

Legal & General European 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 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.

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 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	Fund launch date
£236.7m	12 Dec 2017
Historical yield	
3.2%	

For detail on price basis methodologies please refer to the 'Guide to Investing With Us' found on our website. [↗](#)

COSTS

Initial charge	Ongoing charge
0.00%	0.80%
Price basis	Bid / Offer spread
Dual	0.30%

BENCHMARKS

Benchmark

FTSE World Europe ex UK TR Net Index

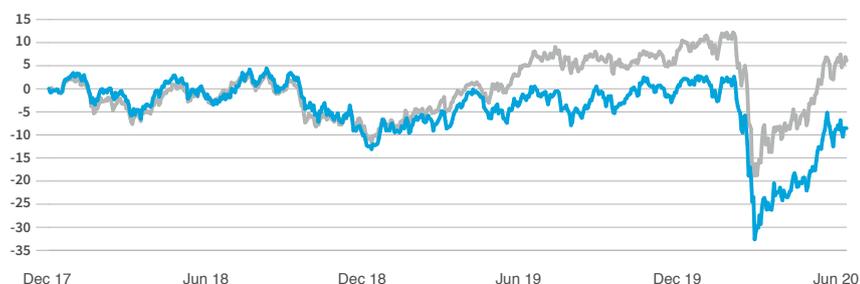
Performance objective

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	4.75	21.45	-7.61	-	-9.72
■ Benchmark	4.93	18.87	0.55	-	6.09
Performance objective	-	-	-	-	-
Comparator	4.40	20.82	1.08	-	2.77

12 MONTH PERFORMANCE TO MOST RECENT QUARTER (%)

12 months to 30 June	2020	2019	2018	2017	2016
Fund	-7.61	0.17	-	-	-
Benchmark	0.55	7.93	-	-	-
Comparator	1.08	3.09	-	-	-

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.

FUND SNAPSHOT

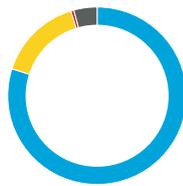
- **What does it invest in?** Invests at least 85% in the shares of companies in Europe, excluding the UK.
- **How does it invest?** Actively managed, with holdings in between 35 and 70 companies on average over a typical market cycle of 3-5 years, which means the fund may be concentrated at times.

PORTFOLIO BREAKDOWN

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

COUNTRY (%)

 Germany	22.5
 France	21.4
 Switzerland	12.8
 Sweden	10.0
 Denmark	9.4
 Norway	6.5
 Netherlands	6.5
 Portugal	3.1
 Spain	3.0
 Other	4.8



MARKET CAPITALISATION (%)

Large	79.9
Mid	15.3
Small	0.0
Micro	0.5
Cash and Equivalents	4.2



■ Top 10 holdings 34.9%
■ Rest of portfolio 65.1%
No. of holdings 50

TOP 10 HOLDINGS (%)

SAP	5.3
Novo Nordisk	4.6
Siemens AG	4.3
Nestle	3.5
Bayer	3.2
AXA	3.2
UBS Group	2.8
Ericsson B	2.7
ENI	2.6
Flow Traders	2.6

TOP SECTOR OVER/UNDERWEIGHTS (%)

	Fund	Relative	
Basic Materials	12.2	6.0	
Financials	20.4	3.6	
Oil & Gas	5.9	2.7	
Consumer Services	6.5	2.5	
Telecommunications	5.5	2.4	
Industrials	14.0	-2.7	
Utilities	1.6	-3.7	
Health Care	11.8	-4.3	
Consumer Goods	11.8	-7.6	
Other	10.3	-	

TOP 5 STOCK OVER/UNDERWEIGHTS (%)

	Fund	Relative	
Novo Nordisk	4.6	3.0	
Siemens AG	4.3	2.9	
SAP	5.3	2.9	
Flow Traders	2.6	2.6	
AXA	3.2	2.5	
Nestle	3.5	-1.5	
LVMH	0.0	-1.7	
Sanofi	0.0	-1.7	
ASML	0.0	-2.3	
Novartis	0.0	-2.9	

FUND MANAGER COMMENTARY

It was another positive month for European equity investors, with European markets rising each month of the second quarter. This might seem surprising when the EC Spring Economic Forecast for 2020 was for a GDP drop of 7.75% in the Euro area. However unprecedented levels of government support and multiple stimulus packages across the globe lead to a rebound in markets. Meanwhile fears of second waves of Covid-19 infection were acute for parts of the US.

Quality and growth areas of the markets have outperformed the value stocks within Europe for much of the year. This reversed for several weeks from mid-May to early June, driven by hopes of a cyclical recovery from industrial markets, a rebound in oil prices and talk of banks being allowed to resume dividends. This meant these value areas caught up some of their previous losses.

The Fund performed in line with a robust European equity market, despite seeing the value rally tail off by month-end. There was a small positive contribution from stock selection, with strength from Industrials and Consumer Goods. Sector allocation was more mixed, as the benefit from the underweight in Healthcare was offset elsewhere on the portfolio. Turning to stocks, the largest positive contributors were AXA, AP Moller-Maersk and SAP. Some of the holdings which are more economically sensitive were also strong performers. On the flipside, SES and Novo Nordisk detracted value. For trading, there were no significant activity or changes to allocation. We did reduce positions in Pandora and Genmab.



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.

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
Final	01 May 20	30 Jun 20	0.26p
Interim	03 Feb 20	31 Mar 20	0.04p
Interim	01 Nov 19	31 Dec 19	0.16p
Interim	01 Aug 19	30 Sep 19	0.91p



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	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.

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