

17 May 2018

Legal & General Investment Management launches first gender diversity fund focused on UK companies

New fund will invest more in companies that have achieved higher levels of gender diversity

Legal & General Investment Management (LGIM) has launched the first gender-oriented fund to focus exclusively on UK listed companies. The L&G Future World Gender in Leadership UK Index Fund¹ ('GIRL' fund) is expected to raise gender diversity standards in companies across the UK equity market, by allocating more to companies that have achieved higher levels of gender diversity. The fund aims to empower investors to make a difference to the companies in which they invest and wider society

The fund will be available to individual investors through LGIM's personal investing platform and also to financial advisers.

LGIM will score and rank companies according to four gender diversity measures: women on the board of directors, women executives, women in management, and women in the workforce. Companies are expected to reach a minimum of 30% representation of women in these four measures. These scores are based on LGIM's own proprietary research and are fully aligned with our voting and engagement policy. Now that companies have begun to report their gender pay gap data, we will consider incorporating this as a potential fifth measure.

The fund tracks an LGIM-designed index of around 350 of the UK's largest companies. The fund aims to deliver returns by tracking the UK equity stock market via low-cost and transparent index exposure, managed against the Solactive L&G Gender in Leadership UK Index. The index is 'tilted' according to LGIM's proprietary gender diversity score.

Helena Morrissey, Head of Personal Investing at LGIM continued, "Gender inequality is one of the key issues of our time – and one that generates so much frustration. Rather than feeling trapped or despondent, let's do something about it. I'm excited about the launch of the GIRL Fund, which empowers us all to use our money to help companies to progress. When we invest in the success of women, we are investing in the success of business. Collectively, we can help achieve gender equality and improve gender diversity in the UK"

Clare Payn, Head of Corporate Governance, North America at LGIM, commented, "LGIM has been active in the diversity debate since 2011, and has been voting against all male boards since 2015. We see this as a business issue. Tapping into the most diverse talent pool is vital in a competitive and changing market for companies to remain relevant. Boards made up of just men, from the same socioeconomic backgrounds, cannot be the best forum for challenging debates. The fund is a natural progression given the engagement we've been undertaking."

LGIM is one of the largest asset managers in Europe with total asset under management of £983 billion*. LGIM's corporate governance and responsible investment team engages with companies to raise their standards and increase diversity of thought, bringing about real positive change to create sustainable long-term value. The team has been voting against all male boards since 2015. The fund will also incorporate the UN Global Compact, an initiative to encourage businesses to adopt sustainable and socially responsible policies as well as our Climate Pledge.

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Notes to editors

This fund is part of LGIM's Future World funds and will therefore incorporate the LGIM Climate Impact Pledge³. The first Future World Fund², launched in November 2016, is a multi-factor global equities index fund with a climate focus. This was made available to retail investors as a unit trust in January 2018.

1. Information on our Future World GIRL Fund can be found here <https://blog.legalandgeneral.com/girl-fund>
2. Information on our first Future World Fund can be found here <http://update.lgim.com/futureworldfund>
3. Information on our Climate Impact Pledge can be found here www.lgim.com/climate-impact-pledge

Legal & General Investment Management is one of Europe's largest asset managers and a major global investor, with total assets under management of £983 billion*. 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.

The value of investments is not guaranteed and can fall as well as rise.

*Source: LGIM internal data as at 31 December 2017. These figures include assets managed by LGIMA, an SEC Registered Investment Advisor. Data includes derivative positions.

Further information

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