

# 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
<b>£267.1m</b>	<b>12 Dec 2017</b>
Historical yield	
<b>4.1%</b>	

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

## COSTS

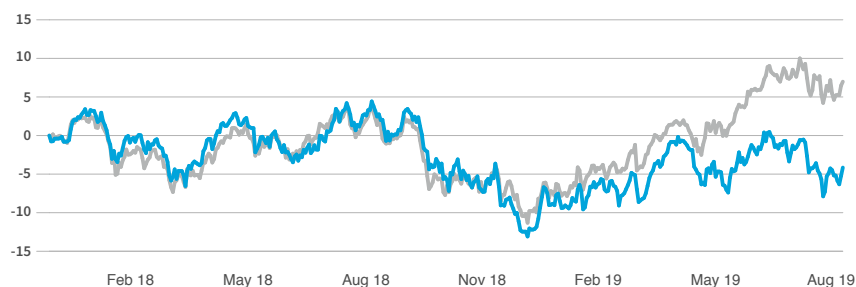
Initial charge	Ongoing charge
<b>0.00%</b>	<b>0.80%</b>
Price basis	Bid / Offer spread
<b>Dual</b>	<b>0.21%</b>

## 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	-3.65	3.07	-6.50	-	-5.40
Index	-1.47	7.01	5.57	-	6.99
Relative to Index	-2.18	-3.94	-12.07	-	-12.39
Comparator	-2.15	6.49	0.07	-	1.77

## 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	2019	2018	2017	2016	2015
Fund	0.17	-	-	-	-
Index	8.61	-	-	-	-
Relative to Index	-8.44	-	-	-	-
Comparator	3.09	-	-	-	-

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.**

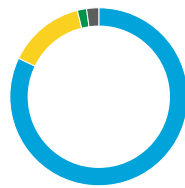


## PORTFOLIO BREAKDOWN

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

### COUNTRY (%)

	France	26.3
	Switzerland	15.9
	Germany	13.7
	Sweden	11.0
	Denmark	10.0
	Norway	5.8
	Netherlands	5.7
	Spain	4.2
	Italy	3.3
	Other	4.2



### MARKET CAPITALISATION (%)

■ Large	82.1
■ Mid	14.0
■ Small	1.7
■ Micro	0.0
■ Cash and Equivalents	2.2












■ Top 10 holdings 32.4%  
■ Rest of portfolio 67.7%  
No. of holdings 50











### TOP 10 HOLDINGS (%)

Novo Nordisk	4.7
Zurich Insurance Group	3.5
SAP	3.5
Nestle	3.3
AXA	3.3
ENI	3.3
Adecco Group	2.9
BNP Paribas	2.7
Daimler AG	2.7
Societe Generale	2.5

### TOP SECTOR OVER/UNDERWEIGHTS (%)

	Fund	Relative	
Financials	24.2	5.5	
Oil & Gas	7.8	3.6	
Consumer Services	7.1	2.7	
Basic Materials	8.8	2.6	
Telecommunications	5.0	1.7	
Industrials	16.6	-0.3	
Health Care	11.6	-2.4	
Utilities	1.2	-3.8	
Consumer Goods	10.8	-10.3	

### TOP 5 STOCK OVER/UNDERWEIGHTS (%)

	Fund	Relative	
Novo Nordisk	4.7	3.3	
Adecco Group	2.9	2.7	
Zurich Insurance Group	3.5	2.7	
ENI	3.3	2.7	
AXA	3.3	2.6	
Roche Hldgs (Genus)	1.5	-1.5	
LVMH	0.0	-1.6	
Total	0.0	-1.9	
Nestle	3.3	-1.9	
Novartis	0.0	-3.1	

## FUND MANAGER COMMENTARY

The re-escalation in global trade tensions continues to drive market direction. Investor risk appetite remains highly sensitive to newsflow between the US and China as uncertainty continues to weigh on economic data. Monthly activity readings for Germany disappointingly reflect the negative impact of these trade dispute. A fifth consecutive monthly fall in the German Ifo Business Climate index presents the Eurozone with a clear headache. Meanwhile, global central banks, including the ECB, continue to review policy and decisions about future asset purchases.

European equity markets struggled in the face of ongoing macro uncertainty as almost all industry sectors de-rated in August. It was however a better relative month for defensives – healthcare and utilities – as Resources, Financials and Technology fared worse. Earnings season hardly helped, but the underperformance of Value continues. Top stocks were once again the global branded consumer plays such as Pernod-Ricard, L’Oreal and Danone.

The fund recorded a negative return of -3.6% during August. On a relative basis, both sector allocation and stock selection were negative. On positioning, the underweight in Healthcare, Utilities and Consumer Goods was a drag. While selection in Industrials and Consumer Services disappointed. At the stock level, the biggest detractors were PGS, AXA, Ericsson and ING. Positive contributors included Novo Nordisk, Pandora and Genmab. There was no significant trading 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.

## 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
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 £1,134.5 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

<b>ISIN</b>	I Acc	GB00BF18C898
	I Inc	GB00BF18C781
<b>SEDOL</b>	I Acc	BF18C89
	I Inc	BF18C78
<b>Bloomberg</b>	I Acc	LGEEIAG LN
	I Inc	LGEEIIG LN

## TO FIND OUT MORE

 Visit [www.legalandgeneral.com](http://www.legalandgeneral.com)

 Call **0370 050 0955**

 Email [investments@landg.com](mailto: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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