

# AAA-AA Fixed Interest All Stocks Targeted Duration Fund (charges included)



Unit-Linked Life Insurance Reported in GBP

## FUND AIM

The fund aims to produce a total return in line with the performance of the FTSE Actuaries UK Conventional Gilts All Stocks Index and capture the yield spread over gilts of AAA-AA rated fixed interest securities.

## 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<br><b>£2.1m</b>      | Base currency<br><b>GBP</b>       | Benchmark<br>-                         |   |
| Launch date<br><b>Aug 2003</b> | Domicile<br><b>United Kingdom</b> | Gross redemption yield<br><b>1.94%</b> | Modified duration<br><b>11.44 years</b> |

## PERFORMANCE (%)



|        | YTD  | 3m   | 6m   | 1y   | 3y   | 5y   |
|--------|------|------|------|------|------|------|
| ■ Fund | 0.10 | 0.10 | 2.34 | 1.33 | 3.33 | 4.76 |

## ANNUAL PERFORMANCE (%)

| 12 months to 31 March | 2018 | 2017 | 2016 | 2015  | 2014  |
|-----------------------|------|------|------|-------|-------|
| Fund                  | 1.33 | 6.96 | 1.80 | 15.38 | -0.91 |

All performance periods over a year will be annualised. Source: LGIM. Performance based on daily close mid-market prices after the deduction of 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 future performance and the value of investments can go down as well as up.**

## FUND CHARACTERISTICS

This passively managed fund follows a buy and maintain strategy and provides an alternative to the All Stocks Gilt Index Fund through exposure to AAA-AA rated corporate bonds that are, following issue, constituents of the Markit iBoxx £ Non-Gilts Sovereign & Sub-Sovereign AAA-AA Index. The fund may also hold gilts to provide liquidity and to ensure that the fund's duration remains within tolerance of the FTSE Actuaries UK Conventional Gilts All Stocks Index.

Please note that with effect from 1 February 2014 the objective and investable universe of the fund changed and the fund name changed from the AAA Fixed Interest All Stocks Fund.

Please note that there is a performance differential for end of March 2018, please see page 3 for further information.

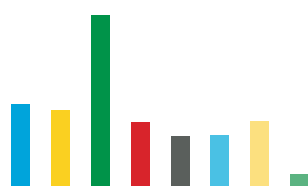
## PORTFOLIO BREAKDOWN

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.



### SECTOR (%)

|                       |      |
|-----------------------|------|
| Non-Financials        | 31.7 |
| Supranationals        | 30.8 |
| Agencies              | 22.6 |
| Gilts                 | 6.2  |
| Guaranteed Financials | 3.1  |
| Regions               | 2.3  |
| Public Banks          | 2.2  |
| Sovereigns            | 1.1  |



### YEARS TO MATURITY (%)

|          |      |
|----------|------|
| 0 to 5   | 14.3 |
| 5 to 10  | 13.3 |
| 10 to 15 | 29.2 |
| 15 to 20 | 11.2 |
| 20 to 25 | 8.9  |
| 25 to 30 | 9.1  |
| 30 to 40 | 11.4 |
| 40+      | 2.7  |



■ Top 10 holdings 29.7%  
 ■ Rest of portfolio 70.3%  
 No. of issuers in fund 39  
 No. of issuers in index 50

### TOP 10 HOLDINGS (%)

|  |     |
|--|-----|
| European Investment Bank 5.0% 2039     | 3.6 |
| Network Rail 4.375% 2030               | 3.3 |
| KFW Group 5.5% 2025                    | 3.2 |
| SNCF Reseau 5.0% 2052                  | 3.1 |
| European Investment Bank 5.5% 2025     | 3.1 |
| Network Rail 4.75% 2035                | 3.1 |
| European Investment Bank 4.625 2054    | 2.7 |
| European Investment Bank 4.5% 2044     | 2.6 |
| KFW Group 5.0% 2036                    | 2.6 |
| London & Continental Railway 4.5% 2038 | 2.5 |

### CREDIT RATING (%)

|     |      |                                   |
|-----|------|-----------------------------------|
| AAA | 54.0 | <div style="width: 54.0%;"></div> |
| AA  | 46.0 | <div style="width: 46.0%;"></div> |

### COUNTRY (%)

|                |      |
|----------------|------|
| United Kingdom | 30.6 |
| Germany        | 16.4 |
| France         | 7.8  |
| Netherlands    | 3.5  |
| United States  | 2.6  |
| Jersey         | 2.1  |
| Cayman Islands | 1.8  |
| Singapore      | 1.5  |
| Belgium        | 1.0  |
| Other          | 32.7 |

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 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 [↗](#)

Please note that fund and client performance numbers for any investment periods up to the end of March 2018 are based on FX rates as at 30 March 2018. Due to the public holiday in the UK and some international markets on 30 March 2018, the end of March 2018 index performance numbers are based on FX rates as at 29 March 2018. The performance differential attributable to this timing discrepancy is expected to reverse in April. Should you require more information please contact [clientreportingteam@lgim.com](mailto:clientreportingteam@lgim.com).



## 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 £983.3 billion (as at 31 December 2017). 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.

## 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: DR**