



**LONDON STOCK EXCHANGE
GROUP PENSION SCHEME**

ANNUAL REPORT

YEAR ENDED 31 DECEMBER 2020

SCHEME REGISTRATION NUMBER: 19020501

LONDON STOCK EXCHANGE GROUP PENSION SCHEME

CONTENTS

	Page
Trustee and its Advisers	1 - 2
Trustee's Report	3 - 14
Independent Auditors' Report to the Trustee	15 - 17
Fund Account	18
Statement of Net Assets (Available for Benefits)	19 - 20
Notes to the Financial Statements	21 - 49
Actuarial Certificates	50 - 51
Independent Auditors' Statement about Contributions to the Trustee	52
Summary of Contributions Payable	53
Appendix – Implementation Statement	

LONDON STOCK EXCHANGE GROUP PENSION SCHEME
TRUSTEE AND ITS ADVISERS
FOR THE YEAR ENDED 31 DECEMBER 2020

Trustee

LSEG Pension Trustees Ltd

Trustee Directors - Employer Nominated

BESTrustees Ltd – represented by C Redmond

N Bayley

D Bouwmeester

P Brine

Trustee Directors - Member Nominated

C Broad - Chair (switched from Employer Nominated on 31 March 2020)

S Griffin (appointed 1 April 2020) *

M Harries

D Stephens (resigned 31 March 2020) *

T Wright (resigned 31 March 2020)

* Pensioner

Secretary to the Trustee

S Tutton

Principal Employer

London Stock Exchange Plc

Participating Employers

London Stock Exchange Plc - LSE Section

LCH Ltd - LCH Section

Actuary

G Clark F.I.A.

Mercer Ltd

Independent Auditors

PricewaterhouseCoopers LLP

Administrator

Premier Pensions Management Ltd

Banker

Clydesdale Bank Plc - trading as Virgin Money – Both Sections

Pension Consultant

Mercer Ltd

Investment Adviser

Redington Ltd

Investment Custodian

JP Morgan

**LONDON STOCK EXCHANGE GROUP PENSION SCHEME
TRUSTEE AND ITS ADVISERS
FOR THE YEAR ENDED 31 DECEMBER 2020**

Insurance Policy Providers

LSE Section

Pensions Insurance Corporation
Phoenix Life

Investment Managers

LCH Section

AQR Capital Management (UK Services) Ltd (terminated 10 February 2021)
Man Group plc (appointed 25 June 2020)
Payden and Rygel Global Ltd
Royal London Asset Management Ltd
Ruffer LLP
Schroder Investment Management Ltd

LSE Section

AQR Capital Management (UK Services) Ltd (terminated 16 March 2021)
Man Group plc (appointed 25 June 2020)
Oaktree Capital Management Ltd
Payden and Rygel Global Ltd
Partners Group (UK) Ltd
Permira Debt Managers Ltd
Ruffer LLP (appointed 15 December 2020)
Schroder Investment Management Ltd

Additional Voluntary Contribution (AVC) Providers

LSE Section

Aviva Investors
BlackRock Life Ltd
BNY Mellon Fund Managers Ltd
Phoenix Life Ltd

LCH Section

Utmost Life and Pensions
Legal & General Assurance Society (terminated 6 September 2020)
ReAssure (appointed 7 September 2020)

Enquiries

Premier Pensions Management Ltd
AMP House
Dingwall Road
Croydon
Surrey
CR0 2LX

Email: LSEGPS@Premiercompanies.co.uk

LONDON STOCK EXCHANGE GROUP PENSION SCHEME

TRUSTEE'S REPORT

FOR THE YEAR ENDED 31 DECEMBER 2020

Introduction

The Trustee of the London Stock Exchange Group Pension Scheme (the "Scheme") is pleased to present its annual report together with the financial statements for the year ended 31 December 2020. The Scheme is a defined benefit scheme made up of two sections, the LSE Section and the LCH Section, both of which are closed to future accrual.

The Scheme was established on 18 December 2015 and is administered in accordance with the Trust Deed and Rules.

Management of the Scheme

The Trustee Directors who served during the year are listed on page 1.

In accordance with the Occupational Pension Schemes (Member Nominated Trustees and Directors) Regulations 2006, members have the option to nominate and vote for Member Nominated Trustee Directors.

The Member Nominated Trustee Directors, as shown on page 1, are nominated by the members under the rules notified to the members of the Scheme. They may be removed before the end of their term only by agreement of all the remaining Trustee Directors, although their appointment ceases if they cease to be members of the Scheme.

In accordance with the Trust Deed, London Stock Exchange Plc and LCH Ltd have a joint power to appoint and remove the Trustee of the Scheme. The Trustee Directors are appointed and removed in accordance with the Trustee Company's Articles of Association.

During the year four full Trustee Board Meetings were held, along with additional Investment Committee and Operation Committee Meetings.

Governance and Risk Management

The Trustee has in place a risk register and business plan that sets out its objectives in areas such as administration, investment, funding and communication. This, together with a list of the main priorities and timetable for completion, helps the Trustee run the Scheme efficiently and serves as a useful reference document.

Trustee Knowledge and Understanding

The Pensions Act 2004 requires the Trustee to have sufficient knowledge and understanding of pensions and trust law and be conversant with the Scheme documentation. The Pensions Regulator has published a Code of Practice on Trustee Knowledge and Understanding, to assist the Trustee on this matter, which became effective from 6 April 2006. The Trustee receives regular training and has agreed a training plan. This enables the Trustee to meet the Trustee Knowledge and Understanding requirements.

Financial Development of the Scheme

The financial statements on pages 18 to 49 have been prepared and audited in accordance with the regulations made under Sections 41 (1) and (6) of the Pensions Act 1995. They show that the value of the Scheme has increased from £732,882,668 at 31 December 2019 to £812,671,994 at 31 December 2020.

LONDON STOCK EXCHANGE GROUP PENSION SCHEME

TRUSTEE'S REPORT

FOR THE YEAR ENDED 31 DECEMBER 2020

Recent Developments

Refinitiv Transaction

London Stock Exchange Group Plc completed its all share deal to acquire the Refinitiv business on 29 January 2021. There are no anticipated changes to the Trustee, the management of the Scheme or the benefits members receive from the Scheme as a result of this transaction.

ReAssure Appointment

On 7 September 2020, Legal and General Assurance Society transferred its insurance-based savings, pensions, life and with profits policies to ReAssure Limited. This effectively means that the Scheme's AVC policy previously held with Legal and General is now administered by ReAssure Limited. No policy benefits were affected by this transfer.

Coronavirus Pandemic

A coronavirus disease, COVID-19, began to spread globally in early 2020 and was declared a pandemic by the World Health Organization. Its emergence and reactions to it have already had a profound effect on both the domestic and global economies and financial markets. The short and long-term impacts of the COVID-19 pandemic, and the true extent of such impacts, are by their very nature uncertain and will be determined by many factors. Such factors include the effectiveness of government and other health measures to contain and prevent the spread of the virus and the effectiveness of economic stimulus, emergency relief, and other government programs, initiatives and actions implemented or taken to mitigate the economic, financial and other disruptions caused by the COVID-19 pandemic.

The COVID-19 pandemic can impact the investment and operational risks to which the Scheme is exposed. The Trustee has worked with the Scheme's important outsourced providers to ensure continuity of services during the COVID-19 pandemic. All aspects of business as usual have continued to be successfully delivered with no interruption to services provided to the Scheme membership and with the Scheme Administrator continuing to meet their Service Level Agreements. All payments from the Scheme have been made on time including pension payments to the Scheme's retired members. The Scheme Administrator is confident that this level of service can continue to be provided throughout any further lockdown period. The Trustee has been carefully monitoring the Scheme's investments during these very volatile times.

Some uncertainty remains as to precisely how much longer the COVID-19 pandemic will impact the investment and operational risks to which the Scheme is exposed. These activities are subject to supervision and oversight by the Trustee who is monitoring the impact on the Employer, as Sponsor to the Scheme, and its Providers. The Trustee continues to monitor the impact of COVID-19 on its financial position through the usual governance mechanisms, including the Trustee regular oversight – noting the frequency of meetings has been increased. In the immediate future, the Trustee is working hard to continue to deliver member services during the COVID-19 pandemic.

The Trustee is responsible for making an assessment as to whether the 'going concern' basis is appropriate for preparing these financial statements. The Trustee has carefully assessed the long-term prospects of the Scheme taking into account our current position, the main risks faced and the measures in place to monitor and manage these risks. This includes the impact of COVID-19 on the Employer and its ability to support the Scheme where relevant. The Trustee anticipates that the Scheme will be able to continue to operate successfully.

LONDON STOCK EXCHANGE GROUP PENSION SCHEME
TRUSTEE'S REPORT
FOR THE YEAR ENDED 31 DECEMBER 2020

Membership

Details of the Scheme's membership movements for the LSE Section over the year are shown below:

	In Service	Deferreds	Pensioners	Total
Members at 1 January 2020	11	833	1,073	1,917
Adjustments	-	(3)	3	-
Leavers with deferred benefits	(1)	1	-	-
Retirements	-	(47)	47	-
Deaths	-	(1)	(39)	(40)
Transfers out	-	(24)	-	(24)
Trivial commutations	-	-	(1)	(1)
New spouses and dependants	-	-	10	10
Members at 31 December 2020	10	759	1,093	1,862

Details of the Scheme's membership movements for the LCH Section over the year are shown below:

	In Service	Deferreds	Pensioners	Total
Members at 1 January 2020	-	654	196	850
Adjustments	-	(3)	1	(2)
Retirements	-	(17)	17	-
Deaths	-	(1)	(3)	(4)
Transfers out	-	(14)	-	(14)
Members at 31 December 2020	-	619	211	830

"In service" members are members who remain employed by LSE and were active as at 31 March 2012 (prior to the two Scheme's merging into one sectionalized Scheme), when the LSE Section closed to future accrual and retained a salary link to their benefits.

The LSE Section pensioners are paid directly by Pensions Insurance Corporation ("PIC"). Included within the pensioners shown in the above table at the year end were 142 spouses and dependants. As at 31 December 2020 876 of the pensioners were covered under an insurance policy also held with PIC (2019: 907). A further 82 pensioners (2019: 82) have annuities paid directly by Phoenix Life, under a policy held in the name of the Trustee.

The LCH Section pensioners are paid by the Scheme Administrator. Included within the pensioners shown in the above table at the year end were 16 spouses and dependants.

These membership figures do not include movements notified to the Administrator after the completion of the annual renewal.

LONDON STOCK EXCHANGE GROUP PENSION SCHEME

TRUSTEE'S REPORT

FOR THE YEAR ENDED 31 DECEMBER 2020

Pension Increases

Pensions are increased on 1 April each year.

For the LSE Section, the increases to pensions in payment as at 1 April 2020 were as follows:

- Pre 2003 retirements: 3.0% (2019: 3.0%)
- Post 2003 retirements on pre 88 GMP: 0.0% (2019: 0.0%)
- Post 2003 retirements on Post 88 GMP: 1.7% (2019: 3.0%)
- Post 2003 retirements on benefits in excess of GMP: 3.0% (2019: 3.0%)

For the LCH Section, the increases to pension in payment as at 1 April 2020 were as follows:

- Pre April 1988 GMP: 0.0% (2019: 0.0%)
- GMP earned after April 1988: 1.7% (2019: 2.4%)
- Pre 6 April 1997 excess over GMP: 2.1% (2019: 3.3%)
- 6 April 1997 to 5 April 2005 pension: 2.1% (2019: 3.3%)
- 6 April 2005 to 5 April 2006 pension: 2.1% (2019: 3.3%)
- Pension accrued after 5 April 2006: 2.1% (2019: 2.5%)

There were no discretionary pension increases for either Section of the Scheme.

Transfers

Transfer values are calculated and verified in accordance with the statutory cash equivalent requirements in accordance with the Pension Schemes Act 1993 as amended by The Occupational Pension Schemes (Transfer Values) (Amendment) Regulations 2008 (SI 2008/2450) which took effect from 1 October 2008.

No discretionary benefits are accounted for in the calculation of transfer values.

The Scheme no longer accepts transfers in.

LONDON STOCK EXCHANGE GROUP PENSION SCHEME

TRUSTEE'S REPORT

FOR THE YEAR ENDED 31 DECEMBER 2020

Report On Actuarial Liabilities

Under Section 222 of the Pensions Act 2004, every scheme is subject to the Statutory Funding Objective, which is to have sufficient and appropriate assets to cover its technical provisions. The technical provisions represent the present value of the benefits members are entitled to based on pensionable service to the valuation date. This is assessed using the assumptions agreed between the Trustee and the Employer and set out in the Statement of Funding Principles, which is available to Scheme members on request.

The funding position of both Sections of the Scheme as at 31 December 2017, the date of the latest triennial valuation, are shown below:

	LSE Section 31 December 2017 £m	LCH Section 31 December 2017 £m
Value of liabilities:	471.9	285.7
Value of assets:	396.2	263.3
Deficit:	(75.7)	(22.4)
Funding level:	84%	92%

If the Employer goes out of business or decides to stop contributing to the Scheme, the Scheme may be “wound up” and the Employer would be required to pay additional money to buy all member’s benefits from an insurance company. The comparison of the Scheme’s assets to the cost of buying the benefits from an insurance company is known as the “buy-out position”. A pension scheme’s buy-out position will often show a larger shortfall than the standard valuation as insurers are obliged to take a very cautious view of the future, and they also seek to make a profit.

The actuarial valuation at 31 December 2017 showed that the Scheme’s assets would not have been enough to buy all member’s benefits from an insurance company, as the “buy-out position” at that date was:

	LSE Section 31 December 2017 £m	LCH Section 31 December 2017 £m
Value of liabilities:	542.8	372.6
Value of assets:	396.2	263.3
Deficit:	(146.6)	(109.3)
Funding level:	73%	71%

Actuarial valuations are a “snap shot” of the Scheme’s funding position at a particular moment in time. Scheme solvency can and does change where there are changes in share prices, gilt yields, or members live longer than expected.

Method

The actuarial method to be used in the calculation of the technical provisions is the Projected Unit Method.

LONDON STOCK EXCHANGE GROUP PENSION SCHEME
TRUSTEE'S REPORT
FOR THE YEAR ENDED 31 DECEMBER 2020

Report On Actuarial Liabilities (continued)

Significant Actuarial Assumptions

The key assumptions used for calculating the Technical Provisions and future contribution requirement for the Scheme were:

	LSE Section 31 December 2017 % (p.a.)	LCH Section 31 December 2017 % (p.a.)
Investment return	1.91	1.90
Price inflation (RPI)	3.39	3.38
Price inflation (CPI)	2.39	2.38
Salary increases	3.39	-
Deferred revaluations	2.39	2.38
Pension increases in payment:		
RPI (min 3%, max 5%)	3.70	-
RPI (min 0%, max 4%)	-	3.07
RPI (min 0%, max 2.5%)	-	2.27
CPI (min 0%, max 3%)	2.10	2.08
Mortality:		
Baseline	S2PA YoB tables weighed by 89%/86% for male/female non-pensioners and 85% for pensioners	
Future improvements	CMI_2016 model with a long term improvement rate of 1.75% p.a.	

The LCH Section uses a full yield curve approach. The assumptions shown in the table above are approximate single equivalent rates.

Recovery Plan

To eliminate the funding shortfall identified in the Scheme actuarial valuations carried out as at 31 December 2017, the Employer agreed to pay the following additional deficit funding contributions to the Scheme:

	LSE Section £m (p.a.)	LCH Section £m (p.a.)
2018	14.00	3.25
2019	14.00	3.00
2020 to 2022 inclusive	14.00	3.00

The Actuarial Certificates in relation to the Schedules of Contributions are shown on pages 50 and 51 of the Annual Report. The Annual Funding Update carried out by the Scheme Actuary as at 31 December 2019 showed that both funding positions of the Scheme had improved to:

LSE Section: 88%
LCH Section: 95%

The latest triennial actuarial valuations as at 31 December 2020 are currently underway.

LONDON STOCK EXCHANGE GROUP PENSION SCHEME

TRUSTEE'S REPORT

FOR THE YEAR ENDED 31 DECEMBER 2020

Investment Matters

Investment Objective & Strategy

The principal objective of the Trustee is to ensure the Scheme has sufficient assets such that the benefits promised to members are paid on time and in full. This objective will be achieved by combining investment returns and an agreed contribution schedule with the Employer, set out as part of the Alternative Funding Framework ("AFF").

The investment strategy is agreed by the Trustee after taking appropriate advice. Subject to complying with the agreed strategy, which specifies the target proportions of the fund which should be invested in the principal market sectors, the day to-day management of the Scheme's asset portfolio, which includes full discretion for stock selection, is the responsibility of the Investment Managers.

All investments have been managed during the year by the Investment Managers shown on page 2.

Statement of Investment Principles

The Trustee has prepared a Statement of Investment Principles, in accordance with the Pensions Act 1995 and the Occupational Pension Schemes (Investment) Regulations 2005. The latest version is dated September 2020 and can be found here: <http://bit.ly/LSEGPS-SIP>

Custodial Arrangements

The Trustee has appointed JP Morgan as the custodian for the Liability Driven Investments held by Schroder Investment Management Ltd.

The other Investment Managers appoint their own custodians.

Environmental Social and Governance Considerations

Environmental, Social and Governance ("ESG") issues, including those arising from climate change may be financially material to the investment portfolio. 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 and the appointment of investment managers, so far as possible.
- Expects investment managers to consider financially material environmental, social and governance issues in investment decision making.

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

LONDON STOCK EXCHANGE GROUP PENSION SCHEME

TRUSTEE'S REPORT

FOR THE YEAR ENDED 31 DECEMBER 2020

Investment Matters (continued)

Environmental Social and Governance Considerations (continued)

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. Direct engagement with underlying companies (as well as other relevant persons) of which the Trustee owns shares and debt is carried out by the Scheme's Investment Managers.

The Trustee expect their Investment Managers to practice good stewardship. This includes monitoring and engaging with issuers of debt or equity on relevant matters such as performance, strategy, risks, capital structure, conflicts of interest and environmental, social or governance considerations, and using voting rights to effect the best possible long-term outcomes.

The Trustee's Investment Consultant assesses the ability of each Investment Manager in engaging with underlying companies in order to promote the long-term success of the investments, and reports to the Trustee periodically covering how the Investment Managers have acted in line with this policy.

When selecting, monitoring and de-selecting asset managers, stewardship is factored into the decision-making process to the appropriate level for the specific asset class in question. Engagement with relevant persons includes the exercise of rights (including voting rights) attaching to the Scheme's equity investments which are exercised by the asset managers of the Scheme. The Trustee monitors and discloses the voting records of its managers on an annual basis.

Transitions

LSE Section

During the year, two changes were made to the Investment Managers of the LSE Section. In June 2020, £7.1m was invested into the Man Diversified Risk Premia Fund. This was funded from a disinvestment from the AQR Diversified Risk Premia Fund. This was primarily to reduce manager concentration risk within the Diversified Risk Premia asset class. In December 2020, the LSE Section also invested £14.0m into the Ruffer Absolute Return Fund. The investment was funded via the Trustee bank account using the proceeds of the 2020 deficit funding contribution.

LCH Section

During the year, two changes were made to the Investment Managers of the LCH Section. In June 2020, £11.0m was invested into the Man Diversified Risk Premia Fund. This was funded from a disinvestment from the AQR Diversified Risk Premia Fund. This was primarily to reduce manager concentration risk within the Diversified Risk Premia asset class. Whilst not a manager removal, in July 2020, the LCH Section de-risked by closing its equity total return swap exposure with Schroders thereby terminating that account. This was synthetic equity exposure that was managed by Schroders as the LDI manager and, as such, any marginal proceeds were retained in the Schroders LDI mandate.

LONDON STOCK EXCHANGE GROUP PENSION SCHEME
TRUSTEE'S REPORT
FOR THE YEAR ENDED 31 DECEMBER 2020

Investment Matters (continued)

Asset Allocation

At the year end, the allocation of the Scheme's investments (excluding AVCs) was as follows:

	2020 %	<i>2019</i> %	<i>Benchmark</i> %
LSE Section			
Liability Driven Investments *	51	<i>50</i>	<i>54</i>
Return Seeking Investments **	49	<i>50</i>	<i>46</i>
	100	<i>100</i>	<i>100</i>
LCH Section			
Liability Driven Investments	51	<i>48</i>	<i>48</i>
Return Seeking Investments **	49	<i>52</i>	<i>52</i>
	100	<i>100</i>	<i>100</i>

* Excludes the buy in contract with Pension Insurance Corporation.

** Includes credit-based assets (corporate bonds).

Performance

The performance of the Scheme's investments to 31 December 2020 is shown below:

	1 Year %	3 Years % (p.a.)
LSE Section	17.4	13.4
LCH Section	18.1	7.8

Performance figures are shown net of fees.

Investment Management Fees

The Investment Managers are paid fees in relation to the size of the assets managed (or exposure gained). The annual management charges range from 0.05% p.a. to 1.6% p.a. and some funds also charge performance-related fees. These fees have been negotiated where possible and the Trustee believes they represent competitive rates for the type of mandate awarded.

Employer Related Investments

Direct investments in the Employer are not permitted and there were none at any time during the year.

As at 31 December 2020, the Scheme had less than 0.01% exposure to Employer related investments (indirectly, through equity indices).

LONDON STOCK EXCHANGE GROUP PENSION SCHEME

TRUSTEE'S REPORT

FOR THE YEAR ENDED 31 DECEMBER 2020

Compliance Matters

The Pensions Regulator

The statutory body that regulates occupational pension schemes is The Pensions Regulator and can be contacted at:

The Pensions Regulator
Napier House
Trafalgar Place
Brighton
BN1 4DW

Telephone: 0345 600 1011
Email: customersupport@tpr.gov.uk
Website: www.thepensionsregulator.gov.uk

Pensions Tracing Service

A pension tracing service is carried out by the Department for Work and Pensions. This service can be contacted as follows:

Pension Tracing Service
The Pension Service 9
Mail Handling Site A
Wolverhampton
WV98 1LU

Telephone: 0800 731 0193
Website: www.gov.uk/find-pension-contact-details

The Money and Pensions Service

For any general enquiries on their pensions, members can contact the Money and Pensions Service. A local adviser can usually be contacted through a Citizen's Advice Bureau. Alternatively the Service can be contacted at:

The Money and Pensions Service
120 Holborn
London
EC1N 2TD

Telephone: 0115 965 9570
Email: contact@maps.org.uk
Website: www.maps.org.uk

LONDON STOCK EXCHANGE GROUP PENSION SCHEME
TRUSTEE'S REPORT
FOR THE YEAR ENDED 31 DECEMBER 2020

Compliance Matters (continued)

Pensions Ombudsman

Any concerns connected with the Scheme should be referred to Premier Pensions Management Ltd, AMP House, Dingwall Road, Croydon, CR0 2LX as quickly as possible. Members and beneficiaries of pension schemes who have problems concerning their scheme which are not satisfied by the information or explanation given by the administrators or the trustees can consult with The Pensions Ombudsman. The address is:

The Pensions Ombudsman
10 South Colonnade
Canary Wharf
E14 4PU

Telephone: 0800 917 4487
Email: helpline@pensions-ombudsman.org.uk
Website: www.pensions-ombudsman.org.uk

Data Protection

The Trustee is registered as a Data Controller within the meaning of GDPR guidelines (formerly under the Data Protection Act 1998) to hold such information as is necessary for the management of the Scheme. Premier Pensions Management Ltd is registered as a Data Processor under GDPR guidelines (formerly under the Act).

Enquiries

Members can obtain information about their own pension benefits, copies of the Scheme's governing documentation or further information about the Scheme by contacting:

Premier Pensions Management Ltd
AMP House
Dingwall Road
Croydon
Surrey
CR0 2LX

Email: LSEGPS@Premiercompanies.co.uk

LONDON STOCK EXCHANGE GROUP PENSION SCHEME
TRUSTEE'S REPORT
FOR THE YEAR ENDED 31 DECEMBER 2020

Statement of Trustee's Responsibilities

The Trustee's responsibilities in respect of the financial statements

The financial statements, which are prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including the Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102"), are the responsibility of the Trustee. Pension scheme regulations require, and the Trustee is responsible for ensuring, that those financial statements:

- show a true and fair view of the financial transactions of the Scheme during the Scheme year and of the amount and disposition at the end of the Scheme year of its assets and liabilities, other than liabilities to pay pensions and benefits after the end of the Scheme year; and
- contain the information specified in Regulation 3A of the Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996, including making a statement whether the financial statements have been prepared in accordance with the relevant financial reporting framework applicable to occupational pension schemes.

In discharging these responsibilities, the Trustee is responsible for selecting suitable accounting policies, to be applied consistently, making any estimates and judgements on a prudent and reasonable basis, and for ensuring that the financial statements are prepared on a going concern basis unless it is inappropriate to presume that the Scheme will continue as a going concern.

The Trustee is also responsible for making available certain other information about the Scheme in the form of an annual report.

The Trustee has a general responsibility for ensuring that accounting records are kept and for taking such steps as are reasonably open to it to safeguard the assets of the Scheme and to prevent and detect fraud and other irregularities, including the maintenance of an appropriate system of internal control.

The Trustee's responsibilities in respect of contributions

The Trustee is responsible under pensions legislation for preparing, and from time to time reviewing and if necessary revising, a schedule of contributions showing the rates of contributions payable to the Scheme by or on behalf of the Employers and the active members of the Scheme and the dates on or before which such contributions are to be paid.

The Trustee is also responsible for keeping records in respect of contributions received in respect of any active member of the Scheme and for adopting risk-based processes to monitor whether contributions that fall due to be paid are paid into the Scheme in accordance with the Schedule of Contributions.

Where breaches of the Schedule occur, the Trustee is required by the Pensions Acts 1995 and 2004 to consider making reports to the Pensions Regulator and to members.

Approved and signed for on behalf of the Trustee by:

Trustee Director:

Trustee Director:

Date: 26 July 2021

LONDON STOCK EXCHANGE GROUP PENSION SCHEME
INDEPENDENT AUDITORS' REPORT
TO THE TRUSTEE OF LONDON STOCK EXCHANGE GROUP PENSION SCHEME
FOR THE YEAR ENDED 31 DECEMBER 2020

Report on the audit of the financial statements

Opinion

In our opinion, London Stock Exchange Group Pension Scheme's financial statements:

- show a true and fair view of the financial transactions of the Scheme during the year ended 31 December 2020, and of the amount and disposition at that date of its assets and liabilities, other than liabilities to pay pensions and benefits after the end of the year;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- contain the information specified in Regulation 3A of the Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996.

We have audited the financial statements, included in the Annual Report, which comprise: the Statement of Net Assets (Available for Benefits) as at 31 December 2020; the Fund Account for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the Scheme in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Scheme's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the trustee's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the Scheme's ability to continue as a going concern.

Our responsibilities and the responsibilities of the trustee with respect to going concern are described in the relevant sections of this report.

LONDON STOCK EXCHANGE GROUP PENSION SCHEME
INDEPENDENT AUDITORS' REPORT
TO THE TRUSTEE OF LONDON STOCK EXCHANGE GROUP PENSION SCHEME
FOR THE YEAR ENDED 31 DECEMBER 2020

Reporting on other information

The other information comprises all the information in the Annual Report other than the financial statements, our auditors' report thereon and our auditors' statement about contributions. The trustee is responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

Responsibilities for the financial statements and the audit

Responsibilities of the trustee for the financial statements

As explained more fully in the statement of trustee's responsibilities, the trustee is responsible for ensuring that the financial statements are prepared in accordance with the applicable framework and for being satisfied that they show a true and fair view. The trustee is also responsible for such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In the preparation of the financial statements, the trustee is responsible for assessing the Scheme's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustee either intends to wind up the Scheme, or has no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the Scheme and its environment, we identified that the principal risks of non-compliance with laws and regulations related to the administration of the Scheme in accordance with the Pensions Acts 1995 and 2004 and regulations made under them, and codes of practice issued by the Pensions Regulator; and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered the direct impact of these laws and regulations on the financial statements.

LONDON STOCK EXCHANGE GROUP PENSION SCHEME
INDEPENDENT AUDITORS' REPORT
TO THE TRUSTEE OF LONDON STOCK EXCHANGE GROUP PENSION SCHEME
FOR THE YEAR ENDED 31 DECEMBER 2020

Auditors' responsibilities for the audit of the financial statements (continued)

We evaluated incentives and opportunities for fraudulent manipulation of the financial statements, including the risk of override of controls, by the trustee and those responsible for, or involved in, the preparation of the underlying accounting records and financial statements, and determined that the principal risks were related to posting inappropriate journals to conceal misappropriation of assets and inappropriate adjustments of asset valuations. Audit procedures performed included:


- Testing of journals where we identified particular risk criteria.
- Obtaining independent confirmations of material investment valuations and cash balances at the year end.
- Reviewing estimates and judgements made in the preparation of the financial statements.
- Reviewing meeting minutes, any correspondence with the Pensions Regulator, contracts and agreements, and holding discussions with the trustee to identify significant or unusual transactions and known or suspected instances of fraud or non-compliance with laws and regulations.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinion, has been prepared for and only for the trustee as a body in accordance with section 41 of the Pensions Act 1995 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.



PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London

Date: 26 July 2021

LONDON STOCK EXCHANGE GROUP PENSION SCHEME
FUND ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2020

		LSE Section 2020 £	LCH Section 2020 £	Scheme 2020 £	Scheme 2019 £
Contributions and Benefits	Notes				
Employer contributions	5	14,801,050	3,624,693	18,425,743	17,726,882
Other income	6	5,296	5,296	10,592	14,568
		<u>14,806,346</u>	<u>3,629,989</u>	<u>18,436,335</u>	<u>17,741,450</u>
Benefits paid or payable	7	(12,441,602)	(3,672,380)	(16,113,982)	(14,948,971)
Payments to and on account of leavers	8	(9,054,884)	(9,799,211)	(18,854,095)	(7,372,999)
Administrative expenses	9	(775,009)	(798,840)	(1,573,849)	(1,393,122)
		<u>(22,271,495)</u>	<u>(14,270,431)</u>	<u>(36,541,926)</u>	<u>(23,715,092)</u>
Net Withdrawals from Dealings With Members		<u>(7,465,149)</u>	<u>(10,640,442)</u>	<u>(18,105,591)</u>	<u>(5,973,642)</u>
Returns on Investments					
Investment income	10	(2,080,104)	(5,538,979)	(7,619,083)	2,986,930
Investment management expenses	11	(561,411)	(534,591)	(1,096,002)	(1,102,781)
Change in market value of investments	12	53,813,742	52,796,260	106,610,002	93,602,930
Net Returns on Investments		<u>51,172,227</u>	<u>46,722,690</u>	<u>97,894,917</u>	<u>95,487,079</u>
Net Increase in the Fund		<u>43,707,078</u>	<u>36,082,248</u>	<u>79,789,326</u>	<u>89,513,437</u>
Net Assets at 1 January		<u>446,125,211</u>	<u>286,757,457</u>	<u>732,882,668</u>	<u>643,369,231</u>
Net Assets at 31 December		<u>489,832,289</u>	<u>322,839,705</u>	<u>812,671,994</u>	<u>732,882,668</u>

The notes on pages 21 to 49 form part of these financial statements.

LONDON STOCK EXCHANGE GROUP PENSION SCHEME
STATEMENT OF NET ASSETS (AVAILABLE FOR BENEFITS)
AS AT 31 DECEMBER 2020

<i>LSE Section</i>		2020	<i>Restated</i>
		£	2019
			£
Investment Assets	Notes		
Bonds		313,471,964	292,346,138
Pooled investment vehicles	13	158,580,817	117,070,726
Derivatives	14	6,827,084	1,084,038
Reverse repurchase agreements receivable	15	105,416,382	106,746,175
Insurance policies	16	225,900,000	220,500,000
AVC investments	17	10,676,907	10,583,527
Cash		406,496	263,355
Income receivable		757,150	877,809
		<u>822,036,800</u>	<u>749,471,768</u>
Investment Liabilities			
Derivatives	14	(169,643)	(2,301,131)
Repurchase agreements payable	15	(224,167,379)	(196,298,867)
Short sold bonds		<u>(106,360,792)</u>	<u>(105,924,759)</u>
		<u>(330,697,814)</u>	<u>(304,524,757)</u>
Net Investments		491,338,986	444,947,011
Current assets	21	1,491,737	1,601,775
Current liabilities	22	<u>(2,998,434)</u>	<u>(423,575)</u>
Net Assets at 31 December		<u>489,832,289</u>	<u>446,125,211</u>
 <i>LCH Section</i>		 2020	 2019
		£	£
Investment Assets	Notes		
Bonds		353,980,451	318,960,830
Pooled investment vehicles	13	165,355,879	155,657,620
Derivatives	14	-	2,634,196
Reverse repurchase agreements receivable	15	110,760,800	127,415,775
AVC investments	17	566,728	656,642
Cash		107,471	478,831
Income receivable		868,831	1,025,181
		<u>631,640,160</u>	<u>606,829,075</u>
Investment Liabilities			
Derivatives	14	-	(183,275)
Repurchase agreements payable	15	(202,644,806)	(199,085,543)
Short sold bonds		<u>(110,481,970)</u>	<u>(124,706,221)</u>
		<u>(313,126,776)</u>	<u>(323,975,039)</u>
Net Investments		318,513,384	282,854,036
Current assets	21	4,843,775	4,453,123
Current liabilities	22	<u>(517,454)</u>	<u>(549,702)</u>
Net Assets at 31 December		<u>322,839,705</u>	<u>286,757,457</u>
Total Scheme Net Assets at 31 December		<u>812,671,994</u>	<u>732,882,668</u>

LONDON STOCK EXCHANGE GROUP PENSION SCHEME
STATEMENT OF NET ASSETS (AVAILABLE FOR BENEFITS)
AS AT 31 DECEMBER 2020

(continued)

The financial statements summarise the transactions of the Scheme and deal with the net assets at the disposal of the Trustee. They do not take account of obligations to pay pensions and benefits, which fall due after the end of the Scheme year. The actuarial position of the Scheme, which does take account of such obligations, is covered in the Reports on Actuarial Liabilities on pages 7 and 8 of the annual report and these financial statements should be read in conjunction with them.

The 2019 comparatives have been restated for the following two reclassification amendments:

- Firstly, for both sections, Short sold bonds that were classified within Repurchase agreements payable, have been reclassified as a separate investment liability.
- Secondly, private equity investments within the LSE section, historically accounted for within Equities, have been reclassified to be shown within Pooled investment vehicles.

There is no impact on the total net assets of the Scheme, with further details included within Note 1.

The notes on pages 21 to 49 form part of these financial statements.

The financial statements on pages 18 to 49 were approved on behalf of the Trustee by:

Trustee Director:

Trustee Director:

Date: 26 July 2021

LONDON STOCK EXCHANGE GROUP PENSION SCHEME

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

1. BASIS OF PREPARATION

The individual financial statements of London Stock Exchange Group Pension Scheme have been prepared in accordance with the Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996, Financial Reporting Standard (FRS) 102 - The Financial Reporting Standard applicable in the UK and Republic of Ireland issued by the Financial Reporting Council ("FRS 102") and the guidance set out in the Statement of Recommended Practice "Financial Reports of Pension Schemes" (revised June 2018) ("the SORP").

As noted on page 20, the 2019 comparatives have been restated as follows:

LSE Section

£105,924,759 of Short sold bonds have been reclassified from Repurchase agreements payable to their own investment liability financial statement line item.

Private equity investments, totalling £19,251,481 have been voluntarily reclassified from Equities to Pooled investment vehicles and then further split out within Note 13, to more accurately reflect the recommendations of the SORP.

LCH Section

£124,706,221 of Short sold bonds have been reclassified from Repurchase agreements payable to their own investment liability financial statement line item.

These adjustments have been made to accurately account for the investments in accordance with the SORP. The nature of the adjustments are reclassification only and there is, therefore, no impact on the total net assets of the Scheme.

2. IDENTIFICATION OF THE FINANCIAL STATEMENTS

The London Stock Exchange Group Pension Scheme is registered as a trust under English law. The address for enquiries is included in the Trustee's Report.

LONDON STOCK EXCHANGE GROUP PENSION SCHEME

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

3. COMPARATIVE DISCLOSURES FOR THE FUND ACCOUNT

		<i>LSE</i> <i>Section</i> <i>2019</i> <i>£</i>	<i>LCH</i> <i>Section</i> <i>2019</i> <i>£</i>	<i>Scheme</i> <i>2019</i> <i>£</i>
Contributions and Benefits	Notes			
Employer contributions	5	14,726,882	3,000,000	17,726,882
Other income	6	7,523	7,045	14,568
		<u>14,734,405</u>	<u>3,007,045</u>	<u>17,741,450</u>
Benefits paid or payable	7	(12,159,624)	(2,789,347)	(14,948,971)
Payments to and on account of leavers	8	(4,286,090)	(3,086,909)	(7,372,999)
Administrative expenses	9	(727,030)	(666,092)	(1,393,122)
		<u>(17,172,744)</u>	<u>(6,542,348)</u>	<u>(23,715,092)</u>
Net Withdrawals from Dealings With Members		<u>(2,438,339)</u>	<u>(3,535,303)</u>	<u>(5,973,642)</u>
Returns on Investments				
Investment income	10	1,060,056	1,926,874	2,986,930
Investment management expenses	11	(540,385)	(562,396)	(1,102,781)
Change in market value of investments	12	49,084,560	44,518,370	93,602,930
Net Returns on Investments		<u>49,604,231</u>	<u>45,882,848</u>	<u>95,487,079</u>
Net Increase in the Fund		47,165,892	42,347,545	89,513,437
Net Assets at 1 January		<u>398,959,319</u>	<u>244,409,912</u>	<u>643,369,231</u>
Net Assets at 31 December		<u>446,125,211</u>	<u>286,757,457</u>	<u>732,882,668</u>

LONDON STOCK EXCHANGE GROUP PENSION SCHEME

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

4. ACCOUNTING POLICIES

The following principal accounting policies, which have been applied consistently, have been adopted in the preparation of the financial statements.

4.1 Contributions

Employer deficit funding and expenses contributions are accounted for in the period to which they relate in accordance with the Schedule of Contributions.

4.2 Other Income

All other income is accounted for on an accruals basis.

4.3 Payments to Members

- a) Pensions in payment are accounted for in the period to which they relate.
- b) Benefits are accounted for in the period in which the member notifies the Trustee of their decision on the type or amount of benefit to be taken, or if there is no member choice, on the date of retirement or leaving. Benefits taken are reported gross of any tax settled by the Scheme on behalf of the member.
- c) Individual transfers out are accounted for when member liability is discharged, which is normally when the transfer amount is paid.

4.4 Expenses

Both administrative and investment management expenses are accounted for on an accruals basis.

4.5 Investment Income

- a) Income from bonds is accounted for on an accruals basis and includes interest bought and sold on investment purchases and sales.
- b) Income from cash deposits is accounted for on an accruals basis.
- c) Income from Insurance policies is included within the sales proceeds of investments.

4.6 Critical Accounting Judgements and Estimation Uncertainty

Estimates and judgements are continually evaluated and are based on historical and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

LONDON STOCK EXCHANGE GROUP PENSION SCHEME

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

4. ACCOUNTING POLICIES (continued)

4.7 Currency

- a) The Scheme's functional and presentational currency is Pounds Sterling (GBP).
- b) Assets and liabilities in foreign currencies are expressed in Sterling at the rates of exchange ruling at the year end.
- c) Foreign currency transactions are recorded in Sterling at the spot exchange rate at the date of the transaction.

4.8 Valuation of Investments

- a) Investments are included at fair value.
- b) Quoted securities in active markets, such as bonds, are usually valued at the current bid prices at the year end.
- c) Private equity investments which are not traded on active markets have been included at fair value based on the value advised by the Investment Manager at the year end.
- d) Unitised pooled investment vehicles have been valued at the latest available bid price or single price provided by the pooled Investment Manager at the year end. Shares in other pooled arrangements have been valued at the latest available net asset value (NAV), determined in accordance with fair value principles, provided by the Investment Manager at the year end.
- e) The market value of bonds excludes interest accrued between the last interest payment date and the year end, which is included within other investment balances.
- f) Derivatives are stated at fair value:
 - i) Over the counter swap contracts are valued using the current value of future cash flows arising from the swap determined using discounted cash flow models and market data as the year end.
 - ii) Over the counter forward foreign exchange contracts are valued using the gain or loss that would arise from closing out the contract at the year end by entering into an equal and opposite contract at that date.
- g) For repurchase agreements, the Scheme continues to recognise and value the securities that are delivered out as collateral, and includes them in the financial statements. The cash received is recognised as an asset and the obligation to pay it back is recognised as a payable amount.
- h) For reverse repurchase agreements, the Scheme does not recognise the securities received as collateral in its financial statements but does recognise the cash delivered to the counterparty as a receivable in the financial statements.
- i) AVC investments comprise policies of assurance. The value of these policies has been taken as their surrender values at the year end, as advised by the AVC providers.

LONDON STOCK EXCHANGE GROUP PENSION SCHEME

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

4. ACCOUNTING POLICIES (continued)

4.8 Valuation of Investments (continued)

- j) Insurance policies purchased in the name of the Trustee which provide the pension benefits for certain members have been valued by the Scheme Actuary at the amount of the related obligation, determined using the most recent Scheme Funding valuation assumptions updated for market conditions at the reporting date and adjusted on a cash basis.

4.9 Change in Market Value of Investments

The change in market value of investments during the year comprises all increases and decreases in the market value of investments held at any time during the year, including any profits and losses realised on sales of investments during the year.

5. EMPLOYER CONTRIBUTIONS

	LSE Section 2020 £	LCH Section 2020 £	Scheme 2020 £
Deficit funding	14,000,000	3,000,000	17,000,000
Expenses	<u>801,050</u>	<u>624,693</u>	<u>1,425,743</u>
	<u>14,801,050</u>	<u>3,624,693</u>	<u>18,425,743</u>
	<i>LSE Section 2019 £</i>	<i>LCH Section 2019 £</i>	<i>Scheme 2019 £</i>
Deficit funding	14,000,000	3,000,000	17,000,000
Expenses	<u>726,882</u>	<u>-</u>	<u>726,882</u>
	<u>14,726,882</u>	<u>3,000,000</u>	<u>17,726,882</u>

In accordance with the Schedule of Contributions certified by the Scheme Actuary on 25 September 2018, the Employer of the LSE Section will continue to pay annual deficit funding contributions of £14.0 million up to 2022 inclusive. In addition, the Employer reimburses the Scheme on at least an annual basis for the administration costs of the LSE Section.

In accordance with the Schedule of Contributions certified by the Scheme Actuary on 19 December 2018, the Employer of the LCH Section will continue to pay annual deficit funding contributions of £3.0 million up to 2022 inclusive. In addition, the Employer reimburses the Scheme on at least an annual basis for the administration costs of the LCH Section (following the transfer out of the DC Section assets and liabilities in 2017, the Employer Reserve held by the DC Section was transferred to the DB Section of the LCH Section and was used to fund these administration expenses up until 2019).

LONDON STOCK EXCHANGE GROUP PENSION SCHEME
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

6. OTHER INCOME

	LSE Section 2020 £	LCH Section 2020 £	Scheme 2020 £
Interest on cash held with Scheme Administrator	<u>5,296</u>	<u>5,296</u>	<u>10,592</u>

	<i>LSE</i> <i>Section</i> <i>2019</i> £	<i>LCH</i> <i>Section</i> <i>2019</i> £	<i>Scheme</i> <i>2019</i> £
Interest on cash held with Scheme Administrator	<u>7,523</u>	<u>7,045</u>	<u>14,568</u>

LONDON STOCK EXCHANGE GROUP PENSION SCHEME
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

7. BENEFITS PAID OR PAYABLE

	LSE Section 2020 £	LCH Section 2020 £	Scheme 2020 £
Pensions	11,325,223	2,696,948	14,022,171
Commutations and lump sum retirement benefits	1,102,286	856,807	1,959,093
Death benefits	-	118,625	118,625
Lifetime and annual allowance tax charges	14,093	-	14,093
	<u>12,441,602</u>	<u>3,672,380</u>	<u>16,113,982</u>
	<i>LSE Section 2019 £</i>	<i>LCH Section 2019 £</i>	<i>Scheme 2019 £</i>
Pensions	11,055,244	2,398,002	13,453,246
Commutations and lump sum retirement benefits	1,077,169	331,339	1,408,508
Death benefits	-	60,006	60,006
Lifetime and annual allowance tax charges	27,211	-	27,211
	<u>12,159,624</u>	<u>2,789,347</u>	<u>14,948,971</u>

LONDON STOCK EXCHANGE GROUP PENSION SCHEME
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

8. PAYMENTS TO AND ON ACCOUNT OF LEAVERS

	LSE Section 2020 £	LCH Section 2020 £	Scheme 2020 £
Individual transfers out to other schemes	<u>9,054,884</u>	<u>9,799,211</u>	<u>18,854,095</u>
	<i>LSE</i> <i>Section</i> <i>2019</i> <i>£</i>	<i>LCH</i> <i>Section</i> <i>2019</i> <i>£</i>	<i>Scheme</i> <i>2019</i> <i>£</i>
Individual transfers out to other schemes	<u>4,286,090</u>	<u>3,086,909</u>	<u>7,372,999</u>

LONDON STOCK EXCHANGE GROUP PENSION SCHEME

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

9. ADMINISTRATIVE EXPENSES

	LSE Section 2020 £	LCH Section 2020 £	Scheme 2020 £
Actuarial & consultancy	290,012	315,107	605,119
Legal	152,453	186,160	338,613
Administration	101,323	106,807	208,130
Covenant review	110,847	91,712	202,559
Trustee	60,598	38,901	99,499
Secretarial	28,789	25,995	54,784
Levies	15,169	18,122	33,291
Audit	15,000	15,000	30,000
Bank charges	818	1,036	1,854
	<u>775,009</u>	<u>798,840</u>	<u>1,573,849</u>
	<i>LSE Section 2019 £</i>	<i>LCH Section 2019 £</i>	<i>Scheme 2019 £</i>
Actuarial & consultancy	229,406	203,430	432,836
Legal	119,287	114,844	234,131
Administration	157,814	141,276	299,090
Covenant review	32,746	54,612	87,358
Trustee	156,470	101,880	258,350
Levies	14,869	19,380	34,249
Audit	16,360	30,360	46,720
Bank charges	78	310	388
	<u>727,030</u>	<u>666,092</u>	<u>1,393,122</u>

In accordance with the Schedule of Contributions certified by the Scheme Actuary on 25 September 2018, the LSE Section settles its administration expenses and then the Employer reimburses the Section on at least an annual basis.

In accordance with the Schedule of Contributions certified by the Scheme Actuary on 19 December 2018, the LCH Section will settle its administration expenses and then the Employer will reimburse the Section in full, on at least an annual basis (following the transfer out of the DC Section assets and liabilities in 2017, the Employer Reserve held by the DC Section was transferred to the DB Section of the LCH Section and was used to fund these administration expenses up to 2019).

LONDON STOCK EXCHANGE GROUP PENSION SCHEME
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

10. INVESTMENT INCOME

	LSE Section 2020 £	LCH Section 2020 £	Scheme 2020 £
Bonds	600,315	448,673	1,048,988
Cash deposits	689	2,335	3,024
Interest on repurchase agreements	<u>(2,681,108)</u>	<u>(5,989,987)</u>	<u>(8,671,095)</u>
	<u>(2,080,104)</u>	<u>(5,538,979)</u>	<u>(7,619,083)</u>
	<i>LSE Section 2019 £</i>	<i>LCH Section 2019 £</i>	<i>Scheme 2019 £</i>
Bonds	1,046,150	1,909,682	2,955,832
Cash deposits	<u>13,906</u>	<u>17,192</u>	<u>31,098</u>
	<u>1,060,056</u>	<u>1,926,874</u>	<u>2,986,930</u>

LONDON STOCK EXCHANGE GROUP PENSION SCHEME
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

11. INVESTMENT MANAGEMENT EXPENSES

	LSE Section 2020 £	LCH Section 2020 £	Scheme 2020 £
Administration, management & custody	396,911	404,778	801,689
Investment consultancy	164,500	164,500	329,000
Investment fee rebates	-	(34,687)	(34,687)
	<u>561,411</u>	<u>534,591</u>	<u>1,096,002</u>
	<i>LSE</i> Section 2019 £	<i>LCH</i> Section 2019 £	<i>Scheme</i> 2019 £
Administration, management & custody	328,543	375,421	703,964
Investment consultancy	221,900	202,600	424,500
Investment fee rebates	(10,058)	(15,625)	(25,683)
	<u>540,385</u>	<u>562,396</u>	<u>1,102,781</u>

LONDON STOCK EXCHANGE GROUP PENSION SCHEME

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

12. RECONCILIATION OF INVESTMENTS

LSE Section

	Restated Value at 1 January 2020 £	Purchases at Cost and Derivative Payments £	Sales Proceeds and Derivative Receipts £	Change in Market Value £	Value at 31 December 2020 £
Bonds	292,346,138	774,250,880	(781,715,837)	28,590,783	313,471,964
Pooled investment vehicles	117,070,726	84,792,622	(46,579,784)	3,297,253	158,580,817
Derivatives	(1,217,093)	4,783,261	(3,854,840)	6,946,113	6,657,441
Insurance policies	220,500,000	-	(8,552,754)	13,952,754	225,900,000
AVC investments	10,583,527	-	(933,459)	1,026,839	10,676,907
	<u>639,283,298</u>	<u>863,826,763</u>	<u>(841,636,674)</u>	<u>53,813,742</u>	<u>715,287,129</u>
Cash	263,355				406,496
Income receivable	877,809				757,150
Repurchase agreements	(89,552,692)				(118,750,997)
Short sold bonds	(105,924,759)				(106,360,792)
	<u>444,947,011</u>				<u>491,338,986</u>

LCH Section

	Value at 1 January 2020 £	Purchases at Cost and Derivative Payments £	Sales Proceeds and Derivative Receipts £	Change in Market Value £	Value at 31 December 2020 £
Bonds	318,960,830	794,615,942	(804,388,585)	44,792,264	353,980,451
Pooled investment vehicles	155,657,620	73,340,725	(72,763,038)	9,120,572	165,355,879
Derivatives	2,450,921	6,930,806	(8,228,960)	(1,152,767)	-
AVC investments	656,642	-	(126,105)	36,191	566,728
	<u>477,726,013</u>	<u>874,887,473</u>	<u>(885,506,688)</u>	<u>52,796,260</u>	<u>519,903,058</u>
Cash	478,831				107,471
Income receivable	1,025,181				868,831
Repurchase agreements	(71,669,768)				(91,884,006)
Short sold bonds	(124,706,221)				(110,481,970)
	<u>282,854,036</u>				<u>318,513,384</u>

LONDON STOCK EXCHANGE GROUP PENSION SCHEME

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

12. RECONCILIATION OF INVESTMENTS (continued)

For details of the restated opening balances, please see Note 1.

The change in market value of investments during the year comprises all increases and decreases in the market value of investments held at any time during the year, including profits and losses realised on sales of investments during the year.

No direct transaction costs were incurred during the year.

Indirect transaction costs are incurred through bid-offer spread on investments within pooled investment vehicles. The amount of indirect costs are not separately provided to the Scheme.

13. POOLED INVESTMENT VEHICLES

The Scheme's investments in pooled investment vehicles at the year end comprised:

	LSE Section 2020 £	LCH Section 2020 £	Scheme 2020 £
Bonds	77,571,050	105,349,861	182,920,911
Diversified growth	28,115,556	50,764,626	78,880,182
Cash/Liquidity	35,513,958	9,241,392	44,755,350
Private equity	17,380,253	-	17,380,253
	<u>158,580,817</u>	<u>165,355,879</u>	<u>323,936,696</u>
	<i>LSE Section 2019 £</i>	<i>LCH Section 2019 £</i>	<i>Restated Scheme 2019 £</i>
Bonds	71,227,292	94,844,645	166,071,937
Diversified growth	16,629,806	52,144,456	68,774,262
Cash/Liquidity	9,962,147	8,668,519	18,630,666
Private equity	19,251,481	-	19,251,481
	<u>117,070,726</u>	<u>155,657,620</u>	<u>272,728,346</u>

For details of the restated 2019 balances, please see Note 1.

LONDON STOCK EXCHANGE GROUP PENSION SCHEME

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

14. DERIVATIVES

OTC swaps - The Trustee aims to match as far as possible the Liability Driven Investments portfolio and the Scheme's long term liabilities, in particular in relation to their sensitivities to interest rate movements.

The Trustee has entered into OTC swap contracts during the year that extend the duration of the fixed income portfolio to better match the long term liabilities of the Scheme. The derivatives are made up of Total Return Swaps.

Forward foreign exchange - In order to maintain appropriate diversification of investments within the portfolio and take advantage of overseas investment returns, a proportion of the underlying investment portfolio is invested overseas. To balance the risk of investing in foreign currencies whilst having an obligation to settle benefits in Sterling, a currency hedging programme, using forward foreign exchange contracts, has been put in place to reduce the currency exposure of these overseas investments to the targeted level.

LSE Section

Type	Assets £	Liabilities £	Total £
OTC swaps	6,827,084	-	6,827,084
Forward foreign exchange	-	(169,643)	(169,643)
2020	6,827,084	(169,643)	6,657,441
2019	1,084,038	(2,301,131)	(1,217,093)

LCH Section

Type	Assets £	Liabilities £	Total £
2020	-	-	-
2019	2,634,196	(183,275)	2,450,921

LONDON STOCK EXCHANGE GROUP PENSION SCHEME

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

14. DERIVATIVES (continued)

OTC Swaps

Collateral pledged under derivative contracts totalled £2,478,688 and consisted of UK gilts and index linked gilts. Collateral held totalled £10,832,134 and consisted of UK gilts, index linked gilts and cash. A summary of the Scheme's outstanding derivative contracts at the year end is set out below:

Section	No of Contracts	Expiration	Notional £	Assets £	Liabilities £	Total £
LSE Section	10	<1 Yr	59,626,728	4,577,367	-	4,577,367
LSE Section	1	40 Yrs	8,500,000	2,249,717	-	2,249,717
Scheme 2020			68,126,728	6,827,084	-	6,827,084
<i>Scheme 2019</i>			<i>87,988,605</i>	<i>3,662,233</i>	<i>(2,207,690)</i>	<i>1,454,543</i>

Forward Foreign Exchange

Section	No of Contracts	Expiration	Currency Bought	Currency Sold	Assets £	Liabilities £	Total £
LSE Section	21	<1 Month	Various*	Various*	-	(169,643)	(169,643)
Scheme 2020					-	(169,643)	(169,643)
<i>Scheme 2019</i>						<i>(276,716)</i>	<i>(220,716)</i>

* Various currencies include USD, GBP, HKD, CAD, AUD, JPY, CHF, EUR & SEK

56,000

LONDON STOCK EXCHANGE GROUP PENSION SCHEME

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

15. REPURCHASE AGREEMENTS

Repurchase agreements are a form of short term borrowing, where the Scheme has sold assets with the agreement to repurchase them at a fixed date and price. Reverse repurchase agreements are a form of short term lending, where the Scheme has purchased assets with the agreement to resell at a fixed date and price. The amounts receivable/payable under these agreements as at 31 December were as follows:

	LSE	LCH	Scheme
	Section	Section	2020
	2020	2020	2020
	£	£	£
Repurchase agreements payable	(224,167,379)	(202,644,806)	(426,812,185)
Reverse repurchase agreements receivable	105,416,382	110,760,800	216,177,182
	<u>(118,750,997)</u>	<u>(91,884,006)</u>	<u>(210,635,003)</u>
	<i>LSE</i>	<i>LCH</i>	<i>Restated</i>
	<i>Section</i>	<i>Section</i>	<i>Scheme</i>
	<i>2019</i>	<i>2019</i>	<i>2019</i>
	<i>£</i>	<i>£</i>	<i>£</i>
Repurchase agreements payable	<i>(196,298,867)</i>	<i>(199,085,543)</i>	<i>(395,384,410)</i>
Reverse repurchase agreements receivable	<i>106,746,175</i>	<i>127,415,775</i>	<i>234,161,950</i>
	<u>(89,552,692)</u>	<u>(71,669,768)</u>	<u>(161,222,460)</u>

LSE Section

Bonds with a fair value of £228,143,666 have been sold subject to repurchase contracts and therefore continue to be recognised in the financial statements. Bonds with a fair value of £105,772,764 have been received as collateral in respect of reverse repurchase agreements are not recognised in the financial statements.

LCH Section

Bonds with a fair value of £203,640,865 have been sold subject to repurchase contracts and therefore continue to be recognised in the financial statements. Bonds with a fair value of £110,040,673 have been received as collateral in respect of reverse repurchase agreements and are not recognised in the financial statements.

For details of the restated 2019 balances, please see Note 1.

LONDON STOCK EXCHANGE GROUP PENSION SCHEME

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

16. INSURANCE POLICIES

	LSE Section 2020 £	LCH Section 2020 £	Scheme 2020 £
Pensions Insurance Corporation	219,400,000	-	219,400,000
Phoenix Life	6,500,000	-	6,500,000
	<u>225,900,000</u>	<u>-</u>	<u>225,900,000</u>

	LSE Section 2019 £	LCH Section 2019 £	Scheme 2019 £
Pensions Insurance Corporation	213,000,000	-	213,000,000
Phoenix Life	7,500,000	-	7,500,000
	<u>220,500,000</u>	<u>-</u>	<u>220,500,000</u>

The value of the insurance policies is calculated by the Scheme Actuary at the amount of the related obligation, determined using the most recent Scheme funding valuation assumptions updated for market conditions at the reporting date and adjusted on a cash basis. This is consistent with Mercer's solvency basis, which provides an estimate of the cost of securing the benefits being valued with an insurance company via a buyout.

The insurance policy held with Pensions Insurance Corporation relates to a Buy-In Policy purchased to pay pensions direct to members.

The insurance policy held with Phoenix Life is an annuity policy in the name of the Trustee which pays pensions direct to members.

LONDON STOCK EXCHANGE GROUP PENSION SCHEME

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

17. AVC INVESTMENTS

The Trustee holds assets invested separately from the main fund in the form of individual insurance policies securing additional benefits for those members electing to pay additional voluntary contributions. As part of the move to Utmost, the Equitable Life with-profits, unit linked and building society pension funds were moved to the Utmost unit-linked funds. The value of the AVC funds at the year end were as follows:

	LSE Section 2020 £	LCH Section 2020 £	Scheme 2020 £
BlackRock Life	6,736,644	-	6,736,644
Aviva Investors	3,076,842	-	3,076,842
Phoenix Life	778,823	-	778,823
BNY Mellon	84,598	-	84,598
ReAssure	-	541,200	541,200
Utmost Life	-	25,528	25,528
	<u>10,676,907</u>	<u>566,728</u>	<u>11,243,635</u>

	LSE Section 2019 £	LCH Section 2019 £	Scheme 2019 £
BlackRock Life	6,923,092	-	6,923,092
Aviva Investors	2,879,919	-	2,879,919
Phoenix Life	716,452	-	716,452
BNY Mellon	64,064	-	64,064
Legal & General	-	633,430	633,430
Utmost Life	-	23,212	23,212
	<u>10,583,527</u>	<u>656,642</u>	<u>11,240,169</u>

LONDON STOCK EXCHANGE GROUP PENSION SCHEME

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

18. INVESTMENT FAIR VALUE HIERARCHY

The fair value of financial instruments has been determined using the following fair value hierarchy:

Level 1: The unadjusted quoted price in an active market for identical assets or liabilities that the entity can access at the measurement date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable (i.e. developed using market data) for the asset or liability, either directly or indirectly.

Level 3: Inputs are unobservable (i.e. for which market data is unavailable) for the asset or liability.

The Scheme's investment assets have been fair valued at the year end using the above hierarchy categories as follows:

	Level 1	Level 2	Level 3	2020
	£	£	£	£
LSE Section				
Bonds	313,471,964	-	-	313,471,964
Pooled investment vehicles	-	141,200,564	17,380,253	158,580,817
Derivatives	-	6,657,441	-	6,657,441
Insurance policies	-	-	225,900,000	225,900,000
AVC investments	-	10,676,907	-	10,676,907
Cash	406,496	-	-	406,496
Income receivable	757,150	-	-	757,150
Repurchase agreements	-	(118,750,997)	-	(118,750,997)
Short sold bonds	(106,360,792)	-	-	(106,360,792)
	208,274,818	39,783,915	243,280,253	491,338,986
LCH Section				
Bonds	353,980,451	-	-	353,980,451
Pooled investment vehicles	-	165,355,879	-	165,355,879
AVC investments	-	541,200	25,528	566,728
Cash	107,471	-	-	107,471
Income receivable	868,831	-	-	868,831
Repurchase agreements	-	(91,884,006)	-	(91,884,006)
Short sold bonds	(110,481,970)	-	-	(110,481,970)
	244,474,783	74,013,073	25,528	318,513,384
	452,749,601	113,796,988	243,305,781	809,852,370

LONDON STOCK EXCHANGE GROUP PENSION SCHEME

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

18. INVESTMENT FAIR VALUE HIERARCHY (continued)

	<i>Level 1</i>	<i>Level 2</i>	<i>Level 3</i>	<i>Restated</i>
	£	£	£	2019
				£
LSE Section				
Bonds	292,346,138	-	-	292,346,138
Pooled investment vehicles	-	97,819,245	19,251,481	117,070,726
Derivatives	-	(1,217,093)	-	(1,217,093)
Insurance policies	-	-	220,500,000	220,500,000
AVC investments	-	10,583,527	-	10,583,527
Cash	263,355	-	-	263,355
Income receivable	877,809	-	-	877,809
Repurchase agreements	-	(89,552,692)	-	(89,552,692)
Short sold bonds	(105,924,759)	-	-	(105,924,759)
	<u>187,562,543</u>	<u>17,632,987</u>	<u>239,751,481</u>	<u>444,947,011</u>
LCH Section				
Bonds	318,960,830	-	-	318,960,830
Pooled investment vehicles	-	155,657,620	-	155,657,620
Derivatives	-	2,450,921	-	2,450,921
AVC investments	-	633,430	23,212	656,642
Cash	478,831	-	-	478,831
Income receivable	1,025,181	-	-	1,025,181
Repurchase agreements	-	(71,669,768)	-	(71,669,768)
Short sold bonds	(124,706,221)	-	-	(124,706,221)
	<u>195,758,621</u>	<u>87,072,203</u>	<u>23,212</u>	<u>282,854,036</u>
	<u>383,321,164</u>	<u>104,705,190</u>	<u>239,774,693</u>	<u>727,801,047</u>

For details of the restated 2019 balances, please see Note 1.

LONDON STOCK EXCHANGE GROUP PENSION SCHEME

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

19. INVESTMENT RISK DISCLOSURES

FRS 102 requires the disclosure of information in relation to certain investment risks. These risks are set out by FRS 102 as follows:

Credit Risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

Market Risk comprises currency risk, interest rate risk and other price risk, defined as follows:

- **Currency Risk** is the risk that the fair value or future cash flows of a financial asset will fluctuate because of changes in foreign exchange rates.
- **Interest Rate Risk** is the risk that the fair value or future cash flows of a financial asset will fluctuate because of changes in market interest rates.
- **Other Price Risk** is the risk that the fair value or future cash flows of a financial asset will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

Both Sections have exposure to these risks via the current investment strategies. The Trustee manages investment risk, including credit risk and market risk by having a well-diversified investment strategy and setting an overall risk budget, within guidelines which are set considering the Scheme's strategic investment objectives. The Trustee monitors these risks on a quarterly basis. The Trustee has adopted an appropriate investment strategy, which is set out in the Scheme's Statement of Investment Principles (SIP). This investment strategy considers advice from its advisers and due regard for the objectives, the liabilities of the Scheme, the risks of and to the Scheme and the Sponsor covenant.

Further information on these risks and the Trustee's approach to risk management is set out below. This does not include AVC investments, as these are not considered significant in relation to the overall investments of the Scheme.

The investment strategy of the LCH Section holds:

- 51% in Liability Driven Investments (LDI). These are investments that aim to move in line with the long-term liabilities of the LCH Section.
- 49% in return-seeking assets

The investment strategy of the LSE Section holds:

- 51% in Liability Driven Investment (LDI). These are investments that aim to move in line with the long-term liabilities of the LSE Section.
- 49% in return-seeking assets

LONDON STOCK EXCHANGE GROUP PENSION SCHEME
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

19. INVESTMENT RISK DISCLOSURES (continued)

Credit Risk

Both Sections of the Scheme are subject to direct credit risk because both Sections directly invest in bonds, over the counter (“OTC”) derivatives, have cash balances, enter into repurchase agreements and hold other investment balances. The Scheme is also directly exposed to credit risk in relation to the holdings in the pooled investment vehicles.

Direct credit risk in the segregated LDI portfolios are addressed by investing in government bonds where credit risk is minimal, and bonds are investment grade. Cash within the LDI portfolios is held within funds which have an average credit rating that is investment grade.

Credit risk arising from pooled investment vehicles is mitigated by the majority of the bonds being investment grade rated. Credit risk arising on non-investment grade bonds held through pooled funds (e.g. in the Payden & Rygel Absolute Return Bond Fund) is mitigated through diversification of the underlying securities and through strong credit underwriting to minimise the likelihood and impact of default by any one issuer.

Credit risk arising on any derivatives depends on whether the derivative is exchange traded or OTC. OTC derivative contracts are not guaranteed by any regulated exchange and therefore the Fund is subject to risk of failure of the counterparty. The credit risk for OTC swaps is reduced by collateral arrangements. Credit risk also arises on forward foreign currency contracts. There are some collateral arrangements for these contracts. Schroders monitor the credit worthiness of the counterparties on an ongoing basis and are permitted to enter into a derivative contract with any counterparty they have deemed appropriate on behalf of the Scheme.

Direct credit risk arising from investing in pooled investment vehicles is mitigated by the underlying assets of the pooled arrangements being ring-fenced from the pooled manager, the regulatory environments in which the pooled managers operate and diversification of investments amongst a number of pooled arrangements.

LONDON STOCK EXCHANGE GROUP PENSION SCHEME

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

19. INVESTMENT RISK DISCLOSURES (continued)

Credit Risk (continued)

A summary of pooled investment vehicles by type of arrangement is as follows:

LSE Section

Fund Manager	Fund Type
AQR Diversified Risk Premia Fund	Open Ended Investment Company (OEIC)
Man Diversified Risk Premia Fund	Open Ended Investment Company (OEIC)
Oaktree Opportunities IX Fund	Cayman Island exempted limited partnership
Partners Group Real Estate Secondaries Fund	L.P. Inc
Payden & Rygel Absolute Return Bond Fund	Open Ended Investment Company (OEIC)
Permira Credit Solutions II – Senior Fund	Shares of Limited Liability Partnerships
RLAM UK Long Corporate Bond Fund	Open Ended Investment Company (OEIC)
Ruffer Absolute Return Fund	Open Ended Investment Company (OEIC)

LCH Section

Fund Manager	Fund Type
AQR Diversified Risk Premia Fund	Open Ended Investment Company (OEIC)
Man Diversified Risk Premia Fund	Open Ended Investment Company (OEIC)
Payden & Rygel Absolute Return Bond Fund	Open Ended Investment Company (OEIC)
RLAM UK Long Corporate Bond Fund	Open Ended Investment Company (OEIC)
Ruffer Absolute Return Fund	Open Ended Investment Company (OEIC)

Currency Risk

Both Sections of the Scheme are subject to currency risk because some of the investments are held in overseas markets via pooled investment vehicles. Currency risk is addressed for both Sections through currency hedging. All overseas investments are fully currency hedged with exception of the Oaktree Opportunities IX Fund and the Partners Group Real Estate Secondaries Fund of the LSE Section as these are relatively small illiquid investments for which currency hedged share classes do not exist. The Ruffer Absolute Return Fund may take some currency risk as an active decision.

LONDON STOCK EXCHANGE GROUP PENSION SCHEME

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

19. INVESTMENT RISK DISCLOSURES (continued)

Interest Rate Risk

Both Sections of the Scheme are subject to interest rate and inflation risk both in terms of their assets and their liabilities. Both Sections' holdings in LDI, which include bonds, repurchase agreements and cash, are designed to address a portion of liability interest rate and inflation risk by investing in assets/instruments that replicate the interest rate and inflation characteristics of the respective liabilities of both Sections.

If interest rates fall, the value of liability driven investments will rise to help match the increase in value of the actuarial liabilities arising from a fall in the discount rate. Similarly, if interest rates rise, the LDI will fall in value, as will the actuarial liabilities because of an increase in the discount rate.

If inflation rises, the value of liability driven investments will rise to help match the increase in actuarial liabilities. Similarly, if inflation falls, the LDI will fall in value, as will the actuarial liabilities.

Other Price Risk

Other price risks arise on both Sections' investments in directly held equity and property related funds or exposures held in pooled vehicles. Both Sections look to manage this exposure to overall price movements by constructing a diverse portfolio of investments across various markets.

The tables below show both Sections' fund exposure to each investment risk. These values estimate the amount by which the Schemes deficit might increase by in a 1-in-20 downside scenario:

LSE Section

Investment Risk	Exposure 2020 £	Exposure 2019 £
Interest rate	1,500,000	1,300,000
Inflation	500,000	500,000
Credit	7,700,000	5,700,000
Currency	2,000,000	1,600,000
Other price	7,300,000	2,400,000

LCH Section

Investment Risk	Exposure 2020 £	Exposure 2019 £
Interest rate	2,700,000	2,400,000
Inflation	800,000	600,000
Credit	9,200,000	6,100,000
Currency	1,100,000	1,000,000
Other price	4,800,000	8,100,000

The above figures are net of liabilities.

LONDON STOCK EXCHANGE GROUP PENSION SCHEME
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

19. INVESTMENT RISK DISCLOSURES (continued)

LSE Section

The following table shows the investment holdings of the LSE Section at 31 December:

Investment Manager	2020 £m	2019 £m	Credit Risk	Currency Risk	Interest Rate Risk	Inflation Risk	Other Price Risk
Schroders Segregated LDI	130.3	105.6	✓		✓	✓	
Schroders Synthetic Global Equity Portfolio	1.4	1.2					✓
AQR Diversified Risk Premia	6.9	16.6			✓	✓	✓
Man Diversified Risk Premia Fund	7.1	-			✓	✓	✓
Ruffer Absolute Return Fund	14.1	-	✓	✓	✓	✓	✓
RLAM UK Corporate Bond Fund	42.2	36.7	✓		✓	✓	
Payden & Rygel Absolute Return Bond Fund	35.3	34.5	✓		✓		
Permira Credit Solutions II – Senior Fund	7.5	8.2	✓		✓		
Partners Group Real Estate Secondaries Fund	4.4	5.2		✓			✓
Oaktree Opportunities IX Fund	5.5	5.9	✓	✓	✓		✓

LONDON STOCK EXCHANGE GROUP PENSION SCHEME

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

19. INVESTMENT RISK DISCLOSURES (continued)

LCH Section

The following table shows the investment holdings of the LCH Section at 31 December:

Investment Manager	2020 £m	2019 £m	Credit Risk	Currency Risk	Interest Rate Risk	Inflation Risk	Other Price Risk
Schroders Segregated LDI	161.8	132.6	✓		✓	✓	
Schroders Synthetic Global Equity Portfolio	-	2.6					✓
Ruffer Absolute Return Fund	29.4	26.8	✓	✓	✓	✓	✓
AQR Diversified Risk Premia	10.4	25.3			✓	✓	✓
Man Diversified Risk Premia Fund	11.0	-			✓	✓	✓
RLAM UK Long Corporate Bond Fund	74.7	64.9	✓		✓	✓	
Payden & Rygel Absolute Return Bond Fund	30.7	30.0	✓		✓		

20. CONCENTRATION OF INVESTMENTS

The following investments each account for more than 5% of the Scheme's net assets at the year end:

	2020		2019	
	£	%	£	%
Pensions Insurance Corporation (LSE)	219,400,000	27.0	213,000,000	29.1
Royal London Long Corporate Bond Fund (LCH)	74,693,715	9.2	64,882,007	8.9
Royal London Long Corporate Bond Fund (LSE)	42,233,042	5.2	36,685,343	5.0

LONDON STOCK EXCHANGE GROUP PENSION SCHEME
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

21. CURRENT ASSETS

	LSE Section 2020 £	LCH Section 2020 £	Scheme 2020 £
Cash held by the Scheme Administrator	1,290,687	4,630,725	5,921,412
Contributions due from the Employer	<u>201,050</u>	<u>213,050</u>	<u>414,100</u>
	<u>1,491,737</u>	<u>4,843,775</u>	<u>6,335,512</u>
	<i>LSE Section 2019 £</i>	<i>LCH Section 2019 £</i>	<i>Scheme 2019 £</i>
Cash held by the Scheme Administrator	1,574,893	4,453,123	6,028,016
Contributions due from the Employer	<u>26,882</u>	<u>-</u>	<u>26,882</u>
	<u>1,601,775</u>	<u>4,453,123</u>	<u>6,054,898</u>

Contributions due from the Employer were received after the year end in accordance with the Schedules of Contributions, as follows:

- LSE Section - 16 March 2021 (2019: 28 February 2020)
- LCH Section - 31 March 2021 (2019: N/A)

LONDON STOCK EXCHANGE GROUP PENSION SCHEME

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

22. CURRENT LIABILITIES

	LSE Section 2020 £	LCH Section 2020 £	Scheme 2020 £
Pension reimbursements due to PIC	2,772,469	-	2,772,469
Benefits payable	12,971	286,199	299,170
Investment fees due	119,992	124,399	244,391
Administration fees due	93,002	74,114	167,116
PAYE due to HMRC	-	32,742	32,742
	<u>2,998,434</u>	<u>517,454</u>	<u>3,515,888</u>
	<i>LSE Section 2019 £</i>	<i>LCH Section 2019 £</i>	<i>Scheme 2019 £</i>
Benefits payable	39,957	-	39,957
Investment fees due	228,144	253,949	482,093
Administration fees due	155,474	178,543	334,017
PAYE due to HMRC	-	32,603	32,603
Due to Employer	-	11,643	11,643
Other creditors	-	72,964	72,964
	<u>423,575</u>	<u>549,702</u>	<u>973,277</u>

23. RELATED PARTY TRANSACTIONS

Key Management Personnel

During the year two of the Trustee Directors, D Stephens (resigned 31 March 2020) and S Griffin (appointed 1 April 2020), were pensioners of the Scheme. Their pensions were paid in accordance with the Trust Deed and Rules. Trustee fees and expenses are paid for by the Scheme as shown in Note 9 to the financial statements.

Employer and Other Related Parties

The amount due to the Employer in Note 22 relates to the cost of the calculation of transfers out. Additional transfer out calculations are paid for by the Employer then the member reimburses the cost of the calculation. The amount shown in Note 22 is the amount of the members reimbursement due back to the Employer.

LONDON STOCK EXCHANGE GROUP PENSION SCHEME

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

24. EMPLOYER RELATED INVESTMENTS

Direct investments in the Employer are not permitted and there were none at any time during the year. As at 31 December 2020, the Scheme had less than 0.01% exposure to Employer related investments (indirectly, through equity indices).

25. TAXATION

The Scheme is a registered pension scheme under Chapter 2 of Part 4 of the Finance Act 2004 and is therefore exempt from income and capital gains tax.

26. CONTRACTUAL COMMITMENTS AND CONTINGENT LIABILITIES

GMP Equalisation

On 26 October 2018, the High Court ruled that benefits provided to members who had contracted out of their scheme must be recalculated to reflect the equalisation of state pension ages between 17 May 1990 and 6 April 1997. Following the ruling, it is expected that the Trustee will need to equalise guaranteed minimum pensions between men and women. This is likely to result in additional liabilities for the Scheme for equalisation of the benefits already crystallised e.g. historical transfers out, retirement benefits etc.

Subsequently, on 20 November 2020, the High Court issued a follow up judgment in respect of the Lloyds Banking Group ruling that any transfers out paid since 17 May 1990 must be potentially be increased to reflect additional liabilities arising from the equalisation of GMPs accrued between 17 May 1990 and 5 April 1997. This could potentially result in top-up payments to members but presents significant challenges for the Trustee and Scheme Administrator in terms of:

- Identifying transfers paid since 1990.
- Equalising the transfer payment.
- Tracking the relevant members and the arrangements they transferred to.

The Trustee is currently reviewing all options with its Scheme Advisers.

Investment Managers

At 31 December 2020 the LSE Section had contractual commitments of £2,234,376 (2019: £2,243,282) representing the funds committed but not yet invested with the Partners Group Real Estate and Oaktree Opportunities IX Funds. The Scheme had no other contractual commitments or contingent liabilities as at 31 December 2020 (2019: Nil).

27. SUBSEQUENT EVENTS

In the opinion of the Trustee, there were no material subsequent events after the Scheme's year end.

LONDON STOCK EXCHANGE GROUP PENSION SCHEME ACTUARIAL CERTIFICATES

Certification of the Schedule of Contributions – LSE Section

Adequacy of Rates of Contributions

1. I certify that, in my opinion, the rates of contributions shown in this Schedule of Contributions are such that the Statutory Funding Objective could have expected on 31 December 2017 to be met by the end of the period specified in the Recovery Plan, dated September 2018.

Adherence to Statement of Funding Principles

2. I hereby certify that, in my opinion, this Schedule of Contributions is consistent with the Statement of Funding Principles dated June 2018.

The certification of the adequacy of the rates of contributions for the purpose of securing that the Statutory Funding Objective can be expected to be met is not a certification of their adequacy for the purpose of securing the Section's liabilities by the purchase of annuities, if the Scheme were to be wound up.

Signature:

Gordon Clark

Scheme Actuary:

Gordon Clark

Qualification:

Fellow of the Institute and Faculty of Actuaries

Date of Signing:

25 September 2018

Employer:

Mercer Ltd
Tower Place
London
EC3R 5BU

LONDON STOCK EXCHANGE GROUP PENSION SCHEME ACTUARIAL CERTIFICATES

Certification of the Schedule of Contributions – LCH Section

Adequacy of Rates of Contributions

3. I certify that, in my opinion, the rates of contributions shown in this Schedule of Contributions are such that the Statutory Funding Objective could have expected on 31 December 2017 to be met by the end of the period specified in the Recovery Plan, dated December 2018.

Adherence to Statement of Funding Principles

4. I hereby certify that, in my opinion, this Schedule of Contributions is consistent with the Statement of Funding Principles dated December 2018.

The certification of the adequacy of the rates of contributions for the purpose of securing that the Statutory Funding Objective can be expected to be met is not a certification of their adequacy for the purpose of securing the Section's liabilities by the purchase of annuities, if the Scheme were to be wound up.

Signature:

Gordon Clark

Scheme Actuary:

Gordon Clark

Qualification:

Fellow of the Institute and Faculty of Actuaries

Date of Signing:

19 December 2018

Employer:

Mercer Ltd
Tower Place
London
EC3R 5BU

**LONDON STOCK EXCHANGE GROUP PENSION SCHEME
INDEPENDENT AUDITORS' STATEMENT ABOUT CONTRIBUTIONS
TO THE TRUSTEE OF LONDON STOCK EXCHANGE GROUP PENSION SCHEME
FOR THE YEAR ENDED 31 DECEMBER 2020**

Statement about contributions

Opinion

In our opinion, the contributions payable for the Scheme year ended 31 December 2020 as reported in London Stock Exchange Group Pension Scheme's summary of contributions have, in all material respects, been paid in accordance with the schedules of contributions certified by the Scheme Actuary on 25 September 2018 and 19 December 2018.

We have examined London Stock Exchange Group Pension Scheme's summary of contributions for the Scheme year ended 31 December 2020 which is set out on the following page.

Basis for opinion

Our examination involves obtaining evidence sufficient to give reasonable assurance that contributions reported in the summary of contributions have, in all material respects, been paid in accordance with the relevant requirements. This includes an examination, on a test basis, of evidence relevant to the amounts of contributions payable to the Scheme under the schedules of contributions, and the timing of those payments.

Responsibilities for the statement about contributions

Responsibilities of the trustee in respect of contributions

As explained more fully in the statement of trustee's responsibilities, the Scheme's trustee is responsible for preparing, and from time to time reviewing and if necessary revising, a schedule of contributions and for monitoring whether contributions are made to the Scheme by employers in accordance with relevant requirements.

Auditors' responsibilities in respect of the statement about contributions

It is our responsibility to provide a statement about contributions and to report our opinion to you.

Use of this report

This report, including the opinion, has been prepared for and only for the trustee as a body in accordance with section 41 of the Pensions Act 1995 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.



PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London

Date: 26 July 2021

LONDON STOCK EXCHANGE GROUP PENSION SCHEME
SUMMARY OF CONTRIBUTIONS PAYABLE
FOR THE YEAR ENDED 31 DECEMBER 2020

During the year ended 31 December 2020, the contributions payable to the Scheme were as follows:

	LSE Section 2020 £	LCH Section 2020 £	Scheme 2020 £
Employer - Deficit funding	<u>14,000,000</u>	<u>3,000,000</u>	<u>17,000,000</u>
Contributions required by the Schedules of Contributions (as reported on by the Scheme Auditors)	14,000,000	3,000,000	17,000,000
Other Contributions:			
Employer - Expenses	<u>801,050</u>	<u>624,693</u>	<u>1,425,743</u>
Total contributions reported in the financial statements	<u>14,801,050</u>	<u>3,624,693</u>	<u>18,425,743</u>

Approved and signed for on behalf of the Trustee by:

Trustee Director:

Trustee Director

Date: 26 July 2021

LSEGPS - IMPLEMENTATION STATEMENT

1st January 2020 – 31st December 2020

London Stock Exchange Group Pension Scheme

Private and Confidential

Introduction

Under new regulatory requirements now in force, the Trustee is required to produce an annual Implementation Statement setting out how voting and engagement policies in the Statement of Investment Principles (the "SIP") have been implemented. This is the first such statement produced and includes details of the recent updates to the SIP.

This document has been prepared by the Trustee of the London Stock Exchange Group Pension Scheme, covering the period 1 January 2020 to 31 December 2020.

The document looks to set out at a high level how the Trustee's policy on stewardship and engagement has been implemented. Where relevant, the document describes the areas of the portfolio where the stewardship and engagement are most likely to be financially material. Disclosed is also the Trustee's opinion on the outcomes of voting and engagement activity for managers that hold listed equities.

Changes to the SIP over the period

The SIP was updated in September 2020 to comply with upcoming regulatory changes. This regulatory change incorporated the Shareholder Rights II Directive ('SRD II') into UK law and required defined benefit pension scheme SIPs to be updated to include further details on:

- The arrangements with investment managers, including how they are incentivised to behave and invest in line with the Trustee's policies and how the Trustee will monitor managers' performance, fees and portfolio costs
- Engagement policy, including the exercise of the rights (including voting rights) attaching to the investments

SRD II aims to further encourage appropriate long-term investment decision-making and engagement.

Under SRD II, the Trustee is now also required to publish an annual implementation statement which explains the extent to which the voting and engagement policies have been implemented over the relevant Scheme year.

The Trustee's policies on voting and engagement (stewardship)

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.

Direct engagement with underlying companies (as well as other relevant persons) of which the Trustee owns shares and debt is carried out by the Scheme's investment managers.

The Trustee expect their investment managers to practice good stewardship. This includes monitoring and engaging with issuers of debt or equity on relevant matters such as performance, strategy, risks, capital structure, conflicts of interest and environmental, social or governance considerations, and using voting rights to effect the best possible long-term outcomes.

The Trustee's Investment Consultant assesses the ability of each investment manager in engaging with underlying companies in order to promote the long-term success of the investments, and reports to the Trustee periodically covering how the investment managers have acted in line with this policy.

When selecting, monitoring and de-selecting asset managers, stewardship is factored into the decision-making process to the appropriate level for the specific asset class in question.

Engagement with relevant persons includes the exercise of rights (including voting rights) attaching to the Scheme's equity investments which are exercised by the asset managers of the Scheme. The Trustee monitors and discloses the voting records of its managers on an annual basis.

How have the Trustee's voting and engagement (stewardship) policies been followed?

The Trustee have received regular updates from the investment consultant on the investment managers' performance including receiving ESG ratings for each manager which factor in voting and engagement. The Trustee has also been notified whether there have been any changes to the investment consultant's overall ratings of the managers or not. This manager rating factors in an ESG assessment incorporating voting and engagement. This reporting is discussed at investment committee meetings together with whether the managers are performing in line with the Scheme's objectives. The Trustee meets with the investment managers when required to discuss relevant matters, including sustainable investment. The Trustee periodically meets with the managers to discuss the Scheme's investments including the voting and engagement aspects. Over the year the Trustee met with Payden & Rygel Global Ltd, Royal London Asset Management Ltd & Ruffer LLP.

The following investment managers for the Scheme are signatories to the UK Stewardship Code: Royal London Asset Management Ltd, Ruffer LLP and Schroders. None of the Scheme's managers have raised non-compliances with the principles of the code. There are no immediate concerns that some of the other investment managers used by the Scheme are not signatories to the UK Stewardship Code given the context of the strategies they manage.

Over the coming year following the outcome of the latest actuarial valuation the Trustee expects to review its approach to ESG in more depth (along with the voting and engagement policies).

Summary of voting over the year

The use of voting rights is most likely to be financially material in the sections of the portfolios where physical equities are held. Financially material considerations include (but are not limited to) those arising from Environmental, Social and Governance considerations, including climate change. Given that the vast majority of the Scheme's assets are invested with investment managers that hold gilts, derivative instruments, corporate bonds and other credit assets in their portfolios, voting is only relevant to the AQR Diversified Risk Premia Fund, Man Diversified Risk Premia Fund and Ruffer Absolute Return Fund. As these investments are made via pooled funds, where the investment manager is responsible for voting and engagement on the underlying assets rather than the Trustee, the Trustee's ability to influence voting activities undertaken is limited.

Over the scheme year, voting activities by AQR, Man and Ruffer were undertaken with due consideration to investors' best interests considered on a fund wide basis and in accordance with the voting procedures set out in each manager's voting policy. The Trustee is not aware of any material departures from the managers' stated voting policies.

Given the nature of these mandates and the fact that voting activities were undertaken in line with the managers' policies, the Trustee is satisfied that the voting policies have all been adequately followed over the Scheme year.

A summary of voting by Ruffer Absolute Return Fund, AQR Diversified Risk Premia Fund and Man Diversified risk Premia on behalf of the Scheme over the year to 31st December 2020 is provided in the tables below:

Voting criteria	Ruffer	AQR	Man
Value of trustees' assets (as at 31 st December 2020)	£43.5m	£17.2m	£18.1m
Number of holdings at period end	92	862	1,816
No of meetings eligible to vote during the period	84	538	777
No of resolutions eligible to vote during the period	1,074	6,349	8,696
% of resolutions voted	97%	94%	98%
% of resolutions voted with management	88%	93%	89%
% of resolutions voted against management	9%	7%	11%
% of resolutions abstained	3%	<0%	<1%
% of meetings with at least one vote against management	95%	28%	54%
% of resolutions where manager voted contrary to recommendation of proxy adviser?	9%	<0%	4%
Any use of proxy voting services during the period	Yes (ISS)	Yes (ISS)	Yes (Glass Lewis)

Further to the above summary, the Trustee is required to disclose further information on the 'most significant' votes. The significance of a vote is determined by the individual investment manager's criteria including (but not limited to) the size of the holding and the resolution being a shareholder proposal. In the tables below we show the 'most significant' votes for Ruffer and Man:

Ruffer Absolute Return Fund 'Significant Vote' disclosure table (1 of 3)

Company name	Exxon Mobil	Exxon Mobil	ExxonMobil	Cigna	National Oilwell Varco
Summary of resolution	Votes for re-election of non-executive directors	Shareholder resolution for further disclosure of the company's lobbying activities	Shareholder resolution for an independent board Chair	Votes for re-election of non-executive directors	Votes for re-election of non-executive directors
How Ruffer voted	Against all non-executive re-elections	For	For	Against 6 non-executive directors	Against 4 non-executive directors
Outcome of vote	Re-election proposals passed with a range of 83-98% shareholder approval for votes	Proposal failed with 62.5% votes against	Proposal failed with 67.3% votes against	Re-election proposals passed with a range of 96-99% shareholder approval for votes	Re-election proposals passed with a range of 88-95% shareholder approval for votes

Ruffer Absolute Return Fund 'Significant Vote' disclosure table continued (2 of 3)

Company name	Barrick Gold	Newmont Mining	Wheaton Precious Metals	Ocado	Mitsubishi Electric
Summary of resolution	Votes for re-election of non-executive directors	Votes for re-election of non-executive directors	Votes for re-election of non-executive directors	Re-election of the Chair of the Board	Vote for re-election of independent director
How Ruffer voted	Against 2 non-executive directors	Against 2 non-executive directors	Against 5 non-executive directors	Against	Against
Outcome of vote	Re-election proposals passed with a range of 88-95% shareholder approval for votes	Both re-election proposals passed with 94% shareholder approval for votes	Re-election proposals passed with a range of 85-95% shareholder approval for votes	Re-election proposal passed with 96% shareholder approval for vote	Re-election proposals passed with a range of 76-82% shareholder approval for votes

Ruffer Absolute Return Fund 'Significant Vote' disclosure table continued (3 of 3)

Company name	Walt Disney	Lloyds Bank	Fuji Electric	Gold Fields	Aena S.M.E
Summary of resolution	Shareholder resolution requesting	Vote on remuneration policy	Governance – director independence	Governance – director independence	Vote on shareholder resolution

	additional disclosures on lobbying activities.		and cross shareholdings		relating to the company's climate transition plan
How Ruffer voted	For	Against	Against	Against	For
Outcome of vote	Proposal failed with 65.7% votes against	Remuneration policy passed with 63.8% approval. Long term share plan passed with 63.7% approval.	Re-election of Mr Tachikawa passed with 90.4% support, re-election of Mr Hiramatsu passed with 77.3% support, re-election of Mr Takaoka passed with 84.3% support	Re-election of Mr Menell as Director passed with 94.6% support. Re-election of Mr Menell as member of Audit Committee passed with 94.3% support.	The 3 resolutions passed with 99.2%, 98.1% and 96.5% shareholder support.

Man Diversified Risk Premia 'Significant Vote' disclosure table (1 of 1)

Company name*	A	B	C	D	E
Summary of resolution	Shareholder Proposal - Regarding the Establishment of a Human Rights Risk Oversight Committee	Shareholder Proposal - Regarding Report on Food Waste	Shareholder Proposal - Regarding Reporting on the Use of Non-Recyclable Packaging	Shareholder Proposal - Regarding Liquid Natural Gas Investments	Shareholder Proposal - Regarding Climate Change Proxy Voting Practices
How Man voted	For	For	For	For	For
Outcome of vote	15.5% shareholder support	27% shareholder support	38.4% shareholder support	25.7% shareholder support	N/a

*Please note that Man are not able to disclose the name of the companies on public documents.

AQR does not differentiate between significant or non-significant votes. However, AQR generally vote all proxies and may request reactive engagement on certain votes based on their assessment of significance.