Lloyd's Superannuation Fund

Actuarial valuation as at 31 March 2025

Scheme Funding Report

Ali Tayyebi FIA | **Barnett Waddingham LLP**

11 December 2025

1 Summary

The Trustee has asked me to prepare an actuarial valuation of the Lloyd's Superannuation Fund (the Fund) as at 31 March 2025. A summary of the results of the valuation is as follows:

- **Technical Provisions funding position:** Using the method and assumptions agreed by the Trustee and MS Amlin Corporate Services Ltd (the Principal Employer), the Fund had assets sufficient to cover 100.7% of its Technical Provisions as at 31 March 2025, corresponding to a surplus of £1,868,000.
- **Expense contributions:** This reflects the agreement between the Principal Employer and the Trustee that the Sponsoring Employers will meet all the administration and management expenses of the Fund and the PPF levy on a long-term basis (as recorded in the Statement of Funding Principles), unless jointly agreed in relation to certain one-off costs.
- **Employer contributions:** As part of the completion of the Valuation, the Trustee and Principal Employer have agreed:
  - That MS Amlin Corporate Services Ltd (the Principal Employer) will cease paying contributions into the 'Escrow II' account (the final remaining payment of £3,710,000 due by 31 March 2026 will no longer be made).
  - An additional Escrow account of £20 million ('Escrow III') to have funding available for both parties to use reasonable endeavours to purchase bulk annuities prior to the 2028 actuarial valuation once various other operational projects are complete, should the price and other terms be reasonable.
- **Employer covenant:** The Trustee's assessment of the Technical Provisions assumes the continued support of the Sponsoring Employers. I understand that, based on the financial position of the Sponsoring Employers, the Trustee believes the support for the Fund to be 'tending to strong' and has determined the level of the Technical Provisions on this basis.
- **Long-term funding and investment strategy:** The Trustee and the Principal Employer have agreed an underlying funding and investment strategy for the long term in the event that an insurance transaction does not complete before then. Under the agreed strategy, the Trustee is targeting full funding on a low dependency funding basis by 31 March 2033 and the Trustee still then intends to provide benefits over the long-term by way of buyout.
- **Low dependency funding position:** I estimate that the Scheme was 97.3% funded on the agreed low dependency funding basis at the valuation date, corresponding to a deficit of £7,500,000.
- **Solvency basis:** If the Fund had secured benefits with an insurance company using deferred and immediate annuities, I estimate it would have enough assets to cover 92.9% of its liabilities as at 31 March 2025, corresponding to a deficit of £20,716,000.
- **Section 179 valuation:** Using the assumptions prescribed for the Section 179 valuation, the Fund had sufficient assets to cover 120.2% of its liabilities in respect of the compensation that would be paid by the Pension Protection Fund. The Section 179 valuation is one of the factors that determine the levy that is paid to the Pension Protection Fund by the Fund and the details set out in the certificate must be provided to the PPF via The Pensions Regulator's Exchange System no later than 30 June 2026.
- **Valuation submission:** The valuation results will be submitted to The Pensions Regulator via the Bespoke submission route.
- **Next actuarial valuation:** The next actuarial valuation should be carried out with an effective date no later than 31 March 2028 and the contributions payable by the Sponsoring Employers will be reviewed as part of that valuation.

Ali Tayyebi
Fellow of the Institute and Faculty of Actuaries
Partner, Barnett Waddingham LLP
11 December 2025

2 Background, methodology and assumptions

Actuarial valuations under the Pensions Act 2004

In accordance with Section 224(1) of the Pensions Act 2004, the Trustee has asked me to prepare an actuarial valuation of the Lloyd's Superannuation Fund (the Fund) as at 31 March 2025.

This report summarises the results of the valuation, including the information required by Regulation 7 of the Occupational Pension Schemes (Scheme Funding) Regulations 2005 and Appendix A of TAS 300: Pensions issued by the Financial Reporting Council. This report complies with Technical Actuarial Standards issued by the Financial Reporting Council – in particular TAS 100: General Actuarial Standards and TAS 300: Pensions. These are the only TASs that apply to this work.

This report is addressed to the Trustee, but it has been written so that an informed reader can understand the financial position of the Fund, including how it has developed since the previous valuation and how it might develop in the future. However, this report is not intended to assist any user in making decisions, and valuations required for specific purposes (e.g. employer accounting, corporate transactions and advice to individual members) should be calculated in accordance with the specific requirements for such purposes. Neither I nor Barnett Waddingham LLP accepts liability to third parties in respect of this report.

I have been instructed that the 'A' and 'B' schemes of the Fund should be treated as Defined Benefit sections for the purpose of my valuation. Benefits were earned in the 'C' scheme on a money purchase basis and are therefore excluded from this valuation.

A copy of this report should be provided to the Sponsoring Employers within seven days of the Trustee receiving it.

Membership data

The membership data, including the data on individual marital status, has been provided by Barnett Waddingham's administration team who are the Fund's administrators. I have relied on information supplied by the administrators and by the Trustee being accurate.

A summary of the membership data used for the valuation, along with a comparison with the data used for the previous valuation, is set out in **Appendix A**.

The membership data has been checked for reasonableness and I have compared the membership data with information in the Trustee's Report and Accounts. Whilst this should not be seen as a full audit of the data, I am happy that the data is sufficiently accurate for the purposes of the valuation.

Benefits

The benefits being valued are as set out in the Fund's Trust Deed & Rules dated 18 July 2008 (and subsequent amendments) and my understanding of these is summarised in **Appendix B**. The summary is intended for quick reference only and full details of the benefits are set out in the Fund's governing documentation.

I understand that the only discretionary benefits currently provided by the Trustee are as follows:

- In respect of contracted-out members, a 'bridging pension' is paid in respect of Guaranteed Minimum Pension ("GMP") benefits from retirement age if it falls before the member's GMP payment age.
- A survivor's pension is payable to the spouse of contracted-out members in service after 5 April 1997, regardless of whether that spouse was recorded as the member's nominated dependant when leaving service. Whilst

2 Background, methodology and assumptions

considered discretionary, this is being done to meet the reference scheme test.

I have made allowance in my calculations for these practices to continue. I have made no allowance for other discretionary benefits or practices.

The benefits promised under the Fund may receive increases in payment or revaluation in excess of statutory requirements at the discretion of the Trustee. The last such increase was awarded in 1999, and I have made no allowance in my calculations for discretionary increases to be awarded in future. I have valued the discretionary increases and revaluations already granted in the Fund data on the assumption that they now constitute obligations of the Fund. The Trustee's practice is to review on an annual basis, with actuarial advice, whether the position of the Fund allows any further discretionary increases to be awarded.

I understand there has historically been some uncertainty as to whether the benefits relating to 'A' scheme members should be administered as defined benefits. I also understand that the Trustee received advice from Counsel on this matter on 25 February 2007 and subsequently decided to administer these as defined benefits, including the application of statutory revaluation to the benefits.

I am not aware of any significant changes to the benefits since the previous valuation.

BMT Salvage Section

The Trustee has received legal advice that some members of the BMT Salvage Section of the Fund may have a longer-equalisation window than the basis on which the Fund has historically been administered. The Trustee has yet to carry out a detailed analysis of the member impact. As such, I have not made any assessment of the additional liabilities which might arise as result of any changes to member entitlements. These additional liabilities will therefore be recognised at future valuations. Based on the very high level data in relation to the potential number of members who may be impacted, I do not expect the impact to be material to the outcome of this valuation but this can only be determined once further calculations have been carried out.

High Court case of Virgin Media vs NTL Trustees

A potentially landmark judgment in the High Court case of Virgin Media vs NTL Trustees was handed down on 16 June 2023 (and an appeal was dismissed the following year). The judge ruled that, where benefit changes were made without a valid 'section 37' certificate from the Scheme Actuary, those changes could be considered void. On 5 June 2025, the Government confirmed that it will introduce legislation to give affected pension schemes the ability to retrospectively obtain written actuarial confirmation that historical benefit changes met the necessary standards. Given this, the results of this valuation have been calculated assuming this ruling will not affect the Fund's benefits.

Guaranteed Minimum Pension (GMP) equalisation

I have included a provision of £7.3 million for GMP equalisation as at 31 March 2025. This provision includes an allowance for equalisation for current Fund members as well a reserve for historic CETVs and bulk transfers out of the Fund.

2 Background, methodology and assumptions

At the 2022 Valuation, the liabilities included a GMP equalisation provision of £9 million which was, in turn, based on calculations for a subset of the members in 2020. The 2025 Valuation provision has been derived by adjusting this amount for the approximate expected impact of membership and market movements since then.

The above estimates are therefore approximate in nature. They result in what I believe to be appropriate as a reasonable provision, but in practice the actual cost for GMP equalisation could be materially different depending on more detailed calculations and any further legal advice that the Trustee receives on the scope of the GMP equalisation exercise.

Assets

I have been provided with a copy of the signed and audited Trustee's Report and Accounts for the period ending 31 March 2025. This shows the market value of the Fund's assets, including insured annuities and members' Additional Voluntary Contributions (AVCs).

The assets and liabilities include the value of the annuity assets, and the corresponding liabilities, based on the value shown in the Fund accounts. In practice, this value will differ slightly according to the basis being considered (funding basis, low dependency and solvency). However, I believe that this approach is a reasonable one given that any difference will not be material to the Fund overall and, importantly, the same figure will be used for both the assets and liabilities and the impact on the deficit would be neutral.

The Trustee's current investment strategy is set out in a Statement of Investment Principles dated 1 July 2024. A summary of the assets at the valuation date is set out in **Appendix C**, along with a summary of the contributions paid since the previous valuation.

Funding objectives

The Trustee's funding objectives are described in a Statement of Funding Principles dated 10 December 2025, a copy of which is included in **Appendix F**. In summary, the Trustee have adopted the 'Statutory Funding Objective', which is that the Fund should have sufficient and appropriate assets to meet its liabilities. Additionally, as noted earlier, the Trustee has agreed with the Principal Employer the Escrow III arrangement with the aim set out on page 2.

The principal purpose of the valuation is therefore to examine the financial position of the Fund at the valuation date and to agree the contributions payable to ensure that the Statutory Funding Objective is expected to be met.

Long-term funding and investment strategy

As well as assessing the current funding position, the scheme funding regime requires the Trustee to plan for the long-term funding of the Fund. The Occupational Pension Schemes (Funding and Investment Strategy and Amendment) Regulations 2024 specify that the Fund needs to plan to achieve a low level of dependency on its Sponsoring Employers in the long term. Therefore, as part of this valuation, the Trustee and the Principal Employer has agreed a funding and investment strategy for the long term in the event that a purchase of bulk annuities were not to proceed. This underlying long-term strategy can be summarised as follows:

- The Trustee is targeting full funding on a low dependency funding basis by 31 March 2033. The low dependency funding assumptions are summarised in **Appendix D**.
- The Trustee also intends to invest in a low dependency investment allocation, moving towards a "buy-out ready" portfolio by 31 March 2030.
- The Trustee expects that this will enable it to ultimately provide benefits over the long-term by way of buyout.

2 Background, methodology and assumptions

Methodology used to achieve objectives

The valuation has been carried out on a 'market-related' basis. This means that assets are taken into account at their market value. For comparison with the assets, a consistent measure is needed for the liabilities that are expected to arise in respect of benefits already earned at the valuation date – otherwise known as the 'Technical Provisions'. This is achieved by projecting the benefits that are expected to be paid to members of the Fund as a result of:

- pensions already in payment;
- pensions arising from future retirements;
- lump sums payable to future retirees in exchange for part of their pension;
- lump sums payable following the death of a member; and
- pensions payable to eligible dependants following the death of a member.

To estimate the amount of these future benefit payments, assumptions need to be made regarding:

- how benefits will increase prior to payment;
- how pensions will increase while in payment;
- whether members will die before reaching retirement;
- how long members will live in retirement;
- whether members will have an eligible dependant on death and, if so, the age of their dependant; and
- whether members will exercise certain options, such as exchanging pension for cash at retirement.

The benefits are expected to be paid over a long period of time and, during that time, the assets held are expected to earn investment returns. Therefore, for comparison with the assets, the projected benefit payments are reduced to allow for the investment return that is anticipated prior to payment. This methodology is commonly referred to as 'discounting' and the investment return allowed for is referred to as the 'discount rate'. For consistent comparison with the market value of the assets at the valuation date, the choice of discount rate reflects relevant market indicators at the valuation date.

The Fund's investment strategy is to transition to a low risk portfolio by 31 March 2030 which can support a prudent discount rate of gilts + 0.50% p.a. and the valuation has been prepared on this basis.

In practice, the risk and return profile of the actual strategy may transition faster or more slowly to the long-term portfolio. The Trustee's current investment strategy hedges the liabilities against cashflows which are expected to hedge close to 100% of the interest rate risk and the inflation risk.

Valuations on other bases

Low dependency funding basis

As noted in the previous section, the Trustee is targeting full funding on a low dependency funding basis by 31 March 2033 (the relevant date).

Regulations state that a low dependency funding basis must use assumptions that if:

1. A scheme is fully funded on that low dependency funding basis, and
2. The scheme's assets are invested in line with a corresponding low dependency investment allocation (see the box overleaf), then no further contributions are expected to be required from the employer in respect of benefits that have already been accrued.

2 Background, methodology and assumptions

Low dependency investment allocation

A low dependency investment allocation is an investment strategy under which the value of the assets relative to the value of the scheme's liabilities is highly resilient to short-term adverse changes in market conditions. As set out in the statement of strategy, and above, the Trustee and Principal Employer has agreed a low dependency investment allocation.

The Technical Provisions must be calculated in a way that is consistent with the funding and investment strategy. The Trustee has achieved this by substantially aligning the assumptions used in the Technical Provisions basis after 2030 with the low dependency funding basis. Therefore, the Technical Provisions will converge to the low dependency funding basis by 31 March 2030. Prior to this date, the estimate of the low dependency funding liabilities will be higher than the Technical Provisions. Given the Trustee's expectation of being able to purchase bulk annuities for the Fund's liabilities with an insurer (with the support of the Escrow III), combined with the Sponsoring Employers' commitment to pay expenses over the longer-term, the Technical Provisions basis does not include an expense reserve in the same way as the low dependency basis. This will be reviewed at future valuations.

The low dependency assumptions used at this valuation are also summarised in this appendix.

Solvency basis

As part of the valuation, I am required to include an estimate of whether the Fund would have had sufficient assets to secure benefits with an insurance company and meet the expenses associated with winding-up the Fund. This is referred to as 'the solvency estimate'.

For many schemes, the solvency estimate is expected to be significantly higher than the Fund's Technical Provisions, as insurers will assess the liabilities in a cautious manner reflecting their investment strategy, reinsurance costs, capital requirements and other factors. The assumptions used for the calculation of the Technical Provisions do not make the same allowance for these items and may for example include a higher expected additional return from investment in riskier asset classes.

The assumptions I have used for the solvency estimate are also summarised in **Appendix D**. Whilst I am satisfied that these assumptions are appropriate for the purpose of the solvency estimate, and in particular that they satisfy the requirements of Regulation 7(6)(a) of the Occupational Pension Schemes (Scheme Funding) Regulations 2005, the Trustee should understand that:

- The assumptions are only intended to give a broad indication of likely annuity costs, and that an actual quotation could differ materially from this estimate.
- The expenses associated with discontinuing a pension scheme are difficult to predict and the expense assumption should not be seen as a quotation of the likely expenses involved.

2 Background, methodology and assumptions

Section 179 (PPF) basis

The Trustee is also required under Section 179 of the Pensions Act 2004 to obtain a valuation at least every three years on a basis that is set by the Pension Protection Fund (PPF). The results of this valuation are used by the PPF to determine the levy that is paid by the Fund to the PPF to provide compensation for members of pension schemes that are underfunded and the employer has become insolvent. Although not strictly part of the actuarial valuation, I have included details of the Section 179 valuation in this report.

The PPF requires the s179 valuation to include an allowance for the additional liabilities arising in respect of the equalisation of Guaranteed Minimum Pensions (GMP) between males and females (including backpay due up to the calculation date but excluding any impact relating to the 2020 Lloyds judgment). For this purpose, I consider the a reserve of £4.0 million to be appropriate. This is consistent with the reserve used in the results of the Scheme Funding valuation, being £7.3m (which includes an additional allowance for the 2020 Lloyds judgment). The £4m allowance, in isolation, has been calculated using a best estimate basis rather than applying the principle of prudence, as permitted by the PPF.

For completeness, I note that other “Recent court judgements affecting the PPF basis” covered in the 2022 Scheme Funding Report are either no longer applicable, based on the latest PPF guidance, or are not relevant for the Fund.

Assumptions

The assumptions agreed by the Trustee for the purpose of the Statutory Funding Objective as at 31 March 2025, along with the assumptions used at the previous valuation and those on the low dependency and solvency bases, as described above, are summarised in **Appendix D**.

The assumptions for the Section 179 valuation are prescribed by the PPF.

3 Results

Statutory Funding Objective

Using the methodology described above and the assumptions set out in **Appendix D**, the results of the valuation are as follows.

Benefits already earned at the valuation date:	£000s
Deferreds	77,881
Pensioners	159,155
Dependants	23,502
Annuitants	2,488
AVCs	173
GMP Equalisation	7,300
Expenses	0
Technical Provisions	**270,499**
Value of invested assets	269,879
Value of insured assets	2,488
Market value of assets	**272,367**
Surplus/(Deficit)	**1,868**
Funding level	**100.7%**

It should be understood that these results indicate the expected cost of providing the Fund benefits using the chosen method and assumptions. The actual cost of providing the benefits will depend on the actual experience. The sensitivity of the results to the key assumptions is included as **Appendix E**.

My certificate confirming that the calculation of the Technical Provisions has been carried out in accordance with the relevant legislation is included in **Appendix F**.

Contribution requirements

Details of the contributions agreed between the Trustee and the Principal Employer are set out in a formal Schedule of Contributions. These documents are included in **Appendix F**. My certificate confirming that the Statutory Funding Objective is expected to continue to be met over the period covered by the Schedule of Contributions is also included in **Appendix F**.

Reconciliation to previous valuation

The previous valuation was carried out as at 31 March 2022 by Richard Gibson. The results are summarised in his report dated 9 June 2023 and show a funding level of 101% corresponding to a surplus of £3,448,000. The key factors that have influenced the funding level of the Fund over the period are as follows:

3 Results

Reconciliation of funding position	£000s
Surplus / (deficit) at previous valuation:	**3,448**
Interest on surplus	273
Deficit contributions	5,267
Actual member experience	(1,698)
LDI effect and other asset experience	(149,185)
Change in market conditions	132,050
Change in mortality assumptions	5,794
Change in RPI-CPI gap post 2030	292
Other assumption changes	(973)
Changes in expense reserve	4,900
Change in GMP equalisation reserve	1,700
Surplus / (deficit) at this valuation:	**1,868**

The 'Actual member experience' item includes the experience from actual versus expected inflation over the inter-valuation period, which in isolation increased the Fund's liabilities, although other member experience partially offset this. The experience as a result of updates to the data following marital status tracing is also included in this item. The "Other assumption changes" item is the net effect of the change in the commutation assumption (which reduces the liabilities), the reduced allowance for members to take CETVs at retirement (which increases liabilities), and a few minor modelling changes (for example, technical changes around the stochastic pension increases modelling).

If the Technical Provisions had been calculated using the assumptions used at the previous valuation, updated solely for changes in market conditions, there would have been a deficit of £9,845,000.

Low dependency estimate

The results of the valuation using the low dependency funding assumptions as described in **Appendix D** are as follows:

Low dependency basis	£000s
Deferreds	79,254
Pensioners	160,928
Dependants	23,724
Annuitants	2,488
AVCs	173
GMP Equalisation Reserve	7,300
Expenses	6,000
Low dependency estimate of liabilities	**279,867**
Value of invested assets	269,879
Value of insured assets	2,488
Market value of assets	**272,367**
Surplus / (Deficit)	**(7,500)**
Funding level	**97.3%**

At the valuation date, the funding level on the proposed low dependency is lower than that measured on the Technical Provisions basis as the low dependency basis contains further margins for prudence.

3 Results

Solvency estimate

The results of the valuation using the assumptions for the solvency estimate described in **Appendix D** are as follows:

Solvency estimate:	£000s
Deferreds	87,408
Pensioners (including dependants)	189,714
Annuities	2,488
AVCs	173
GMP Equalisation Reserve	7,300
Winding-up expenses	6,000
Estimate of solvency liabilities	**293,083**
Value of invested assets	269,879
Value of insured assets	2,488
Market value of assets	**272,367**
Surplus/(Deficit)	**(20,716)**
Funding level	**92.9%**

As at 31 March 2022 the solvency funding level was estimated to be 92.2%.

The Fund would not have had sufficient assets at the valuation date, based on the assumptions, to secure full benefits with an insurance company. If the Fund had wound up at the valuation date, the Sponsoring Employers would have been obliged to make good any shortfall. However, if the Sponsoring Employers were unable to do so, for example due to insolvency, the assets would have been applied to secure benefits in line with the statutory priority order that applied at the valuation date. The coverage of benefits falling into each priority class is estimated in the following table:

Category of benefit	Coverage level
Expenses and defined contribution benefits	100%
Benefits equivalent to PPF compensation	100%
Defined benefit AVCs not covered by PPF compensation	100%
Other benefits	66%

This shows that the Fund would have had sufficient assets to secure benefits for members in excess of the compensation provided by the PPF. This means that had the Fund wound up at the valuation date with no further funds available from the Escrows or the Sponsoring Employers, it is unlikely that the Fund would have entered the PPF. Instead the assets of the Fund would have been applied to secure benefits in the proportions set out above, but members would not have received their full benefit entitlement.

Projected future results

The progression of the funding level over time is influenced by a large number of factors, including the experience of the Fund's membership, the investment return achieved and the contributions paid.

3 Results

I estimate that three years after the valuation date (i.e. at the next valuation) the funding position on a Technical Provisions basis will be 104.1% and on a solvency basis will be 94.5%. This allows for contributions to be paid as described in **Appendix F** and assumes that investment returns and other experience over the next three years is in line with best estimate returns (the “Neutral basis” detailed in Appendix D).

Section 179 valuation

A certificate setting out the results of the Section 179 valuation using the method and assumptions prescribed by the PPF is included in **Appendix F**. The details set out on this certificate must be provided to the PPF via The Pensions Regulator’s Exchange System no later than 30 June 2026.

Valuation submission

The Pensions Regulator uses a twin track approach to assess valuations, with schemes having the option to do a “Fast Track” or “Bespoke” submission.

To be eligible for a Fast Track submission, the outcome of a valuation must meet a series of objective parameters (the Fast Track parameters). The Fast Track parameters specify minimum funding targets, maximum levels of investment risk to be assumed for funding and maximum recovery plan lengths.

As the Fast Track parameters were not met at this valuation, the results will need to be submitted using the Bespoke route.

4 Risks

There are many factors that affect a scheme's funding position and could lead to the Statutory Funding Objective not being met within the timescales expected. These factors may also have an impact on the future solvency position, the ability of the Fund to pay full transfer values.

Some of the key risks that could have a material impact on the Fund are described below.

Current risks	Current mitigation
Employer covenant risk: One of the greatest risks to the ability of the Fund to meet members' benefits in the future is that the Sponsoring Employers may be unable to fund future deficits. The Trustee should form an objective assessment of the strength of the employer covenant when deciding at what level to set the Technical Provisions and how quickly any deficit should be eliminated. The Trustee should also monitor the strength of the employer covenant over time, so that any sudden changes in the Sponsoring Employers' position can be mitigated.	The Trustee regularly monitors the strength of the covenant and receives an in-depth update on the Sponsoring Employers as part of each actuarial valuation.
Investment risk: Allowance is made in the assumptions for the expected long-term performance of risky asset classes such as equities. There is a risk that these returns will not be achieved in practice which would result in further contributions being required. Further, the value of the Fund's assets may not move in line with the Fund's liabilities. The Trustee should regularly review the investment strategy to ensure the risks are understood and managed appropriately.	The Trustee regularly reviews the performance of the Fund's assets and consults with their advisers regarding the investment strategy on a periodic basis. Currently, the Fund's assets are expected to hedge close to 100% of the interest rate risk.
Inflation risk: In projecting the future benefit payments, assumptions are made regarding future price inflation. There is a risk that the actual rate of inflation will be higher than assumed which will increase the cost of providing the benefits. This would result in additional contributions being required and a deterioration in the financial position unless investment returns are similarly higher than expected. The Trustee should therefore consider the inflation risk present within the Fund when reviewing the investment strategy.	The Trustee periodically reviews the level of inflation risk inherent in the Fund's investment strategy with their investment advisers. Currently, the Fund's assets are expected to hedge close to 100% of the inflation risk.

4 Risks

	Mortality risk: It is not possible to predict with certainty how long members of the Fund will live and, if members live longer than expected, additional contributions will be required to prevent a deterioration in the Fund's financial position. The Trustee should therefore keep the mortality assumptions under review.	The Trustee takes advice from their Scheme Actuary on appropriate changes to the Fund's mortality assumptions.
	Member option risk: Certain benefit options may be exercised by members without requiring the consent of the Trustee or the Sponsoring Employers, for example commutation of pension for cash at retirement or taking a transfer value. For example, allowance is made in the assumptions for members to exchange pension for cash at retirement. If the number of members taking up this option or the terms are not as assumed, then funding shortfalls could arise. The Trustee should regularly review the terms for exercising these options to ensure that they are appropriate. If the actuarial factors are reviewed after this actuarial valuation has been completed, this may have implications for the funding position of the Fund.	The Trustee reviews the member option terms at least once every 3 years in order to ensure they remain appropriate.
	Legislative risk: Changes in legislation could increase the value of the Fund's liabilities. The Trustee should therefore take professional advice to ensure that they are aware of any changes in legislation and the impact of these changes on the Fund's funding position.	The Trustee receives regular updates on legislative matters from their advisers.
	Climate risk: The Fund faces potential risks from both the physical effects of climate change and the transition to a low-carbon economy. Climate risk may manifest itself through any of the other risks identified above, including investment and inflation risk, potentially causing a deterioration in the Fund's funding position. The Task Force on Climate-related Financial Disclosures (TCFD) is a framework that aims to help companies and investors measure, manage, and report their climate-related risk exposures and opportunities in a consistent manner. Large pension schemes are already subject to TCFD requirements and the Trustee should prepare for the Fund to come into scope in future.	The Trustee receives updates from their advisers and asset managers about how climate risks are allowed for in the Fund's investment strategy. The Trustee's policy on environmental, social and governance (ESG) issues, including climate change, is included in the Fund's Statement of Investment Principles.

Appendix A - Summary of member data

A summary of the membership data used in the valuation is as follows. The membership data from the previous valuation is also shown for comparison. All average ages are weighted by the proposed Scheme Funding liability.

Deferred Members

	31 March 2022			31 March 2025		
	Number	Average age	Pension at Date of Leaving £000s p.a.	Number	Average age	Pension at Date of Leaving £000s p.a.
Males	528	58	2,041	405	60	1,489
Females	365	56	834	282	59	594
Total	**893**	**57**	**2,875**	**687**	**60**	**2,083**

Pensioner Members

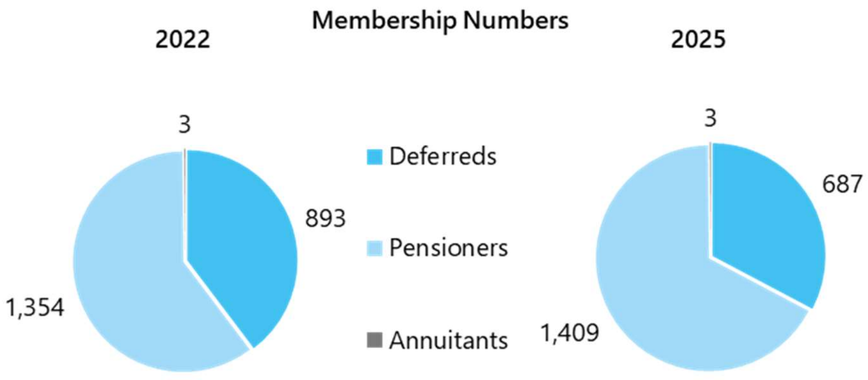
	31 March 2022			31 March 2025		
	Number	Average age	Pension at Valuation Date £000s p.a.	Number	Average age	Pension at Valuation Date £000s p.a.
Males	732	72	10,670	756	74	11,150
Females	622	73	4,951	653	74	5,324
Total	**1,354**	**73**	**15,621**	**1,409**	**74**	**16,474**

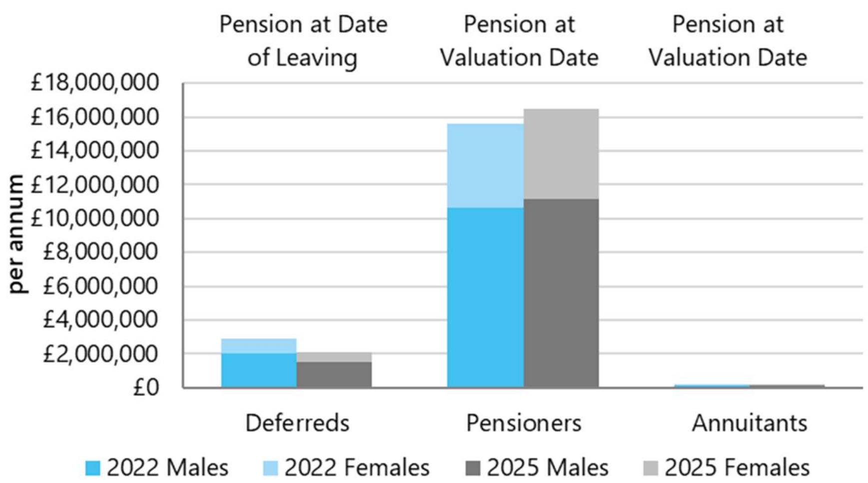
In addition, the Fund has 3 pensioner annuitants at both valuation dates, with total pensions of £132,000 p.a. as at 31 March 2025 (compared with £130,000 p.a. as at 31 March 2022). The deferred member figures include 4 deferred annuitants as at 31 March 2025 (5 deferred members at the last valuation).

The Trustee's Report and Accounts shows a slightly different split of the membership numbers, but I am happy that I can reconcile the difference as outlined below.

- There are two pensioner members who retired in February and March but, due to late notifications, are valued for the purposes of this report as preserved (but are included as pensioner members in the Trustee's Report and Accounts).
- There are three pensioner members who died before 31 March 2025 and are removed from our valuation data but, due to late notifications, are included in the Trustee's Report and Accounts.

Appendix A - Summary of member data





Appendix B - Summary of benefits

The following is a summary of my understanding of the main Fund benefits only. Full details are set out in the Fund's documentation, and no action should be taken based on the summary below without referring back to the formal documentation.

General provisions

Eligibility:	The defined benefit sections are closed to new members and to further accrual of benefits.
Member contributions:	Following the closure of the Fund to future accrual from 30 November 2020, members do not pay contributions.
Contracting-out status:	The Fund ceased contracting-out of the State Second Pension on 5 April 2016.
Member categories	Members are divided into: – The 'A' scheme – 40 'B' schemes, each with separate benefit memoranda.

Pension benefits

Normal Retirement Age:	MS Amlin Group Pension Scheme: – 60 for benefits accrued before April 2006 – 65 for benefits accrued after April 2006 For other B schemes, the normal retirement age is as defined in the memoranda.
Commutation of pension:	We understand that a lump sum up to the maximum permitted under the Finance Act 2004 applies for all sections.
Increases in payment:	See below.
Increases in deferment:	It is our understanding that all benefits under 'A' and 'B' schemes receive statutory indexation in deferment, subject to application of the discretionary underpin recorded in the membership data.

Death benefits

Death in deferment:	B Scheme specific pension and lump sum requirements subject to eligibility requirements, as set out in the individual scheme memoranda.
Death after retirement:	B Scheme specific pension and lump sum requirements subject to eligibility requirements, as set out in the individual scheme memoranda.

The table overleaf shows the pension increases which we understand apply to each section of the Fund. This information was supplied to us previously by the Pensions Manager.

For all other sections within the Fund, statutory increases in payment apply as follows:

- Pension accrued before April 1997 – nil
- Pension accrued between April 1997 and April 2005 – 5% LPI (based on CPI inflation)
- Pension accrued on or after April 2005 – 2.5% LPI (based on CPI inflation).

Appendix B - Summary of benefits

Scheme Name	Pension increases in payment
MS Amlin Group	**Omega, Gamma and Execs Sections:** Pre 97 – 3% p.a. Between 97 and 06 – CPI (min 3% p.a., max 5% p.a.) Post 06 – RPI (max 3% p.a.) **Delta section:** Pre 97 – RPI (max 5% p.a.) Between 97 and 06 – RPI (max 5% p.a.) Post 06 – RPI (max 3% p.a.)
Archer Group	Pre 97 - Fixed 3% p.a. Post 97 - CPI (min 3% p.a., max 5% p.a.)
BMT	Pre 97 - nil Between 97 and 06 - CPI (max 5% p.a.) Post 06 – CPI (max 3% p.a.)
Corp Lloyds (LUNCO)	Pre 97 – Fixed 4% p.a.
Denham Syndicate Management Limited	Pre 97 - 4% p.a. Post 97 - CPI (min 4% p.a., max 5% p.a.)
Morgan Fentiman	Pre 97 - 4% p.a. Post 97 - CPI (min 4% p.a., max 5% p.a.)
Mumford	Pre 97 – CPI (max 5% p.a.) Between 97 and 06 – CPI (max 5% p.a.) Post 06 – CPI (max 3% p.a.)
Sturge (E), (H), (O) & (S)	(S), (O), (H) and (E) category 1 members – Statutory (E) categories 2, 3, 4 and 5– Fixed 5% p.a. on reduced pension the member would receive if take maximum cash on the former IR maximum.

Appendix C - Summary of assets and contributions

Assets at 31 March 2025

	£000s	Actual allocation
Insight LDI	138,728	51%
LaSalle property	599	0%
Arcmont private credit	26,937	10%
Insight contractual income	101,143	38%
Annuities	2,488	1%
Cash	203	0%
Total investments	**270,098**	**100%**
Members' additional voluntary contributions	173	
Net current assets (less co-mingled in-house AVCs)	2,096	
Total market value of assets	**272,367**	

The actual return achieved on the Fund's investments since the previous valuation was approximately -9.8% p.a.

Contributions since previous valuation

The previous valuation resulted in a formal Schedule of Contributions being put in place with effect from 16 May 2023.

Escrow payments under Schedule of Contributions dated 16 May 2023

As agreed in the Schedule of Contributions dated 16 May 2023, the Sponsoring Employers are paying contributions into the 'Escrow II' account as set out below.

Date paid by:	31 March 2025	31 March 2024	31 March 2023
Contributions (£000s)	3,710	3,710	N/A

In addition, the Sponsoring Employers have agreed to meet directly invoiced Fund expenses, where these were within the agreed Expense Sharing Framework.

I understand that contributions have been paid in accordance with this schedule. Over the period since the previous valuation, the actual contributions that have been paid to the Fund were as follows (this includes contributions paid in accordance with the previous schedule that was in place prior to the current schedule being agreed):

Contributions (£000s) for the year ending:	31 March 2025	31 March 2024	31 March 2023
Deficit contribution – Sponsoring Employers	0	0	4,940
Contributions to the Fund to meet expenses	0	0	9

Appendix D - Summary of assumptions

	31 March 2022 Technical Provisions	31 March 2025 Technical Provisions	31 March 2025 Neutral basis	31 March 2025 Low dependency basis	31 March 2025 Solvency estimate
Discount rate	BoE gilt yield curve + 1.25% p.a. Trending down linearly to +0.50% p.a. by 2030	BoE gilt yield curve + 0.95% p.a. Trending down linearly to +0.50% p.a. by 2030	BoE gilt yield curve + 2.0% p.a. Trending down linearly to +1.10% p.a. by 2030	BoE gilt yield curve + 0.5% p.a.	Based on estimates of insurer pricing using information provided to Barnett Waddingham
Price inflation (RPI)	BoE gilt-implied inflation curve supplemented with Merrill Lynch swap data at short terms	BoE gilt-implied inflation curve supplemented with Merrill Lynch yield data at short terms	BoE gilt-implied inflation curve supplemented with Merrill Lynch yield data at short terms	BoE gilt-implied inflation curve supplemented with Merrill Lynch yield data at short terms	BW's Standard Bulk annuity basis
Price inflation (CPI)					BW's Standard Bulk annuity basis
• For 2022	RPI inflation less 2.0% p.a.	N/A	N/A	N/A	
• Pre 2030	RPI inflation less 1.0% p.a.	RPI inflation less 1.0% p.a.	RPI inflation less 1.0% p.a.	RPI inflation less 0.8% p.a.	
• Post 2030	RPI inflation	RPI inflation less 0.1% p.a.	RPI inflation less 0.2% pa	RPI inflation	
Pension increases	Based on relevant inflation assumption allowing for any caps or collars	Based on relevant inflation assumption allowing for any caps or collars	Based on relevant inflation assumption allowing for any caps or collars	Based on relevant inflation assumption allowing for any caps or collars	A model of each increase, allowing for insurers' relative pricing of different caps and collars

Appendix D - Summary of assumptions

	31 March 2022 Technical Provisions	31 March 2025 Technical Provisions	31 March 2025 Neutral basis	31 March 2025 Low dependency basis	31 March 2025 Solvency estimate
Mortality tables	For smaller pensions: 110% of S3PMA for males and 96% of S3PFA for females For larger pensions: 93% of S3PMA_L for males and 93% of S3PFA_L for females	For all pensions: 95% of S4PMA for males and 87% of S4PFA for females	For all pensions: 98% of S4PMA for males and 90% of S4PFA for females	For all pensions: 95% of S4PMA for males and 87% of S4PFA for females	For all pensions: 93% of S4PMA for males and 85% of S4PFA for females
Allowance for improvements in life expectancy:					
Projection tables	CMI_2021	CMI_2023	CMI_2023	CMI_2023	CMI_2022
Long-term improvement rate	1.50% p.a.	1.50% p.a.	1.25% p.a.	1.50% p.a.	1.75% p.a.
Initial addition parameter	0.75% p.a.	0.50% p.a.	0.50% p.a.	0.50% p.a.	0.50% p.a.
Smoothing parameter	7.0	7.0	7.0	7.0	7.0
2020 and 2021 weight parameters	0%	0%	0%	0%	0%
2022 and 2023 weight parameters	N/A	15%	15%	15%	10% (2022 parameter only)
Proportion married at retirement	Based on actual Fund data	Based on actual Fund data	Based on actual Fund data	Based on actual Fund data	Based on actual Fund data

Appendix D - Summary of assumptions

	31 March 2022 Technical Provisions	31 March 2025 Technical Provisions	31 March 2025 Neutral basis	31 March 2025 Low dependency basis	31 March 2025 Solvency estimate
Age and sex of dependant	Based on actual Fund data.				
Retirement age	Earliest age can retire unreduced				
Cash commutation	Members commute 17.5% of their pension for cash, based on neutral basis terms.	Members commute 20% of their pension for cash, based on neutral basis terms.	Members commute 20% of their pension for cash, based on neutral basis terms.	Members commute 20% of their pension for cash, based on neutral basis terms.	None
Allowance for expenses	Reserve of £4.9m	None	None	Reserve of £6m	Reserve of £6m
Allowance for discretionary benefits	None				
Allowance for transfers out	10% of members opt to transfer out	2% of members opt out	2% of members opt out	0% of members opt out	0% of members opt out
Allowance for GMP equalisation	Estimated reserve using Fund data Additional provision of £3m for Lloyds 3	Updated estimated reserve using Fund data, with additional provisions for Lloyds 3 – a total reserve of £7.3m			

Appendix D - Summary of assumptions

Note on Solvency estimate assumptions

The basis used for the solvency estimate reflects a general view of annuity pricing, based on Barnett Waddingham's research into the insurance market and taking account of the pricing that Barnett Waddingham has observed across a range of transactions. These prices will include the insurer's anticipated running costs for the future administration of the pensions. Whilst I am satisfied that these assumptions are appropriate for the purpose of the solvency estimate, and in particular that this estimate satisfies the requirements of Regulations 7(4)(b) and 7(6)(a) of the Occupational Pension Schemes (Scheme Funding) Regulations 2005, the Trustee should understand that my calculations are only intended to provide a broad indication of likely annuity costs, and that an actual quotation could differ materially from this estimate.

Assets for the solvency estimate have been taken at market value as set out in the draft accounts.

The expenses associated with discontinuing a pension scheme are difficult to predict and can be significant. For the purposes of my calculations, I have made an allowance for expenses of £6,000,000, being 2% of the solvency liabilities, in addition to insurer expenses which are allowed for in the solvency basis assumptions. Although I believe this allowance to be a reasonable provision for the purposes of the valuation, it should not be seen as a quotation of the likely expenses involved.

Appendix E - Sensitivity analysis

The statutory funding position is sensitive to the assumptions made regarding future experience. The following table illustrates the impact on the funding position of making different assumptions at the valuation date.

	Impact on liabilities £000s	Impact on funding level %
Probability of death 10% lower at every age	7,269	-2.6
No transfers out (0%)	136	-0.1
10% assumed unmarried members are married	1,207	-0.4
5% lower Cash Commutation	325	-0.1
Decrease discount rate by 0.1% p.a.	2,517	-0.9
Increase discount rate by 0.1% p.a.	(2,472)	0.9
Increase inflation assumption by 0.25% p.a.	1,624	-0.6
Decrease inflation assumption by 0.25% p.a.	(1,626)	0.6

Appendix F - Valuation documents

The following documents have been agreed between the Trustee and Principal Employer as part of the valuation process and are included in this appendix:

- Statement of Funding Principles, setting out the funding objectives and the action to be taken if those objectives are not met.
- Schedule of Contributions, setting out the contributions payable to the Fund by the Sponsoring Employers.

The following actuarial certificates are required as part of the valuation process and are included in this appendix:

- Certification of the calculation of the Technical Provisions, which confirms that the Technical Provisions have been calculated in accordance with the regulations and the Statement of Funding Principles.
- Certification of the Schedule of Contributions, which confirms that the Statutory Funding Objective is expected to be met in the period covered by the Schedule of Contributions.

- The Statement of Strategy, which outlines the Sponsoring Employers' approach to managing the Scheme's funding and investment, is also required as part of the valuation documentation.

Section 179 valuation

A certificate setting out the results of the Section 179 valuation using the method and assumptions prescribed by the PPF is also included in this appendix.