Annual Report for the year ended 31 December 2019

The Law Society of Ireland Pension and Life Assurance Scheme

Pensions Authority Number: 3399

MAKE TOMORROW, TODAY

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Trustees' Report

Introduction

The Trustees present the annual report on the operation of The Law Society of Ireland Pension and Life Assurance Scheme (the "Scheme") for the year ended 31 December 2019. The content of this report conforms to the Occupational Pension Schemes (Disclosure of Information) Regulations 2006 (as amended) prescribed by the Minister for Employment Affairs and Social Protection under the Pensions Act 1990. The report outlines the constitution and structure of the Scheme together with details of financial developments for the year, investment matters and membership movements.

Queries in relation to Scheme benefits or related matters should be addressed, in the first instance to the Director of Human Resources, Law Society of Ireland, Blackhall Place, Dublin 7.

The Scheme

The Scheme, which operates on a defined benefit basis, was established to provide retirement and life assurance benefits for its members and is a distinct legal entity, separate in every respect from the principal employer, the Law Society of Ireland, Blackhall Place, Dublin 7. Membership is open to eligible employees of the principal employer.

In compliance with Financial Services & Pensions Ombudsman Regulations Act 2017, a procedure has been put in place to facilitate Internal Dispute Resolution. Details of this procedure have been set out in the explanatory booklet which has been made available and distributed to members.

The Scheme is governed by the Trust Deed & Rules; members are entitled to inspect these documents or, on payment of a small charge, receive a copy of them. Details of members' benefits are also provided in the explanatory booklet which has been distributed to all members and individual details appear on each member's benefit statement. There have been no changes during the year to the Scheme information specified in Schedule C of the Occupational Pension Schemes (Disclosure of Information) Regulations 2006 (as amended).

The Scheme has been approved by the Revenue Commissioners as an "exempt approved scheme" under Section 774 of the Taxes Consolidation Act 1997 and as such its assets are generally allowed to accumulate free of income and capital gains taxes. In addition, tax relief is given on employer and member contributions to the Scheme and certain lump sum payments to members can be paid free of tax.

The Scheme has also been registered with The Pensions Authority and its registration number is 3399.

The Scheme is financed by contributions from the employer and members. Details of contributions and other financial developments during the year are set out herein.

The Trustees

Stewardship of Scheme assets is in the hands of its Trustees. The right of members to select, or approve the selection of, trustees is set out in the Occupational Pension Schemes (Member Participation in the selection of Persons for Appointment as Trustees) (No. 3) Regulations 1996.

The Trustees and the Scheme administrator have access at all times to:

(1) Trustees' Handbook produced by The Pensions Authority; and

(2) Guidance Notes issued by The Pensions Authority from time to time.

Section 59AA of the Pensions Act 1990, which requires trustees of pension schemes to undergo training, was brought into force on 1 February 2010 by virtue of the Social Welfare and Pensions Act 2008 (Section 28) (Commencement) Order 2009. The Trustees have adhered to their training obligations as required by the Pensions Act within the time limits set out therein.

The Trustees have access to appropriate training on their duties and responsibilities, however, no costs or expenses were incurred by the Scheme in respect of Trustee training during the year.

Management of the Scheme

The Trustees of the Scheme as at the date of signing are detailed on page 8.

Unless otherwise indicated the Trustees served for the entire period and are still serving at the date of approval of the Annual Report.

Additional advisors to the Scheme are also outlined on page 8.

Condition of the Scheme

The financial condition of the Scheme is dealt with in the Financial Developments, Actuarial Position and Investment Management sections of this report.

Statement of Risks

Under the Occupational Pension Schemes (Disclosure of Information) Regulations 2006 (as amended), the Trustees are required to describe the risks associated with the Scheme and disclose these to members. A Statement of Risks adopted by the Trustees is included in the Appendices to this report.

The Scheme is funded by contributions from the employer and members. Actuarial advice will have been obtained when setting those contributions. However, there is no guarantee that the Scheme will have sufficient funds to pay the benefits promised. It is therefore possible that the benefits payable under the Scheme may have to be reduced. If the Scheme is wound up and there is a deficit, the employer may not be under an obligation to fund the deficit or, even if the employer is under such an obligation, they may not be in a position to fund the deficit.

Financial Developments

The value of the Scheme's net assets increased from €39,100,200 at the start of the year to €44,711,166 at the year end. This increase was accounted for by the net returns on the Scheme's investments of €5,210,146 combined with the additions from dealings with members of €400,820.

Benefits and payments to leavers amounted to €1,613,671 and premiums in respect of insured benefits amounted to €115,000.

Contributions

Contributions for the year amounted to €1,960,552. Contributions were paid in accordance with the rules of the Scheme and the recommendations of the Actuary and were received in full within 30 days of the year end.

The Trustees are satisfied that appropriate procedures have been put in place to ensure that contributions payable are received in accordance with the legislative requirements as set out under Section 58A of the Pensions Act 1990. This legislation sets out the following requirements:

- Member contributions must be received within 21 days from the end of the month in which they were deducted from pay.
- Employer contributions must be received in accordance with the timings noted by the Actuary and stated in the Trust Deed and Rules and otherwise within 30 days of the end of the Scheme year.

The above details have been extracted from the financial statements of the Scheme which form part of this report.

Membership Movements

	Active Members	**Life Insurance Only Members**	**Pensioners**	**Deferred Pensioners**
At 1 January 2019	158	73	23	51
New members during the year	16	53	7	19
Leavers during the year	(28)	(42)	-	(1)
At 31 December 2019	146	84	30	69

Pensions

The Scheme does not provide for automatic increases to pensions in the course of payment. There is, however, a power which enables the Trustees to review pensions in payment and to recommend discretionary increases to the principal employer for its approval. Increases of 0.5% were awarded during the year.

The statutory element of deferred pensions is revalued annually in accordance with the Pensions Act 1990 (as amended), generally at the lower of 4% and the rate of change in the Consumer Price Index (CPI). The rate declared in the year under review was 0.9%.

There are no pensions or pension increases being paid by or at the request of the Trustees for which the Scheme would not have a liability in the event of winding up.

Actuarial Position

Ongoing funding position

The development of the Scheme is monitored by the Scheme Actuary by means of an actuarial valuation which is carried out every three years. The most recent valuation was carried out as at 31 December 2018. Based on that valuation the Actuary recommended the future contribution rate to be paid by the employer such that, if the valuation projections reflected the actual experience, the recommended rate would suffice to meet the future benefit payments from the Scheme as they fall due. The employer is contributing at the recommended rate. The next valuation is due to be carried out as at 31 December 2021.

Discontinuance funding position

Section 44 of the Pensions Act 1990 (the Act) sets out a funding standard test which is a measure of the minimum liabilities if the Scheme discontinued. If assets are insufficient to meet liabilities on this statutory minimum level, the Trustees and company must take action to restore the funding level. The actual liabilities on discontinuance may be substantially higher than this statutory minimum level. An Actuarial Funding Certificate (AFC) stating that the Scheme met this statutory minimum test was prepared by the Actuary with an effective date of 31 December 2018 is included as one of the Appendices to this report.

The funding standard test also includes additional reserves. A copy of the Funding Standard Reserve Certificate is also included in the Appendices confirming that the Scheme met the Funding Standard Reserve at 31 December 2018.

The Act requires a statement from the Scheme Actuary concerning the funding standard and funding standard reserve position of the Scheme as at the year end. A copy of this statement in which the Actuary confirms that the Scheme met both the statutory tests at 31 December 2019 is included as one of the Appendices to this report.

In line with guidelines set out in the Statement of Recommended Practice, Financial Reports of Pension Schemes (Revised 2018) ("SORP") an additional requirement to include a Report on Actuarial Liabilities alongside the financial statements of the Plan is also included in the Appendices to this report.

Investment Management

It is the policy of the Trustees to delegate the management of the Scheme's assets to professional investment managers, currently Irish Life Investment Managers Limited, Standard Life Investments Limited, and Invesco Asset Management Limited. Additional voluntary contributions (AVCs) are invested separately with New Ireland Life Assurance Company plc.

The Trustees set the investment strategy for the Scheme taking into account considerations such as long term liabilities and the funding agreed with the employer. The investment strategy is set out in its Statement of Investment Policy Principles as are the investment objectives, investment risk measurement methods, risk management processes to be used and the strategic asset allocation. A Statement of Investment Policy Principles adopted by the Trustees is included as one of the Appendices to this report.

The managers have, within specified mandates, total discretion in the investment of Scheme assets and provide detailed reports to the Trustees on the strategy adopted and on the performance of the monies invested. A commentary by each of the managers on the performance achieved during the year is included as one of the Appendices to this report.

Financial Reporting Standard 102 ("FRS 102") requires the disclosure of the nature and extent of credit and market risks the investments are subject to and the risk management practices in place to manage these. These details are included in the Investment Risks note to the financial statements included with this report.

The managers are remunerated on a fee basis calculated as a percentage of the assets under management and these fees are reflected in unit prices and borne by the Scheme. Fees in relation to AVC investments with New Ireland Life Assurance Company plc are charged directly and deducted from the funds.

Employer Related Investments

There were no employer related investments at any time during the year.

Subsequent Events

The COVID-19 outbreak has been developing worldwide at different rates since it first emerged in China in December. So far it has caused substantial volatility in financial markets and disruption in supply chains. It is possible it will also cause further disruption to normal working practices in Ireland as the outbreak escalates. The Trustees have engaged with their advisers as regards their business continuity plans should travel and office based working to be severely curtailed. The Trustees are satisfied that their advisers have in place appropriate plans including home working with access to secure IT equipment and platforms so as to minimize disruption to member services. The Trustees also believe that the related volatility in the financial markets and consequential adverse impact on the Scheme’s assets will be temporary.

Since the year end, there have been no other significant events that would require amendment to or disclosure in the Annual Report.

In Conclusion

We trust that members find this report informative and we are pleased to acknowledge the assistance received from the principal employer and its staff during the year as well as from our various professional advisers.

Signed for and on behalf of the Trustees:

Trustee: Michael Quinlan

Trustee:

Date: 24.08.2020

Trustees & Advisers

Trustees	Mary Ann McDermott Rory O'Neill Simon Murphy Michael Quinlan
Registered Administrator	Mercer (Ireland) Limited Charlotte House Charlemont Street Dublin 2
Consultant	Mercer (Ireland) Limited Charlotte House Charlemont Street Dublin 2
Actuary	Mr. Cathal Fleming F.S.A.I Mercer (Ireland) Limited Charlotte House Charlemont Street Dublin 2
Underwriter	Zurich Life Assurance plc Zurich House Frascati Road Blackrock Co. Dublin
Investment Managers	Irish Life Investment Managers Limited Beresford Court Beresford Place Dublin 1 Standard Life Investments Limited 90 St. Stephen's Green Dublin 2 Invesco Asset Management Limited Perpetual Park Drive Henley-on-Thames Oxfordshire UK
AVC Provider	New Ireland Life Assurance Company plc 11/12 Dawson Street Dublin 2
Independent Auditors	Deloitte Ireland LLP Chartered Accountants and Statutory Audit Firm Deloitte & Touche House Charlotte Quay Limerick

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Financial Statements

Statement of Trustees' Responsibilities

The financial statements are the responsibility of the Trustees. Irish pension legislation requires the Trustees to make available for each Scheme year the annual report of the Scheme, including audited financial statements and the report of the auditor. The financial statements are required to show a true and fair view, in accordance with Financial Reporting Standard 102 - the Financial Reporting Standard applicable in the UK and the Republic of Ireland, of the financial transactions for the Scheme year and the amount and disposition of the assets and liabilities (other than liabilities to pay benefits in the future) at the end of the Scheme year and include a statement as to whether the financial statements have been prepared in accordance with Statement of Recommended Practice, Financial Reports of Pension Schemes (Revised 2018) ("SORP"), subject to any material departures disclosed and explained in the financial statements.

Accounting standards generally accepted in Ireland in preparing financial statements showing a true and fair view are those published by the Financial Reporting Council and promulgated by the Institute of Chartered Accountants in Ireland.

Accordingly, the Trustees must ensure that they have supervised the preparation of the Scheme financial statements and ensure that:

- suitable accounting policies are selected and then applied consistently;
- reasonable and prudent judgements and estimates are made;
- the financial statements are prepared on a going concern basis unless it is inappropriate to presume that the Scheme will not be wound up; and
- the SORP is followed, or particulars of any material departures are disclosed and explained.

The Trustees are required by law to have appropriate procedures in place throughout the year under review, to ensure that:

- contributions payable during the Scheme year are received by the Trustees in accordance with the timetable set out in section 58A of the Pensions Act 1990 where applicable to the contributions and otherwise within 30 days of the end of the Scheme year; and
- contributions payable are paid in accordance with the rules of the Scheme.

The Trustees are responsible for making available certain other information about the Scheme in the form of an annual report. The Trustees are also responsible for ensuring that proper membership and financial records are kept on a timely basis sufficient to enable an Annual Report to be prepared for the Scheme containing the information specified in Regulation 7 of the Occupational Pension Schemes (Disclosure of Information) Regulations 2006 (as amended), including financial statements which show a true and fair view of the financial transactions of the Scheme in the year under review and of the assets and liabilities at the year end, other than liabilities for pensions and other benefits payable after the year end. They are also responsible for safeguarding the assets of the Scheme and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities, including the maintenance of an appropriate system of internal controls.

Signed for and on behalf of the Trustees:

Trustee: Michael Quinlan

Trustee: ______________________

Date: 24.08.2020

Deloitte.

Deloitte Ireland LLP
Chartered Accountants &
Statutory Audit Firm

Independent Auditors' Report to the Trustees Of
The Law Society of Ireland Pension and Life Assurance Scheme

Report on the audit of the financial statements

Opinion on financial statements of the Law Society of Ireland Pension and Life Assurance Scheme ("the scheme")

In our opinion the financial statements:

- give a true and fair view in accordance with the financial reporting framework of the financial transactions of the scheme during the financial year ended 31 December 2019 and of the amount and disposition of the assets and liabilities (other than liabilities to pay pensions and other benefits in the future) at that date; and
- include the information specified in Schedule A to the Occupational Pension Schemes (Disclosure of Information) Regulations 2006 which is applicable and material to the scheme.

The financial statements we have audited comprise:

- the fund account
- statement of net assets available for benefits; and
- the related notes 1 to 22 including a summary of significant accounting policies as set out in note 1.

The financial reporting framework that has been applied in their preparation is Irish pension law, the Statement of Recommended Practice - "Financial Reports of Pension Schemes" and FRS 102 'The Financial Reporting Standard applicable in the UK and Ireland' issued by the Financial Reporting Council ("financial reporting framework")

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) (ISAs (Ireland)) and applicable law. Our responsibilities under those standards are described below in the "*Auditor's responsibilities for the audit of the financial statements*" section of our report.

We are independent of the scheme in accordance with the ethical requirements that are relevant to our audit of the financial statements in Ireland, including the Ethical Standard issued by the Irish Auditing and Accounting Supervisory Authority, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which ISAs (Ireland) require us to report to you where:

- the trustee's use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the scheme's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion 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 such material inconsistencies or apparent material misstatements, we are expected to determine whether there is a material misstatement in 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 expected to report that fact.

Deloitte.

We have nothing to report in this regard.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities the trustees are responsible for the preparation of the financial statements giving a true and fair view, for ensuring that contributions are made to the scheme in accordance with the scheme's rules and the recommendation of the actuary and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error

In preparing the financial statements, the trustees are 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 trustees either intend to liquidate the scheme or to cease operations, or have no realistic alternative but to do so.

Auditor's 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 auditor's 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 (Ireland) 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.

As part of an audit in accordance with ISAs (Ireland), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the scheme's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.

- Conclude on the appropriateness of the trustees use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the scheme's ability to continue as a going concern.

- If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause the scheme to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that the auditor identifies during the audit.

This report is made solely to the scheme's trustees, as a body, in accordance with Section 56 of the Pensions Act, 1990. Our audit work has been undertaken so that we might state to the scheme trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the scheme's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Deloitte.

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Occupational Pension Scheme (Disclosure of Information) Regulations 2006

In our opinion:

- the contributions payable to the scheme during the financial year ended 31 December 2019 have been received by the trustees within thirty days of the end of the scheme financial year; and
- the contributions have been paid in accordance with the scheme rules and the recommendation of the actuary.

Niall Gleeson

Niall Gleeson
For and on behalf of Deloitte Ireland LLP,
Chartered Accountants and Statutory Audit Firm,
Deloitte & Touche House,
Charlotte Quay,
Limerick.

Date: 4 September 2020

Fund Account for the Year Ended 31 December 2019

	Notes	2019 €	2018 €
Contributions and Benefits			
Member contributions	6	690,408	674,206
Employer contributions	7	1,270,144	1,280,348
Other income	8	168,939	-
		2,129,491	1,954,554
Benefits paid or payable	9	1,207,464	942,016
Payments to and on account of leavers	10	406,207	633
Other payments	11	115,000	112,820
		1,728,671	1,055,469
Net additions from dealings with members		400,820	899,085
Returns on investments			
Investment income	12	22,478	16,746
Investment management expenses		(14,186)	(15,691)
Change in market value of investments	13	5,201,854	(1,444,644)
Net returns on investments		5,210,146	(1,443,589)
Net increase / decrease in the Scheme during the Year		5,610,966	(544,504)
Net assets of the Scheme at start of year		39,100,200	39,644,704
Net assets of the Scheme at end of year		44,711,166	39,100,200

The notes on pages 16 to 29 form part of these financial statements.

Signed for and on behalf of the Trustees:

Trustee: Michael Quinlan Trustee:

Date: 24.08.2020

Statement of Net Assets available for benefits as at 31 December 2019

	Notes	2019 €	2018 €
Investment Assets			
Pooled investment vehicles	13	42,376,553	36,803,638
AVC investments	13	2,256,516	2,227,625
Total Investment assets		44,633,069	39,031,263
Current assets		475,653	151,551
Current liabilities	16	(397,556)	(82,614)
NET ASSETS		44,711,166	39,100,200

The notes on pages 16 to 29 form part of the financial statements.

The financial statements summarise the transactions of the Scheme and deal with the net assets at the disposal of the Trustees. 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 does take account of such obligations, is dealt with in the Trustees' Report and in the actuarial certificates, actuary's statement and report on actuarial liabilities included in the annual report and these financial statements should be read in conjunction with them.

Signed for and on behalf of the Trustees:

Trustee: Michael Quinlan Trustee:

Date: 24.08.2020

Notes to the financial statements

Basis of Preparation

The financial statements have been prepared in accordance with The Occupational Pension Schemes (Disclosure of Information) Regulations 2006 (as amended), Financial Reporting Standard 102 - the Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102") issued by the Financial Reporting Council and in line with the guidelines set out in the Statement of Recommended Practice, Financial Reports of Pension Schemes (Revised 2018) ("SORP").

In June 2018, a revised SORP was issued which is applicable to accounting periods commencing on or after 1 January 2019. The Trustees adopted the revised SORP for the first time in these financial statements. The adoption of the revised SORP has had no material impact on the financial statements, although it has required certain additions to or amendments of disclosures in the financial statements.

1. Accounting policies

The significant accounting policies adopted by the Trustees which have been applied consistently in dealing with items which are considered material in relation to the Scheme's financial statements are as follows:

A. Investments:

Investments are included at fair value. Where separate bid and offer prices are available the bid price is used for investment assets. Otherwise the closing single price, single dealing price, net asset value (NAV) or most recent transaction price is used.

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.

B. Investment Income:

Investment income and interest on bank deposits is accounted for on the accruals basis. Income earned on investments in unit linked funds is not distributed but is accumulated within the capital of the funds.

C. Investment Management Fees:

Investment management fees are calculated as a percentage of the assets under management and these fees are borne by the Scheme. Fees relating to unit funds are not levied directly but are reflected in unit prices and also borne by the Scheme.

D. Contributions:

Normal contributions, both from the members and from the employer, are accounted for on an accruals basis in the month member contributions are deducted from the payroll. Employer augmentation contributions are accounted for in accordance with the agreement under which they are paid, or in the absence of such an agreement, when received. Additional voluntary contributions from the members are accounted for, on an accruals basis, in the month deducted from the payroll.

Notes to the financial statements

1. Accounting policies (continued)

E. Payments to members:

Benefits are accounted for in the period in which they fall due. Where there is a choice, benefits are accounted for in the period in which the member notifies the Trustees of their decision on the type or amount of benefit to be taken or if there is no member choice, on the date of retirement or leaving.

Where the Trustees are required to settle tax liabilities on behalf of a member (such as when lifetime or annual allowances are exceeded) with a consequent reduction in that member's benefits receivable from the Scheme, this is shown separately within benefits.

F. Additional Voluntary Contributions:

In addition to their normal contributions under the Scheme, members may make additional voluntary contributions to acquire further benefits on a money purchase basis. In line with the SORP (Revised 2018) AVC assets are now included in the Net Assets of the Scheme and are included in the Statement of Net Assets available for benefits on page 15.

G. Transfers to and from other Schemes:

Transfer values represent the amounts receivable and payable during the year for members who have either joined or left the Scheme. All the values are based on methods and assumptions determined by the Actuary advising the Trustees. The values are accounted for upon liability being accepted by the receiving Scheme.

H. Expenses:

All administrative expenses are borne directly by the employer.

2. Taxation

The Scheme has been approved as an “exempt approved scheme” for the purposes of Section 774 of the Taxes Consolidation Act 1997 and thus Scheme income and gains are generally exempt from taxation.

3. Constitution of the Scheme

The Scheme was established as a Defined Benefit Scheme with effect from 11 April 1973 under a Definitive Trust dated 19 December 1997.

The Scheme is established as a trust under Irish law and has been registered with the Pensions Authority. The address for enquiries to the Scheme is included in the Trustees Report.

4. Benefits

Pension benefits under the Scheme are provided for by direct investment. The death in service benefits are secured by policies underwritten by the insurer to the Scheme.

Notes to the financial statements

5. Actuarial valuation

The development of the Scheme is monitored by the Scheme Actuary by means of an actuarial valuation which is carried out every three years. The most recent valuation was carried out as at 31 December 2018. Based on that valuation the Actuary recommended the future contribution rate to be paid by the employer such that, if the valuation projections reflected the actual experience, the recommended rate would suffice to meet the future benefit payments from the Scheme as they fall due. The employer is contributing at the recommended rate. The next valuation due to be carried out with an effective date of 31 December 2021 is under the course of completion.

6. Member contributions

	2019 €	**2018** €
Normal	462,128	466,936
Additional voluntary contributions	228,280	207,270
	690,408	674,206

Notes to the financial statements

7. Employer contributions

	2019 €	2018 €
Normal	1,155,144	1,167,528
Other - term insurance policy	115,000	112,820
	1,270,144	1,280,348

8. Other income

	2019 €	2018 €
Claims on term insurance policies	168,939	-

9. Benefits paid or payable

	2019 €	2018 €
Pensions	474,580	384,042
Commutation of pensions and lump sum retirement benefits	412,631	320,577
Lump sum death benefits	267,451	-
Purchase of ARF	52,802	237,397
	1,207,464	942,016

Notes to the financial statements

10. Payments to and on account of leavers

	2019 €	2018 €
Transfers out - Bulk	4,598	(935)
Individual transfers out to other schemes	399,694	-
Refunds of contributions in respect of non-vested leavers	1,915	1,568
	406,207	633

11. Other payments

	2019 €	2018 €
Premiums on term insurance policies	115,000	112,820

12. Investment income

	2019 €	2018 €
Investment income	22,478	16,746
Sub total	22,478	16,746

Notes to the financial statements

13. Investments

Reconciliation of investments held at beginning and end of year:

	Value at 01/01/2019	Purchases	Sales proceeds	Change in market value	Value at 31/12/2019
	€	€	€	€	€
Pooled investment vehicles	36,803,638	1,191,448	(523,839)	4,905,306	42,376,553
AVC investments	2,227,625	453,110	(720,767)	296,548	2,256,516
Total net investment assets	39,031,263	1,644,558	(1,244,606)	5,201,854	44,633,069

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.

Direct transaction costs such as fees, commissions and stamp duty, are included in the cost of purchases and sale proceeds.

Indirect costs are incurred through bid-offer spread on investments within pooled investment vehicles. The amounts of indirect transaction costs are not separately provided to the Scheme.

Notes to the financial statements

13. Investments (continued)

Investments as at 31 December 2019 are detailed below:

	€	% of net assets 2019	€	% of net assets 2018
Pooled Investment Vehicles				
Irish Life Investment Managers				
LSI Balanced	35,725,668	80	30,308,732	77
Pension Consenus Fund	221,790	-	270,829	1
European Property Fund				
Standard Life Investment Manager				
Absolute Return Global Bond Strategies Fund (SICAV)	3,072,112	7	2,960,002	8
Invesco Asset Management Limited				
Invesco Global Targeted Returns Fund	3,356,983	8	3,264,074	8
AVC investments				
New Ireland Life Assurance Company	2,210,638	5	2,227,625	6
	44,587,191	100	39,031,263	100

All fund managers operating the pooled investment vehicles are registered in the Republic of Ireland, with the exception of Invesco Asset Management Limited which is registered in the United Kingdom.

Details of investments held at year end:

	2019 €	2018 €
Pooled Investment Vehicles		
Fixed Interest Funds	3,072,112	2,960,002
Diversified Growth Funds	39,304,441	33,843,636
Total	42,376,553	36,803,638

	2019 €	2018 €
AVC investments		
Diversified Growth Funds	2,256,516	2,227,625

Notes to the financial statements

13. Investments (continued)

Fair Value

In line with the guidelines set out in the SORP and FRS 102, for all financial instruments held at fair value, it is required to disclose, for each class of assets, an analysis of the level of fair value hierarchy. A fair value measurement is categorised on the basis of the lowest level input that is significant to the fair value measurement in its entirety.

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

Level 1: The unadjusted quoted price in an active market for identical assets or liabilities that the entity can access at the measurement date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable (i.e. developed using market data) for the asset or liability, either directly or indirectly.

Level 3: Inputs are unobservable (i.e. for which market data is unavailable) for the asset or liability.

The Scheme's investment assets and liabilities have been included at fair value:

Fair Value Current Year	**Level 1**	**Level 2**	**Level 3**	**2019**
	€	**€**	**€**	**€**
Pooled Investment Vehicles	-	42,376,553	-	42,376,553
AVC investments	-	2,256,516	-	2,256,516
Total	-	44,633,069	-	44,633,069

Fair Value Prior Year	**Level 1**	**Level 2**	**Level 3**	**2018**
	€	**€**	**€**	**€**
Pooled Investment Vehicles	-	36,803,638	-	36,803,638
AVC investments	-	2,227,625	-	2,227,625
Total	-	39,031,263	-	39,031,263

Notes to the financial statements

13. Investments (continued)

Introduction

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

- **Credit risk**: 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**: comprises currency risk, interest rate risk and other price risk.
  - **Currency risk**: 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**: the risk that the fair value or future cash flows of a financial asset will fluctuate because of changes in market interest rates.
  - **Other price risk**: the risk that the fair value or future cash flows of a financial asset will fluctuate because of changes in market 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.

Investment Objectives

The overall investment objective of the Trustees is to ensure that the benefits of the Scheme continue to be affordable and that ultimately the level of benefits set out in the Trust Deed and Rules are secured.

Investment Policy

The Trustees have established a Statement of Investment Principles (SIPP) which sets out the investment strategy and policies for the scheme, the investment objectives, asset allocations as well as the procedures for managing and monitoring investments and the related risks. The Trustees have determined an investment strategy after receiving advice from their investment consultants. Implementation of the investment strategy ~~h~~as been delegated to professional investment managers. The investment strategy and implementation arrangements of the Scheme are reviewed regularly by the Trustees.

Risk measurement

The Scheme is exposed to credit risk and market risk (which includes currency risk, interest rate risk, and other price risk) arising from the financial instruments it holds. The Trustees will manage a range of investment risks in order to create a prudent, diversified and efficient portfolio. The Trustees recognise the importance of measuring the risk of the chosen investment policy by reference to the liabilities. Risk is measured by considering the following risk factors:

– The potential deterioration of the financial position of the Scheme;
– The risk of not achieving a sufficient level of investment return to match the growth in liabilities; and
– The intentions of the Sponsor.

Risk Management Processes

The Trustees measure and monitor risk in their portfolio on a regular basis. They do this by ensuring effective reporting of portfolio and liability information, which is considered as part of trustee meetings.

Notes to the financial statements

13. Investments (continued)

Strategic Asset Allocation
The split between growth and risk-reducing assets is determined to best reflect the funding and risk tolerances of both the Sponsor and the Trustees, while also taking market conditions into account. It also involves ongoing consideration of:

- How the risk-reducing portfolio might best be constructed in order to reflect the nature of the liabilities and
- How the growth portfolio might best be most efficiently constructed to seek to deliver return.

The current investment strategy is outlined below.

Asset Class	**Strategic Allocation**	**Benchmark Index**
<u>Growth Portfolio</u>		
Global Equities	25.0%	FTSE World Index (100% Hedged)
Emerging Market Equities	4.0%	MSCI Emerging Market Equity Index
Minimum Volatility Equities	10.0%	MSCI World Minimum Volatility Index
Total Equities	***39.0%***	***Composite***
Emerging Market Debt	2.0%	JP Morgan GBI – EM Global Diversified Index
Absolute Return Strategies	10.0%	Cash +4%
Absolute Return Bonds	9.0%	Cash+ 2%
Total Non-Equity Growth Assets	***21.0%***	***Composite***
Total Growth Portfolio	**60.0%**	**Composite**
<u>Risk-Reducing Portfolio</u>		
Nominal Bonds	5.0%	Customised to the term of the liabilities
French & German Inflation-Linked Bonds	7.0%	Customised to the term of the liabilities
French 2030 Inflation Linked Bonds	5.0%	Customised to the term of the liabilities
German 2030 Inflation Linked Bonds	14.25%	Customised to the term of the liabilities
French 2047 Inflation Linked Bonds	8.75%	Customised to the term of the liabilities
Total Risk Reducing Portfolio	**40.0%**	**Composite**
Total Portfolio	**100.0%**	**Composite**

Notes to the financial statements

13. Investments (continued)

Risk disclosure under FRS 102

The investment strategy of the Scheme is implemented using a range of authorised pooled investment vehicles, including some which are written as life assurance policies. An element of counterparty credit risk is therefore inherent in the fund structure employed. However, the investment managers are obliged to comply with regulatory requirements applicable to the asset management sector. In addition, the life assurance companies are required to comply with regulatory requirements applicable to the insurance sector.

The risk is managed by investing with managers which are appropriately regulated and audited. This risk is monitored by the Trustees, on an ongoing basis by way of review of the investment manager performance and the regulatory environment in which these managers operate. Further, Irish Life and Standard Life are required to comply with the Solvency requirements of Life Assurance companies.

The funds used to implement the investment strategy above are exposed to indirect credit and market risks and, as required under FRS 102, these risks are tabulated below.

Key:

● Significant impact

◑ Partial impact

◌ Low/Occasional impact

○ No impact

Asset Class	Investment Manager	Credit Risk	Market Risk		
			Currency	Interest rate	Other
Global Equity	Global Equities (Hedged) (Irish Life)	◌	○	◌	●
Emerging Market Equities	Emerging Market Equities (Irish Life)	◌	●	◌	●
Minimum Volatility Equities	Minimum Volatility Equities (Irish Life)	◌	●	◌	●
Emerging Market Debt	Emerging Market Debt (Irish Life)	●	●	●	●
Nominal Bonds	Long-Dated Nominal Bonds (Irish Life)	◌	○	●	◌
Inflation Linked bonds	Long Dated Inflation-Linked Bonds (Irish Life)	◌	○	●	◌

Notes to the financial statements

13. Investments (continued)

Inflation Linked bonds	All maturities Inflation-Linked Bonds (Irish Life)	◌	○	●	◌
Absolute Return	Global Absolute Return Strategies Fund (Invesco)	◌	◐	◌	●
Absolute Return Bonds	Absolute Return Global Bond Strategies Fund (Standard Life)	◐	◐	◐	●

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. Certain investments are invested in unit-linked insurance contracts which are not entirely ring fenced from the manager, however managers which are life insurance companies are required to comply with the statutory solvency requirements of Irish insurance companies.

The Trustee regularly monitors the appointed investment managers, and carries out due diligence checks on the appointment of new pooled investment managers and on an ongoing basis monitors any changes to the regulatory and operating environment of the pooled managers.

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

	2019	**2018**
	€	**€**
UCITS	6,429,095	6,224,076
Unit linked insurance contracts	38,158,096	32,807,187
	44,587,191	39,031,263

Investment risk can be considered in a number of different ways and so there must be an element of subjectivity involved in the interpretation of the risks listed under FRS102 and in the assessment of their impact above.

It should be noted that the risks above are not independent; no asset class is risk free and combinations of the above risks (and others) can influence any asset as market conditions vary. The Trustees consider investment risk holistically by regularly reviewing their investment strategy in the context of the evolution of the liabilities.

It should be noted that defined benefit pension scheme liabilities are valued with reference to interest rates. Consequently, the Scheme tries to mitigate the interest rate risk relative to its liabilities by holding appropriately dated, high quality bond assets in its risk-reducing portfolio which is constructed to reflect the specific liability profile of the Scheme.

The value of assets held in each asset class/fund above is outlined on page 22 of the Annual Report.

Notes to the financial statements

14. Investment management expenses

	2019 €	2018 €
Investment manager expenses other fees	14,186	15,691

15. Current assets

	2019 €	2018 €
Contributions due from employer in respect of		
- Employer contributions	88,489	93,812
- Additional voluntary contributions	30,504	16,657
- Member contributions	35,392	37,517
Cash balance	151,902	3,565
Death Benefits due	168,939	-
Other debtors	427	-
	475,653	151,551

16. Current liabilities

	2019 €	2018 €
Retirement benefits payable	52,802	19,076
Transfers out payable	34,454	29,856
Death Benefit Payable	267,451	-
Pensions payable	42,849	33,682
	397,556	82,614

17. Contingent liabilities

As stated on page 15 of these financial statements, liabilities to pay pensions and other benefits in the future have not been taken into account. On that basis, in the opinion of the Trustees, the Scheme had no contingent liabilities at the year end.

Notes to the financial statements

18. Related party transactions

A The Trustees: The Trustees of the Scheme are detailed on page 8 of the report. During the year, two of the Trustees, Mary Ann Mc Dermott and Rory O'Neill were members of the Scheme. Their contributions are made in accordance with the Trust Deed & Rules and the Actuary's recommendations.

B Remuneration of the Trustees: The Trustees did not receive any remuneration during the year or are not due any remuneration from the Scheme in connection with the management of the Scheme.

C Principal Employer: The Law Society of Ireland is the principal employer. The employer contributions to the Scheme are made in accordance with the Trust Deed and Actuary's recommendations.

D The Registered Administrator: Mercer (Ireland) Limited is the registered administrator. The registered administrator did not receive any and is not due any remuneration from the fund, in connection with the administration of the Scheme. Fees payable to the registered administrator in respect of administration, consultancy, actuarial and accounting work for the year are borne the principal employer. The Scheme Actuary is an employee of Mercer (Ireland) Limited. The cash held by the registered administrator at the year end on behalf of the Scheme was €151,902 (2018: €3,565).

E The Investment Managers: Irish Life Investment Managers Limited, Standard Life Investments Limited and Invesco Asset Management Limited were appointed by the Trustees to manage the Scheme's assets. Additional Voluntary Contributions are invested in a separate policy with New Ireland Life Assurance Company plc. The Investment Managers are remunerated on a fee basis calculated as a percentage of the assets under management. These fees are reflected in unit prices and borne by the Scheme. Fees in relation to AVC investments with New Ireland Life Assurance Company plc are charged directly and deducted from the funds.

19. Employer Related Investments

There were no employer related investments at any time during the year.

20. Subsequent events

The COVID-19 outbreak has been developing worldwide at different rates since it first emerged in China in December. So far it has caused substantial volatility in financial markets and disruption in supply chains. It is possible it will also cause further disruption to normal working practices in Ireland as the outbreak escalates. The Trustees have engaged with their advisers as regards their business continuity plans should travel and office based working to be severely curtailed. The Trustees are satisfied that their advisers have in place appropriate plans including home working with access to secure IT equipment and platforms so as to minimize disruption to member services. The Trustees also believe that the related volatility in the financial markets and consequential adverse impact on the Scheme's assets will be temporary.

Since the year end, there have been no other significant events that would require amendment to or disclosure in the financial statements.

21. Approval of the financial statements

The financial statements were approved by the Trustees on 24.08.2020.

3

Appendices

Statement of Risks

Statement concerning the condition of the Scheme, in particular concerning the financial, technical and other risks associated with the Scheme and their distribution.

Under law, the Trustees are required to describe the condition of the Scheme and the risks associated with the Scheme and disclose these to members.

In a "defined benefit" Scheme the main risk is that there will be a shortfall in the assets (for whatever reason) and the employer will not be willing or able to pay the necessary contributions to make up the shortfall. If that occurs, members may not get their anticipated benefit entitlements.

Some of the reasons why a shortfall could arise are as follows (this list may not be exhaustive):

- The assets may grow more slowly than expected, or even fall in value, depending on the performance of underlying markets and the securities chosen.
- Similarly, the liabilities may grow faster than expected due to higher salary or pension increases, or due to unfavourable movements in interest rates, or due to mortality and other elements of the Scheme's experience varying from the assumptions made.
- The administration of the Scheme may fail to meet acceptable standards. The Scheme could fall out of statutory compliance or the fund could fall victim to fraud or negligence. The benefits communicated to members could differ from the liabilities valued by the actuary.

If the Scheme were to wind up and the assets were insufficient to meet benefits due, the law specifies that members' additional voluntary contributions (AVCs), and then pensioners, have first call on the Scheme's assets before benefits can be paid to those who have yet to reach normal retirement age.

The priority order governing the wind up of a defined benefit scheme signed on the 25 December 2013 states that where there is a scheme deficit and a solvent employer, pensioners will no longer receive full priority up front on wind up but will continue to receive priority over active and deferred members in respect of their benefits (excluding post-retirement pension increases) in accordance with the following limits:

- 100% of the pension if the annual pension is €12,000 or less
- the greater of €12,000 or 90% of the pension where the annual pension is between €12,000 and €60,000
- the greater of €54,000 or 80% of the pension if the annual pension is €60,000 or more

Any remaining scheme assets would then be used to secure 50% of active and deferred members' benefits (excluding post-retirement pension increases) before any further distribution can be made to "top up" pensioners' benefits to 100%.

Apart from the potential for regulatory or legislative change, which is outside the control of the Trustees, the Trustees are satisfied that they are taking all reasonable steps to protect the members from the effects of these risks, including:

- Professional investment managers have been appointed to manage the Scheme's investments, the Scheme holds a range of diversified assets and there is regular monitoring of how these investments are performing.
- An actuarial valuation of the Scheme is carried out at least every three years to assess the financial condition of the Scheme and determine the rate of contributions likely to be required to meet the future liabilities of the Scheme. In addition, an annual review of the solvency position is carried out of the Scheme on the assumption that it is wound up. If the Scheme is found to be insolvent, the Trustees and the employer are required to complete a funding proposal for submission to the Pensions Authority with the objective of returning the Scheme to solvency.

Statement of Risks

- The Trustees have access to experienced professional advisers and administrators to assist with the proper running of the Scheme.

However, it is not possible to guard against every eventuality. For example, the employer may cease to trade, go into liquidation or may for other reasons decide to cease its liability to contribute to the Scheme. In this event, the fund may be wound up, future accrual of benefits may cease and accrued entitlements would be discharged from the available assets (which may or may not be sufficient to discharge member benefit expectations, as outlined above).

Also, it is necessary to take some investment risk and other risks in order to manage the affordability of the Scheme benefits and the capacity of the employer to meet this commitment.

The Law Society of Ireland Pension and Life Assurance Scheme
Statement of Investment Policy Principles

Introduction

The purpose of this Statement of Investment Policy Principles (the "Statement") is to document the policies and guidelines that govern the management of the Scheme's assets. It has been reviewed and adopted by the Trustees; it outlines the responsibilities, objectives, policies and risk management processes in order that:

(a) There is a clear understanding on the part of the Trustees, relevant Company staff, consultants and others as to the objectives and policies of the Trustees;

(b) There are clear principles governing the guidelines and restrictions to be presented to the investment managers regarding their investment of the Scheme's assets;

(c) The Trustees have a meaningful basis for the evaluation of the investment performance of the individual investment managers, investment performance of the Scheme as a whole and the success of overall investment strategy through achievement of defined investment objectives; and

(d) The Trustees fulfil the requirements of the Occupational Pension Schemes (Investment) Regulations 2006 to 2007, which stipulate that such a Statement is put in place.

It is intended that this Statement be sufficiently specific to be meaningful, but adequately flexible as to be practical. The intention is not to outline detailed guidelines for the Scheme's investment managers – this should be done within the specific legal agreements with those parties – but rather to state the general philosophy, risk appetite and policies of the Trustees that will shape the governance of the Scheme as a whole.

This Statement will be reviewed following any change in investment policy which impacts on the content of the Statement and at least every three years.

Identification of Investment Responsibilities

The sections below outline the roles of sponsor and trustee with regard to investment in order to ensure operational efficiency, accountability and clear lines of communication.

- **Company:**
  The Company is the Scheme sponsor and contributes to the Scheme, but is generally not responsible for Scheme investments. However, the Trustees recognise that the Company's continued financial support for the Scheme is of utmost importance in serving the best interests of members and that the Trust Deed stipulates that investment policy must have due regard to the contribution policy set by the Company. Therefore the principles outlined in this Statement are not shaped by the objectives of the Trustees in isolation, but also by an understanding of the objectives (financial or otherwise) of the Company.

- **Trustees:**
  The Trustees have fiduciary responsibility for Scheme investments. Their specific responsibilities include:

  (a) Identifying the Scheme's risk tolerance level and formulating an appropriate and efficient investment policy which best serves the interests of the members;

(b) Delegating the management of Scheme investments to recognised experts. The Trustees recognize that their role is supervisory – not investment advisory;

(c) Monitoring and evaluating performance results to ensure that all guidelines are being adhered to and objectives are being met;

(d) Making any necessary changes to the parties chosen to provide services to the Scheme relating to the investment of assets; and

(e) Regularly reviewing this Statement, which they have discretion to amend or restate at any time to reflect the current investment arrangements of the Scheme (as agreed in accordance with the Trust Deed and Rules).

Other parties with specific duties with regard to investment include the Scheme's consultants, fund managers, custodians and Scheme administrator.

Investment Objectives

The overall investment objective of the Trustees is to maximise the level of investment return at an acceptable level of risk, through adopting a prudent, carefully planned and well-executed investment policy. This will in turn assist in the Trustees' ultimate objective of maximising the security of benefits provided to members.

Risk Measurement Methods

In determining the level of risk appropriate to the Scheme at any point in time, the Trustees recognise the importance of the nature and duration of the liabilities, and measure the risk of the chosen investment policy by reference to these liabilities.

In particular, the Trustees consider the following risks:

- The risk of achieving an insufficient level of investment return relative to the rate required to match the growth in liabilities over time.
  - The required rate will depend on the funding policy adopted for the Scheme. Therefore, the Trustees acknowledge the critical need for interaction and co-operation between the Trustees and the Company when formulating investment policy.
- The risk of excessive volatility in the investment returns of the Scheme relative to the movement in liabilities over shorter-term periods (e.g. one year).
  - The Trustees will consider this volatility in relation to the liabilities measured under the Minimum Funding Standard basis, the Scheme Actuary's ongoing basis and any other relevant measures. The Trustees recognise that the pattern and volatility of the Scheme's investment returns can impact directly on the pattern and volatility of the Company's contribution rates and various accounting items. Therefore, risk will also be considered in these terms where appropriate.

Managing the two risks above *in isolation* may lead to conflicting investment policies. Therefore, in formulating an appropriate investment policy, the Trustees seek to arrive at an acceptable *balance* between these risks in order to best meet their investment objectives. Furthermore, the Trustees will manage a range of other investment risks using the risk management processes outlined in the next section in order to create a prudent, diversified and efficient portfolio.

Risk Management Processes

The Trustees will ensure, either through direct guidance or through ascertaining the suitability of any commingled (unitised) vehicles that are used, that policies and guidelines are in place for the appointed investment manager(s) and other providers such that:

- investments are, for the most part, limited to marketable securities traded on recognised/regulated markets;
- investment in derivative instruments may be made only in so far as they either contribute to a reduction of investment risks or facilitate efficient portfolio management. Any such derivative investment must avoid excessive risk exposure to a single counterparty and to other derivative operations;
- the portfolio is properly diversified in such a way as to avoid excessive reliance on any particular asset, issuer or group of undertakings and so as to avoid accumulations of risk in the portfolio as a whole. Investments in assets issued by the same issuer or by issuers belonging to the same group must not expose the scheme to excessive risk concentration; and
- the security, quality and liquidity of the portfolio as a whole is ensured, with due regard paid to the level of non-Euro currency exposure.

All investment managers are employed by the Trustees and subject to termination at any time.

Current Investment Policy

The current investment strategy of the Trustees is set out below along with a description of the investment manager arrangements adopted.

Strategic Asset Allocation

The Trustees have considered their strategic asset allocation mix and have established a long-term strategic asset allocation of approximately 60% in ‘Return-Seeking ‘assets and 40% in ‘Risk-Reducing’ assets as suitably reflecting the investment objectives of the Scheme. Having had regard to the nature and duration of the expected future retirement benefits, the Trustees believe that such a strategy prudently positions the Scheme so as to achieve their objectives at the current time.

The table below sets out the strategic asset allocation as currently employed by the Trustees.

Current Strategy	
Asset Class	**Central Weighting**
Global Equities (100% Hedged)	25.0%
Emerging Market Equities	4.0%
Minimum Volatility Equities	10.0%
Total Equity	***39.0%***
Emerging Market Debt	2.0%
Absolute Returns	10.0%
Absolute Return Bonds	9.0%
Total Non-Equity Growth Assets	***21.0%***
Total 'Risk-Seeking' Assets	**60.0%**
Long-dated Nominal Bonds	5.0%
French Inflation Linked Bonds	17.5%
German Inflation Linked Bonds	17.5%
Total 'Risk-Reducing' Assets	**40.0%**
Total Fund	**100.0%**

The currency of the Scheme, and thus of the benchmark, is the Euro.

The Trustees recognize that even though the Scheme's investments are subject to short-term volatility, it is critical that a long-term investment focus be maintained. The Trustees intend to avoid ad-hoc revisions to their philosophy and policies in reaction to either speculation or short-term market fluctuations.

Manager Structure

The Trustees appointed Irish Life Investment Managers and Standard Life Investments to manage the Scheme's assets. Both Equity and Bond investments are managed on passive basis.

Performance Objectives

The performance objective of the Scheme's investment with Irish Life Investment Managers is to produce a return in-line with the agreed benchmark. The specified benchmarks for the Scheme funds are outlined in the table below.

Fund	Active or Passive	Benchmark	Performance Objective
Global Equities (Hedged)*	Passive	FTSE World Hedged Euro	Return in-line with benchmark
Emerging Market Equities*	Passive	MSCI Emerging Market	Return in-line with benchmark
Minimum Volatility Equities*	Passive	MSCI World Min Vol (T-1)	Return in-line with benchmark
Emerging Market Debt*	Passive	JP Morgan GBI-EM	Return in-line with benchmark
Global Absolute Return Strategies Fund (Invesco)	Active	Cash	Target cash (6 mth Euribor) + 5% p.a. (gross of fees) over rolling 3 year basis
Absolute Return Global Bond Strategies Fund (Standard Life)	Active	Cash	Target cash (3 mth Euribor) +3% p.a. (gross of fees) over rolling 3 year basis
Long-dated Nominal Bonds*	Passive	Merrill Lynch Eurozone Gov Nominal > 10yrs GDP	Return in-line with benchmark
Long-dated Inflation Linked Bonds*	Passive	Barclays Euro Govt >15-Year Inflation Linked Bond Index	Return in-line with benchmark

** Part of Law Society of Ireland's bespoke fund (LSI Balanced).*

Performance is evaluated against these objectives by the Trustees on at least an annual basis, with a critical review every three years.

Effective Date of this Statement: September 2018

Investment Manager's Report

THE LAW SOC OF IRE PENSION & LIFE ASSURANCE SCHEME

Investment Report for Year Ended 31 December 2019

Investment Policy
The long term investment objectives of your pension fund are to achieve a return on fund assets which is sufficient, over the long-term, to meet your funding objectives and to earn a rate of return on assets that will exceed inflation and the risk free rate (cash).

In general, this will require a long-term investment return of at least price inflation plus 4% per annum. Examination of the long term return characteristics of asset types indicates that these objectives are most likely to be achieved by allocating a higher proportion of the fund to risk assets, such as equities and property with lower allocations to monetary assets such as bonds and cash. Each scheme however is unique and as such will have its own unique characteristics that determine the appropriate asset allocations between risk & monetary assets. Risk assets as outlined above whilst providing superior longer term returns, tend to be more volatile when compared with monetary assets which historically have provided lower returns but with less volatility.

Investment Performance
Equities have generated positive returns over the last twelve months. Support for equities has mainly come from the more dovish monetary policy stance adopted by central banks in response to the perceived threats to global growth. While economic growth has slowed, it remains positive and has contributed to positive earnings growth among corporates, both of which have supported equity markets. However the slowing growth backdrop, various political tensions, trade war fears and end-of-cycle concerns have all contributed to volatility in equity markets at various points over the last year. The FTSE® World Index returned 30.09% in Euro terms for the year ending 31st December 2019.
Eurozone bonds have generated positive returns over the last twelve months. German yields fell back into negative territory in the first quarter of 2019, reaching new all-time lows in September of -0.74% due to slowing Eurozone growth, political tensions in the Eurozone, global trade war fears and expectations of additional policy accommodation from the ECB. Peripheral spreads against Germany have tightened over the last year, supported by the ongoing search for higher yields while the resumption of ECB asset purchases in November provided additional support. The formation of a more EU friendly government in Italy also contributed to lower Italian spreads in recent months. The ICE BofA ML EMU >5 yrs bond index returned 10.40% for the year ending 31st December 2019.
The Irish property market has continued to generate positive returns on strong activity levels, a modest decline in yields in some sectors of the market and firm rental levels. The overall property sector has been supported by an attractive income yield of approx. 4.5%. Property returned 4.97% for the year ending 31st December 2019.
Commodities rose 17.6% over the last 12 months and 19.8% in Euro terms. Commodity prices have been volatile over the last year and sensitive to expectations regarding the global growth outlook and resultant level of anticipated demand for commodities. Oil has been particularly strong on the back of supply disruptions and the introduction of new production cuts by OPEC. Commodities rallied into year end as sentiment around global growth improved.

SCHEME SUMMARY INFORMATION

Fund Code	Fund Name	Opening Value	Contributions / Withdrawals	Gain / Loss	Closing Value
LSI	LSI Balanced	€30,308,732.21	€754,979.46	€4,661,956.27	€35,725,667.94
Total		**€30,308,732.21**			**€35,725,667.94**

Fund Code	Fund Name	Opening Units	Price	Opening Value	Closing Units	Price	Closing Value
LSI	LSI Balanced	12,305,616	€2.463	€30,308,732.21	12,570,608	€2.842	€35,725,667.94
Total				**€30,308,732.21**			**€35,725,667.94**

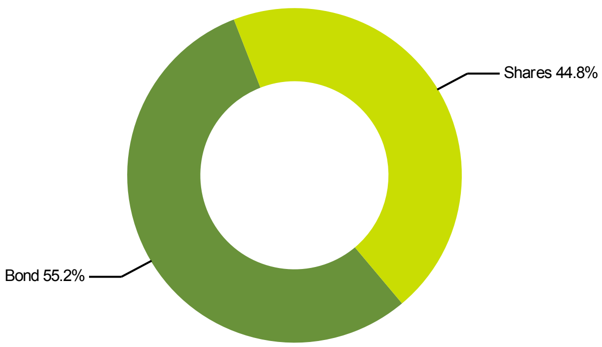
PERFORMANCE AS AT 31 DECEMBER 2019

Fund Name	QTD	YTD	1 Year	3 Years p.a.	5 Years p.a.	10 Years p.a.	Since Launch p.a.
LSI Balanced	0.3%	15.4%	15.4%	6.2%	6.3%	8.1%	9.9%

LSI BALANCED

The performance objective of the Law Society of Ireland Pension & Life Assurance Scheme's investment with ILIM is to produce a return in-line with the agreed benchmark. The specified allocation and relevant benchmarks for the Law Society of Ireland's bespoke fund are: 28.4% World Equities (Hedged), 12.3% Minimum Volatility Equities, 5% Emerging Market Equities, 2.5% Small Cap Equities and 43.2% Passive Inflation-Linked Long Bonds, 2.5% Emerging Market Bonds and 6.1% >10 Year GDP Weighted Bonds.

ASSET ALLOCATION



ASSET ALLOCATION

BOND	**55.2%**
Government Bonds	35.2%
Inflation-Linked Bonds	16.2%
Emerging Market Bonds	3.8%
SHARES	**44.8%**
Global Shares	27.1%
Minimum Volatility Shares	13.1%
Emerging Market Shares	4.6%

PERFORMANCE AS AT 31/12/2019

	1 Month	3 Month	1 Year	3 Year p.a.	5 Year p.a.	10 Year p.a.	Since Launch p.a.
Fund	0.11%	0.32%	15.39%	6.21%	6.30%	8.13%	9.85%
Benchmark	0.25%	0.71%	15.72%	6.41%	6.52%	8.44%	10.17%

Investment Manager's Report

THE LAW SOC OF IRELAND TRANSFER IN ACCOUNT 23369-02

Investment Report for Year Ended 31 December 2019

Investment Policy
The long term investment objectives of your pension fund are to achieve a return on fund assets which is sufficient, over the long-term, to meet your funding objectives and to earn a rate of return on assets that will exceed inflation and the risk free rate (cash).

In general, this will require a long-term investment return of at least price inflation plus 4% per annum. Examination of the long term return characteristics of asset types indicates that these objectives are most likely to be achieved by allocating a higher proportion of the fund to risk assets, such as equities and property with lower allocations to monetary assets such as bonds and cash. Each scheme however is unique and as such will have its own unique characteristics that determine the appropriate asset allocations between risk & monetary assets. Risk assets as outlined above whilst providing superior longer term returns, tend to be more volatile when compared with monetary assets which historically have provided lower returns but with less volatility.

Investment Performance
Equities have generated positive returns over the last twelve months. Support for equities has mainly come from the more dovish monetary policy stance adopted by central banks in response to the perceived threats to global growth. While economic growth has slowed, it remains positive and has contributed to positive earnings growth among corporates, both of which have supported equity markets. However the slowing growth backdrop, various political tensions, trade war fears and end-of-cycle concerns have all contributed to volatility in equity markets at various points over the last year. The FTSE® World Index returned 30.09% in Euro terms for the year ending 31st December 2019.
Eurozone bonds have generated positive returns over the last twelve months. German yields fell back into negative territory in the first quarter of 2019, reaching new all-time lows in September of -0.74% due to slowing Eurozone growth, political tensions in the Eurozone, global trade war fears and expectations of additional policy accommodation from the ECB. Peripheral spreads against Germany have tightened over the last year, supported by the ongoing search for higher yields while the resumption of ECB asset purchases in November provided additional support. The formation of a more EU friendly government in Italy also contributed to lower Italian spreads in recent months. The ICE BofA ML EMU >5 yrs bond index returned 10.40% for the year ending 31st December 2019.
The Irish property market has continued to generate positive returns on strong activity levels, a modest decline in yields in some sectors of the market and firm rental levels. The overall property sector has been supported by an attractive income yield of approx. 4.5%. Property returned 4.97% for the year ending 31st December 2019.
Commodities rose 17.6% over the last 12 months and 19.8% in Euro terms. Commodity prices have been volatile over the last year and sensitive to expectations regarding the global growth outlook and resultant level of anticipated demand for commodities. Oil has been particularly strong on the back of supply disruptions and the introduction of new production cuts by OPEC. Commodities rallied into year end as sentiment around global growth improved.

SCHEME SUMMARY INFORMATION

Fund Code	Fund Name	Opening Value	Contributions / Withdrawals	Gain / Loss	Closing Value
PCC	Pension Consensus Fund S3	€270,829.01	€(98,511.93)	€49,472.57	€221,789.65
Total		**€270,829.01**			**€221,789.65**

Fund Code	Fund Name	Opening Units	Price	Opening Value	Closing Units	Price	Closing Value
PCC	Pension Consensus Fund S3	86,832	€3.119	€270,829.01	58,597	€3.785	€221,789.65
Total				**€270,829.01**			**€221,789.65**

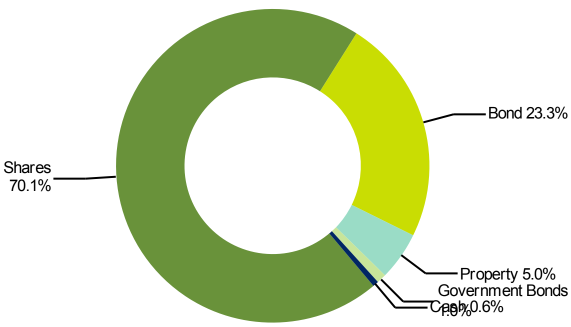
PERFORMANCE AS AT 31 DECEMBER 2019

Fund Name	QTD	YTD	1 Year	3 Years p.a.	5 Years p.a.	10 Years p.a.	Since Launch p.a.
Pension Consensus Fund S3	3.3%	21.4%	21.4%	7.7%	8.0%	9.5%	5.4%

PENSION CONSENSUS FUND S3

The Consensus Fund adopts the average asset and country allocation of all the investment managers included in the Pension Pooled Fund Survey. This information is published quarterly, but we monitor the mix continuously. Within each market, the fund tracks the market return by investing in a basket of securities in the same proportion as they are represented in the relevant market index. Efficient trading within each portfolio minimises the transaction costs, adding value which is reflected in the performance. This strategy eliminates the manager selection risk and produces consistent long-term managed fund growth while avoiding violent swings from the top to the bottom of the performance league table.

ASSET ALLOCATION



ASSET ALLOCATION

SHARES	**70.1%**
Global Shares	69.0%
Emerging Market Shares	1.1%
BOND	**23.3%**
Government Bonds	14.5%
Corporate Bonds	8.3%
Emerging Market Bonds	0.5%
PROPERTY	**5.0%**
Ireland	4.4%
Europe	0.6%
GOVERNMENT BONDS	**1.0%**
Government Bonds	1.0%
CASH	**0.6%**

PERFORMANCE AS AT 31/12/2019

	1 Month	3 Month	1 Year	3 Year p.a.	5 Year p.a.	10 Year p.a.	Since Launch p.a.
Fund	0.83%	3.33%	21.35%	7.67%	8.03%	9.49%	5.44%
Benchmark	0.67%	3.14%	19.75%	6.63%	7.04%	8.80%	0.00%

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The Law Society of Ireland Pension and Life Assurance Scheme
Quarterly report
Invesco Global Targeted Returns Fund

As at 31 December 2019

Invesco Global Targeted Returns Fund

Account	33544
Inception date	18 June 2018

Account valuation

Share class	Share price	Shares held	Total value
Acc C	€10.9526	306,500.99	€3,356,982.73

Performance

Account performance*	Net	Gross	Benchmark	Relative**
3 Month	0.72	0.90	-0.10	1.00
Year to date	2.85	3.57	-0.36	3.93
1 Year	2.85	3.57	-0.36	3.93
Annualised since inception	-0.63	0.06	-0.34	0.40
Cumulative since inception	-0.97	0.10	-0.53	0.63

*Performance is calculated gross as well as net of fee of 0.70%
**Relative performance figures show the difference between the gross and the benchmark
Past performance is not a guide to future returns

Performance contribution by idea Q4 2019	Basis Points
Commodity - Commodity Carry	-7
Commodity - Commodity Short	-11
Credit - Selective Credit	26
Credit - US High Yield	20
Currency - Indian Rupee vs Chinese Renminbi	-1
Currency - Japanese Yen vs Europe	-14
Currency - Japanese Yen vs Korean Won	-28
Currency - Norwegian Krone vs Euro	-21
Currency - Polish Zloty vs Euro	21
Currency - Russian Ruble vs Chilean Peso	33
Currency - Short Canadian Dollar	-13
Currency - Short New Zealand Dollar	-7
Currency - Swedish Krona vs Euro	-13
Currency - US Dollar vs Chinese Renminbi	-27
Currency - US Dollar vs Euro	-21
Currency - US Dollar vs Taiwan Dollar	-20
Equity - European Divergence	8
Equity - Global	89
Equity - Japan	23
Equity - Mexico vs Brazil	-14
Equity - Selective Asia Exposure	17
Equity - Short European Insurers vs Market	-5
Equity - UK	20
Equity - US Large Cap vs Small Cap	-15
Equity - US Staples vs Discretionary	-7
Inflation - Short Europe	-4
Inflation - Short UK	91
Interest Rates - Canada vs Australia	-9
Interest Rates - Canada vs US	-5
Interest Rates - Global Yield Curves	-25
Interest Rates - Italian Fly	2
Interest Rates - Selective EM Debt	36
Interest Rates - US Real Yields	3
Interest Rates - US Swap Spreads	26
Interest Rates - Yield Compression	-7
Volatility - Asian Equities vs US Equities	-15
Volatility - Global Equity Volatility	-16
Volatility - Global FX Volatility	-18
Cash & Residual FX*	1
Total quarterly fund returns	93

Source: Bloomberg PORT. Data is to end December 2019 .
*Residual FX refers to the risk arising from unhedged currency exposure rather than an individual investment idea. Portfolio Return is calculated by the attribution system, Bloomberg PORT, using a portfolio constructed by a daily feed of positions and may differ from the gross return. The contribution figures are estimates and should be used for indicative purposes only. Data cleansing and retrospective information availability may cause changes.

Market and economic review

The final quarter of the year saw a predominantly 'risk-on' environment with several factors driving the markets to close out the year on a high note. These included a breakthrough in trade talks between the US and China with the prospect of a 'phase one' deal being signed in January and a somewhat clearer picture for Brexit after a convincing victory for the Conservative Party in the UK general election. These combined with relatively stable corporate and economic data in the world's main economies to push equity markets higher. For fixed income, as the market's risk appetite increased throughout the quarter, both corporate and government bond yields moved higher.

Account performance

In the three months to the end of December, the account returned 0.90%, compared to 3-month EURIBOR, which returned -0.10%. Performance was positive with contributions coming from a broad range of ideas. Our 'Equity – Global' idea was a top contributor over the period. This idea benefited from a number of factors, as stock selection and market exposure to US, global and global energy indices contributed positively. Inflation data for the UK was lower than expected during the fourth quarter, which led future inflation expectations to fall, helping the 'Inflation – Short UK' idea perform strongly. On the downside, several interest rate ideas underperformed as yields rose. The 'Interest Rates - Global Yield Curves' idea was weighed down due to yields for shorter term UK government bonds rising more rapidly than longer term bonds.

Fund strategy

The team added three new ideas to the portfolio, removed six ideas and made significant changes to the implementation of six ideas. These included closing the 'Currency – Indian Rupee vs Chinese Renminbi' idea. The idea has provided steady upside since the first quarter and reached its central return expectation. We still believe the Chinese renminbi could weaken but we now prefer to take this exposure via the US dollar. This has been captured through the newly added 'Currency – US Dollar vs Chinese Renminbi' idea. Other new ideas included 'Interest Rates – Canada vs Australia'. Interest rates in Canada have remained relatively high as the rest of the world has seen interest rates tumble. The Canadian economy now looks vulnerable and there is plenty of room for rate cuts from the Bank of Canada. At the same time, parts of the Australian economy look to be bottoming (so we believe they are unlikely to get much worse) and, with rates at record lows, we believe there is less scope to easily implement further rate cuts there.

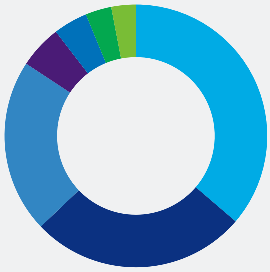
Outlook Commentary

We expect growth prospects to remain muted as corporate profits and capital expenditures slow. In addition, there are heightened risks from anti-globalisation rhetoric and a shift to bilateral trade agreements look to change the shape of economic growth. We believe inflation will remain low, at least in part due to a lack of pricing power and the ongoing debt overhang. Additionally, the way the market is pricing inflation also suggests there is a limit to policy effectiveness in creating inflation, even after the recent shifts in monetary policy. Risks to this outlook include politically driven supply-side inflation and companies passing on wage increases. We see yields staying lower for longer as co-ordinated policy easing continues. Monetary policy levers appear limited and other sources of stimulus are being sought. We believe there is bond market contagion risk, as real and nominal yields increasingly turn negative. In addition, the potential for the US dollar to remain strong could act as a constraint for emerging markets. Given this backdrop and current valuations, we believe risk assets appear vulnerable to earnings disappointment. We believe relative value opportunities exist in emerging markets and that the focus on thematic and idiosyncratic drivers such as politics, trade and balance sheets is now an important factor. For these reasons, access to diversified alpha through our colleagues' equity and credit strategies is a useful source of additional value. Finally, we believe volatility is likely to reset at higher average levels. While investor behaviour (such as the search for yield) has suppressed volatility, we believe fragile credit markets and financial system stresses are likely to drive volatility higher. Given the currently low pricing of volatility across several asset types, we think this scenario provides opportunities in interest rates, currencies and equities.

The Law Society of Ireland Pension and Life Assurance Scheme
Quarterly report
Invesco Global Targeted Returns Fund

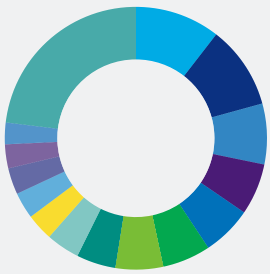
As at 31 December 2019

Independent risk breakdown by asset type



	%
Equity	36.28
Interest Rates	26.60
Currency	21.39
Commodity	5.30
Inflation	4.22
Credit	3.19
Volatility	3.02
	100.00

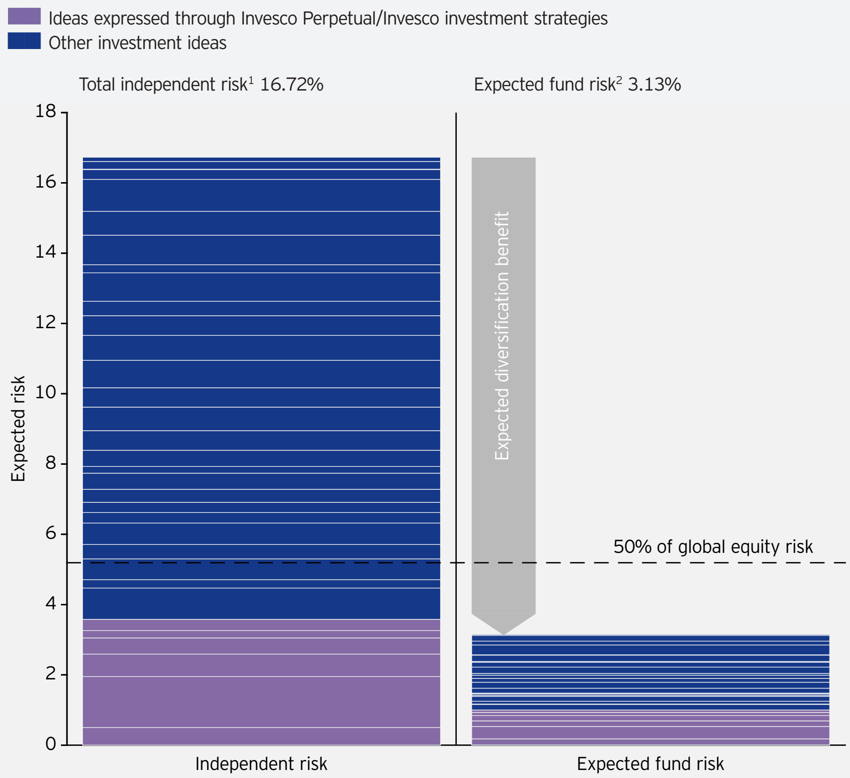
Independent risk breakdown by region



	%
Germany	10.50
United States	10.24
Canada	7.47
Mexico	6.34
France	6.14
Asia	5.93
United Kingdom	5.90
Europe	4.83
Japan	4.14
China Offshore	3.32
Australia	3.25
Russia	3.25
Brazil	2.95
Sweden	2.66
Other	23.08
	100.00

Combining Ideas - Achieving diversification

Expected diversification from combining investment ideas



Combining Ideas - A slowly evolving portfolio

Q2 2019		
	+	Currency - Short NZ Dollar
	+	Equity - Mexico vs Brazil and US Staples vs Discretionary
	0	Equity - Global (short Brazilian equities moved to 'Equity - Mexico vs Brazil')
	0	Interest Rates - Global Yield Curves (added European flattener position)
	0	Interest Rates - Leveraged DM (removed exposure to Australia)
	0	Interest Rates - Selective EM Debt (added exposure to South Africa)
	0	Currency - Mexican Peso vs Brazilian Real (moved into 'Equity - Mexico vs Brazil')
	0	Volatility - Global FX Volatility (added exposure to the volatility of the HK dollar)
Q3 2019		
	+	Currency - Russian Ruble vs Chilean Peso, Japanese Yen vs Europe and Polish Zloty vs Euro
	+	Equity - Short European Insurers vs Market
	+	Interest Rates - Canada vs US and US Swap Spreads
	0	Currency - Short Canadian Dollar (removed exposure to the Russian ruble)
	0	Equity - European Divergence
	0	Equity - Global (added beta option exposure to US amd European equity markets)
	0	Inflation - Short Pan Euro (separated out UK and Euro positions)
	0	Interest Rates - Selective EM Debt (removed exposure to Polish gov bonds)
	0	Interest Rates - Yield Compression / Global Yield Curves
	0	Volatility - Global Equity Volatility (removed European banking stocks volatility)
	-	Interest Rates - Leveraged DM
Q4 2019		
	+	Currency - US Dollar vs Chinese Renminbi
	+	Interest Rates - Canada vs Australia and Italian Fly
	0	Currency - Japanese Yen vs Europe (removed Yen vs Euro position)
	0	Currency - Short Canadian Dollar (removed CAD volatility)
	0	Equity - Eoropean Divergence (removed German short)
	0	Volatility - Global FX Volatilty (CAD to 'Currency - Short CAD'; HKD Volatility to 'Currency - US Dollar vs Chinese Renmimbi')
	-	Commodity - Commodity Carry
	-	Currency - Indian Rupee vs Chinese Renminbi, NOK vs Euro, Short NZD
	-	Interest Rates - Real Yields / Inflation - Short Europe

+ :Additional idea to the fund - :Removed idea from the fund 0 :Amendment to an existing idea

Contact us

Client Director

Magdalena Kennedy

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Important information

All data is as at 31 December 2019 sourced from Invesco unless otherwise stated.

1. Independent risk - the expected volatility of an individual idea as measured by its standard deviation over the last three and a half years.

2. Expected fund risk - the expected volatility of the fund as measured by the standard deviation of the current portfolio of ideas over the last three and a half years.

Global equity risk is the expected volatility of the MSCI World index as measured by its standard deviation over the last three and a half years. This was 10.38% on 31 December 2019.

Account performance:-Daily time weighted methodology. The figures are shown in sterling on a total return basis. The since inception figures show the cumulative and annualised performance since the date of appointment.

Benchmark: The reference benchmark is 3-Month EURIBOR. Benchmark source: Bloomberg.
Objective: The fund aims to achieve a positive total return in all market conditions over a rolling 3 year period. The fund targets a gross return of 5% p.a. above 3 month EURIBOR (or an equivalent reference rate) and aims to achieve this with less than half the volatility of global equities, over the same rolling 3 year period. There is no guarantee that the fund will achieve a positive return or its volatility target.

Investment risks

The value of investments and any income will fluctuate (this may partly be the result of exchange rate fluctuations) and investors may not get back the full amount invested.

Past performance is not a guide to future returns.

The fund will invest in derivatives (complex instruments) which will be significantly leveraged resulting in large fluctuations in the value of the fund. The fund may hold debt instruments which are of lower credit quality and may result in large fluctuations of the value of the fund. Debt instruments are exposed to credit risk which is the ability of the borrower to repay the interest and capital on the redemption date.

Where Invesco has expressed views and opinions, these may change.

Where securities are mentioned they do not necessarily represent a specific portfolio holding and do not constitute a recommendation to purchase, hold or sell.

Telephone calls may be recorded.

Please refer to the most up to date relevant fund and share class-specific Key Investor Information Document for more information on our funds. Further information on our products is available using the contact details shown.

The distribution and the offering of the fund or its share classes in certain jurisdictions may be restricted by law. Persons into whose possession this document may come are required to inform themselves about and to comply with any relevant restrictions. This does not constitute an offer or solicitation by anyone in any jurisdiction in which such an offer is not authorised or to any person to whom it is unlawful to make such an offer or solicitation.

Persons interested in acquiring the fund should inform themselves as to (i) the legal requirements in the countries of their nationality, residence, ordinary residence or domicile; (ii) any foreign exchange controls and (iii) any relevant tax consequences.

The fund is available only in jurisdictions where its promotion and sale is permitted.

For the purposes of UK law, the fund is a recognised scheme under section 264 of the Financial Services & Markets Act 2000. The protections provided by the UK regulatory system, for the protection of Retail Clients, do not apply to offshore investments.

This document is for the sole use of The Law Society of Ireland Pension and Life Assurance Scheme and must not be distributed to any other party.

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The Law Society of Ireland Pension and Life Assurance Scheme
Year ended 31 December 2019

Pensions Authority reference number PB 3399

Actuary's Statement

The last Actuarial Funding Certificate was prepared with an effective date of 31 December 2018. This certificate confirmed that the Scheme satisfied the Funding Standard set out in Section 44 of the Pensions Act, 1990 at that effective date. The last Funding Standard Reserve Certificate, prepared on the same effective date, confirmed that the Scheme held sufficient additional assets to satisfy the Funding Standard Reserve also set out in Section 44 of the Pensions Act, 1990 at that effective date.

I have completed a review of the financial condition of the Scheme as at 31 December 2019. Based on that review, I am reasonably satisfied that the Scheme continued to meet the Funding Standard and the Funding Standard Reserve at that effective date.

Cathal Fleming

____

Cathal Fleming
Scheme Actuary Certificate Number P109
Fellow of the Society of Actuaries in Ireland
Date: 14 July 2020

An tÚdarás Pinsean
The Pensions Authority

SCHEDULE BD

Article 4

ACTUARIAL FUNDING CERTIFICATE

THIS CERTIFICATE HAS BEEN PREPARED UNDER THE PROVISIONS OF SECTION 42(1) OF THE PENSIONS ACT 1990 (the ACT) FOR SUBMISSION TO THE PENSIONS AUTHORITY BY THE TRUSTEES OF THE SCHEME

SCHEME NAME: The Law Society of Ireland Pension and Life Assurance Scheme

SCHEME COMMENCEMENT DATE: 01/01/1991

SCHEME REFERENCE NO.: PB3399

EFFECTIVE DATE: 31/12/2018

EFFECTIVE DATE OF PREVIOUS CERTIFICATE (IF ANY): 31/12/2015

On the basis of information supplied to me, having complied with any guidance prescribed under section 42(4)(b) of the Act and, subject thereto, having regard to such financial and other assumptions as I consider to be appropriate, I am of the opinion that at the effective date of this certificate:-

(1) the resources of the scheme, which are calculated for the purposes of section 44(1) of the Act to be €38,936,000.00, would have been sufficient if the scheme had been wound up at that date to provide for the liabilities of the scheme determined in accordance with section 44(1) of the Act which, including the estimated expenses of administering the winding up of the scheme, amount to €32,554,000.00, and

(2) €0.00 of the resources of the scheme referred to in paragraph (1) comprise contingent assets, in accordance with and within the meaning of the guidance issued by the Authority and prescribed under section 47 of the Act.

I, therefore, certify that as at the effective date of this certificate the scheme satisfies the funding standard provided for in section 44(1) of the Act.

I further certify that I am qualified for appointment as actuary to the scheme for the purposes of section 51 of the Act.

Signature:	Cathal Fleming	**Date:**	30/09/2019
Name:	Mr. Cathal Fleming	**Qualification:**	FSAI
Name of Actuary's: Employer/Firm	Mercer (Ireland) Limited	**Scheme Actuary Certificate No.**	P109

Submission Details

Submission Number:	SR2166212	**Submitted Electronically on:**	30/09/2019
Submitted by:	Cathal Fleming	**Re-submitted on:**	30/09/2019

An tÚdarás Pinsean
The Pensions Authority

SCHEDULE BE

Article 4

FUNDING STANDARD RESERVE CERTIFICATE

THIS CERTIFICATE HAS BEEN PREPARED PURSUANT TO SECTION 42(1A) OF THE PENSIONS ACT 1990 (the ACT) FOR SUBMISSION TO THE PENSIONS AUTHORITY BY THE TRUSTEES OF THE SCHEME

SCHEME NAME: The Law Society of Ireland Pension and Life Assurance Scheme

SCHEME COMMENCEMENT DATE: 01/01/1991

SCHEME REFERENCE NO.: PB3399

EFFECTIVE DATE: 31/12/2018

EFFECTIVE DATE OF PREVIOUS CERTIFICATE (IF ANY): 31/12/2015

On the basis of information supplied to me, having complied with any guidance prescribed under section 42(4)(b) of the Act and, subject thereto, having regard to such financial and other assumptions as I consider to be appropriate, I am of the opinion that at the effective date of this certificate:-

(1) the funding standard liabilities (as defined in the Act) of the scheme amount to €30,042,000.00,

(2) the resources of the scheme (other than resources which relate to contributions or a transfer of rights to the extent that the benefits provided are directly related to the value of those contributions or amount transferred (DC resources)), calculated for the purposes of section 44(1) of the Act amount to €36,424,000.00,

(3) €15,225,000.00 , of the amount referred to in paragraph (2) (subject to a maximum of an amount equal to the funding standard liabilities) is invested in securities issued under section 54(1) of the Finance Act 1970 (and known as bonds), securities issued under the laws of a Member State (other than the State) that correspond to securities issued under section 54(1) of the Finance Act 1970, cash deposits with one or more credit institutions and such other assets (if any) as are prescribed under section 44(2)(a)(iv) of the Act,

(4) the amount provided for in section 44(2)(a) of the Act (Applicable Percentage x ((1) minus (3)) is €1,482,000.00,

(5) the amount provided for in section 44(2)(b) of the Act, being the amount by which the funding standard liabilities of the scheme would increase if the interest rate or interest rates assumed for the purposes of determining the funding standard liabilities were one half of one per cent less than the interest rate or interest rates (as appropriate) assumed for the purposes of determining the funding standard liabilities less the amount by which the resources of the scheme (other than DC resources) would increase as a result of the same change in interest rate or interest rates is €217,000.00,

(6) the aggregate of (4) and (5) above amounts to €1,699,000.00, and

(7) the additional resources (as defined in the Act) of the scheme amount to €6,382,000.00, of which, in accordance with and within the meaning of the guidance issued by the Authority and prescribed under section 47 of the Act, €0.00 comprises contingent assets and €0.00 of such contingent assets comprise an unsecured undertaking.

I therefore certify that as at the effective date of the funding standard reserve certificate, the scheme does hold sufficient additional resources to satisfy the funding standard reserve as provided in section 44(2) of the Act.

I further certify that I am qualified for appointment as actuary to the scheme for the purposes of section 51 of the Act.

Signature:	Cathal Fleming	**Date:**	30/09/2019
Name:	Mr. Cathal Fleming	**Qualification:**	FSAI
Name of Actuary's: Employer/Firm	Mercer (Ireland) Limited	**Scheme Actuary Certificate No.**	P109

Submission Details

Submission Number:	SR2166218	**Submitted Electronically on:**	30/09/2019
Submitted by:	Cathal Fleming		

MERCER welcome to brighter

The Law Society of Ireland Pension and Life Assurance Scheme ("the Scheme") – PB 3399

Report on Actuarial Liabilities

Under Section 56 of the Pensions Act, 1990, and associated regulations, the Trustees of defined benefit pension schemes are required to have a valuation[1] of the scheme prepared on a triennial basis. The most recent formal actuarial valuation of the Scheme was carried out as at 31 December 2018. A copy of the report is available to Scheme members on request.

One of the purposes of the valuation is to set out the Scheme's ongoing funding level. It does this by comparing the value of the Scheme's accumulated assets with the value of its accrued liability. The assets and liabilities emerging from the last valuation were as follows:

	€000s
Value of Accumulated Assets	36,856
Value of Accrued Liability	37,811
Surplus / (Deficit)	(955)
Funding Level	97%

Valuation Method & Assumptions

The value of the accrued liability was calculated by firstly projecting the accrued benefits payable in the future, making assumptions in relation to financial matters such as salary and pension increase rates and demographic matters such as mortality rates. The resultant projected benefit cashflows were then discounted to the valuation date to arrive at a single capitalised value.

A summary of the most significant actuarial assumptions used to determine the accrued liability is set out below (full details are provided in the Scheme's actuarial funding report):

Financial assumptions	
Discount Rate	
Pre-retirement	3.75%
Post retirement	1.75%
Benefit Increases	
Price inflation	1.50%
Salary Increases	2.00%
Pension increases	0.90%

Demographic assumptions		
Post retirement mortality table	S2PMA / S2PFA CMI 2016 [1.5%]	
Future life expectancies	Male	Female
Current retiree aged 65	22.2	24.2
Future retiree at age 65 currently aged 45	23.8	25.8
A complete description of all other demographic assumptions can be found in the formal actuarial funding valuation report.		

The next valuation is due to be completed with an effective date not later than 31 December 2021.

[1]It should be borne in mind that a valuation is only a snapshot of a scheme's estimated financial condition at a particular point in time; it does not provide any guarantee of future financial soundness of a scheme. Over time, a scheme's total cost will depend on a number of factors, including the amount of benefits paid and the return earned on any assets invested to pay benefits.

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