

SUMMARY FUNDING STATEMENT

THE ITB PENSION FUNDS (CLOSED FUND)

SUMMARY FUNDING STATEMENT FOR PERIOD ENDING 31 MARCH 2019

The ITB Pension Funds' Trustees who look after the Scheme will provide an update of the Scheme's funding position each year in a statement similar to that shown below. This statement is based on the latest actuarial valuation. It is essentially a snapshot of the financial position of the Fund that is based on the actuarial values of the Fund's assets and liabilities as at the date of the valuation.

THE LATEST ONGOING FUNDING VALUATION:

The most recent funding valuation of the Closed Fund showed that on 31 March 2018 the funding position was as follows:

ASSETS	£75.5 MILLION
LIABILITIES	£36.6 MILLION
SURPLUS	£38.9 MILLION

In April 2011, the Trustees insured the Scheme's benefits through an insurance policy. This policy provides payments to the Scheme intended to cover benefit payments to members. The actuarial valuation of the Scheme excluded the insurance policy and the liabilities covered by it to the extent that they offset each other.

As a result of the valuation surplus, no Employer contributions were paid into the Scheme. The Trustees decided to use some of the surplus to increase all members' benefits in early 2019.

Had the Scheme started to wind-up on 31 March 2018, the Scheme Actuary assessed that the assets would have been sufficient to meet the liabilities of the Scheme in full on a solvency basis at that date. This assessment is based on the understanding that the terms of the Trustees' insurance policy would remain appropriate in a wind-up. Inclusion of this information is a standard requirement and is not related to any consideration of the Trustees to wind-up the scheme.

CHANGE IN FUNDING POSITION

The Scheme Actuary carried out an interim review of the Closed Fund at 31 March 2019. The purpose of that review was to assess how the Scheme's funding position had changed over the previous year.

The interim review showed that the surplus decreased from £38.9 million to £32.2 million between 31 March 2018 and 31 March 2019. The decrease in surplus was principally due to the discretionary increase made to all members' benefits in early 2019.

PAYMENT TO THE EMPLOYERS

There has not been any payment to the Employers out of Scheme funds in the last twelve months.

HOW THE SCHEME OPERATES

HOW IS MY PENSION PAID FOR?

The Employers and employees have historically paid contributions to the Pension Scheme so that the Scheme can pay pensions to its members when they retire. There are no longer any contributing members in the Closed Fund.

The majority of the Scheme's benefits are now covered by an insurance policy. This means the Scheme receives payments to cover most of the members' benefits and

the Scheme only needs to ensure it has enough assets to cover the differences between the policy payments and members' benefits.

The money to pay for members' pensions is held in a common fund. It is not held in separate funds for each individual.

HOW IS THE AMOUNT THE SCHEME NEEDS WORKED OUT?

The Trustees obtain regular valuations of the benefits earned by members. Using this information, the Trustees come to a conclusion on whether the Scheme is adequately funded and if any further action is needed.

WHAT IS THE SCHEME INVESTED IN?

The majority of the Scheme's assets are held in the insurance policy. The remaining funds are invested in a broad range of assets, including index-linked gilts, equities, diversified growth funds and cash.

THE PENSIONS REGULATOR

The Pensions Regulator reviews funding of defined benefit pension schemes and has powers to direct matters affecting the funding of the Scheme in certain circumstances. No such directions have ever been made in relation to the Scheme.

WHERE CAN I GET MORE INFORMATION?

If you have any other questions, or would like any more information, please contact the ITB Funds' Office in Watford. A list of more detailed documents which provide further information is shown below. These documents are available on request or, in some cases, can be found on the Funds' website www.itb-online.co.uk:

- The Statement of Investment Principles: This explains how the Trustees invest the money paid into the Scheme.
- The Annual Report and Financial Statements of the ITB Pension Funds, which shows the Scheme's income and expenditure in the year up to 31 March 2019.
- The full report on the Actuarial Valuation following the Actuary's check of the Scheme's situation as at 31 March 2018.
- The report on the interim Actuarial Review of the Scheme as at 31 March 2019.
- If you are not getting a pension from the Scheme you can ask for a statement that provides an illustration of your likely pension.

IMPORTANT: If you are thinking of leaving the Scheme for any reason, you should consult a professional adviser, such as an independent financial adviser, before taking any action.