



## LGIM launches new Short-Term Alternative Finance Fund

### Fund to sit on newly launched European RAIF platform in push to offer investors short term strategy

3 April 2024 – Legal & General Investment Management ('LGIM'), one of Europe's largest asset managers and a major global investor, launches a new Short-Term Alternative Finance Fund ('the Fund') which will sit on a newly launched RAIF platform (a Luxembourg domiciled umbrella fund platform), in response to growing interest from investors.

The Luxembourg-based fund will invest in a portfolio of sub-1 year private credit assets, offering investors a strategic alternative to cash and other short-dated credit alternatives. The strategy will target attractive yields and low volatility, with an average investment grade rating.

Types of short-dated alternative finance the Fund could invest in include capital call facilities, supply chain finance, trade receivables and asset-backed financing. The Fund will target a wide range of institutional investors, most notably insurance companies, pension schemes, endowments and family offices.

Launched in 2021, LGIM's first Short-Term Alternative Finance strategy, now manages over £1bn across short-dated strategies on behalf of a range of clients and allows third party investors to invest alongside the Legal & General Group.

Following a growing demand for credit facilities from alternative investment funds and large corporates, meaning banks can no longer service these companies alone, LGIM has developed trusted relationships with a number of global banks and other financial intermediaries to source opportunities.

All transactions for the fund are underwritten by LGIM's Alternative Debt investment team, led by Matthew Taylor, with Sam Jones acting as joint fund manager.

#### **Matthew Taylor, Head of Alternative Debt, Legal & General Investment Management (LGIM):**

**"We believe short-dated alternative finance can provide an attractive solution for enhanced returns in comparison to liquidity funds or holding cash. It achieves this with low duration and volatility helping investors to maintain sufficient liquidity with potentially reduced risk when compared to other alternatives."**

#### **Nick Bamber, Head of Private Credit, Legal & General Investment Management (LGIM):**

**"We're proud to have launched a second iteration of this fund and to open it up to investors. Our short-term strategy is a fast-growing area of our business, having deployed over £2bn since 2021. Having grown LGIM's footprint and product offering in continental Europe for several years, we believe this asset class offers attractive yields, low risk and with a strong pipeline ahead. This makes short term alternative finance a potentially attractive, strategic cash alternative for investors."**

The newly launched Luxembourg based RAIF platform is a key step in LGIM's European and global growth ambitions; providing international investors access to LGIM's private credit expertise. This will be a significant enabler of further funds with an international focus LGIM will look to launch on the platform over the course of the year.

LGIM manages over £18bn of private credit investments on behalf of institutional clients globally. Its investment capabilities extend across real estate debt, infrastructure debt, corporate debt and alternative debt.

**-ENDS-**

### **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.

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### **Notes to editors**

#### **About Legal & General**

Established in 1836, Legal & General is one of the UK's leading financial services groups and a major global investor, with £1.2 trillion in total assets under management<sup>1</sup> of which 40% is international. We have a unique and highly synergistic business model, which continues to drive strong returns. Legal & General provides powerful asset origination and management capabilities directly to clients, which also underpin our leading retirement and protection solutions. We are a leading international player in Pension Risk Transfer, in UK and US life insurance, and in UK workplace pensions and retirement income. Our purpose is to improve the lives of our customers and create value for our shareholders. Through inclusive capitalism, we are investing in long-term assets, such as real estate and infrastructure, that can help build a better society for the future.

#### **About Legal & General Investment Management (LGIM)**

LGIM is one of Europe's largest asset managers and a major global investor, with total assets under management of £1.2 trillion<sup>2</sup> (\$1.5tn, €1.3tn, CHF 1.2tn). 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.

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<sup>1</sup>Data as at 31 December 2023.

<sup>2</sup>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