

Legal & General European Equity Income Fund

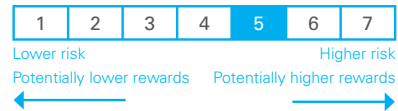


Unit Trust (UCITS compliant) I-Class GBP

FUND AIM

The objective of the fund is to generate income in excess of the FTSE Europe ex-UK Index over rolling 3 year periods.

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 5 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 income and 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	Base currency	Benchmark
£262.3m	GBP	FTSE Europe ex UK Index
Launch date	Domicile	Historical yield
12 Dec 2017	UK	3.80%

COSTS

Initial charge	Ongoing charge
0.00%	0.80%
Price basis	Bid / Offer spread
Dual	0.21%

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

PERFORMANCE (%)

As this share class has been in existence for less than one calendar year, there is insufficient data to provide a useful indication of past performance.

	1 month	6 months	1 year	3 years	Launch
■ Fund	-	-	-	-	-
■ Benchmark	-	-	-	-	-

12 MONTH PERFORMANCE TO MOST RECENT QUARTER (%)

12 months to 30 June	2018	2017	2016	2015	2014
Fund	-	-	-	-	-
Quartile ranking	-	-	-	-	-

Performance for the I Inc unit class in GBP, launched on 19 December 2017. 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

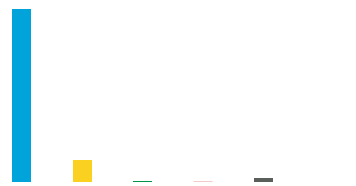
- Aims to generate attractive above-market income growth as part of a total return strategy
- We look for European-listed companies able to maintain growth earnings and free cashflow
- The fund is comprised of a concentrated selection of 50 stocks with an investment horizon of three to five years

PORTFOLIO BREAKDOWN

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

COUNTRY (%)

 France	27.5
 Switzerland	15.4
 Germany	12.7
 Sweden	11.5
 Denmark	7.7
 Norway	7.2
 Netherlands	7.1
 Italy	3.6
 Spain	3.1
 Other	4.2



MARKET CAPITALISATION (%)

Large	87.2
Mid	10.6
Small	0.4
Micro	0.0
Cash and Equivalents	1.8













■ Top 10 holdings 33.0%
■ Rest of portfolio 67.0%
No. of holdings 49











TOP 10 HOLDINGS (%)

Novo-Nordisk B	4.0
SAP	3.9
ENI	3.6
Roche Hldgs (Genus)	3.6
Daimler AG	3.3
UBS Group	3.2
AXA	3.2
Ing Group Cva	2.8
Ericsson B	2.7
SES FDR	2.7

TOP SECTOR OVER/UNDERWEIGHTS (%)

	Fund	Relative	
Financials	25.9	4.7	
Oil & Gas	8.7	3.8	
Consumer Services	7.8	3.1	
Telecommunications	5.6	2.4	
Technology	8.5	2.3	
Health Care	10.8	-0.6	
Basic Materials	6.3	-1.9	
Industrials	13.8	-2.9	
Utilities	0.9	-3.3	
Consumer Goods	11.7	-7.5	

TOP 5 STOCK OVER/UNDERWEIGHTS (%)

	Fund	Relative	
ENI	3.6	2.9	
Novo-Nordisk B	4.0	2.8	
SES FDR	2.7	2.6	
AXA	3.2	2.5	
Daimler AG	3.3	2.4	
Nestle	2.1	-1.6	
Siemens AG	0.0	-1.6	
Bayer	0.0	-1.6	
Total	0.0	-2.3	
Novartis	0.0	-2.5	

FUND MANAGER COMMENTARY

June proved to be a volatile month for equity markets, with the capricious stance on trade wars and tariffs from President Trump taking central stage. Aside from fears of rising global protectionism, recent central bank announcements also reminded investors that the outlook for the global economy, whilst still positive, is less synchronised than it appeared a couple of months ago.

While political risks in the Eurozone appear to have been negotiated for now, this is still a cause for concern. Meanwhile, the prospect of higher policy rates remains distant.

The outperformance of Spain during the period reflects a rebound in banking stocks. However, this was offset in other regions where the list of laggards is dominated by companies seen most at risk of tariff barriers. In terms of sectors, industrials and basic materials were weak, as asset allocators appeared to shift away from cyclical exposure. Oil was the biggest outperformer in June and Q2, with Brent Crude now within touching distance of \$75 per barrel.

For the L&G European Equity Income fund, we saw a negative return in the period, which resulted in 170bps underperformance against the benchmark. This was predominantly driven by stock selection in industrials and consumer goods, which was partially offset by decent returns in the technology space. Sector allocation was broadly neutral.



ANDREW KOCH

Andrew joined LGIM in August 2014 and is a Fund Manager in the Global Income team. He joined from the in-house pension scheme at BAE Systems, where he was head of the European equities team, co-chair of the Global best ideas fund, and a member of the asset allocation committee. Previously, he managed European equities for institutional and retail funds at Henderson Global Investors and HSBC Asset Management. He started his career at Phillips & Drew in 1992. He has an MA from New College, Oxford, in philosophy, politics and economics. Andrew is a CFA charterholder and an ASIP.

KEY RISKS

- 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). 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 be applied to reduce the impact of exchange rate fluctuations but may not entirely eliminate it.
- We may take some or all of the ongoing charges from the fund's capital rather than the fund's income. This increases the amount of income, but it reduces the growth potential and may lead to a fall in the value of the fund.

For more information, please refer to the key investor information document on our website [↗](#)



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 £983.3 billion (as at 31 December 2017). 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	GB00BF18C898
	I Inc	GB00BF18C781
SEDOL	I Acc	BF18C89
	I Inc	BF18C78
Bloomberg	I Acc	LGEEIAG LN
	I Inc	LGEEIIG 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

Issued by Legal & General (Unit Trust Managers) Limited as management company for this fund. Registered in England and Wales No. 01009418. Registered Office: One Coleman Street, London, EC2R 5AA. Authorised and Regulated by the Financial Conduct Authority No. 119273. We are members of the Investment Association. All features described in this fact sheet are those current at the time of publication and may be changed in the future. Nothing in this fact sheet should be construed as advice and it is therefore not a recommendation to buy or sell investments. If in doubt about the suitability of this product, you should seek professional advice. No investment decisions should be made without first reviewing the key investor information document of the Fund ("KIID") which can be obtained from www.legalandgeneral.com. This fact sheet is only directed at investors resident in jurisdictions where this fund is registered for sale. It is not an offer or invitation to persons outside of those jurisdictions. We reserve the right to reject any applications from outside of such jurisdictions.