

William Hill Pension Scheme

Trustee's Report (continued)

DC Governance Statement

Introduction

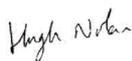
I am pleased to present the Trustee's annual statement of governance, covering the period 1 October 2018 to 30 September 2019.

Regulations effective from 6th April 2015 require the Trustee of the William Hill Pension Scheme (the "Trustee" of the "Scheme") to prepare a statement showing how it has met certain minimum governance standards in relation to defined contribution benefits. The Scheme is a hybrid arrangement and as such there are members of the DB Section who have AVC funds with Standard Life and Equitable Life (now-Utmost Life) as well as being invested in the DC Section of the Scheme.

The Scheme's mission is to help members attain a good financial outcome for life after work. This statement describes the work that the Trustee has done to achieve that, and how it seeks to ensure that the Scheme is well-managed and delivers excellent services to members.

This statement covers five key areas:

1. The investment strategy relating to the Scheme's default arrangement;
2. The processing of core financial transactions;
3. Charges and transaction costs within the Scheme;
4. Value for Members considerations; and
5. The Trustee's compliance with the statutory knowledge and understanding ('TKU') requirements.



**Hugh Nolan, for Dalriada Trustees Limited
Chair of William Hill Trustee Limited**

30 April 2020

William Hill Pension Scheme

Trustee's Report (continued)

DC Governance Statement (continued)

1. The Scheme's default investment arrangements

In accordance with Regulation 23 of the Occupational Pension Scheme (Scheme Administration) Regulations 1996, the Trustee has appended the latest copy of the Statement of Investment Principles (the 'SIP'), including the default SIP, dated 29 September 2019. The SIP has been prepared for the Scheme in compliance with Section 35 of the Pensions Act 1995 and regulation 2 / regulation 2A of the Occupational Pension Schemes (Investment) Regulations 2005.

The SIP covers the aims and objectives of the default investment arrangements as well as its policies in relation to matters such as risk and diversification. It also states why the Trustee believes the default investment arrangement to be designed in members' best interests.

The Trustee recognises that members have differing investment needs and that these may change during the course of members' working lives. The Trustee also recognises that members have different attitudes to risk. The Trustee believes that members should make their own investment decisions based on their individual circumstances. The Trustee regards their duty as making available a range of investment options and lifestyle strategies sufficient to enable members to tailor their investment strategy to their own needs.

The Trustee also recognises that members may not believe themselves qualified to take investment decisions. As such the Trustee makes available two Default Investment Strategies – one for PSP members and one for EPP members. The Default Investment Strategies place the emphasis on aiming to deliver a good level of real return over members' working lifetimes (whilst mitigating risk through diversification) and also encompasses de-risking in the years approaching a member's selected target retirement age into asset classes designed to be appropriate for how a member expects to withdraw their benefits in retirement. These are set out later in this Statement.

These objectives translate to the following principles:

- a. Offering members a 'Lifestyle' approach to the Default Investment Strategy and ensuring that the other investment strategy options including additional lifestyle strategies allow members to plan for retirement;
- b. Making available a range of pooled investment funds (asset classes to include equities, bond and alternatives) and lifestyle strategies which serve to meet the varying investment needs and risk tolerances of Scheme members;
- c. Actively managed funds will only be included to the extent that the Trustee has a high level of confidence in the respective investment managers achieving their performance objectives, net of active investment management fees;

The range of pooled investment funds will have strategies including additional lifestyle strategies that are highly rated by the Trustee's investment adviser unless the Trustee decides there is good reason not to;

William Hill Pension Scheme

DC Governance Statement (continued)

1. The Scheme's default investment arrangements (continued)

- a. Providing general guidance as to the purpose of each investment option;
- b. Encouraging members to seek financial advice from an appropriate party in determining the most suitable option for their individual circumstances;
- c. In determining an appropriate balance between providing flexibility and choice, as well as simplicity and cost control, the Trustee aims to make available a range of options which satisfy the needs of the majority of members.
- d. The Trustee regularly reviews the suitability of the options including additional lifestyle strategies provided and from time to time will change or introduce additional fund choices as appropriate.

The SIP is also available at <https://www.williamhillpensions.co.uk/library>. Furthermore, this Chair's Statement will be published on the William Hill Pension Scheme website. Both documents will be discoverable by search engine and signposted in the annual benefit statements.

The assets of the DC Section are invested with Legal & General Investment Management ('LGIM'). Some members also have AVC assets in funds managed by Standard Life and Equitable Life (now Utmost Life and Pensions). There are four pools of DC assets: The Pension Savings Plan 2001 ('PSP'), the Employee Pension Plan ('EPP'), the Transfers In and the AVCs.

The Trustee monitors how the funds within the Scheme's default investment arrangements (and the wider self-select fund options) have performed against their targets at each quarterly meeting, taking input from its professional investment advisors. The Trustee also maintains a programme of ongoing review of the suitability of the default arrangements, considering member demographics including contribution rate, how members withdraw benefits at retirement, the ages at which they do so and the size of their funds.

The most recent review of the suitability of the default investment arrangements was completed by the Trustee at the 20 September 2018 Trustee meeting. The review took into account performance in line with the aims and objectives of the Trustee outlined in the default SIP, recent industry retirement trends and member demographics including age and pot size. No changes have been made to the investment arrangements as a result of this review in the Scheme year.

William Hill Pension Scheme

Trustee's Report (continued)

DC Governance Statement (continued)

1. The Scheme's default investment arrangements (continued)

The Trustee currently offers three lifestyle strategies:

- **Annuity Lifestyle Strategy** – for those planning to buy a level annuity (a fixed pension income for life) at their target retirement date. This is the current default investment option for PSP members that do not make their own investment decision.

Years to Retirement	LGIM Diversified Fund (%)	LGIM Global Equity Market Weights (30:70) Index Fund – 75% GBP Currency Hedged (%)	LGIM Pre-Retirement Fund (%)	LGIM Sterling Liquidity Fund (%)
10	50.00	50.00	0.00	0.00
9	50.00	50.00	0.00	0.00
8	50.00	50.00	0.00	0.00
7	50.00	37.50	12.50	0.00
6	50.00	25.00	25.00	0.00
5	50.00	12.50	37.50	0.00
4	50.00	0.00	50.00	0.00
3	37.50	0.00	56.25	6.25
2	25.00	0.00	62.50	12.50
1	12.50	0.00	68.75	18.75
0	0.00	0.00	75.00	25.00

- **Cash Lifestyle Strategy** - for those planning to take their DC savings as a cash lump sum. This is the default investment option for EPP members that do not make their own investment decision.

Years to Retirement	LGIM Diversified Fund (%)	LGIM Global Equity Market Weights (30:70) Index Fund – 75% GBP Currency Hedged (%)	LGIM Pre-Retirement Fund (%)	LGIM Sterling Liquidity Fund (%)
10	50.0	50.0	0.0	0.0
9	50.0	50.0	0.0	0.0
8	50.0	50.0	0.0	0.0
7	50.0	37.5	12.5	0.0
6	50.0	25.0	25.0	0.0
5	50.0	12.5	37.5	0.0
4	50.0	0.0	50.0	0.0
3	37.5	0.0	37.5	25.0
2	25.0	0.0	25.0	50.0
1	12.5	0.0	12.5	75.0
0	0.0	0.0	0.0	100.0

William Hill Pension Scheme

Trustee's Report (continued)

DC Governance Statement (continued)

1. The Scheme's default investment arrangements (continued)

- **Drawdown Lifestyle Strategy** - for members planning to leave their DC savings invested and withdraw income flexibly over time. Members who wish to drawdown their savings in retirement would have to transfer their DC savings out of the Scheme at retirement to a drawdown provider.

Years to Retirement	LGIM Diversified Fund (%)	LGIM Global Equity Market Weights (30:70) Index Fund – 75% GBP Currency Hedged (%)	LGIM Pre-Retirement Fund (%)	LGIM Sterling Liquidity Fund (%)
10	50.00	50.00	0.00	0.00
9	50.00	50.00	0.00	0.00
8	50.00	50.00	0.00	0.00
7	50.00	43.75	6.25	0.00
6	50.00	37.50	12.50	0.00
5	50.00	31.25	18.75	0.00
4	50.00	25.00	25.00	0.00
3	50.00	18.75	25.00	6.25
2	50.00	12.50	25.00	12.50
1	50.00	6.25	25.00	18.75
0	50.00	0.00	25.00	25.00

Environmental, Social and Governance Factors in Investments

The Trustee acknowledges the DWP's requirements that came into force on 1 October 2019 that state the SIP should set out how the Trustee takes account of financially material considerations, including Environmental, Social and Governance (ESG) considerations, and explicitly climate change. The SIP must also include the approach to the stewardship of the investments and how the Trustee takes account (if at all) of member views on 'non-financial matters'. The Trustee has received training on this topic and has updated the SIP to reflect their ESG beliefs.

In terms of monitoring ESG issues within the current fund range, the Trustee's investment advisor provides ESG fund ratings on a quarterly basis. These ratings represent the extent to which managers integrate ESG factors and active ownership into their core processes.

2. The processing of Scheme financial transactions

As required by the Administration Regulations, the Trustee must ensure that "core financial transactions" are processed promptly and accurately. Core financial transactions are (broadly):

- Investment of contributions made to the Scheme by members and their employer(s);
- Transfers into and out of the Scheme of assets relating to members;
- Switches of members' investments between different funds within the Scheme; and
- Payments from the Scheme to or in respect of members (e.g. payment of death benefits).

William Hill Pension Scheme

Trustee's Report (continued)

DC Governance Statement (continued)

2. The processing of Scheme financial transactions

The Trustee recognises that delay and error in processing transactions can cause significant losses for members. Delays in processing can also cause members to lose faith in schemes which may in turn reduce their propensity to save and impair future outcomes. The Trustee therefore operates measures and controls aimed at ensuring that all financial transactions (such as benefit payments and switches between funds) are processed promptly and accurately.

The Scheme's administration is outsourced to Capita Employee Benefits Limited ('Capita'). As part of that model, the Trustee has agreed timescales with Capita for the processing of all member-related services, including core financial functions such as benefit quotations, investment switches and benefit payments. These timescales are well within any applicable statutory timescale and are summarised in table 1 below. This records the main measures and controls that the Trustee operates to satisfy themselves that the Scheme's financial transactions are both prompt and accurate, including regular evaluation of Scheme data and reporting of all member complaints to the Trustee.

Table 1 Timescales for benefit processing

Task	Service Level Agreement	Comment
Transfer out	18 working days	Subject to receipt of monies and the Fund Manager's own dealing dates
Transfer in	24 working days	Subject to receipt of monies and the Fund Manager's own dealing dates
Retirement – UFPLS	13 working days	Subject to receipt of monies and the Fund Manager's own dealing dates
Death claim – issue documentation	5 working days	
Investment switch – post or email	8 working days	Subject to receipt of monies and the Fund Manager's own dealing dates

William Hill Pension Scheme

Trustee's Report (continued)

DC Governance Statement (continued)

2. The processing of Scheme financial transactions

Table 2 Internal Controls

Core financial transaction	Key internal control
Investment switches requested by members	Promptness <ul style="list-style-type: none"> Administrator's SLA for member initiated switching investments is 1 working day from date of request. Lifestyle switching is subject to an agreed matrix and is carried out on the 1st day of each quarter (1st January, 1st April, 1st July, 1st October).
	Accuracy <ul style="list-style-type: none"> All switches are reconciled by administrator with the fund manager transaction statements. All members are notified when a member-initiated investment switch is completed. Members are notified when their switch has been completed and provided with a revised unit holding.
Payment of benefits to members, including retirements, transfers and death benefits	Promptness <ul style="list-style-type: none"> Cash flow preparation includes identification of forthcoming benefit payments. SLAs for core benefit transactions (retirements, deaths and transfers) help ensure that member wishes are known well in advance of benefit payment date by, for example, asking members to confirm retirement options several months in advance of their selected retirement date. Annual appraisal of common data helps ensure that member data is accurate, reducing the likelihood of delay from data gaps. All member complaints must be reported to the Trustee, even where no breach of agreed timescales has occurred. All member complaints are reported to the Trustee via the quarterly administration report regardless of their origin or outcome.
	Accuracy <ul style="list-style-type: none"> Administrator operates peer review system for all benefit calculations. Data accuracy is subject to regular evaluation and updating.

Other controls that address the promptness and accuracy of core financial controls include:

- The administrators record all member transactions and benefit processing activities in a work management system which assigns the relevant timescale to the task. They must disclose quarterly to the Trustee their performance against these agreed timescales. These disclosures are considered by the Trustee at its quarterly meetings.
- The Trustee requires additional disclosures in respect of any transactions and benefit processing activity that have not been completed within the agreed timescales including the cause of the delay, the extent to which agreed timescales were breached and the proposed remedial measures. None of the breaches of agreed timescale during the period covered by this statement are regarded as a matter for significant concern.

William Hill Pension Scheme

Trustee's Report (continued)

DC Governance Statement (continued)

2. The processing of Scheme financial transactions (continued)

Furthermore, in producing the Scheme's Annual Report and Accounts, the Trustee and the Auditor (Grant Thornton LLP) also review a sample of core financial transactions. The Auditor also carries out holistic reviews for reasonableness and consistency and undertakes checks to ensure that the Schedule of Contributions has been adhered to. No issues have been raised by the Auditor.

As part of a wider review of the Scheme's general administration, the Trustee receives the Scheme administrator's assurance report on internal controls, reviewed by Capita's auditor (KPMG LLP). For the Scheme year, the report received was for the period 1 January to 31 December 2018 and included the Independent Service Auditor's opinion that, in all material aspects, its controls were suitably designed and those tested operated effectively.

Following their monitoring activities, the Trustee was satisfied that there were no significant issues with the core administration functions delivered by Capita for the DC Section over the reporting period of this Statement and that core financial were processed promptly and accurately in the Scheme year.

3. Charges and transaction costs within the Scheme

The Trustee benchmarks LGIM's charges against comparable alternatives and has negotiated with fund managers accordingly. It regards this process as fundamental to its mission of helping members achieve good outcomes, given the potential for investment-related charges to erode members' fund sizes. At the same time, the Trustee does not regard value as solely about achieving the lowest costs - rather, it is a measure of the extent to which economic outlays (or 'price') are converted to provide the performance targets (or 'performance') for members that the Trustee seeks to achieve.

As required by the Administration Regulations, the Trustee is required to report on the charges and transaction costs for the investments used in the default investment option as well as the wider fund choice available and assess the extent to which the charges and costs represent good value for members.

The table below shows the Total Expense Ratio ('TER') and the transaction costs for each of the funds underlying the Scheme's default investment arrangements as well as the wider self-select fund range and AVC arrangements.

The TER comprises the investment manager's annual charge for managing and operating a fund, but also includes the costs of other services paid for by the fund, such as the legal costs, registration fees and custodian fees. However, it excludes other costs that are also member borne and which can therefore have a negative effect on investment performance such as transaction costs and interest on borrowings.

Transaction costs are the expenses associated with a member trading in and out of a fund as well as the investment manager trading a fund's underlying securities, including commissions taxes and other fees.

William Hill Pension Scheme

Trustee's Report (continued)

DC Governance Statement (continued)

3. Charges and transaction costs within the scheme (continued)

DC Section

LGIM Funds	Scheme TER (% p.a.)	Transaction Cost (% p.a.)
Funds used in the lifestyle strategies (and default investment options)		
Global Equity Market Weights 30:70 Index Fund - 75% GBP Currency Hedged	0.11	0.041
Diversified	0.20	-0.043
Pre-Retirement	0.15	0.007
Sterling Liquidity	0.13	-0.022
Self-select funds (PSP, EPP, AVCs and Transfers In)		
UK Equity (5% capped) Passive	0.14	0.023
Global Equity Market Weights 30:70 Index Fund - 75% GBP Currency Hedged	0.11	0.041
Overseas Equity Consensus Index	0.15	-0.002
World Emerging Markets Equity Index	0.47	0.020
AAA-AA-A Corporate Bond All Stocks Index	0.15	-0.026
Diversified	0.20	-0.043
Pre-Retirement	0.15	0.007
Pre-Retirement Inflation Linked	0.13	0.025
Property	0.95	-0.434
Sterling Liquidity	0.13	-0.022

Source: Legal & General, as at 30 September 2019

Due to the way in which transaction costs are calculated, they can be negative or positive in nature; a negative figure is effectively a gain from trading activity, whilst a positive figure is effectively a cost from trading activity.

Standard Life AVC funds

Standard Life Funds	Scheme TER (% p.a.)	Transaction Cost (% p.a.)
Managed	0.67*	0.121

*Includes a 0.35% p.a. discount

Members also received further discounts from Standard Life based on the following fund value structure for the managed fund:

Fund Value Threshold (£)	Rate (% p.a.)
0	0.00
10,000	0.10
20,000	0.20

Members also have investments in With Profits funds with Standard Life via the AVC section. The actual performance received by members, net of charges, is only ever known upon maturity/surrender, after any augmentation for guaranteed terms and after the effect of 'smoothing'. Payouts on surrender and maturity will reflect all charges incurred, though they are not separately identified.

With-Profits Funds

Standard Life Funds	Scheme TER (% p.a.)	Transaction Cost (% p.a.)
Millennium (With Profits) Fund	N/A	0.059
With Profits Fund	N/A	0.096

Source: Standard Life, as at 30 September 2019

William Hill Pension Scheme

Trustee's Report (continued)

DC Governance Statement (continued)

3. Charges and transaction costs within the scheme (continued)

Equitable Life Funds	Scheme TER (% p.a.)	Transaction Cost (% p.a.)
With Profits Fund	1.00	1.036

Source: *Equitable Life, as at 30 September 2019*

Reporting of Costs and Charges- Illustrative example of the cumulative effect over time of costs and charges on the value of a member's benefits

Using the charges and transaction cost data provided by LGIM and Standard Life Investments, and in accordance with regulation 23(1)(ca) of the Administration Regulations, as inserted by the Occupational Pension Schemes (Administration and Disclosure) (Amendment) Regulations 2018, the Trustee has prepared an illustration detailing the cumulative impact of the costs and charges typically paid by a member of the Scheme over time on their retirement savings pot. The statutory guidance provided has been considered when providing these examples.

The below illustration has taken into account the following elements:

- Savings pot size;
- Contributions;
- Real term investment return gross of costs and charges;
- Adjustment for the effect of costs and charges; and
- Time.

Due to the diverse Scheme demographics, the Trustee has presented two sets of illustrations to represent the members in the EPP and PSP. For the first set, the Trustee has based this on the youngest member age of 20 and 19, using a starting pot size of £4,500 and £1,500 and salary of £26,000 and £13,500, for PSP and EPP respectively. These values are based on the mean of the fund values and salaries for members up to age 25. A contribution scale of 10% is used for the PSP scheme and 8% for the EPP scheme.

The second set is based on a "typical member" in both the PSP and EPP arrangements, starting from age 46 and 31 based on the median age of the PSP and EPP members respectively, with a starting pot size of £51,000 and £3,000 and the corresponding average salary of £39,000 and £15,500 within the respective age groups. A contribution scale of 10% is used for the PSP scheme and 8% for the EPP scheme. The same contribution scale of 10% and 8% for the respective scheme are used as a prudent measure.

Other than the illustration of the most popular fund/arrangement (in this case the default arrangements), the illustration also should show a representative range of assumed investment returns and charges (in respect of both DC and AVC investments), including:

- i) lowest charge, ii) highest charge, iii) lowest assumed level of growth, and iv) highest assumed level of growth.

For investment options other than default strategies, we have used the assumptions used in the EPP section for the "youngest" and "typical" member.

William Hill Pension Scheme

Trustee's Report (continued)

DC Governance Statement (continued)

3. Charges and transaction costs within the scheme (continued)

Youngest Member:

Year End	PSP 2001		EPP		Most Expensive -		Cheapest & Highest Return -		Lowest Return -	
	Default Arrangement		Default Arrangement		LGIM Property Fund		LGIM Global Equity Market 30:70 Weighted Index Fund (75% GBP Hedged)		LGIM Sterling Liquidity Fund	
	No Charges	Charges deducted	No Charges	Charges deducted	No Charges	Charges deducted	No Charges	Charges deducted	No Charges	Charges deducted
0	4,500	4,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500
1	7,258	7,245	2,797	2,792	2,783	2,768	2,641	2,634	2,560	2,554
5	19,073	18,954	8,356	8,305	8,182	8,037	7,561	7,497	6,695	6,637
10	35,781	35,380	16,216	16,039	15,580	15,088	14,601	14,380	11,636	11,461
15	54,935	54,047	25,226	24,828	23,770	22,693	22,780	22,280	16,334	15,990
20	76,895	75,260	35,557	34,816	32,839	30,897	32,280	31,347	20,803	20,242
30	130,933	126,764	60,978	59,065	53,995	49,293	56,137	53,697	29,093	27,983
40	197,441	188,953	93,325	89,361	79,929	70,697	88,329	83,138	36,590	34,808
45	214,869	204,390	102,475	97,424	95,015	82,678	108,426	101,196	40,066	37,911
46			102,685	97,435	98,221	85,185	112,819	105,116	40,740	38,509

Typical Member:

Year End	PSP 2001		EPP		Most Expensive -		Cheapest & Highest Return -		Lowest Return -	
	Default Arrangement		Default Arrangement		LGIM Property Fund		LGIM Global Equity Market 30:70 Weighted Index Fund (75% GBP Hedged)		LGIM Sterling Liquidity Fund	
	No Charges	Charges deducted	No Charges	Charges deducted	No Charges	Charges deducted	No Charges	Charges deducted	No Charges	Charges deducted
0	51,000	51,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000
1	56,363	56,264	4,339	4,331	4,313	4,291	4,347	4,338	4,204	4,194
5	79,340	78,718	10,075	10,010	9,843	9,655	10,151	10,076	8,902	8,820
10	111,831	110,217	18,187	17,976	17,418	16,833	18,441	18,197	14,515	14,285
15	143,702	140,740	27,487	27,029	25,806	24,576	28,052	27,518	19,853	19,416
19	160,749	156,665	35,898	35,153	33,159	31,207	36,831	35,957	23,935	23,295
25			50,371	49,009	45,374	41,938	52,109	50,494	29,757	28,757
30			62,034	60,021	56,758	51,656	67,082	64,586	34,348	33,005
34			66,509	63,943	66,737	59,978	80,760	77,344	37,858	36,215

William Hill Pension Scheme

Trustee's Report (continued)

DC Governance Statement (continued)

3. Charges and transaction costs within the scheme (continued)

Notes:

1. Projected pension pot values are shown in today's terms, and do not need to be reduced further for the effect of future inflation.
2. Values are estimates and are not guaranteed
3. The projected growth rates use the same underlying SMPI assumptions plus any transaction costs.
4. The projected growth rate (SMPI only) for each fund are as follows:
 - i. PSP and EPP Default Fund: 2.75% p.a. before de-risking to -0.475% p.a. and -1.02% p.a. respectively at the end of de-risking phase, gross expected real return above inflation
 - ii. Most Expensive – LGIM Property Fund: 2.50% p.a. gross expected real return above inflation
 - iii. Cheapest and Highest Return – LGIM Global Equity Market 30:70 Weighted Index Fund (75% GBP Hedged): 3.00% p.a. gross expected real return above inflation.
 - iv. Lowest Return – LGIM Sterling liquidity: -1.00% p.a. gross expected real return above inflation
5. The Transaction Costs relate to the actual transaction costs incurred in the Scheme year. Negative transaction costs are assumed 0% as a prudent measure.

Whilst the Equitable Life With Profits Fund was the most expensive fund at the year-end (when including transaction costs), following the move to Utmost Life and Pensions and the disinvestment of these assets into unit linked funds from 1 January 2020 it would not be appropriate to provide an illustration as this fund is no longer in existence.

4. Value for Members considerations

The Trustee is committed to ensuring that members receive good value in respect of the DC and AVC arrangements in place within the Scheme. In conjunction with their professional advisors, they undertook a value for members assessment, in accordance with regulation 25(1)(b). The assessment was presented to the Trustee at the 19 December 2019 meeting, covering the period 1 October 2018 to 30 September 2019.

There is no legal definition of "good value", so the process of determining good value is a subjective one. Therefore, the Trustee assessment examines the current investment management charges relative to standard institutional fees, as well as looking at the fees for equivalent size mandates, Mercer Manager Research Ratings and historical performance. The review concluded that the Scheme's overall DC benefits and options represent **good value for money** in comparison to the costs payable by members of other scheme. The reasons underpinning this conclusion include:

- Charges for the Scheme's funds used by the default investment arrangements are significantly below the charge cap of 0.75% per annum;
- Charges for the majority of funds have been assessed by the Trustee's advisors as comparing favourably with those of peer funds;
- The funds used by the Scheme are highly rated by its investment advisors as having good prospects of achieving their risk and return objectives;
- The performance of the majority of the Scheme's funds over the 3 years (or 1 year where more recent inception) to 30 September 2019 compare favourably relative to the performance benchmarks set by the Trustee.

William Hill Pension Scheme

Trustee's Report (continued)

DC Governance Statement (continued)

4. Value for Members considerations

Additionally, the Company pays for all administration, member communication and advisory costs associated with operating the Scheme. The Trustee has appointed a specialist pensions communication agency to help it develop a communications strategy.

As mentioned previously some members also have AVC assets in funds managed by Standard Life. The 2019 assessment concluded that the Standard Life Managed Fund provided reasonable value for money when taking into account the Scheme discount, with the charges paid by members being below the charge cap.

Additionally, the Value for Members assessment highlighted that the charges for the Emerging Markets Equity Fund and Corporate Bond Fund are above the typical range for a fund of that type. The Trustee will work with LGIM to ensure that the overall fees paid by members are competitive and continue to monitor the performance of the funds offered to members.

Assessing the value for money of a with-profits fund is directly related to an individual's attitude towards, and capacity for, investment risk. An individual may find comfort in the fact that a with-profits fund provides guarantees; whether that is a guaranteed pension, investment return or "just" capital security. Therefore, we consider it inappropriate to reach a general conclusion on value for money from the With-Profits Funds, as this will vary by member.

The Pensions Regulator expects trustees to have an understanding of the types and levels of transaction costs that are incurred by different investments and include them in a value for members' assessment. However, no assessment of value in relation to transaction costs has been undertaken at this time, due to the absence of wider market data that would enable appropriate comparative assessment. The Trustee intends to build transaction costs into future Value for Member assessments when this data is available.

5. Trustee's Knowledge and Understanding (TKU)

In accordance with sections 247 and 248 of the Pensions Act 2004, the Trustee Directors are required to maintain an appropriate level of knowledge and understanding which, together with professional advice that is available to them, enables them to properly exercise their functions and duties in relation to the Scheme.

The Trustee board is currently comprised of six Trustee Directors, with two being member-nominated, three company appointed and one independent, Professional Trustee.

The independent professional Trustee, Dalriada Trustees Limited, is represented by Hugh Nolan and has over 30 years of experience in the pensions industry. In addition to his Scheme conversance (as detailed below), he is also a qualified actuary and has held senior roles at several pension consultancies. The board benefits from the range of his depth and experience in the pensions arena which enables him to challenge the Trustee's advisors.

William Hill Pension Scheme

Trustee's Report (continued)

DC Governance Statement (continued)

5. Trustee's Knowledge and Understanding (TKU) (continued)

The Trustee Directors must also be conversant with the Scheme's own documentation including the Trustee Memorandum and Articles of Association, Trust Deed and Rules and Statement of Investment Principles. The Trustee Directors must also be conversant with any other document recording current policy relating to the Scheme generally. The Pensions Regulator interprets 'conversant' as having a working knowledge of those documents such that the Trustee is able to use them effectively when they are required to do so in the course of carrying out their duties on behalf of the Trustee.

This requirement has been met during the course of the Scheme year as the Trustee Directors have undertaken ongoing training, both as a group and individually to keep abreast of relevant developments. During the year, the Trustee completed the following:

Requirement	How met
Trustees must have appropriate knowledge and understanding of the law relating to pensions and trusts and the funding and investment of the assets	<p>The Trustee Directors consider their annual training plan on a quarterly basis at each meeting, which includes specific consideration of whether any further training is required in respect of these statutory areas.</p> <p>In addition, the Trustee Directors receive updates from their advisors at regular Trustee meetings and throughout the year to keep abreast of recent developments in these areas. They are also required to complete the Pension Regulator's Trustee Tool Kit and any new/revised relevant modules released. At each of their meetings, the Trustee Directors consider a report that summarises forthcoming changes to regulations, their potential impact on the Scheme and the actions that are required to ensure compliance.</p> <p>The Trustee view these regular and ongoing training opportunities as an essential part of expanding their combined knowledge to exercise their functions as Trustee of the Scheme.</p> <p>During the Scheme Year the Trustee Directors undertook ongoing training both as a group within the regular meetings and individually including:</p> <ul style="list-style-type: none"> - Considering the Scheme's investment strategy including the investment process and potential members' outcomes. - Briefings on forthcoming changes to Pensions law and their possible impact on the Scheme, for example Competitions Market Authority Review, ESG requirements and financial considerations for Statement of Investment Principles - AVC industry update including the impact of Equitable Life closure and the transition to Utmost Life, general governance requirement and scheme specific focus on the Standard Life Managed Fund. - Transaction costs disclosure including the publication of Scheme documents on a publicly accessible website and illustration of costs and charges.

William Hill Pension Scheme

Trustee's Report (continued)

DC Governance Statement (continued)

5. Trustee's Knowledge and Understanding (TKU) (continued)

Requirement	How met
Trustees must be conversant with the Scheme's own documentation including Trust Deed and Rules, Statement of Investment Principles and current policies	<p>The Trustee Directors undertake an annual evaluation of training requirements, which includes specific consideration of whether any further training is required in respect of these documents, further details are outlined in the last section of the table.</p> <p>The Trustee Directors have access to all key Scheme documentation and as part of their gap analysis a number of the Trustee Directors will be reviewing the Scheme documentation.</p> <p>During the Scheme Year the Trustee Directors:</p> <ul style="list-style-type: none"> - Reviewed the Scheme's Statement of Investment Principles (SIP) in September 2019 and updated it in light of the new requirements around Environmental, Social and Governance considerations. - As per the Business Plan the Trustee reviewed the Scheme documents incrementally on a quarterly basis. - Reviewed the member's annual benefit statements. - As part of the AVC transition from Equitable Life to Utmost Life considered the transition policy. - Reviewed the Chair's Statement layout and considered publication of corresponding Scheme documents. - Exercised their discretion regarding member cases, liaising with their lawyers and referring to Scheme Trust Deed and Rules as appropriate
Knowledge and resources generally	<p>The Trustee Board comprises individuals with diverse professional skills and experiences, reflecting the varied nature of the challenges that its governance must address</p> <p>The Trustee's pension advisors attend each of their quarterly meetings and input into the agenda. They also help the Trustee prepare its annual business plan.</p> <p>The Trustee's investment advisor reports quarterly on the performance of the Scheme's investments and on their views regarding the Scheme's funds and their managers.</p> <p>The Trustee regularly receives email bulletins and quarterly updates from its advisors including the latest developments affecting money purchase benefits, as a means to keep the Trustee's regulatory knowledge and understanding up to date</p> <p>The Trustee's investment advisor has covered ESG matters in the training session during the 14 June 2019 Trustee meeting.</p>

William Hill Pension Scheme

Trustee's Report (continued)

DC Governance Statement (continued)

5. Trustee's Knowledge and Understanding (TKU) (continued)

The table above shows how these duties have been fulfilled and how the combined knowledge and understanding, together with the advice which is available to the Trustee Directors, enables them to properly exercise their duties and responsibilities.

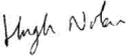
As part of the evaluation of the performance and effectiveness of the board as a whole, all of the Trustee Directors in office during the period have completed the Pension Regulator's Trustee Toolkit. New Trustee Directors are required to complete the toolkit within 6 months of their appointment.

Taking into account the review carried out by the trustee body, and the professional advice available to them, the Trustee Board consider they are properly enabled to exercise their function as Trustee of the Scheme.

The Trustee will also, on an ongoing basis, review and assess whether the systems, processes and controls across key governance functions are consistent with those set out in the Pensions Regulator's Code of Practice 13.

Chair's declaration

I confirm that the above statement has been produced by William Hill Trustee Limited.

Signature: _____ 

Hugh Nolan, for Dalriada Trustees Limited
Chair of William Hill Trustee Limited

30 April 2020

The following document appears as an appendix to the financial statements:

- Statement of Investment Principles (September 2019- DC section) (Appendix III)