

Legal & General Capital commits £5bn of alternative asset investments globally, delivering new homes, offices, clean energy infrastructure and urban regeneration schemes

Legal & General Capital announces that it committed around £5bn towards levelling up the UK's towns and cities across 2022, driving regional economic growth, tackling the housing crisis, and supporting the climate transition, whilst expanding its footprint into the US for the first time.

Despite globally economic uncertainty, Legal & General Capital has significantly increased its alternative asset commitments in 2022, backing the delivery of over 17,000 new homes, 2.7m sq ft of commercial real estate across the UK and US, and investing in multiple innovative clean energy businesses to support the transition to a low carbon economy.

Legal & General Capital's commitments in 2022 mean it is on track to deliver against its stated ambitions to generate up to £600m in profit from alternative assets by 2025, with returns of around 10% to 12% per annum, across its key focus areas of housing, SME finance, specialist commercial real estate, digital infrastructure and clean energy.

In 2022, Legal & General Capital's commitments have included:

- A landmark year in housing, backing the delivery of over 17,000 new homes across affordable housing, Suburban Build to Rent, Modular Housing, traditional build to sell, and key worker homes through its Oxford University partnership. Many of these schemes have been delivered through pioneering new joint venture models such as a 3,000 home partnership with Lovell and a 2,500 home partnership with Metropolitan Thames Valley Homes.
- Continuing to invest in major urban regeneration schemes, encompassed by LGC's multi-billion pound commitment with the West Midlands Combined Authority and new science and tech infrastructure through Bruntwood SciTech's first Scotland-based scheme, Glasgow Met Tower. We have also started on site on a number of transformational schemes including major new infrastructure as part of our Oxford University partnership and beginning work at our development at Sheffield West Bar.
- Continued investment into clean energy transition start up's and scale up's across power, heat and transport. This has come through significant investments into companies such as net zero enabler Sero Technologies; marine technology business, Rovco-Vaarst; battery storage business, Brill Power; rooftop solar business, Sunroof; and an increased investment in UK manufacturer and installer of ground source heat pumps, Kensa Group, amongst others. We also invested in additional UK solar power infrastructure assets and provided cornerstone capital for two completed fund raises by sustainable infrastructure manager NTR.
- Increased investment in digital infrastructure, with LGC's data centre business, Kao Data, becoming a multi-site platform
- Expansion into the US for the first time, creating a major life science and technology platform across regional markets through our new business Ancora L&G.

Laura Mason, CEO of Legal & General Capital said: “2022 has been a landmark year for Legal & General Capital as we have made major commitments to deliver transformational schemes in all our alternative asset specialisms across both the UK and, for the first time, the USA. Much of this has come through strategic partnerships with like-minded investors, who are seeking stable, long-term returns, but also looking to drive positive social impact and limit the impacts of climate change. With an increasingly uncertain picture over the next 12 months, it’s essential that financial institutions continue to invest in the real economy, recycling pensions funds and savings into projects that help to create jobs, housing and vital infrastructure. Despite headwinds, our appetite to continue to invest globally, alongside other institutional partners, remains strong for 2023”.

Notes to editors

About Legal & General Capital

Legal & General Capital (LGC) is Legal & General Group’s alternative asset platform, creating assets for Legal & General Retirement and third-party clients in order to achieve improved risk-adjusted returns for our shareholders. LGC has built its market leading capabilities in a range of alternative assets, delivering depth of resource, track record and intellectual property. Investing in the real economy and creating alternative assets that deliver a tangible societal impact, its purpose is to invest society’s capital for society’s benefit. L&G has invested around £30 billion (\$37 billion) in levelling-up regional UK economies and has strong track record in investing in technology and life sciences. LGC’s investments include: residential property; specialist commercial real estate; clean energy; alternative credit; and venture capital. As LGC’s capability to create alternative assets continues to grow, it will not only continue to grow its balance sheet of alternative assets but also create alternative assets for third party investors.

About Legal & General Group

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 U.S., Europe, Middle East and Asia. With over £1.4 trillion (about \$1.8 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.

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