

Latest Monthly Update

London, 1 November 2011

JLT Pension Capital Strategies (PCS) has updated its monthly index showing the funding position of all UK private sector defined benefit (DB) pension schemes under the standard accounting measure (IAS19 / FRS17) used in company reports and accounts.

As at 31 October 2011, JLT PCS estimates the total DB pension scheme funding position as follows:

At 31 October 2011	Assets	Liabilities	Surplus / (Deficit)	Funding Level
FTSE 100 Companies	£416bn	£444bn	(£28bn)	94%
FTSE 350 Companies	£482bn	£517bn	(£35bn)	93%
All UK Private Sector Pension Schemes	£989bn	£1,073bn	(£84bn)	92%

For comparison, the corresponding figures as at 31 October 2010 are as follows:

At 31 October 2010	Assets	Liabilities	Surplus / (Deficit)	Funding Level
<i>FTSE 100 Companies</i>	<i>£401bn</i>	<i>£455bn</i>	<i>(£54bn)</i>	<i>88%</i>
<i>FTSE 350 Companies</i>	<i>£462bn</i>	<i>£525bn</i>	<i>(£63bn)</i>	<i>88%</i>
<i>All UK Private Sector Pension Schemes</i>	<i>£954bn</i>	<i>£1,096bn</i>	<i>(£142bn)</i>	<i>87%</i>

Charles Cowling, Managing Director of PCS, comments:

“It is pleasing to see that FTSE 100 Companies have reduced their combined deficits by £26bn since this time last year despite the turmoil in the markets. The announcement of further quantitative easing and the Eurozone debt deal, which has caused an equity market rally, helped narrow deficits and steadied the volatility experienced in the last three months.

“There are still considerable macro-economic threats so it is vital for companies and their trustees to mitigate their pension risk. If we are to see a reduction in levels of market volatility in the short-medium term, now could be the time for trustees to take advantage of market opportunities and manage down liabilities via de-risking strategies such as a buyout.”

Pension scheme deficits

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Notes to Editors:

About JLT Pension Capital Strategies

JLT Pension Capital Strategies (PCS) was established in 2006 to help companies to manage their Defined Benefit pension obligations, offering advice on managing scheme assets and liabilities, on communication with trustees and on finding the right funding solutions.

A subsidiary of the Jardine Lloyd Thompson Group, PCS can draw upon skills and experience in the areas of corporate finance, tax, capital markets, asset management, actuarial and general pension regulation and practice to provide strategic advice and practical answers.

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