

# L&G Global High Yield Bond Fund

SICAV (UCITS compliant) I-Class EUR (Hedged) 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

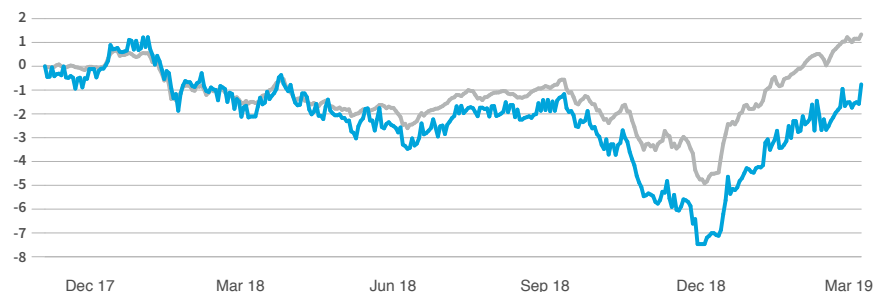
## FUND FACTS

Fund size <b>€856.8m</b>	Base currency <b>USD</b>	Share class benchmark <b>ICE BofAML BB-B Glb HY exFN Constr TR EURH</b>	
Launch date <b>11 May 2015</b>	Domicile <b>Luxembourg</b>	Modified duration <b>4.25 years</b>	Gross redemption yield <b>6.53% (unhedged)</b>

## COSTS

Initial charge <b>0.00%</b>	Ongoing charge <b>0.59%</b>
Price basis <b>Single- full swing</b>	Dilution adjustment <b>1.34%- round trip</b>

## PERFORMANCE (%)



	1m	3m	1y	3y	Launch
■ Fund	0.86	6.72	1.38	-	-0.57
■ Benchmark	0.91	6.13	2.87	-	0.99
Relative	-0.05	+0.59	-1.49	-	-1.56

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

12 months to 31 March	2019	2018	2017	2016	2015
Fund	1.38	-	-	-	-
Benchmark	2.87	-	-	-	-
Relative	-1.49	-	-	-	-

All performance periods over a year will be annualised. Performance for the I EUR (Hedged) Acc share class in EUR, launched on 27 November 2017. 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 the future.**

## FUND SNAPSHOT

- Aims to produce high income and capital growth over the long term
- Searches the globe for leading credit opportunities
- Has a novel, macro-thematic approach, supported by focused credit research and a keen awareness of behavioural finance

## PORTFOLIO BREAKDOWN

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



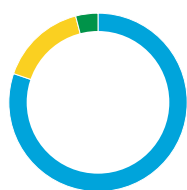
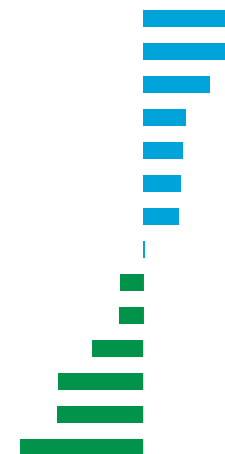
■ Top 10 issuers 15.5%  
■ Rest of portfolio 84.5%  
No. of issuers 309

### TOP 10 ISSUERS (%)

Petroleo Brasileiro SA	3.1
Teva Pharm Finance Llc	2.3
Scientific Games Corp	1.5
General Electric Co	1.4
Netflix Inc	1.4
Endo Pharmaceuticals Holdings Inc	1.2
Softbank Corporation	1.2
Corral Finans AB	1.2
First Quantum Minerals	1.2
Sprint Communications Inc	1.1

### TOP SECTOR OVER/UNDERWEIGHTS (%)

	Fund	Benchmark	Relative
Retailers	7.4	3.9	3.5
Gaming	5.9	2.6	3.3
Manufacturing	4.2	1.6	2.6
Cash	1.7	-	1.7
Energy / E&P	16.7	15.1	1.5
Food / Drink	4.1	2.6	1.5
Automotive / parts	4.2	2.8	1.4
Other	34.4	34.3	0.1
Leisure / Lodging	1.8	2.7	-0.9
Homebuilders / materi	8.4	9.3	-0.9
Paper / Forest / Pack	1.4	3.4	-2.0
Services	1.6	4.9	-3.3
Telecommunications	6.7	10.1	-3.3
Cable / Satellite TV	1.6	6.4	-4.8



### CURRENCY (%)

■ USD	80.0
■ EUR	15.7
■ GBP	4.0

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
BBB	3.9	-	3.9
BB	36.8	58.3	-21.5
B	51.1	41.4	9.7
CCC	0.9	-	0.9
NR	2.4	-	2.4
Cash	1.7	-	1.7
Split rated	3.1	-	3.1



## FUND MANAGER COMMENTARY

The global high yield market continued to move higher in March. The month was dominated by dovish monetary policy and yield curve flattening. The US Federal Reserve (Fed) surprised investors by removing all rate hikes from their forward-looking 'dot plots'. In addition, the European Central Bank downgraded their growth expectations and extended their long-term bank funding programme. As a result, interest rates fell globally and yield curves flattened.

Emerging market high yield bonds benefited from this backdrop, with periods of US dollar weakness resulting from the dovish Fed. Over the month, US data remained robust whilst Chinese activity appeared to pick up following a bumper period of credit creation at the start of the year.

Over the month we reduced our overweight in US high yield bond and purchased single B risk in Europe where we see reduced downside risk. We continue to hold a small overweight in emerging market high yield where yields are attractive as the growth outlook improves and US rate rises remain on hold. Overall the fund remains positioned with a higher yield than the benchmark.



### MARTIN REEVES

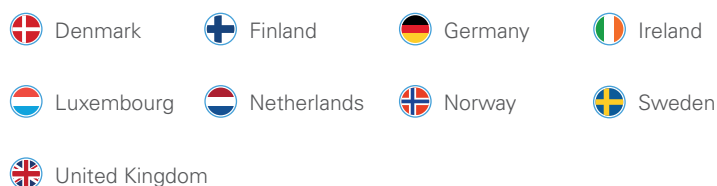
Martin Reeves is Head of Global High Yield. Prior to joining LGIM in 2011, Martin ran Credit Research at AllianceBernstein where he had worked since 1998. Prior to Alliance Bernstein Martin was Head of US High Yield Research at UBK Asset Management and a Chartered Accountant with Ernst & Young. Martin holds an MA in Economics from Cambridge University, St Catharine's College.

## 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.
- 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.
- 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 [☞](#)

## COUNTRY REGISTRATION



### 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 €1,113.61 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, 16:00 CET
Dealing frequency	Each Business Day
Settlement period	T+3
Administrator/Custodian	Northern Trust

## CODES

ISIN	I EUR HDG Acc	LU1003760755
	I EUR HDG Dist	LU1003760912
Bloomberg	I EUR HDG Acc	LGGHIEH LX
	I EUR HDG Dist	LGHYIEH LX

## TO FIND OUT MORE

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

## Important information

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**Internal Fund Code: 5422**