

Legal & General European Equity Income Fund  
**Final Manager's Report**  
**for the period ended**  
**30 April 2019**





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\* These collectively comprise the Authorised Fund Manager's Report.

# Manager's Investment Report

## Investment Objective and Policy

The objective of the Fund is to generate income in excess of the FTSE Europe excluding UK Index over rolling three year periods. The Fund does not aim to generate income by sacrificing capital, hence it also aims to achieve capital appreciation in excess of the benchmark. These objectives are before the deduction of any charges.

The Fund will predominantly invest in the shares of companies domiciled in Europe, excluding UK. The Fund may also invest in convertibles, preference shares, warrants, permitted deposits, money market instruments, cash, near cash and units in collective investment schemes. The collective investment schemes in which the Fund may invest in may include schemes which are managed or operated by, or whose authorised corporate director is, the Manager or one of its associates. The Fund may also invest up to 10% of the scheme property in the shares of companies domiciled in the UK and in countries outside Europe.

The Fund may use derivatives for Efficient Portfolio Management only.

## Manager's Investment Report

During the period under review since launch on 19 December 2017, the bid price of the Fund's I-Class accumulation units fell by 2.40%. This compares to a rise in the FTSE Europe (excluding UK) Index of 1.40% on a total return basis (Source: Bloomberg).

**Past performance is not a guide to future performance.**

**The value of investments and any income from them may go down as well as up.**

**Exchange rate changes may cause the value of any overseas investments to rise or fall.**

## Market/Economic Review

In contrast to 2017 growth has become less synchronised and more uneven across countries and regions. The period saw two sharp sell-offs in global equity markets but was followed by a marked recovery in the first half of 2019. As a result, global equity indices have rallied to post respectable returns through the past six months. The catalyst for this turnaround came with a change in direction at the US Federal Reserve, which back-tracked from tightening monetary policy and indicated that there would be no further interest rate hikes this year. While the Eurozone economy grew at its fastest pace for a decade in 2017, there was a sharp loss of momentum during 2018. The European Central Bank (ECB) confirmed it had reached the end of its monthly asset purchase programme in December, and signalled interest rates are likely to remain on hold as inflation remains subdued.

After much volatility over the period, European equity markets gained ground but ultimately disappointed relative to other developed markets. The ECB has downgraded its growth forecast for the Eurozone, although early 2019 GDP figures for the Eurozone economy highlighted an upturn in activity during the first quarter after a sharp slowdown during the second half of 2018. The German economy also picked up, while Italy emerged from recession buoyed by an increase in net exports. Since the turn of 2019, more economically sensitive industrials and technology stocks have rebounded sharply too.

## Manager's Investment Report continued

### Fund Review

The Fund delivered a negative return over the period amid considerable market volatility over 2018. It has been a particularly difficult period for the European automotive sector as Chinese trade tariff concerns have taken their toll.

Multi-line insurer AXA delivered a negative return over 2018 after the group announced the acquisition of US business XL Group. While this deal was consistent with communicated objectives, it was bigger than the market expected. XL is heavily biased towards primary commercial reinsurance, one of three key areas of acquisition focus for AXA.

Ingenico Group was a major contributor to performance later in the period as the share rallied on the back of a strong showing from management at the recent capital markets day. Overall, we were encouraged by evidence of the focus on improving execution, the double-digit growth potential in the Retail division and renewed opportunities to return the legacy payment terminals business to growth.

This has been a busy period for corporate access and engagement. We have met a considerable number of companies owned in the portfolio. This included a site visit to ArcelorMittal's recently purchased plant in Italy, in addition to one-to-one meetings with Carrefour, Daimler, Pandora and Zurich Insurance amongst others.

The Fund's overweight allocation in European banks remains a key contrarian call, which has been a drag on performance through the beginning of 2019. The sector remains out of favour, despite offering what we consider to be attractive attributes to investors on both income and value grounds.

In terms of activity, we sold our holding of Bayer, which was a big underperformer on the back of news related to Glyphosate litigation risk in the US. We also exited our position of ASML, following strong performance.

During the period we introduced a new holding of Norsk Hydro, the fully integrated aluminium company. Based on our research, aluminium demand should have a strong future due to its strength vs. weight characteristics, which is essential given its significant sensitivity to the raw material price. Norsk Hydro also has a strong cost position in terms of mining and smelting. It mostly uses hydro-electric power, hence it operates at the environmentally friendly end of the aluminium industry, and this should prove to be a competitive advantage over time. In recent times, the company has suffered short-term issues due to a water problem, and a cyber-attack, which offered an opportunity to enter the stock at a lower valuation versus its history.

### Outlook

While we acknowledge a slowdown in economic growth, this correction does not automatically mean recession. Eurozone forecasts were under pressure for most of 2018 in the face of a slowing domestic economy, and those forces intensified during the final quarter. We could also see opportunity for a number of stocks to surprise on the upside, given robust fundamentals from a bottom-up perspective. We feel that slower growth is now a 'known known' and there is clear value in areas of the global market. In this context, we remain optimistic that a less negative narrative can unfold and boost markets as we move through 2019.

## Authorised Status

### Authorised Status

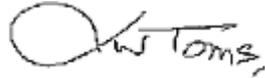
This Fund is an Authorised Unit Trust Scheme as defined in section 243 of the Financial Services and Markets Act 2000 and is a UCITS Retail Scheme within the meaning of the FCA Collective Investment Schemes sourcebook.

### Directors' Statement

We hereby certify that this Manager's Report has been prepared in accordance with the requirements of the FCA Collective Investment Schemes sourcebook.



A. J. C. Craven  
(Director)



L. W. Toms  
(Director)

Legal & General (Unit Trust Managers) Limited  
20 June 2019

## Statement of Responsibilities

### Statement of the Manager's Responsibilities

The Collective Investment Schemes sourcebook published by the FCA, ("the COLL Rules") require the Manager to prepare financial statements for each annual accounting period which give a true and fair view of the financial position of the Fund and of the net income and net gains or losses on the property of the Fund for the period.

In preparing the financial statements, the Manager is responsible for:

- selecting suitable accounting policies and then apply them consistently;
- making judgements and estimates that are reasonable and prudent;
- following UK accounting standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland;
- complying with the disclosure requirements of the Statement of Recommended Practice for UK Authorised Funds issued by the Investment Management Association in May 2014;
- keeping proper accounting records which enable it to demonstrate that the financial statements as prepared comply with the above requirements;
- assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern;
- using the going concern basis of accounting unless they either intend to liquidate the Fund or to cease operations, or have no realistic alternative but to do so;
- such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; and
- taking reasonable steps for the prevention and detection of fraud and irregularities.

The Manager is responsible for the management of the Fund in accordance with its Trust Deed, the Prospectus and the COLL Rules.

## Statement of Responsibilities continued

### Statement of the Trustee's Responsibilities

The Depositary in its capacity as Trustee of Legal & General European Equity Income Fund must ensure that the Fund is managed in accordance with the Financial Conduct Authority's Collective Investment Schemes Sourcebook, the Financial Services and Markets Act 2000, as amended, (together "the Regulations"), the Trust Deed and Prospectus (together "the Scheme documents") as detailed below.

The Depositary must in the context of its role act honestly, fairly, professionally, independently and in the interests of the Fund and its investors.

The Depositary is responsible for the safekeeping of all custodial assets and maintaining a record of all other assets of the Fund in accordance with the Regulations.

The Depositary must ensure that:

- the Fund's cash flows are properly monitored and that cash of the Fund is booked in cash accounts in accordance with the Regulations;
- the sale, issue, repurchase, redemption and cancellation of units are carried out in accordance with the Regulations;
- the value of units of the Fund are calculated in accordance with the Regulations;
- any consideration relating to transactions in the Fund's assets is remitted to the Fund within the usual time limits;
- the Fund's income is applied in accordance with the Regulations; and
- the instructions of the Authorised Fund Manager ("the AFM"), which is the UCITS Management Company, are carried out (unless they conflict with the Regulations).

## Report of the Trustee

### **Report of the Trustee to the Unitholders of the Legal & General European Equity Income Fund ("the Fund") for the period ended 30 April 2019**

The Depositary also has a duty to take reasonable care to ensure that the Fund is managed in accordance with the Regulations and the Scheme documents of the Fund in relation to the investment and borrowing powers applicable to the Fund.

Having carried out such procedures as we considered necessary to discharge our responsibilities as Depositary of the Fund, it is our opinion, based on the information available to us and the explanations provided, that, in all material respects the Fund, acting through the AFM:

- (i) has carried out the issue, sale, redemption and cancellation, and calculation of the price of the Fund's units and the application of the Fund's income in accordance with the Regulations and the Scheme documents of the Fund; and
- (ii) has observed the investment and borrowing powers and restrictions applicable to the Fund in accordance with the Regulations and the Scheme documents of the Fund.

Northern Trust Global Services SE UK Branch  
UK Trustee and Depositary Services  
20 June 2019

# Portfolio Statement

## Portfolio Statement as at 30 April 2019

All investments are in ordinary shares unless otherwise stated. There are no comparative figures shown as the Fund launched on 19 December 2017.

Holding/ Nominal Value	Investment	Market Value £	% of Net Assets
<b>CONTINENTAL EUROPE — 98.90%</b>			
<b>Denmark — 8.66%</b>			
4,273	A.P. Moller - Maersk 'B'	4,321,278	1.51
26,000	Genmab	3,304,730	1.16
297,800	Novo Nordisk	11,221,478	3.93
165,300	Pandora	5,356,616	1.88
8,546	The Drilling Company of 1972	504,149	0.18
		<b>24,708,251</b>	<b>8.66</b>
<b>Finland — 1.21%</b>			
158,389	Tieto	3,447,843	1.21
<b>France — 25.28%</b>			
479,200	AXA	9,778,846	3.43
197,000	BNP Paribas	8,069,912	2.83
289,801	Carrefour	4,308,023	1.51
195,821	Cie de Saint-Gobain	6,170,409	2.16
36,500	Gaztransport Et Technigaz	2,569,828	0.90
90,000	Ingenico Group	5,855,696	2.05
422,469	Orange	5,049,640	1.77
155,339	Publicis Groupe	7,159,142	2.51
467,000	Rexel	4,813,236	1.68
98,504	Schneider Electric	6,356,364	2.23
298,400	Societe Generale	7,240,081	2.54
168,706	Valeo	4,765,720	1.67
		<b>72,136,897</b>	<b>25.28</b>
<b>Germany — 13.30%</b>			
114,195	BASF	7,154,357	2.51
187,578	Daimler	9,390,146	3.29
101,100	HELLA GmbH & Co.	4,291,752	1.50
61,900	Merck	5,062,277	1.78
95,700	SAP	9,357,225	3.28
40,200	Wacker Chemie	2,692,452	0.94
		<b>37,948,209</b>	<b>13.30</b>
<b>Italy — 3.28%</b>			
716,282	Eni	9,371,349	3.28
<b>Luxembourg — 3.76%</b>			
343,600	ArcelorMittal	5,722,479	2.01
381,000	SES	4,992,298	1.75
		<b>10,714,777</b>	<b>3.76</b>
<b>Netherlands — 4.28%</b>			
212,344	Flow Traders	4,688,223	1.64

## Portfolio Statement continued

Holding/ Nominal Value	Investment	Market Value £	% of Net Assets
<b>Netherlands — (cont.)</b>			
766,962	ING Groep	7,525,478	2.64
		<b>12,213,701</b>	<b>4.28</b>
<b>Norway — 5.98%</b>			
1,240,000	Norsk Hydro	4,116,795	1.44
3,709,000	Petroleum Geo-Services	6,396,471	2.24
217,500	Telenor	3,345,061	1.17
92,880	Yara International	3,218,474	1.13
		<b>17,076,801</b>	<b>5.98</b>
<b>Portugal — 2.91%</b>			
1,070,500	Energias de Portugal	3,111,659	1.09
402,500	Galp Energia	5,190,769	1.82
		<b>8,302,428</b>	<b>2.91</b>
<b>Spain — 4.62%</b>			
1,379,000	CaixaBank	3,352,404	1.17
779,200	Mediaset Espana Comunicacion	4,621,178	1.62
820,579	Telefonica	5,221,571	1.83
		<b>13,195,153</b>	<b>4.62</b>
<b>Sweden — 11.21%</b>			
518,500	AB Volvo	6,376,909	2.23
429,761	Getinge	4,641,164	1.63
469,287	SKF 'B'	6,680,661	2.34
460,900	Svenska Handelsbanken 'A'	3,884,837	1.36
262,800	Swedbank 'A'	3,300,272	1.16
928,300	Telefonaktiebolaget LM Ericsson	7,091,670	2.49
		<b>31,975,513</b>	<b>11.21</b>
<b>Switzerland — 14.41%</b>			
178,111	Adecco Group	7,889,508	2.77
603,100	Credit Suisse Group	6,232,950	2.18
98,204	Nestle	7,238,137	2.54
18,200	Roche	3,685,029	1.29
780,166	UBS Group	8,104,083	2.84
32,470	Zurich Insurance 'A'	7,974,901	2.79
		<b>41,124,608</b>	<b>14.41</b>
<b>Portfolio of investments<sup>1</sup></b>		<b>282,215,530</b>	<b>98.90</b>
<b>Net other assets<sup>2</sup></b>		<b>3,127,610</b>	<b>1.10</b>
<b>Total net assets</b>		<b>£285,343,140</b>	<b>100.00%</b>

<sup>1</sup> All investments are admitted to an official stock exchange unless otherwise stated.

<sup>2</sup> Includes £4,002 of nominals in the LGIM Liquidity Fund Class 1 which is shown as a cash equivalent in the balance sheet of the Fund.

Total purchases for the period: £391,122,966.

Total sales for the period: £94,154,840.

# Independent Auditor's Report

## Independent auditor's report to the Unitholders of Legal & General European Equity Income Fund ('the Fund')

### **Opinion**

We have audited the financial statements of the Fund for the period ended 30 April 2019 which comprise the Statement of Total Return, the Statement of Changes in Net Assets Attributable to Unitholders, the Balance Sheet, the Related Notes and Distribution Tables for the Fund and the accounting policies set out on pages 15 to 16.

In our opinion, the financial statements:

- give a true and fair view, in accordance with UK accounting standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland, of the financial position of the Fund as at 30 April 2019 and of the net revenue and the net capital losses on the property of the Fund for the period then ended; and
- have been properly prepared in accordance with the Trust Deed, the Statement of Recommended Practice relating to UK Authorised Funds, and the COLL Rules.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the Fund in accordance with, UK ethical requirements including the FRC Ethical Standard.

We have received all the information and explanations which we consider necessary for the purposes of our audit and we believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

### **The impact of uncertainties due to the UK exiting the European Union on our audit**

Uncertainties related to the effects of Brexit are relevant to understanding our audit of the financial statements. All audits assess and challenge the reasonableness of estimates made by the Manager and related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the Fund's future prospects and performance.

Brexit is one of the most significant economic events for the UK, and at the date of this report its effects are subject to unprecedented levels of uncertainty of outcomes, with the full range of possible effects unknown. We applied a standardised firm-wide approach in response to that uncertainty when assessing the Fund's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a fund and this is particularly the case in relation to Brexit.

### **Going concern**

The Manager has prepared the financial statements on the going concern basis as they do not intend to liquidate the Fund to cease their operations, and as they have concluded that the Fund's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over their ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

## **Independent Auditor's Report continued**

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the Manager's conclusions, we considered the inherent risks to the Fund's business model, including the impact of Brexit, and analysed how those risks might affect the Fund's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the Fund will continue in operation.

### ***Other information***

The Manager (Legal & General (Unit Trust Managers) Limited) is responsible for the other information presented in the Annual Manager's Report together with the financial statements. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the other information; and
- in our opinion the information given in Manager's Report for the financial period is consistent with the financial statements.

### ***Matters on which we are required to report by exception***

We have nothing to report in respect of the following matters where under the COLL Rules we are required to report to you if, in our opinion:

- proper accounting records for the Fund have not been kept; or
- the financial statements are not in agreement with the accounting records.

### ***Manager's responsibilities***

As explained more fully in their statement set out on page 5, the Manager is responsible for: the preparation of financial statements that give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Fund or to cease operations, or have no realistic alternative but to do so.

## Independent Auditor's Report continued

### ***Auditor's responsibilities***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).

### ***The purpose of our audit work and to whom we owe our responsibilities***

This report is made solely to the Fund's unitholders, as a body, in accordance with Rule 4.5.12 of the Collective Investment Schemes sourcebook ('the COLL Rules') issued by the Financial Conduct Authority under section 247 of the Financial Services and Markets Act 2000. Our audit work has been undertaken so that we might state to the Fund's unitholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Fund and the Fund's unitholders as a body, for our audit work, for this report, or for the opinions we have formed.

Jatin Patel  
for and on behalf of KPMG LLP, Statutory Auditor  
Chartered Accountants  
15 Canada Square,  
London E14 5GL  
20 June 2019

## Financial Statements

### Statement of Total Return For the period ended 30 April 2019

	Notes	19/12/17 to 30/04/19 <sup>1</sup>
		£
<b>Income</b>		
Net capital losses	3	(14,721,669)
Revenue	4	14,245,647
Expenses	5	(179,283)
Interest payable and similar charges	7	(13,198)
<b>Net revenue before taxation</b>		<u>14,053,166</u>
Taxation	6	(1,079,676)
<b>Net revenue after taxation for the period</b>		<u>12,973,490</u>
<b>Total return before distributions</b>		<u>(1,748,179)</u>
Distributions	7	(13,152,773)
<b>Change in net assets attributable to Unitholders from investment activities</b>		<u><b>£(14,900,952)</b></u>

### Statement of Change in Net Assets attributable to Unitholders for the period ended 30 April 2019

	19/12/17 to 30/04/19 <sup>1</sup>
	£
<b>Opening net assets attributable to Unitholders</b>	—
Amounts received on issue of units	432,444
Amounts received on in-specie transactions	299,706,884
Amounts paid on cancellation of units	(302,588)
<b>Change in net assets attributable to Unitholders from investment activities</b>	<u>299,836,740</u>
<b>Retained distributions on accumulation units</b>	<u>407,352</u>
<b>Closing net assets attributable to Unitholders</b>	<u><b>£285,343,140</b></u>

<sup>1</sup>There are no comparative figures shown as the Fund launched on 19 December 2017.

## Financial Statements continued

### Balance Sheet as at 30 April 2019

	Notes	30/04/19 <sup>1</sup> £
<b>ASSETS</b>		
<b>Fixed assets:</b>		
Investments		282,215,530
<b>Current assets:</b>		
Debtors	8	2,863,577
Cash and bank balances	9	3,795,073
Cash equivalents	9	4,002
<b>Total assets</b>		<b><u>288,878,182</u></b>
<b>LIABILITIES</b>		
<b>Creditors:</b>		
Bank overdrafts	9	(182)
Distributions payable		(3,518,734)
Other creditors	10	(16,126)
<b>Total liabilities</b>		<b><u>(3,535,042)</u></b>
<b>Net assets attributable to Unitholders</b>		<b><u>£285,343,140</u></b>

<sup>1</sup>There are no comparative figures shown as the Fund launched on 19 December 2017.

# Notes to the Financial Statements

## 1. Statement of Compliance

The Financial Statements have been prepared in compliance with UK Financial Reporting Standard 102 (FRS 102) and in accordance with the Statement of Recommended Practice for UK Authorised Funds issued by the Investment Management Association in May 2014 (2014 SORP).

## 2. Summary of Significant Accounting Policies

### (a) Basis of Preparation

The Financial Statements have been prepared on a going concern basis, under the historical cost convention as modified by the revaluation of certain financial assets and liabilities measured at fair value through profit or loss.

The principal accounting policies which have been applied consistently are set out below.

### (b) Functional and Presentation Currency

The functional and presentation currency of the Fund is Sterling.

### (c) Recognition of Revenue

Revenue from quoted equities and non-equity shares is recognised net of attributable tax credits when the security is quoted ex-dividend. Revenue from unquoted equity investments is recognised net of attributable tax credits when the dividend is declared.

Overseas revenue received after the deduction of withholding tax is shown gross of taxation, with the taxation consequences shown within the taxation charge.

Special dividends are treated as either revenue or capital depending on the facts of each particular case.

Revenue from offshore funds is recognised when it is reported.

All other revenue is recognised on an accruals basis.

### (d) Treatment of Expenses

All expenses (other than those relating to the purchase and sale of investments) are charged against revenue on an accruals basis.

### (e) Distribution Policy

The policy is to distribute all available revenue, after deduction of those expenses which are chargeable in calculating the distribution. In order to conduct a controlled dividend flow, interim distributions will be at the Manager's discretion, up to a maximum of the distributable revenue for the period. All remaining revenue is distributed in accordance with the COLL.

Fund Management Fees are deducted from capital for the purpose of calculating the distribution. This increases the amount of the distribution paid, but reduces the capital growth potential of the Fund. Marginal tax relief is not accounted for in determining the distribution.

Distributions which have remained unclaimed by Unitholders for over six years are credited to the capital property of the Fund.

## Notes to the Financial Statements continued

### 2. Summary of Significant Accounting Policies continued

#### (f) Basis of Valuation of Investments

All investments are valued at their fair value as at 12 noon on 30 April 2019, being the last working day of the accounting period. The fair value for non-derivative securities is bid market price.

Where values cannot be readily determined, the securities are valued at the Manager's best assessment of their fair and reasonable value.

#### (g) Taxation

Provision is made for taxation at current rates on the excess of investment revenue over expenses, with relief for overseas taxation taken where appropriate.

Deferred tax is provided for on all timing differences that have originated but not reversed by the balance sheet date, other than those differences that are regarded as permanent. Any liability to deferred tax is provided for at the average rate of tax expected to apply.

#### (h) Foreign Exchange

Transactions in foreign currencies are translated at the rate of exchange ruling on the date of the transaction. Where applicable, assets and liabilities denominated in foreign currencies are translated into Sterling at the rates of exchange ruling at 12 noon on 30 April 2019, being the last working day of the accounting period.

### 3. Net capital losses

The net capital losses during the period comprise:

Non-derivative securities

(14,470,225)

Forward currency contracts

557

Currency losses

(252,001)

Net capital losses

(14,721,669)

19/12/17 to  
30/04/19

£

## Notes to the Financial Statements continued

### 4. Revenue

	19/12/17 to 30/04/19
	£
Taxable overseas dividends	340,857
Non-taxable overseas dividends	13,849,183
Interest on bank and cash equivalents	<u>55,607</u>
	<u>14,245,647</u>

### 5. Expenses

	19/12/17 to 30/04/19
	£
Payable to the Manager, associates of the Manager and agents of either of them:	
Fund management fees	<u>179,283</u>
Total expenses	<u>179,283</u>

Audit fees of £9,167 plus VAT of £1,833 have been borne by the Manager out of its fund management fee.

## Notes to the Financial Statements continued

### 6. Taxation

#### (a) Analysis of taxation charge in period

	19/12/17 to 30/04/19
	£
Corporation tax	40,797
Overseas tax	1,079,676
Double taxation relief	(40,797)
Current tax [note 6(b)]	1,079,676
Deferred tax [note 6(c)]	—
Total taxation	1,079,676

#### (b) Factors affecting taxation charge for the period

The current tax charge excludes capital gains and losses for the reason that Authorised Unit Trusts are not subject to Corporation Tax on these items. Current tax differs from taxation assessed on net revenue before taxation as follows:

Net revenue before taxation	14,053,166
Net revenue before taxation multiplied by the applicable rate of Corporation tax of 20% (2018: 20%)	2,810,633
<b>Effects of:</b>	
DTR expensed	(40,796)
Overseas tax	1,079,676
Revenue not subject to taxation	(2,769,837)
Current tax	1,079,676

#### (c) Provision for deferred tax

There is no deferred tax provision in the current period.

## Notes to the Financial Statements continued

### 7. Distributions

The distributions take account of revenue received on the creation of units and revenue deducted on the cancellation of units and comprise:

	19/12/17 to 30/04/19
	£
First distribution	3,801,388
First interim distribution	3,994,510
Second interim distribution	1,071,378
Third interim distribution	373,999
Final distribution	<u>3,925,424</u>
	13,166,699
Add: Revenue deducted on cancellation of units	259
Less: Revenue received on creation of units	(2,449)
Less: Revenue received on in-specie transactions	<u>(11,736)</u>
<b>Distributions for the period</b>	<b>13,152,773</b>
<b>Interest payable and similar charges</b>	
Bank overdraft interest	<u>13,198</u>
	<u>13,165,971</u>

The differences between the net revenue after taxation and the distributions for the period are as follows:

	19/12/17 to 30/04/19
	£
Net revenue after taxation for the period	12,973,490
Add: Expenses charged to capital	<u>179,283</u>
<b>Distributions for the period</b>	<b>13,152,773</b>

## Notes to the Financial Statements continued

### 8. Debtors

	30/04/19
	£
Accrued revenue	467,894
Amounts receivable for creation of units	1,000
Overseas tax recoverable	952,718
Sales awaiting settlement	1,441,965
	<u>2,863,577</u>

### 9. Net uninvested cash

	30/04/19
	£
Cash and bank balances	3,795,073
Bank overdrafts	(182)
Cash equivalents	4,002
Net uninvested cash	<u>3,798,893</u>

### 10. Other creditors

	30/04/19
	£
Accrued expenses	11,801
Amounts payable for cancellation of units	1,995
Payable for foreign exchange contracts	2,330
	<u>16,126</u>

### 11. Contingent liabilities and outstanding commitments

There were no contingent liabilities or outstanding commitments at the balance sheet date.

## Notes to the Financial Statements continued

### 12. Financial Instruments and Associated Risks

The investments of a Fund in financial securities and derivatives are subject to normal market fluctuations and other risks inherent in investing in such instruments. Legal & General (Unit Trust Managers) Limited (UTM) is the Authorised Fund Manager and has responsibility for ensuring appropriate risk management processes are implemented for each Unit Trust.

The UTM Board has delegated the risk oversight function to the Fund Manager Oversight Committee (FMOC), a committee of the Legal & General Investment Management (Holdings) Limited (LGIMH) Board that meets monthly. The primary objective of the FMOC is to ensure proper oversight of the investment management activities and associated services performed by LGIM, its delegates and other Fund Managers, under the Investment Management Agreement (IMA), on behalf of UTM in its capacity as Authorised Fund Manager. The committee consists of senior members of LGIMH and members of the UTM Board. Other senior staff members are also in attendance, as required by the agenda.

Each Fund has Investment Guidelines, an Investment Objective and Investment Restrictions, against which the fund manager will operate. These are set out in Schedule 1 of the IMA between LGIM and UTM. The Schedule is maintained by each fund manager, reviewed by the LGIM Operational Risk and Compliance Teams and approved senior members of LGIMH on behalf of the UTM board. The Schedule provides the detail needed to determine the risk profile for each fund. Fund managers are not permitted to invest into any new instruments without first gaining approval from UTM.

The Investment Objective and Policy of this Fund is detailed on page 2.

#### **(a) Market Risk arising from other price risk**

Market Risk arises mainly from uncertainty about future prices. It represents the potential loss the Fund may suffer through holding market positions in the face of market movements.

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting similar instruments traded in the market.

The assets held by the Fund can be seen in the Portfolio Statement starting on page 8. Movements in the prices of these investments result in movements in the performance of the Fund. The Manager adheres to the investment guidelines established in the Trust Deed, the Prospectus, the COLL and the Fund's IOG, and in this way, monitors and controls the exposure to risk from any type of security, sector or issuer.

At 30 April 2019, if the price of the investments held by the Fund increased or decreased by 5%, with all other variables remaining constant, then the net assets attributable to unitholders would increase or decrease by approximately £14,110,777.

## Notes to the Financial Statements continued

### 12. Financial Instruments and Associated Risks continued

#### (b) Interest Rate Risk

Interest Rate Risk is the risk of movements in the value of financial instruments as a result of fluctuations in interest rates.

The Fund's only interest bearing financial instruments were its bank balances and overdraft facilities as disclosed in note 9. Cash is deposited and overdraft facilities utilised on normal commercial terms and earn or bear interest based on LIBOR or its overseas equivalent.

In the event of a change in interest rates, there would be no material impact upon the assets of the Fund.

#### (c) Foreign Currency Risk

Foreign Currency Risk is the risk of movements in the value of financial instruments as a result of fluctuations in exchange rates. This risk may be managed by the use of forward currency contracts or currency futures as necessary.

Forward currency contracts were utilised during the current period.

At 30 April 2019, if the value of Sterling increased or decreased by 1% against all currencies, with all other variables remaining constant, then the net assets attributable to unitholders would increase or decrease by approximately £2,846,918.

The direct foreign currency profile of the Fund's net assets at the balance sheet date was:

30/04/19 Currency	Net foreign currency assets		
	Monetary exposures	Non-monetary exposures	Total
	£'000	£'000	£'000
Danish Krone	118	24,708	24,826
Euro	1,779	167,330	169,109
Norwegian Krone	110	17,077	17,187
Swedish Krona	—	31,976	31,976
Swiss Franc	469	41,125	41,594

#### (d) Credit Risk

Credit Risk is the risk of suffering financial loss as a result of a counterparty to a financial transaction being unable to fulfil their financial obligations as they fall due.

This risk is managed by appraising the credit profile of financial instruments and issuers in line with the Fund's investment objective and policy.

#### (e) Liquidity Risk

Liquidity Risk relates to the capacity to meet liabilities as they fall due. The primary source of this risk to the Fund is the liability to Unitholders for any cancellation of units.

This risk is minimised by holding a large proportion of readily realisable assets, cash balances and via access to overdraft facilities.

## Notes to the Financial Statements continued

### 12. Financial Instruments and Associated Risks continued

#### (f) Fair Value

The fair value of a financial instrument is the amount for which it could be exchanged between knowledgeable, willing parties in an arm's length transaction. There is no material difference between the value of the financial assets and liabilities, as shown in the financial statements, and their fair value.

The Statement of Recommended Practice for Financial Statements of UK Authorised Funds issued by the Investment Management Association in May 2014 requires the classification of the Fund's financial instruments held at the period end into a 3 tiered fair value hierarchy. The 3 tiers of the hierarchy and the classification of the Fund's financial instruments as at the balance sheet date were:

30/04/19	Assets	Liabilities
Basis of Valuation	£	£
Level 1 - Quoted Prices	282,215,530	—
Level 2 - Observable Market Data	—	—
Level 3 - Unobservable Data	—	—
<b>Total</b>	<b>282,215,530</b>	<b>—</b>

#### Level 1

The unadjusted quoted price in an active market for assets or liabilities that the entity can access at the measurement date.

#### Level 2

Valuation techniques using observable inputs other than quoted prices within Level 1.

#### Level 3

Valuation techniques using unobservable inputs.

### 13. Portfolio transaction costs

30/04/19	Value	Commissions		Taxes	Total
Purchases	£'000	£'000	%	£'000	£'000
Equities	96,703	26	0.01	75	96,804
In-specie	294,319	—	—	—	294,319
<b>Total</b>	<b>391,022</b>	<b>26</b>	<b>0.01</b>	<b>75</b>	<b>391,123</b>

30/04/19	Value	Commissions		Taxes	Total
Sales	£'000	£'000	%	£'000	£'000
Equities	94,181	(26)	0.03	—	94,155
<b>Total</b>	<b>94,181</b>	<b>(26)</b>	<b>0.03</b>	<b>—</b>	<b>94,155</b>

Commissions and taxes as % of average net assets

Commissions 0.02%

Taxes 0.03%

Transaction costs consist of expenses incurred in the process of the purchase and sales of securities above the cost of the securities.

The average portfolio dealing spread, including the effect of foreign exchange, as at the balance sheet date was 0.05%.

## Notes to the Financial Statements continued

### 14. Unit classes

A list of unit classes in issue and the fund management fee on each unit class can be found on page 39. The net asset value per unit of each unit class and the number of units in each class are given in the comparative tables on pages 32 to 37. The distributions per unit class are given in the distribution tables on pages 26 to 30. All classes have the same rights on winding up.

<b>I-Class</b>	<b>Distribution</b>	<b>Accumulation</b>
Opening Units	—	—
Units issued	229,174	284,684
Units cancelled	(29,691)	(124,367)
Units converted	—	—
Closing Units	199,483	160,317

<b>C-Class</b>	<b>Distribution</b>	<b>Accumulation</b>
Opening Units	—	—
Units issued	2,000	2,000
Units cancelled	—	—
Units converted	—	—
Closing Units	2,000	2,000

<b>L-Class</b>	<b>Distribution</b>	<b>Accumulation</b>
Opening Units	—	—
Units issued	543,371,994	60,571,437
Units cancelled	(471,795)	—
Units converted	—	—
Closing Units	542,900,199	60,571,437

### 15. Ultimate controlling party and related party transactions

The Manager is regarded as a related party to the Fund because it provides key management personnel services to the Fund. The ultimate controlling party of the Manager is Legal & General Group Plc. Subsidiaries of Legal & General Group Plc are also considered related parties to the Fund.

Legal & General (Unit Trust Managers) Limited acts as the principal on all the transactions of the units in the Fund. The aggregated monies received through creations or paid on cancellations are disclosed in the statement of change in net assets attributable to unitholders.

Equalisation amounts relating to creations and cancellations of units are shown within note 7. Fees received by the Authorised Fund Manager from the Fund plus any rebates paid by the Authorised Fund Manager to the Fund are shown within notes 3, 4 and 5 as applicable. Any outstanding fees, amounts outstanding on creations or cancellations of units in the Fund, or rebates receivable by the Fund from the Manager are shown within notes 8 and 10 as applicable.

At the period end, the Manager and its associates held 99.93% of the Fund's units in issue.

## Notes to the Financial Statements continued

### 16. Post balance sheet market movements

As at the close of business on the balance sheet date the I-Class distribution Net Asset Value per unit was 46.61p. The I-Class distribution Net Asset Value per Unit for the Fund as at 12 noon on 18 June 2019 was 45.76p. This represents a decrease of 1.82% from the period end value.

## Distribution Tables

### Distribution Tables for the period ended 30 April 2019

Group 1: units purchased prior to a distribution period.

Group 2: units purchased during a distribution period.

Equalisation is the average amount of revenue included in the purchase price of all Group 2 units and is refunded to the holders of these units as a return of capital.

As capital it is not liable to Income Tax but must be deducted from the cost of units for Capital Gains Tax purposes.

First dividend distribution in pence per unit			Period	
			19/12/17	to 30/04/18 <sup>1</sup>
<b>I-Class</b>			<b>Distribution</b>	<b>Distribution</b>
<b>Distribution Units</b>	<b>Revenue</b>	<b>Equalisation</b>	<b>30/06/18</b>	<b>N/A</b>
Group 1	0.6935	—	0.6935	N/A
Group 2	—	0.6935	0.6935	N/A
<b>I-Class</b>			<b>Distribution</b>	<b>Distribution</b>
<b>Accumulation Units</b>	<b>Revenue</b>	<b>Equalisation</b>	<b>30/06/18</b>	<b>N/A</b>
Group 1	0.6924	—	0.6924	N/A
Group 2	0.3920	0.3004	0.6924	N/A
<b>C-Class</b>			<b>Distribution</b>	<b>Distribution</b>
<b>Distribution Units</b>	<b>Revenue</b>	<b>Equalisation</b>	<b>30/06/18</b>	<b>N/A</b>
Group 1	0.6920	—	0.6920	N/A
Group 2	—	0.6920	0.6920	N/A
<b>C-Class</b>			<b>Distribution</b>	<b>Distribution</b>
<b>Accumulation Units</b>	<b>Revenue</b>	<b>Equalisation</b>	<b>30/06/18</b>	<b>N/A</b>
Group 1	0.6920	—	0.6920	N/A
Group 2	—	0.6920	0.6920	N/A
<b>L-Class</b>			<b>Distribution</b>	<b>Distribution</b>
<b>Distribution Units</b>	<b>Revenue</b>	<b>Equalisation</b>	<b>30/06/18</b>	<b>N/A</b>
Group 1	0.7001	—	0.7001	N/A
Group 2	—	0.7001	0.7001	N/A
<b>L-Class</b>			<b>Distribution</b>	<b>Distribution</b>
<b>Accumulation Units</b>	<b>Revenue</b>	<b>Equalisation</b>	<b>30/06/18</b>	<b>N/A</b>
Group 1	0.6990	—	0.6990	N/A
Group 2	—	0.6990	0.6990	N/A

<sup>1</sup> There are no comparative figures shown as the Fund launched on 19 December 2017.

## Distribution Tables continued

1st Interim dividend distribution in pence per unit			Period	
			01/05/18	to 31/07/18 <sup>1</sup>
<b>I-Class</b>			<b>Distribution</b>	<b>Distribution</b>
<b>Distribution Units</b>	<b>Revenue</b>	<b>Equalisation</b>	<b>30/09/18</b>	<b>N/A</b>
Group 1	0.7340	—	0.7340	N/A
Group 2	0.0497	0.6843	0.7340	N/A
<b>I-Class</b>			<b>Distribution</b>	<b>Distribution</b>
<b>Accumulation Units</b>	<b>Revenue</b>	<b>Equalisation</b>	<b>30/09/18</b>	<b>N/A</b>
Group 1	0.7533	—	0.7533	N/A
Group 2	0.2467	0.5066	0.7533	N/A
<b>C-Class</b>			<b>Distribution</b>	<b>Distribution</b>
<b>Distribution Units</b>	<b>Revenue</b>	<b>Equalisation</b>	<b>30/09/18</b>	<b>N/A</b>
Group 1	0.7340	—	0.7340	N/A
Group 2	—	0.7340	0.7340	N/A
<b>C-Class</b>			<b>Distribution</b>	<b>Distribution</b>
<b>Accumulation Units</b>	<b>Revenue</b>	<b>Equalisation</b>	<b>30/09/18</b>	<b>N/A</b>
Group 1	0.7545	—	0.7545	N/A
Group 2	—	0.7545	0.7545	N/A
<b>L-Class</b>			<b>Distribution</b>	<b>Distribution</b>
<b>Distribution Units</b>	<b>Revenue</b>	<b>Equalisation</b>	<b>30/09/18</b>	<b>N/A</b>
Group 1	0.7357	—	0.7357	N/A
Group 2	—	0.7357	0.7357	N/A
<b>L-Class</b>			<b>Distribution</b>	<b>Distribution</b>
<b>Accumulation Units</b>	<b>Revenue</b>	<b>Equalisation</b>	<b>30/09/18</b>	<b>N/A</b>
Group 1	0.7570	—	0.7570	N/A
Group 2	—	0.7570	0.7570	N/A

<sup>1</sup> There are no comparative figures shown as the Fund launched on 19 December 2017.

## Distribution Tables continued

2nd Interim dividend distribution in pence per unit			Period	
			01/08/18	to 31/10/18 <sup>1</sup>
<b>I-Class</b>			<b>Distribution</b>	<b>Distribution</b>
<b>Distribution Units</b>			<b>31/12/18</b>	<b>N/A</b>
	<b>Revenue</b>	<b>Equalisation</b>		
Group 1	0.1969	—	0.1969	N/A
Group 2	0.0083	0.1886	0.1969	N/A
<b>I-Class</b>			<b>Distribution</b>	<b>Distribution</b>
<b>Accumulation Units</b>			<b>31/12/18</b>	<b>N/A</b>
	<b>Revenue</b>	<b>Equalisation</b>		
Group 1	0.2075	—	0.2075	N/A
Group 2	0.0396	0.1679	0.2075	N/A
<b>C-Class</b>			<b>Distribution</b>	<b>Distribution</b>
<b>Distribution Units</b>			<b>31/12/18</b>	<b>N/A</b>
	<b>Revenue</b>	<b>Equalisation</b>		
Group 1	0.2085	—	0.2085	N/A
Group 2	—	0.2085	0.2085	N/A
<b>C-Class</b>			<b>Distribution</b>	<b>Distribution</b>
<b>Accumulation Units</b>			<b>31/12/18</b>	<b>N/A</b>
	<b>Revenue</b>	<b>Equalisation</b>		
Group 1	0.2135	—	0.2135	N/A
Group 2	—	0.2135	0.2135	N/A
<b>L-Class</b>			<b>Distribution</b>	<b>Distribution</b>
<b>Distribution Units</b>			<b>31/12/18</b>	<b>N/A</b>
	<b>Revenue</b>	<b>Equalisation</b>		
Group 1	0.1972	—	0.1972	N/A
Group 2	—	0.1972	0.1972	N/A
<b>L-Class</b>			<b>Distribution</b>	<b>Distribution</b>
<b>Accumulation Units</b>			<b>31/12/18</b>	<b>N/A</b>
	<b>Revenue</b>	<b>Equalisation</b>		
Group 1	0.2020	—	0.2020	N/A
Group 2	—	0.2020	0.2020	N/A

<sup>1</sup> There are no comparative figures shown as the Fund launched on 19 December 2017.

## Distribution Tables continued

3rd Interim dividend distribution in pence per unit			Period	
			01/11/18	to 31/01/19 <sup>1</sup>
<b>I-Class</b>			<b>Distribution</b>	<b>Distribution</b>
<b>Distribution Units</b>	<b>Revenue</b>	<b>Equalisation</b>	<b>31/03/19</b>	<b>N/A</b>
Group 1	0.0728	—	0.0728	N/A
Group 2	0.0042	0.0686	0.0728	N/A
<b>I-Class</b>			<b>Distribution</b>	<b>Distribution</b>
<b>Accumulation Units</b>	<b>Revenue</b>	<b>Equalisation</b>	<b>31/03/19</b>	<b>N/A</b>
Group 1	0.0633	—	0.0633	N/A
Group 2	—	0.0633	0.0633	N/A
<b>C-Class</b>			<b>Distribution</b>	<b>Distribution</b>
<b>Distribution Units</b>	<b>Revenue</b>	<b>Equalisation</b>	<b>31/03/19</b>	<b>N/A</b>
Group 1	0.0635	—	0.0635	N/A
Group 2	—	0.0635	0.0635	N/A
<b>C-Class</b>			<b>Distribution</b>	<b>Distribution</b>
<b>Accumulation Units</b>	<b>Revenue</b>	<b>Equalisation</b>	<b>31/03/19</b>	<b>N/A</b>
Group 1	0.0555	—	0.0555	N/A
Group 2	—	0.0555	0.0555	N/A
<b>L-Class</b>			<b>Distribution</b>	<b>Distribution</b>
<b>Distribution Units</b>	<b>Revenue</b>	<b>Equalisation</b>	<b>31/03/19</b>	<b>N/A</b>
Group 1	0.0688	—	0.0688	N/A
Group 2	—	0.0688	0.0688	N/A
<b>L-Class</b>			<b>Distribution</b>	<b>Distribution</b>
<b>Accumulation Units</b>	<b>Revenue</b>	<b>Equalisation</b>	<b>31/03/19</b>	<b>N/A</b>
Group 1	0.0605	—	0.0605	N/A
Group 2	—	0.0605	0.0605	N/A

<sup>1</sup> There are no comparative figures shown as the Fund launched on 19 December 2017.

## Distribution Tables continued

Final dividend distribution in pence per unit			Period			
			01/02/19	to 30/04/19 <sup>1</sup>		
<b>I-Class</b>						
<b>Distribution Units</b>			<b>Revenue</b>	<b>Equalisation</b>	<b>Distribution 30/06/19</b>	<b>Distribution</b>
Group 1	0.6426	—	0.6426		N/A	
Group 2	0.6144	0.0282	0.6426		N/A	
<b>I-Class</b>						
<b>Accumulation Units</b>			<b>Revenue</b>	<b>Equalisation</b>	<b>Distribution 30/06/19</b>	<b>Distribution</b>
Group 1	0.6635	—	0.6635		N/A	
Group 2	0.5188	0.1447	0.6635		N/A	
<b>C-Class</b>						
<b>Distribution Units</b>			<b>Revenue</b>	<b>Equalisation</b>	<b>Distribution 30/06/19</b>	<b>Distribution</b>
Group 1	0.6435	—	0.6435		N/A	
Group 2	—	0.6435	0.6435		N/A	
<b>C-Class</b>						
<b>Accumulation Units</b>			<b>Revenue</b>	<b>Equalisation</b>	<b>Distribution 30/06/19</b>	<b>Distribution</b>
Group 1	0.6655	—	0.6655		N/A	
Group 2	—	0.6655	0.6655		N/A	
<b>L-Class</b>						
<b>Distribution Units</b>			<b>Revenue</b>	<b>Equalisation</b>	<b>Distribution 30/06/19</b>	<b>Distribution</b>
Group 1	0.6478	—	0.6478		N/A	
Group 2	—	0.6478	0.6478		N/A	
<b>L-Class</b>						
<b>Accumulation Units</b>			<b>Revenue</b>	<b>Equalisation</b>	<b>Distribution 30/06/19</b>	<b>Distribution</b>
Group 1	0.6696	—	0.6696		N/A	
Group 2	0.6474	0.0222	0.6696		N/A	

<sup>1</sup> There are no comparative figures shown as the Fund launched on 19 December 2017.

In the above tables, a distribution pay rate of N/A denotes that the class was not in existence as at the applicable XD date, and therefore no distribution was made.

## Fund Information

The Comparative Tables on pages 32 to 37 give the performance of each active share class in the Fund.

The 'Return after charges' disclosed in the Comparative Tables is calculated as the return after operating charges per unit divided by the opening net asset value per unit. It differs from the Fund's performance disclosed in the Manager's report, which is calculated based on the latest published price.

Portfolio transaction costs are incurred when investments are bought or sold by a fund in order to achieve the investment objective. These transaction costs affect an investor in different ways depending on whether they are joining, leaving or continuing with their investment in the Fund.

Direct transaction costs include broker commission and taxes. Broker commission includes the fee paid to a broker to execute the trades and research costs.

In addition, there are indirect portfolio transaction costs arising from the 'dealing spread' – the difference between the buying and selling prices of underlying investments in the portfolio. Unlike shares whereby broker commissions and stamp duty are paid by a fund on each transaction, other types of investments (such as bonds, money instruments, derivatives, collective investment schemes) do not have separately identifiable transaction costs; these costs form part of the dealing spread. Dealing spreads vary considerably depending on the transaction value and money market sentiment.

# Fund Information continued

## Comparative Tables

### I-Class Distribution Units

#### Change in Net Asset Value per Unit

Accounting Period ending	19/12/17 to 30/04/19 <sup>1</sup> (pence per unit)
Opening net asset value per unit	50.00
Return before operating charges*	(0.56)
Operating charges (calculated on average price)	(0.49)
Return after operating charges*	(1.05)
Distributions on income units	(2.34)
Closing net asset value per unit	46.61
* after direct transaction costs of:	0.02

#### Performance

Return after charges	(2.10)%
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#### Other Information

Closing net asset value (£)	92,975
Closing number of units	199,483
Operating charges <sup>†</sup>	0.80%
Direct transaction costs	0.05%

#### Prices

Highest unit price	50.84p
Lowest unit price	41.54p

<sup>1</sup> There are no comparative figures shown as the Fund launched on 19 December 2017.

<sup>†</sup> Operating charges, otherwise known as the OCF is the ratio of the Fund's total disclosable costs (excluding overdraft interest) to the average net assets of the Fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a Fund and is calculated based on the last period's figures.

**Past performance is not a guide to future performance.**

**The price of units and any income from them may go down as well as up.**

**Exchange rate changes may cause the value of any overseas investments to rise or fall.**

## Fund Information continued

### Comparative Tables continued

#### I-Class Accumulation Units

##### Change in Net Asset Value per Unit

Accounting Period ending	19/12/17 to 30/04/19 <sup>1</sup> (pence per unit)
Opening net asset value per unit	50.00
Return before operating charges*	(0.67)
Operating charges (calculated on average price)	(0.51)
Return after operating charges*	(1.18)
Distributions	(2.38)
Retained distributions on accumulation units	2.38
Closing net asset value per unit	48.82
* after direct transaction costs of:	0.02

#### Performance

Return after charges	(2.36)%
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#### Other Information

Closing net asset value (£)	78,273
Closing number of units	160,317
Operating charges <sup>†</sup>	0.80%
Direct transaction costs	0.05%

#### Prices

Highest unit price	51.55p
Lowest unit price	42.85p

<sup>1</sup> There are no comparative figures shown as the Fund launched on 19 December 2017.

<sup>†</sup> Operating charges, otherwise known as the OCF is the ratio of the Fund's total disclosable costs (excluding overdraft interest) to the average net assets of the Fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a Fund and is calculated based on the last period's figures.

**Past performance is not a guide to future performance.**

**The price of units and any income from them may go down as well as up.**

**Exchange rate changes may cause the value of any overseas investments to rise or fall.**

## Fund Information continued

### Comparative Tables continued

#### C-Class Distribution Units

##### Change in Net Asset Value per Unit

Accounting Period ending	19/12/17 to 30/04/19 <sup>1</sup> (pence per unit)
Opening net asset value per unit	50.00
Return before operating charges*	(0.57)
Operating charges (calculated on average price)	(0.39)
Return after operating charges*	(0.96)
Distributions on income units	(2.34)
Closing net asset value per unit	46.70
* after direct transaction costs of:	0.02

#### Performance

Return after charges	(1.92)%
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#### Other Information

Closing net asset value (£)	934
Closing number of units	2,000
Operating charges <sup>†</sup>	0.60%
Direct transaction costs	0.05%

#### Prices

Highest unit price	50.86p
Lowest unit price	41.59p

<sup>1</sup> There are no comparative figures shown as the Fund launched on 19 December 2017.

<sup>†</sup> Operating charges, otherwise known as the OCF is the ratio of the Fund's total disclosable costs (excluding overdraft interest) to the average net assets of the Fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a Fund and is calculated based on the last period's figures.

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**Exchange rate changes may cause the value of any overseas investments to rise or fall.**

## Fund Information continued

### Comparative Tables continued

#### C-Class Accumulation Units

##### Change in Net Asset Value per Unit

Accounting Period ending	19/12/17 to 30/04/19 <sup>1</sup> (pence per unit)
Opening net asset value per unit	50.00
Return before operating charges*	(0.66)
Operating charges (calculated on average price)	(0.39)
Return after operating charges*	(1.05)
Distributions	(2.38)
Retained distributions on accumulation units	2.38
Closing net asset value per unit	48.95
* after direct transaction costs of:	0.02

#### Performance

Return after charges	(2.10)%
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#### Other Information

Closing net asset value (£)	979
Closing number of units	2,000
Operating charges <sup>†</sup>	0.60%
Direct transaction costs	0.05%

#### Prices

Highest unit price	51.62p
Lowest unit price	42.94p

<sup>1</sup> There are no comparative figures shown as the Fund launched on 19 December 2017.

<sup>†</sup> Operating charges, otherwise known as the OCF is the ratio of the Fund's total disclosable costs (excluding overdraft interest) to the average net assets of the Fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a Fund and is calculated based on the last period's figures.

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**Exchange rate changes may cause the value of any overseas investments to rise or fall.**

## Fund Information continued

### Comparative Tables continued

#### L-Class Distribution Units

##### Change in Net Asset Value per Unit

Accounting Period ending	19/12/17 to 30/04/19 <sup>1</sup> (pence per unit)
Opening net asset value per unit	50.00
Return before operating charges*	(0.60)
Operating charges (calculated on average price)	(0.03)
Return after operating charges*	(0.63)
Distributions on income units	(2.35)
Closing net asset value per unit	47.02
* after direct transaction costs of:	0.02

#### Performance

Return after charges	(1.26)%
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#### Other Information

Closing net asset value (£)	255,288,858
Closing number of units	542,900,199
Operating charges <sup>†</sup>	0.05%
Direct transaction costs	0.05%

#### Prices

Highest unit price	50.96p
Lowest unit price	41.79p

<sup>1</sup> There are no comparative figures shown as the Fund launched on 19 December 2017.

<sup>†</sup> Operating charges, otherwise known as the OCF is the ratio of the Fund's total disclosable costs (excluding overdraft interest) to the average net assets of the Fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a Fund and is calculated based on the last period's figures.

**Past performance is not a guide to future performance.**

**The price of units and any income from them may go down as well as up.**

**Exchange rate changes may cause the value of any overseas investments to rise or fall.**

## Fund Information continued

### Comparative Tables continued

#### L-Class Accumulation Units

##### Change in Net Asset Value per Unit

Accounting Period ending	19/12/17 to 30/04/19 <sup>1</sup> (pence per unit)
Opening net asset value per unit	50.00
Return before operating charges*	(0.64)
Operating charges (calculated on average price)	(0.03)
Return after operating charges*	(0.67)
Distributions	(2.39)
Retained distributions on accumulation units	2.39
Closing net asset value per unit	49.33
* after direct transaction costs of:	0.02

#### Performance

Return after charges	(1.34)%
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#### Other Information

Closing net asset value (£)	29,881,121
Closing number of units	60,571,437
Operating charges <sup>†</sup>	0.05%
Direct transaction costs	0.05%

#### Prices

Highest unit price	51.84p
Lowest unit price	43.18p

<sup>1</sup> There are no comparative figures shown as the Fund launched on 19 December 2017.

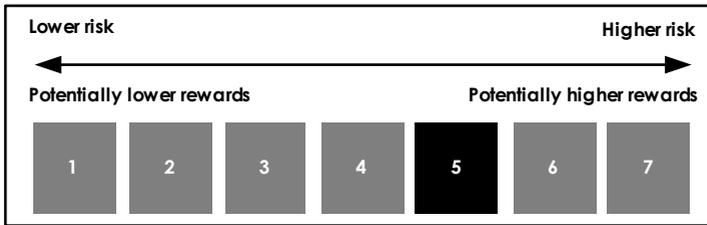
<sup>†</sup> Operating charges, otherwise known as the OCF is the ratio of the Fund's total disclosable costs (excluding overdraft interest) to the average net assets of the Fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a Fund and is calculated based on the last period's figures.

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## Risk and Reward Profile (unaudited)



- The Risk and Reward Indicator table demonstrates where the Fund ranks in terms of its potential risk and reward. The higher the rank the greater the potential reward but the greater the risk of losing money. It is not guaranteed to remain the same and may change over time. It is based on historical data and may not be a reliable indication of the future risk profile of the Fund. The shaded area in the table above shows the Fund's ranking on the Risk and Reward Indicator.
- The Fund is in category five 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. Company shares are generally considered to be higher risk investments than bonds or cash.
- Even a fund in the lowest category is not a risk free investment.

## General Information (unaudited)

### Constitution

Launch date:	19 December 2017
Period end dates for distributions:	30 April, 31 July, 31 October, 31 January
Distribution dates:	30 June, 30 September, 31 December, 31 March

Minimum initial lump sum investment:	I-Class    £1,000,000 C-Class*   £50,000,000 L-Class**   £100,000
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Valuation point: 12 noon

Fund management fees:	I-Class    Annual 0.80% C-Class*   Annual 0.60% L-Class**   Annual 0.05%
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Initial charges: Nil for all existing unit classes

\* Class C units are available to certain eligible investors who meet the criteria for investment in such units as outlined in the share class policy of the Manager, which is available to investors in the C-Class upon request. Where investors in the C-Class no longer continue to meet the criteria for investment in such units, further investment in such units may not be permitted.

\*\* Class L units are only available to other Legal & General funds and/or companies which have entered into an agreement with the Manager or an affiliate of the Manager.

### Dealing

Dealing in units takes place on a forward pricing basis, from 8:30am to 6:00pm, Monday to Friday.

### Buying and Selling Units

Units may be bought on any business day from the Manager or through a financial adviser by completing an application form or on the internet at [www.legalandgeneral.com](http://www.legalandgeneral.com). Units may normally be sold back to the Manager on any business day at the bid price calculated at the following valuation point.

### Prospectus and Manager's Reports

The Manager will send to all persons on the Unitholder Register annual and interim short form reports.

Copies of the Prospectus and the most recent annual or interim reports are available free of charge by telephoning 0370 050 0955 or by writing to the Manager.

Do you have difficulty in reading information in print because of a disability? If so, we can help. We are able to produce information for our clients in large print and braille. If you would like to discuss your particular requirements, please contact us on 0370 050 0955.

Call charges will vary. We may record and monitor calls.

## General Information (unaudited) continued

### Dual Pricing Arrangement

The Manager's fixed dual pricing arrangement has a set spread to account for the costs of transacting in a particular Fund. Where the Manager operates a box through which unit subscriptions and unit redemptions are netted into a single trade instruction to the Trustee, the netting reduces the actual transaction costs and this generates a revenue to the Manager. The revenue generated from this activity is calculated on a monthly basis and returned to the Fund in the form of a payment from the Manager. This provides an enhanced return to the Fund, though the size of any return will be dependent on the size of subscriptions and redemptions.

### Remuneration Disclosure

In accordance with the Undertakings for collective investment in transferable securities (UCITS) Directive, often referred to as the UCITS V Directive, the Legal & General European Equity Income Fund, as a UCITS Scheme, is required to disclose the aggregate remuneration paid by the UCITS Manager and by the UCITS Scheme to Identified Staff, together with the number of beneficiaries, and, where relevant, performance fees paid by the UCITS Scheme. The aggregate amount of remuneration must be broken down by category of employees or other staff members and be split into fixed and variable remuneration.

The following provides information on the remuneration of persons whose professional activities have a material impact on the management company and the funds managed by it as at 31 December 2018.

### Controlled Functions

Headcount	Fixed Remuneration (£,000)	Variable Remuneration (£,000)	Remuneration related to this Fund (Pro-rated) (£'000)
36	7,644	13,053	112

### Material Risk Takers

Headcount	Fixed Remuneration (£,000)	Variable Remuneration (£,000)	Remuneration related to this Fund (Pro-rated) (£'000)
19	2,324	2,868	200

### Controlled Functions

As at 31 December 2018, Legal & General Unit Trust Managers Limited (UTM) engaged the services of seven employees of Legal & General Investment Management (Holdings) Limited (LGIMH), plus a further one employees of Legal & General Resources (LGR) to act as Director. In addition there was one non-executive Director. UTM also engaged the services of a further 24 LGIMH employees and a further three L&G Resources (LGR) employees to act in a variety of Controlled Functions, including Chief Compliance Officer, Money Laundering Reporting Officer, Client Asset Oversight, Systems and Controls Functions, Significant Management Functions and Customer Functions. These employees were also engaged by other companies in the L&G Group. The aggregate remuneration received by these individuals, for all their services across the L&G Group, is disclosed in the table above. We have prorated the remuneration figures by the Net Asset Value of the UCITS Funds as a percentage of the total assets under management of UTM.

## General Information (unaudited) continued

### Material Risk Takers

As at the 31 December 2018, UTM engaged the services of Legal & General Investment Management's Active Equities Fund Management team, which consists of 19 investment professionals located in our London Office. The team includes a variety of Fund Managers, Analysts and Support Staff, with the Fund Managers empowered to take discretionary investment management decisions on behalf of the Fund. The team is also engaged in managing other Legal & General UTM Funds/Schemes and is also engaged by other companies in the L&G Group. The aggregate remuneration received by the members of the team, for all their services across the L&G Group, is disclosed in the table above. We have prorated the remuneration figures by the Net Asset Value of the UCITS Funds as a percentage of the total assets under management of the Legal & General Investment Management's Active Equities Fund Management team.

### Significant Change

#### General Data Protection Regulation (GDPR)

Legal & General takes your privacy very seriously. Under data protection legislation, we have classified ourselves as a 'data controller'. This means that we are subject to certain obligations relating to how we process personal data. These obligations include, without limitation, providing individuals with certain information regarding how we process their personal data.

We will use the personal data you have provided to us in connection with an investment in units of Legal & General European Equity Income Fund, including your name, age, contact details, bank account details, transactions and the invested amount, and any information regarding the dealing in units in accordance with all applicable data protection laws and our Privacy Policy which is available from 25 May 2018 at [www.lgim.com/UTMprivacy](http://www.lgim.com/UTMprivacy) (or available upon request). Our Privacy Policy sets out, amongst other things, the purpose or purposes for which your personal data is collected and intended to be processed and also contains any other information prescribed by data protection legislation.

## General Information (unaudited) continued

### Authorised Fund Manager

Legal & General (Unit Trust Managers) Limited  
Registered in England and Wales No. 01009418  
Registered office:  
One Coleman Street,  
London EC2R 5AA  
Telephone: 0370 050 3350  
Authorised and regulated by the Financial Conduct Authority

### Directors of the Manager

R. M. Bartley (resigned 31 December 2018)  
A. J. C. Craven  
S. Hynes  
H. Morrissey  
H. Solomon  
S. D. Thomas (resigned 17 October 2018)  
L. W. Toms  
A. R. Toutouchi\*  
M. J. Zinkula

\*Non-executive Director

### Secretary

J. McCarthy

### Registrar

Legal & General (Unit Trust Managers) Limited  
P.O. Box 6080,  
Wolverhampton WV1 9RB  
Authorised and regulated by the Financial Conduct Authority

Dealing: 0370 050 0956  
Enquiries: 0370 050 0955  
Registration: 0370 050 0955

Call charges will vary. We may record and monitor calls.

### Trustee

Northern Trust Global Services SE UK Branch  
Trustee and Depository Services  
50 Bank Street,  
Canary Wharf,  
London E14 5NT

Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority

### Independent Auditors

KPMG LLP  
15 Canada Square,  
London E14 5GL

### Investment Adviser

Legal & General Investment Management Limited  
One Coleman Street,  
London EC2R 5AA  
Authorised and regulated by the Financial Conduct Authority







**Authorised and regulated by the  
Financial Conduct Authority**

Legal & General  
(Unit Trust Managers) Limited  
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Registered office:  
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London EC2R 5AA  
[www.legalandgeneral.com](http://www.legalandgeneral.com)

