



Shareholders vote in favour of LGIM's Hybrid property strategy

10 April 2024 – Following a successfully passed Extraordinary Resolution – with shareholders voting in favour of the new Hybrid property investment approach – Legal & General (Unit Trust Managers) Limited (LGUTM) announces today that the transition process of the L&G UK Property Fund (PAIF) and its feeder Fund, the Legal & General UK Property (Feeder), to the Hybrid property strategy will commence on April 12, 2024.

The Hybrid property strategy is a blended approach that combines direct UK real estate with indirect property exposure via holdings in global Real Estate Investment Trusts (REITs). This offers investors a market-leading solution via an open-ended vehicle; allowing for continued daily dealing access to property investments including exposure to existing direct UK property assets, alongside diversified exposure to global REITs.

Following today's vote in favour for the change in investment policy, LGIM's specialist investment team will now formally begin the Funds' transition – combining two different property investment approaches within one portfolio, building a strategic allocation of:

- 45% UK direct property exposure, providing continuity with the fund's existing direct property strategy;
- 45% global REITs;
- 10% cash

The Fund names will be changed to L&G Property Fund and L&G Property Feeder Fund, reflecting the broader allocation to non-UK direct property, and the headline Fund Management Fees will be reduced from 0.75% to 0.55% for the I Classes– all from the effective date, April 12.

The new strategy will enable investors on-going access to the sustained track-record, experience and expertise of the L&G PAIF management team, led by fund managers Michael Barrie and Matt Jarvis. Since launch in 2006, the L&G PAIF has cemented its position as the largest in the sector, with assets under management of over £1.2bn, and one of the best performers over three and five year periods respectively.

The Funds' exposure to global REITs is being delivered by LGIM's Index Solutions team, which manages over £62bn of customised, scalable and cost-effective solutions across 60 strategies globally.

James Crossley, Head of UK Wholesale, LGIM commented: "We are delighted to have received approval and support from investors to take forward this compelling new strategy – allowing us to increase low-cost, global, liquidity exposure within the Fund, access new markets, and respond to investors' need for daily dealing.

"The Hybrid property approach is a blended strategy and market-leading solution; balancing the wants, needs and infrastructure capabilities of the advised retail investor market, together with the regulatory backdrop. We wholeheartedly believe this solution is in the best interest of investors, and as a sector leader for over 18 years, we are well positioned to continue enabling investors' access to balanced property exposure."

Matt Jarvis, Fund Manager, LGIM commented: "Today is a huge milestone for the L&G Property Fund and hybrid property fund strategies. We've listened to our clients, and look forward to progressing this exciting new solution for existing and prospective investors. Having raised liquidity, the cash level in the Fund is currently in a strong position, allowing us to confidently and formally begin the transition process.

“A combination of asset sales and further new investment will accelerate the transition – and, as an immediate step, in addition to the reduction in fees, the Fund continues to operate on a reduced spread basis. Our thematic portfolio continues to provide access to direct UK property, with assets in strong locations across a range of sectors with structural growth potential – such as industrial and self-storage, operational hotels, and build to rent residential. We continue to view the property sector as an attractive diversifier in any balanced portfolio, and believe it is well positioned for investors with long-term horizons.”

- ENDS -

Notes to editors

Further information:

Jessye Brandon

Senior Communications Executive

07584498775

✉ LGIMprteam@lgim.com

🌐 www.lgim.com

Key Risk Warnings

Past performance is not a guide to future performance. For professional investors only. The value of investments and the income from them can go down as well as up and you may not get back the amount invested. The details contained here are for information purposes only and do not constitute investment advice or a recommendation or offer to buy or sell any security. The information above is provided on a general basis and does not take into account any individual investor's circumstances. Any views expressed are those of LGIM as at the date of publication. Not for distribution to any person resident in any jurisdiction where such distribution would be contrary to local law or regulation.

About Legal & General Investment Management

LGIM is one of Europe's largest asset managers and a major global investor, with total assets under management of £1.159 trillion¹. We work with a wide range of global clients, including pension schemes, sovereign wealth funds, fund distributors and retail investors.

For more than 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.

¹ Data as at 31 December 2023. Data combines assets under management by LGIM in the UK, LGIMA in the US and LGIM Asia in Hong Kong. Assets under management include securities and derivatives positions

