

Press release

23 May 2019

LGIM expands Multi-Index range with launch of new Future World funds

Legal & General Investment Management (LGIM) has expanded its Multi-Index range with the launch of two sustainable investment focused Future World funds for investors that seek diversification across asset classes while incorporating environmental, social and governance (ESG) considerations. This brings two of LGIM's franchises together into a new product and builds on the success of the £3.2 billion Multi-Index range that combines, mainly, a mixture of index tracker funds with investments across company shares, bonds and commercial property.

The new Future World Multi-Index Funds*, aim to provide long-term investment growth within two pre-determined risk profiles, to suit clients' risk and sustainability objectives. This results in exposure to a diversified range of asset classes such as equities, fixed income securities, money market instruments, and alternatives including property. The asset allocation will be managed on an active basis. The majority of each fund will be invested in assets that incorporate LGIM's Future World principles or funds that clearly define a set of ESG criteria.

The Multi-Index team will take into consideration ESG factors as well as the risk and reward opportunities of the underlying asset classes. Sustainable investment also offers investors the chance to diversify away from risks to future returns such as poor company governance or excessive carbon emissions.

The newly created Future World ESG Index Funds are used as portfolio building blocks. These funds are tilted to reduce exposure to companies associated with poor ESG practices and provide greater exposure to those with better practices. In 2018, we assessed over 11,000 companies under LGIM's ESG scoring methodology, and voted against 3,864 board directors globally on behalf of our clients. In addition, these underlying strategies incorporate LGIM's Climate Impact Pledge, a targeted engagement process focused on the companies key to low-carbon transition. In addition, the Future World Protection List excludes from the funds those companies which we believe pose the greatest risk to future returns, including controversial weapons manufacturers, 'pure' coal manufacturers and violators of the UN Global Compact.

The launch of the new fund range follows client demand from both retail and institutional investors.

Emiel van den Heiligenberg, Head of Asset Allocation at LGIM commented, *"We're seeing increased demand from investors for portfolios which are aligned to their values and can generate capital growth and income within their preferred risk parameters. The two new funds bring together our flagship Multi-Index and Future World ranges to fulfil this need, through combining our expertise of active asset allocation, risk targeted investing, and ESG integration."*

James Crossley, Head of UK Retail Sales at LGIM, added, *"Sustainable multi-asset investing shouldn't have to cost the earth and using LGIM's ESG index building blocks in portfolios can help increase cost effectiveness as well as mitigate future risk. Of course, our existing Multi-Index range already benefits from the Active Ownership* approach of our Corporate Governance team, but these funds will take our ESG integration further."*

The Future World Multi-Index Funds are the latest additions to LGIM's Future World fund range which includes the L&G Future World Climate Change Equity Factors Index Fund, a multi-factor global equities index fund that takes account of the investment risks associated with climate change. The range also includes the L&G Future World Gender in Leadership UK Index Fund (GIRL).

-ENDS-

Further information:

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Notes to editors

Please remember past performance is not a guide to future returns. The value of your investment and any income from them can fall as well as rise.

*The funds have been launched as authorised unit trusts by Legal & General (Unit Trust Managers) Limited.

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 £1trillion¹. We work with a wide range of global clients, including pension schemes, sovereign wealth funds, fund distributors and retail investors.

Throughout the past 40 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.

¹LGIM internal data as at 31 December 2018. These figures include assets managed by LGIMA, an SEC Registered Investment Advisor. Data includes derivative positions.