

Legal & General European Equity Income Fund



Unit Trust (UCITS compliant) C-Class GBP

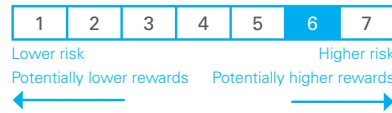
Base currency: **GBP**

Domicile: **UK**

FUND AIM

The objective of the Fund is to provide income and growth above those of the FTSE World Europe ex-UK TR Net Index (the "Benchmark Index"). The Fund aims to outperform the Benchmark Index by 2% per annum. This objective is before the deduction of any charges and measured over rolling three year periods.

RISK AND REWARD PROFILE



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

The fund is in category 6 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 a combination of income and growth from an investment in European company shares (excluding UK companies), as represented by the Benchmark Index.
- Although investors can take their money out at any time, this fund may not be appropriate for those who plan to withdraw their money within five years.
- This fund is not designed for investors who cannot afford more than a minimal loss of their investment.
- If you do not understand this document we recommend you seek additional information to help you decide if this fund is right for you.

FUND FACTS

Fund size	Fund launch date
£251.8m	12 Dec 2017
Historical yield	
2.1%	

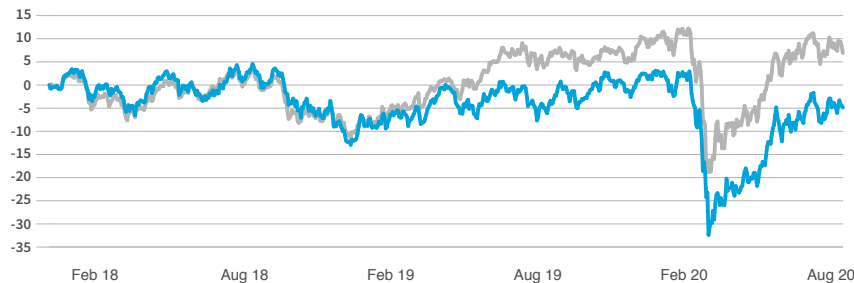
COSTS

Initial charge	Ongoing charge
0.00%	0.60%
Price basis	Bid / Offer spread
Dual	0.30%

BENCHMARKS

Benchmark
FTSE World Europe ex UK TR Net Index
Performance objective
FTSE World Europe ex UK TR Net Index +2%
Comparator benchmark
IA Sector: Europe Ex UK

PERFORMANCE (%)



	1 month	3 months	1 year	3 years	Launch
■ Fund	3.40	8.57	-0.95	-	-6.04
■ Benchmark	2.21	5.71	0.72	-	6.88
Performance objective	-	-	-	-	-
Comparator	2.55	7.02	3.55	-	5.39

FUND SNAPSHOT

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

12 MONTH PERFORMANCE TO MOST RECENT QUARTER (%)

12 months to 30 June	2020	2019	2018	2017	2016
Fund	-7.45	0.38	-	-	-
Benchmark	0.55	7.93	-	-	-
Comparator	1.13	3.09	-	-	-

For annual performance against the performance objective please see the Key Investor Information Document (KIID). Performance for the C 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.











Due to UK bank holiday on 31 August 2020, fund returns shown are based on prices at 28 August 2020 (last fund trading day for August 2020). This may impact relative performance to any benchmarks which priced on 31 August 2020.

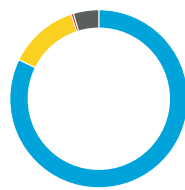


PORTFOLIO BREAKDOWN

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

COUNTRY (%)

	Germany	23.1
	France	21.3
	Switzerland	12.3
	Sweden	10.9
	Denmark	9.4
	Netherlands	6.7
	Norway	6.4
	Portugal	2.9
	Spain	2.6
	Other	4.5



MARKET CAPITALISATION (%)

■ Large	82.2
■ Mid	12.7
■ Small	0.0
■ Micro	0.4
■ Cash and Equivalents	4.6












■ Top 10 holdings 34.7%
■ Rest of portfolio 65.3%
No. of holdings 48











TOP 10 HOLDINGS (%)

SAP	5.6
Novo Nordisk	4.5
Siemens AG	4.5
Nestle	3.4
Ericsson B	3.1
AXA	2.8
Volvo- B	2.8
Pandora	2.8
UBS Group	2.8
Bayer	2.6

TOP SECTOR OVER/UNDERWEIGHTS (%)

	Fund	Relative	
Basic Materials	12.3	6.2	
Financials	20.2	3.4	
Consumer Services	6.7	2.6	
Oil & Gas	5.4	2.1	
Telecommunications	4.9	1.9	
Industrials	14.8	-2.8	
Utilities	1.7	-3.6	
Health Care	11.0	-4.1	
Consumer Goods	12.4	-6.9	
Other	10.6	-	

TOP 5 STOCK OVER/UNDERWEIGHTS (%)

	Fund	Relative	
Novo Nordisk	4.5	3.0	
Siemens AG	4.5	2.9	
SAP	5.6	2.9	
Pandora	2.8	2.7	
Ericsson B	3.1	2.6	
Nestle	3.4	-1.6	
Sanofi	0.0	-1.6	
LVMH	0.0	-1.7	
ASML	0.0	-2.2	
Novartis	0.0	-2.7	

FUND MANAGER COMMENTARY

European equity markets continue to perform well despite government bond yields grinding higher. European government policy response is shaping up well, with central banks support still acting as a positive for equity markets. However, economic activity readings suggest the phase of data normalisation from March lows appears over as we start to see some evidence to suggest the recovery may stall from here. The rebound of COVID-19 cases and lockdown restrictions across parts of Europe remains a concern.

The FTSE World Europe ex UK index delivered a gain of 2.2% in the period, which lagged the US and Asia Pacific territories. Much of this stems from style bias, where value outperformed growth in the region. At the sector level, industrials, consumer services and both resource industries were all strong. While defensive sectors saw underperformance, led by healthcare and utilities.

For European Equity Income, the fund delivered a gain of 3.4% in the period. Stock selection was a key positive, led by strength within our exposure to consumer goods, industrials and financials. Selection in technology was the only area of disappointment. For sector allocation, the underweight in healthcare and utilities made a helpful contribution to returns. At the stock level, Flowtraders, Pandora, AP Moller-Maersk, ArcelorMittal and ING Groep were all positive contributors. Turning to detractors, Getinge and Orange were the most notable laggards. In terms of trading, there was no notable activity in the period.



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.

ENVIRONMENTAL PERFORMANCE

Carbon dioxide (CO₂) is the most significant contributor to greenhouse gas emissions which are driving climate change.



1,498
Tonnes

CO₂eⁱ per \$1 million of market capitalisation

CARBON RESERVES

Carbon reserves are fossil fuels (coal, oil and gas) which, if burnt, will become the carbon emissions of the future. To meet global climate change targets, the unabated use of fossil fuels is expected to decline over time.

The figure is a measure of the size of carbon reserves held by the fund's underlying companies.



165
Tonnes

CO₂e per \$1 million of sales

CARBON EMISSIONS

Following the global Paris Agreement on climate change, companies in all sectors are expected to reduce their emissions to prepare and adapt for a low-carbon economy.

Carbon emissions intensity describes the relationship between the carbon emissions of a company and its salesⁱⁱ.

NOTES

ⁱ Carbon dioxide equivalent (CO₂e) is a standard unit to compare the emissions of different greenhouse gases.

ⁱⁱ The choice of this metric follows best practice recommendations from the **Task Force on Climate-related Financial Disclosures**.

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The calculations above rely on third party data provided at a point in time that may not cover the entirety of the fund's investments or the fund's benchmark (against which the fund's performance is measured). As a result, what we may report may change as third party data changes and may also differ from other third party calculations.

Refinitiv: Source: Refinitiv ESG



For further information please go to www.lgim.com/esginfo

KEY RISKS

- The value of an investment and any income taken from it is not guaranteed and can go down as well as up; you may not get back the amount you originally invested.
- The return from this fund is dependent on relatively few individual investments. This means that a fall in the value of an individual investment can have a major impact on the overall performance of the fund.
- The fund could lose money if any institution providing services such as acting as counterparty to derivatives or other instruments, becomes unwilling or unable to meet its obligations to the fund.
- Derivatives are highly sensitive to changes in the value of the asset on which they are based and can increase the size of losses and gains.
- The fund may have underlying investments that are valued in currencies that are different from sterling (British pounds). Exchange rate fluctuations will impact the value of your investment. Currency hedging techniques may be applied to reduce this impact but may not entirely eliminate it.
- We may take some or all of the ongoing charges from the fund's capital rather than the fund's income. This increases the amount of income, but it reduces the growth potential and may lead to a fall in the value of the fund.

For more information, please refer to the key investor information document on our website [↗](#)

LATEST DISTRIBUTION INFORMATION

For distributing unit classes, the latest payments are shown below. Please note that these payments are not guaranteed, are at the discretion of the manager and may be paid out of capital.

Type	Ex-div date	Pay date	Pence per unit
Final	01 May 20	30 Jun 20	0.26p
Interim	03 Feb 20	31 Mar 20	0.04p
Interim	01 Nov 19	31 Dec 19	0.16p
Interim	01 Aug 19	30 Sep 19	0.91p



SPOTLIGHT ON LEGAL & GENERAL INVESTMENT MANAGEMENT

We are one of Europe's largest asset managers and a major global investor, with assets under management of £1,240.6 billion (as at 30 June 2020). We work with a wide range of global clients, including pension schemes, sovereign wealth funds, fund distributors and retail investors.

Source: LGIM internal data as at 30 June 2020. 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	C Acc	GB00BF18CD42
	C Inc	GB00BF18CC35
SEDOL	C Acc	BF18CD4
	C Inc	BF18CC3
Bloomberg	C Acc	LGEECAG LN
	C Inc	LGEECIG LN

TO FIND OUT MORE

 Visit www.legalandgeneral.com

 Call **0370 050 0955**

 Email investments@landg.com

Lines are open Monday to Friday 8.30am to 6.00pm. We may record and monitor calls. Call charges will vary.

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