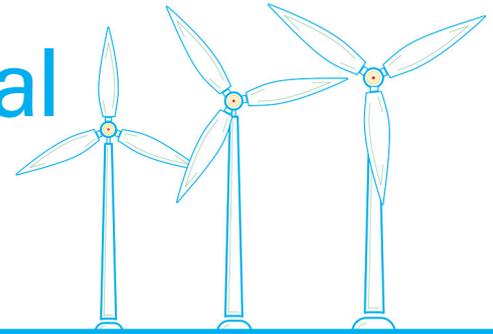


L&G Future World Global Credit Fund

Investing for the world you want to live in



An actively managed global credit fund with a long-term investment horizon which aims to preserve and grow capital through avoiding defaults and enhancing credit spread over time.

With a particular focus on climate related risks and broader environmental, social and governance (ESG) considerations, we look for bond issuers with robust business models that will be sustainable over the long term. Where we see the opportunity to drive positive change we will seek to engage with management and push for companies to improve their behaviours. We believe our approach can help uncover investment opportunities, protect our clients from future risks and lead to better investment outcomes.

WHY INVEST?

| Positively positioned for long-term change | Delivering sustainable returns | Decarbonised credit exposure |
|--|--|---|
| <p>It is more important than ever for investors to understand the structural themes shaping the world in which we live. We believe that taking advantage of these trends can help us better protect investors' capital.</p> <p>We look for companies that are driving or stand to benefit from the long-term themes transforming our world: demographics, energy and technology.</p> | <p>We embed ESG considerations at the heart of our fundamental credit research to identify the best long-term investment opportunities.</p> <p>Carrying out extensive active engagement with some of the world's largest companies, we push them to raise their standards through the integration of ESG principles to help deliver sustainable long-term returns.</p> | <p>This fund seeks to support the transition to a low-carbon economy by investing in companies with lower carbon risk and a lower carbon footprint, achieved via three distinct measures: carbon emissions, green revenues, and fossil fuel reserves.</p> <p>Our aim is for the fund to have a smaller carbon footprint than the comparative index. The fund also incorporates our Climate Impact Pledge.</p> |

WHAT ARE THE FUTURE WORLD FUNDS?

The Future World philosophy encapsulates how we view our responsibilities as a large asset manager and a steward of our clients' investments, by considering environmental, social and governance (ESG) factors. It incorporates how we engage with companies, develop innovative products, evolve our investment process and manage risk to deliver sustainable long-term value. The Future World funds are for clients who want to express a conviction on ESG themes, depending on their different investment styles. The funds extend our approach to responsible investing across a broad array of asset classes and strategies.

FUND OBJECTIVE:

To produce a return derived from capital growth and income by investing in fixed and floating-rate securities

BASE CURRENCY:

USD

CREDIT QUALITY:

A maximum of 10% in sub-investment grade bonds

FUND VEHICLE:

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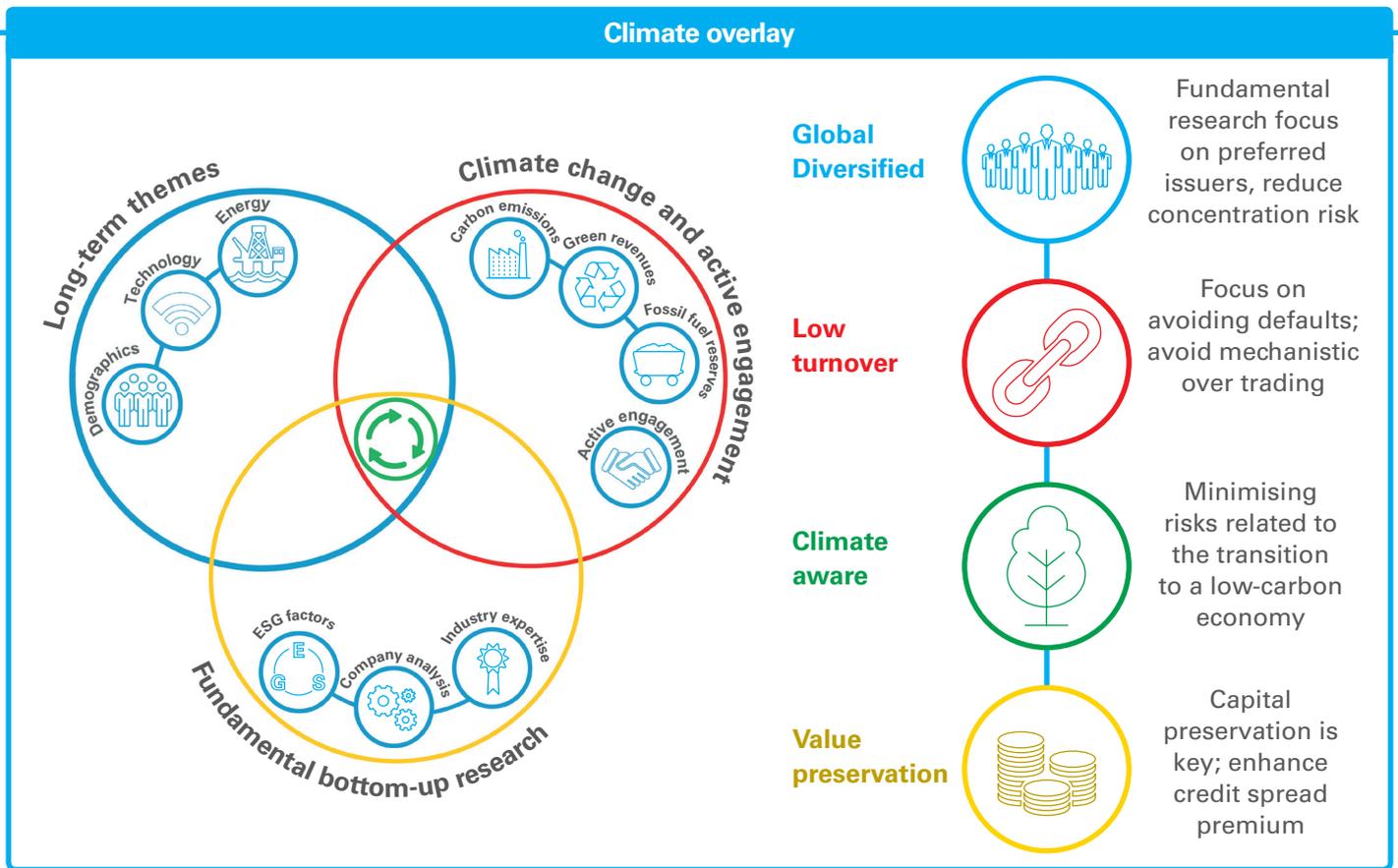
FUND COSTS:

OCF 0.26% | class - Inc

INVESTMENT PROCESS

There are three key components to the investment process:

- 1. Long-term themes:** As structural shifts in demographics, energy and technology transform society, our starting point is to form a clear and connected view of the world.
- 2. Fundamental bottom-up research:** Our experienced fixed income research team undertakes comprehensive bottom-up analysis into companies, incorporating our long-term views, fundamental sector and company analysis, and material ESG factors.
- 3. Climate change and active engagement:** Alongside our Corporate Governance team, we analyse climate and other ESG-related risks and engage with companies to help us make more sustainable investment decisions and encourage them to raise their standards. We assess factors such as carbon emissions, green revenues, and fossil fuel reserves to manage risks relating to de-carbonisation.



INVESTING FOR THE FUTURE

We choose to invest in companies which demonstrate long-term sustainability through:

- Creating a positive impact through their core products and services, capturing opportunities where business success and meaningful social and environmental impact are interlinked
- Robust ESG policies and practices or a willingness to meet these standards through active engagement
- Adequate strategies and governance standards likely to benefit from the transition to a low-carbon economy

CREDIT AND CLIMATE CHANGE

This fund seeks to support the transition to a low-carbon economy by investing in companies with lower carbon risk and a lower carbon footprint, achieved via three distinct measures:

Carbon emissions

We evaluate all companies according to their carbon intensity. Our investments reflect a preference for companies which are more energy efficient and avoid the worst offenders.

Green revenues

We consider whether companies derive revenues from activities which support the low-carbon transition, such as renewable energy generation, smart power grids and electric vehicles.

Fossil fuel reserves

The fossil fuel reserves owned by energy companies may not have value in the future as we transition to a low-carbon economy. The fund will avoid taking exposure to companies whose carbon reserves are at a high risk of becoming stranded in this scenario.

CLIMATE IMPACT PLEDGE

The fund also incorporates our Climate Impact Pledge, a targeted engagement process with those companies we have identified as critical to meeting the aims of the Paris Agreement to limit climate change.

LGIM has always engaged with companies and the pledge takes our engagement a step further, committing to encouraging and accelerating the transition to a low-carbon economy. We will not hold those companies that do not meet minimum standards after a period of engagement.

ACTIVE ENGAGEMENT EXPERTISE

Our industry-leading Corporate Governance team plays an important role through active engagement. The team helps us shape the business models of some of the world's largest companies, encouraging them to raise their standards.

The 13-strong team of corporate governance specialists works closely with the investment team, helping us to make more sustainable investment decisions. It also operates independently of the fund managers, reporting directly to the LGIM board. This structure is designed to ensure that any potential conflicts of interest are minimised.

INVESTMENT TEAM:

Our global fixed income capabilities offer investors access to a wide variety of different strategies to cover the full range of client needs.

Fixed income is one of our core capabilities and we have an experienced, well-resourced team; over 85 investment professionals feed into our global fixed income investment process and together manage in excess of £152.4 billion in global fixed income mandates.²

The strategy draws upon our broad, experienced team of fund managers and credit analysts based in London and Chicago, who have a strong track record of avoiding defaults and downgrades across various market cycles.

LEGAL & GENERAL INVESTMENT MANAGEMENT (LGIM)

LGIM is the investment management arm of Legal & General Group, a FTSE 100 company. We are one of Europe's largest asset managers and a major global investor, with assets under management of £984.8 billion.¹

1. Source: LGIM internal data as at 30 June 2018. These figures include assets managed by LGIMA, an SEC Registered Investment Advisor. Data includes derivative positions.

2. Source: LGIM internal data as at 30 June 2018.

CONTACT US

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 volker.kurr@lgim.com  lgim.com

Important Information

The value of an investment and any income taken from it is not guaranteed and may down as well as up.

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