

KENT COUNTY COUNCIL PENSION FUND

REVIEW OF FUNDING AND INVESTMENT STRATEGY
MAY 2008

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SECTION 1 - INTRODUCTION

This report is addressed to the Pensions Committee ("the Committee") of the Kent County Council Pension Fund. It should not be released or otherwise disclosed to any third party except with our prior written consent, in which case it should be released in its entirety. We accept no liability to any other party unless we have especially accepted such liability in writing.

The purpose of this report is to examine the impact of alternative investment and funding strategies on four key financial measures. Details of the modelling process and the underlying assumptions are included in the Appendices. The report summarises the results and the discussions which took place with Nick Vickers in March and April 2008. The focus of the output is to assess the Prudence, Affordability, Stability and Stewardship associated with the current approach (Scenario 1); a range of alternative Scenarios (2-10) is then examined. These terms are explained further below.

PRUDENCE

The Scheme Actuary needs to satisfy professional requirements for future valuations to be carried out on a prudent basis. The modelling work enables us to quantify the level of prudence in alternative strategies by assessing the probability that an out-performance assumption of more than "2% above gilt yields" would be required in order to justify the contribution rate. The higher the out-performance assumption required, the less Prudent the valuation basis.

AFFORDABILITY

The cost of the pension benefits is a major expense for Employers. The affordability charts show the range of potential outcomes for the contribution rate in the longer term and allow us to assess the probability that the rate exceeds a particular threshold. For the purposes of this report, this threshold has been set at 25% of pay.

STABILITY

This illustrates the variability in contributions from one valuation to the next. Unexpected significant rises in the contribution rates are highly undesirable for Employers and it is a requirement of the LGPS Regulations that the funding approach should recognise the need for stability in contributions from year to year. These charts show the frequency of changes in contribution rates from one formal valuation to the next, expressed as a percentage of pay (i.e. the change in the contribution rate over a 3 year period). A narrow distribution of outcomes centred on zero indicates good stability.

We examine the impact of introducing a stabilising mechanism (i.e. increases limited to 0.5% p.a. and decreases limited to 2% p.a.) and examine how this affects the other objectives of Prudence, Affordability and Stewardship.

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These charts show the expected funding level and the range of potential outcomes for the funding level in the longer term on both a "gilts basis" and an "ongoing basis". This provides a measure of the overall financial health of the Fund and enables us to assess the probability that each Scenario is consistent with the safe stewardship of the Fund. The "ongoing basis" refers to that used by the Actuary to determine contribution rates and the "gilts basis" is a stronger basis which makes no allowance for the future out-performance of equities over gilts.

Section 2 describes the current strategy (Scenario 1) in detail and we then examine the results for a range of Scenarios (2 to 10) in Section 3. Our conclusions are set out in Section 4 and further details of the project are included in the various Appendices.

HYPOTHETICAL STABILISATION MECHANISM

At various points in this report we refer to a "stabilisation mechanism". This is a hypothetical mechanism that caps any contribution increases at 0.5% of payroll p.a. and contribution reductions at 2% of payroll p.a.

The fund has not entered any formal stabilisation mechanism and we have used it in the modelling as a proxy for the pragmatic steps that might be taken by the Actuary and the Administering Authority in fulfilling their duties of keeping contribution rates relatively stable and affordable over time. We believe that the mechanistic approach considered in the modelling is a reasonable indication of the consequences of the more pragmatic and circumstance - specific action that may be taken.

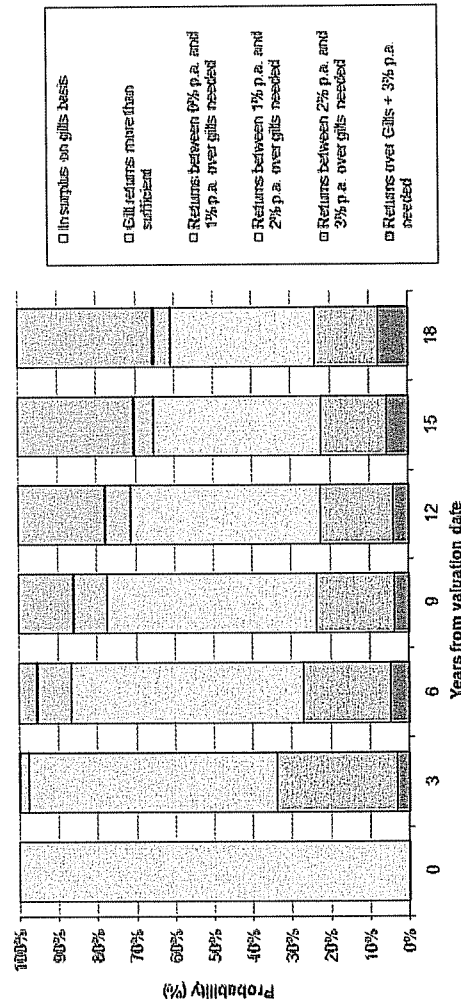
CONCLUSION

The primary conclusion from our investigation is that the current high level investment strategy remains broadly appropriate for the Fund; however, there are potential benefits from building a higher exposure to Alternative assets which should be examined further as part of the follow up Structure Modelling exercise.

SECTION 2 – SCENARIO 1 RESULTS

This is the central Scenario which broadly reflects the current investment and funding strategy in place, following the 2007 actuarial valuation. Full details of this Scenario are included in the Appendices.

RESULTS AND COMMENTS

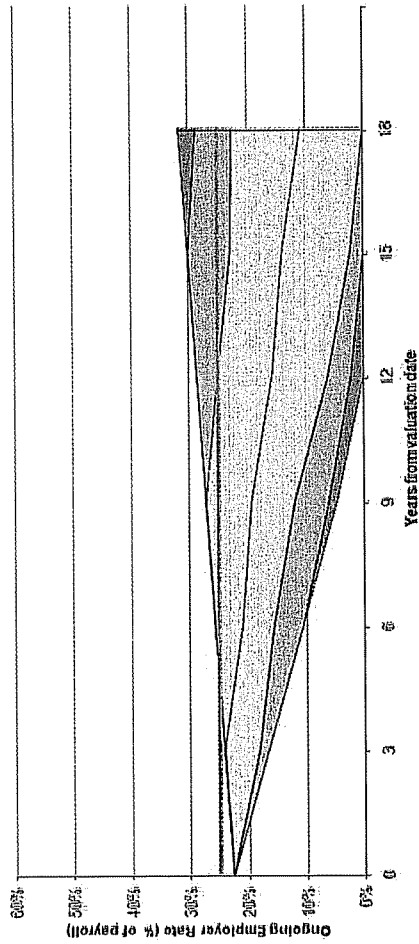


PRUDENCE

The Prudence chart breaks down the output according to the assumptions the actuary would need to make in order to justify the contribution rate. For example, after 18 years, there is 0.24 chance that a return of "gilt yields plus 2%" would be required and a 0.08 chance that a return of "gilt yields plus 3%" would be necessary. We show anything worse than "gilt yields plus 2%" in orange to indicate that it might be less easy to establish the margin for prudence in these circumstances.

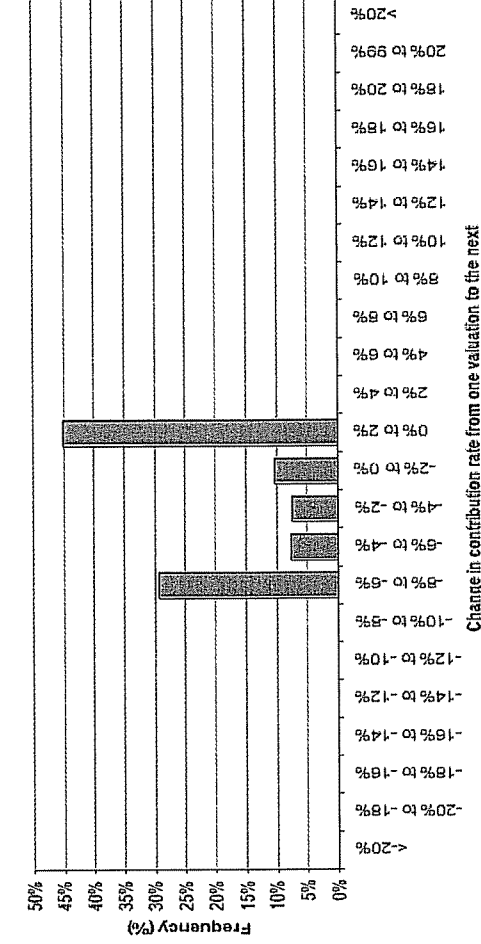
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AFFORDABILITY

This chart shows the widening range of contribution rates as we move forward through the 18 year projection period. There is a 2 in 3 probability (0.67) that the contribution lies within the light pink area which, in this case, is a range of 0-23% of payroll. The median contribution rate is 11% which indicates that 50% of outcomes are above this rate and 50% below this rate. We can also assess the risk of breaching our pre-determined threshold of 25% as 9 in 100 (0.09). Note the contribution rate is constrained not to fall below 0% and the upper end of the range is constrained by the (hypothetical) Stabilisation Mechanism described in Section 1.

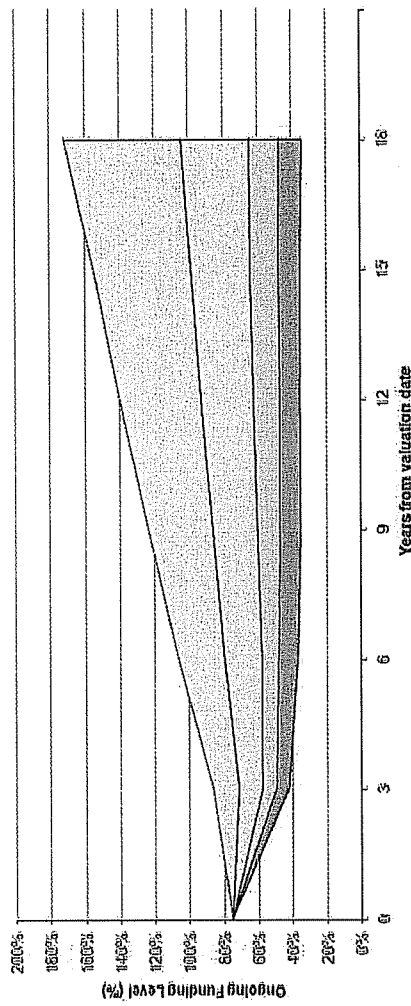


STABILITY

This chart shows the frequency of changes in the contribution rate between successive valuations. Approximately 45% of cases show increases in the 0-2% of payroll range, with all other cases showing decreases of varying degrees. Given the margins in the Funding Basis, we would expect the contribution rate to gradually fall over time and this is borne out by the AFFORDABILITY and STABILITY charts. Note that the narrow range of outcomes centred just below 0% illustrates a good level of stability – this has been achieved by introducing a (hypothetical) Stabilisation Mechanism whereby the rate can only increase by a maximum of 0.5% of payroll each year and can only fall by a maximum of 2% of payroll each year.

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STEWARDSHIP (Ongoing)

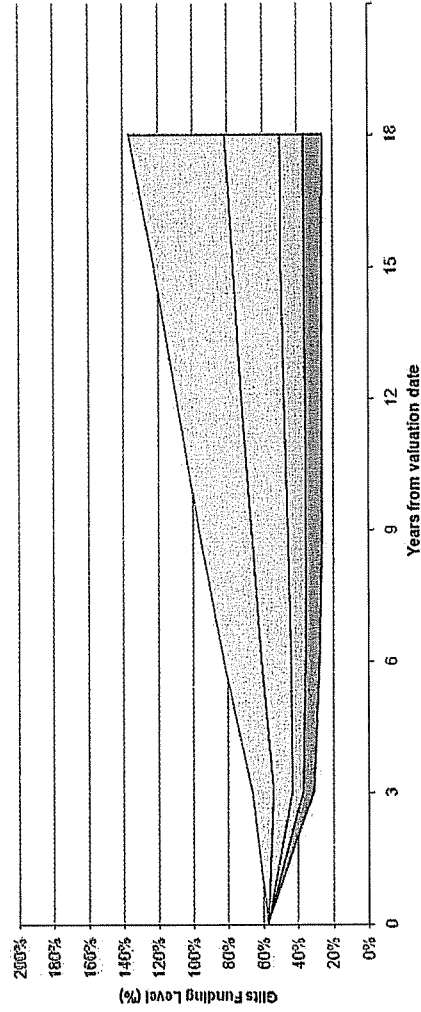


STEWARDSHIP

These charts show the range of funding levels expected assuming that first, the liabilities are assessed using the ongoing valuation basis (which allows for some future equity out-performance), and second, using a gilt yield valuation basis. The median Funding level (105% ongoing) and the breadth of the 2/3rds range (shown in pale blue) provide a measure of the extent to which the assets cover the accrued liabilities, and hence the extent of the safe Stewardship of the Fund. The upward slope in the median result indicates that, other things being equal, the Funding Level is expected to improve; this is consistent with the fact that the Actuary only allows for a proportion of equity outperformance in the Actuarial Valuation basis whereas the modelling exercise contains no such margin. However, the uncertainty associated with equity and property returns is evident from the wide range of outcomes; the results indicate a 1 in 6 chance that the ongoing Funding Level could still lie below 65% after 18 years.

A similar pattern emerges when we examine the Funding Level on the Gilts basis, albeit the levels are all significantly lower, reflecting the stronger valuation basis.

STEWARDSHIP (Gilts)



The above charts provide only limited value when considered in isolation. The real benefit for the analysis comes in comparing these measures under different Scenarios and assessing their relative attractiveness. The Scenarios investigated and results are set out in the next section. Please note that the summary charts for Prudence, Affordability and Stewardship in Section 3 show the outcomes at the end of the 18 year projection period.

SECTION 3 – COMPARISON OF INVESTMENT & FUNDING SCENARIOS

The aim in this Section is to consider a series of issues either in isolation or in combination, which provide some further insight into the future progression of the Fund. The Scenarios described below are not intended to represent every possible issue or potential outcome. The table summarises the key features of each additional scenario and this is followed by the summary charts for all 10 Scenarios and some comments on the results obtained.

Scenarios	Investment strategy	Asset Out-performance Assumption		Deficit spread period	Stabilisation Rule	Funding Level at outset ^[1]	Employer Contribution Rate at outset ^[1]
		Pre-retirement	Post-retirement				
1. Central scenario (broadly current strategy)	75.5% risk ex active mgmt	1.6%	1.6%	20 years	+0.5% / -2.0%	73%	22.7%
2. Current strategy (no stabilisation)	75.5% risk ex active mgmt	1.6%	1.6%	20 years	None	73%	22.7%
3. Impact of shorter deficit spread period	75.5% risk ex active mgmt	1.6%	1.6%	15 years	+0.5% / -2.0%	73%	22.7%
4. More prudent AOA (1.25%)	75.5% risk ex active mgmt	1.25%	1.25%	20 years	+0.5% / -2.0%	69%	22.7%
5. Alternative stabilisation rule	75.5% risk ex active mgmt	1.6%	1.6%	20 years	+1.0% / -1.0%	73%	22.7%
6. Impact of active management (+0.5% p.a.)	75.5% risk inc active mgmt	1.6%	1.6%	20 years	+0.5% / -2.0%	73%	22.7%
7. Higher risk asset allocation	86.5% risk ex active mgmt	1.6%	1.6%	20 years	+0.5% / -2.0%	73%	22.7%
8. AOA of 1.2% (Actuarial methodology)	61.5% risk ex active mgmt	1.2%	1.2%	20 years	+0.5% / -2.0%	68%	22.7%
9. AOA of 1.4% (Actuarial methodology) Alternatives: pot.	61.5% risk ex active mgmt	1.4%	1.4%	20 years	+0.5% / -2.0%	70%	22.7%
10. AOA of 0.8% (Actuarial methodology)	35.5% risk ex active mgmt	0.8%	0.8%	20 years	+0.5% / -2.0%	64%	22.7%

[1] The theoretical funding levels and net employer contribution rates as calculated by the ALM under each scenario (scenario 1 ties up with the Actuary's figures) All scenarios assume a 100% replacement ratio, i.e. the salary roll of new entrants into the Fund fully replace leavers.

[2] AOA = Asset Outperformance Assumption.

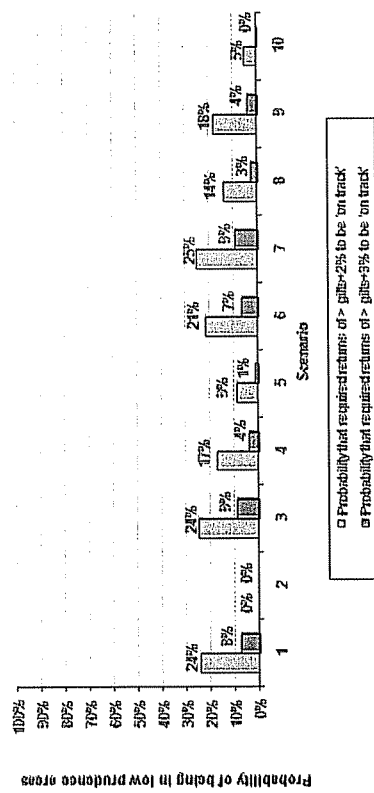
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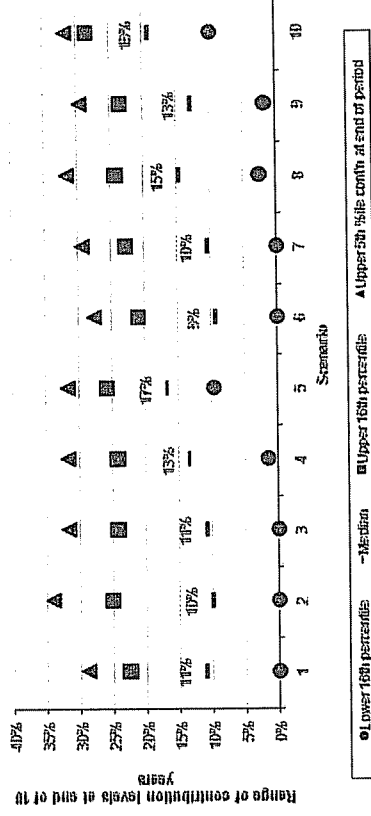
RESULTS

The charts below summarise the results obtained and our comments on the 10 Scenarios examined.

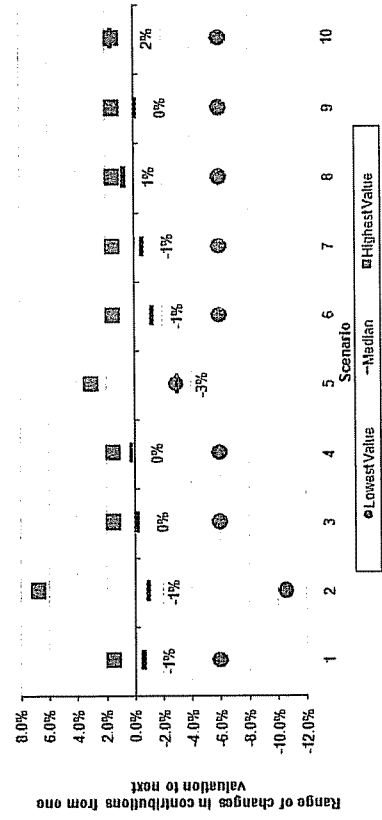
PRUDENCE - probability of being in low prudence areas



AFFORDABILITY – range of contribution levels at end of 18 years

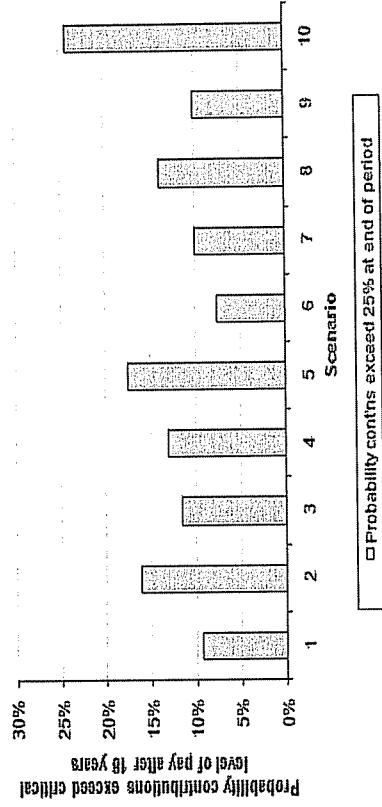


STABILITY - range of changes in contributions from one valuation to next



PROBABILITY CONTRIBUTION RATE EXCEEDS 25%

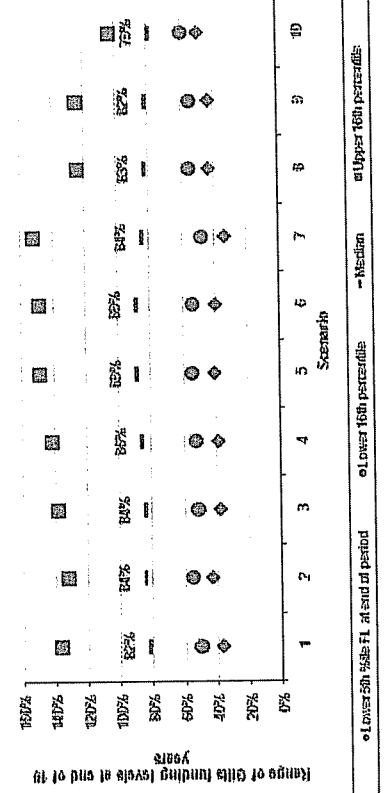
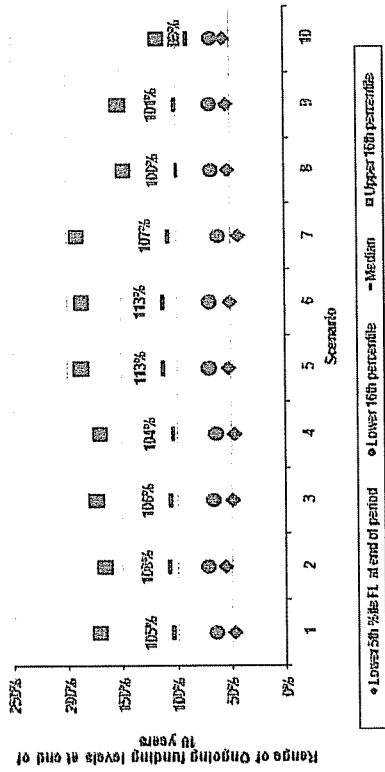
- probability contributions exceed critical level of pay after 18 years



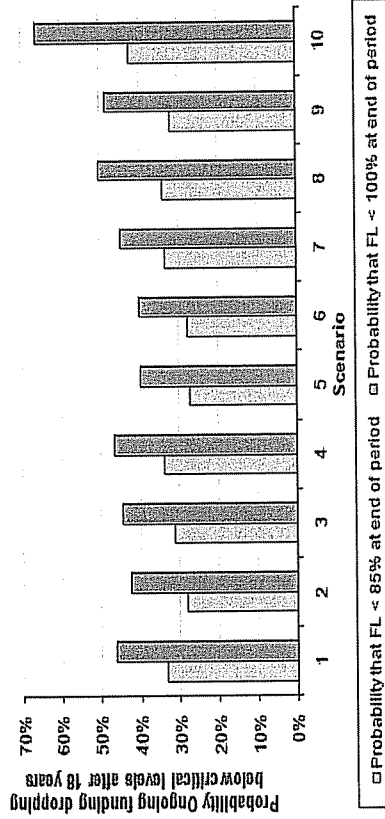
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STEWARDSHIP (ONGOING) – range of Ongoing funding levels at end of 18 years
 STEWARDSHIP (GILTS) – range of Gilts funding levels at end of 18 years



PROBABILITY FUNDING LEVEL LIES BELOW 85% AND 100%
 - (after 18 years)



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COMMENTS

Scenario 1 reflects the current strategy and, for ease of reference, we have compared the alternative Scenarios to Scenario 1.

Scenario 2 illustrates the importance of stability in the contribution rate. The changes in the contribution rate from one valuation to the next are extremely high and the probability of the rate exceeding 25% at the end of the period is 1 in 6 (i.e. 16%). This Scenario fails the Stability test.

All subsequent Scenarios assume that a stabilising mechanism remains in place and, therefore the Stabilisation requirement is met, so attention is focused on the other three measures.

Scenario 3 indicates that a reduction in the assumed spreading period from 20 to 15 years has very little impact on the longer term outcomes.

Scenario 4 shows how adopting a stronger valuation basis would impact on the fund, with a lower initial Funding Level (69% versus 73%). The results show a deterioration in the Affordability measure and an increase in the risk of the contribution rate exceeding 25% after 18 years. This reflects the fact that future valuations conducted on a stronger basis are more likely to trigger an increase in contribution rates. While this helps on the Prudence measure, it has little impact on the Stewardship results (higher contributions and stronger valuation basis broadly cancelling out on the ongoing basis, but a small improvement on the gilts basis) and the contribution measures are clearly worse.

Scenario 5 illustrates the impact of adjusting the stability rules in the contribution rate. This scenario allows for the contribution rates to increase or decrease by (at most) 1% p.a. This new rule increases the median contribution rate to 17% at the end of 18 years (compared to 11% under Scenario 1) and significantly increases the probability of contributions exceeding 25% after 18 years – hence this Scenario fails (in a relative sense) the Affordability test.

Scenario 6 reflects the impact of achieving a degree of manager out-performance (assumed to vary stochastically around an average of +0.5% p.a.). This generally improves the outcomes as the manager risk is not correlated with the main asset class risks and therefore the additional returns feed through into better expected funding levels and lower expected contribution rates, with a marginally lower risk of breaching the thresholds.

Scenario 7 tests the impact of increasing the level of equity exposure. This shows a small deterioration in the Prudence test and small improvement in the median outcome in the Affordability test; these results are consistent with the inclusion of more "risky assets". However, the Stewardship charts illustrate clearly the delicate balance which needs to be achieved when considering alternative scenarios. On the one hand, the median Ongoing Funding Level improves (107% compared to 105% under Scenario 1). However, the range of outcomes is wider and the worst outcomes would be less acceptable to the Committee under Scenario 7 compared to Scenario 1. For example, if we consider the lower 5th percentile (where there is a 1 in 20 chance that outcomes would be at this level or below), the Funding Level is 43%, compared to 48% under Scenario 1.

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Scenario 8 examines the impact of reducing the exposure to "risky assets" – note that we have also assumed the Actuary's assumptions would reflect a lower level of asset outperformance (1.2% compared to 1.6% under Scenario 1). These results are broadly the converse of those in Scenario 7 with an improvement in the Prudence measure and in the worse outcomes in the Stewardship charts, but with a deterioration in the median contribution rates and Funding Levels on an ongoing basis (on a gilts basis, the lower risk/higher contribution combination has a similar median and less downside risk).

The purpose of **Scenario 9** is to test whether there is any long-term benefit in building a higher weighting towards Alternative assets, including Property. (In this example, such an exposure is assumed to be taken from the equity weighting, although in practice it could be sourced from Bonds or a combination of Equities and Bonds). There is a significant improvement in the Prudence measure (18% versus 24% in Scenario 1). The median contribution rate is higher (13% versus 11%) although the probability of exceeding a contribution rate of 25% increases only marginally. In the Stewardship charts, the median Funding Level is lower (101% compared to 105%) but this needs to be balanced against an improvement in the Lower 5th Percentile from 48% to 54%. In addition, if we examine the Stewardship Chart on the Gilts basis (which strips out the impact of the Actuary's outperformance assumptions) there is no deterioration in the median Funding Level (82%) and a clear improvement in the worst outcomes.

Finally, **Scenario 10** examines a significant shift towards a very low risk strategy. However, the results make it clear that the impact on contribution rates and Funding Levels would be unacceptable as the anticipated returns on gilts are insufficient to make progress from the current position.

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SECTION 4 - SUMMARY AND CONCLUSIONS

The main purpose of this investigation is to test the current strategy against the four key financial measures and to assess the merits of alternative strategies. Following our examination of the results obtained and discussions with Nick Vickers during March and April 2008, our conclusions are summarised below:

- There is no strong case for radical changes to the current strategy.
- The more extreme Scenarios considered in this analysis each fail on one or more of the four measures of Prudence, Affordability, Stability or Stewardship.
- Scenario 9 indicates some potential benefit from building greater exposure to Alternative assets, principally through increased protection against some of the poorest outcomes.

As a follow up to this long term analysis, we are undertaking some further modelling which examines the shorter-term risk/return profiles of different investment strategies. In particular, we will be testing the impact of sourcing a higher exposure to Alternative assets from either equities or bonds. We look forward to discussing these results with the Committee in due course.

Prepared by

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Senior Investment Consultant

Gareth Doyle

Investment Analyst

For on behalf of Hymans Robertson LLP

KENT COUNTY COUNCIL PENSION fund

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APPENDIX 1 – PROJECT SPECIFICATION

Fund	Kent County Council Pension Fund
Employer	Whole Fund
Purpose	Modelling future funding level and contribution rates with different input parameters (investment mix, asset out performance assumption, deficit spread periods and stabilisation rules)
Version Number	V1
Date	4 April 2008
Reliances & Limitations	See Appendix 3
MODEL INPUTS	
Parameter	Assumption / Input
Date of start of projection	31 March 2007 (taking into account estimated asset returns to 31 January 2008 – see Appendix 2)
Data and cashflows	2007 valuation data
New entrant replacement ratio ¹	100%
Projection period	18 years
Number of simulations	5,000
Funding level at start	Various
Employer Contributions at start	Common contribution rates from 2004 and 2007 valuations – see Appendix 2 (21.4% employer net rate under central basis with 20 year deficit spread period)

¹ The proportion of pensionable salary joining each year to the salary leaving each year

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Parameter	Assumption / Input
Investment strategy	Various – see Appendix 2 (Current benchmark: 69% equity, 11% property, 15% bonds, 1% alternatives and 5% cash)
Deficit spread period	Central assumption of 20 years [rolling 20 years, i.e. remains 20 years at each valuation]
Stabilisation rule for projected contribution rates (where appropriate)	Various – Changes in contributions of no more than +1.5% / -6.0% between valuations

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MEDIAN RATES OF RETURN AND VOLATILITIES

The following figures have been calculated using 5000 simulations of the asset model used in the Investment Practice, calibrated using market data as at end January 2008. The absolute expected returns shown are the 20 year geometric averages and the absolute volatilities quoted are the first year's standard deviations. (All returns shown are net of fees). The short, medium and long bonds in the table represent maturities of approximately 4, 14, and 24 years respectively.

	Expected Rate of Returns	Volatility
UK Equity	7.7%	22.1%
Overseas Equity	7.5%	24.7%
Private Equity	8.9%	32.8%
Commercial Property	5.6%	15.0%
Medium dated Corporates	5.3%	12.1%
Medium dated Gilts	4.5%	10.0%
Medium dated ILG	4.2%	7.5%
Long dated ILG	3.4%	9.1%
Cash	4.7%	0.9%

It is important to be aware that the volatilities shown are only the first year's volatilities. The probability distributions for different asset classes are complex and attempting to extrapolate this first year volatility over a longer time period will almost certainly result in significant errors.

In addition, the current calibration of the model indicates that a period of outward yield movement is expected. For example, over the next 20 years our model expects the 17 year maturity annualised real (nominal) interest rate to rise from 0.99% (4.57%) to 2.21% (5.10%).

APPENDIX 2 – INPUT DETAILS

CONTRIBUTION STRATEGIES

We are assuming that the Common Contribution Rate from the 2007 actuarial valuation results is adopted from April 2008 (AOA 1.6%, 20 year deficit spread). We are starting from this base figure under all the scenarios so stabilisation, where applied, will be based on this rate. When stabilisation applies, the impact of the stronger/weaker funding bases (see "Scenarios Modelled") on contributions will be gradual since increases/decreases are constrained.

For the projections we have assumed the following rates are being paid into the Scheme by employer and employee (all rates are assumed to exclude expenses and any insured benefits):-

		Strategies 1-10
Employees (all years) ^[1]		6.5%
Employer		
	2007/08 ^[2]	21.4%
	2008/09 ^[3]	22.7%
	2009/10 ^[3]	22.7%
	2010/11 ^[3]	22.7%

^[1] Assumed flat for all future years, i.e. ignoring the impact of the potential cost sharing from April 2011 and any changes in the average employee rate

^[2] Based on 2004 actuarial valuation

^[3] Based on 2007 actuarial valuation

We have assumed that contributions in future will be calculated using the Projected Unit method with a 1 year control period.

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ASSET RETURNS

The asset model was projected from 31 March 2007. We have used actual Fund returns to 30 September 2007, then market returns (using the Fund's current benchmark asset allocation) to estimate the return for the period from 30 September 2007 to 31 January 2008.

Time period	Return	Comment
1 April 2007 to 30 June 2007	+3.5%	Actual Fund return
1 July 2007 to 30 September 2007	-1.5%	Actual Fund return
1 October 2007 to 31 January 2008	-6.1%	Hymans estimate of Fund return using market returns and Fund asset allocation
1 April 2007 to 31 January 2008	-4.2%	Combined return

INVESTMENT STRATEGIES

Asset Classes	Strategy 1	Strategy 2	Strategy 3	Strategy 4	Strategy 5	Strategy 6	Strategy 7	Strategy 8	Strategy 9	Strategy 10
UK Equity	34.5%	34.5%	34.5%	34.5%	34.5%	34.5%	40.0%	27.5%	27.5%	15.0%
Overseas Equity	34.5%	34.5%	34.5%	34.5%	34.5%	34.5%	40.0%	27.5%	27.5%	15.0%
Commercial Property	11.0%	11.0%	11.0%	11.0%	11.0%	11.0%	11.0%	11.0%	15.0%	11.0%
Bonds ^[1]	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	4.0%	29.0%	15.0%	55.0%
Cash	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%
Alternatives ^[2]	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	11.0%	-

^[1] Assumed 75% ILG and 25% Gilts

^[2] Assumed Private Equity

We have assumed that investment strategy in future will be rebalanced annually.

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APPENDIX 3 – GENERAL RELIANCE AND LIMITATIONS

CASH FLOWS

In projecting forward the evolution of the Fund, we have used cash flows provided by the Actuary, Bryan Chalmers of Hymans Robertson. The benefit strategy underlying the cash flows is the same as that which applies in the 2007 actuarial valuation of the Fund and so reflects the new benefit arrangements (which will apply from April 2008, but for the purpose of this work are assumed to apply from the start date of the projection). The cash commutation allowance in the cashflows is 50% for the 2007 scheme benefits and 75% for the 2008 scheme benefits. All the reliances and limitations that apply to those data and their interpretation in the valuation, apply to the modelled information.

Please note that we have not taken into account the proposed cost sharing arrangements which may be introduced in 2010.

The methodologies used in the modelling are appropriate for illustrating the specified funding and investment risks associated with the Fund taken as a whole; the modelling may not be appropriate for other purposes given the assumptions made.

In modelling cash flows for new entrants we define a replacement ratio as being the proportion of pensionable salary joining each year to the salary leaving each year. The new entrants joining are assumed to have a 'triangular' distribution between ages 25 and 64 with a (salary-weighted) mode at age 32. All new entrants are assumed to join and then leave service at age 65, which is a much simplified set of assumptions compared with the modelling of existing members. None the less, we believe that this assumption is reasonable for the purposes of the modelling given the highly significant uncertainty associated with the level of new entrants.

In the modelling we have assumed that the Fund will undergo valuations each three years and a contribution rate will be set that will come into force one year after the simulated valuation date. For 'stabilised' contributions, the rate at which the contribution changes is capped and floored. There is no guarantee that such capping or flooring will be appropriate in future; this assumption has been made so as to illustrate the likely impact of practical steps that may be taken to limit changes in contribution rates over time. We have assumed that the Actuary to the Fund will make his or her calculations using broadly the same methodology being used at the 2007 valuations, but note that this is a source of uncertainty that we have not attempted to measure in the model other than where noted specifically.

Except where stated, we do not allow for any variation in actual experience away from the demographic assumptions underlying the cash flows. Variations in demographic assumptions (and experience relative to those assumptions) can result in significant changes to the funding level and contribution rates. Variations are allowed for in inflation, inflation expectations, interest rates, yield curves and asset class returns. Cash flows into and out of the Fund are projected forward in annual increments and are assumed to occur in the middle of the Scheme year. Investment strategies are assumed to be rebalanced annually.

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In allowing for the simulated economic scenarios, we have used suitable approximations for updating the projected cash flows. The nature of the approximations is such that the major financial and investment risks can be broadly quantified. However, a more detailed analysis is required to understand fully the implications and appropriate implementation of a very low risk or 'cash flow matched' strategy.

We would emphasise that the returns that could be achieved by investing in any of the asset classes will depend on the exact timing of any investment/disinvestment. In addition, there will be costs associated with buying or selling these assets. The model implicitly assumes that all returns are net of costs and that investment/disinvestment and rebalancing are achieved without market impact and without any attempt to 'time' entry or exit.

ASSET MODEL

The distributions of outcomes depend significantly on HRAM, our (proprietary) stochastic asset model, which we have used. This type of model is also known as an economic scenario generator. Key assumptions in this model are the average level of outperformance of equities over initial gilt redemption yields (assumed to be approximately 3% p.a.), the volatility of equity returns (approximately 18% p.a. over the long term); and the level and volatility of yields, credit spreads, inflation and expected (breakeven) inflation, which affect the projected value placed on the liabilities and bond returns. The results are also affected by other more subtle effects, such as the correlations between economic and financial variables.

Our expectation (i.e. the average outcome) is that long term real interest rates will rise from their current low levels. Higher long-term yields in the future will mean a lower value placed on liabilities and therefore our median projection will show, all other things being equal, an improvement in the current funding position (because of the mismatch between assets and liabilities). The mean reversion in yields also affects expected bond returns.

The model does not allow for large market dislocations (which are unknowable in effect, magnitude and nature), which means that the most extreme possibilities are not necessarily captured within the distributions of results.

Given the context of this analysis, we have not undertaken any particular sensitivity analyses to assess how different the results might be with alternative calibrations of the stochastic asset model.

We would be happy to provide fuller information about the scenario generator and the sensitivities of the results to some of the parameters on request.