

# Legal & General European Equity Income Fund



Unit Trust (UK UCITS compliant) I-Class GBP

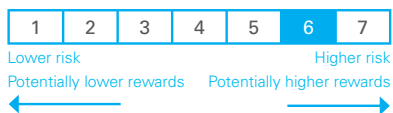
Base currency: **GBP**

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 <b>£279.5m</b>	Fund launch date <b>12 Dec 2017</b>
Historical yield <b>1.9%</b>	

## COSTS

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

## 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	-1.04	21.07	9.29	3.61	4.99
■ Benchmark	-2.19	13.68	7.22	11.79	12.24
Performance objective	-	-	-	18.35	20.79
Comparator	-1.96	14.77	10.22	12.51	13.68

## 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 December	2020	2019	2018	2017	2016
Fund	6.42	14.93	-12.55	-	-
Benchmark	7.89	19.41	-10.20	-	-
Comparator	10.74	20.14	-12.36	-	-

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.**

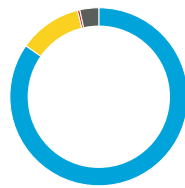


## PORTFOLIO BREAKDOWN

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

### COUNTRY (%)

 Germany	24.3
 France	22.3
 Switzerland	11.9
 Sweden	9.2
 Denmark	7.5
 Norway	6.7
 Netherlands	6.4
 Portugal	3.4
 Spain	2.8
 Other	5.4



### MARKET CAPITALISATION (%)

Large	84.7
Mid	11.4
Small	-
Micro	0.4
Cash and Equivalents	3.4







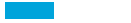






■ Top 10 holdings 30.7%  
■ Rest of portfolio 69.3%  
No. of holdings 52











### TOP 10 HOLDINGS (%)

Novo Nordisk	4.6
Siemens AG	4.0
SAP	3.7
Ericsson B	2.9
UBS Group	2.8
Nestle	2.7
AXA	2.6
Credit Suisse Group	2.6
BASF	2.5
Flow Traders	2.5

### SECTOR (%)

Financials	19.2	
Industrials	14.1	
Health Care	14.0	
Consumer Goods	12.3	
Basic Materials	10.1	
Technology	9.5	
Oil & Gas	7.1	
Consumer Services	6.0	
Telecommunications	4.6	
Utilities	2.4	
Unclassified	0.7	

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

	Fund	Relative	
Novo Nordisk	4.6	3.1	
Flow Traders	2.5	2.5	
Siemens AG	4.0	2.4	
Ericsson B	2.9	2.4	
Carrefour	2.4	2.2	
Total	0.0	-1.4	
Nestle	2.7	-1.4	
LVMH	0.0	-2.0	
Novartis	0.0	-2.6	
ASML	0.0	-2.8	

## FUND MANAGER COMMENTARY

European equities experienced weakness in January, in contrast to the very strong end months of 2020. Technical distortions made for a volatile month in developed markets, on the back of retail investor exuberance and a Long/Short squeeze. Concerns over the EU receiving adequate supplies of Covid vaccinations heightened during the month, with the continent lagging the speed of vaccine roll out in other developed regions such as the UK and US. Other fundamentals remain okay, with optimism on US stimulus and solid Chinese data. Deal flow and IPO activity momentum made for a busy month and earnings season has been robust and broadly ahead of expectations thus far.

The L&G European Equity Income fund delivered returns that outperformed its benchmark. Stock selection contributed to the outperformance, led by our names in Industrials and Financials. Sector allocation also positively contributed to relative returns, driven mainly by our underweight position in Consumer Goods. At the stock level, the strongest positive contributors included Flow Traders, Siemens and Saint Gobain. Notable underperformers were Pandora and PGS. Not owning ASML also made a negative contribution.

In terms of new activity, we entered a new position in food processing company Danone. The company is lowly valued versus peers, and is being given little credit for the possibility of a successful conclusion of its restructuring programme or that activist investors succeed in changing management.



### 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 (CO<sub>2</sub>) is the most significant contributor to greenhouse gas emissions which are driving climate change.



**1,468**  
Tonnes

CO<sub>2</sub>e<sup>i</sup> per \$1 million of market capitalisation

### 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.



**171**  
Tonnes

CO<sub>2</sub>e per \$1 million of sales

### 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 sales<sup>ii</sup>.

## NOTES

<sup>i</sup> Carbon dioxide equivalent (CO<sub>2</sub>e) is a standard unit to compare the emissions of different greenhouse gases.

<sup>ii</sup> 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](http://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	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
Interim	03 Feb 20	31 Mar 20	0.04p



## 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

<b>ISIN</b>	I Acc	GB00BF18C898
	I Inc	GB00BF18C781
<b>SEDOL</b>	I Acc	BF18C89
	I Inc	BF18C78
<b>Bloomberg</b>	I Acc	LGEEIAG LN
	I Inc	LGEEIIG LN

## 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.

## 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](http://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.