

Gloucestershire County Council Pension Fund

Funding and risk report as at 30 June 2020

HEADLINE

30 June 2020	Ongoing Funding
Assets	£2,578m
Liabilities	£2,657m
Surplus/(deficit)	(£78m)
Funding level	97.0%

Summary

This funding update is provided to illustrate the estimated development of the funding position from 31 March 2019 to 30 June 2020, for the Gloucestershire County Council Pension Fund ("the Fund"). It is addressed to Gloucestershire County Council in its capacity as the Administering Authority of the Fund and has been prepared in my capacity as your actuarial adviser.

At the last formal valuation the Fund assets were £2,379m and the liabilities were £2,338m. This represents a surplus of £41m and equates to a funding level of 102%. Since the valuation the funding level has decreased by c5% to 97.0% as detailed in the table above.

This report has been produced exclusively for the Administering Authority. This report must not be copied to any third party without our prior written consent.

Should you have any queries please contact me.



Julie West FFA

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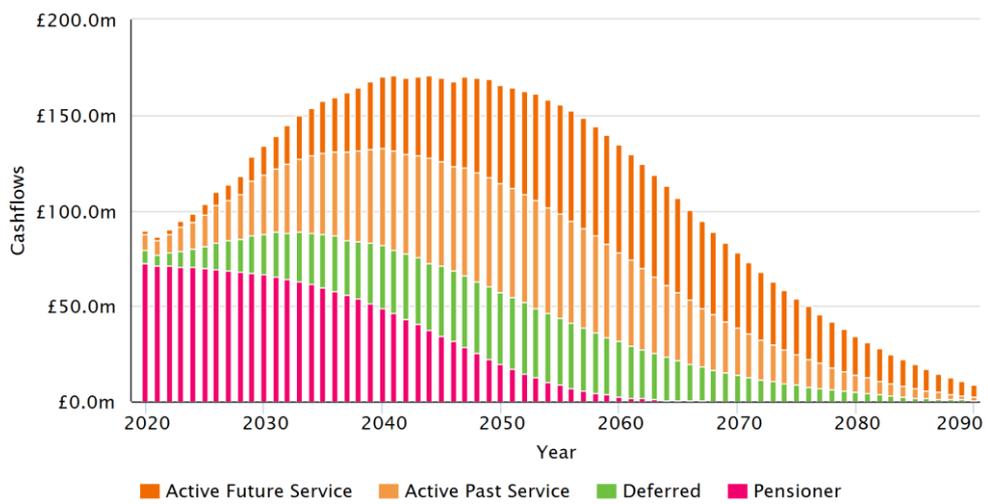
Funding Level Table

Surplus/(deficit)	£m
Surplus/(deficit) as at 31/03/2019	41
Contributions (less benefits accruing)	43
Interest on surplus/(deficit)	1
Excess return on assets	51
Impact of change in yields & inflation	(213)
Surplus/(deficit) as at 30/06/2020	(78)

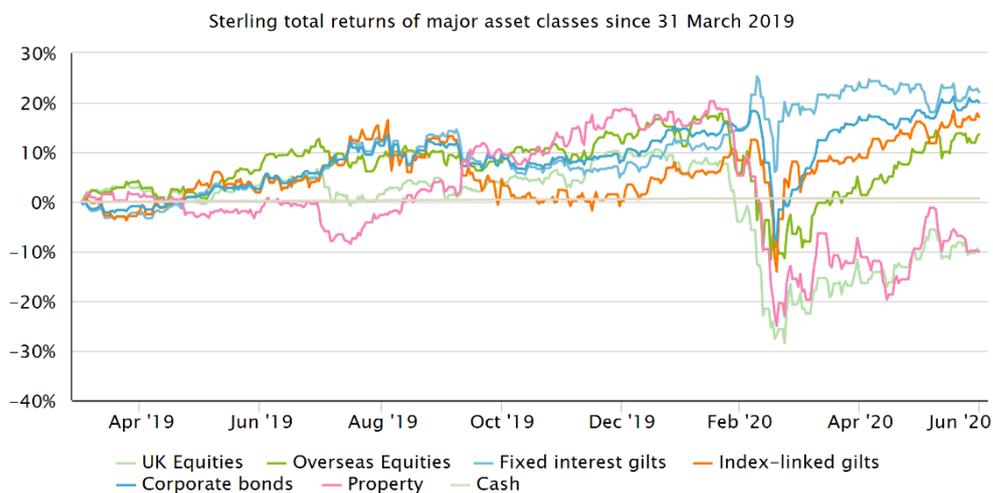
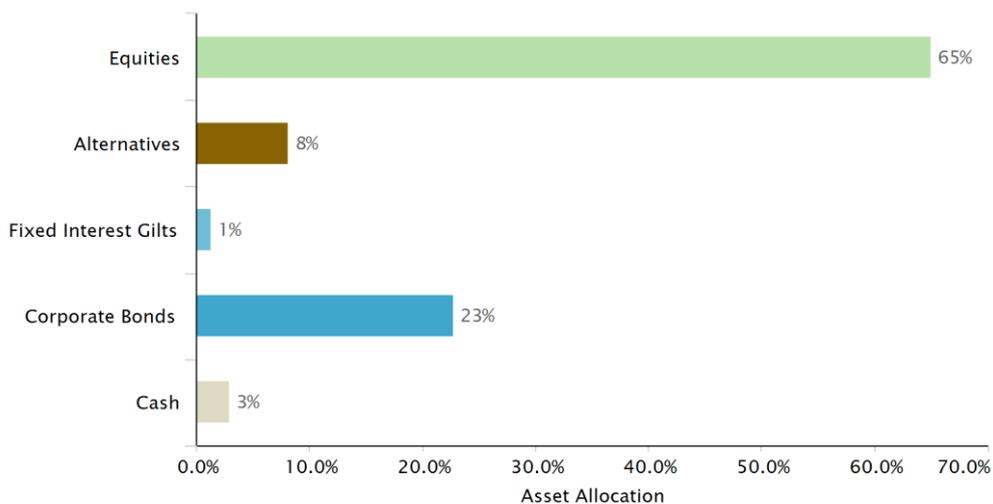
Analysis of Surplus Table

	31 March 2019	31 March 2020	30 June 2020
Market Yields (p.a)			
Fixed Interest Gilts	1.48%	0.75%	0.58%
Index-linked Gilts	-1.81%	-1.85%	-2.33%
Implied Inflation	3.35%	2.65%	2.98%
AA Corporate Bonds	2.36%	2.31%	1.46%
Price Indices			
FTSE All Share	3,978	3,107	3,411
FTSE 100	7,279	5,672	6,170

PROGRESS



ASSETS AND RISKS



Sensitivity Matrix as at 07 September 2020 for basis Ongoing Funding (£m)

		Shift in equity level (using FTSE 100 levels as proxy)						
		4156	4750	5344	5937	6531	7125	7719
		-30%	-20%	-10%	0%	10%	20%	30%
Shift in bond yields (% p.a.)	0.6	(345)	(154)	38	229	420	612	803
	0.4	(407)	(216)	(24)	167	358	550	741
	0.2	(473)	(281)	(90)	101	293	484	675
	0.0	(543)	(351)	(160)	31	223	414	605
	-0.2	(617)	(426)	(234)	(43)	148	340	531
	-0.4	(696)	(505)	(313)	(122)	69	261	452
	-0.6	(780)	(589)	(398)	(206)	(15)	176	368
		< 50%	50% - 85%	85% - 95%	95% - 100%	100% - 105%	105% - 115%	> 115%



Reliances and limitations

This report was commissioned by and is addressed to Gloucestershire County Council in their capacity as the Administering Authority and is provided to assist in monitoring certain funding and investment metrics. It should not be used for any other purpose. It should not be released or otherwise disclosed to any third party except as required by law or with our prior written consent, in which case it should be released in its entirety. **Decisions should not be taken based on the information herein without written advice from your consultant.** Neither I nor Hymans Robertson LLP accept any liability to any other party unless we have expressly accepted such liability in writing.

The method and assumptions used to calculate the updated funding position are consistent with those disclosed in the documents associated with the last formal actuarial valuation, although the financial assumptions have been updated to reflect known changes in market conditions. The calculations contain approximations and the accuracy of this type of funding update declines with time from the valuation; differences between the position shown in this report and the position which a new valuation would show can be significant. It is not possible to assess its accuracy without carrying out a full actuarial valuation. This update complies with Technical Actuarial Standard 100.





	Funding Level Table
	Funding Level Table
	Analysis of Surplus Table
	Funding Level Progression Chart
	GLOS LGPS 2019v Vita Basis 3-14
	June 2020
	Scheme
	scheme

