



# Legal & General Sterling Corporate Bond Index Fund

Unit Trust (UCITS compliant) C-Class GBP

## FUND AIM

The objective of this fund is to provide income by tracking the performance of the Markit iBoxx Sterling Non-Gilts ex BBB Index.

## 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.

This fund is in category 4 because it invests in investment grade bonds which generally provide higher rewards and higher risks than investments in cash and lower rewards and lower risks than investments in sub-investment grade bonds or company shares.

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

## WHO IS THIS FUND FOR?

- This fund is designed for investors seeking income from an investment which can form part of their existing savings portfolio
- 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
- 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

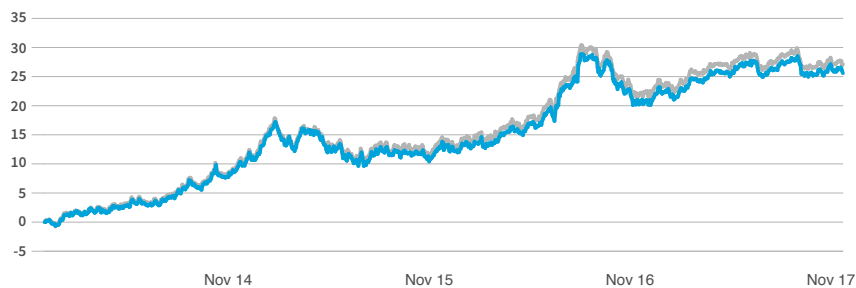
|                                   |                             |  |                                  |
|-----------------------------------|-----------------------------|--|----------------------------------|
| Fund size<br><b>£618.4m</b>       | Base currency<br><b>GBP</b> | Benchmark<br><b>Markit iBoxx Sterling Non-Gilts ex-BBB Index</b> |                                  |
| Launch date<br><b>28 Aug 2012</b> | Domicile<br><b>UK</b>       | Distribution yield<br><b>2.20%</b>                               | Modified duration<br><b>8.08</b> |

## COSTS

|                                |                                    |
|--------------------------------|------------------------------------|
| Initial charge<br><b>0.00%</b> | Ongoing charge<br><b>0.09%</b>     |
| Price basis<br><b>Dual</b>     | Bid / Offer spread<br><b>0.55%</b> |

For detail on price basis methodologies please refer to the 'Guide to Investing With Us' found on our website. [↗](#)

## PERFORMANCE (%)



|             | 1 month | 6 months | 1 year | 3 years | Launch |
|-------------|---------|----------|--------|---------|--------|
| ■ Fund      | -0.26   | -1.38    | 3.75   | 13.83   | 25.59  |
| ■ Benchmark | -0.01   | -0.95    | 4.09   | 14.87   | 27.11  |

## ANNUAL PERFORMANCE (%)

| 12 months to 30 September | 2017  | 2016  | 2015 | 2014 | 2013 |
|---------------------------|-------|-------|------|------|------|
| Fund                      | -1.68 | 14.14 | 4.82 | -    | -    |
| Benchmark                 | -1.07 | 13.54 | 5.21 | -    | -    |

Performance for the C Inc unit class in GBP, launched on 09 December 2013. 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.

Please note, the benchmark is priced at the close whereas the fund is priced earlier. This can lead to artificially high tracking difference stated on the factsheet. Please see overleaf for gross tracking difference with both fund and index on a closed-price basis.

**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.**

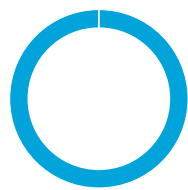
## FUND SNAPSHOT

- Aims to track the return of the iBoxx Sterling Non-Gilts ex-BBB Index
- Invests in sterling corporate bonds rated AAA, AA or A, deemed to be higher quality than lower-rated bonds
- Employs a straightforward, low-cost and pragmatic index replication approach



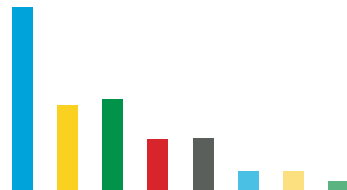
## PORTFOLIO BREAKDOWN

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



### CURRENCY (%)

|       |       |
|-------|-------|
| ■ GBP | 100.0 |
|-------|-------|



### YEARS TO MATURITY (%)

|            |      |
|------------|------|
| ■ 0 to 5   | 36.0 |
| ■ 5 to 10  | 16.7 |
| ■ 10 to 15 | 17.9 |
| ■ 15 to 20 | 10.1 |
| ■ 20 to 25 | 10.3 |
| ■ 25 to 30 | 3.7  |
| ■ 30 to 40 | 3.7  |
| ■ 40+      | 1.8  |



■ Top 10 Holdings **9.47%**  
 ■ Rest of Portfolio **90.53%**  
 No. of issuers in fund **286**  
 No. of issuers in index **279**

### TOP 10 HOLDINGS (%)

|                           |     |
|---------------------------|-----|
| Kreditanstalt fur Wiedera | 1.3 |
| Treasury 1.25% 2018       | 1.2 |
| European Investment Bank  | 1.2 |
| Kreditanstalt fur Wiedera | 1.1 |
| European Investment Bank  | 0.9 |
| Kreditanstalt fur Wiedera | 0.9 |
| European Investment Bank  | 0.8 |
| European Investment Bank  | 0.7 |
| Pfizer Inc 6.5% 2038      | 0.7 |
| European Investment Bank  | 0.7 |

### CREDIT RATING (%)

|     |      |   |
|-----|------|---|
| AAA | 30.6 | ■ |
| AA  | 23.4 | ■ |
| A   | 45.5 | ■ |
| BBB | 0.3  |   |
| NA  | 0.2  |   |

### COUNTRY (%)

|                   |      |
|-------------------|------|
| 🇬🇧 United Kingdom | 36.3 |
| 🇺🇸 United States  | 11.5 |
| 🇩🇪 Germany        | 10.5 |
| 🇫🇷 France         | 7.5  |
| 🇳🇱 Netherlands    | 6.1  |
| 🇦🇺 Australia      | 2.6  |
| 🇨🇾 Cayman Islands | 2.3  |
| 🇯🇪 Jersey         | 2.0  |
| 🇸🇪 Sweden         | 1.8  |
| 🌐 Other           | 19.5 |

### SECTOR (%)

|                      |      |
|----------------------|------|
| Financials           | 24.0 |
| Supranationals       | 12.1 |
| Agencies             | 11.8 |
| Utilities            | 7.9  |
| Covered              | 5.7  |
| Non-Financials       | 5.7  |
| Housing Associations | 4.6  |
| Industrials          | 3.4  |
| Consumer Goods       | 3.3  |
| Other                | 21.6 |

## INDEX TRACKING

The team believes that successful index tracking strikes a balance between close matching of the index and the management of trading costs. Using pragmatic replication, all the bonds in the portfolio are held broadly in line with their index weights, ensuring close tracking of the index.

### GROSS TRACKING DEVIATION (%)

| YTD   | 2016 | 2015 | 2014 | 2013 |
|-------|------|------|------|------|
| -0.14 | 0.14 | 0.00 | 0.05 | 0.06 |

| 1 year | 3 years | 5 years | Launch |
|--------|---------|---------|--------|
| -0.08  | 0.00    | -0.08   | -0.10  |

Comparisons based on capital movements and before management fees at close of business local time. The fund launched on 28 August 2012.



### 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

- 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.
- Investment returns on bonds are particularly 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 longer time to go before their maturity date will fall by more than bonds with a short time to their maturity date.
- Credit ratings assigned to the individual assets in the fund can weaken and cause the value of those assets to fall.
- The fund invests in bonds which are issued by companies. If these companies 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.
- This fund has investments that, rather than being traded on an exchange, are traded through agents, brokers or investment banks matching buyers and sellers. This makes the investments less easy to buy and sell than those that are traded on an exchange and on any particular day there may not be a buyer or a seller for the investments. 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. If this happens, the value of your fund may fall and in extreme circumstances this may also force a delay in buying and selling your investment in the fund, which may mean you have to wait for your money to be invested or returned. The fund can only delay paying out if it is in the interests of all investors and with the permission of the fund trustee or depositary.
- The fund could lose money if any institutions providing services such as safekeeping of assets or acting as counterparty to derivatives or other instruments, becomes unwilling or unable to meet its obligations to the fund.
- We take the ongoing charges from the fund's capital rather than the fund's income. This increases the amount of income you may be paid, but it reduces the growth potential and may lead to a fall in the value of the fund.

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

## LATEST DISTRIBUTION INFORMATION

For distributing unit classes, the latest payments are shown below. Please note that these payments are not guaranteed, are at the discretion of the manager and may be paid out of capital.

| Type    | Ex-div date | Pay date  | Pence per unit |
|---------|-------------|-----------|----------------|
| Interim | 21 Aug 17   | 20 Oct 17 | 0.32p          |
| Final   | 20 May 17   | 20 Jul 17 | 0.33p          |
| Interim | 20 Feb 17   | 20 Apr 17 | 0.32p          |
| Interim | 20 Nov 16   | 20 Jan 17 | 0.27p          |



### 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 £957.2 billion (as at 30 June 2017). We work with a wide range of global clients, including pension schemes, sovereign wealth funds, fund distributors and retail investors.

Assets under management includes derivative positions and assets managed by LGIMA, an SEC Registered Investment Advisor.

## DEALING INFORMATION

|                     |                       |
|---------------------|-----------------------|
| Valuation frequency | Daily, 12pm (UK time) |
| Dealing frequency   | Daily                 |
| Settlement period   | T+4                   |

## CODES

|                  |       |              |
|------------------|-------|--------------|
| <b>ISIN</b>      | C Acc | GB00BG0QPD77 |
|                  | C Inc | GB00BG0QPC60 |
| <b>SEDOL</b>     | C Acc | BG0QPD7      |
|                  | C Inc | BG0QPC6      |
| <b>Bloomberg</b> | C Acc | LGSCBCA LN   |
|                  | C Inc | LGSCBCI LN   |

## TO FIND OUT MORE

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

 Call **0370 050 0955**

 Email [investments@landg.com](mailto:investments@landg.com)

Lines are open Monday to Friday 8.30am to 6.00pm. We may record and monitor calls. Call charges will vary.

## Important information

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