

Legal & General UK Equity Income Fund

Unit Trust (UCITS compliant) I-Class GBP



FUND AIM

The objective of this fund is to provide an income in excess of the yield represented by the performance of the FTSE All-Share Index, and long-term growth. The fund will typically invest between 80% and 100% in UK company shares, or in shares of overseas companies which have a significant part of their activities in the UK or whose shares are traded on UK stock markets.

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 UK company shares.
- 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

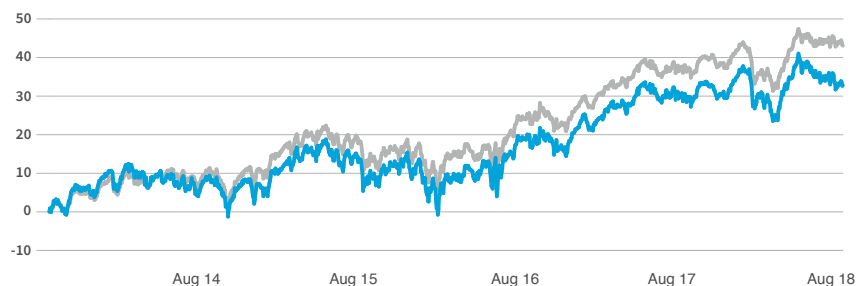
| | | |
|-----------------------------------|-----------------------------|---|
| Fund size £258.0m | Base currency GBP | IA Sector IA UK Equity Income |
| Launch date 31 Mar 2011 | Domicile UK | Historical yield 4.60% |

COSTS

| | |
|--------------------------------|------------------------------------|
| Initial charge 0.00% | Ongoing charge 0.78% |
| Price basis Dual | Bid / Offer spread 0.58% |

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

PERFORMANCE (%)



| | 1 month | 3 months | 1 year | 3 years | 5 years |
|------------------|---------|----------|--------|---------|---------|
| ■ Fund | -2.39 | -3.09 | 2.09 | 22.12 | 32.73 |
| ■ IA Sector | -1.48 | -1.16 | 4.15 | 26.39 | 43.06 |
| Quartile ranking | 4 | 4 | 4 | 3 | 4 |

12 MONTH PERFORMANCE TO MOST RECENT QUARTER (%)

| 12 months to 30 June | 2018 | 2017 | 2016 | 2015 | 2014 |
|----------------------|------|-------|-------|------|-------|
| Fund | 5.28 | 18.66 | -2.42 | 4.82 | 11.42 |
| IA Sector | 6.17 | 19.37 | -1.98 | 6.87 | 14.39 |
| Quartile ranking | 3 | 3 | 3 | 4 | 4 |

Performance for the I Inc unit class in GBP launched on 31 March 2011. 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.

FUND SNAPSHOT



- Seeks to deliver consistent income and capital growth over the long term
- Equity income investing is an investment style which has historically proven to be successful over the long term
- When picking stocks, the fund manager seeks those with sustainable high yields, dividend growth prospects, or that are undervalued and have the potential for recovery

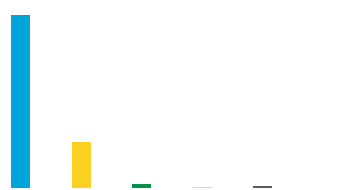


PORTFOLIO BREAKDOWN

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

COUNTRY (%)

| | | |
|--|----------------|------|
|  | United Kingdom | 98.3 |
|  | Mauritius | 1.7 |



MARKET CAPITALISATION (%)

| | |
|----------------------|------|
| Large | 77.3 |
| Mid | 20.4 |
| Small | 1.7 |
| Micro | 0.0 |
| Cash and Equivalents | 0.7 |













■ Top 10 holdings 35.7%
■ Rest of portfolio 64.4%
No. of holdings 47











TOP 10 HOLDINGS (%)

| | |
|------------------------|-----|
| BP | 4.5 |
| Royal Dutch Shell | 4.3 |
| Lloyds Banking Group | 4.1 |
| Rio Tinto | 4.0 |
| Prudential | 3.4 |
| Aviva | 3.2 |
| GVC Holdings | 3.2 |
| BHP Billiton | 3.1 |
| Tesco | 3.0 |
| Phoenix Group Holdings | 2.8 |

TOP SECTOR OVER/UNDERWEIGHTS (%)

| | Fund | Relative | |
|-------------------|------|----------|---|
| Consumer Services | 19.3 | 7.4 |  |
| Financials | 31.9 | 6.1 |  |
| Basic Materials | 11.3 | 4.0 |  |
| Unclassified | 3.3 | 3.3 |  |
| Technology | 2.3 | 1.4 |  |
| Industrials | 9.6 | -1.9 |  |
| Utilities | 0.0 | -2.6 |  |
| Oil & Gas | 8.8 | -5.0 |  |
| Consumer Goods | 8.0 | -6.2 |  |
| Health Care | 2.2 | -7.1 |  |

TOP 5 STOCK OVER/UNDERWEIGHTS (%)

| | Fund | Relative | |
|------------------------|------|----------|---|
| GVC Holdings | 3.2 | 2.9 |  |
| Phoenix Group Holdings | 2.8 | 2.7 |  |
| Direct Line Insurance | 2.6 | 2.5 |  |
| Aviva | 3.2 | 2.4 |  |
| Johnson Matthey | 2.7 | 2.4 |  |
| Unilever | 0.0 | -2.1 |  |
| Diageo | 0.0 | -2.7 |  |
| GlaxoSmithKline | 0.0 | -3.2 |  |
| Royal Dutch Shell | 4.3 | -4.4 |  |
| HSBC Holdings | 1.1 | -4.5 |  |

FUND MANAGER COMMENTARY

August delivered mixed messages for global equity markets, with strong US market performance and negative performance elsewhere. The S&P 500 Index continued its longest bull run in history while most other equity markets in dollar terms declined. The UK was notably weak as Brexit negotiations continue to stall. Oil fell from July year-to-date highs, dipping to \$65 intra month and closing at \$70.

On a style basis, growth extended its outperformance over value, which was most notable in Europe as it hit a two-year high. In the UK in a reversal of fortunes, the consumer staples and healthcare sectors outperformed technology. Momentum in the healthcare sector showed no signs of abating, as more stocks hit twelve-month highs. At the size level, mid-caps were the strongest performing group, helped by corporate earnings and a degree of benefit from sterling strength.

The fund outperformed its benchmark by 40bps during August but lagged its peers. Sector allocation and stock selection were both flat to modest negatives. Being underweight healthcare as well as stock selection within the sector was one of the major drags. On the flip side, our overweight in consumer services was both a positive in allocation and selection terms.



STEPHEN MESSAGE

Stephen joined LGIM in 2017 as a Fund Manager for the UK Equity Income portfolios. He has been managing the UK Equity Income Trust since November 2017. Stephen joined from Old Mutual where he was responsible for the management of the Old Mutual UK Equity Income fund from 2009 until 2016. Prior to that, he was a Fund Manager at Bessemer Trust from 2006 until 2008. Stephen graduated from Imperial College London with a MEng in Aeronautical Engineering. He is also a CFA charterholder.

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 impact to the fund can be greater where derivatives are used in an extensive or complex way.
- 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 | 25 Apr 18 | 22 Jun 18 | 0.90p |
| Final | 25 Jan 18 | 23 Mar 18 | 0.44p |
| Interim | 25 Oct 17 | 22 Dec 17 | 0.87p |
| Interim | 24 Jul 17 | 24 Sep 17 | 0.90p |



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

| | | |
|------------------|-------|--------------|
| ISIN | I Acc | GB00B6HBD759 |
| | I Inc | GB00B56B1J72 |
| SEDOL | I Acc | B6HBD75 |
| | I Inc | B56B1J7 |
| Bloomberg | I Acc | LGUEIIA |
| | I Inc | LGUEIII |

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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