Fund	10.99%	3.06%	4.64%
2040 – 2045 Target Date Fund	11.54%	3.28%	4.75%
2045 – 2050 Target Date Fund	12.23%	4.22%	5.66%
2020 – 2025 Cash Target Date Fund	6.35%	1.46%	2.16%
2025 – 2030 Cash Target Date Fund	7.61%	2.03%	3.67%
2030 – 2035 Cash Target Date Fund	8.68%	2.25%	4.13%
2035 – 2040 Cash Target Date Fund	10.72%	2.89%	4.52%
2040 – 2045 Cash Target Date Fund	11.34%	3.13%	4.75%
LGIM World (ex UK) Equity Index Fund	24.23%	11.66%	13.35%
LGIM Multi-Asset Fund	8.63%	2.35%	4.27%
LGIM Future World Equity Fund	16.27%	8.97%	10.25%
LGIM UK Equity Index Fund	7.73%	7.60%	5.50%
LGIM Future World Annuity Aware Fund	4.12%	-8.19%	-3.40%
LGIM North America Equity Index Fund	28.74%	13.90%	15.65%
LGIM Cash Fund	5.12%	2.44%	1.62%
LGIM Asia Pacific (ex Jap) Equity Index Fund	8.45%	2.67%	7.40%

Utmost Life and Pensions Investing by Age Strategy

Age of member at start of period	1yr net return	3yr net return (p.a.)	5yr net return (p.a.)*
45	10.76%	3.26%	-
55	10.76%	2.89%	-

**due to the inception date of this fund 5 year performance is not available*

Clerical Medical

Investment option	1yr net return	3yr net return (p.a.)	5yr net return (p.a.)
Balanced Fund*	10.50%	2.50%	3.03%
Cash Fund*	4.40%	2.18%	1.30%
Halifax Cash Fund*	0.00%	0.00%	0.00%

Investment option	1yr net return	3yr net return (p.a.)	5yr net return (p.a.)
With-Profits Fund**	8.00%	3.04%	4.03%

*Performance has been provided as at 30 June 2024. **Unsmoothed performance has been provided as at 31 December 2023.

Aviva and Scottish Widows

Net investment performance has been requested from Aviva and Scottish Widows. At the time of completing the Chair's Statement this is still outstanding. The Trustee will continue to follow up with the providers on this request and will publish an updated statement when the outstanding information is received.

7. VALUE FOR MEMBERS

7.1. The Trustee is required to assess annually the extent to which the charges and transaction costs borne by members represent good value.

7.2. Analysis was undertaken by the Trustee's professional advisers, Barnett Waddingham LLP, and the findings set out in a report dated October 2024. The Trustee considered the report and confirmed its value for members assessment at a meeting on 15 November 2024.

7.3. Recognising that low cost does not necessarily mean good value, the assessment considered whether the services for which members pay or share the costs are suitable for, relevant to and (likely to be) valued by members and whether performance of the services had been effective. Consideration was also made of the costs relative to other options available in the market.

7.4. Various investment-related services for which members do not directly bear the costs are nevertheless inextricably linked to creating the environment under which investment returns are delivered, e.g. strategy, monitoring and the investment governance structure, so these were included in the assessment.

7.5. Other services paid for by Clifford Chance LLP were excluded but nevertheless deliver value to members, e.g. the services of professional advisers and the Clifford Chance HR Team in the Scheme administration and the operation of the trustee board, with a duty to act in the best interest of members.

7.6. In relation to the DC arrangements, the member-borne charges and transaction costs relate to:

7.6.1. investment services

7.6.2. administration services (provided by the bundled providers)

7.6.3. communication services (provided by the bundled providers)

7.7. The assessment considered:

7.7.1. in relation to investment services:

7.7.1.1. the investment strategy, e.g. the design of the default and range of alternative options

7.7.1.2. the arrangements for monitoring the performance of the investment options and reviewing the investment strategy

7.7.1.3. the investment governance arrangements

7.7.2. in relation to administration services:

7.7.2.1. the general administration arrangements

7.7.2.2. arrangements in relation to financial transactions

7.7.2.3. data and record keeping

7.7.3. in relation to communication services:

7.7.3.1. communication strategy

7.7.3.2. pre-retirement communications

7.7.3.3. at/post-retirement communications

7.8. The assessment recognised that full information had not been received from all providers, but given the Clifford Chance HR Team oversight and the proportionality regarding the amount of assets and members accounts held with Legal & General, the Trustee concluded that the DC arrangements offer good value in relation to the charges and transaction costs borne by members.

7.9. In reaching this conclusion, the Trustee recognised:

7.9.1. the overall robust governance in place to manage the Scheme

7.9.2. the DC sub-committee to more closely monitor the DC arrangements

7.9.3. the services provided by Legal & General as the main provider of the DC arrangements, including the wider communications support

7.9.4. the wider administration services and reporting from the Clifford Chance HR Team

7.9.5. the costs for the Legal & General investments where majority of DC assets are held, although it is recognised that the member charges from the other providers are not as competitive

8. TRUSTEE KNOWLEDGE AND UNDERSTANDING

The Trustee Board

8.1. The Trustee Board comprises six trustee directors, three of whom are nominated by the members and three of whom are company appointed. During the period there had at times been a Board of eight directors but this was reduced to six with effect from 1 July 2024.

8.2. One of the employer appointed trustee directors, Robin Tremaine, is the Chair.

Trustee knowledge and understanding requirements

8.3. The Trustee is required to be conversant with the Scheme's main documents and have appropriate knowledge and understanding of the law relating to pensions and trusts, the funding of occupational schemes and investment of scheme assets.

Approach

8.4. The Trustee aims to remain conversant with the Scheme's trust deed and rules as well as all other Scheme documents such as the statement of investment principles, the risk register and current policies, e.g. conflicts of interest. They do so through their experience in governing the Scheme, as well as specific activities over the Scheme year and access to professional advice.

8.5. The Trustee aims to achieve and maintain knowledge and understanding of the law relating to pensions and trusts, the funding of occupational schemes and investment of scheme assets through a combination of training, taking professional advice and the inclusion of a professional trustee (pensions lawyer) as a trustee director.

8.6. Training is focussed on areas considering Scheme activity, changing legislation and identified training needs. A training log is maintained in relation to training undertaken.

8.7. An induction process is in place for newly appointed trustee directors, which involves an introductory training session by the Secretary to the Trustee and completion of the TPR's Trustee Toolkit. There was one new Trustee Director appointed during the year.

8.8. The Trustee consults with professional advisers as and when required, for example on consultancy, investment and legal matters. The professional advisers are engaged to pro-actively alert the Trustee on relevant changes to pension and trust law. Professional advisers also provide support in relation to understanding and reviewing the Scheme's documents, attending trustee meetings and often in the delivery of training at these meetings.

Activities over the Scheme year

8.9. The Trustee appointed a new DC investment adviser and undertook the triennial investment review of the main DC assets.

8.10. The Trustee reviewed the Scheme's Statement of Investment Principles (SIP), this was updated after the Scheme year end, in September 2024, to take account of required detail around illiquid assets.

8.11. The Trustee reviewed the following Scheme documents:

8.11.1. the risk register, which had a full review by a sub-committee that was then referred back to the full Board

8.11.2. the conflicts of interest register – conflicts are declared at each meeting

8.11.3. annual report and accounts

8.12. During the Scheme year, the Trustee also took professional advice on:

8.12.1. undertaking the annual value for members assessment

8.12.2. preparation of the Implementation Statement

8.12.3. disclosure of costs, charges and investments

8.13. The Trustee received training at trustee meetings over the Scheme year on the following topics:

8.13.1. Legislative update

8.13.2. DC investment strategy in regard to the triennial review

8.13.3. The General Code of Practice, with an initial assessment by the Trustee adviser and timetable being agreed after the Scheme year-end to comply with requirements

Assessment

8.14. The Trustee consider that their combined knowledge and understanding, together with their access to professional advice, enables them to properly and effectively exercise their trustee functions in the following ways:

8.14.1. The Trustee is able to challenge and question advisers, service providers and other parties effectively

8.14.2. Trustee decisions are made in accordance with the Scheme rules and in line with trust law duties

8.14.3. The trustee directors' decisions are not compromised by such things as conflicts or hospitality arrangements

Chair’s Declaration

I confirm that the above Statement has been produced and approved by the Trustee to the best of its knowledge.

Robin T Tremaine, Chair of Trustee

APPENDIX 1 – ILLUSTRATIONS ON THE IMPACT OF COST AND CHARGES

A1.1. To demonstrate the impact of member-borne charges and transaction costs on the value of members' pension savings, the Trustee has produced illustrations in accordance with statutory guidance.

Parameters used for the illustrations

A1.2. Pot size: pot sizes of £9,200, £25,200 and £54,200 have been used; these represent the 25th percentile, the median and the 75th percentile of pot values (rounded to the nearest £100).

A1.3. Contributions: the illustrations assume no future contributions.

A1.4. Timeframe: the illustrations are shown over a 25 year time frame (where appropriate) as this covers the approximate duration that the youngest member would take to reach retirement age.

A1.5. Investment options: illustrations are provided for the Legal & General default investment arrangements and the highest and lowest charge self-select funds. As there is only one member invested in the Utmost default arrangement an illustration has not been included as this would effectively be a personal illustration based on the member's age and fund value – the member will receive their illustration within their annual benefit statement.

Guidance to the illustrations

A1.6. For each illustration, the savings pot has been projected twice: firstly for the assumed investment return gross of costs and charges; and secondly for the assumed investment return net of costs and charges.

A1.7. Projected pot sizes are shown in today's terms, so do not need to be reduced further for the effects of future inflation. Inflation is assumed to remain constant throughout the term of the illustrations, at 2.5% per year. It is for this reason that real growth (after inflation) may be negative.

A1.8. The projected growth rates (gross, i.e. before inflation) and costs and charges used are as follows:

Fund/Strategy	Assumed return	TER	Transaction costs
2045-50 Target Date Fund	2.4%	0.28%	0.0600%
2045-50 Cash target Date Fund	2.4%	0.28%	0.0500%
Future World Equity Fund	3.4%	0.37%	0.0900%*
Cash Fund	-0.5%	0.22%	0.0000%*

* Transaction costs are based on the average yearly costs incurred, measured over a period of up to the last five years, which may differ from the details included in Section 5.3.

A1.9. Values shown are estimates and not guaranteed.

A1.10. The starting date for the illustrations is 30 April 2024.

Default investment arrangement – 2045-50 L&G Target Date Funds

Pot value at end of year	Current fund value: £56,573.00 Contribution: £0.00 per month	
	No charges	After all charges
1	£57,953	£57,831
3	£60,814	£60,432
5	£63,817	£63,150
10	£71,989	£70,492
20	£89,488	£85,807
26	£98,628	£93,387

A1.11. Note on how to read this table: If a member had £56,573 invested in this option on 30 April 2024, in 10 years the savings pot could grow to £71,989 if no charges are applied but to £70,492 with charges applied.

Default investment arrangement – 2045-50 L&G Cash Target Date Funds

Pot value at end of year	Current fund value: £56,573.00 Contribution: £0.00 per month	
	Investment growth after inflation reduced from 1.6% a year to 1.4%	
	No charges	After all charges
1	£57,953	£57,837
3	£60,814	£60,450
5	£63,817	£63,182
10	£71,989	£70,563
20	£85,887	£82,519
26	£85,341	£81,017

A1.12. Note on how to read this table: If a member had £56,573 invested in this option on 30 April 2024, in 10 years the savings pot could grow to £71,989 if no charges are applied but to £70,563 with charges applied.

Highest charge self-select fund – Future World Equity Fund

Pot value at end of year	Current fund value: £56,573.00 Contribution: £0.00 per month	
	Investment growth after inflation reduced from 3.4% a year to 2.9%	
	No charges	After all charges
1	£58,505	£58,236
3	£62,586	£61,711
5	£66,914	£65,393
10	£79,146	£75,587
20	£110,726	£100,993
26	£135,436	£120,169

A1.13. Note on how to read this table: If a member had £56,573 invested in this option on 30 April 2024, in 10 years the savings pot could grow to £79,146 if no charges are applied but to £75,587 with charges applied.

Lowest charge self-select fund – Cash Fund

Pot value at end of year	Current fund value: £56,573.00 Contribution: £0.00 per month	
	Investment growth after inflation reduced from -0.5% a year to 0.7%	
	No charges	After all charges
1	£56,297	£56,173
3	£55,749	£55,382
5	£55,207	£54,603
10	£53,873	£52,701
20	£51,302	£49,094
26	£49,819	£47,049

A1.14. Note on how to read this table: If a member had £56,573 invested in this option on 30 April 2024, in 10 years the savings pot could grow to £53,873 if no charges are applied but to £52,701 with charges applied.

APPENDIX 2 – STATEMENT OF INVESTMENT PRINCIPLES – SEPTEMBER 2024

Clifford Chance Pension Scheme – Money Purchase section ("the Scheme")

Statement of Investment Principles ("the Statement")

1. Scope of Statement

This Statement sets out the policy of the Trustee of the Clifford Chance Pension Scheme ("the Trustee") on various matters governing decisions about the investments of the Money Purchase section of the Clifford Chance Pension Scheme. The Trustee maintains a separate Statement for the Final Salary section. This Statement replaces the previous Statement dated March 2022.

This Statement has been prepared in accordance with Section 35 of the Pension Act 1995 (as amended by the Pension Act 2004 and the Occupational Pension Plans (Investment) Regulations 2005) and the Occupational Pension Schemes (Scheme Administration) Regulations 1996 (as amended by the Occupational Pension Schemes (Charges and Governance) Regulations 2015 and (Investment and Disclosure) Regulations 2019, which introduced minimum governance standards that apply to all trust-based Defined Contribution (DC) schemes).

This statement has been prepared with regard to the 2001 Myners review of institutional investment (including subsequent updates), and Scheme Funding legislation.

In accordance with the Financial Services and Markets Act 2000, the Trustee will set general investment policy, but will delegate the responsibility for selection of specific investments to appointed investment managers. The investment managers shall provide the skill and expertise necessary to manage the investments of the Scheme competently.

The effective date of this Statement is 25 September 2024. The Trustee will review this Statement and the Scheme's investment strategy no later than three years after the effective date of this Statement and without undue delay after any significant change in investment policy.

The investment powers of the Trustee are set out in Clause 7 of the Definitive Trust Deed & Rules, dated 13 December 2001. This statement is consistent with those powers.

2. Consultations Made

The Trustee has consulted with the relevant employer in writing this Statement.

The Trustee is responsible for the investment strategy of the Scheme. The Trustee has obtained and considered written professional advice on the investment strategy appropriate for the Scheme and on the preparation of this Statement. This advice was provided by Barnett Waddingham LLP ("Barnett Waddingham"), the Scheme's investment adviser for the Money Purchase section, whom the Trustee believes to be suitably qualified and experienced to provide such advice and who are authorised and regulated by the Financial Conduct Authority and licensed by the Institute and Faculty of Actuaries for a range of business activities.

The day to day management of the Scheme's assets has been delegated to investment managers who are appropriately authorised and regulated as required under the Financial Services and Markets Act 2000 (amended by the Financial Services Act 2012). A copy of this Statement is available to Scheme members on request and is stored on the Scheme's website.

3. Objectives and Policy for Securing Objectives

The Trustee's primary objectives for setting the investment strategy of the Money Purchase section of the Scheme are:

- “asset choice” to ensure members have an appropriate choice of assets for investment
- “return objective” to enable members to benefit from investment in “growth” assets until they approach retirement, when they will be able to switch to “matching” assets which are more related to the format of the benefits they are expected to take at retirement

4. Choosing Investments

The investment options offered to members of the Money Purchase section are deemed appropriate, given the profile of the membership. A range of funds is available to members. This has been expanded to provide suitable like for like funds to members who transferred funds from the legacy Voluntary Contribution (“VC”) arrangements. A summary of the investment options available is set out in the Appendix.

The Trustee set a ‘default’ investment strategy for funds transferred to Legal & General from the Unitised Mixed Managed Fund and the legacy VC arrangements. This strategy applied to transfers unless members provided alternative investment instructions.

When setting the default investment strategy, the Trustee considered:

- The need for appropriate diversification of asset classes.
- The differing investment priorities for members, depending upon their term to retirement.
- The format in which members are expected to take benefits.

The default investment strategy for money purchase funds is the Legal & General target date fund corresponding to the members’ normal, or selected, retirement age. This strategy aims to build real retirement income, whilst managing possible downside risk. The asset allocation of the fund assumes members will keep their pension savings invested at retirement (albeit outside of the Scheme) and 'drawdown' on them as and when they wish.

The default investment strategy for VC funds is the Legal & General cash target date fund corresponding to the members’ normal, or selected, retirement age. This strategy aims to build real retirement income, whilst managing possible downside risk. The asset allocation of the fund assumes members will take their pension savings as a cash lump sum at retirement.

In addition to the default investment strategies set for the Legal & General arrangement, the Utmost Life and Pensions Investing by Age strategy may also be considered a default strategy, as funds transferred from the Equitable Life With Profits Fund were invested in the Investing by Age strategy if members did not provide alternative investment instructions. The Investing by Age strategy adopts a multi-asset approach until members are age 75, when it starts to switch to cash. The aim of the Investing by Age strategy is to achieve capital growth over the long term whilst spreading risk by investing in a range of asset classes.

In setting the Scheme’s investment strategy, the Trustee's primary concern is to act in the best financial interests of the Scheme and its beneficiaries, seeking the best return that is consistent with a prudent and appropriate level of risk. These include:

- The risk that environmental, social and governance factors including climate change negatively impact the value of investments held if not understood and evaluated properly. The Trustee considers this risk by taking advice from its investment adviser when setting the Scheme asset allocation, when selecting managers and when monitoring their performance.

Day to day selection of stocks is delegated to the fund managers appointed by the Trustee. The Trustee takes regular professional advice when formally reviewing managers or funds offered to members.

The Trustee and investment managers to whom discretion has been delegated exercise their powers to give effect to the principles in this Statement, so far as is reasonably practicable. The investment managers are authorised and regulated by the Financial Conduct Authority.

Investment in derivatives is only made in so far as they contribute to the reduction of investment risks or facilitate efficient portfolio management and are managed such as to avoid excessive risk exposure to a single counterparty or other derivative operations.

5. The Balance between Different Kinds of Investments

The Trustee recognises that the key source of financial risk (in relation to meeting their objectives) arises from fund selection for the Money Purchase section. The Trustee therefore retains responsibility for selecting a range of appropriate funds for the members to subsequently choose from for the Money Purchase section. The Trustee takes expert advice as required from professional advisers.

The Trustee is aware that the appropriate balance between different kinds of investments will vary over time and the asset allocation may change as the membership profile evolves.

Investment in illiquid assets is expected to bring certain benefits to members including diversification, return enhancement and inflation protection. The Trustee believes these advantages can outweigh the disadvantages of reduced liquidity, higher investment fees and higher investment risk.

LGIM currently invest a portion of members' funds in illiquid assets. Investment is made within the growth phase of some of the Target Date vintages. Whilst there has been no explicit commitment as to how much LGIM might ultimately invest in this, there is up to a 10% allocation for the nearer dated vintages, which impacts members who are close to their retirement age.

The Trustee is aware that LGIM are looking to introduce a further allocation to illiquid assets for members in the growth phase, impacting members who are furthest from their retirement age. The Trustees will consider the suitability of any material changes to the target date funds (including but not limited to illiquid assets).

6. Implementation of the investment arrangements

Before investing in any manner, the Trustee obtains and considers proper written advice from its investment adviser on the question of whether the investment is satisfactory, having regard to the need for suitable and appropriate investments.

Details of the investment managers are set out in the Appendix.

The Trustee has signed agreements with the investment managers setting out in detail the terms on which the portfolios are to be managed. The investment managers' primary role is the day-to-day investment management of the Scheme's investments.

The Trustee has limited influence over managers' investment practices because all the Scheme's assets are held in pooled funds, but it encourages its managers to improve their practices where appropriate.

The Trustee's view is that the fees paid to the investment managers, and the possibility of their mandate being terminated, ensure they are incentivised to provide a high quality service that meets the stated objectives, guidelines and restrictions of the fund. However, in practice managers cannot fully align their strategy and decisions to the (potentially conflicting) policies of all their pooled fund investors in relation to strategy, long-term performance of debt/equity issuers, engagement and portfolio turnover.

It is the Trustee's responsibility to ensure that the managers' investment approaches are consistent with its policies before any new appointment, and to monitor and to consider terminating any existing arrangements that appear to be investing contrary to those policies. The Trustee expects investment managers, where appropriate, to make decisions based on assessments of the longer term financial and non-financial performance of debt/equity issuers, and to engage with issuers to improve their performance. It assesses this when selecting and monitoring managers. The Trustee is supported in this monitoring activity by its investment advisers.

The Trustee evaluates investment manager performance by considering performance over both shorter and longer-term periods as available. The duration of a manager's appointment will depend on strategic considerations and the outlook for future performance. Generally, the Trustee would be unlikely to terminate a mandate on short-term performance grounds alone. There are no predetermined terms of agreement on duration of arrangement with the investment managers.

The Trustee's policy is to evaluate each of its investment managers by reference to the manager's individual performance as well as the role it plays in helping the Scheme meet its overall long-term objectives, taking account of risk, the need for diversification and liquidity. Each manager's remuneration, and the value for money it provides, is assessed in light of these considerations.

The Trustee recognises that portfolio turnover and associated transaction costs are a necessary part of investment management and that the impact of portfolio turnover costs is reflected in performance figures provided by the investment managers. The Trustee expects its investment consultant to incorporate portfolio turnover and resulting transaction costs as appropriate in its advice on the Scheme's investment mandates.

7. Investment Risk Measurement and Management

The Trustee recognises that risk in a defined contribution scheme lies with the members themselves. The Trustee takes account of this in the selection and monitoring of the investment managers and the choice of funds offered to members, and in setting the default investment strategy for the Legal & General and Utmost Life and Pensions arrangements.

8. Custody

The assets managed by all managers are invested in pooled funds which gives the Trustee a right to the cash value of the units rather than to the underlying assets. The investment managers of the pooled funds are responsible for the appointment and monitoring of the custodian of the underlying assets.

9. Expected Returns on Assets

Returns achieved by the fund managers within the Money Purchase section are assessed against performance benchmarks set by the Trustee in consultation with the advisers and fund managers.

The Trustee recognises the need to distinguish between nominal and real returns and to make appropriate allowance for inflation when making decisions and comparisons.

10. Realisation of Investments/Liquidity

The Trustee recognises that there is a risk in holding assets that cannot be easily realised should the need arise.

The majority of the assets held are realisable at short notice (through the sale of units in pooled funds). The Trustee has delegated the responsibility for buying and selling investments to the investment managers.

11. Consideration of financially material and non-financial matters

The Trustee has considered how environmental, social, governance ("ESG") and ethical factors should be taken into account in the selection, retention and realisation of investments, given the time horizon of the Scheme and its members.

The Trustee has limited influence over managers' investment practices where assets are held in pooled funds but expects its investment managers to take account of financially material considerations (including climate change and other ESG considerations) as the managers consider appropriate where relevant to financial performance. The Trustee seeks to appoint fund managers that have appropriate skills and processes to do this.

The Trustee does not take into account any non-financial matters (i.e. matters relating to the ethical and other views of members and beneficiaries, rather than considerations of financial risk and return) in the selection, retention and realisation of investments, but does offer an ESG fund to members as a self-select fund.

12. Stewardship

The Trustee recognises its responsibilities as owners of capital, and believes that good stewardship practices, including monitoring and engaging with investee companies, and exercising voting rights attaching to investments, protect and enhance the long-term value of investments. The Trustee has delegated to its investment managers the exercise of rights attaching to investments, including voting rights, and engagement with issuers of debt and equity and other relevant persons about relevant matters such as performance, strategy, capital structure, management of actual or potential conflicts of interest, risks and ESG considerations.

The Trustee does not monitor or engage directly with issuers or other holders of debt or equity. It expects the investment managers to exercise ownership rights and undertake monitoring and engagement in line with the managers' general policies on stewardship, as provided to the Trustee from time to time, taking into account the long-term financial interests of the beneficiaries. The Trustee has limited influence over managers' stewardship practices where assets are held in pooled funds.

13. Costs & Transparency

The Trustee believes it is important to understand all the different costs and charges, which are paid by members. These include:

- explicit charges, such as the annual management charge, and additional expenses that are disclosed by fund managers as part of the Total Expense Ratio ('TER');
- investment platform costs;
- implicit charges, such as the portfolio turnover costs (transaction costs) borne within a fund.

The Trustee defines portfolio turnover costs as the costs incurred in buying and selling underlying securities held within each fund's portfolio. These are incurred on an ongoing basis and are implicit within the performance of each fund.

Other costs of providing the Scheme, including Scheme administration and Scheme adviser costs, are not charged to members.

The member borne costs of the Scheme are met through annual charges on the funds in which the Scheme members are invested; these charges being a fixed percentage of the value of the assets. The Trustee collects information on all the member-borne costs and charges on an annual basis, where available, and sets these out in the Scheme's Annual Chair's Statement ("the Chair's Statement"), which is made available to members in a publicly accessible location.

No specific ranges are set for acceptable costs and charges, particularly in relation to portfolio turnover costs. However, the Trustee expects its investment adviser to highlight if these costs and charges appear unreasonable when they are collected as part of the Chair's Statement exercise.

14. Effective Decision Making

The Trustee recognises that decisions should be taken only by persons or organisations with the skills, information and resources necessary to take them effectively. It also recognises that where it takes investment decisions, it must have sufficient expertise and appropriate training to be able to evaluate critically any advice it takes.

15. VC Arrangements

Some members obtained further benefits by paying VCs to the Scheme. These funds are now closed to new contributions. A summary of the investment options that are available for existing contributions is set out in the Appendix.

R T Tremaine Director for Clifford Chance Pension Trustees Limited

Signature

A Dawson Director for Clifford Chance Pension Trustees Limited

Signature

Date: 25 September 2024

Appendix to Statement of Investment Principles

This Appendix sets out the Trustee's current fund range available for the Money Purchase section of the Scheme and for Voluntary Contributions and is supplementary to the Trustee's Statement of Investment Principles (the "attached Statement").

Provider	Fund	Investment Objectives	Annual Management Charge %
Legal & General[1]	Target Date Fund (Money Purchase default)	To help investors build their real retirement income, whilst managing possible downside risk. The asset allocation of the fund aims to be aligned with members' chosen retirement goal for members that expect to keep their pension savings invested at retirement and 'drawdown' on them as and when they wish.	0.28
	Cash Target Date Fund (VC default)	To help investors build their real retirement income, whilst managing possible downside risk. The asset allocation of the fund aims to be aligned with members' chosen retirement goal for members that expect to take their pension savings as a cash lump sum at retirement.	0.28
	Annuity Target Date Fund	To help investors build their real retirement income, whilst managing possible downside risk. The asset allocation of the fund aims to be aligned with members' chosen retirement goal for members that expect to use their pension savings to purchase a guaranteed pension income (annuity) at retirement.	0.28
	World (ex-UK) Equity Index Fund	To track the performance of the FTSE World (excluding UK) Index (including re-invested income) to within +/- 0.50% each year for two years out of three.	0.25
	UK Equity Index Fund	To track the performance of the FTSE All-Share Index (including re-invested income) to within +/- 0.25% each year for two years out of three.	0.23
	Future World Fund	To replicate the performance of the FTSE All-World ex-CW Climate Balanced Factor Index[2]. The anticipated annual tracking error, in normal market conditions, relative to the Index is +/-0.60% in two years out of three.	0.37
	Asia Pacific (ex-Japan) Equity Index Fund	To track the performance of the FTSE World Asia Pacific (excluding Japan) Index (including re-invested income) to within +/- 0.75% each year for two years out of three.	0.27
	Europe (ex UK) Equity Index Fund	To track the performance of the FTSE World Europe (excluding UK) Developed Index (including re-invested income) to within +/- 0.50% each year for two years out of three.	0.25
	North America Equity Index Fund	To track the performance of the FTSE World North America Index (including re-invested income) to within +/- 0.50% each year for two years out of three.	0.25
	Multi-Asset Fund	To provide long-term investment growth through exposure to a diversified range of asset classes, which currently includes equities, bonds, property and infrastructure.	0.26
	Pre-Retirement Fund	To provide diversified exposure to assets that reflect the broad characteristics of investments underlying a typical level annuity product.	0.25
	Cash Fund	To provide capital protection with growth at short-term	0.22

[1] Replaced the Unitised Mixed Managed Fund in March 2021

[2] This is a specialist equity index which is designed to reflect the performance of the FTSE All-World Index incorporating Climate Change and Controversial Weapons ('CW') considerations and balanced exposure to Value, Quality, Low Volatility and (Small) Size factors.

		interest rates. The fund invests in the short-term money markets such as bank deposits and Treasury Bills.	

Provider	Notes	Fund	Annual Management Charge
Utmost Life and Pensions (formerly Equitable Life),	Equitable Life available until December 2000	Unit-linked funds	0.5%-1.81% for unit-linked funds
Clerical Medical and Scottish Widows	Scottish Widows available until March 1996. Clerical Medical available from June 2001	With-profits and unit-linked funds	0.495% - 1.125% for unit-linked funds Inherent within the bonus declarations for With Profits

Fee structure for advisers and managers

Advisers

The Trustee's investment advisers are paid for advice received on the basis of the time spent by the adviser. For significant areas of advice (for example one off special jobs, or large jobs), the Trustee will endeavour to agree a project budget.

These arrangements recognise the bespoke nature of the advice given, and that no investment decisions have been delegated to the adviser.

Investment managers

The investment managers are remunerated as a set percentage of the assets under management as per the annual management charges set out in the table above. This is in keeping with market practice.

Independent auditors' report to the trustee of Clifford Chance Pension Scheme

Report on the audit of the financial statements

Opinion

In our opinion, Clifford Chance Pension Scheme's financial statements:

- show a true and fair view of the financial transactions of the scheme during the year ended 30 April 2024, 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 year;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- contain the information specified in Regulation 3A of the Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996.

We have audited the financial statements, included within the Annual Report and Financial Statements, which comprise: the Statement of Net Assets Available for Benefits as at 30 April 2024; the Fund Account for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the scheme in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the scheme's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the trustee's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the scheme's ability to continue as a going concern.

Our responsibilities and the responsibilities of the trustee with respect to going concern are described in the relevant sections of this report.

Reporting on other information

The other information comprises all of the information in the Annual Report and Financial Statements other than the financial statements, our auditors' report thereon and our auditors' statement about contributions. The trustee is responsible for the other information. 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 thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

Responsibilities for the financial statements and the audit

Responsibilities of the trustee for the financial statements

As explained more fully in the statement of trustee's responsibilities, the trustee is responsible for ensuring that the financial statements are prepared in accordance with the applicable framework and for being satisfied that they show a true and fair view. The trustee is also 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.

In the preparation of the financial statements, the trustee is responsible for assessing the scheme'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 the trustee either intends to wind up the scheme, or has no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the scheme and its environment, we identified that the principal risks of non-compliance with laws and regulations related to the administration of the scheme in accordance with the Pensions Acts 1995 and 2004 and regulations made under them, and codes of practice issued by the Pensions Regulator; and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered the direct impact of these laws and regulations on the financial statements. We evaluated incentives and opportunities for fraudulent manipulation of the financial statements, including the risk of override of controls, by the trustee and those responsible for, or involved in, the preparation of the underlying accounting records and financial statements, and determined that the principal risks were related to posting inappropriate journals to conceal misappropriation of assets and inappropriate adjustments of asset valuations. Audit procedures performed by the engagement team included:

- Testing journal entries where we identified particular fraud risk criteria.
- Obtaining independent confirmations of material investment valuations and cash balances at the year end.
- Testing estimates and judgements made in the preparation of the financial statements for indicators of bias.
- Reviewing meeting minutes, any correspondence with the Pensions Regulator, and significant contracts and agreements.
- Holding discussions with the trustee to identify significant or unusual transactions and known or suspected instances of fraud or non-compliance with applicable laws and regulations.
- Assessing financial statement disclosures, and agreeing these to supporting evidence, for compliance with the Pensions Acts 1995 and 2004 and regulations made under them.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinion, has been prepared for and only for the trustee as a body in accordance with section 41 of the Pensions Act 1995 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London

FUND ACCOUNT FOR THE YEAR ENDED 30 April 2024

	Notes	2024			2023		
		Final Salary £'000s	Money Purchase £'000s	Total £'000s	Final Salary £'000s	Money Purchase £'000s	Total £'000s
Contributions and Benefits							
Employer contributions	4	27,932	-	27,932	24,791	-	24,791
		27,932	-	27,932	24,791	-	24,791
Benefits paid or payable	5	(8,575)	-	(8,575)	(6,461)	-	(6,461)
Transfers out	6	(5,709)	(287)	(5,996)	(2,954)	(121)	(3,075)
Other payments	7	(462)	-	(462)	(583)	-	(583)
		(14,746)	(287)	(15,033)	(9,998)	(121)	(10,119)
Net additions/(withdrawals) from dealings with members		13,186	(287)	12,899	14,793	(121)	14,672
Net returns on investments							
Investment income	9	27	-	27	1,013	-	1,013
Change in market value of investments	11	(22,417)	585	(21,832)	(187,989)	(225)	(188,214)
Investment management expenses	10	(1)	-	(1)	(274)	-	(274)
		(22,391)	585	(21,806)	(187,250)	(225)	(187,475)
Net (decrease)/increase in the fund		(9,205)	298	(8,907)	(172,457)	(346)	(172,803)
Opening net assets		461,704	8,601	470,305	634,161	8,947	643,108
Closing net assets		452,499	8,899	461,398	461,704	8,601	470,305

The notes on pages 41 to 50 of this report form an integral part of these financial statements.

STATEMENT OF NET ASSETS
AVAILABLE FOR BENEFITS AS AT 30 April 2024

	Notes	2024 Final Salary £'000s	2024 Money Purchase £'000s	2024 Total £'000s	2023 Final Salary £'000s	2023 Money Purchase £'000s	2023 Total £'000s
Investment assets	11						
Pooled investment vehicles		422,021	-	422,021	417,948	-	417,948
Voluntary Contributions		28,575	8,899	37,474	28,731	8,601	37,332
		450,596	8,899	459,495	446,679	8,601	455,280
Current assets	19	11,903	-	11,903	25,025	-	25,025
Current liabilities	20	(10,000)	-	(10,000)	(10,000)	-	(10,000)
Total net assets available for benefits		452,499	8,899	461,398	461,704	8,601	470,305

The financial statements summarise the transactions of the Scheme 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 Scheme year.

The actuarial position of the Scheme which takes into account such obligations for the Final Salary section, is dealt with in the report on actuarial liabilities on pages 5 and 6 of the annual report, and these financial statements should be read in conjunction with this report.

The notes on pages 41 to 50 of this report form an integral part of these financial statements.

The financial statements on pages 39 to 50 were approved by the Trustee and signed on behalf of the Trustee Directors of Clifford Chance Pension Trustees Limited:

J A Dawson
(Trustee Director)

Notes to the financial statements

For the year ended 30 April 2024

1. General information

The Clifford Chance Pension Scheme (the "Scheme") is an occupational pension scheme established as a trust under English law.

The Scheme was established to provide retirement benefits to employees of Clifford Chance London Limited. The address of the Scheme's office is 10 Upper Bank Street, London E14 5JJ.

The Scheme has a Final Salary and a Money Purchase section which are both closed to new members and, since May 2011, to future benefit accrual.

The Scheme is a registered pension scheme under Chapter 2, Part 4 of the Finance Act 2004. This means that contributions by employers and employees, at the time, are normally eligible to tax relief, and income and capital gains earned by the Scheme receive preferential tax treatment.

2. Statement of compliance

The individual financial statements of the Clifford Chance Pension Scheme have been prepared in accordance with the Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996, Financial Reporting Standard (FRS) 102 – the Financial Reporting Standard applicable in the UK and Republic of Ireland issued by the Financial Reporting Council ("FRS 102") and the guidance set out in the Statement of Recommended Practice "Financial Reports of Pension Schemes" (Revised June 2018) ("the SORP").

3. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Currency

The Scheme's functional currency and presentational currency is pounds sterling (GBP).

Assets and liabilities in foreign currencies are expressed in sterling at the rates of exchange ruling at the year end. Any foreign currency transactions would be translated into sterling at the spot exchange rate at the date of the transaction.

Gains and losses arising on conversion or translation are dealt with as part of the change in market value of investments.

(b) Contributions

Contributions are dealt with on an accruals basis in the period to which they relate.

Employers' premiums on term insurance policies are accounted for in accordance with any agreement under which they may be paid or, in the absence of such an agreement, when received.

Employers' deficit repair funding contributions are accounted for on the due dates set out in the schedule of contributions, or on receipt if earlier, with the agreement of the employer and the Trustee. These have been paid by the employer for the period 1 May 2023 to 30 April 2024 in accordance with the Schedule of Contributions certified by the Scheme Actuary on 29 July 2020.

(c) Transfers to other plans

Transfer values represent the capital sums to the pension plans of new employers or alternative pension arrangements for members who have left the Scheme. They are accounted on an accruals basis on the date when the receiving scheme has accepted liability for the member. In the case of individual transfers, this is normally when the payment of the transfer value is made.

(d) Benefits and payments to and on account of leavers

Pensions in payment are accounted for in the period to which they relate.

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 or death as appropriate. Where the Trustee agrees or is required to settle tax liabilities on behalf of a member (such as where lifetime or annual allowances are exceeded) with a consequent reduction in that member's benefits receivable from the Scheme, any taxation due is accounted for on the same basis as the event giving rise to the tax liability and is shown separately within benefits paid.

(e) Administrative and other expenses

Administrative expenses are met by the employer. Premiums on term insurance policies are accounted for on an accruals basis.

(f) Investment income and expenditure

Income from pooled investment vehicles which distribute income, is accounted for on an accruals basis on the date stocks would be quoted ex-dividend, or in the case of unquoted instruments, when the dividend is declared.

Interest on cash and short term deposits and income from other investments are accounted for on an accruals basis.

Investment income includes withholding taxes. Withholding tax is accrued on the same basis as investment income. Where withholding tax is not recoverable, this is shown as a separate expense within investment returns.

The change in market value of investments during the year comprises all increases and decreases in the market value of investments held at any time during the year, including profits and losses realised on sales of investments and unrealised changes in market value. In the case of pooled investment vehicles which are accumulation funds, where income is reinvested within the fund without issue of further units, change in market value also includes such income.

Any transaction costs are included in the cost of purchases and sale proceeds. Transaction costs include costs which may be charged directly to the Scheme such as fees, commissions, stamp duty and other fees. Other investment management expenses are accounted for on an accruals basis and shown separately within investment returns.

(g) Valuation and classification of investments

Investment assets and liabilities are included in the financial statements at fair value. Where separate bid and offer prices are available, the bid price is used for investment assets and the offer price for investment liabilities. Otherwise, the closing single price, single dealing price or most recent transaction price is used.

Where quoted or other unit prices are not available, the Trustee adopts valuation techniques appropriate to the class of investment. Details of the valuation techniques and principal assumptions are given in the notes to the financial statements where used.

The methods of determining fair value for the principal classes of investments are:

- Pooled investment vehicles which are traded on an active market are included at the quoted price, which is normally the bid price.
- Unitised pooled investment vehicles which are not traded on an active market but where the manager is able to demonstrate that they are priced daily, weekly or at each month end, and are actually traded on substantially all pricing days are included at the last price provided by the manager at or before the year end.
- The value of pooled investment vehicles which are unquoted or not actively traded on a quoted market is estimated by the Trustee. Where the value of a pooled investment vehicle is primarily driven by the fair value of its underlying assets, the net asset value advised by the fund manager is normally considered a suitable approximation to fair value unless there are restrictions or other factors which prevent realisation at that value, in which case adjustment is made.
- With profits insurance policies (including those held as AVC investments) are reported at the policy value provided by the insurer based on cumulative reversionary bonuses declared and the

current terminal bonus.

- Unitised insurance policies are valued on the same basis as pooled investment vehicles with similar characteristics.

(h) Critical accounting estimates and judgements

The preparation of the financial statements requires the Trustee to make judgements, estimates and assumptions that affect the amounts reported as at the balance sheet date.

However, the nature of estimation means that actual outcomes could differ from those estimates. The Trustee confirms that no judgements have had a significant effect on amounts recognised in the financial statements.

For the Scheme, the Trustee believe the only estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year are related to the valuation of the Scheme's investments.

4. Employer contributions

	2024			2023		
	Final Salary £'000s	Money Purchase £'000s	Total £'000s	Final Salary £'000s	Money Purchase £'000s	Total £'000s
Deficit Funding (*)	27,470	-	27,470	24,208	-	24,208
Premiums on term insurance policies	462	-	462	583	-	583
	27,932	-	27,932	24,791	-	24,791

(*) Under the Schedule of Contributions dated 29 July 2020, deficit funding payments were due to be paid by Clifford Chance LLP in the amount of £26.9m on 31 May 2023. During the year ended 30 April 2022, monthly payments of £583,333 (£6.99m in the Scheme Year) were made. By 30 April 2023, a net payment of £10.0m was also made (comprising £15.2m deficit funding contributions due, less repayments due by the Scheme to the employer of £5.2m for benefit payments made on the Scheme's behalf). A further deficit funding payment of £4.7m was paid by 31 May 2023.

Under the Schedule of Contributions dated 29 July 2020, deficit funding payments were due to be paid by Clifford Chance LLP in the amount of £28.2m on 31 May 2024. During the year ended 30 April 2024, monthly payments of £583,333 (£6.99m in the Scheme year) were made. By 30 April 2024, a net payment of £10.0m was also made (comprising £15.8m deficit funding contributions due, less repayments due by the Scheme to the employer of £5.8m for benefit payments made on the Scheme's behalf). A further deficit funding payment of £5.4m was paid by 31 May 2024.

The amount of each overall deficit funding contribution payment increases annually in line with the increase in the Retail Prices Index. The deficit funding payments are to be paid for a period of 9 years and one month with effect from the first payment on 31 May 2021.

A Schedule of Contributions was agreed and put into place dated 27 September 2024 following the year end with the same requirements as the 2022 Schedule.

5. Benefits paid or payable

	2024			2023		
	Final Salary £'000s	Money Purchase £'000s	Total £'000s	Final Salary £'000s	Money Purchase £'000s	Total £'000s
Pensions	5,782	-	5,782	5,218	-	5,218
Commutations and lump sum retirement benefits	2,516	-	2,516	1,237	-	1,237
Lump sum death benefits	277	-	277	6	-	6
	8,575	-	8,575	6,461	-	6,461

6. Transfers out

	2024			2023		
	Final Salary	Money Purchase	Total	Final Salary	Money Purchase	Total
	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s
Individual transfers to other schemes	5,709	287	5,996	2,954	121	3,075

7. Other payments

	2024			2023		
	Final Salary	Money Purchase	Total	Final Salary	Money Purchase	Total
	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s
Premiums on term insurance policies	462	-	462	583	-	583

8. Administrative expenses

All administrative, legal, accounting and audit costs are borne by Clifford Chance LLP and are not recharged to the Scheme.

9. Investment income

	2024			2023		
	Final Salary	Money Purchase	Total	Final Salary	Money Purchase	Total
	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s
Interest on cash deposits	27	-	27	41	-	41
Income from pooled investment vehicles	-	-	-	972	-	972
	27	-	27	1,013	-	1,013

10. Investment management expenses

	2024			2023		
	Final Salary	Money Purchase	Total	Final Salary	Money Purchase	Total
	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s
Investment fees	1	-	1	274	-	274

Management fees in respect of pooled investment vehicles are recovered from the fund and units in issue.

11. Reconciliation of net investments

The investments of the Scheme are divided between the Final Salary and the Money Purchase sections.

	Opening value as at 1 May 2023	**Purchases at cost**	**Sales proceeds**	**Change in market value**	**Closing value as at 30 April 2024**
	£'000s	£'000s	£'000s	£'000s	£'000s
Pooled investment vehicles	417,948	37,700	(9,080)	(24,547)	422,021
External VC investments	28,731	-	(2,286)	2,130	28,575
External MP investments	8,601	-	(287)	585	8,899
	455,280	37,700	(11,653)	(21,832)	459,495

The change in market value of investments during the year comprises all increases and decreases in the market value of investments held at any time during the year, including profits and losses realised on sales of investments during the year.

There were material purchases and sales during the year in relation to pooled investment vehicles reflecting the change in investment arrangements.

Transaction costs are included in the cost of purchases and sales proceeds. Transaction costs include costs charged directly to the Scheme such as fees, commissions, stamp duty and other fees. In addition to the transaction costs, indirect costs are incurred through the bid-offer spread on investments within pooled investment vehicles.

12. Pooled investment vehicles

	2024 Final Salary £'000s	2024 Money Purchase £'000s	2024 Total £'000s	2023 Final Salary £'000s	2023 Money Purchase £'000s	2023 Total £'000s
Equities	65,312	-	65,312	62,710	-	62,710
Liability Driven Investments	184,090	-	184,090	185,930	-	185,930
Credit	24,565	-	24,565	22,413	-	22,413
Diversified growth	65,278	-	65,278	65,140	-	65,140
Infrastructure	50,224	-	50,224	46,478	-	46,478
Property	32,552	-	32,552	35,277	-	35,277
	422,021	-	422,021	417,948	-	417,948

Any indirect transaction costs are incurred through the bid-offer spread on pooled investment vehicles and charges made within those vehicles. It is not possible to quantify any such indirect transactions costs.

13. Sole Investor Fund

The Scheme invests in the Columbia Threadneedle LDI funds during the year of which it is the sole investor. This is set out as the LDI pooled investment balance shown in note 12 and a breakdown of the underlying investment classes held within the fund has been included below.

	2024 Final Salary £'000s	2024 Money Purchase £'000s	2024 Total £'000s	2023 Final Salary £'000s	2023 Money Purchase £'000s	2023 Total £'000s
Bonds	476,220	-	476,220	408,158	-	408,158
Liquidity Funds	4,807	-	4,807	8,232	-	8,232
Derivatives - net	1,352	-	1,352	(15,360)	-	(15,360)
Repurchase agreements – net	(311,111)	-	(311,111)	(235,512)	-	(235,512)
Cash	12,822	-	12,822	20,412	-	20,412
	184,090	-	184,090	185,930	-	185,930

CTI were unable to provide the direct transactions costs relating specifically to the LDI elements of the sole investor arrangement at the time of reporting.

14. Voluntary contribution (VC) investments

For those members who had elected to invest their own voluntary contributions (VCs) and/or the employer's contribution to the Money Purchase section their assets are held separately in the form of insurance policies. Members participating in these external arrangements receive an annual statement confirming the amounts held in their account and the movements in the year. The aggregate amounts for the Final Salary and Money Purchase sections for all types of investments are as follows:

		2024 £'000s	2023 £'000s
Final Salary section			
VCs	- Legal & General	24,440	24,572
	- Scottish Widows	1,539	1,445
	- Aviva	334	321
	- Clerical Medical	2,256	2,387
	- Utmost Life	6	6
		28,575	28,731

		2024 £'000s	2023 £'000s
Money Purchase section			
External MP	- Clerical Medical	1,093	1,076
	- Legal & General	7,806	7,525
		8,899	8,601

All units in managed funds held during the year were controlled by companies registered in the UK. The external VC and MP contracts (Legal & General, Scottish Widows, Aviva, Clerical Medical and Utmost Life) contain a mix of investments under with-profits and unit linked funds.

15. Fair value of investments

The fair value of investments has been determined using the following hierarchy:

Level 1 Unadjusted quoted price in an active market for identical instruments that the entity can access at the measurement date

Level 2 Inputs (other than quoted prices) that are observable for the instrument, either directly or indirectly.

Level 3 Inputs are unobservable, i.e. for which market data is unavailable.

The Scheme's assets have been included at fair value within these categorisations in the table below:

As at 30 April 2024	**Level 1 (£m)**	**Level 2 (£m)**	**Level 3 (£m)**	**Total (£m)**
Legal & General Overseas Equity Fund	-	65.3	-	65.3
IFM Infrastructure Fund	-	-	17.5	17.5
JP Morgan Infrastructure Fund	-	-	32.8	32.8
CTI LDI Fund	-	184.1	-	184.1
Nordea Diversified Growth Fund	-	22.3	-	22.3
Ruffer Absolute Return Fund	-	21.2	-	21.2
BNY Mellon Real Return Fund	-	21.6	-	21.6
M&G Property Fund	-	-	0.9	0.9
Invesco Property Fund*	-	7.5	24.2	31.7
Aegon Asset Backed Securities Fund	-	24.6	-	24.6
External AVC Funds	-	28.6	-	28.6
External Money Purchase Funds	-	8.9	-	8.9
Total	**-**	**384.1**	**75.4**	**459.5**

*The Invesco Property Fund invests in a fund with both a liquid property sleeve and an illiquid property sleeve. As at 30 April 2024 the split was broadly 24%:76% between the two sleeves respectively.

Analysis for the prior year end was as follows:

As at 30 April 2023	**Level 1 (£m)**	**Level 2 (£m)**	**Level 3 (£m)**	**Total (£m)**
Legal & General Overseas Equity Fund	-	62.7	-	62.7
IFM Infrastructure Fund	-	-	16.4	16.4
JP Morgan Infrastructure Fund	-	-	30.1	30.1
CTI LDI Fund	-	185.9	-	185.9
Nordea Diversified Growth Fund	-	22.7	-	22.7
Ruffer Absolute Return Fund	-	22.0	-	22.0
BNY Mellon Real Return Fund	-	20.5	-	20.5
M&G Property Fund	-	-	1.5	1.5
Invesco Property Fund*	-	8.2	25.6	33.8
Aegon Asset Backed Securities Fund	-	22.4	-	22.4
External AVC Funds	-	28.7	-	28.7

External Money Purchase Funds	-	8.6	-	8.6
Total	**-**	**381.7**	**73.6**	**455.3**
*The Invesco Property Fund invests in a fund with both a liquid property sleeve and an illiquid property sleeve. As at 30 April 2023 the split was broadly 24%:76% between the two sleeves respectively.				

16. Investment risks

Types of risk relating to investments

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 is the risk that the fair value of future cash flows of financial instruments will fluctuate due to changes in market variables.

  The maximum risk resulting from financial instruments, except for written options and securities sold short, equals their value.

  Market risk comprises currency risk, interest rate risk and other price risk:

  - **Currency risk**: This is the risk that the fair value or future cash flows of a financial asset will fluctuate because of changes in foreign exchange rates.
  - **Interest rate risk:** This is the risk that the fair value or future cash flows of a financial asset – primarily bonds, interest rate swaps and pooled investment vehicles held mainly in bonds – will fluctuate because of changes in market interest rates.
  - **Other price risk:** This is the risk that the fair value or future cash flows of a financial asset will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk – primarily equity prices), 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 Trustee Directors determine their investment strategy after taking advice from a professional investment adviser. The Scheme has exposure to these risks because of the investments it makes in following the investment strategy set out below.

Risk management structure

The Trustee Directors are responsible for identifying and managing risks, including risks arising from the investment activities.

The Trustee Directors appoint investment managers to manage the investments of the Scheme under agreed mandates. These mandates set out target allocations, benchmarks and risk tolerance levels consistent with the Statement of Investment Principles.

The Trustee Directors review the performance of each investment manager against the agreed performance objectives.

Risk measurement and reporting

The Trustee Directors monitor the Scheme's risks periodically. The Trustee Directors measures risks both qualitatively and quantitatively.

The Trustee Directors monitor and measure the overall risk in relation to the aggregate risk exposure across all risk types and activities, including employer covenant and funding risks.

Risk mitigation

The Scheme has investment guidelines that set out its overall investment strategy and its general approach to risk management, as set out in the Statement of Investment Principles.

The Trustee Directors have appointed an investment adviser to assist them in determining and implementing the investment strategy for the Scheme.

The Trustee Directors acknowledge that its investment managers may use derivatives and other instruments for trading purposes and in connection with its risk management activities.

The Scheme's assets

The Scheme invests in pooled investment vehicles, the underlying assets of which are held separate to the assets of the investment manager.

The Scheme's assets at 30 April 2024 comprise of:

- An overseas equity fund with L&G
- A diversified growth fund with Nordea
- A diversified growth fund with Ruffer
- A diversified growth fund with BNY Mellon
- A property fund with Invesco
- An asset backed securities fund with Aegon
- An LDI fund with CTI
- A property fund with M&G
- An infrastructure fund with IFM Investors
- An infrastructure fund with JP Morgan
- AVC funds with Legal & General, Clerical Medical, Utmost Life, Scottish Widows and Aviva
- Money Purchase funds with Legal & General and Clerical Medical

Total risks

The figures in the table indicate the amount of the portfolio which is subject to the specific risk (note that the balances are rounded). For example the majority of the portfolio is subject to credit and other price risk; whereas only a portion is subject to currency and interest rates.

	30 April 2024 (£m)			30 April 2023 (£m)		
	Final Salary	Money Purchase	Total	Final Salary	Money Purchase	Total
Total direct credit risk	422.0	8.6	430.6	417.9	8.6	426.5
Total indirect credit risk	306.5	-	306.5	307.2	-	307.2
Total currency risk	180.8	-	180.8	174.3	-	174.3
Total interest rate risk	249.4	-	249.4	251.1	-	251.1
Total other price risk	422.0	-	422.0	417.9	-	417.9

Direct credit risk

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 carry out due diligence checks on the appointment of new pooled investment managers and on an ongoing basis monitor any changes to the operating environment of the pooled manager.

A summary of pooled investment vehicle by type of arrangement is as follows (note that the balances are rounded):

Legal nature of the pooled arrangements	30 April 2024 (£m)			30 April 2023 (£m)		
	Final Salary	Money Purchase	Total	Final Salary	Money Purchase	Total
Unit linked insurance contracts	66.2	-	66.2	64.2	-	64.2
UK Open ended investment companies	42.9	-	42.9	42.5	-	42.5

Limited liability partnerships	50.2	-	50.2	46.5	-	46.5
Sole investor authorised fund	184.1	-	184.1	185.9	-	185.9
Luxembourg Société d'investissement à Capital Variable (SICAV)	22.3	-	22.3	22.7	-	22.7
Fonds Commun de Placement – Fonds d'investissement Alternatif Reserve (FRC RAIF)	31.7	-	31.7	33.8	-	33.8
Irish collective asset management vehicle with variable capital	24.6		24.6	22.4	-	22.4
Total	**422.0**	**-**	**422.0**	**417.9**	**-**	**417.9**

Other matters

The extent of the impact of other matters on the Scheme's investment portfolio, including financial performance, will depend on future developments in financial markets and the overall economy, all of which are uncertain and cannot be predicted. Since the year end, the value of the Scheme's investment assets and investment liabilities have been impacted. Whilst the Trustee monitors the overall position, it has not, at this time, quantified the change (being an increase or decrease) in market value of the investment assets and investment liabilities as markets remain fluid and unpredictable and therefore such an estimate cannot be made.

17. Concentration of investments

The following investments represent more than 5% of the total value of the net assets of the Scheme at the year end.

	2024	**2023**
CTI LDI funds - LDI		
Market Value (£,000)	184,090	185,930
Percentage of net assets (%)	39.95%	39.53%
Legal & General Investment Management – Overseas Equity		
Market Value (£,000)	65,312	62,710
Percentage of net assets (%)	14.17%	13.33%
JP Morgan – Infrastructure		
Market Value (£,000)	32,768	30,082
Percentage of net assets (%)	7.11%	6.40%
Invesco Property Fund - Property		
Market Value (£,000)	31,690	33,752
Percentage of net assets (%)	6.88%	7.18%
Aegon - Credit		
Market Value (£,000)	24,565	22,413
Percentage of net assets (%)	5.33%	4.77%

18. Employer related investments

There were no employer-related investments at 30 April 2024 (2023 – nil).

19. Current assets

	2024			2023		
	Final Salary £'000s	Money Purchase £'000s	Total £'000s	Final Salary £'000s	Money Purchase £'000s	Total £'000s
Cash at bank	11,903	-	11,903	24,442	-	24,442
Monthly contribution – April 2023*	-	-	-	583	-	583
	11,903	-	11,903	25,025	-	25,025

* The monthly contribution paid by the employer in April 2023 credited in the Trustee bank account 2 May 2023.

20. Current liabilities

	2024			2023		
	Final Salary £'000s	Money Purchase £'000s	Total £'000s	Final Salary £'000s	Money Purchase £'000s	Total £'000s
Contributions received in advance – deficit funding	10,000	-	10,000	10,000	-	10,000

21. Related party transactions

At the Scheme year end (30 April 2024), six Directors of the Trustee Company had a beneficiary interest as members of the Scheme (2023 – five Directors). Where relevant, benefits and contributions in respect of these members have been paid in accordance with the Schedule of Contributions. Clifford Chance LLP, the sponsoring employer, is one of the appointed legal advisers to the Scheme and Clifford Chance London Limited, a service company, which is funded by Clifford Chance LLP, is the appointed administrator for the Scheme. The Trustee corporate Director was paid fees of £37,000 (2023: £96,882) for their services which was paid by the employer without recharge to the Scheme.

There are no payments made to Clifford Chance LLP or Clifford Chance London Limited for the provision of these services.

22. Contingencies and commitments

In the opinion of the Trustee Directors, the Scheme had no contingent liabilities or commitments at 30 April 2024 (2023: £0).

Independent auditors' statement about contributions to the trustee of Clifford Chance Pension Scheme

Statement about contributions

Opinion

In our opinion, the contributions payable under the schedule of contributions for the scheme year ended 30 April 2024 as reported in Clifford Chance Pension Scheme's summary of contributions have, in all material respects, been paid at least in accordance with the schedule of contributions certified by the scheme actuary on 29 July 2020.

We have examined Clifford Chance Pension Scheme's summary of contributions for the scheme year ended 30 April 2024 which is set out on the following page.

Basis for opinion

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 in accordance with the relevant requirements. This includes an examination, on a test basis, of evidence relevant to the amounts of contributions payable to the scheme under the schedule of contributions, and the timing of those payments.

Responsibilities for the statement about contributions

Responsibilities of the trustee in respect of contributions

As explained more fully in the statement of trustee's responsibilities, the scheme's trustee is responsible for preparing, and from time to time reviewing and if necessary revising, a schedule of contributions and for monitoring whether contributions are made to the scheme by employers in accordance with relevant requirements.

Auditors' responsibilities in respect of the statement about contributions

It is our responsibility to provide a statement about contributions and to report our opinion to you.

Use of this report

This report, including the opinion, has been prepared for and only for the trustee as a body in accordance with section 41 of the Pensions Act 1995 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

PricewaterhouseCoopers LLP.

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London

Summary of contributions payable to the Scheme in the year

During the year ended 30 April 2024 the contributions payable to the Scheme were as follows:

	Final Salary £'000s	**Money Purchase** £'000s	**Total** £'000s
Employer – Deficit Funding	27,470	-	27,470
Total contributions payable under the Schedule of Contributions dated 29 July 2020 and as reported on by the Scheme Auditors	27,470	-	27,470
Additional Employer Contributions			
- Premiums on term insurance policies	462	-	462
Total contributions per the financial statements	27,932	-	27,932

Approved by the Trustee and signed on behalf of the Trustee Directors of Clifford Chance Pension Trustees Limited:

J A Dawson

Trustee Director

THE CLIFFORD CHANCE PENSION SCHEME

SCHEDULE OF CONTRIBUTIONS

(SEPTEMBER 2024)

1. ***Effective date of valuation*: 30 April 2022.**

2. ***PERIOD COVERED BY THIS SCHEDULE*: THE PERIOD BEGINNING WITH THE DATE OF THE CERTIFICATE OF THE SCHEME ACTUARY IN RELATION TO THIS SCHEDULE (WHICH IS ATTACHED TO THIS SCHEDULE) AND ENDING ON 31 MAY 2030**.

3. ***Employers covered by this Schedule***: Clifford Chance LLP ("**CC LLP**").

4. *Rates of employer contributions*:-

4.1 Final Salary Section deficit repair – CC LLP shall pay the following contributions in respect of deficit repair, in accordance with the Scheme's recovery plan:

- In respect of each 31 May commencing 31 May 2025 up to (and including) 31 May 2030: £28,228,106

The amount of each of the above payments, other than that due at 31 August 2020, shall be increased annually in line with the increase in the Retail Prices Index (as defined in the Scheme rules) for the period from 1 January 2024 to 1 January immediately preceding the 31 May by which the payment is due.

4.2 The employers shall in addition pay such further contributions (if any) as may be required from time to time in accordance with the provisions of the Scheme, including pursuant to Clause 24 of the Definitive Trust Deed of the Scheme (augmentation of benefits).

5. *Dates for payment of employer contributions*:-

5.1 The contributions under paragraph 4.1 b) above shall be payable and due for payment by each respective 31 May. Throughout the Scheme Year preceding each 31 May payment date under this Schedule CC LLP shall pay monthly contributions of at least £583,333 on account of the contributions due under paragraph 4.1 of this Schedule (such sum to be reduced by making appropriate allowance for the netting off arrangements referred to in paragraph 6 below, if applicable). The Scheme administrators will carry out a reconciliation of the total contributions due by each respective 31 May payment date against the payments made on account during the Scheme Year preceding 31 May payment date in order to determine the balancing payments to be made to the Scheme by CC LLP or the balancing prepayment credit for CC LLP.

6. ***Netting-off against benefit payments*** – the total of the contributions payable to the Scheme by CC LLP by each respective 31 May shall, unless and until agreed otherwise by the Principal Employer and the Trustee, be reduced by an amount equal to the total of the benefit payments made by (or on behalf of) CC LLP on an agency basis for and on behalf of the Trustee for the preceding twelve month period to each respective preceding 30

April. For example, the contribution due by 31 May 2025 shall be reduced by an amount equal to the total of the benefit payments made by (or on behalf of) CC LLP on an agency basis for and on behalf of the Trustee between 1 May 2024 and 30 April 2025. CC LLP confirms it will continue to pay all benefit payments due from the Trustee on its behalf.

7. ***Date of this Schedule*** – the date of this Schedule shall be the latest of the dates of signature under paragraph 8 below.

8. This Schedule has been agreed between CC LLP and the Trustee:-

Signed: Robin T Tremaine (Trustee Director)

Date: 24 September 2024

For and on behalf of Clifford Chance Pension Trustees Limited (as Trustee)

Signed: Michael Bates (Director)

Date: 27 September 2024

For and on behalf of Clifford Chance LLP

Notes to the Schedule

(i) This Schedule supersedes the previous schedule of contributions for the Scheme (signed on 24 July 2017) with effect on and from the date of the certificate of the Scheme actuary in relation to this Schedule (which is attached to this Schedule).

(ii) At the date of this Schedule, the "Scheme Year" for the Scheme is the period of 12 months beginning on 1 May in each year.

(iii) Subject as provided in Clause 20 of the Definitive Trust Deed of the Scheme, the Principal Employer bears the administration and management costs and expenses (including PPF levy and other levies) of the Scheme (other than expenses connected with the investment of Scheme funds, which are provided for in the funding of the Scheme and paid from the Scheme funds) and the cost of life assurance premiums. The costs and expenses borne by the Principal Employer on behalf of or as agent for the Trustee are paid on an indemnity basis as they fall due for payment.

(iv) The certificate of the Scheme actuary in relation to this Schedule is attached to and forms part of this Schedule.

(v) This Schedule is subject to review at each triennial valuation of the Scheme and otherwise may be reviewed by agreement between the Scheme employers and the Trustee (in which case the revised schedule of contributions for the Scheme must again be certified by the Scheme actuary).

(vi) Save as provided by legislation, nothing in this Schedule shall affect the employers' rights and obligations regarding the payment of contributions to the Scheme in accordance with the rules of the Scheme from time to time and for the avoidance of any doubt:-

(a) It shall not be a breach of the requirements of this Schedule for the employer to pay more contributions to the Scheme in respect of any period than are provided for in paragraph 4 of this Schedule.

(b) It shall not be a breach of the requirements of this Schedule for the employer to pay the contributions to the Scheme at an earlier date than as set out in this Schedule.

Certificate of schedule of contributions

Clifford Chance Pension Scheme

Adequacy of rates of contributions

1. I certify that, in my opinion, the rates of contributions shown in this Schedule of Contributions signed on 27 September 2024 are such that the statutory funding objective could have been expected on 30 April 2022 to be met by the end of the period specified in the Recovery Plan titled "Recovery Plan – September 2024 Clifford Chance Pension Scheme ("the Scheme")".

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 titled "Statement of Funding Principles – September 2024 Clifford Chance Pension Scheme ("the Scheme")".

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 to be wound up.

Signature: Keith Poulson	Date: 27 September 2024
Name: Keith Poulson	Qualification: Fellow of the Institute and Faculty of Actuaries
Address: Aon Solutions UK Limited Verulam Point, Station Way, St Albans, AL1 5HE	Name of employer: Aon Solutions UK Limited

Implementation Statement for the Final Salary section, covering 1 May 2023 to 30 April 2024

The Trustee of the Clifford Chance Pension Scheme (the "Scheme") is required to produce a yearly statement to set out how, and the extent to which, the Trustee has followed its Statement of Investment Principles ("SIP") during the Scheme Year, as well as details of any review of the SIP during the year, subsequent changes made with the reasons for the changes, and the date of the latest SIP review. Information is provided on the last review of the SIP in Section 1 and on the implementation of the SIP in Sections 2-13 below.

The Statement is also required to include a description of the voting behaviour during the Scheme Year by, and on behalf of, the Trustee (including the most significant votes cast by the Trustee or on its behalf) and state any use of the services of a proxy voter during that year. This is provided in Section 14 below.

During the Scheme Year the Trustee maintained two separate SIPs for the Scheme covering the Final Salary and Money Purchase sections. This Statement relates to the Final Salary section only and references to the SIP relate only to the Final Salary SIP. A separate Statement has been produced for the Money Purchase Section.

In preparing the Statement, the Trustee has had regard to the guidance on Reporting on Stewardship and Other Topics through the Statement of Investment Principles and the Implementation Statement, issued by the Department for Work and Pensions ("DWP's guidance") in June 2022.

This Statement has been prepared in accordance with the requirements of the Occupational Pension Schemes (Investment and Disclosure) (Amendment) Regulations 2019.

This Statement is based on, and uses the same headings as, the Scheme's SIP dated March 2023 between 1 May 2023 and September 2023, and the Scheme's SIP dated September 2023 up to 30 April 2024. This Statement should be read in conjunction with the latest SIP which can be found online.

1. Introduction - Last review of the SIP

The SIP was reviewed and updated during the Scheme year in September 2023 to reflect changes to the strategic asset allocation and changes to the Scheme's underlying investment managers that were implemented in the previous Scheme year. As part of the SIP update, the employer was consulted and confirmed it was comfortable with the changes.

The Trustee has, in its opinion, followed the policies in the Scheme's SIP during the year. The following Sections provide detail on and commentary about how and the extent to which it has done so.

2. Objectives and Policy for Securing Objectives

Progress against the Scheme's funding objective is reviewed as part of monthly and quarterly performance monitoring. The Trustee is also able to view the progress on an ongoing basis using Lane Clark & Peacock Visualise online (a tool provided by the Scheme's investment adviser which shows key metrics and information on the Scheme including expected return and risk of the investment strategy).

As at 30 April 2024, the Scheme was on track to achieve full funding on a Technical Provisions basis by the target date. In addition, the Trustee remains comfortable that the level of risk and expected returns remains appropriate.

3. Choosing Investments

The Trustee, with the help of its investment adviser, LCP, and in consultation with the sponsoring employer, reviewed the Scheme's strategy in February 2024 and concluded that it should de-risk the strategy. This was implemented by reducing the strategic allocation to the Scheme's synthetic equity exposure. When the Trustee undertook its review, it considered a range of investment risks as set out in section 7 of the SIP. It considered the expected returns and risks associated with the change as well as how these risks can be mitigated. The Trustee also considered the need for diversification and specific circumstances of the Scheme (e.g. the investment objectives, funding position, level of contributions and strength of the sponsor covenant.

The Trustee also increased the Scheme's level of interest rate hedging up to 100% in December 2023, on a Technical Provisions basis, to stabilise the funding position. This was following the decision to transition the hedging portfolio to a gilts-only portfolio in July 2023 to lock in profits earned by the previous dynamic approach and reduce management costs. The Trustee monitors the asset allocation quarterly and compares this to the strategic asset allocation. In June 2023, the Trustee used an employer contribution to top up the Columbia Threadneedle Investments ("CTI") Bespoke LDI fund to rebalance the Scheme back towards the Strategic Asset Allocation and increase the level of collateral in the LDI fund.

It is the Trustee's policy to only invest in derivatives for the reduction of investment risks or for efficient portfolio management. The bespoke fund, managed by CTI, makes extensive use of derivatives to provide liability hedging and synthetic equity exposure. The liability hedging provided by the mandate leads to a significant reduction in the level of interest rate and inflation risk for the Scheme. The synthetic equity allocation allows the Trustee to gain equity exposure in an efficient manner enabling the Trustee to increase liability hedging to reduce risk.
To enable greater access to collateral in the portfolio, the Trustee holds four external funds in the CTI bespoke fund (DGFs and securitised credit). By holding the securitised credit within the bespoke fund, CTI are able to sell down assets in the event of a leverage duration trigger.

Counterparty risk within the bespoke fund is managed by CTI and reported to the Trustee on a quarterly basis. All of the Scheme's investments are held through pooled investment vehicles; with the CTI LDI fund held in a sole investor fund where the Scheme is sole investor.

4. The Balance between Different Kinds of Investments
This is covered in Section 3 above.

5. Implementation of the investment arrangements
The Trustee has not made any changes to its manager arrangements over the Scheme Year.

LCP monitors the investment managers on an ongoing basis, through regular research meetings. LCP monitors any developments at the managers and informs the Trustee promptly about any significant updates or events they become aware of that may affect the managers' ability to achieve their investment objectives. This includes any significant changes to the investment process or key staff for any of the funds the Scheme invests in, or any material changes in the level of diversification in the fund.

The Trustee monitors the performance of the Scheme's investment managers on a monthly basis, using a report prepared by LCP. The report shows the performance of each fund over the month. Performance is considered in the context of the manager's benchmark and objectives. The Trustee also monitors its managers' responsible investment capabilities using scores provided by LCP, as part of the standard quarterly monitoring reports.

6. Investment Risk Measurement and Management
Risks are monitored on an ongoing basis with the help of the Scheme's investment adviser, LCP. The Trustee maintains a risk register, and this is discussed at quarterly meetings.

The Trustee's policy for some risks, given their nature, is to understand them and to address them if necessary, based upon the advice of LCP or information provided to the Trustee by the Scheme's investment managers. Key processes the Trustee has implemented for managing investment risks are covered below.

The Scheme's interest and inflation hedging levels are monitored monthly by the Scheme's investment advisor and reported in quarterly monitoring reports. Over the Scheme Year the Scheme's hedging levels were broadly in line with the target levels.

The Scheme accesses LDI and synthetic equity via a bespoke fund managed by CTI. To manage collateral adequacy risk, the Trustee has delegated the daily monitoring of leveraged duration in the bespoke fund to CTI and holds the Scheme's DGF and securitised credit funds in the CTI bespoke fund wrapper, for more efficient collateral management. If pre-agreed trigger points are hit, CTI will notify the Trustee and, following approval from the Trustee, CTI are able to access these funds for collateral. As at 30 April 2024, the Scheme held more than enough liquid assets to meet the next capital call from the LDI and synthetic equity mandate.

Together, investment and non-investment risks give rise generally to funding risk. The Trustee formally reviews the Scheme's funding position as part of its annual actuarial report to allow for changes in market conditions. On a triennial basis the Trustee reviews the funding position allowing for membership and other experience. The Trustee also informally monitors the funding position more regularly in monthly reports and discusses the position at quarterly Trustee meetings.

The Trustee monitors the overall 1 year 95% Value at Risk of the funding position on a quarterly basis. The Trustee remains comfortable with the total level of risk.

The following risks are covered elsewhere in this Statement: counterparty risk in Section 3, diversification risk in Sections 3 and 5, investment manager risk in Section 5, risk of inadequate returns in Section 8, illiquidity/marketability risk in Section 9 and ESG risks in Section 10.

7. Custody
There are no specific policies in this section of the Scheme's SIP.

8. Expected Returns on Assets
When making changes to the investment strategy over the year, the Trustee considered the expected return on the proposed portfolio, and whether it believed it was sufficient to meet the Scheme's funding objective.

With regard to the risk of inadequate returns, the required return for the Scheme to be fully funded on a Technical Provisions basis by May 2028 (in line with the recovery plan) was assessed as gilts – 1.4% pa as at 30 April 2024. The best estimate expected return on the Scheme's strategic asset allocation was gilts + 1.4% pa. Therefore, the expected return on the Scheme's assets was expected to be sufficient to produce the return needed over the long-term. The required return is reviewed regularly as part of the Scheme's quarterly monitoring report.

9. Realisation of investments/Liquidity
The Trustee's policy is to have access to sufficient liquid assets to meet any outflows while maintaining a portfolio which is appropriately diversified across a range of factors, including suitable exposure to both liquid and illiquid assets. The majority of the Scheme's assets had daily or weekly liquidity over the year under review.

Over the year to 30 April 2024 most of the Scheme's cash outflows were met by regular employer contribution payments, including pensioner payroll, which is paid by the employer as part of the recovery plan.

10. Considerations of financially material and non-financial matters
As part of its advice on the selection and ongoing review of the investment managers, the Scheme's investment adviser, LCP, incorporates its assessment of the nature and effectiveness of managers' approaches to financially material considerations (including climate change and other ESG considerations).

When Ruffer presented to the Trustee in November 2023, the Trustee asked questions about the manager's ESG practices. The Trustee also reviewed reports from their managers on voting and engagement polices undertaken on their behalf.

The Trustee does not take into account any non-financial matters (eg matters relating to the ethical and other views of the Employer, members and beneficiaries) in the selection, retention and realisation of investments.

11. Stewardship
All of the Trustee's holdings in physical equities are within pooled funds, and the Trustee has delegated to the investment managers the exercise of rights attaching to investments, including voting rights, and engagement.

However, the Trustee takes ownership of the Scheme's stewardship by monitoring and engaging with managers in particular in relation to the Scheme's stewardship priorities of Climate Change, Diversity, Equity & Inclusion and Corporate Transparency.

12. Effective decision making

The Trustee recognises that decisions should be taken only by persons or organisations with the skills, information and resources necessary to take them effectively. It also recognises that, where it takes investment decisions, it must have sufficient expertise and appropriate training to be able to critically evaluate any advice it takes.

The performance of its professional advisers is considered on an ongoing basis by the Trustee. The Trustee has put in place formal objectives for its investment adviser and reviews the adviser's performance against these objectives on a regular basis.

13. Voluntary Contribution ("VC") Arrangements
There are no specific policies in this section of the Scheme's SIP. The details of the VC arrangements are detailed in the SIP for the Money Purchase section.

14. Description of voting behaviour during the year
All of the Trustee's holdings in listed equities are within pooled funds and the Trustee has delegated to its investment managers the exercise of voting rights. Therefore, the Trustee is not able to direct how votes are exercised and the Trustee itself has not used proxy voting services over the Scheme Year. However, the Trustee monitors managers' voting and engagement behaviour on an annual basis and challenges managers where their activity has not been in line with the Trustee's expectations.

In this section we have included voting data on the Scheme's funds that hold equities as follows:

- Invesco Global Real Estate Fund;
- LGIM World (ex UK) Equity Index Fund;
- Newton Real Return Fund;
- Nordea Diversified Return Fund; and
- Ruffer Absolute Return Fund. 14.1.1 Invesco 14.1.2 LGIM

Information has not been included relating to the CTI Bespoke Fund as it gains equity exposure synthetically, therefore there are no voting rights in relation to the equities that are referenced.

LGIM were only able to provide voting data at quarter end dates, and hence the data shown is based on votes over the period from 1 April 2023 to 31 March 2024.

The Trustee contacted the Scheme's other asset managers that do not hold listed equities, to ask if any of the assets held by the Scheme had voting opportunities over the period. All of the Scheme's managers, with the exception of Aegon. confirmed there were no voting opportunities during the period. Commentary on voting is provided in respect of the Aegon European Asset Backed Securities ("ABS") Fund in Section 14.4.

Description of the voting processes
For assets with voting rights, the Trustee relies on the voting policies which its managers have in place. The Trustee reviewed these policies in September 2023, and was comfortable that they are aligned with its views.

14.1.1 Invesco
Invesco has adopted and implemented a Policy Statement on Global Corporate Governance and Proxy Voting Policy which it believes describes policies and procedures reasonably designed to ensure that proxies are voted in the best interests of its clients. This Policy is intended to help Invesco's clients understand its commitment to responsible investing and proxy voting, as well as the good governance principles that inform its approach to engagement and voting at shareholder meetings.

Invesco views proxy voting as an integral part of its investment management responsibilities. The proxy voting process at Invesco focuses on protecting clients' rights and promoting governance structures and practices that reinforce the accountability of corporate management and boards of directors to shareholders. The voting decision lies with its portfolio managers and analysts with input and support from its Global ESG team and Proxy Operations functions. The final voting decisions may incorporate the unique circumstances affecting companies, regional best practices and any dialogue Invesco has had with company management. Invesco's proprietary proxy voting platform ("Proxyintel") facilitates implementation of voting decisions and rationalises across global investment teams.

Invesco is happy to work with clients to deliver satisfactory outcomes relating to stewardship, ESG policies and proxy voting, however, is somewhat limited in implementing custom voting policies for clients invested in its pooled funds. Invesco's portfolio managers and analysts retain full discretion over voting decisions for pooled portfolios, in line with its Global Proxy Voting Policy.

Invesco's proxy voting process is designed to ensure that proxy votes are cast in accordance with the best interests of all clients. The voting decision lies with its portfolio managers and analysts, with input and support from its Global ESG team. Proxyintel facilitates the implementation of voting decisions and rationales across global investment teams. Invesco's publication of its Policy Statement on Global Corporate Governance and Proxy Voting, disclosure of voting records and ESG investment stewardship reporting enhances its accountability and transparency to its clients.

14.1.2 LGIM

LGIM's voting and engagement activities are driven by ESG professionals and its assessment of the requirements in these areas seeks to achieve the best outcome for all its clients. LGIM's voting policies are reviewed annually and take into account feedback from its clients.

Every year, LGIM holds a stakeholder roundtable event where clients and other stakeholders (civil society, academia, the private sector and fellow investors) are invited to express their views directly to the members of the Investment Stewardship team. The views expressed by attendees during this event form a key consideration as LGIM continues to develop its voting and engagement policies and define strategic priorities in the years ahead. It also takes into account client feedback received at regular meetings and/ or ad-hoc comments or enquiries.

All voting decisions are made by LGIM's Investment Stewardship team and in accordance with its Corporate Governance & Responsible Investment and Conflicts of Interest policy documents, which are reviewed annually. Each member of the team is allocated a specific sector globally so that the voting is undertaken by the same individuals who engage with the relevant company. This helps ensure LGIM's stewardship approach is consistent throughout the engagement and voting process, and that engagement is fully integrated into the vote decision process, therefore sending consistent messaging to companies.

LGIM's Investment Stewardship team uses Institutional Shareholder Services' ("ISS") 'ProxyExchange' electronic voting platform to electronically vote. All voting decisions are made by LGIM and it does not outsource any part of the strategic decisions. The use of ISS's recommendations is to augment LGIM's own research and proprietary ESG assessment tools. The Investment Stewardship team also uses the research reports of Institutional Voting Information Services (IVIS) to supplement the research reports received from ISS for UK companies when making specific voting decisions.

To ensure LGIM's proxy provider votes in accordance with its position on ESG, LGIM has put in place a custom voting policy with specific voting instructions. These instructions apply to all markets globally and seek to uphold what LGIM considers are minimum best practice standards that all companies globally should observe, irrespective of local regulation or practice.

LGIM retains the ability in all markets to override any vote decisions, which are based on its custom voting policy This may happen where engagement with a specific company has provided additional information (for example from direct engagement, or explanation in the annual report) that allows LGIM to apply a qualitative overlay to its voting judgement. LGIM has strict monitoring controls to ensure its votes are fully and effectively executed in accordance with its voting policies by the service provider. This includes a regular manual check of the votes input into the platform, and an electronic alert service to inform LGIM of rejected votes which require further action.

14.1.3 Newton Investment Management Limited (“Newton”)

Newton has established overarching stewardship principles which guide its ultimate voting decision, based on guidance established by internationally recognised governance principles. All voting decisions are taken on a case-by-case basis, reflecting Newton's investment rationale, engagement activity and the company's approach to relevant codes, market practices and regulations. These are applied to the company's unique situation, while also considering any explanations offered for why the company has adopted a certain position or policy. If Newton recognises a material conflict of interest it may apply the vote recommendations of its third-party voting administrator.

Newton seeks to make proxy voting decisions that are in the best long-term financial interests of its clients and which seek to support investor value by promoting sound economic and ESG policies, procedures and practices through the support of proposals that are consistent with these objectives:

- To align of the interests of a company's management and board of directors with those of investors.
- To promote the accountability of a company's management to its board of directors, as well as the accountability of the board of directors to investors.
- To uphold the rights of a company's investors to effect change; and
- To promote adequate disclosure about a company's business operations and financial performance in a timely manner.

In general, voting decisions are taken consistently across all Newton's clients that are invested in the same underlying company. This is in line with Newton's investment process that focuses on the long-term success of the investee company. Further, it is Newton's intention to exercise voting rights in all circumstances where it retains voting authority. All voting opportunities are communicated to Newton by way of an electronic voting platform. The Responsible Investment team reviews all resolutions for matters of concern. Any such contentious issues may be referred to the appropriate global fundamental equity analyst or portfolio manager for comment. Where an issue remains contentious, Newton may also decide to engage with the company or other relevant stakeholders.

Where Newton plans to vote against management, it may seek to engage with the company on a best-effort basis and depending on the significance of the holding, to share its concerns and to provide an opportunity for its concerns to be allayed.

14.1.4 Nordea Investment Management Limited ("Nordea")
Nordea has an aggregated voting strategy, meaning that it strives to vote on its total holdings in any given company as consistently as possible.

Nordea's Corporate Governance Principles define how it acts in corporate governance-related matters and sets the rules for which strategies apply and how the voting of the shares owned by the funds shall take place. A Corporate Governance Committee has been set up to ensure appropriate handling of the corporate-governance matters, and the operational responsibility rests with the Corporate Governance Function (outside the investment organization). The Corporate Governance Function cooperates very closely with Nordea Asset Management's Responsible Investment Team, which oversees its work on responsible investment together with the investment organisation.

Assessment of shareholder ESG proposals is made on a case-by-case basis. This assessment analyses the relevance and adequacy of the requests - i.e., whether approval of the resolution supports better company's practices or shareholder value, whether the company's current stance on the topic is likely to have negative effects in terms of litigation and reputational damage and whether the company has already put appropriate action in place to respond to the issue contained in the resolution.

Generally, Nordea's line is to support proposals aiming to protect or enhance long-term shareholder value creation, to improve transparency on material ESG issues and to address material ESG risks that have emerged. On climate proposals that require companies to disclose information about its governance, strategy, risk management and targets related to climate-related risks, Nordea will generally be positive. Nordea's voting power will be used in cases of company's failure to appropriately manage or mitigate ESG risks or when there is a lack of sustainability reporting in the company's public documents.

In general, every vote Nordea casts is considered individually on the background of its bespoke voting policy, which it has developed in-house based on its own principles. Proxy voting is supported by two external vendors (ISS & Nordic Investor Services) to facilitate proxy voting, execution and provide analytic input, but the final analysis and decision always remains with Nordea. During 2023, Glass Lewis was also added to this list of external vendors but is mainly used for analytic input.

Corporate Governance and Proxy Voting, disclosure of voting records and ESG investment stewardship reporting enhances its accountability and transparency to its clients.

14.1.5 Ruffer

It is Ruffer's policy to vote on Annual General Meeting and Extraordinary General Meeting resolutions, including shareholder resolutions and corporate actions. It endeavours to vote on most of its holdings, but it retains discretion to not vote when it is in its clients' best interests (for example in markets where share blocking applies). Ruffer votes on its total shareholding of the companies held within flagship funds.

To apply this policy, it works with various industry standards, organisations and initiatives and actively participates in debates within the industry, promoting the principles of active ownership and responsible investment. For example, Ruffer is a signatory to the Principles for Responsible Investment, participates in several working groups at the Investment Association and, through its commitment to Climate Action 100+, has co-filed resolutions where it felt this was the most appropriate course of action.

Ruffer has internal voting guidelines as well as access to proxy voting research, currently from ISS, to assist in the assessment of resolutions and the identification of contentious issues. Although Ruffer is cognisant of proxy advisers' voting recommendations, in general, it does not delegate or outsource stewardship activities when deciding how to vote on its clients' shares.

Research analysts are responsible, supported by Ruffer's responsible investment team, for reviewing the relevant issues on a case-by-case basis and exercising their judgement, based on their in-depth knowledge of the company. If there are any controversial resolutions, a discussion is convened with senior investment staff and, if agreement cannot be reached, there is an option to escalate the decision to the Head of Research or the Chief Investment Officer. It looks to discuss with companies any relevant or material issue that could impact the investment. Ruffer will ask for additional information, if necessary, to inform its voting discussions. If Ruffer decides to vote against the recommendations of management, it will endeavour to communicate this to the company before the vote along with an explanation for doing so.

Ruffer is open to working alongside other investors on both policy and company specific matters. The decision to collaborate on company specific matters will be judged on a case-by-case basis by the responsible investment team with input from the research analysts and portfolio managers as well as the legal and compliance teams.

14.2 Summary of voting behaviour over the year

A summary of voting behaviour over the Scheme Year is provided in the table below. Note that numbers may not sum exactly due to rounding. As noted above, LGIM voting data is based on the period from 1 April 2023 to 31 March 2024 whilst Newton, Nordea and Ruffer data is based on the period from 1 May 2023 to 30 April 2024.

Fund name	Invesco Global Real Estate Fund	LGIM World (ex UK) Equity Index Fund	Newton Real Return Fund	Nordea Diversified Return Fund	Ruffer Absolute Return Fund
Total size of fund at end of the Scheme Year (£bn)	0.3 (of which 0.1 relates to the listed property sleeve)	5.0	2.2	2.3	2.9
Value of Scheme assets at end of the Scheme Year (£ / % of total assets)	£31.7m / 7.3%	£65.3m / 15.1%	£21.7m / 5.0%	£22.3m / 5.2%	£21.2m / 4.9%
Number of equity holdings at end of the Scheme Year	63	2,813	65	154	56
Number of meetings eligible to vote	46	2,867	61	200	69
Number of resolutions eligible to vote	586	34,635	995	2,480	1,064
% of resolutions voted	100.0%	99.9%	99.2%	97.4%	100.0%
Of the resolutions on which voted, % voted with management	98.3%	78.0%	93.0%	84.5%	95.4%
Of the resolutions on which voted, % voted against management	1.7%	21.9%	7.0%	15.5%	3.2%
Of the resolutions on which voted, % abstained from voting	0.0%	0.1%	0.0%	2.2%	1.4%
Of the meetings in which the manager voted, % with at least one vote against management	17.4%	76.7%	44.0%	65.5%	23.2%
Of the resolutions on which the manager voted, % voted contrary to recommendation of proxy advisor	1.7%	16.4%	4.7%	4.7%	8.1%

Note that totals may not sum due to rounding.

14.3 Most significant votes over the year

Commentary on the most significant votes over the period from the Scheme's asset managers who hold listed equities is set out below. We have provided a sub-set of votes from each manager with a focus on votes relating to the Scheme's stewardship priorities of Climate Change, Diversity, Equity & Inclusion and Corporate Transparency.

Invesco – Global Real Estate Fund

	Public Storage, May 2023	Digital Realty Trust, June 2023
Summary of resolution	Report on Greenhouse Gas (“GHG”) emissions reduction targets aligned with the Paris Agreement Goal	Report on whether Company policies reinforce racism in Company culture
Relevant stewardship priority	Climate Change and Corporate Transparency	Diversity, Equity, and Inclusion
Approximate size of the mandate’s holding at the date of the vote (of listed equity sleeve)	2.9%	2.0%
Vote / outcome	For / Did not pass	Against / Did not pass
Management recommendation	Against	Against
Rationale	A vote for this proposal is warranted, as additional information on the company's efforts to reduce its carbon footprint and align its operations with Paris Agreement goals would allow investors to better understand how the company is managing its transition to a low carbon economy and climate change-related risks. Despite the resolution not passing, the proposal had a high proportion of votes for (34.7%) showing that shareholders believed additional reporting could be beneficial.	A vote against this proposal is warranted as shareholders may wish to engage with the company on providing more disclosure around its diversity and inclusion efforts, but there do not appear to be significant controversies or allegations that suggest the company's policies are reinforcing racism within its corporate culture.

LGIM – World (ex UK) Equity Index Fund

	JP Morgan Chase & Co., May 2023	Amazon.com, Inc., May 2023
Summary of resolution	Report on Climate Transition Plan describing efforts to align financing activities with GHG Targets	Report on median and adjusted gender/racial pay gaps
Relevant stewardship priority	Climate Change	Corporate Transparency / Diversity, Equity and Inclusion
Approximate size of the mandate’s holding at the date of the vote	0.7%	0.8%
Vote / outcome	For / Did not pass	For / Did not pass
Management recommendation	Against	Against

Rationale	LGIM generally supports resolutions that seek additional disclosures on how they aim to manage their financing activities in line with their published targets. LGIM believes that detailed information on how a company intends to achieve the 2030 targets they have set and published to the market (the 'how' rather than the 'what', including activities and timelines) can further focus the board's attention on the steps and timeframe involved and provides assurance to stakeholders. The onus remains on the board to determine the activities and policies required to fulfil their own ambitions, rather than investors imposing restrictions on the company.	A vote in favour is applied as LGIM expects companies to disclose meaningful information on its gender pay gap and the initiatives it is applying to close any stated gap. This is an important disclosure so that investors can assess the progress of the company's diversity and inclusion initiatives. Board diversity is an engagement and voting issue, as we believe cognitive diversity in business – the bringing together of people of different ages, experiences, genders, ethnicities, sexual orientations, and social and economic backgrounds – is a crucial step towards building a better company, economy and society.

Newton - Real Return Fund

	NextEra Energy, Inc., May 2023	Unilever Plc, May 2023
Summary of resolution	Disclose Board Skills and Diversity Matrix	Approve remuneration report
Relevant stewardship priority	Corporate Transparency / Diversity, Equity, and Inclusion	Corporate Transparency
Approximate size of the mandate's holding at the date of the vote	0.5%	1.2%
Vote / outcome	For / Passed	Against / Did not pass
Management recommendation	For	For
Rationale	Newton supported this shareholder proposal requesting the disclosure of a board skills and diversity matrix as it believed it would help shareholders to assess how the company is managing related risks.	Newton voted against executive pay arrangements owing to significant pay increases granted to executive(s) and the absence of a compelling rationale for this.

Nordea – Diversified Return Fund

	Comcast Corporation, June 2023	Expeditors International of Washington, Inc., May 2023
Summary of resolution	Report on GHG emission reduction targets aligned with the Paris Agreement Goal	Report on effectiveness of diversity, equity and inclusion efforts and metrics
Relevant stewardship priority	Climate Change	Diversity, Equity, and Inclusion
Approximate size of the mandate's holding at the date of the vote	1.4%	0.4%

Vote / outcome	For / Did not pass	For / Passed
Management recommendation	Against	Against
Rationale	Nordea thinks that additional information on the company's efforts to reduce its carbon footprint and align its operations with Paris Agreement goals would allow investors to better understand how the company is managing its transition to a low carbon economy and manage climate change related risks.	Nordea believes that a vote for this proposal is warranted, as reporting quantitative, comparable diversity data would allow shareholders to better assess the effectiveness of Expeditor's diversity, equity and inclusion efforts and management of related risks.

Ruffer - Absolute Return Fund

	Bank of America, April 2024	JDE Peet's, May 2023
Summary of resolution	Report on clean energy supply financing ratio	Approve Renumeration Report
Relevant stewardship priority	Climate Change	Corporate Transparency
Approximate size of the mandate's holding at the date of the vote	0.2%	0.1%
Vote / outcome	Against / Did not pass	For / Passed
Management recommendation	Against	For
Rationale	Ruffer voted against its proxy voting advisors' recommendation and in line with management for the request of a report on clean energy supply financing ratio. This was because Ruffer believe Bank of America is committed to its Net Zero targets and provides much of the necessary data to support this. While Ruffer supports enhanced disclosures more broadly, it felt that Bank of America's required ratio was already available via a third-party (Bloomberg). Hence, in support of greater uniformity within the responsible investing space, Ruffer felt that a vote against this proposal was the best option rather than the company itself calculating this ratio with a possibly varying methodology.	After viewing the report and discussing it with management, Ruffer's view is that the restricted shares ("RSUs") forming the long-term incentive plan component and majority of total pay create a strong alignment between shareholders and management in generating value. Further, the structure of restricted shares means their value is tied to company share-price performance meaning, it is a simple way of tying executive pay directly to the value placed on the company by the market.

14.4 Votes in relation to assets other than listed equity

14.4.1 Aegon ABS Fund

Voting is very rare for the Aegon ABS fund and in principle always related to technical adjustments of the transaction documentation, such as cash flows of trigger dates or necessary language to comply with changing regulation. Aegon’s policy is to vote in line with the mandate restrictions and in the best economic interest of its client. Investment decisions within the limits of the mandate restrictions are not consulted with clients beforehand.

When Aegon receives a notification for a vote, it first investigates the situation and the options. If the issuer has not already reached out to Aegon, it reaches out to the issuer to make sure the situation and motives are fully clear. Aegon experienced two votes over the Scheme year. These were related to technical adjustments as set out above. The best vote for the clients is determined within the ABS investment team, in case input or advise from experts is needed. Aegon’s votes are cast via its Blackrock Aladdin systems and needs authorisation of at least two portfolio managers. Aegon have not made use of proxy voting services of the Scheme year, as voting for ABS is very rare and technical in nature. Given the unlikeliness of voting opportunities Aegon treats all votes as significant. Neither vote related to the Scheme’s stewardship priorities over the Scheme Year.

IMPLEMENTATION STATEMENT

Clifford Chance Pension Scheme – Money Purchase section

Purpose of this statement

This Implementation Statement has been prepared by the Trustee of the Clifford Chance Pension Scheme ("the Scheme") and relates to the Money Purchase section of the Scheme. It covers the Scheme year to 30 April 2024 and provides information on:

- The extent to which the Trustee's policies on exercising rights (including voting rights) and engagement activities have been followed over the year;
- A summary of any changes (if any) to the Statement of Investment Principles (SIP) over the Scheme year;
- A description of how the Trustee's policies, included in their SIP, have been followed over the Scheme year; and
- A summary of the voting activity undertaken by the Scheme's investment managers on behalf of the Trustee over the year, including information regarding the most significant votes.

As at 30 April 2024 the Trustee maintained two separate SIPs for the Scheme covering the Final Salary and Money Purchase sections respectively. This Implementation Statement provides details in relation to the Money Purchase section only. A separate Implementation Statement has been provided for the Final Salary section.

Stewardship policy

The Trustee's SIP in force at 30 April 2024 describes the Trustee's stewardship policy on the exercise of rights (including voting rights) and engagement activities. The SIP was previously reviewed in March 2022 and remained the same over the Scheme year. Following the end of the Scheme year the SIP was reviewed and updated in September 2024 to incorporate wording in relation to the Trustee's policy on investing in illiquid assets, and has been made available online here:
https://pensioninformation.aon.com/cliffordchance/fileviewer.aspx?FileID=14376&FileName=2024%2009%20DC%20SIP%20(Clifford%20Chance)%20v2.0.pdf

At this time, the Trustee has not set stewardship priorities/themes for the Scheme but will be considering the extent that they wish to do this in due course, in line with other Scheme risks.

The Trustee has delegated the exercise of rights attaching to investments, including voting rights, and engagement with issuers of debt and equity and other relevant persons about relevant matters such as performance, strategy, risks and ESG considerations to its investment managers.

How voting and engagement/stewardship policies have been followed

Based on the information provided by the Scheme's investment managers, the Trustee believes that its policies on voting and engagement have been met in the following ways:

- The majority of the Money Purchase section's assets are invested in Legal and General's (L&G's) range of Target Date Funds (TDFs) which are managed exclusively by Legal & General Investment Management (LGIM). The TDFs use a blend of underlying pooled funds, also managed by LGIM, and target five-year retirement windows (referred to as vintages). As pooled investment funds, the Trustee delegates responsibility for carrying out voting and engagement activities to LGIM.
- For the other Money Purchase assets that were held over the year, with Aviva, Clerical Medical (now Scottish Widows) and Utmost Life and Pensions, the Trustee has taken a proportionate approach to the disclosures, as the assets under management are relatively small compared to the Final Salary section assets and the Money Purchase assets invested with L&G. Therefore, the Trustee has decided not to obtain specific fund-level information on voting behaviour for these assets and has instead provided an overview of voting behaviour at provider level.
- The Trustee understands the importance of carrying out periodic reviews of the voting and engagement information of its investment managers to ensure they align with its own policies. The Trustee undertook an initial review of the stewardship and engagement activities of the current managers at its February 2024 meeting and was satisfied that its policies were reasonable, and no remedial action was required at that time.
- The Trustee obtained training on ESG considerations in order to understand fully how ESG factors including climate change could impact the Scheme and its investments.
- The Trustee reviewed the voting policies of LGIM, and was satisfied with its approach to exclude controversial weapons, adult entertainment, gambling, oil sands, thermal coal and tobacco. The Trustee also agrees with LGIM's stewardship priorities, focus on material issues that are not only important to its clients but also those that pose a risk to the long-term value of its assets. This includes Climate change, human rights, health etc.

How the SIP has been followed over the year

In the Trustee's opinion, the SIP has been followed over the year in the following ways:

Objectives and Policy for Securing Objectives

- *To ensure that in setting the investment strategy of the Money Purchase section of the Scheme, the Trustees primary objectives are:*
    - 'asset choice' to ensure members have an appropriate choice of assets for investment.
    - "return objective" to enable members to benefit from investment in "growth" assets until they approach retirement, when they will be able to switch to "matching" assets which are more related to the format of the benefits they are expected to take at retirement.

  The Trustee provided a range of investment options throughout the Scheme year for the members to invest their Money Purchase savings. The funds offered included TDFs, which automatically switch the investment into lower risk investments as the member nears their retirement age. Additionally, members have been provided with access to equity, multi-asset (including With Profits), annuity aware and cash funds, which therefore ensures members have an appropriate choice of assets for investment.

Choosing Investments

- *To ensure the investment options offered to members of the Money Purchase section are deemed appropriate, given the profile of the membership. Also to act in the best financial interest of the scheme and its beneficiaries, seeking the best return that is consistent with a prudent and appropriate level of risk*

  The Trustee has appointed L&G as the Scheme's primary Defined Contributions provider, which provides a range of funds available for members to invest in through the L&G platform. This has been expanded to provide suitable like for like funds to members who transferred funds from the legacy Voluntary Contribution ("VC") arrangements. A summary of the investment options available is set out in the SIP.

  The Trustee has also set a 'default' investment strategy, which considered:

  - The need for appropriate diversification of asset classes.
  - The differing investment priorities for members, dependent on their term to retirement.
  - The format in which members are expected to take their benefits.

The Balance between Different Kinds of Investments

- *Recognising that the key source of financial risk arises from the fund selection for the Money Purchase section*

  The Trustee has taken expert advice over the year from its Money Purchase section investment advisers (previously Aon and now Barnett Waddingham), particularly as part of the triennial review of the investment strategy review where it was agreed that the L&G TDFs were still an appropriate default fund for the Scheme's Money Purchase assets. The Trustee also ensures that the asset allocation changes over time as the membership profile evolves with continuous observation. This is evident in the update to the SIP in September 2024, to incorporate a policy on illiquid assets.

Implementation of the investment arrangements

- *To obtain and consider proper written advice from its investment adviser on the question of whether the investment is satisfactory, having regard to the need for suitable and appropriate investments*

  At its February 2024 meeting, the Trustee, with the assistance of its new Money Purchase section investment adviser carried out an analysis of the Money Purchase section's membership and reviewed wider market trends and concluded that the L&G TDFs were still an appropriate default for the Money Purchase section's membership. The Trustee also reviewed the suitability of the TDFs based on their evolving asset allocation, ESG credentials and performance versus peers and concluded that they were still suitable.

Over the year, the Trustee monitored the L&G funds via quarterly monitoring reports provided by the investment manager, along with bi-annual reports provided by the Trustee's previous Money Purchase section investment adviser (Aon).

Additionally, the performance of the Money Purchase section's funds has been reviewed and compared against suitable industry benchmark performance figures. The latest review of these funds was discussed at the February 2024 Trustee meeting.

An annual assessment of whether the members of the Scheme receive 'good value' for the costs and charges that they take on, is included within the annual Chair's Statement. A 'value for members' assessment was conducted for the reporting period of 1 May 2023 to 30 April 2024.

Investment Risk Measurement and Management

- *Recognising that risk in a defined contribution scheme lies with the member themselves*

The Trustee takes account of this in the selection and monitoring of the investment managers and the choice of funds offered to members, and in setting the default investment strategy for the L&G and Utmost Life and Pensions arrangements. This is covered in sections above.

Expected Returns on Assets

- *Assess the returns achieved by the fund managers, within the Money Purchase section, against performance benchmarks set by the Trustee in consultation with the advisers and fund managers.*

Over the Scheme year, the Trustee monitored the investment performance of the Scheme's unit-linked Money Purchase funds against suitable benchmarks. Performance was broadly in line with expectations and did not require any further action.

Realisation of Investments/Liquidity

- *Recognising the risk in holding assets that cannot be easily realised should the need arise.*

All of the funds held in the Money Purchase section are daily dealt and therefore realisable at short notice through the sale of units in pooled funds. However, the redemption of any With Profits holdings at any time other than the maturity date of the policy (or in the event of death) may result in the application of a market value reduction.

Consideration of financially material and non-financial matters

- *To consider how environmental, social, governance ("ESG") and ethical factors should be taken into account in the selection, retention and realisation of investments, given the time horizon of the Scheme and its members*

The Trustee expects its investment managers to take account of financially material considerations (including climate change and other ESG considerations) as the managers consider appropriate where relevant to financial performance. ESG credentials was also one of the factors that led to L&G's appointment as the Scheme's main defined contribution provider.

The Trustee considers the responsible investment policies and practices of L&G, as the main pooled investment manager to the Money Purchase section. This includes the degree to which ESG factors are integrated through the range of investment options provided through the Money Purchase section. The Trustee reviewed L&G's ESG credentials at its February 2024 meeting and remained of the view that the policies of L&G are reasonable and are not out of line with the Trustee's own policies described in the SIP.

The Trustee does not take into account any non-financial matters (i.e. matters relating to the ethical and other views of members and beneficiaries, rather than considerations of financial risk and return) in the selection, retention and realisation of investments, but does offer an ESG fund to members as a self-select fund.

Stewardship

- *Recognising its responsibilities as owners of capital and believing that good stewardship practices, including monitoring and engaging with investee companies, and exercising voting rights attaching to investments, protect and enhance the long-term value of investments*

The Trustee has delegated the exercise of rights attached to investments to its investment managers. This includes voting rights, engagement with issuers of debt and equity and other relevant persons about relevant matters including the strategy, risk, performance and any ESG considerations.

The voting behaviour of the investment managers is set out below in the 'Voting Data' section.

Costs & Transparency

- *To understand all the different costs and charges, which are paid by the members*

The Trustee collects details of the costs and charges borne by members invested in the Money Purchase section funds and, where possible, reports these in the annual Chair's Statement. As discussed above, the Chair's Statement also includes a section that assesses whether the members receive 'good value' for these costs and charges that they take on.

The most recent copy of the Chair's Statement can be found in the Trustee Report and Accounts but also online at:

https://pensioninformation.aon.com/cliffordchance

Prepared by the Trustee of the Clifford Chance Pension Scheme

Voting Data

This section provides a summary of the voting activity undertaken by the investment managers within the Scheme's portfolio on behalf of the Trustee over the year to **31 March 2024**, as investment managers only provide data quarterly. The table includes the voting data for the underlying L&G funds with material Scheme assets invested and for which voting activity is relevant i.e. the funds that make up the TDFs and have at least some equity exposures.

Manager	LGIM	LGIM	LGIM
Fund name	LGIM Diversified Multi-Factor Equity Fund	LGIM Future World Multi-Asset Fund	LGIM Retirement Income Multi-Asset Fund
Structure	Pooled	Pooled	Pooled
Ability to influence voting behaviour of manager	The pooled fund structure means that there is limited scope for the Trustee to influence the manager's voting behaviour.	The pooled fund structure means that there is limited scope for the Trustee to influence the manager's voting behaviour.	The pooled fund structure means that there is limited scope for the Trustee to influence the manager's voting behaviour.
No. of eligible meetings	1,544	8,965	9,981
No. of eligible votes	18,192	91,840	102,982
% of resolutions voted	99.9%	99.8%	99.8%
% of resolutions abstained	0.3%	0.2%	0.2%
% of resolutions voted with management[1]	79.9%	76.7%	77.4%
% of resolutions voted against management[1]	19.9%	23.1%	22.4%
% of resolutions voted against proxy voter recommendation	14.4%	14.4%	13.7%
Proxy voting advisor employed[1]	LGIM's Investment Stewardship team uses ISS's 'ProxyExchange' electronic voting platform to electronically vote clients' shares. All voting decisions are made by LGIM, and LGIM does not outsource any part of the strategic decisions. To ensure LGIM's proxy provider votes in accordance with their position on ESG, LGIM have put in place a custom voting policy with specific voting instructions.		

Provider	Link to Policy
Clerical Medical and Scottish Widows	Please refer to Scottish Widows' stewardship report here and its Responsible Investment and Stewardship framework here
Utmost Life and Pensions	Please refer to Utmost Life and Pensions (JP Morgan Asset Management's) 2023 stewardship policy here
Aviva	Please refer to Aviva's voting policy here and its responsible investment policy here

[1] As a percentage of the total number of resolutions voted on

Significant votes

The change in Investment and Disclosure Regulations that came into force from October 2020 requires information on significant votes carried out on behalf of the Trustee over the year to be set out. The guidance does not currently define what constitutes a "significant" vote. However, recent guidance states that a significant vote is likely to be one that is linked to one or more of a scheme's stewardship priorities / themes. At this time, the Trustee has not set stewardship priorities / themes for the Scheme but will be considering the extent that they wish to do this in due course, in line with other Scheme risks.

As with last year, for this year's implementation statements the Trustee has delegated to the investment manager(s) to define what a "significant vote" is. LGIM is continuing to evolve its approach to provide clients with access to significant vote information, however at present LGIM's Investment Stewardship team takes into account the criteria provided by the Pensions & Lifetime Savings Association (PLSA) guidance. This includes but is not limited to:

- High profile vote which has such a degree of controversy that there is high client and/ or public scrutiny;
- Significant client interest for a vote: directly communicated by clients to the Investment Stewardship team at LGIM's annual Stakeholder roundtable event, or where LGIM notes a significant increase in requests from clients on a particular vote;
- Sanction vote as a result of a direct or collaborative engagement;
- Vote linked to an LGIM engagement campaign, in line with LGIM Investment Stewardship's 5-year ESG priority engagement themes.

LGIM publicly discloses its vote instructions on its website at: https://vds.issgovernance.com/vds/#/MjU2NQ==/

LGIM has provided a selection of votes which it believes to be significant. In the absence of agreed stewardship priorities / themes, the Trustee has selected 3 votes from each fund, which cover a range of themes to represent what it considers the most significant votes cast on behalf of the Scheme. To represent the most significant votes, the votes of the largest holdings relating to each topic are shown below.

A summary of the significant votes provided is set out below.

LGIM, Diversified Multi-Factor Equity Fund

	Vote 1	Vote 2	Vote 3
Company name	Walmart Inc.	Colgate-Palmolive Company	Alphabet Inc.
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	0.33%	0.26%	0.24%

	Vote 1	Vote 2	Vote 3
Summary of the resolution	Resolution 1e - Elect Director Thomas W. Horton	Resolution 1k - Elect Director Noel R. Wallace	Resolution 18 - Approve Recapitalization Plan for all Stock to Have One-vote per Share
How the manager voted	Against (against manager recommendation)	Against (against management recommendation)	For (against management recommendation)
If the vote was against management, did the manager communicate their intent to the company ahead of the vote?	LGIM publicly communicates its vote instructions on its website the day after the company meeting, with a rationale for all votes against management. It is LGIM's policy not to engage with its investee companies in the three weeks prior to an AGM as its engagement is not limited to shareholder meeting topics.	LGIM publicly communicates its vote instructions on its website the day after the company meeting, with a rationale for all votes against management. It is LGIM's policy not to engage with its investee companies in the three weeks prior to an AGM as its engagement is not limited to shareholder meeting topics.	LGIM publicly communicates its vote instructions on its website the day after the company meeting, with a rationale for all votes against management. It is LGIM's policy not to engage with its investee companies in the three weeks prior to an AGM as its engagement is not limited to shareholder meeting topics.
Rationale for the voting decision	Climate: LGIM deemed that a vote for is warranted, having reviewed the disclosures it considers the report is aligned with LGIM's climate expectations.	Joint Chair/CEO: A vote against is applied as LGIM expects companies to separate the roles of Chair and CEO due to risk management and oversight concerns.	Shareholder Resolution - Shareholder rights: A vote in favour is applied as LGIM expects companies to apply a one-share-one-vote standard.
Outcome of the vote	96% (Pass)	93% (Pass)	31% (Fail)
Implications of the outcome	LGIM will continue to engage with their investee companies, publicly advocate LGIM's position on this issue and monitor company and market-level progress.		
Criteria on which the vote is considered "significant"	Thematic - Diversity: LGIM views gender diversity as a financially material issue for our clients, with implications for the assets LGIM manage on their behalf.	Thematic - Board Leadership: LGIM considers this vote to be significant as it is in application of an escalation of its vote policy on the topic of the combination of the board chair and CEO (escalation of engagement by vote).	High Profile meeting: This shareholder resolution is considered significant due to the relatively high level of support received.

LGIM, Future World Multi-Asset Fund

	Vote 1	Vote 2	Vote 3
Company name	Shell Plc	Microsoft Corporation	Toyota Motor Corp.
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	0.34%	0.66%	0.25%
Summary of the resolution	Resolution 25 - Approve the Shell Energy Transition Progress	Resolution 1.06 - Elect Director Satya Nadella	Resolution 4 – Amend Articles to Report on Corporate Climate Lobbying Aligned with Paris Agreement

	Vote 1	Vote 2	Vote 3
How the manager voted	Against (against manager recommendation)	Against	For (against manager recommendation)
If the vote was against management, did the manager communicate their intent to the company ahead of the vote?	LGIM publicly communicates its vote instructions on its website with the rationale for all votes against management. It is LGIM's policy not to engage with its investee companies in the three weeks prior to an AGM as its engagement is not limited to shareholder meeting topics.	LGIM publicly communicates its vote instructions on its website with the rationale for all votes against management. It is LGIM's policy not to engage with its investee companies in the three weeks prior to an AGM as its engagement is not limited to shareholder meeting topics	LGIM pre-declared its vote intention for this meeting on the LGIM Blog. As part of this process, a communication was sent to the company ahead of the meeting.
Rationale for the voting decision	Climate change: A vote against is applied, though not without reservations. LGIM acknowledges the substantial progress made by the company in meeting its 2021 climate commitments and welcome the company's leadership in pursuing low carbon products. However, LGIM remains concerned by the lack of disclosure surrounding future oil and gas production plans and targets associated with the upstream and downstream operations; both of these are key areas to demonstrate alignment with the 1.5C trajectory.	Joint Chair/CEO: A vote against is applied as LGIM expects companies to separate the roles of Chair and CEO due to risk management and oversight concerns.	LGIM views climate lobbying as a crucial part of enabling the transition to a net zero economy. A vote for this proposal is warranted as LGIM believes that companies should advocate for public policies that support global climate ambitions and not stall progress on a Paris-aligned regulatory environment. LGIM acknowledges the progress that Toyota Motor Corp has made in relation to its climate lobbying disclosure in recent years. However, it believes that additional transparency is necessary with regards to the process used by the company to assess how its direct and indirect lobbying activity aligns with its own climate ambitions, and what actions are taken when misalignment is identified. Furthermore, LGIM expects Toyota Motor Corp to improve its governance structure to oversee this climate lobbying review. They believe the company must also explain more clearly how its multi-pathway electrification strategy translates into meeting its decarbonisation targets, and how its climate lobbying practices are in keeping with this.
Outcome of the vote	80% (Pass)	n/a	15% (Fail)

	Vote 1	Vote 2	Vote 3
Implications of the outcome	LGIM continues to undertake extensive engagement with Shell on its climate transition plans	LGIM will continue to engage with its investee companies, publicly advocate its position on this issue and monitor company and market-level progress.	LGIM will continue to engage with the company and monitor progress.
Criteria on which the vote is considered "significant"	Thematic - Climate: LGIM is publicly supportive of so called "Say on Climate" votes. It expects transition plans put forward by companies to be both ambitious and credibly aligned to a 1.5C scenario. Given the high-profile of such votes, LGIM deems such votes to be significant, particularly when LGIM votes against the transition plan.	Thematic - Board Leadership: LGIM considers this vote to be significant as it is in application of an escalation of its vote policy on the topic of the combination of the board chair and CEO (escalation of engagement by vote).	Pre-declaration and Thematic - Lobbying: LGIM believes that companies should use their influence positively and advocate for public policies that support broader improvements of ESG factors including, for example, climate accountability and public health. In addition, LGIM expects companies to be transparent in their disclosures of their lobbying activities and internal review processes involved.

LGIM, Retirement Income Multi-Asset Fund

	Vote 1	Vote 2	Vote 3
Company name	Toyota Motor Corp.	Shell Plc	Tencent Holdings Limited
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	0.18%	0.16%	0.15%
Summary of the resolution	Resolution 4 – Amend Articles to Report on Corporate Climate Lobbying Aligned with Paris Agreement	Resolution 25 - Approve the Shell Energy Transition Progress	Resolution 3a - Elect Jacobus Petrus (Koos) Bekker as Director
How the manager voted	For (against manager recommendation)	Against (against management recommendation)	Against (against management recommendation)
If the vote was against management, did the manager communicate their intent to the company ahead of the vote?	LGIM pre-declared its vote intention for this meeting on the LGIM Blog. As part of this process, a communication was set to the company ahead of the meeting.	LGIM publicly communicates its vote instructions on its website the day after the company meeting, with a rationale for all votes against management. It is LGIM's policy not to engage with its investee companies in the three weeks prior to an AGM as its engagement is not limited to shareholder meeting topics.	LGIM publicly communicates its vote instructions on its website the day after the company meeting, with a rationale for all votes against management. It is LGIM's policy not to engage with its investee companies in the three weeks prior to an AGM as its engagement is not limited to shareholder meeting topics.

	Vote 1	Vote 2	Vote 3
Rationale for the voting decision	LGIM views climate lobbying as a crucial part of enabling the transition to a net zero economy. A vote for this proposal is warranted as LGIM believes that companies should advocate for public policies that support global climate ambitions and not stall progress on a Paris-aligned regulatory environment. LGIM acknowledges the progress that Toyota Motor Corp has made in relation to its climate lobbying disclosure in recent years. However, LGIM believes that additional transparency is necessary with regards to the process used by the company to assess how its direct and indirect lobbying activity aligns with its own climate ambitions, and what actions are taken when misalignment is identified. Furthermore, LGIM expects Toyota Motor Corp to improve its governance structure to oversee this climate lobbying review. LGIM believes the company must also explain more clearly how its multi-pathway electrification strategy translates into meeting its decarbonisation targets, and how its climate lobbying practices are in keeping with this.	Climate change: A vote against is applied, though not without reservations. LGIM acknowledge the substantial progress made by the company in meeting its 2021 climate commitments and welcome the company's leadership in pursuing low carbon products. However, LGIM remains concerned by the lack of disclosure surrounding future oil and gas production plans and targets associated with the upstream and downstream operations; both of these are key areas to demonstrate alignment with the 1.5C trajectory.	Climate Impact Pledge: A vote against is applied as the company is deemed to not meet minimum standards with regard to climate risk management. Remuneration Committee: A vote against has been applied because LGIM expects the Committee to comprise independent directors.
Outcome of the vote	15% (Fail)	80% (Pass)	88% (Pass)
Implications of the outcome	LGIM will continue to engage with the company and monitor progress.	LGIM continues to undertake extensive engagement with Shell on its climate transition plans	LGIM will continue to engage with the company and monitor progress.
Criteria on which the vote is considered "significant"	Pre-declaration and Thematic - Lobbying: LGIM believes that companies should use their influence positively and advocate for public policies that support broader improvements of ESG factors including, for example, climate accountability	Thematic - Climate: LGIM is publicly supportive of so called "Say on Climate" votes. LGIM expects transition plans put forward by companies to be both ambitious and credibly aligned to a 1.5C scenario. Given the high-profile of such	Thematic - Climate: LGIM considers this vote to be significant as it is applied under the Climate Impact Pledge, its flagship engagement programme targeting companies in climate-critical sectors.

	Vote 1	Vote 2	Vote 3
	and public health. In addition, LGIM expects companies to be transparent in their disclosures of their lobbying activities and internal review processes involved.	votes, LGIM deems such votes to be significant, particularly when LGIM votes against the transition plan.	

Fund level engagement

The investment managers may engage with investee companies on behalf of the Trustee. The table below provides a summary of the engagement activities undertaken by each manager during the year for the relevant funds.

Engagement activities are limited for the Scheme's bond and cash funds due to the nature of the underlying holdings, so engagement information for these assets have not been shown.

Manager	LGIM	LGIM	LGIM
Fund name	Diversified Multi-Factor Equity Fund	Future World Multi-Asset Fund	Retirement Income Multi-Asset Fund
Number of engagements undertaken on behalf of the holdings in this fund in the year	369	1,522	1,651
Number of entities engaged on behalf of the holdings in this fund in the year	216	1,247	1,333
Number of engagements undertaken at a firm level in the year	2,144	2,144	2,144

LGIM publishes firm level data quarterly via its ESG Impact Reports. These reports can be found on the following website: www.lgim.com/uk/ad/responsible-investing/.

Over the Plan year, LGIM engaged with investee companies across a wide spectrum of issues and these engagements have been broken down into the following broad categories.

Environmental	Social	Governance	Other
1,820	274	528	119

(Source: L&G's ESG Impact Reports Q2 2023 – Q1 2024. Total sums to greater than 2,144 as some engagements fall under multiple categories.)

Of these engagements, the most frequent topics covered the following:

- Climate
- Remuneration
- Board composition
- Strategy
- Diversity

Examples relating to LGIM's engagement activity are provided in the below extracts which have been taken from its Q1 2024 ESG Impact Report.

Environmental – Climate: APA

LGIM have been engaging with APA, Australia's largest energy infrastructure business, under their climate impact pledge since 2022, as one of their 'dial mover' companies, believing that APA has the scale and influence across industry and value chain for its action to have positive reverberations beyond its direct corporate sphere.

In 2022 LGIM set out their expectations for management-proposed 'Say on Climate' votes and their criteria when assessing whether to support them. LGIM expects companies to have credible transition plans, which include disclosure of scope 1,2 and material scope 3 Greenhouse Gas (GHG) emissions. As a result of APA failing to meet LGIM's criteria, LGIM did not support the APA Group's climate transition plan when it was bought to vote in 2022.

LGIM then met with the company in early 2023, setting their expectations and working with the company to understand the hurdles it faces and the challenges to meeting their expectations. In early 2024, APA confirmed that they will include a Scope 3 goal in the 2025 refresh of their Climate Transition Plan, and they outline their proposed Scope 3 reduction pathway. They noted that the introduction of this was in part due to the 20% of investors who voted against their previous plan, including LGIM.

Social - Nestle

As the largest food company in the world, Nestle sets an example to the industry in terms of driving positive change and raising food standards. LGIM co-signed a letter to Nestle encouraging the company to do more in areas such as:

- Transparency around their nutrition strategy
- Demonstrating progress on their nutrition strategy
- Committing to disclosures around the proportion of the company's portfolio and sales associated with healthy food and drinks products.
- Setting targets to increase the proportion of these sales.

Following the letter, LGIM, along with the Healthy Markets Initiative, met with Nestle to discuss the issues raised in the letter. After this engagement Nestle announced they would report on their global portfolio using the nutrient profiling system Health Star Rating (HSR). LGIM were encouraged by this progress and have continued to engage with Nestle following these changes.

Nestle recently announced a new nutrition target which LGIM do not believe is ambitious enough, with their main concerns being:

- The new target is broadly in line with the company's current overall growth guidance, meaning if sales of unhealthier products increase in line with this guidance, there would be no improvement linked to consumer health and diets.
- Some products counted as 'nutritious' by Nestle are outside the scope of the government-endorsed nutrient profile models (including commercial baby foods and coffee). By increasing sales of out-of-scope products classified by Nestlé as nutritious, the company could meet its target without having any positive impact on public health.

LGIM have escalated their concerns by co-filing a shareholder resolution at Nestle's AGM, calling the company to:

1. set key performance indicators regarding the absolute and proportional sales for food and beverage products according to their healthfulness
2. provide a timebound target to increase the proportion of sales derived from healthier products.

LGIMs requests are intended to address their main concerns and to strengthen the link between Nestle's targets and real-world impact by increasing the proportion of healthier food available in consumer markets.

LGIM will continue to monitor the company's response and actions and continue to engage with them on this issue.

Governance – Bayer

Bayer faces meaningful reputation risks regarding ongoing glyphosate litigation related to its Roundup herbicide product. Since 2016, Bayer has faced $16 billion worth of total charges or payments related to glyphosate litigation.

LGIM's Stewardship and investment teams have met with members across different areas of Bayer to discuss the issues regarding these ongoing litigation risks and to ascertain how Bayer will fund and manage the ongoing risks. LGIM have made it clear that Bayer cannot settle its legal challenges in a manner that creates long-lasting harm to its balance sheet in exchange for potentially short-term gains for its shareholders, specifically pointing out that breaking-up the company would make little sense and would not support a growing pharmaceuticals business.