

# Diversified (Net WHT) Fund

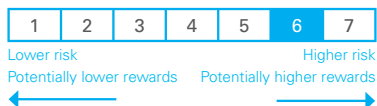
Unit-Linked Life Insurance Reported in GBP (Gross of charges)



## FUND AIM

The investment objective of the fund is to provide long-term investment growth through exposure to a diversified range of asset classes.

## 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.

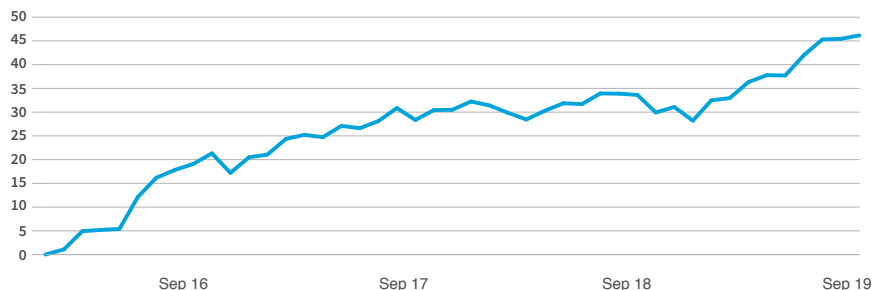
## WHO IS THIS FUND FOR?

- The trustees of 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 <b>£8.1m</b>	Base currency <b>GBP</b>	Comparator <b>FTSE Developed World Index - 50% GBP Hedged</b>
Launch date <b>Jan 2016</b>	Domicile <b>United Kingdom</b>	

## PERFORMANCE (%)



	YTD	3m	6m	1y	3y	Launch
■ Fund	13.99	2.93	7.21	9.37	7.06	11.35
■ Comparator	19.20	2.64	7.52	4.49	11.22	14.35
Relative	-5.21	+0.29	-0.31	+4.88	-4.16	-3.00

## CALENDAR YEAR PERFORMANCE (%)

	2018	2017	2016	2015	2014
Fund	-3.05	9.76	-	-	-
Comparator	-5.84	15.70	-	-	-
Relative	+2.79	-5.94	-	-	-

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 will hold between 20% and 50% in bonds, the remaining 50% to 80% will be held in a range of assets which may include equities, property, commodities and listed infrastructure, private equity and global real estate companies. Exposure to each asset class will primarily be through investing in passively managed funds, although active management may be used for some asset classes where LGIM believes there is an advantage in doing so.

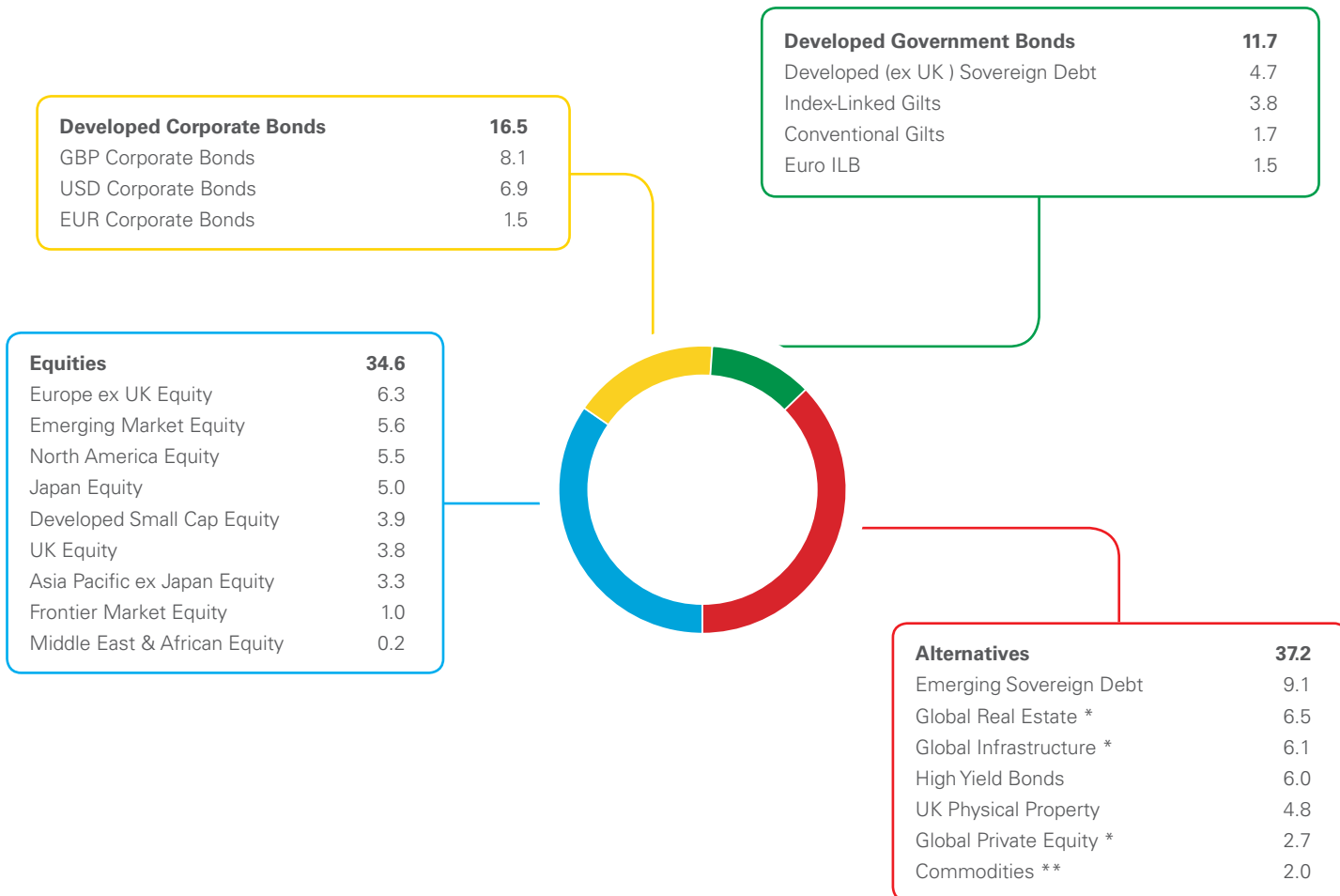
The assets of the fund may be held directly or indirectly via units of other PF Sections, including MAAG (Diversified (net WHT) Fund), deemed by PMC to be relevant to the objective of the fund. The asset allocation will be reviewed periodically (at least annually) and the fund will not take short term, tactical asset allocation positions. Derivatives may be used within the underlying funds for efficient portfolio management.

## Comparator note

We show the Fund's performance against the comparator indicated because the long-term expected rate of return of the Fund is broadly similar to that of a developed market equity fund. The diversified nature of the Fund means that it is expected to have less exposure than a pure equity fund to adverse equity market conditions. However, the Fund may perform less strongly than a pure equity fund in benign or positive market conditions.

PORTFOLIO BREAKDOWN

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



FUND MANAGER COMMENTARY

The majority of asset classes delivered positive performance in the third quarter. Developed government bonds (both nominal and inflation-linked), investment-grade credit, and bond proxies such as listed global real estate and listed infrastructure benefitted from the collapse in yields across the globe. Trade-war news flow, weaker economic data from China and Germany, and increased concerns about the risk of a recession in the US all played a part.

The Diversified Fund returned 2.9% over the quarter. Its long-term comparator of developed global equities (as measured by the FTSE DevelopedWorld Index, 50% hedged to GBP) returned 2.7%.

Since inception the fund has returned 9.1% per annum. Realised returns for the long-term comparator (FTSE DevelopedWorld Index, 50% hedged to GBP) were 12.8% per annum. Our long-term return expectation (for both developed equities as well as for the Diversified Fund) is around risk-free rates +3.5-4% or circa 4.25% since inception. We don't expect the fund to match equity returns in an extended market rally given the fund's diversified composition and in general expect the fund to outperform equities in a downmarket given its diversified asset allocation.

The fund's realised volatility since inception reflects 66% of the volatility of its long-term comparator, developed global equities (as measured by the FTSE DevelopedWorld Index, 50% hedged to GBP). This is in line with the fund's volatility target.

There were no changes to fund positioning over the quarter.

\*Exposure through shares in listed infrastructure and private equity companies and global Real Estate Investment Trusts (REITs).

\*\*Exposure through investing in funds that aim to provide a similar return to selected commodity indices. The underlying funds invest in derivatives to provide the return of the specified indices.

Asset allocations are subject to change.

FUND MANAGERS

The Fund is managed by LGIM's Asset Allocation team. The team has a wealth of experience in fund management, investment strategy and economics. They are responsible for a wide range of multi-asset funds and investment strategies across LGIM's client base. The Fund allows a broad range of pension fund investors to access this expertise.

The day-to-day implementation of the allocation of the fund is managed by the Allocation Strategy Management team.

## 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 get back less than 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 £1,134.5 billion (as at 30 June 2019). We work with a wide range of global clients, including pension schemes, sovereign wealth funds, fund distributors and retail investors.

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	No

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.

### Important information

Copyright © 2019 Legal & General. This document is subject to copyright. Any unauthorised use is strictly prohibited. All rights are reserved.

Issued by Legal and General Assurance (Pensions Management) Limited ("PMC") which is a life insurance company and manages this investment using an insurance policy notionally divided into a number of Funds. Registered in England and Wales No. 01006112. Registered Office: One Coleman Street, London, EC2R 5AA. Authorised by the Prudential Regulation Authority and Regulated by the Financial Conduct Authority and the Prudential Regulation Authority No. 202202. 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. Copies of the Key Features Document, Descriptions of Funds and associated policy documents are available free of charge on request. This document is only directed at investors resident in jurisdictions where our funds are 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.

Source: Unless otherwise indicated all data contained in this factsheet is sourced from Legal & General Investment Management Limited. Where this document contains third party data ("Third Party Data"), we cannot guarantee the accuracy, completeness or reliability of such Third Party Data and accept no responsibility or liability whatsoever in respect of such Third Party Data.

Source: London Stock Exchange Group plc and its group undertakings (collectively, the "LSE Group"). ©LSE Group 2019. FTSE Russell is a trading name of certain of the LSE Group companies. FTSE® is a trade mark of the relevant LSE Group companies and is used by any other LSE Group company under license. All rights in the FTSE Russell indexes or data vest in the relevant LSE Group company which owns the index or the data. Neither LSE Group nor its licensors accept any liability for any errors or omissions in the indexes or data and no party may rely on any indexes or data contained in this communication. No further distribution of data from the LSE Group is permitted without the relevant LSE Group company's express written consent. The LSE Group does not promote, sponsor or endorse the content of this communication.

**Internal Fund Code: MAAG**