

## 13 October 2022 – Notice to BAE Pension Scheme (“The Scheme”) Members

You may have read about the recent turmoil in the markets, particularly the UK gilt market, since the mini budget of Friday 23 September 2022. Gilt yields had been increasing throughout 2022, but the recent pace of change in gilt yields has been unprecedented.

The Bank of England intervened by announcing a programme to temporarily buy back up to £65bn of gilts until 14<sup>th</sup> October. This action reduced gilt yields quite significantly even though the level of gilts purchased has been less than the Bank had planned for.

The Trustees have, and continue to, closely monitor the Scheme with its independent advisors. The Trustees of the BAE Systems Pension Scheme would like to reassure you that the funding of the Scheme remains ahead of plan and we continue to have appropriate liquidity to meet all payments from the Scheme.

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