

Press release

23 May 2019

Legal & General Investment Management expands Multi-Index range with launch of new Future World funds

Legal & General Investment Management (LGIM) has expanded its Multi-Index range with the launch of two sustainable, diversified and risk-profiled Future World funds. The funds are targeted at investors who seek asset class diversification, while incorporating environmental, social and governance (ESG) considerations. This brings two of LGIM's strengths together into a new investment solution and builds on the success of the £3.2 billion Multi-Index range, which already offers investors growth, income and euro-focused funds.

The new Future World Multi-Index Funds* aim to provide long-term investment growth within two pre-determined risk profiles, to suit customer and client risk and sustainability objectives. This results in exposure to a diversified range of asset classes such as company shares, bonds, money market instruments, and alternatives including property. The asset allocation will be managed on an active basis.

The majority of each fund will be invested in assets that incorporate LGIM's Future World principles or funds that clearly define a set of ESG criteria. The Multi-Index team will take into consideration ESG factors as well as the risk and reward opportunities of the underlying asset classes. Sustainable investment also offers investors the chance to diversify away from risks to long-term, future returns such as poor company governance or excessive carbon emissions.

The fund will comprise a range of underlying strategies including the newly created Future World ESG Index Funds*, L&G ETFs and existing L&G's Future World Index and Active fund ranges with clearly defined sustainable and responsible investing criteria. These will be used as portfolio building blocks, which are tilted to reduce exposure to companies associated with poor ESG practices and provide greater exposure to those with better practices. In 2018, we assessed over 11,000 companies under LGIM's ESG scoring methodology, and voted against 3,864 board directors globally on behalf of our customers and clients.

In addition, the majority of these underlying strategies will incorporate LGIM's Climate Impact Pledge, a targeted engagement process focused on the companies key to low-carbon transition. In addition, the Future World Protection List excludes from the funds those companies which we believe pose the greatest risk to future returns, including controversial weapons manufacturers, 'pure' coal manufacturers and violators of the UN Global Compact. LGIM only divests from companies as a last resort, and instead prefers to engage with companies so customers and clients receive the benefits of being invested, while companies are encouraged to improve their business practices.

The launch of the new fund range follows client demand from both retail and institutional investors.

Emiel van den Heiligenberg, Head of Asset Allocation at Legal & General Investment Management commented, *"We're seeing increased demand from investors for portfolios which are aligned to their values and can generate capital growth and income within their preferred risk parameters. The two new funds bring together our flagship Multi-Index and Future World ranges to fulfil this need, through combining our expertise of active asset allocation, risk targeted investing, and ESG integration."*

Janine Menasakanian, Head of Personal Investing Distribution Strategy at Legal & General Investment Management, added, *“Our two new Multi-Index funds were developed because we listened to customer and client demand for funds with a diversified outlook and exposure across different asset classes and regions, with the added benefit of investing sustainably. Investors want help to work towards their financial goals, but not at the expense of the world around them. The good news is that joining a collective effort to make a positive difference and saving meaningfully are not mutually exclusive.”*

The Future World Multi-Index Funds are the latest additions to LGIM's Future World fund range which includes the L&G Future World Climate Change Equity Factors Index Fund, a multi-factor global equities index fund that takes account of the investment risks associated with climate change. The range also includes the L&G Future World Gender in Leadership UK Index Fund (GIRL).

-ENDS-

Further information:

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Notes to editors

Please remember past performance is not a guide to future returns. The value of your investment and any income from them can fall as well as rise.

*The funds have been launched as authorised unit trusts by Legal & General (Unit Trust Managers) Limited.

About Legal & General:

Established in 1836, Legal & General is one of the UK's leading financial services groups and a major global investor, with international businesses in the US, Europe, Middle East and Asia. With over £1 trillion in total assets under management at 31 December 2018, we are the UK's largest investment manager for corporate pension schemes. We have also invested over £19 billion in direct investments such as homes, urban regeneration, clean energy and small business finance. We have around ten million customers across the group, including nine million insurance customers, three million savings and investment customers, three million people in workplace savings schemes and over one million annuity customers.

* Legal & General Future World ESG Developed Index Fund and the Legal & General Future World ESG UK Index Fund

** Active Ownership Approach and Annual Report