

# Putting pensions in context

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FTSE350 Pensions Analysis 2021

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# Executive summary

Welcome to Hymans Robertson's thirteenth annual FTSE350 pension analysis report, which puts the Defined Benefit (DB) pension schemes of the FTSE350 in the context of the businesses that support them.

In our view, two priority areas for 2022 are the impact of TPR's new funding regime on DB end game planning and measuring and integrating climate risk into DB funding strategies. We've therefore explored these themes in this year's report.

**1** **Impact of TPR's new funding regime on DB end game planning.** Corporates need to start considering if they will adopt a Fast Track or Bespoke funding strategy as TPR's new funding regime goes live in late 2022 / early 2023. Our expectation is that 60% of FTSE350 schemes are sufficiently well funded that they can comply with Fast Track with their existing strategy. However, the remaining 40% should be on the front foot and considering a Bespoke strategy potentially supported by provision of security to the pension scheme. This would save these companies £15bn of deficit contributions relative to a Fast Track strategy.

**2** **Measuring and integrating climate risk into DB funding.** Climate risk is becoming ever more concerning and significant. In our view it needs to be built into DB funding strategies. Our analysis shows that climate risk left unchecked will add £25bn of additional deficit risk to FTSE350 pension liabilities. Covenant visibility will also be significantly impacted by climate risk, potentially leading to scenarios where additional cash is needed to fund DB deficits at just the time covenant strength is falling. Funding strategies need to be adopted that are resilient to the impact of climate risk on pension scheme assets and liabilities, and employer covenant.

I hope you find this report interesting and informative. Please contact me or one of the team if you would like to discuss any aspect of our analysis.

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# Impact of TPR's new funding regime

With scheme funding generally improving, tougher regulatory powers in force from October 2021, and TPR's new funding regime getting closer (it is currently expected to go live in late 2022 / early 2023), corporates should be focusing on developing their DB endgame strategy, and putting an appropriate corporate governance structure in place to implement the strategy and manage regulatory risk.

One of the triggers for developing an endgame strategy is likely to be forthcoming triennial valuations, particularly those which fall under the new funding regime. To understand the range of options that could be possible under the new funding regime (noting that the regime remains subject to consultation and therefore potential further change), we've compared the economic cost of two of the typical endgame strategies for the 177 FTSE 350 sponsors of DB schemes.

## Economic value of Fast Track vs Bespoke

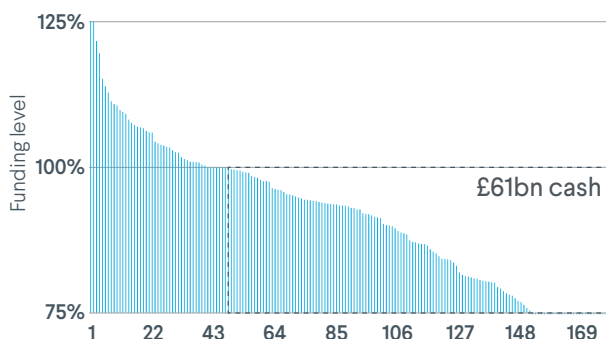
For the analysis we've considered two strategies:

**1 Fast Track** – Target full funding on a self-sufficiency type long term objective (LTO) of gilts + 0.5% pa in 15 years' time (around when the scheme duration will drop to 12 years for most schemes). This strength of basis is at the lower end of the possible Fast Track LTO range signposted by TPR.

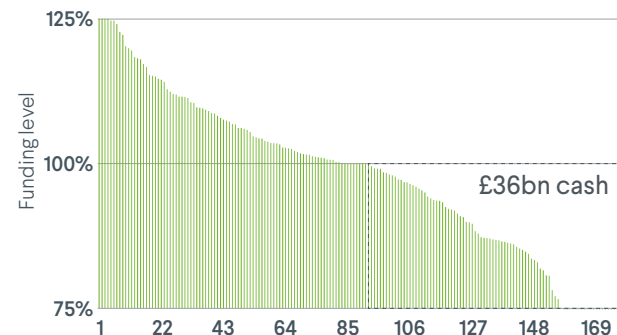
**2 Company focused Bespoke strategy** – Target full funding on a gilts + 1.0% pa basis in 15 years' time, to enable a Cashflow Driven Investment strategy to meet the benefit payments with a reasonable degree of confidence, whilst still placing reliance on the employer covenant.

We've applied these strategies across the FTSE 350, and summarised the distribution of current funding levels in the charts below. For schemes in deficit, we've indicated on the charts the total amount of cash commitments needed to close the deficit for each strategy.

Funding level of schemes under Fast Track



Funding level of schemes under Bespoke



	Fast Track (gilts + 0.5%)	Bespoke (gilts + 1.0%)
Aggregate assets	£725bn	£725bn
Aggregate liabilities	£770bn	£710bn
Median funding level	94%	100%
Total undiscounted cash commitment for those in deficit	£61bn	£36bn

At a simplistic level, the FTSE350 could save **£25bn** in deficit contributions if all the companies followed a Bespoke rather than Fast Track strategy.

However, it is worth considering the different situations of these companies. Those that have a scheme that is already sufficiently well funded to achieve Fast Track with the existing strategy may conclude that Fast Track is the most appropriate option. The new funding regime is not really that significant for these companies. Instead planning for the DB end game is far more important.

For less well funded schemes, a Bespoke strategy should be considered. It will generally only work when legally enforceable covenant support is provided to the scheme, ensuring the strategy is 'Fast Track equivalent.'

These companies will therefore need to consider the trade-off between provision of cash and security to their pension scheme.

Given this dynamic, we therefore expect that FTSE350 companies will fall into one of two buckets:

- A** No change - the scheme is already sufficiently well funded to follow a Fast Track strategy without any increase in annual contributions.
- B** Corporate driven Bespoke strategy – consider a Bespoke strategy, supported by security, as a way to reduce cash contributions whilst still supporting the pension scheme.

We've segmented sponsors of FTSE 350 DB schemes into these two buckets to determine their possible strategic direction of travel:

Bucket	Number	Total minimum cash commitment for Fast Track	Total cash commitment for Bespoke	Required security to support strategy	Aggregate change in annual DRCs for Fast Track	Aggregate change in annual DRCs for Bespoke
A	107	£17bn	n/a	n/a	-70%	n/a
B	70	£44bn	£29bn	£25bn	+150%	-35%

### Key observations

**60%** of companies fall into category A, with schemes that are already sufficiently well funded that Fast Track can be easily followed with the existing strategy and deficit contribution levels. The focus for these companies should be planning for the DB end game, rather than concerns around the new funding regime.

**40%** of companies fall into category B. Without the corporate driving the strategy, these schemes might adopt a Fast Track strategy which would increase annual cash costs relative to current levels by **150%** on average. However, by driving a Bespoke strategy with provision of security to the scheme, these companies could reduce these cash costs by **£15bn**, and actually reduce current annual cash costs by **35%**. To support this, trustees might require up to £25bn of additional non-cash security (the difference between the Fast Track and Bespoke liabilities).

# | Our view

We're not surprised that the majority of the FTSE 350 can comply with Fast Track without any significant changes to their existing strategy or cash contributions. The pension scheme is generally small relative to the company for most of the FTSE350.

However, for a minority there is significant economic value in driving the strategy; using the Bespoke route to reduce cash costs and make better use of corporate capital.

At Hymans Robertson we use a four stage process to support our corporate clients in developing a DB end game strategy. Below is a brief overview of each stage – contact one of the authors on page 24 or your usual Hymans Robertson consultant if you would like to discuss further.



# Measuring and integrating climate risk into DB funding regime

Managing, controlling and reducing climate risk is becoming ever more important. Corporates already report and manage some of the “externality” risks associated with their operations. Many have also embraced the Taskforce for Climate Related Financial Disclosures (TCFD) to manage and report on climate-related risks specifically. These TCFD requirements are now being rolled out to pension schemes, initially those over £5bn and subsequently to those over £1bn. Measuring and understanding the impact of climate risk on DB funding strategies is therefore increasingly important for corporates.

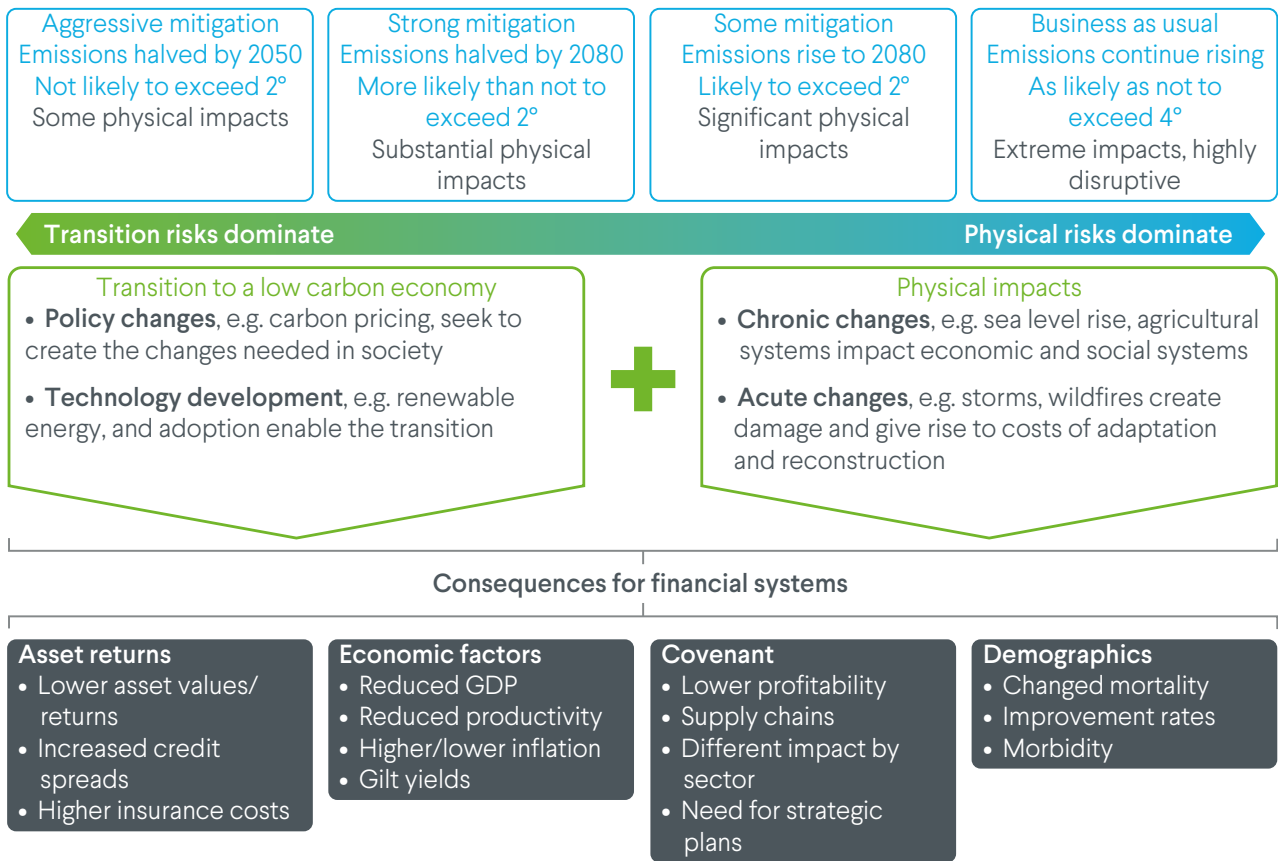
## Modelling climate risk

We’ve started to consider climate risk by building three climate scenarios into our DB scheme asset-liability modelling. In the absence of one of these scenarios, which we’ll refer to as “base” in the analysis below, the modelling makes no explicit allowance for climate risk. That does not mean, of course, that the base position makes no allowance for climate risk at all; being calibrated with reference to market levels and volatilities, both of which will be influenced by a number of factors including climate risk, the output implicitly contains

some allowance for climate risk. Nevertheless, it is helpful to consider some particular climate scenarios in order to test the resilience of a particular strategy. These scenarios are detailed in the table below. We consider three scenarios: a smooth and rapid “greenification” of human activity (“smooth transition”), a more delayed and severe response to achieve the same objectives (“delayed transition”) and very little response (“no transition”).

Scenario	Years 1 – 5	Years 6 – 10	Years 11 – 15	Years 16 – 20
Smooth transition: 2100 temperature pathway at or below 2 degrees	Short term concerted policy action and investment in new technology		Further policy action to maintain intent and acceleration of timeframes for change	Policies largely successful: renewable energy now a significant proportion of overall usage and modest physical impacts
Delayed transition: 2100 temperature pathway at or below 2 degrees	Limited investment and policy measures	Concerted policy action as Paris commitments are enforced. Action is more extreme and disruptive than may have otherwise been needed		Outcomes similar to “smooth transition”
No transition: 2100 temperature pathway above 2 degrees	No material policy action	Low effort at climate adaptation with policy failure and adherence to current ways of thinking	Increased likelihood of acute physical impacts on businesses and increased government spending in response to immediate environmental damage	

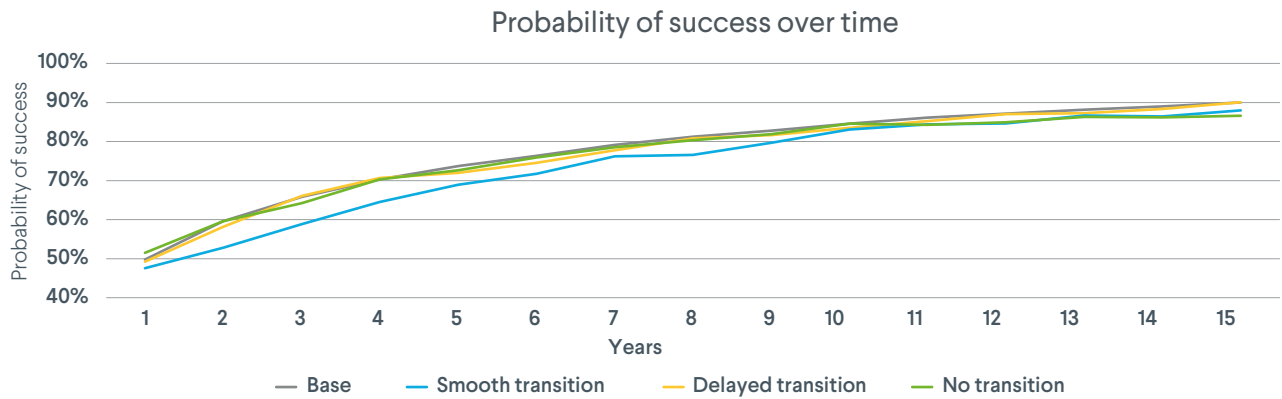
Climate risk exposes schemes to both physical risks (the direct impacts of a warming climate such as resource shortages and extreme weather events) and transition risk (the impacts of society's attempts to tackle climate risk e.g. carbon taxes). These risks may manifest over different timescales depending on the scenario and are expressed in our modelling as increased volatility of key variables.



We've looked at the aggregate FTSE 350 DB funding position and considered the potential impact of these climate scenarios on the ability of the FTSE350 to achieve a Fast Track LTO level of funding.

## Impact on likelihood of achieving Fast Track funding

Firstly we've analysed the probability of hitting a gilts+0.5% target over time.

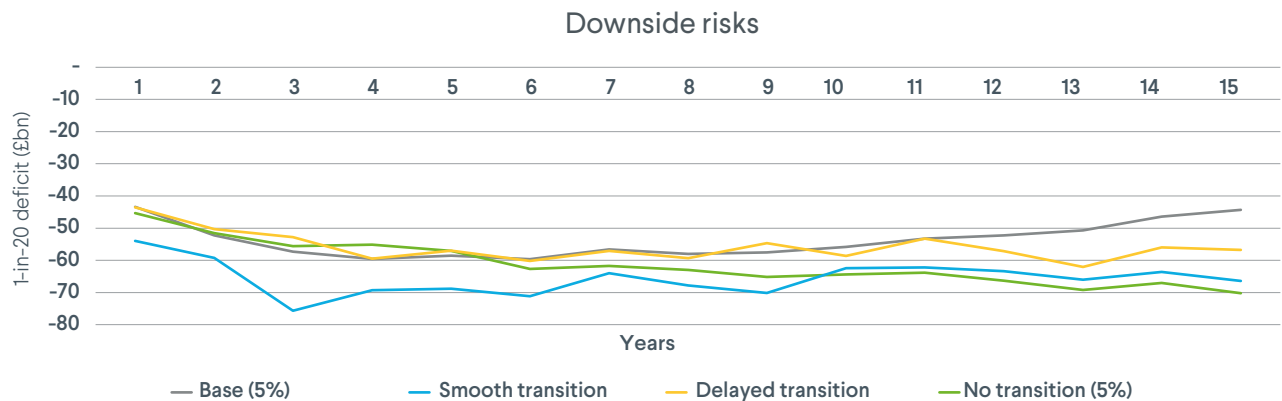


The first thing that jumps out is how close the various climate scenarios are to the baseline (i.e. where no climate-related adjustments are made). The scenarios also tend to get closer over time. This is because there is already significant uncertainty in longer-term outcomes such that adding more in respect of climate risk does not materially alter them. Perhaps counter-intuitively this shows that over the longer time, climate risk may not be a key factor in DB funding strategies.

However, shorter-term, the picture is different, with the smooth transition scenario showing a discernible drop in probability. For example, after 3 years the probability of success is around 10% lower with the smooth transition. This is because the transition risks are immediately felt with markets re-ricing in response. This shows the need to be careful when communicating climate risk: what's a "good" scenario in terms of the planet and civilisation may not be so for a particular scheme over a particular timeframe.

## Impact on downside risk

We've also looked at downside risk, expressed as the 1-in-20 year deficit emerging in each of the climate scenarios.





This is where climate risk starts to look more significant. In all climate scenarios, downside risk is typically higher with the risk (relative to the baseline) increasing over time. Currently, many corporates will consider downside risks and typically try to keep 1-in-20 amounts in the “painful but manageable” category. What the chart above shows is that there are additional downsides not currently being considered which could be significant. In the shorter term it’s the smooth transition scenario that adds the most additional downside risk, which comes from rapid and aggressive policy changes harming DB funding. However, longer term it’s the no transition scenario that adds the most additional risk i.e. significant physical risk and late ineffective policy response. Over the next 15 years it could amount to some £25bn extra in pension obligations for the FTSE 350. The scenario which does the least damage to DB funding is the delayed transition scenario. Longer term changes do come through over time, so this reduces the long term impact of climate change on DB funding without the short term negative funding impact of the smooth transition scenario.

These risks will likely need to be funded by cash or covered by contingent security. This is because the timescale over which they emerge, in conjunction with the maturing of schemes, means the ability to fund the risk through time and returns is diminishing. Corporates should therefore consider testing their pension risk in the context of climate risks to see if their DB strategy remains appropriate for the business.

## Managing the risk

The implications of climate risk need to be integrated into DB funding strategies. Strategically, climate risk is most likely to impact on downside risk mitigation, and subsequent timescales for achieving full funding if things go wrong. Some practical steps to manage climate risk are:

1. Ensure the scheme’s investment portfolio is suitably diversified, divested or engaged in terms of climate risk and check the measurability of this.
2. Consider both scheme and sponsor outcomes. How do bad scheme outcomes correlate with sponsor outcomes in scenarios considered? This is key to establishing the appropriate mitigating actions for some of these downside risk.
3. Typical downside risk mitigations may be increasingly sought by trustees: accelerated cash, contingent security and parent company guarantees. The type and size of mitigation needs to be carefully considered against the size and nature of the risk.

## | Our view

The above scenario analysis can be helpful in forming a meaningful yet proportionate response to climate risk. In most cases, it ought not to influence strategic direction but has the possibility to blow a scheme materially off course. Taking the time to appropriately plan and manage the risk now could yield better longer-term outcomes for both the scheme and its sponsor.

The scenarios considered are of course hypothetical, but quite plausible. And they’re not mutually exclusive. As we write, COP 26 has recently concluded. There’s international consensus that we need to transition from fossil fuels so we might expect significant transition risk within the UK. But with major polluters such as China and India refusing to give commitments on reduced use of coal, we might also expect some of the longer term physical risks too. Schemes and sponsors therefore need to continue to develop their approach to this issue.

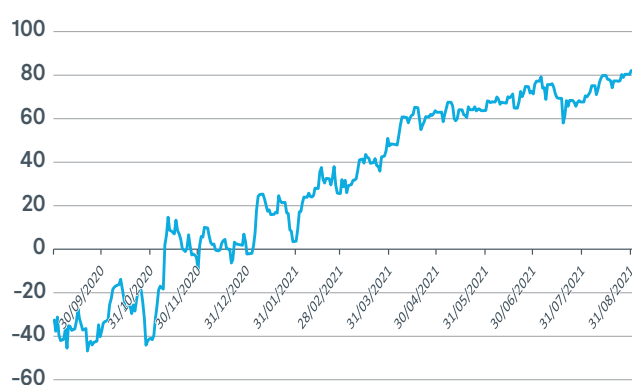
# FTSE350 analysis

## Pension deficits

The graph below shows how the aggregate IAS19 funding position for FTSE350 companies has changed between 31 August 2020 and 31 August 2021. The aggregate FTSE350 IAS19 funding position has shown steady improvement over the year. This improvement was driven by strong performance in equity markets as share prices rebounded following the gradual easing of Covid 19 restrictions. This has helped offset rising inflation expectations which have increased IAS19 liabilities, offset by a small increase in corporate bond yields leading to higher IAS19 discount rates.

The result is that the aggregate FTSE350 IAS19 funding position has moved from a £30bn deficit to a £80bn surplus over the year.

### Surplus (£bn)



## Company performance

The market cap of the 177 companies in the FTSE350 that sponsor a defined benefit pension scheme has increased from £1,767bn at 31 August 2020 to £1,994bn at 31 August 2021.

The actual spending on defined benefit pensions has remained unchanged at £13bn (reported contributions in year-end accounts up to 31 March 2021 compared to reported contributions in year-end accounts up to 31 March 2020), although reported earnings fell significantly over this period.

The £13bn of pension contributions compares with £52bn of dividend payments to shareholders.

### FTSE350 Defined Benefit Pension Scheme Sponsors Market Cap (£bn)



Date	2019/20	2020/21
Earnings	£389bn	£263bn
Pension contributions	£13bn	£13bn

## | Our view

The significant improvement in DB funding levels and increase in the market capitalisation of sponsors means that generally the FTSE 350 is very well placed to support its pensions risk. However, this masks some strained situations at an individual company level.

## Ability to support pension schemes

To put pension schemes in the context of the businesses that support them, we consider four company metrics: security, affordability, fluctuation and expenditure. These are explained on the next page. We calculate these metrics for each company in the FTSE350 with a defined benefit pension scheme, based on information from the latest year end company accounts between 31 March 2020 and 31 July 2021 (depending on when companies file their accounts), and expressed relative to market capitalisation in November 2021. These metrics are then plotted on four axes to give a diamond shape – the larger the shape, the bigger the pension scheme burden on the sponsoring company.

The charts on the next page show how the median shape has changed over the last five years for the FTSE350. Our key findings on the changes over the past year are set out below.

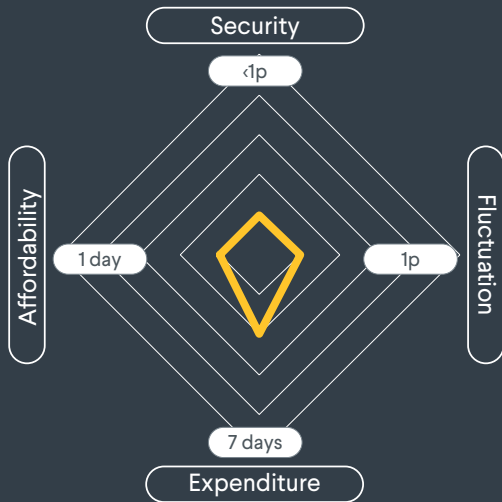
- Security has remained broadly unchanged. The typical company's IAS19 pension deficit equated to less than 1p in the pound of market cap (2019/20: also less than 1p in the pound of market cap).
- Affordability has also remained broadly unchanged. The typical company could pay off its IAS19 pension deficit with one day of earnings (2019/20: one day of earnings).
- Fluctuation has seen an improvement. The typical company has 1p of un-hedged IAS19 pension liabilities per pound of market cap (2019/20: 2p of un-hedged pension liabilities).
- Expenditure is unchanged. The typical company could generate its annual pension contributions with 7 days of earnings (2019/20: 7 days of earnings).

These metrics become particularly useful when comparing the spread of scores across the FTSE350, which is set out on the following pages. Appendix 2 then sets out the scores for all companies in the FTSE350 with a defined benefit pension scheme.

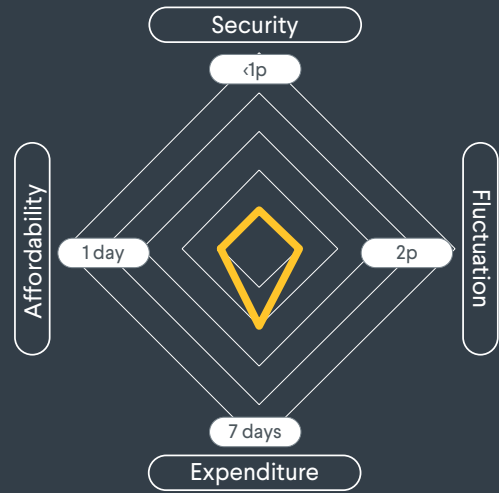
## | Our view

All four metrics remaining relatively constant or improving suggests companies, on average, remained well placed to support their pension schemes despite Covid-19 impacting many businesses over the past two years

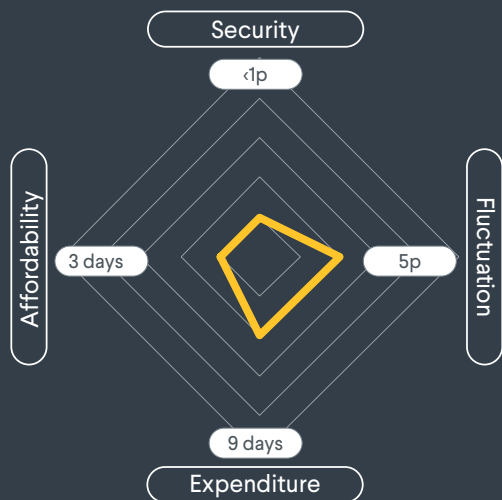
### FTSE350 Median - 2020/2021



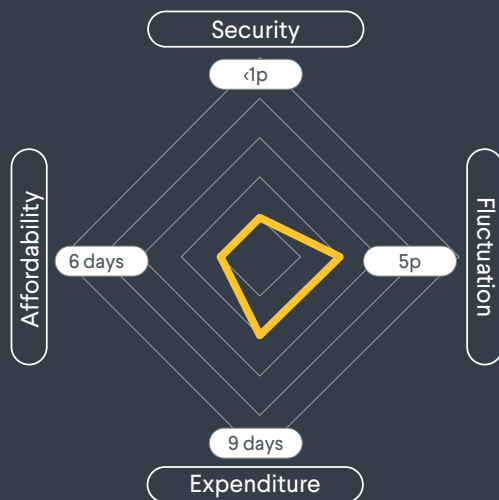
### FTSE350 Median - 2019/2020



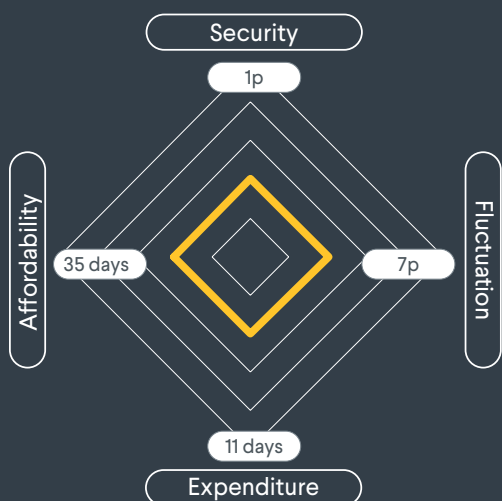
### FTSE350 Median - 2018/2019



### FTSE350 Median - 2017/2018



### FTSE350 Median - 2016/2017



#### Pension metrics:

Security – pension deficit expressed as pence in the pound of company market cap

Affordability – the number of days of earnings to pay off the pension deficit

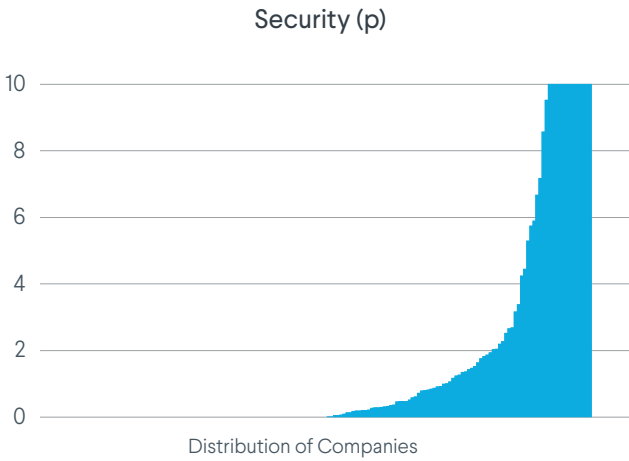
Fluctuation – un-hedged pension liabilities expressed as pence in the pound of company market cap

Expenditure – the number of days of earnings to generate the annual pension contributions

These charts rank the 177 FTSE350 companies with a defined benefit pension scheme on each of our four metrics, and hence show the spread across the FTSE350.

### Security

Pension deficit expressed as pence in the pound of company market cap



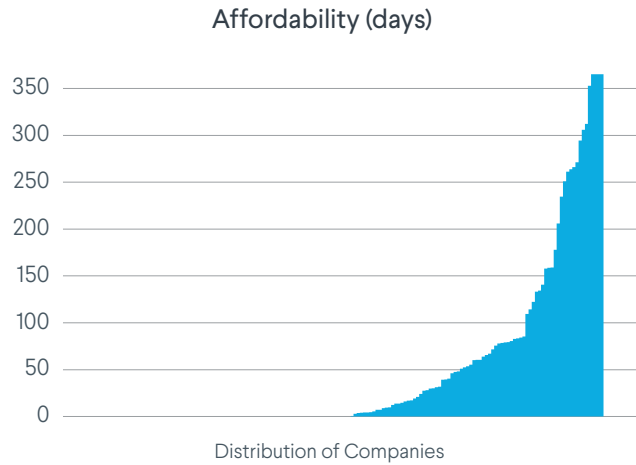
There remain no companies with a deficit greater than the market cap. Deficits remain manageable relative to market cap.

92% of companies have a pension deficit of less than 10p in the pound of market cap.

88% of companies have a pension deficit of less than 5p in the pound of market cap.

### Affordability

The number of days of company earnings to pay off the pension deficit



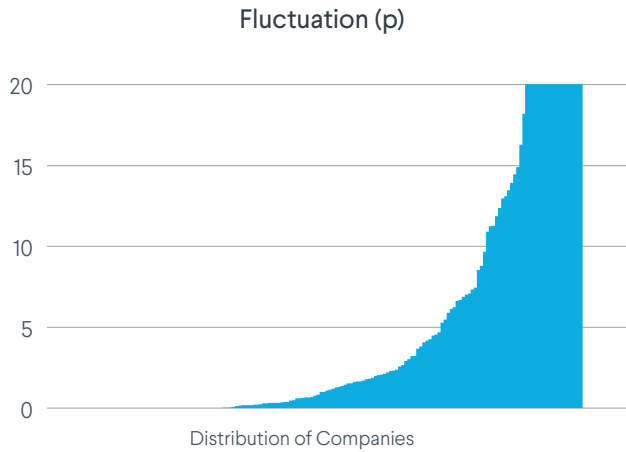
There are 4 companies that need more than 1 year (365 days) of earnings to pay off the pension deficit.

91% of companies could pay off the deficit with less than 6 months (183 days) of earnings.

There are 4 companies with an IAS19 pension deficit that reported negative earnings. These companies are shown on the far right of the distribution.

## Fluctuation

Un-hedged pension liabilities expressed as pence in the pound of company market cap



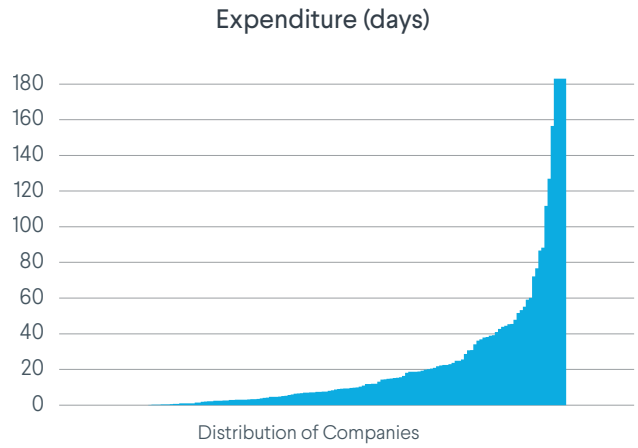
1 company has un-hedged pension liabilities in excess of its market cap, i.e. the un-hedged liabilities are more than 100p in the pound of market cap.

89% of companies have un-hedged pension liabilities of less than 20p in the pound of market cap.

82% of companies have un-hedged pension liabilities of less than 10p in the pound of market cap.

## Expenditure

The number of days of company earnings to generate the annual pension contributions



4 companies put more than half a year's earnings (183 days) into its pension scheme.

83% of companies put less than 1 month (31 days) of earnings into their pension scheme and 51% of companies put less than 1 week (7 days) of earnings into their pension scheme.

There are 6 companies that paid pension contributions but reported negative earnings. These companies are shown on the far right of the distribution.

# Methodology

We have analysed the 177 companies in the FTSE350 that have defined benefit pension schemes sufficiently material to be disclosed under IAS19 in their annual reports. This excludes all investment funds and trusts, and is based on the FTSE Group listing at 31 May 2021. We have included UK and overseas funded and unfunded defined benefit schemes. Any figures or proportions quoted in this report in relation to the “FTSE350” relate only to these 177 companies.

We have used market capitalisation in November 2021 to calculate our Security and Fluctuation metrics.

The following information has been taken from companies’ most recently published annual reports. We have referenced annual reports with effective dates from 31 March 2020 and 31 July 2021, depending on when the relevant accounts were filed.

- Pension data - extracted from IAS19 disclosures
- Earnings data - extracted from performance statements. We have referenced EBITDA, i.e. earnings before interest, tax, depreciation and amortisation.
- Staff, pension and other costs - extracted from the notes to accounts.

Where necessary, figures have been converted to sterling using appropriate exchange rates.

For company expenditure, we have taken the total expenditure on pensions covering contributions for both the accrual of benefits and the repayment of deficits. These figures are as reported in companies’ annual reports and include both regular contributions and one-off contributions.

We have included both funded and unfunded defined benefit pension liabilities in our analysis.

To determine un-hedged pension liabilities, we have taken pension liabilities less the value of bond or insurance type assets held by the pension scheme. Leverage is approximately allowed for in this calculation by taking twice the value of government bonds and LDI funds, with overall hedging capped at 100% of scheme assets. Bond type assets are taken from the IAS19

disclosures. They include government bonds, corporate bonds, LDI funds and buy-ins. There is now a wide range of bond type assets, and so the calculation of this metric does vary at a company level depending on how individual companies disclose their pension scheme asset allocation in their accounts.

When a company makes any pension deficit adjustment for IFRIC14, our analysis references the IAS19 pension surplus / deficit prior to the IFRIC14 adjustment.

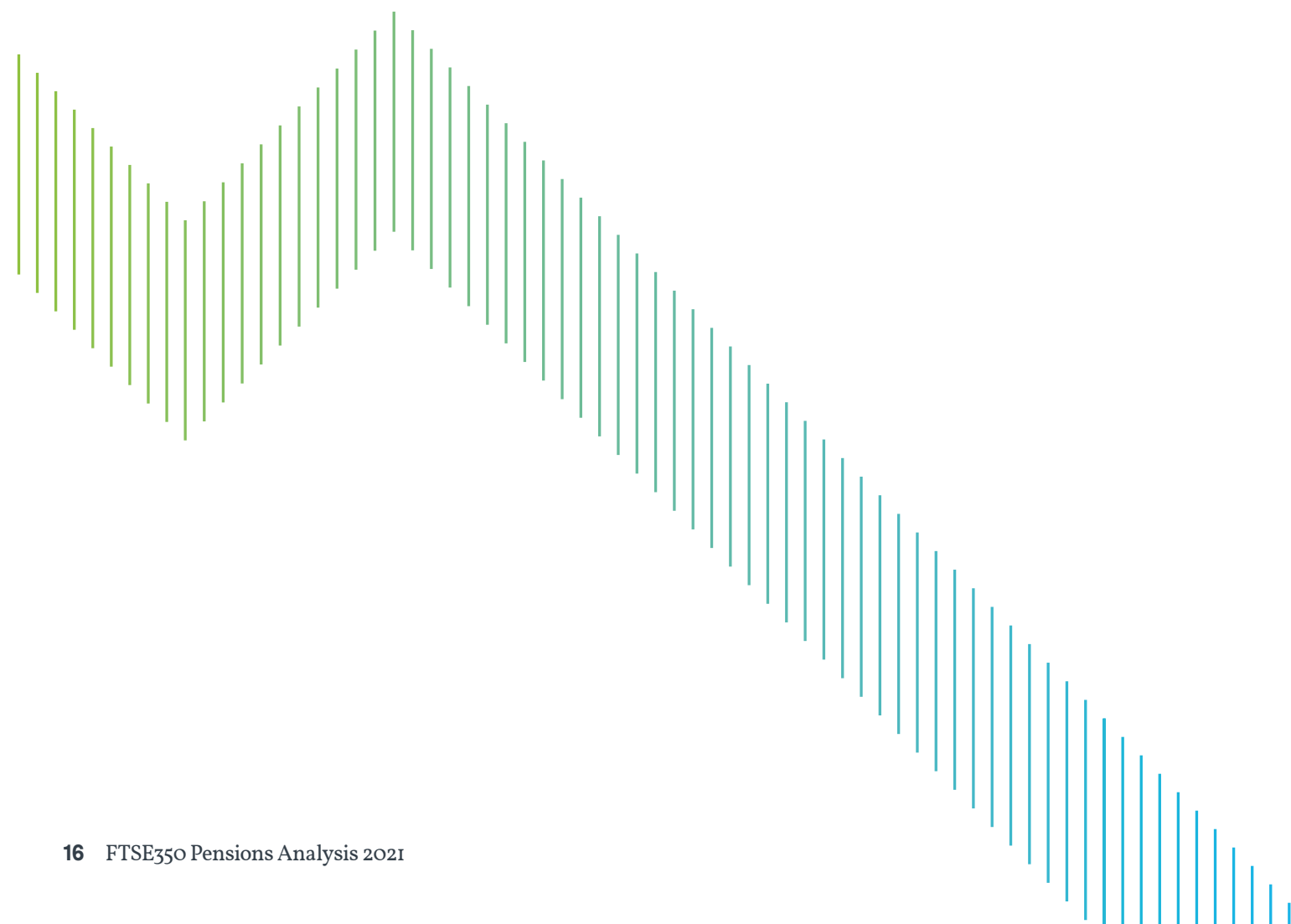
Our analysis for companies that operate sections in the Railways Pension Scheme is after the liability / deficit reduction on account of franchise adjustments and employees’ share of the deficit.

Details of assumptions and methodology for our Fast Track vs Bespoke funding regime analysis are as follows:

- We have used the individual IAS19 funding position of the FTSE 350 constituents as detailed in their published financial statements and adjusted approximately to a gilts + 0.5% and gilts + 1.0% basis, with a further 5% liability increase to reflect additional prudence in a LTO basis verses best estimate IAS19 assumptions.
- Contribution requirements under each strategy have been determined as the level of contributions required to close the deficit over 15 years. Investment returns are based on the current disclosed investment strategy, but with a broad allowance for de-risking over time towards portfolios suitable to support either a Fast Track or Bespoke LTO. Contributions are assumed to be paid over 6 years for Fast Track and 15 years for bespoke.

Details of assumptions and methodology for our climate risk modelling are as follows:

- We have used our in-house Economic Scenario Service which includes climate-adjusted analyses. This has been applied to a hypothetical scheme with similar properties to the aggregate FTSE 350 and the outputs scaled approximately.
- We have used the aggregate funding position of the FTSE 350 as detailed in published financial statements and adjusted approximately to a gilts + 0.5% liability basis.
- The investment strategy modelled is broadly 40% LDI, 15% credit and 45% equity/growth.





## Appendix 2

# Company scores

'NE' refers to companies disclosing negative earning (i.e. losses)

### Basic materials

Company	Accounting date	Security	Affordability	Fluctuation	Expenditure
Anglo American	31-Dec-20	0	0	0	3
Antofagasta	31-Dec-20	0	0	0	0
Croda International	31-Dec-20	0	7	0	14
Elementis	31-Dec-20	2	55	33	1
Essentra	31-Dec-20	2	64	13	5
Evraz	31-Dec-20	2	40	4	7
Ferrexpo	31-Dec-20	1	14	2	0
Fresnillo	31-Dec-20	0	4	0	0
Glencore	31-Dec-20	1	15	3	0
Johnson Matthey	31-Mar-21	0	0	0	0
Mondi	31-Dec-20	2	52	2	1
Rio Tinto	31-Dec-20	0	0	0	3
Smith (DS)	30-Apr-21	3	76	15	9
Smurfit Kappa Group (CDI)	31-Dec-20	7	206	10	18
Synthomer	31-Dec-20	17	312	37	25
Tyman	31-Dec-20	1	27	3	5
Victrex plc	30-Sep-20	0	0	0	4
<b>Sector median</b>		<b>1</b>	<b>15</b>	<b>2</b>	<b>3</b>

### Communications

Company	Accounting date	Security	Affordability	Fluctuation	Expenditure
BT Group	31-Mar-20	34	251	58	48
Euromoney Institutional Investor	30-Sep-20	0	14	2	5
Informa	31-Dec-20	1	72	5	6
ITV	31-Dec-20	2	51	2	39
Pearson	31-Dec-20	0	0	34	5
RELX plc	31-Dec-20	1	83	1	0
RHI Magnesita N.V. (DI)	31-Dec-20	16	271	21	3
Spirent Communications	31-Dec-20	0	0	0	20
Trainline	28-Feb-21	0	0	0	0
Vodafone Group	31-Mar-20	0	0	2	1
WPP	31-Dec-20	1	31	2	4
<b>Sector median</b>		<b>1</b>	<b>31</b>	<b>2</b>	<b>5</b>

## Consumer, cyclical

Company	Accounting date	Security	Affordability	Fluctuation	Expenditure
Barratt Developments	30-Jun-20	0	0	0	6
Bellway	31-Jul-20	0	0	0	0
Berkeley Group Holdings (The)	30-Apr-20	0	0	0	0
Cineworld Group	31-Dec-20	0	NE	1	0
Coats Group	31-Dec-20	11	371	11	34
Compass Group	30-Sep-20	0	0	0	7
Crest Nicholson Holdings	31-Oct-20	1	79	7	38
Currys	01-May-21	32	294	83	29
DCC (CDI)	31-Mar-21	0	0	0	0
Diploma	30-Sep-20	0	67	1	2
Ferguson	31-Jul-20	0	12	0	3
Frasers Group	26-Apr-20	0	0	0	0
Grafton Group Ut (CDI)	31-Dec-20	2	66	2	0
Howden Joinery Group	26-Dec-20	1	80	6	77
Inchcape	31-Dec-20	0	0	29	25
InterContinental Hotels Group	31-Dec-20	1	114	1	0
International Consolidated Airlines Group SA (CDI)	31-Dec-20	0	0	0	NE
Kingfisher	31-Jan-21	0	0	0	7
Marks & Spencer Group	03-Apr-21	0	0	5	19
Mitchells & Butlers	26-Sep-20	0	0	18	19
Next	31-Jan-21	0	0	0	12
Persimmon	31-Dec-20	0	0	2	7
Redrow	30-Jun-21	0	0	2	7
TI Fluid Systems	31-Dec-20	3	60	13	8
Travis Perkins	31-Dec-20	0	0	0	9
TUI AG Reg Shs (DI)	30-Sep-20	11	NE	11	NE
Vistry Group	31-Dec-20	0	0	1	21
Watches of Switzerland Group	26-Apr-20	0	9	1	2
WH Smith	31-Aug-20	0	0	0	157
Whitbread	25-Feb-21	0	0	0	NE
<b>Sector median</b>		<b>0</b>	<b>0</b>	<b>1</b>	<b>7</b>

## Consumer, non cyclical

Company	Accounting date	Security	Affordability	Fluctuation	Expenditure
4Imprint Group	02-Jan-21	0	122	0	491
Aggreko	31-Dec-20	0	0	0	0
Ashtead Group	30-Apr-21	0	0	0	0
Associated British Foods	14-Sep-20	1	30	7	7
AstraZeneca	31-Dec-20	2	141	4	8
Babcock International Group	31-Mar-20	0	0	170	127
Britvic	30-Sep-20	0	0	0	10
Bunzl	31-Dec-20	0	17	3	6
C&C Group (CDI)	28-Feb-21	0	0	7	NE
Capita	31-Dec-20	33	266	33	52
Coca-Cola HBC AG (CDI)	31-Dec-20	1	19	2	7
Convatec Group	31-Dec-20	0	16	0	1
Cranswick	27-Mar-21	0	0	0	3
Dechra Pharmaceuticals	30-Jun-20	0	0	0	0
Diageo	30-Jun-20	0	0	0	14
Experian	31-Mar-21	0	0	0	2
Genus	30-Jun-20	0	0	1	31
GlaxoSmithKline	31-Dec-20	3	81	3	12
Greencore Group (CDI)	25-Sep-20	12	353	54	0
Greggs	02-Jan-21	0	41	2	0
Hays	30-Jun-20	0	0	0	36
Homeserve	31-Mar-21	0	0	0	3
Imperial Brands	30-Sep-20	0	0	0	8
Intertek Group	31-Dec-20	0	7	1	2
Mediclinic International	31-Mar-21	0	0	31	37
Morrison (Wm) Supermarkets	31-Jan-21	0	0	0	2
PZ Cussons	31-May-20	0	0	0	19
QinetiQ Group	31-Mar-21	0	0	0	5
Sainsbury (J)	06-Mar-21	0	0	0	19
Savills	31-Dec-20	0	9	0	1
Serco Group	31-Dec-20	0	0	0	10
Smith & Nephew	31-Dec-20	0	10	0	3
SSP Group	30-Sep-20	1	61	2	3
Tesco	27-Feb-21	6	133	33	313
UDG Healthcare Public Limited Company	30-Sep-20	0	0	0	2
Unilever	31-Dec-20	0	0	7	11
<b>Sector median</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>7</b>

## Diversified

Company	Accounting date	Security	Affordability	Fluctuation	Expenditure
Drax Group	31-Dec-20	0	0	0	13
John Laing Group	31-Dec-20	0	0	0	NE
Mitie Group	31-Mar-21	4	159	14	46
<b>Sector median</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>46</b>

## Energy

Company	Accounting date	Security	Affordability	Fluctuation	Expenditure
BP	31-Dec-20	1	39	1	10
Royal Dutch Shell 'A'	31-Dec-20	14	178	62	8
Royal Dutch Shell 'B'	31-Dec-20	0	0	0	0
Vivo Energy	31-Dec-20	0	4	0	3
Wood Group (John)	31-Dec-20	0	0	50	9
<b>Sector median</b>		<b>0</b>	<b>4</b>	<b>1</b>	<b>8</b>

## Financial

Company	Accounting date	Security	Affordability	Fluctuation	Expenditure
3i Group	31-Mar-21	0	0	0	0
Abrdn	31-Dec-20	0	0	0	19
Aviva	31-Dec-20	0	0	0	22
Barclays	31-Dec-20	0	0	0	20
Beazley	31-Dec-20	0	0	2	23
Brewin Dolphin Holdings	30-Sep-20	0	0	0	5
British Land Company	31-Mar-21	0	0	3	12
Close Brothers Group	31-Jul-20	0	0	0	0
Derwent London	31-Dec-20	0	5	0	3
Direct Line Insurance Group	31-Dec-20	0	0	0	0
Grainger	30-Sep-20	0	0	1	0
Great Portland Estates	31-Mar-20	0	5	1	3
Hammerson	31-Dec-20	3	79	9	53
HSBC Holdings	31-Dec-20	0	0	0	0
Investec	31-Mar-21	0	0	0	0
Just Group	31-Dec-20	0	0	0	0
Land Securities Group	31-Mar-21	0	0	0	0
Law Debenture Corp.	31-Dec-20	0	110	3	39
Legal & General Group	31-Dec-20	7	261	7	31
Lloyds Banking Group	31-Dec-20	0	0	0	87
M&G	31-Dec-20	0	0	0	10
Man Group	31-Dec-20	0	0	0	1
Ninety One	31-Mar-21	0	3	1	0
Paragon Banking Group	30-Sep-20	1	60	4	72
Phoenix Group Holdings	31-Dec-20	0	4	13	23
Prudential	31-Dec-20	0	0	0	0
Rathbone Brothers	31-Dec-20	1	48	4	0
RIT Capital Partners	31-Dec-20	0	0	0	0
Schroders	31-Dec-20	0	0	0	0
SEGRO	31-Dec-20	0	0	0	0
St. Modwen Properties	30-Nov-20	0	0	0	0
Standard Chartered	31-Dec-20	2	28	2	8
Virgin Money UK	30-Sep-20	0	0	0	1162
<b>Sector median</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>3</b>

## Industrial

Company	Accounting date	Security	Affordability	Fluctuation	Expenditure
BAE Systems	31-Dec-20	27	621	27	231
Balfour Beatty	31-Dec-20	0	0	0	44
BHP Group	30-Jun-20	1	6	2	0
Biffa	27-Mar-21	0	0	23	16
Bodycote	31-Dec-20	1	30	2	1
Chemring Group	31-Oct-20	0	0	0	0
Clarkson	31-Dec-20	0	0	0	2
CRH (CDI)	31-Dec-20	1	46	5	4
Electrocomponents	31-Mar-21	1	85	1	41
Energiean	31-Dec-20	0	NE	0	0
FirstGroup	31-Mar-21	13	54	87	44
Halma	31-Mar-21	0	24	1	0
Hill & Smith Holdings	31-Dec-20	1	78	1	15
Ibstock	31-Dec-20	0	0	0	15
IMI	31-Dec-20	0	21	5	9
Marshalls	31-Dec-20	0	0	0	0
Meggitt	31-Dec-20	4	306	4	45
Melrose Industries	31-Dec-20	12	423	12	38
Morgan Advanced Materials	31-Dec-20	19	481	27	59
Morgan Sindall Group	31-Dec-20	0	1	0	0
National Express Group	31-Dec-20	10	264	24	20
Oxford Instruments	31-Mar-21	0	0	0	88
Renishaw	30-Jun-20	2	235	6	43
Rolls-Royce Holdings	31-Dec-20	6	NE	6	NE
Rotork	31-Dec-20	0	0	1	24
Royal Mail	31-Mar-21	0	0	0	112
Smiths Group	31-Jul-21	0	0	0	15
Spectris	31-Dec-20	0	32	0	1
Spirax-Sarco Engineering	31-Dec-20	1	84	2	12
Ultra Electronics Holdings	31-Dec-20	3	159	7	26
Vesuvius	31-Dec-20	0	0	0	23
Weir Group	31-Dec-20	2	83	9	15
<b>Sector median</b>		<b>1</b>	<b>31</b>	<b>2</b>	<b>15</b>

## Technology

Company	Accounting date	Security	Affordability	Fluctuation	Expenditure
Auto Trader Group	31-Mar-21	0	0	0	0
Aveva Group	31-Mar-21	0	0	1	0
Micro Focus International	31-Oct-20	9	48	12	1
Sage Group	30-Sep-20	0	17	0	1
<b>Sector median</b>		<b>0</b>	<b>8</b>	<b>0</b>	<b>1</b>

## Utilities

Company	Accounting date	Security	Affordability	Fluctuation	Expenditure
Centrica	31-Dec-20	16	134	16	60
National Grid	31-Mar-21	0	0	14	22
Pennon Group	31-Mar-21	0	0	11	55
Severn Trent	31-Mar-21	5	158	7	16
SSE	31-Mar-21	0	0	4	9
United Utilities Group	31-Mar-21	0	0	0	3
<b>Sector median</b>		<b>0</b>	<b>0</b>	<b>9</b>	<b>19</b>

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