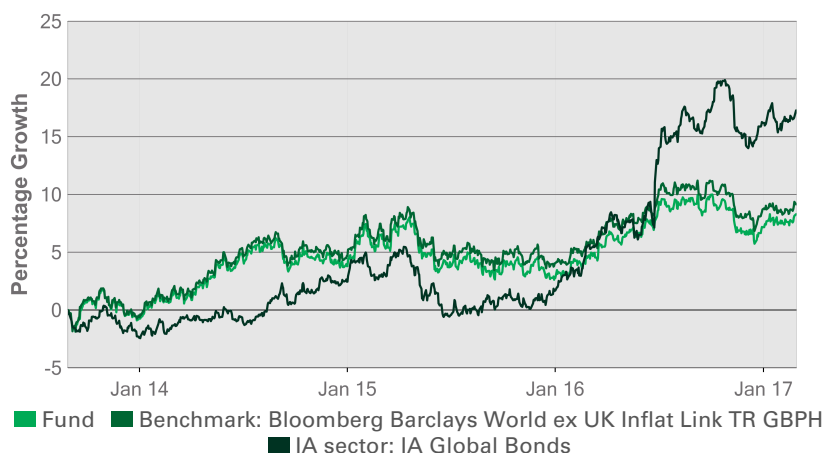


An index bond fund

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PERFORMANCE AS AT 28 FEBRUARY 2017

CUMULATIVE(%)



	1 month	6 months	1 year	3 years	5 years
Fund	0.42	-1.06	3.31	6.84	-
Benchmark	0.48	-1.32	3.17	7.36	6.33
IA sector	0.96	0.72	10.97	18.83	22.44
Quartile	4	3	4	4	-

DISCRETE YEARS (%)

	12 months to 31 Dec 12	31 Dec 13	31 Dec 14	31 Dec 15	31 Dec 16
Fund	-	-	4.55	-1.00	4.29
Benchmark	7.90	-7.57	5.33	-0.62	4.48
IA sector	5.76	-1.76	4.97	-0.75	14.10
Quartile	-	-	3	3	4

Past performance is not a guide to future performance. Performance data source: Lipper, bid to bid basis with net income reinvested inclusive of management fee. I distribution unit class.

STATISTICAL ANALYSIS

	1 year	3 years	5 years
Alpha	-0.08	-0.04	-
Beta	0.38	0.44	-
Annualised volatility (fund)	3.72	3.98	-
Annualised volatility (benchmark)	3.51	3.86	4.41
Sharpe ratio	0.22	0.13	-
Information ratio	-0.40	-0.23	-
R-squared	0.58	0.37	-

Please note: The Alpha, Beta, Information ratio and R-squared values are calculated relative to the fund's IA sector average.

TOP 10 HOLDINGS AS AT 28 FEBRUARY 2017

USA (GOVT) I/L 0.125 15/04/18	2.76%
USA (GOVT) I/L 0.125 15/04/20	2.74%
USA (GOVT) I/L 0.125 15/04/19	2.63%
USA (GOVT) I/L 0.125 15/04/21	2.41%
USA (GOVT) I/L 0.625 15/01/26	2.31%
USA (GOVT) I/L 0.625 15/01/24	2.25%
USA (GOVT) I/L 0.125 15/01/22(S1 DE)	2.25%
USA (GOVT) I/L 0.25 15/01/25	2.24%
USA (GOVT) I/L 2.375 15/01/25	2.22%
USA (GOVT) I/L 0.375 15/07/25	2.20%
Percentage of fund in top 10	24.01%

FUND OVERVIEW

FUND AIM

The objective of this fund is to provide a mixture of income and growth (if the income is reinvested) by tracking the performance of the Bloomberg Barclays World Government Ex UK Inflation Linked Bonds TR Hedged GBP Index. The fund will invest between 80% and 100% in bonds included in the Index. These bonds will have a pre-set rate of income (either set at a fixed level or varying in a predetermined way). The fund's investments will closely match those that make up the Index and this will be achieved through investing in a sample selection of the bonds in the Index. The bonds are issued in the relevant national currency by governments around the world (excluding the UK). The interest and capital returns on these bonds will be linked to local inflation rates. The bonds that the fund invests in will be a mixture of investment grade bonds (rated as lower risk) and sub-investment grade bonds (rated as higher risk). The mix will closely match that of the Index. 35% or more of the fund can be invested in United States government or public bonds. The fund may use derivatives to reduce risk or cost, or to generate additional capital or income with no, or an acceptably low, level of risk. It will also use currency derivatives for investment purposes to manage the effect of fluctuations in exchange rates with Sterling, in order to maintain accurate tracking. The fund may also invest in other bonds, deposits, money market instruments and cash.

INVESTMENT PHILOSOPHY

For this fund, the index is the Barclays World Government ex UK Inflation Linked Bond Index (GBP Hedged). The fund will employ a pragmatic replication approach to tracking this index, with country weights closely replicated due to the volatility of currency and the differences in global inflation rates. Within each country, however, the fund has the flexibility to deviate slightly from individual constituent weights in order to reduce fund turnover and thereby minimise costs and maximise returns for unit holders. In regards to maturity, the fund will be closely aligned to the maturity profile of each of the individual countries as well as the contribution they make to the overall index duration. The fund is aiming to track an index that has a built-in sterling currency hedge. The index provider, Barclays, takes a snapshot of FX rates on a monthly basis and uses these as reference for hedging over the following month. We believe it is both prudent and cost-effective to follow this method for currency hedging with our underlying positions. The portfolio will therefore be hedged back to sterling on a monthly basis.

FUND MANAGEMENT COMPANY

Legal & General

Legal & General Investment Management (LGIM) is one of Europe's largest institutional asset managers and a major global investor. Throughout the past 40 years they have built their business through understanding what matters most to their clients and transforming this insight into valuable, accessible investment products and solutions. They provide investment expertise across a full spectrum of asset classes including equities, fixed income, commercial property and cash.

FUND MANAGER

LGIM 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.

FUND RATINGS

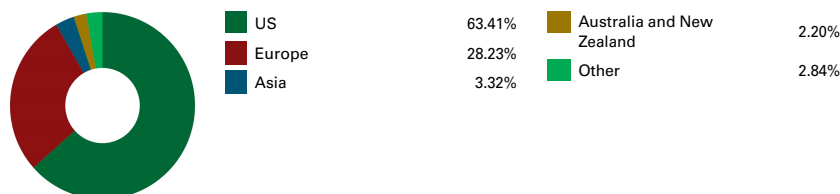


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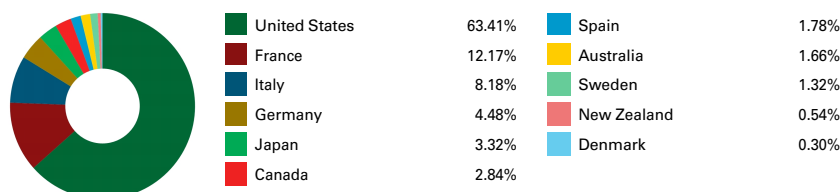
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PORTFOLIO DETAILS AS AT 28 FEBRUARY 2017

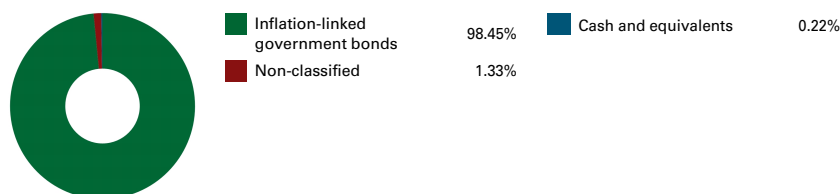
REGIONS BREAKDOWN



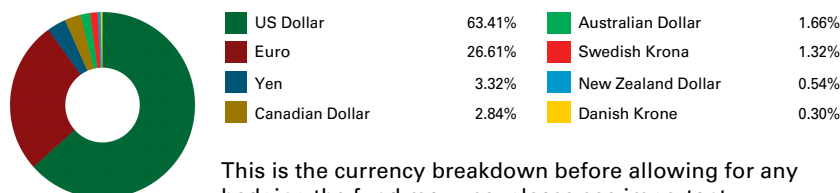
COUNTRY BREAKDOWN



BONDS SECTOR BREAKDOWN



CURRENCY BREAKDOWN

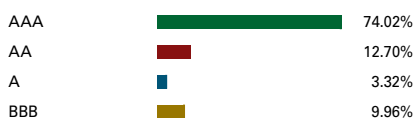


This is the currency breakdown before allowing for any hedging the fund may use, please see important information.

MATURITY BREAKDOWN



CREDIT RATINGS (source: Bloomberg)



GROSS TRACKING DEVIATION

	Fund %	Index %	Deviation %
YTD 2017	0.44	0.47	-0.03
2016	4.44	4.48	-0.04
2015	-0.66	-0.62	-0.04
2014	5.13	5.33	-0.20
1 Year to February 2017	3.08	3.17	-0.09
	% P.A.	% P.A.	% P.A.
3 Years to February 2017	2.29	2.40	-0.11
Since Launch	2.46	2.55	-0.09

Comparisons based on capital movements and before management fees at close of business local time.

FUND FACTS

Product(s)	Unit Trust/ISA
Launch date	28 August 2013
Class launch date	28 August 2013
Fund size	£889.83 million
Number of holdings	110
Distribution yield * (as at 28/02/2017)	1.80% (net of charges, gross of tax)
IA sector	IA Global Bonds
Benchmark	Bloomberg Barclays World ex UK Inflat Link TR GBPH
Initial charge	0.00%
Ongoing Charge	0.27%
Performance fee	No
Domicile	United Kingdom
Currency	GBP
Valuation time	15:00 hrs
ISIN (accumulation)	GB00BBHXNN27
ISIN (income)	GB00BBHXNM10
SEDOL (accumulation)	BBHXNN2
SEDOL (income)	BBHXNM1
MEX (accumulation)	LGINCE
MEX (income)	LGINCD

IMPORTANT INFORMATION

This Fund hedges its currency exposure back to Sterling. The derivative positions used to hedge the currency exposure result in the fund running a profit and loss account that is reflected in the Fund's cash holdings. The fund is not leveraged.

Fund size is based on mid price.

The Key Investor Information Document (KIID) includes a risk warning concerning the liquidity of the bonds held by the Fund. Please read this in conjunction with the Portfolio Details shown. The factors that make a bond easier to buy or sell are; a larger amount in issue, a higher credit rating, how recently they have been issued and the number of brokers and investment banks available to trade them.

Please note that there may be small differences in the asset class classification between this factsheet and those provided by third parties for the same fund. This is because different entities can employ different criteria to classify securities.

* The Distribution Yield reflects the amounts that may be expected to be distributed over the next twelve months as a percentage of the mid-market unit price of the fund as at the date shown. It is based on a snapshot of the portfolio on that day and is not a guarantee of future returns. It does not include any initial charges and investors may be subject to tax on their distributions.

The value of an investment and any income taken from it is not guaranteed and may go up and down.

Source: Legal & General Group PLC unless otherwise stated.

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