For Professional Clients

Multi-index EUR funds

Q1 2022 Quarterly fund update

This document has been produced for professional advisers for discussion with existing investors who are familiar with investment terminology.

L&G Multi-Index EUR V Fund

ICAV (UCITS compliant) N-Class EUR Acc

FUND MANAGERS

Justin Onuekwusi

Andrzej Pioch

Francis Chua

WHAT'S THE STORY?

The first quarter of the year was a weak one for risk assets with markets impacted by both news of Russia's invasion of Ukraine and continued rising inflation. The quarter saw the biggest sell-off in risk assets since March 2020, a result of concerns over the policy response to inflation and the developments in Ukraine, which led to unprecedented sanctions on Russia and growing concerns about the potential for an escalation in the violence. The conflict also led to heightened concern over global energy supply, and other commodities, which served to increase already bubbling inflationary pressures. This led to an assertive pivot towards tightening monetary policy from global central banks.

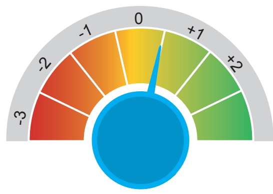
Despite recovering towards the end of the quarter, equities were generally negative, with UK large-cap equities' relatively flat returns a notable exception given their bias towards commodity companies. The biggest negative impact of the Russian invasion was felt mainly by Russian and Ukrainian assets, which had a knock-on impact emerging market debt in hard and local currency over the period. It was also a very weak quarter for developed market sovereign bonds, given the rising yields caused by the change in tone from central banks. This, coupled with widening credit spreads, led to a fall in global investment-grade bonds too. Commodities were the big outperformer during the quarter.

PERFORMANCE (%)

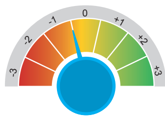
12 months to 31 March	2022	2021	2020	2019	2018
Fund	6.31	34.76	-11.88	8.90	-0.42

Source: Lipper, LGIM as at 31 March 2022. Total Return net of tax and charges. N-Class EUR Accumulation. Please remember, the value of investments and any income from them may fall as well as rise and you may get back less than you invest.

Warning: Past performance is not a reliable guide to future performance.

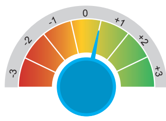


CORE VIEW ON RISK ASSETS
SLIGHTLY POSITIVE



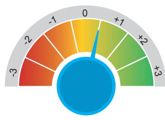
Economic cycle

Risk of recession has increased with the energy crisis, particularly in Europe



Valuations

Relative valuations attractive and absolute valuations fair



Systemic risk

A significant amount of negative news has now been priced into markets

FUND REVIEW

The fund delivered a negative return in the first quarter of the year, with the main negative areas being North American, emerging market and European equities. This was somewhat offset by contributions from infrastructure stocks as well as UK and Asia Pacific equities.

We took the decision to reduce our allocation to equities across all funds, factoring in the news from Ukraine, the probability of an energy crisis-induced recession and potential unintended consequences of the Ukraine conflict.

Following Russia's invasion of Ukraine, we temporarily stopped allocating new flows to emerging market debt (EMD) while index providers decided on the treatment of Russian assets in their respective benchmarks. While our exposure is well diversified, Russia still made up a meaningful proportion of the EMD index funds in which we invest. We have gradually topped up our EMD active exposure where we had an underweight due to market moves.

Market volatility created opportunities within bonds where we replaced our exposure in South Korean government bonds with their Canadian counterparts.

We increased our exposure to the Czech koruna versus the euro following the former's sharp sell-off following the invasion. Later in the period, following strong performance from the koruna, we removed the position for a gain, earlier than anticipated.

OUTLOOK

We recently downgraded our positive view on risk assets in the medium term but remain marginally positive. We continue to monitor the developments in Ukraine and maintain our approach to all such geopolitical risk events, summarised by the motto: "prepare, don't predict". We undertake scenario planning, rather than seek to forecast imponderable outcomes.

The main reason for the downgrade to our view is that the probability of an energy crisis-induced recession has increased in recent weeks. The chances of unintended consequences in the Ukraine conflict leading to further conflict also remain high. Despite this, we think a significant amount of negative news has already been priced in. Additionally, relative valuations remain attractive whilst absolute valuations have improved, so we are still slightly positive. We still prefer equities to credit given the recent spike in credit spreads has been more than offset by equity market weakness.

We continue to worry that central banks (especially the US Federal Reserve) will need to tighten policy faster and further than anticipated to slow demand and control inflation in the medium term, made more pressing by the ongoing energy crisis. However, the potential impact from energy supply shortages is lower for the US than for European nations given its reserves.

Legal & General
INVESTMENT MANAGEMENT

RISK PROFILE CONFIRMATION STATEMENT

The fund is expected to have a level of risk and reward which broadly corresponds with the level 5 UCITS synthetic risk and reward indicator. However as the fund is managed on a forward-looking basis there is no guarantee that this will be achieved over any time period and there may be periods where the fund falls outside of this risk and reward indicator.

Multi-Index EUR Fund range	ESMA SRRI volatility intervals	
V	10 – 15	Higher risk
IV	5 – 10	
III	2 – 5	Lower risk

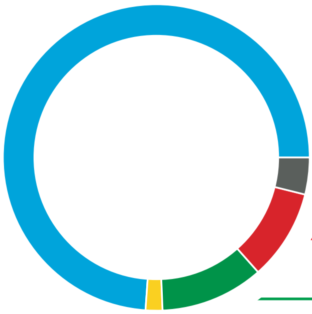
ASSET ALLOCATION BREAKDOWN

All data source LGIM unless otherwise stated. Totals may not sum due to rounding. As at 31 March 2022.

* Implemented through futures.

Equities	**73.9**
L&G North Amer Eq Idx Fund/L&G US Equity ETF	18.1
L&G Eur ex UK Eq Idx Fund/L&G Eur ex UK Eq ETF	13.9
L&G Emerging Markets Equity Index Fund	9.0
L&G Japan Equity Index Fund/L&G Japan Equity ETF	8.9
L&G Asia Pacific ex Japan Equity Index Fund	7.0
Legal & General UK Index Trust	7.0
Russell 2000 Index*/Eurostoxx Small Index*	3.1
L&G Frontier Markets Equity Fund	2.1
L&G Artificial Intelligence ETF	2.0
NASDAQ 100 Index*	1.4
Stoxx Europe 600 Travel and Leisure*	1.2

Alternatives	**9.6**
Legal & General Global Infra Idx Fd/Japanese rail stocks	3.4
Legal & General Global Real Estate Dividend Index Fund	3.1
Forestry Stocks	1.6
L&G Clean Water ETF/L&G Clean Energy ETF	1.4



Cash and equivalents	**3.9**
Cash and equivalents	3.9

Government Bonds	**1.8**
US Treasuries*	0.6
Canadian Government Bonds*	0.5
Gilts*	0.4
Australian Government Bonds*	0.3

Credit and Emerging Market Debt	**10.9**
L&G ESG Emerging Markets Government Bond (USD) Index Fund	3.2
L&G Global High Yield Bond Fund	3.1
L&G ESG Emerging Markets Govt Bond (Local Currency) Index Fund	2.2
L&G Emerging Markets Short Duration Bond Fund	1.7
LGIM Global Corporate Bond Fund/Legal & General Sterling Corp Bond Index Fund/L&G Euro High Alpha Corporate Bond Fund	0.8

WARNING: The value of your investments may go down as well as up.
WARNING: If you invest in these funds you may lose some or all of the money you invest.
WARNING: These funds may be affected by changes in currency exchange rates.

TO FIND OUT MORE

Call **+44 (0)345 070 8584**
Charges may vary

Email **fundsales@lgim.com**

Visit **www.lgim.com/multi-indexICAV**

Important information

This is not a consumer advertisement. It is intended for professional financial advisers and should not be relied upon by private investors or any other persons. The views expressed in this communication are those of the speaker and not necessarily those of LGIM and LGIM may or may not have acted upon them. The Legal & General Multi-Index Funds invest in the Legal & General Multi-Index EUR Funds (the underlying funds which are managed by LGIM), sub funds of the Legal & General ICAV. The investment objective of these funds is to generate capital growth through exposure to a diversified range of asset classes, predominantly in other collective investment schemes. This includes collective investment schemes managed by Legal & General (including other sub funds of the ICAV) and/or other fund managers. The funds may also hold direct investments. The funds are expected to have a level of risk which broadly corresponds with a level of the UCITS synthetic risk and reward indicator (SRRI). However as the funds are managed on a forward looking basis there is no guarantee that this will be achieved over any time period and there may be periods where the funds fall outside of the risk and reward indicators. Unless otherwise stated, when the presenter refers to the funds in this presentation he is referring to the underlying funds. Legal & General Investment Management (LGIM) Limited is the Investment Adviser to the Legal & General Multi Index EUR fund range. These are Irish authorised ICAV funds issued by LGIM Corporate Director Limited. Both companies are authorised and regulated by the Financial Conduct Authority in the UK. LGIM Corporate Director Limited, Registered in England and wales no. 07105051. Registered Office: One Coleman Street, London, EC2R 5AA. Authorised and regulated by the Financial Conduct Authority.