

# L&G Euro Corporate Bond Fund

SICAV (UCITS compliant) R-Class EUR Dist



## FUND AIM

The Fund aims to produce a return derived from capital growth and income by investing predominantly in Euro denominated fixed income securities.

## 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

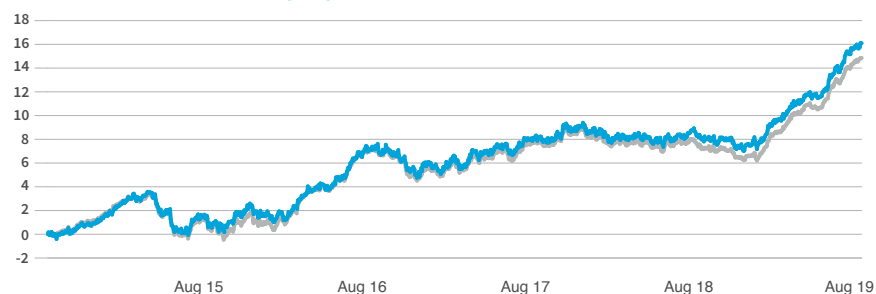
## FUND FACTS

|                                   |                               |   |   |
|-----------------------------------|-------------------------------|---|---|
| Fund size<br><b>€111.0m</b>       | Base currency<br><b>EUR</b>   | Share class benchmark<br><b>Markit iBoxx Euro Corporates TR EUR</b> |   |
| Launch date<br><b>25 Nov 2013</b> | Domicile<br><b>Luxembourg</b> | Modified duration<br><b>5.16 years</b>                              | Gross redemption yield<br><b>0.72% (unhedged)</b> |

## COSTS

|                                    |  |
|------------------------------------|--|
| Initial charge<br><b>0.00%</b>     | Ongoing charge<br><b>0.50%</b>                   |
| Price basis<br><b>Single swing</b> | Dilution adjustment<br><b>0.364%- round trip</b> |

## PERFORMANCE (%)



|             | 1m    | 3m    | 1y    | 3y    | 5y    |
|-------------|-------|-------|-------|-------|-------|
| ■ Fund      | 0.64  | 3.96  | 7.07  | 2.65  | 3.02  |
| ■ Benchmark | 0.67  | 3.74  | 6.70  | 2.39  | 2.83  |
| Relative    | -0.03 | +0.22 | +0.37 | +0.26 | +0.19 |

## 12 MONTH PERFORMANCE TO MOST RECENT QUARTER (%)

| 12 months to 30 June | 2019  | 2018  | 2017  | 2016  | 2015 |
|----------------------|-------|-------|-------|-------|------|
| Fund                 | 5.10  | 1.11  | 1.67  | 4.77  | -    |
| Benchmark            | 4.83  | 1.07  | 1.21  | 5.02  | -    |
| Relative             | +0.27 | +0.04 | +0.46 | -0.25 | -    |

All performance periods over a year will be annualised. Performance for the R EUR Dist share class in EUR, launched on 25 July 2014. 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.**

## FUND SNAPSHOT

- Aims to produce a return derived from capital growth and income
- Invests predominantly in a variety of euro denominated fixed interest instruments
- May also invest in asset-backed securities such as mortgage-backed securities and consumer loans

## PORTFOLIO BREAKDOWN

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



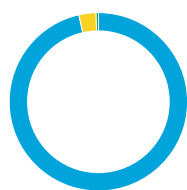
■ Top 10 issuers 20.1%  
■ Rest of portfolio 79.9%  
No. of issuers 130

### TOP 10 ISSUERS (%)

|                                    |     |
|------------------------------------|-----|
| Bundesrepublik Deutschland         | 4.1 |
| EDF SA                             | 2.2 |
| Deutsche Bank AG                   | 2.1 |
| Banque Federative Du Credit Mutuel | 1.9 |
| Volkswagen AG                      | 1.9 |
| Anheuser-Busch Inbev NV            | 1.7 |
| BP plc                             | 1.6 |
| UBS AG                             | 1.6 |
| Citigroup Inc                      | 1.6 |
| BMW AG                             | 1.6 |

### TOP SECTOR OVER/UNDERWEIGHTS (%)

|                      | Fund | Benchmark | Relative |   |
|----------------------|------|-----------|----------|---|
| Sovereign            | 4.1  | -         | 4.1      | ■ |
| Utilities            | 14.4 | 10.3      | 4.1      | ■ |
| Cash and Equivalents | 1.6  | -         | 1.6      | ■ |
| Real Estate          | 5.9  | 4.3       | 1.5      | ■ |
| Oil & Gas            | 4.9  | 4.4       | 0.4      | ■ |
| Other                | 0.3  | 0.0       | 0.3      | ■ |
| Consumer Services    | 3.6  | 3.6       | 0.0      | ■ |
| Financial Services   | 2.3  | 2.5       | -0.2     | ■ |
| Technology           | 1.7  | 2.5       | -0.8     | ■ |
| Banks                | 27.4 | 29.0      | -1.6     | ■ |
| Insurance            | 3.0  | 5.1       | -2.1     | ■ |
| Health Care          | 3.4  | 5.6       | -2.2     | ■ |
| Industrials          | 6.2  | 8.5       | -2.3     | ■ |
| Consumer Goods       | 11.5 | 14.1      | -2.6     | ■ |



### CURRENCY (%)

|       |      |
|-------|------|
| ■ EUR | 96.6 |
| ■ USD | 3.1  |
| ■ GBP | 0.4  |

### CREDIT RATING (%)

|      | Fund | Benchmark | Relative |   |
|------|------|-----------|----------|---|
| AAA  | 4.1  | 0.4       | 3.7      | ■ |
| AA   | 5.4  | 10.8      | -5.3     | ■ |
| A    | 36.1 | 39.5      | -3.4     | ■ |
| BBB  | 49.9 | 49.3      | 0.6      | ■ |
| BB   | 2.4  | -         | 2.4      | ■ |
| B    | 0.2  | -         | 0.2      | ■ |
| NR   | 0.3  | -         | 0.3      | ■ |
| Cash | 1.6  | -         | 1.6      | ■ |

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.

## LGIM GLOBAL FIXED INCOME

Legal and General Investment Management (LGIM) is one of Europe's largest asset managers and a major global investor, with assets under management of £1.1tn\*.

**Scale and experience-** Our Global Fixed Income team is responsible for over £172 billion\* of actively managed assets with over 80 professionals with an average of 15 years' industry experience bringing together a blend of expertise to the management of regional and global fixed income portfolios. As part of the wider Legal & General Group, and as one of the leading global bond investors in the industry, we believe that we have a unique insight into providing suitable investment solutions that meet our clients' wider needs.

**Macro-thematic approach-** Our investment process combines top-down fundamental macro analysis with bottom-up stock selection, focusing on identifying turning points and new themes that drive long-term performance. Our integrated approach has helped LGIM to successfully manage portfolios and deliver risk-adjusted performance across our range of active funds.

\*Source: LGIM internal data as at 30 June 2019. 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.



**Marc Rovers**



**Matthew Rees**

### FUND MANAGERS

Marc joined LGIM in May 2012. Marc started in the industry in 1995 as a portfolio manager at ABP investments (now APG). He holds an MSc in economics and is a Certified European Financial Analyst (CEFA).

Matthew joined LGIM in March 2009. Matthew has more than 23 years' experience in financial services and graduated from the University of York with a BA (hons) in English.

## 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 [↗](#)

## TO FIND OUT MORE

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 Call **+352 276 222 514** We may record and monitor calls. Call charges will vary.

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### 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 €1,268.0 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

|                         |                   |
|-------------------------|-------------------|
| Valuation frequency     | Daily, 16:00 CET  |
| Dealing frequency       | Each Business Day |
| Settlement period       | T+3               |
| Administrator/Custodian | Northern Trust    |

## CODES

|                  |            |              |
|------------------|------------|--------------|
| <b>ISIN</b>      | R EUR Acc  | LU0984223825 |
|                  | R EUR Dist | LU0984224047 |
| <b>Bloomberg</b> | R EUR Acc  | LGECREA LX   |
|                  | R EUR Dist | LGECREI LX   |

## COUNTRY REGISTRATION

|  |  |
|--|--|
|  Belgium     |  Italy          |
|  Luxembourg  |  Netherlands    |
|  Switzerland |  United Kingdom |

## Important information

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**Internal Fund Code: 5404**