

L&G Absolute Return Bond Plus Fund

Targeting consistent returns in all market conditions

The L&G Absolute Return Bond Plus Fund is designed for investors seeking consistent returns in all market conditions from a broad range of fixed income asset classes. The fund targets a return of USD LIBOR + 3.5% p.a. over a rolling 3-year period.

WHY CHOOSE THE L&G ABSOLUTE RETURN BOND PLUS FUND

Diversifying returns	Minimising downside	Lower volatility
Leveraging expertise from across LGIM's global fixed income offering to generate smoother returns over market cycles	Seeking to generate performance in both up and down markets whilst protecting capital	Low level of correlation with other asset classes allows us to target smoother returns than funds with a long credit bias

STRUCTURED AND DISCIPLINED INVESTMENT PROCESS

The structure of our Absolute Return Bond Plus Fund consists of four key elements that work together to target consistent positive returns in all market conditions. Our macro-thematic investment process drives the fund's dynamic asset allocation across a global credit opportunity set that includes investment grade credit, global high yield and emerging markets debt. A second important driver of performance is our allocation to a subset of high conviction "Global Best Ideas" positions in individual credits that we like. In addition to this, duration and FX provide further sources of return by expressing our views on global interest rates, inflation and currencies. The fourth key element of the fund consists of protective hedges that are seek to minimise the downside under stressed market conditions.

L&G ABSOLUTE RETURN BOND PLUS FUND

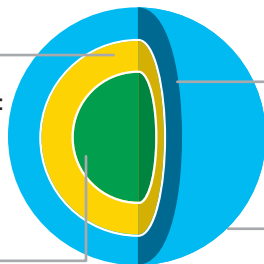
Dynamic Asset Allocation

Investing in markets and companies that we like within:

- Global Investment Grade
- Global High Yield
- Emerging Markets Debt

Global Best Ideas

High conviction positions in individual credits that we like



Duration / FX

Express our views on the future path of interest rates and inflation

Protection

Buy downside insurance on markets and companies that we don't like. Manage tail risks using credit and equity derivatives

INVESTMENT OBJECTIVE

The fund aims to generate positive returns in all market conditions. The fund aims to meet its performance target over a rolling 3-year period.

PERFORMANCE TARGET

The fund aims to outperform the benchmark by 3.5% p.a. over a rolling 3-year period.

INVESTMENT UNIVERSE

The range of tools available to exploit relative value opportunities is as broad as our global fixed income capability. This includes the use of equity options, global currencies, cash bonds and CDS, which can be applied in any market or sector, subject to fund limits. The portfolio management team therefore has a very broad opportunity set to help them target returns at every stage of the credit cycle.

BENCHMARK

ICE BofA Merrill Lynch USD LIBOR 3 Month Constant Maturity Index TR

FUND STRUCTURE

Luxembourg UCITS compliant SICAV – sub fund of Legal & General SICAV.

For UK DB pension schemes a unit-linked life insurance version is available.

BASE CURRENCY

US dollar

LAUNCH DATE

August 2011* (Fund was formerly called the L&G LIBOR High Alpha Global Credit Fund)

*For the period from August 2011 to November 2013, our LIBOR High Alpha capability was managed as a segregated mandate against a sterling benchmark with sterling as the base currency.

The value of an investment and any income taken from it is not guaranteed and can go down as well as up, you may not get back the amount you originally invested.

OUR APPROACH

Central to the strategy is our focus to generating consistent returns over market cycles whilst seeking to minimise drawdowns. We believe that many absolute return credit funds follow a long credit risk bias which can lead to returns that are correlated with underlying credit markets. This has the potential to result in large drawdowns particularly in stressed market conditions. The Absolute Return Bond Plus Fund is designed to have a low correlation to broad markets and therefore does not behave in the same way as other asset classes in response to different market conditions. It is this feature that allows us to target consistent returns whilst also seeking to minimise the downside.

The L&G Absolute Return Bond Plus Fund has the flexibility to form part of an overall solution or part of a reduced-risk growth portfolio. For example, the fund could be an effective tool for de-risking credit and/or equity exposure.

Global fixed income expertise forms a strategic part of Legal & General Investment Management's asset management capability. Rather than a collection of unconnected products, we aim to deliver investment solutions that help clients to achieve their ultimate investment objectives.

ABSOLUTE RETURN EXPERTISE YOU CAN RELY ON

The team includes a broad and diverse skillset across global fixed income, currently responsible for managing absolute return and benchmark strategies.

Julien Houdain - Julien is Head of the Global Bond Strategies team within LGIM's Global Fixed Income team. He is responsible for global benchmark credit and absolute return bond mandates. He joined LGIM in September 2007 from Fortis Investments, where he was a quantitative strategist in the structured finance team and developed market standard and proprietary models for the pricing and risk management of credit derivatives as well as trading and hedging strategies. Julien has a PhD in financial modelling from the Ecole Normale Supérieure, Paris, France.

Colin Reddie - Colin has responsibility for the London based fixed income team as well as overall portfolio management oversight responsibilities for our Global Bond strategies. Colin joined LGIM in 2005 from Henderson Global Investors where he was Head of Investment Grade Credit Fund Management. He has over 30 years' experience in bond markets, specialising in non-government debt, and he has previously worked for Henderson Global Investors, Scottish Widows and Scottish Amicable.

CONTACT US

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All calls are recorded. Call charges will vary.

WHY LGIM FOR ABSOLUTE RETURN FIXED INCOME?

Synergies with other LGIM products

The fund dovetails with our wider product suite, including liability-aware fixed income, index and solutions offerings. We can help you build a cost-effective strategy that supports you on a path to your scheme's endgame.

Scale and experience – Our Global Fixed Income team is responsible for over £163 bn* of actively managed assets with over 80 professionals with an average of 15 years' industry experience bringing together a blend of expertise to the management of regional and global fixed income portfolios. As part of the wider Legal & General Group, and as one of the leading global bond investors in the industry, we believe that we have a unique insight into providing suitable investment solutions that meet our clients' wider needs.

Macro-thematic approach – Our views provide guidance for top-down positioning and focus for bottom-up stock selection. Identifying turning points and new themes can have a huge impact on long-term performance, and our integrated approach has helped LGIM to successfully manage portfolios and deliver risk-adjusted performance across our range of active funds.

*Source: LGIM internal data as at 31 December 2018. These figures include assets managed by LGIMA, an SEC Registered Investment Advisor.

Important Information

Issued by LGIM Managers (Europe) Limited as management company for this fund. Registered in Ireland No. 609677. Registered Office: 33/34 Sir John Rogerson's Quay, Dublin, 2, Ireland. Authorised and Regulated by the Central Bank of Ireland No. C173733.

Legal & General Investment Management Limited has been appointed as the discretionary investment manager for this Fund, it is authorised and regulated by the Financial Conduct Authority No. 119272.

We are a member of the Irish Funds Association.

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