

SICAV

Active

Fixed income

L&G Emerging Markets Bond Fund



SICAV (UCITS compliant) Z-Class USD Acc

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 \$58.3m	Base currency USD	Benchmark Composite*
Launch date 24 Oct 2016	Domicile Luxembourg	Modified duration 5.41 years
		Gross redemption yield 6.08% (unhedged)

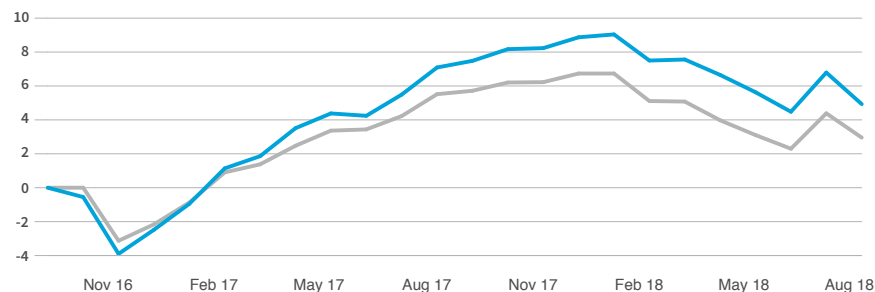
*JP Morgan 50% EMBIG Div Index / J P Morgan 50% CEMBI Div Index

COSTS

Initial charge 0.00%	Ongoing charge 0.06%
Price basis Single- full swing	Dilution adjustment 0.6% - round trip

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.

PERFORMANCE (%)



	1m	3m	1y	3y	Launch
■ Fund	-1.74	-0.66	-2.02	-	2.63
■ Benchmark	-1.37	-0.15	-2.44	-	1.28

12 MONTH PERFORMANCE TO MOST RECENT QUARTER (%)

12 months to 30 June	2018	2017	2016	2015	2014
Fund	0.23	-	-	-	-
Benchmark	-1.11	-	-	-	-

All performance periods over a year will be annualised. Performance for the Z USD Acc share class in USD, launched on 24 October 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. 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 generate capital growth and income by investing in emerging market government and corporate bonds
- Actively managed, widely-diversified exposure to short duration emerging market fixed income
- Aims to capture attractive themes and opportunities as they emerge in a rapidly evolving asset class



PORTFOLIO BREAKDOWN

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



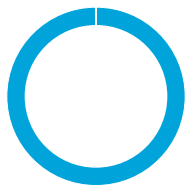
■ Top 10 issuers 20.2%
■ Rest of portfolio 79.8%
No. of issuers 143

TOP 10 ISSUERS (%)

Province of Buenos Aires	2.9
Ukraine	2.5
Petroleos Mexicanos	2.2
Republic of Indonesia	2.1
Republic of Argentina	2.1
Republic of Panama	1.9
Kazmunaygas National Co	1.7
Republic of The Philippines	1.7
Republic Of Colombia	1.6
Republic of Sri Lanka	1.6

TOP SECTOR OVER/UNDERWEIGHTS (%)

	Fund	Benchmark	Relative	
Sovereign	53.3	45.3	7.9	█
Cash and Equivalents	3.9	-	3.9	█
Oil & Gas	11.8	8.3	3.5	█
Basic Materials	6.8	6.3	0.5	█
Technology	0.3	0.6	-0.3	█
Health Care	0.8	1.1	-0.3	█
Consumer Services	2.3	2.7	-0.4	█
Consumer Goods	1.0	2.4	-1.4	█
Utilities	3.9	5.3	-1.4	█
Real Estate	1.2	2.9	-1.7	█
Financial Services	0.7	2.5	-1.8	█
Telecommunications	2.9	4.6	-1.8	█
Industrials	1.3	3.2	-1.9	█
Banks	9.9	13.6	-3.7	█



CURRENCY (%)

■ USD 100.0

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	
AA	3.2	1.0	2.1	█
A	4.8	13.7	-8.9	█
BBB	33.6	37.0	-3.4	█
BB	20.6	22.5	-2.0	█
B	26.7	20.6	6.0	█
CCC	5.4	3.0	2.4	█
CC	0.0	0.1	-0.1	█
C	0.1	0.1	0.0	█
D	0.5	0.5	-	█
NR	1.4	1.6	-0.2	█
Cash	3.9	-	3.9	█

FUND MANAGER COMMENTARY

Emerging market debt had a weaker month in August, mainly driven by economic and political turmoil in Turkey, but also in Argentina. Even though both countries have their own idiosyncratic issues, the overall market sentiment towards the asset class, in a world of a stronger US dollar and increased protectionism, was negatively impacted.

Over the month the EMBIG Diversified sovereign index returned -1.73% (with spreads widening by 48bps) and the CEMBI Broad Diversified corporate index returned -1.00% (with spreads widening by 35bps).

The fund's performance was positively impacted by our underweight positions in Turkey and Brazil. However, our overweight in the Argentina contributed negatively. Our overweight in sovereigns versus corporates was also negative for relative performance.



UDAY PATNAIK

Uday is responsible for developing LGIM's emerging market capabilities within the Multi-Strategy Fixed Income team. Uday joined LGIM in April 2014 from Gulf International Bank (UK) Ltd where he held the title of Chief Investment Officer with primary responsibility for managing the flagship EMD hedge fund and other fixed income portfolios. Uday has an MBA in finance from the University of Chicago and a BSc degree in industrial management from Carnegie Mellon University.

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.
- 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 impact to the fund can be greater where derivatives are used in an extensive or complex way.
- 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

 Germany  Luxembourg  Switzerland  United Kingdom



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 £984.8 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, 23:00 CET
Dealing frequency	Each Business Day
Settlement period	T+3
Administrator/Custodian	Northern Trust

CODES

ISIN	Z USD Acc	LU1504033249
	Z USD Dist	LU1504034999
Bloomberg	Z USD Acc	LGEMBZA LX
	Z USD Dist	TBC

TO FIND OUT MORE

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

Important information

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