

LGIM MPS

February 2024
ESG Portfolio changes

Summary of portfolio changes

Equities

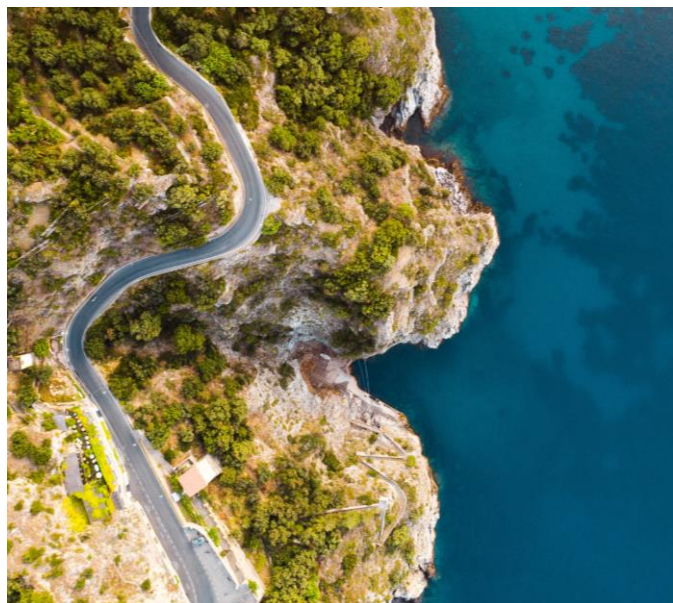
- + Added to equities in the portfolios

Fixed income

- + Maintained positive view on duration

Alternatives

No significant changes




Equities – Following a series of positive developments on the inflation front, with price pressures easing, we see a lower chance of an immediate negative scenario for financial markets. We still believe that the global economy is sensitive to shocks, but on the back of a general improvement in market sentiment, in this rebalance we have increased exposure to company shares (equities) across our portfolios. As part of this rebalance, we took the opportunity to adjust our regional allocations to be better aligned with our medium-term views.

Manager research – We did not make any external fund changes during this rebalance. We will continue to assess the existing strategies we hold and any potential new strategies via our manager research process and will consider changes at the next scheduled rebalance.

Bonds - We maintain our positive view on duration-led assets (bonds which are more sensitive to interest-rate changes). As a result, we have made minimal changes to our bond portfolio, however, we have reduced exposure to alternative credit (debt issued by companies), such as global high yield and emerging market debt, in favour of global inflation-linked bonds (bonds which are tied to consumer price inflation). This reflects the strength of performance of the former and also a preference at this stage for a higher exposure to inflation-linked bonds in the portfolios.

Alternatives – We had no significant changes to make to our alternatives portfolio, as part of the readjustment in equities we have reduced exposure to REITs (real estate investment trusts) in some portfolios to keep them comfortably within their risk bands.

Portfolio		Defensive	Cautious	Cautious Balanced	Balanced	Balanced Growth	Growth	Adventurous
 ESG	Total Active	36.00%	38.00%	41.50%	39.25%	37.25%	36.75%	31.75%
	OCF	0.35%	0.38%	0.40%	0.40%	0.41%	0.42%	0.39%
Model portfolio manager fee				0.06% (incl. VAT)				

Source: LGIM, as at 23 Feb 2023.

Target asset allocation – ESG*

Fund Name	Active /Index	Asset class	Defensive	Cautious	Cautious Balanced	Balanced	Balanced Growth	Growth	Adventurous
Equities			15.00%	31.00%	43.50%	56.00%	59.00%	78.00%	96.00%
Liontrust Sustainable Future UK Growth	Active	UK Equities	0.50%	1.00%	1.00%	1.50%	1.50%	1.75%	2.00%
ASI UK Responsible Equity	Active	UK Equities	1.00%	2.00%	2.00%	2.75%	2.75%	3.50%	4.00%
L&G Future World ESG UK Index	Index	UK Equities	3.00%	6.50%	7.50%	9.75%	9.75%	12.75%	13.50%
Liontrust Sustainable Future Euro Growth	Active	European Equities	0.50%	0.75%	1.50%	1.50%	1.50%	2.25%	2.75%
ASI Europe ex UK Ethical Equity	Active	European Equities	0.75%	1.50%	2.75%	2.75%	2.50%	3.75%	4.75%
L&G Future World ESG Europe ex UK Index	Index	European Equities	0.75%	1.75%	3.25%	3.25%	3.00%	5.00%	6.00%
L&G Future World ESG North America Index	Index	US Equities	2.50%	6.00%	11.00%	14.00%	14.50%	16.00%	15.00%
L&G Future World ESG Japan Index	Index	Japanese Equities	1.00%	2.00%	3.00%	4.00%	4.00%	7.00%	8.00%
Stewart Investors Apac Leaders Sustainability	Active	Asia Pacific ex Japan Eq	0.25%	0.50%	1.00%	1.50%	1.50%	2.50%	4.25%
L&G FW ESG Asia Pacific ex Japan Index	Index	Asia Pacific ex Japan Eq	0.25%	1.00%	1.50%	2.50%	2.50%	4.00%	6.25%
L&G FW ESG Emerging Markets Index	Index	Emerging Market Equity	1.50%	4.00%	5.00%	8.00%	10.00%	11.50%	18.00%
Schroder Global Sustainable Value	Active	Small-cap Equity	1.00%	1.50%	1.50%	1.50%	2.00%	3.00%	5.00%
Wellington Global Stewards	Active	Global Equities	2.00%	2.50%	2.50%	3.00%	3.50%	5.00%	6.50%
Credit and Emerging Market Debt			23.00%	21.50%	23.50%	21.00%	13.50%	8.50%	-
M&G Global High Yield ESG Bond	Active	High Yield	3.50%	4.00%	4.50%	4.00%	4.00%	3.00%	-
L&G EM Govt Bond Local Currency Index	Index	EMD Local Currency	2.00%	2.50%	3.00%	3.00%	2.00%	2.00%	-
Amundi EM Green Bond	Active	EMD Hard Currency	3.00%	3.50%	4.00%	4.50%	3.50%	3.50%	-
Liontrust Sustainable Future Corporate Bond	Active	Sterling Credit	8.00%	6.50%	6.50%	5.00%	2.50%	-	-
Robeco Global SDG Credits GBP Hedged	Active	Global Credit	6.50%	5.00%	5.50%	4.50%	1.50%	-	-
Government Bonds			40.50%	31.50%	20.00%	14.50%	14.50%	3.00%	-
L&G All Stocks Gilt Index	Index	UK Sovereign	11.00%	9.00%	5.00%	3.50%	4.00%	1.00%	-
Vanguard Euro Govt Bond Index GBP Hedged	Index	EU Sovereign	4.00%	3.00%	2.50%	2.00%	1.50%	-	-
L&G Global Inflation Linked Bond Index	Index	Global Inflation Linked	9.50%	7.00%	4.00%	3.00%	2.50%	0.50%	-
L&G All Stocks Index Linked Gilt Index	Index	UK Sov Inflation-Linked	3.50%	3.50%	1.00%	1.00%	1.00%	-	-
Vanguard US Govt Bond Index GBP Hedged	Index	US Sovereign	12.50%	9.00%	7.50%	5.00%	5.50%	1.50%	-
Alternatives			10.00%	10.50%	10.00%	8.00%	12.50%	10.00%	3.50%
Pictet Clean Energy	Active	Global Infrastructure	2.00%	2.75%	2.75%	2.75%	3.50%	3.00%	2.00%
L&G Global Infrastructure Index	Index	Global Infrastructure	1.00%	1.25%	1.25%	1.25%	2.00%	1.50%	1.00%
BNY Mellon Sust Global Dynamic Bond	Active	Absolute Return	5.00%	4.00%	3.50%	1.50%	3.00%	2.50%	-
Sarasin Global Real Estate Equity Fund	Active	Global Property (REITs)	2.00%	2.50%	2.50%	2.50%	4.00%	3.00%	0.50%
Cash			11.50%	5.50%	3.00%	0.50%	0.50%	0.50%	0.50%
L&G Cash Trust	Index	Cash	11.50%	5.50%	3.00%	0.50%	0.50%	0.50%	0.50%

Source: LGIM, as at 23 Feb 2024.

*On 12 October 2023, the MPS portfolio naming conventions changed from being numbered 1 – 7 to Defensive, Cautious, Cautious Balanced, Balanced, Balanced Growth, Growth and Adventurous respectively.



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



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