

Bulk annuity market Q3 2026 trustee update

Market commentary

- H1 volumes in the market have been lower than recent years (XPS estimates below £10bn) and with fewer £Bn+ deals in the market, small to mid-sized schemes benefitted from increased competition and great pricing as a result. We therefore expect to continue to see continued high volumes of smaller transactions during 2026.
- During H1 2026, XPS experienced an increased number of bidders across transactions of all sizes. However, moving into H2, 2026 increasing numbers of mid-sized and larger schemes are seeking pricing leading to the average number of bidders reverting to more typical levels. Pricing however remains strong with insurers being selective but pushing hard on the transactions they choose to compete for.

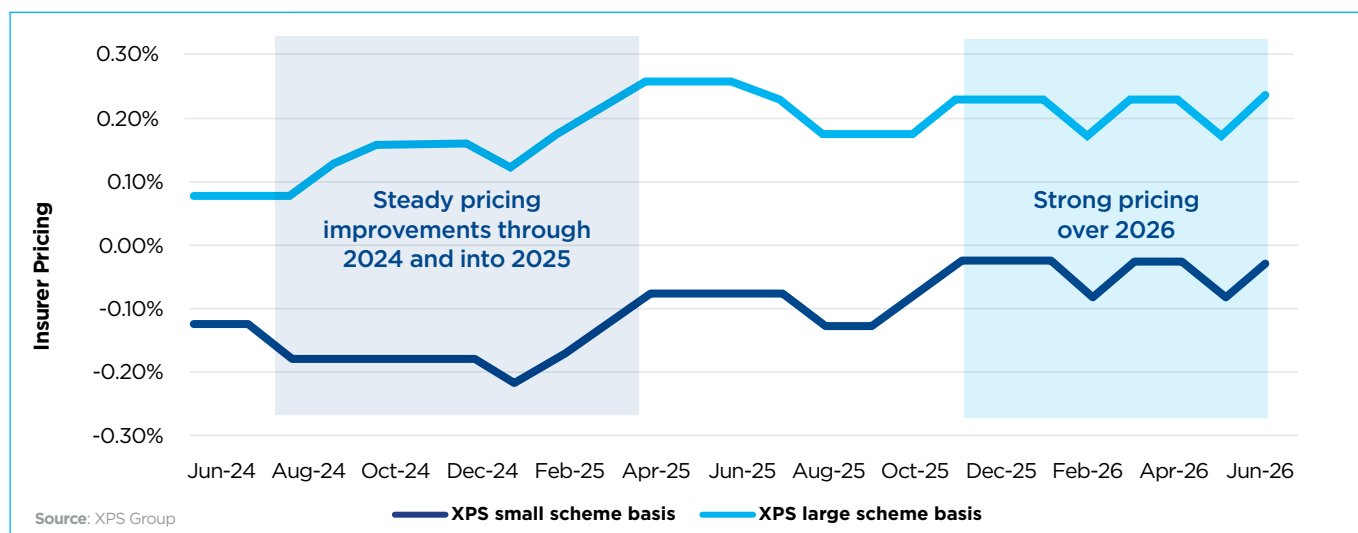
Although there are limited bulk annuities transactions of note, notable risk transfer deals in the last quarter in the public domain include:

James Neill Pension Plan	Capital-backed journey plan	Portunes Pension Capital
Videndum DB Pension Scheme	Commercial consolidator	Clara

The **XPS Bulk Annuity Watch tracker** tracks the bulk annuity transaction completed by each provider, by number of deals and volume of premium.

Pricing levels

XPS closely tracks pricing through pricing fees from insurers and real-life transaction pricing across deals of all sizes. Average pricing over the past 24 months (relative to gilt yields) is illustrated below:



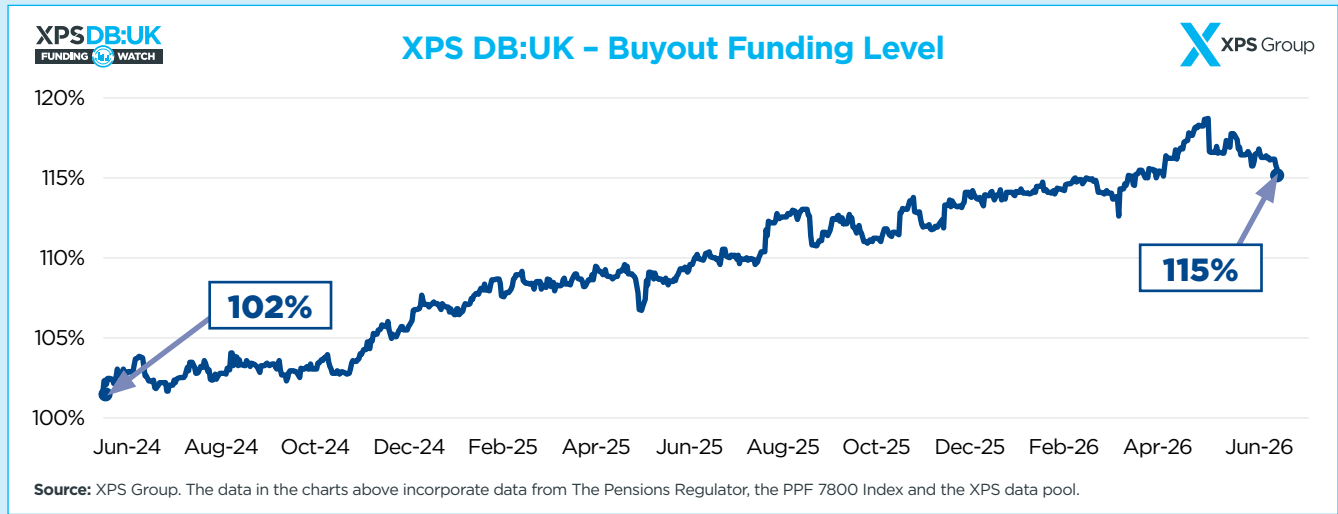
Note: The pricing is based on observed market pricing and model points from bulk annuity insurers. Actual bulk annuity pricing is specific to a particular scheme's demographic and benefit profile, and other wider factors influencing appetite for a transaction.

Market volatility

Global equities (GBP-hedged) delivered strong positive returns (c15%) over Q2, supported by renewed optimism around AI-related investment, resilient corporate earnings and an easing of Middle East tensions following ceasefire discussions between the US and Iran. Long-dated nominal government bond yields were volatile but broadly lower by quarter-end as energy prices retrenched and inflation concerns moderated. Credit markets remained resilient, with investment-grade spreads largely stable and remaining tight on a historical basis, reflecting continued confidence in corporate fundamentals.

Funding, investment and other news

Rising gilt yields toward the end of the year have improved aggregate funding levels, which were already at historically high levels. As seen in the chart below, taken from [XPS DB:UK Funding Tracker](#).



Industry news

- **Innovation** - Prudential (previously trading as M&G) launched its with-profits bulk annuity product, BPA Plus. Prudential envisages that all its bulk annuity business will be written through this model with members potentially benefiting from a profit share in the form of enhanced pensions.
- **Small schemes** - Rothesay and Royal London have launched their small-schemes propositions (Radius and Accelerate) and join several insurers offering streamlined solutions in the sub £100m space, leading to increased capacity and greater competition in the market.

XPS Catalyst, is an all-in-one solution to ensure best possible outcome for members. Designed exclusively for schemes under £15 million, XPS Catalyst brings together expertise in insurance, risk settlement, actuarial, investment, and administration to deliver a fast, streamlined route to buyout. www.xpsgroup.com/XPS-Catalyst



Outlook for 2026

XPS market intelligence - expectations for volumes for the year are lower than previous years, with XPS estimating around £35Bn of deal volumes. The actual volumes will be heavily dependent on the timing of the larger transactions now in insurer pipelines.

Pricing currently remains strong and XPS's experience remains that well-prepared schemes with well thought-out strategies continue to receive attractive pricing regardless of size, and for smaller to mid-sized schemes there is currently an increased level of competition among insurers driving that attractive pricing.

Find out more

For further information, please get in touch with **Stephen Purves**, **Adrian Marshall** or speak to your usual XPS Group contact.



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