



L&G MPS

Index Portfolio

Summary of portfolio changes

Equity

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

Fixed income

- ⊕ Increased duration exposure

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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 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	0.18%	0.17%	0.14%	0.13%	0.14%	0.14%	0.12%

Target asset allocation – Index

Investment Styles:

Ⓜ Index Ⓜ Active

Asset class	Underlying holding	Defensive	Cautious	Cautious Balanced	Balanced	Balanced Growth	Growth	Adventurous
Equity		21.6%	37.4%	53.1%	62.4%	71.6%	84.4%	98.0%
UK	Ⓜ L&G UK Index Trust	3.2%	7.1%	8.7%	9.8%	11.1%	13.6%	9.5%
UK Small-Cap	Ⓜ L&G UK Mid Cap Index	1.0%	2.0%	2.0%	3.5%	3.0%	3.0%	7.5%
Europe ex UK	Ⓜ L&G European Index Trust	2.1%	4.6%	8.7%	7.7%	9.1%	11.5%	12.5%
North America	Ⓜ L&G US Index Trust	7.2%	9.4%	12.2%	15.7%	16.2%	17.6%	16.9%
Global	Ⓜ UBS MSCI World Min Vol Index	2.0%	2.1%	3.2%	3.5%	4.3%	3.8%	4.6%
Global Small-Cap	Ⓜ Vanguard Global Small Cap Index	0.7%	1.2%	2.7%	1.0%	2.5%	3.0%	5.0%
Japan	Ⓜ L&G Japan Index Trust	1.1%	2.0%	3.1%	4.1%	4.5%	8.0%	5.0%
Asia Pacific ex Japan	Ⓜ L&G Pacific Index Trust	0.5%	1.5%	3.0%	4.5%	5.0%	5.1%	10.0%
Emerging Markets	Ⓜ L&G Global Emerging Markets Index Fund	1.0%	4.0%	5.6%	8.1%	10.0%	11.0%	19.0%
High Growth	Ⓜ L&G Global Technology Index Trust	2.8%	3.5%	3.9%	4.5%	5.9%	7.8%	8.0%
Credit & EMD		11.8%	10.2%	8.9%	8.0%	3.8%	2.8%	0.0%
High Yield	Ⓜ L&G Active Global High Yield	1.5%	1.1%	0.7%	0.8%	0.2%	0.0%	0.0%
EM Debt (hard)	Ⓜ Legal & General EM Government Bond (US\$) Index	1.5%	2.5%	2.5%	2.3%	1.5%	1.2%	0.0%
EM Debt (local)	Ⓜ Legal & General EM Government Bond Local Currency Index	0.5%	1.3%	1.1%	0.9%	0.1%	0.3%	0.0%
UK Credit	Ⓜ L&G Sterling Corporate Bond Index	2.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
UK Credit (short duration)	Ⓜ L&G Short Dated Sterling Corporate Bond Index	4.5%	4.5%	3.2%	2.5%	1.8%	1.3%	0.0%
Global Credit	Ⓜ Vanguard Global Credit Bond Fund	1.8%	0.8%	1.4%	1.5%	0.2%	0.0%	0.0%
Government Bonds		41.9%	33.6%	27.3%	20.7%	14.8%	2.4%	0.0%
UK	Ⓜ L&G All Stocks Gilt Index	16.6%	13.2%	10.2%	8.2%	5.5%	1.1%	0.0%
UK Inflation-Linked	Ⓜ L&G All Stocks Index Linked Gilt Index Trust	1.0%	1.0%	0.7%	1.0%	0.5%	0.0%	0.0%
Eurozone	Ⓜ Vanguard Euro Government Bond Index GBP Hedged	6.8%	5.3%	5.4%	3.8%	2.8%	1.0%	0.0%
Global Inflation-Linked	Ⓜ L&G Global Inflation Linked Bond Index	7.7%	5.7%	2.7%	2.5%	1.7%	0.0%	0.0%
United States	Ⓜ Vanguard US Govt Bond Index GBP Hedged	9.8%	8.4%	8.3%	5.2%	4.3%	0.3%	0.0%
Alternatives		18.1%	16.3%	9.8%	8.3%	9.3%	9.9%	1.5%
Absolute Return	Ⓜ L&G Multi-Asset Target Return Fund	7.4%	6.2%	2.7%	2.3%	2.7%	3.7%	0.7%
Absolute Return	Ⓜ L&G Strategic Bond Fund	3.2%	2.6%	1.1%	1.0%	1.1%	1.7%	0.3%
Property	Ⓜ L&G Global Real Estate Dividend Index	3.0%	3.0%	2.5%	2.0%	2.0%	1.5%	0.5%
Infrastructure	Ⓜ L&G Global Infrastructure Index	3.0%	3.0%	2.5%	2.0%	2.0%	1.5%	0.0%
Commodities	Ⓜ Guinness Global Energy	1.5%	1.5%	1.0%	1.0%	1.5%	1.5%	0.0%
Cash	Ⓜ L&G Cash Trust	6.6%	2.5%	0.9%	0.6%	0.5%	0.5%	0.5%

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