

Retirement Income Multi-Asset Fund

Unit-Linked Life Insurance Reported in GBP (Gross of charges)



FUND AIM

The investment objective of the fund is to provide long-term investment growth up to and during retirement, and to facilitate the drawdown of retirement income.

RISK AND REWARD PROFILE



The summary risk indicator is a guide to the level of risk of this product compared to other products. It shows how likely it is that the product will lose money because of movements in the markets or because we are not able to pay you.

The risk indicator assumes you keep the product for 5 years. The actual risk can vary significantly if you cash in at an early stage and you may get back less.

For more information, please refer to the Key Risks section on page 3.

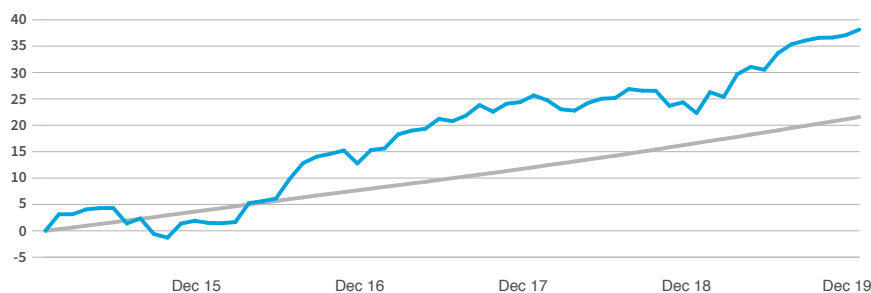
WHO IS THIS FUND FOR?

- The trustees of UK registered defined benefit or defined contribution occupational pension schemes, which may be classified as either retail clients or professional clients.
- Although investors can take their money out at any time, the recommended minimum holding period is 5 years.
- Please refer to your professional advisor who should be able to advise you on the suitability of this fund for your scheme.

FUND FACTS

Fund size £552.1m	Base currency GBP	Comparator Bank of England base rate +3.5%
Launch date Sep 2014	Domicile United Kingdom	

PERFORMANCE (%)



	YTD	3m	6m	1y	3y	5y
■ Fund	12.93	1.16	3.35	12.93	6.21	6.68
■ Comparator	4.25	1.05	2.14	4.25	4.05	4.01
Relative	+8.68	+0.11	+1.21	+8.68	+2.16	+2.67

CALENDAR YEAR PERFORMANCE (%)

	2019	2018	2017	2016	2015
Fund	12.93	-2.65	8.98	13.62	1.51
Comparator	4.25	4.13	3.78	3.90	4.00
Relative	+8.68	-6.78	+5.20	+9.72	-2.49

All performance periods over a year will be annualised. Source: LGIM. Performance based on weekly mid-market prices before the deduction of fees. **Past performance is not a guide to the future.**

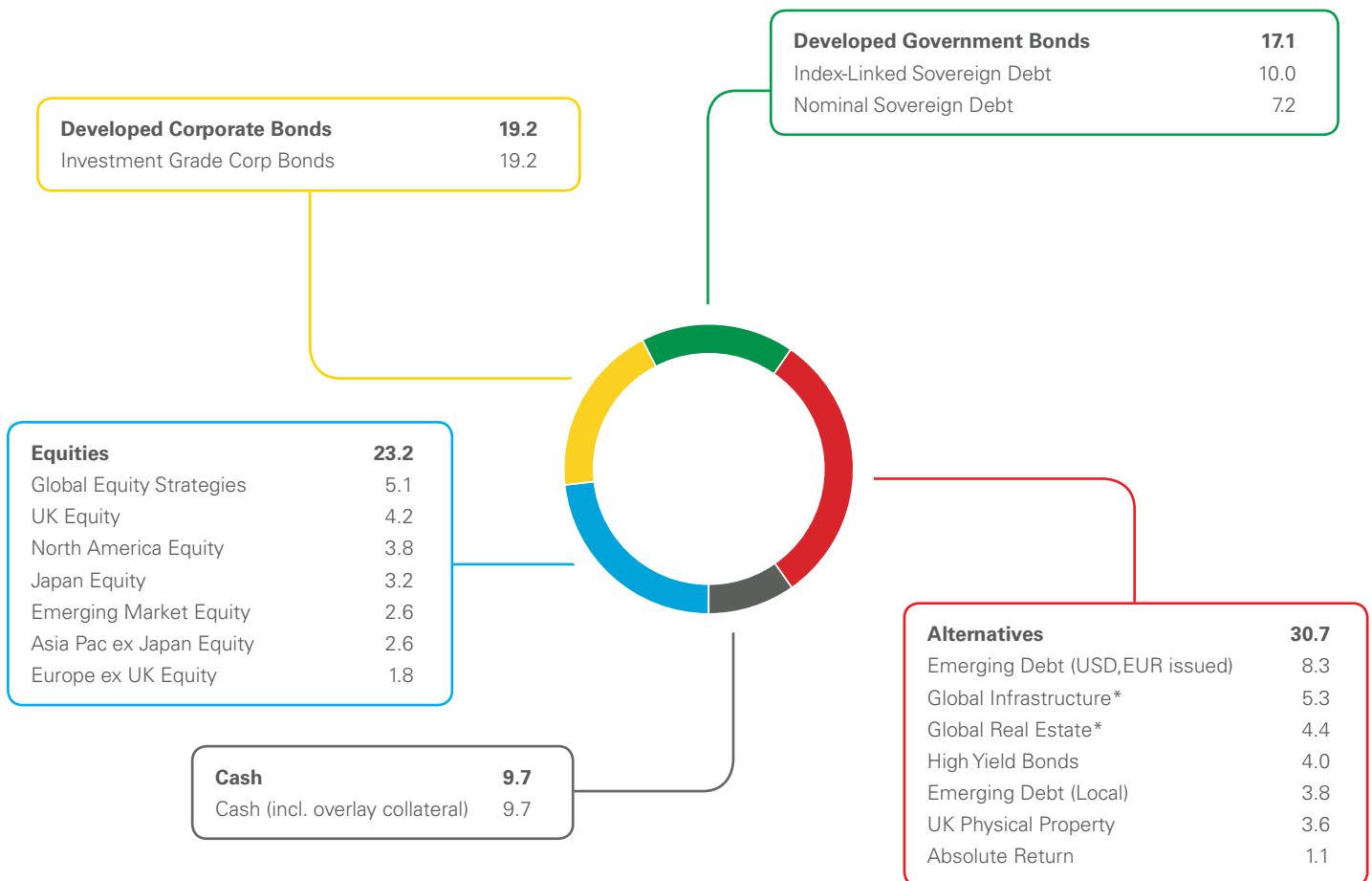
FUND CHARACTERISTICS

The fund provides exposure to a range of different asset classes that may include equities, bonds, property, commodities, and listed infrastructure, private equity and global real estate companies, which may be actively or passively managed. The asset allocation of the fund is managed by LGIM with the aim of enhancing returns and managing downside risk. The fund provides exposure to a combination of UK and overseas assets with a flexible approach to managing foreign currency exposure.

Derivatives may be used for efficient portfolio management.

PORTFOLIO BREAKDOWN

All data source LGIM unless otherwise stated. Totals may not sum due to rounding.



FUND MANAGER COMMENTARY

The Retirement Income Multi-Asset Fund returned +1.2% over the quarter. This brings the total return since inception to +6.6% per annum versus an objective of +4.0% per annum.

The main asset contributions to performance came from currency hedging (+1.5%), US equities (+0.3%), and Japanese equities (+0.3%). In terms of detractors, US inflation-linked bonds (-0.6%), hard currency emerging-market debt (-0.5%), and euro corporate bonds (-0.3%) weighed on performance.

We reduced our overall equity exposure, with the largest reduction being in Japanese equities (-0.5%). We switched around half of the Fund's emerging-market equity exposure to the LGIM Future World Emerging Market Equity Index fund (+2.25%) (Future World funds tilt relative to a market-capitalisation approach based on LGIM's ESG score) from its standard equivalent.

We continued to add to our German bund exposure so that we now have a +2.5% position as yields are up significantly from their lows and now offer attractive carry relative to the European Central Bank's negative deposit rate. In addition, we added duration in Japan (+1.0%) as yields are attractive versus other developed markets, and in France (+0.5%). We also reduced our hedges on US treasuries (+1.5%) and gilts (+1.0%).

We reduced our positions in both UK (-0.5%) and US (-0.5%) corporate bonds following spread tightening. Spreads are at their tightest since mid-2018. We increased our exposure to emerging-market debt as yields are relatively attractive (+0.5%).

FUND MANAGERS

The Fund is managed by LGIM's Asset Allocation team. The team has a wealth of experience in fund management, investment strategy and economics. They are responsible for a wide range of multi-asset funds and investment strategies across LGIM's client base. The Fund allows a broad range of pension fund investors to access this expertise.

The day-to-day implementation of the allocation of the fund is managed by the Allocation Strategy Management team.

*Exposure through shares in listed infrastructure and global Real Estate Investment Trusts (REITs).

Asset allocations are subject to change.

KEY RISKS

- 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.
- The return from your investment is not guaranteed and therefore you may receive a lower or higher return than you anticipated. There will be a variation in performance between funds with similar objectives due to the different assets selected.
- PMC's charges and associated transaction costs are subject to change, with notice for the former and without notice for the latter. Charges and transactions costs deducted from the policy reduce your potential for capital growth in the future.
- Tax rules and the treatment of income and capital gains could change in the future and may be applied retrospectively.
- Inflation reduces the purchasing power of money over time as the cost of purchasing goods and services increases. If the rate of inflation exceeds the rate of return on your portfolio, it will erode the value of your portfolio and its investments in real terms.
- In extreme market conditions it may be difficult to realise assets held for a fund and it may not be possible to redeem units at short notice. We may have to delay acting on your instructions to sell or the price at which you cancel the units may be lower than you anticipated.
- The value of a fund's assets may be affected by uncertainties such as international political developments, market sentiment, economic conditions, changes in government policies, restrictions on foreign investment and currency repatriation, currency fluctuations and other developments in the laws and regulations of countries in which investment may be made.
- PMC seeks to mitigate counterparty risk wherever possible on behalf of its policyholders through a variety of measures which include: each fund's non-cash assets being held with independent custodians, sweeping cash (where appropriate) overnight into the LGIM's range of Liquidity funds (above a deminimus level), using the delivery versus payment system when settling transactions and the use of central clearing for exchange traded derivatives and forward foreign exchange transactions. However, in the event of the failure of a counterparty, custodian or issuer there is a residual risk that a fund may suffer asset losses which are unrecoverable.

For more information, please refer to the Description of Funds [↗](#)



SPOTLIGHT ON LEGAL & GENERAL INVESTMENT MANAGEMENT

We are one of Europe's largest asset managers and a major global investor, with assets under management of £1,134.5 billion (as at 30 June 2019). We work with a wide range of global clients, including pension schemes, sovereign wealth funds, fund distributors and retail investors.

The AUM disclosed aggregates the assets managed by LGIM in the UK, LGIMA in the US and LGIM Asia in Hong Kong. The AUM includes the value of securities and derivatives positions.

DEALING INFORMATION

Units can be purchased, sold or switched on a designated dealing day. Funds are offered on a weekly or daily basis as below:

Weekly close	Yes
Daily close	Yes
Daily midday	Yes

Further information is available in the relevant operational procedures sheet and the Description of Funds [↗](#)

TO FIND OUT MORE

 Visit www.lgim.com

 Call **+44 (0) 20 3124 3277**

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Internal Fund Code: MAAN