

Press release

18 June 2018

Legal & General Investment Management expands Future World Fund range with launch of new multi-asset fund

Legal & General Investment Management (LGIM) has added to its Future World Fund range with the launch of the Future World Multi-Asset Fund designed for DC schemes who wish to go further in integrating ESG factors into their investment strategy.

The fund aims to provide long-term investment growth through exposure to a diversified range of asset classes. The fund will primarily hold L&G Future World ESG index funds¹, incorporating ESG considerations via tilts to the underlying standard indices. This involves the weighting of index constituents according to their performance against ESG metrics. The indices are designed by LGIM, for the core equity and credit investments.

The fund incorporates LGIM's Climate Impact Pledge, focused on speeding up the progress companies are making in addressing climate change and transitioning to a low-carbon economy. LGIM has identified the companies that are critical to the shift to a low-carbon economy and ranked them against criteria such as their commitment to this transition, board composition, strategy and transparency.

Emma Douglas, Head of DC at LGIM said, "As one of the world's largest investment companies, we believe we have a duty to both our clients and wider society to ensure the long-term success of the companies in which we invest. We've seen a marked change in attitudes from savers who want to use their pension to help create the future they want to retire in and research has shown that 85% of millennials would like their future investments to reflect their social and environmental values².

"Through the launch of the Future World MAF, LGIM has created a fund that can be used as a default for DC schemes. This fund demonstrates our established expertise in ESG. The methodology behind this fund is closely linked with how we hold companies to account through engagement and voting at LGIM."

The fund targets a rate of return more conservative than that of developed-market equities over the long term, with two thirds the volatility. The fund aims to meet the criteria of the ABI Mixed Investment 40-85% Shares sector.

The Future World Multi-Asset Fund is the newest addition in LGIM's Future World Fund range which includes the Future World Fund, a multi-factor global equities index fund that addresses the investment risks associated with climate change. The range also includes the Legal & General Future World Equity Factors Fund and Legal & General Future World Gender in Leadership UK Index Fund (GIRL).

-ENDS-

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Notes to editors

¹ The underlying funds in the portfolio provide the core building blocks for the Future World Multi-Asset Fund and will track Future World ESG indices, designed by LGIM, for the core equity and credit investments. In some asset classes, such as developed-market government bonds, other index funds are used as an ESG approach would not be meaningful.

Equity Index building blocks	Index
Future World North America Equity Index Fund	Solactive L&G ESG North America Index
Future World Europe ex UK Equity Index Fund	Solactive L&G ESG Europe ex UK Index
Future World UK Equity Index Fund	Solactive L&G ESG UK Index
Future World Asia Pacific ex Japan Equity Index Fund	Solactive L&G ESG APAC ex Japan Index
Future World Japan Equity Index Fund	Solactive L&G ESG Japan Index
Fixed Income Index building blocks	Index
Future World GBP Corporate Bond Index Fund	Solactive L&G ESG GBP Investment Grade Corporate TR Index

² Bank Of America Merrill Lynch Equity Strategy Focus Point 18th December 2016

Legal & General Investment Management:

Legal & General Investment Management is one of Europe's largest asset managers and a major global investor, with total assets of £983.3 billion¹. 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 2017. These figures include assets managed by LGIMA, an SEC Registered Investment Advisor. Data includes derivative positions.