

Legal & General UK Equity Income Fund

Unit Trust (UCITS compliant) I-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 £287.2m	Base currency GBP	IA Sector IA UK Equity Income
Launch date 31 Mar 2011	Domicile UK	Historical yield 5.2%

COSTS

Initial charge 0.00%	Ongoing charge 0.78%
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	3.94	0.83	-6.12	17.27	19.96
■ IA Sector	2.52	1.89	-2.72	23.30	29.15
Quartile ranking	1	3	4	4	4

12 MONTH PERFORMANCE TO MOST RECENT QUARTER (%)

12 months to 30 June	2019	2018	2017	2016	2015
Fund	-6.12	5.28	18.66	-2.42	4.82
IA Sector	-2.72	6.17	19.37	-1.98	6.87
Quartile ranking	4	3	3	3	4

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

- 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

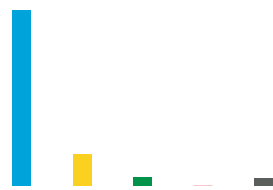


PORTFOLIO BREAKDOWN

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

COUNTRY (%)

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



MARKET CAPITALISATION (%)

Large	78.8
Mid	14.1
Small	3.8
Micro	0.0
Cash and Equivalents	3.3

Cash positions are held as collateral on futures












■ Top 10 holdings 36.5%
■ Rest of portfolio 63.5%
No. of holdings 45











TOP 10 HOLDINGS (%)

BHP Group Plc	4.4
BP	4.3
Rio Tinto	4.2
Lloyds Banking Group	4.0
Royal Dutch Shell	3.8
Micro Focus International	3.3
Tesco	3.2
Prudential	3.2
Barclays	3.1
Next	3.1

TOP SECTOR OVER/UNDERWEIGHTS (%)

	Fund	Relative	
Consumer Services	20.2	8.7	
Financials	33.2	7.0	
Basic Materials	13.4	5.2	
Technology	3.3	2.0	
Telecommunications	2.9	0.5	
Utilities	0.0	-2.6	
Oil & Gas	9.1	-5.2	
Consumer Goods	6.3	-7.6	
Health Care	0.0	-8.4	

TOP 5 STOCK OVER/UNDERWEIGHTS (%)

	Fund	Relative	
Micro Focus International	3.3	3.0	
Phoenix Group Holdings	2.9	2.8	
Next	3.1	2.8	
BHP Group Plc	4.4	2.6	
Smith (DS)	2.8	2.6	
GlaxoSmithKline	0.0	-3.4	
Diageo	0.0	-3.4	
AstraZeneca	0.0	-3.7	
Royal Dutch Shell	3.8	-5.3	
HSBC Holdings	0.0	-5.8	

FUND MANAGER COMMENTARY

Investors may have been awaiting further guidance from the G20 summit, but they were clearly in the mood to accentuate any potential positive outcome. Sentiment and positioning may be cautious, but we saw global equity indices make fresh highs, rebounding strongly from the previous month. However, the Brexit deadlock and leadership issue continues to be a drag on sentiment towards UK equities.

The optimistic noise around trade and dovish messages from central bankers are helping to mitigate gloomy economic readings. On the data front, there are concerns that the uptick in momentum from Q1 is unlikely to be sustained.

Turning to equity markets, most of the main regional indices and asset classes had positive one-month returns. For the FTSE All Share, sector leadership rotated back towards Miners and Industrials, while Healthcare also performed well. Conversely, some of the perceived defensive sectors and bond proxies underperformed, alongside retailers and banks. Domestic UK-exposed companies also heavily underperformed exporters, as trade sensitive stocks fared better. At the size level, large-caps were firmly in favour at the expense of small-caps. Style factors were more mixed, though the growth and value polarisation gap remains at extremes.

For the portfolio, the L&G UK Equity Income reported a positive return of 3.9%. Alpha came from good stock selection in industrials, materials and financials, which offset weakness in leisure and retail. Sector allocation was broadly neutral to performance.



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	25 Apr 19	24 Jun 19	0.96p
Final	25 Jan 19	22 Mar 19	0.55p
Interim	25 Oct 18	24 Dec 18	0.79p
Interim	25 Jul 18	24 Sep 18	0.79p



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	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.

Important information

Copyright © 2019 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 2019. 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.