



LONDON STOCK EXCHANGE GROUP PENSION SCHEME

ANNUAL REPORT

YEAR ENDED 31 DECEMBER 2023

SCHEME REGISTRATION NUMBER: 19020501

isio.

LONDON STOCK EXCHANGE GROUP PENSION SCHEME

CONTENTS

	Page
Trustee and its Advisers	1 - 2
Trustee's Report	3 - 12
Independent Auditors' Report to the Trustee	13 - 15
Fund Account	16
Statement of Net Assets (available for benefits)	17 - 18
Notes to the Financial Statements	19 - 33
Actuarial Certificate	34 - 35
Independent Auditors' Statement about Contributions	36
Summary of Contributions	37
Appendix: Implementation Statement	

LONDON STOCK EXCHANGE GROUP PENSION SCHEME
TRUSTEE AND ITS ADVISERS
FOR THE YEAR ENDED 31 DECEMBER 2023

Trustee

LSEG Pension Trustees Ltd

Trustee Directors - Employer Nominated

BESTrustees Ltd – represented by C Redmond (Chair)

N Bayley

D Bouwmeester

P Brine (until 10 May 2023)

Dalriada Trustees Ltd – represented by P Brine and T Perrella (from 10 May 2023)

Trustee Directors - Member Nominated

S Griffin *

M Harries *

* Pensioner

Secretary to the Trustee

S Tutton (resigned 14 March 2023)

C O'Hanlon (appointed 14 March 2023)

Principal Employer

London Stock Exchange Plc

Participating Employers

London Stock Exchange Plc - LSE Section

LCH Ltd - LCH Section

Scheme Actuary

S Hailwood F.I.A (appointed 26 January 2023)

G Clark F.I.A. (resigned 26 January 2023)

Mercer Ltd

Independent Auditors

PricewaterhouseCoopers LLP

Administrator

Isio Group Limited (formerly Premier Pensions Management Ltd)

Banker

Clydesdale Bank Plc - trading as Virgin Money

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 2023

Insurance Policy Providers

LCH Section

Standard Life (appointed 18 May 2023)

LSE Section

Pensions Insurance Corporation

Phoenix Life

Standard Life (appointed 18 May 2023)

Investment Managers

LCH Section

Man Group plc (terminated 21 March 2023)

Payden and Rygel Global Ltd (terminated 15 March 2023)

Royal London Asset Management Ltd (terminated 21 March 2023)

Ruffer LLP (terminated 15 March 2023)

Schroder Investment Management Ltd

LSE Section

Man Group plc (terminated 21 March 2023)

Oaktree Capital Management Ltd (terminated 30 September 2023)

Payden and Rygel Global Ltd (terminated 15 March 2023)

Partners Group (UK) Ltd (terminated 30 September 2023)

Permira Debt Managers Ltd (terminated 30 September 2023)

Royal London Asset Management Ltd (terminated 21 March 2023)

Ruffer LLP (terminated 15 March 2023)

Schroder Investment Management Ltd (terminated 15 September 2023)

Additional Voluntary Contribution (AVC) Providers

LSE Section

Aviva Investors

BlackRock Life Ltd (terminated 12 February 2024)

Phoenix Life Ltd

LCH Section

Utmost Life and Pensions (terminated 26 June 2024)

ReAssure (terminated 25 April 2024)

Enquiries

Isio Group Limited (formerly Premier Pensions Management Ltd)

AMP House

Dingwall Road

Croydon

Surrey

CR0 2LX

Email: LSEGPS@isio.com

LONDON STOCK EXCHANGE GROUP PENSION SCHEME

TRUSTEE'S REPORT

FOR THE YEAR ENDED 31 DECEMBER 2023

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 2023. 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. Sue Griffin's MNT term came to an end on 31 March 2024. However, after an appropriate nomination and selection exercise Sue was reappointed for a further 3 years.

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, Project Working Group Meetings and Operations 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. These documents, together with a list of the main priorities and timetable for completion, help 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 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.

Changes to the Scheme

Buy-in policy

After an extensive review of the insurance market and potential providers, the Trustee entered into a buy-in policy with Standard Life, part of Phoenix Group in May 2023. This buy-in covers all members of the LSE Section and LCH Section who were not covered by the existing insurance policies. The insurance policies with Pension Insurance Corporation and Phoenix Life remain in place and cover LSE Section pensioners who retired around 2016 and before.

This is a positive development for members which reduces the Scheme's overall exposure to financial as well as other risks, notably increases in life expectancy. The buy-in does not affect any member's pension entitlement or the service currently received from the Scheme's administrators. The insurance policy is simply held as an asset of the Scheme and the Trustee retains full responsibility for ensuring that all member benefits are paid.

Resignation of the Scheme Actuary

Gordon Clark resigned as Scheme Actuary on 26 January 2023. In accordance with the Regulations arising from the Pensions Act 1995, he declared that he was not aware of any circumstance connected with his resignation which, in his opinion, significantly affected the interests of the members, prospective members, or beneficiaries of the Scheme. Stuart Hailwood was then appointed on 26 January 2023.

LONDON STOCK EXCHANGE GROUP PENSION SCHEME

TRUSTEE'S REPORT

FOR THE YEAR ENDED 31 DECEMBER 2023

Membership

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

	Total	<i>Total</i>
IN SERVICE	2023	<i>2022</i>
Members at 1 January 2023	9	10
Leavers with Deferred	(1)	(1)
Members at 31 December 2023	<u>8</u>	<u>9</u>
PENSIONERS		
Pensioners at the start of the year	1,134	1,113
Adjustment	-	(2)
Deaths	(32)	(26)
New Dependants	11	8
Trivial Commutation	(1)	(3)
Retirements	41	44
Pensioners at the end of the year	<u>1,153</u>	<u>1,134</u>
MEMBERS WITH DEFERRED BENEFITS		
Members with deferred benefits at the start of the year	629	691
Adjustment	-	(4)
Leavers with Deferred	1	1
Death	-	(2)
Trivial Spouse Commutation	(1)	-
Retirements	(41)	(44)
Transfers out	(5)	(13)
Members with deferred benefits at the end of the year	<u>583</u>	<u>629</u>
TOTAL MEMBERSHIP FOR LSE SECTION AT THE END OF THE YEAR	<u>1,744</u>	<u>1,772</u>

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

PENSIONERS		
Pensioners at the start of the year	230	220
Adjustment	1	(1)
Dependant Attains Qualifying Age	(1)	-
Deaths	(6)	(7)
Trivial Commutation	(1)	-
New Spouses and Dependants	1	4
Retirements	22	14
Pensioners at the end of the year	<u>246</u>	<u>230</u>
MEMBERS WITH DEFERRED BENEFITS		
Members with deferred benefits at the start of the year	583	599
Adjustment	-	5
Death	(1)	-
Transfers out	(2)	(7)
Retirements	(22)	(14)
Members with deferred benefits at the end of the year	<u>558</u>	<u>583</u>
TOTAL MEMBERSHIP FOR LCH SECTION AT THE END OF THE YEAR	<u>804</u>	<u>813</u>

"In service" members are members who remain employed by LSE and were active as at 31 March 2012, when the LSE Section closed to future accrual and who retained a salary link to their benefits.

The LSE Section pensioners are paid by Pensions Insurance Corporation ("PIC"). Included within the pensioners shown in the above table at the year-end were 157 spouses and dependants (2022: 136). All pensioners are now covered by annuity policies.

The LCH Section pensioners are paid by the Scheme Administrator. Included within the pensioners shown in the above table at the year-end were 19 spouses and dependants (2022: 18). All pensioners are now covered by annuity policies.

These membership figures do not include movements notified to the Administrator after 31 December.

LONDON STOCK EXCHANGE GROUP PENSION SCHEME

TRUSTEE'S REPORT

FOR THE YEAR ENDED 31 DECEMBER 2023

Financial Development of the Scheme

The financial statements on pages 16 to 33 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 assets has decreased from £515,808,266 at 31 December 2022 to £491,680,826 at 31 December 2023.

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 technical provisions funding position of both Sections of the Scheme as at 31 December 2020, the date of the latest triennial valuations, are shown below:

	LSE Section 31 December 2020 £m	LCH Section 31 December 2020 £m
Value of liabilities:	(524.4)	(320.9)
Value of assets:	479.2	322.3
Surplus/(Deficit):	(45.2)	1.4
Funding level:	91%	100%

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 members' 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 2020 showed that the Scheme's assets would not have been enough to buy all member's benefits from an insurance company, as the estimated "buy-out position" at that date was:

	LSE Section 31 December 2020 £m	LCH Section 31 December 2020 £m
Value of liabilities:	(546.8)	(347.5)
Value of assets:	479.2	322.3
Deficit:	(67.6)	(25.2)
Funding level:	88%	93%

Actuarial valuations are a "snapshot" of the Scheme's funding position at a particular moment in time. The buy-out position was estimated using our Scheme Actuary's experience of recent buy-out quotations and their understanding of the factors affecting this market. These buy-out figures are only an estimate as they were not based on an actual quotation. Market changes, both in interest rates and in supply and demand for buy-out business, mean that buy-out costs will change over time.

We are required to disclose the above information relating to the Scheme's estimated "buy-out position" at the last valuation date. However, the historic solvency position is no longer relevant as the Trustee has since secured a buy-in policy with Standard Life covering all members who were not covered by the existing insurance policies with PIC and Phoenix Life. Hence the Scheme is now broadly fully funded on a buy-out basis.

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 2023

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 2020 % (p.a.)	LCH Section 31 December 2020 % (p.a.)
Financial		
Discount rate	UK Government gilt yields at the date of each future cash flow, plus an additional 0.25 p.a.	
RPI inflation	The difference between the yields on conventional and index-linked UK Government bonds at the date of each future cash flow.	
CPI inflation	Assumed RPI at the date of each future cashflow, less an allowance of 1.0% p.a. until 2030, and 0.0% p.a. thereafter.	
Salary increases	In line with RPI inflation.	N/A
Deferred Revaluation	In line with CPI inflation, subject to the appropriate caps over the deferment period.	
Pension increases	Derived from inflation forward rates using Jarrow-Yildirim model to allow for caps and floors.	
Demographic		
Retirement age	All at Normal Retirement Age.	
Mortality base table	S3PMA / S3PFA_M (year of birth) tables weighted by 88%/92% for male/female non-pensioner members and 88%/89% for male/female pensioner members.	
Mortality future improvements	CMI_2020 projections model with a long-term improvement rate of 1.75% p.a., a smoothing parameter of 7.5 an initial adjustment parameter of zero and no weight placed on the mortality experience of 2020.	
Commutation	50% of the maximum permitted cash sum at retirement based on factors calculated to be 80% of cost neutral on the technical provisions basis at the valuation date.	
Proportion married	ONS 2011 census curves weighted by 109%/94% for male/female non pensioners and 89%/94% for male/female pensioners.	
Spouses age	Males are 3 years older than females.	

LONDON STOCK EXCHANGE GROUP PENSION SCHEME
TRUSTEE'S REPORT
FOR THE YEAR ENDED 31 DECEMBER 2023

Report On Actuarial Liabilities (continued)

Recovery Plan

The LCH Section had a surplus of £1.4m on the agreed technical provisions basis as at 31 December 2020. As a result, no deficit contributions are currently required. A £3m contribution was nevertheless paid into the LCH Section by the Employer in December 2021 as required by the Schedule of Contributions agreed at the 31 December 2017 actuarial valuation.

To eliminate the funding shortfall identified in the Scheme's LSE Section as at 31 December 2020, the Employer agreed to pay the following deficit funding/contingent contributions:

Due Date	£m
On or before 31 December 2021	14.0
On or before 31 December 2022	14.0
On or before 31 December 2023	(up to) 11.4

The contributions of £14m due in 2021 and 2022 were paid by the Employer. The contribution of up to £11.4m in 2023 was contingent on the LSE Section's funding position as at 31 December 2022. As the LSE Section had a technical provisions surplus at this date, this contribution was not required. The Actuarial Certificates in relation to the Schedules of Contributions are shown on pages 37 and 38 of the Annual Report.

The annual funding updates carried out by the Scheme Actuary as at 31 December 2022, showed improved technical provisions funding levels of 102% (LSE Section) and 115% (LCH Section).

The strong funding position as at 31 December 2022 was retained over the course of early 2023 and in May 2023, the Trustee purchased a bulk annuity policy with Standard Life covering broadly all of the remaining non-insured benefits payable from the Scheme.

The next triennial actuarial valuations are due as at 31 December 2023, and are currently underway.

LONDON STOCK EXCHANGE GROUP PENSION SCHEME

TRUSTEE'S REPORT

FOR THE YEAR ENDED 31 DECEMBER 2023

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. The Trustee's strategy for achieving this objective is to secure Members' benefits in the insurance market through buy-in contracts with Standard Life, PIC and Phoenix Life.

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 October 2023 and can be found here: <https://www.lseg.yourisio.com/document-centre>

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.

Investment Manager Appointments and Removals

Additions:

No material manager additions but the Scheme purchased a bulk annuity contract with Standard Life on 18 May 2023.

Removals:

To support the purchase of the bulk annuity contract with Standard Life, both the LSE and LCH sections sold all of their investments managed by Ruffer LLP, Man Group plc, Payden & Rygel Global Ltd and Royal London Asset Management Ltd on or prior to 18 May 2023. The majority of assets held with Schroders were transferred across to Standard Life in-specie by 19 May 2023.

The LSE Section subsequently sold all of its remaining illiquid investments managed by Oaktree Capital Management Ltd, Permira Debt Managers Ltd and Partners Group (UK) Ltd on 30 September 2023 and paid the remaining deferred premium due to Standard Life.

Environmental Social and Governance Considerations

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

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

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

LONDON STOCK EXCHANGE GROUP PENSION SCHEME

TRUSTEE'S REPORT

FOR THE YEAR ENDED 31 DECEMBER 2023

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 Adviser 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.

Performance

As many of the Scheme's return-seeking assets and LDI portfolios were sold down or transferred across in-specie to Standard Life part way through Q2 2023, the 2023 contribution to the 1 Year and 3 Year Section performance figures below only represents the period to the end of the first quarter (31 March) of 2023.

The performance of the Scheme's investments to 31 December 2023 is shown below:

	1 Year %	3 Years % (p.a.)
LSE Section	2.6	-17.8
LCH Section	2.7	-19.1

The 1-year period covers 1 January 2023 – 31 March 2023.

The 3-year (annualised) period covers 1st January 2021 – 31 March 2023.

The 3-year performance is driven by the negative performance of the Scheme's 'liability matching assets'. However, this was expected as the aim of these assets were to move closely in line with Scheme's liabilities, which meaningfully decreased in value following significant rises in gilt yields.

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 0.06% 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

There were no direct employer-related investments during the year. The Trustee recognises that indirect exposure in the Employer is possible through holdings in pooled investment vehicles. However, this exposure represented less than 5% of the market value of pension scheme assets during the year or at the year end.

LONDON STOCK EXCHANGE GROUP PENSION SCHEME

TRUSTEE'S REPORT

FOR THE YEAR ENDED 31 DECEMBER 2023

COMPLIANCE

Pension Increases

Pensions are increased on 1 April each year.

For the LSE Section, the increases to pensions in payment as at 1 April 2023 were as follows:

- Pre 2003 retirements: 5.0% (2022: 5.0%)
- Post 2003 retirements on pre 88 GMP: 0.0% (2022: 0.0%)
- Post 2003 retirements on Post 88 GMP: 3.0% (2022: 3.0%)
- Post 2003 retirements on benefits in excess of GMP: 5.0% (2022: 5.0%)

For the LCH Section, the increases to pension in payment as at 1 April 2023 were as follows:

- Pre April 1988 GMP: 0.0% (2022: 0.0%)
- GMP earned after April 1988: 3.0% (2022: 3.0%)
- Pre 6 April 1997 excess over GMP: 4.0% (2022: 4.0%)
- Pre 6 April 1997 pen 5pct or RPI: 5.0% (2022: 5.0%)
- 6 April 1997 to 5 April 2005 pension: 5.0% (2022: 5.0%)
- 6 April 2005 to 5 April 2006 pension: 4.0% (2022: 4.0%)
- Pension accrued after 5 April 2006: 2.5% (2022: 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 transfer-ins in general. However, LCH Section members who had their AVCs transferred to the L&G MasterTrust by the Trustee retain the right to switch back their pot to fund their tax-free cash lump sum.

Data Protection

The Trustee holds certain personal information about members and beneficiaries under the Scheme and is regarded as the Data Controller for the purposes of the Act. The information held is to enable the Trustee to administer the Scheme efficiently and for the purposes of calculation and settlement of benefits as and when due and to determine contribution levels. The Trustee continues to monitor the Scheme's compliance with the Data Protection Act 2018 and the UK General Data Protection Regulation (GDPR).

To help keep the Scheme records up to date, members are reminded to keep the Trustee informed of any changes, including death benefit nominations and beneficiaries. Members should send all correspondence to the Scheme administrators whose details are on page 1.

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:

Isio Group Limited (formerly Premier Pensions Management Ltd)

AMP House

Dingwall Road

Croydon

Surrey

CR0 2LX

Email: LSEGPS@isio.com

Management of Investments

The day-to-day management and the safe custody of the Scheme's investments has been delegated to the Investment Managers and the Custodian shown on page 1 of this report. An investment report, including investment performance details, is included within the Trustee's Report.

LONDON STOCK EXCHANGE GROUP PENSION SCHEME
TRUSTEE'S REPORT
FOR THE YEAR ENDED 31 DECEMBER 2023

COMPLIANCE (CONTINUED)

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

MoneyHelper Service

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

MoneyHelper
120 Holborn
London
EC1N 2TD

Telephone: 0115 965 9570
Email: pensions.enquiries@moneyhelper.org.uk
Website: www.moneyhelper.org.uk

Pensions Ombudsman

Any concerns connected with the Scheme should be referred to Isio Group Limited, 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

LONDON STOCK EXCHANGE GROUP PENSION SCHEME

TRUSTEE'S REPORT

FOR THE YEAR ENDED 31 DECEMBER 2023

Statement of Trustee's Responsibilities

The financial statements, which are prepared in accordance with UK Generally Accepted Accounting Practice, including the Financial Reporting Standard applicable in the UK (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 a statement whether the financial statements have been prepared in accordance with the relevant financial reporting framework applicable to occupational pension schemes.

In discharging the above 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 the preparing of the financial statements on a going concern basis unless it is inappropriate to presume that the Scheme will not be wound up.

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

The Trustee also has a general responsibility for ensuring that adequate accounting records are kept and for taking such steps as are reasonably open to them 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.

Trustee's responsibilities in respect of contributions

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

The Trustee is also responsible for adopting risk-based processes to monitor whether contributions are made to the Scheme by the Employer in accordance with the Schedule of Contributions. Where breaches of the Schedule of Contributions occur, the Trustee is required by the Pensions Acts 1995 and 2004 to consider making reports to The Pensions Regulator and the members.

Approval

The Trustee's Report was approved by the Trustee and signed on its behalf on _____ by:

Signed: _____
Trustee Director

Signed: _____
Trustee Director

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 2023, 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 within the Annual Report, which comprise: the Statement of Net Assets (available for benefits) as at 31 December 2023; 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.

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 2023

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.

Reporting on other information

The other information comprises all of 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.

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 2023

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. 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. Audit procedures performed by the engagement team included:

- Testing journal entries where we identified particular fraud risk criteria.
- Obtaining independent confirmations of material investment valuations and cash balances at the year end.
- Reviewing meeting minutes, any correspondence with the Pensions Regulator, and significant contracts and agreements.
- Holding discussions with the trustee to identify significant or unusual transactions and known or suspected instances of fraud or non-compliance with applicable laws and regulations.
- Assessing financial statement disclosures, and agreeing these to supporting evidence, for compliance with the Pensions Acts 1995 and 2004 and regulations made under them.

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

LONDON STOCK EXCHANGE GROUP PENSION SCHEME
FUND ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2023

		LSE Section 2023 £	LCH Section 2023 £	Scheme 2023 £	Scheme 2022 £
Contributions and Benefits	Notes				
Employer contributions	5	1,567,654	1,085,721	2,653,375	15,936,756
Transfers In	6	-	-	-	183,516
Other income	7	63,057	109,744	172,801	119,729
		<u>1,630,711</u>	<u>1,195,465</u>	<u>2,826,176</u>	<u>16,240,001</u>
Benefits paid or payable	8	(14,135,018)	(3,890,799)	(18,025,817)	(18,107,032)
Payments to and on account of leavers	9	(2,131,891)	(488,018)	(2,619,909)	(14,256,924)
Administrative expenses	10	(1,123,696)	(925,132)	(2,048,828)	(1,753,268)
		<u>(17,390,605)</u>	<u>(5,303,949)</u>	<u>(22,694,554)</u>	<u>(34,117,224)</u>
Net Withdrawals from Dealings with Members		<u>(15,759,894)</u>	<u>(4,108,484)</u>	<u>(19,868,378)</u>	<u>(17,877,223)</u>
Returns on Investments					
Investment income	11	564,130	(215,949)	348,181	1,203,317
Investment management expenses	12	(767,015)	(597,899)	(1,364,914)	(808,198)
Change in market value of investments	13	(3,451,639)	209,310	(3,242,329)	(275,893,970)
Net Returns on Investments		<u>(3,654,524)</u>	<u>(604,538)</u>	<u>(4,259,062)</u>	<u>(275,498,851)</u>
Net Increase/(Decrease) in the Scheme		<u>(19,414,418)</u>	<u>(4,713,022)</u>	<u>(24,127,440)</u>	<u>(293,376,074)</u>
Net Assets at 1 January		<u>334,801,601</u>	<u>181,006,665</u>	<u>515,808,266</u>	<u>809,184,340</u>
Net Assets at 31 December		<u>315,387,183</u>	<u>176,293,643</u>	<u>491,680,826</u>	<u>515,808,266</u>

The notes on pages 19 to 33 form part of these financial statements.

LONDON STOCK EXCHANGE GROUP PENSION SCHEME
STATEMENT OF NET ASSETS (AVAILABLE FOR BENEFITS)
AS AT 31 DECEMBER 2023

<i>LSE Section</i>		2023	2022
		£	£
Investment Assets	Notes		
Bonds	13	-	169,277,357
Pooled investment vehicles	14	-	67,184,324
Reverse repurchase agreements receivable	15	-	124,048,642
Insurance policies	16	306,500,000	156,700,000
AVC investments	17	7,964,479	8,344,272
Cash	13	-	100,706
Income receivable	13	-	963,774
		<u>314,464,479</u>	<u>526,619,075</u>
Investment Liabilities			
Repurchase agreements payable	15	-	(164,149,739)
Short sold bonds	13	-	(30,004,593)
		-	<u>(194,154,332)</u>
Net Investments		<u>314,464,479</u>	<u>332,464,743</u>
Current assets	21	1,390,046	3,131,667
Current liabilities	22	<u>(467,342)</u>	<u>(794,809)</u>
Net Assets at 31 December		<u><u>315,387,183</u></u>	<u><u>334,801,601</u></u>
<i>LCH Section</i>		2023	2022
		£	£
Investment Assets	Notes		
Bonds	13	-	176,748,868
Pooled investment vehicles	14	1,322,683	63,733,172
Reverse repurchase agreements receivable	15	-	29,519,438
Insurance policy	16	172,600,000	-
AVC investments	17	129,197	186,251
Cash	13	1,265,761	109,279
Income receivable	13	-	890,653
		<u>175,317,641</u>	<u>271,187,661</u>
Investment Liabilities			
Repurchase agreements payable	15	-	(71,256,278)
Short sold bonds	13	-	(21,738,682)
		-	<u>(92,994,960)</u>
Net Investments		<u>175,317,641</u>	<u>178,192,701</u>
Current assets	21	1,511,711	3,199,320
Current liabilities	22	<u>(535,709)</u>	<u>(385,356)</u>
Net Assets at 31 December		<u><u>176,293,643</u></u>	<u><u>181,006,665</u></u>
Total Scheme Net Assets at 31 December		<u><u>491,680,826</u></u>	<u><u>515,808,266</u></u>

LONDON STOCK EXCHANGE GROUP PENSION SCHEME
STATEMENT OF NET ASSETS (AVAILABLE FOR BENEFITS)
AS AT 31 DECEMBER 2023

(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 5 to 7 of the annual report and these financial statements should be read in conjunction with them.

The notes on pages 19 to 33 form part of these financial statements.

The financial statements were approved for and on behalf of the Trustee on _____ by:

Signed: _____
Trustee Director

Signed: _____
Trustee Director

LONDON STOCK EXCHANGE GROUP PENSION SCHEME

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

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").

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. Isio Group Limited (formerly Premier Pensions Management Ltd), AMP House, Dingwall Road, Croydon, Surrey, CR0 2LX or Email: LSEGPS@isio.com.

3. COMPARATIVE DISCLOSURES FOR THE FUND ACCOUNT

	LSE Section 2022 £	LCH Section 2022 £	Scheme 2022 £
Contributions and Benefits			
Employer contributions	14,968,378	968,378	15,936,756
Transfer In	-	183,516	183,516
Other income	83,208	36,521	119,729
	<u>15,051,586</u>	<u>1,188,415</u>	<u>16,240,001</u>
Benefits paid or payable	(14,011,708)	(4,095,324)	(18,107,032)
Payments to and on account of leavers	(6,097,798)	(8,159,126)	(14,256,924)
Administrative expenses	(1,003,373)	(749,895)	(1,753,268)
	<u>(21,112,879)</u>	<u>(13,004,345)</u>	<u>(34,117,224)</u>
Net Withdrawals from Dealings with Members	<u>(6,061,293)</u>	<u>(11,815,930)</u>	<u>(17,877,223)</u>
Returns on Investments			
Investment income	(162,020)	1,365,337	1,203,317
Investment management expenses	(435,055)	(373,143)	(808,198)
Change in market value of investments	(146,507,678)	(129,386,292)	(275,893,970)
Net Returns on Investments	<u>(147,104,753)</u>	<u>(128,394,098)</u>	<u>(275,498,851)</u>
Net Decrease in the Scheme	(153,166,046)	(140,210,028)	(293,376,074)
Net Assets at 1 January	<u>487,967,647</u>	<u>321,216,693</u>	<u>809,184,340</u>
Net Assets at 31 December	<u>334,801,601</u>	<u>181,006,665</u>	<u>515,808,266</u>

LONDON STOCK EXCHANGE GROUP PENSION SCHEME

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

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 2023

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) 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.
- g) 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.
- h) 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.
- i) 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.

LONDON STOCK EXCHANGE GROUP PENSION SCHEME
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

5. EMPLOYER CONTRIBUTIONS

	LSE Section 2023 £	LCH Section 2023 £	Scheme 2023 £
Expenses contribution	<u>1,567,654</u>	<u>1,085,721</u>	<u>2,653,375</u>
	<i>LSE</i>	<i>LCH</i>	<i>Scheme</i>
	<i>Section</i>	<i>Section</i>	<i>2022</i>
	<i>2022</i>	<i>2022</i>	<i>2022</i>
	£	£	£
Deficit funding	14,000,000	-	14,000,000
Expenses	<u>968,378</u>	<u>968,378</u>	<u>1,936,756</u>
	<u>14,968,378</u>	<u>968,378</u>	<u>15,936,756</u>

In accordance with the latest Schedule of Contributions certified by the Scheme Actuary on 31 March 2022, the Employer of the LSE Section paid a deficit contribution of £14m to the LSE Section. A further contribution of up to £11.4 million in 2023 was contingent on the position of the LSE Section as at 31 December 2022, but since the Section was in a surplus at that date, this contingent contribution did not fall due. 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 latest Schedule of Contributions certified by the Scheme Actuary on 31 March 2022, no further deficit funding contributions are due to the LCH Section as it was fully funded as at 31 December 2020. The Employer reimburses the Scheme on at least an annual basis for the administration costs of the LCH Section.

LONDON STOCK EXCHANGE GROUP PENSION SCHEME

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

6. TRANSFERS IN

	LSE Section 2023 £	LCH Section 2023 £	Scheme 2023 £
Transfers in	-	-	-
	LSE Section 2022 £	LCH Section 2022 £	Scheme 2022 £
Transfers in	-	183,516	183,516

The transfers in represents receipts from the L&G MasterTrust to fund members' tax-free cash lump sum.

7. OTHER INCOME

	LSE Section 2023 £	LCH Section 2023 £	Scheme 2023 £
Interest on cash held with Scheme Administrator	63,057	109,744	172,801
	<i>LSE Section 2022 £</i>	<i>LCH Section 2022 £</i>	<i>Scheme 2022 £</i>
Interest on cash held with Scheme Administrator	83,208	36,521	119,729

8. BENEFITS PAID OR PAYABLE

	LSE Section 2023 £	LCH Section 2023 £	Scheme 2023 £
Pensions	13,073,121	3,184,559	16,257,680
Commutations and lump sum retirement benefits	1,037,083	705,210	1,742,293
Death benefits	24,814	1,030	25,844
	14,135,018	3,890,799	18,025,817
	<i>LSE Section 2022 £</i>	<i>LCH Section 2022 £</i>	<i>Scheme 2022 £</i>
Pensions	12,466,636	2,926,257	15,392,893
Commutations and lump sum retirement benefits	1,524,701	1,102,450	2,627,151
Death benefits	20,371	66,617	86,988
	14,011,708	4,095,324	18,107,032

LONDON STOCK EXCHANGE GROUP PENSION SCHEME
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

9. PAYMENTS TO AND ON ACCOUNT OF LEAVERS

	LSE Section 2023 £	LCH Section 2023 £	Scheme 2023 £
Individual transfers out to other schemes	<u>2,131,891</u>	<u>488,018</u>	<u>2,619,909</u>
	<i>LSE</i> <i>Section</i> <i>2022</i> £	<i>LCH</i> <i>Section</i> <i>2022</i> £	<i>Scheme</i> <i>2022</i> £
Individual transfers out to other schemes	<u>6,097,798</u>	<u>8,159,126</u>	<u>14,256,924</u>

10. ADMINISTRATIVE EXPENSES

	LSE Section 2023 £	LCH Section 2023 £	Scheme 2023 £
Actuarial & consultancy	243,347	347,372	590,719
Legal	406,841	232,207	639,048
Administration	162,386	187,899	350,285
Covenant review	2,300	2,300	4,600
Trustee	43,166	42,357	85,523
Secretarial	217,132	75,117	292,249
Audit	20,667	20,667	41,334
Levies	27,523	16,783	44,306
Bank charges	334	430	764
	<u>1,123,696</u>	<u>925,132</u>	<u>2,048,828</u>
	<i>LSE</i> <i>Section</i> <i>2022</i> £	<i>LCH</i> <i>Section</i> <i>2022</i> £	<i>Scheme</i> <i>2022</i> £
Actuarial & consultancy	362,757	320,948	683,705
Legal	363,626	156,056	519,682
Administration	137,966	139,310	277,276
Covenant review	29,702	29,702	59,404
Trustee	43,217	41,490	84,707
Secretarial	30,978	30,978	61,956
Audit	26,084	26,084	52,168
Levies	6,462	5,025	11,487
Bank charges	2,581	302	2,883
	<u>1,003,373</u>	<u>749,895</u>	<u>1,753,268</u>

In accordance with the latest Schedules of Contributions certified by the Scheme Actuary on 31 March 2022, both the LSE and LCH Sections settle their administration expenses and then the Employer reimburses the Sections on at least an annual basis.

LONDON STOCK EXCHANGE GROUP PENSION SCHEME
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

11. INVESTMENT INCOME

	LSE Section 2023 £	LCH Section 2023 £	Scheme 2023 £
Bond interest	791,644	559,157	1,350,801
Pooled investment income	730,530	-	730,530
Interest on cash deposits	15,286	28,117	43,403
Interest on repurchase agreements	(973,330)	(803,223)	(1,776,553)
	<u>564,130</u>	<u>(215,949)</u>	<u>348,181</u>
	<i>LSE</i> <i>Section</i> <i>2022</i> £	<i>LCH</i> <i>Section</i> <i>2022</i> £	<i>Scheme</i> <i>2022</i> £
Bonds	1,283,044	2,337,045	3,620,089
Interest on repurchase agreements	(1,445,064)	(971,708)	(2,416,772)
	<u>(162,020)</u>	<u>1,365,337</u>	<u>1,203,317</u>

12. INVESTMENT MANAGEMENT EXPENSES

	LSE Section 2023 £	LCH Section 2023 £	Scheme 2023 £
Administration, management & custody	198,395	202,695	401,090
Investment consultancy	573,726	395,204	968,930
Investment fee rebates	(5,106)	-	(5,106)
	<u>767,015</u>	<u>597,899</u>	<u>1,364,914</u>
	<i>LSE</i> <i>Section</i> <i>2022</i> £	<i>LCH</i> <i>Section</i> <i>2022</i> £	<i>Scheme</i> <i>2022</i> £
Administration, management & custody	261,988	200,871	462,859
Investment consultancy	207,788	207,787	415,575
Investment fee rebates	(34,721)	(35,515)	(70,236)
	<u>435,055</u>	<u>373,143</u>	<u>808,198</u>

LONDON STOCK EXCHANGE GROUP PENSION SCHEME

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

13. RECONCILIATION OF INVESTMENTS

LSE Section

	Value at 1 January 2023 £	Purchases at Cost and Derivative Payments £	Sales Proceeds and Derivative Receipts £	Change in Market Value £	Value at 31 December 2023 £
Bonds	169,277,357	140,873,620	(309,839,703)	(311,274)	-
Pooled investment vehicles	67,184,324	35,843,000	(90,213,034)	(12,814,290)	-
Derivatives	-	61	-	(61)	-
Insurance policies	156,700,000	156,699,554	(16,298,629)	9,399,075	306,500,000
AVC investments	8,344,272	-	(654,704)	274,911	7,964,479
	<u>401,505,953</u>	<u>333,416,235</u>	<u>(417,006,070)</u>	<u>(3,451,639)</u>	<u>314,464,479</u>
Cash	100,706				-
Income receivable	963,774				-
Repurchase agreements	(40,101,097)				-
Short sold bonds	(30,004,593)				-
	<u>332,464,743</u>				<u>314,464,479</u>

LCH Section

	Value at 1 January 2023 £	Purchases at Cost and Derivative Payments £	Sales Proceeds and Derivative Receipts £	Change in Market Value £	Value at 31 December 2023 £
Bonds	176,748,868	146,180,768	(313,717,465)	(9,212,171)	-
Pooled investment vehicles	63,733,172	39,919,000	(103,287,400)	957,911	1,322,683
Insurance policy	-	166,565,687	(2,392,960)	8,427,273	172,600,000
Derivatives	-	61	(34,991)	34,930	-
AVC investments	186,251	-	(58,421)	1,367	129,197
	<u>240,668,291</u>	<u>352,665,516</u>	<u>(419,491,237)</u>	<u>209,310</u>	<u>174,051,880</u>
Cash	109,279				1,265,761
Income receivable	890,653				-
Repurchase agreements	(41,736,840)				-
Short sold bonds	(21,738,682)				-
	<u>178,192,701</u>				<u>175,317,641</u>

LONDON STOCK EXCHANGE GROUP PENSION SCHEME

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

13. RECONCILIATION OF INVESTMENTS (continued)

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.

The total transaction costs as part of the sell down of the two Sections' liquid assets incurred as part of the buy in transaction were c.£254,000 and c.£256,000 for the LCH and LSE Section, respectively.

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.

14. POOLED INVESTMENT VEHICLES

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

	LSE Section 2023 £	LCH Section 2023 £	Scheme 2023 £
Cash/Liquidity	-	1,322,683	1,322,683
	<i>LSE Section 2022 £</i>	<i>LCH Section 2022 £</i>	<i>Scheme 2022 £</i>
Bonds	34,696,066	45,207,901	79,903,967
Diversified growth	9,079,479	11,378,629	20,458,108
Cash/Liquidity	7,356,353	7,146,642	14,502,995
Private equity	16,052,426	-	16,052,426
	<u>67,184,324</u>	<u>63,733,172</u>	<u>130,917,496</u>

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 Section 2023 £	LCH Section 2023 £	Scheme 2023 £
Repurchase agreements payable	-	-	-
Reverse repurchase agreements receivable	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
	<i>LSE Section 2022 £</i>	<i>LCH Section 2022 £</i>	<i>Scheme 2022 £</i>
Repurchase agreements payable	(164,149,739)	(71,256,278)	(235,406,017)
Reverse repurchase agreements receivable	124,048,642	29,519,438	153,568,080
	<u>(40,101,097)</u>	<u>(41,736,840)</u>	<u>(81,837,937)</u>

LONDON STOCK EXCHANGE GROUP PENSION SCHEME
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

16. INSURANCE POLICIES

	LSE Section 2023 £	LCH Section 2023 £	Scheme 2023 £
Pensions Insurance Corporation	141,100,000	-	141,100,000
Phoenix Life	4,000,000	-	4,000,000
Standard Life	161,400,000	172,600,000	334,000,000
	<u>306,500,000</u>	<u>172,600,000</u>	<u>479,100,000</u>
	<i>LSE</i> <i>Section</i> <i>2022</i> £	<i>LCH</i> <i>Section</i> <i>2022</i> £	<i>Scheme</i> <i>2022</i> £
Pensions Insurance Corporation	150,200,000	-	150,200,000
Phoenix Life	6,500,000	-	6,500,000
	<u>156,700,000</u>	<u>-</u>	<u>156,700,000</u>

The insurance policy held with Pension Insurance Corporation relates to a Buy-In Policy purchased to pay pensions direct to members and is valued by the Scheme Actuary at every Scheme year end. The value of the insurance policy is calculated by the Scheme Actuary as 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 Phoenix Life (part of Phoenix Group) is an annuity policy in the name of the Trustee which pays pensions direct to members and is valued by the Scheme Actuary every three years as part of the Scheme's triennial valuation.

The Trustee entered into a buy-in policy with Standard Life, part of Phoenix Group in May 2023. This buy-in covers all members of the LSE Section and LCH Section who have not previously been insured.

The insurance policy with Standard Life is valued by the Scheme Actuary at every Scheme year end. The value of the insurance policy is calculated by the Scheme Actuary as 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.

LONDON STOCK EXCHANGE GROUP PENSION SCHEME

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

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. The value of the AVC funds at the year end were as follows:

	LSE Section 2023 £	LCH Section 2023 £	Scheme 2023 £
BlackRock Life	5,408,810	-	5,408,810
Aviva Investors	2,389,017	-	2,389,017
Phoenix Life	166,652	-	166,652
ReAssure	-	128,594	128,594
Utmost Life	-	603	603
	<u>7,964,479</u>	<u>129,197</u>	<u>8,093,676</u>
	<i>LSE Section 2022 £</i>	<i>LCH Section 2022 £</i>	<i>Scheme 2022 £</i>
BlackRock Life	5,365,286	-	5,365,286
Aviva Investors	2,594,626	-	2,594,626
Phoenix Life	384,360	-	384,360
ReAssure	-	158,098	158,098
Utmost Life	-	28,153	28,153
	<u>8,344,272</u>	<u>186,251</u>	<u>8,530,523</u>

Note: LSE Section AVCs held with BlackRock Life and LCH Section AVCs held with ReAssure and Utmost Life were transferred to the L&G MasterTrust after the year end.

LONDON STOCK EXCHANGE GROUP PENSION SCHEME

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

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 £	2023 £
LSE Section				
Insurance policies	-	-	306,500,000	306,500,000
AVC investments	-	7,964,479	-	7,964,479
	-	7,964,479	306,500,000	314,464,479
LCH Section				
Pooled Investment Vehicles	-	1,322,683	-	1,322,683
Insurance policy	-	-	172,600,000	172,600,000
AVC investments	-	128,594	603	129,197
Cash	1,265,761	-	-	1,265,761
	1,265,761	1,451,277	172,600,603	175,317,641
	1,265,761	9,415,756	479,100,603	489,782,120
	Level 1 £	Level 2 £	Level 3 £	2022 £
LSE Section				
Bonds	169,277,357	-	-	169,277,357
Pooled investment vehicles	-	51,131,899	16,052,425	67,184,324
Insurance policies	-	-	156,700,000	156,700,000
AVC investments	-	8,344,272	-	8,344,272
Cash	100,706	-	-	100,706
Income receivable	963,774	-	-	963,774
Repurchase agreements	-	(40,101,097)	-	(40,101,097)
Short sold bonds	(30,004,593)	-	-	(30,004,593)
	140,337,244	19,375,074	172,752,425	332,464,743
LCH Section				
Bonds	176,748,868	-	-	176,748,868
Pooled investment vehicles	-	63,733,172	-	63,733,172
AVC investments	-	158,098	28,153	186,251
Cash	109,279	-	-	109,279
Income receivable	890,653	-	-	890,653
Repurchase agreements	-	(41,736,840)	-	(41,736,840)
Short sold bonds	(21,738,682)	-	-	(21,738,682)
	156,010,118	22,154,430	28,153	178,192,701
	296,347,362	41,529,504	172,780,578	510,657,444

LONDON STOCK EXCHANGE GROUP PENSION SCHEME
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

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.

The Trustee determines its investment strategy after taking advice from a professional Investment Adviser. The Scheme has exposure to investment risks because of the investments it makes.

As at 31 December 2023, the Scheme's asset allocation principally consisted of three bulk annuity contracts with Pension Insurance Corporation ("PIC"), Phoenix Life Limited and Standard Life. These three annuity contracts match the related actuarial liabilities, covering all members of the Scheme and are intended to provide an income to the Scheme matching the pension payments due to Scheme members. As such, much of the investment risk relating to the investment portfolio was no longer relevant upon the transfer of assets across to Standard Life in May 2023. The Scheme does retain residual cash investments in a sterling liquidity fund and the Trustee Bank Account to help meet ongoing Scheme expenses. 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.

Further information on the Trustee's approach to risk management is set out below:

Credit Risk

Following the transfer of the majority of Scheme assets to Standard Life, the main credit risk is the default risk associated with the three bulk annuity contracts with PIC, Phoenix Life and Standard Life. The Trustee relies on the regulatory framework that PIC, Phoenix Life and Standard Life operate under to mitigate risk, governed by the Prudential Regulatory Authority, e.g. the regulatory capital requirements. In the event of default by either insurer, the Scheme is expected to be eligible for compensation from the Financial Services Compensation Scheme ("FSCS"), up to the full value of the benefits insured, based on the current FSCS rules.

The Scheme is exposed to residual amounts of credit risk resulting from a small additional allocation to cash, mainly held via a diversified pooled liquidity fund, or if held directly then within financial institutions that are investment grade credit rated.

Market Risk: Interest Rate and Inflation Risk

The three bulk annuity contracts with PIC, Phoenix Life and Standard Life cover all members of the Scheme and are intended to provide an income to the Scheme matching the pension payments due to the Scheme's members. As such, known interest rate and inflation risks are in, effect, hedged. There is interest rate risk at the asset level given the nature of the key assumptions underlying the valuation of the assets.

Currency Risk

Due to the Scheme's asset allocation consisting principally of the bulk annuity contracts, any remaining, minimal currency risk is as a result of its residual investment in the Schroders Sterling Liquidity fund. As at 31 December 2023, the non-GBP exposure was <1% of the value of the fund's investment.

Other Price Risk

Due to the Scheme's asset allocation consisting principally of the bulk annuity contracts as at 31 December 2023, it is not expected that the Scheme has exposure to any meaningful other price risk.

LONDON STOCK EXCHANGE GROUP PENSION SCHEME
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

20. CONCENTRATION OF INVESTMENTS

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

	2023		2022	
	£	%	£	%
Standard Life Annuity policy (LCH)	172,600,000	35.1	-	-
Standard Life Annuity policy (LSE)	161,400,000	32.8	-	-
Pensions Insurance Corporation (LSE)	141,100,000	28.7	150,200,000	29.1
Royal London Long Corporate Bond Fund (LSE)	-	-	28,155,730	5.5

21. CURRENT ASSETS

	LSE Section 2023 £	LCH Section 2023 £	Scheme 2023 £
Cash held by the Scheme Administrator	1,322,392	1,145,990	2,468,382
Contributions due from the Employer	67,654	365,721	433,375
	<u>1,390,046</u>	<u>1,511,711</u>	<u>2,901,757</u>
	<i>LSE</i> <i>Section</i> <i>2022</i> <i>£</i>	<i>LCH</i> <i>Section</i> <i>2022</i> <i>£</i>	<i>Scheme</i> <i>2022</i> <i>£</i>
Cash held by the Scheme Administrator	2,763,289	2,950,942	5,714,231
Contributions due from the Employer	368,378	248,378	616,756
	<u>3,131,667</u>	<u>3,199,320</u>	<u>6,330,987</u>

Contributions due from the Employer were received after the year end in accordance with the Schedules of Contributions certified by the Scheme Actuary on 31 March 2022.

22. CURRENT LIABILITIES

	LSE Section 2023 £	LCH Section 2023 £	Scheme 2023 £
Administration fees due	96,736	101,178	197,914
PAYE due to HMRC	-	50,723	50,723
Insured pension received in advance	320,000	330,000	650,000
Investment fees due	6,083	6,083	12,166
Benefits due	44,523	47,725	92,248
	<u>467,342</u>	<u>535,709</u>	<u>1,003,051</u>

LONDON STOCK EXCHANGE GROUP PENSION SCHEME
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

22. CURRENT LIABILITIES (continued)

	<i>LSE Section</i>	<i>LCH Section</i>	<i>Scheme</i>
	<i>2022</i>	<i>2022</i>	<i>2022</i>
	<i>£</i>	<i>£</i>	<i>£</i>
Pension reimbursements due to PIC	586,476	-	586,476
Administration fees due	101,625	97,326	198,951
PAYE due to HMRC	-	41,767	41,767
Investment fees due	82,676	71,662	154,338
Contributions received in advance	-	120,000	120,000
Benefits due	24,032	54,601	78,633
	<u>794,809</u>	<u>385,356</u>	<u>1,180,165</u>

23. RELATED PARTY TRANSACTIONS

During the year two of the Trustee Directors, S Griffin and M Harries were pensioners of the Scheme. Their pension was paid in accordance with the Trust Deed and Rules. Trustee fees are paid by the Company. Trustee fees are paid directly by the Company with the exception of BESTrustees Ltd who invoice the Scheme and then reimbursed by the Company. Expenses paid by the Scheme are shown in Note 10 to the financial statements.

24. EMPLOYER RELATED INVESTMENTS

There were no direct employer-related investments during the year. The Trustee recognise that indirect exposure in the Employer is possible through holdings in pooled investment vehicles. However, this exposure represented less than 5% of the market value of pension scheme assets during the year or at the year end.

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.

The Trustee is currently progressing GMP equalisation for the Scheme members affected.

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 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 has completed an exercise in respect of historic transfer values out of the Scheme and is in the process of contacting members to pay GMP equalisation uplifts where appropriate. The amount of these uplifts are immaterial in the context of the overall Scheme liabilities.

Section 37

The Virgin Media Ltd v NTL Pension Trustees II decision, handed down by the High Court on 16 June 2023, considered the implications of section 37 of the Pension Schemes Act 1993. As matters stand, the case has the potential to cause significant issues in the pensions industry. The Trustee will investigate the possible implications with their advisers but, it is not possible at present to estimate the potential impact, if any, on the Scheme.

27. SUBSEQUENT EVENT

LSE Section AVCs held with BlackRock Life and LCH Section AVCs held with ReAssure and Utmost Life were transferred to the L&G MasterTrust after the year end.

LONDON STOCK EXCHANGE GROUP PENSION SCHEME
ACTUARIAL CERTIFICATE
FOR THE YEAR ENDED 31 DECEMBER 2023

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 been expected on 31 December 2020 to be met by the end of the period specified in the Recovery Plan, dated March 2022.

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 March 2022.

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 Section were to be wound up.

Signature:

Gordon Clark

Scheme Actuary:

Gordon Clark

Qualification:

Fellow of the Institute and Faculty of Actuaries

Date of Signing:

31 March 2022

Employer:

Mercer Ltd
Tower Place
London
EC3R 5BU

LONDON STOCK EXCHANGE GROUP PENSION SCHEME
ACTUARIAL CERTIFICATE
FOR THE YEAR ENDED 31 DECEMBER 2023

Certification of the Schedule of Contributions – LCH 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 can be expected to continue to be met for the period for which the Schedule is to be in force.

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 March 2022.

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 Section were to be wound up.

Signature:

Gordon Clark

Scheme Actuary:

Gordon Clark

Qualification:

Fellow of the Institute and Faculty of Actuaries

Date of Signing:

31 March 2022

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 2023

Statement about contributions

Opinion

In our opinion, the contributions payable for the scheme year ended 31 December 2023 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 31 March 2022.

We have examined London Stock Exchange Group Pension Scheme's summary of contributions for the scheme year ended 31 December 2023 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

LONDON STOCK EXCHANGE GROUP PENSION SCHEME
SUMMARY OF CONTRIBUTIONS
FOR THE YEAR ENDED 31 DECEMBER 2023

During the year ended 31 December 2023, the contributions payable to the Scheme were as follows:

	LSE Section 2023 £	LCH Section 2023 £	Scheme 2023 £
Other Contributions:			
Employer - Expenses	<u>1,567,654</u>	<u>1,085,721</u>	<u>2,653,375</u>
Total contributions reported in the financial statements	<u>1,567,654</u>	<u>1,085,721</u>	<u>2,653,375</u>

Approved and signed for on behalf of the Trustee by:

Trustee Director:

Trustee Director

Date:

Appendix Divider referenced in contents

IMPLEMENTATION STATEMENT – VOTING AND ENGAGEMENT

1 January 2023 – 31 December 2023

London Stock Exchange Group Pension Scheme

Introduction

Under regulatory requirements, the Trustee is required to produce an annual Implementation Statement (the "Statement") setting out how voting and engagement policies in the Statement of Investment Principles (the "SIP") have been implemented.

This document has been prepared by the Trustee of the London Stock Exchange Group Pension Scheme (the Scheme), covering the period 1 January 2023 to 31 December 2023. Although this Statement covers the 2023 Scheme year, both the LSE Section and LCH Section of the Scheme entered into bulk annuity insurance contracts on 18 May 2023. To fund the purchase of these contracts, both Sections' liquid assets were fully disinvested in March 2023, and the LSE Section's illiquid assets were sold on the 29 September 2023. As a result, this statement only discloses the voting and engagement of managers over the period in which they were responsible for investing the Scheme's assets, i.e. from 1 January 2023 until the Scheme disinvested.

- The LCH Section has entered into a bulk annuity insurance contract to cover all members, which is expected to provide an exact match for all of the Section's accrued liabilities and is intended to provide an income to the Scheme matching the ongoing benefits due to the LCH Section's members (e.g. pension payments) over the life of the Scheme. Most of the remaining assets have been invested in a Sterling liquidity fund to meet any balancing premium payments, and some cash has also been retained in the Trustee bank account to meet ongoing expenses.
- The LSE Section has entered into two bulk annuity insurance contracts. Together, these policies cover all members of the LSE Section. In combination, these bulk annuity insurance contracts are expected to provide an exact match for the majority of the Section's accrued liabilities and are intended to provide an income to the Scheme matching the ongoing benefits due to the LSE Section's members (e.g. pension payments) over the life of the Scheme. The residual cash holdings of the LSE Section have been retained in the Trustee bank account to meet ongoing expenses.

This Statement has been produced in accordance with the Occupational and Personal Pension Schemes (Disclosure of Information) Regulations 2013, the Pension Protection Fund (Pensionable Service) and Occupational Pension Schemes (Investment and Disclosure) (Amendment and Modification) Regulations 2018 and the Occupational Pension Schemes (Investment and Disclosure) (Amendment) Regulations 2019 as amended, and the guidance published by the Pensions Regulator.

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 held listed equities.

From 1 October 2022, further Department of Work and Pensions ("DWP") guidance on the reporting of stewardship activities through Implementation Statements came into effect. This Statement aligns with

the latest guidance and with the DWP's updated stewardship expectations, for the relevant period given the context of the bulk annuity insurance contracts purchase in May 2023.

Changes to the SIP over the period

The latest update to the [SIP](#) was in October 2023. The key changes to the SIP in 2023 were:

- Updating the SIP to capture the bulk annuity insurance contracts.
- Updating the SIP to reflect that the LSE Section no longer holds illiquid assets.

The previous SIP dated September 2022 was in force until the latest SIP was adopted in October 2023. A copy of the September 2022 SIP can be found [here](#).

The Trustee's policies on voting and engagement

The SIP clearly details that 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. This is relevant for the period of the Scheme year where assets were held with asset managers. Once the assets were sold, the Trustee was no longer able to monitor engagement and voting activities other than in relation to the period during the year for which investments were held.

ESG considerations were used as a factor in the selection of a bulk annuity insurer and as part of the wider insurer due diligence prior to the bulk annuity purchases.

As of 31 December 2023, the LSE Section and the LCH Section of the Scheme do not invest in any assets with associated voting rights. Due to the short-term nature of the cash held in the Trustee Bank Account and Sterling liquidity fund assets, the ability to practice good stewardship is limited.

Across both Sections, as of 31 December 2023, the only investment manager is Schroders, who is a signatory of the UK Stewardship Code. The Code sets out a clear benchmark for stewardship as the responsible allocation, management, and oversight of capital to create long-term value.

The Trustee proposed its own definition of what it considers to be a significant vote which has been used in this iteration of the Statement, similar to the Implementation Statement for the 2022 Scheme year. The Trustee has asked the managers to provide significant votes in line with this definition over the period where these investments were held. The managers voting statistics are summarised in the next section.

Concluding remarks

The Trustee is comfortable that the voting and engagement policies in the SIP have all been adequately followed over the Scheme year, noting a number of recent changes to regulations in this area. The Trustee is satisfied that the implementation of the Trustee's policies for both Sections is consistent with the Statement of Investment Principles and is appropriate for the circumstances of the Scheme.

Summary of voting over the year

The use of voting rights is most likely to be financially material in the parts 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. Voting was therefore only relevant to the Man Progressive Diversified Risk Premia Fund, the Ruffer Absolute

LONDON STOCK EXCHANGE GROUP PENSION SCHEME
APPENDIX: IMPLEMENTATION STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2023

Return Fund and the LSE Section's investment in the Oaktree Opportunities Fund IX. 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 Man, Ruffer and Oaktree were 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, over each of the respective time periods of investment.

A summary of the voting carried out by the investment managers in the Man Progressive Diversified Risk Premia Fund, the Ruffer Absolute Return Fund and the Oaktree Opportunities IX Fund on behalf of the Scheme over the relevant time period is provided in the tables below:

Voting Criteria	Ruffer (1 Jan 2023 – 15 March 2023)	Man (1 Jan 2023 – 21 March 2023)	Oaktree (1 Jan 2023 – 29 Sept 2023)
Value of assets as at date of sale - LSE Section & LCH Section combined	£10.6m	£9.7m	£7.2m
No of meetings eligible to vote during the period	2	34	10
No of resolutions eligible to vote during the period	42	318	78
% of resolutions voted on of which eligible	100.0%	100.0%	98.7%
% of resolutions voted with management	97.6%	81.3%	98.7%
% of resolutions voted against management	2.4%	17.4%	0.0%
% of resolutions abstained	0.0%	1.0%	1.0%
% of meetings with at least one vote against management	50.0%	58.8%	0.0%
% of resolutions where manager voted contrary to recommendation of proxy adviser?	0.0%	9.2%	N/A
Any use of proxy voting services during the period	Yes (ISS)	Yes (Glass Lewis)	No

Note: Figures may not sum to 100% due to rounding.

Summary of significant votes over the period:

Further to the summary above, the Trustee is required to disclose additional information on the 'most significant' votes. The Trustee has considered a significant vote based on the following criteria across the Scheme's managers to show what the Trustee has proposed to be significant, rather than what managers deem significant.

Any votes that are applicable to at least one of the following are considered as significant to the Trustee:

- A vote which either relates to:
 - i. A company that is one of the fund's largest carbon emitters, or

LONDON STOCK EXCHANGE GROUP PENSION SCHEME
APPENDIX: IMPLEMENTATION STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2023

- ii. A company that is one of the 170 CA100+ companies which might provide a reasonable proxy.
 - Those resolutions with large votes against (a 50% vote against the company recommendation is clearly significant, but 20% against is usually deemed a high level; but in some markets on some issues less than this can be significant).
 - Companies facing campaigns: campaigns include but are not limited to activist action, attention from industry groupings and/or shareholder resolutions. That would certainly include climate shareholder resolutions (not least those flagged by The Institutional Investors Group on Climate Change 'IIGCC' and its equivalents around the world).
 - A vote that has a positive steer on climate change or other ESG factors.

The Trustee has requested votes that meet this definition from the Scheme's managers, for the holding period of these investments. One vote meeting this definition from managers with voting rights, as previously defined, is shown in the table below for Man. This vote is deemed "most significant" as it aligns with the Trustee's definition of a significant vote. Ruffer has confirmed that no significant votes matching the Trustee definition were reported for the respective investment period of 1 January 2023 to 15 March 2023. Oaktree has confirmed it does not currently take any "significant voting criteria" into consideration as part of its proxy voting process, as such they were unable to provide this information upon request, similar to the previous Statement.

The significant vote for Man is shown below:

	Man (1 Jan 2023 – 21 March 2023)
Approximate size of fund's holding as % of portfolio	Not provided
Summary of resolution	Company A Governance - Shareholder Proposal Regarding Severance Approval Policy
Managers Vote	For
Rationale of decision	"Shareholders should be consulted before the Company enters into severance agreements that provide benefits exceeding 2.99 times salary and bonus."
Explanation of how this meets Trustee definition of a significant vote	A vote that has a positive steer on ESG factors.

Summary of engagement from the Scheme's managers over the year

As per the Scheme's SIP, The Trustee expects its 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.

With this in mind, the Trustee has requested its relevant investment managers to provide examples of how they have engaged with underlying companies on the Trustee's behalf, for the holding period of these investments. The managers provided an overview of engagement activity and the Trustee selected examples for each manager that they have considered noteworthy for the respective time periods.

To focus the engagement examples to those that are most relevant to the Trustee, the engagement examples from managers were collected with a focus on ESG or Stewardship themes.

Ruffer – Engagement Example:

Company: BP Plc

Background: We met with BP at the beginning of February, primarily to discuss the previous quarter's performance and full year results for 2022. However, when the company announced its results, it also gave an update on strategic progress that garnered a lot of negative media attention. Reports claimed that the announcement represented a row back on renewables and a shift towards oil and gas production, casting doubt over whether the company was really committed to moving towards a low-carbon world.

Action: As long-term shareholders of this energy major, we felt obliged to learn more about the seemingly mixed messages on BP's strategy and the role renewable energy will have to play. We spoke to BP's chief financial officer and the newly appointed executive vice president of gas and low carbon energy. They confirmed that the company is aiming to marginally extend the life of its existing oil and gas assets to meet demand triggered by Russia's invasion of Ukraine but is doing so in a resource and energy efficient manner by using existing machinery and fields, rather than investing in intensive new projects.

Overall, the announcements suggest to us that BP is taking a pragmatic and flexible approach to achieving its reiterated goal of a Net Zero transition. The transition will require a significant amount of energy, much of which will unavoidably be fossil fuel based, and the flexibility to react to external events and adjust accordingly will be crucial to delivering a value accretive, and therefore sustainable, transition. We think the events of the past year have highlighted how important such characteristics will be to achieving decarbonisation in an increasingly volatile world.

Royal London Asset Management – Engagement Example:

Company: Legal and General and EDF

Background: As part of the Net Zero Asset Managers initiative (NZAM), our primary engagement objective is to evaluate and influence companies, which represent at least 70% of Royal London Asset Management's financed emissions by 2030, to adopt emissions reduction targets and climate transition plans that are reinforced by credible science-based methodologies. We have developed 12 indicators to help assess companies' climate transition plans. Through this approach, we expect to influence real-economy decarbonisation that will in turn support Royal London Asset Management's target of a 50% reduction in emissions by 2030.

Action: As part of the Net Zero Engagement Initiative (NZEI), a collaborative engagement initiative by the Institutional Investor Group on Climate Change (IIGCC), Royal London Asset Management sent letters to 107 companies. The letters asked companies to have credible net zero transition plans. This is in line with the Net Zero Investment Framework and Royal London Asset Management's own 12 indicator approach. The key transition plan requests set out in the letter were: 1) a comprehensive net zero commitment; 2) aligned GHG targets; 3) emissions performance tracked; and 4) credible decarbonisation strategy. Companies have until 28 April to respond to the letter and the response will inform subsequent engagement steps.

- **Legal and General (L&G):** We met L&G to give feedback on its climate transition plan before its AGM vote. This meeting follows one in December 2022, where we provided preliminary input. During our Q1 meeting, we provided further feedback on the plan. This discussion excluded the company's plans on just transition and adaptation which were still under consideration. During this last meeting, the company confirmed that footnotes would be added for target clarification and to provide insights into the SBTi verifications status for the different targets/ segments.
- **EDF:** As a co-lead in the Climate Action 100+, our Responsible Investment team reached out to EDF during the quarter to engage on the topic of corporate lobbying. We identified potential discrepancies between the respective responses of EDF's Italian subsidiary Edison and EDF's Group to a couple of EU consultations. We expressed concerns that Edison's position could undermine the delivery of the Paris Agreement goals. EDF clarified Edison's position, which was to invite EU policymakers to focus on a few specific Italian policy options rather than showing an opposition to a number of packages and directives, including on hydrogen, gas decarbonisation or buildings energy performance. EDF also noted that while it coordinates advocacy efforts with Edison, market-specific considerations may sometimes result in slightly different approaches being taken. We plan to meet EDF and Edison on 13 April to discuss this issue further. Considering the company's nationalisation and our role as bondholders, we are keen on continuing to engage on climate and broader ESG issues.

Payden & Rygel – Anonymised Engagement Example:

Background: The objective of the engagement was to gain a greater understanding of the issuer's plan to address climate change. In addition, the engagement aligned with our commitment under NZAM as well as climate mitigation initiatives as part of our SFDR Article 8 and SFDR Principal Adverse Impacts.

Action: Members of our economics, strategy, portfolio management, and ESG teams met with the country's national treasury through its debt management office (DMO). During the meeting, the DMO shared that it has increased its focus on climate initiatives, under the current administration, by establishing a Climate Hub. This is a new office that is intended to focus on climate as a risk. The DMO also explained that it has considered green bond issuance, however, it has refrained given the concern that its issuance size may crowd out other sovereign issuers globally.

Another concern with this type of issuance is that the DMO is not structured to track the use of proceeds, which could open the government to greenwashing accusations. The country's national treasury's primary role in the market is to provide stability through steady and predictable issuance. Given that, the DMO's focus is to continue traditional issuance means as it remains the most efficient channel to raise capital, in which it can provide financing to government initiatives focused on climate. We view recent developments and conversations on climate and the establishment of a climate office as important steps in the DMO's recognition that climate is a risk to be assessed.