

Leicestershire County Council Pension Fund AGM

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15 December 2025

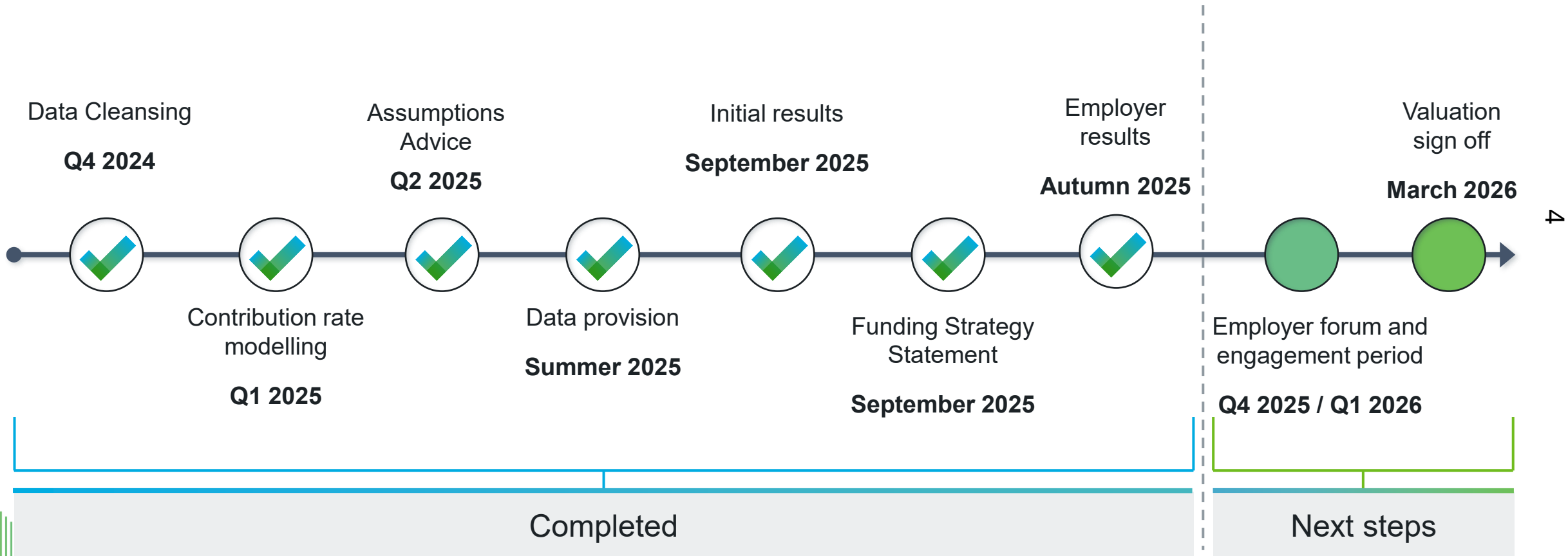
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Agenda

- 1 Valuation timetable
- 2 The funding valuation
- 3 The assumptions
- 4 2025 valuation results
- 5 Employer level funding strategy

Valuation timetable

2025 valuation milestones



The funding valuation

Why do we do a valuation?



Compliance with legislation



Analyse actual experience vs assumptions



Part of continual 'health check' on Fund's solvency



Review Funding Strategy Statement



Calculate employer contribution rates

The valuation is a large risk management exercise

Primary outputs



Dr. David J. Williams is a professor of Health, Behavior, and Society at the Johns Hopkins University. He is also the director of the Center for Communications Programs at the same university. Dr. Williams has a long history of research in the field of reproductive health, particularly in the area of adolescent reproductive health. He has published numerous articles and books on this topic, and he has been a frequent speaker at international conferences. Dr. Williams is also a member of the National Academy of Medicine and the National Academy of Sciences.



Change in funding position

The following table shows the change in the Group's assets and liabilities over the period above the last valuation. By summing the columns and adding the result to the last valuation, the new valuation can be calculated.

	Assets	Liabilities	Equities
Last valuation	1,080,170	1,000,000	80,000
Financial assets increase	100,000	-	-
Financial liabilities increase	-	50,000	-
Equities			
Share capital	270,000	-	270,000
Other reserves and expenses, liabilities	(20,000)	-	(20,000)
New valuation	1,360,170	1,050,000	80,000

2



100%  **LETCHWORTH**

**Letchworth County Council Pension Fund
Funding Strategy Statement
February 2023**



HYMANS ROBERTS

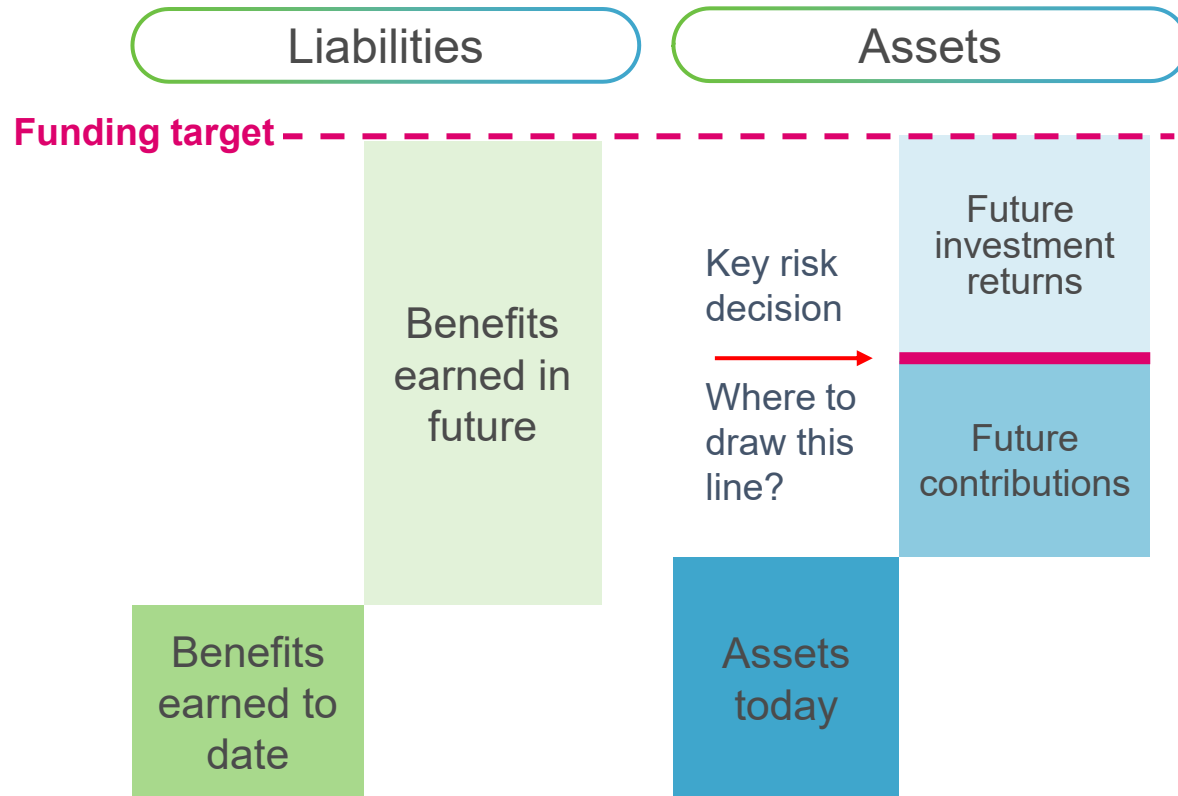
Leicestershire County Council Pension Fund

Review of the actuarial valuation of 31 March 2022

Harriet Warden FRSA Ben Wilson FRSA

28 March 2023
For and on behalf of Hymans Roberts LLP

Key funding decision



General insights



Funding level (assets today compared with benefits earned to date) is 'past service' **only**



Majority of benefits yet to be earned



Balance future contributions vs investment risk

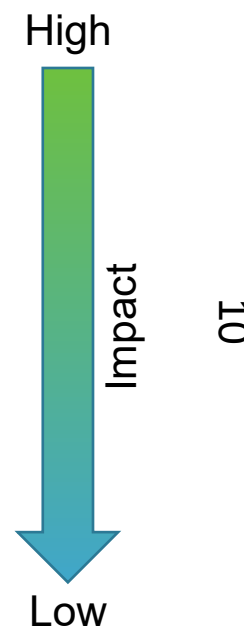
Setting future contributions requires careful long-term risk management

The assumptions

Summary of key assumption changes

Assumption	2022	2025
Future investment returns	4.4% p.a.	6.1% p.a. (80% prudence)
Benefit Increases (CPI)	2.9% pa	2.5% pa
Longevity / Mortality	Club VITA	Club VITA
Salary Increases	3.4% pa (CPI + 0.5%)	3.0% pa (CPI + 0.5%)
Other demographics*	Based on Fund experience	Based on Fund experience

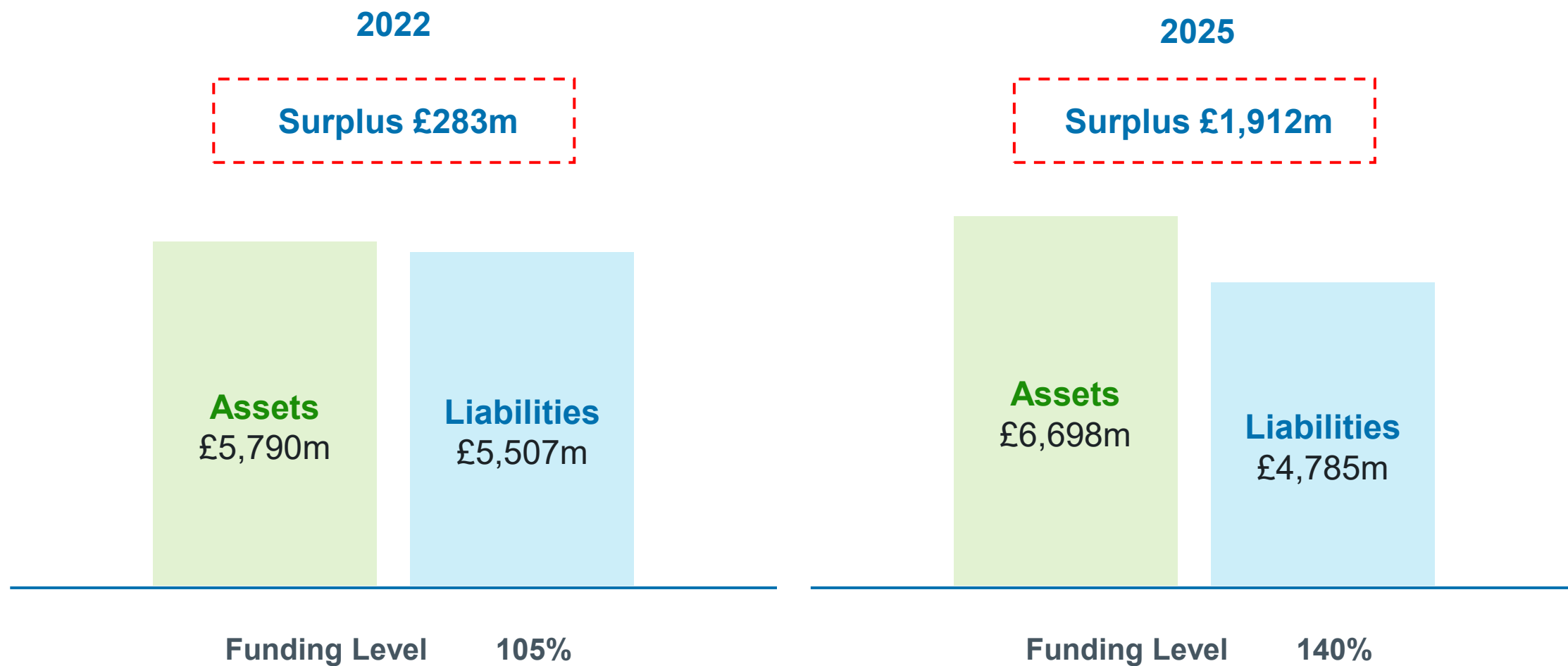
*including commutation, ill-health retirements and withdrawals etc.



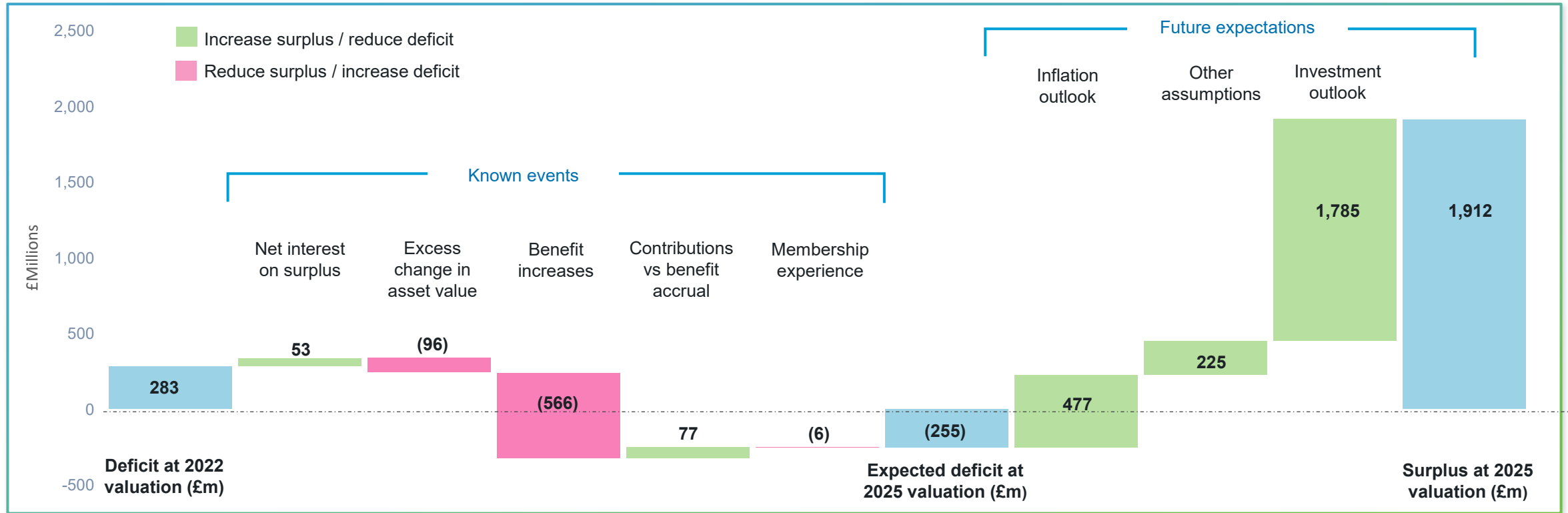
Prudence margin helps to protect against future uncertainty (and is a requirement)

2025 valuation results

Whole fund valuation results



Change in whole fund funding position



Numbers may not sum due to rounding.

Employers will see variation based on their own circumstances

Employer level funding strategy

3 steps to setting the funding strategy



Funding target

What is the long-term funding objective?



Time horizon

Will the employer continue to participate in the Fund for the long-term or will they exit (and when)?

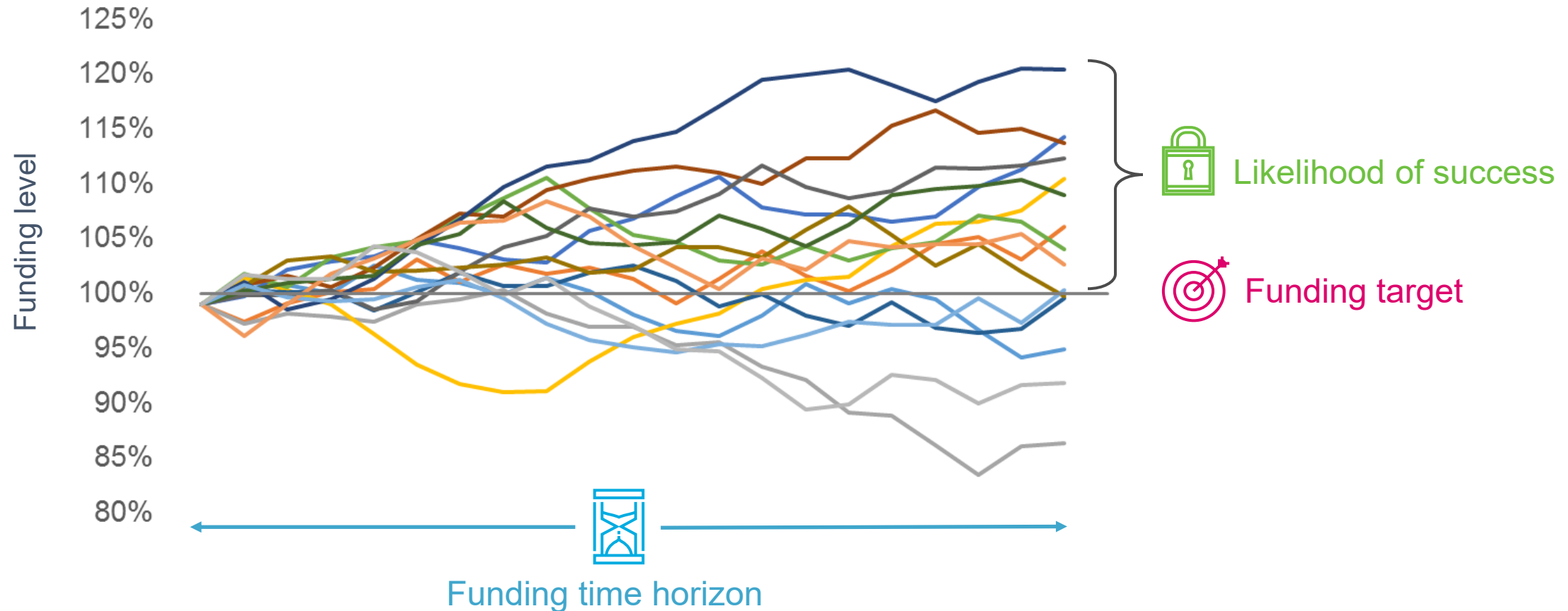


Likelihood of success

How sure do we want to be of achieving this target (balancing funding risks with employer affordability)?

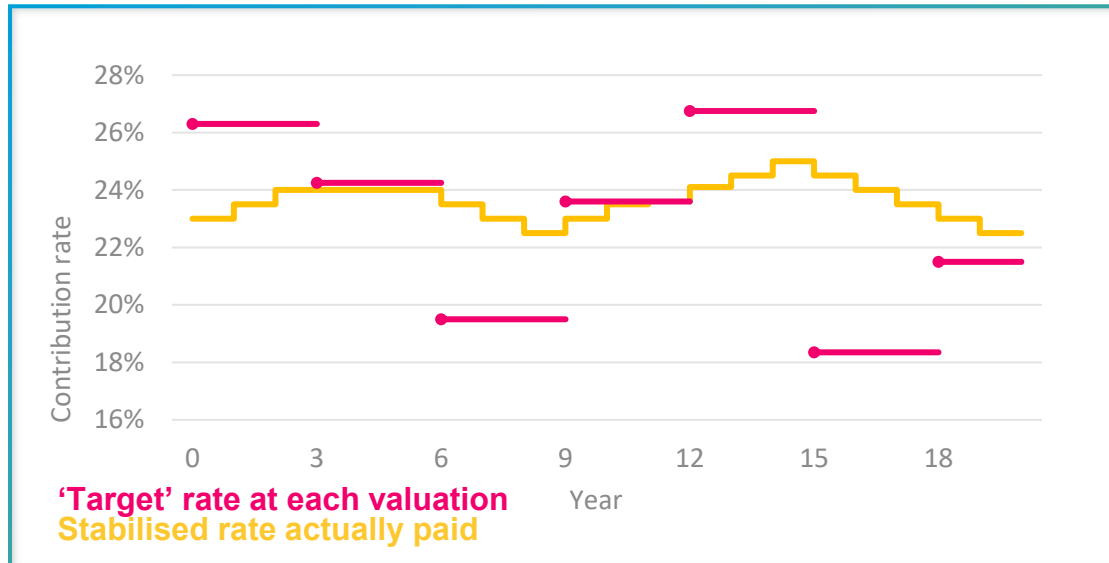
Reflects the circumstances of each employer and allows the Fund to manage risk

Setting risk-based contribution rates



Contribution rates aim for 80% chance of meeting the funding target at the end of the time horizon

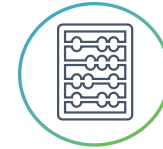
Stabilised contribution strategy



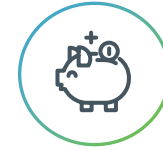
General insights



The Fund set rates to achieve contribution stability for its long-term, secure employers.



Stabilisation takes a long-term approach to setting contribution rates.



Provide employers with budgeting certainty

Remove volatility from contribution rates for long-term open employers (government backed)

Funding themes at the 2025 valuation

Funding position



Improved funding positions
expected across all employers

Contribution rates



With downwards movement to
required future contributions

Funding position improvements and contribution changes will vary by employer

Thank you

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