

Statement of Investment Principles

London Stock Exchange Group Pension Scheme

September 2026

Introduction

This document contains the Statement of Investment Principles ("the SIP") required under Section 35 of the Pensions Act 1995, as amended by the Pensions Act 2004 ("the Act"), for the London Stock Exchange Group Pension Scheme ("the Scheme"). It describes the investment policy being pursued by LSEG Pension Trustees Limited ("the Trustee"), acting in its capacity as trustee of the LCH Section and LSE Section of the Scheme and is in compliance with the Government's voluntary code of conduct for Institutional Investment in the UK ("the Myners Principles"). This SIP also reflects the requirements of the Occupational Pension Schemes (Investment) Regulations 2005.

The Trustee is responsible for the investment of the Scheme's assets and arranges the administration of the Scheme. Where it is required to make an investment decision, the Trustee always receives advice from the relevant advisers first and it believes that this ensures that it is appropriately familiar with the issues concerned. London Stock Exchange plc and LCH Limited ("the Sponsors") have confirmed to the Trustee that it has been consulted regarding the contents of this SIP as required by the Act.

Declaration

The Trustee confirms that this SIP reflects the principles governing how decisions about investments are made for the Scheme. The Trustee acknowledges that it is responsible, with guidance from the advisers, for ensuring the assets of the Scheme are invested in accordance with these principles.

Signed **Date**

For and on behalf of the Trustee of the London Stock Exchange Group Pension Scheme

Investment Objectives and Strategy

The principal objective of the Trustee is to ensure the benefits promised to members are paid on time and in full.

The Scheme holds investments as permitted by its Trust Deed and Rules.

The Scheme is comprised of two sections:

1) LCH Section

The LCH Section has entered into a bulk annuity insurance contract with Phoenix Life Limited (trading as "Standard Life"). This covers all members of the LCH Section. The bulk annuity contract is expected to broadly provide an exact match for the majority of the Section's accrued liabilities and is intended to provide an income to the Scheme broadly matching the ongoing benefits due to the LCH Section's members (e.g. pension payments) over the life of the Scheme.

Following payment of the bulk annuity premium to Standard Life, most of the remaining assets of the LCH Section have been invested in a Sterling liquidity fund in order to meet any balancing premium payments that may be due to Standard Life. Some cash has also been retained in the Trustee bank account to meet ongoing expenses.

2) LSE Section

The LSE Section has entered into two bulk annuity insurance contracts – one with Phoenix Life Limited (trading as "Standard Life") and the other with Pension Insurance Corporation ("PIC"). Together, these policies cover all members of the LSE Section. In combination, these bulk annuity contracts are expected to broadly provide an exact match for the majority of the Section's accrued liabilities and are intended to provide an income to the Scheme broadly matching the ongoing benefits due to the LSE Section's members (e.g. pension payments) over the life of the Scheme.

The residual cash holdings of the LSE Section have been retained in the Trustee bank account to meet ongoing expenses.

Scheme Governance

The Trustee is responsible for the governance and investment strategy of the Scheme.

The Trustee recognises that decisions should be taken only by persons or organisations with the skills, information and resources necessary to take them effectively. It also recognises that where it takes investment decisions, it must have sufficient expertise and appropriate training to be able to critically evaluate any advice it receives.

The Trustee no longer delegates investment-related matters to a separate Investment Committee ("IC"). All previous delegated authorities and responsibilities of the IC have been assumed by the Trustee.

The Sponsors are consulted on investment strategy decisions, and a representative of the Sponsors regularly attends relevant parts of the Trustee meetings.

Review frequency of the Statement of Investment Principles

The Trustee aims to review this SIP triennially or following any significant changes to the investment strategy and modify it with consultation from their advisers and the Sponsors. There will be no obligation to change this SIP or advisers as part of such a review.

Risks

The Trustee recognises there are numerous risks involved in investing the assets of the Scheme. Following the purchase of the bulk annuity insurance contracts with Standard Life and PIC, the Trustee recognises that the main risks retained in the Scheme are as follows:

- The default risk of the chosen insurer(s), Standard Life and PIC. As part of the insurer due diligence that was carried out prior to the bulk annuity contract purchase, the Scheme's buy-in advisers also provided advice to the Trustee on the financial strength of Standard Life and PIC at the time of the respective transactions and the Trustee proceeded in both instances based on that advice.
- The Trustee recognises there are various risks the insurer faces that could lead to an increased risk of default, such as; the life expectancy of their policy holders increasing, the risk of material adverse market movements, poor liquidity management, the impact of subsequent insurance book transfers into Standard Life or PIC, and the risk that the insurer does not generate sufficient cashflows net of dividends to run its businesses effectively.
 - The Trustee relies on the regulatory framework that each insurer operates under to mitigate the risks they face, e.g. the regulatory capital requirements, as well as each insurers' risk management policies and controls which are expected to comply with these regulations.
 - Standard Life and PIC are authorised by the Prudential Regulation Authority ("PRA") and regulated by the Financial Conduct Authority ("FCA") and the PRA, which monitors their financial strength and solvency as part of its mandate.
 - In addition, in the event of default by the insurer, it is expected that attempts to transfer the responsibility to an alternative insurer will be made by the PRA. If such attempts fail, the Scheme is expected to be eligible for compensation from the Financial Services Compensation Scheme ("FSCS"), up to the full value of the benefits insured, based on the current FSCS rules.
- The risk of Sponsor failure. Given that the LCH Section has no deficit repair contributions due and the LSE Section has a £2.9m deficit repair contribution due by April 2028 from their respective sponsor and following the purchase of the bulk annuity contracts covering broadly all benefits, the reliance on the Sponsors has significantly reduced. Any residual risk that remains relates to the possibility of some small outstanding balancing payments due to the insurers. It is possible that one or both Sections of the Scheme may still require a small amount of additional support from their sponsor to meet some of the balancing payments. In such scenarios, the Trustee also has other options at its disposal to reduce any balancing payments. The reliance on the Sponsors and the risk of Sponsors failure is therefore expected to be small.
- The Trustee maintains a risk register as a way of managing existing risks as well as new and emerging risks. This is reviewed at least annually to identify new risks, determine whether the existing risks the Scheme is exposed to are within a reasonable level of tolerance and whether actions are required to better mitigate risks.

Other Issues

Environmental, Social and Governance issues

Environmental, Social and Governance ("ESG") issues, including those arising from climate change may be financially material to both Sections' investment portfolios. The Trustee considers the long-term financial interests of the Scheme to be paramount, and, where appropriate and practical, incorporates all financially material considerations into decisions on the selection, retention and realisation of investments through strategic asset allocation decisions, so far as possible.

In entering into the recent bulk annuity contract with Standard Life, ESG due diligence was conducted as part of wider insurer due diligence prior to the annuity purchase.

Non-financial matters including ethical views of beneficiaries and members are not ordinarily considered in the selection, retention and realisation of investments.

Stewardship and Engagement

The Trustee has considered the extent to which financially material considerations such as ESG issues and climate change risks may impact the selection, retention and realisation of the Scheme's investments over the likely time horizon that they will be held by the Scheme.

Whilst the Trustee considers that financially material considerations such as ESG issues and climate change factors are likely to have financial impacts on pension investments, in the context of the Scheme's investment in bulk annuity contracts, the Trustee requires that these considerations and factors will be included in the insurers' investment processes, supported by current and future regulations and by improving industry standards.

The Trustee is required, under Regulation 2(3)(d) of The Occupational Pension Schemes (Investment) Regulations 2005, to include details of their manager alignment policies in this SIP or explain why they have not done so. The Trustee has not included details of its manager alignment policies in this SIP given the Scheme's investments are only in bulk annuity contracts and the limited cash holdings. Further, the Trustee recognises that good stewardship practices, including engagement and voting activities, are important as they help preserve and enhance asset owner value over the long term. However, due to the nature of the Scheme's investments, the Scheme's ability to ensure good stewardship is practiced by engaging with its managers, is limited.

The Trustee's policy is generally to delegate responsibility for the stewardship activities (including voting rights and engagement activities) attaching to all investments to its investment managers, where appropriate. The regulatory environment regarding stewardship is also expected to continue developing and the Scheme's insurers will need to comply with current and future relevant regulations regarding stewardship. The Trustee considers this an appropriate policy given the Scheme's assets and in the context of the Scheme's bulk annuity contracts.

The Trustee does not take account of any non-financial factors (such as members' ethical views), and these are not currently taken into account in the selection, retention and realisation of the Scheme's investments.

Additional Voluntary Contributions (AVCs)

Under the Scheme's Trust Deed and Rules, members could invest AVCs to improve the benefits they received at retirement. The Trustee has selected a range of investment funds for the AVCs to be invested in. The AVCs related to the LCH Section were discharged in full in 2024. The LSE Section has AVC funds with Phoenix Life and Aviva.

The Trustee keeps these arrangements under review having regard to their performance, the objectives and the views of the advisers.

The Trustee will consider whether to transfer the remaining AVCs to Standard Life or a consolidated vehicle in due course.