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L&G expands index range with the launch of new infrastructure, bond, and equity index funds

London, 13 February 2025 – Legal & General (L&G) has today announced the launch of three new index funds to bolster its proposition for UK and European investors - the L&G MSCI ACWI IMI Equity Index Fund, the L&G Global Bond Multiverse Index Fund, and the Legal & General Future World Infrastructure Index Fund. These tailored solutions have been designed for investors looking for better diversification in a market where concentration risks are a big focus.

The L&G MSCI ACWI IMI Equity Index Fund aims to track the MSCI ACWI IMI Equity Index and provides broad exposure to large, mid, and small-cap global equities, covering approximately 99% of the global investible equity opportunity set. Conventional free-float developed market-cap weighted indices have seen an increase in the weight of US stocks, and particularly a handful of mega-caps, which has led to increasingly concentrated portfolios. This index gives greater flexibility through access to emerging markets and small cap issuers, helping to diversify investor portfolios and reduce concentration risk.

The L&G Global Bond Multiverse Index Fund provides diversified exposure to global fixed income markets, going beyond the well-known Global Aggregate index. It aims to track the Bloomberg Multiverse 500MM B3+ Custom Index, which combines the global aggregate universe with global high-yield assets and emerging market local currency debt. Along with additional quality and liquidity enhancements, the fund aims to offer a comprehensive solution for fixed income investors.

The Legal & General Future World Infrastructure Index Fund will invest in a wide range of listed infrastructure companies, tracking the performance of the Solactive L&G Climate Enhanced Infrastructure Index based on its proprietary Environmental (E) score, favouring those that perform well from an environmental perspective¹, on a net total return basis. The fund tracks a listed infrastructure universe created in partnership with the L&G's specialist index team. This includes companies providing infrastructure services including, but not limited to, utilities (such as water utilities and energy utilities), transportation, and/or telecommunication networks and are incorporated, headquartered or which have their principal business activities in developed countries.

The fund aims to achieve a 50% initial reduction in carbon intensity and tilts to those companies exhibiting the strongest environmental credentials. It seeks to provide climate-aware exposure to global listed infrastructure, with the potential to bring diversification and growth to investor portfolios. The Fund will uphold L&G's Climate Impact Pledge, engaging with the world's largest companies to adapt their business models to meet global climate change goals².

Ben Cherrington, Head of UK Wholesale, Asset Management, L&G: "With concentration risk challenges for equity portfolios and pressures on inflation and bond yields, we have seen demand increase for more tailored exposures to both equity and credit markets. We have also witnessed an increasing investor interest in listed infrastructure, given the desire for better diversification and liquidity. We believe these three funds can offer clients custom index portfolios that satisfy these demands."

The Legal & General Future World Infrastructure Index Fund will primarily target UK wealth managers and financial advisers, created to provide investors with access to a physical network of interrelated systems and facilities, while offering the benefits of diversification³ and potential uncorrelated returns. The L&G MSCI ACWI IMI Equity Index Fund and the L&G Global Bond Multiverse Index Fund will add to L&G's wider ICAV range, and will therefore be available to both Wholesale and Institutional investors across the UK and Europe.

¹We attribute this E score to each company in the benchmark, based on emissions, transition and nature metrics. This score focuses on a variety of climate-related indicators, relevant to the infrastructure sector.

²A set of exclusions will be applied to companies who fail to meet either globally accepted principles of business or do not meet L&G's minimum requirements on the carbon transition, as well as those in the Future World Protection list. These includes the exclusion of controversial weapons manufacturers, 'pure' coal manufacturers and violators of the UN Global Compact.

³It should be noted that diversification is no guarantee against a loss in a declining market.

Howie Li, Global Head of Index and ETFs, Asset Management, L&G: “We are thrilled to be bolstering our index offering. These new equity and bond index funds offer investors tailored exposure to equities and a broad range of fixed income asset classes in an accessible wrapper. Infrastructure across the globe is the backbone of a strong economy and we believe that our Global Infrastructure Index Fund is well positioned for offering investors exposure to a listed asset class while being able to express a conviction on ESG themes.”

These new funds follow the recent launch of the L&G S&P 500 US Equal Weight Index Fund, which has seen considerable client interest with over £500m in flows since October 2024. The Index Fund Management team comprises 25 fund managers, supported by a team of analysts and has an average industry experience of 15 years, with management oversight provided by the Global Head of Index Funds. The team manages over 100 index funds with £507bn⁴ in assets under management.

-ENDS-

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 (as at HY24) of which c40% (circa £0.5 trillion) is international.

We have a highly synergistic business model, which continues to drive strong returns. We are a leading international player in Institutional Retirement, in Retail Savings and Protection, and in both public and private markets through our Asset Management division. Across the Group, we are committed to responsible investing and dedicated to serving the long-term savings and investment needs of customers and society.

About our Asset Management Division

Asset Management is one of Europe's largest and a major global investor across public and private markets, with £1,136bn / €1,324 bn / F 1,274 bn in assets under management*.

The division combines deep expertise in asset management and origination with global distribution capabilities to deliver positive outcomes for our clients, which include individual savers, pension scheme members and global institutions, investing alongside L&G's own balance sheet. As a global investor, we are present where our clients need us – from Hong Kong and Singapore, to major European financial hubs, to Chicago. – operating under the L&G brand.

We provide investment solutions across the full spectrum of asset classes, ranging from index-tracking and active funds to liquidity and liability-based risk management strategies. Through our private markets platform, we utilise our rich heritage and extensive network of partners to offer access to a wide range of purposeful alternative investment opportunities, including specialist real estate, clean energy, infrastructure, venture capital, unlisted equities and private credit.

Our division is underpinned by our enduring commitment to responsible investment, dedicated to creating long-term, sustainable value for our clients and partners.

*Data as at 30 June 2024. Data as at 30 June 2024.

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⁴LGIM internal data as at 30 June 2024. The AUM disclosed is shown on the basis of client direct investments and excludes any double count from fund of fund holdings.

Key Risk Warnings

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