

# LEGAL & GENERAL LIFE DISTRIBUTION FUND.

## FUND FACTS

Product(s)	Portfolio Bond (IPS)
Launch date	1 June 1994
Fund size	£3,922.7 million
Number of holdings	3,341
Annual Fund Charge (AFC)	1.30%
Additional expenses	0.02%
Performance fee	No
Legal & General fund code	DBAU

## USING THIS FUND FACTSHEET

When you invest in a bond, your money buys units in one or more funds. These funds pool together money from other investors and a fund manager uses this money to invest in a number of different investments. This **Fund Factsheet** gives you detailed information about a particular fund to help you decide if it's right for you. It's important that you read this together with the **Investor's Guide**, **Portfolio Bond (IPS) Key Features**, **Funds key features** and **Illustration(s)** before investing in the bond.

If you're not sure what a word in the **Fund Factsheet** means, please turn to the glossary on page 6.

## FUND MANAGEMENT COMPANY

### LEGAL & GENERAL

This is basic background information about the company whose fund manager selects the investments that make up the fund.

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

### KEVIN CHESSUM

The fund manager is professionally qualified to manage funds. It's their job to seek out the best investment opportunities, based on the fund's aim. They often have access to a team of experts to help them decide where to invest.



Kevin Chessum is an Associate Director of LGIM, responsible for managing asset allocation positions across a broad set of diversified funds. He joined LGIM in November 1982 from Warwick University, and initially analysed individual companies and sectors within the UK Equity market. He progressed to become a UK Equity fund manager and then, early in 2002, onto managing asset allocation portfolios. He is currently responsible for managing a set of portfolios that invest in a wide range of asset classes including UK and overseas equities, fixed interest, and cash.

## FUND AIM

This is a general description of what the fund aims to achieve, as stated by the fund management company. For a detailed description of what the fund invests in, please see the fund characteristics on page 2.

To generate an income that is sustainable over the long term by investing in a broad mix of assets, including company shares, fixed interest securities, commercial property and other investments. The fund also offers the potential for capital growth over the long term.

## ABI SECTOR

### ABI UK - DISTRIBUTION FUNDS-LIFE

This is the ABI sector the fund falls into. ABI sectors are defined by the Association of British Insurers (ABI). The sectors are a way of grouping funds with similar characteristics, so they're easier to compare.

Funds in this sector return a yield on the underlying portfolio of at least 110% of the FTSE All Share yield (net of tax).

- Maximum of 60% total equity (including Preference Shares, Permanent Interest Bearing Shares and Convertibles).
- Minimum of 20% total equity.
- Minimum of 50% Sterling based assets (including fixed interest hedged back to Sterling).
- Fixed interest defined as Government Sovereign Bonds and Corporate Bonds.

## FUND CHARACTERISTICS

This fund is overseen by an experienced fund manager who makes informed decisions on where to invest your money. The fund manager constantly monitors companies, economic conditions and markets to select and change a portfolio of investments that offers the best opportunities to meet the fund's aim. The fund invests in a mixture of investments such as equities, property, bonds and cash to help spread risk.

The fund generally invests in the following:

**Equities.** To provide the potential for overall returns the fund invests in equities, also known as company shares. This is achieved by receiving a share of companies' profits as dividends, and benefiting from increases in share prices. Equities generally have a higher potential for returns than other investments, which also means a higher risk of loss especially in the short term. It's worth noting that if the shares in the companies chosen perform worse than expected or a major event impacts the shares, the returns on your investment could fall.

**Commercial property.** To provide the potential for overall returns the fund invests in commercial property, such as shops, office blocks, retail parks and warehouses. This is achieved from the payment of rents and the fund manager reviews and selects tenants they believe will be able to meet the rent payments. However, this is not guaranteed and if rent is unpaid it could affect the performance of your investment. The fund can also achieve returns if the values of the properties in the fund increase. These valuations are generally a matter of valuer's opinion rather than fact. When investing in property there may be times when property is difficult to buy or sell, resulting in cash remaining uninvested or property may be sold for less than expected. This could also happen if properties need to be sold quickly, should there be several unexpected and large withdrawal requests. In exceptional circumstances, to allow us to get a fair value for yours and other investors' share of the fund, we may need to delay dealing with your withdrawal. The fund will only delay paying out if it is in the interests of all the investors.

**Bonds.** To provide the potential for overall returns the fund invests in bonds, also known as fixed interest securities. This is achieved by receiving regular interest on loans to companies or governments. There is a chance the bond issuer could fall into financial difficulty and will not be able to pay the interest or the loan back, which could result in a fall in your investment returns. Bonds can also be sensitive to trends in interest rate movements and if interest rates go up, the returns on your investment are likely to fall as bonds can become less attractive. On the other hand, if interest rates fall, bonds are likely to become more attractive and your investment returns increase.

Some specific characteristics of the assets held in this fund include:

**High yield bonds.** The fund invests in riskier bonds, known as sub-investment grade bonds. These bonds pay higher interest rates, to try to provide more attractive income returns. To achieve this, greater risk is taken as the companies are more likely to miss payments or not repay the loan, resulting in the returns on your investment falling.

**Overseas.** The fund includes investments outside the UK to try to benefit from the greater range of investment opportunities other countries offer. The potentially high rewards of investing overseas are balanced by risks and therefore the returns on your investment could rise and fall more than if it only invested in the UK. This is because some of the investments are held in currencies other than the Pound and their value will change in line with exchange rates. If the Pound strengthens against another currency, the value of the investments held in that currency is likely to fall. However, if the Pound weakens against that currency, their value is likely to rise.

**Derivatives.** The fund includes derivatives, which are contracts between two parties whose value is determined by the price of the investment it's linked to, such as equities, bonds or other types of investments. They can be used to try to improve overall investment returns, manage risk or to help protect returns from market falls. This includes investing in types of derivatives where the value rises when the market falls, although the opposite could also be true, meaning that your investment returns could fall even if the market is rising. The use of derivatives can reduce the cost of investing directly in an investment. However, extra risk is taken as the companies providing the derivatives could experience financial difficulties, making it difficult to value or sell the derivative. If this happens it may reduce your investment returns.

## FUND PERFORMANCE AS AT 31 JULY 2017

The graph opposite shows how the fund has performed over the last five years (or since the fund launched) compared with the fund's ABI sector average. The first table shows the total percentage change, over one, three and five years. The second table shows performance for 12-month periods over the last five years, to the end of the last quarter.

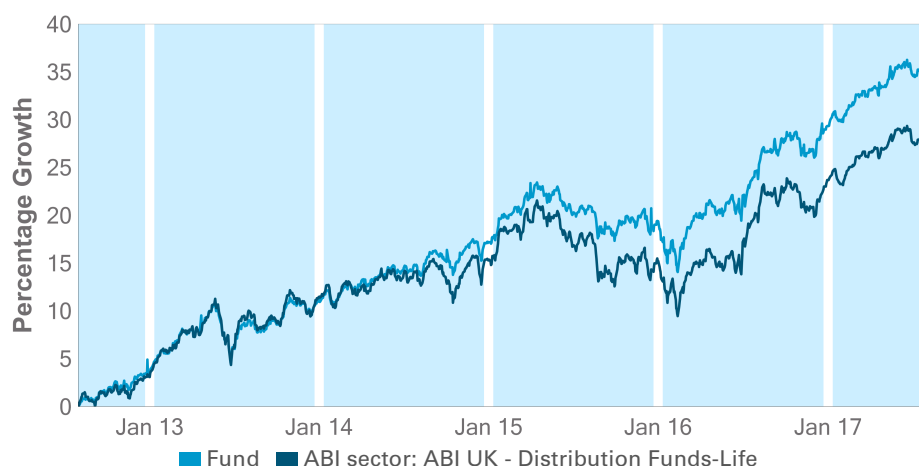
**NOTES:** Please bear in mind that past performance is not a guide to future returns. The value of your investment and any income taken from it is not guaranteed and may go up and down. You could get back less than you invest.

**The performance provided for the fund is:**

- Is after all fund charges have been taken,
- is after deduction of tax, and
- assumes all income generated by the investments remains in the fund.

**Also:**

- The sector values are based on the selling price of units published by all the funds in that ABI sector.
- The values do not take account of any product charges. You can find more information about our charges in the **Portfolio Bond (IPS) Key Features**.



	1 year	3 years	5 years
<b>Fund</b>	8.97	18.49	35.79
<b>ABI sector</b>	6.83	12.71	28.28

## ANNUAL FUND PERFORMANCE TO LAST QUARTER (%)

12 months to	30 Jun 13	30 Jun 14	30 Jun 15	30 Jun 16	30 Jun 17
<b>Fund</b>	8.34	7.60	5.05	0.77	11.44
<b>ABI sector</b>	8.08	7.02	2.89	-0.79	10.31

Performance data source: Lipper.

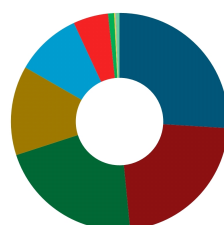
## FUND IDENTIFIERS

These are unique codes used to identify a fund. You may find these codes useful if you intend to use financial websites to look up this fund.

<b>ISIN code</b>	Accumulation	GB00B0CT0821
	Distribution	GB00B0CT0938
<b>SEDOL code</b>	Accumulation	B0CT082
	Distribution	B0CT093
<b>MEX code</b>	Accumulation	LG DAG
	Distribution	LG D DG

## ASSET ALLOCATION AND ALL BELOW INFORMATION AS AT 31 JULY 2017

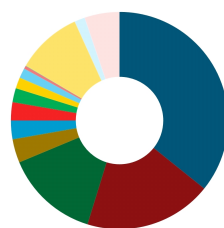
An overview of the types of investments currently held by the fund.



International bonds	25.97%	UK gilts	0.90%
International equities	22.47%	Investment Trusts	0.13%
UK equities	21.56%	Alternative trading strategies	0.07%
UK corporate bonds	13.30%	Managed funds	0.07%
Property	9.79%	Other	0.53%
Cash and equivalents	5.21%		

## REGIONS BREAKDOWN

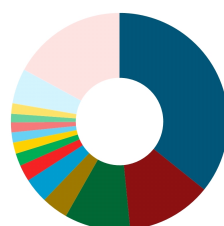
Where in the world the fund currently invests.



UK	35.77%	Developed Asia	1.65%
Developed Europe - excl UK	19.00%	Japan	1.48%
North America	13.94%	Middle East and Africa	0.43%
Emerging Asia	3.52%	Managed funds	0.07%
Australia and New Zealand	2.77%	Unclassified - Property	9.79%
South and Central America	2.72%	Unclassified - Other	1.56%
Emerging Europe	2.09%	Unclassified - Cash and Equivalents	5.21%

## COUNTRY BREAKDOWN

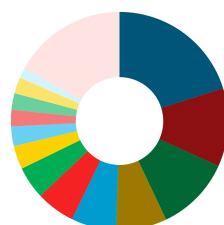
The countries in which the fund currently invests.



United Kingdom	35.76%	Sweden	1.67%
United States	12.67%	Germany	1.52%
Unclassified - Property	9.79%	Japan	1.48%
Netherlands	3.96%	Canada	1.27%
France	3.71%	Unclassified - Other	1.56%
Australia	2.45%	Unclassified - Cash and Equivalents	5.21%
Luxembourg	1.87%	Other	17.08%

## EQUITIES &amp; BONDS SECTOR BREAKDOWN

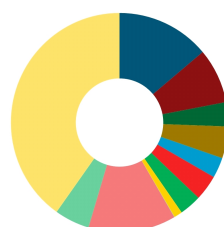
The type of industries and services the fund currently invests.



Investment grade corporate bonds	20.16%	Health care	3.48%
High yield corporate bond	11.62%	Oil & gas	2.91%
Financials	11.16%	Telecommunications	2.47%
Government	7.56%	Basic materials	2.43%
Industrials	6.71%	Technology	2.41%
Consumer goods	5.76%	Utilities	1.52%
Consumer services	4.85%	Other	16.96%

## EQUITIES MARKET CAPITALISATION

The size of the companies the fund currently invests in.



> £50BN	13.87%	> £250M and < £1BN	3.26%
> £20BN and < £50BN	8.13%	> £50M and < £250M	1.24%
> £10BN and < £20BN	3.57%	< £50M	0.04%
> £5BN and < £10BN	4.70%	Unknown market capital	13.03%
> £3BN and < £5BN	3.02%	Cash and equivalents	5.21%
> £1BN and < £3BN	3.76%	Portfolio debt	40.17%

## MATURITY BREAKDOWN

The length of time until the bonds in the fund are due to be repaid. Generally, the longer till the repayment date, the more sensitive the prices of the bonds are to any changes in interest rates.

< 5YR MATURITY	18.78%
5YR - 10YR MATURITY	10.42%
10YR - 15YR MATURITY	3.39%
> 15YR MATURITY	7.59%
CASH AND EQUIVALENTS	5.21%
NON BOND INVESTMENTS	54.08%
UNKNOWN	0.53%

## CREDIT RATINGS (SOURCE: BLOOMBERG)

The financial strength of the bonds the fund currently invests in. The higher the rating the more likely the bond issuer is to repay the interest or loan. The ratings range from AAA, the highest grade, to C, the lowest grade.

AAA	1.38%
AA	2.35%
A	7.76%
BBB	13.45%
BB	5.20%
B	5.43%
CCC	2.02%
NOT RATED	2.58%
CASH AND EQUIVALENTS	5.21%
NON BOND INVESTMENTS	54.62%

## TOP 10 HOLDINGS

The highest valued single holdings in the fund.

Holding	Sector	%
Legal & General Life Property Fund	Property	8.52%
HSBC Holdings PLC (UK Reg)	Banks	0.82%
BP	Oil & Gas Producers	0.80%
British American Tobacco	Tobacco	0.75%
Amedeo Air Four Plus	Industrial Transportation	0.68%
Rio Tinto	Mining	0.63%
GlaxoSmithKline	Pharmaceuticals & Biotechnology	0.63%
Vodafone Group	Mobile Telecommunications	0.61%
NYRSTAR NETHERLA 6.875 15/03/24 REGS	Industrial Metals & Mining	0.57%
AstraZeneca	Pharmaceuticals & Biotechnology	0.55%
Percentage of fund in top 10		14.56%

# GLOSSARY

Explanations of some of the words used in this Fund Factsheet.

<b>Additional Expenses</b>	This is the charge that covers various fees and expenses that fund managers may have to pay, such as auditors, trustees, custodian, registrar and regulator fees.
<b>Annual Fund Charge</b>	This is the charge that covers the costs of managing the fund and is taken out as a percentage of the fund's value.
<b>Cash and equivalents</b>	Some funds keep part of your money in cash to add flexibility and aid stability. This includes bank deposits and other investments that can be easily converted into cash.
<b>Fund characteristics</b>	Specific characteristics unique to the type of investments this fund may hold, which may affect your investment return.
<b>Fund size</b>	The total value of all investments held in all Legal & General life versions of the fund.
<b>Launch date</b>	The date the first Legal & General life version of the fund opened for new business.
<b>Legal &amp; General fund code</b>	Each fund has a unique four digit reference code. You'll need to use this code on your application form when you tell us where you would like to invest.
<b>Lipper</b>	A Thomson Reuters company that supplies fund information, analytical tools, and commentary. We use Lipper to provide past performance data on our fund factsheets.
<b>Performance fee</b>	A performance fee is charged to a fund if it performs better than a pre-agreed target. If it applies, your adviser can give you more information or further details are available on request.



## WHAT TO DO NEXT

If you would like to invest in this fund, or have any questions, please speak to your adviser. Remember you must read the **Investor's Guide, Portfolio Bond (IPS) Key Features, Funds key features** and **Illustration(s)** before investing in the bond.

## IMPORTANT INFORMATION

Source: Legal & General Group PLC unless otherwise stated.

Legal & General Assurance Society Limited. Registered in England and Wales No.166055. Registered office: One Coleman Street, London EC2R 5AA. Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority.

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