











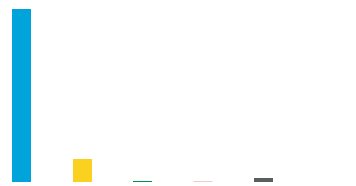


## PORTFOLIO BREAKDOWN

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

### COUNTRY (%)

 France	26.0
 Switzerland	16.1
 Germany	12.9
 Sweden	12.0
 Denmark	9.2
 Netherlands	6.4
 Norway	5.8
 Spain	4.0
 Italy	3.5
 Other	3.9



### MARKET CAPITALISATION (%)

Large	86.9
Mid	11.3
Small	0.1
Micro	0.0
Cash and Equivalents	1.6












■ Top 10 holdings 32.7%  
■ Rest of portfolio 67.3%  
No. of holdings 49











### TOP 10 HOLDINGS (%)

Novo Nordisk	4.1
Roche Hldgs (Genus)	3.6
ENI	3.5
SAP	3.5
AXA	3.4
UBS Group	3.3
Daimler AG	3.3
BASF	2.8
Ing Group Cva	2.7
Societe Generale	2.7

### TOP SECTOR OVER/UNDERWEIGHTS (%)

	Fund	Relative	
Financials	26.2	4.7	
Oil & Gas	8.1	3.2	
Consumer Services	6.4	2.0	
Telecommunications	5.1	2.0	
Technology	7.4	1.3	
Industrials	15.8	-1.2	
Basic Materials	6.0	-1.9	
Utilities	0.8	-3.3	
Consumer Goods	12.2	-7.0	

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

	Fund	Relative	
Novo Nordisk	4.1	2.9	
ENI	3.5	2.8	
AXA	3.4	2.6	
UBS Group	3.3	2.4	
Daimler AG	3.3	2.4	
Allianz SE	0.0	-1.5	
Siemens AG	0.0	-1.5	
Nestle	2.1	-1.7	
Total	0.0	-2.4	
Novartis	0.0	-2.7	

## FUND MANAGER COMMENTARY

October was a very tough month for European equity markets, as fears regarding the longevity of the bull market have been exacerbated by higher macro volatility. Concerns about trade wars, a sharp slowdown in China, Brexit negotiations, Italian political woes, rising inflation and rates were on everyone's mind. Economic data in Germany and the Eurozone more generally appeared to soften from previously strong levels. Meanwhile, a subdued start to the third quarter earnings season has only added to uncertainty. As equity markets have fallen sharply, the reaction to earnings disappointment has seen stocks being punished more than usual. Not even valuations have provided much of a cushion. As the market rout intensified through the period, defensive equities and value stocks broadly outperformed.

On European Equity Income, the fund returned -5.9% in period. This month's relative resilient performance was driven by a combination of sector positioning and stock selection in tech, financial services and media. Not owning luxury goods was a positive relative contributor. At the stock level, we saw good performance from Flow Traders, SES, Merck and Pandora. On the flipside, weak performance from PGS, Valeo and ArcelorMittal detracted value. On trading activity, we added to Volvo and Novo Nordisk, after both over-reacted to newsflow. Volvo actually reported results that beat market estimates and they provided encouraging commentary on the outlook for US sales in 2019. We expect profitability should improve as they sort out some supply constraints.



### 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 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). Any such investments will be impacted by exchange rate fluctuations and this may affect the value of your investment and any income from it. Currency hedging techniques may be applied to reduce the impact of exchange rate fluctuations 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 Aug 18	30 Sep 18	0.73p
Final	01 May 18	29 Jun 18	0.69p



### 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 £984.8 billion (as at 30 June 2018). We work with a wide range of global clients, including pension schemes, sovereign wealth funds, fund distributors and retail investors.

Assets under management include derivative positions and assets managed by LGIMA, an SEC Registered Investment Advisor.

## DEALING INFORMATION


Valuation frequency	Daily, 12pm (UK time)
Dealing frequency	Daily
Settlement period	T+4

## CODES

<b>ISIN</b>	C Acc	GB00BF18CD42
	C Inc	GB00BF18CC35
<b>SEDOL</b>	C Acc	BF18CD4
	C Inc	BF18CC3
<b>Bloomberg</b>	C Acc	LGEECAG LN
	C Inc	LGEECIG 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.

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