

Future World EUR Corporate Bond Index Fund



Unit-Linked Life Insurance Reported in GBP (Gross of charges)

FUND AIM

The investment objective of the fund is to provide diversified exposure to the EUR corporate bond markets and produce a return in line with the performance of the Solactive L&G ESG EUR Investment Grade Corporate TR Index.

WHO IS THIS FUND FOR?

- The trustees of UK registered defined benefit or defined contribution occupational pension schemes, which may be classified as either retail clients or professional clients.
- Although investors can take their money out at any time, the recommended minimum holding period is 5 years.
- Please refer to your professional advisor who should be able to advise you on the suitability of this fund for your scheme.

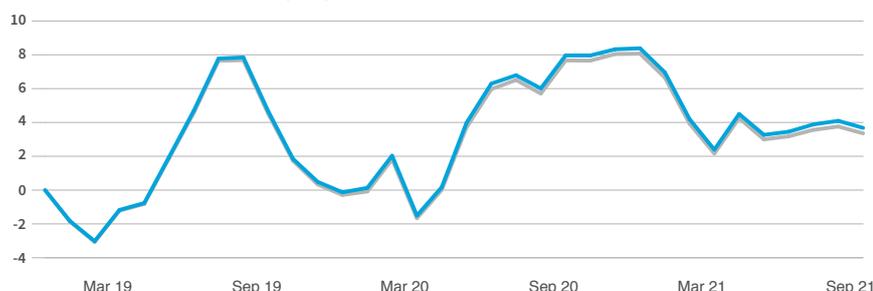
FUTURE WORLD PHILOSOPHY

- The Future World philosophy encapsulates how we identify long-term themes and opportunities, while managing the risks of a changing world
- We use our scale and influence within the market to propel positive change on environmental, social and governance (ESG) issues, at the same time as seeking to achieve financial success
- The Future World funds are for clients who want to express a conviction on ESG themes, across a broad array of asset classes and strategies

FUND FACTS

Fund size £187.2m	Base currency GBP	Benchmark Solactive L&G ESG EUR Inv Grade Corp TR Idx
Launch date Dec 2018	Domicile United Kingdom	

PERFORMANCE (%)



	YTD	3m	6m	1y	3y	Launch
■ Fund	-4.35	0.22	1.26	-3.96	-	1.01
■ Benchmark	-4.36	0.17	1.18	-4.00	-	0.91
Relative	+0.01	+0.05	+0.08	+0.04	-	+0.10

CALENDAR YEAR PERFORMANCE (%)

	2020	2019	2018	2017	2016
Fund	8.56	-0.16	-	-	-
Benchmark	8.39	-0.31	-	-	-
Relative	+0.17	+0.15	-	-	-

All performance periods over a year will be annualised. Performance based on weekly mid-market prices before the deduction of fees. **Past performance is not a guide to the future.**

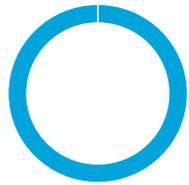
FUND CHARACTERISTICS

- The fund employs an index tracking strategy, aiming to replicate the performance of its benchmark. The index aims to provide exposure to the EUR corporate bond markets while reflecting significant environmental, social and corporate governance (ESG) issues. The index is comprised of fixed interest securities denominated in euro with credit ratings of BBB- and above. As part of LGIM's commitment to address climate change, companies that fail to meet LGIM's minimum standards in low carbon transition and corporate governance standards may be excluded from the fund, as a result the fund may not hold all of the constituents of the index.
- We follow a pragmatic approach to managing index funds, either investing directly in the securities of that index, or indirectly through other LGIM funds. The fund may also hold government bonds to provide liquidity and futures for efficient portfolio management purposes.

Further ESG information on page 3

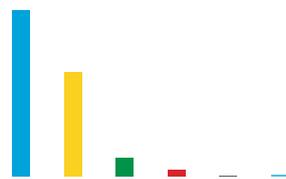
PORTFOLIO BREAKDOWN

All data source LGIM unless otherwise stated. Totals may not sum due to rounding. In order to minimise transaction costs, the Fund will not always own all the assets that constitute the index and on occasion it will own assets that are not in the index. The number of fund holdings can differ from the index due to corporate events and proxy holdings.



CURRENCY (%)

■ EUR	100.0
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YEARS TO MATURITY (%)

■ 0 - 5 Years	56.1
■ 5 - 10 Years	35.1
■ 10 - 15 Years	6.1
■ 15 - 20 Years	2.3
■ 20 - 25 Years	0.1
■ 25 - 30 Years	0.4



■ Top 10 holdings 4.0%
 ■ Rest of portfolio 96.0%
 No. of issuers in fund 390

TOP 10 HOLDINGS (%)

Bnp 2.875 26-Sep-2023	0.6
Intned 0.75 09-Mar-2022	0.5
German Government Bond 1.5% 2022	0.5
Bmw 0.5 22-Nov-2022	0.4
Vodafone Group 2.2% 2026	0.4
Abnanv 2.5 29-Nov-2023	0.4
MCFP 0.125% 2028	0.3
Shbass 4.375 20-Oct-2021	0.3
Siegr 0.3 28-Feb-2024	0.3
Nab 0.35 07-Sep-2022	0.3

CREDIT RATING (%)

AAA	0.6	
AA+	0.1	
AA	9.1	■
AA-	0.1	
A+	0.1	
A	39.3	■
A-	0.5	
BBB+	0.5	
BBB	48.8	■
Other	0.9	

COUNTRY (%)

🇫🇷 France	19.9
🇺🇸 United States	18.3
🇩🇪 Germany	15.9
🇬🇧 United Kingdom	9.9
🇪🇸 Spain	6.1
🇳🇱 Netherlands	6.0
🇮🇹 Italy	5.1
🇨🇭 Switzerland	3.7
🇸🇪 Sweden	2.8
🌐 Other	12.2

Celebrating
25+
 Years

INDEX FUND MANAGEMENT TEAM

The Index Fund Management team comprises 25 fund managers, supported by two analysts. Management oversight is provided by the Global Head of Index Funds. The team has average industry experience of 15 years, of which seven years has been at LGIM, and is focused on achieving the equally important objectives of close tracking and maximising returns.

ESG COMMITMENT

From diesel emissions to oil spills, there have been many tangible examples in recent years of how failures in the way companies are run can have a harmful impact on the environment, society and investor returns. We believe responsible investing can mitigate the risk of such outcomes and has the potential to improve returns through the integration of environmental, social and governance (ESG) considerations, active ownership and long-term thematic analysis.



ESG score of fund



ESG score of index

ESG SCORE

We score companies based on environmental, social and governance factors. We use these scores to design ESG-aware tilted indices which invest more in those companies with higher scores and less in those which score lower, while retaining the investment profile of a mainstream index. The ESG Score is aligned to our engagement and voting activities. As a result, this portfolio has an aggregate ESG Score of **60** versus a mainstream index of **55**.

In the fund, we invested more in **1010 companies with higher scores** and less in **2303 companies with lower scores**.

ENVIRONMENTAL PERFORMANCE

Carbon dioxide (CO₂) is the most significant contributor to greenhouse gas emissions which are driving climate change. Compared to a fund tracking the unadjusted benchmark, the fund will have a different exposure to current and future sources of carbon dioxide emissions.



↓ 59%

Lower carbon reserves intensity than the unadjusted benchmark

CARBON RESERVES INTENSITY

Carbon reserves are fossil fuels (coal, oil and gas) which, if burnt, will become the carbon emissions of the future. To meet global climate change targets, the unabated use of fossil fuels is expected to decline over time.

The figures below are a measure of the size of carbon reserves held by the fund's underlying companies.

460	1,129	Tonnes of CO₂eⁱ per \$1 million of enterprise value including cash (EVIC)
Fund	Benchmark	

The fund has **59%** lower carbon reserves intensityⁱⁱ compared to a fund tracking the unadjusted benchmark.

The difference in carbon reserves intensity means that for every \$1 million invested in the fund, the exposure to carbon reserves through the underlying companies is reduced by an amount equivalent to **669 tonnes of CO₂e** compared to having invested in the unadjusted benchmark.



↓ 33%

Lower carbon footprint than the unadjusted benchmark

CARBON FOOTPRINT

Following the global Paris Agreement on climate change, companies in all sectors are expected to reduce their emissions to prepare and adapt for a low-carbon economy.

72	108	Tonnes of CO₂e per \$1 million of EVIC
Fund	Benchmark	

The fund has **33%** lower carbon footprint compared to a fund tracking the unadjusted benchmark. Carbon footprint describes the relationship between the carbon emissions of a company and its EVICⁱⁱⁱ.

The difference in carbon footprint means that the fund has selected companies where, for the same level of EVIC, the associated emissions^{iv} are lower by **36 tonnes of CO₂e** compared to a fund tracking the unadjusted benchmark^v.

For further information please go to www.lgim.com/esginfo

The proxy benchmark for this fund is Solactive EUR Investment Grade Corporate Index.

NOTES

ⁱ Carbon dioxide equivalent (CO₂e) is a standard unit to compare the emissions of different greenhouse gases.

ⁱⁱ This metric looks at the embedded carbon in the fossil fuel reserves owned by a company, divided by a company's enterprise value (including cash), to adjust for company size. This represents a carbon reserves intensity score for a company.

ⁱⁱⁱ The choice of this metric follows best practice recommendations from the **Task Force on Climate-related Financial Disclosures**.

^{iv} Data on carbon emissions from a company's operations and purchased energy is used.

^v This measure is the result of differences in the weights of companies between the index or the fund and the benchmark, and does not depend on the amount invested in the fund. It describes the relative 'carbon efficiency' of different companies in the benchmark (i.e. how much carbon was emitted per unit of sales) or in the fund, not the contribution of an individual investor in financing carbon emissions.

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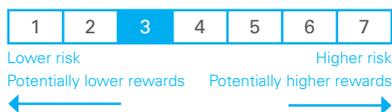
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Source: ISS.

RISK AND REWARD PROFILE



The summary risk indicator is a guide to the level of risk of this product compared to other products. It shows how likely it is that the product will lose money because of movements in the markets or because we are not able to pay you.

The risk indicator assumes you keep the product for 5 years. The actual risk can vary significantly if you cash in at an early stage and you may get back less.

KEY RISKS

- 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.
- The return from your investment is not guaranteed and therefore you may receive a lower or higher return than you anticipated. There will be a variation in performance between funds with similar objectives due to the different assets selected.
- PMC's charges and associated transaction costs are subject to change, with notice for the former and without notice for the latter. Charges and transactions costs deducted from the policy reduce your potential for capital growth in the future.
- Tax rules and the treatment of income and capital gains could change in the future and may be applied retrospectively.
- Inflation reduces the purchasing power of money over time as the cost of purchasing goods and services increases. If the rate of inflation exceeds the rate of return on your portfolio, it will erode the value of your portfolio and its investments in real terms.
- In extreme market conditions it may be difficult to realise assets held for a fund and it may not be possible to redeem units at short notice. We may have to delay acting on your instructions to sell or the price at which you cancel the units may be lower than you anticipated.
- The value of a fund's assets may be affected by uncertainties such as international political developments, market sentiment, economic conditions, changes in government policies, restrictions on foreign investment and currency repatriation, currency fluctuations and other developments in the laws and regulations of countries in which investment may be made.
- PMC seeks to mitigate counterparty risk wherever possible on behalf of its policyholders through a variety of measures which include: each fund's non-cash assets being held with independent custodians, sweeping cash (where appropriate) overnight into the LGIM's range of Liquidity funds (above a de minimus level), using the delivery versus payment system when settling transactions and the use of central clearing for exchange traded derivatives and forward foreign exchange transactions. However, in the event of the failure of a counterparty, custodian or issuer there is a residual risk that a fund may suffer asset losses which are unrecoverable.

For more information, please refer to the Description of Funds [↗](#)



SPOTLIGHT ON LEGAL & GENERAL INVESTMENT MANAGEMENT

We are one of Europe's largest asset managers and a major global investor, with assets under management of £1,326.8 billion (as at 30 June 2021). We work with a wide range of global clients, including pension schemes, sovereign wealth funds, fund distributors and retail investors.

Source: LGIM internal data as at 30 June 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.

DEALING INFORMATION

Units can be purchased, sold or switched on a designated dealing day. Funds are offered on a weekly or daily basis as below:

Weekly close	Yes
Daily close	Yes
Daily midday	Yes
NIS available	Yes

The Notional Income Service (NIS) is available from the weekly dealt version where indicated. Further information is available in the relevant operational procedures sheet and the Description of Funds [↗](#)

TO FIND OUT MORE

 Visit www.lgim.com

 Call **+44 (0) 20 3124 3277**

We may record and monitor calls. Call charges will vary.

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Internal Fund Code: CFAF