



# Fiduciary Management

Investment solutions tailored to your needs

**Key risk**  
The value of any investment and any income taken from it is not guaranteed and can go down as well as up, and investors may get back less than the amount originally invested.

This document contains marketing material about our fiduciary management service. This document does not represent impartial advice on this service. In certain cases you are required to conduct a competitive tender process prior to appointing a fiduciary manager. Guidance on running a tender process is available from the Pensions Regulator.



# The defined benefit pension challenge

Trustees and sponsors of defined benefit pension schemes face a difficult environment. There is more pressure than ever to control risks and costs, take account of and report on ESG ('environmental, social and governance') factors, and to put in place a clear plan for delivering member pensions in full.

As the largest manager of UK pension scheme assets, LGIM is here to help. Through our fiduciary management service we can provide clear investment advice to help you define your objectives, and then take responsibility for meeting those objectives through the day-to-day management of your scheme's overall investment portfolio. Our responsible approach to investment seeks to deliver positive outcomes for both investors and wider society.

## How LGIM fiduciary management can help

Delivering your scheme objectives through day-to-day management of your portfolio

<p><b>Advice</b></p> <p>We consider your scheme's unique circumstances and sponsor covenant, and advise on a journey plan and portfolio to meet your objectives</p>		<p><b>Governance</b></p> <p>Effective delegation can significantly reduce trustees' governance burden without compromising on the investment approach</p>	
<p><b>Resource</b></p> <p>Our specialist team can deliver the expertise, focus and time to manage the complex financial burden of pension schemes</p>		<p><b>Cost control</b></p> <p>Using our size and scale, we aim to avoid high fees and hidden costs to save money for our clients</p>	
<p><b>Asset growth</b></p> <p>Our expertise in economic analysis and research is a key input in capturing opportunities to achieve your investment goals</p>		<p><b>Liability hedging</b></p> <p>As the UK's largest LDI manager, we are well-placed to reduce funding risk and match your scheme's liability cashflows using the optimal mix of instruments</p>	
<p><b>Risk management</b></p> <p>Full portfolio transparency, a low cost base and the ability to react quickly to changing market conditions enables us to efficiently manage your risk</p>		<p><b>Integrated ESG solutions</b></p> <p>ESG considerations can be fully integrated into your portfolio, and we will engage on your behalf for the benefit of both investors and wider society</p>	
<p><b>Dynamic de-risking triggers</b></p> <p>Funding level monitoring and dynamic de-risking triggers help you capture opportunities to de-risk as your scheme's funding level improves</p>		<p><b>Route to buy-out</b></p> <p>Whether your ultimate goal is self-sufficiency or full buy-out, we will be able to adapt your portfolio over time as your needs evolve</p>	

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# Why you should choose us

LGIM manages £1,241 billion<sup>1</sup> of assets for global investors, and we are the UK's largest pension fund asset manager<sup>2</sup>, with around 3,000 UK pension scheme clients. We have over 2,500 staff, including 394 investment professionals, with portfolio managers having an average of 16 years of experience. We draw on our industry-leading pensions and investment expertise to deliver better outcomes for our clients, constantly innovating across public and private assets, index and active strategies.

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**All under one umbrella:** LGIM is able to access an incredibly broad spectrum of market opportunities without having to sub-delegate to third parties. This enables us to manage portfolios holistically, avoiding the additional operational risks that come from having to rely on external parties for implementation.
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**Focus on return drivers:** We concentrate on asset allocation, with an emphasis on implementing our best investment ideas and balancing potential risks and returns. Our breadth and depth of resources and expertise allow specialisation of analysis while retaining coverage of a global investment universe.
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**Lower costs, lower risk:** Our scale means that we can keep our fees low, as well as avoiding unnecessary ancillary costs and charges through efficient implementation. Lower costs mean a reduced headwind to targeting the returns you need, thereby lessening the need to take risk in your portfolio.
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**Future-proof approach:** Legal & General's insurance heritage makes us highly experienced in managing cashflow-matching portfolios for those aiming for self-sufficiency, and buy-out-aware investment strategies for those aiming to transfer liabilities to an insurer.



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<sup>1</sup> LGIM internal data as at 30 June 2020. 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  
<sup>2</sup> IPE Research 2020

## Contact us

For further information about LGIM, please visit [lgim.com](http://lgim.com) or contact your usual LGIM representative



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### Important information

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