



Scheme funding report

Actuarial valuation of the Clifford Chance Pension Scheme at 30 April 2025

Prepared for: Clifford Chance Pension Trustees Limited (the Trustee)
Prepared by: Keith Poulson FIA

27 July 2026

Private and Confidential





Introduction

Why bring you this report?

Legislation requires the Trustees to receive this formal report from me (as Scheme Actuary) setting out the results and conclusions from the actuarial valuation of the Final Salary Section of the Scheme at 30 April 2025.

My report summarises the key aspects of the valuation process, including:

- The funding objective and background details
- The technical provisions
- The agreed recovery plan and other contributions
- The results on the low dependency funding basis
- Details of the journey plan over the period until the scheme's relevant date, which is when it is expected to reach significant maturity
- The solvency position (statutory solvency estimate).
- The results of the section 179 valuation.

Some further information is provided for compliance purposes.

In the main part of this report, defined contribution (DC) benefits (including DC AVCs) have been **excluded** from the valuation results because in my view this provides a clearer picture. In order to comply formally with the legislation, an alternative presentation of the valuation results (which includes DC benefits) is provided as an appendix.

A summary of any 'shorthand' legal references and a glossary of key valuation terms can be found at the back of this report.



Key deadlines

A copy of this report must be provided to [the Employer within 7 days of receiving it.

Within a reasonable period following completion: The valuation summary and supporting documentation to the recovery plan must be submitted to The Pensions Regulator via Exchange.

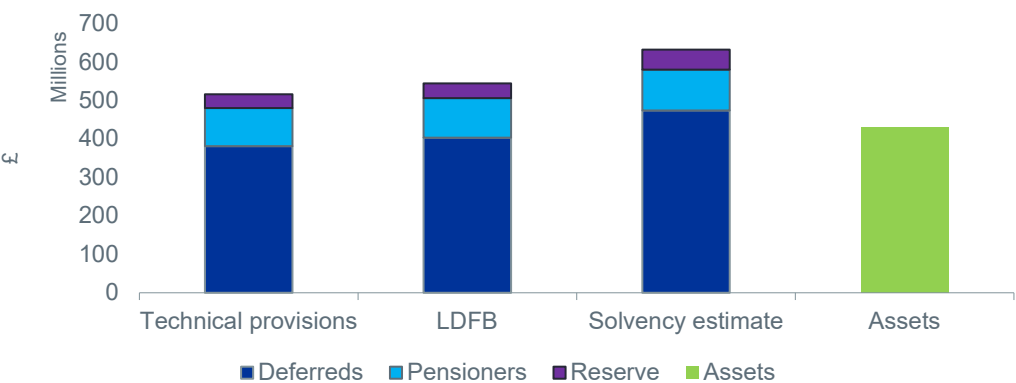
By 30 April 2028: The **next** actuarial valuation must be carried out no later than three years after the effective date of this valuation.



At a glance...

As your Scheme Actuary, I have carried out an actuarial valuation of the Scheme at 30 April 2025.

Funding summary



Technical provisions	Low dependency	Solvency estimate	PPF section 179
£86M	£114M	£202M	£91M
Deficit	Deficit	Deficit	Deficit

Important

This report mainly focuses on the Scheme's financial position at the valuation date. As time moves on, the Scheme's finances will fluctuate.

If you are reading this report sometime after it was produced, the Scheme's financial position could have changed significantly.



Contributions

To address the Technical Provision deficit the Employer has agreed to pay:

- By 31 May 2025 £5,496,561, noting that deficit contributions for the year to 31 May 2025 of £23,754,627 were received prior to 30 April 2025 and are included in the assets at the valuation date.
- In respect of each 31 May commencing 31 May 2026 up to (and including) 31 May 2030: £28,228,106

The amount of each of the above payments due on or after 31 May 2026 shall be increased annually in line with the increase in the Retail Prices Index for the period from 1 January 2024 to 1 January immediately preceding the 31 May by which the payment is due.

In addition to the above contributions in respect of deficit repair it has also been agreed that the Employer will pay:

- The costs of administering the Scheme
- The Pension Protection Fund levy and other levies collected by The Pensions Regulator
- The cost of any augmentations to benefits.

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Background to your actuarial valuation



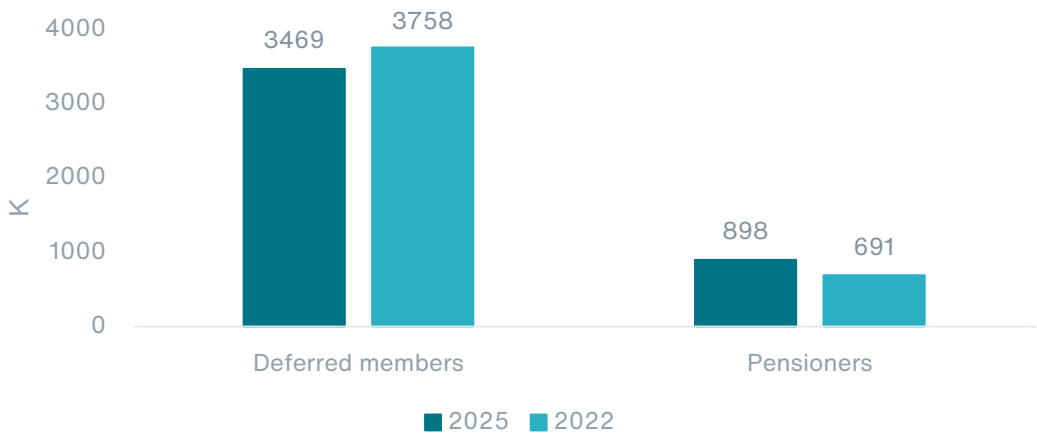
Data and benefits valued

Your actuarial valuation was based on a snapshot of member data and my understanding of the Scheme's benefits.

Member data

The Scheme has continued to become increasingly mature with the proportion of pensioners increasing.

The membership numbers are shown graphically below.



Further details of the membership data used for the actuarial valuation calculations are provided in the appendix.



Benefits

Members are entitled to the benefits defined in the Rules. Note the results in this report reflect our understanding of the benefits due at the date of the report. A summary of the benefits is included in the appendix.

1 Discretionary benefits

No allowance has been made for discretionary benefits as the Scheme has no recent history of granting such benefits.

This is consistent with the approach at the previous valuation.

2 Reserve for potential additional liabilities

All benefits have been valued as payable from age 65. It has recently been identified that some benefits may be payable from age 60. This matter is currently under investigation but the Trustee and employer have agreed to include a reserve to cover the potential additional liabilities.

Funding objectives and investment strategy

The Trustee's funding objective is to hold assets which are at least equal to the technical provisions (i.e. to meet the statutory funding objective).

Your funding targets

The Trustee's funding objective is to be fully funded on the technical provisions basis.

The Trustee and Employer have agreed that the long-term objective for the Scheme is that benefits are provided to members in the long-term by running the Scheme on and meeting benefits from the assets from the Scheme (which could include insurance policies). The Trustee is targeting the Scheme to be fully funded on a low-risk basis that requires minimal support from the Employer.



Low dependency

The low dependency funding basis is designed so that if the Scheme is fully funded on this basis, and its assets are invested in accordance with the low dependency investment allocation, then no further contributions from the Employer would be expected to be needed.

The low dependency funding basis must be consistent with the long-term objective and there needs to be a journey plan to move from the current funding position to the low dependency funding target by the relevant date.

Employer covenant

A key factor in setting the level of the technical provisions, and the journey plan is the Trustee's assessment of the employer covenant. The Trustee commissioned an independent review of the Employer's covenant, and this concluded that it was Tending to Strong, in line with the previous valuation. This has been taken into account in setting the assumptions to be adopted for the technical provisions and in agreeing the recovery plan.

Investment strategy

The assets held at the valuation date are described in the appendix.

The Trustee's investment strategy is set out in its statement of investment principles. In summary, the Trustee's strategy aims to largely hedge movements in interest rates and inflation through the Liability Driven Investment (LDI) portfolio to protect the Scheme's funding level. The Trustee also invests in equities and other growth assets to try and generate returns to help meet benefits obligations.

In the longer term, the Trustee aim to reduce the Scheme's reliance on growth assets.



Method and assumptions

The Trustee and the Employer agreed the method and assumptions used to calculate the technical provisions and the liabilities on the low dependency funding basis.

Method

As for the previous valuation, the technical provisions have been calculated using the projected unit method.

The assets are valued at the audited value contained in the Trustee Report and Accounts for the year ended 30 April 2025. DC and AVCs have been excluded in the main body of this report as the asset exactly matches the liability (an alternative presentation of the results including the DC and AVCs is provided in the appendix).





Assumptions

The table below summarises the key assumptions used for the technical provisions, together with those used for the previous valuation, and the reasons for any change.

The same assumptions have been used for the low dependency funding basis (LDFB), other than the discount rate, which is set at 0.5% p.a. above the gilt yield curve for the LDFB.

Further details of all the assumptions are set out in the statement of funding principles.

Assumption	Previous valuation	This valuation	Rationale for change
Pre-retirement discount rate	Fixed-interest gilt yield curve plus 1.75% p.a.	Term-dependent rates derived from gilt market pricing plus 1.2% p.a. at 30 April 2025, reducing linearly to 0.5% p.a. above the gilt yield curve by 30 April 2045	Discount rate updated to reflect updated best-estimate returns and funding code requirements.
Post-retirement discount rate	Fixed-interest gilt yield curve plus 0.5% p.a.		
RPI inflation	Derived from the difference between the market yields on fixed-interest and index-linked gilts less an inflation risk premium of 0.1% p.a. at all terms	Derived from the difference between the market yields on fixed-interest and index-linked gilts less an inflation risk premium of 0.1% p.a. at all terms	No change
Pension increases	Consistent with inflation assumptions and allowing for Aon best-estimate of future inflation uncertainty	Consistent with inflation assumptions and allowing for Aon best-estimate of future inflation uncertainty	No change
Post-retirement mortality – base table	102% of SAPS S3 'Light' tables	98% of SAPS S4 'Light' tables	Update for latest postcode analysis
Post-retirement mortality – future improvements	CMI 2021 core projections other than A parameter=0.5% and long-term improvement rate of 1.5% p.a.	CMI 2024 core projections other than A=0.5% and a long-term rate of improvement of 1.5% p.a.	Update to allow for latest CMI core future improvements model
Eligible dependant proportion	88% of men and 75% of women at retirement or earlier death	88% of men and 75% of women at retirement or earlier death	No change
Eligible dependant characteristics	Males are assumed to be 2 years older than their partner. Females are assumed to be 1 year younger than their partner.	Males are assumed to be 2 years older than their partner. Females are assumed to be 1 year younger than their partner.	No Change
Commutation	20% of pension on current commutation factors, set as 13.9 at age 65	20% of pension on current commutation factors, set as 13.9 at age 65	No change

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Valuation results





Technical provisions results

The Scheme's technical provisions and resulting funding position at 30 April 2025 are shown below.

Results

	Technical provisions basis (£M)
Value of past service benefits for:	
Deferred	381
Pensioner	99
Reserve for potential additional liability	36
Total liabilities	516
Assets	430
Surplus / (Deficit)	(86)
Funding level	83%

My formal certificate of your technical provisions is included in this report.

Sensitivity of the funding level

The key assumptions are the discount and inflation rates and the Scheme membership's mortality rates. The sensitivity of the **funding level** to these key assumptions is as follows:



Discount rate decreases by 0.25% p.a.

A 0.25% p.a. decrease in the discount rate increases is expected to **increase the liabilities by c£20M.**



RPI inflation increases by 0.25% p.a.

A 0.25% p.a. increase in the RPI inflation assumption (and the knock-on impact on the other assumptions derived from it) is expected to **increase the liabilities by c£14M.**



Members live longer than assumed

If the scaling factor applied to the base mortality assumption is reduced by 10% for all members, this is expected to **increase the liabilities by c£10M.**



Approximate developments since the valuation date

Since the valuation date, the Scheme's funding position is estimated to have changed.

Since the valuation date, the Scheme's funding level has improved by approximately 10%. This is largely due to Employer contributions paid in this time.

This assumes experience for this period is in line with those used to calculate the technical provisions, with financial assumptions updated to reflect changes in market conditions.

Reflecting post-valuation experience

The Trustee and Employer agreed **not** to allow for post-valuation-date experience when setting the contributions in this valuation.



Low dependency results

The Scheme's funding position on the low dependency funding basis at 30 April 2025 is shown below.

Results

	Low dependency funding basis (£M)
Value of past service benefits for:	
Deferred	403
Pensioner	103
Reserve for potential additional liability	38
Total liabilities	544
Assets	430
Surplus / (Deficit)	(114)
Funding level	79%



Key reasons for differences between results on the technical provisions basis and the low dependency funding basis

The discount rate under the TP basis is set as a term-dependent margin over gilts, initially 1.2% p.a. above the gilt yield curve and reducing linearly to 0.5% p.a. by 30 April 2045. In contrast, the LDFB discount rate is fixed at gilts + 0.5% p.a.. As a result, the lower discount rates under the LDFB basis leads to an increase in the valuation of liabilities compared with the TP basis.

Maturity and the relevant date

I have calculated the duration of the scheme's liabilities on the LDFB at 30 April 2025 to be 18.5 years. The method for calculating duration is prescribed and is based on the low dependency funding basis, but using economic conditions as at 31 March 2023.

The Trustee and Employer have agreed that the relevant date will be around the point at which the Scheme reaches significant maturity. I have estimated this to be 30 April 2045. At this point I estimate that the duration of the Scheme's liabilities will be 10 years.



Solvency position

I have estimated the Scheme's statutory solvency estimate.

Results

	Solvency basis (£M)
Value of past service benefits for:	
Deferred	474
Pensioner	106
Reserve for potential additional liability	42
Expenses	10
Total liabilities	632
Assets	430
Surplus / (Deficit)	(202)
Funding level	68%

This statutory solvency estimate represents the estimated cost of purchasing annuities at the valuation date from an insurance company to meet the Scheme's benefits.

The assumptions used in this assessment are referred to as the solvency basis and are summarised in the appendix.

Why higher?

The liabilities are higher on the solvency basis than the technical provisions basis.

Broadly, this is for the following reasons:

- Insurers may hold less risky assets which provide **lower investment returns** than are expected to be achieved on the Scheme's assets
- Insurers typically hold **larger margins**, for example by assuming that members will live longer than is assumed in calculating the technical provisions
- Insurers need to cover costs, including administering the benefits, and also make a **profit**, and

Allowance is made for the cost of **winding up** the Scheme.



In practice

Supply and demand factors mean that the actual cost of purchasing annuities may be different to that assessed on the solvency basis. There may also be some practical barriers to voluntarily winding up the Scheme.

If the Scheme were to be discontinued with no solvent employer, the assets may not be sufficient to provide the benefits in full. If this were the case, then:

- Benefits corresponding to those covered by the PPF would be met first (either through the PPF or, if there were sufficient funds, by securing these benefits with an insurance company).
- Any remaining assets would be used to secure part of the remaining benefits with an insurance company.

The proportion of full benefits provided will vary from member to member and may be higher or lower than the statutory solvency estimate quoted above.

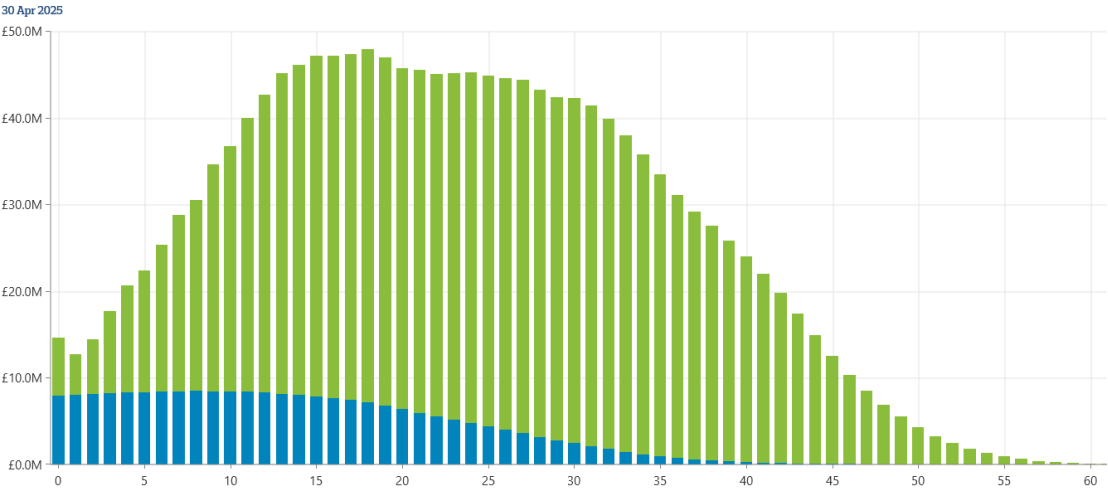




Funding and investment risks

The Scheme's funding level is likely to exhibit volatility.

The benefit payments from the Scheme are expected to be made for a very long period. The chart below (deferreds in green, pensioners in blue) shows the projected cashflows on the technical provisions basis for the Scheme.





Key risks

The Scheme faces a number of key risks which could affect its future cashflows and funding position, including:



Funding risk

The risk that the technical provisions and/or low dependency funding target are set too low and prove insufficient to meet the liabilities (e.g. in the event of unexpected discontinuance).



Investment risk

The risk that investment returns are lower than assumed in the valuation, and also that the assets are volatile and move out of line with the liabilities, so the funding position is volatile.



Liquidity risk

The risk that cashflows are higher than expected. For example, as members commute more than is assumed or take transfer values, possibly leading to the sale of assets at inopportune times.



Longevity risk

The risk that Scheme members live for longer than assumed and that pensions would therefore need to be paid for longer.



Inflation risk

The risk that the relevant inflation metric is higher than assumed, increasing the pensions that need to be paid.



Sponsor risk

This is the risk that the sponsor is no longer willing or able to support the Scheme to fund the recovery plan and any future losses that arise.



Legislative risk

The risk that new legislation, or clarification to existing legislation, increases the benefits due to members. Please note the results shown in this report reflects our understanding of the benefits due at the date of the report.



Climate Change risk

The risk that the impact of climate change has a greater adverse impact on future investment returns, covenant support or liabilities than assumed.

Other risks

The Scheme is exposed to other risks too, which may also impact on the funding, investments and sponsor covenant:

- **Member options risk:** The risk that members exercise options resulting in unanticipated extra costs. For example, members could swap less of their pension for cash at retirement than assumed.
- **Other risks:** For example, long-term uncertainty around geopolitical, societal and technological shifts.



Risk mitigation

The Trustee takes an integrated approach to managing the Scheme's risks. The key actions taken to mitigate the risks include:

Investment

- Adopting a diversified investment strategy
- Investing in liability-driven investments, so that changes in the value of the liabilities will be partially matched by changes in the asset values, thus reducing the funding volatility.

Covenant

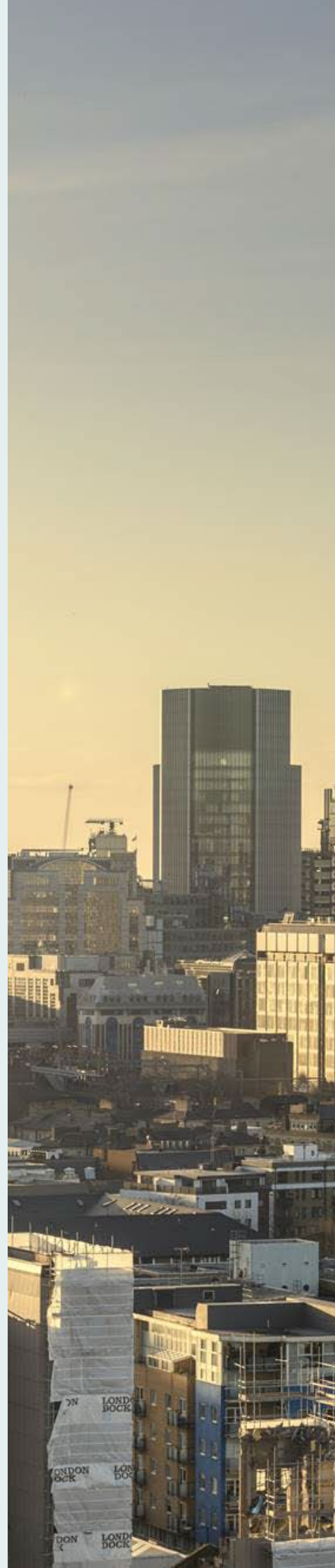
As well as obtaining a covenant review at the time of a triennial valuation, the Trustee informally monitors the covenant position between valuations by receiving financial updates from the Employer.

Funding

Making prudent assumptions in calculating the technical provisions.

3

Recovery plan and future contributions





Recovery plan

The Trustee and the Employer have agreed a recovery plan.

Contributions

To address the Technical Provision deficit the Employer has agreed to pay:

- By 31 May 2025 £5,496,561, noting that deficit contributions for the year to 31 May 2025 of £23,754,627 were received prior to 30 April 2025 and are included in the assets at the valuation date.
- In respect of each 31 May commencing 31 May 2026 up to (and including) 31 May 2030: £28,228,106

The amount of each of the above payments due on or after 31 May 2026 shall be increased annually in line with the increase in the Retail Prices Index for the period from 1 January 2024 to 1 January immediately preceding the 31 May by which the payment is due.

In addition to the above contributions in respect of deficit repair, it has also been agreed that the Employer will pay:

- The costs of administering the Scheme
- The Pension Protection Fund levy and other levies collected by The Pensions Regulator
- The cost of any augmentations to benefits.

The recovery plan is designed to eliminate the deficit at the valuation date relative to the technical provisions sooner than the end of the recovery period (at the valuation date full funding was expected by 31 May 2028) through additional contributions and assuming investment returns in line with the discount rate.

The other assumptions underlying the recovery plan are the same as for the technical provisions.

Schedule of contributions

These contributions are set out in the schedule of contributions.

As agreed, my certification of the schedule is based on the position at the valuation date.

A full review of the Employer's contributions will be completed no later than following the next valuation, which is due to take place at 30 April 2028.



Projections

I have outlined below how I expect the Scheme's funding position to develop in the future.

Projected future funding levels

I estimate that, by the next valuation, which will be due with an effective date of 30 April 2028, the funding level on the technical provisions basis will have improved to about 100%.

Assumptions

These estimates are based on information available at 30 April 2025 and assume that:

- The experience of the Scheme between the two valuation dates is in line with the assumptions underlying the technical provisions and recovery plan.
- The assumptions underlying the liabilities on both bases remain unchanged.
- The contributions on the previous page are received.

Rationale

The main reasons for the expected improvement in the technical provisions funding level are:

- The deficit contributions payable under the recovery plan

Although not illustrated, it is also reasonable to expect that actual experience will lead to further improvements in the funding level to the extent that the assumptions underlying the technical provisions are prudent.

The funding level on the low dependency funding basis is expected to converge to the funding level on the technical provisions basis over the period to 30 April 2045. Based on the journey plan set out in the funding and investment strategy, I estimate that the funding level on the low dependency funding basis will be in excess of 100% by this date.

The solvency level is expected to improve more strongly, mainly due to:

- The solvency assumptions typically containing more prudence
- The scheme maturing, particularly members retiring which removes uncertainty and so improves the terms of annuity purchase.

4

Section 179 valuation





Background and method

I have carried out a section 179 valuation of the Scheme at 30 April 2025, at the request of the Trustee.

By law, pension schemes must submit a section 179 valuation to the Pension Protection Fund (PPF) at least once every 3 years. The PPF uses the information to calculate the Pension Protection Levy.

The section 179 valuation has been conducted in line with:

- The Pension Protection Fund (Valuation) Regulations 2005;
- Section 179 of the Pensions Act 2004; and
- Version number G10 of the section 179 guidance and version number A11 of the section 179 assumptions issued by the Board of the PPF.

For PPF purposes only

This section 179 valuation should not be used for other purposes, such as determining future contribution levels, assessing the overall solvency position of the Scheme or deriving pension costs for company accounting.

Benefits valued

The benefits that are protected under the PPF are restricted below the full Scheme benefit levels, and the section 179 valuation requires a proxy of the PPF benefits to be valued. The details are described in the appendix. I have made a similar allowance for potential additional liabilities as a result of some benefits potentially being payable from age 60, which has been calculated in a consistent way to the liability reserves included in the other bases.

The section 179 valuation results are therefore not representative of the cost of buying out the full benefits of the Scheme with annuity providers.

Valuation date

The valuation date of 30 April 2025 reflects the date of the Scheme's latest audited Trustee Report & Accounts.



Assets

I have used the same value of assets as in the rest of this report.

This asset value does not reflect any reduction to allow for potential sale costs of assets on discontinuance.

Assumptions

The assumptions adopted for a section 179 valuation are prescribed by the PPF and the assumptions used for this valuation are provided in the appendix.

The key assumptions used are the discount rates (which are derived based on prevailing gilt yields) and the mortality rates.

Gilt yields vs assets held

For a section 179 valuation, the Scheme's liabilities are valued with reference to gilt yields.

Because the Scheme holds non-gilt assets too, the section 179 funding position may be volatile. For example, equity and property asset values are not directly affected by bond yield movements.

Legal requirements

Legislation requires the liabilities to be valued as the estimated cost of securing the PPF level of benefits by means of an annuity purchased at the market rate at the valuation date.



Results and next steps

Results

	PPF section 179 (£M)
Value of past service benefits for:	
Deferred	387
Pensioner	84
Reserve for potential additional liability	34
Expenses	6
Total liabilities	511
Assets	420
Surplus / (Deficit)	(91)
Funding level	82%



15%

Compared to 30 April 2022

The scheme's PPF section 179 funding ratio has **increased** by 15%.

I am not aware of any 'external liabilities' of the scheme. (These are liabilities which 'do not fall due to the members of the scheme'.)

Key dates for the Trustee

The Trustee must take action by certain key deadlines. These are highlighted below.



Key deadlines

31 July 2026:

The Trustee will need to submit the information shown on the section 179 valuation certificate to the PPF, using The Pensions Regulator's Exchange system, within 15 months of the valuation date, i.e. by 31 July 2026.

5

Certificates





Certificate of technical provisions

Actuarial certificate given for the purposes of Regulation 7(4)(a) of the Occupational Pension Schemes (Scheme Funding) Regulations 2005

Name of scheme: Clifford Chance Pension Scheme

Calculation of technical provisions

I certify that, in my opinion, the calculation of the scheme's technical provisions as at 30 April 2025 is made in accordance with regulations under section 222 of the Pensions Act 2004.

The calculation uses a method and assumptions determined by the trustees of the scheme and set out in the statement of funding principles titled “Statement of Funding Principles – July 2026 Clifford Chance Pension Scheme”.

Signature

DocuSigned by:



5855AD25E021426...

Date

Jul 27, 2026

Name Keith Poulson

Employer Aon Solutions UK Limited

Qualification Fellow of the Institute & Faculty of Actuaries

Address
Verulam Point
Station Way
St Albans
AL1 5HE



Section 179 valuation certificate

Scheme / Section details	
Full name of scheme	Clifford Chance Pension Scheme
Name of section, if applicable	
Pension Scheme Registration Number	10137020
Address of scheme (or section, where applicable)	Upper Bank Street Canary Warf London United Kingdom
Postcode	EC14 5JJ

Section 179 valuation	
Effective date of this valuation (dd/mm/yyyy)	30 April 2025

Guidance and assumptions	
s179 guidance used for this valuation	G10
s179 assumptions used for this valuation	A11

Assets	
Total assets (this figure should <u>not</u> be reduced by the amount of any external liabilities and should <u>include</u> the insurance policies referred to below)	£420,088,000
Date of relevant accounts (dd/mm/yyyy)	30 April 2025
Percentage of the assets shown above held in the form of a contract of insurance where this is <u>not</u> included in the asset value recorded in the relevant scheme accounts	0%

NOTE: This entry should reflect any difference between the value placed on contracts of insurance within the overall asset value above, and the value placed on them within the relevant scheme accounts. The entry will be positive if the value of the contracts within the overall asset value above is greater than the value shown in the relevant scheme accounts, and negative if the converse applies.



Liabilities	
Please show liabilities for:	
Active members (excluding expenses)	£
Deferred members (excluding expenses)	£411,012,000
Pensioner members (excluding expenses)	£93,567,000
Estimated expenses of winding up	£3,000,000
Estimated expenses of benefit installation/payment	£3,064,000
External liabilities	£0
Total protected liabilities	£510,643,000

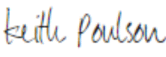
Please provide the percentage of the liabilities shown above that are fully matched by insured annuity contracts for:	
Active members	0%
Deferred members	0%
Pensioner members	0%

Proportion of liabilities			
Please show the percentage of liabilities which relate to each period of service for:			
	Before 6 April 1997	6 April 1997 to 5 April 2009 (inclusive)	After 5 April 2009
Active members	0.0%	0.0%	0.0%
Deferred members	30.2%	66.3%	3.5%
	Before 6 April 1997	After 5 April 1997	
Pensioner members	45.2%	54.8%	

Number of members and average ages		
For each member type, please show the number of members and the average age (weighted by protected liabilities) as at the effective date of this valuation. Average ages should be rounded to the nearest whole year.		
	Number	Average age
Active members	0	
Deferred members	3,469	56
Pensioner members	898	71



I certify that this valuation has been carried out in accordance with the Pension Protection Fund (Valuation) Regulations 2005 and with the appropriate section 179 guidance and assumptions issued by the Board of the Pension Protection Fund. I also certify that the calculated value of the protected liabilities is, in my opinion, unlikely to have been understated.

Signature:	DocuSigned by:  5855AD25E021426...	Date:	Jul 27, 2026
Name:	Keith Poulson	Employer:	Aon Solutions UK Limited
Qualification:	Fellow of the Institute and Faculty of Actuaries		

A

Appendix





Membership data

The results in this report are based on the membership data summarised below.

I have conducted high level checks on the membership data provided and I am satisfied with its adequacy for the purpose of this actuarial valuation.

The average ages shown in these tables are unweighted.

Deferred members	Number	Average age	Total pension (£000 p.a.)	Average pension (£ p.a.)
2022	3,758	53.5	28,560	7,600
2025	3,469	55.8	29,583	8,528

Note: The deferred pension amounts include revaluations up to the valuation date.

Pensioners	Number	Average age	Total pension (£000 p.a.)	Average pension (£ p.a.)
2022	691	71.7	4,957	7,174
2025	898	71.5	6,994	7,788

Note: The pension amounts shown above include the increase awarded in January 2025.



Benefits valued

A summary of the key details of the Scheme benefits considered in this valuation is set out below.

Eligibility	The scheme closed to new entrants with effect from 1 January 2005 and closed to future accrual from 30 April 2011.
Normal Pension Age	65 (noting an allowance for some benefits being potentially payable from age 60 has been included as a separate reserve)
Pensionable Service	Complete years and months of Scheme membership plus any earlier service credited under previous schemes.
Pensionable Salaries	Basic annual salary (limited to the Earnings Cap, which was £123,600 when the Scheme closed to accrual, for Post 1 June 1989 joiners) including any guaranteed bonus. For leavers after 1 May 2006, Pensionable Salary is restricted so that increases after this date are the lower of the member's actual salary increase and inflation (capped at 5% pa over the period to retirement or leaving).
Final Pensionable Salaries	Pensionable Salaries, applicable at the date of leaving, death or retirement.
Normal retirement pension	i. 1/100th of the Final Pensionable Salaries below the Upper Earnings Limit for each year of Pensionable Service; plus ii. 1/60th of Final Pensionable Salary above the Upper Earnings Limit for each year of Pensionable Service
Normal retirement lump sum	Pension can be exchanged for cash in accordance with the rules of the Scheme
Early retirement	Members may take benefits from age 55 with Trustee consent; the benefit will be reduced actuarially for early payment
Pension increases (in payment and deferment)	RPI (with a maximum of 5% p.a.). Pension increases in payment for benefits accrued after 5 April 2005 receive pension increases of inflation capped at 2.5% p.a.
Death after retirement spouse's pension	50% of the member's pension at date of death before any exchange for cash



Death after retirement lump sum	Balance of first 5 years pension instalments
Death before retirement benefits	Spouse's pension of 50% of the member's pension revalued to the date of death

Since 2008 the Scheme has applied a Scheme specific Upper Earnings Limit (UEL). There are no further practices of discretionary benefits being provided by either the Trustee or the Employer.

Note the results in this report reflect our understanding of the benefits due at the date of the report. Other than where stated, they make no allowance for any potential impact on benefits of recent case law.



Assets

Your scheme's audited accounts for the year ended 30 April 2025 give net assets for the Final Salary Section of £448.4M. I have adjusted these as follows:

- i) I have **excluded** the value of Additional Voluntary Contributions (AVCs) of £28.4M.
- ii) I have **included** the £10M advanced contributions which are shown in the Trustee Report and Accounts as a current liability (note I have not made this adjustment for the S179 assessment).

I have therefore used a net asset value, for assets to cover Final Salary Section liabilities of £430M. These can be categorised as follows:

Asset category	%
Property	4%
LDI	50%
Infrastructure	12%
DGF	16%
Global Equities	9%
Credit	6%
Cash and net current assets	3%
Total	100%



If DC benefits were included...

The results shown elsewhere in this report **exclude** DC benefits. As required by legislation, the results with these **included are shown below**.

Defined contribution benefits (including DC AVCs) amounted to £36M at the valuation date. If these benefits are included in the valuation:

- The technical provisions are £552M (funding level of 84 %).
- The value of the liabilities on the low dependency funding basis is £580M (funding level of 80 %).
- The statutory solvency estimate is £668M (solvency ratio 70 %).



Previous valuation results

This page sets out the results and conclusions of the previous actuarial valuation of the Scheme at 30 April 2022.

Key results

The key results from the previous valuation at 30 April 2022 were:

- There was a deficit of £198M relative to the technical provisions, which corresponded to a funding level of 76%.

Recovery plan

The Trustees' and the Employer agreed a recovery plan that was designed to restore the funding level to 100% by May 2030 with contributions of:

- £1,990,316 by 31 May 2022
- £26,906,314 by 31 May 2023
- In respect of each 31 May commencing 31 May 2024 up to (and including) 31 May 2030: £28,228,106
- The amount of each of the above payments due on or after 31 May 2025 shall be increased annually in line with the increase in the Retail Prices Index for the period from 1 January 2024 to 1 January immediately preceding the 31 May by which the payment is due.
- The payments due by 31 May 2022, 31 May 2023 and 31 May 2024 were paid under the previous recovery plan dated 29 July 2020.

In addition to the above contributions in respect of deficit repair it has also been agreed that the Employer will pay:

- The costs of administering the Scheme
- The Pension Protection Fund levy and other levies collected by The Pensions Regulator
- The cost of any augmentations to benefits.



Analysis of the change since the previous valuation

I have analysed the change in past service liabilities from the previous valuation to this new one.

Past service changes

The past service results show that the deficit of £198M, relative to the technical provisions, at the previous valuation has become a deficit of £86M at this valuation.

The table below quantifies the key reasons for this change:

	£M
Surplus / (deficit) at previous valuation	(198)
Interest on deficit	(20)
Reduction in liabilities as a result of change in market conditions	378
Loss on assets as a result of change market conditions	(295)
Deficit reduction contributions	85
Deficit at current valuation on previous assumptions	(50)
Impact of change in financial assumptions	(10)
Impact of change in demographic assumptions	10
Inclusion of additional liability reserve	(36)
Surplus / (deficit) at current valuation on proposed assumptions	(86)

Key factors

The analysis shows that the main factors affecting the funding position since the previous valuation have been:

- Changes in financial assumptions, most notably the change in financial conditions reducing the value of both the assets and liabilities.
- Deficit contributions made by the Employer.



Solvency details

The calculation of the statutory solvency estimate is explained below.

Statutory solvency estimate

The estimate has been calculated in line with statutory requirements. I have taken into account the investment strategies that an insurer is likely to use to back its annuity business and the resulting pricing I would expect to see under the market conditions at the valuation date, taking into account the size of the Scheme.

The estimate considers the position if:

- The Scheme were discontinued on the valuation date and member benefits were crystallised
- Discretionary benefits were suspended permanently.
- The assets were used to buy immediate and deferred annuities from an insurer.

The solvency estimate is a regulatory requirement and also provides a useful benchmark against which the Trustee and others can assess the relative prudence of other funding measures. The basis used is described below.

Estimate vs actual cost

This estimate is only a guide.

The true position can only be established by conducting a competitive buy-out auction and fully defining the scope and likely cost of a wind-up process for the Scheme.

Assumption	Solvency Basis
Discount rate for current pensioners in payment	Aon Bulk Annuity Market Monitor yield curve for pensioners, which is constructed from swap and UK corporate bond market curves
Discount rate for current non-pensioners (both before and after retirement)	Aon Bulk Annuity Market Monitor yield curve for non-pensioners, which is constructed from swap and UK corporate bond market curves
RPI inflation	Term-dependent rates derived from the RPI swap markets
Pension increases	Derived from the price inflation assumptions with allowance for caps and floors and with the aim of approximately reflecting the cost of hedging these increases using LPI-linked swaps
Post-retirement mortality	As for the technical provisions , except using CMI_2023 projections
Commutation and discretionary benefits	No allowance
Expenses of winding-up	Allowance made to cover expenses and insurance company charges associated with winding-up



Section 179 valuation: benefits, approximations and assumptions

The benefits that are valued in the section 179 valuation are summarised below, along with any approximations made and the assumptions used.

Your scheme's benefits

Normal retirement age	Age 65 (noting an allowance for some benefits being potentially payable from age 60 has been included as a separate reserve)
Death after retirement spouse's pension	50% of the member's pension at date of death before any exchange for cash
Death after retirement lump sum	Balance of first 5 years pension instalments
Death after leaving but before retirement	Spouse's pension of 50% of the member's pension revalued to the date of death
Pension increases (in payment)	Pension increases in payment for benefits accrued before 6 April 2005 increase in line with the Retail Prices Index (RPI) capped at 5% p.a.. Pension accrued post 5 April 2005 increased in line with RPI capped at 2.5% p.a..
Pension increases (in deferment)	Benefits increased in line with RPI, subject to a maximum increase of 5% per annum.

Benefits valued for section 179 purposes

Normal pension age	Normal Pension Age (NPA) for section 179 purposes is determined as prescribed in paragraph 34 of Schedule 7 to the Pensions Act 2004, and is broadly the earliest age at which the pension normally becomes payable without actuarial reduction. Different NPAs may apply to different parts of a member's pension. The NPAs for the vast majority of members is 65.
Normal retirement pension	For members who: • have reached the Scheme's NPA for section 179 purposes (as described above); or • are receiving a dependant's pension; or • retired due to ill-health I have valued 100% of their pension.



For other members, I have valued 90% of the pension payable.

Death after retirement

I have allowed for contingent spouses' pensions on death in retirement based on 50% of the pension in payment for current pensioners, rather than the level of spouses' pensions that would actually be payable under the Scheme, which are based on the member's pre-commutation pension.

Death after leaving but before retirement

I have allowed for contingent spouses' pensions on death before retirement based on 50% of the pension revalued with CPI price inflation from 30 April 2025 to the member's date of death, rather than the level of spouses' pensions that would actually be payable under the Scheme.

Pension increases in payment

I have only allowed for future increases in payment on benefits accrued after 5 April 1997. The allowance reflects increases in line with CPI inflation capped at 2.5% pa. Actual past pension increases for pensioners have been allowed for in the benefits valued.

Pension increases in deferment

For members who have not yet retired, I have implicitly allowed for revaluation of benefits between the valuation date and NPA in line with CPI inflation capped at 5% pa for service prior to 6 April 2009 and capped at 2.5% pa for service after that date. Past revaluation (up until the valuation date) has been allowed for at the levels that apply under the provisions of the Scheme.

AVCs and other money purchase benefits not in payment

Assets in respect of money purchase benefits (including AVC funds not yet in payment) are not included within the assets or liabilities for a section 179 valuation.

Assumptions

I have summarised below the assumptions used in the section 179 valuation.

Financial assumptions	
Post-retirement discount rate – current pensioners	5.29% p.a., for non-increasing pensions (this is the pension accrued before 6 April 1997). 3.09% p.a. net of increase, for increasing pensions (this is the pension accrued after 5 April 1997, and the assumption allows for increases in payment in line with CPI price inflation limited to 2.5% p.a.).
Post-retirement discount rate – current non-pensioners	5.09% p.a., for non-increasing pensions (this is the pension accrued before 6 April 1997). 2.79% p.a. net of increase, for increasing pensions (this is the pension accrued after 5 April 1997, and the assumption allows



	for increases in payment in line with CPI price inflation limited to 2.5% p.a.).
Pre-retirement discount rate	1.5% p.a. net of increases in deferment, for benefits accrued before 6 April 2009 (this allows for increases in deferment in line with CPI price inflation limited to 5% p.a.). 1.97% p.a. net of increases in deferment, for benefits accrued after 5 April 2009 (this allows for increases in deferment in line with CPI price inflation limited to 2.5% p.a.).

Demographic assumptions	
Mortality before and after retirement	For members: Standard tables S3PMA and S3PFA applicable for the member's year of birth. For contingent lives/dependants: Standard tables S3DMA and S3DFA applicable for the contingent life's assumed year of birth/the dependant's actual year of birth. In all cases: a scaling factor of 100% and an allowance for improvements in mortality from 2013 in line with the CMI 2021 projections with the smoothing parameter SK=7.0, the A parameter = 0.25%, weighting factors for the years 2020 and 2021 $w_{2020}=10\%$ and $w_{2021}=10\%$ and a long-term improvement rate of 1.5% p.a. for males and 1.25% p.a. for females.
Family details	Age difference between member and dependant: males are assumed to be three years older than females. 85% of male members and 75% of female members are assumed to be married at retirement or earlier death. Children's pensions in payment are assumed to cease at age 18, or age 23 if currently aged over 17.

Expenses											
Estimated wind-up expenses	5% of liabilities (excluding benefit installation / payment expenses) up to £4M; plus 1.5% of liabilities (excluding benefit installation / payment expenses) between £4M and £20M; plus 0.8% of liabilities (excluding benefit installation / payment expenses) between £20M and £340M. (The estimated wind-up expenses will be no more than £3 million.)										
Benefit installation / payment expenses	Non-pensioners: an allowance of £750 per member. Pensioners: <table> <tr> <th>Age</th><th>Expense allowance per member</th></tr> <tr> <td>< 60</td><td>£650</td></tr> <tr> <td>60-70</td><td>£550</td></tr> <tr> <td>70-80</td><td>£500</td></tr> <tr> <td>80+</td><td>£400</td></tr> </table>	Age	Expense allowance per member	< 60	£650	60-70	£550	70-80	£500	80+	£400
Age	Expense allowance per member										
< 60	£650										
60-70	£550										
70-80	£500										
80+	£400										



Legal framework and compliance

Legal framework

This report is produced in compliance with:

- Clause 17.1 of the Scheme's Rules.
- Section 224 of the Pensions Act 2004.
- The terms of the Scheme Actuary Agreement between the Trustee and me, on the understanding that it is solely for the benefit of the addressee.

Shorthand to this report

Scheme: Clifford Chance Pension Scheme

Trustee: Clifford Chance Pension Trustees Limited

Employer: Clifford Chance LLP

Rules: The Scheme's Trust Deed and Rules dated 13 December 2001

TAS compliance

This document, and the work relating to it, complies with Technical Actuarial Standard 100: General Actuarial Standards (TAS 100) and Technical Actuarial Standard 300: Pensions (TAS 300).

The compliance is on the basis that Clifford Chance Pension Trustees Limited is the addressee and the only user and that the document is only to be used as a summary of the outcome of the valuation. If you intend to make any decisions after reviewing this document, please let me know and I will consider what further information I need to provide to help you make those decisions.

This document should be read in conjunction with:

- The statement of funding principles for the previous valuation dated 27 September 2024.
- My report "Actuarial Valuation at 30 April 2022, dated 27 September 2024"
- My report titled "DB Funding Code" dated 18 June 2025
- My reports titled "Assumptions Advice" dated 24 October 2025 and 17 November 2025
- My reports titled "Initial Results" dated 29 October 2025 and 17 November 2025
- My report "Actuarial valuation at 30 April 2025 – initial results" dated 18 June 2026
- The Aon document "Actuarial Valuations handbook" provided with our initial advice.
- My report "Update on valuation - Consideration of Employer Proposal" dated 18 June 2026.

If you require further copies of any of these documents, please let me know.



Glossary

This glossary explains some key terms used in this report. Not all of them are used in this report.

Limited Price Indexation (LPI)	A minimum level of annual increase to pensions in payment, required under legislation. For pensions earned between 6 April 1997 and 5 April 2005, it is the lower of 5% and the increase in inflation*, and for pensions earned after 5 April 2005, it is the lower of 2.5% and inflation*. *Until 2010, inflation for the purpose of this minimum was defined with reference to changes in the Retail Prices Index. From 2011, inflation was defined with reference to changes in the Consumer Prices Index.
Pension Protection Fund (PPF)	The PPF was established with effect from 6 April 2005. The PPF will normally take over the assets of a pension scheme in the event of its sponsor becoming insolvent and the scheme having insufficient assets to provide the PPF benefits. The PPF will not provide benefits in full. The PPF is financed by a levy on most defined benefit pension schemes. The PPF benefits are broadly 100% of benefits for pensioners over normal retirement age and 90% of benefits up to a cap for all other members. Pension increases granted on benefits are at lower levels than apply in many schemes, in particular, benefits earned before 6 April 1997 would not be given any pension increases within the PPF.
Retail Prices Index (RPI)	A measure of UK price inflation published monthly by the Office of National Statistics. It is no longer the Government's preferred measure of inflation. As well as being based on different items and weightings to the Consumer Prices Index (CPI), it is also calculated using a different formula. However, it is the index that pension benefits have historically tended to be linked to and is the measure used to determine the returns on index-linked gilts.
Covenant longevity	How long trustees can be reasonably certain (based on information available at the time) that the sponsoring employer will be able to continue to support a scheme.



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