

Legal & General European Equity Income Fund



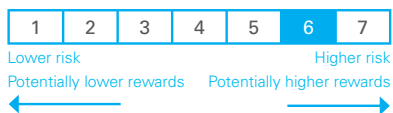
Unit Trust (UCITS compliant) C-Class GBP

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
£239.1m	12 Dec 2017
Historical yield	
3.2%	

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

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	0.24	12.23	-7.69	-	-9.13
■ Benchmark	-1.44	11.98	-2.79	-	4.57
Performance objective	-	-	-	-	-
Comparator	-0.06	12.64	-1.20	-	2.76

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.











FUND SNAPSHOT

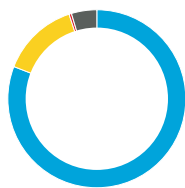
- **What does it invest in?** Invests at least 85% in the shares of companies in Europe, excluding the UK.
- **How does it invest?** Actively managed, with holdings in between 35 and 70 companies on average over a typical market cycle of 3-5 years, which means the fund may be concentrated at times.

PORTFOLIO BREAKDOWN

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

COUNTRY (%)

	Germany	23.0
	France	20.9
	Switzerland	12.4
	Sweden	11.1
	Denmark	9.2
	Norway	6.2
	Netherlands	6.2
	Portugal	4.1
	Spain	2.5
	Other	4.5



MARKET CAPITALISATION (%)

Large	80.9
Mid	14.1
Small	0.0
Micro	0.4
Cash and Equivalents	4.6












■ Top 10 holdings 35.3%
■ Rest of portfolio 64.7%
No. of holdings 50











TOP 10 HOLDINGS (%)

SAP	5.7
Novo Nordisk	4.7
Siemens AG	4.4
Nestle	3.5
Ericsson B	3.2
Wacker Chemie	2.9
AXA	2.9
Bayer	2.7
UBS Group	2.7
Volvo- B	2.7

TOP SECTOR OVER/UNDERWEIGHTS (%)

	Fund	Relative	
Basic Materials	12.1	6.0	
Financials	19.6	3.0	
Consumer Services	6.6	2.7	
Oil & Gas	5.5	2.3	
Telecommunications	5.0	2.0	
Industrials	14.0	-3.0	
Utilities	1.6	-3.9	
Health Care	11.6	-4.2	
Consumer Goods	11.8	-7.6	
Other	12.2	-	

TOP 5 STOCK OVER/UNDERWEIGHTS (%)

	Fund	Relative	
Novo Nordisk	4.7	3.1	
SAP	5.7	3.1	
Siemens AG	4.4	2.9	
Wacker Chemie	2.9	2.8	
Ericsson B	3.2	2.7	
LVMH	0.0	-1.6	
Nestle	3.5	-1.7	
Sanofi	0.0	-1.7	
ASML	0.0	-2.1	
Novartis	0.0	-2.7	

FUND MANAGER COMMENTARY

It was a mixed month for equities, with tech stocks lifting US market performance, while in Europe volatility was much more evident. European equities retreated on weaker sentiment following renewed concerns over a second wave of Coronavirus as new lockdown restrictions were set in specific countries. Q2 earnings season was no worse than feared, though there are plenty of questions around visibility into Q3. Elsewhere, there was more gloomy economic data across Europe. On the political front, EU leaders agreed a €750 billion post pandemic recovery fund, which should have a positive impact on the European macro outlook in the coming years.

Turning to equity markets, cyclicals and value stocks were hit hardest in the month. By sector, Utilities, Materials, Industrials and Tech outperformed. Telecoms, Energy, Healthcare and Financials were out of favour. The energy sector sold off as reduced global demand has seen the price of oil fall, further exacerbating a particularly volatile year for oil stocks.

The fund reported a small positive return of 0.2% in July, which reflected outperformance against its benchmark. Stock selection was positive, driven by gains within our Tech, Healthcare and Consumer Goods exposure. Sector allocation was more mixed, with gains from Materials offset by a lack of exposure to Utilities. At the company level, Wacker Chemie, Ericsson, Getinge, Swedbank and Pandora were the leading outperformers. On the flipside, Bayer, ENI and Telefonica were the largest detractors.

In respect of trading activity, we sold our remaining position in Genmab.

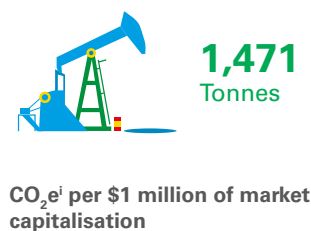


ANDREW KOCH

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

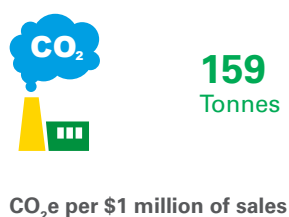
Carbon dioxide (CO₂) is the most significant contributor to greenhouse gas emissions which are driving climate change.



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.



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

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 Visit www.legalandgeneral.com

 Call **0370 050 0955**

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