

# Legal & General Emerging Markets Government Bond (Local Currency) Index Fund



Unit Trust (UCITS compliant) I-Class GBP

## FUND AIM

The objective of this fund is to provide a return in line with the performance of the JPMorgan GBI-EM Global Diversified Local Currency Index.

## RISK AND REWARD PROFILE



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

The fund is in category 5 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 seeking income or growth from an investment in Emerging Markets government bonds denominated in the national currency of the issuer.
- 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<br><b>£968.6m</b>       | Base currency<br><b>GBP</b> | Benchmark<br><b>JPMorgan GBI-EM GIB Diversified (LC) Index</b> |  |
| Launch date<br><b>29 Jan 2016</b> | Domicile<br><b>UK</b>       | Distribution yield<br><b>5.70%</b>                             | Modified duration<br><b>5.06 years</b> |

## COSTS

|                                |                                    |
|--------------------------------|------------------------------------|
| Initial charge<br><b>0.00%</b> | Ongoing charge<br><b>0.35%</b>     |
| Price basis<br><b>Dual</b>     | Bid / Offer spread<br><b>0.30%</b> |

For detail on price basis methodologies please refer to the 'Guide to Investing With Us' found on our website. [↗](#)

## PERFORMANCE (%)



|             | 1 month | 6 months | 1 year | 3 years | Launch |
|-------------|---------|----------|--------|---------|--------|
| ■ Fund      | -2.17   | -4.53    | -4.72  | -       | 24.36  |
| ■ Benchmark | -2.09   | -4.14    | -3.90  | -       | 26.89  |

## FUND SNAPSHOT

- Aims to track the performance of the JPMorgan GBI-EM Global Diversified Local Currency Index
- Invests in bonds issued by governments in emerging markets, denominated in their local currency
- Employs a straightforward, low-cost and pragmatic index replication approach



## 12 MONTH PERFORMANCE TO MOST RECENT QUARTER (%)

| 12 months to 30 June | 2018  | 2017 | 2016 | 2015 | 2014 |
|----------------------|-------|------|------|------|------|
| Fund                 | -4.72 | 9.75 | -    | -    | -    |
| Benchmark            | -3.90 | 9.51 | -    | -    | -    |

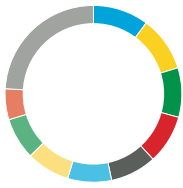
Performance for the I Inc unit class in GBP launched on 29 January 2016. Source: Lipper. Performance assumes all fund charges have been taken and that all income generated by the investments, after deduction of tax, remains in the fund.

**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.**



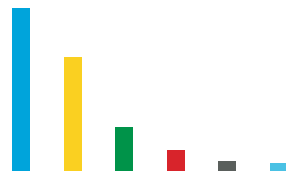
## PORTFOLIO BREAKDOWN

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



### CURRENCY (%)

|         |      |
|---------|------|
| ■ MXN   | 10.2 |
| ■ BRL   | 10.1 |
| ■ PLN   | 9.1  |
| ■ IDR   | 9.0  |
| ■ ZAR   | 8.5  |
| ■ COP   | 8.0  |
| ■ THB   | 8.0  |
| ■ RUB   | 7.6  |
| ■ TRY   | 5.7  |
| ■ Other | 24.1 |



### YEARS TO MATURITY (%)

|            |      |
|------------|------|
| ■ 0 to 5   | 45.6 |
| ■ 5 to 10  | 31.7 |
| ■ 10 to 15 | 12.1 |
| ■ 15 to 20 | 5.8  |
| ■ 20 to 25 | 2.6  |
| ■ 25 to 30 | 2.2  |



■ Top 10 holdings **13.6%**  
 ■ Rest of portfolio **86.5%**  
 No. of issuers in fund **24**  
 No. of issuers in index **26**

### TOP 10 HOLDINGS (%)

|  |     |
|--|-----|
| Colombia 7.0% 2022                         | 1.9 |
| Brazil 0.0% 2020                           | 1.6 |
| Colombia 7.5% 2026                         | 1.6 |
| Brazil 10.0% 2023                          | 1.5 |
| Mexico Bonos 8.0% 2020                     | 1.4 |
| South Africa Government Bond 10.5% 20261.3 |     |
| Mexico Bonos 6.5% 2021                     | 1.2 |
| South Africa 8.75% Feb 2048                | 1.1 |
| Mexico Bonos 10% 2024                      | 1.1 |
| Colombia 6.0000% COLTE April 2028          | 1.0 |

### COUNTRY (%)

|                 |      |
|-----------------|------|
| 🇲🇪 Mexico       | 10.2 |
| 🇧🇷 Brazil       | 10.1 |
| 🇵🇱 Poland       | 9.1  |
| 🇮🇩 Indonesia    | 9.0  |
| 🇿🇦 South Africa | 8.5  |
| 🇨🇴 Colombia     | 8.0  |
| 🇹🇭 Thailand     | 8.0  |
| 🇷🇺 Russia       | 7.6  |
| 🇹🇷 Turkey       | 5.7  |
| 🌐 Other         | 24.1 |

### SECTOR (%)

|                 |       |
|-----------------|-------|
| Government Bond | 100.0 |
|-----------------|-------|

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

- 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 depositary.
- 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.
- This fund invests in countries where investment markets are considered to be less developed. This means that investments are generally riskier than those in developed markets because they: may not be as well regulated; may be more difficult to buy and sell; may have less reliable arrangements for the safekeeping of investments; or may be more exposed to political and taxation uncertainties. The value of the fund can go up or down more often and by larger amounts than funds that invest in developed countries, especially in the short term.
- 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 sterling (British pounds). 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 [↗](#)

## LATEST DISTRIBUTION INFORMATION

For distributing unit classes, the latest payments are shown below. Please note that these payments are not guaranteed, are at the discretion of the manager and may be paid out of capital.

| Type    | Ex-div date | Pay date  | Pence per unit |
|---------|-------------|-----------|----------------|
| Final   | 23 Apr 18   | 20 Jun 18 | 0.28p          |
| Interim | 22 Jan 18   | 20 Mar 18 | 0.70p          |
| Interim | 23 Oct 17   | 20 Dec 17 | 0.75p          |
| Interim | 20 Jul 17   | 20 Sep 17 | 0.97p          |

## Important information

Issued by Legal & General (Unit Trust Managers) Limited as management company for this fund. Registered in England and Wales No. 01009418. Registered Office: One Coleman Street, London, EC2R 5AA. Authorised and Regulated by the Financial Conduct Authority No. 119273. We are members of the Investment Association. All features described in this fact sheet are those current at the time of publication and may be changed in the future. Nothing in this fact sheet should be construed as advice and it is therefore not a recommendation to buy or sell investments. If in doubt about the suitability of this product, you should seek professional advice. No investment decisions should be made without first reviewing the key investor information document of the Fund ("KIID") which can be obtained from [www.legalandgeneral.com](http://www.legalandgeneral.com). This fact sheet is only directed at investors resident in jurisdictions where this fund is 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.

Information has been obtained from sources believed to be reliable but J.P. Morgan does not warrant its completeness or accuracy. The Index is used with permission. The Index may not be copied, used, or distributed without J.P. Morgan's prior written approval. Copyright 2018, J.P. Morgan Chase & Co. All rights reserved.



## 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 £983.3 billion (as at 31 December 2017). 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, 12pm (UK time) |
| Dealing frequency   | Daily                 |
| Settlement period   | T+4                   |

## CODES

|                  |       |              |
|------------------|-------|--------------|
| <b>ISIN</b>      | I Acc | GB00B8L19S87 |
|                  | I Inc | GB00B8FT1G07 |
| <b>SEDOL</b>     | I Acc | B8L19S8      |
|                  | I Inc | B8FT1G0      |
| <b>Bloomberg</b> | I Acc | LGEMGIA      |
|                  | I Inc | LGEMGII      |

## TO FIND OUT MORE

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

 Call **0370 050 0955**

 Email [investments@landg.com](mailto:investments@landg.com)

Lines are open Monday to Friday 8.30am to 6.00pm. We may record and monitor calls. Call charges will vary.