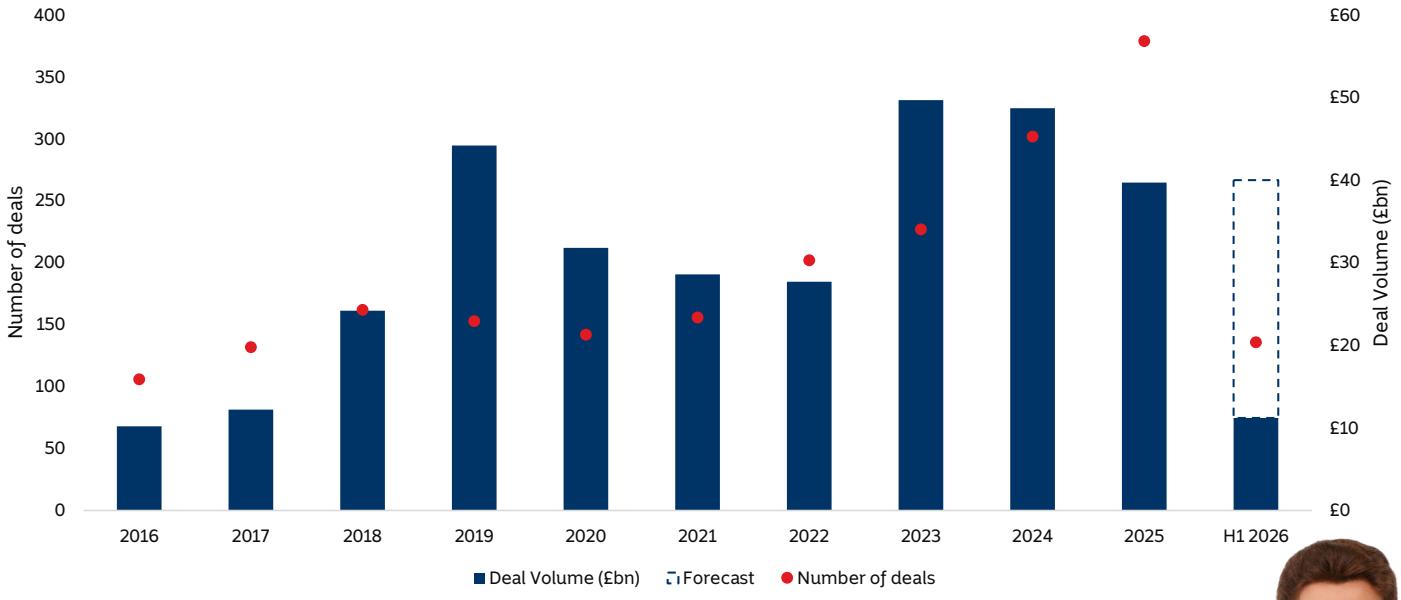
Chart of the Week

16 November 2026

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Bulk annuity transactions for defined benefit pension schemes



Source: Momentum Global Investment Management, XPS Bulk Annuity Market Tracker, as at 11 November 2026.

Run-on or Buyout? Working Out the Future of DB Pensions

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What does the chart show?

The chart shows that there has been a significant increase in UK defined benefit (DB) bulk annuity transaction activity over the past decade, with both transaction volumes and the number of deals reaching record levels during 2023-2025. Improved funding positions have enabled a greater number of DB pension schemes to secure members' pension benefits with insurance companies through buy-in and buyout transactions. While activity remains elevated, the forecast suggests volumes may be stabilising.

Why is it important?

The surge in bulk annuity transactions reflects an important shift in the UK DB pensions market. The sharp increase in interest rates during and after the 2022 gilt market crisis significantly improved funding positions for many DB pension schemes. Rising interest rates reduce the present value of the future pension liabilities, and although many schemes hedge a substantial proportion of their interest-rate exposure, the increase in yields generally accelerated progress towards full funding and beyond. This resulted in significant demand for insurance transactions as schemes could now afford to pay the premium required to insure their liabilities.

However, the record activity seen during 2023-2025 may prove to represent a peak in the DB bulk annuity market. Alongside buy-in or buyout, trustees and sponsors are increasingly considering run-on strategies, particularly as recent policy changes will make it easier for sponsors to extract pension surpluses while protecting members' interests. The prospect of surplus extraction changes the way endgame is viewed for schemes. Instead of paying a premium to transfer liabilities to an insurer, sponsors and scheme trustees can choose to retain their schemes. Under a run-on strategy, the risks remain with the sponsor, but so does the opportunity to continue generating investment returns and potentially share the benefits of future surplus between members and the sponsor.

The debate is beginning to shift from whether schemes can afford buyout, to whether buyout remains the most attractive option. Run-on offers the potential to add value for both scheme members and sponsors.

Weekly market update

Week ending 13 November 2026

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The dominant global financial story was the interaction between politics, inflation and AI driven markets. US midterm election results reshaped fiscal and regulatory expectations, central banks remained concerned about inflation linked to energy prices, and uncertainty surrounding AI investment leadership, particularly at Nvidia, drove significant volatility across global equity markets.



US

- October consumer prices rose more than expected, with headline inflation increasing 0.4% over the month and core inflation rising 0.3%. The third consecutive firm core reading strengthened expectations that the Federal Reserve may need to tighten policy further.
- US Treasury yields rose sharply after the inflation release and hawkish comments from Federal Reserve officials. Higher yields weighed on rate-sensitive assets and reinforced the importance of inflation data for market expectations.
- Inflation remained a dominant political and economic issue, with policymakers facing pressure to address higher fuel, housing and living costs ahead of the 2028 election cycle.
- Congress returned for a high-stakes lame-duck session focused on government funding, permitting reform, and calls for the impeachment of Defence Secretary Pete Hegseth.



UK

- The UK economy grew 0.7% in the third quarter, its fastest quarterly expansion in more than two years. Services and technology-related investment were important contributors, offering evidence of resilience despite higher borrowing costs.
- September activity was also firmer than expected, with growth supported by services and manufacturing. Construction remained weak, however, underlining that the recovery was uneven across the economy.
- Bank of England Deputy Governor Clare Lombardelli described December and February as live policy meetings. Her comments kept further interest-rate increases in focus following the Bank's November rate rise.
- Political attention remained focused on balancing support for households against rising borrowing costs and increased defence spending commitments.



Europe

- EU finance ministers debated reforms to tobacco taxation and continued discussions on Stability and Growth Pact flexibility measures tied to defence and energy security spending.
- Eurogroup ministers highlighted inflation, elevated energy prices and fiscal resilience as the principal economic challenges facing the euro area.
- Negotiations intensified over the 2027 EU budget as member states sought agreement on spending priorities.
- Foreign ministers prepared further support measures for Ukraine ahead of winter and reviewed EU-China security and defence relations.



Rest of the World/Asia

- China remained under economic pressure, with policymakers focused on stimulating domestic demand as weak consumer spending and investment continued to lag industrial output. Markets also watched Beijing's response to growing trade tensions with major trading partners.
- Japan's economic outlook was dominated by expectations for further Bank of Japan policy normalisation, with investors assessing inflation trends, wage growth and the possibility of additional interest-rate adjustments after the country's move away from ultra-loose monetary policy.
- Regional geopolitical tensions remained elevated, particularly over China's military posture and wider Indo-Pacific security concerns. Japan, Australia and other regional partners continued to strengthen cooperation in response to concerns about regional stability and strategic competition.
- Global markets were influenced by energy and trade developments, including higher oil prices linked to Middle East tensions, ongoing China-EU trade discussions, and concerns about the impact of geopolitical uncertainty on growth, supply chains and capital flows across Asia.

Weekly market data

Week ending 13 November 2026

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Asset Class / Region	Currency	Cumulative returns			
		Week ending 13 November	Month to date	YTD 2026	12 months
Developed Markets Equities					
United States	USD	2.5%	-0.2%	11.2%	13.2%
United Kingdom	GBP	2.3%	1.7%	13.2%	14.8%
Continental Europe	EUR	2.5%	3.1%	14.1%	16.0%
Japan	JPY	6.3%	-0.6%	18.1%	19.2%
Asia Pacific (ex Japan)	USD	3.0%	-1.7%	13.3%	12.8%
Australia	AUD	0.9%	2.3%	7.6%	7.3%
Global	USD	2.4%	-0.2%	10.7%	12.7%
Emerging Markets Equities					
Emerging Europe	USD	2.3%	1.8%	21.1%	26.9%
Emerging Asia	USD	3.8%	-1.9%	13.8%	13.1%
Emerging Latin America	USD	0.5%	0.7%	6.8%	9.8%
BRICs	USD	-2.3%	3.3%	-11.9%	-15.5%
China	USD	-4.6%	0.5%	-17.6%	-23.1%
MENA countries	USD	2.5%	5.6%	-1.0%	-3.8%
South Africa	USD	-3.1%	4.1%	-4.0%	1.3%
India	USD	0.2%	9.9%	-7.3%	-7.6%
Global emerging markets	USD	3.2%	-1.0%	12.3%	12.2%
Bonds					
US Treasuries	USD	-1.5%	-1.2%	-1.5%	-1.4%
US Treasuries (inflation protected)	USD	-1.6%	-1.9%	-1.5%	-1.7%
US Corporate (investment grade)	USD	-1.3%	-0.9%	-1.7%	-1.1%
US High Yield	USD	-0.3%	0.2%	0.5%	1.9%
UK Gilts	GBP	-1.2%	-0.2%	-1.2%	-0.7%
UK Corporate (investment grade)	GBP	-0.7%	0.2%	-0.5%	0.2%
Euro Government Bonds	EUR	-0.8%	0.1%	-2.2%	-2.7%
Euro Corporate (investment grade)	EUR	-0.3%	0.1%	-0.4%	-0.5%
Euro High Yield	EUR	0.5%	1.1%	0.1%	0.6%
Global Government Bonds	USD	-1.5%	-1.0%	-2.4%	-2.4%
Global Bonds	USD	-1.5%	-1.1%	-2.9%	-2.5%
Global Convertible Bonds	USD	0.3%	-2.0%	3.5%	4.5%
Emerging Market Bonds	USD	-0.9%	-0.5%	-1.4%	-0.4%
Property					
US Property Securities	USD	0.8%	2.8%	16.2%	15.7%
Australian Property Securities	AUD	0.6%	4.4%	-9.9%	-8.7%
Global Property Securities	USD	0.4%	2.5%	6.6%	6.7%
Currencies					
Euro	USD	-1.0%	-1.1%	-6.0%	-5.3%
UK Pound Sterling	USD	-1.1%	-1.3%	-1.8%	0.0%
Japanese Yen	USD	-1.0%	-1.5%	-1.9%	-3.5%
Australian Dollar	USD	-1.2%	-3.6%	1.6%	3.5%
South African Rand	USD	-2.3%	-1.1%	-2.1%	0.4%
Swiss Franc	USD	-2.3%	-1.8%	-5.5%	-5.8%
Chinese Yuan	USD	0.0%	-0.2%	4.8%	6.4%
Commodities & Alternatives					
Commodities	USD	-0.8%	-5.3%	37.1%	37.4%
Agricultural Commodities	USD	1.3%	-0.7%	8.7%	6.7%
Oil	USD	-2.5%	-18.5%	57.5%	52.1%
Gold	USD	-4.3%	0.0%	-10.1%	-7.5%

Source: Bloomberg Finance L.P. Past performance is not indicative of future returns.

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