

# USD/EUR Corporate Bond AAA-AA-A Fund (Passive) - GBP Currency Hedged



Unit-Linked Life Insurance Reported in GBP

## FUND AIM

The investment objective of the fund is to provide diversified exposure to the USD and EUR corporate bond market, with currency hedged to sterling, and produce a return in line with the performance of the Bloomberg Global Aggregate USD/EUR Corp Over 5 Year ex BBB Index.

## 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 members of UK registered and certain non-UK registered defined benefit or defined contribution occupational pension schemes.
- Although investors can take their money out at any time, the recommended minimum holding period is 5 years.

## FUND FACTS

Fund size <b>£39.0m</b>	Base currency <b>GBP</b>	Benchmark <b>Gbl Agg USD/EUR Corp &gt;5 Yr ex BBB Idx-GBP Hgd</b>	
Launch date <b>Dec 2008</b>	Domicile <b>United Kingdom</b>	Gross redemption yield <b>2.44% (unhedged)</b>	Modified duration <b>10.98 years</b>

## PERFORMANCE (%)



	YTD	3m	6m	1y	3y	5y
Fund	-2.71	-0.20	3.61	-0.17	6.70	3.42
Benchmark	-2.62	-0.17	3.68	-0.13	6.81	3.52
Relative	-0.09	-0.03	-0.07	-0.04	-0.11	-0.10

## ANNUAL PERFORMANCE (%)

12 months to 30 September	2021	2020	2019	2018	2017
Fund	-0.17	6.81	13.92	-2.84	0.25
Benchmark	-0.13	7.06	13.95	-2.77	0.35
Relative	-0.04	-0.25	-0.03	-0.07	-0.10

All performance periods over a year will be annualised. Source: LGIM. Performance based on daily close mid-market prices adjusted to include a deduction equivalent to our standard investment management fees, which may or may not be the same for your scheme. Please refer to your scheme literature, or to your scheme administrator, for the fee rate that applies to your scheme. **Past performance is not a guide to the future.**

## FUND CHARACTERISTICS

The allocation to USD and EUR is held in market weights in accordance with the benchmark. The fund provides exposure to corporate bonds whilst helping to reduce the associated trading costs. The constituent universe for the fund does not include government related securities such as agency, local authority and sovereign supranational issues. Government bonds may be used for liquidity and efficient portfolio management purposes. Currency hedging is achieved by selling forward for approximately one month the relevant currency exposure of the fund.

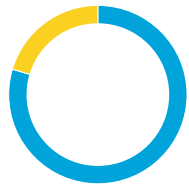
### Benchmark note

A Bloomberg Index



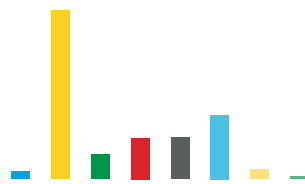
## PORTFOLIO BREAKDOWN

All data source LGIM unless otherwise stated. Totals may not sum due to rounding. In order to minimise transaction costs, the Fund will not always own all the assets that constitute the index and on occasion it will own assets that are not in the index. The number of fund holdings can differ from the index due to corporate events and proxy holdings.



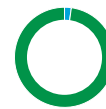
### CURRENCY (%)

USD	79.6
EUR	20.4



### YEARS TO MATURITY (%)

0 - 5 Years	2.1
5 - 10 Years	46.9
10 - 15 Years	6.9
15 - 20 Years	11.5
20 - 25 Years	11.5
25 - 30 Years	17.8
30 - 40 Years	2.7
40+ Years	0.7



■ Top 10 holdings 2.2%  
 ■ Rest of portfolio 97.8%  
 No. of issuers in fund 623  
 No. of issuers in index 494

### TOP 10 HOLDINGS (%)

Microsoft 2.921% 2052	0.3
Wells Fargo 5.013% 2051	0.3
BAC 3.419% 2028	0.2
Microsoft 2.525% 2050	0.2
Bank of America Corp 4.083% 2051	0.2
HSBC 3.9% 2030	0.2
Rdsaln 6.375 15-Dec-2038	0.2
Shell International Finance 4.375% 204	0.2
Home Depot Inc 5.875% 2036	0.2
V 4.3% 2045	0.2

### CREDIT RATING (%)

AAA	2.9
AA	15.3
A	81.0
BBB	0.7
Undefined	0.1

### COUNTRY (%)

United States	73.3
France	5.4
United Kingdom	4.3
Germany	3.1
Japan	2.2
Switzerland	2.2
Netherlands	2.2
Australia	1.4
China	1.3
Other	4.7

Celebrating  
**25+**  
 Years

### 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

- 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.
- 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 £1,326.8 billion (as at 30 June 2021). We work with a wide range of global clients, including pension schemes, sovereign wealth funds, fund distributors and retail investors.

Source: LGIM internal data as at 30 June 2021. 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.

## TO FIND OUT MORE

This factsheet has been produced to provide you with fund information and is not designed to provide advice on the suitability of an investment for your personal financial situation. It should be read in conjunction with your pension scheme particulars.

If you have any questions regarding its contents, please speak to the scheme administrator, trustees or your financial advisor.

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**Internal Fund Code: VE**