

Legal & General UK Equity Income Fund

Unit Trust (UCITS compliant) I-Class GBP



FUND AIM

The objective of this fund is to provide an income in excess of the yield represented by the performance of the FTSE All-Share Index, and long-term growth. The fund will typically invest between 80% and 100% in UK company shares, or in shares of overseas companies which have a significant part of their activities in the UK or whose shares are traded on UK stock markets.

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.

This fund is in category 5 because it invests in company shares which generally provide higher rewards and higher risks than other investments such as bonds, cash or commercial property.

For more information, please refer to the Key Risks section on page 3.

WHO IS THIS FUND FOR?

- This fund is designed for investors seeking income from an investment which can form part of their existing savings portfolio
- 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
- 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 £268.3m	Base currency GBP	IA Sector UK Equity Income
Launch date 31 Mar 2011	Domicile UK	Historical yield 4.80%

COSTS

Initial charge 0.00%	Ongoing charge 0.88%
Price basis Dual	Bid / Offer spread 0.59%

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

PERFORMANCE (%)



	1 month	6 months	1 year	3 years	5 years
■ Fund	-1.10	-1.67	12.35	21.55	52.97
■ IA Sector	-0.93	-0.60	12.61	24.84	63.28
Quartile ranking	3	3	3	4	4

ANNUAL PERFORMANCE (%)

12 months to 30 September	2017	2016	2015	2014	2013
Fund	11.47	9.18	1.73	5.79	19.55
IA Sector	10.67	11.25	3.36	7.45	21.16
Quartile ranking	2	3	3	4	3

Performance for the I Inc unit class in GBP launched on 31 March 2011. 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



- Seeks to deliver consistent income and capital growth over the long term
- Equity income investing is an investment style which has historically proven to be successful over the long term
- When picking stocks, the fund manager seeks those with sustainable high yields, dividend growth prospects, or that are undervalued and have the potential for recovery



PORTFOLIO BREAKDOWN

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

COUNTRY (%)

	United Kingdom	97.6
	Denmark	2.4



MARKET CAPITALISATION (%)

■	Large	78.9
■	Mid	20.0
■	Small	0.0
■	Micro	0.0
	Cash and Equivalents	1.1













■ Top 10 Holdings 41.41%
■ Rest of Portfolio 58.59%
No. of holdings 43











TOP 10 HOLDINGS (%)

BP	5.4
Vodafone Group	4.8
Rio Tinto	4.6
Royal Dutch Shell	4.4
Prudential	4.3
HSBC Holdings	4.1
Glaxosmithkline	4.1
Lloyds Banking Group	4.1
BHP Billiton	2.9
British American Tobacco	2.9

TOP SECTOR OVER/UNDERWEIGHTS (%)

	Fund	Rel.	
Financials	31.8	5.0	
Telecommunications	7.5	3.9	
Health Care	10.5	2.7	
Technology	4.1	2.4	
Basic Materials	9.5	2.3	
Consumer Services	10.4	-0.5	
Utilities	0.0	-2.8	
Oil & Gas	9.7	-3.0	
Industrials	5.9	-4.9	
Consumer Goods	10.6	-5.1	

TOP 5 STOCK OVER/UNDERWEIGHTS

	Fund	Rel.	
Rio Tinto	4.6	2.9	
Phoenix Group Hold	2.6	2.5	
Novo-Nordisk	2.4	2.4	
Direct Line Insura	2.5	2.3	
Prudential	4.3	2.3	
Reckitt Benckiser	0.0	-1.7	
HSBC Holdings	4.1	-2.1	
Unilever	0.0	-2.1	
Diageo	0.0	-2.7	
Royal Dutch Shell	4.4	-3.9	

FUND MANAGER COMMENTARY

Following a strong October, equity markets were largely negative in November, with the FTSE All Share closing down -1.7%. General sentiment was affected by events in the US, particularly uncertainty over timing for the US tax reform push. Elsewhere, the UK budget saw big downgrades to the official growth outlook. Finally, OPEC's agreement to extend production cuts helped put a floor under the oil price.

November saw increasing optimism in response to reports that UK and EU negotiators had reached an agreement on the Brexit bill. Looking at economic data, PMIs surprised to the upside, with monthly manufacturing data for November growing at its fastest pace in more than four years.

Large caps were the biggest underperformers. At a sector level, aerospace & defence endured a difficult month on the back of warnings from Ultra and QinetiQ. There were positive contributions from the telecoms, food retailer, beverage and real estate sectors. From a style perspective, momentum stocks enjoyed a good month, while value stocks were more mixed.

The fund returned -1.1% in November, outperforming the index by 60bps. This was predominantly driven by sector allocation, led by our overweight in telecoms and underweight in industrials. Stock selection was more mixed, with consumer services dragging on returns. However, this was mostly offset by performance in consumer goods and material sectors.



STEPHEN MESSAGE

Stephen is responsible for managing LGIM's UK Equity Income portfolios and is a member of the Active Equities team. Stephen joined LGIM in 2017 from Old Mutual Global Investors where he held the title of fund manager. Stephen was responsible for the management of the Old Mutual UK Equity Income fund from 2009 until 2016. Stephen graduated from Imperial College London with a MEng in aeronautical engineering from Imperial College London. He is also a CFA charterholder.

KEY RISKS

- 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 impact to the fund can be greater where derivatives are used in an extensive or complex way.
- 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 have been applied to reduce the impact of exchange rate fluctuations but may not entirely eliminate it.
- The fund could lose money if any institutions providing services such as safekeeping of assets or acting as counterparty to derivatives or other instruments, becomes unwilling or unable to meet its obligations to the fund.

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	24 Jul 17	24 Sep 17	0.90p
Interim	24 Apr 17	24 Jun 17	0.76p
Final	24 Jan 17	24 Mar 17	0.58p
Interim	24 Oct 16	24 Dec 16	0.53p



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 £957.2 billion (as at 30 June 2017). We work with a wide range of global clients, including pension schemes, sovereign wealth funds, fund distributors and retail investors.

Assets under management includes 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	GB00B6HBD759
	I Inc	GB00B56B1J72
SEDOL	I Acc	B6HBD75
	I Inc	B56B1J7
Bloomberg	I Acc	LGUEIIA
	I Inc	LGUEIII

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.

Important information

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