

Legal & General Sterling Income Fund



Unit Trust (UCITS compliant) R-Class GBP

Base currency: **GBP**

Domicile: **UK**

FUND AIM

The objective of this Fund is to provide an income, whilst aiming to preserve the capital.

RISK AND REWARD PROFILE



Lower risk Potentially lower rewards Higher risk Potentially higher rewards

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 or growth from an investment in a broad spread of UK and overseas bonds.
- 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 £426.8m	Launch date 15 Oct 2001
Distribution yield 2.5%	Modified duration 3.38 years

COSTS

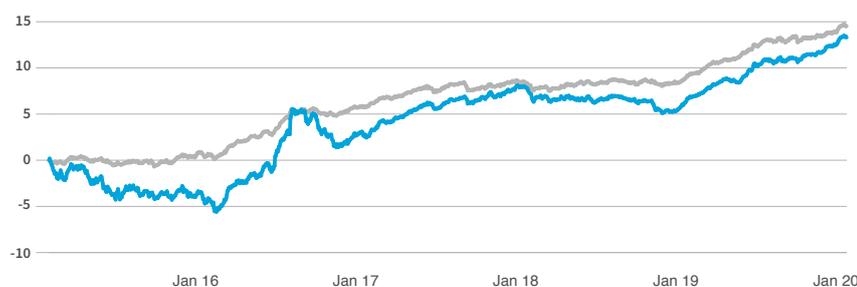
Initial charge 0.00%	Ongoing charge 1.16%
Price basis Single- dilution levy	Dilution levy 0.64%- round trip

BENCHMARKS

Comparator benchmark
Markit iBoxx GBP Corporates 1-5 Year Index

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	0.83	1.64	6.23	10.24	13.08
■ Comparator	0.62	1.06	4.93	8.08	14.45
Quartile ranking	4	4	4	4	4

12 MONTH PERFORMANCE TO MOST RECENT QUARTER (%)

12 months to 31 December	2019	2018	2017	2016	2015
Fund	6.77	-2.51	4.70	7.15	-0.61
Comparator	5.04	-0.25	2.59	5.43	1.48
Quartile ranking	4	3	3	4	3

Performance for the R Inc unit class in GBP, launched on 23 February 2009. 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 the future.

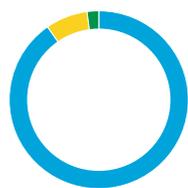
FUND SNAPSHOT

- **What does it invest in?** Invests in bonds issued by UK and overseas companies and governments.
- **How does it invest?** Actively managed, with at least 80% in bonds with an investment grade (lower risk) credit rating, but may invest up to 20% in bonds with a sub-investment grade (higher risk) credit rating.



PORTFOLIO BREAKDOWN

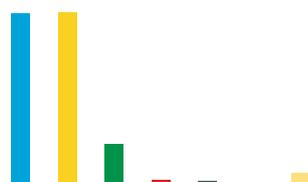
All data source LGIM unless otherwise stated. Totals may not sum due to rounding.



CURRENCY (%)

■ GBP	90.3
■ USD	7.6
■ EUR	2.1

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	42.9
■ 5 to 10	43.2
■ 10 to 15	9.8
■ 15 to 20	0.9
■ 20 to 25	0.6
■ 25 to 30	0.1
■ 30 +	2.6



■ Top 10 issuers 29.8%
 ■ Rest of portfolio 70.2%
 No. of issuers 376

TOP 10 ISSUERS (%)

Aviva plc	4.0
HSBC Holdings plc	3.9
Lloyds Banking Group plc	3.6
Thames Water Ltd	3.2
Wells Fargo & Company	3.0
Scottish & Southern Energy plc	2.9
Coventry Bldg Society	2.6
Anglian Water Group Ltd	2.4
National Grid plc	2.2
Innogy SE	2.1

CREDIT RATING (%)

AAA	2.0
AA	8.6
A	20.4
BBB	55.2
<BBB	11.8
NR	1.2
Cash	0.8

COUNTRY (%)

🇬🇧 United Kingdom	54.5
🇺🇸 United States	20.6
🇫🇷 France	9.0
🇩🇪 Germany	5.4
🇳🇱 Netherlands	2.1
🇱🇺 Luxembourg	1.3
🇨🇭 Switzerland	1.0
🇲🇽 Mexico	0.9
🇨🇳 China	0.8
🌐 Other	4.4

SECTOR (%)

Banks	25.4
Utilities	20.6
Insurance	11.9
ABS	9.7
Telecommunications	5.9
Consumer Goods	5.8
Real Estate	3.3
Consumer Services	3.3
Financial Services	2.9
Other	11.2

LGIM GLOBAL FIXED INCOME

Legal and General investment Management (LGIM) is one of Europe's largest asset managers and a major global investor, with assets under management of £1.1tn*.

Scale and experience- Our Global Fixed Income team is responsible for over £172 billion* of actively managed assets with over 80 professionals with an average of 15 years' industry experience bringing together a blend of expertise to the management of regional and global fixed income portfolios. As part of the wider Legal & General Group, and as one of the leading global bond investors in the industry, we believe that we have a unique insight into providing suitable investment solutions that meet our clients' wider needs.

Macro-thematic approach- Our investment process combines top-down fundamental macro analysis with bottom-up stock selection, focusing on identifying turning points and new themes that drive long-term performance. Our integrated approach has helped LGIM to successfully manage portfolios and deliver risk-adjusted performance across our range of active funds.

*Source: LGIM internal data as at 30 June 2019. The AUM disclosed aggregates the assets managed by LGIM in the UK, LGIMA in the US and LGIM Asia in Hong Kong. The AUM includes the value of securities and derivatives positions.



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

- 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.
- This fund holds bonds that are traded through agents, brokers or investment banks matching buyers and sellers. This makes the bonds less easy to buy and sell than investments traded on an exchange. In exceptional circumstances the fund may not be able to sell bonds and may defer withdrawals, or suspend dealing. The Directors can only delay paying out if it is in the interests of all investors and with the permission of the fund depository.
- 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 the 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). Exchange rate fluctuations will impact the value of your investment. Currency hedging techniques may be applied to reduce this impact 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. Such changes will affect the value of your investment.

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
Interim	16 Dec 19	13 Jan 20	0.13p
Interim	18 Nov 19	13 Dec 19	0.17p
Final	16 Oct 19	13 Nov 19	0.15p
Interim	16 Sep 19	11 Oct 19	0.21p



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 £1,134.5 billion (as at 30 June 2019). We work with a wide range of global clients, including pension schemes, sovereign wealth funds, fund distributors and retail investors.

The AUM disclosed aggregates the assets managed by LGIM in the UK, LGIMA in the US and LGIM Asia in Hong Kong. The AUM includes the value of securities and derivatives positions.

DEALING INFORMATION

Valuation frequency	Daily, 12pm (UK time)
Dealing frequency	Daily
Settlement period	T+4

CODES

ISIN	R Acc	GB00B3KTR067
	R Inc	GB00B3KTOZ41
SEDOL	R Acc	B3KTR06
	R Inc	B3KTOZ4
Bloomberg	R Acc	LGHGIRA
	R Inc	LGHGIRI

TO FIND OUT MORE

 Visit www.legalandgeneral.com

 Call **0370 050 0955**

 Email investments@landg.com

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

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