

# LGIM MPS

November 2024  
Blended Portfolio rebalancing changes

## Summary of portfolio changes

### Equities

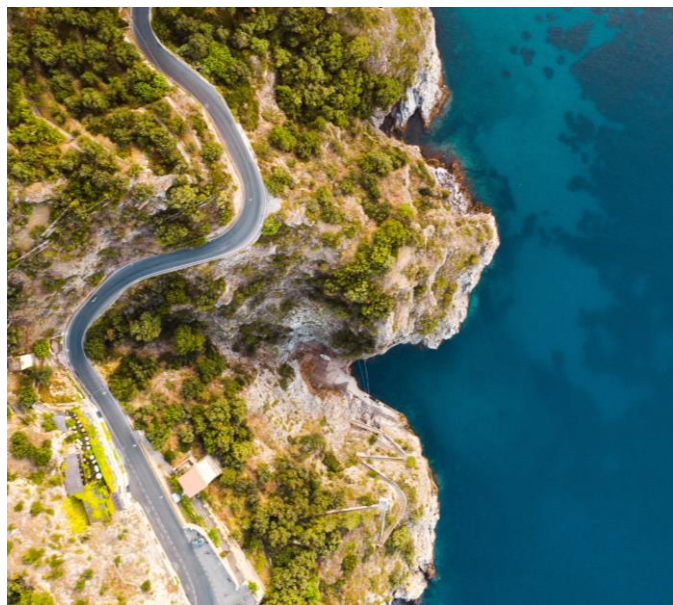
- ⊕ Added to core developed market equities mix
- ⊕ Added new trade: reduced small caps and increased global technology

### Fixed income

- ⊖ Reduced duration
- ⊖ Reduced exposure to UK credit

### Alternatives

- ⊕ Added to alternative




**Equities** – In early November, following the US election result, we decided to do a special rebalance in order to capture markets moves following Donald Trump’s victory. At this rebalance we increased our allocation to core developed market equities, to reflect a less defensive outlook on the asset class. Within equities, we closed our emerging market equities versus European and Japanese equities trade, on the back of significant market movements within emerging market equities. Meanwhile, within equities we implemented a new trade of reducing global small caps in favour of global technology. This rebalance aligns us more closely with our positive view on equities.

**Manager research** – At this rebalance, we added two new funds to our portfolios; FSSA Asia Focus and Abrdn Emerging Market Smaller Companies. The addition of both funds followed our process of manager research due diligence and reflects a gap in the factor exposures in our portfolios, which both funds address.

**Bonds** – At this rebalance we adjusted the portfolios’ duration downwards, by reducing developed market government bonds and global index-linked bonds. By doing this we have shifted the portfolios to reflect our neutral view on duration. We have also further reduced our UK credit exposure to reflect a more negative outlook on the asset class as the spreads on UK credit continue to tighten. In our view, credit spreads remain tight and do not offer sufficient compensation for the potential risks ahead, and as such, we continue to maintain a negative view on the asset class.

**Alternatives** – At this rebalance, we allocated more to our absolute return strategies, as a means of redirecting the cash that resulted from the changes described above. We continue to actively monitor and manage the portfolios to ensure they remain within their risk profiles.

Portfolio	Defensive	Cautious	Cautious Balanced	Balanced	Balanced Growth	Growth	Adventurous
 OCF	0.29%	0.34%	0.37%	0.39%	0.41%	0.45%	0.49%

Source: LGIM, as at 7 November 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
<b>Equities</b>			<b>19.60%</b>	<b>35.00%</b>	<b>46.70%</b>	<b>60.60%</b>	<b>63.30%</b>	<b>78.20%</b>	<b>93.40%</b>
Evenlode Income	Active	UK Equities	1.00%	2.20%	2.40%	3.00%	3.00%	3.40%	3.70%
Schroder Recovery	Active	UK Equities	0.80%	1.70%	1.90%	2.40%	2.40%	2.70%	3.00%
L&G UK Index Trust	Index	UK Equities	1.30%	2.60%	2.80%	3.70%	3.50%	4.10%	4.30%
Artemis Income	Active	UK Equities	1.00%	2.20%	2.40%	3.00%	3.00%	3.40%	3.70%
Artemis UK Select	Active	UK Small Cap Equities	0.50%	1.00%	0.90%	1.50%	1.40%	2.50%	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	0.60%	1.10%	2.00%	2.00%	2.00%	2.80%	3.10%
L&G European Index Trust	Index	European Equities	1.40%	2.60%	4.70%	4.70%	4.70%	6.60%	7.30%
Lightman European Fund	Active	European Equities	0.30%	0.60%	1.20%	1.20%	1.20%	1.70%	1.80%
L&G US Index Trust	Index	US Equities	4.20%	6.90%	10.50%	12.90%	12.90%	14.10%	11.70%
UBS MSCI World Min Vol Index	Index	US Equities	1.20%	1.60%	2.10%	3.70%	3.70%	4.10%	4.00%
L&G Japan Index Trust	Index	Japanese Equities	0.80%	1.10%	1.50%	1.90%	1.90%	2.90%	3.20%
JPM Japan	Active	Japanese Equities	0.50%	0.80%	1.10%	1.40%	1.40%	2.20%	2.40%
Man GLG Japan Core Alpha	Active	Japanese Equities	0.50%	0.80%	1.10%	1.40%	1.40%	2.20%	2.40%
L&G Pacific Index Trust	Index	Asia Pacific ex Japan Equity	0.50%	1.00%	1.50%	2.30%	2.30%	2.50%	5.30%
Jupiter Asian Income	Active	Asia Pacific ex Japan Equity	0.30%	0.50%	0.80%	1.10%	1.10%	1.30%	2.60%
FSSA Asia Focus	Active	Asia Pacific ex Japan Equity	0.30%	0.50%	0.80%	1.10%	1.10%	1.30%	2.60%
L&G Global Emerging Markets Index Fund	Index	Emerging Market Equity	1.50%	2.70%	3.30%	5.10%	6.30%	7.20%	10.20%
Abrdn Emerging Markets Smaller Companies	Active	Emerging Market Equity	0.50%	0.90%	1.10%	1.70%	2.10%	2.40%	3.40%
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	0.50%	0.90%	1.10%	1.70%	2.10%	2.40%	3.40%
Wellington Global Stewards	Active	Global Equities	1.10%	1.80%	2.00%	2.70%	3.50%	4.70%	6.70%
<b>Credit and Emerging Market Debt</b>			<b>19.40%</b>	<b>16.00%</b>	<b>18.00%</b>	<b>16.00%</b>	<b>10.00%</b>	<b>6.50%</b>	<b>-</b>
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	1.50%	1.00%	1.00%	1.50%	0.20%	-	-
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	1.50%	1.00%	1.00%	1.50%	0.30%	-	-
Robeco Global Credits GBP Hedged	Active	Global Credit	3.90%	3.00%	3.50%	3.50%	1.00%	-	-
<b>Government Bonds</b>			<b>35.10%</b>	<b>25.40%</b>	<b>17.20%</b>	<b>12.00%</b>	<b>11.10%</b>	<b>0.40%</b>	<b>-</b>
L&G All Stocks Gilt Index	Index	UK Sovereign	8.20%	6.30%	4.90%	2.80%	2.80%	-	-
Vanguard Euro Govt Bond Index GBP Hedged	Index	EU Sovereign	1.80%	1.30%	0.80%	0.80%	0.80%	-	-
L&G Global Inflation Linked Bond Index	Index	Global Inflation Linked	8.20%	5.00%	2.50%	1.50%	1.50%	-	-
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	13.40%	9.30%	8.00%	5.90%	5.00%	0.40%	-
<b>Alternatives</b>			<b>14.40%</b>	<b>14.80%</b>	<b>12.80%</b>	<b>8.70%</b>	<b>14.30%</b>	<b>13.40%</b>	<b>6.10%</b>
TwentyFour Absolute Return Credit	Active	Absolute Return	5.00%	4.20%	2.80%	1.30%	2.00%	2.30%	0.30%
Henderson Technology	Active	Technology	0.70%	1.50%	2.20%	1.40%	2.00%	2.10%	2.50%
Pictet Clean Energy	Active	Global Infrastructure	0.90%	1.10%	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	5.00%	4.20%	2.80%	1.30%	2.00%	2.30%	0.30%
Guinness Global Energy	Active	Commodities	0.30%	0.50%	0.50%	0.20%	0.80%	0.80%	0.50%
<b>Cash</b>			<b>11.50%</b>	<b>8.80%</b>	<b>5.30%</b>	<b>2.70%</b>	<b>1.30%</b>	<b>1.50%</b>	<b>0.50%</b>
L&G Cash Trust	Index	Cash	11.50%	8.80%	5.30%	2.70%	1.30%	1.50%	0.50%

\*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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## Contact us

For further information about LGIM, please visit [lgim.com](https://www.lgim.com) or contact your usual LGIM representative



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