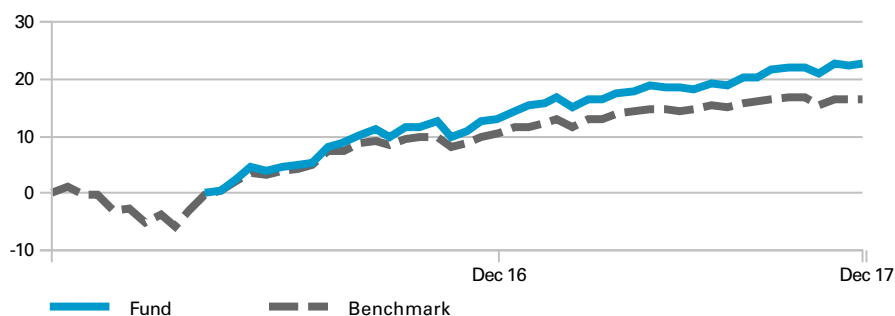


L&G Global High Yield Bond Fund Z EUR Hedged Acc

Available to institutional investors

FUND PERFORMANCE

Cumulative Performance (%) - Since Launch



Performance to Date (%)

	1 Month	3 Months	6 Months	1 Year	Since Launch p.a.
Fund	-0.02	0.92	3.64	8.62	12.80
Benchmark	-0.01	0.12	1.76	5.49	9.37
Relative	-0.01	0.80	1.88	3.13	3.43

Calendar Year Performance (%)

	YTD	2017	2016	2015	2014	2013
Fund	8.62	8.62	-	-	-	-
Benchmark	5.49	5.49	-	-	-	-
Relative	3.13	3.13	-	-	-	-

Performance source: Lipper. NAV to NAV, gross income reinvested. Performance has been calculated over the stated period on the share price performance basis, based on the Z share class and net of fees. Past performance is not a guide to future performance. This fund has adopted a single swinging price, this means that on any given day the single dealing price will be set at either bid, offer or somewhere in between, based on whether there was a net inflow or outflow into or out of the Fund. The past performance depicted in this factsheet is based on that dealing price and therefore may appear more volatile than it would otherwise be if we were to show the notional bid or offer performance, this is as a result of the daily swing.

The eligibility for the Z share class is restricted and may require a separate fee agreement with LGIM. Please contact us to discuss share class eligibility.

COMMENTARY

December saw positive returns for global high yield bonds. Emerging markets led the way and the US followed closely behind, while European high yield bond performance was broadly flat over the month. Inflation remained contained, while economic data continued to be robust, particularly in Europe.

The fund underperformed the benchmark in December, although this was due to the fund price swinging over the month; the underlying fund outperformed the benchmark. The portfolio is positioned with a higher yield than the index, with an overweight in single B rated bonds to take advantage of supportive macroeconomic conditions. The overweight to emerging markets contributed positively to the fund's performance in December. We maintain this overall regional positioning as we continue to see the best opportunities in Europe and emerging markets where credit quality is improving alongside strong macro conditions. As a result of this, we maintain our underweight stance in North American high yield bonds.

Looking ahead, we believe the economic environment is supportive for high yield companies, with continued steady growth across all regions, combined with low financing costs and moderate corporate leverage. A low yield environment and subdued inflation continues to prevent central banks from acting quickly with monetary tightening policy and ensure the market is well prepared for any announcements. While sectors such as telecoms are vulnerable to disruptive technology and appear over-levered, overall credit quality is improving. Furthermore default rates are staying low, meaning that overall downside risk is diminishing in our view. Allied to a suppression of yields globally, we believe this backdrop is likely to continue to increase investors' desire to seek higher income.

FUND FACTS

Fund Aim

The Fund aims to outperform its benchmark by 1% per annum over rolling three-year periods (gross of fees) by investing predominantly in high yield bonds. There can be no assurance that the Fund will achieve its investment objective.

Fund Characteristics

The Fund will invest in sterling, euro and US dollar fixed interest corporate securities with a credit rating of BB-B and cash. The Fund has the ability to use derivatives for more efficient portfolio management. The Fund is predominately hedged back to USD.

Launch Date

08 March 2016

Fund Type

Luxembourg UCITS compliant SICAV - sub fund of Legal & General SICAV

Benchmark

BofA Merrill Lynch BB-B Glb HY exFN Constr TR EURH

Base Currency

USD

Domicile

Luxembourg

Fund Codes

ISIN (Acc) LU1003759583

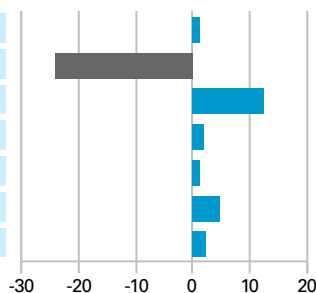
Administrator & Custodian

Northern Trust Luxembourg Management Company S.A.

ASSET ALLOCATION

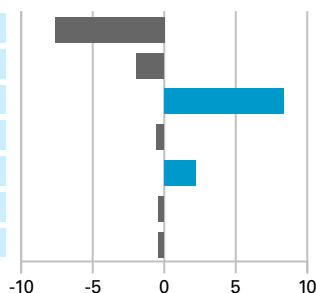
Rating Breakdown (%)

	Fund	Benchmark	Relative
BBB	1.1	0.0	1.1
BB	35.2	59.2	-24.0
B	53.3	40.8	12.5
CCC	1.9	0.0	1.9
NR	1.3	0.0	1.3
Split rated	4.8	0.0	4.8
Cash	2.4	0.0	2.4



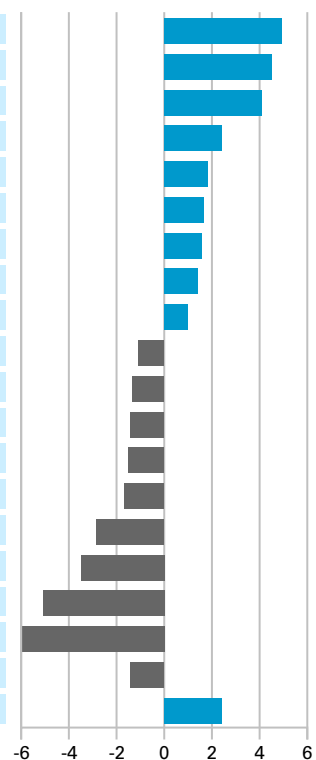
Maturity Breakdown (%)

	Fund	Benchmark	Relative
0 to 3 years	24.8	32.5	-7.7
3 to 5 years	25.9	27.8	-1.9
5 to 7 years	31.8	23.5	8.3
7 to 10 years	9.5	10.1	-0.6
10 to 12 years	3.3	1.1	2.2
12 to 15 years	0.4	0.6	-0.2
15+ years	4.3	4.4	-0.1

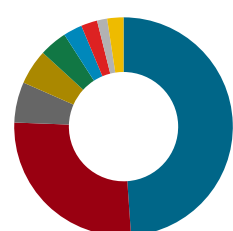


Top Sector Over/Underweight (%)

	Fund	Benchmark	Relative
Gaming	7.8	2.9	4.9
Retailers	9.2	4.7	4.5
Food / Drink	6.6	2.5	4.1
Metals / Mining	6.9	4.5	2.4
Energy / E&P	16.6	14.8	1.8
Homebuilders / materials	9.2	7.5	1.7
Transportation	3.6	2.0	1.6
Manufacturing	3.2	1.8	1.4
Healthcare	7.4	6.4	1.0
Steel	1.3	2.4	-1.1
Chemicals	1.6	2.9	-1.3
Aerospace / Defence	0.0	1.4	-1.4
Technology	2.8	4.3	-1.5
Utilities	3.0	4.7	-1.7
Services	2.0	4.8	-2.8
Paper / Forest / Packaging	0.0	3.5	-3.5
Cable / Satellite TV	2.2	7.3	-5.1
Telecommunications	5.0	11.0	-6.0
Other	9.2	10.6	-1.4
Cash	2.4	0.0	2.4



Regional Breakdown (%)



North America	48.9
Western Europe	26.7
Latin America	6.0
Asia / Pacific - EM	5.2
Russia / CIS	4.1
MEA	2.8
Asia / Pacific - DM	2.4
Eastern Europe	1.5
Cash	2.4

FUND MANAGER

MARTIN REEVES



- Joined LGIM in 2011
- Working in the investment industry since 1992
- Supported by team of dedicated, experienced, high yield investment professionals

FUND HOLDINGS

Fund Size
\$783m

Tracking Error
Fund: 1.89%

Modified Duration
Fund: 4.1 yrs Benchmark: 3.8 yrs

Gross Redemption Yield
Fund: 5.3% Benchmark: 4.6%

Number of Issuers
Fund: 280 Benchmark: 1086

Number of Issues
Fund: 414 Benchmark: 2,389

Top Ten Fund Issuers

PETROLEO BRASILEIRO SA	2.4
NIDDA TOPCO SARL	1.5
LADBROKES GROUP FINANCE PLC	1.5
IMS HEALTH INC	1.5
ICELAND TOPCO LTD	1.4
NYRSTAR	1.4
SCHUMANN SPA	1.4
SUPERIOR INDUSTRIES	1.4
ADIANT GLOBAL HOLDINGS LTD	1.3
VALEANT PHARMACEUTICALS	1.3
TOTAL	15.1

Yield is calculated before taking consideration of currency hedging

CONTACT US

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