

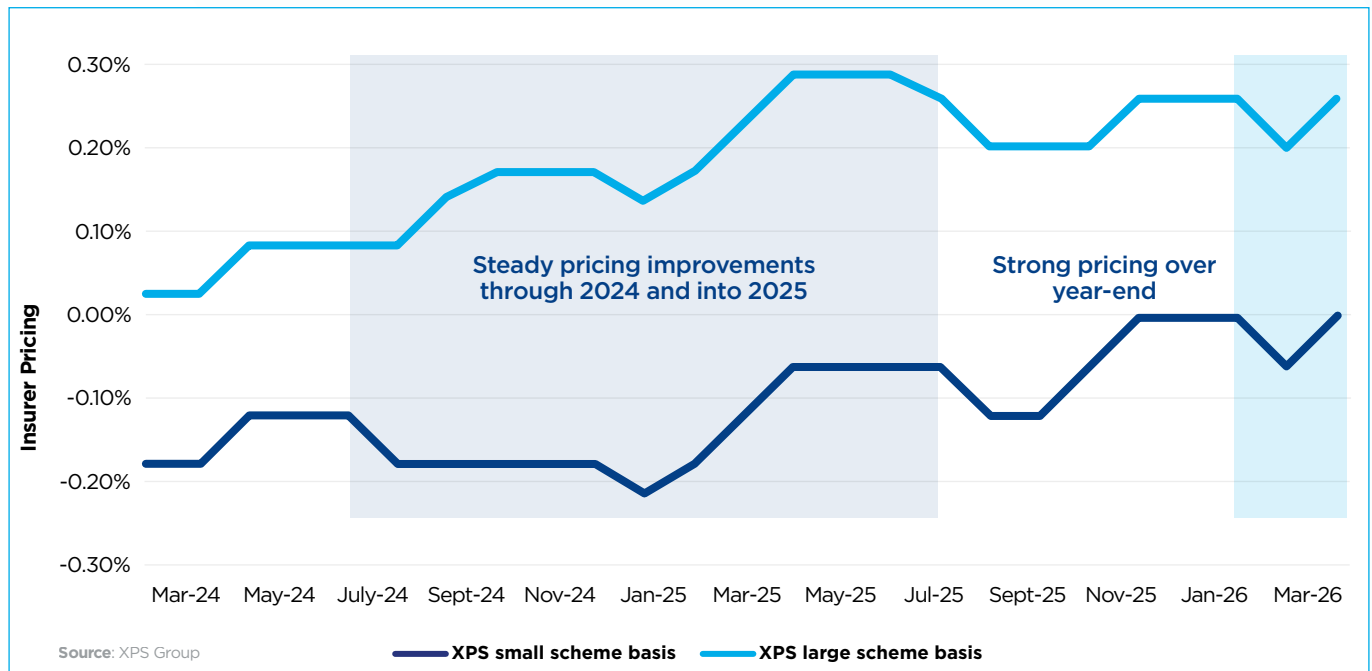
Bulk annuity market Q2 2026 trustee update

Market commentary

- Insurers have released final figures for the year with overall volumes at £38bn (compared to c.£48bn in 2024).
- As anticipated, with fewer £bn+ deals in the market, small to mid-sized schemes benefitted throughout the year from increased competition and great pricing as a result.
- Moving into Q1, 2026 we continued to experience a very competitive market, and strong pricing levels, with XPS completing more transactions at the start of the year than ever before.
- The XPS Bulk Annuity Watch 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:



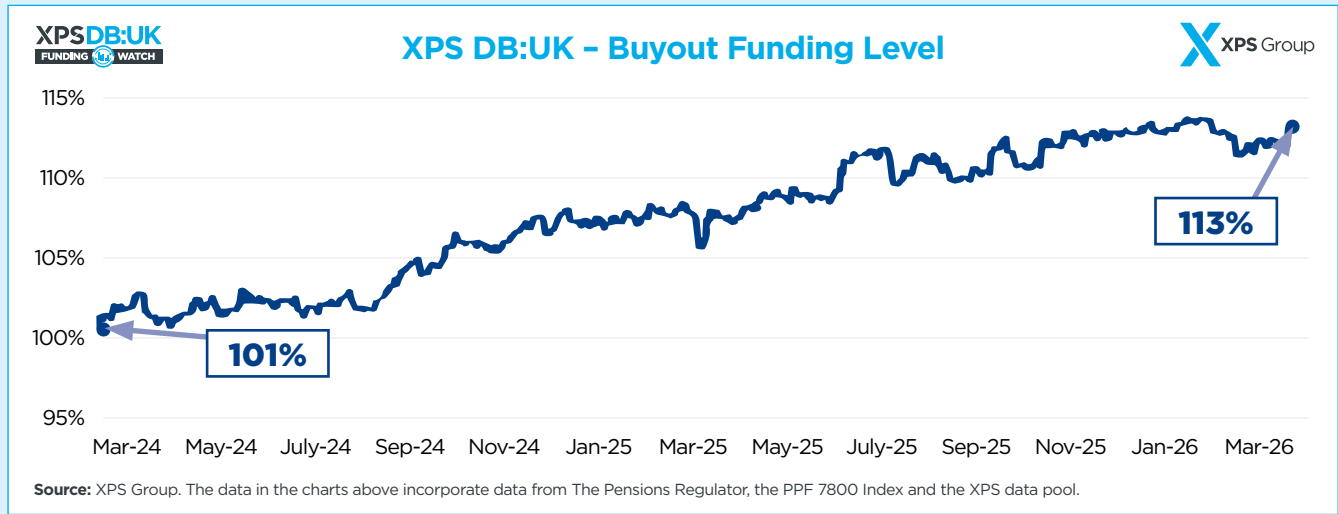
Note: The pricing is based on observed market pricing and model points from bulk annuity insurers. Actual bulk annuity pricing is specific to a particular scheme's demographic and benefit profile, and other wider factors influencing appetite for a transaction.

Market volatility

Global equities (GBP hedged) delivered negative returns of approximately 2% over Q1, as heightened volatility followed the escalation of the Iran conflict and the associated energy shock. Long dated nominal gilt yields rose sharply (c.35bps over the quarter) as inflation concerns weighed on government bonds. Investment grade credit spreads widened modestly, by around 10-15bps, reflecting increased risk aversion, though spreads remain relatively tight. At the time of writing, equities and gilts are experiencing a relief rally amid hopes of a fragile truce, though sentiment remains cautious.

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

- **Insurer acquisitions** - regulatory approval for Athora Holding Limited's acquisition of Pension Insurance Corporation was received on 6 March 2026, closely followed by Brookfield Wealth Solutions' acquisition of Just Group on 1 April 2026. JAB's acquisition of Utmost is expected to follow later in the year.
- **Member experience** - schemes are increasingly focussing on the member journey and looking to ensure member experience is enhanced as part of the transition to buyout, which is driving more innovation and investment from the insurers, driving up standards across 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 the year are buoyant with XPS estimating more than £40bn of deal volumes, a material increase compared to 2025. On the supply side, we expect to see more insurer capacity which will continue to create opportunities for smaller to mid-sized schemes where demand and competition is expected to remain 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 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



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