

# LGIM MPS

August 2024  
Index Portfolio rebalancing changes

## Summary of portfolio changes

### Equities

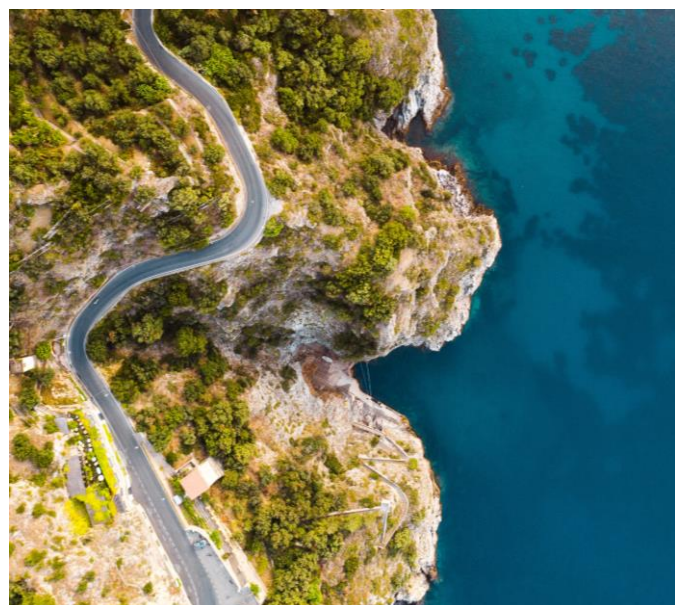
- + Marginally added to equities, while rebalancing regional mix

### Fixed income

- Reduced duration
- Reduced exposure to UK credit

### Alternatives


- + Marginally increased absolute return



**Equities** – At this rebalance, we marginally increased our equity exposure, while rebalancing weights between regions. We reduced exposure to US, Japan, Europe and global small-cap equities and increased allocations to UK, emerging markets (EM), Asia Pacific ex Japan, and UK small-cap equities. This rebalancing aligns us more closely with our longer-term asset allocations. Our increased focus on UK and EM equities reflects our view of their attractive valuations and growth prospects relative to other regions.

**Bonds** - At this rebalance, we adjusted our bond allocation by reducing exposure to UK credit, reflecting a change in our outlook on the asset class. This follows on from the previous rebalance where we reduced global credit. In our view, credit spreads remain tight and do not offer sufficient compensation for the potential risks ahead. Additionally, we reduced duration by reducing our exposure to UK, US, and European government bonds. There has been no change to our inflation-linked bond positions during this rebalance.

**Alternatives** – In light of the adjustments to credit and duration, we have marginally increased our exposure to absolute return strategies, reflecting our cautious stance in the current market environment. These changes are intended to balance the portfolios as we navigate ongoing market uncertainties.

Portfolio	Defensive	Cautious	Cautious Balanced	Balanced	Balanced Growth	Growth	Adventurous
 OCF	0.18%	0.17%	0.15%	0.14%	0.14%	0.13%	0.11%

Source: LGIM, as at 23 August 2024.  
Please enquire for the discretionary portfolio management fee.

## Target asset allocation – Index\*

Fund Name	Active /Index	Asset class	Defensive	Cautious	Cautious Balanced	Balanced	Balanced Growth	Growth	Adventurous
<b>Equities</b>			<b>17.40%</b>	<b>33.00%</b>	<b>44.80%</b>	<b>58.50%</b>	<b>61.40%</b>	<b>77.70%</b>	<b>93.40%</b>
L&G UK Index Trust	Index	UK Equities	3.50%	8.00%	9.00%	11.50%	11.20%	13.60%	14.80%
L&G UK Mid Cap Index	Index	UK Small Cap Equities	1.00%	2.00%	2.00%	3.00%	3.00%	5.00%	6.50%
L&G European Index Trust	Index	European Equities	1.80%	3.80%	7.20%	7.20%	7.20%	10.50%	11.80%
L&G US Index Trust	Index	US Equities	4.30%	7.40%	11.20%	14.60%	14.60%	17.00%	15.90%
UBS MSCI World Min Vol Index	Index	Global Equities	1.00%	1.40%	2.00%	3.50%	3.50%	4.00%	4.00%
L&G Japan Index Trust	Index	Japanese Equities	1.30%	2.30%	3.20%	4.20%	4.20%	6.90%	7.60%
L&G Pacific Index Trust	Index	Asia Pacific ex Japan Equities	1.00%	2.00%	3.00%	4.50%	4.50%	5.00%	10.50%
L&G Global Emerging Markets Index Fund	Index	Emerging Market Equities	2.80%	4.90%	6.00%	9.00%	11.20%	12.80%	17.80%
Vanguard Global Small Cap Index	Index	Small-cap Equities	0.70%	1.20%	1.20%	1.00%	2.00%	2.90%	4.50%
<b>Credit and Emerging Market Debt</b>			<b>21.40%</b>	<b>18.00%</b>	<b>20.00%</b>	<b>17.00%</b>	<b>11.00%</b>	<b>6.50%</b>	<b>-</b>
L&G Active Global High Yield Bond Fund	Active	High Yield	2.50%	2.80%	3.10%	2.40%	2.60%	1.80%	-
L&G EM Govt Bond USD Index	Index	EMD Hard Currency	3.00%	3.70%	4.40%	3.60%	3.40%	2.70%	-
L&G EM Govt Bond Local Currency Index	Index	EMD Local Currency	2.00%	2.50%	3.00%	3.00%	2.00%	2.00%	-
L&G Sterling Corporate Bond Index	Index	Sterling Credit	5.00%	4.00%	4.00%	4.00%	1.50%	-	-
L&G Short Dated Sterling Corporate Bond	Index	Short-Dated Sterling Credit	5.00%	2.00%	2.00%	0.50%	0.50%	-	-
Robeco Global Credits GBP Hedged	Active	Global Credit	3.90%	3.00%	3.50%	3.50%	1.00%	-	-
<b>Government Bonds</b>			<b>38.60%</b>	<b>28.80%</b>	<b>20.10%</b>	<b>14.60%</b>	<b>13.70%</b>	<b>2.90%</b>	<b>-</b>
L&G All Stocks Gilt Index	Index	UK Sovereign	9.70%	7.50%	5.70%	3.70%	3.70%	0.90%	-
Vanguard Euro Govt Bond Index GBP Hedged	Index	EU Sovereign	2.60%	2.10%	1.50%	1.60%	1.60%	0.50%	-
L&G Global Inflation Linked Bond Index	Index	Global Inflation Linked	9.00%	6.00%	3.50%	2.00%	2.00%	0.40%	-
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	13.80%	9.70%	8.40%	6.30%	5.40%	1.10%	-
<b>Alternatives</b>			<b>12.40%</b>	<b>13.10%</b>	<b>11.20%</b>	<b>8.10%</b>	<b>13.20%</b>	<b>12.40%</b>	<b>6.10%</b>
L&G Multi-Asset Target Return	Active	Absolute Return	5.60%	4.60%	2.80%	1.40%	2.10%	2.50%	0.40%
L&G Strategic Bond Fund	Active	Absolute Return	2.40%	2.00%	1.20%	0.60%	0.90%	1.10%	0.20%
L&G Global Real Estate Dividend Index	Index	Global Property (REITs)	1.50%	2.00%	2.00%	2.00%	3.50%	3.00%	0.50%
L&G Global Infrastructure Index	Index	Global Infrastructure	2.00%	2.50%	2.50%	2.50%	4.00%	3.00%	2.00%
L&G Global Technology Index	Index	Technology	0.90%	2.00%	2.70%	1.60%	2.70%	2.80%	3.00%
<b>Cash</b>			<b>10.20%</b>	<b>7.10%</b>	<b>3.90%</b>	<b>1.80%</b>	<b>0.70%</b>	<b>0.50%</b>	<b>0.50%</b>
L&G Cash Trust	Index	Cash	10.20%	7.10%	3.90%	1.80%	0.70%	0.50%	0.50%

Source: LGIM, as at 23 August 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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## Contact us

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



### Key risks

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