

L&G sets Lifetime Advantage Funds as new default strategy for contract-based DC clients

Innovative default design delivers higher private markets exposure, with the aim of boosting member outcomes in retirement

London, 17 December 2024 – Legal & General ('L&G') has announced that it will introduce its Lifetime Advantage Funds¹ as the new core default strategy for contract-based DC clients from the beginning of 2025.

Launched in July 2024², the Lifetime Advantage Funds are a 'to and through' target date fund range, offering members extended access to a diverse selection of growth assets, including a range of private market assets. Members will have exposure to 100% growth assets up until 15 years before retirement, including a 15% allocation to the L&G Private Markets Access Fund³ with its direct exposure to assets such as affordable housing, university spinouts, and renewable infrastructure.

This will be supplemented by an 85% exposure to a range of ESG and factor based equity strategies, including:

- **Sustainable Focus Equity Strategy:** Delivering thematic exposure to a number of the UN's Sustainable Development Goals (SDGs), including clean water, clean energy, and healthcare.
- **Climate Action Global Equity Fund:** An actively managed, high conviction strategy which focuses on actively engaging with climate laggards to accelerate progress and unlock improvements.
- **A Technology Sleeve:** A focused 100 stock portfolio with an ESG overlay, providing access to companies that are leading the technological revolution.

As the member moves towards retirement, the Lifetime Advantage Funds transition gradually into a more income-focused portfolio, with the aim of protecting growth and delivering the flexibility that members are increasingly looking for in decumulation.⁴

Modelling by L&G suggests the new funds have the potential to deliver value for money and better outcomes in retirement. In research comparing the Lifetime Advantage Funds with the firm's current Multi-Asset Fund default, a 20-year-old member⁵ would have a c. 40% better outcome in retirement, based on median projections.⁶

Rita Butler-Jones, Head of Defined Contribution, Legal & General: "We're really excited to be introducing the Lifetime Advantage Funds as the new core default for our contract-based DC scheme clients. In our view, the funds offer members access to an innovative, growth-oriented portfolio of investments with the potential to deliver excellent performance and value over the long term."

The decision to set the Lifetime Advantage Funds as the new default strategy for contract based schemes is supported by the firm's Independent Governance Committee (IGC), which in its latest annual report⁷ suggested that the move has the potential to boost member outcomes over the long term. The Lifetime Advantage Funds will be available alongside L&G's existing Target Date Fund (TDF) range⁸ and a broader range of investment options for schemes to select from.

¹Lifetime Advantage Fund.

²L&G unlocks private markets access for 5.2 million DC members through launch of Private Markets Access Fund.

³L&G Private Markets Access Fund.

⁴Illustrative asset allocation chart for the Lifetime Advantage Fund included in Notes to Editors.

⁵Example assumes a £0 starting pot, £20k starting salary, 8% contribution, salary increasing in line with CPI.

⁶Source: Asset Management, L&G. December 2024.

⁷Legal & General Independent Governance Committee Annual report for the year ending 31 December 2023.

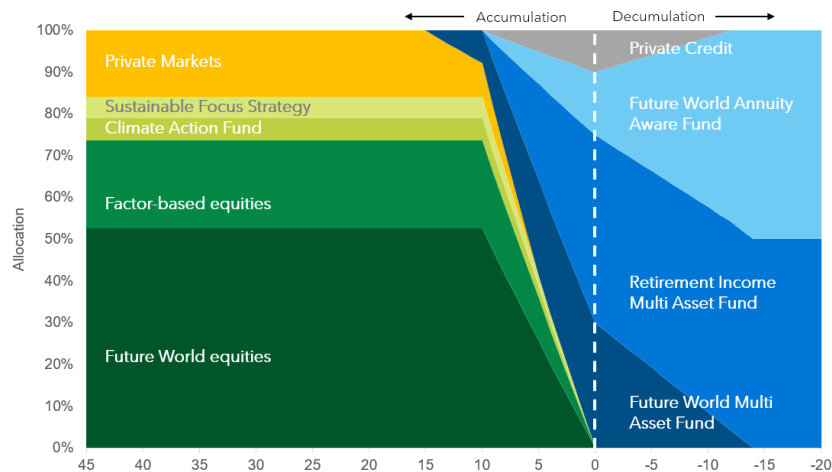
⁸Legal & General -Workplace pensions: Target date funds.

L&G is the largest DC provider in the UK market, looking after the retirement savings of 5.3 million members, with £176 billion in AUM.⁹

-ENDS-

Notes to editors

Lifetime Advantage Fund Illustrative Asset Allocation Chart¹⁰



Lifetime Advantage Fund Charges

The Lifetime Advantage Funds have differing charges depending on which cohort the member is invested in. This reflects the extent to which the fund will be invested in private markets. The charges shown in this table are the final charges once private markets are at full allocation.¹¹

LAF Cohort	Growth (p.a.)			At Retirement (p.a.)
	Investment Management Charge	Expected additional expenses*	Total Fund Management Charge	
2015-2020	0.15%	-	0.15%	0.15%
2020-2025	0.15%	-	0.15%	0.15%
2025-2030	0.15%	-	0.15%	0.15%
2030-2035	0.15%	-	0.15%	0.15%
2035-2040	0.19%	0.03%	0.22%	0.15%
2040-2045 and beyond	0.23%	0.05%	0.28%*	0.15%

About Legal & General

Established in 1836, Legal & General is one of the UK's leading financial services groups and a major global investor, with £1.2 trillion in total assets under management (as at HY24) of which c40% (circa £0.5 trillion) is international.

We have a highly synergistic business model, which continues to drive strong returns. We are a leading

⁹AUM data as at L&G Half Year Results. 7 August 2024.

¹⁰Source: Asset Management, L&G. December 2024. Asset allocation is subject to change.

¹¹Source: Asset Management, L&G. December 2024.

*Starting value of £50k, annual return of 5.0%, 8.0% contribution rising at 2.5% p.a.

international player in Institutional Retirement, in Retail Savings and Protection, and in both public and private markets through our Asset Management division. Across the Group, we are committed to responsible investing and dedicated to serving the long-term savings and investment needs of customers and society.

As at 11 December 2024, Legal & General has a market capitalisation of 13.7 billion.

About our Asset Management Division

L&G's Asset Management division is one of Europe's largest and a major global investor across public and private markets, with £1,136bn / €1,324 bn / ₣ 1,274 bn in assets under management.¹²

The division combines deep expertise in asset management and origination with global distribution capabilities to deliver positive outcomes for our clients, which include individual savers, pension scheme members and global institutions, investing alongside L&G's own balance sheet. As a global investor, we are present where our clients need us – from Hong Kong and Singapore, to major European financial hubs, to Chicago. – operating under the Legal & General and LGIM brands.

We provide investment solutions across the full spectrum of asset classes, ranging from index-tracking and active funds to liquidity and liability-based risk management strategies. Through our private markets platform, we utilise our rich heritage and extensive network of partners to offer access to a wide range of purposeful alternative investment opportunities, including specialist real estate, clean energy, infrastructure, venture capital, unlisted equities, and private credit.

Our division is underpinned by our enduring commitment to responsible investment, dedicated to creating long-term, sustainable value for our clients and partners.

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¹²Data as of 30 June 2024.