

Latest Monthly Update

London, 30 June 2013

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 30 June 2013, PCS estimates the total DB pension scheme funding position as follows:

At 30 June 2013	Assets	Liabilities	Surplus / (Deficit)	Funding Level
FTSE 100 Companies	£477bn	£517bn	(£40bn)	92%
FTSE 350 Companies	£538bn	£581bn	(£43bn)	93%
All UK Private Sector Pension Schemes	£1,135bn	£1,213bn	(£78bn)	94%

For comparison, the corresponding figures as at 30 June 2012 are as follows:

At 30 June 2012	Assets	Liabilities	Surplus / (Deficit)	Funding Level
FTSE 100 Companies	£437bn	£491bn	(£54bn)	89%
FTSE 350 Companies	£503bn	£565bn	(£62bn)	89%
All UK Private Sector Pension Schemes	£1,026bn	£1,177bn	(£151bn)	87%

Charles Cowling, Managing Director of JLT Pension Capital Strategies comments:

“June may have seen the beginning of the end of the US Federal Reserve's \$85 billion a month monetary experiment; this triggered a global asset sell off and a sharp increase in bond yields. On the whole, this has provided good news for pension scheme balance sheets with UK corporate bond yield increases more than offsetting the impact of asset price falls. But then there has just been the sharp downward revision to US first-quarter GDP growth; this prompted speculation that the Fed would hold back from tapering their quantitative easing programme and led to a slight rally in bonds.

All this shows the uncertainty and worry around the US monetary stimulus being removed. With a new face in the Governor's seat at the Bank of England there is likely to be increased market volatility for some months yet. In such volatile markets it is important for pension schemes to consider and monitor trigger points for de-risking strategies so that market opportunities are not missed. In particular, there may be pricing and funding opportunities to settle and insure pension scheme liabilities.”

Pension scheme deficits

Latest monthly update

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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.

As part 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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