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PRESS RELEASE

Rothesay Life completes just under £930m bulk annuity deal with the Littlewoods Pensions Scheme

- Rothesay Life announces largest full scheme transaction of 2020
- Littlewoods Pensions Scheme, now sponsored by The Very Group, has agreed a second buy-in
- The transaction covers just under £930m of liabilities for the Scheme's remaining 6,454 uninsured members

Rothesay Life, one of the UK's largest pension insurers, is pleased to announce that it has insured just under £930m of deferred and pensioner liabilities in the Littlewoods Pensions Scheme (the "Scheme") through a bulk annuity transaction, which was completed in July 2020. This buy-in builds on the de-risking of the Scheme, following a £880m pensioner buy-in completed with Scottish Widows in 2018.

The Scheme had already benefited from a de-risked funding position on the back of the 2018 buy-in, having previously been an early mover to hedge its interest rate and inflation exposures. It was therefore in an ideal position to take advantage of attractive pricing opportunities caused in part by COVID-19.

With much of the process running during the lockdown, all teams were working remotely, and the transaction was agreed and secured amid volatile asset markets. Of particular importance to the Trustees was the valuable price lock negotiated, which acted to immunise the Scheme against further movement in market conditions.

LCP was appointed to advise the Trustees on the planning, structuring and negotiation of the buy-in transaction. ARC Pensions Law provided legal advice to the Trustees whilst Rothesay Life was advised by Gowlings WLG. The Trustees were also advised by Mercer as the Scheme Actuary and administrator and Willis Towers Watson as investment consultant.

Colin Thwaite, Chairman of the Trustees of the Littlewoods Pensions Scheme, said: *"I am delighted that, through this transaction with Rothesay Life, we have further secured the pension benefits for all our members. Guaranteeing our pension obligations has been our long-term goal and it is a testament to the quality of our advisers and the longstanding support and collaboration with The Very Group and its shareholders that we could secure this transaction in the current market."*

David Stewart, Partner at LCP, said: *"With deferred members making up 90% of the membership for this buy-in, this transaction shows that attractive pricing is available at scale, with the right market approach, for schemes with long-dated liabilities. We are delighted to have worked with the Trustees to secure this transaction, helping the Scheme to move quickly when it mattered in volatile markets, and to lock into a valuable price lock and an attractive deal."*

Sammy Cooper-Smith, Head of Business Development at Rothesay Life, said: *"The Trustees have been in close contact with the market place for a number of years, keeping us informed of progress on their de-risking journey. This has kept this scheme at the forefront of the market, which has enabled the Trustees to secure the benefits at an opportune time from a funding perspective. We are delighted to have been entrusted by the Trustees to provide the scheme benefits to over 6000 beneficiaries."*

Matt Johnson, Senior Director at Willis Towers Watson, said: *"Over the past 14 years the Trustees have worked with Willis Towers Watson's delegated investment team to earn the return on their assets needed, while carefully managing investment risk, to reach this point. We are very proud to have been part of the Littlewoods Pensions Scheme's successful journey to date."*

Anna Rogers, Senior Partner at Arc Pensions Law, said: *“This transaction was completed at speed in challenging circumstances, alongside innovative legal and actuarial work to optimise insurer pricing. We are delighted to see the Trustees reach this point in securing members’ benefits, and proud to have helped them manage their liabilities in order to put this outcome within reach.”*

Steve Jones, Scheme Actuary of the Littlewoods Pensions Scheme, Mercer, said: *“The issues arising from the need to equalise benefits following the Lloyds (GMP) ruling were presenting an obstacle to the Scheme’s de-risking plans. The legal, administrative and actuarial challenges were significant. However, working with the Trustees and Arc Pensions Law, we developed an innovative approach that met the Trustees’ obligations and helped to enable this second transformative buy-in to proceed.”*

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Notes to Editors

About Rothesay Life

Rothesay Life was established in 2007 and has become one of the leading providers of regulated insurance solutions in the U.K. market for pensions de-risking. This strong growth has been achieved through the steady accumulation of pension scheme clients, significant strategic acquisitions and the reinsurance of annuity portfolios. Rothesay Life has assets under management of over £50bn and insures the pensions of over 800,000 individuals.

Existing Rothesay Life clients include the pension schemes and customers associated with such names as Asda, National Grid, Allied Domecq, Cadbury’s, telent, Prudential, British Airways, Lehman Brothers, Aegon, Zurich Assurance the Post Office and the Civil Aviation Authority.

Rothesay Life was founded on several core pillars:

- Clear and disciplined business strategy;
- Prudent underwriting;
- Meticulous management of risk and cautious investment strategy supporting enhanced customer security;
- Excellence in execution; and
- Robust operational processes underpinning excellent customer service

Rothesay Life has three substantial institutional shareholders, Blackstone, GIC and Massachusetts Mutual Life Insurance Company, who provide the company with long term support for its growth and development.

Rothesay Life is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. Registered in England No. 06127279. Further information is available at www.rothesaylife.com

About LCP

LCP is a firm of financial, actuarial and business consultants, specialising in the areas of pensions, investment, insurance and business analytics.

LCP offers clients better control over the financial future of their pension plans with intuitive, real-time technology. Visit www.lcpvisualise.com or www.lcphorizon.com for more information.

The firm has more than 700 staff based at locations in London, Winchester, Ireland, and - operating under licence - the Netherlands.

About Arc Pensions Law

[Arc Pensions Law](#) was founded in June 2015 as a law firm designed for the future of pension schemes. In 2017, the firm expanded into Leeds with a well-established team hired from a major international firm, becoming the first national specialist pensions law firm.

The multi-award-winning firm advises clients providing all kinds of pensions, on transformational issues as well as ongoing governance, regulatory and compliance issues, and asset and liability management. Arc Pensions Law comprises 8 partners and 9 associates and has over 200 pensions clients, including several multi-billion pound pension funds. One focus area is helping manage liabilities in defined benefit schemes, including legacy documentation, bringing more transparency to funding levels and journey plans, and giving trustees and sponsors enhanced confidence that members are receiving the promised benefits, and that if the sponsor is paying for anything else it is doing so knowingly.