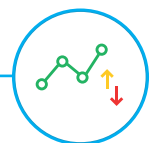


Legal & General UK Equity Income Fund



Unit Trust (UCITS compliant) F-Class GBP

FUND AIM

The objective of this fund is to provide an income in excess of the yield represented by the performance of the FTSE All-Share Index, and long-term growth. The fund will typically invest between 80% and 100% in UK company shares, or in shares of overseas companies which have a significant part of their activities in the UK or whose shares are traded on UK stock markets.

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 UK company shares.
- 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 £294.3m | Base currency GBP | IA Sector IA UK Equity Income |
| Launch date 31 Mar 2011 | Domicile UK | Historical yield 5.0% |

COSTS

| | |
|--------------------------------|------------------------------------|
| Initial charge 0.00% | Ongoing charge 1.03% |
| Price basis Dual | Bid / Offer spread 0.68% |

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 | 3.30 | 8.11 | -2.60 | 17.64 | 18.51 |
| ■ IA Sector | 3.28 | 6.85 | 0.58 | 23.24 | 30.48 |
| Quartile ranking | 2 | 1 | 4 | 4 | 4 |

12 MONTH PERFORMANCE TO MOST RECENT QUARTER (%)

| 12 months to 31 March | 2019 | 2018 | 2017 | 2016 | 2015 |
|-----------------------|------|-------|-------|-------|------|
| Fund | 1.36 | -2.26 | 16.29 | -3.81 | 2.82 |
| IA Sector | 3.55 | 0.38 | 14.95 | -1.26 | 8.29 |
| Quartile ranking | 4 | 4 | 2 | 4 | 4 |

Performance for the F Inc unit class in GBP, launched on 20 December 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 the future.

FUND SNAPSHOT

- Seeks to deliver consistent income and capital growth over the long term
- Equity income investing is an investment style which has historically proven to be successful over the long term
- When picking stocks, the fund manager seeks those with sustainable high yields, dividend growth prospects, or that are undervalued and have the potential for recovery

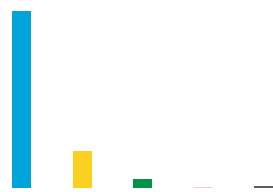


PORTFOLIO BREAKDOWN

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

COUNTRY (%)

| | |
|---|-------|
|  United Kingdom | 100.0 |
|---|-------|



MARKET CAPITALISATION (%)

| | |
|----------------------|------|
| Large | 79.3 |
| Mid | 16.2 |
| Small | 3.6 |
| Micro | 0.0 |
| Cash and Equivalents | 0.9 |

Cash positions are held as collateral on futures












■ Top 10 holdings 36.0%
■ Rest of portfolio 64.0%
No. of holdings 46











TOP 10 HOLDINGS (%)

| | |
|------------------------|-----|
| Lloyds Banking Group | 4.3 |
| BP | 4.3 |
| BHP Group Plc | 3.9 |
| Rio Tinto | 3.8 |
| Royal Dutch Shell | 3.6 |
| Prudential | 3.4 |
| Barclays | 3.4 |
| Tesco | 3.2 |
| Next | 3.2 |
| Melrose Industries Plc | 3.2 |

TOP SECTOR OVER/UNDERWEIGHTS (%)

| | Fund | Relative | |
|-------------------|------|----------|---|
| Consumer Services | 19.7 | 8.1 |  |
| Financials | 32.5 | 6.0 |  |
| Basic Materials | 12.1 | 4.3 |  |
| Technology | 3.0 | 1.9 |  |
| Industrials | 12.0 | 0.6 |  |
| Oil & Gas | 11.4 | -2.7 |  |
| Utilities | 0.0 | -2.7 |  |
| Health Care | 0.0 | -7.9 |  |
| Consumer Goods | 6.3 | -8.0 |  |

TOP 5 STOCK OVER/UNDERWEIGHTS (%)

| | Fund | Relative | |
|------------------------|------|----------|---|
| Next | 3.2 | 2.8 |  |
| Phoenix Group Holdings | 2.9 | 2.8 |  |
| Melrose Industries Plc | 3.2 | 2.7 |  |
| Micro Focus Intl | 3.0 | 2.7 |  |
| Diversified Gas & Oil | 2.5 | 2.5 |  |
| AstraZeneca | 0.0 | -3.3 |  |
| Diageo | 0.0 | -3.3 |  |
| GlaxoSmithKline | 0.0 | -3.3 |  |
| HSBC Holdings | 1.1 | -4.8 |  |
| Royal Dutch Shell | 3.6 | -5.2 |  |

FUND MANAGER COMMENTARY

Following a strong first quarter for risk assets, equity markets extended their recovery in April. Seemingly, investor assumptions imply many of the global economic events will be resolved favourably. However, it's likely that the onus falls on corporate earnings to have a determining impact on price momentum going forwards.

In the UK, the extension of the Brexit deadline was largely anticipated, though is hardly welcome news for investors. On a more positive note, the consumer continues to hold-up well. Confidence measures, labour data and retail spend all appear resilient.

Turning to UK equity market performance, sector leadership was mainly with industrials, financials and consumer cyclicals. This reflected ebbing concerns about the global economic outlook. The UK market's more defensive sector split proved a hindrance over the past month, particularly on the FTSE 100. Healthcare, utilities and resources were this month's laggards. At the size level, mid-caps were the strongest group, while value saw small underperformance relative to growth.

For the portfolio, we are pleased to report another month of outperformance. L&G UK Equity Income delivered a gain of 3.3%, compared to the index return of 2.7%. Sector allocation was the big positive in April, driven by the underweight in healthcare and consumer goods sector. Domestic consumer plays were once more prominent in the performance of mid-caps, with a number of positive updates driving shares higher. Stock selection was also favourable for our US exposed names, notably Ferguson and Melrose.



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 | 25 Jan 19 | 22 Mar 19 | 0.53p |
| Interim | 25 Oct 18 | 24 Dec 18 | 0.77p |
| Interim | 25 Jul 18 | 24 Sep 18 | 0.76p |
| Interim | 25 Apr 18 | 22 Jun 18 | 0.88p |



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 £1,015.50 billion (as at 31 December 2018). We work with a wide range of global clients, including pension schemes, sovereign wealth funds, fund distributors and retail investors.

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

| | | |
|------------------|-------|--------------|
| ISIN | F Acc | GB00B58NZK05 |
| | F Inc | GB00B56NXG47 |
| SEDOL | F Acc | B58NZK0 |
| | F Inc | B56NXG4 |
| Bloomberg | F Acc | LGUEQFA LN |
| | F Inc | LGUEQFI LN |

TO FIND OUT MORE

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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.

Important information

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