

Legal & General European Equity Income Fund



Unit Trust (UK 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 World 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 6 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 4.

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 £291.4m	Fund launch date 12 Dec 2017
Historical yield 2.5%	

COSTS

Initial charge 0.00%	Ongoing charge 0.80%
Price basis Single swing	Dilution adjustment 0.20%- round trip

BENCHMARKS

Benchmark
FTSE World Europe ex UK TR Net Index

Performance objective
FTSE World Europe ex UK TR Net Index +2%

Comparator benchmark
IA Sector: Europe Ex UK

PERFORMANCE (%)



	1 month	3 months	1 year	3 years	Launch
■ Fund	4.28	2.33	29.60	19.80	21.21
■ Benchmark	2.82	6.29	26.60	31.59	32.24
Performance objective	-	-	-	39.09	43.71
Comparator	3.61	6.67	27.04	31.63	33.86

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	2021	2020	2019	2018	2017
Fund	29.82	-7.61	0.17	-	-
Benchmark	22.03	-0.10	7.01	-	-
Comparator	23.55	1.13	3.09	-	-

For annual performance against the performance objective please see the Key Investor Information Document (KIID). 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.

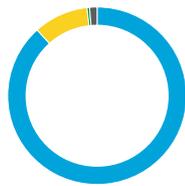


PORTFOLIO BREAKDOWN

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

COUNTRY (%)

 France	28.3
 Germany	20.7
 Switzerland	10.7
 Sweden	9.2
 Netherlands	7.7
 Denmark	6.3
 Norway	6.2
 Spain	2.8
 Portugal	2.7
 Other	5.4



MARKET CAPITALISATION (%)

Large	88.3
Mid	9.9
Small	0.5
Micro	-
Cash and Equivalents	1.3



■ Top 10 holdings 29.8%
■ Rest of portfolio 70.2%
No. of holdings 53

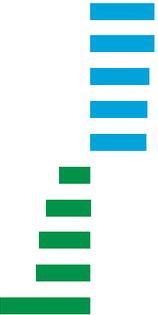
TOP 10 HOLDINGS (%)

Novo Nordisk	4.2
SAP	3.7
Siemens AG	3.2
St Gobain (Cie De)	3.0
AXA	2.8
UBS Group	2.7
Carrefour	2.7
Danone	2.6
Daimler AG	2.5
BNP Paribas	2.4

SECTOR (%)

Financials	19.9	
Health Care	16.2	
Industrials	12.4	
Consumer Staples	10.7	
Telecommunications	9.7	
Basic Materials	9.1	
Consumer Discretionary	7.9	
Energy	6.7	
Technology	4.9	
Utilities	1.8	
Unclassified	0.6	

TOP 5 STOCK OVER/UNDERWEIGHTS (%)

	Fund	Relative	
Carrefour	2.7	2.6	
St Gobain (Cie De)	3.0	2.6	
Novo Nordisk	4.2	2.4	
Wacker Chemie	2.3	2.3	
Flow Traders	2.3	2.3	
L'Oreal	0.0	-1.3	
Nestle	2.2	-1.8	
LVMH	0.0	-2.1	
Novartis	0.0	-2.2	
ASML	0.0	-3.7	

FUND MANAGER COMMENTARY

The European equity market delivered a positive return in August. Positive earnings delivery, guidance upgrades and analyst revisions have been a key feature of the latest corporate reporting season, supporting the strong market performance year-to-date. That said, commentary from management teams point to continued headwinds from supply disruption, rising freight and distribution costs, and increasing labour shortages. This continues to be a key talking point as part of our engagement with companies. On Covid-19, the spread of the Delta variant has caused cases in Europe to rise, denting consumer confidence. However, most large eurozone countries have now vaccinated over 70% of their population against the virus and hospitalisation rates have remained much lower than in previous waves.

The L&G European Equity Income fund outperformed its benchmark in August. Stock selection accounted for the outperformance, driven by our names in Financials and Basic Materials. Sector allocation was a small negative, led by our underweight allocation in Technology. At the stock level, the top positive contributions came from Wacker Chemie, Merck KGaA and not owning LVMH. Negative contributions came from Daimler and not owning ASML.

In terms of portfolio activity, we sold our position in automotive supplier Hella following the attractive price attained on bidding news.



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.

ENVIRONMENTAL PERFORMANCE

Carbon dioxide (CO₂) is the most significant contributor to greenhouse gas emissions which are driving climate change.



1,421
Tonnes

CO₂eⁱ per \$1 million EVIC

CARBON RESERVES

Carbon reserves are fossil fuels (coal, oil and gas) which, if burnt, will become the carbon emissions of the future. To meet global climate change targets, the unabated use of fossil fuels is expected to decline over time.

The figure is a measure of the size of carbon reserves held by the fund's underlying companies.



149
Tonnes

CO₂e per \$1 million of revenues

CARBON EMISSIONS

Following the global Paris Agreement on climate change, companies in all sectors are expected to reduce their emissions to prepare and adapt for a low-carbon economy.

Carbon emissions intensity describes the relationship between the carbon emissions of a company and its salesⁱⁱ.

NOTES

ⁱ Carbon dioxide equivalent (CO₂e) is a standard unit to compare the emissions of different greenhouse gases.

ⁱⁱ The choice of this metric follows best practice recommendations from the **Task Force on Climate-related Financial Disclosures**.

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The calculations above rely on third party data provided at a point in time that may not cover the entirety of the fund's investments or the fund's benchmark (against which the fund's performance is measured). As a result, what we may report may change as third party data changes and may also differ from other third party calculations.

Refinitiv: Source: Refinitiv ESG



For further information please go to www.lgim.com/esginfo

KEY RISKS

- The value of an investment and any income taken from it is not guaranteed and can go down as well as up; you may not get back the amount you originally invested.
- 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	04 May 21	30 Jun 21	0.61p
Interim	01 Feb 21	31 Mar 21	0.18p
Interim	02 Nov 20	31 Dec 20	0.17p
Interim	03 Aug 20	30 Sep 20	0.45p



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 £1,326.8 billion (as at 30 June 2021). We work with a wide range of global clients, including pension schemes, sovereign wealth funds, fund distributors and retail investors.

Source: LGIM internal data as at 30 June 2021. 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

TO FIND OUT MORE

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 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.

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