

Legal & General European Equity Income Fund
Interim Manager's Report
for the period ended
31 October 2023
(Unaudited)



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Manager's Investment Report

Investment Objective and Policy

The objective of the Fund is to provide income in excess of the income generated by the FTSE World Europe ex-UK TR Net Index, the "Benchmark Index", measured before the deduction of any charges and over rolling five year periods, whilst aiming for capital growth over the long term (at least five years). Please note, invested capital is at risk and there is no guarantee that the above will be attained over any time period.

The Fund is actively managed and will invest at least 85% in the shares of European companies, excluding the UK. These are companies that are incorporated, listed, headquartered or which have their principal business activities in Europe.

Over a market cycle (typically five years), the Fund will comprise on average 35 to 70 companies selected by the Manager following research of each company. At times, the Fund's portfolio may be concentrated.

The Fund may also invest in other shares (including of UK companies), preference shares, collective investment schemes including those managed or operated by the Manager or an affiliate of the Manager as well as participatory notes, cash, permitted deposits and money market instruments (such as Treasury bills).

In addition, the Fund is also permitted to receive and hold warrants and convertible bonds as a result of corporate actions.

The Fund may only hold derivatives for the purposes of Efficient Portfolio Management.

Manager's Investment Report

During the period under review, the published price of the Fund's I-Class accumulation units fell by 4.83%. This compares to a fall in the Benchmark Index of 6.44% on a total return basis (Source: LGIM).

Past performance is not a guide to future performance.

The value of investments and any income from them may go down as well as up.

Exchange rate changes may cause the value of any overseas investments to rise or fall.

Market/Economic Review

Over the past six months, inflationary pressures and tighter monetary policy continued to dominate the thoughts of market participants, as investors contemplated a higher-for-longer interest rate environment.

The European Central Bank (ECB) paused its rate-hiking programme in October but kept rates at an all-time high of 4.5%. Eurozone annualised inflation fell to its lowest level in more than two years in October, tumbling to 2.9% from 4.3% in September, on the back of falling energy prices and a drop in food inflation. Meanwhile, Germany, the region's largest economy, also saw its annualised inflation rate fall sharply, from 4.5% in September to 3.8% in October.

European equity markets lost notable ground over the six months in Euro terms and underperformed the global average over the period under review. All sectors were in the red over the period, with the notable exceptions of the energy and financial sectors. The latter was underpinned by banks in their role as interest rate beneficiaries. Credit quality also remained favourable.

Manager's Investment Report continued

Fund Review

Weighing on performance was our holding in Siemens Energy, which encountered difficulties on account of SGRE, its troubled wind segment. Having discovered some potential flaws in one model of onshore turbine, SGRE is now accountable for rectifying these, an unfortunate commitment during a time of challenging profitability for the whole sector. As a result, SGRE is valued negatively. We believe this is too much of a short-term view, but we are maintaining our current holding as we await more clarity on this troubled segment.

By contrast, our holding in UBS contributed positively. In the first consolidated report since its forced takeover with Credit Suisse, the group revealed it had stemmed the tide of outflows and booked a significant profit as the vast assets it acquired were reconciled with the small purchase price paid. Our largest positive contribution was through not owning luxury goods group, LVMH. We didn't own it on the belief that the share price had become too highly rated, and our motive proved justifiable given that the share price subsequently underwent a derating in the review period.

In terms of trading, we started a new position in Puma, which is a long-term beneficiary of the 'athleisure' trend. In the medium term, the company hopes to regain share in China after Western brands were shunned in the 'Better Cotton Initiative' backlash. We believe this is helpful for two reasons – the potential for high exposure (the company used to get ~15% of revenues from China which is now more akin to 5%). But also, this area is high-margin business, with high internal rates of return and operating margins. The initial signs are encouraging, but, we believe, the recovery may take years. Over the review period, we sold our holding in Media for Europe. The shares had performed strongly over the year, and while still cheap on an optical basis in our view, the profits are sensitive to the economic climate. We believe the long-term prospects are gloomy in broadcast TV, therefore we felt that the cash would be better deployed elsewhere.

Outlook

While it appears as though interest rates may have stopped rising for now, inflation is far from its target level, so we do not see rate cuts in the immediate future. While economists see the possibility of a recession in Europe at 50%, we are concerned by pockets of weakness, especially in the discretionary space, which we see as potentially softer as household savings deplete and increased costs bite harder. Although lower interest-rate beneficiaries, such as utilities and REITs, have been weak in the period, we are still cautious about investing in companies with large amounts of debt, not all of which will have refinanced on higher rates. That said, we believe there may be opportunities going forward. We maintain our preference for low debt companies which provide services which people need, such as consumer staples and sometimes telecommunications companies. However, in this volatile environment, we are mindful of bargains in any sector which the stock market may well give us.

Legal & General Investment Management Limited
(Investment Adviser)
22 November 2023

Manager's Investment Report continued

Important Note from the Manager

COVID-19

On 5 May 2023, the WHO Director-General concurred with the advice offered by the International Health Regulations (2005) ("IHR") Emergency Committee regarding the Coronavirus 2019 disease (COVID-19) pandemic and determined that COVID-19 is now an established and ongoing health issue which no longer constitutes a public health emergency of international concern ("PHEIC").

The Manager continues to monitor the COVID-19 pandemic on an on-going basis.

Geopolitical Events

In response to events in Eastern Europe and the Middle East, the Manager is closely monitoring financial markets and any potential liquidity and volatility risks which may have an impact on the Fund.

Legal & General (Unit Trust Managers) Limited
October 2023

Authorised Status

Authorised Status

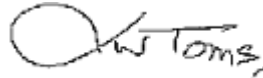
This Fund is an Authorised Unit Trust Scheme as defined in section 243 of the Financial Services and Markets Act 2000 and is a UCITS Retail Scheme within the meaning of the FCA Collective Investment Schemes sourcebook.

Directors' Statement

We hereby certify that this Manager's Report has been prepared in accordance with the requirements of the FCA Collective Investment Schemes sourcebook.



A. J. C. Craven
(Director)



L. W. Toms
(Director)

Legal & General (Unit Trust Managers) Limited
21 December 2023

Portfolio Statement

Portfolio Statement as at 31 October 2023

All investments are in ordinary shares unless otherwise stated. The percentages in brackets show the equivalent holdings at 30 April 2023.

Holding/ Nominal Value	Investment	Market Value £	% of Net Assets
	UNITED KINGDOM — 1.14% (0.83%)		
70,900	Noble Corporation	2,651,637	1.14
	CONTINENTAL EUROPE — 95.21% (94.03%)		
	Austria — 1.79% (2.00%)		
110,000	ANDRITZ	4,135,555	1.79
	Belgium — 0.84% (0.89%)		
72,000	Galapagos	1,943,858	0.84
	Denmark — 5.96% (4.92%)		
129,200	Novo Nordisk	10,359,344	4.47
19,200	ROCKWOOL	3,454,182	1.49
		13,813,526	5.96
	France — 25.96% (26.09%)		
298,000	AXA	7,298,245	3.15
112,000	BNP Paribas	5,352,628	2.31
372,000	Carrefour	5,435,084	2.35
121,000	Cie de Saint-Gobain	5,454,485	2.36
121,000	Danone	5,959,589	2.57
19,000	Dassault Aviation	3,064,473	1.32
9,370	Gaztransport Et Technigaz	988,106	0.43
378,000	Orange	3,672,568	1.59
93,700	Publicis Groupe	5,892,555	2.54
103,000	Sanofi	7,717,725	3.33
66,600	Societe BIC	3,441,684	1.49
247,000	Societe Generale	4,592,303	1.98
116,000	Valeo	1,258,292	0.54
		60,127,737	25.96
	Germany — 23.97% (23.91%)		
98,000	BASF	3,726,857	1.61
125,000	Bayer	4,455,003	1.92
45,400	Daimler Truck Holding	1,182,403	0.51
326,000	Deutsche Telekom	5,851,404	2.53
219,000	Fresenius SE & Company	4,678,307	2.02
114,000	KION Group	2,837,339	1.22
59,800	Mercedes-Benz Group	2,910,778	1.26
57,900	Puma	2,699,726	1.17
111,000	SAP	12,235,803	5.28
75,000	Siemens	8,189,985	3.54
276,000	Siemens Energy	2,000,420	0.86
31,300	Stabilus	1,624,336	0.70
31,500	Wacker Chemie	3,130,218	1.35
		55,522,579	23.97

Portfolio Statement continued

Holding/ Nominal Value	Investment	Market Value £	% of Net Assets
	Italy — 2.89% (2.42%)		
496,000	Eni	6,688,131	2.89
	Luxembourg — 2.41% (2.52%)		
156,000	ArcelorMittal	2,823,267	1.22
580,000	SES	2,751,086	1.19
		5,574,353	2.41
	Netherlands — 2.55% (2.76%)		
562,000	ING Groep	5,913,739	2.55
	Norway — 3.69% (3.59%)		
199,000	Mowi	2,662,447	1.15
3,080,000	PGS	2,290,959	0.99
176,000	Telenor	1,489,553	0.64
77,700	Yara International	2,097,455	0.91
		8,540,414	3.69
	Portugal — 3.05% (2.91%)		
980,000	EDP - Energias de Portugal	3,387,662	1.46
300,000	Galp Energia	3,684,771	1.59
		7,072,433	3.05
	Spain — 1.32% (1.06%)		
469,000	Banco Bilbao Vizcaya Argentaria	3,067,629	1.32
	Sweden — 8.91% (8.88%)		
492,000	Elekta	2,740,933	1.18
317,000	Essity	5,949,199	2.57
414,000	Svenska Handelsbanken 'A'	2,911,310	1.26
256,000	Swedbank 'A'	3,470,791	1.50
577,000	Telefonaktiebolaget LM Ericsson	2,114,748	0.91
210,000	Volvo 'B'	3,447,307	1.49
		20,634,288	8.91
	Switzerland — 11.87% (12.08%)		
79,600	Adecco Group	2,454,184	1.06
63,200	Nestlé	5,646,707	2.44
32,500	Roche Holding	6,917,177	2.98
21,200	The Swatch Group	4,451,374	1.92
414,000	UBS Group	8,029,898	3.47
		27,499,340	11.87
	NORTH AMERICA — 1.64% (2.01%)		
	Bermuda — 1.64% (2.01%)		
254,000	Flow Traders	3,803,300	1.64
Portfolio of investments¹		226,988,519	97.99
Net other assets²		4,649,054	2.01
Total net assets		£231,637,573	100.00%

Portfolio Statement continued

¹ All investments are admitted to an official stock exchange unless otherwise stated.

² Includes shares in the LGIM Euro Liquidity Fund Class 1 to the value of £561,425 which is shown as a cash equivalents in the balance sheet of the Fund.

Total purchases for the period: £10,420,950.

Total sales for the period: £29,376,650.

Financial Statements

Statement of Total Return For the period ended 31 October 2023

	31/10/23		31/10/22	
	£	£	£	£
Income				
Net capital losses		(17,309,091)		(20,257,103)
Revenue	6,107,482		6,609,532	
Expenses	(92,013)		(81,648)	
Interest payable and similar charges	(1,800)		(16,193)	
Net revenue before taxation	6,013,669		6,511,691	
Taxation	(377,513)		(250,389)	
Net revenue after taxation for the period		5,636,156		6,261,302
Total return before distributions		(11,672,935)		(13,995,801)
Distributions		(5,728,169)		(6,342,950)
Change in net assets attributable to Unitholders from investment activities		£(17,401,104)		£(20,338,751)

Statement of Change in Net Assets attributable to Unitholders for the period ended 31 October 2023

	31/10/23		31/10/22	
	£	£	£	£
Opening net assets attributable to Unitholders		271,744,897		278,479,520
Amounts received on issue of units	1,237,280		4,574,145	
Amounts paid on cancellation of units	(24,741,438)		(1,139,625)	
		(23,504,158)		3,434,520
Change in net assets attributable to Unitholders from investment activities		(17,401,104)		(20,338,751)
Retained distributions on accumulation units		797,938		745,969
Closing net assets attributable to Unitholders		£231,637,573		£262,321,258

The difference between the opening net assets and the comparative closing net assets is the movement in the second half of the year.

Financial Statements continued

Balance Sheet as at 31 October 2023

	31/10/23 £	30/04/23 £
ASSETS		
Fixed assets:		
Investments	226,988,519	263,236,270
Current assets:		
Debtors	3,122,085	2,241,522
Cash and bank balances	5,145,732	3,703,274
Cash equivalents	561,425	5,970,640
Total assets	<u>235,817,761</u>	<u>275,151,706</u>
LIABILITIES		
Creditors:		
Bank overdrafts	(2,246,316)	(632)
Distributions payable	(559,588)	(3,385,818)
Other creditors	(1,374,284)	(20,359)
Total liabilities	<u>(4,180,188)</u>	<u>(3,406,809)</u>
Net assets attributable to Unitholders	<u>£231,637,573</u>	<u>£271,744,897</u>

Notes to the Financial Statements

1. Statement of Compliance

The Financial Statements have been prepared in compliance with UK Financial Reporting Standard 102 (FRS 102) and in accordance with the Statement of Recommended Practice for UK Authorised Funds issued by the Investment Association in May 2014 (2014 SORP) and amended in June 2017.

2. Accounting Policies

The accounting policies applied are consistent with the most recent annual Financial Statements.

(a) Basis of Preparation

The Financial Statements have been prepared on a going concern basis, under the historical cost convention as modified by the revaluation of certain financial assets and liabilities measured at fair value through profit or loss. In making this assessment, the Manager has considered, amongst other things, factors such as Fund size, cash flows through the Fund and Fund liquidity in its assessment of the Fund's ability to meet its liabilities as they fall due for at least the twelve month period from the date the financial statements are signed. Based on this assessment, the Manager deems the basis of preparation appropriate.

Fund Information

Net Asset Values and Units in Issue

Class	Net Asset Value (£)	Units in Issue	Net Asset Value per Unit (p)
I-Class			
Distribution Units	1,784,337	3,496,507	51.03
Accumulation Units	4,838,244	7,786,258	62.14
C-Class			
Distribution Units	72,558	140,620	51.60
Accumulation Units	37,725	60,025	62.85
L-Class			
Distribution Units	201,630,996	378,819,442	53.23
Accumulation Units	23,273,713	35,876,552	64.87

Past performance is not a guide to future performance.

The price of units and any income from them may go down as well as up.

Exchange rate changes may cause the value of any overseas investments to rise or fall.

Ongoing Charges Figures

	31 Oct 23*	30 Apr 23
I-Class	0.80%	0.80%
C-Class	0.60%	0.60%
L-Class	0.05%	0.05%

* In addition to the ongoing charges, the Fund incurs costs relating to investments in closed ended funds (such as investment trusts). These costs vary and are approximately 0.00%.

The Ongoing Charges Figure (OCF) is the ratio of the Fund's total disclosable costs (excluding overdraft interest) to the average net assets of the Fund.

The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a fund and is calculated based on the last period's figures.

Distribution Information

I-Class

The distribution payable on 31 December 2023 is 0.1423p per unit for distribution units and 0.1726p per unit for accumulation units.

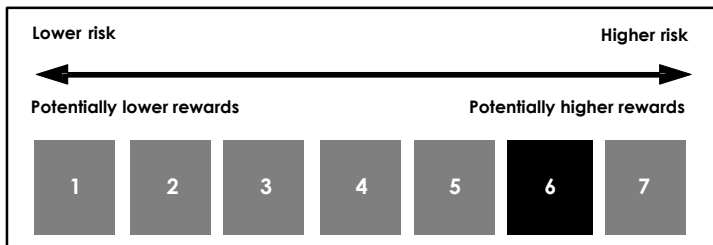
C-Class

The distribution payable on 31 December 2023 is 0.1381p per unit for distribution units and 0.1713p per unit for accumulation units.

L-Class

The distribution payable on 31 December 2023 is 0.1463p per unit for distribution units and 0.1778p per unit for accumulation units.

Risk and Reward Profile



- The Risk and Reward Indicator table demonstrates where the Fund ranks in terms of its potential risk and reward. The higher the rank the greater the potential reward but the greater the risk of losing money. It is not guaranteed to remain the same and may change over time. It is based on historical data and may not be a reliable indication of the future risk profile of the Fund. The shaded area in the table above shows the Fund's ranking on the Risk and Reward Indicator.
- The Fund is in category six 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. Company shares are generally considered to be higher risk investments than bonds or cash.
- Even a fund in the lowest category is not a risk free investment.

General Information

Constitution

Launch date:	19 December 2017
Period end dates for distributions:	30 April, 31 July, 31 October, 31 January
Distribution dates:	30 June, 30 September, 31 December, 31 March
Minimum initial lump sum investment:	I-Class £1,000,000 C-Class* £50,000,000 L-Class** £100,000
Valuation point:	12 noon
Fund Management Fees:	I-Class Annual 0.80% C-Class* Annual 0.60% L-Class** Annual 0.05%
Initial charges:	Nil for all existing unit classes

- * Class C units are available to certain eligible investors who meet the criteria for investment in such units as outlined in the share class policy of the Manager, which is available to investors in the C-Class upon request. Where investors in the C-Class no longer continue to meet the criteria for investment in such units, further investment in such units may not be permitted.
- ** Class L units are only available to other Legal & General funds and/or companies which have entered into an agreement with the Manager or an affiliate of the Manager.

Pricing and Dealing

The prices are published on the internet at www.legalandgeneral.com/investments/funds/prices-and-reports/daily-fund-prices immediately after they become available.

Dealing in units takes place on a forward pricing basis, from 9:00am to 5:00pm, Monday to Friday.

Buying and Selling Units

Units may be bought on any business day from the Manager or through a financial adviser by completing an application form or on the internet at www.legalandgeneral.com. Units may normally be sold back to the Manager on any business day at the bid price calculated at the following valuation point.

Prospectus and Manager's Reports

Copies of the Prospectus and the most recent annual or interim reports are available free of charge by telephoning 0370 050 0955 or by writing to the Manager.

Do you have difficulty in reading information in print because of a disability? If so, we can help. We are able to produce information for our clients in large print and braille. If you would like to discuss your particular requirements, please contact us on 0370 050 0955.

Call charges will vary. We may record and monitor calls.

General Information continued

Taskforce on Climate related Financial Disclosures (TCFD) Report

In accordance with the Taskforce on Climate related Financial Disclosures (TCFD) requirements, Legal & General (Unit Trust Managers) Limited (UTM) has prepared its public TCFD report which is available for investors to read and review at the following website link: https://www.lgim.com/landg-assets/lgim/_document-library/capabilities/lgim-ltd-tcf-d-legal-entity-report-2022.pdf.

Notifiable Change

Prospectus Update

With effect from 23 May 2023, the Prospectus was further updated to confirm that units may be redeemed in certain circumstances.

General Information continued

Authorised Fund Manager

Legal & General (Unit Trust Managers) Limited
Registered in England and Wales No. 01009418
Registered office:
One Coleman Street,
London EC2R 5AA
Telephone: 0370 050 3350
Authorised and regulated by the Financial Conduct Authority

Directors of the Manager

M. M. Ammon
E. Cowhey*
A. J. C. Craven
D. J. Hosie*
R. R. Mason
L. W. Toms
*Non-executive Director

Secretary

J. McCarthy
One Coleman Street,
London EC2R 5AA

Registrar

Legal & General (Unit Trust Managers) Limited
Brunel House,
2 Fitzalan Road,
Cardiff CF24 0EB
Authorised and regulated by the Financial Conduct Authority

Dealing: 0370 050 0956
Enquiries: 0370 050 0955
Registration: 0370 050 0955

Call charges will vary. We may record and monitor calls.

Trustee

Northern Trust Investor Services Limited
Trustee and Depositary Services
50 Bank Street,
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Authorised and regulated by the Financial Conduct Authority

Independent Auditor

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319 St Vincent Street,
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**Authorised and regulated by the
Financial Conduct Authority**

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