



L&G Investor Deep Dive: Asset Management

Legal & General Plc (“L&G” or the “Group”) will today hold an Investor deep-dive on Asset Management – the second in a series of three deep dives on its core businesses. The event will start at 1.00pm BST and will be webcast [here](#). Presentation slides will be available online shortly beforehand (at the same link).

Today’s presentation will set out why our Asset Management business is well-positioned for profitable, sustainable growth, and our strategy and plans to address this opportunity.

Asset Management: a core growth engine with untapped potential and clear direction

L&G’s Asset Management business is a core growth engine for the Group and supports our ambition to become more capital-light over time.

Demand for retirement solutions is growing globally. As a market leader in UK Defined Benefit (DB) and Defined Contribution (DC), and the UK’s largest asset manager with a growing international presence, we are well-positioned to capitalise on this opportunity.

The scale and breadth of our investment expertise and client relationships provide strong foundations for expansion into new client channels and geographies. We are also externalising existing asset origination capabilities that have supported investment solutions for our own balance sheet for many years. We will expand our client proposition, providing more sophisticated investment solutions that address evolving client needs beyond our traditional institutional heritage.

As we deepen and broaden our public and private market expertise, our platform will deliver sophisticated solutions at scale. To achieve this, we will optimise our core LDI, Index and Multi-Asset offerings, the critical building blocks for investment solutions, and we will scale key areas of Private Markets and Active Fixed Income, attracting higher margins.

We will leverage the power of L&G to underpin this growth through our synergistic business model:

- Our balance sheet (FY 2024: £98bn¹) is a permanent, catalytic source of capital, enabling the incubation and scaling of new strategies and increasing our fee-related earnings.
- Asset Management supports DB schemes on the path to PRT; those retained by the Group as clients after buyout generate 3X higher fees.
- Our Retail Workplace Savings business produces a reliable flow of net new assets into Asset Management, and has significant growth potential as the DC market matures.

¹This includes our annuity portfolio of £92bn (covering Institutional Retirement and Retail annuities), shareholder assets of £5bn and Asset Management balance sheet investments of £1.2bn.



Strong conviction in 2028 targets

- **We will deliver £500-600m operating profit (6-10% CAGR 2024-28) through a combination of fee earnings growth (9-15% CAGR 2024-28) and cost discipline.** By 2028, 70-75% of Asset Management earnings will be fee-related, and our cost income ratio will reduce to below 70%.
- **We will achieve £100-150m of cumulative ANNR (2025-28) as we shift to higher revenue margins and target high growth client channels.** We expect flows from our Workplace DC and annuity businesses to deliver more than half of new revenues, more than offsetting the structural decline of UK DB. We anticipate an improvement in average fee margin to double digits by 2028 (FY 2024: 8bps).
- **We will grow Private Markets AUM to £85bn+ by 2028 (FY24: £57bn; FY23: £48bn).**

Group outlook

We have made a good start to 2025 and are on track to deliver results in line with our 3-year targets, therefore we expect growth in 2025 Group core operating EPS of between 6-9%.

-ENDS-



Notes to editors

About L&G

Established in 1836, L&G is one of the UK's leading financial services groups and a major global investor, with £1.1 trillion in total assets under management (as at FY24) of which c. 44% (c. £0.5 trillion) is international.

We have a highly synergistic business model, which continues to drive strong returns. We are a leading player in Institutional Retirement, in Retail Savings and Protection, and in Asset Management through both public and private markets. Across the Group, we are committed to responsible investing and dedicated to serving the long-term savings and investment needs of customers and society.

Further information

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