

# EUR Corporate Bond AAA-AA-A Fund (Passive)



Unit-Linked Life Insurance Reported in GBP (Gross of charges)

## FUND AIM

The investment objective of the fund is to provide diversified exposure to the EUR corporate bond market and produce a return in line with the performance of the Bloomberg Barclays Global Aggregate EUR Corp Over 5 Year ex BBB Index.

## RISK AND REWARD PROFILE



The summary risk indicator is a guide to the level of risk of this product compared to other products. It shows how likely it is that the product will lose money because of movements in the markets or because we are not able to pay you.

The risk indicator assumes you keep the product for 5 years. The actual risk can vary significantly if you cash in at an early stage and you may get back less.

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

## WHO IS THIS FUND FOR?

- The trustees of UK registered and certain non-UK registered defined benefit or defined contribution occupational pension schemes, which may be classified as either retail clients or professional clients.
- Although investors can take their money out at any time, the recommended minimum holding period is 5 years.
- Please refer to your professional advisor who should be able to advise you on the suitability of this fund for your scheme.

## FUND FACTS

|                                |                                   |  |  |
|--------------------------------|-----------------------------------|--|--|
| Fund size<br><b>£639.2m</b>    | Base currency<br><b>GBP</b>       | Benchmark<br><b>Global Agg EUR Corp Over 5 Year ex BBB Idx</b> |  |
| Launch date<br><b>Dec 2008</b> | Domicile<br><b>United Kingdom</b> | Gross redemption yield<br><b>0.54% (unhedged)</b>              | Modified duration<br><b>7.89 years</b> |

## PERFORMANCE (%)



|           | YTD   | 3m    | 6m    | 1y    | 3y    | 5y    |
|-----------|-------|-------|-------|-------|-------|-------|
| Fund      | -5.70 | 0.96  | -5.70 | -2.78 | 2.53  | 3.22  |
| Benchmark | -5.78 | 0.81  | -5.78 | -2.94 | 2.32  | 3.04  |
| Relative  | +0.08 | +0.15 | +0.08 | +0.16 | +0.21 | +0.18 |

## CALENDAR YEAR PERFORMANCE (%)

|           | 2020  | 2019  | 2018  | 2017 | 2016  |
|-----------|-------|-------|-------|------|-------|
| Fund      | 10.23 | 2.63  | 0.16  | 6.56 | 23.67 |
| Benchmark | 10.01 | 2.47  | -0.05 | 6.56 | 23.13 |
| Relative  | +0.22 | +0.16 | +0.21 | 0.00 | +0.54 |

All performance periods over a year will be annualised. Source: LGIM. Performance based on weekly mid-market prices before the deduction of fees. **Past performance is not a guide to the future.**

## FUND CHARACTERISTICS

The fund employs an index tracking strategy, aiming to replicate the performance of its benchmark. We follow a pragmatic approach to managing index funds, either investing directly in the securities of that index, or indirectly through other LGIM funds. The constituent universe for the fund does not include government related securities such as agency, local authority and sovereign supranational issues. The fund may also hold government bonds to provide liquidity and futures for efficient portfolio management purposes.

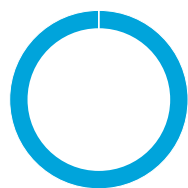
### Benchmark note

A Bloomberg Barclays Index



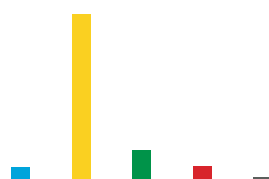
## PORTFOLIO BREAKDOWN

All data source LGIM unless otherwise stated. Totals may not sum due to rounding. In order to minimise transaction costs, the Fund will not always own all the assets that constitute the index and on occasion it will own assets that are not in the index. The number of fund holdings can differ from the index due to corporate events and proxy holdings.



### CURRENCY (%)

|     |       |
|-----|-------|
| EUR | 100.0 |
|-----|-------|



### YEARS TO MATURITY (%)

|               |      |
|---------------|------|
| 0 - 5 Years   | 5.6  |
| 5 - 10 Years  | 74.3 |
| 10 - 15 Years | 13.3 |
| 15 - 20 Years | 5.9  |
| 25 - 30 Years | 0.9  |



■ Top 10 holdings 4.0%  
 ■ Rest of portfolio 96.0%  
 No. of issuers in fund 179  
 No. of issuers in index 178

### TOP 10 HOLDINGS (%)

|                             |     |
|-----------------------------|-----|
| Morgan Stanley 0.497% 2031  | 0.5 |
| Novartis Finance SA 0% 2028 | 0.5 |
| JPMorgan 1.638% 2028        | 0.4 |
| Rabobank 1.375% 2027        | 0.4 |
| ING Groep 0.25% 2030        | 0.4 |
| Goldman Sachs 1.625% 2026   | 0.4 |
| KO 1.125% 2027              | 0.4 |
| Citigroup Inc 0.5% 2027     | 0.4 |
| Morgan Stanley 1.87% 2027   | 0.4 |
| Wells Fargo 1.0% 2027       | 0.4 |

### CREDIT RATING (%)

|     |      |
|-----|------|
| AAA | 1.1  |
| AA  | 13.0 |
| A   | 85.3 |
| BBB | 0.6  |

### COUNTRY (%)

|                |      |
|----------------|------|
| United States  | 32.1 |
| France         | 23.6 |
| Germany        | 9.7  |
| United Kingdom | 7.1  |
| Switzerland    | 6.3  |
| Netherlands    | 5.2  |
| Australia      | 2.7  |
| Austria        | 1.9  |
| Japan          | 1.9  |
| Other          | 9.5  |



### 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 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.
- The return from your investment is not guaranteed and therefore you may receive a lower or higher return than you anticipated. There will be a variation in performance between funds with similar objectives due to the different assets selected.
- PMC's charges and associated transaction costs are subject to change, with notice for the former and without notice for the latter. Charges and transactions costs deducted from the policy reduce your potential for capital growth in the future.
- Tax rules and the treatment of income and capital gains could change in the future and may be applied retrospectively.
- Inflation reduces the purchasing power of money over time as the cost of purchasing goods and services increases. If the rate of inflation exceeds the rate of return on your portfolio, it will erode the value of your portfolio and its investments in real terms.
- In extreme market conditions it may be difficult to realise assets held for a fund and it may not be possible to redeem units at short notice. We may have to delay acting on your instructions to sell or the price at which you cancel the units may be lower than you anticipated.
- The value of a fund's assets may be affected by uncertainties such as international political developments, market sentiment, economic conditions, changes in government policies, restrictions on foreign investment and currency repatriation, currency fluctuations and other developments in the laws and regulations of countries in which investment may be made.
- PMC seeks to mitigate counterparty risk wherever possible on behalf of its policyholders through a variety of measures which include: each fund's non-cash assets being held with independent custodians, sweeping cash (where appropriate) overnight into the LGIM's range of Liquidity funds (above a deminimus level), using the delivery versus payment system when settling transactions and the use of central clearing for exchange traded derivatives and forward foreign exchange transactions. However, in the event of the failure of a counterparty, custodian or issuer there is a residual risk that a fund may suffer asset losses which are unrecoverable.

For more information, please refer to the Description of Funds [↗](#)



### 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 £1,278.9 billion (as at 31 December 2020). We work with a wide range of global clients, including pension schemes, sovereign wealth funds, fund distributors and retail investors.

Source: LGIM internal data as at 31 December 2020. 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

Units can be purchased, sold or switched on a designated dealing day. Funds are offered on a weekly or daily basis as below:

|               |     |
|---------------|-----|
| Weekly close  | Yes |
| Daily close   | Yes |
| Daily midday  | Yes |
| NIS available | Yes |

The Notional Income Service (NIS) is available from the weekly dealt version where indicated. Further information is available in the relevant operational procedures sheet and the Description of Funds [↗](#)

## TO FIND OUT MORE



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



Call **+44 (0) 20 3124 3277**

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

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**Internal Fund Code: TW**