



L&G MPS

ESG Screened and Selected Portfolio*

Summary of portfolio changes

Equity

- ⊖ Closed long UK mid cap vs UK large cap.
- ⊕ Increased overall equity exposure.

Fixed income

- ⊕ Increased duration exposure.

*The portfolio names of the L&G ESG Screened and Selected range were changed from L&G ESG portfolios as of 21 November 2025.

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Strategic Asset Allocation changes

In February 2026, we updated the portfolios' strategic asset allocation in order to maintain and align our position within the existing risk bands. In all but one portfolio, this consisted of increasing equity exposure which added risk to the portfolios. This increase in equity exposure was largely funded through reductions in cash and investment grade credit for the lower risk funds, and through reductions in our allocations to alternatives and alternative credit for the higher risk portfolios.


For MPS 6, the standalone fund which did not increase equity risk, the overall risk in the portfolio was in fact lowered to avoid being too close to the risk profile upper boundary. We reduced equity and alternative credit exposure and re-allocated to alternatives and bonds.

February MPS rebalance changes

Equities – Having reduced our overall equity exposure in November's rebalance, we have increased our equity allocation across the portfolios back to neutral. Initially, we reduced our holding due to caution around elevated valuations, trade tensions and signs of US labour-market stress. However, as market sentiment has returned to more balanced levels following the AI stock volatility seen during the fourth quarter and given the relatively benign macroeconomic outlook, we have improved our view on equities to neutral.

Within the equity component of the portfolios, we closed our long UK mid cap versus UK large cap position. We initially opened this position amid heightened market anxiety over the state of the UK's economy prior to the last year's November Budget. However, in our view UK politics seem likely to weigh on investor sentiment toward the UK in the short and medium term, and commodity-driven upgrades to FTSE 100 earnings have eroded the relative earnings attraction of UK mid caps. Therefore, we have chosen to close this relative position.

Bonds – We have taken the opportunity at this rebalance to increase duration across the portfolios as we upgrade our view from neutral to positive. This stems from our belief that AI will most likely be disinflationary rather than inflationary, creating a more supportive environment for interest rate cuts. In the portfolios, we continue to favour European nominal government bonds versus US treasuries as we seek to further diversify our global government bond holdings.

Portfolio	Defensive	Cautious	Cautious Balanced	Balanced	Balanced Growth	Growth	Adventurous
 Ongoing Charges Figure	0.20%	0.19%	0.17%	0.16%	0.16%	0.16%	0.14%

Target asset allocation – ESG Screened and Selected

Investment Styles:

① Index ② Active

Asset Class	Underlying holding	ESG Asset Type	Defensive	Cautious	Cautious Balanced	Balanced	Balanced Growth	Growth	Adventurous
Equity			23.1%	38.4%	53.4%	63.3%	71.7%	82.8%	98.0%
UK	① Legal & General Future World ESG Tilted and Optimised UK Index	Future World Principles	4.2%	8.1%	10.7%	12.3%	14.1%	16.6%	12.0%
Europe ex UK	① Legal & General Future World ESG Tilted and Optimised Europe ex UK Index	Future World Principles	2.6%	5.1%	8.7%	7.7%	9.6%	11.5%	11.0%
North America	① Legal & General Future World ESG Tilted and Optimised North America Index	Future World Principles	9.7%	13.9%	18.0%	21.2%	22.6%	24.6%	29.2%
Japan	① Legal & General Future World ESG Tilted and Optimised Japan Index	Future World Principles	1.1%	2.0%	3.1%	4.1%	4.5%	8.0%	5.0%
Asia Pacific ex Japan	① Legal & General Future World ESG Tilted and Optimised Asia Pacific Index	Future World Principles	0.7%	2.1%	3.9%	5.4%	5.8%	6.0%	14.8%
Emerging Markets	① Legal & General Future World ESG Tilted and Optimised Emerging Markets Index	Future World Principles	1.2%	3.9%	5.6%	8.6%	10.8%	11.6%	20.5%
High Growth	① L&G Global Technology Index	Other	3.6%	3.3%	3.4%	4.0%	4.3%	4.5%	5.5%
Credit and EMD			8.4%	7.1%	6.2%	3.2%	2.0%	1.3%	0.0%
High Yield	② L&G Active Global High Yield Bond	Other	1.5%	1.1%	0.7%	0.3%	0.2%	0.0%	0.0%
EM Debt (hard)	① L&G EM Government Bond (USD) Screened Index	ESG Enhancements	1.5%	2.5%	2.5%	1.0%	1.5%	1.0%	0.0%
EM Debt (local)	① L&G EM Government Bond (Local Currency) Screened Index	ESG Enhancements	0.5%	1.3%	1.1%	0.4%	0.1%	0.3%	0.0%
UK Credit	② Liontrust Sustainable Future Corporate Bond	Positive Selection	3.1%	1.4%	0.5%	0.0%	0.0%	0.0%	0.0%
Global Credit	② Wellington Global Credit ESG Fund	ESG Enhancements	1.8%	0.8%	1.4%	1.5%	0.2%	0.0%	0.0%
Government Bonds			43.8%	36.2%	28.9%	22.0%	15.7%	3.3%	0.0%
UK	① L&G All Stocks Gilt Index	Minimum Criteria	18.9%	16.1%	12.2%	9.5%	6.4%	1.6%	0.0%
UK Inflation-Linked	① L&G All Stocks Index Linked Gilt Index	Minimum Criteria	1.0%	1.0%	0.7%	1.0%	0.5%	0.0%	0.0%
Eurozone	① Vanguard Euro Government Bond Index GBP Hedged	Minimum Criteria	6.8%	5.3%	5.4%	3.8%	2.8%	0.7%	0.0%
Global Inflation-Linked	① L&G Global Inflation Linked Bond Index	Minimum Criteria	7.7%	5.2%	2.3%	2.5%	1.7%	1.0%	0.0%
United States	① Vanguard US Govt Bond Index GBP Hedged	Minimum Criteria	9.4%	8.6%	8.3%	5.2%	4.3%	0.0%	0.0%
Alternatives			17.0%	17.3%	10.7%	9.3%	9.3%	11.2%	1.5%
Absolute Return	② L&G Strategic Bond Fund	Other	11.0%	11.3%	5.7%	5.3%	4.3%	4.5%	1.0%
Infrastructure	② Clearbridge Global Infrastructure Income Fund	Other	3.0%	3.0%	2.5%	2.0%	2.5%	3.1%	0.0%
Property	① iShares Environment & Low Carbon Tilt REITs	ESG Enhancements	3.0%	3.0%	2.5%	2.0%	2.5%	3.6%	0.5%
Cash	② L&G Cash Trust	Other	7.7%	1.0%	0.8%	2.2%	1.3%	1.4%	0.5%

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