

Press Release

LGIM and Universal Investment partner to launch an Absolute Return Emerging Market Debt fund for German investors

London/Frankfurt am Main, 2 June 2021 - Legal & General Investment Management (LGIM) and Universal Investment (UI) have today announced the launch of the UI LGIM Emerging Market Debt Absolute Return Bond Fund. This represents the start of a strategic partnership between the two firms in the German-speaking (DACH) region. The Fund is available to institutional and semi-institutional investors in the DACH region.

The Fund is actively managed by LGIM's Emerging Market Debt investment team, who have on average 16 year's experience in the sector and manage €2.7bn in active Emerging Market strategies (as of the end of April 2021). This high-conviction fund will typically have between 50 and 100 holdings, an average credit rating ranging from BB to BBB and a duration between 2.5 and 4.5 years. This new fund is based on the firm's current Emerging Market Absolute Return strategy, which has achieved positive alpha in over 80% of months since inception (March 2015).

By actively integrating ESG considerations at both country and company levels, the new proposition is designed for investors seeking stable, consistent returns over a medium-term time horizon, across all market conditions. The positioning of the Fund means that investors can target attractive returns in an otherwise low yield environment with low duration risk.

Volker Kurr, Head of Europe, Institutional, Legal & General Investment Management (LGIM), commented:
"We are excited to have joined forces with Universal Investment by bringing this strong proposition to the German-speaking market."

"As the largest European institutional asset manager, this is a key partnership for us and is part of our growth plans in the region and the wider Continent. LGIM will leverage its Emerging Market Debt expertise, and long-standing ESG credentials, to combine with Universal Investment's unparalleled distribution network in German-speaking countries."

The Fund seeks to achieve its target return objective 3-month USD LIBOR + 300bps over rolling three-year periods by investing actively across the full emerging-market debt universe. The fund is focused on total returns, building an asymmetric risk profile, and managing downside risks. It is also able to invest in credit default swaps to minimise volatility.

Uday Patnaik, Head of Emerging Markets Debt and the Fund Manager, Legal & General Investment Management (LGIM), commented:

"This Fund can generate alpha returns in rising and falling market conditions thanks to a top-down macro-economic approach. The strategy invests across all asset classes within the emerging-market debt spectrum, while offering downside protection. Through its ability to invest actively across the broad investment universe, the fund can be positioned to aim to achieve better risk-adjusted returns than benchmark-constrained peers."

Katja Mueller, Chief Customer Officer, Universal Investment, added:

"We look forward to working as a partner with LGIM, one of the largest institutional asset managers. As a leading fund service platform, we will not only support LGIM in administration, but also in actively selling its successful strategy to institutional investors in German-speaking countries."

The Fund is a Luxembourg SICAV and is registered for distribution in Germany, to begin with. It will also be registered in Austria and Switzerland. It will be offered to investors in a range of share classes including EUR hedged, unhedged EUR, distribution and accumulation share classes.

LGIM has a strong expertise in responsible investing and takes its investment stewardship obligation seriously. As well as assessing over 16,000 companies under its ESG scoring methodology, LGIM has recently been recognised for being a top supporter of 'climate-critical' shareholder resolutions in 2020 compared to the world's 12 largest asset managers¹. In 2020, independent NGO ShareAction ranked LGIM #1 among asset managers for its approach to climate change². The firm was also selected by the UN Principles for Responsible Investment in October as part of its 'leaders group' on climate change³.

-Ends-

Key Risk Warnings

Reference to a particular security is on a historic basis and does not mean that the security is currently held or will be held within an LGIM portfolio. The above information does not constitute a recommendation to buy or sell any security.

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

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 €1.43 trillion¹. 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.

Universal Investment

The Universal-Investment Group is one of Europe's leading fund service platforms and Super ManCos with around EUR 681 billion in assets under administration, over 1,900 mutual and special fund mandates and a workforce of more than 1,000 at locations in Frankfurt am Main, Luxembourg, Dublin and Krakow. Founded in 1968, the company is an independent platform for asset managers as well as institutional investors offering structuring and administration solutions as well as risk management for Securities, Real Estate and Alternative Investments. The companies [UI Labs](#), [UI Enlyte](#) and [CAPinside](#) complement the group's innovative service offering. Universal-Investment is a signatory of the UN Principles of Responsible Investment. (as of 30 April 2021)

More information available at: www.universal-investment.com

¹LGIM internal data as at 31 December 2020. These figures include assets managed by LGIMA, an SEC Registered Investment Advisor. Data includes derivative positions.

For more information, please contact:

¹ Majority Action, Climate in the Boardroom, How Asset com/

² <https://shareaction.org/research-resources/point-of-no-return>

³ <https://www.unpri.org/the-pri-leaders-group/4771.article>

Christian Zarro

International PR Manager

T: +44 (0)20 3124 4355

E: Lgimprteam@lgim.com

Andrew Gates

Senior PR Manager

T: +44 (0) 20 3124 4363

E: Lgimprteam@lgim.com

Important legal notice:

In the European Economic Area, it is issued by LGIM Managers (Europe) Limited, authorised by the Central Bank of Ireland as a UCITS management company (pursuant to European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011 (S.I. No. 352 of 2011), as amended) and as an alternative investment fund manager with "top up" permissions which enable the firm to carry out certain additional MiFID investment services (pursuant to the European Union (Alternative Investment Fund Managers) Regulations 2013 (S.I. No. 257 of 2013), as amended). Registered in Ireland with the Companies Registration Office (No. 609677). Registered Office: 33/34 Sir John Rogerson's Quay, Dublin, 2, Ireland. Regulated by the Central Bank of Ireland (No. C173733).

LGIM Managers (Europe) Limited operates a branch network in the European Economic Area, which is subject to supervision by the Central Bank of Ireland. In Italy, the branch office of LGIM Managers (Europe) Limited is subject to limited supervision by the Commissione Nazionale per le società e la Borsa ("CONSOB") and is registered with Banca d'Italia (no. 23978.0) with registered office at Via Uberto Visconti di Modrone, 15, 20122 Milan, (Companies' Register no. MI - 2557936). In Germany, the branch office of LGIM Managers (Europe) Limited is subject to limited supervision by the German Federal Financial Supervisory Authority ("BaFin"). In the Netherlands, the branch office of LGIM Managers (Europe) Limited is subject to limited supervision by the Dutch Authority for the Financial Markets ("AFM") and it is included in the register held by the AFM and registered with the trade register of the Chamber of Commerce under number 74481231. Details about the full extent of our relevant authorisations and permissions are available from us upon request. For further information on our products (including the product prospectuses), please visit our website.

