ACTUARIAL REPORT AS AT 31 DECEMBER 2024

London Stock Exchange Group Pension Scheme – LSE Section

This paper is commissioned by and addressed to the Trustee of the London Stock Exchange Group Pension Scheme (“the Trustee” of “the Scheme”). It summarises the results of a financial update (known as an “actuarial report”) of the LSE Section of the Scheme (“the LSE Section”) as at 31 December 2024. It has been prepared to satisfy the requirements of section 224 of the Pensions Act 2004. An actuarial report must be prepared each year, unless an actuarial valuation takes place in that year.

The most recent actuarial valuation was carried out as at 31 December 2023. At that date the LSE Section showed a shortfall of £2.4 million relative to its technical provisions, equivalent to a funding level of 99%. If the assumptions used for the 31 December 2023 actuarial valuation had been borne out in practice, then, based on the methods, assumptions and contributions agreed at the last valuation and set out in the statement of funding principles dated November 2024, the LSE Section would have been expected to remain close to fully funded on the technical provisions basis at 31 December 2024.

My updated calculations, which allow approximately for changes in estimated buy-in pricing, actual cashflow experience and changes in the LSE Section’s non-insured assets over the period, show that at 31 December 2024 the shortfall was £1.6 million, equivalent to a funding level of 99%.

As expected, due to the full buy-in, the LSE Section’s funding position has remained close to fully funded on the technical provision basis. The small reduction in shortfall is due to an increase in the value of the Section’s non-insured assets.

The asset value of £268.1 million is the market value of the LSE Section’s assets at 31 December 2024 (excluding AVCs). This comprises £266.5 million in respect of the estimated value of the buy-in policies with Standard Life, Pensions Insurance Corporation and Phoenix Life and £1.6 million in respect of net current assets, including cash. The asset value has decreased by £39.3 million since the valuation date, primarily due to the increase in bond yields, which has reduced the estimated value of the buy-in policies.

The figures calculated for this actuarial report are not as accurate as those that would arise from a full actuarial valuation as some approximations have been made and individual member data has not been used. The figures are based on the membership data used for the 31 December 2023 actuarial valuation, but make some allowance for member experience since that date.

The Trustee should consider the results of this actuarial report bearing in mind its view of the employer covenant and the LSE Section’s current investment strategy.

Signature	S. Hailwood
Scheme Actuary	Stuart Hailwood
Qualification	Chartered Actuary (Fellow), Institute and Faculty of Actuaries
Date of signing	5 August 2025

This report, and the work done in its preparation, is compliant with Technical Actuarial Standard 100 General Actuarial Standards (TAS 100 v2.0) and Technical Actuarial Standard 300 Pensions (TAS 300 v2.0), which are issued by the Financial Reporting Council. It should be read in conjunction with the formal report for the 31 December 2023 actuarial valuation, dated 6 December 2024, and my paper "Valuation of buy-in policies for the 31 December 2024 Trustee Report and Accounts", dated 27 February 2025.

This report is designed to provide an overview of the financial position of the LSE Section for information purposes only.

We cannot guarantee that the report is suitable for use for any purpose other than that stated. If this report leads to any new decisions in relation to the Scheme, then you will need to ensure you have taken further appropriate advice.

We will not carry out any additional work in connection with the report without your prior instructions.

The contents of the report are confidential and should not be disclosed, in whole or in part, to any third party without Mercer's prior written consent, other than as required by any law or order of a court or regulatory body. Mercer does not accept liability to any third party in respect of this report.

Mercer is aware of the High Court judgment in June 2023 in the case of *Virgin Media vs NTL Pension Trustees II Limited* that has the potential to lead to changes in benefits, and hence Section liabilities, in certain circumstances. We are also aware that the Court of Appeal upheld the High Court's decision in July 2024. The Government issued a press release in June 2025 announcing its intention to introduce legislation in response to the 'section 37' matters arising from the Virgin Media legal decision. The press release on the Virgin Media legal decision notes that the legislation will "give affected schemes the ability to retrospectively obtain written actuarial confirmation that historic benefit changes met the necessary standards." This is a complex legal issue and Mercer is unable to provide the Trustees with legal advice. As I have not been instructed by the Trustee or their legal advisers of any benefit adjustments being required in respect of the *Virgin Media* ruling, I have continued to value the benefits as described in the benefit summary, with no allowance for any potential changes to scheme benefits arising from the *Virgin Media* judgment.