

LGIM MPS

August 2024
Blended Portfolio rebalancing changes

Summary of portfolio changes

Equities

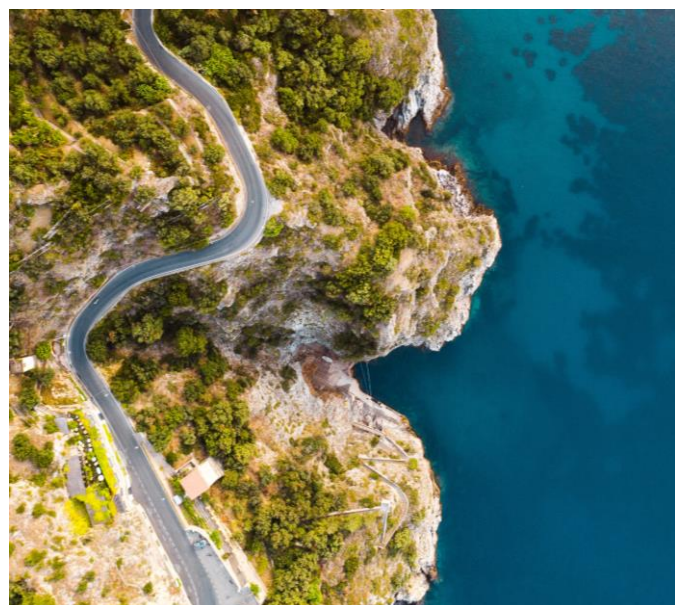
- + Marginally added to equities, while rebalancing regional mix

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.

Manager research – There were no manager changes at this rebalance.

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	0.27%	0.33%	0.35%	0.36%	0.38%	0.42%	0.45%

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

Target asset allocation – Blended*

Fund Name	Active /Index	Asset class	Defensive	Cautious	Cautious Balanced	Balanced	Balanced Growth	Growth	Adventurous
Equities			17.40%	33.00%	44.80%	58.50%	61.30%	77.60%	93.30%
Evenlode Income	Active	UK Equities	0.90%	2.00%	2.30%	2.90%	2.80%	3.40%	3.70%
Schroder Recovery	Active	UK Equities	0.70%	1.60%	1.80%	2.30%	2.20%	2.70%	3.00%
L&G UK Index Trust	Index	UK Equities	1.00%	2.30%	2.60%	3.40%	3.30%	4.00%	4.40%
Artemis Income	Active	UK Equities	0.90%	2.00%	2.30%	2.90%	2.80%	3.40%	3.70%
Artemis UK Select	Active	UK Small Cap Equities	0.50%	1.00%	0.90%	1.40%	1.40%	2.40%	3.30%
Gresham House UK Smaller Companies	Active	UK Small Cap Equities	0.50%	1.00%	1.00%	1.50%	1.50%	2.50%	3.30%
BlackRock European Dynamic	Active	European Equities	0.50%	1.00%	1.80%	1.80%	1.80%	2.60%	3.00%
L&G European Index Trust	Index	European Equities	1.00%	2.20%	4.20%	4.30%	4.30%	6.30%	7.10%
Lightman European Fund	Active	European Equities	0.30%	0.60%	1.10%	1.10%	1.10%	1.60%	1.80%
L&G US Index Trust	Index	US Equities	3.60%	6.40%	10.00%	12.30%	12.30%	14.00%	11.40%
UBS MSCI World Min Vol Index	Index	US Equities	1.00%	1.40%	2.00%	3.50%	3.50%	4.00%	4.00%
L&G Japan Index Trust	Index	Japanese Equities	0.50%	0.90%	1.30%	1.70%	1.70%	2.80%	3.00%
JPM Japan	Active	Japanese Equities	0.40%	0.70%	1.00%	1.30%	1.30%	2.10%	2.30%
Man GLG Japan CoreAlpha	Active	Japanese Equities	0.40%	0.70%	1.00%	1.30%	1.30%	2.10%	2.30%
L&G Pacific Index Trust	Index	Asia Pacific ex Japan Equity	0.60%	1.20%	1.80%	2.70%	2.70%	3.00%	6.30%
Jupiter Asian Income	Active	Asia Pacific ex Japan Equity	0.40%	0.80%	1.20%	1.80%	1.80%	2.00%	4.20%
L&G Global Emerging Markets Index Fund	Index	Emerging Market Equity	2.00%	3.40%	4.20%	6.30%	7.80%	9.00%	12.50%
Vanguard Global Small Cap Index	Index	Small-cap Equity	0.30%	0.50%	0.50%	0.60%	0.80%	1.20%	2.00%
M&G Global Emerging Markets	Active	Emerging Market Equity	0.80%	1.50%	1.80%	2.70%	3.40%	3.80%	5.30%
Wellington Global Stewards	Active	Global Equities	1.10%	1.80%	2.00%	2.70%	3.50%	4.70%	6.70%
Credit and Emerging Market Debt			21.40%	18.00%	20.00%	17.00%	11.00%	6.50%	-
Man GLG High Yield Opportunities	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	2.50%	2.00%	2.00%	2.00%	0.70%	-	-
L&G Short Dated Sterling Corporate Bond	Index	Short-Dated Sterling Credit	5.00%	2.00%	2.00%	0.50%	0.50%	-	-
Man GLG Sterling Corporate Bond	Active	Sterling Credit	2.50%	2.00%	2.00%	2.00%	0.80%	-	-
Robeco Global Credits GBP Hedged	Active	Global Credit	3.90%	3.00%	3.50%	3.50%	1.00%	-	-
Government Bonds			38.60%	28.80%	20.10%	14.60%	13.70%	2.90%	-
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%	-
Alternatives			12.40%	13.10%	11.20%	8.10%	13.30%	12.40%	6.20%
TwentyFour Absolute Return Credit	Active	Absolute Return	4.00%	3.30%	2.00%	1.00%	1.50%	1.80%	0.30%
Henderson Technology	Active	Technology	0.70%	1.50%	2.20%	1.40%	2.00%	2.10%	2.60%
Pictet Clean Energy	Active	Global Infrastructure	0.90%	1.20%	1.20%	1.20%	2.00%	1.40%	1.00%
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%
Clearbridge Global Infrastructure Income Fund	Active	Global Infrastructure	1.00%	1.30%	1.30%	1.30%	2.00%	1.50%	1.00%
AQR Managed Futures	Active	Absolute Return	4.00%	3.30%	2.00%	1.00%	1.50%	1.80%	0.30%
Guinness Global Energy	Active	Commodities	0.30%	0.50%	0.50%	0.20%	0.80%	0.80%	0.50%
Cash			10.20%	7.10%	3.90%	1.80%	0.70%	0.60%	0.50%
L&G Cash Trust	Index	Cash	10.20%	7.10%	3.90%	1.80%	0.70%	0.60%	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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