

LGIM Managers (Europe) Limited Remuneration policy summary.

Key risk

The value of an investment and any income taken from it is not guaranteed and can go down as well as up, and the investor may get back less than the original amount invested.



Introduction

This document forms the remuneration policy operated by LGIM Managers (Europe) Limited ('LGIM Europe'), an entity which is part of the Legal & General Investment Management (Holdings) Limited (LGIM(H)), itself part of Legal & General Group plc ('L&G Group').

The UCITS (Undertakings for Collective Investment in Transferable Securities) directive allows collective investment schemes to operate freely throughout the EU and the AIFM (Alternative Investment Fund Manager) directive, relates to the operation of hedge funds, private equity, real estate, and other 'alternative' investments, within the EU. Under both directives, LGIM Europe is required to operate sound and prudent remuneration policies, practices and organisation structures that must be consistent with effective risk management and aligned to the interests of fund managers and investors. This remuneration policy follows prescribed principles in a way and to the extent that is appropriate to the size and internal organisation of the company and to the nature, scope and complexity of the company's activities.

The policy reflects the company's objective for good corporate governance and:

- is consistent with and promotes sound and effective risk management across all risk categories* and does not encourage risk-taking that is inconsistent with the risk profile, rules or instruments of incorporation of the company and each of its funds and
- is consistent with the business strategies, objectives, values and interests of each fund and includes measures to avoid conflicts of interest or, where conflicts cannot be avoided, that they can be appropriately managed at all times

The remuneration policy is also consistent with and promotes sound and effective risk management by:

- having a business model that by its nature does not promote excessive risk taking
- defining performance goals and objectives for the company that are aligned with the business and
- ensuring that the fixed salary element of those involved in relevant functions reflects the market rate

The remuneration policy (together with compliance herewith) will be subject to an annual central and independent internal review by the non-executive board, led by the chairperson, who are also responsible for monitoring the remuneration policy. Given the limited nature, scale and complexity of the company's activities, the remuneration policy will not be subject to an external, independent review. The review by the chairperson and the board will ensure that:

- the overall remuneration system operates as intended
- the remuneration pay-outs are appropriate
- the risk profile, long-term objectives and goals of each sub-fund are adequately reflected and
- the policy reflects best practice guidelines and regulatory requirements

The board will take appropriate measures to address any deficiencies identified in the remuneration policy. The remuneration policy reflects the company's objectives for good corporate governance and alignment of the long-term interests of the company. The remuneration policy focuses on promoting sound and effective risk management through a stringent governance structure for setting goals and incorporating measures to avoid conflicts of interest, including both financial and non-financial goals in performance.

*Risk categories, may include for example, but are not limited to: financial risk, sustainability risk, and other non-financial risks.

No variable remuneration will be paid to any member of the board. The fixed fee for non-executive members of the board who are independent and/or are not employees of LGIM(H) will be commercially negotiated. The remuneration policy is compliant with the relevant provisions of the UCITS Regulations and Schedule 2 of the AIFM Regulations, and the guidelines on sound remuneration policies under the UCITS Directive and AIFMD issued by the European Securities and Markets Authority (the ESMA Guidelines ESMA 2016/411).

LGIM Europe company structure

LGIM Managers (Europe) Limited ('LGIM Europe') is a wholly owned subsidiary of LGIM(H). Its primary delegate for the provision of investment management services, as well as promotion and distribution of its UCITS and AIF fund ranges in the UK and certain other jurisdictions, is Legal & General Investment Management (LGIM), which is also a wholly owned subsidiary of LGIM(H).



LGIM Europe business mix

- LGIM Europe acts as alternative investment fund manager to LGIM (Ireland) Risk Management Solutions plc, a Central Bank of Ireland authorised qualifying investor alternative investment fund with 125 sub-funds and segregated liability between sub-funds
- LGIM Europe acts as UCITS management company to LGIM Liquidity Funds plc, a Central Bank of Ireland authorised UCITS umbrella with four sub-funds and segregated liability between sub-funds
- LGIM Europe acts as UCITS management company to the Legal & General Common Contractual Fund, a Central Bank of Ireland authorised UCITS umbrella with six sub-funds and segregated liability between sub-funds, all of which have launched
- LGIM Europe acts as UCITS management company to Legal & General ICAV (Irish Collective Asset Management Vehicle), a Central Bank of Ireland authorised UCITS umbrella with segregated liability between sub-funds, 22 of which have been launched
- LGIM Europe acts as alternative investment fund manager to Legal & General QIAIF (Qualifying Investor Alternative Investment Fund) ICAV, a Central Bank of Ireland authorised qualifying investor alternative investment fund with nine sub-funds and segregated liability between sub-funds
- LGIM Europe shall be appointed to act as UCITS management company to Legal & General SICAV1, a Commission de Surveillance du Secteur Financier (CSSF) authorised UCITS umbrella with 28 live sub-funds and segregated liability between sub-funds

- L&G NTR Clean Power (Europe) Fund (CPEF), a closed ended Luxembourg special limited partnership organised as a reserved alternative investment fund (under Chapter 4 of the Luxembourg law 23 July 2016 on reserved alternative investment funds)
- Individual Portfolio Management (IPM), the management of segregated portfolios of investments, including those owned by pension funds, in accordance with mandates given by investors on a discretionary, client-by-client basis, where such portfolios include one or more of the instruments listed under MiFID II

LGIM Europe acts as UCITS management company to Legal & General UCITS ETF plc, a Central Bank of Ireland authorised UCITS umbrella with segregated liability between sub-funds, 54 of which have been launched.

Umbrella Company	Status	AUM December 2024 €'m	Total AUM (%)
LGIM (Ireland) Risk Management Solutions plc	AIF Umbrella	40,154	28.5%
LGIM Liquidity Funds plc	UCITS Umbrella	49,744	35.3%
Legal & General Common Contractual Fund	UCITS Umbrella	8,286	5.9%
Legal & General ICAV	UCITS Umbrella	10,263	7.3%
Legal & General QIAIF	AIF Umbrella	4,876	3.5%
Legal & General SICAV	UCITS Umbrella	12,603	8.9%
Legal & General UCITS ETF plc	UCITS Umbrella	14,723	10.4%
L&G NTR Clean Power (Europe) Fund ("CPEF")	AIF Umbrella	252	0.2%
Total		140,901	100%

As per the table above, fewer than 32.2% of the assets under management (AUM) held within pooled investment mandates for which LGIM Europe acts as management company are held in funds that are subject to the AIFM directive, with the remaining 67.8% held in funds subject to the UCITS directive. These figures are correct as 31 December 2024. These proportions are reviewed annually.

Practical application

It is important to note that while LGIM Europe has direct employees who fulfil both directorships and designated persons' roles, it does not contractually employ any full-time or even part-time portfolio managers, though various designated persons employed by LGIM Europe are responsible for overseeing that activity. Therefore, it pays no remuneration, either fixed or variable to any individuals who are responsible for managing the investments of these funds on a day-to-day basis. LGIM Europe delegates much of the significant risk-taking activities to its primary delegate, Legal & General Investment Management Limited ('LGIM'). The individuals acting as portfolio managers on behalf of LGIM are contractually employed by the same holding company, which is Legal & General (Holdings) Ltd.

1. SICAV is an acronym for société d'investissement à capital variable, which is an open-ended collective investment scheme that may be in the form of a contractual fund or an investment company with variable capital.

LGIM Europe will be entirely reliant on the remuneration policy of LGIM(H) to ensure that both individuals undertaking controlled functions on its behalf and those individuals whose professional activities have a material impact on the risk profile of the UCITS Management Company or AIFM, or the UCITS or AIFs, which they manage, are remunerated appropriately. This will be that they are remunerated in a way that is consistent with, if not exactly the same as, the UCITS remuneration requirements.

Legal & General (Holdings) Ltd subsidiaries including, but not limited to, LGIM Europe, and LGIM, are potentially subject to a number of remuneration regimes, including BIPRU, AIFMD, Solvency II, CRD IV and UCITS V. Therefore, to the fullest extent possible, LGIM(H) will seek to apply a single remuneration policy for all of its employees that is consistent with the requirements of these varying directives. However, it will also apply the concept of proportionality to allow for the payment of deferred variable remuneration in the shares of Legal & General Group plc, as well as or instead of payment being made in the shares of a particular UCITS Fund or Alternative Investment Fund (AIF) or range of UCITS Funds or AIFs.

The remuneration policy that has been put in place by LGIM(H) is consistent with the overarching Group-wide remuneration policy, which is applied across Legal & General Group plc, and is overseen by the Group Remuneration Committee, which operates within a documented term of reference. The policy is designed to reward investment professionals and other senior management personnel for long-term performance of the assets which they manage; it substantively observes the principles enshrined within the UCITS Regulations. The policy will be under regular review and updated to ensure that it is consistent with the Central Bank of Ireland's expectation and wider market practice.

The key features of the remuneration policy include:

- a documented appraisal process that ensures individual performance is reviewed against objectives and seeks to ensure the fair treatment of customers
- a specific percentage of any variable remuneration that is paid is deferred in non-cash instruments, typically either in the shares of Legal & General Group plc or units indexed to the performance of funds managed by affiliate entities within LGIM(H). These awards must be held for a specified period of time (usually three years) before they can be sold or redeemed; the concepts of malus and clawback* exist and are legally enforceable depending on the nature of an employee's departure, i.e. they are a 'good' leaver or a 'bad' leaver**.

Further details regarding the LGIM(H) and LGIM Europe remuneration policies will be published on its website <http://www.lgim.com/uk/en/remuneration/>

*A 'malus' provision is one that – should specified events occur – allows the remuneration committee to adjust an executive's bonus downward before the award vests and is delivered (i.e. paid in cash or satisfied in shares). In contrast, a 'clawback' provision lets the remuneration committee require an executive to repay cash, or return shares, which formed part or all of an award that has already vested and been delivered – again should a specified trigger event occur.

** A 'good leaver' is generally someone who has left but for reasons they are unable to control, which may include redundancy, retirement or injury/disability. If an employee has left the L&G Group under these circumstances they may receive favourable treatment towards their shares when leaving the company.

Disclosure

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Contact us:

For further information about the Asset Management business of L&G, please visit am.landg.com or contact your usual L&G representative.



Key risk

Past performance is not a guide to the future. The value of an investment and any income taken from it is not guaranteed and can go down as well as up, and the investor may get back less than the original amount invested..

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