



L&G Islamic Investment Proposition

The L&G Islamic Investment Proposition is an innovative proposition that aims to provide Muslim DC pension members with access to a choice of Shariah-compliant investments. Offering a lifestyle option with a glidepath, along with self-select funds, the funds within the proposition will be managed by a leading asset manager for Shariah-compliant investing, HSBC.

Reasons to invest:

- 1 A fully Shariah-compliant investment proposition**
 Building on our long-standing commitment to offer a Shariah-compliant investment proposition, we at Legal & General are enhancing the options available for DC members. We have partnered with HSBC, a global leader in Shariah-compliant investing¹, to provide you with trusted, expertly governed (by HSBC's in-house Shariah Committee), solutions.
- 2 A ready-made lifestyle solution**
 The L&G Islamic Lifestyle Profile is suitable for members who would prefer us to make investment decisions on their behalf. The underlying funds are managed by HSBC, and the solution will aim to manage risk for members in the run-up to retirement.
- 3 Range of self-select options**
 For members who prefer to pick their own investments, we're providing access to three Shariah-compliant investment funds as shown below under 'The L&G Islamic Self-Select Funds'.

The L&G Islamic Lifestyle Profile

The Lifestyle Profile invests in two funds: the L&G Islamic Growth Fund, and the L&G Islamic Retirement Fund. Both invest in a combination of underlying funds², managed by HSBC, shown below:

Fund name: L&G Islamic Growth Fund

Objective: The fund aims to achieve real capital growth over the long term while investing in Shariah-compliant funds which can invest in a variety of asset classes including, but not limited to, equities and sukuk (Islamic bonds).

The Shariah-compliant funds in which this fund invests, along with their allocations, are chosen by L&G and are subject to change. They are managed by fund managers outside of L&G such as HSBC who are responsible for ensuring Shariah compliance.

Underlying funds: HSBC Islamic Global Equity Index Fund. HSBC Islamic Multi Asset Fund

Comparator: CPI plus 5% over the long term.

Fund name: L&G Islamic Retirement Fund

Objective: The fund seeks to strike a balance between managing risk near the point of retirement whilst also providing capital growth by investing in Shariah-compliant funds which can invest in a variety of asset classes including, but not limited to, equities and sukuk (Islamic bonds).

The Shariah-compliant funds in which this fund invests, along with their allocations, are chosen by L&G and are subject to change. They are managed by fund managers outside of L&G such as HSBC who are responsible for ensuring Shariah compliance.

Underlying funds: HSBC Islamic Multi Asset Fund. HSBC Sukuk Index Fund

Comparator: CPI plus 3% over the long term.

1. Source HSBC April 2024. HSBC has the largest range of Islamic funds in the UCITS market and their flagship HSBC Islamic Global Index Fund is the largest in Europe.

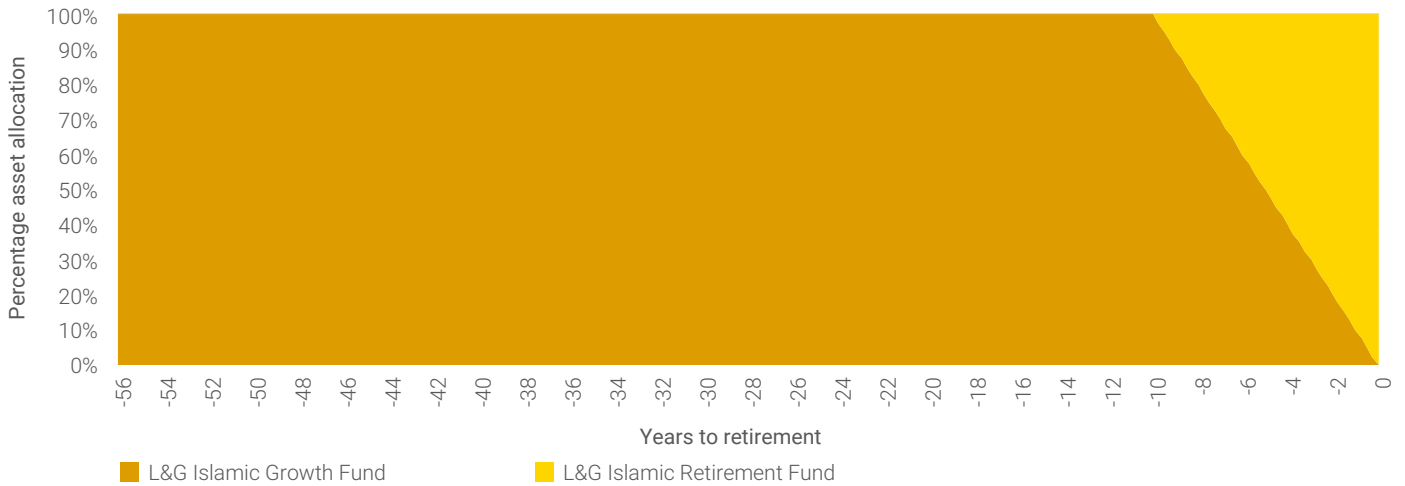
2. The underlying funds and their allocations are chosen by Legal & General and are subject to change.

Key risk

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.

Asset allocation of the L&G Islamic Lifestyle Profile

When there are more than 10 years to a member’s selected retirement age, their pension pot will be invested in the L&G Islamic Growth Fund. When the member is less than 10 years from their selected retirement age, it will be moved gradually, on a quarterly basis, into the L&G Islamic Retirement Fund. On reaching the selected retirement age, the pension pot is invested 100% in the L&G Islamic Retirement Fund.



Source: LGIM August 2024. Asset allocation is subject to change.

The L&G Islamic Self-Select Funds*

Members will also have access to the following three funds if they wish to manage their pensions more actively.

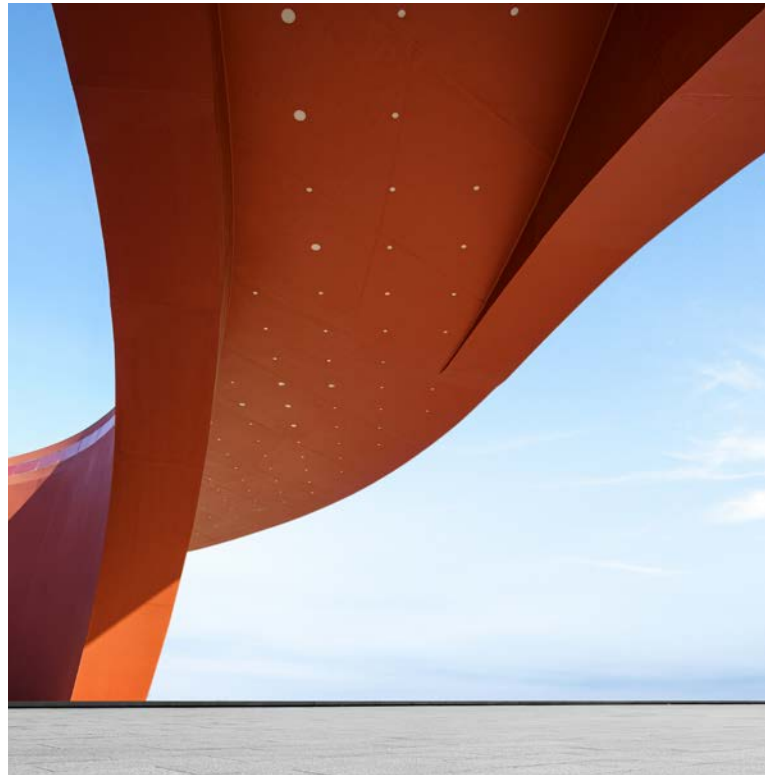
- Fund name:** L&G PMC HSBC Islamic Global Equity Fund 3

Objective: This fund invests in the HSBC Islamic Global Equity Index Fund, which aims to achieve capital growth over the long term by tracking the performance of the Dow Jones Islamic Market Titans 100 Index.
- Fund name:** L&G PMC HSBC Islamic Multi Asset Fund 3

Objective: This fund invests in the HSBC Shariah Multi Asset fund, which aims to provide long-term capital growth by investing, under Shariah-compliant rules, in a range of financial instruments.
- Fund name:** L&G PMC HSBC Islamic Sukuk Index Fund 3

Objective: This fund invests in the HSBC Global Sukuk UCITS ETF, which aims to provide regular income and capital growth by tracking as closely as possible, the performance of the FTSE IdealRatings Sukuk Index.

*Generation 25 versions of these funds and the Lifestyle Profile will also be launched.



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Why Legal & General for a Shariah investment proposition?



Established provider of DC solutions for scheme managers and members

As the UK's largest pension provider (source: IPE Research 2022, by AUM), with over five million members and the largest commercial master trust Legal & General is pleased to support the evolution of strategies in the DC pensions market. By widening the choice of investments, we aim to make a broader range of assets accessible to a wider group of members, with the benefits we believe this can bring.



HSBC is a global leader in Shariah-compliant investing

HSBC has been serving Islamic investors worldwide for decades. By using HSBC as the manager of the underlying funds, we have selected a partner with years of experience and exemplary credentials. HSBC's team includes in-house scholars who are experts in Shariah law as applied to finance, along with robust governance processes such as a Global Shariah Supervisory Committee, which monitors the funds.



We put members at the heart of our propositions

Legal & General has a track record of developing responsible investment solutions. We have produced award-winning research in this area and are committed to closing the pensions gap wherever we can. Having researched the market, we recognised that HSBC is a leader in Islamic solutions. We believe that our deep knowledge of DC pensions, combined with HSBC's established excellence in Shariah investment principles, can enable us to provide an outstanding solution for DC members requiring Shariah funds.

Source: LGIM, as at 31 December 2023.



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Contact us

For further information about LGIM, please contact your usual LGIM representative.



Key risks

The Underlying Manager, and not Legal & General Assurance (Pensions Management) Ltd "PMC", is responsible for ensuring the Underlying Fund complies with Shariah principles. Accordingly, PMC makes no representations in relation to the compatibility with Shariah principles of gaining exposure to the Underlying Fund via PMC.

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. This fund holds bonds that are traded through agents, brokers or investment banks matching buyers and sellers. This makes the bonds less easy to buy and sell than investments traded on an exchange. In exceptional circumstances the fund may not be able to sell bonds and may defer withdrawals, or suspend dealing. The Directors can only delay paying out if it is in the interests of all investors and with the permission of the fund depositary. The fund invests directly or indirectly in bonds which are issued by companies or governments. If these companies or governments experience financial difficulty, they may be unable to pay back some or all of the interest, original investment or other payments that they owe. If this happens, the value of the fund may fall. The fund could lose money if any institution providing services such as acting as counterparty to derivatives or other instruments, becomes unwilling or unable to meet its obligations to the fund. Derivatives are highly sensitive to changes in the value of the asset on which they are based and can increase the size of losses and gains. The fund may have underlying investments that are valued in currencies that are different from sterling (British pounds). Exchange rate fluctuations will impact the value of your investment. Currency hedging techniques may be applied to reduce this impact but may not entirely eliminate it. Investment returns on bonds are sensitive to trends in interest rate movements. Such changes will affect the value of your investment. If in doubt about the suitability of this product, you should seek professional advice. No investment decisions should be made without first reviewing the key investor information document of the Fund ("KIID") which can be obtained from www.legalandgeneral.com. Standardised FCA past performance tables can be found on our fund centre.

Fund specific risks

There are specific risks associated with the funds, which include but may not be limited to the following. You should make sure you understand the fund specific risks, and are willing to accept them, before choosing them.

Callable Bond Risk Any unexpected behaviour in interest rates could negatively impact the performance of callable debt securities (securities whose issuers have the right to pay off the security's principal before the maturity date).

Counterparty Risk The possibility that the counterparty to a transaction may be unwilling or unable to meet its obligations.

Credit Risk A bond or money market security could lose value if the issuer's financial health deteriorates.

Default Risk The issuers of certain bonds could become unwilling or unable to make payments on their bonds.

Derivatives Risk Derivatives can behave unexpectedly. The pricing and volatility of many derivatives may diverge from strictly reflecting the pricing or volatility of their underlying reference(s), instrument or asset.

Emerging Markets Risk Emerging markets are less established, and often more volatile, than developed markets and involve higher risks, particularly market, liquidity and currency risks.

Exchange Rate Risk Changes in currency exchange rates could reduce or increase investment gains or investment losses, in some cases significantly.

Index Tracking Risk To the extent that the Fund seeks to replicate index performance by holding individual securities, there is no guarantee that its composition or performance will exactly match that of the target index at any given time ("tracking error").

Interest Rate Risk When interest rates rise, bond values generally fall. This risk is generally greater the longer the maturity of a bond investment and the higher its credit quality.

Investment Leverage Risk Investment Leverage occurs when the economic exposure is greater than the amount invested, such as when derivatives are used. A Fund that employs leverage may experience greater gains and/or losses due to the amplification effect from a movement in the price of the reference source.

Liquidity Risk is the risk that a Fund may encounter difficulties meeting its obligations in respect of financial liabilities that are settled by delivering cash or other financial assets, thereby compromising existing or other investors.

Operational Risk Operational risks may subject the Fund to errors affecting transactions, valuation, accounting, and financial reporting, among other things.

Important information

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