

Legal & General European Equity Income Fund

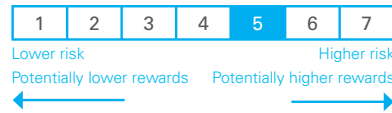
Unit Trust (UCITS compliant) I-Class GBP



FUND AIM

The objective of the fund is to generate income in excess of the FTSE Europe ex-UK Index over rolling 3 year periods.

RISK AND REWARD PROFILE



The synthetic risk and reward indicator (SRRI) is based on the historic volatility of the fund's value and it may change in the future.

The fund is in category 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 European company shares (excluding UK companies).
- 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 £285.6m	Base currency GBP	Benchmark FTSE Europe ex UK Index
Launch date 12 Dec 2017	Domicile UK	Historical yield 3.5%

COSTS

Initial charge 0.00%	Ongoing charge 0.80%
Price basis Dual	Bid / Offer spread 0.22%

PERFORMANCE (%)



	1 month	3 months	1 year	3 years	Launch
■ Fund	6.45	6.94	0.17	-	-2.29
■ Benchmark	6.42	9.15	8.61	-	6.40
Quartile ranking	2	4	3	-	3

12 MONTH PERFORMANCE TO MOST RECENT QUARTER (%)

12 months to 30 June	2019	2018	2017	2016	2015
Fund	0.17	-	-	-	-
Benchmark	8.61	-	-	-	-
Quartile ranking	3	-	-	-	-

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.

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

FUND SNAPSHOT











- Aims to generate attractive above-market income as part of a total return strategy
- We look for European-listed companies able to grow earnings and free cashflow
- The fund is comprised of a concentrated selection of around 50 stocks with an investment horizon of three to five years

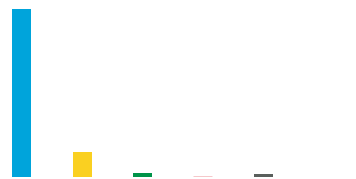


PORTFOLIO BREAKDOWN

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

COUNTRY (%)

 France	26.2
 Switzerland	15.1
 Germany	13.8
 Sweden	11.8
 Denmark	8.9
 Netherlands	6.3
 Norway	5.9
 Spain	4.6
 Italy	3.3
 Other	4.2



MARKET CAPITALISATION (%)

Large	84.5
Mid	12.5
Small	1.8
Micro	0.0
Cash and Equivalents	1.2

Cash positions are held as collateral on futures











■ Top 10 holdings 31.9%
■ Rest of portfolio 68.1%
No. of holdings 50











TOP 10 HOLDINGS (%)

Novo Nordisk	4.2
SAP	3.7
AXA	3.5
ENI	3.3
Zurich Insurance Group	3.2
Adecco Group	3.0
Daimler AG	2.9
Nestle	2.9
BNP Paribas	2.6
UBS Group	2.6

TOP SECTOR OVER/UNDERWEIGHTS (%)

	Fund	Relative	
Financials	24.3	4.8	
Oil & Gas	8.0	3.4	
Consumer Services	7.1	2.8	
Basic Materials	8.8	2.7	
Telecommunications	5.0	1.7	
Health Care	10.7	-2.9	
Utilities	1.2	-3.7	
Consumer Goods	10.4	-10.2	

TOP 5 STOCK OVER/UNDERWEIGHTS (%)

	Fund	Relative	
Novo Nordisk	4.2	3.0	
Adecco Group	3.0	2.9	
AXA	3.5	2.7	
ENI	3.3	2.7	
Zurich Insurance Group	3.2	2.4	
Allianz SE	0.0	-1.6	
LVMH	0.0	-1.6	
Nestle	2.9	-1.8	
Total	0.0	-2.1	
Novartis	0.0	-3.0	

FUND MANAGER COMMENTARY

Sentiment and positioning may be cautious, but we saw global equity indices make fresh highs, rebounding strongly from the previous month.

Having closed June with pre-G20 optimism, there was great hope of positive progress in bilateral discussions between Presidents Trump and Xi on US-China trade relations. Meanwhile, the growth-policy trade-off remains supportive of equities, mostly driven by dovish central bank messaging. On the data front, sentiment indicators remained subdued, albeit hinting at a more stable growth outlook for the Eurozone. Meanwhile, the latest industrial production and retail sales data could be described as insipid at best.

Turning to European equity markets, we saw outperformance from a number of mega-cap names. This included ASML and SAP in the technology sector, luxury stocks Kering and LVMH, and selected capital goods stocks such as Schneider Electric. Elsewhere, resources and healthcare stocks were equally strong. Sector laggards for the month were telecoms, media and financials. From a style perspective, market returns would suggest that value remains deeply unloved relative to quality and growth.

For the L&G European Equity Income fund, we are pleased to report that the portfolio performed in line with the benchmark, delivering a positive return of 6.5%. Positive stock selection in Industrials offset slight weakness in Consumer Services and Oil & Gas sectors. By country, Sweden and Denmark added value, while selection in Spain and Switzerland was a drag on returns.



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 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 19	30 Jun 19	0.64p
Interim	01 Feb 19	29 Mar 19	0.07p
Interim	01 Nov 18	31 Dec 18	0.20p
Interim	01 Aug 18	30 Sep 18	0.73p



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	GB00BF18C898
	I Inc	GB00BF18C781
SEDOL	I Acc	BF18C89
	I Inc	BF18C78
Bloomberg	I Acc	LGEEIAG LN
	I Inc	LGEEIIG LN

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 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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