



Your risk meter

WorkSave Pension Plan/
WorkSave Buy Out Plan





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Risk rating of our funds

We risk rate our funds based on how each one has performed over a period of at least 10 years. In particular, we look at how often the fund has fallen in value – from one month to another – and by how much. Where a fund has less than 10 years performance history, we will use alternative performance measures that we believe are likely to behave in a similar way, to complete the 10 year period. The measure used might be an index, which measures the changes in a collection of investments that represent a portion of the overall market, or a benchmark, which is a standard used to measure the performance of a fund or investment manager.

We review the ratings we give to each fund on an ongoing basis and make adjustments accordingly. From time to time, normally as a result of external market or economic factors, we may also make an additional adjustment to the risk rating of a particular fund. We will do this if we believe the risk calculated does not, in our opinion, adequately reflect the risk of investing in that particular fund.

As well as placing each fund on a 'risk meter', which can be used to compare the relative risk of different funds, we also use a fund's risk rating to assign it to one of five fund risk rating categories.

These categories are based on the risks we think they present to your money if you keep your investment for at least five years. It's really important you understand that the risk rating of a fund may be significantly higher if you invest in a fund for a shorter time period. This means you should always be prepared to keep your money invested for at least five years.

It's important to remember that, although these ratings can provide a useful indicator of a fund's previous level of risk, this does not guarantee that the fund's level of risk will remain the same in the future. As a consequence, they cannot predict what actually will happen, or when. Future investment conditions might mean that you lose more than is currently suggested by the risk rating.

To find out more about how we risk rate our funds and to see how each fund compares to the others available to you, take a look at, Your risk meter, on page 7.

To help make it clearer, we show our risk ratings on a scale from lowest risk to highest risk, along with a definition of each fund risk rating category, which you'll find in the table on page 4.

You'll see that we've divided each of the three higher fund risk rating categories into smaller sub-sections. We've done this to try to make it easier for you to see which funds might match your own personal attitude to investment risk. However, we don't mean that each of our customer risk profiles should match exactly with a corresponding fund risk rating category. This is because it's important that you consider having a spread of investments and not limit yourself to one area. You may also have different goals for your various investments and may be investing over different time periods.

For more information on our customer risk profiles see [Your guide to risk and reward](#)'.



Fund risk ratings and their definitions

When we show the risk rating of each individual fund on the scale, we call this our 'risk meter'. As each fund has a place on the scale you can compare it easily to other funds. We review these risk ratings regularly and where recent movements in the value of a fund suggest it has become more risky, we move it up the scale. We are very unlikely to move funds down the scale because it's always possible that past movements in the value of a fund may be repeated in future.

Fund risk rating category	Additional rating within category	Fund risk rating category description (Note: all investment funds go up and down in value and can lose money)
5	Upper	Funds in these categories may invest in either single investment types or a wide variety of investments that will go up and down in value a lot from day to day. Funds may tend to invest in less stable investment areas, for example certain overseas or emerging markets, where economic or political conditions create an extra degree of uncertainty.
	Lower	
4	Upper	Funds in these categories hold investments that are expected to go up and down in value a lot from day to day. Funds are likely to invest in a range of investment types, including higher proportions of riskier investment types. Funds towards the middle and top of this band will hold investment types that have gone up or down more in value over the past ten years than funds at the bottom. For example, this may be because those funds are designed to invest in areas or investment types that are more likely to experience larger changes in value than other investment types.
	Middle	
	Lower	
3	Upper	Funds in these categories hold investments that will go up and down in value. Funds may not hold all investment types and tend to focus on investments that do not typically change in value a lot from day to day. Funds may also invest in a range of investment types to try to limit the effect of one or more investment types performing poorly but fund values could still fall significantly over time. Funds towards the middle and top of this band will hold investment types that have gone up or down more in value in the past than funds at the bottom. For example, this may be because those funds have invested in riskier investment types or they have focused on single investment types.
	Middle	
	Lower	
2		Funds in this category have risks that are similar to losing money when a financial institution fails. These funds are designed to operate like cash deposits by paying out the original investment plus the chance of potential returns, potentially at set maturity dates. They will not fall in value unless the charges taken by the fund manager are greater than the returns achieved, or one or more of the banks or financial institutions that hold your money fail to meet their obligations.
1		This category is risk free and so there are no funds in this category.



Fund risk ratings and their definitions

We have formed our opinion of fund risk ratings without knowing your personal attitude to the different risks that exist. Therefore, when you're looking at where to invest, it's important that you don't just rely on our fund risk rating. You need to think carefully about all the different risks we've outlined and decide your view on them. Your circumstances and outlook are unique and so if you've got any doubts or questions, we recommend you speak to a financial adviser. You can find one in your local area at **unbiased.co.uk**. Please note that financial advisers normally charge a fee. Should you wish to do so, you may be able to pay this fee from your plan. See **Facilitated Adviser Charge** below for more information.

Facilitated Adviser Charge

This plan offers you a way to pay your financial adviser directly from your pension plan. It's called a facilitated adviser charge and the advice you receive must be related to this plan. The charge will be taken from this plan, so there must be enough money in your pension plan to pay for it.

The facilitated adviser charge guide explains how this service works. For more information:

- go to **legalandgeneral.com/adviserchargeguide** and **legalandgeneral.com/adviserchargeform**
- phone us on 0345 070 8686. Call charges will vary. We may record and monitor calls.
- email us at **employerdedicatedteam@landg.com**
- write to us at Workplace Pensions, Legal & General, Brunel House, 2 Fitzalan Road, Cardiff CF24 0EB.



The spectrum of risk

We've designed this meter to give you a clearer picture of the level of risk to capital associated with a particular fund. The meter can be used to see how different funds compare and where within a fund risk rating category they're placed.

We classify our funds in terms of the risks we believe they present to your capital assuming that you were to hold your investment for at least five years. The five-year period is very important to our categorisation – even investments that appear lower on the meter can demonstrate volatility in returns over short periods of time. Please note that the risk could be increased if you do not remain fully invested for at least five years.

Although we've classified the funds into five broad categories the funds in each category don't all have the same level of risk. There's a spectrum of risk. So, a fund near the top of one fund risk rating category may be closer in its risk profile to the higher category than to funds lower down in its own category.

These ratings are based on our current view of the relative risks of each fund based on our experience. We may change our view of the amount of risk presented by certain types of investment over time. This could affect the risk categorisation of funds. You should therefore make sure that you review your situation regularly to make sure the funds you've selected are still suitable for you.

This document is for your information purposes only. If you want to invest, you should read this together with other literature supplied about the product.

We have not included our lifestyle profiles in this meter. The risk associated with these profiles will be the same as the funds the profile invests in.



Your risk meter

We have a wide range of funds in five fund risk rating categories, which are listed over the following pages. We've arranged them in risk order and numbered them accordingly. No. 1 represents the fund with the lowest risk through to No.89, which carries the highest risk. By arranging the funds in this way, you can quickly see whether a particular fund carries a higher or lower risk than any of the other funds in this fund range. It's important to remember that a fund in one fund risk rating category may be closer, in terms of its actual risk rating, to a fund within the category above (or below) than to a fund within the same category.

Please note that the risk rating for each Pathway Fund will change over time. This is because they are target date funds in which the proportion of higher risk assets reduces as members get closer to their retirement date. For more information please see our [Guide to the Pathway Funds](#).

The value of your fund can go down as well as up and is not guaranteed.

If you have any questions about the risk rating of these funds or which funds to choose, you should speak to a financial adviser. Please note that financial advisers normally charge a fee. Should you wish to do so, you may be able to pay this fee from your plan. See [Facilitated Adviser Charge](#) on page 5 for more information.

The risk ratings used in this risk meter were correct as of October 2018.

You should also read '[Your guide to investing](#)' and '[Your guide to risk and reward](#)'.

Fund risk rating category	No.	Fund name
1		There are no funds in this category
2	1	Legal & General PMC Cash 3
	2	Legal & General PMC Sterling Liquidity 3
3 lower		There are no funds in this category
3 Middle	3	Legal & General (PMC) AAA-AA Fxd Int All Stks Target Duration 3
	4	Legal & General PMC All Stocks Gilts Index 3
	5	Legal & General PMC AAA-AA-A Corp Bond All Stocks Index 3
	6	Legal & General (PMC) Fixed Interest Fund 3
	7	Legal & General PMC 2015-2020 Pathway Fund 3
	8	Legal & General PMC 2020-2025 Pathway Fund 3
	9	Legal & General PMC 2025-2030 Pathway Fund 3
	10	Legal & General PMC 2030-2035 Pathway Fund 3
	11	Legal & General PMC Pre-Retirement Inflation Sensitive 3

Fund risk rating category	No.	Fund name
3 Middle	12	Legal & General (PMC) Pre-Retirement Inflation Linked Fund 3
	13	Legal & General (PMC) All Stocks Index Linked Gilts Index Fund 3
3 Upper	14	Legal & General PMC 2035-2040 Pathway Fund 3
	15	Legal & General PMC Dynamic Bond 3
	16	Legal & General (PMC) Index Linked Gilt Fund 3
	17	Legal & General PMC AAA-AA-A Corporate Bond Over 15 Yr Index 3
	18	Legal & General PMC Pre-Retirement 3
	19	Legal & General PMC Over 5 Year Index Linked Gilts Index 3
	20	Legal & General PMC Overseas Bond Index 3
	21	Legal & General PMC Retirement Income Multi-Asset 3
	22	Legal & General PMC AAA-AA Fixed Interest O15 Yr Target Duration 3



Fund risk rating category	No.	Fund name
4 Lower	23	Legal & General (PMC) Janus Henderson Preference & Bond Fund 3
	24	Legal & General PMC 2040-2045 Pathway Fund 3
	25	Legal & General (PMC) Distribution Fund 3
	26	Legal & General (PMC) Kames Strategic Bond 3
	27	Legal & General PMC High Income 3
	28	Legal & General PMC Dynamic Diversified Fund 3
	29	Legal & General PMC Over 15 Year Gilts Index 3
	30	Legal & General (PMC) Property Fund 3
	31	Legal & General PMC Kames High Yield Bond 3
	32	Legal & General PMC Multi-Asset 3
4 Middle	33	Legal & General PMC Standard Life Global Absolute Return Strat 3
	35	Legal & General (PMC) Managed Fund 3
	36	Legal & General PMC 2045-2050 Pathway Fund 3
	37	Legal & General PMC 2050-2055 Pathway Fund 3
	38	Legal & General PMC 2055-2060 Pathway Fund 3
	39	Legal & General PMC 2060-2065 Pathway Fund 3
	40	Legal & General PMC 2065-2070 Pathway Fund 3
	41	Legal & General PMC Diversified 3
	42	Legal & General PMC Real Income Builder 3
	43	Legal & General PMC Consensus Index 3
	44	Legal & General PMC BMO Responsible UK Income Fund 3
	45	Legal & General (PMC) Artemis Income Fund 3
	46	Legal & General PMC Newton Real Return Fund 3
	4 Upper	47
48		Legal & General (PMC) Equity Fund 3
49		Legal & General PMC UK Recovery 3
50		Legal & General PMC Global Equity 70:30 Index 3
51		Legal & General PMC UK Equity Index 3
52		Legal & General PMC Global Equity Market Weights 30:70 Index Fund 75% GBP Currency Hedged 3

Fund risk rating category	No.	Fund name
4 Upper	53	Legal & General PMC UK Equity 5% Capped Passive 3
	54	Legal & General (PMC) Threadneedle Managed Equity Fund 3
	55	Legal & General PMC Growth 3
	56	Legal & General (PMC) Newton Global Income Fund 3
	57	Legal & General (PMC) International Fund 3
	58	Legal & General (PMC) Kames Ethical Equity Fund 3
	59	Legal & General PMC Global Equity Fixed Weights 50:50 Index 3
	60	Legal & General (PMC) Global FW (50:50) Index Fund GBP Currency Hedged 3
	61	Legal & General PMC Overseas Equity Consensus Index 3
	62	Legal & General PMC Global Equity Fixed Weights (60:40) Index 3
5 Lower	63	Legal & General PMC BMO Responsible Global Equity Fund 3
	64	Legal & General PMC World (Ex-UK) Equity Index 3
	65	Legal & General PMC Future World Fund 3
	66	Legal & General PMC Ethical Global Equity Index 3
	67	Legal & General (PMC) North American Fund 3
	68	Legal & General PMC UK Smaller Companies 3
	69	Legal & General (PMC) North America Equity Index Fund 3
	70	Legal & General (PMC) Threadneedle Global Select Fund 3
	71	Legal & General PMC UK Alpha 3
	72	Legal & General PMC HSBC Islamic Global Equity Index Fund 3
	73	Legal & General (PMC) Far Eastern Fund 3
	74	Legal & General PMC Europe (Ex-UK) Equity Index 3
	75	Legal & General (PMC) European Fund 3
5 Upper	76	Legal & General PMC Japan Equity Index 3
	77	Legal & General PMC Asian Income Fund 3
	78	Legal & General (PMC) Stewart Investors Asia Pacific Leaders Fund 3
	79	Legal & General PMC Asia Pacific (Ex-Jap) Developed Equity Index 3



Fund risk rating category	No.	Fund name
5 Upper	80	Legal & General PMC Asia Pacific Ex-Jap Equity Index 3
	81	Legal & General (PMC) Lazard Emerging Markets 3
	82	Legal & General PMC World Emerging Markets Equity Index 3
Risk rating not confirmed at time of print	83	Legal & General (PMC) Global Real Estate Equity Index 3
	34	Legal & General PMC Future World Multi-Asset Fund 3
	84	Legal & General (PMC) UK Smaller Companies Index Fund 3
	85	Legal & General (PMC) Janus Henderson Diversified Alternatives 3
	86	Legal & General (PMC) M&G PP All Stocks Corporate Bond 3
	87	Legal & General (PMC) Majedie UK Equity 3
	88	Legal & General (PMC) MFS Meridian Global Equity 3
89	Legal & General PMC Threadneedle Dynamic Real Return Fund 3	



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