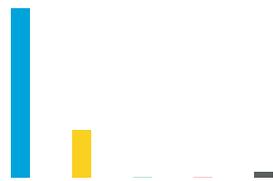


PORTFOLIO BREAKDOWN

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	76.1
Mid	21.4
Small	0.0
Micro	0.0
Cash and Equivalents	2.5



■ Top 10 holdings 37.5%
■ Rest of portfolio 62.5%
No. of holdings 45

TOP 10 HOLDINGS (%)

BP	4.9
Royal Dutch Shell	4.5
Rio Tinto	4.5
Lloyds Banking Group	4.2
Prudential	3.8
Aviva	3.3
BHP Billiton	3.2
Vodafone Group	3.1
Tesco	3.0
GVC Holdings	3.0

TOP SECTOR OVER/UNDERWEIGHTS (%)

	Fund	Relative	
Consumer Services	20.0	8.3	
Financials	33.0	7.2	
Basic Materials	10.4	2.6	
Telecommunications	4.4	1.5	
Technology	2.3	1.3	
Industrials	9.0	-2.4	
Utilities	0.0	-2.7	
Oil & Gas	9.5	-4.8	
Health Care	3.0	-5.6	
Consumer Goods	8.1	-5.8	

TOP 5 STOCK OVER/UNDERWEIGHTS (%)

	Fund	Relative	
GVC Holdings	3.0	2.7	
Rio Tinto	4.5	2.5	
Direct Line Insurance	2.7	2.5	
Aviva	3.3	2.5	
Johnson Matthey	2.7	2.4	
Unilever	0.0	-2.0	
Diageo	0.0	-2.7	
GlaxoSmithKline	0.0	-3.0	
HSBC Holdings	2.0	-3.8	
Royal Dutch Shell	4.5	-4.5	

FUND MANAGER COMMENTARY

Diverging central bank policy actions and political turbulence, alongside capricious moves on trade and tariffs shaped market volatility in June. This led to a slump in risk appetite as the month progressed, despite evidence of global growth rebounding from the lows that we saw in Q1. In the UK, recent sentiment survey and data from services and manufacturing industries is supportive of an August rate hike and a modest rebound in GDP data for Q2.

Against this volatile backdrop, UK equities remain remarkably resilient, closing out a strong quarter for investors. This brought about a slight re-rating in valuation metrics on the back of higher share prices. Earnings growth expectations also saw some decent upgrades. Overall, the FTSE All Share closed the month broadly flat. At the size level, midcaps were slightly stronger than large cap names, helped by M&A and corporate earnings.

Turning to sectors, we saw positive contributions from telecoms, aerospace and defence, and food and utilities. Offsetting this was financials, general industrials, construction, mining and healthcare sectors. Meanwhile, domestic exposed companies outperformed.

The L&G UK Equity Income fund performed broadly in line with the index, recording a negative return of -0.3% during the month of June. In what was a quiet period for stock news, sector positioning was broadly neutral. Our holdings in financials slightly underperformed, though this was offset by better returns in consumer services.



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

- 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). 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 [↗](#)

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	25 Apr 18	22 Jun 18	0.90p
Final	25 Jan 18	23 Mar 18	0.44p
Interim	25 Oct 17	22 Dec 17	0.87p
Interim	24 Jul 17	24 Sep 17	0.90p



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	GB00B6HBD759
	I Inc	GB00B56B1J72
SEDOL	I Acc	B6HBD75
	I Inc	B56B1J7
Bloomberg	I Acc	LGUEIIA
	I Inc	LGUEIII

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 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.

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