



Legal & General Future World ESG Asia Pacific Index Fund

Unit Trust (UK UCITS compliant) I-Class GBP

Base currency: **GBP**

Domicile: **UK**

FUND AIM

The objective of the Fund is to track the performance of the Solactive L&G Enhanced ESG APAC ex JP Index NTR, the "Benchmark Index" on a net total return basis before fees and expenses are applied. Fund performance may differ from the Benchmark Index due to the deduction of fees and expenses and the impact of any tracking error factors.

WHO IS THIS FUND FOR?

- This Fund is designed for investors looking for growth and income by investing more in shares in companies that demonstrate good environmental, social and governance efforts in the Asia-Pacific region excluding Japan, as represented by the Benchmark Index.
- Although investors can take their money out at any time, this Fund may not be appropriate for those who plan to withdraw their money within five years.
- This Fund is not designed for investors who cannot afford more than a minimal loss of their investment.
- If you do not understand this document we recommend you seek additional information to help you decide if this Fund is right for you.

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 CHARACTERISTICS

- Aims to provide exposure to the Asia Pacific ex Japan equity market as represented by the Index, which is alternatively weighted to invest more in companies that score well against ESG criteria and less in companies that do not
- The index will also target an annual reduction in overall carbon emissions with the aim of achieving climate-neutrality by 2050
- Incorporates LGIM's Climate Impact Pledge, does not hold 'pure' coal miners, manufacturers of controversial weapons, perennial offenders of the UN Global Compact and tobacco companies
- The Fund will invest more in companies with higher ESG scores, and will also invest in companies with lower ESG scores, but by a reduced amount

FUND FACTS

Fund size	Fund launch date
£38.8m	27 Jan 2022
Historical yield	
3.4%	

COSTS

Initial charge	Ongoing charge
0.00%	0.20%
Price basis	Dilution adjustment
Single swing	0.124%- round trip

PERFORMANCE (%)



	1 month	3 months	1 year	3 years	Launch
Fund	2.71	3.76	11.97	-	16.83
Index	2.76	3.68	12.14	-	17.65
Relative to Index	-0.05	0.08	-0.17	-	-0.82

12 MONTH PERFORMANCE TO MOST RECENT QUARTER (%)

12 months to 30 June	2024	2023	2022	2021	2020
Fund	6.82	1.51	-	-	-
Index	6.92	1.99	-	-	-
Relative to Index	-0.10	-0.48	-	-	-

Performance for the I Inc unit class in GBP, launched on 27 January 2022. Source: Lipper. Performance assumes all fund charges have been taken and that all income generated by the investments, after deduction of tax, remains in the fund.

Past performance is not a guide to the future.

Further ESG information on page 3

BENCHMARKS

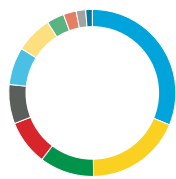
Target benchmark

Solactive L&G Enhanced ESG APAC ex JP Index NTR



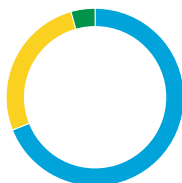
PORTFOLIO BREAKDOWN

All data sources are a combination of LGIM and the Fund Accountant unless otherwise stated. Totals may not sum to 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 also differ from the index due to corporate events and proxy holdings.



SECTOR (%)

Banks (Equity)	31.2
Consumer Non-cyclical	18.5
Commodities	10.6
Property	8.7
Communications & Tech	7.6
Insurance (Equity)	7.3
Consumer Cyclical	7.1
Financial Services (Equity)	3.4
Industrials	2.5
Energy	1.9
Utilities	1.3



MARKET CAPITALISATION (%)

Large	69.0
Mid	26.6
Small	4.4



■ Top 10 holdings 45.9%
■ Rest of portfolio 54.1%

No. of holdings in fund 144
No. of holdings in index 142

TOP 10 HOLDINGS (%)

Commonwealth Bank of Australia	9.2
CSL	6.9
BHP Group	5.1
National Australia Bank	4.6
Aia Group	4.0
Westpac Banking	3.6
Anz Group Holdings	3.6
Macquarie Group	3.2
DBS Group Holdings	2.9
Wesfarmers	2.9

COUNTRY (%)

Australia	72.7
Singapore	10.1
Hong Kong	9.9
New Zealand	4.0
Cayman Islands	2.2
United States	0.7
Bermuda	0.5
Other	0.0



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.

Higher fund constituents vs. index constituents may be due to liquidity positions, derivatives, short term investments and fractional unit differences.

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.

66
/100

ESG score of fund

61
/100

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 **66** versus a mainstream index of **61**.

In the fund, we invested more in **63 companies with higher scores** and less in **85 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.



↓ **68%**

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.

2,006
Fund

6,202
Benchmark

Tonnes of CO₂eⁱ per \$1 million of enterprise value including cash (EVIC)

The fund has **68%** 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 **4196 tonnes of CO₂e** compared to having invested in the unadjusted benchmark.



↓ **63%**

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.

33
Fund

89
Benchmark

Tonnes of CO₂e per \$1 million of EVIC

The fund has **63%** 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 **56 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 L&G Enhanced ESG APAC ex JP Index MIDDAY.

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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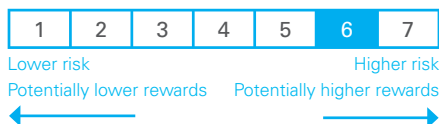
Source: HSBC© HSBC 2024.

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Source: ISS.

RISK AND REWARD PROFILE



The synthetic risk and reward indicator (SRRI) is based on the historic volatility of the fund’s value and it may change in the future.

The Fund is in category 6 because it invests in company shares which are sensitive to variations in the stock market. The value of company shares can change substantially over short periods of time. Company shares are generally considered to be higher risk investments than bonds or cash.

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.
- This fund invests in countries where investment markets are considered to be less developed. This means that investments are generally riskier than those in developed markets because they: may not be as well regulated; may be more difficult to buy and sell; may have less reliable arrangements for the safekeeping of investments; or may be more exposed to political and taxation uncertainties. The value of the fund can go up or down more often and by larger amounts than funds that invest in developed countries, especially in the short term.
- The fund could lose money if any institution providing services such as acting as counterparty to derivatives or other instruments, becomes unwilling or unable to meet its obligations to the fund.
- Derivatives are highly sensitive to changes in the value of the asset on which they are based and can increase the size of losses and gains.
- The fund may have underlying investments that are valued in currencies that are different from sterling (British pounds). Exchange rate fluctuations will impact the value of your investment. Currency hedging techniques may be applied to reduce this impact but may not entirely eliminate it.
- Where companies in the Index are excluded from the fund as a result of the Climate Impact Pledge, this may affect the ability of the manager to closely track the performance of the Index.
- The Fund has a sustainability and/or ESG focus in its investment process which may i) limit the Fund’s exposure to or exclude certain companies, industries or sectors ii) impact the Fund’s investment performance compared to other funds that do not apply such criteria and, iii) differ from an investor’s own sustainability and/or ESG criteria.

For more information, please refer to the key investor information document on our website [↗](#)

LATEST DISTRIBUTION INFORMATION

For distributing unit classes, the latest payments are shown below. Please note that these payments are not guaranteed, are at the discretion of the manager and may be paid out of capital.

Type	Ex-div date	Pay date	Pence per unit
Final	02 Apr 24	31 May 24	0.77p
Interim	02 Oct 23	30 Nov 23	1.08p
Final	03 Apr 23	31 May 23	0.78p
Interim	03 Oct 22	30 Nov 22	1.12p



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 £1,122.2 billion (as at 30 June 2024). 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 2024. The AUM disclosed aggregates the assets managed by LGIM in the UK, LGIMA in the US and LGIM Asia in Hong Kong (2018-2019 only). The AUM includes the value of securities and derivatives positions.

DEALING INFORMATION

Valuation frequency	Daily, 12pm (UK time)
Dealing frequency	Daily
Settlement period	T+4

CODES

ISIN	I Acc	GB00BL693S63
	I Inc	GB00BL693H58
SEDOL	I Acc	BL693S6
	I Inc	BL693H5
Bloomberg	I Acc	
	I Inc	

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Email investments@landg.com

Lines are open Monday to Friday 8.30am to 6.00pm. We may record and monitor calls. Call charges will vary.

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