XPS Group

October 2025

Risk Settlement Watch

Bulk annuity market
Q4 2025 trustee update

Market commentary

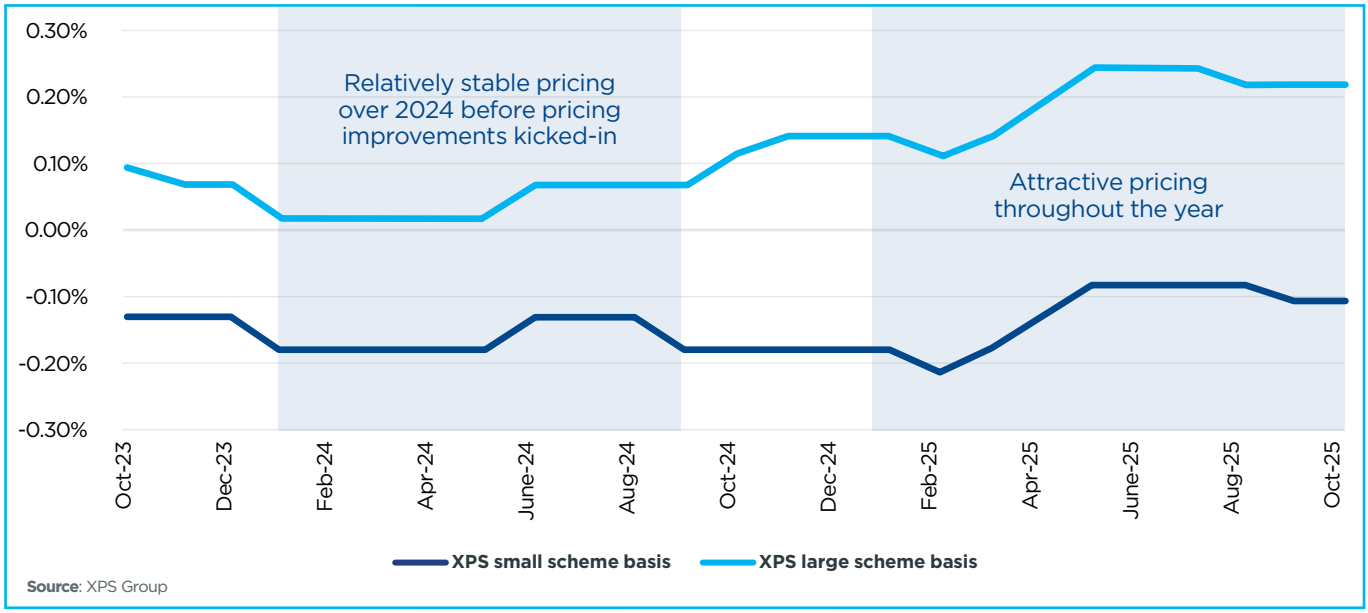
- H1 results have been released by insurers and show volumes in the market have been lower than expected at £9.7bn although momentum continues at the small and mid-end of the market with 161 transactions written.
- This is leading to continued opportunities for small to mid-sized schemes as more insurers seek to utilise capacity with XPS experiencing an increase in the average number of bidders on transactions in the market throughout the year.
- The increased competition has continued during H2 and, as always, the year is back-end loaded for completed deals. XPS expects another record year for the number of deals written, with around 350 deals expected over the whole year. However, overall volumes are estimated to be 10%-20% lower than recent years at around £40Bn - £45Bn.
- Notable deals in the last quarter in the public domain included:

Rolls-Royce UK Pension Fund	£4.3bn	PIC
Sedgwick Section of the MMC UK Pension Fund	£1.9bn	Standard Life
BP Pension Fund	£1.6bn	L&G

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

Pricing levels

XPS closely tracks pricing through pricing feeds 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:



Source: XPS Group

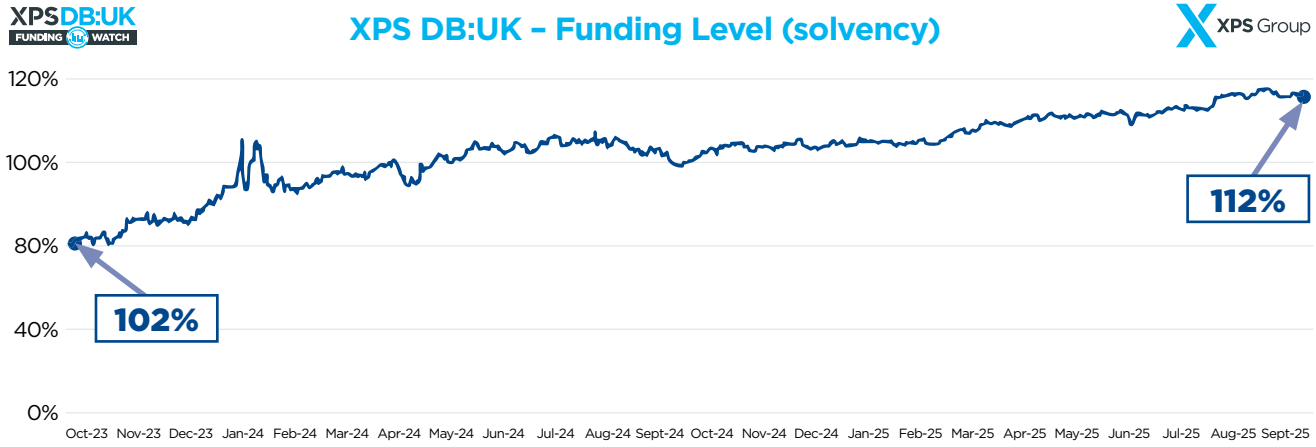
Note: The pricing is based on observed market pricing and model points from bulk annuity insurers. Actual bulk annuity pricing is specific to a particular scheme's demographic and benefit profile, and other wider factors influencing appetite for a transaction.

Market volatility

Global equities have delivered strong returns from their lows at the start of April - up nearly 11% YTD in GBP terms. Over Q3, an increase in gilt yields, will have reduced the value placed on scheme liabilities. Post month end, at the time of writing, gilt yields have moved significantly lower. Investment grade credit spreads continued to narrow over Q3 resulting in relative outperformance versus gilts.

Funding, investment and other news

Rising **gilt yields** towards the year-end have improved aggregate funding levels from what were already at historically high levels. See **XPS DB:UK Funding Tracker** below.



Source: XPS Group. The data in the charts above incorporate data from The Pensions Regulator, the PPF 7800 Index and the XPS data pool.

Industry news

- Brookfield Wealth Solutions (BWS) has agreed a deal to acquire Just Group (Just). BWS had recently established a UK subsidiary, Blumont UK Annuity Limited, as it sought to establish itself in the UK bulk annuity market. Following its planned acquisition of Just, BWS will seek merge the Blumont business into Just's bulk annuity business (Just Retirement Limited - JRL) and write business through the JRL brand. JRL and Blumont will continue to operate independently in the bulk annuity market until the merger is finalised (expected H1, 2026).
- TPT has launched a new consolidation vehicle which aims to be the UK's first TPR assessed superfund designed to run-on and with potential for members to share in surplus. As a run-on vehicle, TPT's proposition will be markedly different from the only other TPR assessed superfund, Clara, which acts as a bridge to buyout.

Outlook for 2025

XPS market intelligence - we expect fewer multi £Bn transactions in the market for 2026, which will continue to create opportunities for smaller to mid-sized schemes where demand and competition remains strong.

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.



Stephen Purves
Head of Risk Settlement
e stephen.purves@xpsgroup.com



Adrian Marshall
Senior Risk Settlement Consultant
e adrian.marshall@xpsgroup.com

in xpsgroup

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