

Legal & General European Equity Income Fund



Unit Trust (UCITS compliant) I-Class GBP

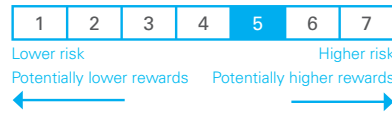
Base currency: **GBP**

Domicile: **UK**

FUND AIM

The objective of the Fund is to provide income and growth above those of the FTSE 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 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 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	Launch date
£252.7m	12 Dec 2017
Historical yield	
3.7%	

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

COSTS

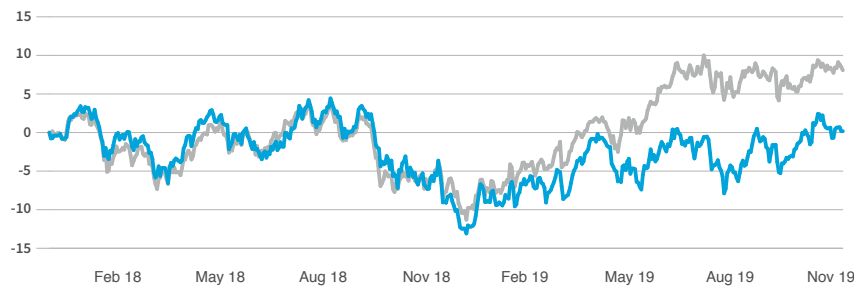
Initial charge	Ongoing charge
0.00%	0.80%
Price basis	Bid / Offer spread
Dual	0.22%

BENCHMARKS

Target benchmark
FTSE Europe ex-UK TR Net Index

Comparator benchmark
IA Sector: Europe Ex UK

PERFORMANCE (%)



	1 month	3 months	1 year	3 years	Launch
■ Fund	1.73	4.54	6.00	-	-1.10
■ Index	1.37	1.01	14.25	-	8.07
Relative to Index	0.36	3.53	-8.25	-	-9.17
Comparator	2.33	1.33	11.91	-	3.13

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 September	2019	2018	2017	2016	2015
Fund	-3.67	-	-	-	-
Index	6.89	-	-	-	-
Relative to Index	-10.56	-	-	-	-
Comparator	1.96	-	-	-	-

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.

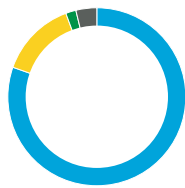


PORTFOLIO BREAKDOWN

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

COUNTRY (%)

 France	26.1
 Switzerland	15.2
 Germany	14.1
 Sweden	11.6
 Denmark	9.8
 Netherlands	5.7
 Norway	5.5
 Spain	4.3
 Portugal	3.0
 Other	4.8



MARKET CAPITALISATION (%)

Large	80.4
Mid	14.0
Small	1.9
Micro	0.0
Cash and Equivalents	3.8












■ Top 10 holdings 32.5%
■ Rest of portfolio 67.5%
No. of holdings 51











TOP 10 HOLDINGS (%)

Novo Nordisk	4.6
AXA	3.6
SAP	3.6
Adecco Group	3.1
BNP Paribas	3.1
ENI	3.0
Daimler AG	2.9
Zurich Insurance Group	2.9
Societe Generale	2.9
Nestle	2.8

TOP SECTOR OVER/UNDERWEIGHTS (%)

	Fund	Relative	
Financials	24.7	5.1	
Oil & Gas	8.1	3.9	
Basic Materials	8.4	2.2	
Consumer Services	6.1	1.8	
Telecommunications	4.8	1.5	
Industrials	16.7	-0.7	
Health Care	11.4	-2.6	
Utilities	1.2	-3.5	
Consumer Goods	11.0	-8.7	

TOP 5 STOCK OVER/UNDERWEIGHTS (%)

	Fund	Relative	
Novo Nordisk	4.6	3.3	
Adecco Group	3.1	2.9	
AXA	3.6	2.8	
Societe Generale	2.9	2.5	
ENI	3.0	2.4	
Nestle	2.8	-1.6	
ASML Holding	0.0	-1.6	
LVMH	0.0	-1.7	
Total	0.0	-1.9	
Novartis	0.0	-2.9	

FUND MANAGER COMMENTARY

Broadly, it was a strong month for equity markets, as the Growth-Policy trade-off continues to improve. The steady 'risk on' move was led by further progressive negotiations on global trade tariffs between the US and China, with wider optimism that worst case scenarios can be avoided. The ECB is considering its policy remit as inflation continues to undershoot. Economic momentum across the Eurozone remains very much uneven. Elsewhere, Q3 reporting has been and gone, with results not as bad as feared in the context of a difficult macro environment. Global activity and survey readings remain subdued, but the trough of sentiment may now have been passed.

In terms of equity market performance, Growth and Quality styles outperformed Value, though performance was more mixed at the stock level. A narrow range of monthly industry performance means a mixed bag of monthly mega cap leaders, including industrials, banks, technology and medical equipment names. Oil & Gas dominates the laggards.

The fund outperformed in the period, despite Growth and Quality style factors doing well. Good stock selection in Financials (Banks) and industrials was the main positive contributor to portfolio performance. While sector allocation was broadly neutral. Leading positive contributors were Societe Generale, ArcelorMittal and BNP Paribas. The biggest negatives were SES (negative c-band auction news) and Pandora (poor results). On activity, we introduced a new position in Stabilus.



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 your investment and any income you take from it may fall as well as rise and is not guaranteed. You might get back less than you invest.
- 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
Interim	01 Aug 19	30 Sep 19	0.91p
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



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 £1,134.5 billion (as at 30 June 2019). 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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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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