



LGIM expands Future World ESG Multi-Index fund range

L&G Future World ESG Multi-Index 6 & 7 Funds aim to deliver capital growth with ESG as a core part of their investment strategy

London, 21 June 2022 - Legal & General Investment Management (LGIM) has expanded the Future World ESG Multi-Index fund range with the addition of two new funds, targeted at investors seeking to express a conviction on ESG themes, combined with a higher risk profile and asset class diversification.

Investors can now select from five funds within the Future World ESG range, matched to their risk profile, ranging from L&G Future World Multi-Index 3, which has the most defensive characteristics, to L&G Future World ESG Multi-Index 7, which has the highest risk/return profile.

The two new funds – L&G Future World ESG Multi-Index 6 and L&G Future World ESG Multi-Index 7 – have a heavier tilt towards equities, which aim to be a key driver of returns in the portfolio over the longer term. The funds also include allocations towards defensive and alternative investments, providing potential diversification benefits.

The Future World ESG Multi-Index range, managed by Legal & General (Unit Trust Managers) Ltd which was launched in 2019, is designed to offer investors the opportunity to seek to secure material ESG benefits in dynamically managed and cost effective, risk-targeted solutions. The fund manager actively manages the asset allocation, primarily across the range of Future World ESG Index funds as well as other actively managed Future World funds, to provide the appropriate risk/return profile for the fund.

The Future World ESG Multi-Index range sits alongside LGIM's Multi-Index and Multi-Index Income propositions. The current assets under management (AUM)¹ for the whole Multi-Index funds range is £7.6bn, with the more recently launched Future World ESG Multi-Index fund range currently contributing approximately £200m to that total. The Future World ESG Multi-Index range seeks to incorporate investors' sustainability aims, subject to the fund's risk profile, by:

- The new funds invest mainly in the L&G Future World ESG index funds. These funds utilise LGIM's proprietary ESG scores to combine assessments on environmental, social and governance criteria for over 17,000 companies on 30 metrics, with adjustments made for a company's overall levels of transparency on related issues. In this way we embed ESG credentials into the construction of the underlying index building block funds which the Multi Asset funds invest in.
- LGIM's Asset Allocation team then uses these ESG index building blocks to implement dynamic asset allocation as well as to complement the funds' ESG active holdings.
- LGIM's Investment Stewardship team carries out an in-depth engagement process with companies we assess as important to meeting the aims of the Paris Agreement. Those that the team believes are not doing enough to limit climate change may then be excluded² from LGIM's Future World building blocks until they improve their standards. In parallel, LGIM will vote against the re-election of their board chairs across all securities where we hold voting rights.

Commenting on the fund launches, Andrzej Pioch, Multi-Asset Fund Manager at LGIM, said: "Inflationary and recession risks, combined with additional ESG risks such as climate change and plastic pollution, have created a difficult investment environment for advisers and clients to navigate. We firmly believe that asset allocation is the

¹ LGIM internal data as at 31 December 2021.

² As part of our Climate Impact Pledge, we analyse 1,000 companies and are currently divested from 14. More information can be found <https://www.lgim.com/uk/en/responsible-investing/climate-impact-pledge/>

key driver of risk and return for a multi-asset ESG proposition. We believe we have the flexibility to respond to market events by dynamically changing investments across multiple asset classes as required, seeking resilient risk-adjusted returns while securing material ESG benefits for our clients.”

James Crossley, Head of UK Retail Sales at LGIM, adds: “The demand for sustainable investment products is growing rapidly. These funds are designed for investors looking to grow their capital and receive income over time with a wide choice of risk profiles. We believe the addition of these funds provides a comprehensive risk-adjusted range of funds in an accessible format for advisers and their clients to invest with a sustainable element.”

The Future World ESG Multi-Index funds are managed by LGIM’s specialists in multi-asset investing and are supported by a team of over 30 investment professionals.

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Key Risk Warnings

The value of an investment and any income taken from it is not guaranteed and can go down as well as up; you may not get back the amount you originally invested. Views expressed are of LGIM as at 21/06/22. The Information in this document (a) is for information purposes only and we are not soliciting any action based on it, and (b) is not a recommendation to buy or sell securities or pursue a particular investment strategy; and (c) is not investment, legal, regulatory or tax advice. Reference to a particular security is on a historic basis and does not mean that the security is currently held or will be held within an LGIM portfolio and is for illustrative purposes only. The above information does not constitute a recommendation to buy or sell any security.

*Note that all of the fund names of the Future World ESG Multi-Index range will be updated in July 2022 to be Future World ESG Multi-Index, as per the L&G Future World ESG Multi-Index 6 & 7.

Notes to editors

About 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 £1.42 trillion (€1.69 trillion)³ We work with a wide range of global clients, including pension schemes, sovereign wealth funds, fund distributors and retail investors.

For over 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.

About Legal & General (Unit Trust Managers) Ltd

Legal & General (Unit Trust Managers) Limited. Registered in England and Wales No. 01009418. Registered Office: One Coleman Street, London, EC2R 5AA. Authorised and regulated by the Financial Conduct Authority, No. 119273.

Further information

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³ LGIM internal data as at 31 December 2021. The AUM disclosed aggregates the assets managed by LGIM in the UK, LGIMA in the US and LGIM Asia in Hong Kong. The AUM includes the value of securities and derivatives positions.