

# L&G ESG Emerging Markets Government Bond (Local Currency) Index Fund



ICAV (UCITS compliant) I-Class EUR (Unhedged) Acc

## FUND AIM

The investment objective of the Fund is to provide investors with a return in line with the Emerging Markets government bond market, as represented by the JPMorgan ESG GBI-EM Global Diversified Local Currency Index (the "Index").

## 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 4 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

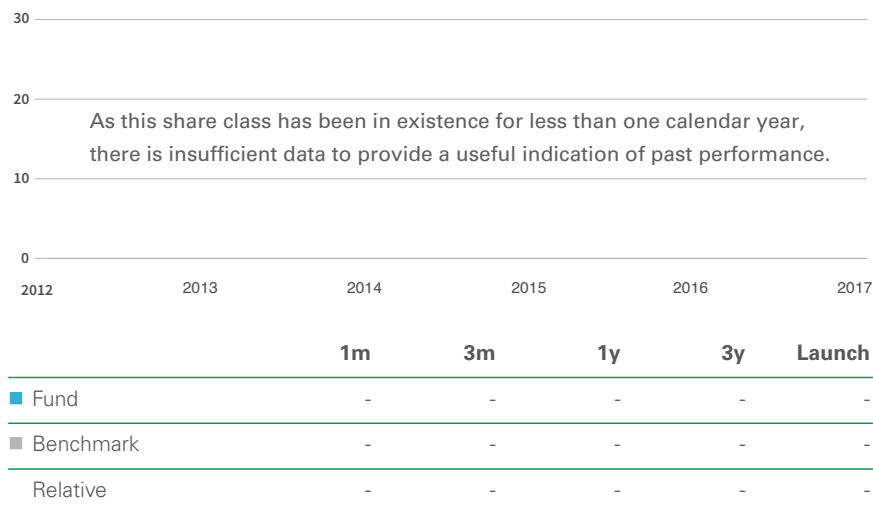
## FUND FACTS

|                                   |                             |  |   |
|-----------------------------------|-----------------------------|--|---|
| Fund size<br><b>€484.0m</b>       | Base currency<br><b>USD</b> | Share class benchmark<br><b>JPM ESG GBI-EM Glb Diversified (LC) Idx EUR TR</b> |   |
| Launch date<br><b>31 Jan 2019</b> | Domicile<br><b>Ireland</b>  | Modified duration<br><b>5.53 years</b>   | Gross redemption yield<br><b>4.87% (unhedged)</b> |

## COSTS

|  |                                |
|--|--------------------------------|
| Initial charge<br><b>0.00%</b>               | Ongoing charge<br><b>0.32%</b> |
| Price basis<br><b>Single - dilution levy</b> | Dilution levy<br><b>0.2%</b>   |

## PERFORMANCE (%)



## FUND SNAPSHOT

- Participate in the growth of emerging market economies
- Higher yield than similarly rated developed market government bonds
- The first EMD indices to incorporate ESG factors, and positive and negative screens
- Exposure to emerging market bonds across multiple countries

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

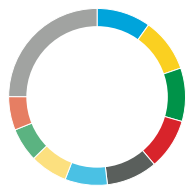
| 12 months to 31 December | 2019 | 2018 | 2017 | 2016 | 2015 |
|--------------------------|------|------|------|------|------|
| Fund                     | -    | -    | -    | -    | -    |
| Benchmark                | -    | -    | -    | -    | -    |
| Relative                 | -    | -    | -    | -    | -    |

All performance periods over a year will be annualised. Performance for the I EUR (Unhedged) Acc share class in EUR, launched on 21 March 2019. 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 the future.**

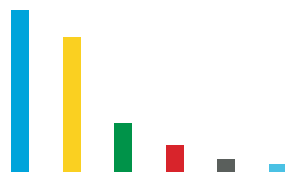
## PORTFOLIO BREAKDOWN

All data sources are a combination of LGIM and the Fund Accountant unless otherwise stated. Totals may not sum due to rounding.



### CURRENCY (%)

|         |      |
|---------|------|
| ■ PLN   | 9.9  |
| ■ IDR   | 9.8  |
| ■ MXN   | 9.8  |
| ■ THB   | 9.3  |
| ■ ZAR   | 9.3  |
| ■ MYR   | 7.8  |
| ■ BRL   | 6.9  |
| ■ COP   | 6.2  |
| ■ CZK   | 6.1  |
| ■ Other | 25.0 |



### YEARS TO MATURITY (%)

|            |      |
|------------|------|
| ■ 0 to 5   | 40.9 |
| ■ 5 to 10  | 34.2 |
| ■ 10 to 15 | 12.4 |
| ■ 15 to 20 | 7.0  |
| ■ 20 to 25 | 3.4  |
| ■ 25 to 30 | 2.1  |



■ Top 10 holdings 12.3%  
 ■ Rest of portfolio 87.8%

No. of issuers in fund 19  
 No. of issuers in index 18

### TOP 10 HOLDINGS (%)

|   |     |
|---|-----|
| South Africa Gov Bond 10.5% 21-Dec-2026 | 1.5 |
| Colombia 7% 04-May-2022                 | 1.3 |
| Colombia 6% 28-Apr-2028                 | 1.3 |
| Brazil 0% 01-Jan-2022                   | 1.2 |
| Poland 2.5% 25-Jan-2023                 | 1.2 |
| Poland 2.5% 25-Jul-2026                 | 1.2 |
| South Africa Gov Bond 8.75% 28-Feb-2048 | 1.2 |
| Poland 2.25% 25 Apr 2022                | 1.2 |
| Colombia 6.25% 26-Nov-2025              | 1.2 |
| Brazil 0% 01 Jul 2023                   | 1.0 |

### CREDIT RATING (%)

|     |      |   |
|-----|------|---|
| AA  | 6.1  | ■ |
| A+  | 0.2  |   |
| A   | 24.6 | ■ |
| A-  | 0.3  |   |
| BBB | 50.0 | ■ |
| BB  | 18.8 | ■ |

### COUNTRY (%)

|                   |      |
|-------------------|------|
| 🇵🇱 Poland         | 9.9  |
| 🇮🇩 Indonesia      | 9.8  |
| 🇲🇽 Mexico         | 9.8  |
| 🇹🇭 Thailand       | 9.3  |
| 🇿🇦 South Africa   | 9.3  |
| 🇲🇾 Malaysia       | 7.8  |
| 🇧🇷 Brazil         | 6.9  |
| 🇨🇴 Colombia       | 6.2  |
| 🇨🇪 Czech Republic | 6.1  |
| 🌐 Other           | 25.0 |



### 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

- The value of your investment may fall as well as rise and is not guaranteed. You might get back less than you invest.
- This fund holds bonds that are traded through agents, brokers or investment banks matching buyers and sellers. This makes the bonds less easy to buy and sell than investments traded on an exchange. In exceptional circumstances the fund may not be able to sell bonds and may defer withdrawals, or suspend dealing. The Directors can only delay paying out if it is in the interests of all investors and with the permission of the fund 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 the 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 the currency of this share class. Exchange rate fluctuations will impact the value of your investment. Currency hedging techniques may be applied to reduce this impact 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. Such changes will affect the value of your investment.

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

## TO FIND OUT MORE

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 Call **+353 1 434 5080** We may record and monitor calls. Call charges will vary.

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## 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 €1,268.0 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

|                         |                                |
|-------------------------|--------------------------------|
| Valuation frequency     | Daily, 22:30 Irish time        |
| Dealing frequency       | Each Irish and UK Business Day |
| Settlement period       | T+2                            |
| Administrator/Custodian | Northern Trust                 |

## CODES

**ISIN** IE00BGXQV361

**Bloomberg** LGEEIEU ID

## COUNTRY REGISTRATION

 Belgium  Ireland

 Italy  United Kingdom

## Important information

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**Internal Fund Code: 8629**