

# Pre-Retirement Inflation Linked Fund

Unit-Linked Life Insurance Reported in GBP



## FUND AIM

The fund aims to provide diversified exposure to sterling assets that reflect the broad characteristics of investments underlying the pricing of a typical inflation-linked annuity product.

## 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.

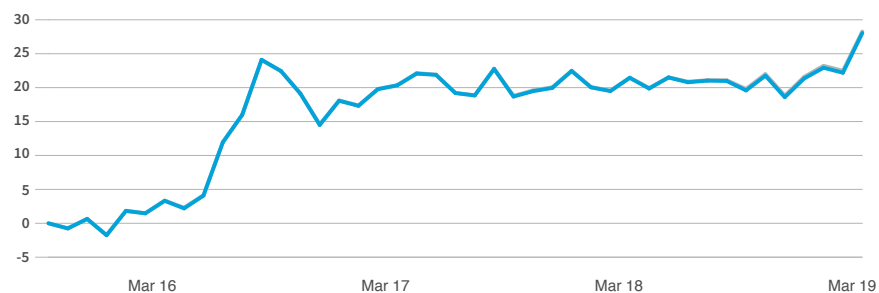
## WHO IS THIS FUND FOR?

- 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>£376.1m</b>    | Base currency<br><b>GBP</b>       | Benchmark<br><b>Composite (see note)</b> |
| Launch date<br><b>Sep 2015</b> | Domicile<br><b>United Kingdom</b> |  |

## PERFORMANCE (%)



|             | YTD   | 3m    | 6m    | 1y    | 3y    | Launch |
|-------------|-------|-------|-------|-------|-------|--------|
| ■ Fund      | 5.51  | 5.51  | 7.08  | 5.45  | 7.42  | 7.22   |
| ■ Benchmark | 5.49  | 5.49  | 7.05  | 5.47  | 7.45  | 7.25   |
| Relative    | +0.02 | +0.02 | +0.03 | -0.02 | -0.03 | -0.03  |

## ANNUAL PERFORMANCE (%)

| 12 months to 31 March | 2019  | 2018  | 2017  | 2016 | 2015 |
|-----------------------|-------|-------|-------|------|------|
| Fund                  | 5.45  | 0.93  | 16.47 | -    | -    |
| Benchmark             | 5.47  | 1.02  | 16.45 | -    | -    |
| Relative              | -0.02 | -0.09 | +0.02 | -    | -    |

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 the future.**

## FUND CHARACTERISTICS

The fund invests in LGIM's index-tracking bond funds and aims to improve potential outcomes for investors likely to purchase inflation-linked annuities, by providing diversified exposure to fixed interest and inflation-linked bonds. The fund, however, cannot provide full protection against changes in inflation-linked annuity rates for individual members since these also depend upon a number of other factors (e.g. its assets are not sensitive to changes to mortality assumptions). The asset allocation is reviewed quarterly by the Portfolio Solutions team and the fund will not take short-term, tactical asset allocation positions.

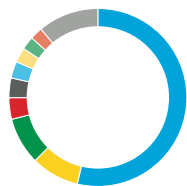
### Benchmark note

The benchmark asset allocation for the Fund is a composite of gilts and corporate bond funds.

Please note that effective from 22 November 2013 the objective of fund changed, and the transition of the fund to the new objective, took place and the name of the fund changed from the Long Dated Bond Fund.

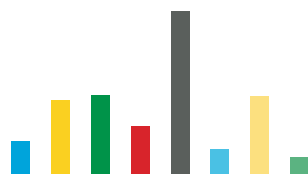
## PORTFOLIO BREAKDOWN

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



### SECTOR (%)

|                      |      |
|----------------------|------|
| Unclassified         | 53.7 |
| Financials           | 8.7  |
| Utilities            | 8.6  |
| Housing Associations | 3.9  |
| Consumer Services    | 3.6  |
| Industrials          | 3.1  |
| Health Care          | 2.7  |
| Telecommunications   | 2.4  |
| Supranationals       | 2.3  |
| Other                | 11.0 |



### YEARS TO MATURITY (%)

|          |      |
|----------|------|
| 0 to 5   | 6.4  |
| 5 to 10  | 14.4 |
| 10 to 15 | 15.4 |
| 15 to 20 | 9.3  |
| 20 to 25 | 31.7 |
| 25 to 30 | 4.7  |
| 30 to 40 | 15.0 |
| 40+      | 3.2  |



■ Top 10 holdings 53.2%  
■ Rest of portfolio 46.8%

No. of issuers in fund 488  
No. of issuers in index 479

### TOP 10 HOLDINGS (%)

|                       |      |
|-----------------------|------|
| Gilts I-L 0.625% 2040 | 16.6 |
| Gilts I-L 1.250% 2032 | 9.8  |
| Gilts I-L 0.50% 2050  | 9.7  |
| Gilts I-L 1.250% 2027 | 6.8  |
| Gilts I-L 0.625% 2042 | 5.6  |
| Gilts I-L 0.750% 2047 | 1.5  |
| Gilts I-L 0.125% 2058 | 1.3  |
| Gilts I-L 0.375% 2062 | 0.8  |
| Engie SA 5.0% 2060    | 0.6  |
| Pfizer 2.735% 2043    | 0.6  |

### CREDIT RATING (%)

|     |      |
|-----|------|
| AAA | 5.5  |
| AA  | 8.2  |
| A   | 20.2 |
| BBB | 12.8 |
| NA  | 0.5  |
| NR  | 52.8 |

### COUNTRY (%)

|                |      |
|----------------|------|
| United Kingdom | 74.6 |
| United States  | 6.1  |
| France         | 4.2  |
| Netherlands    | 2.7  |
| Jersey         | 2.0  |
| Cayman Islands | 1.5  |
| Germany        | 1.5  |
| Australia      | 0.9  |
| Mexico         | 0.9  |
| Other          | 5.7  |

### FUND MANAGERS

The Fund's strategic asset allocation is set and maintained by LGIM's Portfolio Solutions team. This team has a wealth of experience and is drawn from financial, actuarial and consultancy backgrounds. They are involved in asset allocation work for a wide range of LGIM's clients, typically large pension and insurance funds.

The allocation is managed by the Allocation Strategy Management team. Management oversight is provided by the Director, Allocation Strategy Management. The team of 10 has an average industry experience of 13 years, of which six years has been at LGIM.

## 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 de minimus 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 £984.8 billion (as at 30 June 2018). 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: CYAK**