

# LEGAL & GENERAL LIFE STANDARD LIFE GLOBAL ABSOLUTE RETURN STRATEGIES FUND.

## FUND FACTS

Product(s)	Portfolio Bond (IPS)
Launch date	8 April 2010
Legal & General life fund size	£15.9 million
Overall fund size	£18,953.3 million
Annual Fund Charge (AFC)	2.32%
Additional expenses	Included in AFC
Performance fee	No
Legal & General fund code	0645

## 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 5.

## FUND MANAGEMENT COMPANY

## STANDARD LIFE INVESTMENTS LIMITED

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



Standard Life Investments is a premier asset manager with an expanding global reach. Their wide range of investment solutions is backed by their Focus on Change investment philosophy, disciplined risk management and shared commitment to a culture of investment excellence. As active managers, Standard Life Investments place a significant emphasis on rigorous research and a strong collaborative ethos.

## FUND MANAGER

## MULTI-ASSET INVESTING TEAM

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.



analyse and implement our market views.

Our Multi-Asset team manages the GARS Fund on a day-to-day basis, making active asset allocation decisions based upon the investment ideas generated by our Strategic Investment Group. The team contains highly educated and experienced professionals in the fields of active investment management, actuarial analysis, quantitative modelling and global economics. They bring together this critical combination of skills to develop,

## 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 provide positive investment returns in all market conditions over the medium to long term. The fund is actively managed, with a wide investment remit to target a level of return over rolling three-year periods equivalent to cash plus five per cent per year, gross of fees. It exploits market inefficiencies through active allocation to a diverse range of market positions. The fund uses a combination of traditional assets (such as equities and bonds) and investment strategies based on advanced derivative techniques, resulting in a highly diversified portfolio. The fund can take long and short positions in markets, securities and groups of securities through derivative contracts. The value of investments within the fund can fall as well as rise and is not guaranteed – you may get back less than you pay in. The fund may use derivatives for the purpose of efficient portfolio management and to meet its investment objective. The sterling value of overseas assets held in the fund may rise and fall as a result of exchange rate fluctuations.

## ABI SECTOR

## ABI UK - SPECIALIST-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 that have an investment universe that is not accommodated by any of the other ABI sectors.
- As funds in this sector do not meet any pre-set parameters, these should not be compared on a like-for-like basis.

## FUND CHARACTERISTICS

This fund aims to deliver a positive return in all market conditions. The fund manager will target a specific level of return over a set period of time, usually above what you can earn on a cash deposit account. They use their expertise to invest in a range of investments and use complex investment techniques to offer the best opportunities to meet the fund's aim. For more information on Absolute Return funds, please see our **Absolute Return Funds Guide**.

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.

**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:

**Emerging markets.** The fund includes investments in emerging markets, taking advantage of the fast-growing economies in the developing world. These markets can provide higher returns, as well as a higher chance of the returns on your investment either rising or falling than if it invested in more developed markets. Greater risk is taken as it can be harder to buy and sell shares in these countries and the countries themselves are more exposed to political uncertainties. Emerging markets are also not as well regulated and have less protection in place for investments than the UK.

**Smaller companies.** The fund invests in smaller companies. Investments in smaller companies tend to be riskier than investments in larger companies because they can:

- be harder to buy and sell; or
- go up and down in value more often and by larger amounts, especially in the short term.

These risks may increase with market uncertainty and it could become even less easy for the fund to buy and sell investments. If this happens, the value of the fund may fall and in extreme circumstances this may also force a delay in buying and selling investments in the fund. The fund can only delay paying out if it is in the interests of all investors and with the permission of the fund trustee or depositary.

**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>	0.50	-0.61	8.14

## 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>	4.40	3.89	5.41	-5.83	1.46

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>	GB00B5P8L880
<b>SEDOL code</b>	B5P8L88
<b>MEX code</b>	LGSGAR

## PORTFOLIO EXPOSURE AND ALL BELOW INFORMATION AS AT 31 JULY 2017

An overview of the types of investments in which the fund currently invests.

European equity	12.39%
US real yields	10.07%
US equity	8.88%
US equity banks v consumer staples	8.57%
UK v German duration	7.92%
Global REITs	6.24%
Long INR v CHF	5.65%
Long JPY v KRW	4.29%
US investment grade credit	4.24%
Australian forward-start interest rates	3.73%
Emerging markets income	3.69%
Long USD v GBP	3.60%
Stock Selection	2.86%
Korean equity	2.67%
High yield credit	2.43%
Long SEK v EUR	2.24%
Emerging markets v Brazilian equity	2.02%
UK equity	1.64%
US front end steepener	1.61%
Long INR v KRW	1.49%
HSCEI v FTSE variance	1.09%
EU corporate bonds	0.79%
Long equity variance	0.78%
FX Hedging	0.37%
Japanese equity	0.31%
Asian v S&P variance	0.22%
Pacific Basin ex Japanese equity	0.19%
EuroStoxx50 v S&P variance	0.05%
Cash	0.00%

## TOP 10 HOLDINGS

The highest valued single holdings in the fund.

Holding	Sector	%
United States Treasury Inflation Indexed TII 3 7/8 04/15/29	Bonds	2.37%
United States Treasury Inflation Indexed TII 0 3/4 02/15/45	Bonds	1.73%
United States Treasury Inflation Indexed TII 1 02/15/46	Bonds	1.19%
United States Treasury Inflation Indexed TII 0 3/4 02/15/42	Bonds	1.15%
United States Treasury Inflation Indexed TII 2 1/2 01/15/29	Bonds	1.13%
United States Treasury Inflation Indexed TII 2 1/8 02/15/40	Bonds	1.05%
United States Treasury Inflation Indexed TII 2 1/8 02/15/41	Bonds	0.99%
United States Treasury Inflation Indexed TII 1 3/8 02/15/44	Bonds	0.98%
United States Treasury Inflation Indexed TII 1 3/4 01/15/28	Bonds	0.96%
United States Treasury Inflation Indexed TII 0 5/8 02/15/43	Bonds	0.85%

Percentage of fund in top 10

12.40%

# 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>Overall fund size</b>	The total value of all investments held in the underlying fund.
<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: The portfolio details have been supplied by the fund management company and are assumed to be correct by Legal & General. All other data sourced from Legal & General Group PLC unless otherwise stated.

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