

# Legal & General Global Thematic Fund



The Fund is actively managed and will invest in a range of investments that provide exposure to global growth themes. The Fund is managed by Legal & General (Unit Trust Managers) Limited (the “**Manager**”). The Manager has appointed Legal & General Investment Management Limited (“**LGIM**”) as the investment manager.

## 1) Our approach to thematic investing



**We believe thematic investing is about identifying those opportunities that are driving structural and foundational changes in our lives, our work, and our society.**



**These global growth themes share several characteristics, which in our view are:**

- Disrupting and challenging traditional sectors and industries
- Structurally changing how we live and work
- Still in the early stages of transforming our world and so have growth potential
- Currently experiencing increased adoption by delivering efficiencies or meeting evolving needs
- Enjoying high market consensus growth forecasts

**There are three broad areas in which we see such global growth themes emerging:**

### Technology



Technology has been at the forefront of every economic revolution and this is more evident now than ever. Technology can disrupt traditional industries by fundamentally changing the way they carry out their businesses.

### Energy and resources



Climate constraints and technological improvements are radically changing the way we think about energy and resources such as clean water. The need for clean solutions and the battery storage revolution are here to stay.

### Demographics



The population in the developed world is ageing while a new young middle class is growing in emerging economies. These changing dynamics are setting in motion profound changes in consumer needs and behaviour.

LGIM has an established range of thematic investment strategies. Combining these themes in a single Fund can provide investors with a diversified exposure to multiple long-term growth themes.

Over time, as new themes emerge, there is also flexibility to add new themes to the Fund.

## 2) The Legal & General Global Thematic Fund - further details

The Fund provides exposure to a range of investment themes. The Fund allocates across these themes using a quantitative (i.e. mathematical or statistical) allocation model, which ensures each theme contributes a similar level of risk to the Fund. The model also seeks to maximise diversification.

The Legal & General Global Thematic Fund investment process is summarised below:

1. Select thematic strategies	2. Portfolio construction
<p>The Fund’s investment universe comprises of LGIM's existing thematic strategies, which give exposure to multiple global growth themes across three broad categories:</p> <p><b>Technology</b></p>  <ul style="list-style-type: none"> <li>• Artificial intelligence</li> <li>• Robotics and automation</li> <li>• Cyber security</li> </ul> <p><b>Energy &amp; Resources</b></p>  <ul style="list-style-type: none"> <li>• Battery value-chain</li> <li>• Clean water</li> </ul> <p><b>Demographics</b></p>  <ul style="list-style-type: none"> <li>• Ecommerce logistics</li> <li>• Healthcare breakthrough</li> <li>• Pharma breakthrough</li> </ul> <p>While the above thematic strategies reflect what the Fund currently invests in, this will evolve over time with the Investment Manager making active decisions to add or remove themes.</p>	<p>The thematic strategies are weighted via a quantitative allocation model which seeks to ensure each theme contributes approximately the same amount of risk to the Fund, while also maximising diversification.</p> <p>This means that if the volatility of companies in a theme rises, the Fund’s allocation to that theme may be decreased. Decreasing the allocation to that theme means that the Fund still benefits from the theme’s potential growth but lowers the exposure to the volatile companies.</p> <p>Themes will typically have a 5-20% allocation limit to maintain diversification benefits, and the quantitative allocation model also applies additional constraints to maximise diversification.</p> <p>The investment manager uses skill and judgement when designing and making changes to the quantitative allocation model.</p>

## Contact us

For further information about LGIM, please visit [lgim.com](http://lgim.com) or contact your usual LGIM representative



### Important information

Please remember the value of your investment and any income from it may fall as well as rise and is not guaranteed. You may get back less than you invest.

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