

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.

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 £203.7m | Fund launch date 31 Mar 2011 |
| Historical yield 6.0% | |

COSTS

| | |
|--------------------------------|------------------------------------|
| Initial charge 0.00% | Ongoing charge 0.78% |
| Price basis Dual | Bid / Offer spread 0.86% |

BENCHMARKS

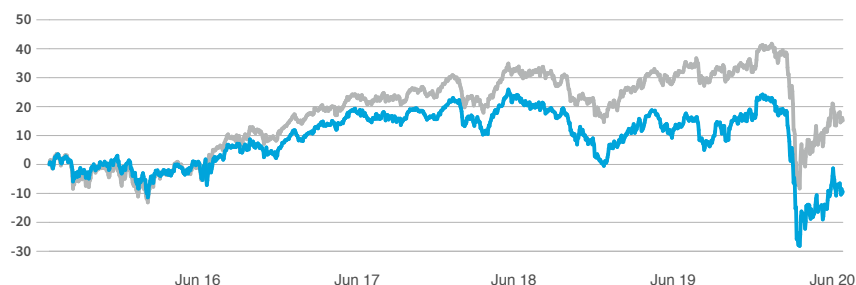
Benchmark
FTSE All Share TR Net Index

Performance objective
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 | 1.88 | 9.11 | -20.88 | -21.80 | -9.45 |
| ■ Benchmark | 1.54 | 10.17 | -12.99 | -4.60 | 15.17 |
| Performance objective | - | - | - | 1.04 | 26.43 |
| Comparator | 0.95 | 11.09 | -13.58 | -10.75 | 4.43 |

12 MONTH PERFORMANCE TO MOST RECENT QUARTER (%)

| 12 months to 30 June | 2020 | 2019 | 2018 | 2017 | 2016 |
|----------------------|--------|-------|------|-------|-------|
| Fund | -20.88 | -6.12 | 5.28 | 18.66 | -2.42 |
| Benchmark | -12.99 | 0.57 | 9.02 | 18.12 | 2.21 |
| Comparator | -13.58 | -2.73 | 6.17 | 19.37 | -1.98 |

For annual performance against the performance objective please see the Key Investor Information Document (KIID). 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.

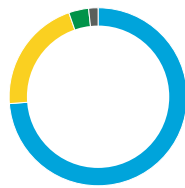


PORTFOLIO BREAKDOWN

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

COUNTRY (%)

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



MARKET CAPITALISATION (%)

| | |
|----------------------|------|
| Large | 73.8 |
| Mid | 20.9 |
| Small | 3.6 |
| Micro | 0.0 |
| Cash and Equivalents | 1.7 |












■ Top 10 holdings 35.4%
■ Rest of portfolio 64.7%
No. of holdings 45











TOP 10 HOLDINGS (%)

| | |
|--------------------------|-----|
| Rio Tinto | 4.1 |
| Imperial Brands | 3.8 |
| BHP Group Plc | 3.8 |
| British American Tobacco | 3.7 |
| Prudential | 3.6 |
| GlaxoSmithKline | 3.3 |
| BP | 3.3 |
| Direct Line Insurance | 3.3 |
| Phoenix Group Holdings | 3.3 |
| Next | 3.2 |

TOP SECTOR OVER/UNDERWEIGHTS (%)

| | Fund | Relative | |
|--------------------|------|----------|---|
| Financials | 34.6 | 9.4 |  |
| Consumer Services | 18.0 | 6.5 |  |
| Basic Materials | 10.6 | 2.2 |  |
| Telecommunications | 3.5 | 1.1 |  |
| Oil & Gas | 6.7 | -1.7 |  |
| Industrials | 9.8 | -2.5 |  |
| Consumer Goods | 12.5 | -3.2 |  |
| Utilities | 0.0 | -3.6 |  |
| Health Care | 3.3 | -7.9 |  |
| Other | 1.0 | - | |

TOP 5 STOCK OVER/UNDERWEIGHTS (%)

| | Fund | Relative | |
|-------------------------|------|----------|---|
| Phoenix Group Holdings | 3.3 | 3.1 |  |
| Direct Line Insurance | 3.3 | 3.1 |  |
| Imperial Brands | 3.8 | 3.1 |  |
| Next | 3.2 | 2.8 |  |
| TP ICAP | 2.8 | 2.7 |  |
| Royal Dutch Shell | 2.8 | -2.2 |  |
| Reckitt Benckiser Group | 0.0 | -2.4 |  |
| Diageo | 0.0 | -3.2 |  |
| HSBC Holdings | 0.0 | -4.0 |  |
| AstraZeneca | 0.0 | -5.7 |  |

FUND MANAGER COMMENTARY

It was another positive month for equity markets, which continued a strong second quarter recovery. Market conditions are certainly getting trickier, though we are seeing an improvement in sentiment. While economies are starting to recover this has also created a flare-up in new COVID-19 cases which threatens a return to lockdown conditions. Broadly, we remain cautious on prospects, given the magnitude of stock market recovery, although we do believe there are supportive conditions in place in the form of fiscal and monetary stimulus alongside some signs of an improving micro outlook.

In the UK, we saw value outperform in the early part of June, though the cyclical rally soon run out of steam as market volatility increased. By sector, Utilities, Resources and Financials were the stand-out winners. The biggest laggards were Healthcare and Consumer Services. Large-caps were the size winners, with the pound broadly unchanged against the dollar.

At a Fund level, we delivered a return of +1.9% in June, which reflected outperformance against the benchmark gain of +1.5%. Stock selection was positive, led by positive contributions from within Consumer Services, Financials and Basic Materials. Sector allocation also added value, with the underweight in Healthcare yielding most benefit. At the stock level, the main positive contributors were GoCo Group, Standard Chartered, Prudential, Dixons Carphone and Grit Real Estate Income. Not owning AstraZeneca or Diageo added value. On the flipside, Whitbread and SSP Group were noteworthy detractors. In terms of activity, it was a quiet period for trading.



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 |
|---------|-------------|-----------|----------------|
| Interim | 27 Apr 20 | 24 Jun 20 | 0.55p |
| 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 |



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

| | | |
|------------------|-------|--------------|
| ISIN | I Acc | GB00B6HBD759 |
| | I Inc | GB00B56B1J72 |
| SEDOL | I Acc | B6HBD75 |
| | I Inc | B56B1J7 |
| Bloomberg | I Acc | LGUEIIA |
| | I Inc | LGUEIII |

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.

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