

L&G Global High Yield Bond Fund

SICAV (UCITS compliant) P-Class EUR (Hedged) Dist



FUND AIM

The Fund aims to provide investors with a combination of growth and income.

RISK AND REWARD PROFILE



The synthetic risk and reward indicator (SRRI) is based on the historic volatility of the fund's value and it may change in the future.

The fund is in category 3 because it invests in company or government bonds which are sensitive to changes in interest rates, inflation and credit. This can be driven by political and economic changes and other significant events and may cause the value to fluctuate.

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

WHO IS THIS FUND FOR?

- This fund is designed for investors looking for income or growth from an investment in fixed income securities
- Although investors can take their money out at any time, this fund may not be appropriate for those who plan to withdraw their money within five years
- This fund is not designed for investors who cannot afford more than a minimal loss of their investment
- If you do not understand this document we recommend you seek additional information to help you decide if this fund is right for you

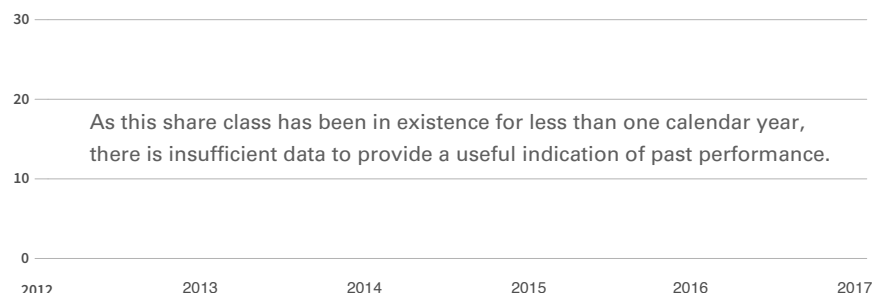
FUND FACTS

Fund size €796.2m	Base currency USD	Benchmark ICE BofAML BB-B GIB HY exFN Constr TR USDH	
Launch date 11 May 2015	Domicile Luxembourg	Modified duration 4.33 years	Gross redemption yield 6.76% (unhedged)

COSTS

Initial charge 0%	Ongoing charge 1.13%
Price basis Single- full swing	Dilution adjustment 1.16% - round trip

PERFORMANCE (%)



	1m	3m	1y	3y	Launch
■ Fund	-	-	-	-	-
■ Benchmark	-	-	-	-	-
Relative	-	-	-	-	-

12 MONTH PERFORMANCE TO MOST RECENT QUARTER (%)

12 months to 31 December	2018	2017	2016	2015	2014
Fund	-	-	-	-	-
Benchmark	-	-	-	-	-
Relative	-	-	-	-	-

All performance periods over a year will be annualised. Performance for the P EUR (Hedged) Dist share class in EUR, launched on 24 August 2018. Source: Lipper. Performance assumes all fund charges have been taken and that all income generated by the investments, after deduction of tax, remains in the fund. 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.

Past performance is not a guide to future returns. The value of your investment and any income taken from it is not guaranteed and may go up and down.

FUND SNAPSHOT

- Aims to produce high income and capital growth over the long term
- Searches the globe for leading credit opportunities
- Has a novel, macro-thematic approach, supported by focused credit research and a keen awareness of behavioural finance

PORTFOLIO BREAKDOWN

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



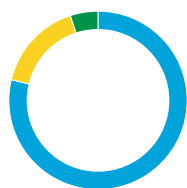
■ Top 10 issuers 14.7%
■ Rest of portfolio 85.3%
No. of issuers 309

TOP 10 ISSUERS (%)

Petroleo Brasileiro SA	2.4
Teva Pharm Finance Llc	2.4
Scientific Games Corp	1.4
General Electric Co	1.4
Corral Finans AB	1.3
Softbank Corporation	1.2
Matalan Group Ltd	1.2
Sprint Communications Inc	1.2
Iceland Topco Ltd	1.2
HCA Inc	1.1

TOP SECTOR OVER/UNDERWEIGHTS (%)

	Fund	Benchmark	Relative	
Retailers	8.5	3.9	4.5	■
Gaming	6.0	2.6	3.4	■
Manufacturing	4.4	1.5	2.9	■
Cash	2.3	-	2.3	■
Food / Drink	4.2	2.6	1.6	■
Metals / Mining	5.5	4.4	1.1	■
Transportation	2.8	1.9	0.9	■
Leisure / Lodging	1.6	2.7	-1.1	■
Other	45.0	46.2	-1.2	■
Paper / Forest / Pack	1.9	3.4	-1.5	■
Homebuilders / materi	6.6	8.5	-1.9	■
Telecommunications	7.3	10.0	-2.7	■
Services	1.6	4.9	-3.4	■
Cable / Satellite TV	2.4	5.9	-3.6	■



CURRENCY (%)

■ USD	78.9
■ EUR	16.3
■ GBP	5.0

This is the currency breakdown before allowing for any hedging the fund may use. We aim to hedge the portfolio 100% back to the base currency.

CREDIT RATING (%)

	Fund	Benchmark	Relative	
BBB	4.3	-	4.3	■
BB	38.3	58.6	-20.3	■
B	49.7	41.0	8.7	■
CCC	0.1	-	0.1	■
NR	1.9	-	1.9	■
Cash	2.3	-	2.3	■
Split rated	3.3	-	3.3	■

FUND MANAGER COMMENTARY

The high yield market rebounded strongly in January and the fund outperformed the benchmark over the month. Markets responded positively to a reduction in the planned number of rate rises in the US over the coming year, as well as supportive commentary from US Federal Reserve Chair Jerome Powell. The end of the US government shutdown on January 25 added to the rally in risk assets, while US economic data continued to be strong.

The fund has an overweight position in US high yield bonds and an underweight in European high yield. The portfolio's performance benefited from this regional positioning in January. We continue to see better opportunities in the US than in Europe despite a growing valuation difference, driven by the superior macroeconomic backdrop in the US.

We expect default rates in the US to remain low but the default rate in Europe to start to increase. We have moved to a small overweight in emerging markets, where we see improvements in credit quality and support for US dollar credit following the change of tone at the US Federal Reserve. Overall the fund is positioned with a slightly higher yield than the benchmark.



MARTIN REEVES

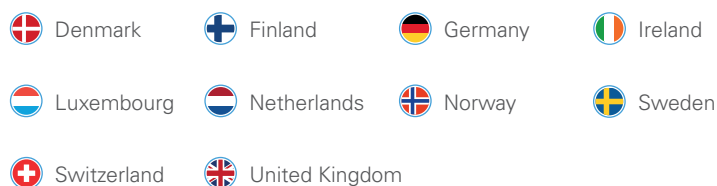
Martin Reeves is Head of Global High Yield. Prior to joining LGIM in 2011, Martin ran Credit Research at AllianceBernstein where he had worked since 1998. Prior to Alliance Bernstein Martin was Head of US High Yield Research at UBK Asset Management and a Chartered Accountant with Ernst & Young. Martin holds an MA in Economics from Cambridge University, St Catharine's College.

KEY RISKS

- This fund holds bonds that, rather than being traded on an exchange, are traded through agents, brokers or investment banks matching buyers and sellers. This makes the bonds less easy to buy and sell than investments that are traded on an exchange and on any particular day there may not be a buyer or a seller for the bonds. In times of market uncertainty or if an exceptional amount of withdrawals are requested it may become less easy for your fund to sell investments and the Manager may defer withdrawals, or suspend dealing. The Manager can only delay paying out if it is in the interests of all investors and with the permission of the fund trustee or depository.
- The fund invests directly or indirectly in bonds which are issued by companies or governments. If these companies or governments experience financial difficulty, they may be unable to pay back some or all of the interest, original investment or other payments that they owe. If this happens, the value of your fund may fall.
- The fund could lose money if any institution providing services such as acting as counterparty to derivatives or other instruments, becomes unwilling or unable to meet its obligations to the fund.
- Derivatives are highly sensitive to changes in the value of the asset on which they are based and can increase the size of losses and gains.
- The fund may have underlying investments that are valued in currencies that are different from the currency of this share class. Any such investments will be impacted by exchange rate fluctuations and this may affect the value of your investment and any income from it. Currency hedging techniques may be applied to reduce the impact of exchange rate fluctuations but may not entirely eliminate it.
- We may take some or all of the ongoing charges from the fund's capital rather than the fund's income. This increases the amount of income, but it reduces the growth potential and may lead to a fall in the value of the fund.
- Investment returns on bonds are sensitive to trends in interest rate movements. Their values are likely to fall when interest rates rise. Such falls may be more pronounced in a low interest rate environment. Bonds with a short time to go before their maturity date will fall by less than bonds with a longer time to their maturity date.

For more information, please refer to the key investor information document on our website [↗](#)

COUNTRY REGISTRATION



Important information

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Internal Fund Code: 5422



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 €1,113.61 billion (as at 30 June 2018). We work with a wide range of global clients, including pension schemes, sovereign wealth funds, fund distributors and retail investors.

Assets under management include derivative positions and assets managed by LGIMA, an SEC Registered Investment Advisor.

DEALING INFORMATION

Valuation frequency	Daily, 16:00 CET
Dealing frequency	Each Business Day
Settlement period	T+3
Administrator/Custodian	Northern Trust

CODES

ISIN	P EUR HDG Acc	LU1003760326
	P EUR HDG Dist	LU1003760599
Bloomberg	P EUR HDG Acc	
	P EUR HDG Dist	LGHYPEH LX

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