



Inside L&G

September 2025

Your regular update on our technology
roadmap, member engagement and propositional
enhancements

For professional clients only.
Capital at risk.





Welcome

...to your regular news roundup from L&G.

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From a whisper...to a roar!

One year of private markets in DC

As we mark the one-year anniversary of the launch of the Private Markets Access Fund (PMAF) and Lifetime Advantage Funds (LAF), it's clear these innovative strategies are gaining real traction. In the face of the Mansion House Accord, which calls for increased private market investment in DC default funds, L&G is already ahead of the curve.

Our Target Date Funds (TDF) range has surpassed £25 billion in assets under management and is on track to reach £30 billion by year end. Meanwhile, LAF is expected to hit £20 billion by the end of 2025. These milestones reflect growing confidence in our approach and the strength of our private markets platform, which continues to deliver diversified exposure and long-term value for members.

Affordable housing research

We've launched new research exploring DC savers' views on affordable housing—and the results are striking. 97% believe it's a critical issue, and 73% support pension investment in the sector. Generation Z leads the charge, with renters increasingly doubtful they'll ever own a home. These insights are shaping our investment strategy and reinforcing our commitment to the Mansion House Accord. Through blogs, press and campaign assets, we're showing how PMAF and LAF can deliver impact and returns—making housing not just a dream, but a pension-powered reality.

It should be noted that diversification is no guarantee against a loss in a declining market. Awards should not be considered a recommendation. Past performance is not a guide to the future.

Award-winning innovation

Our private markets capabilities are earning industry recognition. PMAF and LAF have been celebrated for DC innovation, offering diversified exposure to affordable housing, clean energy and university spinouts. Our award wins this year include:



European Pensions Awards 2025 – Innovation (Investments)



UK Pensions Awards 2025 – Investment Manager of the Year



Corporate Adviser Awards 2025

Winner: Best Sustainability Asset Manager



Highly Commended: Best Private Markets Asset Manager

These accolades reflect our commitment to integrating ESG and private market strategies into DC portfolios.



Watch our video, and read the full research and our latest insight on our dedicated [private markets page](#)



Target Date Funds: evolving for stronger member outcomes

Q2 2025 update

We made significant changes to the asset allocation of our Target Date Fund in 2024, and we are delighted to see that these changes have made a positive difference with upper quartile performance to 30 June 2025. Building on this, L&G's annual review of the Target Date Funds (TDFs) for 2025 is now complete. The 2025 review focused on the growth phase (members more than 10 years from retirement), aimed at further improving long-term outcomes for members. The key outcome of the 2025 review is for the TDFs to shift from an 89% growth allocation to a full 100% growth allocation.

Why the change?

The decision to remove traditional government and corporate bonds in favour of increased equity exposure—particularly Future World equities and listed alternatives—was driven by two key factors:

1. Stable member behaviour: Despite economic shocks and market volatility, opt-out rates have remained low and stable across all age groups. This has given confidence that members are resilient and can benefit from a higher-risk, higher-return strategy.

2. Expanded investment universe: The launch of new funds has enabled greater diversification without relying on traditional bonds. These include thematic equities focused on sustainability, nature and social outcomes, climate action strategies, and tech-focused equities.

Efficient transitions, minimal cost to members

L&G's scale and expertise allow for cost-efficient transitions. Previous changes, such as the £1 billion switch in 2023 and the £1.1 billion restructure in 2024, were executed with minimal cost. The upcoming transition will follow suit, using a bespoke transition fund to retain desirable components and reduce costs.

Diversification still matters

While the growth allocation is now 100%, the philosophy of diversification remains central. By avoiding concentration in single companies, regions or sectors, and investing in innovative sleeves such as clean power and clean water, the TDFs have shown resilience. During recent tariff turbulence, the growth phase experienced significantly less volatility than global equities, and the retirement phase recovered losses by the end of May 2025.

Past performance is not a guide to the future.
It should be noted that diversification is no guarantee against a loss in a declining market.



Fantastic app feedback and continuous enhancement

We're excited to share that our app development goes from strength to strength.

It's receiving fantastic user feedback, scoring an impressive **4.8 out of 5** stars for both Android and iOS. Over 95% of users rate it four stars or higher, often praising its ease of use, intuitive navigation and the open finance feature, which many describe as a pleasant surprise.

Alongside the integration of Open Finance and deployment of enhanced spending and budgeting tools across H1 2025, we have been working on developing the app experience for members utilising drawdown.

Flexi-access drawdown for app users

Full functionality for workplace pensions in flexi-access drawdown is now included in the app. It's purpose-built to give members insight into their savings in retirement, with the aim of helping them to make sustainable financial decisions. It includes:

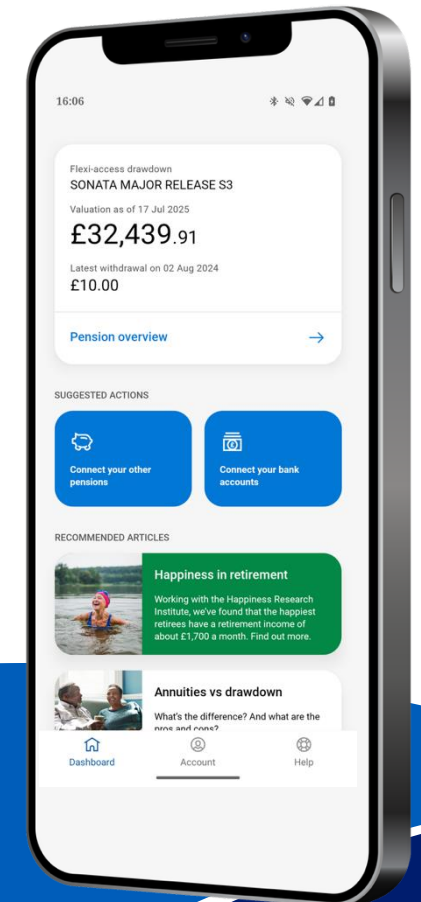
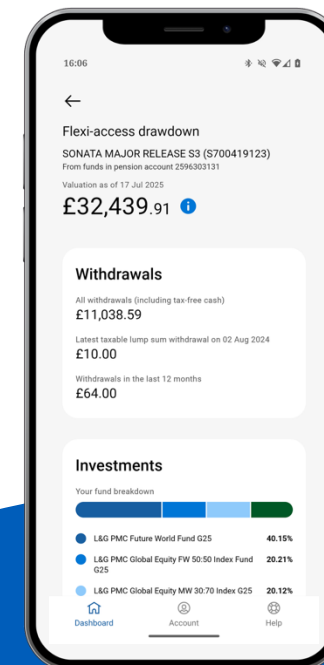
- A summary of the withdrawals members have made, including any tax-free cash
- Regular income information (if set up)
- Investment information, including a chart showing pot breakdown between different investments, fund factsheets for full performance information and management charges
- A summary of member service charges
- Single sign-on links to make ad-hoc withdrawals, nominate beneficiaries or look at transactions or policy documents in more detail



4.8 out of 5 Android



4.8 out of 5 iOS



Why the Living Pension should be an imperative for businesses

Pension adequacy – the ability to have financial security and an adequate standard of living in retirement – remains a pressing issue in the UK as far too many people are not saving enough to support themselves later in life. Our research found that young people (adults aged 22 to 32) could see an income shortfall of more than £25,000 a year in retirement if they continue saving at current levels.

We want to lead by example and take meaningful action, which is why we've signed up to become an accredited Living Pension Employer.

The importance of the Living Pension

Our commitment will see everyone working at L&G receive a minimum company contribution of 7%. Additionally, when employees contribute 5% (L&G's default position), the company will match this with an additional 5%, resulting in a total contribution of 17% for the firm's employees.

L&G has been a Living Wage Employer since 2013. We wanted to invest in the long-term success of our people, ensuring that all our employees have the opportunity to achieve better outcomes in retirement.

Our calculations have found that if the average employee were to pay 12% instead of 8% into their pension pot over the course of their lifetime, they are far more likely to be on track for the Pensions and Lifetime Savings Association's 'moderate' Retirement Living Standard, rather than the 'minimum'. The average pension pot could be boosted by approximately £10,000 per year.

To other businesses considering whether to take this step, we encourage you to explore the Living Pension.



Katharine Photiou,
Managing Director,
Workplace Savings, L&G



[Living Pension | Living Wage Foundation](#)



MySI insight grows with app data and umbrella access

We're pleased to announce that L&G app data is now accessible through MySI, providing you with app registration and log-in analytics for your scheme members.

Following this update, our data access processes are now streamlined, making it easier for you to retrieve and utilise both app and Manage Your Account (MYA) data. Additionally, we have also introduced some new features to enhance your experience:

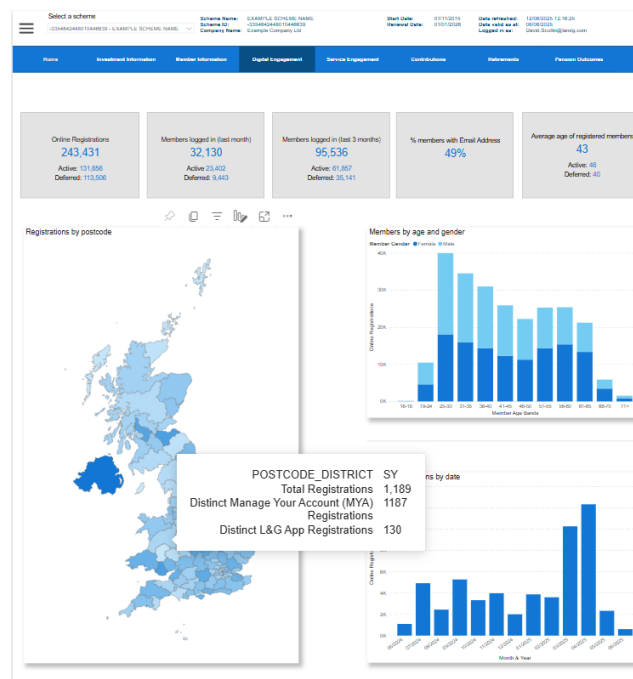
- **Geo map integration:** visualise data geographically to gain better insights into regional trends and patterns
- **Advanced filter options:** customise your data views with new
- **Filtering capabilities:** allowing for more precise data analysis

Filters will allow you to view MYA insight, app analytics or both.

Umbrella access: a game-changer for multi-scheme analysis

MySI now offers a revolutionary 'umbrella access' feature. Designed specifically with the needs of clients and advisers in mind, who wish to see an overview of multiple schemes within their remit, MySI now offers a seamless and comprehensive data view under one unified access point.

The umbrella access feature is a market-leading innovation that sets MySI apart and allows you to view the full spectrum of data we provide. MySI's intuitive interface and powerful data management capabilities make it the ultimate tool for streamlining your scheme analysis and maximising efficiency.



[Find out more
about MySI](#)



Helping members unlock support: our Turn2us partnership

Since launching our partnership with national financial hardship charity Turn2us at the end of 2024, we've seen over 1,400 customers engage with the service across our guidance, drawdown and online cash out journeys, as well as through our Pay Me and some member telephone services. Of those, 350 completed the journey, identifying over £380,000 in annual benefit uplifts – an average of £1,000 per person.

The impact is especially profound for members with modest pensions. In the online cash out journey alone, 40 completed benefit calculations have unlocked £100,000 in annual uplift, averaging £2,500 per member. These are often members with the smallest pots and few other savings – where an extra £200 a month can be life changing.

“

Withdrawing without seeking advice or guidance can lead to unexpected consequences, like paying more tax or even losing access to benefits. Our partnership with Turn2us helps customers get to grips with their entitlement to state benefits, especially those with modest retirement savings”

Katharine Photiou,
Managing Director, Workplace Savings, L&G

We're continuing to explore how we can track and expand the impact of this partnership. These early results show just how important it is to signpost the right support at the right time.

Helping get an accurate
forecast of benefits available

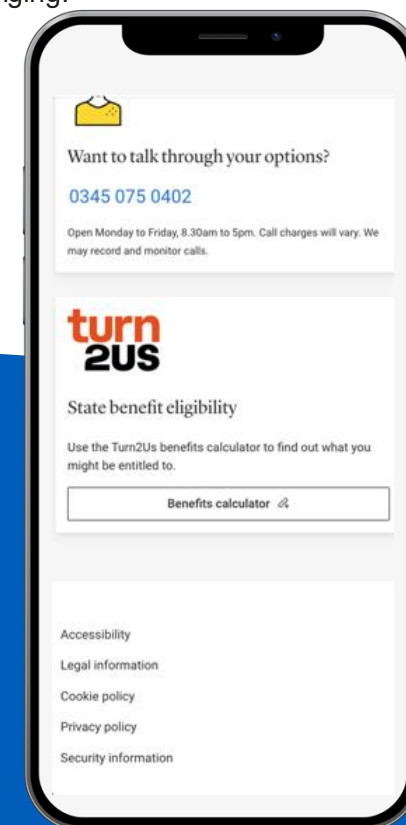
£380k

Total uplift of benefit entitlement identified in the tool since partnership launch

Well placed in our Cash Out
retirement journey

£2,500

Average annual uplift in benefit entitlement identified by members accessing the calculator from MYA Cash Out journey



Continued operational excellence

We're delighted to share that L&G has provisionally been awarded a **Gold accreditation for Occupational Pensions** and **Silver for Personal Pensions** by STAR—the industry-wide initiative promoting excellence in pension transfers.

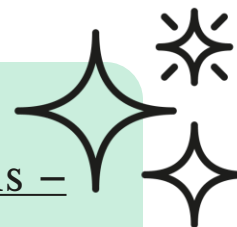
These accreditations reflect the strength and consistency of our service performance throughout 2024, underpinned by robust data and operational rigour. The STAR framework evaluates providers on speed, accuracy and member experience, and our results demonstrate our commitment to delivering high-quality outcomes across both product types.

Final 2025 awards have now been published on the STAR website, offering a full view of how providers across the industry have performed. This recognition is a testament to the dedication of our Operations teams and our ongoing focus on improving member journeys and transfer efficiency.

In addition, we've received another record-breaking Net Promoter Score (NPS) for the month of July – a fantastic +58. This demonstrates the continued care and effort the operations team members take to look after your members.



Accreditation
Occupational Pensions –
STAR



Retirement advice service update

Since its launch in 2022, our retirement advice service has helped members make informed decisions through access to independent financial advice. Building on member feedback, we're now expanding the service and introducing a fixed-fee pricing model. This change brings greater transparency and cost certainty, while enabling access to whole-of-market advice.

Members with Defined Benefit (DB) transfer advice needs will continue to receive a warm handover to LV= for specialist support, with the existing pricing structure remaining unchanged.

Our new dual service model combines accessibility, affordability and personalisation.

Members can use our free digital guided retirement planner via Manage Your Account



or the

L&G app and opt for tailored advice through our regulated fixed-fee service.



Pension advice is priced at £1,495 and includes a full review of pensions, cashflow modelling, transfer analysis and retirement product recommendations.

Soon, we'll also offer investment product advice, covering ISAs, GIAs and bonds—further supporting members in planning for their financial future.

Find out how one of our experienced advisers supports members on the next page...



To find out more about the guidance we offer to members, [take a look at this guide.](#)



Hear from one of our advisers

Meet one of our financial advisers, Matthew Robbins

We spoke to Matthew from L&G Financial Advice (LGFA) about his role and how he guides members through their retirement journey.

What are some of the most common concerns people have as they near retirement, and how do you help them navigate those?

Fundamentally, “Do I have enough money to retire?” And they also ask what the best way is to provide for their retirement.

What do you wish more people knew about their pension options or retirement planning? Are there any common misconceptions that members have, that you often need to help explain?

We should ALL have up to date information on our pensions so that we’re better able to plan for the future. With people changing jobs more regularly having this information can only help people feel more confident about retirement planning and be able to address shortfalls before it is too late. Looking to consolidate smaller pensions, where appropriate, will help people with their planning and when we move home it is vital to update the pension provider of our new whereabouts to avoid losing track of these funds.

Taking money out of pensions when they don’t need to is a regular issue I encounter, with many members often set on taking their maximum tax-free cash when it might not be needed due to other savings being available. Once I have explained how tax efficient their pension is and how it can be difficult to find a tax-efficient home for their tax-free cash, this helps to provide members with a new perspective.

What’s one piece of advice you’d give to someone who’s unsure whether to speak to an adviser?

It is always worth asking! Most advisers will offer free initial contact to see if there is merit in pursuing advice. Over the years we have seen many changes to the pension landscape and so there could be new aspects members are unaware of so there is no harm in asking. As I often say, “Act in haste, repent at leisure,” so it’s best to get things right first time as retirement is likely to last for many years.



DC Digest

Read all about it!

Each issue we'll provide you with a roundup of our latest insight from across L&G, including our Asset Management division. Find out more about the issues impacting your scheme and your members through our **L&G Talks Asset Management** podcast, **Blog**, and our 'A little bit richer' podcast featuring Iona Bain.



Workplace Pensions: Changes and why it matters

In this episode, our host Iona Bain is joined by L&G's CEO of DC and workplace savings, Paula Llewellyn. They unpack changes in the pipeline and what you can do to help your pension savings grow.

[Listen here](#)



Home truths: Pension savers' views on the affordable housing crisis

Traditionally, affordable housing was seen as the remit of governments and charitable organisations. But demand has outgrown public funding's reach. What role can pension providers and asset managers play in addressing the UK housing crisis? And, importantly what do pension savers think about their retirement savings being used in this way?

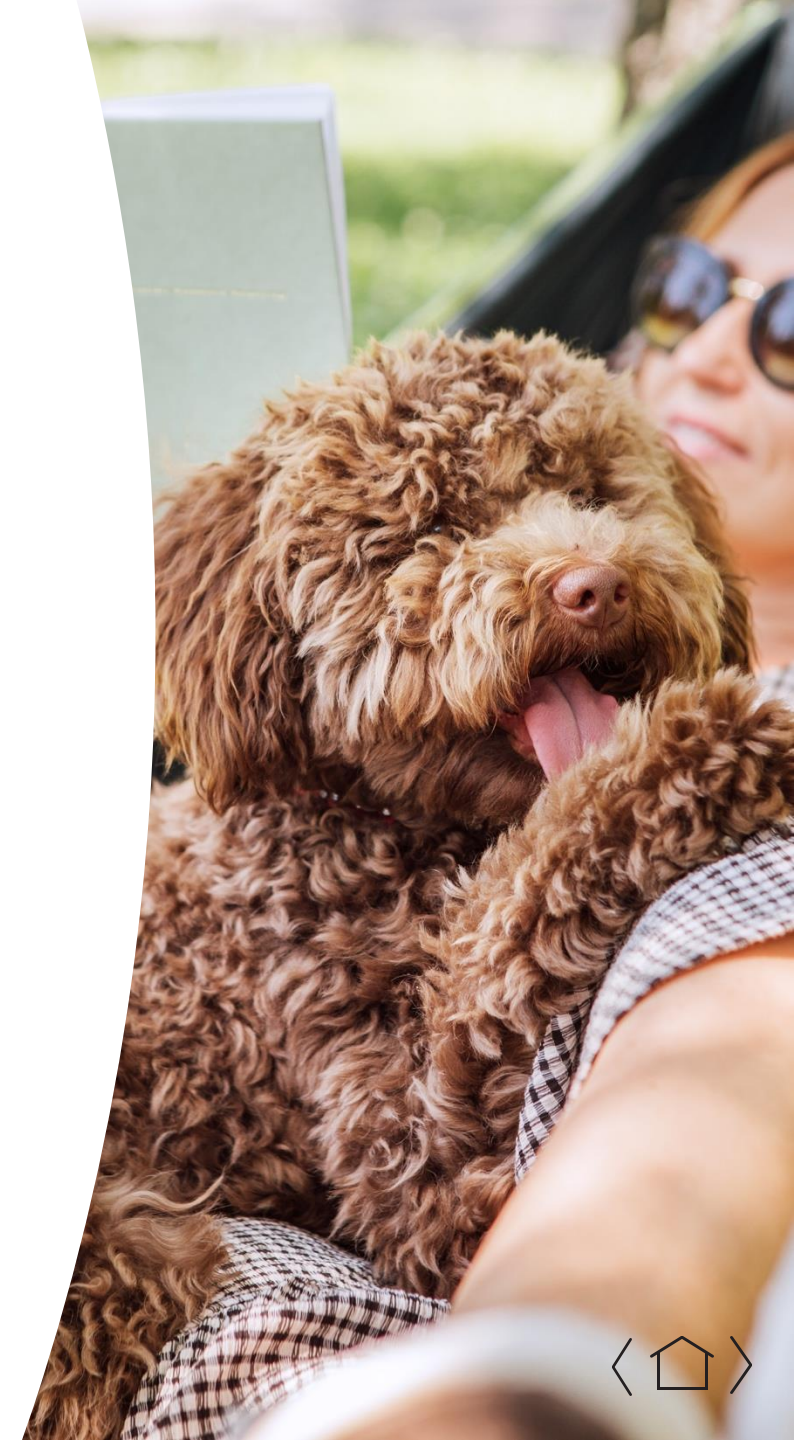
[Read our blog](#)



Redesigning DC retirement

With private markets now part of the investment mix, backed by policy momentum and global inspiration, we're entering a new era of retirement investing. Discover how we're shaping a system that's not just functional – but future fit.

[Read our blog](#)



Key Risks

The value of an investment and any income taken from it is not guaranteed and can go down as well as up, and the investor may get back less than the original amount invested. Past performance is not a guide to future performance.

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