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This is a marketing communication. Please refer to the prospectus of the fund and to the key investor information document before making any final investment decisions.

L&G Global Diversified Credit SDG Fund

An actively managed, diversified credit portfolio aligned with the UN Sustainable Development Goals.

Reasons to invest:



A higher level of expected returns and greater diversification for a marginal increase in level of risk - when compared with traditional portfolios based solely on investment-grade credit. The fund invests across a broad universe that includes investment grade, emerging-market debt and high yield.



Targets improved predictability of returns.

Due to the contractual nature of the assets, it is generally easier to have higher conviction in their long-term returns when compared to other growth instruments. Amid the low yields of global sovereign bonds and the tight spreads of investment-grade credit, we believe that diversifying credit exposure is a logical step for institutional investors struggling to achieve their required cashflow and return objectives.



A new proprietary sustainable approach.

Our SDG framework is supported by our world-class ESG integration capabilities and engagement activities, with a measurable improvement of the sustainability characteristics of the portfolio.

For investors seeking:



The potential ability to de-risk out of equities, but without sacrificing return potential.



A balance between cashflow and growth.



A sustainable approach, in addition to traditional risk and return considerations, that is aligned with the UN SDGs.

Fund characteristics

Benchmark

20% global investment grade, 40% global high yield, 40% short duration emerging market debt. The Fund will make minimal use of derivatives.

Objective

To outperform the above benchmark by 0.75% p.a. (over 3yr rolling periods) by investing in a global, diversified portfolio of credit, and to position the portfolio with better alignment to the UN SDGs than the benchmark. The fund is designed to target higher levels of income and growth than traditional credit portfolios.

Base currency:

USD (EUR and GBP hedged share classes available)

Domicile:

Luxembourg

Fund structure:

SICAV

ISIN:

LU2383325169

Representative ISIN provided for performance purposes but contact your LGIM representative for more information.

Key risk: 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.



Investment team:

Led by co-managers Matthew Rees (Head of Global Bond Strategies), Uday Patnaik (Head of Emerging Market Debt) and Martin Reeves (Head of Global High Yield), whose combined experience exceeds 70 years and who collectively manage more than €20 billion, the team deploys LGIM’s strength in global bond strategies, emerging markets and high yield. The team also leverages LGIM’s economists, credit strategists, and global research and engagement groups (GREGs), which aim to identify opportunities and risks through an ESG lens.



Matthew Rees
Head of Global Bond Strategies



Uday Patnaik
Head of Emerging Market Debt



Martin Reeves
Head of Global High Yield

Aligning with UN Sustainable Development Goals

Using our proprietary framework, the fund should increase the positive impact that investments are having on society and the environment. The UN SDGs provide a useful structure for measuring that impact. If we deem a company to be negatively aligned on any of the SDGs it will be excluded from a portfolio. The reverse is true with positively aligned companies: we would look to have an increased exposure to these names.

 1. No poverty	 2. Zero hunger	 3. Good health and well-being
 4. Quality education	 5. Gender equality	 6. Clean water and sanitation
 7. Affordable and clean energy	 8. Decent work and economic growth	 9. Industry, innovation and infrastructure
 10. Reduced inequalities	 11. Sustainable cities and communities	 12. Responsible production and consumption
 13. Climate action	 14. Life below water	 15. Life on land
 16. Peace, justice and strong institutions	 17. Partnerships for the goals	

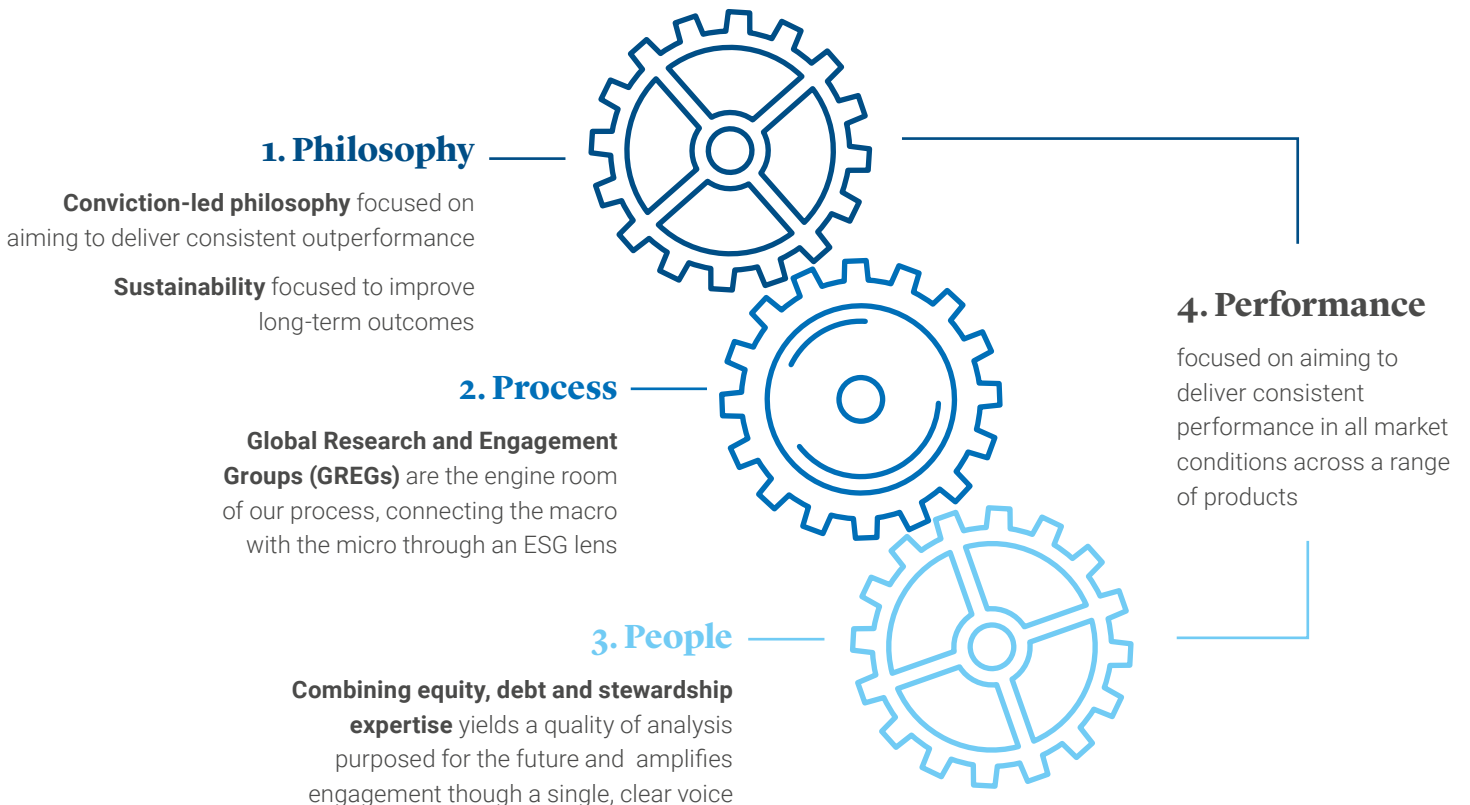
Source: UN as at 2021



Why LGIM for active fixed income?

Aiming for earlier identification of the risks that threaten future sustainability of returns, our fundamentals-led investment process connects macro and micro factors through an ESG lens to provide balanced, diversified portfolios.

The 4Ps of LGIM Active Strategies



Contact us

For further information about LGIM, please visit lgim.com or contact your usual LGIM representative



Key risks

Past performance is not a guide to the future. 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.

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