

Legal & General



Asset Management Deep Dive



Forward looking statements

This document may contain certain forward-looking statements relating to L&G, its plans and its current goals and expectations relating to future financial condition, performance and results. By their nature, forward-looking statements involve uncertainty because they relate to future events and circumstances which are beyond L&G's control, including, among others, UK domestic and global economic and business conditions, market related risks such as fluctuations in interest rates and exchange rates, the policies and actions of regulatory and Governmental authorities, the impact of competition, the timing impact of these events and other uncertainties of future acquisitions or combinations within relevant industries. As a result L&G's actual future condition, performance and results may differ materially from the plans, goals and expectations set out in these forward-looking statements and persons reading this document should not place reliance on forward-looking statements. These forward-looking statements are made only as at the date on which such statements are made and Legal & General Group Plc does not undertake to update forward-looking statements contained in this document or any other forward-looking statement it may make.



Agenda



1. Introduction

António Simões, Group CEO



2. Asset Management

Eric Adler, Asset Management CEO



3. Financial outlook

Jeff Davies, Group CFO

Followed by Q&A



Introduction

António Simões, Group CEO



A growing, simpler, better-connected L&G

Eric Adler

Deep Dive today

Asset
Management

Institutional
Retirement

Retail



Andrew Kail

Deep Dive in
December 2024

Laura Mason

Deep Dive in
H2 2025



**Sharper
Focus**



**Sustainable
Growth**



**Enhanced
Returns**

Strong progress and momentum



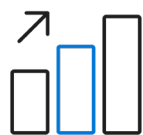
Sharper Focus

- A simpler business model with the creation of a single global asset manager
- Disciplined capital allocation adding greater rigour to decision making
- Successful disposals of CALA and US Protection through the Meiji Yasuda partnership



Sustainable Growth

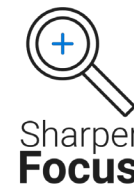
- Strong pipeline in UK PRT adopting a capital-light approach at low strain
- Turnaround in Asset Management with improvement in our average revenue margin
- Growth across Retail and improvement in the digital proposition for our 12.3m customers



Enhanced Returns

- Resilient through-cycle earnings and cash generation across the Group
- Clear positive momentum towards our three-year targets announced last year
- Returning over £5bn within next three years, including a 2025 buyback of £500m

Sharper focus for L&G and Asset Management



Group actions



Simplification of L&G



Clarity on strategy



Disciplined capital allocation



Increased pace of execution



New leadership team

... and specifically in Asset Management

Creation of a single global asset manager

**Granular prioritisation exercise
of investment strategies and channels**

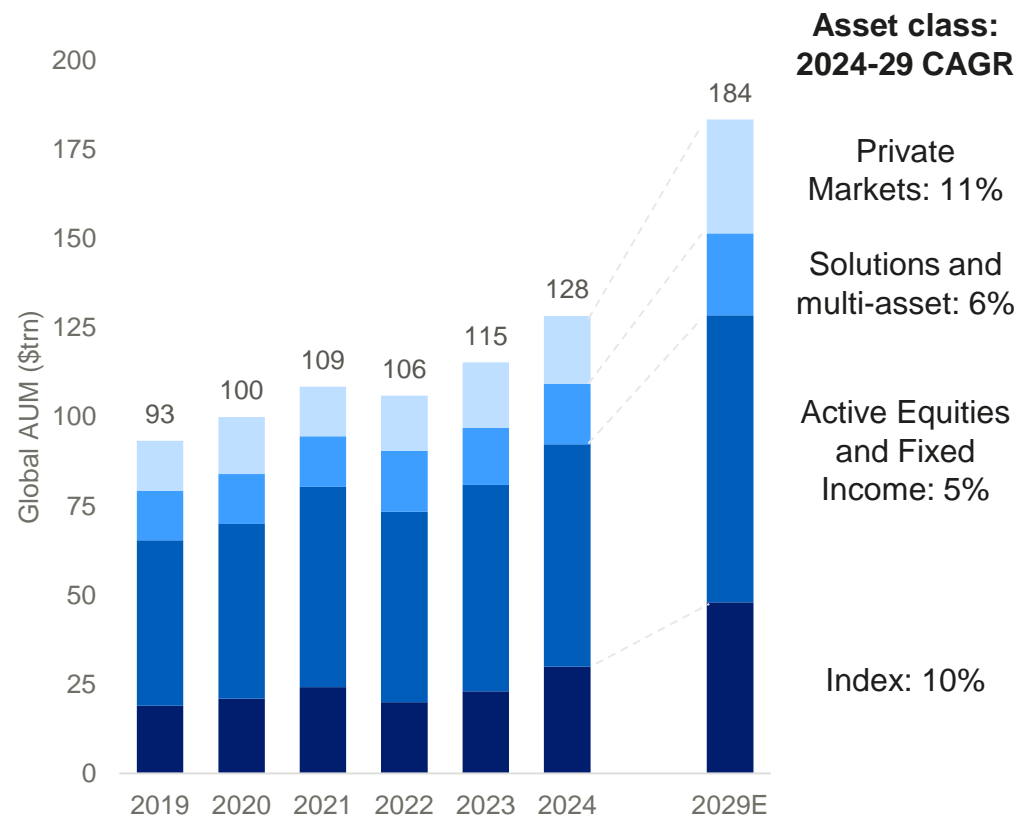
**Investments in Taurus (Oct 24) and Proprium (May 25),
and exiting ventures with limited strategic fit**

**Execution both on revenues
(e.g. fund launches) and costs**

**New Asset Management CEO and
new hires in US, Product and DC Workplace**

Asset Management as a core growth engine for L&G

Global Asset Management AUM

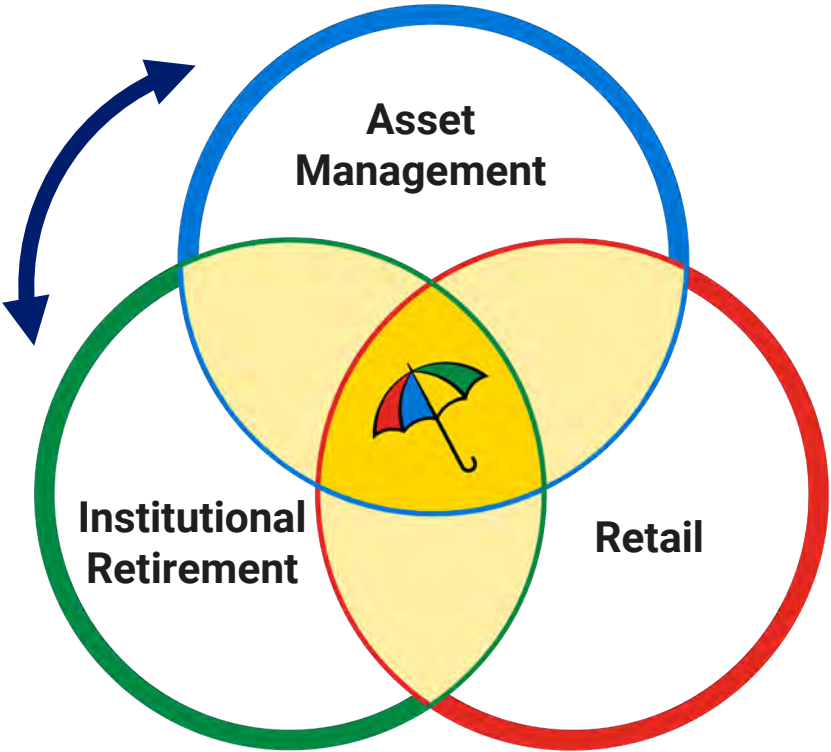


#1 UK Asset Manager by AUM

- + Global scale and distribution network
- + Strong investment and asset origination capabilities supported by the catalytic power of our balance sheet
- + Tailored solutions for sophisticated clients with strong investment performance track record

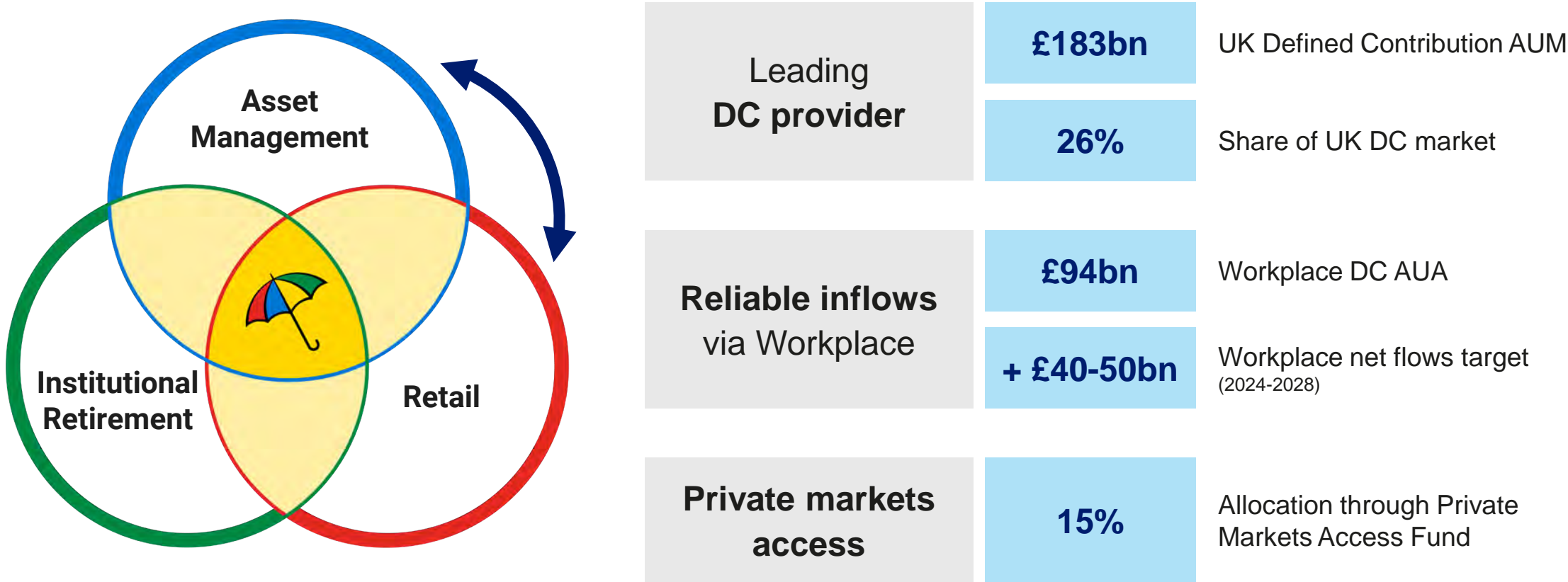
⊞ Long-term shift in Group earnings mix to fee income

Competitive advantage through our balance sheet ...



Significant growing permanent capital	£98bn	Balance sheet capital ¹
	+ £50-65bn	UK PRT growth (2024-2028)
	c.£2bn	Retail Annuities (FY 2024)
Higher, reliable recurring revenues	81%	UK PRT deals are Asset Management clients ²
	c.21bps	... at attractive margins ...
	3x	... fees for Asset Management

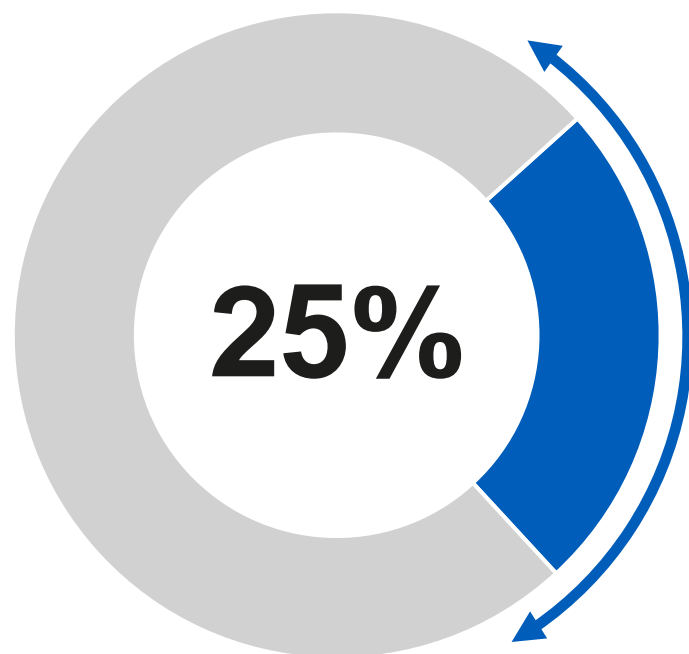
... and through our leading DC position



Paula Llewellyn, new DC and Workplace CEO; reports into Laura Mason and Eric Adler

Highly attractive earnings from Asset Management

Asset Management
share of earnings¹



Capital-light fee-related earnings

+

Reliable, recurring revenues

+

Strong cash conversion of fee-related earnings

+

Highly synergistic with the rest of Group

+

High Return on Equity

=

An increasingly diversified, capital-light Group over time

A clear execution plan for earnings growth

Asset Management commitments

£500-600m

Operating Profit by 2028

£100-150m

Cumulative ANNR, 2025-2028

£85bn+

Private Markets platform AUM by 2028¹

What we will set out today



Significant **untapped potential** with great assets and strengths



Clear direction as a single global asset manager



Disciplined execution plans in place to turn around financial performance

Asset Management:

A strategic growth engine of L&G

Eric Adler, CEO, Asset Management

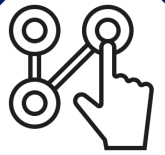


Key messages



Untapped Potential

- UK's largest asset manager with a strong UK client base and international momentum
- Inherent competitive advantages through synergistic business model
- High quality, relevant investment capabilities with excellent performance



Clear Direction

- A leading global investor, solving complex client challenges using the power of L&G
- Targeted capabilities and channels to be added to round out our proposition
- Unlocking growth through leveraging our flexible balance sheet



Disciplined Execution

- Clear prioritisation approach driving decisive action and resource allocation
- Disciplined plan to turn around financial performance
- Well positioned to achieve financial targets

Section 1



Untapped Potential

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Clear Direction

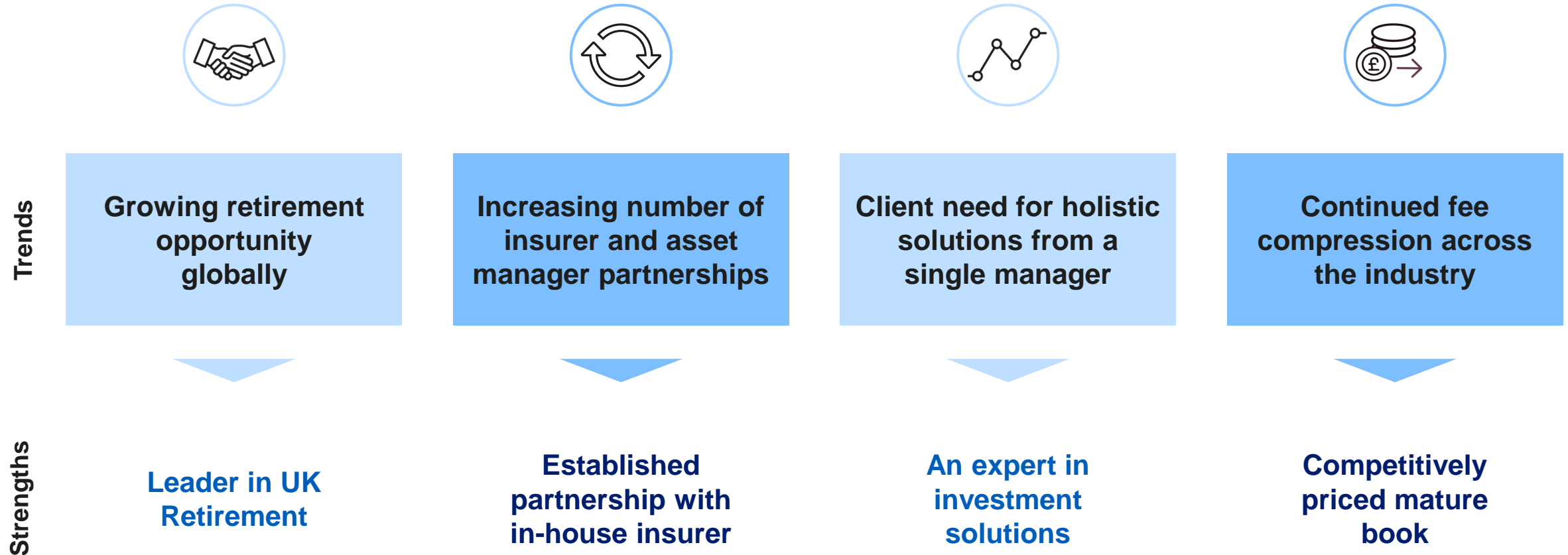
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Disciplined Execution

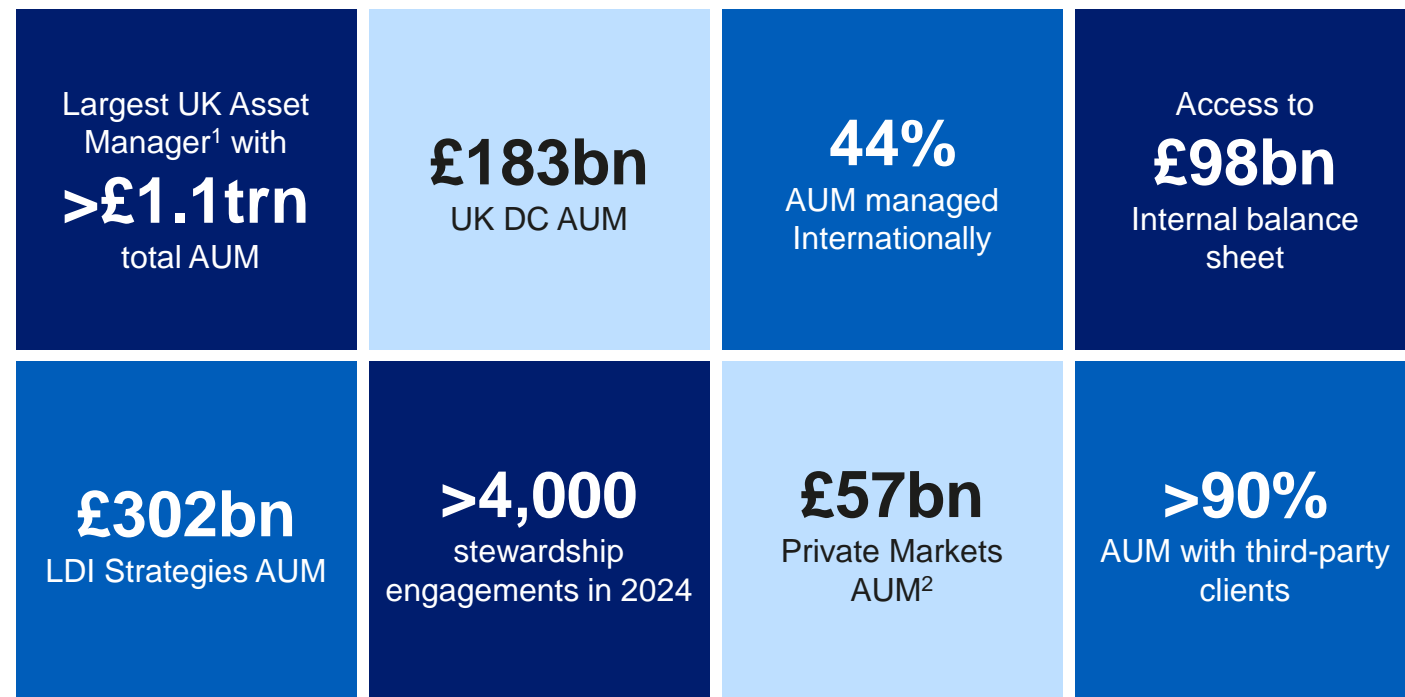
- Clear prioritisation approach driving decisive action and resource allocation
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- Well positioned to achieve financial targets

Well-positioned for an evolving market



A scaled asset manager and leader in UK pensions

Established in the UK in 1970, we are a **leading asset manager** with **experience** across key **channels, capabilities** and **markets**



Breadth of capabilities and client channels

INVESTMENT CAPABILITIES

Index

**Liability Driven &
Derivative Overlays**

Multi-Asset

**Active Fixed
Income**

**Private
Markets**

CLIENT CHANNELS

Institutional
(DB, Insurance,
Official Institutions)

DC

**Wholesale &
Wealth**

**Global Financial
Institutions**

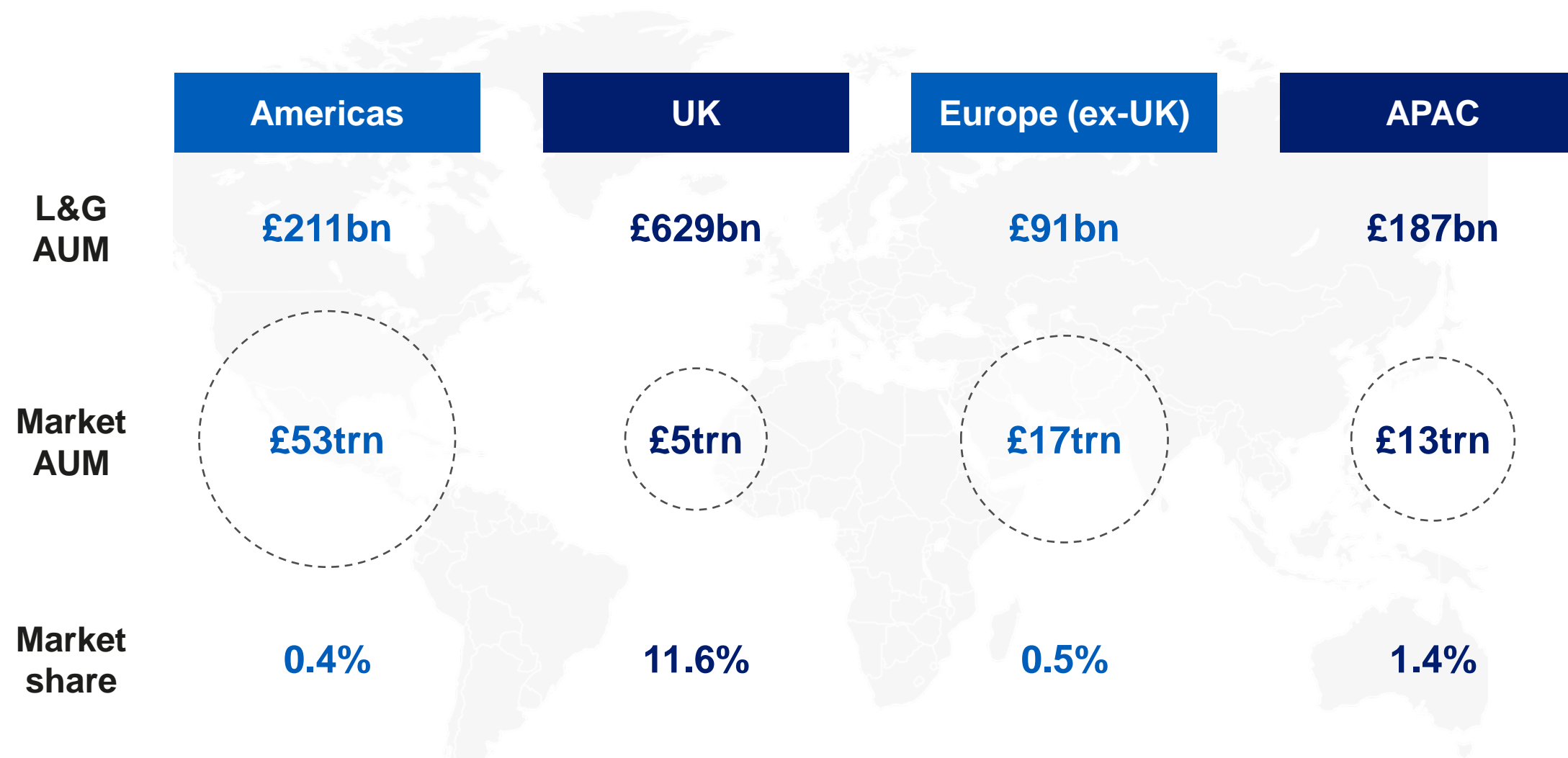
Internal

We have the ingredients for success

Filling key gaps will unlock potential

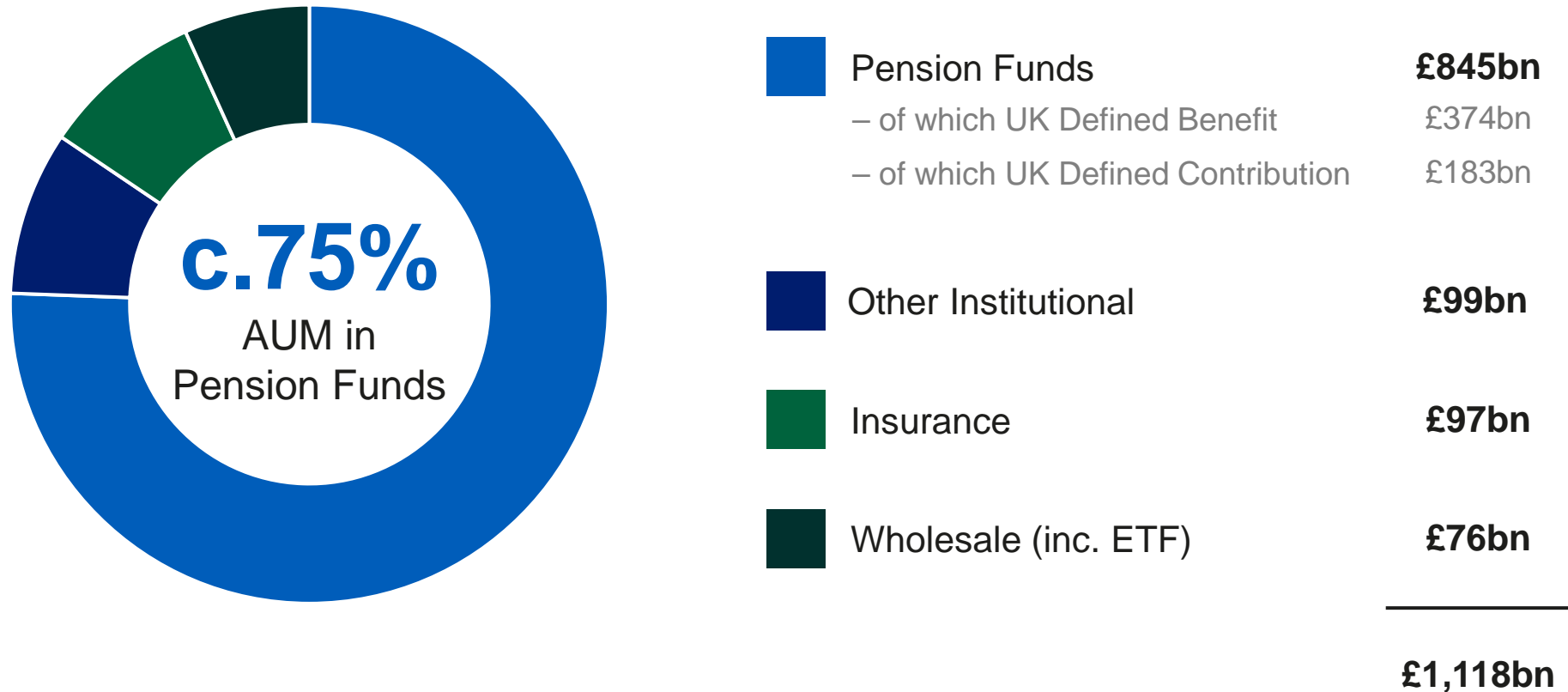
		Strengths	Gaps
	Relationships with clients	Leadership in the UK across UK DB, DC and Wholesale	Scale internationally across all channels
	Synergistic business model	Reliable, permanent capital from PRT & DC flows	Optimal alignment to amplify the pace and scale of success
	Investment solutions & scaled building blocks	Solutions mindset with high quality, relevant building blocks	Capability gaps in select areas
	Path to improved financial performance	Mature capabilities already at lower margins	New asset classes at higher margins

Strong UK footprint with room to grow internationally

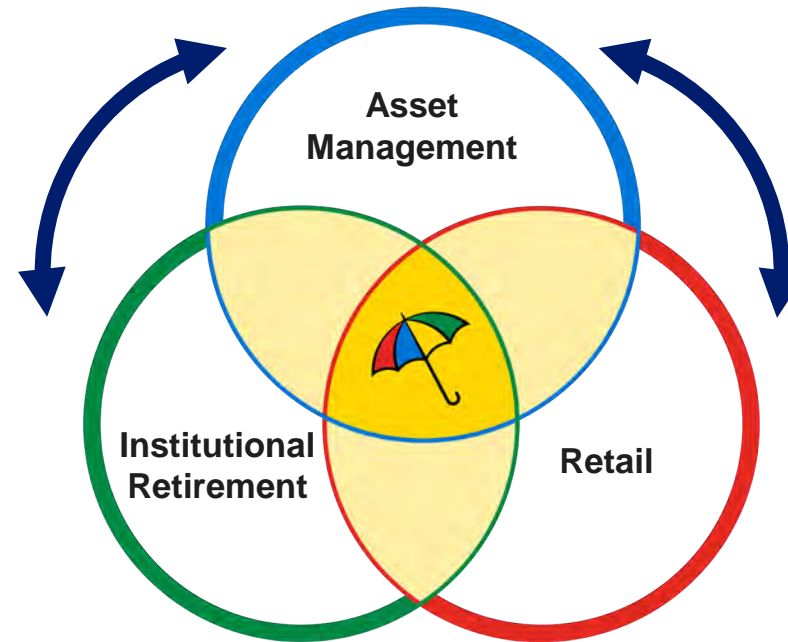


L&G AUM as at 31 December 2024; International AUM includes assets managed internationally on behalf of UK clients; AUM includes the value of securities and derivatives positions but excludes joint ventures and associates. APAC AUM of £187bn also includes £37bn of Gulf AUM. Historic AUM figures converted using the spot rate as at 31 December 2024. Market AUM: Sourced from Broadridge GMI Integrated, Q4 2024. Market sizing estimated. Unallocated international is included in Europe (ex-UK). Figures subject to rounding.

Expert in pensions with potential in other channels

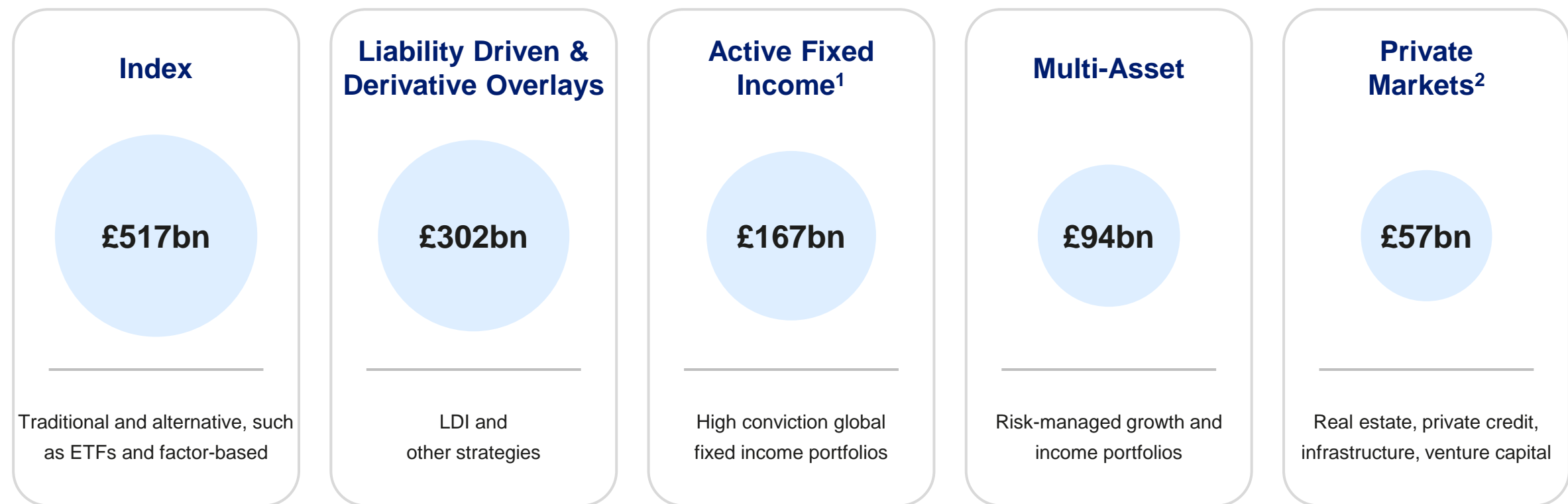


Permanent capital kick-starts our flywheel



Solutions mindset, with key building blocks in place

A joined up, solutions-led distribution approach across asset classes



Strong long-term investment performance ...

Public
markets¹

93%

Active Fixed Income

71%

Multi-Asset

+

All LDI, Index and
ETF portfolios
performing in line
with tracking
expectations

Private
markets

74bps

Real Estate²

56bps

Private Credit³

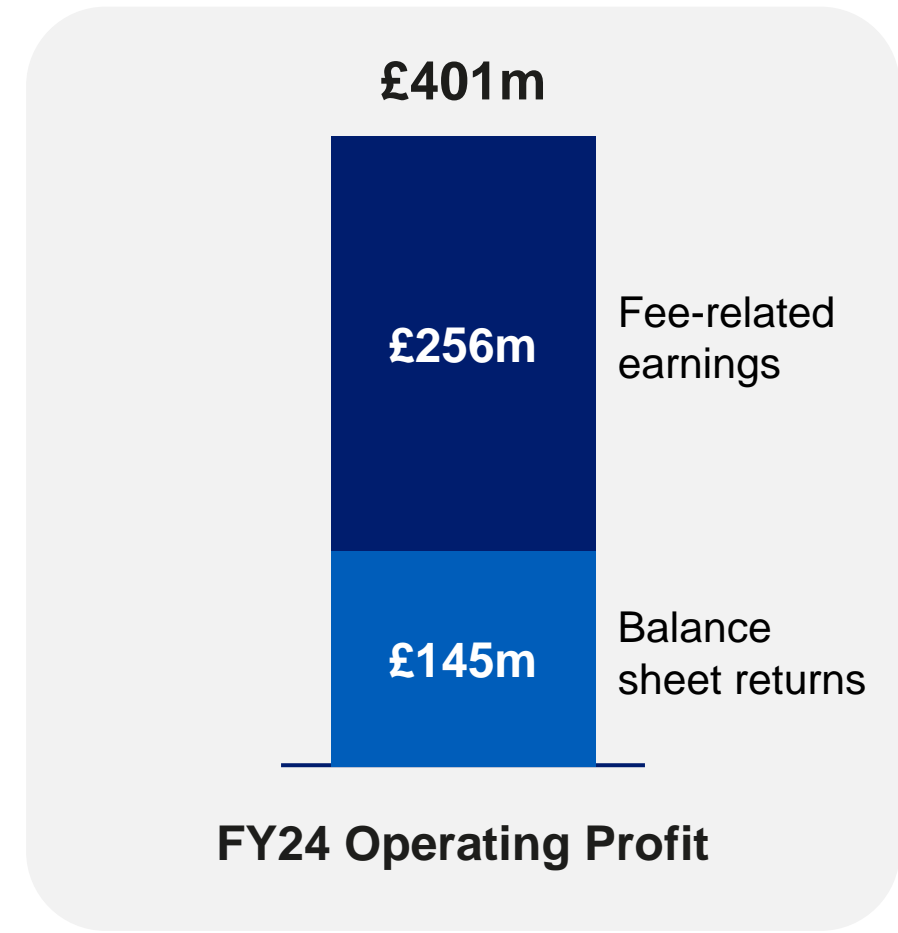
... but financial performance needs to improve

£967m
Revenue

£711m
Expenses

8bps
Average fee

74%
Cost-Income Ratio



Section 2



Untapped Potential

- UK's largest asset manager with a strong UK client base and international momentum
- Inherent competitive advantages through synergistic business model
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Clear Direction

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Disciplined Execution

- Clear prioritisation approach driving decisive action and resource allocation
- Disciplined plan to turn around financial performance
- Well positioned to achieve financial targets

A reminder of our financial ambitions by 2028

Our targets from June 2024

£500-600m

Operating Profit by 2028



Today: more clarity on how we will get there

- Growth in fee-related earnings drives improved financial performance
- Cost income ratio <70% by 2028

£100-150m

Cumulative ANNR, 2025-2028



- 8bps revenue margin today; we anticipate growth to double digits by 2028
- Strong underpin from annuities and Workplace DC

£85bn+

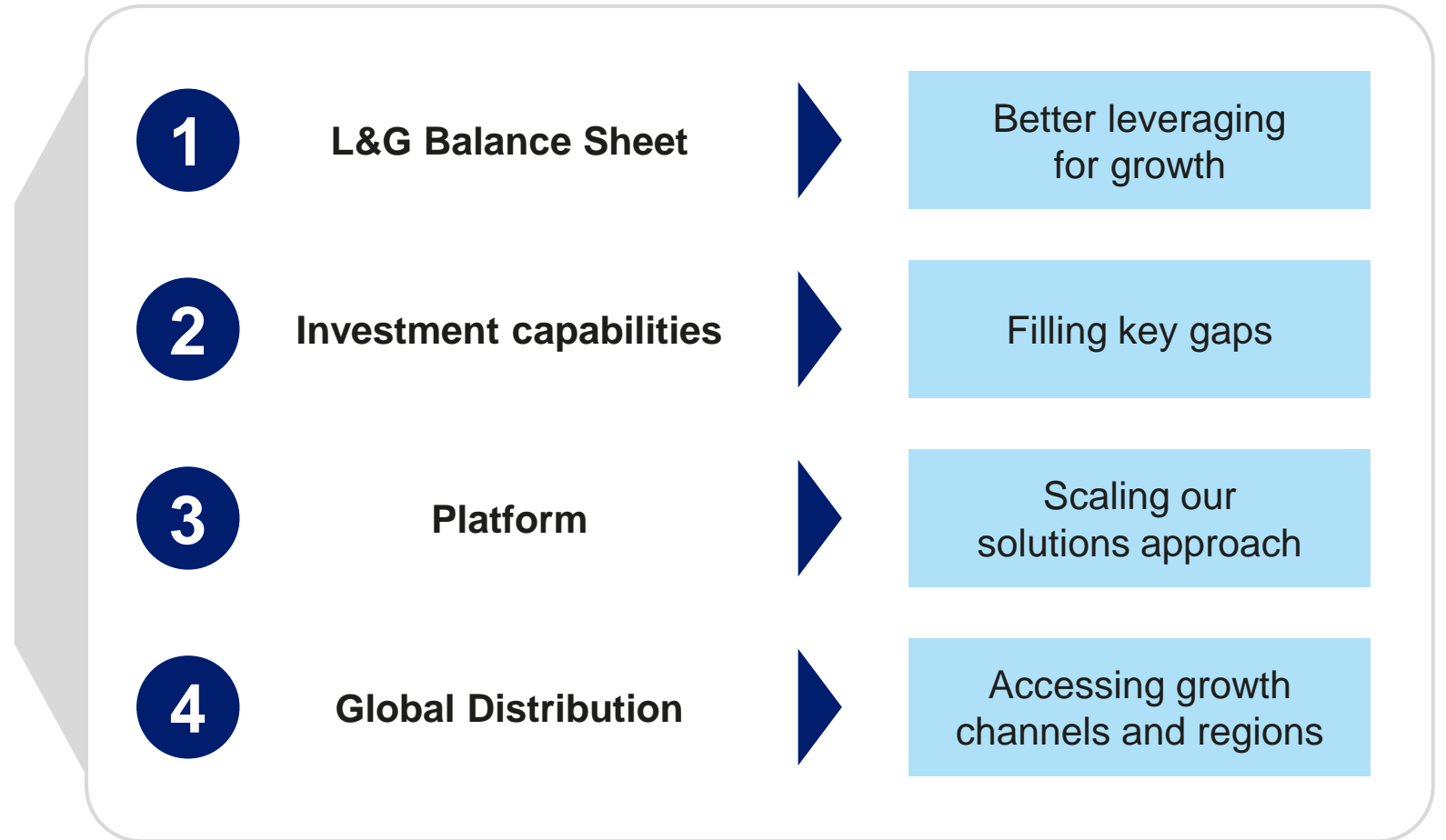
Private Markets AUM by 2028¹



- Clear strategy and areas we can differentiate and grow
- Good momentum in creating public-private strategies under one roof

A clear vision to drive growth

A leading global investor, innovating to solve client challenges using the power of L&G



1 Leveraging the power of L&G to drive growth

Flexible pools of capital to drive growth

£1.2bn
Asset Management

Catalytic/incubation capital

£5bn
Shareholder Funds

Seed and co-invest

£92bn
Annuity capital¹

Matching-adjustment co-invest

£98bn

Dedicated Asset Management balance sheet for:

- ✓ Seed commitments to catalyse new funding
- ✓ Incubation of new assets to support future growth strategies
- ✓ Holding minority stakes (further bolt-on acquisitions possible from other parts of L&G)

Investments aligned to Asset Management's strategic priorities and to the needs of our clients

1 Spotlight: Our partnership with Meiji Yasuda



Decade-long **Asset Management**
partnership converted into a group-wide
strategic alliance enabling wider L&G
Group initiatives and synergies

- **Investment management agreements** for Meiji Yasuda's US Protection & US PRT businesses
- **¥150bn (c.\$1bn) 'patient' co-investment partnership in private markets** to support both Meiji Yasuda and L&G's ambitions
- **PRT partnership** has potential to boost presence in US market and outside
- **5% shareholding in L&G Group** to ensure long-term alignment of interests

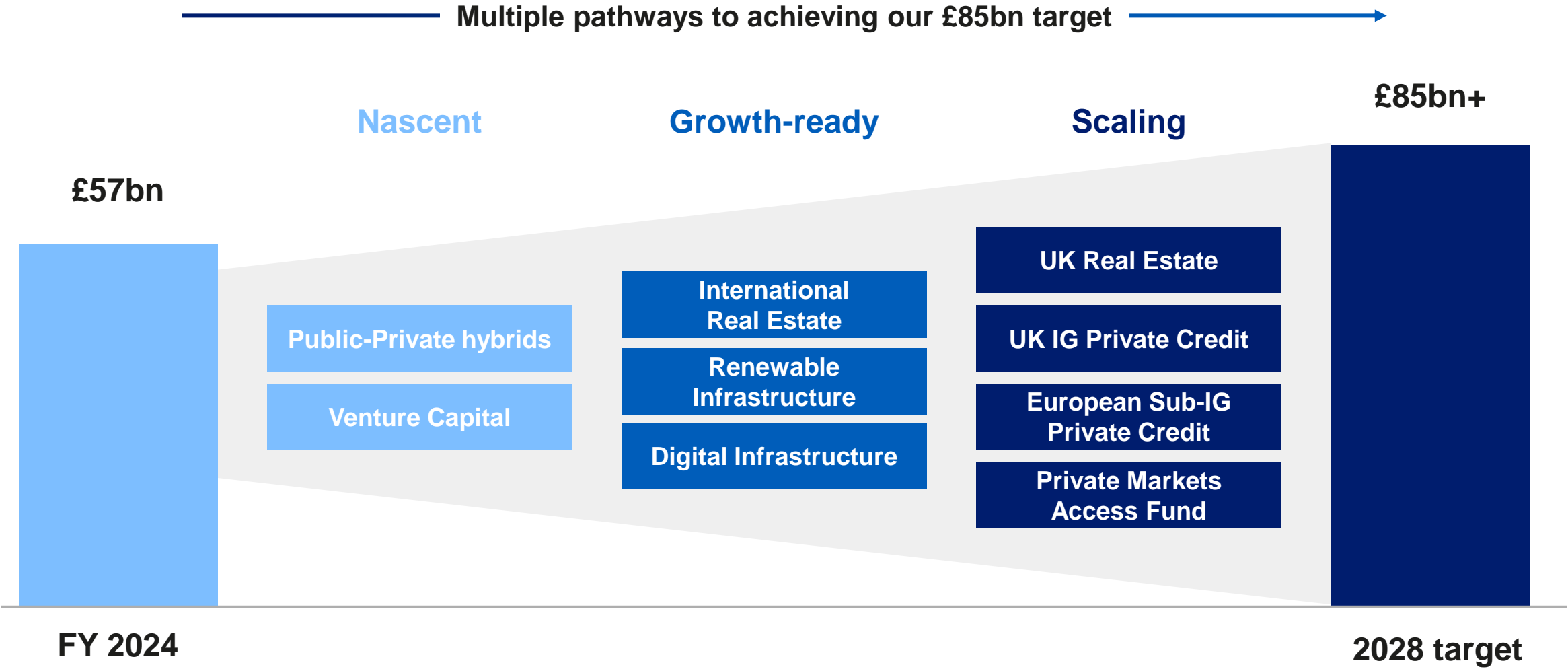


2 Critical additions to our investment capabilities

Investment capability	Focus areas to close gaps	Strategic options to close gaps		
		Build	Buy	Partner
Index	Greater weighting to systematic quant , more scale in ETFs	✓		
Liability Driven & Derivative Overlays	Increased scale in global strategies	✓		
Active Fixed Income	Scaled international offering, leveraged finance capabilities, and active ETFs	✓	✓	✓
Multi-Asset	Scale Private Markets multi-asset offering; international retirement solutions growth	✓		
Private Markets	International growth and higher yielding capabilities	✓	✓ (Proprium)	✓ (Taurus, NTR)

Closing gaps enables us to move up the value chain and increase our average fee margin

2 Growing our Private Markets proposition to £85bn



2 Spotlight: Private Markets Access Fund

Private Markets Access Fund

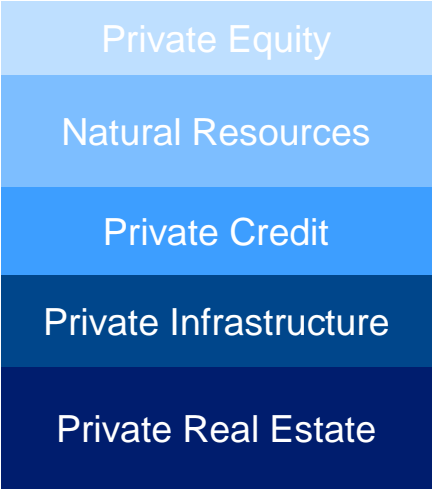
£1bn AUM



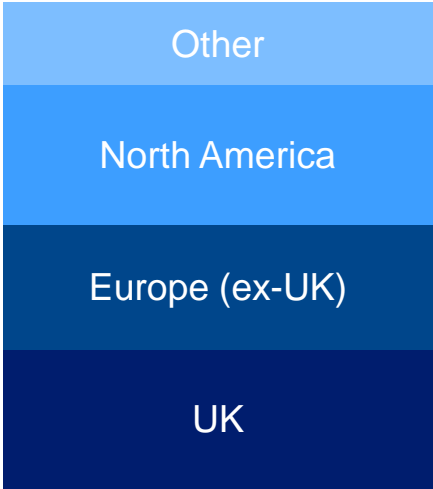
Utilising our platform to provide UK DC members with exposure to private markets, available directly and via new L&G Lifetime Advantage default strategies.

Illustrative portfolio breakdown

By asset class



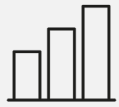
By region



Open-architecture approach (L&G capabilities, third party funds and complementary individual listed securities) aims to provide investors with some of the best opportunities available across the private markets universe

3 A platform built for solutions at scale

Seamless and bespoke design and delivery of investment solutions to clients



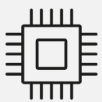
Commercialise our
trading capabilities



Expand our **Outsourced
CIO advisory function**



Facilitate delivery of
**innovative product
wrappers**



Expand integrated
**market intelligence and
research function**



Drive continued
improvement in **core
operating platform**



Leadership in
**Stewardship &
Responsible Investment**

3 Spotlight: Differentiating through Stewardship

Long-term value creation for clients is at the centre of our approach

40+ years' experience in working with companies and policymakers to raise overall market standards

Resilient client demand

£425 billion AUM

in responsible investment strategies (c.38% of total AUM)

45%

of funds launched in 2024 had sustainability characteristics¹

One team

Integrated

investment and stewardship team share expertise and resources

Aligned & evidence-based

view of risk informs investment decisions and stewardship objectives

Centralised voting policy

Governance and implementation, independent from Group

Sharp focus

Focus on most material risks across:

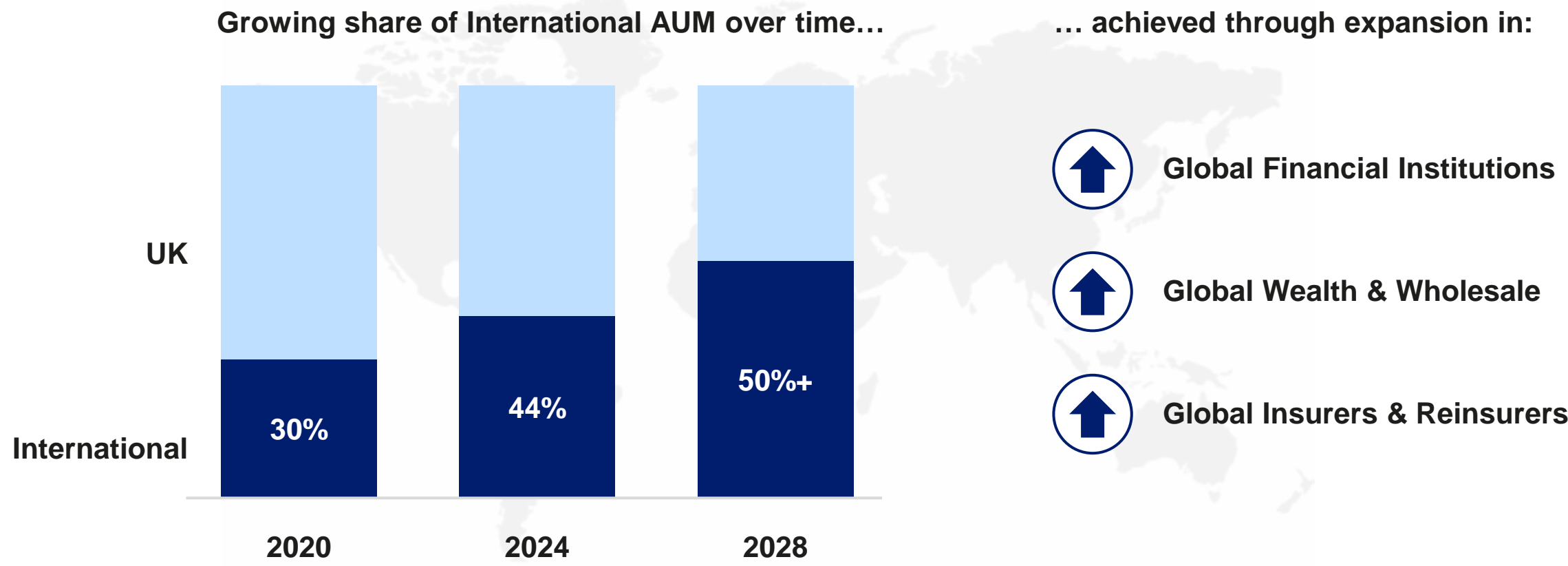
**Climate and Nature
People**

Corporate Governance

Deep sectoral expertise enables meaningful engagement

Linking themes and interventions to financial impact

4 Increasing client depth and breadth internationally



2020 and 2024 based on historical L&G data, 2028 an aspiration. International AUM includes assets from internationally domiciled clients plus assets managed internationally on behalf of UK clients.

4 Applying our Institutional quality to newer channels

Newer channels

**Global Financial
Institutions**

**Wholesale and
Wealth**

**Insurers and
Reinsurers**

Typical client solutions

Solving complex problems for
highly sophisticated global clients

High quality investment strategies
with relevant product structures

Diversified credit tailored to
liabilities

Key client wins in 2025

Large European Financial Institution

Money Market Funds

omnis
INVESTMENTS

Fixed Income

Admiral

Multi-Sector Private Credit

4 Spotlight on Admiral: a new client collaboration

Complex client needs...



Demand for
diversified credit



Innovative
insurance solutions



Responsible investing with
an aligned partner



.... Our solution

Multi-Sector
Private Credit Solution¹



Investment Grade Credit



Sub-Investment Grade Credit

Section 3



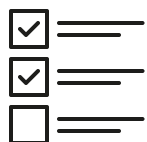
Untapped Potential

- UK's largest asset manager with a strong UK client base and international momentum
- Inherent competitive advantages through synergistic business model
- High quality, relevant investment capabilities with excellent performance



Clear Direction

- A leading global investor, solving complex client challenges using the power of L&G
- Targeted capabilities and channels to be added to round out our proposition
- Unlocking growth through leveraging our flexible balance sheet



Disciplined Execution

- Clear prioritisation approach driving decisive action and resource allocation
- Disciplined plan to turn around financial performance
- Well positioned to achieve financial targets

Strong leadership team in place

■ Appointed since June 2024

**Chief Executive Officer,
Asset Management**
Eric Adler




**Chief Client
Officer**
Sarah Aitken




**Chief Executive
Officer, America**
Jed Plafker



**Chief Financial
Officer**
Richard Lee



**Chief Investment
Officer**
Sonja Laud



**Chief Operating
Officer**
Brenda Sklar



Chief of Staff
Sarah Ellicott



**Chief Strategy &
Product Officer**
Jo McCaffrey




General Counsel
Rosie Sears



**Chief Risk
Officer**
Margaret Ammon



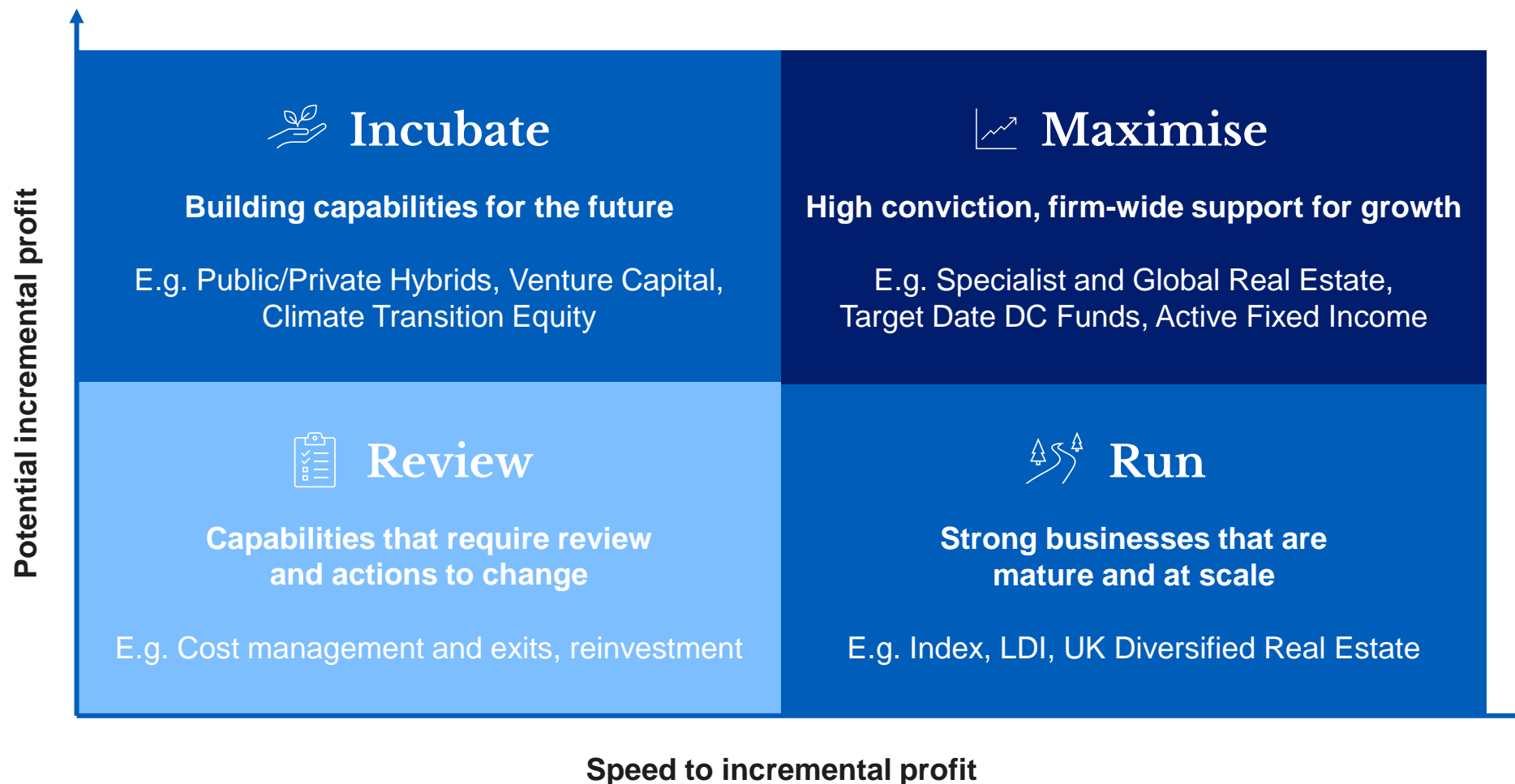
**Head of Private
Markets**
Bill Hughes



HR Director
Karen Scott



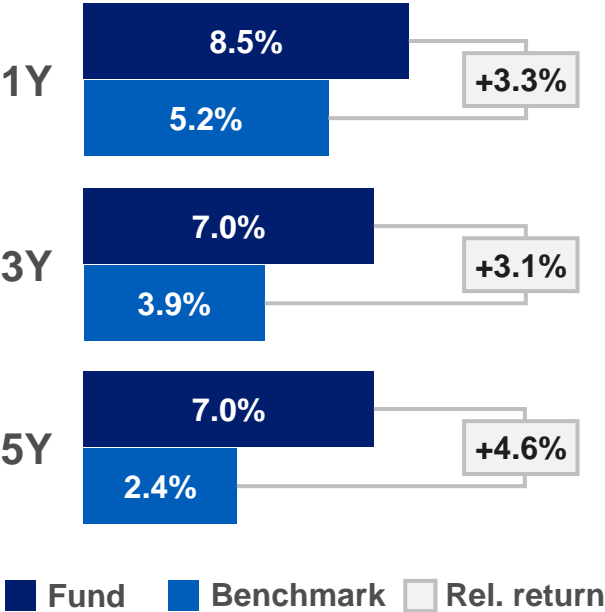
Disciplined prioritisation driving action



Maximising our excellence in Active Fixed Income

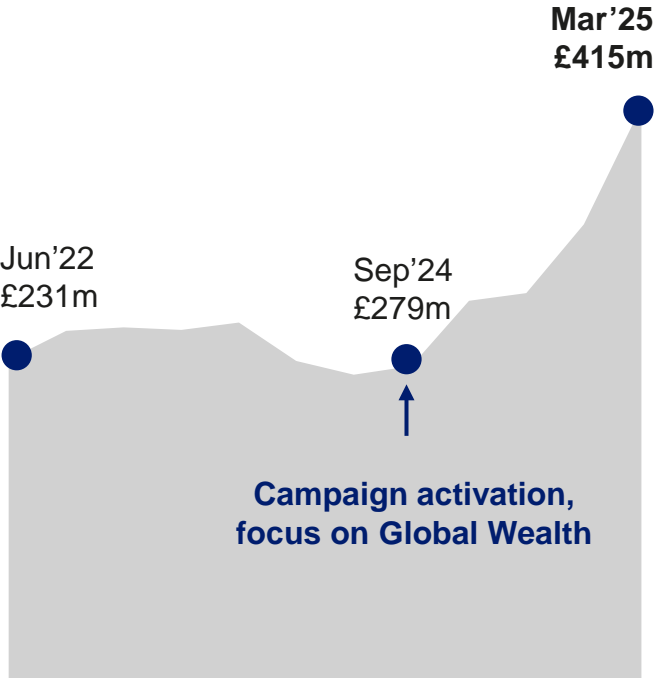
Excellent investment performance

L&G Global Unconstrained Bond Plus Fund
Investment Performance



Successful campaign driving AUM growth

L&G Global Unconstrained Bond Plus Fund
AUM (£m)



Positive momentum for future growth

c.46bps

Fee charged on AUM¹

Distribution primarily focused on International Wealth Channels

Running our portfolio efficiently

Our “Run” portfolio

**Mature businesses
operating at scale**

For example:

Index

LDI

UK Diversified Real Estate



Optimise delivery to maximise efficiency and profitability



Broaden existing client relationships into new strategies



Leverage existing capabilities to underpin growth strategies

Reviewing our approach to cost

Disciplined BAU Execution releases capacity ...

- Reducing inefficiencies by leveraging AI and automation
- Rationalising our organisational structure
- Reducing spend on external suppliers
- Exiting ventures with limited strategic alignment

... for strategic investment for growth

- Investment to maximise growth
- Driving delivery of ANNR targets
- Enabling long term value generation

Incubating our Climate Transition strategy

Approach

Engaging with underperforming transition companies to unlock potential value

Investment case

Estimate that the first order direct economic value of engaging with underperforming transition companies in the MSCI ACWI is c.\$290 billion by 2030¹

Anchored by strategic client

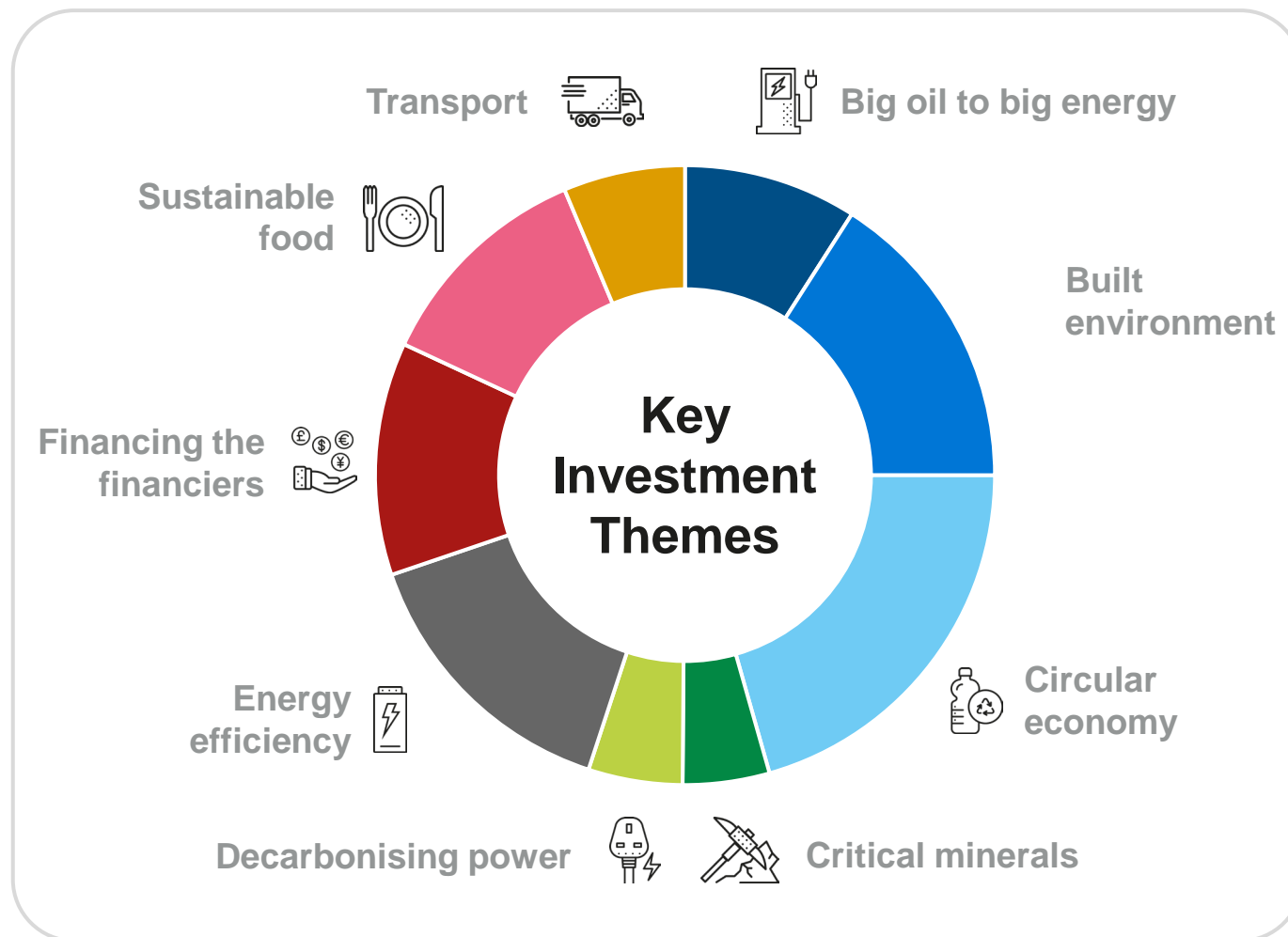


European Pension Fund

Building track record in pooled fund



(1) L&G as at July 2024. MSCI ACWI is the MSCI All Country World Index. Asset allocation for illustration purposes.

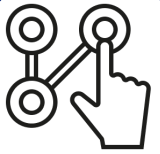


Key messages



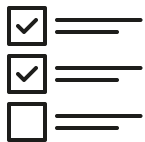
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Financial outlook

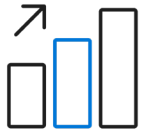
Jeff Davies, Group CFO



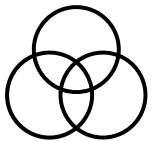
Financial key messages



Asset Management earnings are highly attractive for the Group



Improved financial performance powered by revenue growth and cost discipline



Capital-light earnings accelerated by targeted balance sheet deployment

Highly attractive Asset Management earnings

**Capital-light fee-related
earnings**

**Reliable, recurring
revenues**

High Return on Equity

**Strong cash conversion
of fee-related earnings**

**High growth potential
supported by Group
synergies**

**Additional upside from
strategically aligned
balance sheet
investments**

Our Asset Management earnings profile today

FY 2024 Operating Profit: £401m

Fee-related earnings

£1.1trn
AUM



£256m
operating profit

Recurring earnings from a persistent client base

Revenue margin of 8bps

Cost-income ratio of 74%

Balance sheet returns

£1.2bn
Balance sheet assets



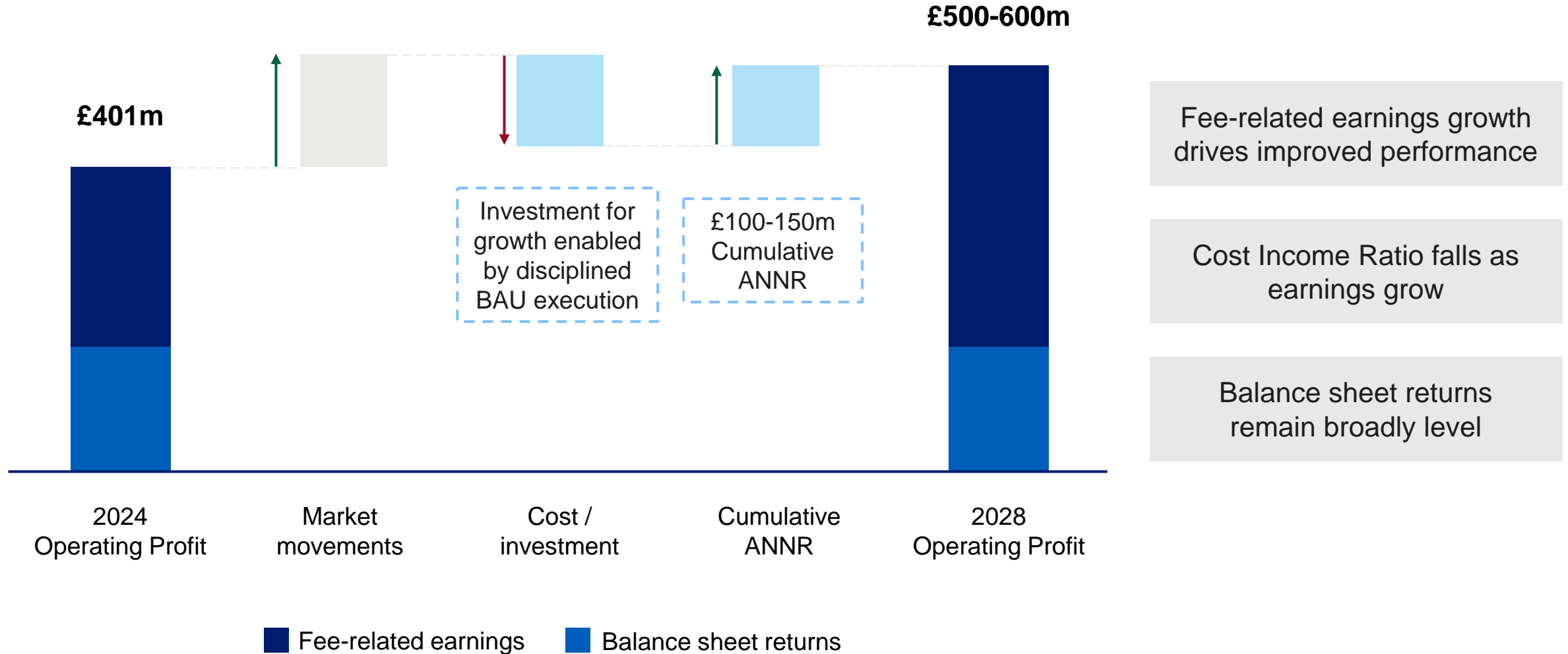
£145m
operating profit

Valuation uplifts from minority
stakes in asset managers

Investment returns on seed capital

Early-stage investment returns
on incubated assets

Clear path to improved financial performance



Annuities and DC underpin £100-150m ANNR target

Inflows

UK PRT + Retail annuities	£50-65bn+ @ c.21 bps
Workplace DC	£40-50bn @ c.13-23 bps
External	e.g. International e.g. Wholesale & Wealth e.g. DC investment only

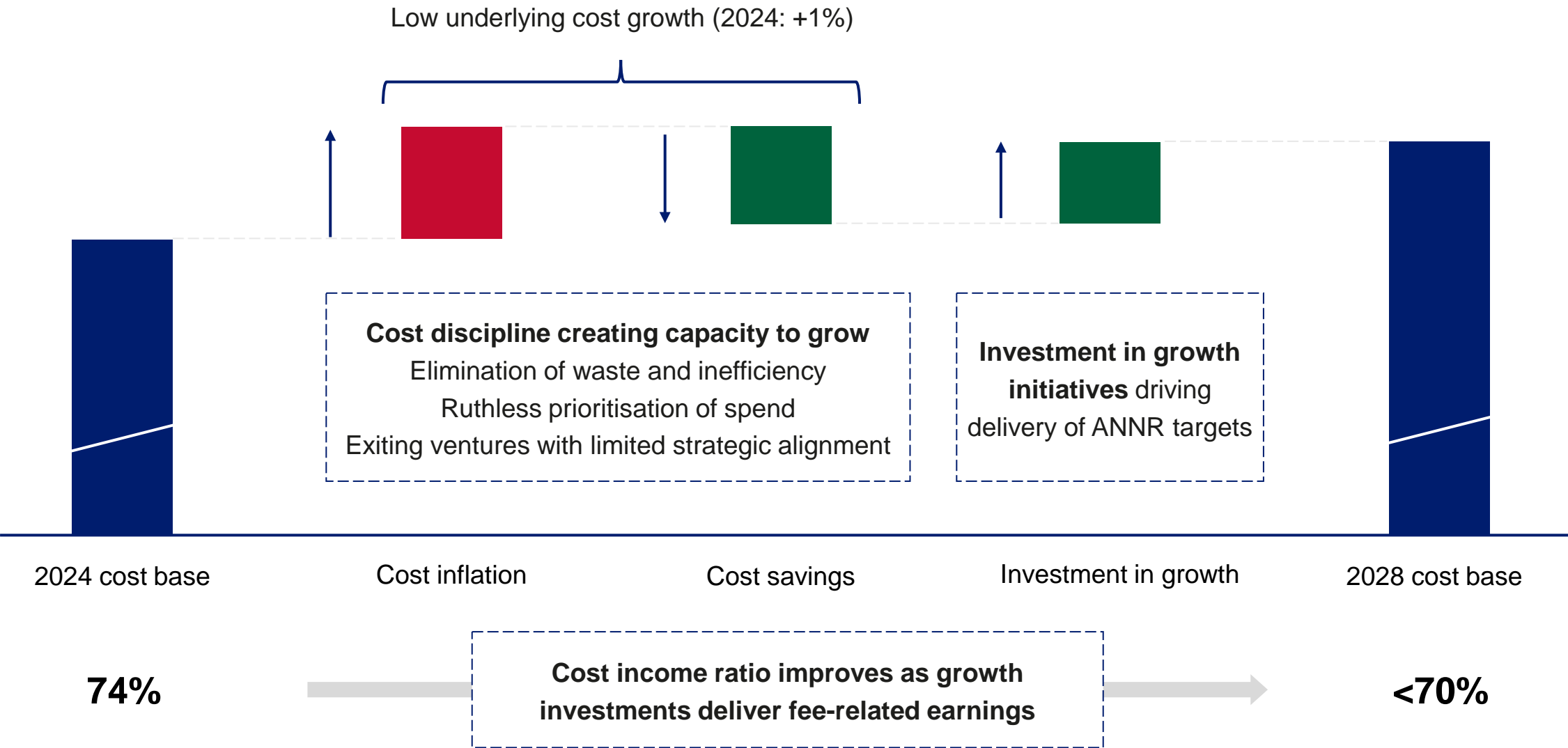


Outflows

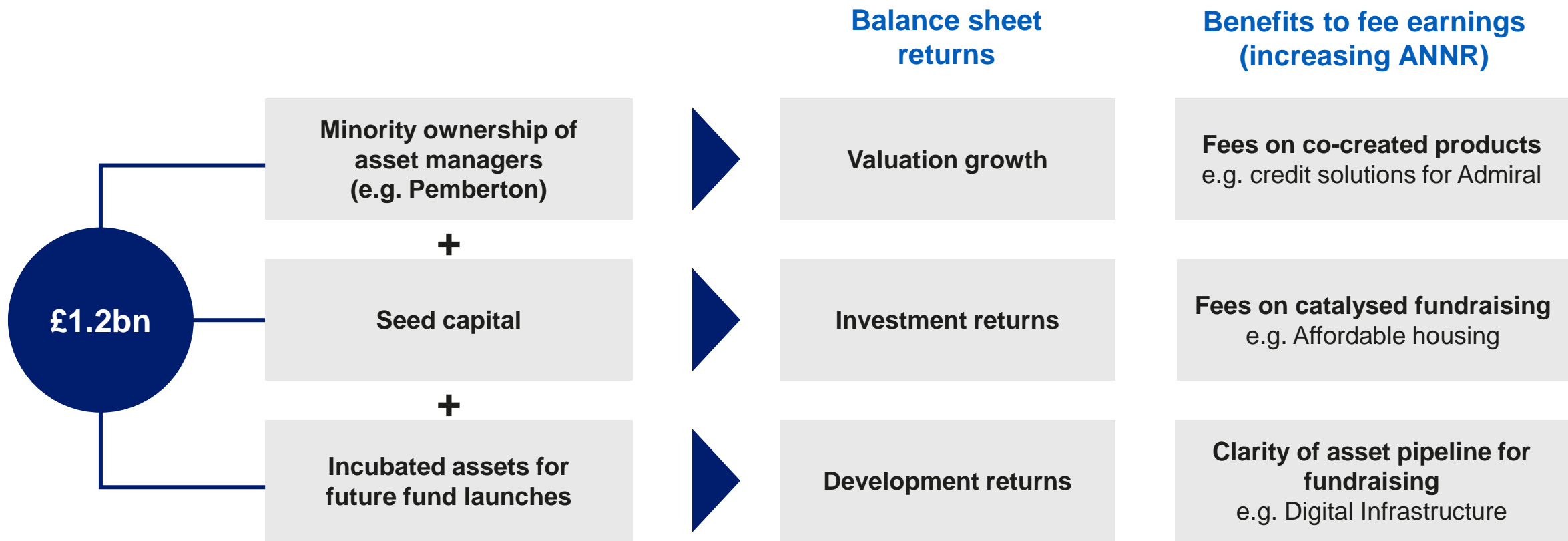
Annuity payments	£25-30bn @ c.21 bps
UK DB run-off	£80-120bn @ c.3-6 bps

50%+ of our £100-150m ANNR target expected to come from Annuities and Workplace DC

Balancing investment and cost efficiency

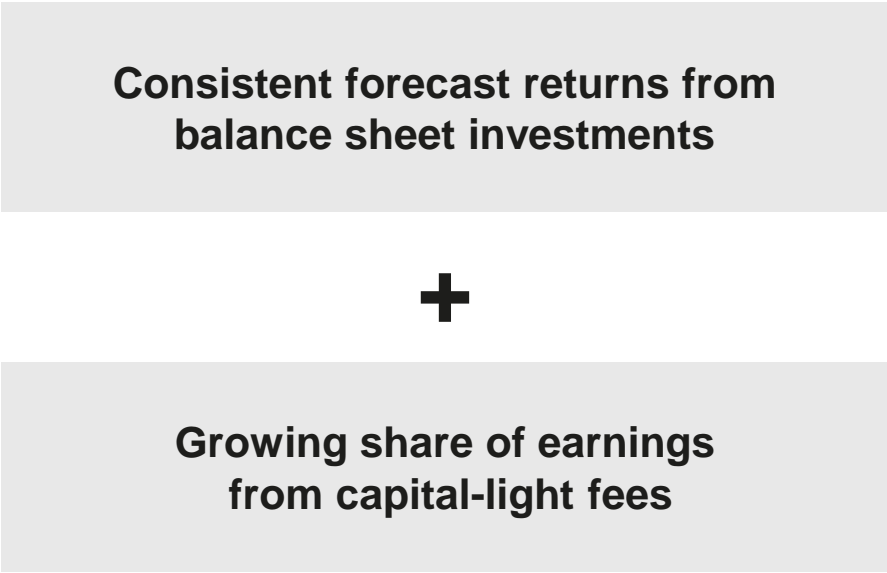
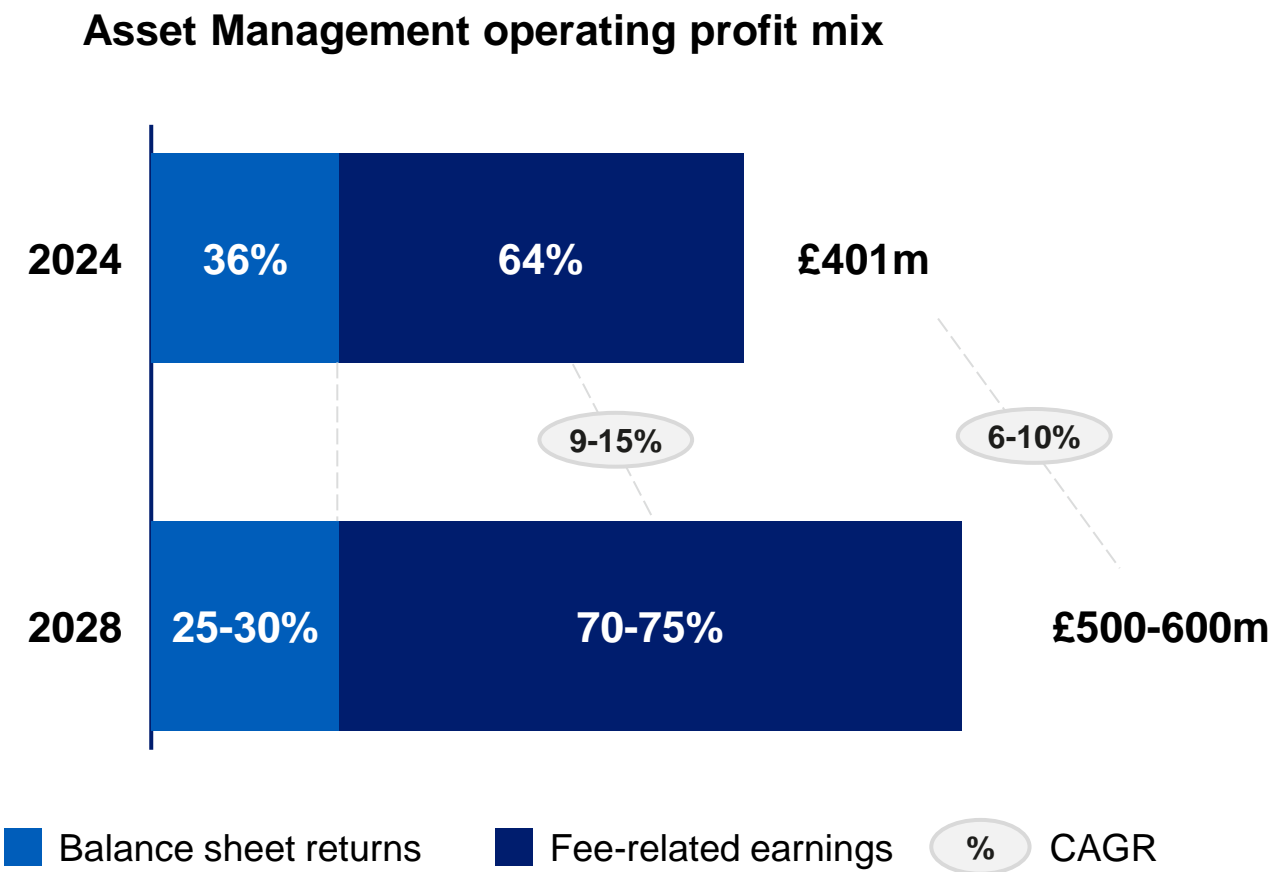


Balance sheet investments increase fee earnings ...



Once incubated strategies reach scale, we recycle seed efficiently to fuel future growth

Shift to capital-light, fee-related earnings over time



A reminder of our financial ambitions by 2028

Our targets from June 2024

£500-600m

Operating Profit by 2028



Today: more clarity on how we will get there

- Growth in fee-related earnings drives improved financial performance
- Cost income ratio <70% by 2028

£100-150m

Cumulative ANNR, 2025-2028



- 8bps revenue margin today; we anticipate growth to double digits by 2028
- Strong underpin from annuities and Workplace DC

£85bn+

Private Markets AUM by 2028¹



- Clear strategy and areas we can differentiate and grow
- Good momentum in creating public-private strategies under one roof

2025 on track and confidence in our Group targets

6–9% CAGR Core Operating EPS
(FY24-FY27)

Operating Return on Equity of at least 20%
(2025, 2026, 2027)

Cumulative capital generation of £5-6bn
(2025, 2026, 2027)



Closing remarks

António Simões, Group CEO



Key messages



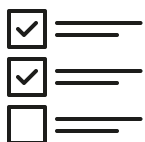
Untapped Potential

- UK's largest asset manager with a strong UK client base and international momentum
- Inherent competitive advantages through synergistic business model
- High quality, relevant investment capabilities with excellent performance



Clear Direction

- A leading global investor, innovating to solve client challenges using the power of L&G
- Targeted capabilities and channels to be added to round out our proposition
- Growth to be unlocked through leveraging our flexible balance sheet



Disciplined Execution

- Clear prioritisation approach driving decisive action and resource allocation
- Disciplined plan to turn around financial performance
- Well positioned to achieve financial targets

Q&A

António Simões, Group CEO

Eric Adler, Asset Management CEO

Jeff Davies, Group CFO





Thank you



Appendix: 2024 underlying asset exposure

