



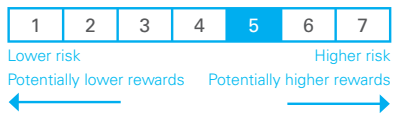
Legal & General European Equity Income Fund

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.

This fund is in category 5 because it invests in company shares which generally provide higher rewards and higher risks than other investments such as bonds, cash or commercial property.

For more information, please refer to the Key Risks section on page 3.

WHO IS THIS FUND FOR?

- This fund is designed for investors seeking income from an investment which can form part of their existing savings portfolio
- 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
- 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 £276.0m	Base currency GBP	Benchmark FTSE Europe ex UK Index
Launch date 12 Dec 2017	Domicile UK	Historical yield 3.80%

COSTS

Initial charge 0.00%	Ongoing charge 0.00%
Price basis Dual	Bid / Offer spread 0.20%

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

PERFORMANCE (%)



	1 month	6 months	1 year	3 years	Launch
■ Fund	-	-	-	-	-
■ Benchmark	-	-	-	-	-

FUND SNAPSHOT

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

ANNUAL PERFORMANCE (%)

12 months to 31 December	2017	2016	2015	2014	2013
Fund	-	-	-	-	-
Quartile ranking	-	-	-	-	-

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 future returns. The value of your investment and any income taken from it is not guaranteed and may go up and down.



PORTFOLIO BREAKDOWN

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

COUNTRY (%)

 France	24.3
 Switzerland	16.5
 Sweden	12.1
 Germany	10.9
 Denmark	8.4
 Netherlands	8.3
 Norway	7.4
 Italy	4.9
 Spain	3.1
 Other	4.3



MARKET CAPITALISATION (%)

Large	89.8
Mid	9.2
Small	0.0
Micro	0.0
Cash and Equivalents	1.0













■ Top 10 holdings 32.31%
■ Rest of portfolio 67.69%
No. of holdings 51











TOP 10 HOLDINGS (%)

Novo-Nordisk B	4.3
Daimler AG	3.7
Roche Holdings	3.5
SAP	3.4
Ing Group	3.0
Societe Generale	2.9
BNP Paribas	2.9
ENI	2.9
SKF B	2.9
Schneider Electric	2.8

TOP SECTOR OVER/UNDERWEIGHTS (%)

	Fund	Relative	
Oil & Gas	8.2	4.2	
Financials	26.8	3.3	
Technology	7.5	2.5	
Telecommunications	5.8	2.4	
Consumer Services	6.9	2.2	
Health Care	10.9	-0.5	
Basic Materials	7.0	-1.0	
Utilities	1.0	-2.8	
Industrials	12.1	-4.9	
Consumer Goods	13.9	-5.4	

TOP 5 STOCK OVER/UNDERWEIGHTS (%)

	Fund	Relative	
Novo-Nordisk B	4.3	3.0	
SKF B	2.9	2.7	
Daimler AG	3.7	2.5	
Societe Generale	2.9	2.3	
Pandora	2.4	2.3	
Allianz SE	0.0	-1.5	
Nestle	2.1	-1.6	
Siemens AG	0.0	-1.6	
Banco Santander	0.0	-1.6	
Total	0.0	-1.8	

FUND MANAGER COMMENTARY

European equity markets started the year on a positive note, driven by a supportive macro data as the Eurozone expansions appears broad-based and sustainable. The beginning of corporate earnings season has also been encouraging, as EPS forecast momentum is holding up well, underpinned by structural support and positive data flow.

Strong economic momentum has continued into 2018. Eurozone output and activity remains encouraging. The Q4 GDP release confirmed that last year the region saw its strongest growth since 2007. External trade performance and the region's unemployment rate was steady. The Eurozone flash PMI for January saw the index for the region hit another new 12-year high.

Turning to markets, it was a good month for mid-caps. Autos, banks and financial services out-performed. Both insurance sectors and general industrials also enjoyed a strong performance. Turning to losers, it was another difficult month for the utilities sector. The two most important factors in determining stock performance during January were high beta and high forecast earnings growth. By geography, Europe and Asia-exposed stocks were the best performing.

In what was a good month for a value style tilt in Europe, the fund enjoyed strong performance, delivering an absolute return of 2.2%. Stock selection was broadly positive, led by holdings in oil & gas and industrials. Though this was partially offset by weakness in consumer goods and healthcare. Sector allocation made a good contribution, driven by our underweight in utilities and overweight in financials.



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, co-chair of the Global best ideas fund, 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. He has an MA from New College, Oxford, in philosophy, politics and economics. Andrew is a CFA charterholder and an ASIP.

KEY RISKS

- 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 the base currency of the share class. Any such investments will be impacted by exchange rate fluctuations and this may affect the value of your investment and any income from it. Currency hedging techniques may be applied to reduce the impact of exchange rate fluctuations but may not entirely eliminate it.
- The fund could lose money if any institutions providing services such as safekeeping of assets or acting as counterparty to derivatives or other instruments, becomes unwilling or unable to meet its obligations to the fund.

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



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 £957.2 billion (as at 30 June 2017). We work with a wide range of global clients, including pension schemes, sovereign wealth funds, fund distributors and retail investors.

Assets under management includes derivative positions and assets managed by LGIMA, an SEC Registered Investment Advisor.

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

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.

Important information

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