

# USD/EUR Corporate Bond AAA-AA-A Fund (Passive) - GBP Currency Hedged



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

## FUND AIM

The investment objective of the fund is to provide diversified exposure to the USD and EUR corporate bond market, with currency hedged to sterling, and produce a return in line with the performance of the Bloomberg Barclays Global Aggregate USD/EUR Corp Over 5 Year ex BBB Index.

## 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.

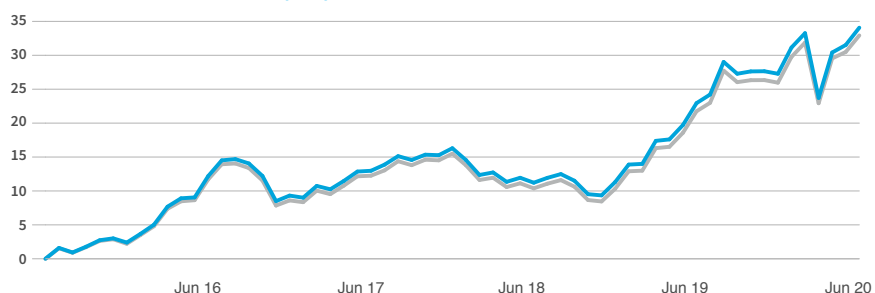
## WHO IS THIS FUND FOR?

- The trustees of UK registered and certain non-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 <b>£26.9m</b>	Base currency <b>GBP</b>	Benchmark <b>Gbl Agg USD/EUR Corp &gt;5 Yr ex BBB Idx-GBP Hgd</b>	
Launch date <b>Dec 2008</b>	Domicile <b>United Kingdom</b>	Gross redemption yield <b>2.32% (unhedged)</b>	Modified duration <b>10.80 years</b>

## PERFORMANCE (%)



	YTD	3m	6m	1y	3y	5y
■ Fund	5.36	8.38	5.36	9.07	5.88	6.04
■ Benchmark	5.54	8.14	5.54	9.20	5.81	5.86
Relative	-0.18	+0.24	-0.18	-0.13	+0.07	+0.18

## CALENDAR YEAR PERFORMANCE (%)

	2019	2018	2017	2016	2015
Fund	14.35	-4.29	6.39	6.75	0.56
Benchmark	14.20	-4.47	6.35	6.25	0.30
Relative	+0.15	+0.18	+0.04	+0.50	+0.26

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

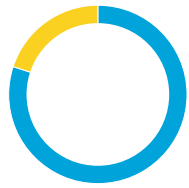
The allocation to USD and EUR is held in market weights in accordance with the benchmark. The fund provides exposure to corporate bonds whilst helping to reduce the associated trading costs. The constituent universe for the fund does not include government related securities such as agency, local authority and sovereign supranational issues. Government bonds may be used for liquidity and efficient portfolio management purposes. Currency hedging is achieved by selling forward for approximately one month the relevant currency exposure of the fund.

### Benchmark note

A Bloomberg Barclays Index

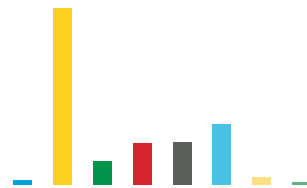
## PORTFOLIO BREAKDOWN

All data source LGIM unless otherwise stated. Totals may not sum due to rounding. In order to minimise transaction costs, the Fund will not always own all the assets that constitute the index and on occasion it will own assets that are not in the index.



### CURRENCY (%)

■ USD	80.1
■ EUR	19.9



### YEARS TO MATURITY (%)

■ 0 to 5	1.2
■ 5 to 10	49.2
■ 10 to 15	6.6
■ 15 to 20	11.5
■ 20 to 25	11.9
■ 25 to 30	16.8
■ 30 to 40	2.2
■ Over 40	0.6



■ Top 10 holdings 2.2%  
 ■ Rest of portfolio 97.8%  
 No. of issuers in fund 406  
 No. of issuers in index 445

### TOP 10 HOLDINGS (%)

BAC 3.419% 2028	0.3
Microsoft 2.525% 2050	0.3
Microsoft 3.3% 2027	0.2
V 4.3% 2045	0.2
Citigroup 3.887% 2028	0.2
Comcast Corp 4.7% 2048	0.2
Home Depot Inc 5.875% 2036	0.2
Bristol-Myers Squibb 4.25% 2049	0.2
Morgan Stanley 2.699% 2031	0.2
ConocoPhillips 6.5% 2039	0.2

### CREDIT RATING (%)

AAA	3.4
AA	14.3
A	81.8
BBB	0.6

### COUNTRY (%)

🇺🇸 United States	72.0
🇫🇷 France	6.8
🇬🇧 United Kingdom	4.5
🇳🇱 Netherlands	2.6
🇩🇪 Germany	2.6
🇯🇵 Japan	2.5
🇨🇭 Switzerland	2.4
🇦🇺 Australia	1.7
🇨🇦 Canada	0.9
🌐 Other	4.0

Celebrating  
**25+**  
 Years

### INDEX FUND MANAGEMENT TEAM

The Index Fund Management team comprises 25 fund managers, supported by two analysts. Management oversight is provided by the Global Head of Index Funds. The team has average industry experience of 15 years, of which seven years has been at LGIM, and is focused on achieving the equally important objectives of close tracking and maximising returns.

## 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 £1,196.2 billion (as at 31 December 2019). We work with a wide range of global clients, including pension schemes, sovereign wealth funds, fund distributors and retail investors.

Source: LGIM internal data as at 31 December 2019. 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	No
NIS available	Yes

The Notional Income Service (NIS) is available from the weekly dealt version where indicated. Further information is available in the relevant operational procedures sheet and the Description of Funds [↗](#)

## TO FIND OUT MORE

 Visit [www.lgim.com](http://www.lgim.com)

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

We may record and monitor calls. Call charges will vary.

## Important information

Copyright © 2020 Legal & General. This document is subject to copyright. Any unauthorised use is strictly prohibited. All rights are reserved.

Issued by Legal and General Assurance (Pensions Management) Limited ("PMC") which is a life insurance company and manages this investment using an insurance policy notionally divided into a number of Funds. Registered in England and Wales No. 01006112. Registered Office: One Coleman Street, London, EC2R 5AA. Authorised by the Prudential Regulation Authority and Regulated by the Financial Conduct Authority and the Prudential Regulation Authority No. 202202. Legal & General Investment Management Limited has been appointed as the discretionary investment manager for this Fund, it is authorised and regulated by the Financial Conduct Authority No. 119272. All features described in this factsheet are those current at the time of publication and may be changed in the future. Nothing in this factsheet should be construed as advice and it is therefore not a recommendation to buy or sell securities. If in doubt about the suitability of this product, you should seek professional advice. Copies of the Key Features Document, Descriptions of Funds and associated policy documents are available free of charge on request. This document is only directed at investors resident in jurisdictions where our funds are registered for sale. It is not an offer or invitation to persons outside of those jurisdictions. We reserve the right to reject any applications from outside of such jurisdictions.

Source: Unless otherwise indicated all data contained in this factsheet is sourced from Legal & General Investment Management Limited. Where this document contains third party data ("Third Party Data"), we cannot guarantee the accuracy, completeness or reliability of such Third Party Data and accept no responsibility or liability whatsoever in respect of such Third Party Data.

Bloomberg® is a trademark and service mark of Bloomberg Finance L.P. (collectively with its affiliates, "Bloomberg"). Barclays® is a trademark and service mark of Barclays Bank Plc (collectively with its affiliates, "Barclays"), used under license. Bloomberg or Bloomberg's licensors, including Barclays, own all proprietary rights in the Bloomberg Barclays Indices. Neither Bloomberg nor Barclays approve or endorse this material, or guarantees the accuracy or completeness of any information herein, or makes any warranty, express or implied, as to the results to be obtained therefrom and, to the maximum extent allowed by law, neither shall have any liability or responsibility for injury or damages arising in connection therewith.

**Internal Fund Code: VE**