FUND AIM
The fund will aim to replicate the performance of the index and will ensure the fund has similar characteristics as the index whilst not necessarily holding all the constituents of the index. The anticipated annual tracking error, in normal market conditions, relative to the index is +/-0.60% in two years out of three.

WHO IS THIS FUND FOR?
- The trustees of UK registered defined benefit or defined contribution occupational pension schemes, which may be classified as either retail clients or professional clients.
- Although investors can take their money out at any time, the recommended minimum holding period is 5 years.
- Please refer to your professional advisor who should be able to advise you on the suitability of this fund for your scheme.

FUND FACTS
- Fund size: £6,443.3m
- Base currency: GBP
- Benchmark: FTSE All-World ex CW Climate Balanced Factor Ldx
- Launch date: Feb 2017
- Domicile: United Kingdom

PERFORMANCE (%)

|       | Jun 17 | Jun 18 | Jun 19 | Jun 20 | YTD 3m | 6m 1y 3y Launch |
|-------|--------|--------|--------|--------|--------|-----------------
| Fund  | 12.49  | 6.63   | 12.49  | 24.60  | 11.70  | 10.28          |
| Benchmark | 12.66  | 6.71   | 12.66  | 24.76  | 11.71  | 10.29          |
| Relative | -0.17  | -0.08  | -0.17  | -0.16  | -0.01  | -0.01          |

CALENDAR YEAR PERFORMANCE (%)

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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Fund</td>
<td>6.87</td>
<td>20.22</td>
<td>-1.92</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Benchmark</td>
<td>6.78</td>
<td>20.20</td>
<td>-1.90</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Relative</td>
<td>+0.09</td>
<td>+0.02</td>
<td>-0.02</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

All performance periods over a year will be annualised. Source: LGIM. Performance based on weekly mid-market prices before the deduction of fees. Benchmark is supplied net of tax applicable to UK pension schemes. Past performance is not a guide to the future.

FUTURE WORLD PHILOSOPHY
- The Future World philosophy encapsulates how we identify long-term themes and opportunities, while managing the risks of a changing world.
- We use our scale and influence within the market to propel positive change on environmental, social and governance (ESG) issues, at the same time as seeking to achieve financial success.
- The Future World funds are for clients who want to express a conviction on ESG themes, across a broad array of asset classes and strategies.

FUND CHARACTERISTICS
- The fund invests systematically in a globally diversified portfolio of quoted company shares; the index is designed to favour investment in companies which exhibit characteristics that have historically led to higher returns or lower risk than the market as a whole, and companies which are less carbon-intensive or earn green revenues; the manager will have the discretion to reduce investment in certain companies which do not, in the manager’s view, demonstrate adequate strategies and governance standards to transition to a low carbon economy. LGIM has made a commitment to address climate change by engaging directly with the largest companies in the world who are critical to the shift to a low carbon economy. Companies will be assessed by LGIM for robustness of their strategies, governance and transparency via LGIM’s Climate Impact Pledge. Companies that fail to meet LGIM’s minimum standards in low carbon transition and corporate governance standards may be excluded from the fund. The fund will also exclude shares issued by manufacturers of Controversial Weapons (as defined by FTSE and referred in the index name as ‘ex CW’).

Further ESG information on page 3
PORTFOLIO BREAKDOWN

All data source LGIM unless otherwise stated. Totals may not sum due to rounding. In order to minimise transaction costs, the Fund will not always own all the assets that constitute the index and on occasion it will own assets that are not in the index. The number of fund holdings can differ from the index due to corporate events and proxy holdings.

SECTOR (%)
- Technology: 19.1
- Industrials: 17.5
- Consumer Discretionary: 13.7
- Financials: 11.9
- Health Care: 9.4
- Consumer Staples: 8.6
- Utilities: 5.5
- Telecommunications: 4.8
- Basic Materials: 4.7
- Other: 4.7

MARKET CAPITALISATION (%)
- Large: 69.6
- Mid: 30.4

COUNTRY (%)
- United States: 51.4
- Japan: 10.2
- United Kingdom: 4.1
- Taiwan: 3.6
- Switzerland: 3.1
- France: 2.6
- Sweden: 2.5
- Germany: 2.3
- Canada: 2.3
- Other: 18.0

TOP 10 HOLDINGS (%)
- Microsoft Corp: 3.4
- Apple Inc: 2.7
- Alphabet Cl A: 1.6
- Alphabet Cl C: 1.3
- Johnson & Johnson: 1.0
- Cisco Systems Inc: 0.9
- Taiwan Semiconductor Manufacturing: 0.8
- S&P Global Inc: 0.8
- eBay Inc: 0.6
- Amazon.Com Inc: 0.6

INDEX FUND MANAGEMENT TEAM

The Index Fund Management team comprises 25 fund managers, supported by two analysts. Management oversight is provided by the Global Head of Index Funds. The team has average industry experience of 15 years, of which seven years has been at LGIM, and is focused on achieving the equally important objectives of close tracking and maximising returns.
ESG COMMITMENT

From diesel emissions to oil spills, there have been many tangible examples in recent years of how failures in the way companies are run can have a harmful impact on the environment, society and investor returns. We believe responsible investing can mitigate the risk of such outcomes and has the potential to improve returns through the integration of environmental, social and governance (ESG) considerations, active ownership and long-term thematic analysis.

ESG SCORE

We score companies based on environmental, social and governance factors. We use these scores to design ESG-aware tilted indices which invest more in those companies with higher scores and less in those which score lower, while retaining the investment profile of a mainstream index. The ESG Score is aligned to our engagement and voting activities. As a result, this portfolio has an aggregate ESG Score of 54 versus a mainstream index of 53.

In the fund, we invested more in 1372 companies with higher scores and less in 2671 companies with lower scores.

ENVIRONMENTAL PERFORMANCE

Carbon dioxide (CO2) is the most significant contributor to greenhouse gas emissions which are driving climate change. Compared to a fund tracking the unadjusted benchmark, the fund will have a different exposure to current and future sources of carbon dioxide emissions.

CARBON RESERVES INTENSITY

Carbon reserves are fossil fuels (coal, oil and gas) which, if burnt, will become the carbon emissions of the future. To meet global climate change targets, the unabated use of fossil fuels is expected to decline over time.

The figures below are a measure of the size of carbon reserves held by the fund's underlying companies.

<table>
<thead>
<tr>
<th></th>
<th>Fund</th>
<th>Benchmark</th>
</tr>
</thead>
<tbody>
<tr>
<td>CO2e t/ $1 million of EVIC</td>
<td>508</td>
<td>1,834</td>
</tr>
</tbody>
</table>

The fund has 72% lower carbon reserves intensity compared to a fund tracking the unadjusted benchmark.

The difference in carbon reserves intensity means that for every $1 million invested in the fund, the exposure to carbon reserves through the underlying companies is reduced by an amount equivalent to 1326 tonnes of CO2e compared to having invested in the unadjusted benchmark.

CARBON FOOTPRINT

Following the global Paris Agreement on climate change, companies in all sectors are expected to reduce their emissions to prepare and adapt for a low-carbon economy.

<table>
<thead>
<tr>
<th></th>
<th>Fund</th>
<th>Benchmark</th>
</tr>
</thead>
<tbody>
<tr>
<td>CO2e t/ $1 million of EVIC</td>
<td>62</td>
<td>68</td>
</tr>
</tbody>
</table>

The fund has 9% lower carbon footprint compared to a fund tracking the unadjusted benchmark. Carbon footprint describes the relationship between the carbon emissions of a company and its EVIC.

The difference in carbon footprint means that the fund has selected companies where, for the same level of EVIC, the associated emissions are lower by 6 tonnes of CO2e compared to a fund tracking the unadjusted benchmark.

For further information please go to www.lgim.com/esginfo

The proxy benchmark for this fund is FTSE All-World Index.
NOTES

1 Carbon dioxide equivalent (CO₂e) is a standard unit to compare the emissions of different greenhouse gases.

2 This metric looks at the embedded carbon in the fossil fuel reserves owned by a company, divided by a company’s enterprise value (including cash), to adjust for company size. This represents a carbon reserves intensity score for a company.

3 The choice of this metric follows best practice recommendations from the Task Force on Climate-related Financial Disclosures.

4 Data on carbon emissions from a company’s operations and purchased energy is used.

5 This measure is the result of differences in the weights of companies between the index or the fund and the benchmark, and does not depend on the amount invested in the fund. It describes the relative ‘carbon efficiency’ of different companies in the benchmark (i.e. how much carbon was emitted per unit of sales) or in the fund, not the contribution of an individual investor in financing carbon emissions.

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Source: ISS.
KEY RISKS

- 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.
- The return from your investment is not guaranteed and therefore you may receive a lower or higher return than you anticipated. There will be a variation in performance between funds with similar objectives due to the different assets selected.
- PMC’s charges and associated transaction costs are subject to change, with notice for the former and without notice for the latter. Charges and transactions costs deducted from the policy reduce your potential for capital growth in the future.
- Tax rules and the treatment of income and capital gains could change in the future and may be applied retrospectively.
- Inflation reduces the purchasing power of money over time as the cost of purchasing goods and services increases. If the rate of inflation exceeds the rate of return on your portfolio, it will erode the value of your portfolio and its investments in real terms.
- In extreme market conditions it may be difficult to realise assets held for a fund and it may not be possible to redeem units at short notice. We may have to delay acting on your instructions to sell or the price at which you cancel the units may be lower than you anticipated.
- The value of a fund’s assets may be affected by uncertainties such as international political developments, market sentiment, economic conditions, changes in government policies, restrictions on foreign investment and currency repatriation, currency fluctuations and other developments in the laws and regulations of countries in which investment may be made.
- PMC seeks to mitigate counterparty risk wherever possible on behalf of its policyholders through a variety of measures which include: each fund’s non-cash assets being held with independent custodians, sweeping cash (where appropriate) overnight into the LGIM’s range of Liquidity funds (above a deminimus level), using the delivery versus payment system when settling transactions and the use of central clearing for exchange traded derivatives and forward foreign exchange transactions. However, in the event of the failure of a counterparty, custodian or issuer there is a residual risk that a fund may suffer asset losses which are unrecoverable.

For more information, please refer to the Description of Funds.

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Internal Fund Code: APAZ

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