



# L&G Euro Corporate Bond Fund

SICAV (UCITS compliant) Z-Class USD (Unhedged) Acc

## 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 4 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

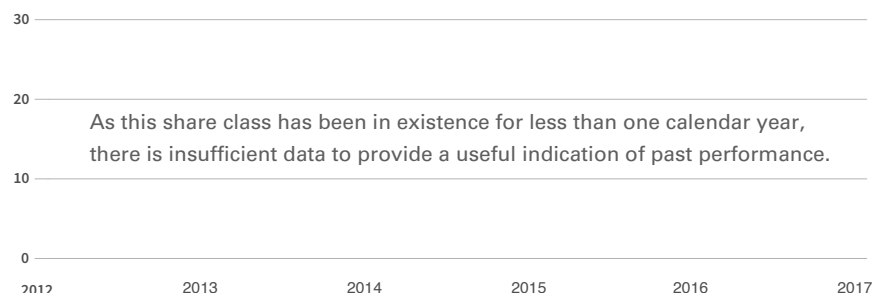
Fund size <b>€104.1m</b>	Base currency <b>EUR</b>	Benchmark <b>Markit iBoxx Euro Corporates TR</b>	
Launch date <b>25 Nov 2013</b>	Domicile <b>Luxembourg</b>	Modified duration <b>4.88 years</b>	Gross redemption yield <b>1.79% (unhedged)</b>

## COSTS

Initial charge <b>0%</b>	Ongoing charge <b>0.06%</b>
Price basis <b>Single- full swing</b>	Dilution adjustment <b>0.32%- round trip</b>

The eligibility for the Z share class is restricted and may require a separate fee agreement with LGIM. Please contact us to discuss share class eligibility.

## PERFORMANCE (%)



	1m	3m	1y	3y	Launch
■ Fund	-	-	-	-	-
■ Benchmark	-	-	-	-	-
Relative	-	-	-	-	-

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

12 months to 31 December	2018	2017	2016	2015	2014
Fund	-	-	-	-	-
Benchmark	-	-	-	-	-
Relative	-	-	-	-	-

All performance periods over a year will be annualised. Performance for the Z USD (Unhedged) Acc share class in USD, launched on 27 June 2018. 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 future returns. The value of your investment and any income taken from it is not guaranteed and may go up and down.**

## 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.



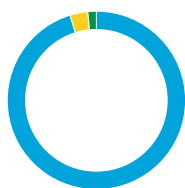
■ Top 10 issuers 24.4%  
■ Rest of portfolio 75.6%  
No. of issuers 126

### TOP 10 ISSUERS (%)

Bundesrepublik Deutschland	8.3
EDF SA	2.2
HSBC Holdings plc	2.0
UBS AG London 1.25% 2020	1.8
General Electric Co	1.8
Anheuser-Busch Inbev NV	1.8
RWE AG	1.8
ABN Amro Bank NV	1.6
SNS Bank Nederland	1.6
Carrefour SA	1.5

### TOP SECTOR OVER/UNDERWEIGHTS (%)

	Fund	Benchmark	Relative
Sovereign	9.5	-	9.5
Utilities	15.2	11.1	4.1
Banks	30.5	28.5	2.0
Technology	3.5	2.1	1.4
Covered	1.2	-	1.2
Consumer Services	3.9	3.4	0.5
Cash and Equivalents	0.2	-	0.2
Real Estate	3.1	4.0	-0.9
Basic Materials	2.1	3.1	-1.0
Telecommunications	5.9	7.2	-1.3
Oil & Gas	1.6	4.9	-3.3
Health Care	1.4	5.3	-3.9
Industrials	4.8	8.8	-4.0
Consumer Goods	9.8	13.9	-4.2



### CURRENCY (%)

■ EUR	95.3
■ USD	3.2
■ GBP	1.5

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.

### CREDIT RATING (%)

	Fund	Benchmark	Relative
AAA	9.5	0.5	9.0
AA	7.4	11.0	-3.6
A	32.8	39.2	-6.4
BBB	41.7	49.3	-7.6
BB	6.7	-	6.7
B	0.7	-	0.7
NR	1.0	-	1.0
Cash	0.2	-	0.2

## FUND MANAGER COMMENTARY

January witnessed a strong rebound across just about every asset class, reversing December's weakness. The combination of attractive valuations and a dovish shift from the US Federal Reserve provided the impetus for a very strong start to the year. The overall impact was for a weaker dollar and range-bound treasury yields. This combination proved particularly bullish for emerging markets.

After three months of widening, credit spreads tightened in January from 117bps to 111bps. In terms of fund attribution, the portfolio benefited from strong overall stock selection as well as the outperformance of banks and the industrials goods and services sectors. Off-benchmark cross-currency exposure was also beneficial for performance given the outperformance of US dollar credit. On the negative side, stock selection in autos, our underweight in oil and gas, and overweight in defensive sectors such as utilities were all negative for performance amid the market rally.

Looking ahead, the dovish shift from Jerome Powell is clearly very important given the concerns we have about tightening liquidity conditions, particularly in the US. Therefore, tactically holding more credit risk makes sense to us at this juncture. However, we retain our cautious longer-term outlook for credit markets and would look to sell into further strength.



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

- This fund holds bonds that, rather than being traded on an exchange, are traded through agents, brokers or investment banks matching buyers and sellers. This makes the bonds less easy to buy and sell than investments that are traded on an exchange and on any particular day there may not be a buyer or a seller for the bonds. In times of market uncertainty or if an exceptional amount of withdrawals are requested it may become less easy for your fund to sell investments and the Manager may defer withdrawals, or suspend dealing. The Manager can only delay paying out if it is in the interests of all investors and with the permission of the fund trustee or depositary.
- 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 your 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. Any such investments will be impacted by exchange rate fluctuations and this may affect the value of your investment and any income from it. Currency hedging techniques may be applied to reduce the impact of exchange rate fluctuations 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. Their values are likely to fall when interest rates rise. Such falls may be more pronounced in a low interest rate environment. Bonds with a short time to go before their maturity date will fall by less than bonds with a longer time to their maturity date.

For more information, please refer to the key investor information document on our website [↗](#)

## COUNTRY REGISTRATION



### 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.

## DEALING INFORMATION

Valuation frequency Daily, 16:00 CET

Dealing frequency Each Business Day

Settlement period T+3

Administrator/Custodian Northern Trust

## CODES

ISIN LU1815131013

Bloomberg LGECZUA LX

## TO FIND OUT MORE

Legal & General SICAV C/O Northern Trust  
Luxembourg Management Company S.A.  
6 rue Lou Hemmer L-1748  
Senningerberg Grand-Duché de Luxembourg

Visit [www.lgim.com](http://www.lgim.com)

Call +352 276 222 514

Email [LGIM-TALUX@ntrs.com](mailto:LGIM-TALUX@ntrs.com)

We may record and monitor calls. Call charges will vary.

## Important information

Issued by LGIM Managers (Europe) Limited as management company for this fund. Registered in Ireland No. 609677. Registered Office: 33/34 Sir John Rogerson's Quay, Dublin, 2, Ireland. Authorised and Regulated by the Central Bank of Ireland No. C173733. Legal & General Investment Management Limited has been appointed as the discretionary investment manager for this fund, it is authorised and regulated by the Financial Conduct Authority No. 119272. All features described in this factsheet are those current at the time of publication and may be changed in the future. Nothing in this factsheet should be construed as advice and it is therefore not a recommendation to buy or sell securities. If in doubt about the suitability of this product, you should seek professional advice. No investment decisions should be made without first reviewing the key investor information document of the Fund ("KIID") which can be obtained from [www.lgim.com](http://www.lgim.com). This factsheet is only directed at investors resident in jurisdictions where this fund is registered for sale. It is not an offer or invitation to persons outside of those jurisdictions. We reserve the right to reject any applications from outside of such jurisdictions. The state of the origin of the fund is Luxembourg. In Switzerland, the representative is ACOLIN Fund Services AG, Affolternstrasse 56, CH 8050 Zurich, whilst the paying agent is NPB Neue Privat Bank AG, Limmatquai 1/am Bellevue, P.O. Box, CH 8024 Zurich. The prospectus, the Key Investor Information Documents, the articles of incorporation as well as the annual and semi-annual reports may be obtained free of charge from the representative. In respect of the shares distributed in or from Switzerland, the place of performance and jurisdiction is at the registered office of the representative. Past performance is no indication of current or future performance. The performance data do not take account of the commissions and costs incurred on the issue and redemption of shares.

The Markit iBoxx index referenced herein is the intellectual property of Markit Indices Limited ("Markit") and is used under license. The Fund is not sponsored, endorsed, or promoted by Markit. Markit makes no representations or warranties as to the index including those of merchantability or fitness for a particular purpose or use, or the accuracy and/or completeness of the index or any data included therein.

Internal Fund Code: 5404