



THE LAW SOCIETY OF IRELAND PENSION AND LIFE  
ASSURANCE SCHEME  
ANNUAL REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2022  
**Pensions Authority Number: 3399**

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# The Law Society of Ireland Pension and Life Assurance Scheme

Annual Report for the year ended 31 December 2022

Trustees, Principal Employer and Advisers

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## Trustees

Mary Ann McDermott  
Rory O'Neill  
Simon Murphy  
Michael Quinlan

## Principal Employer

The Law Society of Ireland  
Blackhall Place  
Dublin 7

## Actuary

Mr. Cathal Fleming F.S.A.I  
Mercer (Ireland) Limited  
Charlotte House  
Charlemont Street  
Dublin 2

## Independent Auditors

BDO  
Statutory Audit Firm  
Beaux Lane House  
Mercer Street Lower  
Dubline 2

## Registered Administrator

Mercer (Ireland) Limited  
Charlotte House  
Charlemont Street  
Dublin 2

## Consultant

Mercer (Ireland) Limited  
Charlotte House  
Charlemont Street  
Dublin 2

## Investment Managers

Irish Life Investment Managers Limited  
Beresford Court  
Beresford Place  
Dublin 1

Standard Life Investments Limited (resigned 11 May 2022)  
90 St. Stephen's Green  
Dublin 2

Invesco Asset Management Limited  
Perpetual Park Drive  
Henley-on-Thames  
Oxfordshire  
UK

Payden & Rygel Global Limited (appointed 18 May 2022)  
1 Bartholomew Lane  
London  
ECN2 2AX  
United Kingdom

# The Law Society of Ireland Pension and Life Assurance Scheme

Annual Report for the year ended 31 December 2022

Trustees, Principal Employer and Advisers

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## Additional Voluntary Contribution (AVC) Provider

New Ireland Life Assurance Company plc  
11/12 Dawson Street  
Dublin 2

## Underwriter

Zurich Life Assurance plc  
Zurich House  
Frascati Road  
Blackrock  
Co. Dublin

## Risk Manager

Mercer Ireland Ltd  
Charlotte House  
Charlemont Street Dublin  
Ireland

## Internal Auditor

Grant Thornton  
13-18 City Quay  
Dublin  
Ireland

## Contact for further information and complaints about the Scheme

Director of Human Resources  
Law Society of Ireland  
Blackhall Place  
Dublin 7

## 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 2022. The content of this report conforms to the Occupational Pension Schemes (Disclosure of Information) Regulations 2006 (as amended) prescribed by the Minister for 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 Director of Human Resources, Law Society of Ireland, Blackhall Place, Dublin 7.

## Significant events

On 24 February 2022, Russia invaded Ukraine in a major escalation of the Russia-Ukrainian war that began in 2014. This has led to volatility in both the commodity and equity markets. The Trustees are monitoring the impact on the valuation of the Scheme's investments. During the year the Trustees have worked with their advisers to ensure there was no disruption to the Scheme.

## 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 and 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 PB 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 the Guidelines, Guidance Notes and Codes of Practice issued by The Pensions Authority in accordance with Section 10 of the Pensions Act 1990.

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 Trustees training during the year.

## Management of the Scheme

The Trustees of the Scheme are detailed on page 1.

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

Additional advisers to the Scheme are also outlined on pages 1 to 2.

## 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 condition of the Scheme and the risks associated with the Scheme and disclose these to members.

The Scheme is funded by contributions paid by 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.

The Statement of Risks adopted by the Trustees is as follows:

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, the Scheme could fall victim to fraud or negligence or 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 assets of the Scheme 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.
- 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 Scheme 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).

Trustees' Report

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.

Financial developments

The value of the Scheme's net assets decreased from €51,215,097 at 31 December 2021 to €44,032,584 at 31 December 2022. This decrease was accounted for by the net negative returns on investments of €7,741,165 together with the net additions from dealings with members of €558,652..

Benefits and payments to leavers amounted to €1,222,463 and premiums in respect of insured benefits amounted to €138,742.

Contributions

Contributions for the year amounted to €1,919,857. 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 Trust Deed and Rules and 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 or stated in the Trust Deed and Rules or otherwise within 30 days of the end of the Scheme year.

All contributions were received and invested in accordance with the legislative requirements with the exception of those instances disclosed in note 20 to the financial statements.

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

Membership

The membership movements of the Scheme for the year are given below:

	Life Insurance				
	Active Members	Only Members	Pensioners	Deferred Pensioners	Total
At 1 January 2022	157	64	38	75	334
New entrants	9	37	2	13	61
Leavers during the year	(16)	(26)	-	(1)	(43)
At 31 December 2022	<u>150</u>	<u>75</u>	<u>40</u>	<u>87</u>	<u>352</u>

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. A discretionary increase of 1.8% was paid with effect from 1 January 2022.

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. The rate declared for the year under review was 4%.

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 its 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 2021. 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 with an effective date of 31 December 2024.

### **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 2021 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 2021.

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 of the statutory tests at 31 December 2022 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"), there is an additional requirement to include a Report on Actuarial Liabilities alongside the financial statements of the Scheme, and this report is included in the Appendices to this report.

## Investment management

It is the policy of the Trustees to delegate the management of the Scheme assets to professional investment managers. The investment managers are detailed in the list of Scheme advisers on page 1.

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

Financial Reporting Standard 102 - The Financial Reporting Standard applicable in the UK and Republic of Ireland ("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 risks. 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.

## Sustainable Finance Disclosure Regulations ("SFDR")

Under SFDR, the Trustees are viewed as financial market participants, whilst the Scheme is considered to be the financial product offered by the Trustees. Products under SFDR can be classified as those that have sustainable investment as its investment objective (Article 9) or those products that promote social or environmental characteristics, among other characteristics (Article 8). As the Scheme has not been classified under Article 8 or Article 9 of Regulation (EU) 2019/2088 (SFDR), the Trustees must therefore make the following disclosure:

- The investments underlying this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

The Trustees continue to review the Scheme's approach to sustainability considerations and their current approach is documented in the Statement of Investment Policy Principles.

## Employer related investments

There were no employer related investments at any time during the year, with the exception of those instances disclosed in note 20 to the financial statements.

## Subsequent events

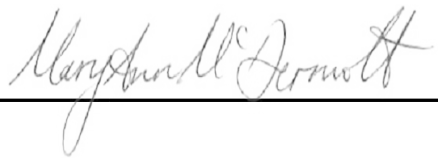
Since the year end, there have been no significant events that would require amendment to or disclosure in the Annual Report.

## 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:  \_\_\_\_\_

Trustee:  \_\_\_\_\_

Date: 19th September 2023

Statement of Trustees' Responsibilities

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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.

Accordingly, the Trustees must ensure that it has 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.

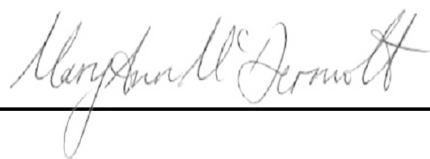
The Trustees are required by law to have appropriate procedures in place throughout the Scheme year under review, to ensure that:

- 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 and the recommendations of the Actuary.

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:  \_\_\_\_\_

Trustee:  \_\_\_\_\_

Date: 19th September 2023

# Independent Auditor's Report to the Trustee of The Law Society of Ireland Pension and Life Assurance Scheme

## Report on the audit of the financial statements

### **Opinion**

We have audited the financial statements of The Law Society of Ireland Pension and Life Assurance Scheme (“the Scheme”) for the financial year ended 31 December 2022, which comprise the Fund Account, Statement of Net Assets and notes to the financial statements, including the summary of significant accounting policies set out in note 1.

The financial reporting framework that has been applied in their preparation is Irish Law, and FRS 102 ‘The Financial Reporting Standard applicable in the UK and Republic of Ireland’.

In our opinion the financial statements:

- Give a true and fair view of the financial transactions during the Scheme year and of the amount and disposition of the assets and liabilities (other than liabilities to pay pensions and other benefits in the future) at the end of the Scheme year; and
- Contain the information specified in Schedule A to the Occupational Pension Schemes (Disclosure of Information) Regulations 2006, including a statement whether the financial statements have been prepared in accordance with the Statement of Recommended Practice, Financial Reports of Pension Schemes (revised in November 2014) and FRS 102 ‘The Financial Reporting Standard applicable in the UK and Republic of Ireland’, subject to any material departures disclosed and explained in the financial statements.

### **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 further described below. We are independent of the Scheme in accordance with ethical requirements that are relevant to our audit of financial statements in Ireland, including the Ethical Standard for Auditors (Ireland) issued by the Irish Auditing and Accounting Supervisory Authority (IAASA), 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.

### **Other information**

The Trustee is 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 required 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 required to report that fact.

We have nothing to report in this regard.

# Independent Auditor's Report to The Law Society of Ireland Pension and Life Assurance Scheme - continued

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

Based solely on the work undertaken in the course of the audit, we report that in our opinion:

- all contributions payable to the Scheme during the year ended 31 December 2022 were received within 21 days; and
- all contributions receivable at the Scheme year-end date were received within 30 days.

### **Respective responsibilities**

#### ***Responsibilities of trustees for the financial statements***

As explained more fully in the Trustees' Responsibilities Statement, the Trustee is responsible for the preparation of the financial statements and for being satisfied that the financial statements give a true and fair view, and for such internal control as the Trustee determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

#### ***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. A further description of our responsibilities for the audit of the financial statements is located on the IAASA's website at: [http://www.iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f-a98202dc9c3a/Description\\_of\\_auditors\\_responsibilities\\_for\\_audit.pdf](http://www.iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f-a98202dc9c3a/Description_of_auditors_responsibilities_for_audit.pdf). This description forms part of our auditor's report.

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

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



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**BDO**  
Dublin  
Statutory Audit Firm  
AI 223876

19/09/2023

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Date

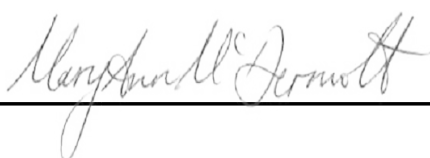
Fund Account

	Note	2022 €	2021 €
Employer contributions		1,209,842	1,276,830
Employee contributions		710,015	644,978
<b>Total contributions</b>	6	<b>1,919,857</b>	<b>1,921,808</b>
Benefits paid or payable	7	(932,348)	(1,274,078)
Payments to and on account of leavers	8	(290,115)	(1,042,326)
Other payments	9	(138,742)	(142,370)
		<b>(1,361,205)</b>	<b>(2,458,774)</b>
<b>Net additions/ (withdrawals) from dealings with members</b>		<b>558,652</b>	<b>(536,966)</b>
<b>Returns on investments</b>			
Investment income	10	27,109	26,208
Change in market value of investments	12	(7,757,120)	3,643,552
Investment management expenses	11	(11,154)	(12,500)
<b>Net returns on investments</b>		<b>(7,741,165)</b>	<b>3,657,260</b>
<b>Net (decrease)/ increase in the fund during the year</b>		<b>(7,182,513)</b>	<b>3,120,294</b>
<b>Net assets at 1 January</b>		<b>51,215,097</b>	<b>48,094,803</b>
<b>Net assets at 31 December</b>		<b>44,032,584</b>	<b>51,215,097</b>

The notes on pages 14 to 25 form part of these financial statements.

Signed for and on behalf of the Trustees:

Trustee:  \_\_\_\_\_

Trustee:  \_\_\_\_\_

Date: 19th September 2023

Statement of Net Assets (available for benefits)

	Note	2022 €	2021 €
<b>Investment assets</b>	12		
Pooled investment vehicles	14	<b>42,125,642</b>	49,325,129
AVC investments	15	<b>1,821,580</b>	1,816,111
Cash		<b>21,447</b>	13,561
<b>Total investments</b>	12	<b>43,968,669</b>	51,154,801
<b>Current assets</b>	18	<b>214,403</b>	213,029
<b>Current liabilities</b>	19	<b>(150,488)</b>	(152,733)
<b>Net assets at 31 December</b>		<b>44,032,584</b>	51,215,097

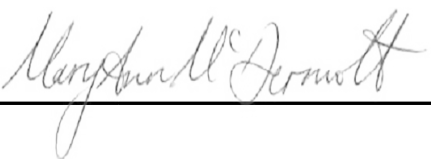
The notes on pages 14 to 25 form part of these financial statements.

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 other 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:  \_\_\_\_\_

Trustee:  \_\_\_\_\_

Date: 19th September 2023

## 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"), and the guidance set out in the Statement of Recommended Practice - Financial Reports of Pension Schemes (Revised 2018) ("SORP").

### Significant events

On 24 February 2022, Russia invaded Ukraine in a major escalation of the Russia-Ukrainian war that began in 2014. This has led to volatility in both the commodity and equity markets. The Trustees are monitoring the impact on the valuation of the Scheme's investments. During the year the Trustees have worked with their advisers to ensure there was no disruption to the Scheme.

## 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. Valuation of 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.

### e. Transfers

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.



**f. Payments in respect of benefits and on account of leavers**

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 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.

**g. Foreign currencies**

The Scheme's functional and presentation currency is the Euro (€).

**h. 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 14.

**i. 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 Deed 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 by direct investment. The death in service benefits are secured by policies underwritten by the insurer to the Scheme.

**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 2021. 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 with an effective date of 31 December 2024.

6. Contributions

	2022 €	2021 €
<b>Employer contributions:</b>		
Normal	1,071,100	1,134,460
Term insurance policy	138,742	142,370
	<u>1,209,842</u>	<u>1,276,830</u>
<b>Employee contributions:</b>		
Normal	428,241	446,164
Additional voluntary contributions	281,774	198,814
	<u>710,015</u>	<u>644,978</u>
	<u>1,919,857</u>	<u>1,921,808</u>

7. Benefits paid or payable

	2022 €	2021 €
Pensions	750,656	651,877
Commutation of pensions and lump sum retirement benefits	181,692	552,478
Purchase of Approved Retirement Funds (ARF)	-	69,723
	<u>932,348</u>	<u>1,274,078</u>

8. Payments to and on account of leavers

	2022 €	2021 €
Refunds of contributions in respect of non-vested leavers	-	5,307
Transfers out - Bulk	(6,698)	3,312
Individual transfers out to other schemes	296,813	1,033,707
	<u>290,115</u>	<u>1,042,326</u>

9. Other payments

	2022 €	2021 €
Premiums on term insurance policies	138,742	142,370

10. Investment income

	2022 €	2021 €
Investment income	27,109	26,208

11. Investment management expenses

	<b>2022</b>	2021
	€	€
Investment manager expenses	<b>11,154</b>	12,500

12. Reconciliation of investments

	Market value at 1 January 2022 €	Cost of investments purchased €	Proceeds of sales of investments €	Change in market value €	<b>Market value at 31 December 2022 €</b>
Pooled investment vehicles	49,325,129	3,626,564	(3,331,928)	(7,494,123)	<b>42,125,642</b>
AVC investments	1,816,111	279,620	(11,154)	(262,997)	<b>1,821,580</b>
	<u>51,141,240</u>	<u>3,906,184</u>	<u>(3,343,082)</u>	<u>(7,757,120)</u>	<b>43,947,222</b>
Cash	13,561			-	<b>21,447</b>
	<u>51,154,801</u>			<u>(7,757,120)</u>	<b>43,968,669</b>

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.

13. Concentration of investments

Investments as a percentage of net assets at the year end are detailed below:

	<b>2022</b>		2021	
	€	%	€	%
Irish Life - LSI Balanced Fund	<b>35,862,465</b>	<b>81.4</b>	42,768,362	83.5
Invesco - Global Targeted Returns Fund	<b>3,197,077</b>	<b>7.3</b>	3,258,414	6.4
Payden Absolute Return Bond Fund	<b>2,826,907</b>	<b>6.4</b>	N/A	N/A
New Ireland Life Assurance Company	<b>1,821,580</b>	<b>4.1</b>	1,816,111	3.5
Irish Life - Pension Consensus Fund S3	<b>239,193</b>	<b>0.5</b>	277,514	0.5
Standard Life - Absolute Return Global Bond Strategies Fund	<b>N/A</b>	<b>N/A</b>	3,020,839	5.9

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

14. Pooled investment vehicles

Details of investments held at year end:

	<b>2022</b>	2021
	€	€
Fixed Interest Funds	<b>2,826,907</b>	3,020,838
Diversified Growth Funds	<b>39,298,735</b>	46,304,291
	<u><b>42,125,642</b></u>	<u>49,325,129</u>

### 15. AVC investments

The Trustees hold assets within the main fund. These secure additional benefits, on a money purchase basis, for those members who have elected to pay additional voluntary contributions.

The total amount of AVC investments at the year end is shown below:

	2022 €	2021 €
Diversified Growth Funds	<u>1,821,580</u>	<u>1,816,111</u>

### 16. Fair value determination

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

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

Level 1	Unadjusted quoted prices in active markets for identical assets or liabilities that the reporting entity can access at the measurement date.
Level 2	Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset or liability developed based on market data obtained from sources independent of the reporting entity.
Level 3	Unobservable inputs for the asset or liability. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability developed based on the best information available.

The Scheme's investment assets have been included at fair value using the above hierarchy levels as follows:

	2022 Level 1 €	2022 Level 2 €	2022 Level 3 €	2022 Total €
Pooled investment vehicles	-	42,125,642	-	42,125,642
AVC investments	-	1,821,580	-	1,821,580
Cash	21,447	-	-	21,447
	<u>21,447</u>	<u>43,947,222</u>	<u>-</u>	<u>43,968,669</u>

Analysis for the prior year end is as follows:

	2021 Level 1 €	2021 Level 2 €	2021 Level 3 €	2021 Total €
Pooled investment vehicles	-	49,325,129	-	49,325,129
AVC investments	-	1,816,111	-	1,816,111
Cash	13,561	-	-	13,561
	<u>13,561</u>	<u>51,141,240</u>	<u>-</u>	<u>51,154,801</u>

## 17. Investment risks

### 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 has 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.

### 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.

**17. Investment risks (continued)**

The current investment strategy is outlined below.

<b>Asset Class</b>	<b>Strategic Allocation</b>	<b>Benchmark Index</b>
<b><u>Growth Portfolio</u></b>		
Global Equities	18.6%	FTSE World Index (100% Hedged)
Emerging Market Equities	5.4%	MSCI Emerging Market Equity Index
Minimum Volatility Equities	3.0%	MSCI World Minimum Volatility Index
Small Cap Equities	3.0%	MSCI World Small Cap Index
<b>Total Equities</b>	<b>30.0%</b>	<b>Composite</b>
Emerging Market Debt	3.6%	JP Morgan GBI – EM Global Diversified Index
Absolute Return Strategies	12.0%	Cash +5%
Absolute Return Bonds	6.0%	Cash+ 3%
High Yield Bonds	3.6%	ICE BofA BB-B Rated Developed Markets High Yield Constrained Index (100% Hedged)
<b>Total Non-Equity Growth Assets</b>	<b>25.2%</b>	<b>Composite</b>
<b>Total Growth Portfolio</b>	<b>55.2%</b>	<b>Composite</b>
<b><u>Risk-Reducing Portfolio</u></b>		
IG Euro Corporate Bonds	4.8%	ICE BAML 10+ Yr Euro Lg Cap Corp Index
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	14.0%	Customised to the term of the liabilities
French 2047 Inflation Linked Bonds	9.0%	Customised to the term of the liabilities
<b>Total Risk Reducing Portfolio</b>	<b>44.8%</b>	<b>Composite</b>
<b>Total Portfolio</b>	<b>100.0%</b>	<b>Composite</b>

**17. Investment risks (continued)**

**Implementation arrangements**

The arrangements through which the investments of the Scheme are managed are described below.

**Pooled Vehicles**

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, as provided by the investment managers, is as follows:

	<b>2022</b>	<b>2021</b>
	€	€
UCITS	6,023,983	6,279,252
Unit linked insurance contracts	37,923,239	44,861,988
	<u><b>43,947,222</b></u>	<u><b>51,141,240</b></u>

**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.

**17. Investment risks (continued)**

**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)	●	●	●	●
Small Cap Equities	Small Cap 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)	●	○	●	●
IG Euro Corporate Bonds	IG Euro Corporate Bonds (Irish Life)	●	○	●	●
High Yield Bonds	High Yield Bonds (Irish Life)	●	○	●	●



**17. Investment risks (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)	●	●	●	●

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 in the financial statements.

18. Current assets

	2022 €	2021 €
Contributions due from the employer in respect of:		
- Employer	97,857	94,794
- Member	39,144	37,913
- AVCs	23,529	15,280
Cash Balance	53,873	65,042
	<u>214,403</u>	<u>213,029</u>

19. Current liabilities

	2022 €	2021 €
Pensions payable	64,275	59,822
Retirement benefits payable	52,802	52,802
Individual transfers out payable	33,411	40,109
	<u>150,488</u>	<u>152,733</u>

20. Employer related investments

There were no employer related investments at any time during the year, with the exception of the following table, which reflects contributions paid late to the Scheme during the year and the date they were received and/or those which remain outstanding. Any contributions received after the date due constitute "self-investment" under the Occupational Pension Scheme (Disclosure of Information) Regulations 2006 (as amended).

	Member Contribution €	Employer Contribution €	AVC's €	Due Date	Date Received
Mar'22	37,932	95,315	-	21/04/2022	25/04/2022

21. Contingent liabilities

As stated on page 13 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.

## 22. Related party transactions

### (a) The Trustees

The Trustees of the Scheme are detailed on page 1 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 Mercer (Ireland) Limited at the year end on behalf of the Scheme was €53,873 (2021: €65,042).

### (e) The Investment Manager

The investment managers are set out on page 1 of the Annual Report.

The investment managers were appointed by the Trustees to manage the Scheme's assets. 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.

## 23. Subsequent events

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

## 24. Approval of financial statements

The financial statements were approved by the Trustees on 19th September 2023



# 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 55% in 'Return-Seeking' assets and 45% 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.

<b>Current Strategy</b>	
<b>Asset Class</b>	<b>Central Weighting</b>
Global Equities (100% Hedged)	18.6%
Minimum Volatility Equities	3.0%
Emerging Market Equities	5.4%
Small Cap Equities	3.0%
<b>Total Equity</b>	<b>30.0%</b>
Emerging Market Debt	3.6%
Absolute Returns	12.0%
Absolute Return Bonds	6.0%
High Yield Bonds	3.6%
<b>Total Non-Equity Growth Assets</b>	<b>25.2%</b>
<b>Total 'Risk-Seeking' Assets</b>	<b>55.2%</b>
IG Euro Corporate Bonds	4.8%
Core Eurozone Govt Long-dated Nominal Bonds	5.0%
French & German Inflation Linked Bonds	7.0%
German 2030 Inflation-Linked Bond	14.0%
French 2030 Inflation-Linked Bond	5.0%
French 2047 Inflation-Linked Bond	9.0%
<b>Total 'Risk-Reducing' Assets</b>	<b>44.8%</b>
<b>Total Fund</b>	<b>100.0%</b>

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 Payden Global Funds 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
Small Cap Equities	Passive	MSCI World Small Cap Index	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 Bond Fund (Payden Global Funds)	Active	Cash	Targets ICD BofA ESTR Overnight Rate Index +3%
IG Euro Corporate Bonds	Passive	ICE BAML 10+ Yr Euro Lg Cap Corp Index	Return in-line with benchmark
High Yield Bonds	Passive	ICE BofA ML BB-B Rated Dev Mkts HY	Return in-line with benchmark
Long-dated Nominal Bonds*	Passive	Merrill Lynch EMU Gov Nominal > 10yrs AAA/AA Index	Return in-line with benchmark
Inflation Linked Bonds*	Passive	Customised Benchmark	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.

## ESG, Stewardship, and Climate Change

The Trustees believe that environmental, social, and corporate governance (ESG) factors may have a material impact on investment risk and return outcomes, and that good stewardship can create and preserve value for companies and markets as a whole. The Trustees also recognise that long-term sustainability issues, particularly climate change, present risks and opportunities that increasingly may require explicit consideration.

The Trustees have given appointed investment managers full discretion in evaluating ESG factors, including climate change considerations, and exercising voting rights and stewardship obligations attached to the investments, in accordance with their own corporate governance policies and current best practice.

The Trustees consider Mercer's ESG ratings (where available) for each of their strategies. Rating reviews are undertaken on a regular basis and documented at least annually.

With respect to the European Union Shareholders' Rights Regulation 2020 ("SRDII"), the Trustees do not have a standalone engagement policy as the Scheme invests in pooled funds and therefore has no direct engagement with the underlying entities held.

The Trustees have engaged with Irish Life Investment Managers (ILIM) and they have provided a copy of their Engagement Policy and confirmed that ILIM complies with the Irish legislation transposing SRDII, which came into operation on 30 March 2020.

An annual report will be published by ILIM outlining how the Engagement Policy was implemented, include a general description of voting behaviour, a summary of significant votes taken and information on the use of the services of proxy advisors. The first annual report will be available in advance of the deadline of 31 March 2021.

The investment horizon of the Scheme's equity investments is medium to long term in nature, and the Trustees expect the managers to use their engagement activity to drive improved performance over those periods.

The Trustees also expect investment manager appointments to be long-term in nature, and assess the performance over longer-term periods. Short term performance issues would not be expected to result in a manager termination, although other factor may necessitate a change over relatively short timeframes.

#### Sustainable Finance Disclosure Regulations

The Trustees acknowledge that under Article 4 of the Disclosure Regulations there is a requirement to publish and maintain on a website whether principal adverse impacts of investment decisions on sustainability factors are considered. The Trustees are awaiting the clarity of the Level II regulations prior to making such a statement.

This policy may be made publicly available in the future but is currently included within the SIPP of the Scheme as this is available to members each year through the Trustee Annual Report.

The Trustees will ensure that the investment of the Scheme's assets adheres to the requirements of the Occupational Pension Schemes (Investment) Regulations 2006.

**Effective Date of this Statement: July 2022**

## Investment Manager's Report

### THE LAW SOC OF IRE PENSION & LIFE ASSURANCE SCHEME

#### Investment Report for Year Ended 31 December 2022

##### 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

Global equities are down over the last twelve months, falling -15.6% in local currency terms although are down less in Euro terms, -12.6%, as the weaker euro boosted returns for euro based investors. Equities have fallen on concerns over tighter central bank policies, higher bond yields, slower growth and uncertainty over the potential fallout on growth and inflation following the invasion of Ukraine by Russia.

Eurozone bonds fell as yields rose through the year with the Eurozone 5yr+ sovereign bond benchmark down -24.4%. Bond yields rose given increasing concerns around inflation which resulted in an expectation of reduced policy accommodation from the ECB and other central banks. There has been a dramatic shift in monetary policy over the last year, from a low interest rate environment to one where official interest rates are rising and are expected to rise further.

Irish commercial property is slightly higher over the last twelve months, with the property fund rising 0.3%. Despite the disruption and uncertainty posed by the Covid-19 pandemic, inward investment into Irish property remained relatively high during the last year. Rental values in the modern office space have held up well despite the pandemic, while the industrial/logistics sector has experienced strong growth over the last twelve months.

Commodities rose 26.0% over the last twelve months and are up 34.2% in Euro terms due to tight supplies. Concerns over possible supply disruptions and sanctions following Russia's invasion of Ukraine have helped push commodity prices higher.

# SCHEME SUMMARY INFORMATION

Fund Code	Fund Name	Opening Value	Contributions / Withdrawals	Gain / Loss	Closing Value
LSI	LSI Balanced	€42,768,361.74	€281,508.60	€(7,187,404.44)	€35,862,465.90
<b>Total</b>		<b>€42,768,361.74</b>			<b>€35,862,465.90</b>

Fund Code	Fund Name	Opening Units	Price	Opening Value	Closing Units	Price	Closing Value
LSI	LSI Balanced	12,924,860	€3.309	€42,768,361.74	13,017,229	€2.755	€35,862,465.90
<b>Total</b>				<b>€42,768,361.74</b>			<b>€35,862,465.90</b>

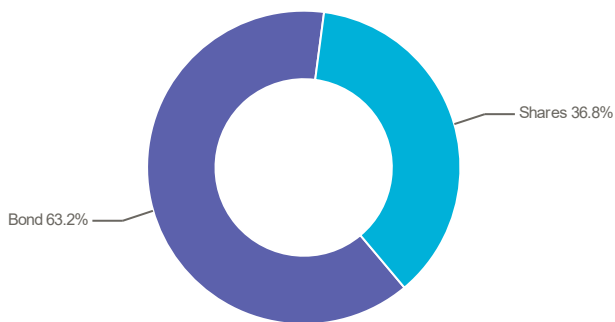
## PERFORMANCE AS AT 31 DECEMBER 2022

Fund Name	QTD	YTD	1 Year	3 Years p.a.	5 Years p.a.	10 Years p.a.	Since Launch p.a.
LSI Balanced	2.3%	-16.7%	-16.7%	-1.0%	1.6%	5.0%	7.4%

# 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: 31.0% World Equities (Hedged), 12.5% Minimum Volatility Equities, 5% Emerging Market Equities, 6% Passive Inflation-Linked Long Bonds, 2.5% Emerging Market Bonds, 17.5% German 2030 Inflation Linked Bonds, 11.0% French 2047 Inflation linked bonds, 6% AA/AAA > 10 Year Nominal Bonds and 8.5% Inflation Linked All Maturities France and Germany.

## ASSET ALLOCATION



## ASSET ALLOCATION

BOND		63.3%
Government Bonds		34.0%
Inflation-Linked Bonds		14.4%
Corporate Bonds		6.2%
Emerging Market Bonds		4.4%
High Yield Bonds		4.3%
SHARES		36.7%
Global Shares		23.1%
Emerging Market Shares		6.9%
Minimum Volatility Shares		3.4%
Small Cap Shares		3.3%

## PERFORMANCE AS AT 31/12/2022

	1 Month	3 Month	1 Year	3 Year p.a.	5 Year p.a.	10 Year p.a.	Since Launch p.a.
Fund	-5.62%	2.26%	-16.74%	-1.03%	1.62%	5.00%	7.44%
Benchmark	-5.73%	2.00%	-17.09%	-1.27%	1.55%	5.12%	7.63%

# APPENDICES

## INVESTMENT TRANSACTIONS

### Unit Transaction Statement

Fund	Fund Name	Price Date	Units	Price	Investment Amount
LSI	LSI Balanced	18/01/2022	22,475.00	3.243	€72,885.03
LSI	LSI Balanced	22/02/2022	21,431.00	3.125	€66,971.43
LSI	LSI Balanced	22/03/2022	20,490.00	3.188	€65,322.84
LSI	LSI Balanced	26/04/2022	22,955.00	3.100	€71,160.34
LSI	LSI Balanced	23/05/2022	20,359.00	2.990	€60,873.86
LSI	LSI Balanced	20/06/2022	22,463.00	2.753	€61,841.02
LSI	LSI Balanced	29/06/2022	-55,145.00	2.835	€(156,336.00)
LSI	LSI Balanced	21/07/2022	24,618.00	2.930	€72,130.46
LSI	LSI Balanced	25/07/2022	-101,420.00	2.958	€(300,000.00)
LSI	LSI Balanced	22/08/2022	19,063.00	3.029	€57,740.36
LSI	LSI Balanced	30/08/2022	1,701.00	2.939	€5,000.00
LSI	LSI Balanced	21/09/2022	15,852.00	2.841	€45,034.69
LSI	LSI Balanced	20/10/2022	23,194.00	2.684	€62,252.70
LSI	LSI Balanced	21/11/2022	19,365.00	2.852	€55,227.86
LSI	LSI Balanced	28/11/2022	-5,577.00	2.869	€(16,000.00)
LSI	LSI Balanced	21/12/2022	20,545.00	2.794	€57,404.01
<b>Total</b>					<b>€281,508.60</b>

## ANALYSIS OF INVESTMENT TRANSACTIONS

### Receipt Statement

Investment Date	Price Date	Contributions Received	Withdrawals	Investment Amount
19/01/2022	18/01/2022	€72,885.03	-	€72,885.03
23/02/2022	22/02/2022	€66,971.43	-	€66,971.43
23/03/2022	22/03/2022	€65,322.84	-	€65,322.84
27/04/2022	26/04/2022	€71,160.34	-	€71,160.34
24/05/2022	23/05/2022	€60,873.86	-	€60,873.86
21/06/2022	20/06/2022	€61,841.02	-	€61,841.02
30/06/2022	29/06/2022	-	€(156,336.00)	€(156,336.00)
22/07/2022	21/07/2022	€72,130.46	-	€72,130.46
26/07/2022	25/07/2022	-	€(300,000.00)	€(300,000.00)
23/08/2022	22/08/2022	€57,740.36	-	€57,740.36
31/08/2022	30/08/2022	€5,000.00	-	€5,000.00
22/09/2022	21/09/2022	€45,034.69	-	€45,034.69
21/10/2022	20/10/2022	€62,252.70	-	€62,252.70
22/11/2022	21/11/2022	€55,227.86	-	€55,227.86
29/11/2022	28/11/2022	-	€(16,000.00)	€(16,000.00)
22/12/2022	21/12/2022	€57,404.01	-	€57,404.01
<b>Total</b>		<b>€753,844.60</b>	<b>€(472,336.00)</b>	<b>€281,508.60</b>

## **Investment Manager's Report**

**THE LAW SOC OF IRELAND TRANSFER IN ACCOUNT 23369-02**

### **Investment Report for Year Ended 31 December 2022**

#### **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**

Global equities are down over the last twelve months, falling -15.6% in local currency terms although are down less in Euro terms, -12.6%, as the weaker euro boosted returns for euro based investors. Equities have fallen on concerns over tighter central bank policies, higher bond yields, slower growth and uncertainty over the potential fallout on growth and inflation following the invasion of Ukraine by Russia.

Eurozone bonds fell as yields rose through the year with the Eurozone 5yr+ sovereign bond benchmark down -24.4%. Bond yields rose given increasing concerns around inflation which resulted in an expectation of reduced policy accommodation from the ECB and other central banks. There has been a dramatic shift in monetary policy over the last year, from a low interest rate environment to one where official interest rates are rising and are expected to rise further.

Irish commercial property is slightly higher over the last twelve months, with the property fund rising 0.3%. Despite the disruption and uncertainty posed by the Covid-19 pandemic, inward investment into Irish property remained relatively high during the last year. Rental values in the modern office space have held up well despite the pandemic, while the industrial/logistics sector has experienced strong growth over the last twelve months.

Commodities rose 26.0% over the last twelve months and are up 34.2% in Euro terms due to tight supplies. Concerns over possible supply disruptions and sanctions following Russia's invasion of Ukraine have helped push commodity prices higher.



# SCHEME SUMMARY INFORMATION

Fund Code	Fund Name	Opening Value	Contributions / Withdrawals	Gain / Loss	Closing Value
PCC	Pension Consensus Fund S3	€277,515.39	-	€(38,322.44)	€239,192.95
<b>Total</b>		<b>€277,515.39</b>			<b>€239,192.95</b>

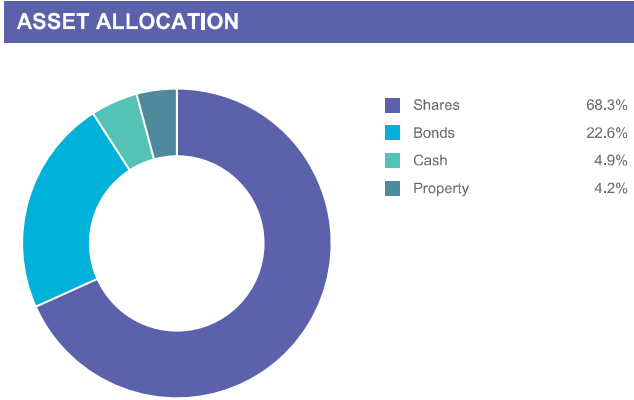
Fund Code	Fund Name	Opening Units	Price	Opening Value	Closing Units	Price	Closing Value
PCC	Pension Consensus Fund S3	58,597	€4.736	€277,515.39	58,597	€4.082	€239,192.95
<b>Total</b>				<b>€277,515.39</b>			<b>€239,192.95</b>

## PERFORMANCE AS AT 31 DECEMBER 2022

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	0.7%	-13.8%	-13.8%	2.5%	4.7%	7.9%	5.1%

# 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.



**PERFORMANCE AS AT 31/12/2022**

	1 Month	3 Month	1 Year	3 Year p.a.	5 Year p.a.	10 Year p.a.	Since Launch p.a.
Fund	-5.71%	0.67%	-13.81%	2.55%	4.67%	7.86%	5.07%
Benchmark	-4.26%	1.86%	-12.57%	2.58%	4.16%	7.38%	-0.32%

# APPENDICES

## INVESTMENT TRANSACTIONS

### Unit Transaction Statement

No unit transactions in the period.

## ANALYSIS OF INVESTMENT TRANSACTIONS

### Receipt Statement

No Receipt transactions in the period.



# The Law Society of Ireland Pension and Life Assurance Scheme

## Monthly Report

### Invesco Global Targeted Returns Fund

As at 31 December 2022

Invesco Global Targeted Returns Fund	
Account	10024948-0001
Currency	EUR
Product group	SICAV
Inception date	18 June 2018

#### Account valuation

Share class	Share price	Shares held	Total value
Acc C	€10.3411	309,162.20	€3,197,077.26

#### Monthly trades

##### Purchases:

Trade date	Deal price	Shares purchased	Bookcost
There were no purchases during the period			

##### Sales:

Trade date	Deal price	Shares sold	Proceeds
There were no sales during the period			

#### Performance

Account performance*	Net	Gross	EURIBOR	Relative**	Target
1 Month	0.99	1.04	0.17	0.87	0.58
3 Month	4.48	4.63	0.44	4.19	1.66
Year to date	-1.88	-1.34	0.34	-1.68	5.34
1 Year	-1.88	-1.34	0.34	-1.68	5.34
3 Year Annualised	-1.61	-1.02	-0.21	-0.81	4.79
Annualised since inception	-1.28	-0.66	-0.26	-0.40	4.75
Cumulative since inception	-5.69	-2.94	-1.16	-1.78	23.42

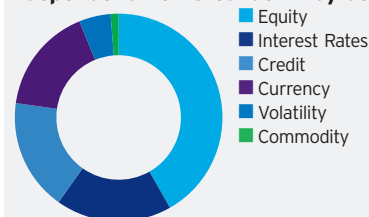
\*Performance is calculated gross as well as net of a fee of 0.55% (prior to 01 Jan 2021 a fee of 0.70%)

\*\*Relative performance figures show the difference between the gross and EURIBOR

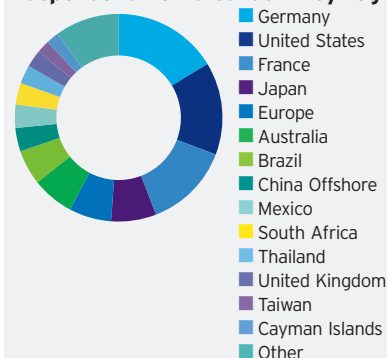
Past performance is not a guide to future returns

Risk	%
Expected Fund Risk <sup>1</sup>	5.72
Total independent risk	20.87

#### Independent risk breakdown by asset type



#### Independent risk breakdown by region



#### Market and economic review

Global equities ended the year on a negative note following a sharp sell off in December. Fears of a looming recession and further monetary policy tightening weighed on investor sentiment. From a regional perspective, US equities underperformed, led largely by growth-orientated stocks, whilst emerging market equities outperformed, primarily led by Chinese equities which rallied over the month following the lifting of Covid-19 related restrictions. In bond markets, government bonds lost ground in December to cap off a terrible year for investors as global bonds fell into a bear market for the first time in 70 years. It was the worst annual performance for 10-year US treasuries on a total return basis since 1788, having lost 4.4% in December. UK gilts lost a quarter of their value over the year, whilst German bunds also registered negative returns for the month and the year. Elsewhere, The Bank of Japan sent shockwaves across bond markets as it tweaked its yield curve policy which would allow 10-year Japanese government bond yields to fluctuate plus or minus 0.5% (from +/- 0.25% previously) of its target of zero. The move was depicted as a "pivot" by the BoJ, the last of the leading central banks to stick to an ultra-loose monetary regime. Meanwhile, in currency markets the dollar fell as the market focused on the reopening of the Chinese economy from COVID-19 restrictions, a significant policy change by the BoJ, a persistently hawkish ECB and broader signs of peaking inflation and bottoming growth. Similarly, oil prices also ended lower (albeit marginally) driven by increased fears of a global economic slowdown. The broader commodity market also suffered for similar reasons.

#### Account performance

The account returned 1.04% in December compared to 3-month EURIBOR, which returned 0.17%. Difficult market conditions in December for risk assets benefitted our 'Equity - Strong Balance Sheets vs Market' idea as investors remain more discriminating in the companies they own. This is an idea that invests in more resilient businesses in the US mid-cap space with stronger balance sheets over those constrained by weak cash flows, refinancing issues and debt servicing. 'Currency - Japanese Yen vs Australian Dollar' and 'Currency - Japanese Yen vs Taiwanese Dollar' also added to overall performance as a change of heart towards a more hawkish stance during Christmas week by the Bank of Japan prompted a strong rally in the Japanese yen. 'Equity - Diversified Alpha' allocates to underlying Invesco equity managers and shorts the broad market index via futures to remove the beta component. December was a positive month for the idea as our underlying managers were able to outperform the broad market. At the other end, 'Credit - Selective Credit' and 'Interest Rates - Selective EM Debt' ideas detracted over the period driven by a general negative investor sentiment on the back of hawkish stance by major policy makers who indicated the potential for more interest rate hikes in 2023. For similar reasons, our 'Interest Rates - Australia' idea also detracted from overall performance.

#### Fund strategy

There was one new idea added over the month: Equity - Short US

There were three ideas removed over the month: Currency - New Zealand vs Australia; Interest Rate: Australia vs US; Interest Rates - US

#### Independent risk breakdown by idea

Idea	Independent risk <sup>2</sup>	% of total independent risk
Commodity - Commodity Carry	0.26	1.24
Credit - European High Yield	0.40	1.91
Credit - Selective Credit	1.35	6.46
Credit - US High Yield	1.40	6.70
Credit - US Investment Grade	0.49	2.33
Currency - Japanese Yen vs Australian Dollar	1.18	5.67
Currency - Japanese Yen vs Taiwanese Dollar	0.46	2.20
Currency - New Zealand vs Australia	0.05	0.22
Currency - Thai Baht vs Chinese Renminbi	0.51	2.42
Currency - US Dollar vs Asia	0.32	1.54
Currency - US Dollar vs Chilean Peso	0.01	0.05
Currency - US Dollar vs South Africa	0.74	3.56
Equity - Diversified Alpha	0.92	4.43
Equity - Equity Dividends	1.08	5.18
Equity - Equity Optionality	0.13	0.62
Equity - European Infrastructure	0.84	4.01
Equity - Germany vs France	1.35	6.48
Equity - Healthcare vs Staples	1.33	6.39
Equity - Short US	0.85	4.09
Equity - Strong Balance Sheets vs Market	2.21	10.58
Interest Rates - Australia	1.10	5.26
Interest Rates - Cross Market Swaptions	0.63	3.02
Interest Rates - Global Steepener	0.52	2.47
Interest Rates - Selective EM Debt	1.52	7.30
Volatility - Global FX Volatility	0.48	2.30
Volatility - US Variance	0.55	2.63
Cash & Residual FX	0.19	0.94
<b>Total</b>	<b>20.87</b>	<b>100.00</b>

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## Contact us

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### Client Director

Matthew Chapman

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[www.invesco.co.uk/institutional](http://www.invesco.co.uk/institutional)

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### 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.

Changes in interest rates will result in fluctuations in the value of the fund.

The fund uses derivatives (complex instruments) for investment purposes, which may result in the fund being significantly leveraged and may result 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.

The fund may invest in certain securities listed in China which can involve significant regulatory constraints that may affect the liquidity and/or the investment performance of the fund.

Investment in instruments providing exposure to commodities is generally considered to be high risk which may result in large fluctuations in the value of the fund.

The effects of inflation may result in a reduction in the value of your investment.

The fund may invest in distressed securities which carry a significant risk of capital loss.

As a portion of the Fund may be exposed to less developed countries, you should be prepared to accept large fluctuations in the value of the fund.

Benchmark

-Comparator Benchmark: The Fund aims to achieve a positive total returns in all market conditions over a rolling 3 year period. The Fund's performance can be compared against the Comparator Benchmark as a means to assess if the Fund's aim has been achieved.

-Target Benchmark: The Fund targets a gross return of 5% per annum above UK 3 month EURIBOR over a rolling 3 year period. The Fund's performance can be measured against the Targeted Benchmark as a means to assess if the Fund's target has been achieved. There should not be an expectation that this target will be exceeded.

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### Important information

All data is as at 31 December 2022 sourced from Invesco unless otherwise stated.

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

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.

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.

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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Issued by Invesco Management S.A., President Building, 37A Avenue JF Kennedy, L-1855 Luxembourg, regulated by the Commission de Surveillance du Secteur Financier, Luxembourg.

**Fund Description:**

This fund invests in the SSGA GRU Euro Index Equity Fund and the SSGA GRU World Ex Euro Index Equity Fund (the SSGA funds) that aim to track as closely as reasonably possible the performance of the FTSE Developed Eurozone Index and the FTSE Developed ex Eurozone Index respectively. The fund aims to split exposure evenly between the two SSGA funds but exposure levels can vary from time to time.

**Risk Profile:**

**High Risk**
**Managed By:** Underlying funds are managed by SSGA

**Style:** Passively managed

**Asset Mix:** Equity based

**At a Glance**

Total Fund Size	€64 million
Launch Date	26.02.08

**Performance as at 01 January 2023**

Performance is based on the price calculated on 01 January 2023, which is calculated using close of market prices from the previous working day. Performance is quoted gross of taxation and gross of fund management charges. 'p.a.' means per annum.  
 Source: Longboat Analytics.

Cumulative	1Mth	3Mth	YTD	1Yr	3Yrs	5Yrs	10Yrs
Indexed All Equity Fund	-5.5%	6.4%	0.0%	-12.1%	15.4%	36.3%	149.0%
Annualised	1Mth	3Mth	YTD	1Yr	3Yrs (p.a.)	5Yrs (p.a.)	10Yrs (p.a.)
Indexed All Equity Fund	-5.5%	6.4%	0.0%	-12.1%	4.9%	6.4%	9.6%
Calendar Year	2022	2021	2020	2019	2018	2017	2016
Indexed All Equity Fund	-12.1%	26.7%	3.7%	29.4%	-8.7%	10.7%	8.5%

**Fund Performance from 01-02-2018 to 01-01-2023**

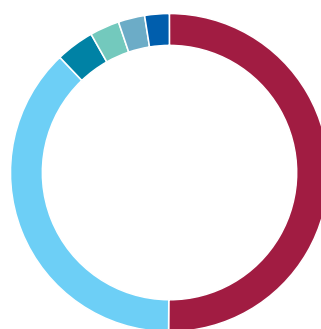
Source: Longboat Analytics

**Selected Fund:**
 33.2% Indexed All Equity Fund


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**Geographic Split**

as at 31 December 2022



- 50.1% Other Eurozone Equities
- 37.8% North American Equities
- 3.9% Japanese Equities
- 3% Other Pacific Basin Equities
- 2.7% Other European Equities
- 2.5% U.K. Equities

Source: Longboat Analytics

**Continued overleaf:**

**Fund Commentary - Gordon Kearney, Investment Manager, SSGA Investment Solutions Group December 2022**

Following gains in the previous two months, global developed equity markets recorded negative returns in December. European equities tended to outperform US counterparts. Japan's market was weaker following Bank of Japan policy changes. Among global sectors, utilities and healthcare were the strongest as investor sentiment turned more cautious in response to central bank messaging. The consumer discretionary sector lagged amid higher costs of living, and technology was also lower than expected. Value stocks, focused on intrinsic company value, outperformed Growth stocks, focused on earnings growth, in December.

**Risk Factors of Investing**

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**Sustainability Risks**

Every fund is exposed to some degree of sustainability risks. If a sustainability risk materialises, the impact on the fund would depend on how the event impacts the price of the asset (for example bond, equity, property or other asset) that the fund invests in. For severe events this can be significant and the impact is likely to be greater for equities and property than bonds or alternatives. A fund diversified across multiple asset classes and regions will lower the potential adverse impact on the return if a sustainable event materialises. The investments underlying this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

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**Fund Description:**

This fund aims to approximately match the cost of buying a pension annuity by investing in Eurozone Government long-dated bonds.

**Risk Profile:**

**Medium Risk**
**Managed By:** Underlying fund is managed by SSGA

**Style:** Passively managed

**Asset Mix:** Bonds

**At a Glance**

Total Fund Size €33 million

Launch Date 05.09.06

**Performance as at 01 January 2023**

Performance is based on the price calculated on 01 January 2023, which is calculated using close of market prices from the previous working day. Performance is quoted gross of taxation and gross of fund management charges. 'p.a.' means per annum. Source: Longboat Analytics.

Cumulative	1Mth	3Mth	YTD	1Yr	3Yrs	5Yrs	10Yrs
Indexed Eurozone Long Bond Fund	-7.6%	-3.1%	0.0%	-27.9%	-26.9%	-17.6%	2.9%


Annualised	1Mth	3Mth	YTD	1Yr	3Yrs (p.a.)	5Yrs (p.a.)	10Yrs (p.a.)
Indexed Eurozone Long Bond Fund	-7.6%	-3.1%	0.0%	-27.9%	-9.9%	-3.8%	0.3%

Calendar Year	2022	2021	2020	2019	2018	2017	2016
Indexed Eurozone Long Bond Fund	-27.9%	-5.8%	7.6%	8.5%	3.8%	-0.9%	7.6%

**Fund Performance from 01-02-2018 to 01-01-2023**

Source: Longboat Analytics


**Selected Fund:**
 -16.4% Indexed Eurozone Long Bond Fund

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Continued overleaf:



### Risk Factors of Investing

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**Risk Profile:**

# Lifestyle

**Managed By:**

State Street Global Advisors (SSGA) is the main investment manager. This can change from time to time at the discretion of New Ireland.

**Style:**

Passively managed

**Asset Mix:**

Equities, property, bonds, cash and the PRIME 3 Fund.

**At a Glance**

Total Fund Size €1,559 million  
 Launch Date 20.11.08

**Performance as at 01 January 2023**

Performance is based on the price calculated on 01 January 2023, which is calculated using close of market prices from the previous working day. Performance is quoted gross of taxation and gross of fund management charges. 'p.a.' means per annum.  
 Source: Longboat Analytics.

Cumulative	1Mth	3Mth	YTD	1Yr	3Yrs	5Yrs	10Yrs
Passive IRIS Fund 2021	-1.5%	0.4%	0.0%	-5.8%	0.2%	7.6%	50.4%

Annualised	1Mth	3Mth	YTD	1Yr	3Yrs (p.a.)	5Yrs (p.a.)	10Yrs (p.a.)
Passive IRIS Fund 2021	-1.5%	0.4%	0.0%	-5.8%	0.1%	1.5%	4.2%

Calendar Year	2022	2021	2020	2019	2018	2017	2016
Passive IRIS Fund 2021	-5.8%	6.8%	-0.3%	9.5%	-2.0%	4.6%	4.9%

**Fund Performance from 01-02-2018 to 01-01-2023**

Source: Longboat Analytics

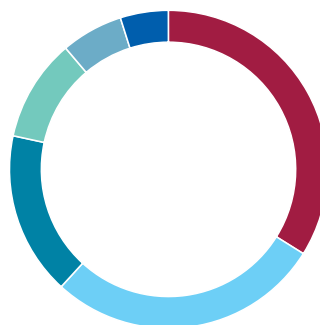

**Selected Fund:**

7.2% Passive IRIS Fund 2021

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**Asset Split**

as at 31 December 2022



33.9%	Cash
27.9%	Equities
16.6%	Government Bonds
10.4%	Alternative Investments
6.3%	Corporate Bonds
4.9%	Property

Source: Longboat Analytics

**Continued overleaf:**

## Risk Factors of Investing

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**Fund Description:**

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**Risk Profile:**

# Lifestyle

**Managed By:**

State Street Global Advisors (SSGA) is the main investment manager. This can change from time to time at the discretion of New Ireland.

**Style:**

Passively managed

**Asset Mix:**

Equities, property, bonds, cash and the PRIME 3 Fund.

**At a Glance**

Total Fund Size €1,559 million  
 Launch Date 09.02.10

**Performance as at 01 January 2023**

Performance is based on the price calculated on 01 January 2023, which is calculated using close of market prices from the previous working day. Performance is quoted gross of taxation and gross of fund management charges. 'p.a.' means per annum.  
 Source: Longboat Analytics.

Cumulative	1Mth	3Mth	YTD	1Yr	3Yrs	5Yrs	10Yrs
Passive IRIS Fund 2023	-1.8%	0.6%	0.0%	-7.5%	1.3%	10.3%	62.2%

Annualised	1Mth	3Mth	YTD	1Yr	3Yrs (p.a.)	5Yrs (p.a.)	10Yrs (p.a.)
Passive IRIS Fund 2023	-1.8%	0.6%	0.0%	-7.5%	0.4%	2.0%	5.0%

Calendar Year	2022	2021	2020	2019	2018	2017	2016
Passive IRIS Fund 2023	-7.5%	7.6%	1.8%	11.7%	-2.6%	6.5%	6.0%

**Fund Performance from 01-02-2018 to 01-01-2023**

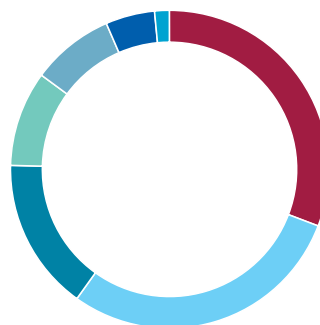
Source: Longboat Analytics


**Selected Fund:**
 9.7% Passive IRIS Fund 2023

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## Asset Split

as at 31 December 2022



- 30.8% Cash
- 29.1% Equities
- 15.5% Government Bonds
- 9.7% Alternative Investments
- 8.4% Corporate Bonds
- 5% Property
- 1.5% Long Bonds

Source: Longboat Analytics

**Continued overleaf:**

## Risk Factors of Investing

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**Risk Profile:**

# Lifestyle

**Managed By:**

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**Style:**

Passively managed

**Asset Mix:**

Equities, property, bonds, cash and the PRIME 3 Fund.

**At a Glance**

Total Fund Size €1,559 million

Launch Date 07.09.06

**Performance as at 01 January 2023**

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Source: Longboat Analytics.

Cumulative	1Mth	3Mth	YTD	1Yr	3Yrs	5Yrs	10Yrs
Passive IRIS Fund 2024	-2.2%	0.7%	0.0%	-9.1%	1.2%	10.7%	68.9%
Annualised	1Mth	3Mth	YTD	1Yr	3Yrs (p.a.)	5Yrs (p.a.)	10Yrs (p.a.)
Passive IRIS Fund 2024	-2.2%	0.7%	0.0%	-9.1%	0.4%	2.1%	5.4%
Calendar Year	2022	2021	2020	2019	2018	2017	2016
Passive IRIS Fund 2024	-9.1%	8.0%	3.0%	12.7%	-2.9%	7.1%	6.3%

**Fund Performance from 01-02-2018 to 01-01-2023**

Source: Longboat Analytics

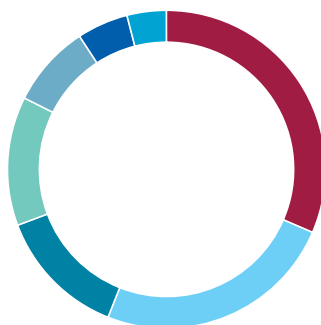

**Selected Fund:**

9.9% Passive IRIS Fund 2024

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## Asset Split

as at 31 December 2022



31.5%	Equities
24.5%	Cash
13.3%	Government Bonds
13.1%	Corporate Bonds
8.4%	Alternative Investments
5.2%	Property
4%	Long Bonds

Source: Longboat Analytics

Continued overleaf:

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**Risk Profile:**

# Lifestyle

**Managed By:**

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**Style:**

Passively managed

**Asset Mix:**

Equities, property, bonds, cash and the PRIME 3 Fund.

**At a Glance**

Total Fund Size €1,559 million  
 Launch Date 07.09.06

**Performance as at 01 January 2023**

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 Source: Longboat Analytics.

Cumulative	1Mth	3Mth	YTD	1Yr	3Yrs	5Yrs	10Yrs
Passive IRIS Fund 2025	-2.7%	0.8%	0.0%	-10.5%	1.0%	10.9%	71.3%

Annualised	1Mth	3Mth	YTD	1Yr	3Yrs (p.a.)	5Yrs (p.a.)	10Yrs (p.a.)
Passive IRIS Fund 2025	-2.7%	0.8%	0.0%	-10.5%	0.3%	2.1%	5.5%

Calendar Year	2022	2021	2020	2019	2018	2017	2016
Passive IRIS Fund 2025	-10.5%	8.4%	4.1%	13.7%	-3.3%	7.9%	6.5%

**Fund Performance from 01-02-2018 to 01-01-2023**

Source: Longboat Analytics

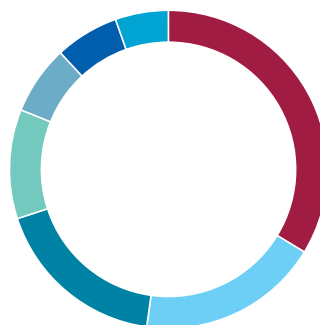

**Selected Fund:**

10.0% Passive IRIS Fund 2025

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## Asset Split

as at 31 December 2022



33.7%	Equities
18.5%	Cash
17.8%	Corporate Bonds
11.1%	Government Bonds
7%	Alternative Investments
6.5%	Long Bonds
5.4%	Property

Source: Longboat Analytics

**Continued overleaf:**



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While we believe the information set out is reliable, we cannot guarantee its accuracy. Mention of specific assets does not constitute an offer or recommendation to invest in those assets. Please talk to your financial broker or advisor and refer to the fund information available on our website [www.newireland.ie/fundcentre](http://www.newireland.ie/fundcentre) for the key features of the fund, charges, risks associated with investing and for a description of the stated risk profile. If we refer to a fund as closed, this means the fund is closed to new investment. For some funds that invest in shares or bonds, the assets in that fund may be used for the purpose of securities lending in order to earn an additional return for the fund. While securities lending increases the level of risk within a fund it provides an opportunity to increase the investment return. New Ireland Assurance Company plc is regulated by the Central Bank of Ireland. A member of Bank of Ireland Group. The Company may hold units in the fund mentioned on its own account. This fund fact sheet was generated on the 02 February 2023.

**Fund Description:**

The aim of IRIS funds is to grow and safeguard a pension investor's retirement savings based on their expected year of retirement. IRIS is a lifestyle investment strategy aimed primarily at pension investors who want to take a retirement lump sum and invest in an Approved Retirement Fund (ARF) at retirement. We gradually switch your money from a higher risk investment strategy in the earlier years, to a medium / low risk strategy on the run up to retirement.

**Risk Profile:**

# Lifestyle

**Managed By:**

State Street Global Advisors (SSGA) is the main investment manager. This can change from time to time at the discretion of New Ireland.

**Style:**

Passively managed

**Asset Mix:**

Equities, property, bonds, cash and the PRIME 3 Fund.

**At a Glance**

Total Fund Size €1,559 million  
 Launch Date 07.09.06

**Performance as at 01 January 2023**

Performance is based on the price calculated on 01 January 2023, which is calculated using close of market prices from the previous working day. Performance is quoted gross of taxation and gross of fund management charges. 'p.a.' means per annum.  
 Source: Longboat Analytics.

Cumulative	1Mth	3Mth	YTD	1Yr	3Yrs	5Yrs	10Yrs
Passive IRIS Fund 2026	-3.1%	1.0%	0.0%	-12.0%	0.6%	10.9%	73.2%

Annualised	1Mth	3Mth	YTD	1Yr	3Yrs (p.a.)	5Yrs (p.a.)	10Yrs (p.a.)
Passive IRIS Fund 2026	-3.1%	1.0%	0.0%	-12.0%	0.2%	2.1%	5.6%

Calendar Year	2022	2021	2020	2019	2018	2017	2016
Passive IRIS Fund 2026	-12.0%	8.9%	4.9%	14.7%	-3.9%	8.6%	6.8%

**Fund Performance from 01-02-2018 to 01-01-2023**

Source: Longboat Analytics

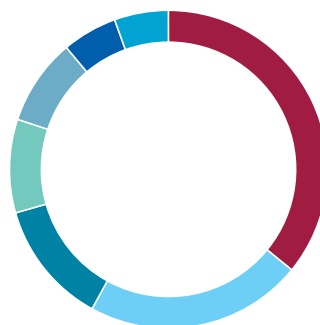

**Selected Fund:**

9.8% Passive IRIS Fund 2026

Warning: Past performance is not a reliable guide to future performance.  
 Warning: The value of your investment may go down as well as up.  
 Warning: This fund may be affected by changes in currency exchange rates.  
 Warning: If you invest in this fund you may lose some or all of the money you invest.

## Asset Split

as at 31 December 2022



35.9%	Equities
22.1%	Corporate Bonds
12.6%	Cash
9.5%	Long Bonds
8.8%	Government Bonds
5.6%	Alternative Investments
5.5%	Property

Source: Longboat Analytics

**Continued overleaf:**

## Risk Factors of Investing

At New Ireland we classify our wide range of funds into seven different risk categories to help you better understand the risks to your original investment. Investing should always be considered over the medium to long-term (at least 5-7 years) so as to reduce the risk of short-term volatility. However, even long-term investing involves risk as values will fluctuate over time. Please talk to your financial broker or advisor and refer to the fund information available on our website [www.newireland.ie](http://www.newireland.ie) for the key features of the fund, charges, risks associated with investing and for a description of the stated risk profile. Separately European Union (EU) law also requires that a risk indicator be applied to a fund if certain products are held (excludes pensions), and it may differ from the New Ireland risk category. The EU indicator is stated in the Fund Information Sheet and can be found at <http://fundcentre.newireland.ie/#KIDS>.

## Sustainability Risks

Every fund is exposed to some degree of sustainability risks. If a sustainability risk materialises, the impact on the fund would depend on how the event impacts the price of the asset (for example bond, equity, property or other asset) that the fund invests in. For severe events this can be significant and the impact is likely to be greater for equities and property than bonds or alternatives. A fund diversified across multiple asset classes and regions will lower the potential adverse impact on the return if a sustainable event materialises. The investments underlying this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

**Warning: Past performance is not a reliable guide to future performance.**

**Warning: The value of your investment may go down as well as up.**

**Warning: This fund may be affected by changes in currency exchange rates.**

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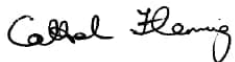
**The Law Society of Ireland Pension and Life Assurance Scheme  
Year ended 31 December 2022**

**Pensions Authority reference number PB 3399**

**Actuary's Statement**

The last Actuarial Funding Certificate was prepared with an effective date of 31 December 2021. This certificate confirmed that the Plan 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 Plan 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 Plan as at 31 December 2022. Based on that review, I am reasonably satisfied that the Plan continued to meet the Funding Standard and the Funding Standard Reserve at that effective date.



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Cathal Fleming  
Scheme Actuary Certificate Number P109  
Fellow of the Society of Actuaries in Ireland  
Date: 31 August 2023



**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:** 01/03/1969

**SCHEME REFERENCE NO.:** PB3399

**EFFECTIVE DATE:** 31/12/2021

**EFFECTIVE DATE OF PREVIOUS CERTIFICATE (IF ANY):** 31/12/2018

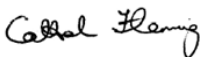
On the basis of information supplied to me, having complied with any guidance prescribed under section 42(4)(b) of the Act and, subject thereto, having regard to such financial and other assumptions as I consider to be appropriate, I am of the opinion that at the effective date of this certificate:-

(1) the resources of the scheme, which are calculated for the purposes of section 44(1) of the Act to be €51,067,000.00, 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 €39,542,000.00, 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:**  **Date:** 30/09/2022

**Name:** Mr. Cathal Fleming **Qualification:** FSAI

**Name of Actuary's Employer/Firm:** Mercer (Ireland) Limited **Scheme Actuary Certificate No.:** P109

**Submission Details**

**Submission Number:** SR2994390 **Submitted Electronically on:** 30/09/2022

**Submitted by:** Cathal Fleming



**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:** 01/03/1969

**SCHEME REFERENCE NO.:** PB3399

**EFFECTIVE DATE:** 31/12/2021

**EFFECTIVE DATE OF PREVIOUS CERTIFICATE (IF ANY):** 31/12/2018

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 €37,408,000.00,

(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 €48,933,000.00,

(3) €23,335,000.00, 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 €1,407,000.00,

(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 -€43,000.00,

(6) the aggregate of (4) and (5) above amounts to €1,364,000.00, and

(7) the additional resources (as defined in the Act) of the scheme amount to €11,525,000.00, 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.

<b>Signature:</b>	<u>Cathal Fleming</u>	<b>Date:</b>	<u>30/09/2022</u>
<b>Name:</b>	<u>Mr. Cathal Fleming</u>	<b>Qualification:</b>	<u>FSAI</u>
<b>Name of Actuary's Employer/Firm:</b>	<u>Mercer (Ireland) Limited</u>	<b>Scheme Actuary Certificate No.:</b>	<u>P109</u>

### Submission Details

<b>Submission Number:</b>	SR2994399	<b>Submitted Electronically on:</b>	30/09/2022
<b>Submitted by:</b>	Cathal Fleming		

## The Law Society of Ireland Pension and Life Assurance Scheme (“the Scheme”) –PB3399

### Report on Actuarial Liabilities

Under Section 56 of the Pensions Act, 1990, and associated regulations, the trustees of a defined benefit pension plan are required to have a valuation<sup>1</sup> of the plan prepared on a triennial basis. The most recent formal actuarial valuation of the Scheme was carried out as at 31 December 2021. 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	49,384
Value of Accrued Liability	<u>52,826</u>
Surplus / (Deficit)	(3,443)
Funding Level	93%

### 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):

<b>Financial assumptions</b>	
<i>Discount Rate</i>	
Pre-retirement	3.00%
Post-retirement	1.00%
<i>Benefit Increases</i>	
Price inflation	2.00%
Salary increases	2.50%
Pension increases	1.20%
<b>Demographic assumptions</b>	
Post retirement mortality table	S3PNA CMI 2019 [1.5%]
Future life expectancies	Male                      Female
Current retiree aged 65	22.4                      24.1
Future retiree at age 65 (currently age 45)	24.1                      26.0
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 2024.

<sup>1</sup> It should be borne in mind that a valuation is only a snapshot of a plan’s estimated financial condition at a particular point in time; it does not provide any guarantee of future financial soundness of a plan. Over time, a plan’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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Charlotte House, Charlemont Street, Dublin 2. Registered in Ireland No. 28158.  
Directors: Brian Caulfield, John Mercer, Mary O'Malley, Patrick Healy and Cara Ryan.

