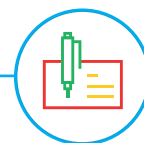


Active Global Corporate Bond Fund

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



FUND AIM

The investment objective of the fund is to exceed the Bloomberg Barclays USD/EUR/GBP Corporate 1% Issuer-Capped Index by 1.25% p.a. over a rolling 3 years basis (before fees).

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 1 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.

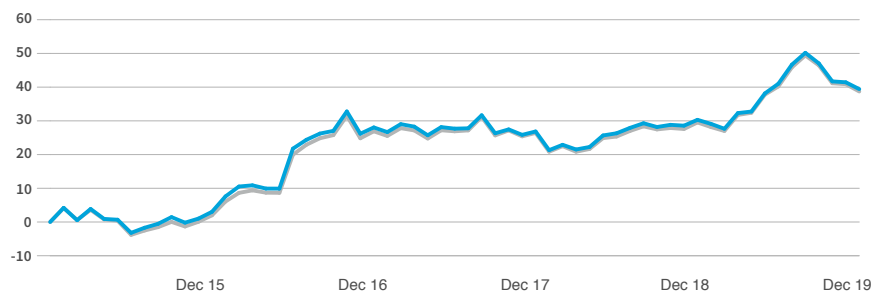
WHO IS THIS FUND FOR?

- 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 1 year.
- 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 £1,137.9m	Base currency GBP	Benchmark USD/EUR/GBP Corporate 1% Issuer-Capped Idx	
Launch date Mar 2012	Domicile United Kingdom	Gross redemption yield 2.41% (unhedged)	Modified duration 7.09 years

PERFORMANCE (%)



	YTD	3m	6m	1y	3y	5y
■ Fund	6.96	-5.21	-1.15	6.96	2.87	6.87
■ Benchmark	7.06	-5.31	-1.09	7.06	3.01	6.76
Relative	-0.10	+0.10	-0.06	-0.10	-0.14	+0.11

CALENDAR YEAR PERFORMANCE (%)

	2019	2018	2017	2016	2015
Fund	6.96	2.74	-0.94	24.28	3.02
Benchmark	7.06	2.45	-0.37	24.43	1.99
Relative	-0.10	+0.29	-0.57	-0.15	+1.03

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 may achieve all or a significant amount of its exposure by purchasing shares in the LGIM Global Corporate Bond Fund which is a UCITS Compliant OEIC sub-fund. The underlying fund will principally invest in a variety of fixed, floating, index-linked and zero coupon government bonds and corporate bonds, other fixed or floating debt securities that may include Asset-Backed Securities (ABS), hybrid bonds, shares in the sub-funds of LGIM Liquidity Funds Plc. and other cash and money market instruments.

Benchmark note

A Bloomberg Barclays Index

PORTFOLIO BREAKDOWN

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



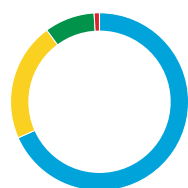
■ Top 10 issuers 24.2%
■ Rest of portfolio 75.8%
No. of issuers 754

TOP 10 ISSUERS (%)

United States of America	9.9
Bundesrepublik Deutschland	2.8
AT&T Inc	2.3
Sunoco Logistics Partner	1.5
Abbvie Inc	1.5
HSBC Holdings plc	1.5
Caremark Corp	1.3
British American Tobacco plc	1.2
Apple Inc	1.2
JPMorgan Chase & Co.	1.2

TOP SECTOR OVER/UNDERWEIGHTS (%)

	Fund	Benchmark	Relative
Treasuries	14.9	-	14.9
Cash	2.7	-	2.7
Agencies	2.4	-	2.4
Sovereign	2.0	-	2.0
Local Authorities	0.2	-	0.2
Supranational	0.0	-	0.0
ABS	0.0	-	0.0
Utilities	2.6	5.8	-3.2
Industrials	49.0	58.5	-9.4
Financials	26.1	35.7	-9.6



CURRENCY (%)

■ USD	68.4
■ EUR	21.6
■ GBP	9.1
■ SEK	1.0
■ Other	0.0

This is the currency breakdown before allowing for any hedging the fund may use.

CREDIT RATING (%)

	Fund	Benchmark	Relative
AAA	14.0	1.4	12.6
AA	6.6	9.1	-2.5
A	24.4	38.2	-13.8
BBB	44.8	51.1	-6.4
BB	4.8	0.1	4.7
B	2.4	-	2.4
CCC	0.1	-	0.1
CC	0.2	-	0.2
C	0.0	-	0.0
D	0.0	-	0.0
NR	0.0	-	0.0
Cash and Equivalents	2.7	-	2.7

FUND MANAGER COMMENTARY

Global credit markets had a mixed end to the year as tightening credit spreads countered the effects of weaker underlying government bond markets. While the latter lost some of their 'safe-haven' appeal amid growing confidence that a Phase One US-China trade deal was within reach, investors' migration into risk-based assets fostered a narrowing of credit spreads over the quarter. Against the backdrop of improving risk appetite, higher risk credit including outperformed relative to global investment grade credit.

Positive contributors included overweight beta exposure, stock and sector selection and positions in long-end US BBB rated bonds. Holdings in Argentine euro-denominated 2022 bonds were also beneficial, as the Fernandez-led government adopted a more market-friendly stance. Rates strategies delivered flat performance overall as exposure to US inflation was positive, while the position in front-end Europe detracted. Meanwhile, short positions in credit default swap indices were negative for performance. Over the quarter, we focused on tilting the portfolio towards a long bias, and increased credit exposure. We took profits on a number of euro financials positions.

Market participants expect 2020 to be another year of a "goldilocks" economy, with tepid global growth, low inflation, and continued central bank support. This would be a relatively positive environment for bonds. However, geopolitical risks are here to stay. Nevertheless, technicals remain supportive, with an expected decrease in net supply in US credit, and healthy demand.



Colin Reedie



Matthew Rees

FUND MANAGERS

Colin joined LGIM in 2005 and is co-Head of the Global Fixed Income team. He has 30 years' experience in bond markets, specialising in non-government debt.

Matthew is Head of Global Bond Strategies. Prior he was co-head of the Euro credit team. He graduated from the University of York with a BA in English and is a qualified chartered accountant.

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	No
Daily midday	No

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**

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

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Internal Fund Code: CSAF