

# Legal & General European Equity Income Fund

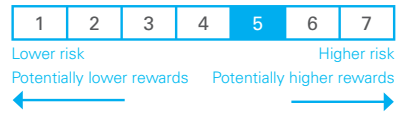
Unit Trust (UCITS compliant) C-Class GBP



## 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.

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 income and growth from an investment in European company shares (excluding UK companies).
- 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 <b>£267.2m</b>	Base currency <b>GBP</b>	Benchmark <b>FTSE Europe ex UK Index</b>
Launch date <b>12 Dec 2017</b>	Domicile <b>UK</b>	Historical yield <b>3.80%</b>

## COSTS

Initial charge <b>0.00%</b>	Ongoing charge <b>0.60%</b>
Price basis <b>Dual</b>	Bid / Offer spread <b>0.17%</b>

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 as part of a total return strategy
- We look for European-listed companies able to grow earnings and free cashflow
- The fund is comprised of a concentrated selection of around 50 stocks with an investment horizon of three to five years

## 12 MONTH PERFORMANCE TO MOST RECENT QUARTER (%)

12 months to 30 September	2018	2017	2016	2015	2014
Fund	-	-	-	-	-
Quartile ranking	-	-	-	-	-

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 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	26.6
 Switzerland	16.2
 Germany	12.6
 Sweden	12.2
 Denmark	7.9
 Norway	6.8
 Netherlands	6.3
 Spain	4.1
 Italy	3.6
 Other	3.7



### MARKET CAPITALISATION (%)

Large	86.4
Mid	11.1
Small	0.2
Micro	0.0
Cash and Equivalents	2.4













■ Top 10 holdings 33.4%  
■ Rest of portfolio 66.6%  
No. of holdings 49











### TOP 10 HOLDINGS (%)

SAP	3.9
Novo Nordisk	3.9
Roche Hldgs (Genus)	3.8
ENI	3.6
AXA	3.4
UBS Group	3.3
Daimler AG	3.3
Ericsson B	3.0
Ing Group Cva	2.7
Societe Generale	2.7

### TOP SECTOR OVER/UNDERWEIGHTS (%)

	Fund	Relative	
Financials	26.4	4.9	
Oil & Gas	8.8	3.8	
Consumer Services	7.9	3.5	
Telecommunications	5.2	2.1	
Technology	7.9	1.9	
Health Care	11.0	-0.8	
Basic Materials	6.0	-2.0	
Industrials	14.6	-2.4	
Utilities	0.8	-3.3	
Consumer Goods	11.5	-7.6	

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

	Fund	Relative	
ENI	3.6	2.8	
Novo Nordisk	3.9	2.7	
AXA	3.4	2.6	
Ericsson B	3.0	2.6	
UBS Group	3.3	2.5	
Allianz SE	0.0	-1.5	
Siemens AG	0.0	-1.5	
Nestle	2.1	-1.6	
Total	0.0	-2.4	
Novartis	0.0	-2.7	

## FUND MANAGER COMMENTARY

European markets were broadly flat in September. The overhang of key uncertainties hanging over global equity markets proved challenging, with it being notably difficult for 'growth' focused investors. In particular, the deteriorating relationship between China and the US appeared the most important narrative for risk assets. Markets have begun to treat this as much more than just a short-term nuisance, as positions appear to harden on both sides. Elsewhere, there were more headlines over Italy's fiscal intentions, which is a clear headache for its European partners. Meanwhile, the ECB's conviction that a "vigorous" pickup in inflation is imminent has yet to be supported by the data. Finally, Oil extended its gains, having seen the largest quarterly rally in a decade. Much of this is driven by concerns over supply risk following the looming sanctions on Iran and continued decline from Venezuela.

The European Equity Income fund narrowly outperformed its benchmark, delivering a return of -0.4%. This was predominantly driven by good stock selection in banks and tech hardware companies. The portfolio's oil & gas exposure once again resulted in alpha capture, with PGS and GTT high on the list of top contributors. In tech, we saw Ericsson and Ingenico make positive contributions, while satellite business SES was another good performer. Detracting from returns were holdings of Adecco (recruiter) and Nyrstar (zinc producer), after both reported profit warnings. In terms of activity, we initiated a new position in Mediaset Espana Comunicacion, a well-run Spanish broadcaster.



### 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 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). 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.
- 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 18	30 Sep 18	0.73p
Final	01 May 18	29 Jun 18	0.69p



### 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 £984.8 billion (as at 30 June 2018). We work with a wide range of global clients, including pension schemes, sovereign wealth funds, fund distributors and retail investors.

Assets under management include 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

<b>ISIN</b>	C Acc	GB00BF18CD42
	C Inc	GB00BF18CC35
<b>SEDOL</b>	C Acc	BF18CD4
	C Inc	BF18CC3
<b>Bloomberg</b>	C Acc	LGEECAG LN
	C Inc	LGEECIG 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.

## Important information

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