

L&G Global High Yield Bond Fund

SICAV (UCITS compliant) Z-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

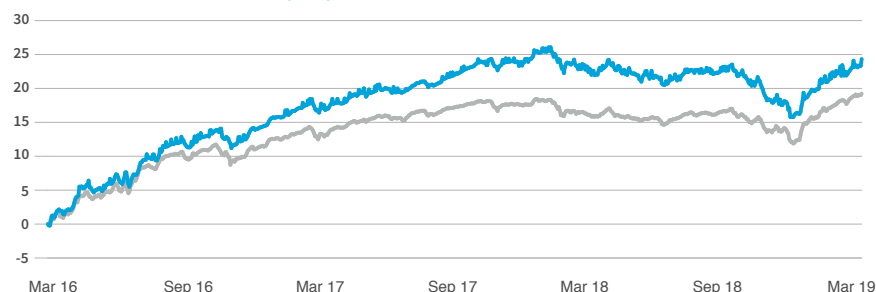
| | | | |
|-----------------------------------|-------------------------------|--|---|
| Fund size €856.8m | Base currency USD | Share class benchmark ICE BofAML BB-B Glb HY exFN Constr TR EURH | |
| Launch date 11 May 2015 | Domicile Luxembourg | Modified duration 4.25 years | Gross redemption yield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

COSTS

| | |
|--|---|
| Initial charge 0.00% | Ongoing charge 0.09% |
| Price basis Single- full swing | Dilution adjustment 1.34%- 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 | 0.90 | 6.84 | 1.89 | 6.92 | 7.37 |
| ■ Benchmark | 0.91 | 6.13 | 2.87 | 5.54 | 5.92 |
| Relative | -0.01 | +0.71 | -0.98 | +1.38 | +1.45 |

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

12 MONTH PERFORMANCE TO MOST RECENT QUARTER (%)

| 12 months to 31 March | 2019 | 2018 | 2017 | 2016 | 2015 |
|-----------------------|-------|-------|-------|------|------|
| Fund | 1.89 | 3.61 | 15.77 | - | - |
| Benchmark | 2.87 | 1.75 | 12.31 | - | - |
| Relative | -0.98 | +1.86 | +3.46 | - | - |

All performance periods over a year will be annualised. Performance for the Z EUR (Hedged) Acc share class in EUR, launched on 08 March 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 the future.

PORTFOLIO BREAKDOWN

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



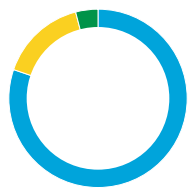
■ Top 10 issuers 15.5%
■ Rest of portfolio 84.5%
No. of issuers 309

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

 Germany  Luxembourg  Netherlands  Switzerland

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. All features described in this factsheet are those current at the time of publication and may be changed in the future. Nothing in this factsheet should be construed as advice and it is therefore not a recommendation to buy or sell securities. If in doubt about the suitability of this product, you should seek professional advice. No investment decisions should be made without first reviewing the key investor information document of the Fund ("KIID") which can be obtained from www.lgim.com. This factsheet is only directed at investors resident in jurisdictions where this fund is registered for sale. It is not an offer or invitation to persons outside of those jurisdictions. We reserve the right to reject any applications from outside of such jurisdictions.

The state of the origin of the fund is Luxembourg. In Switzerland, the representative is ACOLIN Fund Services AG, Leutschenbachstrasse 50, CH-8050 Zurich, whilst the paying agent is NPB Neue Privat Bank AG, Limmatquai 1/am Bellevue, P.O. Box, CH-8024 Zurich. The prospectus, the Key Investor Information Documents, the articles of incorporation as well as the annual and semi-annual reports may be obtained free of charge from the representative. In respect of the shares distributed in or from Switzerland, the place of performance and jurisdiction is at the registered office of the representative. Past performance is no indication of current or future performance. The performance data do not take account of the commissions and costs incurred on the issue and redemption of shares.

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Internal Fund Code: 5422



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 | Z EUR HDG Acc | LU1003759583 |
| | Z EUR HDG Inc | LU1003759740 |
| Bloomberg | Z EUR HDG Acc | LGGHYZE LX |
| | Z EUR HDG Inc | |

TO FIND OUT MORE

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