



Legal & General completes £70 million buy-in transaction with the ICI Pension Fund

Announcement marks the Fund's ninth transaction with Legal & General

Legal & General Assurance Society Limited ("Legal & General") announces that it completed a £70 million buy-in in May with the ICI Pension Fund ("the Fund"), taking advantage of favourable market conditions to secure the benefits of new retirees since its previous transaction with Legal & General in 2019.

This buy-in marks the Fund's ninth transaction with Legal & General, securing a total of c£5.8 billion of liabilities. The Fund entered into its first buy-in arrangement with Legal & General in 2014, and established an innovative umbrella contract to facilitate further transactions, as part of the Fund's long term strategic de-risking plan.

Legal & General approached the Trustee earlier in the year as market volatility presented a favourable pricing opportunity. The umbrella contract structure and the Trustee's clear decision making framework allowed the Fund to move quickly to take advantage of this. This collaborative approach and structure had been used for previous transactions to take advantage of favourable market conditions, notably the £750 million buy-in in July 2016, completed within two weeks of the EU referendum result.

The Trustee was advised on the transaction by LCP and Allen & Overy. Legal advice was provided to Legal & General by Eversheds Sutherland.

"We are pleased to be able to continue to support the ICI Pension Fund on its long term de-risking journey. Today's announcement adds to a relationship that has already secured a significant proportion of the Fund's liabilities – larger than any single buy-in transaction in the market. This latest transaction demonstrates how an umbrella contract structure and a collaborative working relationship can benefit all parties if trustees are set up to react to favourable pricing opportunities during times of market volatility."

Dominic Moret, Origination & Execution Director, Legal & General Retirement Institutional

"We are delighted to have secured our ninth buy-in with Legal & General, and our seventeenth in total, in another transaction for the Fund's de-risking journey. This latest transaction demonstrates the value of our umbrella contract with Legal & General and highlights what can be achieved by trustees with thorough preparation, the right experienced advisors and a clear decision making framework."

Heath Mottram, CEO, ICI Pension Fund

"With the benefit of the umbrella contract and established relationship with Legal & General, the Trustee was able to move quickly to lock in the outstanding pricing available due to volatile markets. Having previously used this opportunistic approach to benefit the Fund, including a £750m transaction initiated and completed with Legal & General within two weeks of the EU referendum result in 2016, the Trustee has now insured nearly £9 billion of liabilities through 17 buy-in transactions since 2014."

Clive Wellsted, Partner and Head of LCP's de-risking practice

Notes to editors

About 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, we are the UK's largest investment manager for corporate pension schemes and a UK market leader in pension risk transfer, life insurance, workplace pensions and retirement income.

About Legal & General Retirement Institutional

Legal & General Retirement Institutional (LGRI) works with trustees and sponsoring companies of defined benefit (DB) pension schemes of all sizes to settle their pension obligations and secure scheme members' benefits, through a full range of de-risking solutions. We work closely across divisions in the Legal & General Group, which has to date invested £26 billion in real assets including urban regeneration, clean and low-cost energy, housing and transport links.

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