

# Legal & General Future World ESG Developed Index Fund



Unit Trust (UK UCITS compliant) C-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 Developed Markets 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 from an investment in shares in companies that demonstrate good environmental, social and governance efforts in developed countries, 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 FACTS

|                  |                    |
|------------------|--------------------|
| Fund size        | Fund launch date   |
| <b>£2,072.5m</b> | <b>12 Apr 2019</b> |
| Historical yield |                    |
| <b>1.4%</b>      |                    |

## COSTS

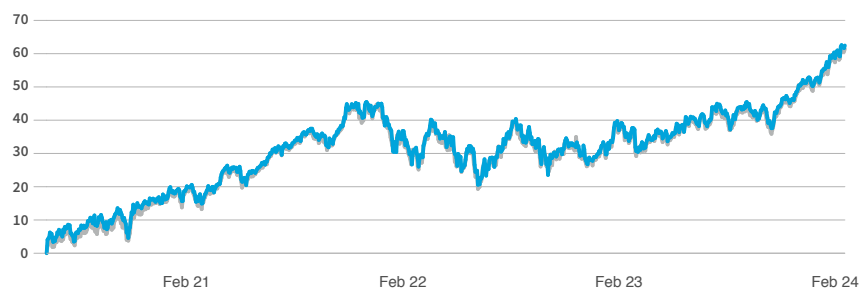
|                     |                          |
|---------------------|--------------------------|
| Initial charge      | Ongoing charge           |
| <b>0.00%</b>        | <b>0.15%</b>             |
| Price basis         | Dilution adjustment      |
| <b>Single swing</b> | <b>0.09%- round trip</b> |

## FUND CHARACTERISTICS

- Aims to provide exposure to global developed-market equities while integrating environmental, social and corporate governance factors
- Incorporates LGIM's Climate Impact Pledge, an engagement process with companies we deem critical to meeting the aims of the Paris Agreement to limit climate change
- Does not hold 'pure' coal miners, manufacturers of armaments, perennial offenders of the UN Global Compact and tobacco companies



## PERFORMANCE (%)



|                   | 1 month | 3 months | 1 year | 3 years | Launch |
|-------------------|---------|----------|--------|---------|--------|
| ■ Fund            | 4.11    | 11.22    | 21.45  | 40.50   | 64.01  |
| ■ Index           | 4.97    | 11.31    | 21.29  | 41.36   | 61.45  |
| Relative to Index | -0.86   | -0.09    | 0.16   | -0.86   | 2.56   |

## 12 MONTH PERFORMANCE TO MOST RECENT QUARTER (%)

| 12 months to 31 December | 2023  | 2022   | 2021  | 2020 | 2019 |
|--------------------------|-------|--------|-------|------|------|
| Fund                     | 18.50 | -10.83 | 24.58 | -    | -    |
| Index                    | 18.24 | -10.51 | 23.82 | -    | -    |
| Relative to Index        | 0.26  | -0.32  | 0.76  | -    | -    |

Performance for the C Inc unit class in GBP, launched on 15 June 2020. 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. Please note, the benchmark is priced at the close whereas the fund is priced earlier. This can lead to artificially high tracking difference stated on the factsheet.

**Past performance is not a guide to the future.**

Further ESG information on page 3

## BENCHMARKS

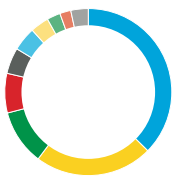
Target benchmark

**Solactive L&G Enhanced ESG Developed Index NTR**



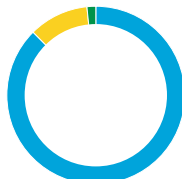
## PORTFOLIO BREAKDOWN

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 (%)

|                             |      |
|-----------------------------|------|
| Communications & Tech       | 37.4 |
| Consumer Non-cyclical       | 22.9 |
| Consumer Cyclical           | 10.7 |
| Banks (Equity)              | 7.7  |
| Industrials                 | 5.0  |
| Financial Services (Equity) | 4.6  |
| Insurance (Equity)          | 3.6  |
| Property                    | 2.6  |
| Energy                      | 2.1  |
| Other                       | 3.4  |



### MARKET CAPITALISATION (%)

|           |      |
|-----------|------|
| Large     | 87.5 |
| Mid       | 10.9 |
| Small     | 1.6  |
| Undefined | -    |



■ Top 10 holdings 24.4%  
■ Rest of portfolio 75.6%

No. of holdings in fund 1,409  
No. of holdings in index 1,405

### TOP 10 HOLDINGS (%)

|                     |     |
|---------------------|-----|
| Microsoft           | 6.5 |
| Apple               | 4.8 |
| Nvidia              | 4.0 |
| Amazon.com          | 2.0 |
| Meta Platforms A    | 1.7 |
| Broadcom            | 1.1 |
| Eli Lilly & Co      | 1.1 |
| Alphabet A          | 1.1 |
| Visa                | 1.1 |
| JPMorgan Chase & Co | 1.0 |

### COUNTRY (%)

|                |      |
|----------------|------|
| United States  | 67.6 |
| Japan          | 7.3  |
| United Kingdom | 3.6  |
| Canada         | 3.0  |
| Switzerland    | 2.5  |
| France         | 2.2  |
| Australia      | 2.2  |
| Germany        | 2.1  |
| Ireland        | 1.8  |
| Other          | 7.7  |

Celebrating  
**25+**  
Years

### 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.

## 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.



### 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 **63** versus a mainstream index of **60**.

In the fund, we invested more in **807 companies with higher scores** and less in **706 companies with lower scores**.

## ENVIRONMENTAL PERFORMANCE

Carbon dioxide (CO<sub>2</sub>) 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.



↓ **63%** 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.

|                    |                         |                                                                                                        |
|--------------------|-------------------------|--------------------------------------------------------------------------------------------------------|
| <b>342</b><br>Fund | <b>925</b><br>Benchmark | <b>Tonnes of CO<sub>2</sub>e<sup>i</sup> per \$1 million of enterprise value including cash (EVIC)</b> |
|--------------------|-------------------------|--------------------------------------------------------------------------------------------------------|

The fund has **63%** lower carbon reserves intensity<sup>ii</sup> 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 **583 tonnes of CO<sub>2</sub>e** compared to having invested in the unadjusted benchmark.



↓ **52%** 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.

|                   |                        |                                                          |
|-------------------|------------------------|----------------------------------------------------------|
| <b>20</b><br>Fund | <b>42</b><br>Benchmark | <b>Tonnes of CO<sub>2</sub>e per \$1 million of EVIC</b> |
|-------------------|------------------------|----------------------------------------------------------|

The fund has **52%** 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 EVIC<sup>iii</sup>.

The difference in carbon footprint means that the fund has selected companies where, for the same level of EVIC, the associated emissions<sup>iv</sup> are lower by **22 tonnes of CO<sub>2</sub>e** compared to a fund tracking the unadjusted benchmark<sup>v</sup>.



For further information please go to [www.lgim.com/esginfo](http://www.lgim.com/esginfo)

**The proxy benchmark for this fund is Solactive L&G Enhanced ESG Developed Index NTR.**

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## NOTES

<sup>i</sup> Carbon dioxide equivalent (CO<sub>2</sub>e) is a standard unit to compare the emissions of different greenhouse gases.

<sup>ii</sup> 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.

<sup>iii</sup> The choice of this metric follows best practice recommendations from the **Task Force on Climate-related Financial Disclosures**.

<sup>iv</sup> Data on carbon emissions from a company's operations and purchased energy is used.

<sup>v</sup> 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.

### Third Party Disclaimers and Information

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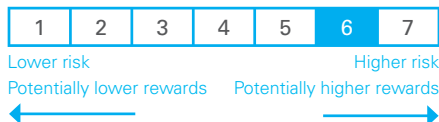
Source: HSBC© HSBC 2024.

Powered by Refinitiv Information.

Powered by Sustainalytics 2024.

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.

## 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.
- 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 |
|---------|-------------|-----------|----------------|
| Interim | 02 Oct 23   | 30 Nov 23 | 0.61p          |
| Final   | 03 Apr 23   | 31 May 23 | 0.49p          |
| Interim | 03 Oct 22   | 30 Nov 22 | 0.62p          |
| Final   | 01 Apr 22   | 31 May 22 | 0.42p          |



## SPOTLIGHT ON LEGAL &amp; GENERAL INVESTMENT MANAGEMENT

We are one of Europe's largest asset managers and a major global investor, with assets under management of £1,159.2 billion (as at 31 December 2023). 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 31 December 2023. 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, 3pm (UK time) |
| Dealing frequency   | Daily                |
| Settlement period   | T+4                  |

## CODES

|           |       |              |
|-----------|-------|--------------|
| ISIN      | C Acc | GB00BMFXWS95 |
|           | C Inc | GB00BMFXWM34 |
| SEDOL     | C Acc | BMFXWS9      |
|           | C Inc | BMFXWM3      |
| Bloomberg | C Acc | LEEDICA LN   |
|           | C Inc | LEEDICG LN   |

## TO FIND OUT MORE

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 Call **0370 050 0955**

 Email [investments@landg.com](mailto: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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