

Legal & General Future World Multi-Index Funds

Investing for the world you want to live in

Introducing our Future World range

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.



ESG: Future-Proofing returns

Recognising that ESG factors can help mitigate risks and identify the companies that will succeed in a rapidly changing world, LGIM's ambition is to be at the forefront of responsible investment, across asset classes and investment strategies, from mainstream active and index funds through to more specialised thematic and impact investment solutions.

The range of L&G Future World Multi-Index Funds is our ESG-focused multi-asset proposition within the award-winning Multi-Index range. They offer investors the opportunity to further integrate ESG considerations into their dynamically managed and cost effective, risk-targeted solutions. They are designed for clients who want to tilt away from companies that, for example, do not do enough to tackle climate risk, without sacrificing diversification across companies, asset classes and geographies.

Investment approach

The funds dynamically allocate between sustainable investment strategies including our flagship Future World ESG Index funds, as well as other actively managed Future World funds. The former use our proprietary ESG scores, which reflect the minimum standards we expect companies to meet, and reduce exposure to those that fall short of our expectations. Our tilting approach preserves diversification, yet it leads to the improvement in ESG score which could otherwise only be achieved by excluding over 10% of the universe (see page 3 for details).

The value of an investment and the 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.

Fund facts

Fund Managers

Justin Onuekwusi, Andrzej Pioch, Francis Chua

Future World Multi-Index 3 | Acc share class

Ongoing Charge Figure: 0.36%

ISIN: GB00BMXVDQ09

SEDOL: BMXVDQ0

Fund launch: October 2020

Future World Multi-Index 4 | Acc share class

Ongoing Charge Figure: 0.36%

ISIN: GB00BJ0M3875

SEDOL: BJ0M387

Fund launch: April 2019

Future World Multi-Index 5 | Acc share class

Ongoing Charge Figure: 0.36%

ISIN: GB00BJ0LSD40

SEDOL: BJ0LSD4

Fund launch: April 2019

We are also committed to supporting the UN's Sustainable Development Goals (SDGs) via engagement with companies and regulators to drive progress on systemic issues such as climate change or financial inequality, through transparency in reporting on the ESG profile of investments and through our proprietary scoring methodology.

Incorporating your sustainability aims

ESG integration

Wherever integrating ESG analysis has a material impact, we aim to invest in assets which incorporate ESG criteria, subject to the fund's risk profile.

LGIM ESG score

Our proprietary ESG scores combine assessments on environmental, social and governance criteria for over 16,000 companies on 28 metrics, with adjustments made for a company's overall levels of transparency on related issues, to embed ESG credentials in index construction.

Index-building blocks for ESG

While the options available for ESG investors were traditionally dominated by active solutions, we use the abovementioned scores to construct ESG indices instead, which we then use to implement our dynamic asset allocation. This way we can use well-diversified building blocks to offer a range of cost-effective, risk managed multi-asset funds, while avoiding concentrated positions in any single stock or sector but benefiting from a material improvement in ESG credentials.

Climate Impact Pledge

An in-depth engagement process with companies we deem critical to meeting the aims of the Paris Agreement. Those that we believe are not doing enough to limit climate change are then excluded from our Future World building blocks until they improve their standards. In parallel, LGIM will vote against the re-election of their board chairs across all funds where we hold voting rights.

Sustainable Development Goals

Developed by the United Nations, the 17 SDGs form a framework to articulate some of the world's most pressing sustainability issues and are intended to guide the policies of UN member states. As a large investor with universal coverage of the investable markets, LGIM fully supports these objectives and long-term engagement themes and proprietary ESG scores can be linked to specific SDG goals.

Future World Protection List

A set of exclusions, applied to our Future World and L&G Core Equity ETFs, of companies who fail to meet either globally accepted principles of business, or do not meet LGIM's minimum requirements on the carbon transition. Those on the list are:

- Controversial weapons manufacturers
- 'Pure' coal miners (companies with more than 30% of revenues generated from thermal coal production and extraction)
- Perennial violators of the UN Global Compact

Active ownership

All of LGIM's funds incorporate our Investment Stewardship team's approach to engaging with companies. The team ensures that the companies in which you're invested are run with your interests in mind. In 2019, we held 739 engagements with companies to raise their ESG standards, and voted against more than 4,000 board directors globally on behalf of our customers and clients.

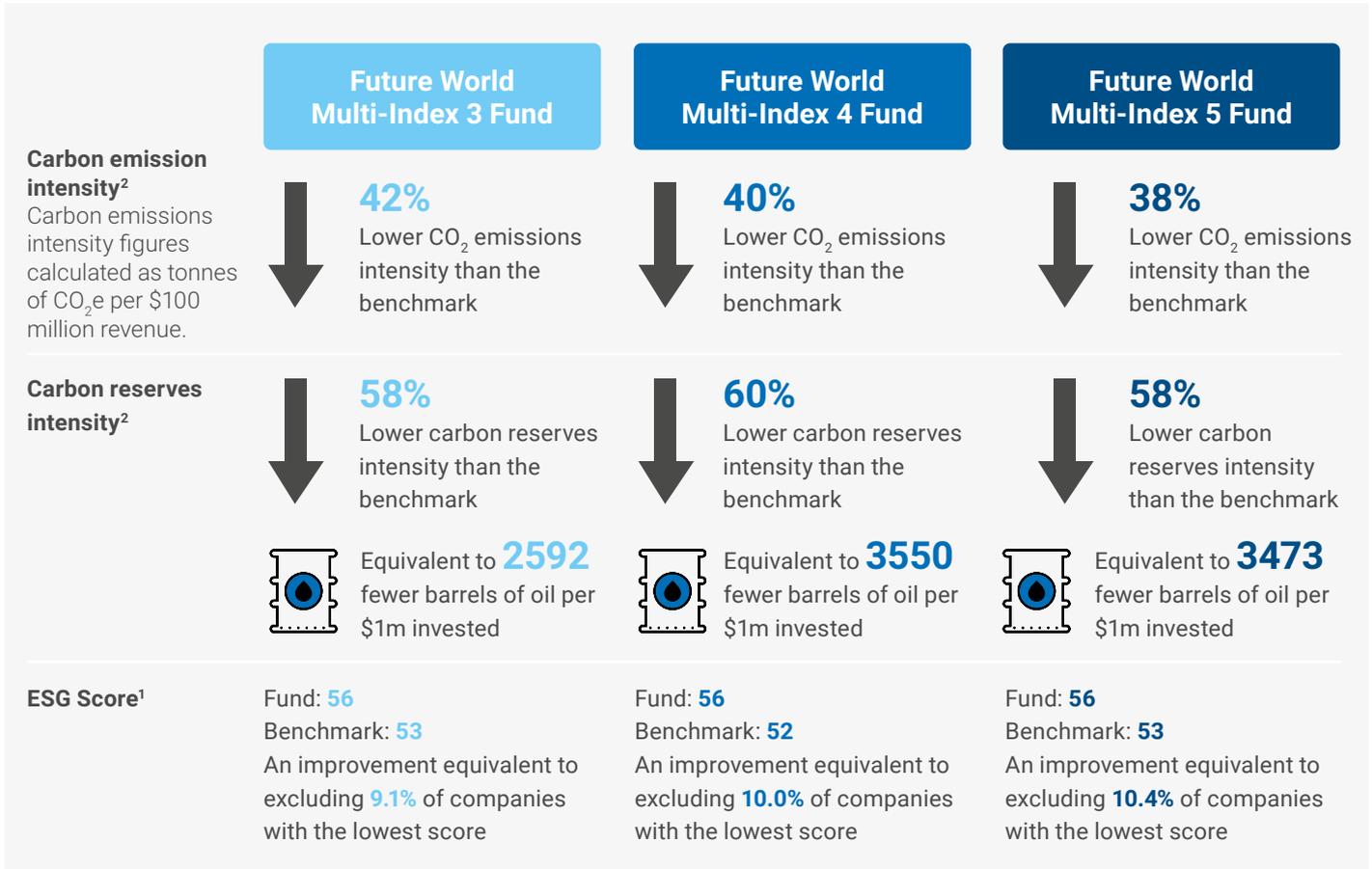
An experienced, expert team

LGIM is one of the UK's leading investment management companies, and we use this scale and expertise for the benefit of our clients. LGIM looks after £1,241 billion across a range of asset classes, with £395 billion of index funds and £57 billion of multi-asset funds (as at 30 June 2020).¹

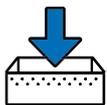
The Future World Multi-Index funds are managed by LGIM's specialists in multi-asset investing and are supported by a team of over 30 investment professionals.

¹ Source: LGIM internal data as at 30 June 2020. These figures include assets managed by LGIMA, an SEC Registered Investment Advisor. Data includes derivative positions. May not total due to rounding.

Understanding your fund's impact

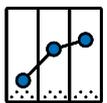


Why invest?



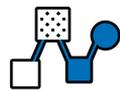
Suitability

Your clients' risk and sustainability aims are integral to the Future World Multi-Index Funds. Each fund targets a specific risk profile, as defined by Distribution Technology's Dynamic Planner, to ensure long-term suitability for investors while still providing a material ESG improvement.



Active allocation

We firmly believe that asset allocation is the key driver of risk and return for a multi-asset ESG proposition. We have the flexibility to respond to market events by changing investments across multiple asset classes as required, seeking resilient risk-adjusted returns.



Diversification

We believe diversification is rewarded over the long-term and funds offer exposure to a wide range of asset classes. We invest in equities, credit (including high yield and emerging market debt), government bonds and alternatives and adopt ESG approach whenever ESG risks are financially material, for example within equities and credit. We also pursue ESG objectives using primarily index-trackers, to enhance stock-level diversification.

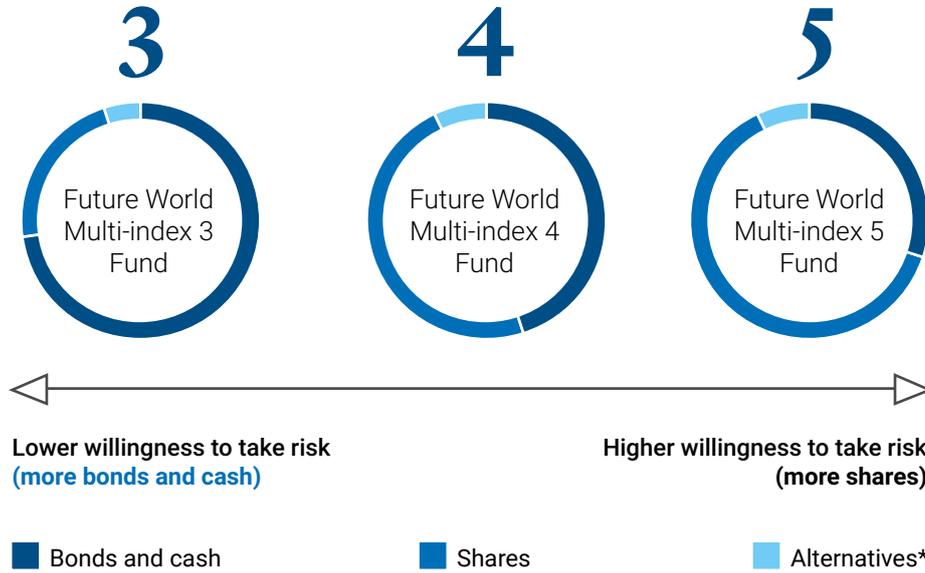


Cost-effectiveness

Fees are still the only element guaranteed in investing and we believe that sustainable investment shouldn't cost the earth. Index portfolio building blocks, straightforward and transparent tools for a sustainable investor, help us keep overall costs low.

² Source: LGIM, as at 31 December 2020, relative to a composite benchmark reflecting the same investment allocation but using non-ESG tilted indices. Carbon emissions intensity figures calculated as tonnes of CO₂e per \$100 million revenue. Carbon reserves intensity figures calculated as tonnes of CO₂e per \$1 million of market capitalisation. Barrels of oil equivalent calculated as 0.425 tonnes of CO₂e, based on IPCC Guidelines for National Greenhouse Gas Inventories.

DT risk profile	1	2	3	4	5	6	7	8	9	10
DT descriptor	Lowest risk	Very low risk	Low risk	Lowest medium risk	Low medium risk	High medium risk	Highest medium risk	High risk	Very high risk	Highest risk



Source: LGIM. For illustrative purpose only. *Such as property and listed infrastructure.

Our Future World Multi-Index Funds can also be mapped to a wide range of other risk profilers. Please contact your usual sales representative.

Contact us

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



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