



Legal & General agrees a £250m buy-in transaction with the Selecta UK Pension Plan

Legal and General Assurance Society Limited (“Legal & General”) today announces that it has agreed a £250m buy-in transaction with the Selecta UK Pension Plan (“the Plan”) securing the benefit payments of approximately 1,000 pensioners and 1,000 deferred members.

Selecta UK is Europe’s leading coffee and vending machine operator. The Plan has an existing relationship with Legal & General, having worked with Legal & General Investment Management (LGIM) as its asset manager since 1992. This enabled an extremely smooth asset transfer, with Legal & General also being able to lock to the Plan’s existing assets which provided price certainty to the Plan at an early stage of the buy-in process.

The buy-in also significantly reduces future pension funding risk from Selecta’s point of view, providing more business certainty for stakeholders and aligns with actions taken in supporting and securing members’ benefits.

Hymans Robertson was the lead transaction adviser. Legal advice was provided to the Trustee by Pinsent Masons and to Legal & General by Macfarlanes. The sponsor was advised by PWC.

Celia Monteiro, Director, Pension Risk Transfer, Legal & General Retirement Institutional

“Working with pension schemes at all stages of their de-risking journey is fundamental to what we do at Legal & General and we are delighted that we have been chosen as the Selecta UK Pension Plan’s buy-in partner, given their long-standing relationship with LGIM. This transaction and the smooth transfer of assets once again demonstrates our ability to offer innovative, bespoke, buy-in solutions for our clients.

We look forward to continuing to work with the Plan as it continues its de-risking journey, providing further security to its members.”

Dinesh Visevadia, Director at Independent Trustee Services and Trustee of the Plan

“This buy-in is the culmination of a long journey of incremental de-risking steps to improve the security of the Plan. Hymans Robertson identified a market opportunity and helped us move quickly to take advantage of it through a well-run process, securing excellent terms with Legal & General and significantly improving security for our members.”

Kieran Mistry, Senior Risk Transfer Specialist at Hymans Robertson

“We are very pleased to have helped the Trustee secure this buy-in, removing the majority of the Plan’s risks. As ITS is the sole Trustee, we were able to work swiftly and nimbly with them to take advantage of a short-term period of relative quiet in the buy-in market over the first half of 2021. The result was a highly competitive broking process, with Legal & General presenting a compelling and tailored proposition.”

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 almost £1.3 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, alternative asset origination, life insurance, workplace pensions and retirement income. Through inclusive capitalism, we aim to build a better society by investing in long-term assets that benefit everyone.

** at 30 June 2021*

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 buy-ins, buyouts and other de-risking solutions.

LGRI invests pension fund premiums back into our society and the economy. These investments aim to tackle today's most prevalent issues for our future generations, such as climate change, the housing crisis and the need for the regeneration of our towns and cities.

Our investment strategy prioritises our purpose of inclusive capitalism and creates a virtuous circle through which the investments of UK savers can enhance the lives and opportunities of future generations, while also benefitting the UK economy over the long term.

Our UK Retirement annuity book stands at over £85 billion as at 30 June 2021, of which over £25 billion is invested in direct investments that deliver positive social and environmental impacts, such as clean energy and affordable housing.

Our Client Services' 12-month rolling Net Promoter Score (NPS) is above +70, which is widely regarded as being at a "world class" level.

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