

Future World Global Equity Index Fund - GBP Currency Hedged (charges included)



Unit-Linked Life Insurance Reported in GBP

FUND AIM

The investment objective of the fund is to track the performance of the Solactive L&G ESG Global Markets –Index- GBP Hedged (less withholding tax where applicable) to within +/-0.60% p.a. for two years out of three,

WHO IS THIS FUND FOR?

- The members of UK registered defined contribution occupational pension schemes.
- Although investors can take their money out at any time, the recommended minimum holding period is 5 years.

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

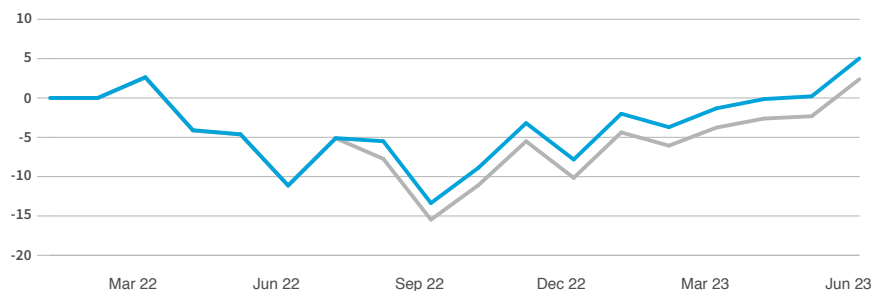
FUND CHARACTERISTICS

- The fund employs an index tracking strategy, aiming to replicate the performance of its benchmark. The index aims to provide exposure to developed and emerging equity markets while reflecting significant environmental, social and corporate governance (ESG) issues. As part of LGIM's commitment to address climate change, companies that fail to meet LGIM's minimum standards in low carbon transition and corporate governance standards may be excluded from the fund, as a result the fund may not hold all of the constituents of the index.
- We follow a pragmatic approach to managing index funds, either investing directly in the securities of that index, or indirectly through other LGIM funds. The fund's investments will aim to closely match the index constituents, however one or more of the underlying funds may have a different composition to the index and as a result there may be some differences in the constituents and/or a different number of holdings in the fund compared to the index. The fund may also hold index and single stock futures for efficient portfolio management. Currency hedging is employed to protect against exchange rate movements between other currencies (except emerging market currencies) and sterling. Currency hedging is achieved through investments in the underlying regional hedged funds which sell forward for approximately one month the relevant currency exposure of each fund.

FUND FACTS

Fund size	Base currency	Benchmark
£7,716.6m	GBP	Solactive L&G ESG Global Markets Index - GBP Hgd
Launch date	Domicile	
Feb 2022	United Kingdom	

PERFORMANCE (%)



	YTD	3m	6m	1y	3y	Launch
Fund	13.93	6.42	13.93	18.17	-	-
Benchmark	13.96	6.38	13.96	15.18	-	-
Relative	-0.03	+0.04	-0.03	+2.99	-	-

ANNUAL PERFORMANCE (%)

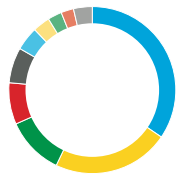
12 months to 30 June	2023	2022	2021	2020	2019
Fund	18.17	-	-	-	-
Benchmark	15.18	-	-	-	-
Relative	+2.99	-	-	-	-

All performance periods over a year will be annualised. Source: LGIM. Performance based on daily close mid-market prices after the deduction of our standard investment management fees, which may or may not be the same for your scheme. Please refer to your scheme literature, or to your scheme administrator, for the fee rate that applies to your scheme. Withholding tax rates applied to the index by the index provider are generally higher than those the fund incurs. **Past performance is not a guide to the future.**

Further ESG information on page 3

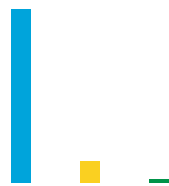
PORTFOLIO BREAKDOWN

All data source LGIM unless otherwise stated. Totals may not sum 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 differ from the index due to corporate events and proxy holdings.



SECTOR (%)

Communications & Tech	34.5
Consumer Non-cyclical	22.6
Consumer Cyclical	11.3
Banks (Equity)	8.1
Industrials	6.9
Financial Services (Equity)	4.6
Insurance (Equity)	3.3
Commodities	2.7
Property	2.4
Other	3.6



MARKET CAPITALISATION (%)

Large	87.5
Mid	10.9
Small	1.6
Undefined	-



■ Top 10 holdings 20.2%
■ Rest of portfolio 79.9%

No. of holdings in fund 3,385
No. of holdings in index 3,188

TOP 10 HOLDINGS (%)

Apple	5.6
Microsoft	5.0
Nvidia	2.2
Amazon.com	1.7
Meta Platforms A	1.0
Taiwan Semiconductor Manufacturing Co	1.0
Alphabet A	1.0
Tesla	0.9
Johnson & Johnson	0.9
Visa	0.9

COUNTRY (%)

United States	59.5
Japan	6.1
United Kingdom	3.6
Canada	2.8
Switzerland	2.6
France	2.3
Taiwan	2.1
Australia	2.1
Germany	2.0
Other	16.9

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.

61
/100

ESG score of fund

57
/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 **61** versus a mainstream index of **57**.

In the fund, we invested more in **1469 companies with higher scores** and less in **1856 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.



↓ **85%**

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.

389
Fund

2,583
Benchmark

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

The fund has **85%** 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 **2194 tonnes of CO₂e** compared to having invested in the unadjusted benchmark.



↓ **57%**

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.

24
Fund

56
Benchmark

Tonnes of CO₂e per \$1 million of EVIC

The fund has **57%** 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 **32 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 GBS Global Markets Large & Mid Cap Index.

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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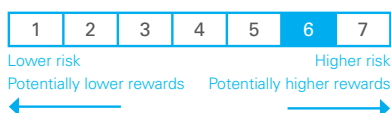
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Source: ISS.

RISK AND REWARD PROFILE



The summary risk indicator is a guide to the level of risk of this product compared to other products. It shows how likely it is that the product will lose money because of movements in the markets or because we are not able to pay you.

We have classified this product as a class 6 of the 7 due to the current lack of four years of weekly price history. The actual risk can vary significantly if you cash in at an early stage and you may get back less.

For more information, please refer to the Key Risks section on page 3.

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 return from your investment is not guaranteed and therefore you may receive a lower or higher return than you anticipated. There will be a variation in performance between funds with similar objectives due to the different assets selected.
- PMC's charges and associated transaction costs are subject to change, with notice for the former and without notice for the latter. Charges and transactions costs deducted from the policy reduce your potential for capital growth in the future.
- Tax rules and the treatment of income and capital gains could change in the future and may be applied retrospectively.
- Inflation reduces the purchasing power of money over time as the cost of purchasing goods and services increases. If the rate of inflation exceeds the rate of return on your portfolio, it will erode the value of your portfolio and its investments in real terms.
- In extreme market conditions it may be difficult to realise assets held for a fund and it may not be possible to redeem units at short notice. We may have to delay acting on your instructions to sell or the price at which you cancel the units may be lower than you anticipated.
- The value of a fund's assets may be affected by uncertainties such as international political developments, market sentiment, economic conditions, changes in government policies, restrictions on foreign investment and currency repatriation, currency fluctuations and other developments in the laws and regulations of countries in which investment may be made.
- PMC seeks to mitigate counterparty risk wherever possible on behalf of its policyholders through a variety of measures which include: each fund's non-cash assets being held with independent custodians, sweeping cash (where appropriate) overnight into the LGIM's range of Liquidity funds (above a de minimus level), using the delivery versus payment system when settling transactions and the use of central clearing for exchange traded derivatives and forward foreign exchange transactions. However, in the event of the failure of a counterparty, custodian or issuer there is a residual risk that a fund may suffer asset losses which are unrecoverable.

For more information, please refer to the Description of Funds [↗](#)

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Internal Fund Code: GPFC



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 £1,195.7 billion (as at 31 December 2022). 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 2022. The AUM disclosed aggregates the assets managed by LGIM in the UK, LGIMA in the US and LGIM Asia in Hong Kong. The AUM includes the value of securities and derivatives positions.

TO FIND OUT MORE

This factsheet has been produced to provide you with fund information and is not designed to provide advice on the suitability of an investment for your personal financial situation. It should be read in conjunction with your pension scheme particulars.

If you have any questions regarding its contents, please speak to the scheme administrator, trustees or your financial advisor.