



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

- Launch of the Fund marks a significant milestone for UK pensions, providing DC members with exposure to the illiquidity premium and growth potential of private markets
- L&G will utilise its £48bn private markets platform¹ to offer potential investment opportunities such as clean energy, affordable homes, university spin-outs and critical infrastructure
- L&G anticipates the Fund will drive greater engagement among DC members with their pension
- The Fund will be available for DC schemes to invest in directly and via the newly launched L&G Lifetime Advantage Fund default strategies

Legal & General ('L&G') has today announced the launch of the L&G Private Markets Access Fund ('the Fund'), offering its 5.2 million defined contribution (DC) members the opportunity to access the benefits of diversified private markets exposure.

The Fund will aim to provide DC investors with access to the long-term growth potential of private markets and greater diversification through exposure to investments that are not typically accessible through public markets.

Traditionally, DC investors have faced operational, liquidity and governance challenges to investing in private markets through a structure which offers daily pricing and dealing. The launch of the Fund is therefore a critical milestone in the evolution and democratisation of the private markets asset class, enabling scale of access for UK DC savers, while maintaining an appropriate liquidity profile to manage capital flows on a daily basis.

L&G's Fund offers DC investors a single point of access to a diversified portfolio of private market assets, seeking to capture the illiquidity premium in asset classes including private equity, real estate, private credit and infrastructure. It has the ability to invest across L&G's own private markets capabilities, as well as those available through individual securities and third-party strategies, providing exposure to investment themes such as clean energy, affordable homes, university spin-outs and critical infrastructure. Underlying strategies such as the L&G NTR Clean Power (Europe) Fund and the L&G Build to Rent Fund will be available for inclusion in the Fund, with all asset allocation decisions made by L&G's multi-asset team, subject to their fiduciary duty that aims to invest in the best interests of clients.

L&G has been working to bring the Private Markets Access Fund to market since 2022, with the intention of delivering greater DC member access to the potential benefits that private markets can provide. The Fund's development contributed to L&G's decision to become a founder signatory of the Mansion House Compact, an initiative launched in July 2023 to enable greater DC access to unlisted UK companies. L&G's strategy will include allocations to unlisted equities as part of a diversified private markets multi-asset portfolio, with the ability to allocate up to 40% into UK assets.

The Fund has already received considerable interest from clients, including the London Stock Exchange Group, EDF Energy and L&G's own DC pension scheme, indicative of the untapped demand and appetite for private market exposure by DC funds.

The announcement builds on L&G's recent strategic update, shared at a [Capital Markets Event](#) in June, in which the Group announced that it would bring together its public and private markets capabilities in a single Asset Management division and target growth in its Workplace Defined Contribution pensions business.

¹AUM data as at 31 December 2023.

António Simões, Group CEO, Legal & General: “Today’s launch is an important step forward in putting UK pension capital to work to drive economic growth while supporting people to build the savings they need for retirement.

“Building on our refreshed strategy set out in June, this Fund will offer defined contribution scheme savers access to high growth investment opportunities, provide innovative funding for communities, society and the real economy, and power L&G’s Private Markets growth ambitions.”

Designed specifically for DC schemes, the Fund is innovatively structured as a Fund of Funds, with an investment in a new private markets Long Term Asset Fund (LTAF), the Legal & General Private Markets LTAF, sitting alongside exposure to liquid securities, as well as L&G and third party funds. This structure enables the fund to deliver liquidity for daily dealing in normal dealing conditions. DC schemes will be able to invest in the Fund directly or via the L&G Lifetime Advantage Funds, L&G’s new range of Target Date Funds.

Launched today, the L&G Lifetime Advantage Fund range seeks to improve members’ retirement outcomes through a 100% allocation to growth assets, including a meaningful allocation to private markets via the L&G Private Markets Fund, in the earlier years of their savings journey. The fund range is designed to evolve as members’ needs change in the run-up to retirement, with members staying in one fund throughout their retirement journey during which the Fund’s asset allocation will evolve.

Rita Butler-Jones, Head of DC, Legal & General: “Our members are at the core of what we do, and we believe providing millions of savers with exposure to the potential returns available through global private markets will support the delivery of better long-term retirement outcomes. When developing the Fund we have spent a lot of time talking to clients about what is important to them, ensuring that the assets align to our members’ long-term investment horizons, while delivering value for money.

“L&G is the largest pension provider in the UK with over 5.2 million DC members and we believe the launch of this fund will be a game changer for DC pension savers. The fund is a one-stop-shop for private market exposure and we hope it will inspire DC members into greater engagement with their pension, by investing in tangible assets which can benefit the real economy.”

– ENDS –

Notes to editors

About Legal & General plc

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 FY23) 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 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 7 June 2024, we estimate the Group’s Solvency II coverage ratio to be 224%.

As at 11 June 2024, Legal & General has a market capitalisation of £14.6 billion.

About Asset Management

Established in June 2024, L&G’s asset management 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.

Key Risk Warnings

The value of investments and the income from them can go down as well as up and you may not get back the amount invested. Past performance is not a guide to future performance. It should be noted that diversification is no guarantee against a loss in a declining market. Asset allocation is subject to change.

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Advisers and Service Providers

Macfarlanes LLP provided legal advice to L&G on launching the Legal & General Private Markets LTAF. Northern Trust is acting as the depositary and fund administrator of the Legal & General Private Markets LTAF.