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# British Business Bank completes its £250m investment with Schroders Capital under the Long-Term Investment for Technology and Science (LIFTS) initiative

**Press release** • 14 November 2024

The British Business Bank has completed its £250m investment alongside Phoenix Group with Schroders Capital under the Long-Term Investment for Technology and Science (LIFTS) initiative to create a new investment vehicle that is accessible to pension funds and other institutional investors.

The British Business Bank has completed its £250m commitment to the fund, which will be matched by £250m of pension investment from Phoenix Group, the UK's largest long-term savings and retirement business, creating a £500m investment vehicle. Phoenix's investment will be made through its new private markets joint venture with Schroders, Future Growth Capital.

Following approval from the UK's Financial Conduct Authority in September to launch the first ever Long-Term Asset Fund (LTAF) dedicated to UK venture capital, Schroders Capital, the \$97.3bn specialist private markets business, is expected to begin making investments before the end of the year.

The LTAF will offer defined contribution and other institutional investors the opportunity to participate in the growth and development

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of groundbreaking UK late-stage companies focused on technology and science with 20% of the fund expected to be invested in life sciences.

This investment builds further on the Bank's support for UK life sciences through its £200m Life Sciences Investment Programme and its £425m Future Fund: Breakthrough programme which invests in R&D intensive companies, including in deeptech and life sciences. At Autumn Budget, the Chancellor announced that both programmes would be extended.

Louis Taylor, CEO, British Business Bank, said:

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Long-Term Investment for Technology and Science is a potentially game-changing initiative. With the intention of catalysing more than £1bn of funding, including from UK pension funds, LIFTS will support the growth and ambitions of the UK's most innovative science and technology companies, which with the right finance and support can become the world-beating businesses of tomorrow.

We are pleased to have completed our investment with Schroders Capital, alongside Phoenix Group and Future Growth Capital, as they build towards making their first investments under the initiative by the end of this year.

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Andy Briggs, Chief Executive Officer, Phoenix Group, commented:

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Currently pension savers in the UK receive lower returns than their counterparts in places like Australia and Canada, partly because the UK allocates much less to private market assets than equivalent countries.

This £250m investment on behalf of our customers into the UK Government's LIFTS initiative, will provide stable patient capital to the UK's most innovative businesses. It will help to accelerate their growth, whilst also giving our customers access to a broader range of assets with potential for higher returns.

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Georg Wunderlin, CEO, Schroders Capital, said:

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The UK is home to some of the most innovative early-stage technology and life sciences companies in the world.

This significant cornerstone investment from British Business Bank and Phoenix will encourage further domestic investment in these key growth sectors, enabling these companies to maintain their edge and continue to innovate from here in the UK.

The LTAF structure enables access for a wider pool of investors, allowing pension savers to benefit from the growth potential of these companies while unlocking much needed investment to continue to drive their development.

Furthermore, our strategic partnership with Phoenix, Future Growth Capital, supports the UK's Mansion House Compact and will provide scale to unlock these investment opportunities in private markets and the benefits they can offer.

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These investments are expected to generate over a billion pounds of investment into UK science and technology companies. UK savers will

be able to benefit from the potential returns and investment diversification that these innovative sectors can provide, whilst also backing homegrown businesses.

Schroders Capital will invest across companies that are pioneering the development of long-term innovation themes such as life sciences, artificial intelligence, quantum computing, fintech, cybersecurity and oncology.

LTAFs are vehicles designed to enable UK investors with longer-term horizons to invest in more illiquid assets, allowing them to take advantage of the robust returns and diversification benefits of private markets.

**ENDS**

## Further Information

If you are a journalist and have a media enquiry, please contact [mediaenquiries@british-business-bank.co.uk](mailto:mediaenquiries@british-business-bank.co.uk).

## Notes to editors

At the Spring Budget, the outcome of the competitive bid process for the Long-Term Investment for Technology and Science (LIFTS) initiative was announced.

The British Business Bank awarded £250m to Schroders Capital (£150m) and ICG plc (£100m) to create two new investment vehicles that would be accessible to pension fund and other institutional investment, to support innovative companies in the UK. These awards were to be supported by £250m of pension investment from Phoenix Group.

Final arrangements of both awards were subject to completion of commercial negotiations and the internal governance processes of all parties. Phoenix Group and ICG plc were unable to reach final documentation in line with the originally agreed terms. The British Business Bank continues to engage

with ICG plc to explore ways to invest in ICG's Life Sciences strategy and support the UK biotech industry outside of LIFTS.

## About the British Business Bank

The British Business Bank is the UK government's economic development bank. Established in November 2014, its mission is to drive sustainable growth and prosperity across the UK and to enable the transition to a net zero economy, by improving access to finance for smaller businesses. Its remit is to design, deliver and efficiently manage UK-wide smaller business access to finance programmes for the UK government.

The British Business Bank's core programmes support over £17.4bn <sup>1</sup> of finance to almost 64,000 <sup>2</sup> smaller businesses.

As well as increasing the supply and diversity of finance for UK smaller businesses through its programmes, the Bank works to raise awareness of finance options available to smaller businesses. The [British Business Bank Finance Hub](#) provides independent and impartial information to businesses about finance options, featuring short films, expert guides, checklists and articles from finance providers to help make their application a success.

The British Business Bank is also responsible for administering the government's three Coronavirus loan schemes and its Future Fund, together responsible for delivering £80.4bn in finance to 1.67m businesses. These schemes are now closed to new applications.

British Business Bank plc is a public limited company registered in England and Wales, registration number 08616013, registered office at Steel City House, West Street, Sheffield, S1 2GQ.

Wholly owned by HM government, the Bank and its subsidiaries are not banking institutions and do not operate as such. They are not authorised or regulated by the Prudential Regulation Authority (PRA) or the Financial Conduct Authority (FCA). A complete legal structure chart for the group can be found at [www.british-business-bank.co.uk](http://www.british-business-bank.co.uk).

The transaction described above does not constitute or imply

any endorsement, warranty or recommendation by the UK government, the British Business Bank plc, its subsidiaries or any other party in respect of Schroders Capital or its products or services.

## Schroders Capital

Schroders Capital provides investors with access to a broad range of private market investment opportunities, portfolio building blocks and customised private market strategies. Its team focuses on delivering best-in-class, risk-adjusted returns and executing investments through a combination of direct investment capabilities and broader solutions in all private market asset classes, through comingled funds and customised private market mandates.

The team aims to achieve sustainable returns through a rigorous approach and in alignment with a culture characterised by performance, collaboration and integrity.

With \$97.3 billion (£77.0 billion; €90.8 billion)\* assets under management, Schroders Capital offers a diversified range of investment strategies, including real estate, private equity, secondaries, venture capital, infrastructure, securitised products and asset-based finance, private debt, insurance-linked securities and BlueOrchard (Impact Specialists).

*\*Assets under management as at 30 June 2024 (including non-fee earning dry powder and in-house cross holdings)*

## Schroders plc

Schroders is a global investment manager which provides active asset management, wealth management and investment solutions, with £773.7 billion (€912.6 billion; \$978.1 billion) of assets under management at 30 June 2024. As a UK listed FTSE100 company, Schroders has a market capitalisation of circa £6 billion and over 6,000 employees across 38 locations. Established in 1804, Schroders remains true to its roots as a family-founded business. The Schroder family continues to be a significant shareholder, holding approximately 44% of the issued share capital.

Schroders' success can be attributed to its diversified business model, spanning different asset classes, client types and geographies. The company offers innovative products and solutions through four core business divisions: Public Markets, Solutions, Wealth Management, and Schroders Capital, which focuses on private markets, including private equity, renewable infrastructure investing, private debt & credit alternatives, and real estate.

Schroders aims to provide excellent investment performance to clients through active management. This means directing capital towards resilient businesses with sustainable business models, consistently with the investment goals of its clients. Schroders serves a diverse client base that includes pension schemes, insurance companies, sovereign wealth funds, endowments, foundations, high net worth individuals, family offices, as well as end clients through partnerships with distributors, financial advisers, and online platforms.

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## About Phoenix Group

Phoenix Group is the UK's largest long-term savings and retirement business with around £290 billion of assets under administration.

As life expectancy continues to increase and the pension landscape continues to shift, we offer our 12 million customers a broad range of pensions, savings and life insurance products across our family of brands which include Standard Life, SunLife, Phoenix Life and ReAssure. Our vision is to help even more people on their journey to and through retirement, providing the right support at the right time.

We are a growing and sustainable business united by a common purpose – helping people secure a life of possibilities. This drives everything we do and means taking responsible and

sustainable investment decisions, and using our presence and voice to drive forward change for the better, for our customers, our colleagues, and our wider community.

A FTSE 100 company, we also feature in the FTSE100 ESG Select Index series and we are playing an active role in helping to invest in a sustainable future. As part of this, we have committed to our operations being net zero carbon by 2025 and for our investment portfolios we have set an interim target of a 50% reduction in the carbon emission intensity of c£250bn by 2030, as we progress towards our portfolios being net zero carbon by 2050 or sooner.

We have been recognised as a leading employer for many years. We are accredited as a Living Wage Employer, Living Pension Employer and as a Carer Positive Exemplary Employer for offering the best support to colleagues who are carers.

<sup>1</sup> Figures as at end March 2024

<sup>2</sup> Figures as at end March 2024

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