

L&G Private Markets Access Fund

A daily dealing, diversified fund designed specifically to offer Defined Contribution (DC) schemes the opportunity to access the benefits of private markets.

Reasons to invest:



Provides DC investors with easier access to potential growth opportunities through a global portfolio of private market assets

Private markets cut across a wide range of investments, but mainly refer to real estate, private credit, infrastructure and private equity, including venture capital. Gaining in popularity with investors, private markets have hitherto been hard to access for DC members. This strategy and its structure are designed with an aim to provide a single point of access to a diversified universe of these assets, with the aim of enhancing returns and outcomes for DC scheme members.



Can integrate responsible investing considerations through our high-conviction approach

LGIM invests in assets that we believe will help create a better future, whilst also seeking to deliver attractive risk-adjusted returns. Some of our investments are in underserved areas of society, such as the environment and the real economy, with the intention of delivering real world change. LGIM believes that by accessing these investments, DC members may have an improved investment outcome, as well as an increased interest in how their savings and investments link to the real world.



Open architecture approach combines established L&G capabilities with third party direct and listed exposure

Aiming to provide investors with some of the best opportunities available across the private markets' universe, LGIM leverages L&G's wider capabilities, whilst taking advantage of external private markets opportunities. We do this by investing in third party funds, as well as directly into complementary individual listed securities.

Fund characteristics

Vehicle: PMC

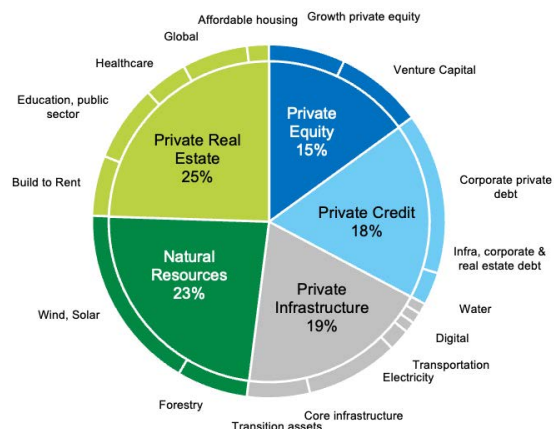
Launch date: 1st July 2024

Fund Manager: Martin Dietz

Current modelled return: 8% -10% p.a. net of fees

Leverage: No leverage on fund of fund level (overdraft facility for settlement). Some underlying funds will use leverage.

Target asset allocation



Source: LGIM, based on model portfolio from June 2024. Figures in chart may be subject to rounding and not add up to exactly 100%. For illustrative purposes only. Holdings and allocations are subject to change. The above information does not constitute a recommendation to buy or sell any security.



What are the potential benefits of private markets for DC scheme members?

Enhanced returns through a reasonable expectation of an illiquidity premium. In addition, because private markets aren't as widely researched, we believe there can be more potential for a fund manager to add value. DC members are long-term investors and we aim to use this capital to enhance returns by offsetting excess liquidity earlier in a member's journey.

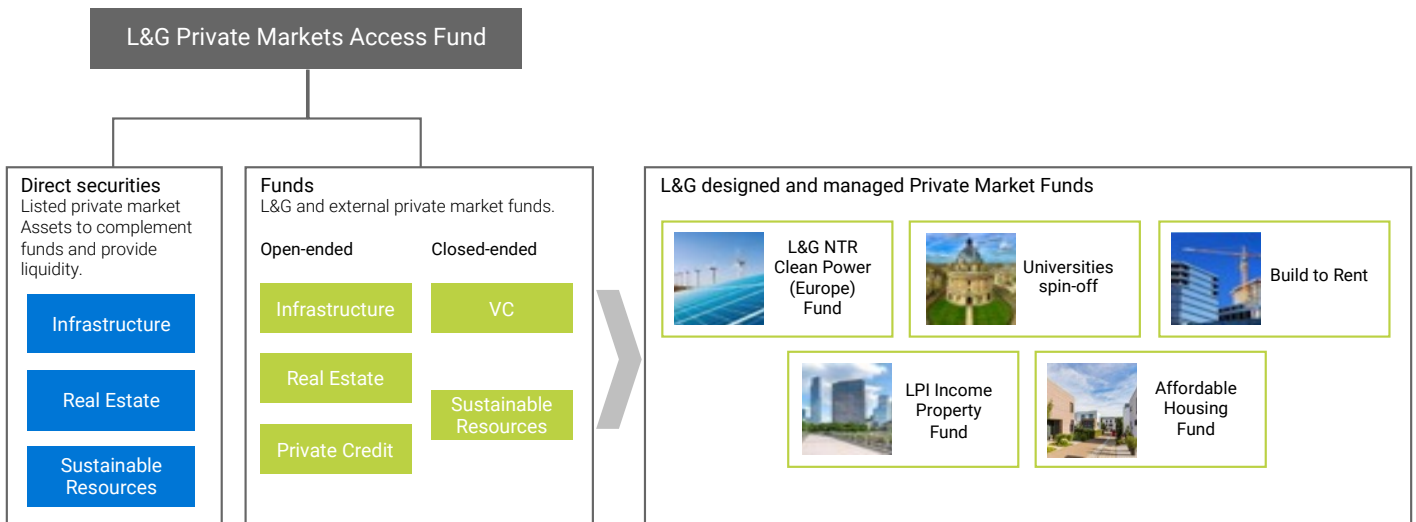
Improved diversification through exposure to companies and strategies that are not typically accessible through public markets. Specifically, this fund invests across a wide range of private market initiatives.

Opportunity to focus on sustainability through investment in high-growth sectors such as clean power and affordable homes.

It should be noted that diversification is no guarantee against a loss in a declining market.

Where does the fund invest?

The strategy aims to invest across a diversified universe of opportunities, including where L&G has a heritage of creating and providing access to assets that seek to benefit society, the environment, and the real economy.



Source: LGIM June 2024. Asset allocation is provided for illustrative purposes only and may be subject to change

How will DC members be able to relate to these investments?

This is best illustrated by way of real life examples. By investing in the L&G NTR Clean Power Europe Strategy the fund enables a pension scheme to directly fund the development of a wind or solar farm, contributing to the green energy transition. Similarly, through the fund's allocation to Legal & General's affordable housing initiatives, which aim to significantly improve the supply, sustainability and quality of affordable homes, a scheme could be making a positive contribution to local communities.

How does the fund seek to invest responsibly?

LGIM considers responsible investment as a financially material risk and it is therefore integrated into our overall approach to investment. As part of this, we have integrated the following approaches for various parts of the portfolio.

Engagement

LGIM engages with companies, regulators, policymakers, industry peers and underlying fund managers where possible, as well as other stakeholders to tackle important issues which have the potential to affect us all¹.

It is useful to note as well, that when investing in private markets, there is often a much larger degree of ownership of the company or initiative, thus providing further opportunity to engage.

Exclusions

LGIM can divest from companies or issuers if they don't meet certain sustainable thresholds, e.g. those on LGIM's Climate Impact Pledge, Future World Protection List or Policy on Coal². This is implemented across all directly held securities and within some of the underlying funds.

Enhancements

LGIM can amplify the sustainable credentials of a portfolio by investing more in those securities or initiatives that score more highly from a sustainability perspective³. E.g. Whilst sustainable resources are already decarbonised, within direct property and infrastructure investments a key consideration in the research process is net zero commitments.

Whilst LGIM has integrated Environmental, Social, and Governance (ESG) considerations into its investment decision-making and stewardship practices, this does not guarantee the achievement of responsible investing goals within funds that do not include specific ESG goals within their objectives.

Why L&G for Private Markets?

LGIM has been an investor in private markets for over 50 years, and as one of Europe's largest asset managers, we have the size and scale to leverage strategic partnerships, as well as our own investment expertise in this area. We use our balance sheet capital to create, manage, and grant access to a range of specialist asset classes. Our purpose is to benefit society, the environment and the real economy, and to drive the transition towards a better future.

Notes:

1. Our Active Ownership report details how our Investment Stewardship and Investment teams exercised voting rights across our entire book and engaged with companies, policymakers and other stakeholders to aim to deliver positive change on topics including biodiversity and deforestation, fair pay and diversity. [Active ownership report \(lgim.com\)](#)
2. The Fund does not apply exclusions criteria with respect to ESG characteristics. Consistency of ESG implementation is challenging in a fund-of-fund context in particular as we use funds from across various asset classes and include external funds. However, a portion of the other Funds which this Fund may hold units in may exclude investments in companies or issuers on LGIM's Future World Protection List, LGIM's Climate Impact Pledge and/or LGIM's Policy on Coal, from time to time. The proportion of other Funds that apply these exclusions will vary over time, with no guarantee that exclusions will be applied to all other Funds. Therefore, the Fund may have exposure to securities or issuers listed on the LGIM's Future World Protection List, LGIM's Climate Impact Pledge exclusions list and/or companies listed on LGIM's coal exclusions list under LGIM's policy on coal, from time to time. Changes to the proportion of other Funds that apply ESG-based exclusions criteria are not anticipated to have any material impact on the risk and reward profile of the Fund.
3. Liquidity management of the fund will be facilitated through standard daily dealing as with our other PMC funds. Sufficient complimentary liquid assets are held to facilitate redemption requests. For greater structural demand for liquidity, so for example, an asset allocation switch by a scheme which requires a large redemption, the fund has clear guidelines in place with these largest requests subject to a 9 month notice period. The portfolio is structured in a way that sufficient private market funds can be liquidated in this time.
4. The Fund is not designed to be held as a complete portfolio and should be seen as an investment opportunity to add private markets exposure to an overall asset allocation.

Contact us

For further information about LGIM, please visit lgim.com or contact your usual LGIM representative



Key risks

The value of investments and the income from them can go down as well as up and you may not get back the amount invested. Past performance is not a guide to future performance.

Important information

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This document does not explain all of the risks involved in investing in the fund. No decision to invest in the fund should be made without first reviewing the prospectus, key investor information document and latest report and accounts for the fund, which can be obtained from <https://fundcentres.lgim.com/>.

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