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LEGAL & GENERAL WELCOMES BRITISH BUSINESS BANK'S REPORT AS IT EXPLORES INNOVATIVE SOLUTIONS FOR UK DC SAVERS

Legal & General welcomes the findings of today's report from the British Business Bank, *The Future of Defined Contribution Pensions*, which concludes that Defined Contribution (DC) savers are missing out on potentially higher returns due to their inability to invest in the Venture Capital and Growth Equity asset class.

Legal & General is proud to have contributed to the report by participating in **The Defined Contribution Pensions Scheme Feasibility Study Steering Panel**, a great example of collaboration between the public and private sectors with the shared goal of enabling better outcomes for people saving for retirement.

As the UK's largest DC pension manager, with £85 billion assets under management, Legal & General is committed to improving outcomes for DC pension savers at every stage on their retirement journey. Research from the British Business Bank has found that a small allocation to Venture Capital and Growth Equity could have a material impact on an individual's total retirement savings over the long term. However, UK DC pension savers have historically been excluded from Venture Capital and Growth Equity due to fund structure, liquidity and fee constraints. Legal & General therefore supports this key initiative, which lays important foundations for democratising access to the asset class for DC savers.

Legal & General is investigating a range of potential solutions which would enable its DC customers to gain diversified access to Venture Capital and Growth Equity in a cost-effective way, using a fund-of-funds approach. Having been an active investor in Venture Capital for a number of years and as the market leader in UK DC, Legal & General is uniquely well-placed to develop an innovative solution for this market which also unlocks a large and growing pool of capital for the Venture ecosystem.

Nigel Wilson, CEO of Legal & General, commented: "The UK has some of the best universities in the world, which are fuelling innovative, commercial ideas including AI and data-driven businesses as well as scientific breakthroughs. However, the innovative companies at the forefront of this disruption

are now staying private for longer, delivering returns to a small group of private market investors. We welcome the findings of today's report and look forward to rising to the challenge laid down by the British Business Bank by delivering a viable solution for DC clients which democratises access to this important asset class. The goals of this initiative are well-aligned with Legal & General's commitment towards Inclusive Capitalism, as we aim to share the benefits of the Innovation Economy with retirement savers in the UK."

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Notes to editors -

Legal & General

Established in 1836, Legal & General is one of the UK's leading financial services groups and a major global investor, with international businesses in the US, Europe, Middle East and Asia. With over £1.1 trillion in total assets under management at 30 June 2019, we are the UK's largest investment manager for corporate pension schemes and a UK market leader in pensions de-risking, life insurance, workplace pensions and retirement income. We have also invested over £22 billion in direct investments such as homes, urban regeneration, clean energy and small business finance.

Legal & General Capital

Legal & General Capital (LGC) is the early-stage investment arm of Legal & General Group. Investing from Legal & General's principal balance sheet, LGC's purpose is to generate long-term shareholder value by injecting new capital into key sectors where there has been a shortage of investment and innovation. Focused on Future Cities (Urban regeneration and Clean Energy), Housing, SME Finance and Venture Capital, these key sectors reflect our aim to invest for the long term in economically and socially useful assets, to secure competitive returns and to create new asset classes for Legal & General's varied investment requirements, for our partners and for the wider marketplace. LGC is committed to investing in start-ups via expert managers, and is an active investor in a number of European Venture Capital funds.

Legal & General Investment Management

Legal & General Investment Management is one of Europe's largest asset managers and a major global investor, with total assets under management of £1.1 trillion¹. We work with a wide range of global clients, including pension schemes, sovereign wealth funds, fund distributors and retail investors.

Throughout the past 40 years we have built our business through understanding what matters most to our clients and transforming this insight into valuable, accessible investment products and solutions. We provide investment expertise across the full spectrum of asset classes including fixed income, equities, commercial property and cash. Our capabilities range from index-tracking and active strategies to liquidity management and liability-based risk management solutions.

¹ LGIM internal data as at 30 June 2019. These figures include assets managed by LGIMA, an SEC Registered Investment Advisor. Data includes derivative positions.