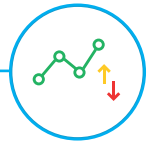


# Legal & General UK Equity Income Fund



Unit Trust (UCITS compliant) I-Class GBP

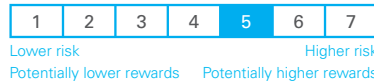
Base currency: **GBP**

Domicile: **UK**

## FUND AIM

The objective of the Fund is to provide income and growth above those of the FTSE All Share TR Net Index, the "Benchmark Index". The Fund aims to outperform the Benchmark Index by 2% per annum. This objective is before the deduction of any charges and measured over rolling three 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 a more specialist investment providing income and growth from an investment in UK company shares with recovery prospects.
- 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	Launch date
<b>£201.3m</b>	<b>31 Mar 2011</b>
Historical yield	
<b>7.0%</b>	

## COSTS

Initial charge	Ongoing charge
<b>0.00%</b>	<b>0.78%</b>
Price basis	Bid / Offer spread
<b>Dual</b>	<b>0.76%</b>

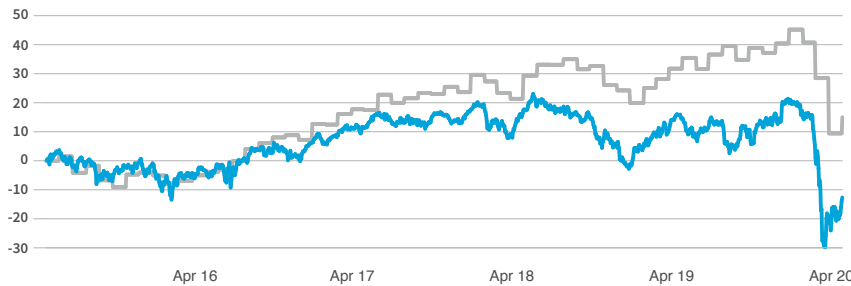
## BENCHMARKS

Target benchmark  
**FTSE All Share TR Net Index +2%**

Comparator benchmark  
**IA Sector: UK Equity Income**

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	7.64	-23.82	-23.83	-21.57	-12.72
■ Benchmark	5.11	-18.28	-15.10	-2.11	15.01
Relative to Benchmark	2.53	-5.54	-8.73	-19.46	-27.73
Comparator	8.77	-19.94	-16.61	-11.72	0.06

## 12 MONTH PERFORMANCE TO MOST RECENT QUARTER (%)

12 months to 31 March	2020	2019	2018	2017	2016
Fund	-26.88	1.62	-1.92	16.75	-3.43
Benchmark	-16.95	8.57	3.06	23.98	-2.02
Relative to Benchmark	-9.93	-6.95	-4.98	-7.23	-1.41
Comparator	-20.84	3.55	0.38	14.95	-1.26

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 the future.**

## FUND SNAPSHOT

- **What does it invest in?** Invests at least 80% in the shares of UK companies.
- **How does it invest?** Actively managed, with holdings in between 40 and 60 companies on average over a typical market cycle of 3-5 years.

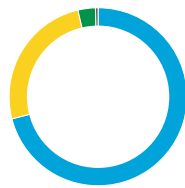


## PORTFOLIO BREAKDOWN

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

### COUNTRY (%)

	United Kingdom	100.0
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### MARKET CAPITALISATION (%)

Large	71.0
Mid	25.4
Small	3.2
Micro	0.0
Cash and Equivalents	0.5












■ Top 10 holdings 34.4%  
■ Rest of portfolio 65.6%  
No. of holdings 46











### TOP 10 HOLDINGS (%)

Imperial Brands	4.3
British American Tobacco	3.7
GlaxoSmithKline	3.5
Rio Tinto	3.4
BP	3.4
Prudential	3.4
Direct Line Insurance	3.4
Next	3.1
BHP Group Plc	3.1
Phoenix Group Holdings	3.1

### TOP SECTOR OVER/UNDERWEIGHTS (%)

	Fund	Relative	
Financials	34.7	9.4	
Consumer Services	19.9	8.5	
Basic Materials	8.6	1.2	
Telecommunications	3.2	0.9	
Oil & Gas	7.1	-2.1	
Consumer Goods	13.2	-3.0	
Industrials	8.8	-3.0	
Utilities	0.0	-3.5	
Health Care	3.5	-8.4	

### TOP 5 STOCK OVER/UNDERWEIGHTS (%)

	Fund	Relative	
Imperial Brands	4.3	3.4	
Direct Line Insurance	3.4	3.2	
Phoenix Group Holdings	3.1	2.9	
Next	3.1	2.8	
TP ICAP	2.7	2.6	
Reckitt Benckiser Group	0.0	-2.3	
Royal Dutch Shell	3.0	-2.6	
Diageo	0.0	-3.4	
HSBC Holdings	0.0	-4.5	
AstraZeneca	0.0	-5.9	

## FUND MANAGER COMMENTARY

Equity markets performed well through April as they recovered from March lows. Risk sentiment improved with increasing evidence that the curve of the infection rates for the coronavirus virus are progressively peaking. This is encouraging news though there remains a high degree of uncertainty as lockdowns begin to be relaxed globally.

For UK equity markets, we saw a broad continuation of good returns for defensives, structural winners and momentum. At the size level, Small and Mid-caps found favour at the expense of Large caps. Corporate earnings season has been no worse than feared, though has less relevance given economic damage is likely to accelerate through Q2. Elsewhere, the oil price volatility has been extraordinary, with fears of a global glut driven by slumping demand and capacity constraints.

The L&G UK Equity Income fund saw small outperformance in April. On stock selection we saw small gains in both Consumer sectors and Oil & Gas. Financials and Industrials were both negative. For allocation, positioning in Consumer Services and Utilities added value, though this was partially offset by the underweight in Healthcare. Turning to individual companies, we saw positive contributions from GoCo Group, GVC Holdings, Brewin Dolphin, Next and Land Securities. On the flipside, leading detractors included Grit Real Estate, Direct Line, RSA Insurance, Standard Chartered and SSP Group. Not owning AstraZeneca was unhelpful. In terms of activity, we introduced new positions in aerospace engineering group Meggitt and consumer durable Unilever, whilst we exited the small position in Inchcape.



### STEPHEN MESSAGE

Stephen joined LGIM in 2017 as a Fund Manager for the UK Equity Income portfolios. He has been managing the UK Equity Income Trust since November 2017. Stephen joined from Old Mutual where he was responsible for the management of the Old Mutual UK Equity Income fund from 2009 until 2016. Prior to that, he was a Fund Manager at Bessemer Trust from 2006 until 2008. Stephen graduated from Imperial College London with a MEng in Aeronautical Engineering. He is also a CFA charterholder.

## KEY RISKS

- The value of an investment and any income taken from it is not guaranteed and can go down as well as up; you may not get back the amount you originally invested.
- 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 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). 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.
- 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 [↗](#)

## 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	27 Jan 20	24 Mar 20	0.63p
Interim	25 Oct 19	24 Dec 19	0.95p
Interim	25 Jul 19	24 Sep 19	0.55p
Interim	25 Apr 19	24 Jun 19	0.96p



## 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 £1,196.2 billion (as at 31 December 2019). We work with a wide range of global clients, including pension schemes, sovereign wealth funds, fund distributors and retail investors.

Source: LGIM internal data as at 31 December 2019. The AUM disclosed aggregates the assets managed by LGIM in the UK, LGIMA in the US and LGIM Asia in Hong Kong. The AUM includes the value of securities and derivatives positions.

## DEALING INFORMATION

Valuation frequency	Daily, 12pm (UK time)
Dealing frequency	Daily
Settlement period	T+4

## CODES

<b>ISIN</b>	I Acc	GB00B6HBD759
	I Inc	GB00B56B1J72
<b>SEDOL</b>	I Acc	B6HBD75
	I Inc	B56B1J7
<b>Bloomberg</b>	I Acc	LGUEIIA
	I Inc	LGUEIII

## TO FIND OUT MORE

 Visit [www.legalandgeneral.com](http://www.legalandgeneral.com)

 Call **0370 050 0955**

 Email [investments@landg.com](mailto:investments@landg.com)

Lines are open Monday to Friday 8.30am to 6.00pm. We may record and monitor calls. Call charges will vary.

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