

PENSION

BRIEFING

2026

Bringing you the pension news from the Lloyds Superannuation Fund



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WELCOME FROM THE CHAIR

I'm pleased to introduce the latest issue of *Pension Briefing*, the newsletter for members of the Lloyd's Superannuation Fund ('LSF' or the 'Fund'). It has been a year of substantial change and progress.

I must, however, begin with sharing deeply sad news. We regret to inform you that the Chair of the Trustee, Yvonne Slater, sadly passed away on 11 May 2026. Yvonne was an incredible Trustee and Chair, who had served on the Board since 2020 and led as Chair since December 2023. As Chair, she steered the Fund through many challenges, completing and progressing substantial work to progress the Fund's long-term strategy. We would like to acknowledge her huge contribution to the Fund.

Prior to Yvonne's passing, there were a couple of changes to the Board, including my appointment as the new Independent Director, with effect from 1 January 2025; and Stephanie Mocatta being appointed as the Deputy Trustee Chair.

With effect from 1 August 2026, Fred Foreman was appointed as a new Employers' Director and I was appointed Chair of the Trustee on

3 August 2026. All the Directors' names (and links to their individual biographies) are provided on page 15.

The Trustee's core aim is to safeguard the security of members' benefits in the Fund and ensure its funding level remains stable. We are here to pay our members the pension benefits they are entitled to, as and when those benefits become due.

2025 and 2026, so far, have been challenging years for investment markets, with continuing economic uncertainty and an increase in geopolitical risks around the world causing increased volatility in many markets. The Fund's investment strategy has been carefully structured to manage these kinds of risks whilst investing in assets aligned to achieving the long-term strategy. The portfolio is well-diversified and designed to respond resiliently to market fluctuations.

Alongside this, the Trustee has worked closely with the Fund sponsor, MS Amlin Corporate Services Limited (MS Amlin), and the Fund Actuary to finalise the latest actuarial valuation. This looked at the funding position as at 31 March 2025, and it is pleasing to report that the Fund is fully funded at 101%. This means we are closer to our eventual long-term strategy, which is to secure all members' benefits through an insurance company. The article on pages 8-9 explains what is involved in getting to that point.

In addition, the Fund has a new Fund Actuary, Paul Houghton. The Trustee would like to thank Ali Tayyebi, who served as Fund Actuary on the 2025 triennial valuation. The results of the valuation, which looked at the position as at 31 March 2025, are provided in the Summary Funding Statement on pages 10-12.

Barnett Waddingham, which acts as both the Fund Administrator and Fund Actuary, has become part of Howden, a leading global insurance intermediary group. A transition has started to the Howden name and branding. We have updated the contact details you use in this newsletter and on the Fund website.

I hope you find this newsletter useful. If you have any feedback or ideas for future topics you would like to see us cover, please get in touch using the information on the back page.

Stephen Hall
Chair of the Trustee



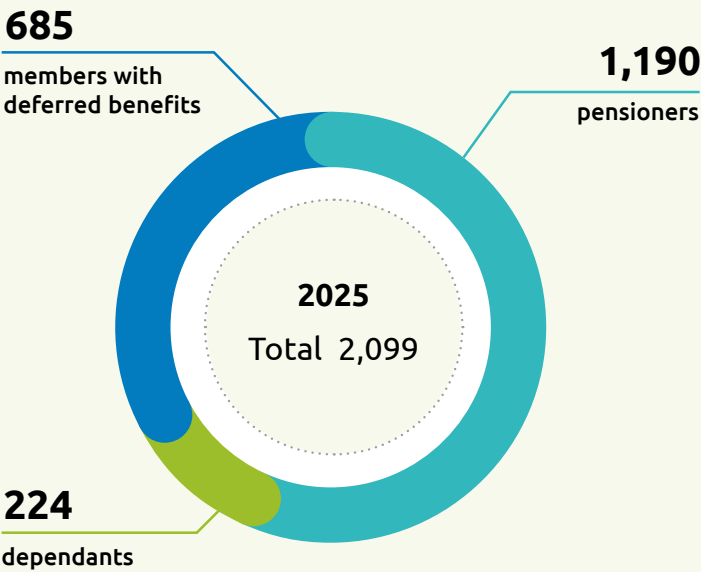
REPORT & ACCOUNTS

The table shows a summary of the payments into and out of the Fund during the financial year ending 31 March 2025. You can see the Fund's full annual report and audited financial statements on the website, www.lsf.org.uk/documents

	2025 £'000	2024 £'000
NET ASSETS OF THE FUND AT 1 APRIL	296,226	315,390
CONTRIBUTIONS & BENEFITS		
Contributions	-	-
Benefits payable and expenses	(18,854)	(19,009)
Net withdrawals from dealing with members	(18,854)	(19,009)
RETURN ON INVESTMENTS		
Net return on investments	(5,005)	(155)
Net decrease in the Fund during the year	(23,859)	(19,164)
NET ASSETS OF THE FUND AT 31 MARCH	272,367	296,226

MEMBERSHIP

The chart below shows the different types of members in the Fund as at 31 March 2025.



	2025	2024
● Pensioners	1,190	1,172
● Dependants receiving a pension	224	235
● Members with deferred pensions	685	755
Total	2,099	2,162

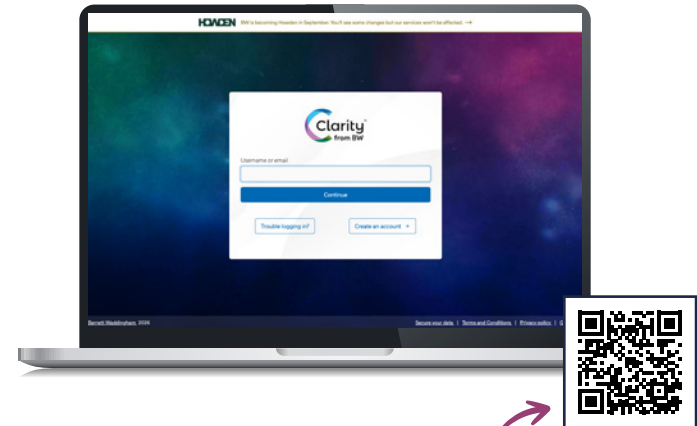
CLARITY



Last year saw our members continue to embrace the use of online technology, with increasing use of the member portal, which is maintained by the Fund Administrator, Barnett Waddingham.

The portal was rebranded from BWebstream to Clarity, and you should now have received additional information on the change due to Barnett Waddingham becoming part of Howden. As a reminder, the portal gives you access to your pension account so that you can:

-  view fund values
-  run 'what if' quotations
-  update your Expression of Wish information
-  update personal information (contact details, email address, etc.)
-  upload documents to us online
-  keep track of what your benefits will be on retirement if you're a deferred member
-  view your payslips if you're a pensioner member.



If you have forgotten or misplaced your login details, please contact the Howden team using the contact details on the back page of this newsletter. These are also listed at www.lsf.org.uk/contact-us

Scan me
<https://account.clarityhowden.com>

INVESTMENTS

The Trustee has overall responsibility for investing the Fund's assets and delegates the day-to-day management of the process to specialist investment managers and the Fund's bulk annuity provider.

The Trustee's investment strategy is set out in a document called the Statement of Investment Principles (SIP). The SIP is reviewed after each valuation, or more regularly if required. It was last updated in July 2024 to reflect the Trustee's new long-term strategy of targeting a buy-out for the Fund within a reasonable timeframe (see pages 8 and 9).

In addition, the Trustee has to make an annual Implementation Statement available online to members. It shows how the Trustee has fulfilled its investment responsibilities and includes details of any changes to or deviations from the SIP. It also describes the voting behaviour by the investment managers during the year.

You can find both documents online at www.lsf.org.uk/documents

Over the year under review, the Fund's investments were managed by four investment managers, specialising in different asset classes.

INVESTMENT PERFORMANCE

Over the 12-month period to 31 March 2025, the Fund returned (2.5%) compared with a benchmark of (3.2%).

The aggregated returns of the Fund's investment portfolio over the past five years are shown in the table below.

	Fund (%)	Benchmark (%)
For the 12 months to 31 March 2025*	(2.5%)	(3.2%)
For the 12 months to 31 March 2024	1.1%	(1.3%)
For the 12 months to 31 March 2023*	(25.7%)	(25.0%)
For the 12 months to 31 March 2022	0.9%	0.1%
For the 12 months to 31 March 2021	1.8%	(1.5%)

*The Fund's performance in 2022/23 was reflective of the dramatic changes in economic conditions seen that year, with inflation rising (significantly and rapidly), a cost of living crisis taking hold, interest rates rising, long gilts yields rising (in comparative terms, quite significantly) and volatility in equity markets. A portion of the Fund's assets are designed to match movements in the Fund's liabilities, which fell significantly in 2022/23 – and fell again in 2024/25 – and was therefore the main reason for the negative returns experienced on the assets during these years.

LONG-TERM STRATEGY: JOURNEY TO BUY-OUT

We've previously told you about our work to increase the security of your benefits in the Fund. This included purchasing a buy-in policy with a regulated insurance company, Pension Insurance Corporation (PIC), in 2013, which covered a portion of the Fund's liabilities (the pensions promised to members).

A buy-in is an insurance policy taken out in the name of the Trustee and held as an asset of the Fund. When a member takes a benefit from the Fund (e.g. pensions in payment), the policy will pay money to the Fund that covers the value of these benefits. This removes the risk of the Fund not having enough funds to pay benefits in full and provides you with additional protection to ensure you receive what you're entitled to.

Insurance companies are regulated by the Prudential Regulation Authority (PRA) and the Financial Conduct Authority (FCA), and there is also a 'safety net', known as the Financial Services Compensation Scheme, which is expected to provide 100% compensation in the unlikely event that an insurer is unable to pay benefits.



LOOKING AHEAD

In 2022, when the Fund achieved the milestone of full funding (101%) on its conservative 'technical provisions' funding basis, the Trustee agreed a new long-term strategy for the Fund: to reach full funding on the buy-out basis within a reasonable timeframe. The latest valuation as at 31 March 2025 shows the Fund remains on course to achieve this.

The Trustee has therefore taken an important step to further protect members' benefits by deciding to move the Fund to a **full buy-in arrangement**. This means the Fund will purchase an insurance policy that matches all its pension obligations, ensuring that all current and future benefits are fully secured with a regulated insurer. To support this process, MS Amlin has placed funds into an additional **escrow account**. This account acts as a financial safeguard, ensuring that the necessary resources are available to complete the buy-in smoothly. By doing this, the sponsor is demonstrating its commitment to the long-term security of your benefits.

What does this mean for you?

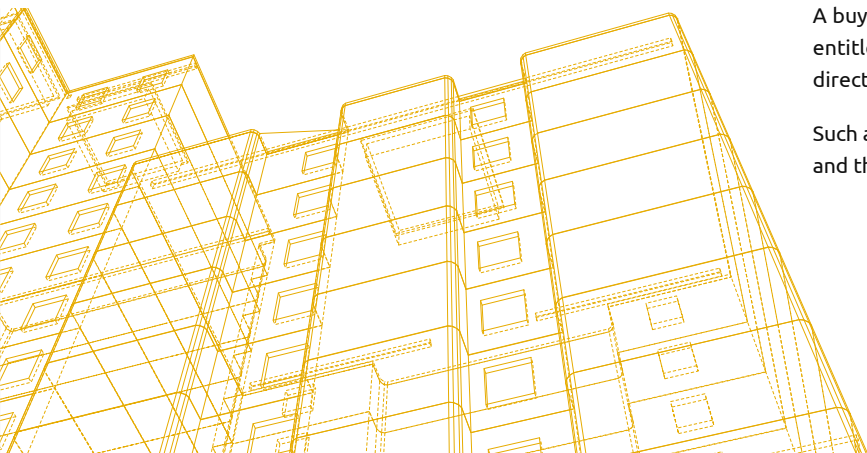
- Your pension benefits will be backed by an insurance company, adding an extra layer of protection.
- The escrow arrangement ensures that the buy-in can proceed without financial uncertainty.

The project to achieve the full buy-in has commenced, with the aim of completing it within the next **12 months**. There is no action required from you, and your benefits remain secure throughout this transition.

Moving towards a buy-out is the ultimate objective for a mature pension scheme like the LSF. It typically occurs when all the liabilities have been secured with bulk insurance contracts (the buy-ins detailed above) and the Trustee can, as a next stage, formally transfer responsibility for administering members' benefits to an insurance company (the 'buy-out'). When this happens, the pension scheme is wound up, and the members are provided with individual insurance policies from the insurer.

A buy-out would not affect the pension benefits to which you are entitled – it simply means that pension payments would be made directly to you from the insurer.

Such a move would be a significant step forwards to secure your benefits, and the Trustee will update you on progress in future newsletters.



SUMMARY FUNDING STATEMENT

As a member of the Lloyd's Superannuation Fund, you have built up valuable benefits. Knowing how the Fund is doing financially and whether your benefits are secure is important.

To keep you up-to-date and help you understand more about the funding position, we provide you with a statement like this each year. It is for your information only and you do not need to take any action.

THE ONGOING FUNDING POSITION

The Fund's financial health depends on several factors such as investment returns, inflation and mortality trends. To monitor the position of the Fund, the Trustee appoints a qualified actuary, Paul Houghton of Howden, to act as Fund Actuary.

The Fund Actuary regularly carries out a review of the Fund's funding position, known as an actuarial valuation. This enables the Fund Actuary to assess whether there is sufficient money in the Fund to pay for the benefits that members have already built up and determine the level of contributions to be paid to the Fund in the future. A full valuation is carried out every three years, the most recent being the valuation as at 31 March 2025. In between each valuation, the Fund Actuary updates their assessment of the funding position annually.

THE LATEST POSITION

	31 March 2025 (actuarial valuation)	31 March 2024 (annual update)	31 March 2023 (annual update)
Assets	£272.4m	£293.3m	£315.4m
Amount needed to provide benefits	£270.5m	£308.5m	£328.6m
Surplus/(Deficit)	£1.9m	(£15.2m)	(£13.2m)
Funding level	101%	95%	96%

Since the 2024 annual update, the funding position has improved to a surplus of £1.9m at 31 March 2025. This is due to the combined effects of: changes in market conditions; the performance of the Fund's assets; and changes in the actuarial assumptions used to value the Fund's liabilities as part of the 31 March 2025 valuation.

You can view the full funding report for the actuarial valuation on the Fund website, at www.lsf.org.uk/documents

HOW IS MY PENSION PAID FOR?

Contributions were paid to the Fund as benefits were built up. They are held in a common fund rather than in separate accounts for each individual. The Trustee invests this common fund that, along with any proceeds, goes towards providing members' benefits.

HOW IS THE AMOUNT OF MONEY THE FUND NEEDS WORKED OUT?

The Trustee and MS Amlin, in conjunction with the Fund Actuary, agree various assumptions about what might happen in the future, including the return on investments, mortality and inflation. The Fund Actuary uses these assumptions to estimate the assets needed to provide the benefits built up by the members.

The use of assumptions means that the amount actually needed to provide the benefits could turn out to be quite different from that shown in the table on the previous page. The Trustee's objective is to have sufficient assets in the Fund to pay pensions now and in the future. However, the ability of the Fund to do this depends in part on MS Amlin's continued support of the Fund, as in the event of a shortfall in funding, MS Amlin will usually need to pay in more money to make up the difference.

In recent years, MS Amlin has paid additional contributions to support the Fund, which are held in an escrow arrangement. The escrow account is in favour of the Trustee of the Fund and can be called upon in certain specified situations. As part of the 31 March 2025 actuarial valuation, the Trustee and the Company have set up an additional escrow account to support the buy-out (see page 9).



WHAT HAPPENS IF THE FUND STARTED TO WIND UP?

If the Fund were to wind up, MS Amlin would be required to pay enough money to enable members' benefits to be provided by an insurance company. If this were to have happened on 31 March 2025, the amount needed, in addition to the Fund's existing assets, to ensure that members' benefits could have been paid in full was estimated to be around £20.7m. This assumed that the benefits awarded were those set out in the Rules of the Fund.

If MS Amlin were to become insolvent, the Pension Protection Fund (PPF) might be able to take over the Fund and pay compensation to members, but this compensation is likely to be less than the benefit you have built up in the Fund. Based on a further calculation, the Fund Actuary estimated that, at the time of the 2025 valuation, the Fund had sufficient assets to cover at least 100% of its liabilities in respect of the compensation that would be provided by the PPF. Further information on the PPF is available on its website at www.ppf.co.uk

WHY DOES THE FUND NOT HAVE ENOUGH MONEY TO WIND UP?

The cost of winding up assumes that benefits will be paid for by buying insurance policies. Insurers are obliged to take a very cautious view of the future (including the costs of administering the benefits) and usually need to make a profit. By contrast, under the current funding position, we assume that MS Amlin will continue to support the Fund.

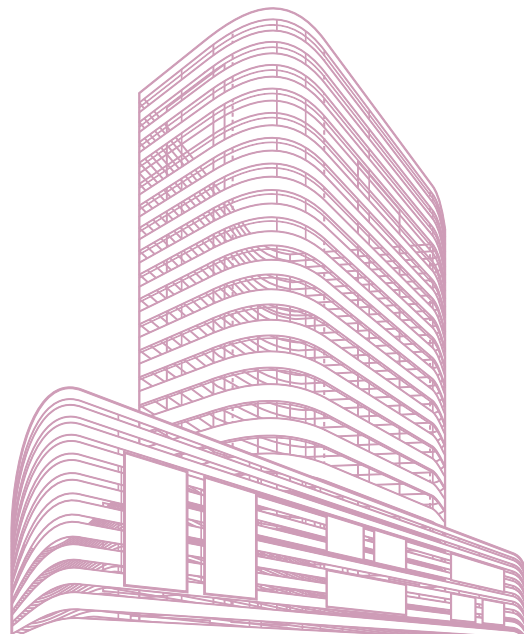
There have not been any payments to the employer out of Fund assets in the last 12 months. No directions have been made by the Pensions Regulator regarding the finances of the Fund.

WHERE CAN I GET MORE INFORMATION?

If you are considering leaving the Fund, we recommend obtaining professional financial advice before doing so.

There are various documents you may wish to see, including the Statement of Funding Principles, the Statement of Investment Principles, the Schedule of Contributions and the most recent Scheme Funding Report. These documents, along with the Fund's Implementation Statement and other useful materials, can be found at www.lsf.org.uk/documents

Alternatively, please contact the pensions administration team using the details on the back page.



PENSION NEWS

COMING SOON – THE PENSIONS DASHBOARDS

The Pensions Dashboards project, backed by the UK government, will enable people to view information about their unclaimed State, private and workplace pensions in one place online, with the aim of reuniting people with forgotten pensions and supporting their retirement planning.

The Fund has successfully connected to the Dashboards' ecosystem ahead of schedule, and we remain on track for the planned go-live date, although this is unlikely to happen before 2027.

To ensure the best chance of being able to see all your unclaimed pension information once the Dashboards are available, you should make sure that all your pension schemes hold up-to-date information for you.

Keep Howden informed about any changes to your personal details, particularly if you move house. The quickest and easiest way to update your details is online, using their secure member portal, Clarity.

INHERITANCE TAX CHANGES

From 6 April 2027, any unused pension will form part of a member's estate for inheritance tax purposes. In summary:

- Lump-sum death-in-service benefits will generally not be included in the value of your estate.
- Spouse's or dependants' pensions from a defined benefit scheme will also not be included.
- Most unused defined contribution (DC) pension funds (e.g. personal pensions, SIPPs, workplace DC schemes) will be included in the deceased member's estate. However, there's an important exception: if the death benefit is paid to a spouse or registered civil partner, an IHT exemption will generally apply.

Although the legislation has now been enacted, further regulations and HMRC guidance are expected to provide additional detail on how the new rules will operate in practice. This summary reflects our current understanding of the legislation and related guidance available at the date of publication. It is intended as a general overview only and may not cover all aspects relevant to your personal circumstances. If you're affected by this issue, you should consider seeking advice from an independent financial adviser.

LEARN YOUR ABCs TO OUTSMART THE SCAMMERS

Just when we think we know all the tricks and tactics used by scammers to part us from our money, they come up with more!

Scams are everywhere, and in this digital world it's hard to avoid them. So how do you protect yourself? Here are three simple rules to follow to help you stay safe, summed up as ABC...

A wareness

- If anyone contacts you out of the blue to talk about your pension, that's a red flag for a scam. Pensions cold calling is illegal in the UK, so the safest thing to do is hang up.
- If you get offers via email or text, you should simply ignore them.
- If someone tries to rush you into a decision, be very cautious! A genuine adviser would give you enough time to properly consider their proposal.
- If an offer sounds too good to be true, it probably is!

B ackground checks

- For anything to do with your pension, always research the individual or firm you're dealing with. Criminals will go to great lengths to appear genuine, and they can be very convincing. Make sure your adviser is reputable and regulated.
- Look for reviews and any warnings from financial authorities. The Financial Conduct Authority has a list of known scams, as well as a register where you can check that your adviser is authorised to provide the services they're offering.

www.fca.org.uk/consumers/warning-list-unauthorised-firms
<https://register.fca.org.uk/s>

C ommunication

- Talk about your plans with family or trusted friends. Sharing your thoughts can provide new insights and help you spot anything suspicious.
- You can also call the Fund Administrator if you're worried about being targeted by a scammer.
- If you think someone has tried to scam you, tell Report Fraud (the new name for Action Fraud) on **0300 123 20 40**.

WHO'S WHO IN THE FUND?

A trustee company called LSF Pensions Management Ltd acts as the Trustee of the Fund, holding its assets completely separate from those of the Fund sponsor.

The trustee company's Board comprises two Employers' Directors, two Member-Nominated Directors and an Independent Director. As noted on the first page, there have been a few recent changes, and the latest Board composition is set out on this page.

The Board is supported by two committees, which have responsibility for certain aspects of the Fund's management and report back to the main Board as needed:

- The Audit & Risk Committee (ARC) oversees the production and audit of the Annual Report and the risk-related responsibilities of the Board.
- The Operations Committee (OC) oversees the management and controls of the Fund's administration, financial and communication arrangements.

EMPLOYERS' DIRECTORS

Fred Foreman (ARC member)

Neil O'Leary (ARC member)

MEMBER-NOMINATED DIRECTORS

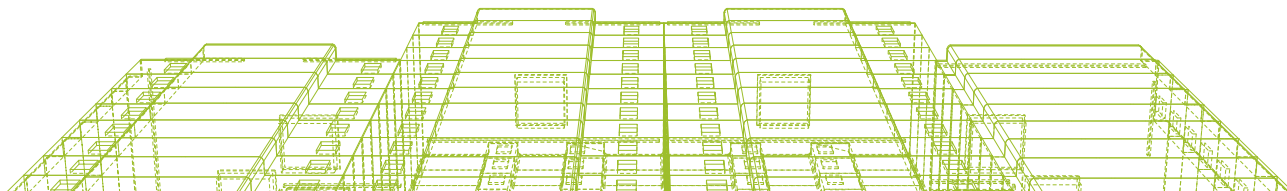
Paul Horncastle (ARC Chair and OC member)

Stephanie Mocatta (Deputy Trustee Chair and OC member)

INDEPENDENT DIRECTOR

Stephen Hall (Chair of the Trustee and OC Chair)

Biographies of the Trustee Directors are available on the LSF website: **www.lsf.org.uk/the-trustee**



CONTACT US

If you have any questions about the information in this newsletter or about your benefits in the Fund, please get in touch with the pensions administration team at Howden.

Website: www.lsf.org.uk

Clarity: <https://account.clarityhowden.com>

Email: LSFadmin@howden-group.co.uk

Phone: 0330 175 7026
+44 207 710 9375 (if calling from overseas)

Postal address: Lloyd's Superannuation Fund, Howden Group,
One Creechurch Place, London EC3A 5AF

If you want to provide feedback on the newsletter itself, or if you have any questions about the Trustee or management of the Fund, please contact the Pensions Manager, Independent Governance Group (IGG) by email: LSFTeam@weareigg.com

Please let us know if you're unable to read this newsletter. We can provide it in alternative formats, including braille and coloured paper.

