



# L&G Global High Yield Bond Fund

SICAV (UCITS compliant) I-Class USD Dist

## 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

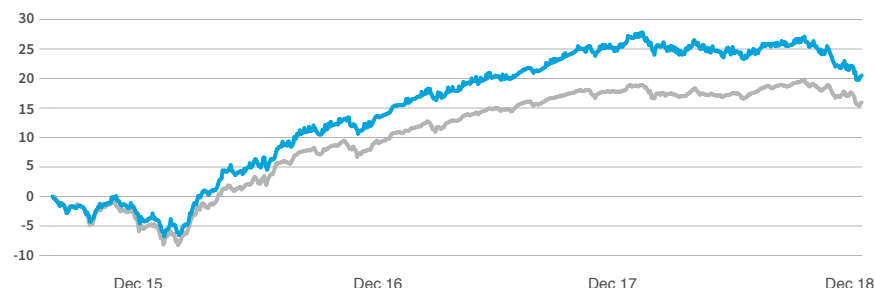
## FUND FACTS

|                                   |                               |  |   |
|-----------------------------------|-------------------------------|--|---|
| Fund size<br><b>€757.9m</b>       | Base currency<br><b>USD</b>   | Benchmark<br><b>ICE BofAML BB-B GIB HY exFN Constr TR USDH</b> |   |
| Launch date<br><b>11 May 2015</b> | Domicile<br><b>Luxembourg</b> | Modified duration<br><b>4.31 years</b>                         | Gross redemption yield<br><b>7.38% (unhedged)</b> |

## COSTS

|  |  |
|--|--|
| Initial charge<br><b>0.00%</b>           | Ongoing charge<br><b>0.56%</b>                   |
| Price basis<br><b>Single- full swing</b> | Dilution adjustment<br><b>1.16% - round trip</b> |

## PERFORMANCE (%)



|             | 1m    | 3m    | 1y    | 3y    | Launch |
|-------------|-------|-------|-------|-------|--------|
| ■ Fund      | -1.56 | -4.91 | -4.27 | 7.73  | 5.62   |
| ■ Benchmark | -1.13 | -2.99 | -1.74 | 6.78  | 4.43   |
| Relative    | -0.43 | -1.92 | -2.53 | +0.95 | +1.19  |

## 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 December | 2018  | 2017  | 2016  | 2015 | 2014 |
|--------------------------|-------|-------|-------|------|------|
| Fund                     | -4.27 | 10.33 | 18.41 | -    | -    |
| Benchmark                | -1.74 | 7.55  | 15.23 | -    | -    |
| Relative                 | -2.53 | +2.78 | +3.18 | -    | -    |

All performance periods over a year will be annualised. Performance for the I USD Dist share class in USD, launched on 03 August 2015. 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 future returns. The value of your investment and any income taken from it is not guaranteed and may go up and down.**

## PORTFOLIO BREAKDOWN

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



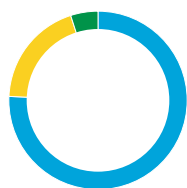
■ Top 10 issuers 14.6%  
■ Rest of portfolio 85.4%  
No. of issuers 303

### TOP 10 ISSUERS (%)

|                                       |     |
|---------------------------------------|-----|
| Teva Pharm Finance Llc                | 2.3 |
| Petroleo Brasileiro SA                | 2.2 |
| Scientific Games Corp                 | 1.5 |
| General Electric Co                   | 1.4 |
| Corral Finans AB                      | 1.4 |
| Valeant Pharmaceuticals International | 1.3 |
| Softbank Corporation                  | 1.2 |
| Sprint Communications Inc             | 1.2 |
| Matalan Group Ltd                     | 1.2 |
| Iceland Topco Ltd                     | 1.1 |

### TOP SECTOR OVER/UNDERWEIGHTS (%)

|                       | Fund | Benchmark | Relative |  |
|-----------------------|------|-----------|----------|--|
| Retailers             | 9.9  | 4.0       | 6.0      |  |
| Cash                  | 5.6  | 0.1       | 5.6      |  |
| Gaming                | 5.6  | 2.6       | 3.0      |  |
| Manufacturing         | 4.4  | 1.5       | 2.9      |  |
| Food / Drink          | 4.2  | 2.6       | 1.6      |  |
| Transportation        | 3.2  | 1.9       | 1.3      |  |
| Consumer Products     | 2.0  | 1.3       | 0.8      |  |
| Chemicals             | 1.5  | 3.0       | -1.6     |  |
| Paper / Forest / Pack | 1.5  | 3.4       | -1.9     |  |
| Homebuilders / materi | 6.3  | 8.5       | -2.1     |  |
| Services              | 1.6  | 4.9       | -3.4     |  |
| Telecommunications    | 6.6  | 10.1      | -3.5     |  |
| Other                 | 45.3 | 49.5      | -4.1     |  |
| Cable / Satellite TV  | 2.2  | 6.7       | -4.5     |  |



### CURRENCY (%)

|       |      |
|-------|------|
| ■ USD | 75.7 |
| ■ EUR | 19.3 |
| ■ GBP | 5.0  |

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         | 4.0  | -         | 4.0      |  |
| BB          | 35.0 | 58.4      | -23.4    |  |
| B           | 49.7 | 41.5      | 8.2      |  |
| CCC         | 0.0  | -         | 0.0      |  |
| NR          | 1.7  | -         | 1.7      |  |
| Cash        | 5.6  | 0.1       | 5.6      |  |
| Split rated | 3.9  | -         | 3.9      |  |

## FUND MANAGER COMMENTARY

The high yield market posted negative returns in December, as risk assets continued to be volatile. Tightening monetary conditions remain an important driver in markets, and a lack of soothing words from the US Federal Reserve was a key reason for the continued risk-off tone over the month. This was exacerbated by fragile commodity markets, with a particular focus on oil prices – much of the market weakness was focused on energy-sensitive names.

Early in the month we continued to reduce our exposure to single B names in Europe. We see greater downside risk here and are now underweight relative to the benchmark in European high yield. Regionally, they the fund has moved from being marginally underweight to marginally overweight in North America, where we continue to see robust economic growth. We are now neutral on emerging markets where credit quality is improving and valuations are attractive.

Looking ahead, we see a tougher economic environment in Europe, although there remains the likelihood of reasonable growth in the US. As a result, the number of defaults seems likely to rise in Europe and will likely be materially higher than in the US.



### MARTIN REEVES

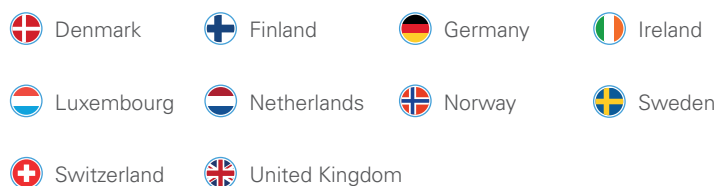
Martin Reeves is Head of Global High Yield. Prior to joining LGIM in 2011, Martin ran Credit Research at AllianceBernstein where he had worked since 1998. Prior to Alliance Bernstein Martin was Head of US High Yield Research at UBK Asset Management and a Chartered Accountant with Ernst & Young. Martin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

## KEY RISKS

- This fund holds bonds that, rather than being traded on an exchange, are traded through agents, brokers or investment banks matching buyers and sellers. This makes the bonds less easy to buy and sell than investments that are traded on an exchange and on any particular day there may not be a buyer or a seller for the bonds. In times of market uncertainty or if an exceptional amount of withdrawals are requested it may become less easy for your fund to sell investments and the Manager may defer withdrawals, or suspend dealing. The Manager can only delay paying out if it is in the interests of all investors and with the permission of the fund trustee or 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 your 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. Any such investments will be impacted by exchange rate fluctuations and this may affect the value of your investment and any income from it. Currency hedging techniques may be applied to reduce the impact of exchange rate fluctuations 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. Their values are likely to fall when interest rates rise. Such falls may be more pronounced in a low interest rate environment. Bonds with a short time to go before their maturity date will fall by less than bonds with a longer time to their maturity date.

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

## COUNTRY REGISTRATION



## 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](http://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, Affolternstrasse 56, 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.

Source ICE BofAML, used with permission. ICE BofAML is licensing the ICE BofAML indices "as is," makes no warranties regarding same, does not guarantee the suitability, quality, accuracy, timeliness, and/or completeness of the ICE BofAML indices or any data included in, related to, or derived therefrom, assumes no liability in connection with their use, and does not sponsor, endorse, or recommend Legal & General Investment Management or its affiliates, or any of its products or services.

**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

|                  |            |              |
|------------------|------------|--------------|
| <b>ISIN</b>      | I USD Acc  | LU1003759070 |
|                  | I USD Dist | LU1003759153 |
| <b>Bloomberg</b> | I USD Acc  | LGGHYIA LX   |
|                  | I USD Dist | LGGHYIU LX   |

## TO FIND OUT MORE

Legal & General SICAV C/O Northern Trust Luxembourg Management Company S.A.  
6 rue Lou Hemmer L1748  
Senningerberg Grand-Duché de Luxembourg

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

 Call **+352 276 222 514**

 Email [LGIM-TALUX@ntrs.com](mailto:LGIM-TALUX@ntrs.com)

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