

Lloyd's Superannuation Fund

Annual report for the year ended 31 March 2025

Fund Registration Number 10079832

Table of contents

The Trustee's Report	1
Independent Auditor's Report to the Trustee of the Lloyd's Superannuation Fund	16
Summary of Contributions payable in the year	19
Independent Auditor's Statement about Contributions to the Trustee of the Lloyd's Superannuation Fund	20
The Financial Statements	21
Notes to the Financial Statements	23
Certificate of Adequacy of Contributions	36
Implementation Statement	37

The Trustee's Report

Introduction

This report relates to the operation of the Lloyd's Superannuation Fund (the 'Fund') during the year ended 31 March 2025.

The Fund is a defined benefit ('DB') pension fund established by Trust Deed dated 10 October 1929. The Fund is registered for tax purposes and accordingly the Fund is exempt from income and capital gains tax.

With effect from 30 November 2020 the Fund closed to future accrual and all remaining active members became deferred members.

Management of the Fund

LSF Pensions Management Limited ('LSF') acts as sole Trustee, having been appointed with effect from 1 January 2002.

Under the terms of the LSF's Articles of Association, the Board consists of one Independent Director, up to two nominated Employers' Directors and up to two Members' Directors. Each Director will serve for a period of up to four years. Directors may be reappointed to serve for more than one term of office. A minimum of three and a maximum of eight Directors are required.

The LSF's Articles of Association were last updated 11 October 2024.

The names of the directors who served during the year and those serving at the date of approval of this report are as follows:

Name	Nominated/appointed by	Date appointed if appointed during the Fund year
Stephen Hall	Independent	1 January 2025
Paul Horncastle	Members' Director	
Stephanie Mocatta	Members' Director	
Neil O'Leary	Employers' Director	
Yvonne Slater*	Employers' Director	

*Yvonne Slater was appointed as Chair on 14 December 2023.

The Trustee's Report (continued)

Trustee governance

The full Board met four times during the year ended 31 March 2025. These were the scheduled half-yearly meetings, and also two special meetings to discuss the factor review advice and triennial valuation assumptions. The Board manages the governance of the Fund, and is supported by two committees, as follows:

- The Audit and Risk Committee which oversees the production and audit of the Annual Report and the Trustee's risk management function; and
- The Operations Committee which oversees the management and operation of the Fund, including the payment of benefits to members.

The Committees had scheduled meetings twice during the year ended 31 March 2025, aligned with the scheduled Board meetings, as well as ad hoc additional meetings, as required.

Subject to any conflicts of interest, Directors may attend any Committee meeting whether or not they are members, although only appointed Directors may vote.

Trustee training and performance evaluation

Upon appointment Directors are offered training, dealing with all aspects of pension trusteeship. Newly appointed Directors are also required to complete the on-line training provided by the Pensions Regulator. This has various modules that cover the whole gamut of pension trusteeship, including documentation, funding and investment.

Individual Directors also attend courses and seminars run by organisations such as the Pensions and Lifetime Savings Association or the Pensions Management Institute, and the Fund's advisers or investment managers, so as to keep up to date with the ever-changing pension environment. In the Fund year ended 31 March 2025, the full Board held its own training sessions with its advisers, focusing on the changes arising from the new DB Funding Code, including as they related to execution of triennial valuations and of employer covenant assessments.

The Directors undertake regular evaluation of how the Board is performing and the Trustee Director skills, either with external facilitation or by means of a self-assessment. Such evaluations determine what further training is required to enable the Directors to keep up to date with developments in pensions and related issues. The Trustee Chair worked with the Trustee Directors to assess the skills on the Trustee Board, following the appointment of the new Independent Trustee. As a result, the membership of the Committees was updated, with three members now sitting on each Committee.

Risk register

As part of its governance, the Directors maintain a register of actual and potential risks. Having identified the risks, the Board considers the potential impact of those risks, the likelihood of them occurring and the controls in place to mitigate them. The risks are sorted into categories and an overall risk score provided for each. The Board ensures that strategies are adopted, and resources made available to manage the risks effectively.

Whilst the Board has overall responsibility for identifying and monitoring risks, risks are also assigned to and monitored by the Audit and Risk Committee, and the Operations Committee. The Board reviews the risk register regularly to keep the analysis or risk up to date, to ensure that the internal controls remain adequate and to identify any additional or emerging risks.

The Trustee's Report (continued)

Fund advisers

The Trustee retains a number of professional advisers in connection with the operation of the Fund. The advisers currently appointed are as follows:

Role	Provider
Scheme Actuary	Ali Tayyebi F.I.A, Barnett Waddingham LLP
Advising Actuaries	Barnett Waddingham LLP
Pension Manager	Ross Trustee Services Limited t/a Independent Governance Group (IGG)
Administrator of the Fund benefits	Barnett Waddingham LLP
Investment Consultants	Lane Clark & Peacock LLP
Independent Auditor	RSM UK Audit LLP
Investment Managers	Arcmont Asset Management Limited Insight Investment Management Limited Janus Henderson Global Investors Limited (until June 2024) LaSalle Investment Management
Insurance Policy (Buy In)	Pension Insurance Corporation
AVC Managers	Scottish Equitable (part of Aegon NV)
Legal Advisers	Sackers & Partners LLP
Covenant Adviser	Ernst & Young LLP
Custodians of the Fund assets	Northern Trust Global Services SE
Bankers	National Westminster Bank Plc (until December 2024) Lloyds Bank Plc (Barnett Waddingham LLP pooled account)

Changes in and other matters relating to Fund advisers

Except as noted above, there have been no changes to Fund advisers during the Fund year under review.

The Trustee's Report (continued)

Financial development of the Fund

During the year the value of the net assets decreased by £23,859,000 to £272,367,000 as at 31 March 2025. The decrease comprised net withdrawals from dealings with members of £18,854,000 together with a net decrease in the value of investments of £5,005,000.

Fund Audit

The financial statements on pages 21 to 35 have been prepared and audited in accordance with regulations made under sections 41(1) and (6) of the Pensions Act 1995.

Tax status of Fund

The Fund is a registered pension scheme under Chapter 2 of Part 4 of the Finance Act 2004 and, to the Trustee's knowledge, there is no reason why the Fund's registered status should be prejudiced or withdrawn.

Fund membership

As at 31 March 2025 there were 2,099 members in the Fund, a net decrease over the previous year of 63. The information below details the membership movement during the year under review and the make-up of the Fund's total membership as at 31 March 2025.

	Number as at start of year	Changes in year	Number as at end of year
Deferred members	755		
adjustment		(7)	
transferred out		(1)	
retired		(59)	
died		(1)	
cessation		(2)	
		(70)	685
Pensioners	1,172		
adjustment		1	
new pensioners		59	
died		(41)	
trivial commutation		(1)	
		18	1,190
Dependants	235		
new dependant		7	
died		(16)	
cessation		(2)	
		(11)	224
	2,162		2,099

The adjustments are in respect of changes to members status received after the previous year end.

Included with deferred members are 4 members (2024: 4) whose benefits are held with an annuity policy held in the name of the Trustee, whilst included within pensioners are 3 (2024: 3) pensioners whose pensions are paid via the same annuity policy.

With effect from 30 November 2020 the Fund closed to future accrual and all remaining active members became deferred members.

The Trustee's Report (continued)

Pension increases and transfer values

The Rules of the Fund require the Trustee to review annually the levels of pensions either prospectively or currently in payment and at the Trustee's discretion to award an increase, subject to seeking the advice of the Scheme Actuary as to the affordability of such an increase. The Trustee has not awarded any such discretionary increase (i.e. above any increases mandated in the terms of the particular sections of the Fund) since 1999. The Trustee invests the Fund's assets instead with a view of maximising the security of members' existing benefits. The Trustee does not intend to deviate from its current policy in the foreseeable future.

Whilst the Fund's General Rules include statutory increases, each Employer was able to participate in the Fund on terms that it wished. These terms were included in individual Fund Rules, referred to as a Fund's Memorandum. Some Employers included guaranteed pension increases within their individual Fund memoranda, with guaranteed increases ranging from 3% to 5% per annum.

Following receipt of a report from the Scheme Actuary, the Trustee has directed that no allowance be made for future discretionary increases in the transfer value calculation. Allowance has still been made for any pension increase guarantee that may be included in the Fund memoranda.

GMP equalisation

On 26 October 2018, a High Court decision involving Lloyds Banking Group ruled that occupational pension schemes are required to adjust members' benefits to remove the sex inequality caused by the Guaranteed Minimum Pension ("GMP") earned from 17 May 1990 (the date of an earlier court decision on equal treatment) up to and including 5 April 1997 (when GMPs ceased to build up). Only certain members (i.e. those who built up GMP during the period above) will be affected by this High Court decision.

The Trustee has taken steps to equalise benefits for certain categories of members who are eligible to take full commutation of all of their Fund benefits on the basis of those benefits being very small or due to the member being in serious ill-health as well as for members taking transfers out of the Fund.

The Trustee is currently considering and taking advice as to how to proceed with this complicated area for other members, noting that working out how to adjust affected members' benefits will be a complex process which will likely take some time to complete and implement.

On 20 November 2020, the High Court handed down a further judgment on the GMP equalisation case in relation to the Lloyds Banking Group pension schemes. This follows from the original judgment on 26 October 2018 above which confirmed that schemes need to equalise pensions for the effect of unequal GMPs between males and females. This latest judgment confirms that defined benefit schemes which provide GMPs need to revisit and where necessary top up historic Cash Equivalent Transfer Values that were calculated based on unequalised benefits.

The issues determined by the judgment arise in relation to many other defined benefit pension schemes. The Trustee will be considering this at a future date and decisions will be made as to the next steps. Any adjustments necessary will be recognised in the financial statements. They will be accounted for in the year they are determined. At the date of signing these accounts, the value of any such adjustments is not expected to be material to the financial statements.

The Trustee's Report (continued)

Codes of Practice

The Trustee is aware of and adheres to the Codes of Practice issued by the Pensions Regulator ("TPR"). The objectives of these codes are to protect members' benefits, reduce the risk of calls on the Pension Protection Fund ("PPF") and to promote good administration.

Following the publication of the Pension Regulator's new General Code of Practice on 10 January 2024 (passed into law in March 2024), the Trustee has considered the impact of this on the Fund's governance arrangements to ensure there is an appropriate effective system of governance. An Own Risk Assessment will be completed for the Fund, as required, by 31 March 2026.

The Pensions Regulator: Record Keeping

TPR issues guidance on all aspects of pension scheme data record keeping to all those responsible for the data (the trustees) and those who administer pension schemes. The guidance covers both common data and scheme-specific (conditional) data. The guidance sets out good practice in helping trustees to assess risks associated with record keeping, including taking steps to ensure security against cyber-attacks. Improved data means that trustees and employers will be able to make a more precise assessment of their financial liabilities. Schemes are expected to keep their data under regular review and set targets for the improvement in the standard of data recorded. The Trustee takes all necessary steps to comply with TPR's regulations in terms of record keeping and in other aspects of Fund governance.

More information can be found at:

<https://www.thepensionsregulator.gov.uk/en/trustees/contributions-data-and-transfers/record-keeping>

Contact for further information

Members are encouraged to register and use the online facility called BWebstream. If, as a Fund member, you wish to obtain further information about the Fund, including copies of the Fund documentation, your own pension position, or who to contact in the event of a problem or complaint, please use the online facility or write to or telephone:

Lloyd's Superannuation Fund, c/o Barnett Waddingham LLP, 2 London Wall Place, London, EC2Y 5AU.
Telephone: 0333 111 1222

Alternatively, enquiries may be made to: lsfadmin@barnett-waddingham.co.uk

Website: www.lsf.org.uk

A copy of this annual report can be downloaded from: <https://lsf.org.uk/assets/downloads/2025/lsf-report-and-accounts-2025.pdf>

The Participating Employers

The names of the Participating Employers during the year were as follows:

MS Amlin Corporate Member Limited

MS Amlin Corporate Services Limited ('MS Amlin' or the 'Sponsor')

The Trustee's Report (continued)

Report on Actuarial Liabilities

The Scheme Actuary to the Lloyd's Superannuation Fund carries out a triennial valuation of the Fund known as an actuarial valuation, which measures its financial position. The most recent triennial actuarial valuation of the Fund was carried out as at 31 March 2022.

	31 March 2022
Assets	£448.5m
Amount needed to provide benefits	£445.0m
Surplus	£3.5m
Funding level	101%

As part of the 31 March 2022 valuation agreement, MS Amlin agreed to continue the contributions schedule from the previous 31 March 2019 valuation, by directing these contributions into a new escrow account arrangement rather than directly into the Fund. Under the Schedule of Contributions agreed at the 31 March 2022 valuation, MS Amlin will therefore pay contributions of £3.71m each year for the three years from 31 March 2024 to 31 March 2026 into this new escrow account arrangement. The new escrow arrangement may be drawn on by the Trustee or MS Amlin, under specified circumstances.

In addition, MS Amlin agreed to maintain the existing escrow account of at least £14m, that the Trustee or MS Amlin may draw on under specified circumstances.

The Trustee holds a charge over both escrow accounts.

The next triennial valuation as at 31 March 2025 is currently underway and will be completed no later than 30 June 2026.

A copy of the latest Certification of the Schedule of Contributions prepared under Part 3 of the Pensions Act 2004 is appended to this report.

The financial statements on pages 21 to 35 do not take into account liabilities which fall due after the year-end. As part of the triennial valuation, the Scheme Actuary considers the funding position of the Fund and the level of contributions payable.

The key assumptions adopted for the valuation as at 31 March 2022 are summarised in the table on the below, and all assumptions are set out in the Statement of Funding Principles dated 16 May 2023, which is available to Fund members on request. The actuarial method used in the calculation of the Technical Provisions as at 31 March 2022 is the Projected Unit Method.

Key assumptions

Discount rate and investment strategy underlying funding basis	Investment strategy prudently returning gilts + 1.25% pa, trending down linearly for each Fund year to a portfolio prudently returning gilts + 0.50% pa by 1 April 2030
Price inflation (RPI)	Consistent with data published by the Bank of England supplemented with Merrill Lynch gilt yield data at short terms
Price inflation (CPI)	1 Apr 2022 – 31 Mar 2023: RPI inflation less 2.0% pa 1 Apr 2023 – 31 Mar 2030: RPI inflation less 1.0% pa Post- 1 Apr 2030: In line with RPI inflation

The Trustee's Report (continued)

Key assumptions (continued)

Mortality table – Members with pensions under £21,500 pa	110% of S3PMA table for males 96% of S3PFA for females
Mortality table – Members with pensions over £21,500 pa	93% of S3PA_Light table
Allowance for improvements in life expectancy	CMI 2021 projection with long-term rate of improvement of 1.5% pa, a period smoothing parameter of 7.0 and an initial rate addition of 0.75% pa and a 2020 and 2021 weighting parameter of 0%
Allowance for cash commutation	17.5% of pension commuted on best estimate terms
Allowance for transfers out	10% of members opt to transfer at retirement on 98.5% of best estimate CETV terms
Allowance for ongoing administration and management expenses	Reserve of £4.9 million. Expenses incurred by the Fund between 1 July 2023 and 31 March 2030 are separately addressed through the Schedule of Contributions
Allowance for requirement of sex equalisation on GMP benefits	Reserves held pending Trustee investigation of these issues: • £5.0 million in respect of ongoing Fund members, representing broadly: ○ 3.4% of GMP liability for members where excess benefits for the relevant period were increasing in payment ○ 11% of GMP liability for members where excess benefits for the relevant period were non-increasing in payment who are GMP-only members ○ 3.7% of GMP liability for members where excess benefits for the relevant period were non-increasing in payment who are not GMP-only members ○ Corresponding allowances in respect of past payments to these members, with interest • £4.0 million in respect of top-ups for members who previously transferred out of the Fund (representing ca.1% of past transfers and buy-outs paid together with interest)

The Trustee's Report (continued)

Market review

The overall management of the Trustee's investments is the responsibility of the Trustee. However, the day-to-day management of the Fund's asset portfolio is the responsibility of the investment managers and bulk annuity provider, who operate within the guidelines of their specific mandates.

Over the year under review, the investments of the Fund were managed by Janus Henderson Global Investors Limited ("Janus Henderson"), Arcmont Asset Management Limited ("Arcmont"), LaSalle Investment Management ("LaSalle") and Insight Investment Management Limited ("Insight").

In addition, the Trustee has a bulk annuity contract with Pension Insurance Corporation ("PIC") to insure benefit payments linked to the Fund's pensioner members.

Statement of Investment Principles

In accordance with section 35 of the Pensions Act 1995, a Statement of Investment Principles ("SIP") has been produced by the Trustee following consultation with the Employer. The main purpose of the SIP is to set out details of the investment strategy that is to be followed, the Trustee's investment objectives and its attitude to risk. The SIP was reviewed and updated in July 2024. The Trustee reviews the SIP at least once every three years, and after any significant change in investment strategy. The Employer, the appointed Investment Consultant, and the appointed Scheme Actuary are consulted during the review.

A copy of the latest SIP is available online at the following address:

<https://lsf.org.uk/assets/downloads/2024/LSF-statement-of-investment-principles-2024.pdf>

Investment strategy

The broad investment objectives are agreed by the Trustee, having consulted with the Sponsor. Within the context of these risk and return objectives, the Trustee, taking advice from the Fund's investment consultants, decides on the overall allocation of assets between the various asset classes, and selects the appropriate managers within each asset class.

During the Fund year, the Trustee finalised its review of the Fund's investment strategy and updated the SIP to document the below changes.

In June 2024, the Trustee fully redeemed the Fund's holdings in the Janus Henderson Multi-Asset Credit Fund. The proceeds from this disinvestment were invested in the Insight contractual income portfolio. Alongside this transfer, the Trustee restructured the Contractual Income Portfolio to better match the Fund's cashflow requirements to broadly cover expected cash outflows over the period from 2026-2030 (noting that cash outflows before then are expected to be largely covered by the private credit portfolio with Arcmont).

In July 2024, the Trustee made a new allocation to short-dated credit and re-introduced global ABS within the Insight Tier 2 portfolio (as part of a wider restructuring to this portfolio), aiming to enhance returns.

The Trustee's Report (continued)

Investment strategy (continued)

Asset class	Allocation as at 31 March 2025 (%)	Allocation as at 31 March 2024 (%)
Property	1.0	0.6
Multi-Asset Credit	-	10.7
Asset backed securities ('ABS)	18.4	-
Short-dated credit	4.6	-
Private Credit	13.0	13.0
Contractual Income	33.0	22.9
Liability Driven Investments Asset Backed Securities	30.0	52.8
Total	100	100

Departures from the SIP

Over the Fund year, as outlined above the Trustee approved and implemented a number of investment strategy changes, which were reflected in the Fund's updated SIP dated July 2024.

There were no departures from the SIP during the Fund year.

Performance of the Fund's assets

The performance of the investment managers is reviewed periodically at the Trustee's meetings. The following table shows the performance of the Fund and the appointed investment managers over the one, three and five-year periods to 31 March 2025, before the deduction of fees (except where indicated).

Fund	One year (%)		
	Performance	Benchmark	Out/(under) performance
Arcmont (Private Credit)	11.4	8.0	3.4
LaSalle (Property)	3.2	n/a ¹	n/a
Insight (Contractual Income)	8.6	5.1	3.5
Insight (LDI, including ABS funds and short duration credit)	(10.6)	(11.0)	0.4
Insight (Liquid ABS fund) ²	6.0	5.1	0.9

¹ LaSalle property portfolio is in run-off and therefore there is no suitable benchmark available.

The Trustee's Report (continued)

Performance of the Fund's assets (continued)

Fund	Since Inception (%) ¹		
	Performance	Benchmark	All over performance
Insight (short duration credit fund)	4.0	4.0	0.0
Insight (Global ABS)	4.9	3.5	1.4

¹The Fund invested in the Global ABS and short-dated credit portfolios on 9 July 2024, therefore performance figures are shown since inception.

Performance is shown net of fees, with the exception of the Insight contractual income and LDI portfolio (including ABS) which is shown gross of fees. The returns for Insight's LDI portfolio are shown on a levered basis versus the gilts benchmark comparator as calculated by LCP.

The following table shows the overall performance of the Fund:

Performance	One year (%)		Three years (% p.a.)		Five years (% p.a.)	
	Fund	Benchmark	Fund	Benchmark	Fund	Benchmark
Fund	(2.5)	(3.2)	(9.8)	(10.5)	(5.5)	(6.7)

Source: Investment managers. Fund performance has been estimated by LCP.

Custody of assets

Where the Fund invests in pooled investment vehicles, the underlying assets are held by a number of custodians who have agreements with the investment manager of the assets. There is no direct relationship between the investment managers' custodians and the Trustee.

The Trustee has a direct relationship with Northern Trust only. On an annual basis, the Trustee reviews the procedures and controls operated by the custodian.

Investment principles

Trustee's policies in relation to voting rights

The Trustee recognises its responsibilities as an owner of capital, and believes that good stewardship practices, including monitoring and engaging with investee companies, and exercising voting rights attaching to investments, protect and enhance the long-term value of investments and is in the best interests of its members.

The Trustee seeks to appoint investment managers that have strong stewardship policies and processes, reflecting the principles of the UK Stewardship Code 2020 issued by the Financial Reporting Council.

The Trustee has delegated to the investment managers the exercise of rights attaching to investments, including voting rights, and engagement with relevant persons such as issuers of debt and equity, stakeholders and other investors about relevant matters such as performance, strategy, capital structure, management of actual or potential conflicts of interest, risks and environment, social and governance ("ESG") factors.

The Trustee expects the managers to undertake voting and engagement in line with their stewardship policies, considering the long-term financial interests of investors.

The Trustee monitors managers' activities in relation to ESG factors, voting and engagement on a regular basis. The Trustee seeks to understand how they are implementing their stewardship policies in practice to check that their stewardship is effective and aligned with its expectations.

The Trustee's Report (continued)

Investment principles (continued)

Trustee's policies in relation to voting rights (continued)

The Trustee has selected some priority ESG themes to provide a focus for its monitoring of investment managers' voting and engagement activities. The Trustee reviews the themes from time to time and updates them if appropriate. The Trustee communicated these stewardship priorities to its managers.

If the Trustee's monitoring identifies areas of concern, it will engage with the relevant manager to encourage improvements.

Trustee's policies on ESG and ethical factors

The Trustee considers how ESG considerations (including but not limited to climate change) should be addressed in the selection, retention, and realisation of investments, given the time horizon of the Fund and its members.

The Trustee influences the Fund's approach to ESG and other financially material factors through its investment strategy and manager selection decisions. The Trustee expects all of its investment managers to take account of financially material factors (including climate change and other ESG factors) within the parameters of the mandates they are set. The Trustee seeks to appoint managers that have the skills and processes to do this, and reviews how the managers are taking account of these issues in practice.

The Trustee encourages its managers to improve their ESG practices, although acknowledges that it has limited influence over managers' investment practices where assets are held in pooled funds and that the parameters of some investments may limit the scope for significant incorporation of ESG factors.

The Trustee does not consider matters that are purely non-financial in nature (e.g. matters relating to the ethical and other views of members and beneficiaries, rather than considerations of financial risk and return) in the selection, retention, and realisation of investments.

The Trustee has a separate ESG policy regarding the Fund's governance.

Trustee's policies on the implementation of asset manager arrangements

Before investing in any manner, the Trustee obtains and considers proper written advice from its investment adviser as to whether the investment is satisfactory, having regard to the need for suitable and appropriately diversified investments.

The Trustee has signed agreements with the investment managers setting out the terms on which the portfolios are to be managed. Details of the investment managers are set out in a separate SIP addendum.

The Trustee has limited influence over managers' investment practices where assets are held in pooled funds, but it encourages its managers to improve their practices within the parameters of the fund they are managing.

The Trustee's view is that the fees paid to the investment managers, and the possibility of their mandate being terminated, ensure they are incentivised to provide a high quality service that meets the stated objectives, guidelines, and restrictions of their fund. However, in practice, where the Fund's assets are held in pooled funds, managers cannot fully align their strategy and decisions to the (potentially conflicting) policies of all their pooled fund investors in relation to strategy, long-term performance of debt/equity issuers, engagement, and portfolio turnover.

The Trustee's Report (continued)

Trustee's policies on the implementation of asset manager arrangements (continued)

It is the Trustee's responsibility to ensure that the managers' investment approaches are consistent with the Trustee's policies before any new appointment, and to monitor and to consider terminating any arrangements that appear to be investing contrary to those policies. The Trustee expects investment managers to make decisions based on assessments of the longer-term performance of debt/equity issuers, and to engage with issuers to improve their performance (or where this is not appropriate to explain why). The Trustee assesses this when selecting and monitoring managers.

The Trustee evaluates investment manager performance over both shorter and longer term periods as available. Except in closed-ended funds where the duration of the investment is determined by the fund's terms, the duration of a manager's appointment will depend on strategic considerations and the outlook for future performance. If a manager is not meeting its performance objectives, the Trustee will consider alternative arrangements. Generally, the Trustee would be unlikely to terminate a mandate on short-term performance grounds alone.

The Trustee's policy is to evaluate each of its investment managers by considering performance, the role it plays in helping to meet its overall long-term objectives, taking account of risk, the need for diversification and liquidity. Each manager's remuneration, and the value for money it provides, is assessed in light of these considerations.

The Trustee recognises that portfolio turnover and associated transaction costs are a necessary part of investment management. Since the impact of these costs is reflected in performance figures used in the Trustee's assessment of the investment managers, it does not explicitly monitor portfolio turnover. The Trustee expects its investment consultant to incorporate portfolio turnover and resulting transaction costs as appropriate in its advice on the Fund's investment mandates.

The Trustee's Report (continued)

Statement of Trustee's Responsibilities

Trustee's responsibilities in respect of the financial statements

These 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 these financial statements:

- show a true and fair view of the financial transactions of the Fund during the Fund year and of the amount and disposition at the end of the Fund year of its assets and liabilities, other than liabilities to pay pensions and benefits after the end of the Fund 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 preparation of the financial statements on a going concern basis unless it is inappropriate to presume that the Fund will not be wound up.

The Trustee is also responsible for making available certain other information about the Fund 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 Fund and to prevent and detect fraud and other irregularities including the maintenance of an appropriate system of internal control.

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 Sponsor and the active members of the Fund and the dates on or before which such contributions are to be paid.

The Trustee is also responsible for keeping records in respect of contributions received in respect of any active member of the Fund and for adopting risk-based processes to monitor whether contributions are made to the Fund by the Sponsor in accordance with the Schedule of Contributions. Where breaches of the Schedule occur, the Trustee are required by the Pensions Acts 1995 and 2004 to consider making reports to The Pensions Regulator and the members.

The Trustee's Report (continued)

Approval of Trustee's Report

This Report was approved by the Trustee on

Date: 4 September 2025

Signed on behalf of LSF Pensions Management Ltd:

Yvonne Slater

Director

Paul Horncastle

Director

Independent Auditor's Report to the Trustee of the Lloyd's Superannuation Fund

Opinion

We have audited the financial statements of the Lloyd's Superannuation Fund for the year ended 31 March 2025 which comprise the Fund Account, the Statement of Net Assets and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- show a true and fair view of the financial transactions of the Fund during the year ended 31 March 2025, and of the amount and disposition at that date of its assets and liabilities, other than the 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; 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, made under the Pensions Act 1995.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Fund in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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 Fund'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.

Our responsibilities and the responsibilities of the Fund's Trustee's with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The Fund's Trustee is responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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 course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves.

Independent Auditor's Report to the Trustee of the Lloyd's Superannuation Fund (continued)

Other information (continued)

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 in this regard.

Responsibilities of Trustee

As explained more fully in the Trustee's responsibilities statement set out on page 14, the Trustee is responsible for the preparation of financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustee determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustee is responsible for assessing the Fund'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 liquidate the Fund or to cease operations, or have no realistic alternative but to do so.

Auditor's 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 auditor's 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.

The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

Independent Auditor's Report to the Trustee of the Lloyd's Superannuation Fund (continued)

The extent to which the audit was considered capable of detecting irregularities, including fraud (continued)

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the environment, including the legal and regulatory framework that the Fund operates in and how the Fund is complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are the Pensions Act 1995 and 2004 and regulations made under them and FRS 102, including the Financial Reports of Pension Schemes 2018 (the Pensions SORP). We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing financial statement disclosures.

The audit engagement team identified the risk of management override of controls as the area where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments, evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business, challenging judgments and estimates.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Fund's Trustee as a body, in accordance with Regulation 3 of the Occupational Pension Schemes (Requirements to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996 made under the Pensions Act 1995. Our audit work has been undertaken so that we might state to the Fund's Trustee those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Fund and the Fund's Trustee as a body, for our audit work, for this report, or for the opinions we have formed.

RSM UK Audit LLP
Statutory Auditor
Chartered Accountants
25 Farringdon Street
London
EC4A 4AB

Date: 08/09/2025

Summary of Contributions payable in the year

During the year, the contributions payable to the Fund by the Sponsor under the Schedule of Contributions were as follows:

	£'000
Sponsor contributions due to the Fund	3,710
Sponsor contributions paid into the escrow account	(3,710)
Total contributions reported in the financial statements	-

The Sponsor has set up an escrow bank account into which contributions have been paid since September 2023, as permitted under the Schedule of Contributions certified by the Scheme Actuary on 16 May 2023.

In addition to this, under the Schedule of Contributions dated 16 May 2023 and with effect from 1 July 2023, MS Amlin is also making contributions to the Fund by way of directly meeting all invoiced administration and investment management expenses (except those deducted directly from the fund by the investment managers). Details are given in note 22.

Signed on behalf of the LSF Pensions Management Ltd:

Date: 4 September 2025

Yvonne Slater
Director

Paul Horncastle
Director

Independent Auditor's Statement about Contributions under Regulation 4 of The Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996, to the Trustee of the Lloyd's Superannuation Fund

We have examined the Summary of Contributions payable to the Lloyd's Superannuation Fund on page 19, in respect of the Fund year ended 31 March 2025.

In our opinion the contributions for the Fund year ended 31 March 2025 as reported in the attached Summary of Contributions on page 19 and payable under the Schedule of Contributions have in all material respects been paid at least in accordance with the Schedule of Contributions certified by the actuary on 16 May 2023.

Scope of work on Statement about Contributions

Our examination involves obtaining evidence sufficient to give reasonable assurance that contributions reported on page 19 in the attached Summary of Contributions have in all material respects been paid at least in accordance with the Schedule of Contributions. This includes an examination, on a test basis, of evidence relevant to the amounts of contributions payable to the Fund and the timing of those payments under the Schedule of Contributions.

Respective responsibilities of Trustee and the auditor

As explained more fully on page 14 in the Statement of Trustee's Responsibilities, the Fund's Trustee is responsible for ensuring that there is prepared, maintained and from time to time revised a Schedule of Contributions showing the rates and due dates of certain contributions payable towards the Fund by or on behalf of the Sponsor and the active members of the Fund. The Trustee is also responsible for keeping records in respect of contributions received in respect of active members of the Fund and for monitoring whether contributions are made to the Fund by the Sponsor in accordance with the Schedule of Contributions.

It is our responsibility to provide a statement about contributions paid under the Schedule of Contributions and to report our opinion to you.

Use of our statement

This statement is made solely to the Fund's Trustee as a body, in accordance with the Pensions Act 1995. Our audit work has been undertaken so that we might state to the Fund's Trustee those matters we are required to state to them in an auditor's statement and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Fund and the Fund's Trustee as a body, for our audit work, for this statement, or for the opinions we have formed.

RSM UK Audit LLP
Statutory Auditor
Chartered Accountants
25 Farringdon Street
London
EC4A 4AB

Date: 08/09/2025

The Financial Statements

Fund Account

for the year ended 31 March 2025

	Note	31 March 2025 £'000	31 March 2024 £'000
Contributions and benefits			
Sponsor contributions		-	-
Total contributions	4	-	-
Benefits paid or payable	5	(18,668)	(18,458)
Payments to and on account of leavers	6	(184)	(66)
Administrative expenses	7	(2)	(485)
		(18,854)	(19,009)
Net withdrawals from dealings with members		(18,854)	(19,009)
Returns on investments			
Investment income	8	(7,509)	(4,858)
Change in market value of investments	9	2,504	4,906
Investment management expenses	10	-	(203)
Net return on investments		(5,005)	(155)
Net decrease in the Fund during the year		(23,859)	(19,164)
Net assets of the Fund			
At 1 April 2024		296,226	315,390
At 31 March 2025		272,367	296,226

The notes on pages 23 to 35 form part of these financial statements.

The Financial Statements (continued)

Statement of Net Assets

available for benefits as at 31 March 2025

	Note	31 March 2025 £'000	31 March 2024 £'000
Investment assets:			
Bonds	9	252,010	271,851
Pooled investment vehicles	12	203,928	210,652
Derivatives	14	32,848	51,329
Annuity policies	9	2,488	2,763
AVC investments	15	75	72
Cash	9	203	1,905
Other investment balances	13	-	60
		491,552	538,632
Investment liabilities:			
Derivatives	14	(34,271)	(65,589)
Other investment balances	13	(187,108)	(178,955)
		(221,379)	(244,544)
Total net investments		270,173	294,088
Current assets	19	2,542	2,474
Current liabilities	20	(348)	(336)
Net assets of the Fund at 31 March available for benefits		272,367	296,226

The financial statements summarise the transactions of the Fund 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 Fund year. The actuarial position of the Fund, which takes into account such obligations is dealt with in the Report on Actuarial Liabilities on pages 7 to 8 of the Annual Report and these financial statements should be read in conjunction with this report.

The notes on pages 23 to 35 form part of these financial statements.

These financial statements were approved by the Trustee on:

Date: 4 September 2025

Signed on behalf of LSF Pensions Management Ltd:

Yvonne Slater
Director

Paul Horncastle
Director

Notes to the Financial Statements

1. Basis of preparation

The financial statements 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 102 – The Financial Reporting Standard applicable in the UK and Republic of Ireland, and the guidance set out in the Statement of Recommended Practice (Revised 2018).

The financial statements have been prepared on the going concern basis which the Trustee Directors believe to be appropriate based on their expectations for a 12-month period from the date of approval of these financial statements which indicate that sufficient funds should be available to enable the Fund to continue in operational existence for the foreseeable future by meeting its liabilities as they fall due.

2. Identification of the financial statements

The Fund is established as a trust under English law. The address for enquiries to the Fund is included in the Trustee's Report.

3. Accounting policies

The principal accounting policies of the Fund which are applied consistently are as follows:

Accounting estimates

- The Trustee makes estimates and assumptions concerning the future. The accounting estimates will, by definition, seldom equal the related actual results. For the Fund, the Trustee believes the only estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year are related to the valuation of the Fund's investments and, in particular, those classified in Level 3 of the fair value hierarchy.

Currency

- The Fund's functional and presentational currency is pounds sterling (GBP). All amounts presented have been rounded to the nearest £1,000 and shown as £'000 unless indicated otherwise.
- Assets and liabilities denominated in foreign currency are translated into sterling using the closing exchange rates at the Fund year-end. Foreign currency transactions are recorded in sterling at the spot exchange rate at the date of the transaction.
- Gains and losses arising on conversion or translation are dealt with as part of the change in market value of the investments to which they relate.

Contributions

- Sponsor other and augmentation contributions are accounted for in accordance with the agreement under which they are payable and in the absence of such an agreement, on a receipts basis.

Payments to members

- Pensions in payment, including pensions funded by annuity contracts, are accounted for in the period to which they relate (on an accruals basis).
- Where members have a choice regarding the form and timing of their benefit, benefits are accounted for on an accruals basis on the later of the date of retiring or leaving and the date the option is exercised.
- Individual transfers out of the Fund are accounted for when member liability is discharged which is normally when the transfer amount is paid.
- Where the Trustee agrees or is required to settle tax liabilities on behalf of a member (such as where lifetime or annual allowances are exceeded) with a consequent reduction in that member's benefits receivable from the Fund, any taxation due is accounted for on the same basis as the event giving rise to the tax liability and shown separately within "Benefits paid or payable".

Expenses and other payments

- Until 30 June 2023 the Fund bore all costs of administration and expenses were accounted for on an accruals basis. With effect from 1 July 2023 invoiced administration costs are paid directly by MS Amlin.

Notes to the Financial Statements (continued)

3. Accounting policies (continued)

Investment income

- Investment income is reported net of attributable tax credits but gross of withholding taxes which are accrued in line with the associated investment income. Irrecoverable withholding taxes are reported separately as a tax charge.
- Income from bonds is accounted for on an accruals basis and includes interest bought and sold on investment purchases and sales.
- Income from cash and short-term deposits is accounted for on an accruals basis.
- Receipts from annuity policies are accounted for as investment income on an accruals basis.
- Investment income arising from the underlying investments of the pooled investment vehicles is reinvested within the pooled investment vehicles and reflected in the unit price. Thus, it is reported within "Change in market value".
- Investment income arising from the underlying investments of the AVCs is reinvested within the AVCs and reflected in the unit price. Thus, it is reported within "Change in market value".
- Income from pooled investment vehicles and cash is accounted for on an accruals basis. The change in market value of investments held at any time during the year comprises of all increases and decreases in the market value of the investments held at any time during the year, including profits and losses realised on sales of investments and unrealised in market value.
- Receipts or payments under swap contracts, representing the difference between the swapped cash flows, are included in investment income.

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 profits and losses realised on sales of investments during the year.
- Bonds are stated at their clean prices.
- Certain pooled investment vehicles which are traded on the active market are included at the quoted price, which is normally the bid price.
- Unitised pooled investment vehicles which are not traded on an active market but where the investment manager is able to demonstrate that they are priced daily, weekly or at each month end, and are actually traded on substantially all pricing days are included at the last price provided by the manager at or before the year end.
- The value of pooled investment vehicles which are unquoted or not actively traded on a quoted market is estimated by the Trustee. Where the value of a pooled investment vehicle is primarily driven by the fair value of its underlying assets, the net asset value advised by the fund manager is normally considered a suitable approximation to the fair value unless there are restrictions or other factors which prevent realisation at that value, in which case adjustment is made.
- Swaps are valued at the net present value of future cash flows arising therefrom.
- Forward exchange contracts are valued at the gain or loss that would arise from the closing date of the contract at the reporting date by entering into an equal and opposite contract date.
- A bulk annuity policy is held by the Trustee with Pension Insurance Corporation ("PIC") which exactly matches the amount and timing of some or all of the benefits payable for certain pensioners, and prospective pensioners, of the Fund. The annuity policy has been valued on a best-estimate liability provision held internally by PIC for the policy under the prevailing regulatory framework.
- Accrued interest is excluded from the market value of bonds but is included in other investment balances. The Fund continues to recognise and value assets delivered out under repurchase agreements to reflect its ongoing interest in those securities. Cash received from repurchase agreements is recognised as an investment asset, and an investment liability is recognised for the value of the repurchase obligation.
- Repurchase agreements are accounted for as follows:
 - i. Repurchase agreements (repo) – the Fund 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.
 - ii. Reverse repurchase agreements (reverse repo) – the Fund does not recognise the securities received as collateral in its financial statements. The Fund does recognise the cash delivered to the counterparty as a receivable in the financial statements.

Notes to the Financial Statements (continued)

4. Contributions

	2025	2024
	£'000	£'000
Sponsor contributions		
Deficit recovery	-	-

Due to the Fund reporting a surplus as per the 31 March 2022 valuation, no deficit funding contributions are required to be paid. As part of the 31 March 2022 valuation agreement, MS Amlin has agreed to pay contributions of £3.710m per annum from 31 March 2024 until 31 March 2026, directing these contributions into a new escrow account arrangement rather than directly into the Fund. Further details of which are provided in the Trustee's Report.

In addition to this, under the Schedule of Contributions dated 16 May 2023 and with effect from 1 July 2023, MS Amlin is also making contributions to the Fund by way of directly settling all invoiced administration and investment management expenses. Details are given in note 22.

5 Benefits paid or payable

	2025	2024
	£'000	£'000
Pensions	16,601	16,382
Commutation of pensions and lump sum retirement benefits	2,051	1,977
Lump sum death benefits	16	54
Taxation where lifetime or annual allowance exceeded	-	45
	18,668	18,458

Taxation arising on benefits paid or payable is in respect of members whose benefits exceeded the lifetime or annual allowance and who elected to take lower benefits from the Fund in exchange for the Fund settling their tax liability. The lifetime allowance was abolished from 31 March 2024.

6. Payments to and on account of leavers

	2025	2024
	£'000	£'000
Individual transfers to other schemes	184	66

7. Administrative expenses

	2025	2024
	£'000	£'000
Actuarial fees	-	81
Administration and other expenses	2	162
Other fees	-	1
Professional indemnity insurance	-	47
Independent covenant review	-	34
Investment consultancy fees	-	65
Legal fees	-	84
TPR/PPF Levy	-	11
	2	485

Until 30 June 2023 the Fund bore all costs of administration, including the professional indemnity insurance, with the exception of the Director's fees which with effect from 1 October 2021 are paid directly by MS Amlin. Further details on Directors' fees is provided in note 22. With effect from 1 July 2023 all invoiced administration costs are paid directly by MS Amlin. Until 30 June 2023, VAT was recovered in respect of administrative expenses.

Notes to the Financial Statements (continued)

8. Investment income

	2025	2024
	£'000	£'000
Income from bonds	7,056	6,784
Income from pooled investment vehicles	2,306	2,689
Net expense from derivative contracts	(6,371)	(6,938)
Interest on repurchase agreements	(10,611)	(7,772)
Annuity income	132	131
Interest on cash deposits	(21)	248
	(7,509)	(4,858)

Income from AVC Investments are reinvested and therefore reflected in the change in market value under note 9.

9. Reconciliation of investments

	Value at 31 March 2024 £'000	Purchases at cost and derivative payments £'000	Sales proceeds and derivative receipts £'000	Change in market value £'000	Value at 31 March 2025 £'000
Bonds	271,851	54,313	(57,175)	(16,979)	252,010
Pooled investment vehicles	210,652	213,685	(234,117)	13,708	203,928
Derivatives	(14,260)	8,699	(1,929)	6,067	(1,423)
Annuity policies	2,763	-	-	(275)	2,488
AVC investments	72	3	(3)	3	75
	471,078	276,700	(293,224)	2,524	457,078
Cash deposits	1,905				203
Other investment balances	(178,895)			(20)	(187,108)
	294,088			2,504	270,173

Transaction costs are included either in the cost of purchases and sales proceeds or offset against income received. These include costs charged directly to the Fund such as fees, commission, stamp duty and other fees.

Other investment balances comprise of accrued income, outstanding settlements and repurchase agreements and are detailed in note 13.

Indirect costs are incurred through the bid-offer spread on investments within pooled investment vehicles. These are not separately provided to the Trustee.

10. Investment management expenses

	2025	2024
	£'000	£'000
Administration, management and custody	-	203

With effect from 1 July 2023, as per the Schedule of Contributions, invoiced investment management expenses are paid directly by MS Amlin.

11. Taxation

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

Notes to the Financial Statements (continued)

12. Pooled investment vehicles

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

	2025	2024
	£'000	£'000
Managed global credit bonds	-	31,219
Managed corporate bonds	73,278	68,766
Indirect property	599	1,178
Private credit	26,937	36,325
Contractual income	101,143	67,017
Liquidity	1,971	6,147
	<u>203,928</u>	<u>210,652</u>

The Fund is the sole investor in the contractual income portfolio held with Insight (the Secured Finance Direct Lending Fund). The assets underlying this pooled investment vehicle are as follows:

	2025	2024
	£'000	£'000
Bonds	94,002	60,339
Derivatives	(2,192)	(12)
Cash deposits	8,613	5,961
Other investment balances	720	729
	<u>101,143</u>	<u>67,017</u>

Other investment balances comprise of accrued income, pending trades and outstanding settlements.

13. Other investment balances

	2025	2024
	£'000	£'000
Accrued income	(568)	60
Repurchase agreements	(186,540)	(178,955)
	<u>(187,108)</u>	<u>(178,895)</u>

The Fund held collateral of £Nil (2024: £996,509), and pledged collateral of £5,710,587 (2024: £311,484) constituting of bonds in respect to the Repurchase agreements as at 31 March 2025. At the year-end £Nil (2024: £996,509) of bonds reported in the Fund assets were held by counterparties under repurchase agreements.

14. Derivatives

Objectives and Policies

The Trustee has authorised the use of derivatives by their investment managers as part of their investment strategy for the Fund as follows:

Over-the-counter ("OTC") Swaps – the Trustee's aim is to match as far as possible the Liability Driven Investment (LDI) portfolio and the Fund's long term liabilities, in particular in relation to their sensitivities to interest rate movements. Due to the lack of long-dated bonds the Trustee holds interest rate and inflation swaps to extend the duration and match more closely with the Funds liability profile.

Notes to the Financial Statements (continued)

14. Derivatives (continued)

Forward foreign exchange ("FX") – In order to maintain appropriate diversification of investments within the portfolio and take advantage of overseas investment returns, a proportion of the underlying investment portfolio is invested overseas. The Fund's managers hedge most of the Fund's non-Sterling exposure using forward foreign exchange contracts.

At the year end the Fund had the following derivatives:

	2025		2024	
	Asset £'000	Liability £'000	Asset £'000	Liability £'000
Over-the-counter contracts				
OTC Swaps	32,847	(34,271)	51,328	(65,589)
Forward FX contracts	1	-	1	-
	<u>32,848</u>	<u>(34,271)</u>	<u>51,329</u>	<u>(65,589)</u>

A summary of the Fund's outstanding derivative contracts at the year-end aggregated by key characteristics is set out below:

i. OTC Swaps

Nature	Notional Amounts* £'000	Expires	Asset value £'000	Liability value £'000
Interest rate swaps	65,007	0-10 years	951	(1,947)
	82,905	10-20 years	2,786	(5,132)
	133,000	20+ years	9,659	(7,624)
	<u>280,912</u>		<u>13,396</u>	<u>(14,703)</u>
Inflation rate swaps	191,570	0-10 years	13,268	(11,389)
	109,386	10-20 years	4,308	(2,736)
	86,858	20+ years	1,875	(5,443)
	<u>387,814</u>		<u>19,451</u>	<u>(19,568)</u>
Total 2025	<u>668,726</u>		<u>32,847</u>	<u>(34,271)</u>
Total 2024	<u>1,020,465</u>		<u>51,328</u>	<u>(65,589)</u>

*Notional amount is the underlying principal amount upon which the exchange interest, foreign exchange or other income or expense is based.

The Fund held collateral of £12,871,631 (2024: £20,871,400) consisting of cash and bonds and pledged collateral of £13,719,121 (2024: £35,354,299) constituted of bonds in respect to the Swaps as at 31 March 2025.

ii. Forward FX

	Number of contracts	Settlement date	Amount bought £'000	Currency bought	Currency sold	Asset value £'000	Liability Value £'000
Forward FX	1	30/04/2025	181	EUR	GBP	1	-
Total 2025						<u>1</u>	<u>-</u>
Total 2024						<u>1</u>	<u>-</u>

The Fund continues to use forward FX derivative products as a risk management tool as at the time of signing.

Notes to the Financial Statements (continued)

15. AVC investments

AVCs are invested with Aegon in its own policy. AVCs are allocated to provide benefits to the individuals who made such contributions and do not form a common pool of assets available for members generally. Members receive an annual statement confirming the contributions paid and the value of their AVC funds. The aggregate amounts of AVC investments are as follows:

	2025	2024
	£'000	£'000
Aegon	75	72

Prior to 2000 AVCs paid by members of the defined benefit section were invested in-house, co-mingled along with the Fund's assets. In return members receive interest which is calculated by reference to the FTSE gilts 5-year average yield index.

	2025	2024
	£'000	£'000
Market Value as at 1 April	93	168
Interest credit	5	9
Benefits paid	-	(84)
Market Value as at 31 March	98	93

16. Fair value hierarchy

The fair value of financial instruments has been disclosed 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.

A fair value measurement is categorised in its entirety on the basis of the lowest level input which is significant to the fair value measurement in its entirety.

Bonds

The Fund invests in debt securities, corporate and government bonds and treasury securities. In the absence of a quoted price in an active market, they are valued on a clean basis (i.e. excluding accrued interest) using observable inputs such as recently executed transaction prices in securities of the issuer or comparable issuers and yield curves. Adjustments are made to the valuations when necessary to recognise differences in the instrument's terms. The Fund categorises these investments as Level 2.

Over-the-counter derivatives

The Fund uses widely recognised valuation models for determining fair values of over-the-counter interest rate swaps, currency swaps and forward foreign exchange contracts. The most frequently applied valuation techniques include forward pricing and swap models, using present value calculations. The models incorporate various inputs including both credit and debit valuation adjustments for counterparty and own risk, foreign exchange spot and forward rates and interest curves. For these financial instruments, significant inputs into models are market observable and are included within Levels 2 and 3.

Notes to the Financial Statements (continued)

16. Fair value hierarchy (continued)

Pooled investment vehicles

The Fund invests in pooled investment vehicles which are not quoted in an active market and which may be subject to withdrawal restrictions. The Trustee considers the valuation techniques and inputs used in valuing these funds as part of its due diligence prior to investing, to ensure they are reasonable and appropriate and therefore the net asset value ('NAV') of these funds may be used as an input into measuring their fair value. In measuring this fair value, the NAV of the funds is adjusted, as necessary, to reflect restrictions on redemptions, future commitments, and other specific factors of the fund and fund managers. In measuring fair value, consideration is also paid to any transactions in the shares of the fund. Depending on the nature and level of adjustments needed to the NAV and the level of trading in the fund, the Fund classified these funds as Level 2 or 3.

Annuity policy

The Fund holds a group annuity policy with Pension Insurance Corporation ('PIC') which matches the pension payments made for a group of pensioners. There is no active market for this investment and as required by the SORP the value is based on the relevant liability. It is calculated by PIC themselves on the Scheme Funding basis. Such investments are included within Level 3.

The Fund's investment assets and liabilities fall within the above hierarchy levels as follows:

As at 31 March 2025	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Bonds	-	252,010	-	252,010
Pooled investment vehicles	-	75,249	128,679	203,928
Derivatives	-	1	(1,424)	(1,423)
Annuity policies	-	-	2,488	2,488
AVC investments	-	75	-	75
Cash deposits	203	-	-	203
Other investment balances	-	(187,108)	-	(187,108)
	203	140,227	129,743	270,173

As at 31 March 2024	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Bonds	-	271,851	-	271,851
Pooled investment vehicles	-	106,301	104,351	210,652
Derivatives	-	1	(14,261)	(14,260)
Annuity policies	-	-	2,763	2,763
AVC investments	-	72	-	72
Cash deposits	1,905	-	-	1,905
Other investment balances	-	(178,895)	-	(178,895)
	1,905	199,330	92,853	294,088

Notes to the Financial Statements (continued)

17. Investment risk disclosures

Investment risks

When deciding how to invest the Fund's assets, the Trustee considers a wide range of risks, including credit risk and market risk, as defined below.

Credit risk: this 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: this comprises currency risk, interest rate and inflation rate risk and other price risk, defined as follows:

- **Currency risk:** this 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 and inflation rate risk:** this is the risk that the fair value or future cash flows of a financial asset will fluctuate because of changes in market interest rates or expected inflation rates.
- **Other price risk:** this 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 and inflation 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 determined the Fund's investment strategy after obtaining written professional advice from its professional investment adviser. The Fund has exposure to the aforementioned risks because of the investments held to implement the investment strategy, which is described in section 5 of the Trustee's report. The Trustee manages investment risks, including credit risk and market risk, considering the Fund's investment objectives and strategy, and the advice of its investment advisers.

Within each investment portfolio, investment objectives and restrictions to manage risk are implemented through the legal agreements in place with the Fund's investment managers. The Trustee monitors the performance of the strategy and associated risks, and each investment manager against its objectives and restrictions, on a regular basis.

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

The table below summarises the Fund's investments (excluding annuities, AVC investments, cash deposits and accrued income) that have significant exposure to indirect credit and market risks.

Manager	Credit risk	Currency risk	Interest rate risk	Other price risk	31 March 2025 £m	31 March 2024 £m
LaSalle (Property)	●	○	○	●	0.7	1.8
Arcmont (Private Credit)	●	○	○	○	26.9	36.4
Janus Henderson (Multi Asset Credit)	●	○	●	○	-	31.2
Insight (Contractual Income)						
Corporate Bonds	●	○	●	○	6.9	3.3
Floating rate notes	●	○	○	○	87.8	57.6
Cash	○	○	○	○	6.5	6.0
Insight LDI	●	○	●	●	65.4	153.7
Insight (Liquid ABS)	●	○	○	●	14.6	-
Insight (Global ABS)	●	○	○	●	44.1	-
Insight (Short Duration Buy and Maintain Credit)	●	○	●	○	14.6	-
Total					267.5	290.0

Key: The risk noted affects the fund significantly (●) or hardly/ not at all (○).

Notes to the Financial Statements (continued)

17. Investment risk disclosures (continued)

Credit risk

The Fund is subject to credit risk through its investments in pooled investment vehicles and sole investor arrangements. It is directly exposed to credit risk in relation to the solvency of the custodians of those funds and has direct exposure to these risks arising from its segregated holdings within the Insight LDI portfolio.

The Fund's holdings in pooled investment vehicles are 'unrated' from a credit perspective. Direct credit risk arising from pooled investment vehicles is mitigated by: the underlying assets of the pooled arrangements being ring-fenced from the assets of the custodian and the investment manager; the regulatory environments in which the pooled fund managers operate; and diversification of the Fund's investments across a number of pooled funds.

The Trustee carries out due diligence checks on investments into new pooled funds and on an ongoing basis monitors any changes to the operating environment of those pooled funds. The Trustee also carries out due diligence checks on new appointments of investment managers and custodians for sole investor arrangements and on an ongoing basis monitors any changes to the operating environment of these entities.

The role of a custodian is to ensure the safe-keeping of the assets and facilitate all transactions entered into by the appointed investment managers. The Trustee is not responsible for the appointment of the custodian of the assets contained within the various pooled fund investments. The pooled investment vehicle's governing body is responsible for appointing its own custodian for the safe-keeping, monitoring and reconciliation of documentation relating to these securities.

A summary of the type of pooled investment vehicle arrangements is as follows:

Direct credit risk – Pooled funds

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

	2025 £m	2024 £m
Investment trusts	75.2	75.1
Alternative investment funds	26.9	36.4
Loan Originating Qualifying Investor Alternative Investment funds	101.2	66.8
Authorised unit trusts	-	31.2
Segregated portfolio	0.6	1.2
	203.9	210.7

The pooled funds (Insight Short Duration Buy and Maintain Credit Fund, Insight Liquid ABS Fund and Insight Global ABS Fund) sit within the overall structure of the segregated LDI portfolio which does not have a specific vehicle type as it is not a pooled fund. However, as the Fund holds units in these pooled investment funds, we have outlined the vehicle types for the pooled funds accordingly in the table above.

Indirect credit risk – Bonds

The Fund is indirectly exposed to credit risks arising from the underlying investments held by the pooled funds, for example where they invest in bonds. The indirect exposure to credit risk arises from the Fund's investments with Janus Henderson (now fully redeemed), Arcmont and Insight. The amount invested in each of these mandates is shown in the table at the end of this section.

The managers of the pooled funds that invest in fixed income manage credit risk by having a diversified exposure to issuers, conducting thorough research on the probability of default of those issuers, and having only a limited exposure to securities rated below investment grade. The magnitude of credit risk within each fund will vary over time, as the manager changes the underlying investments in line with its views on markets, asset classes and specific securities.

Notes to the Financial Statements (continued)

17. Investment risk disclosures (continued)

Indirect credit risk – Derivatives and repurchase agreements

Within the LDI portfolio, there is exposure to credit risk as the LDI portfolio manager uses derivative instruments and repurchase agreements to match the Fund's liabilities. The terms under which the LDI portfolio is managed include provisions to manage the exposure to credit risk, such as limits on the exposure to any single counterparty and minimum credit ratings that all counterparties must meet. In addition, the derivative positions are collateralised daily so as to aim to limit credit risk to one day's market movements.

Indirect credit risk – Property

Indirect credit risk arises in relation to underlying investments held in the property pooled investment vehicles. The property funds are exposed to the credit risk relating to the underlying tenants. This risk is mitigated by holding a diverse portfolio of investments with exposure to a range of properties and tenants.

Indirect credit risk – Annuities

There is also direct credit risk associated with the Fund's insured bulk annuity with Pension Insurance Corporation ("PIC"), which the Trustee considered before the policy was taken out. This risk is mitigated by the regulatory environment in which the insurer operates and the diversification of the policy's underlying assets.

Market risk: Interest rate and inflation risk

Interest rate risk and inflation risk is a material risk for the Fund given that movements in interest rates and inflation are a material influence on the value of the liabilities assessed in present day terms. Some of the Fund's assets are subject to interest rate risk (both nominal and real interest rates). However, the overall interest rate exposure of the Fund's assets hedges part of the corresponding risks associated with the Fund's liabilities. The net effect will be to reduce the volatility of the funding level, and therefore the Trustee believes that it is appropriate to have exposure to interest rate risk in this manner.

The only assets the Fund invests in with material exposure to changes in interest rates is the Insight LDI portfolio and the Insight short duration buy & maintain credit fund. The amount invested in this mandate is shown in the table at the end of this section.

Market risk: currency risk

As the Fund's liabilities are denominated in Sterling, any non-Sterling currency exposure within the assets presents additional currency risk.

Whilst the majority of the currency exposure of the Fund's assets is to Sterling, the Fund is subject to currency risk because some of the Fund's investments are held in overseas markets. The Trustee considers the overseas currency exposure in the context of the overall investment strategy, and believes that the currency exposure that exists diversifies the strategy and is appropriate. Furthermore, the Trustee manages the amount of currency risk by investing in pooled funds that hedge some or all of their currency exposure, or implement separate currency hedging arrangements.

All of the Fund's pooled funds are accessed via a Sterling share class. Therefore the Fund is not subject to direct currency risk.

Market risk: Other price risk

The Fund's assets are exposed to risks of market prices other than currencies and interest rates, such as collateral risk within the LDI portfolio (i.e. the risk that there are insufficient funds available to support the liability hedging provided by the portfolio).

The Trustee monitors these risks on a regular basis, looking at the performance of the Fund as a whole as well as each individual portfolio. The Trustee believes that the Fund's assets are adequately diversified between different asset classes and within each asset class to manage these risks.

Notes to the Financial Statements (continued)

18. Concentration of investments

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

	2025		2024	
	£'000	%	£'000	%
Insight Global Funds II Insight LIQ ABS	14,616	5.4	68,935	23.3
Insight Secured Finance Direct Lending Fund	101,143	37.1	67,017	22.6
UK (Govt) 1.25% IDX/LKD 2027	-	-	33,826	11.4
UK (Govt) 4.25% Gilt 07/12/49	19,363	7.1	21,955	7.4
Janus Henderson Multi Asset Credit I Acc GBP Gross (Hedged)	-	-	31,219	10.5
Arcmont Direct Lending Fund III	26,937	9.9	36,324	12.3
UK (Govt) 0.25% BDS 31/07/31	30,459	11.2	30,239	10.2
UK (Govt) 3.5% Gilt SNR 22/01/45	21,817	8.0	24,242	8.2
UK (Govt) 1.25% SNR 22/10/41	15,044	5.5	16,303	5.5
UK (Govt) 1.75% Gilt 07/09/2037	19,937	7.3	15,136	5.1
UK (Govt) 4.25% SNR 07/12/27	30,183	11.1	-	-
LDI Solutions Plus IIFIG Global ABS S	44,087	16.2	-	-
Insight Liquidity Short Dated Buy and Maintain	14,575	5.4	-	-

19. Current assets

	2025	2024
	£'000	£'000
Sundry Debtors	52	215
Cash balances	2,490	2,259
	<u>2,542</u>	<u>2,474</u>

20. Current liabilities

	2025	2024
	£'000	£'000
PAYE	(311)	(286)
Benefits due	(37)	(50)
	<u>(348)</u>	<u>(336)</u>

21. Sponsor related investments

As at 31 March 2025 there were no assets invested in Sponsor-related investments in the Fund (2024: no assets), within the meaning of Section 40(2) of the Pensions Act 1995 and the Occupational Pension Schemes (Investment) Regulations 2005.

Notes to the Financial Statements (continued)

22. Related party transactions

Payments to directors

One director was a deferred member of the Fund (2024: one) and one director was a pensioner member (2024: one) during the year and receives a pension from the Fund in the same terms as granted for all members of the Fund.

Directors' fees were paid by MS Amlin for a Members' Director and the Independent Director in the current year (prior year for the Independent Chairman and a Members' Director). Details of the fees paid are set out below:

	2025 £'000	2024 £'000
Paid by MS Amlin	22	68

With effect from 1 July 2023, as per the Schedule of Contributions, all invoiced administration and investment management expenses are paid directly by MS Amlin. The total costs paid and accrued for by MS Amlin, in respect of the Fund year ended 31 March 2025 was £2,147,000 (2024: £1,402,000).

23. Capital commitment

	2025 £'000	2024 £'000
Arcmont Direct Lending Fund III	15,158	10,473

The Fund has capital commitments in respect of the Arcmont Direct Lending Fund III. Capital Calls may be issued and the Fund will meet these Capital Calls if requested.

24. GMP equalisation

As explained in the Trustee's Report, on 26 October 2018, the High Court handed down a judgement involving the Lloyds Banking Group's defined benefit pension schemes. The judgement concluded the schemes should be amended to equalise pension benefits for men and women in relation to guaranteed minimum pension benefits. The issues determined by the judgement arise in relation to many other defined benefit pension schemes.

The Trustee is aware that the issue will affect the Fund and will be considering this at a future meeting and decisions will be made as to the next steps. Under the ruling, schemes are required to backdate benefit adjustments in relation to GMP equalisation and provide interest on the backdated amounts.

On 20 November 2020, the High Court handed down a further judgment involving the Lloyds Banking Group's defined benefit pension schemes. This latest judgment confirms that defined benefit schemes which provide GMPs need to revisit and where necessary top up historic Cash Equivalent Transfer Values that were calculated based on unequalised benefits. Again, the issues determined by the judgment arise in relation to many other defined benefit pension schemes.

The Trustee will consider next steps as the Fund has experienced significant historical transfers out which will be subject to adjustment as a result of this second ruling. Any adjustments necessary will be recognised in the financial statements in future years. At the date of signing these financial statements the Trustee does not expect these to be material to the financial statements and therefore have not included a liability in respect of these matters in these financial statements

They will be accounted for in the year they are determined, although the Trustee has already been able to take steps to equalise benefits for certain categories of members who are eligible to take full commutation of all their benefits on the basis of those benefits being very small or due to the member being in serious ill-health and these have been included above.

Certificate of Adequacy of Contributions

Certification of the Schedule of Contributions

Name of scheme: **Lloyd's Superannuation Fund**

Adequacy of rates of contributions

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 March 2022, to be met for the period for which the Schedule is expected to be in force.

I also certify that any rates of contributions forming part of this Schedule which the Fund requires me to determine are not lower than I would have provided for had I had responsibility for preparing or revising the Schedule, the Statement of Funding Principles and any Recovery Plan.

Adherence to Statement of Funding Principles

I hereby certify that, in my opinion, this Schedule of Contributions is consistent with the Statement of Funding Principles dated 16 May 2023.

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 Fund's liabilities by the purchase of annuities, if the Fund were to be wound up.

Signature:

Date:

16 May 2023

Name:

Richard Gibson

Qualification:

Fellow of the Institute and Faculty of Actuaries

Address:

**2 London Wall Place
123 London Wall
London
EC2Y 5AU**

Employer:

Barnett Waddingham LLP

Implementation Statement

Implementation Statement, covering the Fund Year from 1 April 2024 to 31 March 2025

The Trustee of the Lloyd's Superannuation Fund (the "Fund") is required to produce a yearly statement to set out how, and the extent to which, the Trustee has followed the voting and engagement policies in its Statement of Investment Principles ("SIP") during the Fund Year. This is provided in Section 1 below.

The Statement is also required to include a description of the voting behaviour during the Fund Year by, and on behalf of, trustees (including the most significant votes cast by trustees or on their behalf) and state any use of the services of a proxy voter during that year. This is provided in Section 3 below.

In preparing the Statement, the Trustee has had regard to the [guidance](#) on Reporting on Stewardship and Other Topics through the SIP and the Implementation Statement, issued by the Department for Work and Pensions ("DWP's guidance") in June 2022.

1. Introduction

The voting and engagement policies in the SIP were reviewed and updated during the Fund Year to reflect the DWP's new guidance on Reporting on Stewardship and Other Topics, which expects trustees to take a more active role in relation to monitoring and engaging with investment managers on stewardship. Further details are set out in Section 2.

As part of this SIP update, the employer was consulted and confirmed it was comfortable with the changes.

The Trustee has, in its opinion, followed the Fund's voting and engagement policies during the Fund Year.

2. Voting and engagement

The Trustee has delegated to the investment managers the exercise of rights attaching to investments, including voting rights and engagement. However, the Trustee takes ownership of the Fund's stewardship by monitoring and engaging with managers as detailed below.

As part of its advice on the selection and ongoing review of the investment managers, the Fund's investment adviser, LCP, incorporates its assessment of the nature and effectiveness of managers' approaches to voting and engagement.

In December 2024, the Trustee reviewed LCP's responsible investment (RI) scores for the Fund's existing managers and funds, along with LCP's qualitative RI assessments for each fund and red flags for any managers of concern. These scores cover the manager's approach to ESG factors, voting, engagement and stewardship. The fund scores and assessments are based on LCP's ongoing manager research programme, and it is these that directly affect LCP's manager and fund recommendations. The manager scores and red flags are based on LCP's Responsible Investment Survey 2024. LCP provided recommended actions for the Trustee to engage with managers to further improve its managers' responsible investment practices.

In June 2023, the Trustee discussed and agreed stewardship priorities for the Fund to focus monitoring and engagement with investment managers on specific ESG factors. The priorities chosen were climate change and corporate transparency. These priorities were selected (and remain in place) because they are market-wide areas of risk that are financially material for the investments.

From time to time, the Trustee invites the Fund's investment managers to present at Trustee meetings, albeit no managers attended Trustee meetings during the recent Fund year.

During the Fund Year, the Trustee appointed Insight to manage an allocation to short dated buy & maintain credit (in a pooled fund). In selecting and appointing this manager, the Trustee reviewed LCP's RI assessment of the manager.

The Trustee is conscious that responsible investment, including voting and engagement, is rapidly evolving and therefore expects most managers will have areas where they could improve. Therefore, the Trustee aims to have an ongoing dialogue with managers over time to clarify expectations and encourage improvements.

3. Description of voting behaviour during the Fund Year

The Fund did not hold any listed equities during the year to 31 March 2025 and therefore there is no voting behaviour to report on in this Statement. The Trustee did not make use of the services of a proxy voter during the period.

3.1 Votes in relation to assets other than listed equity

LCP, on behalf of the Trustee, contacted the Fund's asset managers that do not hold listed equities, to ask if any of the assets held by the Fund had voting opportunities over the Fund Year. The following comments were provided by the Fund's asset managers that had voting opportunities during the period:

Arcmont

"Given Arcmont is a Private Debt asset manager, there is limited scope to participate in voting activities where we have a blocking / majority vote.

Note that Arcmont may be able to vote in limited instances where, either:

- investments take on an equity element and we are assigned voting board seats, or
- in the rare circumstances that Arcmont becomes a majority shareholder of the business.

However, at the levels of co-investment that we participate in, and in the current market conditions, we are typically only granted votes on economic protections and structural changes to the equity. For instance, if a new class of shares is to be issued and we are diluted. For circumstances where Arcmont does have the ability to exercise voting rights, such voting rights shall be exercised in accordance with the Arcmont Voting Policy (a copy of which is available upon request).

Arcmont is committed to maintaining an open and active dialogue with management, helping to identify any changes in an investment's ESG risk profile, but more importantly, enabling discussions to influence business practices to mitigate ESG risks. Arcmont tracks and monitors the ESG risk profiles of our investments to assess the severity of the risks, whilst moving to take appropriate action should a risk become too great."

Janus Henderson - the Fund made a full redemption in June 2024

"In formulating its approach to corporate governance, Janus Henderson is conscious that a 'one size fits all' policy is not appropriate. Corporate governance regimes vary significantly as a function of factors such as the relevant legal system, extent of shareholder rights, and level of dispersed ownership. Janus Henderson varies its voting and engagement activities according to the market and pays close attention to local market codes of best practice.

However, Janus Henderson consider certain core principles to be universal:

- Disclosure and transparency
- Board responsibilities
- Shareholder rights
- Audit and internal controls

A key element of Janus Henderson's approach to proxy voting is to support these principles and to foster the long-term interests of its clients. It also recognises that in some instances, joint action by shareholders has the potential to be more effective than acting alone. This is especially true when shareholders have a clear common interest. Where appropriate, Janus Henderson pro-actively collaborates with other investors on governance and wider environmental and social engagement issues, directly and through industry bodies.

Janus Henderson has a fiduciary duty to ensure that proxies are voted in the best interest of all its clients for which it has voting responsibility. It has adopted proxy voting policies and procedures, along with internal procedures, to fulfil proxy voting responsibilities.

To assist in assessing the corporate governance of investee companies, it subscribes to ISS (an independent proxy voting adviser). ISS provides voting recommendations based upon Janus Henderson's policies and procedures. Its in-house specialists scrutinise the ISS research and supplement this with in-house research and engagement.

In addition, Janus Henderson has a Proxy Voting Committee, which is responsible for its positions on major voting issues and creating guidelines overseeing the voting process. The Committee is comprised of representatives of investment portfolio management, corporate governance, accounting, legal and compliance. Additionally, the Proxy Voting Committee is responsible for monitoring and resolving possible conflicts of interest with respect to proxy voting."

Overall, in the Trustee's opinion, Arcmont and Janus Henderson's voting behaviour aligns with the Fund's stewardship priorities.