

Future World Index Funds

Investing for the world you want to live in

The Future World index funds offer investors equity and fixed income exposure while incorporating environmental, social and governance (ESG) 'tilts' to LGIM-designed indices. The tilting mechanism aims to reduce exposure to companies associated with poor ESG practices and provides greater exposure to those that are better positioned from an ESG perspective.

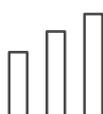
Why invest?



Choice of index solutions

This range of LGIM-designed indices offers the chance to gain ESG-tilted index exposure across multiple regions and asset classes. We believe in providing investors with the choice of investment solutions that best expresses their investment beliefs.

These efficient, low-cost index funds also form the building blocks of our Future World Multi-Asset Fund.



Efficient index investments with ESG 'tilts'

We have developed a rules-based approach to scoring companies on the basis of ESG factors.

The index weightings are 'tilted' according to these scores to allocate more money towards companies that score well from an ESG perspective, and away from low-scoring companies.



Meaningful ESG impact

The funds go further than just congratulating the companies with the highest ESG scores. The scores are generated from public information and are aligned with LGIM's engagement and voting activities. They are public, creating a powerful incentive for companies to improve their behaviour.

We also incorporate LGIM's targeted environmental engagement process, the Climate Impact Pledge.

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 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 ESG investing across a broad array of asset classes and strategies.

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.

Funds available

Equity	Benchmark index
Future World North America Equity Index Fund	Solactive L&G ESG North America Index
Future World Europe (ex UK) Equity Index Fund	Solactive L&G ESG Europe ex UK Index
Future World UK Equity Index Fund	Solactive L&G ESG UK Index
Future World Asia Pacific (ex Japan) Equity Index Fund	Solactive L&G ESG APAC ex Japan Index
Future World Japan Equity Index Fund	Solactive L&G ESG Japan Index
Future World Emerging Market Equity Index Fund	Solactive L&G ESG Emerging Markets Index
Future World Global Equity Index Fund	Solactive L&G ESG Global Markets Index
Fixed Income	Benchmark index
Future World GBP Corporate Bond Index Fund	Solactive L&G ESG GBP Investment Grade Corporate TR Index
Future World USD Corporate Bond Index Fund	Solactive L&G ESG USD Investment Grade Corporate TR Index
Future World USD Corporate Bond Index Fund – GBP Currency Hedged	Solactive L&G ESG USD Investment Grade Corporate TR Index – GBP Hedged
Future World EUR Corporate Bond Index Fund	Solactive L&G ESG EUR Investment Grade Corporate TR Index
Future World EUR Corporate Bond Index Fund – GBP currency hedged	Solactive L&G ESG EUR Investment Grade Corporate TR Index – GBP Hedged

Why incorporate ESG factors?

We believe integrating ESG considerations into investment processes can help mitigate risk and has the potential to improve long-term financial outcomes.

Companies with strong governance are less likely to provide unpleasant surprises; equally, companies that are aware of their impact on wider stakeholders are less likely to face political or regulatory pressure. Such companies are also better positioned to withstand – and even benefit from – shifts in the market environment.

Index construction

By helping to design indices ourselves, we can produce indices based on customers' requirements through multiple regional, asset class and currency combinations while controlling costs for clients.

The process also enables us to deploy intellectual property we have accrued as a leading provider of index funds for decades – in addition to the expertise of the Corporate Governance team, whose ESG principles underpin our current index-design activity.

We work with an index provider, Solactive, to construct these indices for the Future World funds.



What ESG Factors are assessed?

The ESG scores are based on the factors we believe to be most significant for long-term investors. They are grouped under the following themes:

- **Environmental** – the potential negative impact on companies exposed to climate change and the shift to a low-carbon economy; companies with 'green' revenues receive a higher score
- **Social** – comprising diversity (representation of women in company boards, executive, management and workforce); and human capital (policies to ensure companies have the right culture and treat workers fairly)
- **Governance** – considers a range of criteria that indicate 'best practice' in terms of investor rights, board diversity and high-quality audits

We also assess transparency, by examining the quality of ESG information available in the public domain.

The LGIM-designed ESG indices require companies to meet certain minimum global criteria in order to be included within index construction. 'Pure' coal miners, manufacturers of controversial weapons and certain companies that do not comply with the UN Global Compact are not included in the investment universe prior to this process.

Fund objectives

These funds aim to track their respective LGIM-designed benchmark indices which reflect environmental, social and governance criteria.

Launch date

November 2019

Individual fund launch dates may vary. Please contact your LGIM representative for more details.

The fund team

The Global Index Fund Management team consists of a dedicated index portfolio managers, analysts, and strategists located between London, Chicago & Hong Kong. Management oversight is collectively provided by the Global Head of Index funds and the regional heads. Underpinning the team's philosophy and processes are two important objectives: close tracking of indices and aiming to maximise returns for our clients.

Legal & General Investment Management

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 £1.1 trillion.* Our success has been built by focusing on clients and providing them with services and solutions that meet their needs.

*Source: As at 30 June 2019, the total value of assets under management across the group was £1.1 trillion, including derivative assets and assets managed by LGIMA, an SEC Registered Investment Advisor.

LGIM's Climate Impact Pledge:

This is a targeted engagement process with the world's largest companies that are crucial to the transition to the low-carbon economy. Companies that fail to meet our minimum standards after a period of engagement may be divested from within the Future World index funds; in all other LGIM-managed funds we will vote against re-electing the chair of their boards.

Contact us

For further information about LGIM, please visit lgm.com or contact your usual LGIM representative



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