

LGIM Managers (Europe) Limited

Remuneration policy summary

Introduction

This document forms the remuneration policy operated by LGIM Managers (Europe) Limited ('LGIM Europe'), an entity which is part of the Legal & General Investment Management (Holdings) Limited group ('LGIM(H)'), itself part of Legal & General Group plc ('L&G Group').

The company is required under UCITS and AIFM regulations to operate sound and prudent remuneration policies, practices and organisation structures which are consistent with sound and effective risk management in order to align the interests of fund managers and investors. This remuneration policy follows prescribed principles in a way and to the extent that is appropriate to the size and internal organisation of the company and to the nature, scope and complexity of the company's activities.

The remuneration policy reflects the company's objective for good corporate governance and:

- is consistent with and promotes sound and effective risk management and does not encourage risk-taking which is inconsistent with the risk profile, rules or instruments of incorporation of the company and each of its funds; and
- is consistent with the business strategies, objectives, values and interests of each fund and includes measures to avoid conflicts of interest or where conflicts cannot be avoided that they can be appropriately managed at all times.

The remuneration policy is consistent with and promotes sound and effective risk management by:

- having a business model which by its nature does not promote excessive risk taking;
- defining performance goals and objectives for the company which are aligned with the business; and
- ensuring that the fixed salary element of those involved in relevant functions reflects the market rate.

The remuneration policy (together with compliance herewith) will be subject to an annual central and independent internal review by the non-executive board, led by the chairperson, who are also responsible for monitoring the remuneration policy. Given the limited nature, scale and complexity of the company's activities, the remuneration policy will not be subject to an external, independent review. The review by the chairperson and the board will ensure that:

- the overall remuneration system operates as intended;
- the remuneration pay-outs are appropriate;
- the risk profile, long-term objectives and goals of each sub-fund is adequately reflected; and
- the policy reflects best practice guidelines and regulatory requirements.

The board will take appropriate measures to address any deficiencies identified in the remuneration policy.

The remuneration policy reflects the company's objectives for good corporate governance and alignment of the long-term interests of the company.

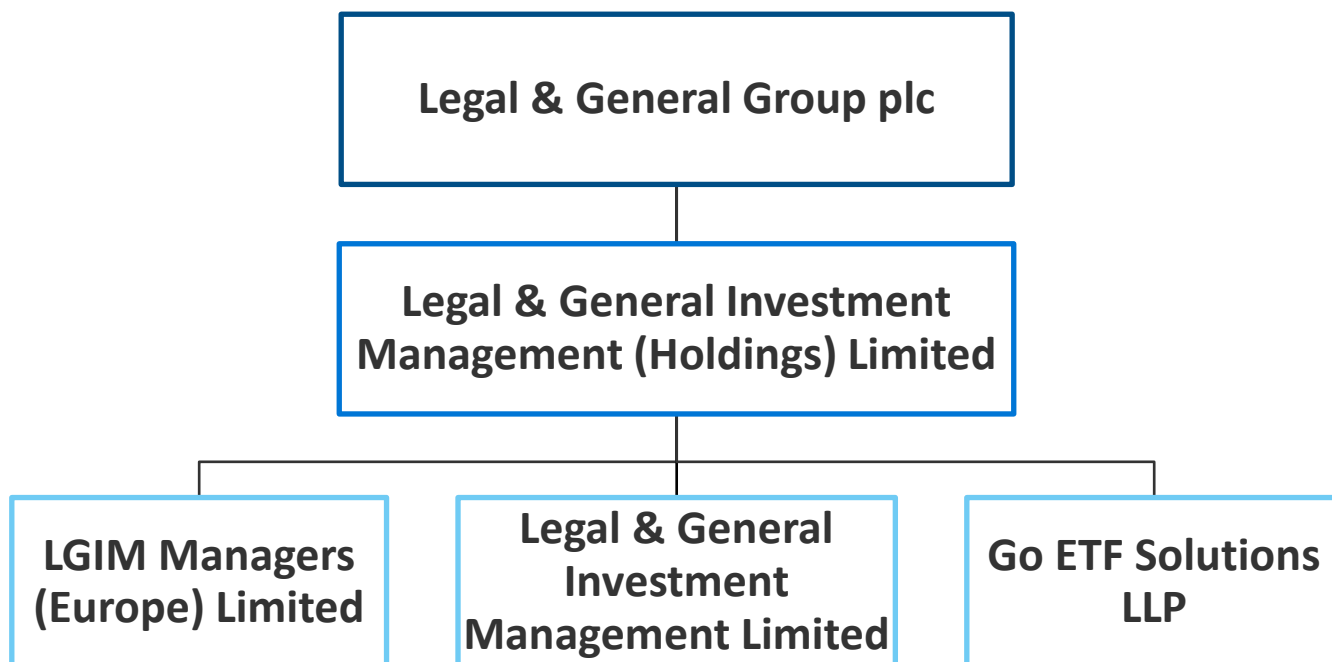
The remuneration policy focuses on promoting sound and effective risk management through a stringent governance structure for setting goals incorporating measures to avoid conflicts of interest, including both financial and non-financial goals in performance.

No variable remuneration will be paid to any member of the board. The fixed fee for non-executive members of the board who are independent and/or are not employees of LGIM(H) will be commercially negotiated.

The remuneration policy is compliant with the relevant provisions of the UCITS Regulations and Schedule 2 of the AIFM Regulations, and the guidelines on sound remuneration policies under the UCITS Directive and AIFMD issued by the European Securities and Markets Authority (the ESMA Guidelines ESMA 2016/411).

LGIM Europe company structure

LGIM Managers (Europe) Limited ('LGIM Europe') is a wholly owned subsidiary of Legal & General Investment Management (Holdings) Limited ('LGIM(H)'). Its primary delegate for the provision of investment management services as well as promotion and distribution of its UCITS and AIF fund ranges in the UK and certain other jurisdictions is Legal & General Investment Management Limited ('LGIM'), which is also a wholly owned subsidiary of LGIM(H). LGIM Europe also delegates the investment management of certain UCITS exchange-traded funds to GO ETF Solutions LLP ('GO ETF'), which is also a wholly owned subsidiary of LGIM(H).



LGIM Europe business mix

- LGIM Europe acts as alternative investment fund manager to LGIM (Ireland) Risk Management Solutions plc, a Central Bank of Ireland authorised qualifying investor alternative investment fund with 139 sub-funds and segregated liability between sub-funds
- LGIM Europe acts as UCITS management company to LGIM Liquidity Funds plc, a Central Bank of Ireland authorised UCITS umbrella with four sub-funds and segregated liability between sub-funds
- LGIM Europe acts as UCITS management company to the Legal & General Common Contractual Fund, a Central Bank of Ireland authorised UCITS umbrella with five sub-funds and segregated liability between sub-funds, three of which have launched
- LGIM Europe acts as UCITS management company to Legal & General ICAV, a Central Bank of Ireland authorised UCITS umbrella with 35 sub-funds and segregated liability between sub-funds, 21 of which have been launched
- LGIM Europe acts as alternative investment fund manager to Legal & General QIAIF ICAV, a Central Bank of Ireland authorised qualifying investor alternative investment fund with seven sub-funds and segregated liability between sub-funds
- LGIM Europe shall be appointed to act as UCITS management company to Legal & General SICAV, a Commission de Surveillance du Secteur Financier (CSSF) authorised UCITS umbrella with 15 live sub-funds and segregated liability between sub-funds

LGIM Europe acts as UCITS management company to Legal & General UCITS ETF plc, a Central Bank of Ireland authorised UCITS umbrella with 51 sub-funds and segregated liability between sub-funds, only 28 of which have been launched.

Umbrella Company	Status	AUM	Total AUM (%)
LGIM (Ireland) Risk Management Solutions plc	AIF Umbrella	€ 62,066,000,000.00	43.96%
LGIM Liquidity Funds plc	UCITS Umbrella	€ 52,344,000,000.00	37.08%
Legal & General Common Contractual Fund	UCITS Umbrella	€ 220,000,000.00	0.16%
Legal & General ICAV	UCITS Umbrella	€ 9,806,000,000.00	6.95%
Legal & General QIAIF ICAV	AIF Umbrella	€ 298,000,000.00	0.21%
Legal & General SICAV	UCITS Umbrella	€ 9,608,000,000.00	6.81%
Legal & General UCITS ETF plc	UCITS Umbrella	€ 6,834,000,000.00	4.84%
	Total	€ 141,176,000,000.00	100.00%

As per the table above, less than 50% of the assets under management (AUM) held within pooled investment mandates for which LGIM Europe acts as management company is held in funds which are subject to the alternative investment fund managers directive, with the remaining 55.83% held in funds subject to the UCITS directive. These figures are correct as at 31 December 2020. These proportions are reviewed annually.

Practical application

It is important to note that while LGIM Europe has direct employees who fulfil both directorships and designated persons roles, it does not contractually employ any full-time or even part-time portfolio managers, though various designated persons employed by LGIM Europe are responsible for overseeing that activity. Therefore, it pays no remuneration, either fixed or variable to any individuals who are responsible for managing the investments of these funds on a day-to-day basis. LGIM Europe delegates much of the significant risk-taking activities to its primary delegate, Legal & General Investment Management Limited ('LGIM'), as well as to GO ETF Solutions LLP ('GO ETF') for certain UCITS exchange-traded funds. The individuals acting as portfolio managers on behalf of LGIM and GO ETF are contractually employed by the same holding company, which is Legal & General Investment Management (Holdings) Limited ('LGIM(H)').

LGIM Europe will be entirely reliant on the remuneration policy of LGIM(H) to ensure that both individuals undertaking controlled functions on its behalf and those individuals whose professional activities have a material impact on the risk profile of the UCITS Management Company or AIFM or the UCITS or AIFs which they manage are remunerated in a fashion that is consistent with, if not exactly the same as, the UCITS remuneration requirements.

LGIM(H) subsidiaries including, but not limited to, LGIM Europe, LGIM and GO ETF are potentially subject to a number of remuneration regimes, including BIPRU, AIFMD, Solvency II, CRD IV and UCITS V. Therefore, to the fullest extent possible, LGIM(H) will seek to apply a single remuneration policy for all of its employees that is consistent with the requirements of these varying directives. However, it will also apply the concept of proportionality to allow for the payment of deferred variable remuneration in the shares of Legal & General Group plc, as well as or instead of payment being made in the shares of a particular UCITS Fund or AIF or range of UCITS Funds or AIFs.

The remuneration policy that has been put in place by LGIM(H) is consistent with the overarching Group-wide remuneration policy, which is applied across Legal & General Group plc, and is overseen by the Group Remuneration Committee, which operates within a documented term of reference. The policy is designed to reward investment professionals and other senior management personnel for long-term performance of the assets which they manage; it substantively observes the principles enshrined within the UCITS Regulations. The policy will be under regular review and updated to ensure that it is consistent with the Central Bank of Ireland's expectation and wider market practice.

The key features of the remuneration policy include:

- a documented appraisal process that ensures individual performance is reviewed against objectives and seeks to ensure the fair treatment of customers;
- a specific percentage of any variable remuneration that is paid is deferred in non-cash instruments, typically either in the shares of Legal & General Group plc or units indexed to the performance of funds managed by affiliate entities within LGIM(H). These awards must be held for a specified period of time (usually three years) before they can be sold or redeemed;
- the concepts of malus and clawback exist and are legally enforceable depending on the nature of an employee's departure, i.e. they are a 'good' leaver or a 'bad' leaver.
- further details regarding the LGIM(H) and LGIM Europe remuneration policies will be published on its website <http://www.lgim.com/uk/en/remuneration/>

Disclosure

LGIM Europe and LGIM(H) will ensure that appropriate information is made available to ensure that suitable disclosures are made to the investors in LGIM Europe's UCITS Funds or AIFs, for the individuals employed to fulfil designated persons roles on behalf of LGIM Europe, for the named lead Fund Manager and the Investment Desk which they work within. Context will be provided by disclosing the AUM of the particular UCITS Fund or AIF, against the AUM managed by the named Fund Manager and the Investment Desk which they work within. The requisite disclosures will be made in the annual reports and accounts. The fact that LGIM Europe has no contractual employees who currently undertake portfolio management activities does not mean that investors in its UCITS Funds or AIFs will not have transparency regarding the remuneration of the key risk takers involved in the management of their Fund.

Important information

Legal & General Investment Management

One Coleman Street

London

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Authorised and regulated by the Financial Conduct Authority.

Legal & General Investment Management does not provide advice on the suitability of its products or services.

Ultimate holding company - Legal & General Group plc.

Issued by LGIM Managers (Europe) Limited as a UCITS Management Company and Alternative Investment Fund Manager for various UCITS Funds or Alternative Investment Funds. Registered Office: 70 Sir John Rogerson's Quay, Dublin D02 XK09, Ireland. Authorised and regulated by the Central Bank of Ireland, Ref C173733.

Legal & General Investment Management Limited has been appointed as the discretionary investment manager for these UCITS schemes, it is authorised and regulated by the UK Financial Conduct Authority No. 119272.

GO ETF Solutions LLP has been appointed as the discretionary investment management for certain UCITS Exchange Traded Funds, it is authorised and regulated by the UK Financial Conduct Authority No. 477266.

All features described in this policy are those current at the time of publication and may be changed in the future. Nothing in this policy should be construed as advice and it is therefore not a recommendation to buy or sell securities. If in doubt about the suitability of any investment, you should seek professional advice. Copies of the prospectus, key investor information document, annual and semi-annual reports & accounts are available free of charge on request or at www.lgim.com

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