

LGIM launches Model Portfolio Service

New service positioned to meet rising demand from advisers

London, 9 June 2021 – Legal & General Investment Management (LGIM) has today announced the launch of its Model Portfolio Service (MPS), a range of growth and income model portfolios with varying risk profiles. In a move that is deemed highly competitive, the initial pricing will be set at an annual management fee of 6bps*, in response to client demand. Designed to help a broad range of investors, these model portfolios are positioned to help offer attractive returns for clients in line with their investment goals.

MPS brings together an array of expertise and experience from within LGIM. This includes the highly experienced asset allocation team with over 30 investment professionals, headed up by Emiel van den Heiligenberg. The team collectively oversee £63 billion in multi-asset funds, including the award-winning Multi-Index Fund range. They will work in partnership with the Solutions team which already oversees £200bn of institutional client portfolios. Justin Onuekwusi, Head of Retail Multi Asset Funds at LGIM, will lead the Model Portfolio Service proposition.

Justin Onuekwusi, Head of Retail Multi Asset Funds at LGIM, commented; *“In today’s market, advisers need a bespoke, yet easily accessible, range of solutions that cater to a broad range of risk profiles, price points and investment styles – this is precisely why we have launched our MPS. Leveraging our deep multi-asset expertise and responsible investing and stewardship credentials, our primary focus will be selecting the most attractive investments across asset classes, backed by robust research and risk management, with the aim of achieving long-term returns for our clients.”*

The MPS range, which is available to investors via their financial adviser, includes 21 growth-focused model portfolios, designed to cater to investors looking to grow their capital over time, and provides three low-cost investment styles:

- The index-focused model portfolios will draw upon LGIM’s broad suite and expertise of passive vehicles, offering exposure to a broad range of ETFs
- ESG-focused model portfolios will invest in ESG-focused funds, including LGIM’s Future World fund range, and benefit from LGIM’s deep experience in responsible investing
- Blended model portfolios will invest in active funds managed by LGIM and third-party managers

LGIM will also offer four income-focused model portfolios, which will hold a balance of underlying funds to deliver income, while also maintaining the potential for capital growth. The team will regularly review and rebalance model portfolios to ensure that investments are continuously kept aligned with investors’ risk profiles and desired investment objectives.

The launch of LGIM’s MPS will offer opportunities for partnerships at scale and reflects the growing demand from advisers for competitively priced model portfolios, which meet a broad range of client investment needs and risk profiles. LGIM’s MPS brings together its widely recognised multi-asset capabilities and leading index expertise for a cost-effective and scalable offering that aims to provide investors with attractive risk-adjusted returns.

James Crossley, Head of UK Sales at LGIM, added; *“The launch of our MPS is a direct reflection of the demand we are seeing from advisers for competitively priced and flexible model portfolio solutions. Our scale as one of the largest asset managers in the world means that we can provide this robust investment*

proposition at a competitive price. We think this can disrupt the market whilst also applying our deep investment expertise, across different strategies, to ensure that our model portfolios offer attractive returns for clients in line with their investment goals.”

LGIM has built its MPS around its five cornerstones of investing: suitability, diversification, active asset allocation and rebalancing, cost-effectiveness and engagement. Each of the model portfolios pertain to a stated investment target and corresponding risk profile, employing a diversified asset allocation approach that aims to maximise outcomes within the stated risk parameters.

Each of the LGIM's model portfolios will have access to a range of asset classes across active and passive strategies, with a specific risk target in mind. LGIM has established a robust risk management framework and a dedicated governance committee to ensure that portfolios remain on track.

-ENDS-

Key Risk Warnings

Past performance is not a guide to the future.

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.

Notes to editors

About Legal & General Investment Management

Legal & General Investment Management is one of Europe's largest asset managers and a major global investor, with total assets under management of £1.28 trillion (€1.43 trillion; CHF1.55 trillion; \$1.75t trillion; JPY181 trillion)¹. We work with a wide range of global clients, including pension schemes, sovereign wealth funds, fund distributors and retail investors.

Throughout the past 40 years we have built our business through understanding what matters most to our clients and transforming this insight into valuable, accessible investment products and solutions. We provide investment expertise across the full spectrum of asset classes including fixed income, equities, commercial property and cash. Our capabilities range from index-tracking and active strategies to liquidity management and liability-based risk management solutions.

*6bps – equates to 5bps + VAT

¹ 1 LGIM internal data as at 31 December 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.