

Legal & General European Equity Income Fund



Unit Trust (UK UCITS compliant) I-Class GBP

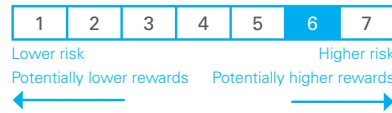
Base currency: **GBP**

Domicile: **UK**

FUND AIM

The objective of the Fund is to provide income and growth above those of the FTSE World Europe ex-UK 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 6 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 4.

WHO IS THIS FUND FOR?

- This fund is designed for investors looking for a combination of income and growth from an investment in European company shares (excluding UK companies), as represented by the Benchmark Index.
- 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 £294.1m	Fund launch date 12 Dec 2017
Historical yield 2.1%	

COSTS

Initial charge 0.00%	Ongoing charge 0.80%
Price basis Single swing	Dilution adjustment 0.22%- round trip

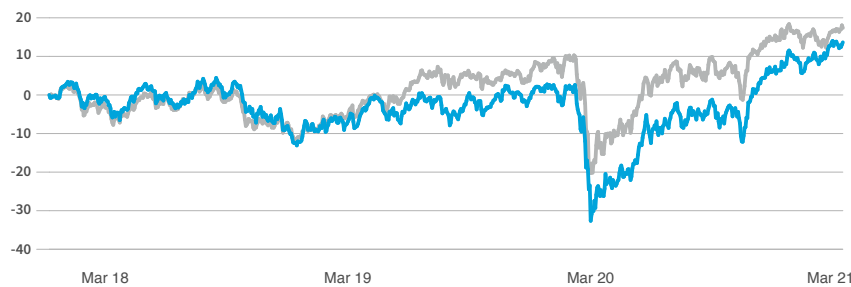
BENCHMARKS

Benchmark
FTSE World Europe ex UK TR Net Index

Performance objective
FTSE World Europe ex UK TR Net Index +2%

Comparator benchmark
IA Sector: Europe Ex UK

PERFORMANCE (%)



	1 month	3 months	1 year	3 years	Launch
■ Fund	4.30	5.97	51.25	17.85	12.43
■ Benchmark	4.31	2.28	33.98	24.35	17.37
Performance objective	-	-	-	31.60	26.70
Comparator	4.05	2.38	39.58	24.80	18.72

FUND SNAPSHOT

- **What does it invest in?** Invests at least 85% in the shares of companies in Europe, excluding the UK.
- **How does it invest?** Actively managed, with holdings in between 35 and 70 companies on average over a typical market cycle of 3-5 years, which means the fund may be concentrated at times.



12 MONTH PERFORMANCE TO MOST RECENT QUARTER (%)

12 months to 31 March	2021	2020	2019	2018	2017
Fund	51.25	-18.64	-4.23	-	-
Benchmark	33.98	-8.73	1.70	-	-
Comparator	39.48	-9.08	-1.66	-	-

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 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 the future.

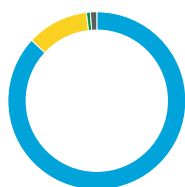


PORTFOLIO BREAKDOWN

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

COUNTRY (%)

 France	24.2
 Germany	23.0
 Switzerland	10.7
 Sweden	10.0
 Netherlands	7.8
 Norway	6.7
 Denmark	6.4
 Portugal	3.1
 Spain	2.9
 Other	5.3



MARKET CAPITALISATION (%)

Large	86.9
Mid	11.2
Small	0.7
Micro	-
Cash and Equivalents	1.2














■ Top 10 holdings 29.6%
■ Rest of portfolio 70.4%
No. of holdings 53











TOP 10 HOLDINGS (%)

Novo Nordisk	4.1
Siemens AG	3.4
SAP	3.2
AXA	2.9
Daimler AG	2.8
Ericsson B	2.8
UBS Group	2.7
Carrefour	2.7
St Gobain (Cie De)	2.6
Nestle	2.5

SECTOR (%)

Financials	19.4	
Health Care	14.7	
Industrials	12.4	
Telecommunications	10.7	
Consumer Staples	10.0	
Basic Materials	9.1	
Consumer Discretionary	8.9	
Energy	7.7	
Technology	4.4	
Utilities	2.0	
Unclassified	0.6	

TOP 5 STOCK OVER/UNDERWEIGHTS (%)

	Fund	Relative	
Novo Nordisk	4.1	2.7	
Carrefour	2.7	2.5	
Flow Traders	2.5	2.5	
AXA	2.9	2.3	
Ericsson B	2.8	2.3	
Nestle	2.5	-1.4	
Total	0.0	-1.4	
LVMH	0.0	-2.1	
Novartis	0.0	-2.3	
ASML	0.0	-3.0	

FUND MANAGER COMMENTARY

Positive market sentiment and broadening equity market participation drove a strong return for the European equity market in March. Both Germany and the Eurozone's manufacturing PMIs hit record highs in the month as demand rebounded. While the services sector continued to contract at Eurozone level, Germany's services sector returned to expansion in March. Market concern around inflation, reflected through rising bond yields, continued to be a key debate among investors. This, along with the reopening trade, continued the recent value stock rally, with the equity factor maintaining the recent outperformance over growth. The ECB addressed concerns over rising borrowing costs by committing to a ramp up in government bond purchases. Looking ahead, concerns remain on the EU lagging the rate of vaccine roll out in other developed regions such as the UK and US. Investors will continue to monitor Europe's progress closely.

The L&G European Equity Income fund marginally underperformed its benchmark in March. Stock selection accounted for the underperformance, mainly driven by our holding in Credit Suisse. The stock price dropped following news of their involvement with both Greensill and Archegos Capital. Sector allocation was broadly neutral. At the stock level, the top positive contributions came from our Basic Materials holdings, namely ArcelorMittal and Norsk Hydro. Underperforming names included Credit Suisse and Novo Nordisk.

In terms of new activity, we sold our position in Maersk. The share price hit new highs after strong rises in shipping rates, which we fear are not sustainable for the long term. We entered new positions in Essity, a personal goods company, and Galapagos, a small cap pharmaceutical company.



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, 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, where he spent 10 years investing in UK, European and Japanese Equities. He has an MA in PPE from New College, Oxford. Andrew is a CFA charterholder (since 1998) and an ASIP.

ENVIRONMENTAL PERFORMANCE

Carbon dioxide (CO₂) is the most significant contributor to greenhouse gas emissions which are driving climate change.



1,496
Tonnes

CO₂eⁱ per \$1 million EVIC

CARBON RESERVES

Carbon reserves are fossil fuels (coal, oil and gas) which, if burnt, will become the carbon emissions of the future. To meet global climate change targets, the unabated use of fossil fuels is expected to decline over time.

The figure is a measure of the size of carbon reserves held by the fund's underlying companies.



149
Tonnes

CO₂e per \$1 million of revenues

CARBON EMISSIONS

Following the global Paris Agreement on climate change, companies in all sectors are expected to reduce their emissions to prepare and adapt for a low-carbon economy.

Carbon emissions intensity describes the relationship between the carbon emissions of a company and its salesⁱⁱ.

NOTES


ⁱ Carbon dioxide equivalent (CO₂e) is a standard unit to compare the emissions of different greenhouse gases.

ⁱⁱ The choice of this metric follows best practice recommendations from the **Task Force on Climate-related Financial Disclosures**.

Trucost: Source: S&P Trucost Limited © Trucost 2019. All rights in the Trucost Data and Reports vest in Trucost and/or its licensors. Neither Trucost, nor its affiliates, nor its licensors accept any liability for any errors, omissions or interruptions in the Trucost Data and/or Reports. No further distribution of the Data and/or Reports is permitted without Trucost's express written consent.

The calculations above rely on third party data provided at a point in time that may not cover the entirety of the fund's investments or the fund's benchmark (against which the fund's performance is measured). As a result, what we may report may change as third party data changes and may also differ from other third party calculations.

Refinitiv: Source: Refinitiv ESG

 For further information please go to www.lgim.com/esginfo

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 return from this fund is dependent on relatively few individual investments. This means that a fall in the value of an individual investment can have a major impact on the overall performance of the fund.
- 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). 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	01 Feb 21	31 Mar 21	0.18p
Interim	02 Nov 20	31 Dec 20	0.17p
Interim	03 Aug 20	30 Sep 20	0.45p
Final	01 May 20	30 Jun 20	0.26p



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 £1,278.9 billion (as at 31 December 2020). 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 2020. 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	GB00BF18C898
	I Inc	GB00BF18C781
SEDOL	I Acc	BF18C89
	I Inc	BF18C78
Bloomberg	I Acc	LGEEIAG LN
	I Inc	LGEEIIG LN

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.

Important information

Copyright © 2021 Legal & General. This document is subject to copyright. Any unauthorised use is strictly prohibited. All rights are reserved.

Issued by Legal & General (Unit Trust Managers) Limited as management company for this fund. Registered in England and Wales No. 01009418. Registered Office: One Coleman Street, London, EC2R 5AA. Authorised and Regulated by the Financial Conduct Authority No. 119273. We are members of the Investment Association. All features described in this fact sheet are those current at the time of publication and may be changed in the future. Nothing in this fact sheet should be construed as advice and it is therefore not a recommendation to buy or sell investments. If in doubt about the suitability of this product, you should seek professional advice. No investment decisions should be made without first reviewing the key investor information document of the Fund ("KIID") which can be obtained from www.legalandgeneral.com. This fact sheet is only directed at investors resident in jurisdictions where this fund is registered for sale. It is not an offer or invitation to persons outside of those jurisdictions. We reserve the right to reject any applications from outside of such jurisdictions.

Source: London Stock Exchange Group plc and its group undertakings (collectively, the "LSE Group"). © LSE Group 2021. FTSE Russell is a trading name of certain of the LSE Group companies. "FTSE®" is a trade mark of the relevant LSE Group companies and is used by any other LSE Group company under license. All rights in the FTSE Russell indexes or data vest in the relevant LSE Group company which owns the index or the data. Neither LSE Group nor its licensors accept any liability for any errors or omissions in the indexes or data and no party may rely on any indexes or data contained in this communication. No further distribution of data from the LSE Group is permitted without the relevant LSE Group company's express written consent. The LSE Group does not promote, sponsor or endorse the content of this communication.