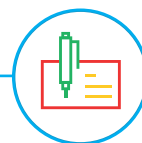


# Legal & General Fixed Interest Trust

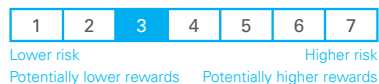
Unit Trust (UCITS compliant) I-Class GBP



## FUND AIM

The objective of this fund is to provide a high income and the potential for growth (if the income is reinvested). The bonds that the fund invests in will be almost entirely investment grade (rated as lower risk). Investment grade bonds are bonds that have achieved a higher credit rating from a rating agency. The bonds that the fund invests in will be issued by companies or governments anywhere in the world.

## 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 3 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 and growth from an investment in bonds (a type of loan which pays interest).
- 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

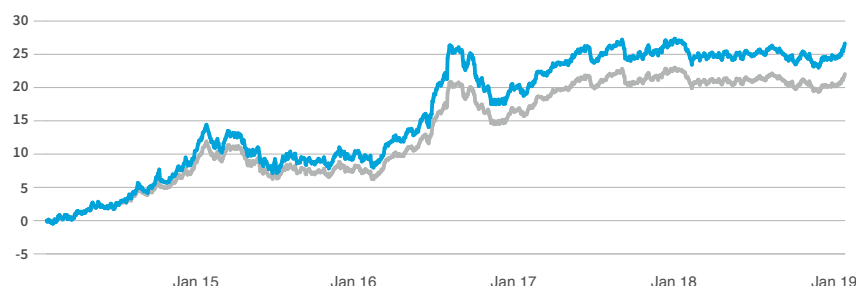
|                                  |                             |   |  |
|----------------------------------|-----------------------------|---|--|
| Fund size<br><b>£1,356.9m</b>    | Base currency<br><b>GBP</b> | IA Sector<br><b>IA £ Corporate Bond</b> |  |
| Launch date<br><b>8 Mar 1988</b> | Domicile<br><b>UK</b>       | Annualised yield<br><b>2.9%</b>         | Modified duration<br><b>7.52 years</b> |

## COSTS

|                                |                                    |
|--------------------------------|------------------------------------|
| Initial charge<br><b>0.00%</b> | Ongoing charge<br><b>0.33%</b>     |
| Price basis<br><b>Dual</b>     | Bid / Offer spread<br><b>0.64%</b> |

For detail on price basis methodologies please refer to the 'Guide to Investing With Us' found on our website. [↗](#)

## PERFORMANCE (%)



|                  | 1 month | 3 months | 1 year | 3 years | 5 years |
|------------------|---------|----------|--------|---------|---------|
| ■ Fund           | 1.97    | 1.09     | 0.06   | 15.21   | 26.56   |
| ■ IA Sector      | 1.58    | 0.79     | -0.19  | 13.27   | 22.02   |
| Quartile ranking | 1       | 2        | 3      | 2       | 2       |

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

| 12 months to 31 December | 2018  | 2017 | 2016  | 2015  | 2014  |
|--------------------------|-------|------|-------|-------|-------|
| Fund                     | -2.30 | 5.42 | 10.38 | -0.13 | 11.82 |
| IA Sector                | -2.18 | 5.01 | 8.94  | -0.38 | 9.70  |
| Quartile ranking         | 3     | 2    | 2     | 3     | 2     |

Performance for the I Inc unit class in GBP, launched on 26 August 2005. 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.

**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.**

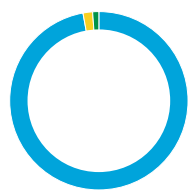
## FUND SNAPSHOT

- Aims to provide a regular income and some potential for capital growth over the long term
- Invests solely in investment grade bonds, which are at the higher quality end of the spectrum
- Actively managed, leveraging the resources of LGIM's Global Fixed Income team



## PORTFOLIO BREAKDOWN

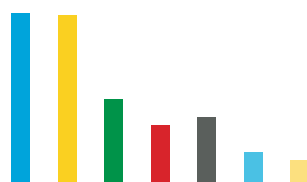
All data source LGIM unless otherwise stated. Totals may not sum due to rounding.



## CURRENCY (%)

|       |      |
|-------|------|
| ■ GBP | 97.1 |
| ■ USD | 1.7  |
| ■ EUR | 1.1  |

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.



## YEARS TO MATURITY (%)

|            |      |
|------------|------|
| ■ 0 to 5   | 28.5 |
| ■ 5 to 10  | 28.1 |
| ■ 10 to 15 | 14.0 |
| ■ 15 to 20 | 9.7  |
| ■ 20 to 25 | 10.9 |
| ■ 25 to 30 | 5.1  |
| ■ 30 +     | 3.8  |



■ Top 10 issuers 30.1%  
■ Rest of portfolio 70.0%  
No. of issuers 154

## TOP 10 ISSUERS (%)

|                          |     |
|--------------------------|-----|
| United Kingdom           | 6.2 |
| Lloyds Banking Group plc | 4.1 |
| HSBC Holdings plc        | 3.3 |
| Aviva plc                | 3.2 |
| EDF SA                   | 3.1 |
| Thames Water Ltd         | 2.4 |
| AT&T Inc                 | 2.2 |
| General Electric Co      | 2.1 |
| Southern Water Services  | 1.9 |
| Orange SA                | 1.6 |

## CREDIT RATING (%)

|      |      |   |
|------|------|---|
| AAA  | 3.9  | ■ |
| AA   | 9.6  | ■ |
| A    | 21.7 | ■ |
| BBB  | 56.5 | ■ |
| BB   | 4.5  | ■ |
| NR   | 0.3  | ■ |
| Cash | 3.4  | ■ |

## COUNTRY (%)

|                  |      |
|------------------|------|
| ■ United Kingdom | 60.9 |
| ■ United States  | 15.5 |
| ■ France         | 7.9  |
| ■ Germany        | 3.1  |
| ■ Netherlands    | 2.2  |
| ■ Switzerland    | 2.0  |
| ■ Italy          | 1.3  |
| ■ Supranational  | 1.1  |
| ■ Spain          | 1.0  |
| ■ Other          | 5.0  |

## SECTOR (%)

|                    |      |
|--------------------|------|
| Utilities          | 22.9 |
| Banks              | 19.0 |
| Insurance          | 9.8  |
| Sovereign          | 8.1  |
| Telecommunications | 6.8  |
| ABS                | 5.2  |
| Consumer Goods     | 4.9  |
| Industrials        | 4.1  |
| Real Estate        | 3.6  |
| Other              | 15.6 |

## FUND MANAGER COMMENTARY

Credit markets enjoyed a strong start to 2019, boosted by optimism that global trade frictions could soon ease and encouraging signs from policymakers over the future path of US interest rates. Despite disappointing economic data from China and the Eurozone, the partial shutdown of the US government and ongoing Brexit-related political uncertainties, a rebound in oil prices reflected hopes that US-China trade talks could help to resolve the trade dispute. While underlying gilt yields fell slightly, narrowing spreads drove sterling corporate bonds' strong monthly performance, with the insurance, capital goods and utilities sectors producing robust gains.

We selectively added risk in January, taking advantage of the buoyant new issues market as investors put accumulated cash to work. We participated a range of issues, including deals from Orange, Deutsche Telekom, National Grid Electricity, brewer AB Inbev and financials BNP and Citigroup. In the secondary market, having held a cautious stance towards subordinated insurance debt, we added some exposure, thereby adopting a less negative view. Meanwhile, we added US Dollar exposure to Verizon, taking advantage of available liquidity as valuations looked attractive relative to the US telco's sterling-denominated bonds. Elsewhere, we continued to trim our already-limited exposure to commercial real estate, taking the view that spreads in even higher quality names such as Land Securities do not adequately compensate investors for the risks. Similarly, we reduced exposure to Imperial Tobacco and British American Tobacco, reflecting our view that the effects of Environmental, Social & Governance factors overshadow fundamentally attractive short-term valuations.



## MARK BENSTEAD

Mark is a senior UK investment grade portfolio manager with responsibility for LGIM's retail funds. Mark joined LGIM in 2014 from AXA Investment Managers where he was Head of Credit, UK, and was closely involved with AXA's successful entry into buy and maintain credit. Prior to that, he was at the Royal Bank of Canada in a variety of senior capital market roles. Mark graduated from the University College of North Wales with a BA (hons) in economics in 1984 and from the University of Bradford Management Centre with an MBA in 1985. He also holds the Investment Management Certificate.

## 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 sterling (British pounds). 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.
- 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 [↗](#)

## LATEST DISTRIBUTION INFORMATION

For distributing unit classes, the latest payments are shown below. Please note that these payments are not guaranteed, are at the discretion of the manager and may be paid out of capital.

| Type    | Ex-div date | Pay date  | Pence per unit |
|---------|-------------|-----------|----------------|
| Final   | 06 Sep 18   | 05 Nov 18 | 0.51p          |
| Interim | 06 Jun 18   | 03 Aug 18 | 0.53p          |
| Interim | 06 Mar 18   | 04 May 18 | 0.53p          |
| Interim | 06 Dec 17   | 05 Feb 18 | 0.56p          |



## SPOTLIGHT ON LEGAL &amp; 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, 12pm (UK time) |
| Dealing frequency   | Daily                 |
| Settlement period   | T+4                   |

## CODES

|           |       |              |
|-----------|-------|--------------|
| ISIN      | I Acc | GB00B0CNHD88 |
|           | I Inc | GB00B0CNHC71 |
| SEDOL     | I Acc | B0CNHD8      |
|           | I Inc | B0CNHC7      |
| Bloomberg | I Acc | LEGFIIA      |
|           | I Inc | LEGFIII      |

## TO FIND OUT MORE

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

 Call **0370 050 0955**

 Email [investments@landg.com](mailto:investments@landg.com)

Lines are open Monday to Friday 8.30am to 6.00pm.  
We may record and monitor calls. Call charges will vary.

## Important information

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