

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 £274.0m	Base currency GBP	Benchmark FTSE Europe ex UK Index
Launch date 12 Dec 2017	Domicile UK	Historical yield 3.80%

COSTS

Initial charge 0.00%	Ongoing charge 0.80%
Price basis Dual	Bid / Offer spread 0.20%

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	Launch
■ Fund	-	-	-	-	-
■ Benchmark	-	-	-	-	-

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

12 MONTH PERFORMANCE TO MOST RECENT QUARTER (%)

12 months to 31 March	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.

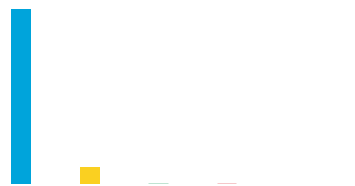
Past performance is not a guide to future returns. The value of your investment and any income taken from it is not guaranteed and may go up and down.

PORTFOLIO BREAKDOWN

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

COUNTRY (%)

 France	25.1
 Switzerland	15.8
 Sweden	11.5
 Germany	10.4
 Denmark	8.5
 Norway	8.0
 Netherlands	7.5
 Italy	5.3
 Spain	3.4
 Other	4.5



MARKET CAPITALISATION (%)

Large	88.0
Mid	8.3
Small	0.0
Micro	0.0
Cash and Equivalents	3.7













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











TOP 10 HOLDINGS (%)

Roche Hldgs (Genus)	4.2
Novo-Nordisk	4.1
Daimler AG	3.6
SAP	3.4
ENI	3.3
AXA	3.1
Pandora	2.9
Societe Generale	2.9
Zurich Insurance Group	2.8
Ing Group Cva	2.8

TOP SECTOR OVER/UNDERWEIGHTS (%)

	Fund	Relative	
Oil & Gas	9.0	4.8	
Financials	27.2	4.4	
Telecommunications	5.9	2.4	
Technology	7.7	2.2	
Consumer Services	6.9	2.2	
Basic Materials	6.4	-1.4	
Health Care	9.3	-2.0	
Utilities	1.2	-2.9	
Consumer Goods	14.7	-4.8	
Industrials	11.8	-5.0	

TOP 5 STOCK OVER/UNDERWEIGHTS (%)

	Fund	Relative	
Novo-Nordisk	4.1	2.8	
Pandora	2.9	2.8	
ENI	3.3	2.7	
Marine Harvest ASA	2.6	2.5	
Daimler AG	3.6	2.4	
Allianz SE	0.0	-1.5	
Banco Santander	0.0	-1.5	
Nestle	2.0	-1.6	
Total	0.0	-1.9	
Novartis	0.0	-2.6	

FUND MANAGER COMMENTARY

It was a tough month for risk assets as volatility returned. Geopolitical turmoil coincided with fears of a slowdown in global growth, which was further compounded by worries about rising inflation and faster interest rate hikes. The subsequent fallout saw sharp share price falls around the world, with tech stocks and cyclical hit hardest of all.

After the initial threat of US steel and aluminium tariffs were directed at Europe, it wasn't long before Trump's attention shifted towards imposing \$60 billion of tariffs on Chinese imports.

In terms of data, the Eurozone economy remains in healthy shape, but the pace of acceleration seen during the past fifteen months has started to slow. PMI data for March confirmed growth to be steady as opposed to spectacular.

Turning to market performance, the lack of leadership from previously key sectors (technology, financials) proved a challenge, especially for the US market. Financials (banks) were notably weak, while industrials and materials also underperformed. Consumer goods were the clear outperformer, while utilities and healthcare also made positive contributions.

The European Equity Income fund endured a difficult month, in a period that saw value underperform growth and quality style tilts across Europe. Relative performance was down -130 basis points, as stock selection in consumer services and financials detracted from returns. In terms of positioning, our underweight in tradition defensives (staples and utilities) were additional negative factors.



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

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 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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