

Legal & General European Trust

Unit Trust (UCITS compliant) I-Class GBP



FUND AIM

The objective of this fund is to provide growth. The fund will typically invest between 90% and 100% in company shares. The fund will invest in a broad range of company shares from all economic sectors. The company shares that the fund invests in will be exclusively from Europe (excluding the UK). These shares will be issued by leading industrial and commercial companies as well as newly emerging companies.

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.

The fund is in category 6 because it invests in company shares which are sensitive to variations in the stock market. The value of company shares can change substantially over short periods of time.

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 growth from an investment in European company shares (excluding UK companies).
- 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 £133.7m | Base currency GBP | IA Sector IA Europe ex UK |
| Launch date 9 Sep 1985 | Domicile UK | Historical yield 0.5% |

COSTS

| | |
|--------------------------------|------------------------------------|
| Initial charge 0.00% | Ongoing charge 0.81% |
| Price basis Dual | Bid / Offer spread 0.30% |

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 | 0.67 | 2.23 | -14.04 | 26.27 | 24.41 |
| ■ IA Sector | 1.79 | -0.12 | -6.37 | 31.43 | 34.36 |
| Quartile ranking | 4 | 1 | 4 | 4 | 4 |

12 MONTH PERFORMANCE TO MOST RECENT QUARTER (%)

| 12 months to 31 December | 2018 | 2017 | 2016 | 2015 | 2014 |
|--------------------------|--------|-------|-------|------|-------|
| Fund | -18.90 | 17.17 | 17.93 | 7.99 | 0.93 |
| IA Sector | -12.36 | 17.36 | 16.85 | 9.29 | -0.81 |
| Quartile ranking | 3 | 2 | 3 | 2 | 2 |

Performance for the I Inc unit class in GBP launched on 17 August 2012. 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











- Focuses on investing in shares listed throughout Europe, excluding the UK, with the aim of providing long-term capital growth
- Europe is a diverse range of countries, economies and currencies with a wealth of investment opportunities
- We aim to focus on identifying companies where returns are sustainably high or where improvements are anticipated



PORTFOLIO BREAKDOWN

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

COUNTRY (%)

| | | |
|--|-------------|------|
|  | Germany | 25.6 |
|  | Italy | 13.4 |
|  | France | 12.7 |
|  | Netherlands | 11.6 |
|  | Switzerland | 10.2 |
|  | Spain | 8.1 |
|  | Belgium | 4.3 |
|  | Norway | 3.3 |
|  | Denmark | 3.3 |
|  | Other | 7.5 |



MARKET CAPITALISATION (%)

| | |
|----------------------|------|
| Large | 75.8 |
| Mid | 11.6 |
| Small | 6.3 |
| Micro | 3.5 |
| Cash and Equivalents | 2.8 |












■ Top 10 holdings 40.1%
■ Rest of portfolio 59.9%
No. of holdings 35











TOP 10 HOLDINGS (%)

| | |
|------------------------|-----|
| Adyen NA | 4.4 |
| Umicore | 4.3 |
| UBS Group | 4.1 |
| SAP | 4.1 |
| Varta AG NPV (Germany) | 4.0 |
| Daimler AG | 3.9 |
| AMS AG | 3.9 |
| Ferrari | 3.9 |
| ASML Holding | 3.8 |
| Ubisoft Entertainment | 3.7 |

SECTOR (%)

| | | |
|-------------------|------|---|
| Consumer Goods | 24.2 |  |
| Technology | 22.8 |  |
| Unclassified | 11.1 |  |
| Basic Materials | 10.3 |  |
| Industrials | 8.7 |  |
| Financials | 8.7 |  |
| Consumer Services | 6.1 |  |
| Oil & Gas | 4.8 |  |
| Health Care | 3.3 |  |

TOP 5 STOCK OVER/UNDERWEIGHTS (%)

| | Fund | Relative | |
|------------------------|------|----------|---|
| Adyen NA | 4.4 | 4.4 |  |
| Umicore | 4.3 | 4.1 |  |
| Varta AG NPV (Germany) | 4.0 | 4.0 |  |
| AMS AG | 3.9 | 3.8 |  |
| Ferrari | 3.9 | 3.6 |  |
| Siemens AG | 0.0 | -1.5 |  |
| Total | 0.0 | -2.4 |  |
| Roche Hldgs (Genus) | 0.0 | -2.5 |  |
| Novartis | 0.0 | -2.7 |  |
| Nestle | 0.0 | -3.8 |  |

FUND MANAGER COMMENTARY

Following the sharp Q4 sell-off last year, European equity markets continue to recover well from the low point. The more globally exposed nature of cyclical sectors has led to another month of positive returns for equity markets, driven primarily by early signs of a renormalisation of risk.

In Europe, the ECB is considering additional measures to maintain the flow of credit in a subdued Eurozone economy. Data indicators would suggest Eurozone growth appears muted, largely due to a loss in momentum in manufacturing industries and decline in business sentiment. Brexit induced fatigue also appear to be showing for both sides. Prodeal MPs have started to show more coordination and UK Prime Minister Theresa May has come under pressure to agree to an extension of Article 50.

Turning to equity markets, cyclicals largely outperformed this month. Electronics, retailers, construction, software, insurance and banks were the strongest performing areas of the market. All sectors apart from utilities and telecom saw positive returns. Growth stocks saw small outperformance against other style tilts, while domestic focused companies were out of favour.

On the L&G European Trust, the fund delivered a net return of 0.7% in the period, against the benchmark return of 2.1%. Stock selection was the biggest drag on relative performance. This was driven by weakness in financials, technology and industrials. Sector positioning was positive, helped by our underweight in utilities and telecoms.



GAVIN LAUNDER

Gavin joined LGIM in 2007 and is a Fund Manager for the European ex UK portfolios. He has managed the European Growth Trust since August 2013. Previously, he was a Global Equities Analyst at BlueBay Asset Management. Gavin spent the majority of his buy-side career as a Portfolio Manager with UBS O'Connor. Prior, he was a top-rated, sell-side analyst covering the Autos, Capital Goods and Conglomerates sectors at investment banks including SG Warburg and Goldman Sachs. Gavin holds a degree in Philosophy and Economics from University College, London.

KEY RISKS

- The return from this fund is dependent on relatively few individual investments. This means that a fall in the value of an individual investment can have a major impact on the overall performance of the fund.
- 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.

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 |
|-------|-------------|-----------|----------------|
| Final | 06 Aug 18 | 28 Sep 18 | 2.07p |
| Final | 31 Jul 17 | 28 Sep 17 | 4.54p |
| Final | 28 Jul 16 | 28 Sep 16 | 1.47p |
| Final | 28 Jul 15 | 28 Sep 15 | 1.56p |



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 £984.8 billion (as at 30 June 2018). We work with a wide range of global clients, including pension schemes, sovereign wealth funds, fund distributors and retail investors.

Assets under management include 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 | GB00B7J5FY33 |
| | I Inc | GB00B78RV756 |
| SEDOL | I Acc | B7J5FY3 |
| | I Inc | B78RV75 |
| Bloomberg | I Acc | LGEUTIA LN |
| | I Inc | LGEUTII LN |

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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