Annual Members' Meeting

Friday 16th October 2026

Maria Antoniou
Chair of Trustees

Welcome and Introduction

Agenda

Time	Topic	Owner
11.00	Welcome and Introduction	Maria Antoniou (Chair of Trustees)
11.10	First impressions of the TfL Pension Fund	Martin Hunter (Chief Executive & Fund Secretary)
11.30	Actuarial Update	Gareth Oxtoby (Fund Actuary)
11.50	Investment Update	Dave Aleppo (Investment Adviser)
12.10	Legal Developments	David Saunders (Legal Adviser)
12.30	Open Forum – Questions & Answers	Maria Antoniou (Chair of Trustees)
12.45	Refreshments and Informal Discussions	All
13.30	Close	All

Martin Hunter
Chief Executive & Fund Secretary

First impressions of the TfL Pension Fund

Organisations exhibiting in the Great Hall

The Fund Office

The Pensions Consultative Council (PCC)

Transport Benevolent Fund

On The Move

Agenda

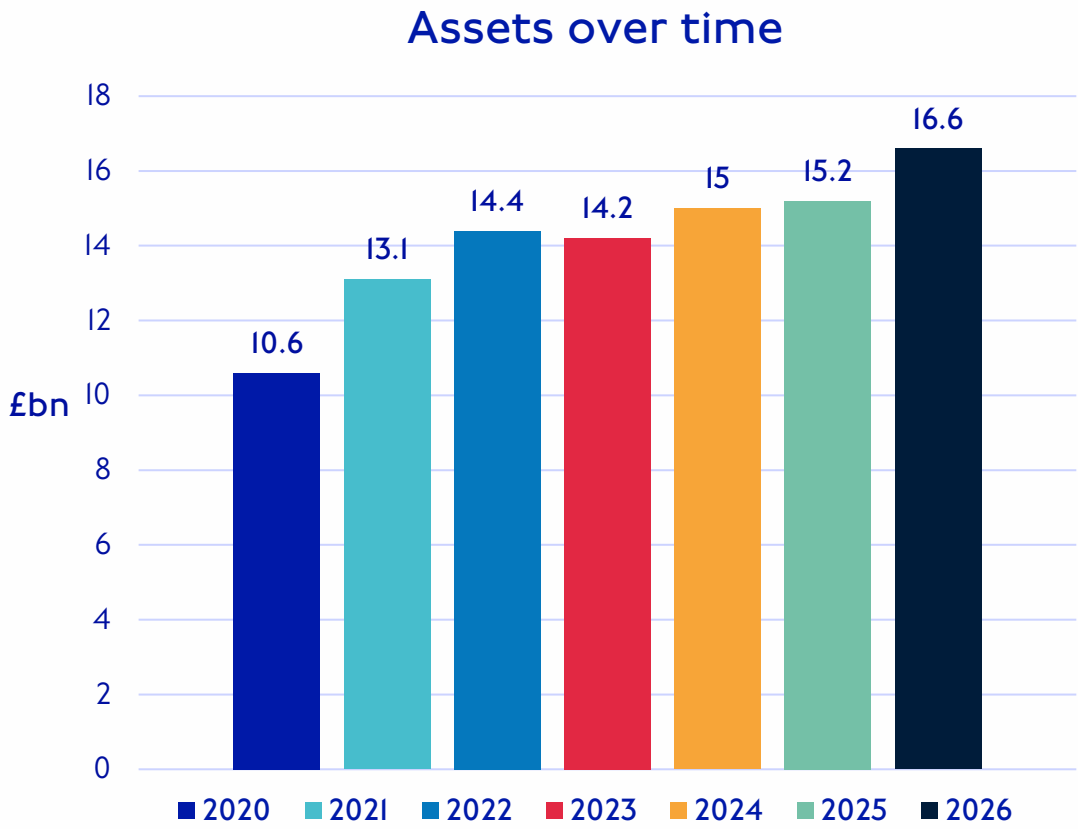
- Review of the year – financials
- Review of the year – membership
- Administration developments
- First impressions

Review of the year – financials

	£ million	£ million
Net assets at the beginning of the year		**15,162.8**
Employer contributions	149.7	
Member contributions	101.3	
Individual transfers in from other schemes	3.4	
Total income		**254.4**
Benefits paid to members	(562.8)	
Other payments	(15.9)	
Total payments		**(578.7)**
Net returns on investments		**1,748.0**
Net assets at the end of the year		**16,586.5**

Investment return and asset growth

Annual returns	The Fund	Benchmark
1 year	11.5% pa	10.4% pa
3 year average	6.9% pa	7.8% pa
5 year average	6.1% pa	3.2% pa



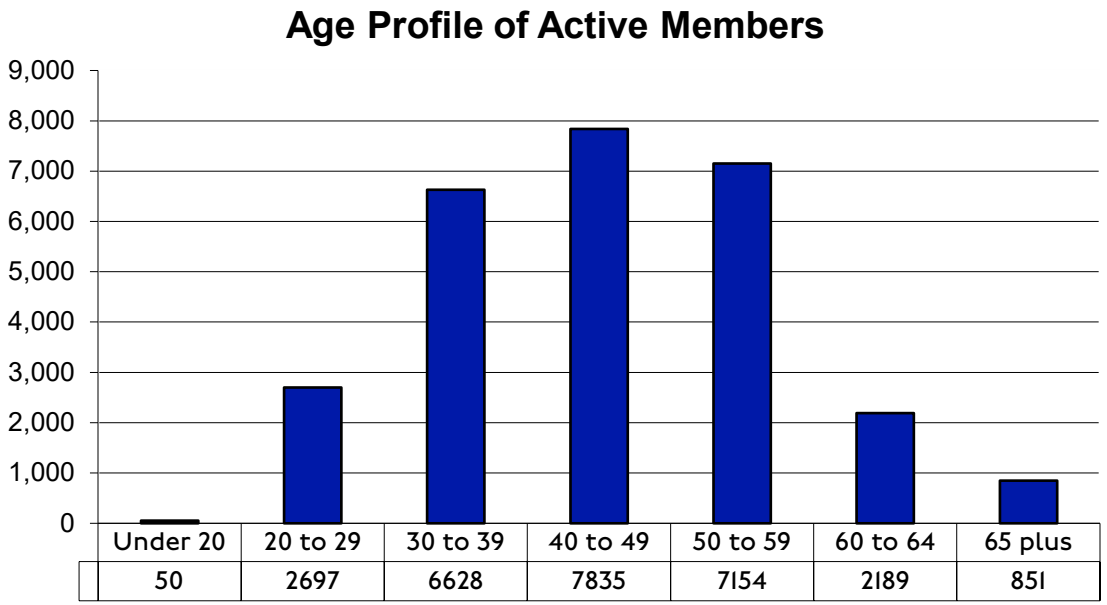
Review of the year – membership

Active members at 1 April 2025	27,204
New joiners	1,397
Retirements	(673)
Leavers taking a refund of contributions or trivial commutation lump sum	(157)
Leavers becoming deferred pensioners	(341)
Deaths in service	(28)
Active members at 31 March 2026	27,402

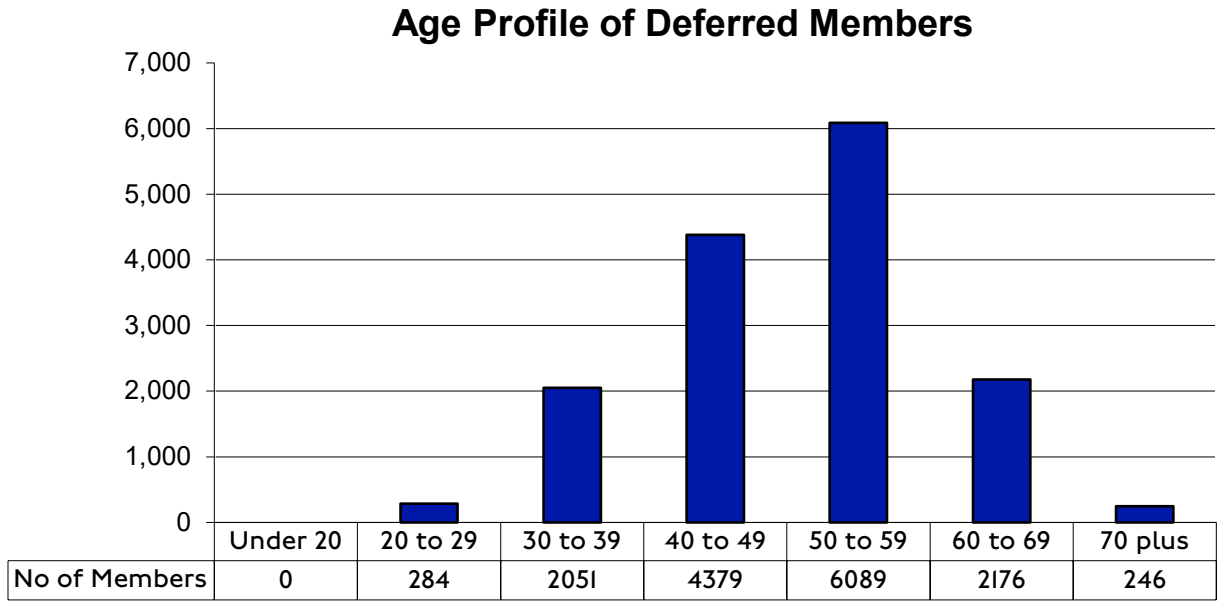
Deferred members at 1 April 2025	15,620
Leavers becoming deferred pensioners	341
Retirements	(676)
Transfers to another pension scheme	(14)
Trivial commutation	(11)
Deaths	(34)
Deferred members at 31 March 2026	15,226

Pensioners and Dependants at 1 April 2025	42,257
Retirements	1,349
Deaths	(1,328)
Pensioners and Dependants at 31 March 2026	42,278

Administration – future demand



	Under 20	20 to 29	30 to 39	40 to 49	50 to 59	60 to 64	65 plus
	50	2697	6628	7835	7154	2189	851



	Under 20	20 to 29	30 to 39	40 to 49	50 to 59	60 to 69	70 plus
No of Members	0	284	2051	4379	6089	2176	246

Investment in the Fund Office will be needed to ensure we can give members the support they will need in future

Other member service updates

Members with Expression of Wish form	% of membership
Active members	69%
Deferred members	60%

Members registered for self service	% of membership
Active members	52%
Deferred members	40%
Pensioner members	27%

Pension increases

- The April 2026 pension increase was based on the increase in RPI over the 12 months to September 2025.

- The April 2027 pension increase will be based on the RPI figure published on 21 October 2026.

Increases to pensions in payment and deferred pensions	Existing Members	New Members
April 2025	2.7%	2.7%
April 2026	4.5%	4.5%

- Existing Members are those who joined the Fund when it was formed in April 1989.
- New Members those who joined the Fund on or after 2 April 1989. Their annual increases are capped at 5%.

Recent Publications

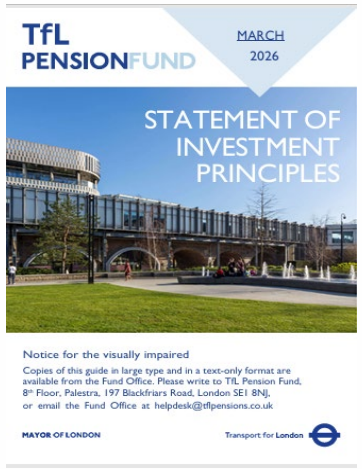


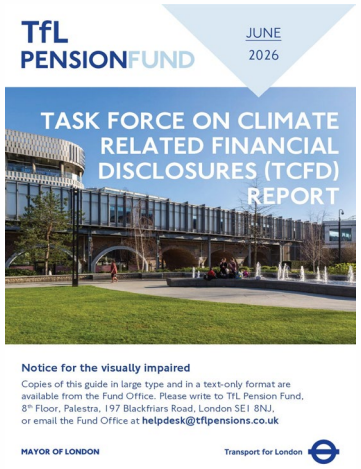
















First impressions of the TfL Pension Fund

Complexity

Diverse and experienced Trustee Board

Very strong financial position

Passionate and dedicated Fund Office staff

Critical financial security for members

Opportunities



TfL Pension Fund

Annual Members' Meeting

Scheme Actuary presentation
Gareth Oxtoby

16 October 2026

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Scheme Actuary review of 2026 - Agenda



1

2026 funding update

2

Update: developments regarding use of pension scheme surplus

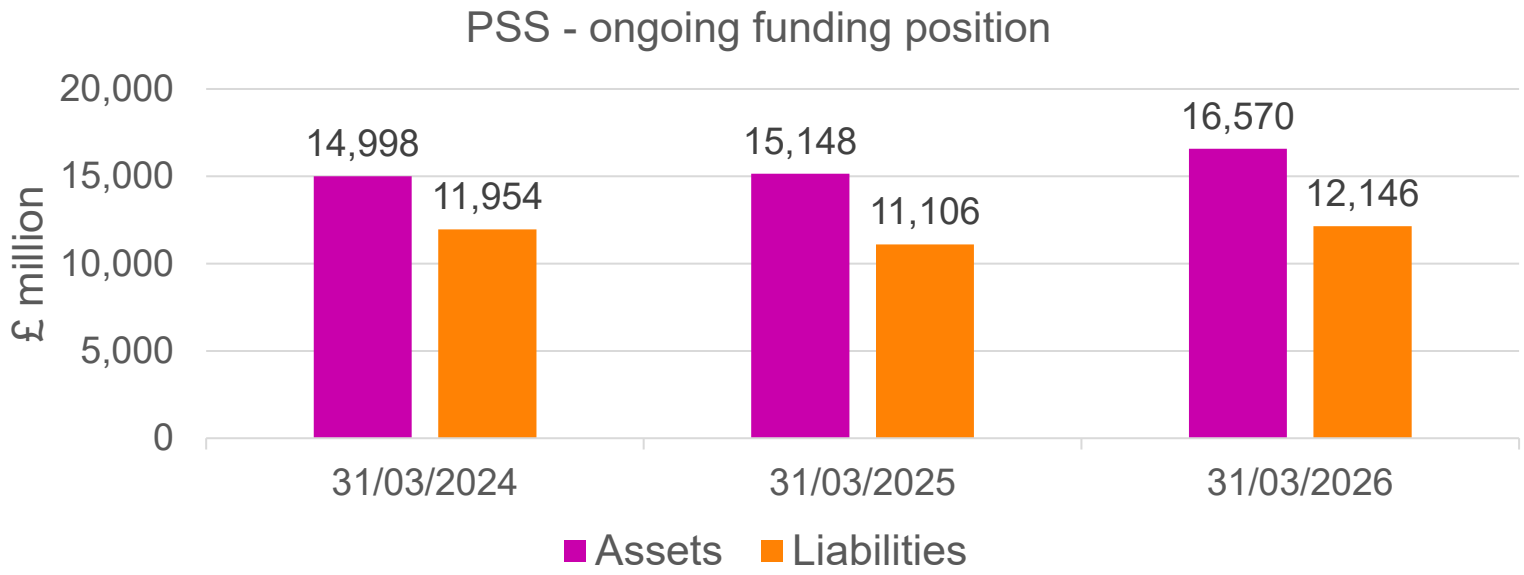
3

Retirement
Living standards

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Annual update of financial position as at 31 March 2026

- I am required to carry out full valuations of the Fund every three years. There are separate valuations for the Public Sector Section ('PSS' or 'the Scheme'), which represents 99%+ of Fund assets and liabilities, and the much smaller Composite Section.
- In the intervening years, for the PSS I am required to prepare a report on 'developments affecting the scheme's technical provisions since the last actuarial valuation was prepared'.



	31/03/2024	31/03/2025	31/03/2026
Surplus (£m)	**3,044**	**4,042**	**4,424**

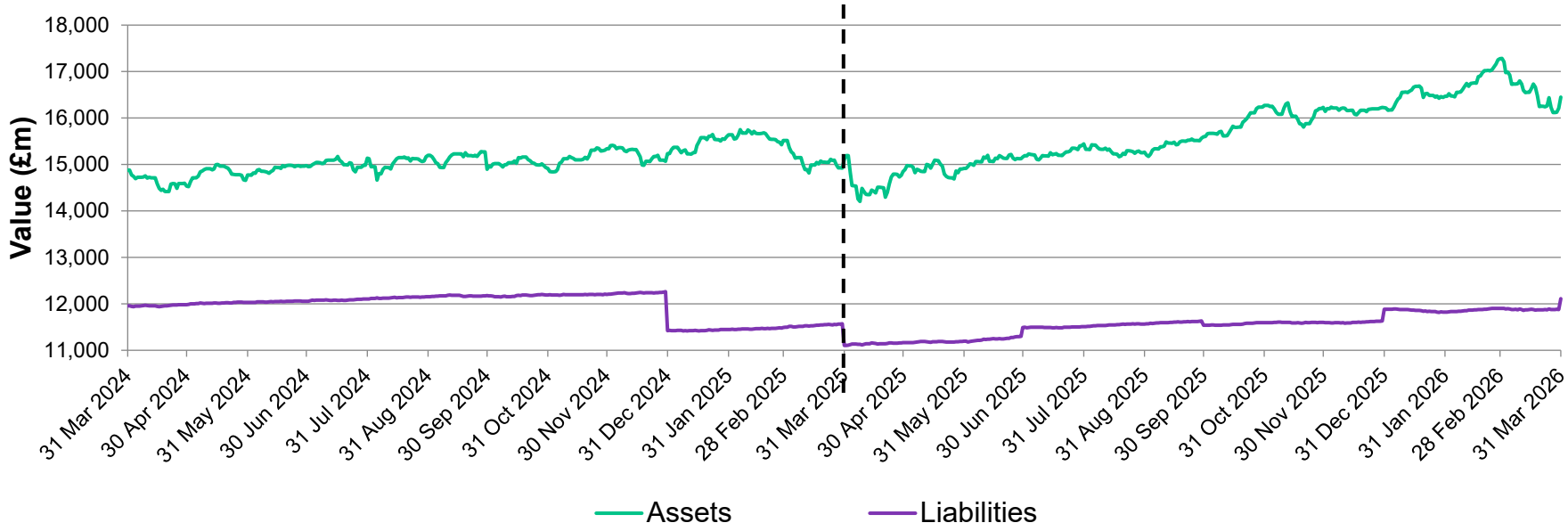
Jargon buster:

- **Liabilities** = current value of future payments of benefits earned by Scheme members up to the calculation date
- **Technical provisions** = a measure of the liabilities assuming the Scheme is ongoing

The PSS has maintained a healthy surplus of assets over liabilities.

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Key developments since the 2024 valuation



A further improvement in funding position over the year to 31 March 2026

Liability assessment depends on assumptions

- After a relatively flat performance in Scheme year 2024/25, Scheme assets did better in 2025/26.
- The value placed on liabilities depends upon assumptions we make about what will happen in future. Since the 2024 valuation was completed, we have updated key financial assumptions each quarter.
- On this approach, Scheme liabilities reduced during the year to 31 March 2025, but then ended Scheme year 2025/26 broadly unchanged from the level as at 31 March 2024.

The Scheme continues to be in a very healthy financial position, reflecting movements in values of both assets and liabilities.

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Key assumptions which impact the Scheme's financial position

<table>
<tr><th></th><th>Pension increase estimate</th><th>Investment return estimate</th></tr>
<tr><td>What does it mean?</td><td>Our estimate of how much members' pensions will increase each year in payment over the long term.</td><td>A cautious estimate of future investment returns.
We use it to convert future pension payments over many years into a single value in 'today's money'.</td></tr>
<tr><td>How do we estimate it?</td><td>Based on long-term inflation expectations implied by UK government bond prices ie "market consistent".</td><td>We model the range of possible returns on Scheme assets, then choose a cautious figure from within that range.</td></tr>
<tr><td>Has the estimate changed in recent years?</td><td>
<table>
<tr><th>% pa*</th><th>31/3/21</th><th>31/3/24</th><th>31/3/26</th></tr>
<tr><td>Existing</td><td>3.5%</td><td>4.05%</td><td>3.6%</td></tr>
<tr><td>New</td><td>3.1%</td><td>3.2%</td><td>3.25%</td></tr>
</table>
*average rates, weighted by projected future cashflows
</td><td>
<table>
<tr><th>% pa*</th><th>31/3/21</th><th>31/3/24</th><th>31/3/26</th></tr>
<tr><td>Return estimate</td><td>4.1%</td><td>5.75%</td><td>6.3%</td></tr>
</table>
</td></tr>
<tr><td>Use same method for 2027 valuation?</td><td>Likely yes</td><td>Likely yes – but with some changes</td></tr>
</table>

If future experience differs from these assumptions, the Scheme's surplus could rise or fall significantly

New regulations will apply to the Scheme's 2027 valuation – may have an impact

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Pensions scheme surpluses – a potential ‘windfall’?



June 2025: “Increased surplus flexibilities, with appropriate safeguards, will allow more well-funded DB schemes to release resources back to businesses and scheme members”

June 2026: “Protecting members’ benefits must remain the top priority… where schemes are well-funded, trustees should have the flexibility to take decisions that reflect their circumstances and can support long-term growth, including investment in the wider economy”

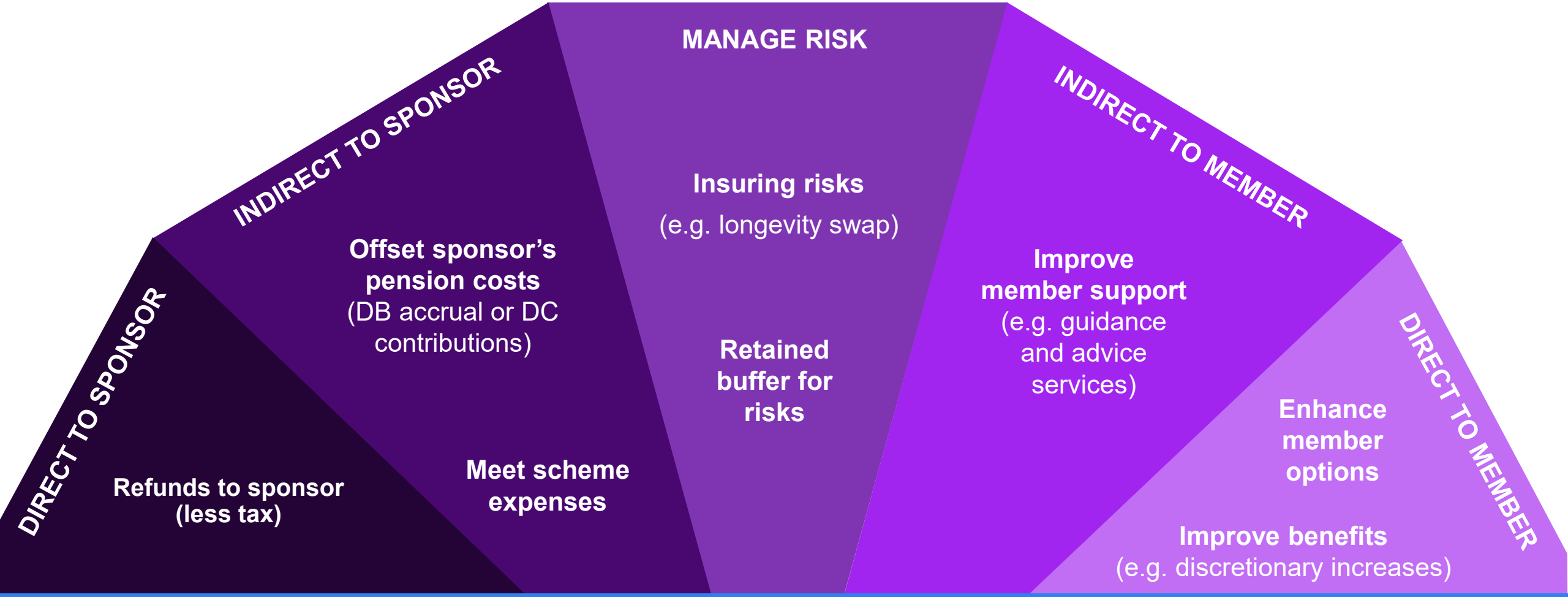
A potential surplus release could be beneficial for multiple stakeholders



How much, and how much might go to each?

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How are surpluses currently being used by schemes in practice?



Outcomes are (very) scheme-specific. New legislation may create new opportunities

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‘Gold plated’ pensions and the cost of living

DAILY MIRROR

“Gold-plated pensions could be finished off by cautious restrictions, MPs warn”

March 2024

DAILY TELEGRAPH

“London Mayor scraps overhaul of gold-plated pension scheme — and lets workers retire at 60”

March 2025

DWP

“Government revives landmark Pensions Commission to confront retirement crisis that risks tomorrow’s pensioners being poorer than today’s”

July 2025

GB NEWS

“Reform UK unveils plans to abolish so-called “gold-plated” pension arrangements for new public sector workers from 2030”

April 2026

- Like other defined benefit pension schemes, the Fund has been subject to criticism from some quarters as providing a ‘gold-plated’ level of retirement provision
- But is that really true, given today’s cost of living?

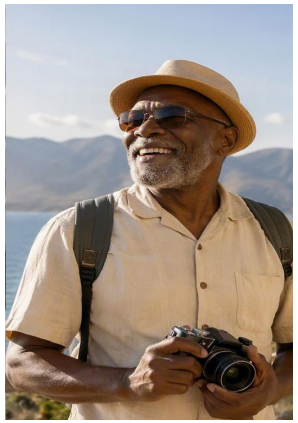
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Retirement Living Standards

- June 2026: Pensions UK published their updated **Retirement Living Standards**. These are intended to illustrate the costs associated with three different levels of retirement living.
- These costs would need to be met from income after tax. And there are some very significant exclusions eg
  - housing costs (rent, mortgages)
  - social care
  - dependants.

Source: www.retirementlivingstandards.org.uk

Figures shown are for a one person household

Minimum income	Moderate income	Comfortable income
£13,900 pa **London: £14,600pa**	£32,700 **London: £34,000**	£45,400 **London: £47,200**
		

Characterised as, for example:

	One meal out + one takeaway per month	One meal out + one takeaway per week	One meal out + two takeaways per week
	Holidays c£550pa	Holidays c£2,000pa	Holidays c£3,200pa

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Retirement Living Standards

- This research implies that if you are in receipt of a full State pension (assumed to be c£12,500 pa), for a **'moderate'** living standard a single person in London would need additional income after tax of around £21,500 pa, equivalent to a Fund pension of something of the order of **£27,000pa**



- At the Fund's 2024 valuation, the average full-time pensionable salary for employed members was c£52,000 pa. To earn a Fund pension of £27,000 pa, someone retiring on that salary would need to have worked for TfL for **over 30 years**.

Conclusion: the Fund does provide *relatively* generous benefits – but evidence suggests **not** 'gold plated'. It **is** a vital contributor towards members being able to enjoy an acceptable standard of living in retirement

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TfL Pension Fund

Annual Members' Meeting

Investment Update
Dave Aleppo

16 October 2026

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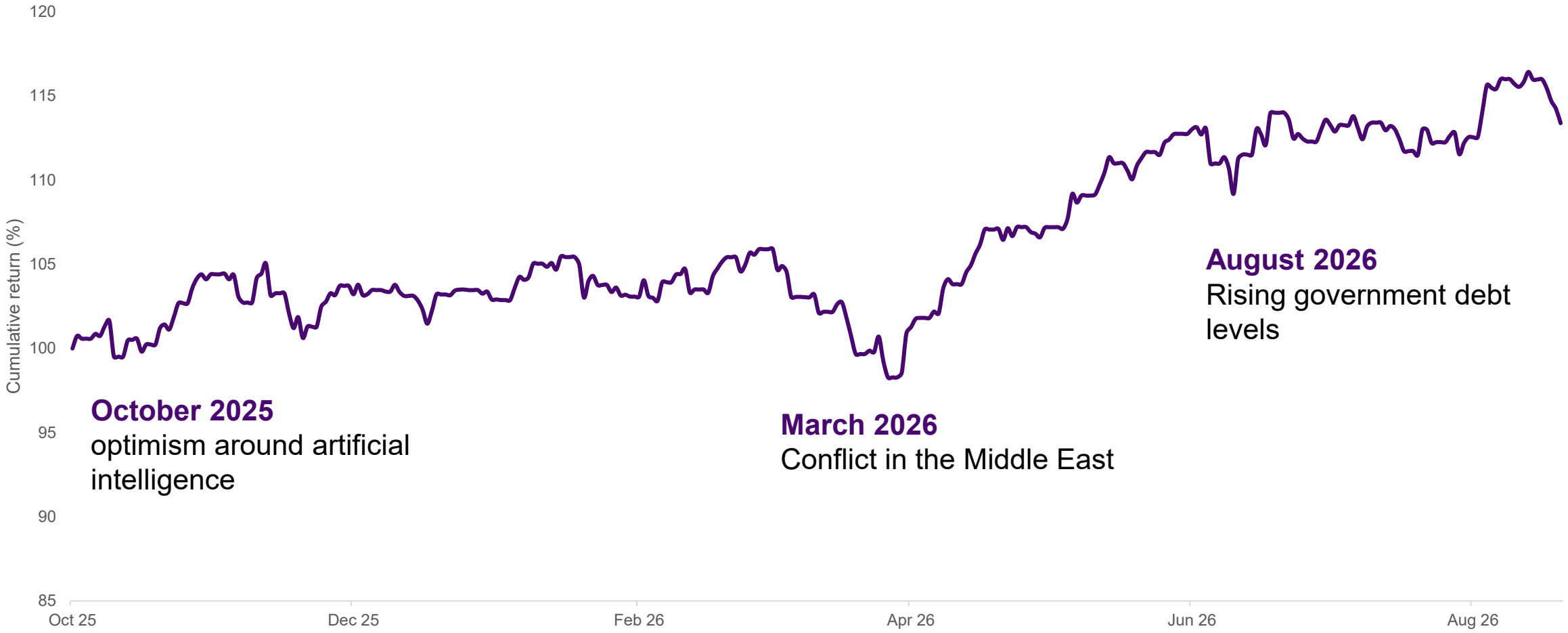
Investment Update

1. Market update
2. Fund performance
3. Key actions taken
4. Looking forward

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What has happened over the past year?

MSCI Index Performance in USD



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The cause of inflation will determine the best protection

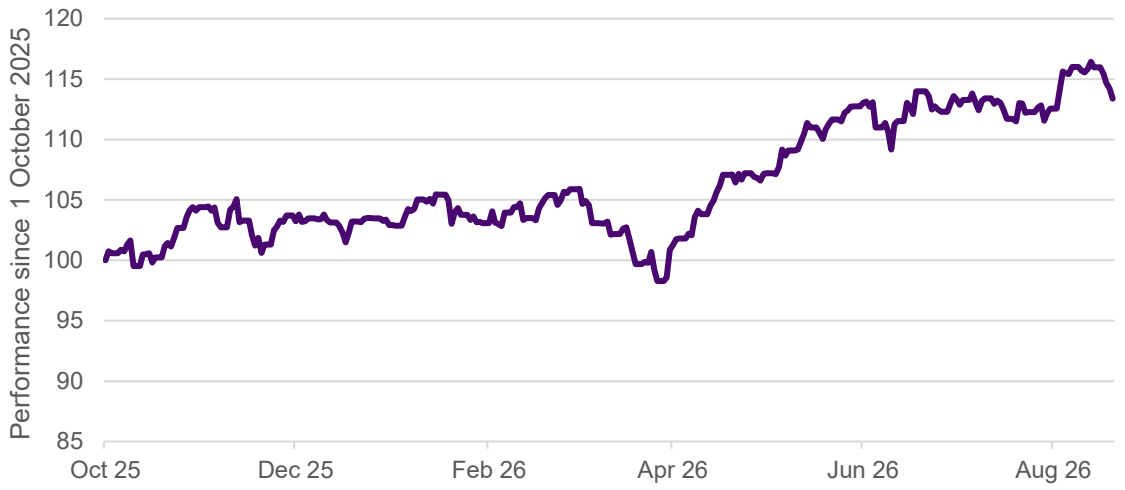
Inflation scenario	Inflation-linked assets	Equities & credit	Real assets	Commodities	Gold
Spending more	↑↑	↑	↑	↑	↔
High energy prices	↑	↓	↔	↑↑	↑
Loss of confidence	↑	↓	↓	↓	↑↑
Spending falls	↓	↓↓	↓↓	↓↓	↑
Increased investment	↔	↑↑	↑↑	↓	↑

KEY ↑↑ Strong help ↑ Helps ↔ Mixed ↓ Hurts ↓↓ Hurts a lot

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What else has happened in investment markets?

World Equities



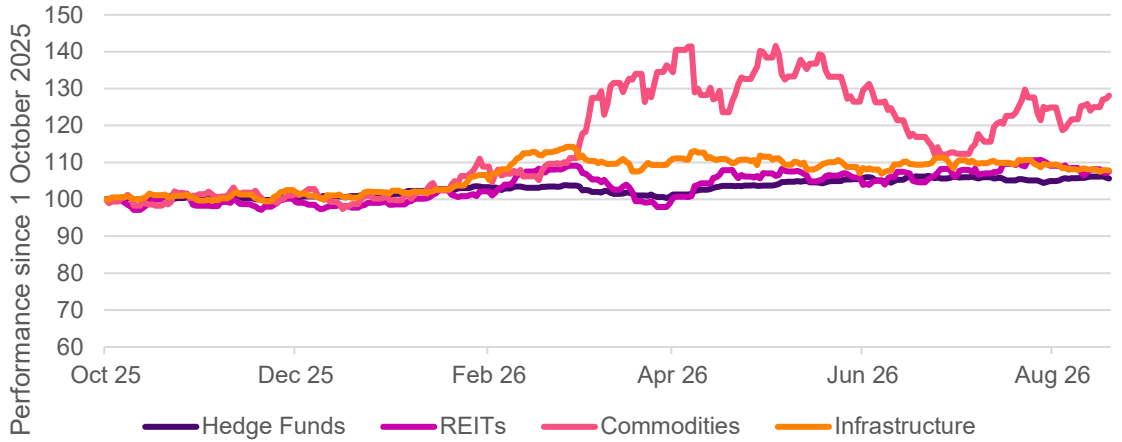
Global Corporate Bonds



Index Linked Gilts



Diversifying assets

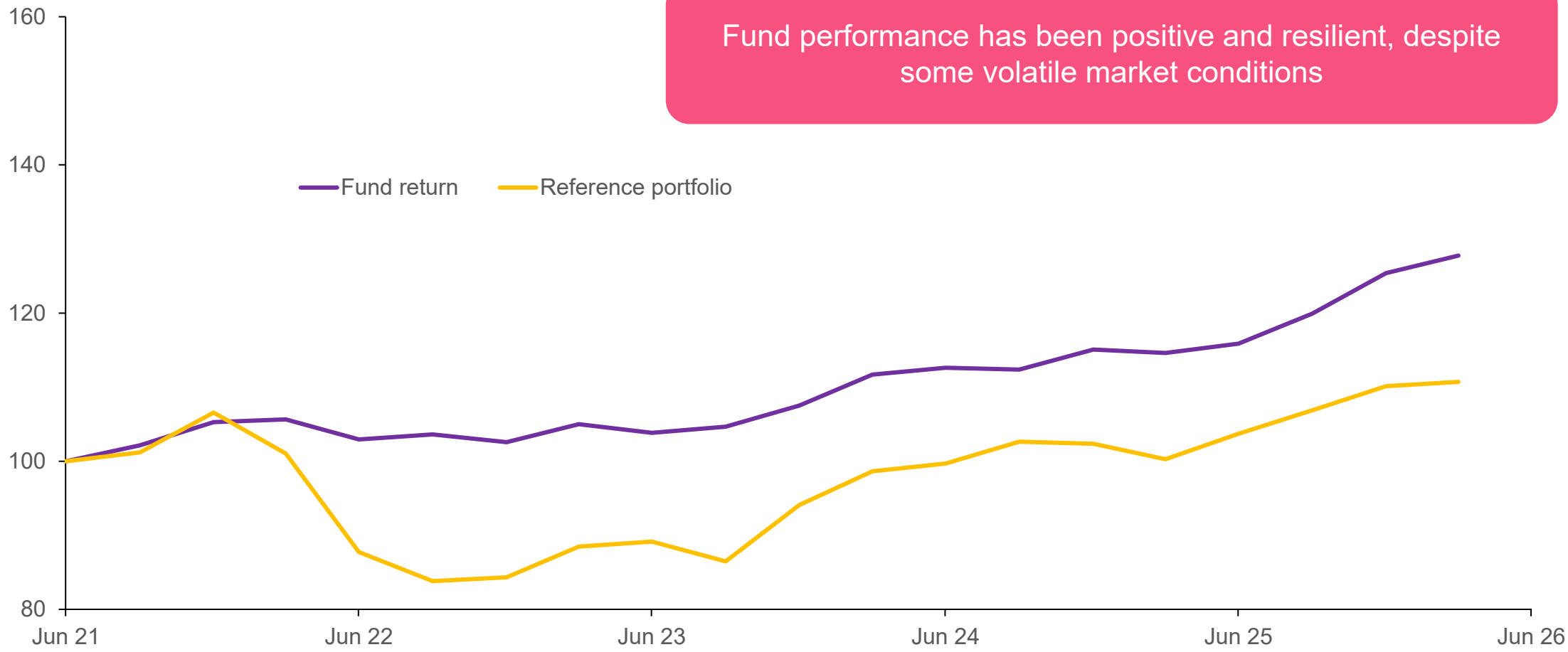


Notes
World Equities – MSCI World; Global Corporate Bonds – Bloomberg Barclays Global Aggregate (GBP hedged); Index Linked Gilts - FTSE Actuaries UK Index-Linked Gilts All Stocks; Hedge Funds – HFRX Global Hedge Fund Index; REITs – FTSE EPRA Nareit Developed Index; Commodities – S&P GSCI; Infrastructure – S&P Global Infrastructure Index

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How has the portfolio performed in this period?

Fund performance has been positive and resilient, despite some volatile market conditions



Source: JP Morgan, WTW, FTSE International Limited, ICE Benchmark Administration Limited
For the period till 31 March 2019, the reference portfolio benchmark consists of 15% FTSE Over 5 Year Index-Linked Gilts, 61.25% FTSE All-World equities (50% hedged) and 23.75% 3-month GBP LIBOR.
The reference portfolio benchmark consists of 30% FTSE All World Index / 30% FTSE All World Index – GBP Hedged, 20% Barcap Global Ag Corp 1% Constrained Hedged, 20% FTSE Over 15 Year Index Linked Gilt Index onwards. The new reference portfolio was first reported against in Q1 2020.

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What actions have been taken?

Supporting the Fund's strong position

Review of the Fund's **equity portfolio**

Continued integration of **Sustainable Investment**

Interim review of the liability hedging portfolio

Updated Trustee committees for investment matters

Increased allocation to diversifying assets e.g. infrastructure and private equity

Assessed the **Fund's resilience** to severe market events

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Sustainable Investment Report 2026

- **The Fund continued to make positive progress during the year despite industry-wide headwinds**
- **This was never going to be a straightforward journey, but the Trustees remain committed to that journey:**

  - The Fund has achieved a 54% reduction in carbon intensity and is ahead of its 2030 interim target
  - £2.4bn is invested in ESG-tilted assets (renewable energy, low-carbon infrastructure and green buildings)
  - The Fund actively engages hundreds of companies and strengthened its voting framework rather than retreating from stewardship.
  - All while maintaining a very strong funding position.



Available in December 2026

- Votes cast covering almost **5,000** resolutions
- Upgrading the ESG voting policy across the passive equity holdings

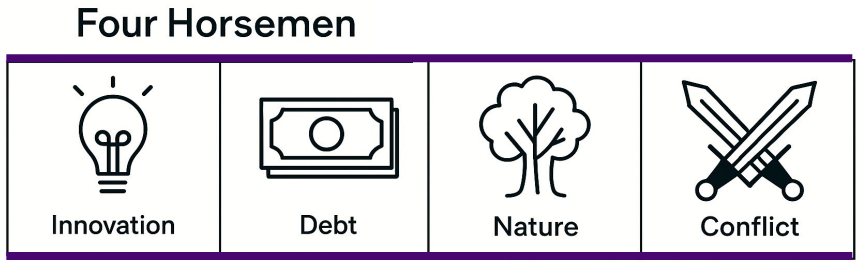
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Revisiting “risk”

3-part plan

1

Focus on the risks that matter most



2

Assess capacity to withstand losses

Extreme equity falls required to erode surplus

1x
the Global Financial Crisis;

1.5x
the Dot Com Bubble

3

Therefore, increased confidence in surplus assets

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Looking forward:

Protecting member benefit security

- Continuing to strengthen the Fund's resilience to key risks
- Reviewing the bond exposure
- Considering lessons learned from market events

Supporting surplus growth

- Generate surplus assets in a risk-controlled manner
- Take advantage of investment opportunities

Continued progress across E, S and G

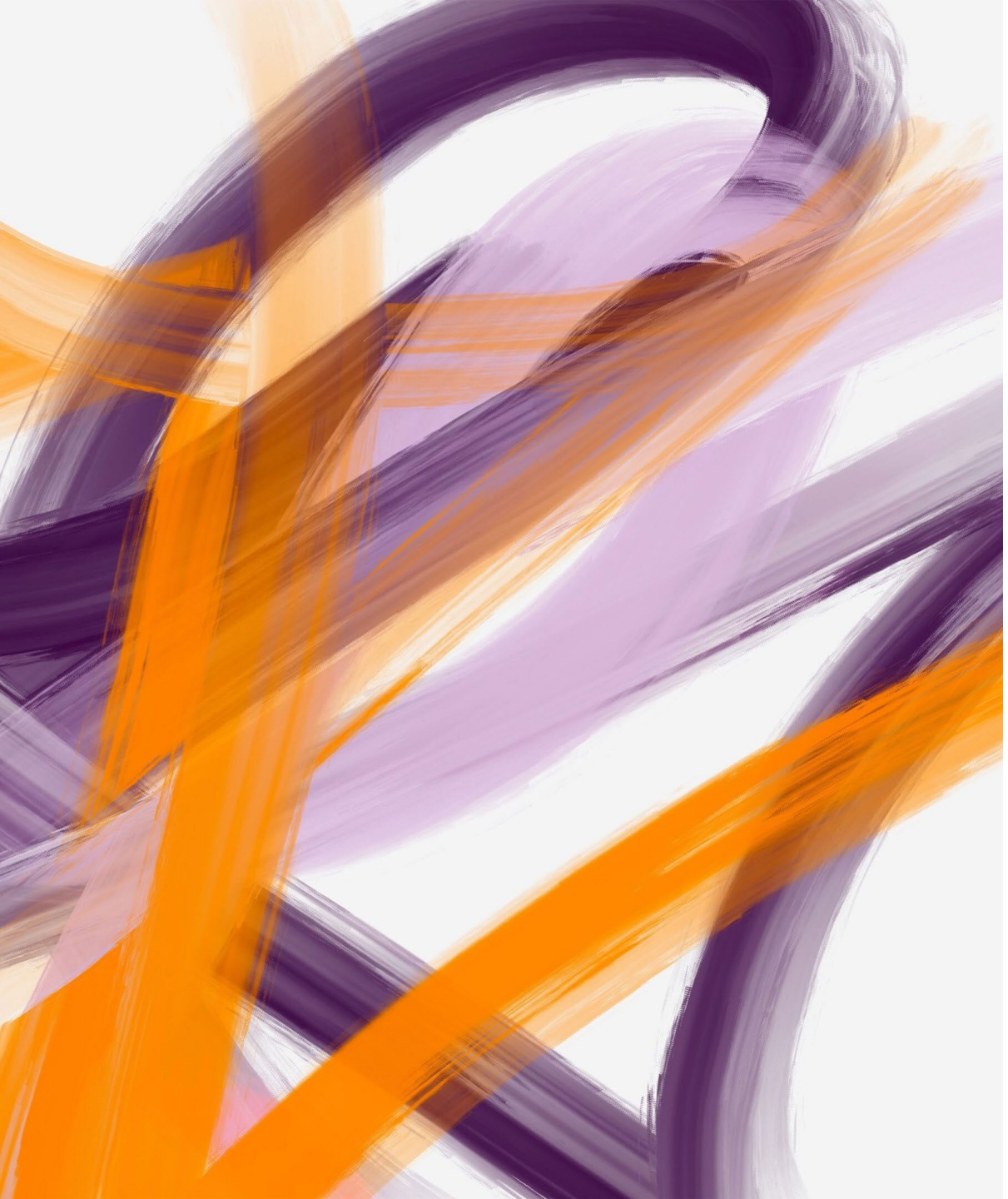
- The Fund remains on course to meet its 2030 target
- Progress won’t always be linear
- The Trustee remains committed to its sustainable investing objectives

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Sackers 60
A proud history and an exciting future Est. 1966

TfL Pension Fund

Annual Members' Meeting 2026 - Legal developments

16 October 2026

Sackers

Speaker



David Saunders
Partner

What developments are we going to cover?

Sackers

- Consultation on governance and trusteeship
- Pension schemes surpluses
- Interim report of Pensions Commission
- Consultation on changes to transfer conditions



Sackers

Consultation on governance and trusteeship

Background & key themes

Sackers

Background	Types of trustee	Trustee directory
Consultation's key themes	**Professional trustees**	**Diversity**
Pension Schemes Act changes	**Non-professional trustees**	**Member views**
Improve or consolidate	Public (independent) trustee?	Administration



Sackers

Pension scheme surpluses

New surplus flexibilities for trustees of ongoing DB schemes

Sackers

New overriding power to amend by resolution

- Introduce a power to pay surplus to employer
- Remove / relax restrictions on any existing power

New conditions

Sackers

Actuarial assessment	Funding test – low dependency	Process for proposing payment
Actuarial certificate	Notifying members	Notifying TPR

What about scheme members sharing in any surplus?

Sackers





Sackers

Interim report of Pensions Commission

Key points

Sackers

Firm foundations

Challenge of ageing population

Challenge of inadequate saving

Challenge of length of working lives

Challenge caused by pensions freedoms

Responsibility must be balanced between state, employers and individuals

Final recommendations planned by Spring 2027



Sackers

Consultation on changes to transfer conditions

Background

Sackers

First condition

low risk schemes

Second condition

red & amber flags

Proposed changes

Sackers

Aim = address operational challenges

- Broaden first condition
- Remove overseas investment amber flag
- Red incentives flag to stay
- New red flag – employment link
- New exemption from taking MaPS guidance

Sackers

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Open Forum – Questions & Answers