

## British Steel Pension Scheme appoints Legal & General Investment Management to manage its assets

**London 13<sup>th</sup> July 2022** - The Trustee of the British Steel Pension Scheme ("BSPS") and Legal and General Investment Management ("LGIM") are pleased to announce an agreement in principle that LGIM is to be appointed to manage the combined assets of the BSPS Defined Benefit (DB) scheme.

BSPS is one of the UK's largest pension schemes, with around 69,175 members and £9.9bn in assets<sup>1</sup>. BSPS is administered by B.S. Pension Fund Trustee Limited, a corporate Trustee Company set up for this purpose. Under this agreement, and at the same time, a number of employees of the scheme's in-house investment manager will be transferring to LGIM to support the transition, which is expected to commence in the final quarter of 2022.

**Keith Greenfield, Chairman and Independent Trustee director, BSPS**, welcomed this move by saying: *"We are very pleased to announce this agreement on behalf of our members. L&G are the leading provider of both investment and insurance solutions in the DB marketplace, and between them LGIM and LGRI\* already manage and insure just under 40% of our assets. Leveraging the scale and expertise of LGIM will resolve a number of cost and operational risk issues and will support our strategy to secure liabilities in full with one or more insurers, and be in a position to make additional payments to members under the agreement reached when the Scheme was set up.*

*The Trustee would like to take this opportunity to thank colleagues in the Scheme's in-house investment team past and present for their significant contribution to both the Old and New British Steel Pension Schemes over a period of many years. I hope that a number of our colleagues will continue their careers and involvement with the Scheme with LGIM in the future."*

**Michelle Scrimgeour, Chief Executive, LGIM** added: *"We are delighted to be supporting the trustees and members of BSPS on their route to secure liabilities. Like many DB schemes, BSPS has seen its funding level against the cost of securing liabilities with an insurer improve significantly in recent months. Our role will be to manage the investments whilst closely matching insurer pricing and, in so doing, we will be leveraging the full resources of the L&G Group."*

There is an estimated £1.6 trillion remaining in Defined Benefit scheme assets in the UK. The Pensions Policy Institute (PPI) has estimated that £770 billion could come into play in the UK buy-in and buyout market leading up to 2030<sup>2</sup>. Legal & General recently celebrated its 35<sup>th</sup> year since the inception of its PRT business; it remains the only global PRT provider.

- ENDS -

### Notes to editors

## About British Steel Pension Scheme

The BSPS is an occupational pension scheme set up under trust to provide benefits for former members of the Old British Steel Pension Scheme (OBSPS). The Scheme was established following the agreement of a Regulated Apportionment Arrangement (RAA) with Tata Steel UK Limited (TSUK) and the Time to Choose exercise in 2017 under which the OBSPS was separated from its sponsor and members given the opportunity to choose whether to switch to the BSPS, or to remain with the old scheme and to enter a Pension Protection Fund (PPF) assessment period. The value of the BSPS assets was £9.9 billion as at 31 March 2022 at which time its membership was 69,175. In 2021, the BSPS was reported as the 37th largest defined benefit pension scheme in the UK.

## About Legal & General Investment Management

Legal & General Investment Management is one of Europe's largest asset managers and a major global investor, with total assets under management of £1.42 trillion (€1.69 trillion) as at 31 December 2021<sup>3</sup>. We work with a wide range of global clients, including pension schemes, sovereign wealth funds, fund distributors and retail investors. Throughout the past 50 years, we have built our business through understanding what matters most to our clients and transforming this insight into valuable, accessible investment products and solutions. We provide investment expertise across the full spectrum of asset classes including fixed income, equities, commercial property, and cash. Our capabilities range from index-tracking and active strategies to liquidity management and liability-based risk management solutions.

## 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. Our UK Retirement annuity book stands at over £89 billion as at 31 December 2021, of which over £28 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. 2022 marks our 35th anniversary since our first Pension Risk Transfer ("PRT") transaction in 1987. Legal & General is the longest-standing active UK provider of PRT, providing pension security for more than half a million people around the world.

## Important Information

The value of an investment and any income taken from it is not guaranteed and can go down as well as up, you may not get back the amount you originally invested. Views expressed are of LGIM as at [insert date]. The Information in this document (a) is for information purposes only and we are not soliciting any action based on it, and (b) is not a recommendation to buy or sell securities or pursue a particular investment strategy; and (c) is not investment, legal, regulatory or tax advice. Legal & General Investment Management Limited. Registered in England and Wales No. 02091894. Registered Office: One Coleman Street, London, EC2R 5AA. Authorised and regulated by the Financial Conduct Authority, No. 119272.

1. The value of the BSPS scheme assets was £9.9 billion as at 31 March 2022. The BSPS had 69175 members as at 31 March 2022 ([Trustee-Debrief-May-2022.pdf \(bspsspensions.com\)](#)). In 2021, BSPS was the 37<sup>th</sup> largest defined benefit pension scheme in the UK. (<https://www.ipe.com/reports/top-1000-pension-funds-2021-data/10054767.article>).

2. Approaching the endgame: The future of Defined Benefit pension schemes in the UK - Pensions Policy Institute (<https://www.pensionspolicyinstitute.org.uk/media/3307/20191029-db-endgame-report-executive-summary.pdf>)

3. LGIM internal data as at 31 December 2021. The AUM disclosed aggregates the assets managed by LGIM in the UK, LGIMA in the US and LGIM Asia in Hong Kong. The AUM includes the value of securities and derivatives positions.

## Further information

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