

Legal & General UK Special Situations Trust



Unit Trust (UCITS compliant) R-Class GBP

FUND AIM

The objective of this fund is to provide growth. The fund will typically invest between 80% and 100% in UK company shares. The fund may also invest in company shares from Europe. The fund will invest in companies considered, in the manager's view, to be undervalued by the market.

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 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

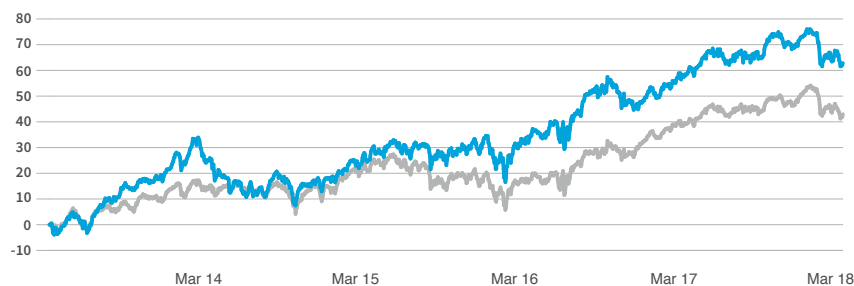
| | | |
|-----------------------------------|-----------------------------|---|
| Fund size £263.6m | Base currency GBP | IA Sector IA UK All Companies |
| Launch date 10 Nov 2008 | Domicile UK | Historical yield 0.40% |

COSTS

| | |
|--------------------------------|------------------------------------|
| Initial charge 0.00% | Ongoing charge 1.54% |
| Price basis Dual | Bid / Offer spread 0.86% |

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 | 5 years |
|------------------|---------|----------|--------|---------|---------|
| ■ Fund | -2.39 | -3.19 | 3.06 | 30.85 | 62.82 |
| ■ IA Sector | -2.20 | -2.11 | 2.73 | 18.34 | 42.89 |
| Quartile ranking | 3 | 3 | 2 | 1 | 1 |

ANNUAL PERFORMANCE (%)

| 12 months to 31 March | 2018 | 2017 | 2016 | 2015 | 2014 |
|-----------------------|------|-------|-------|-------|-------|
| Fund | 3.06 | 18.77 | 6.90 | -0.41 | 24.95 |
| IA Sector | 2.73 | 18.13 | -2.48 | 5.76 | 14.17 |
| Quartile ranking | 2 | 2 | 1 | 4 | 1 |

Performance for the R Inc unit class in GBP, launched on 10 November 2008. 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

- Aims to provide long-term capital growth through stocks with unrecognised market potential
- We look companies which are undervalued because they be undergoing management change, refinancing or recovering from difficulty
- Legal & General has a significant presence in the UK stock market so our fund managers often have the chance to meet a company's management team before we invest

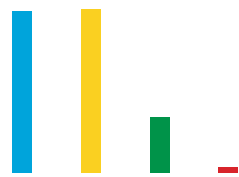


PORTFOLIO BREAKDOWN

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

COUNTRY (%)

| | | |
|--|----------------|-------|
|  | United Kingdom | 100.0 |
|--|----------------|-------|



MARKET CAPITALISATION (%)

| | |
|----------------------|------|
| Large | 40.8 |
| Mid | 41.2 |
| Small | 14.0 |
| Micro | 1.3 |
| Cash and Equivalents | 2.7 |











■ Top 10 holdings 43.5%
■ Rest of portfolio 56.5%
No. of holdings 33











TOP 10 HOLDINGS (%)

| | |
|--------------------------|-----|
| Prudential | 5.2 |
| Melrose Industries Plc | 4.8 |
| BP | 4.6 |
| Urban & Civic PLC | 4.6 |
| DCC | 4.3 |
| GVC Holdings | 4.3 |
| Playtech | 4.2 |
| British American Tobacco | 4.0 |
| Nex Group | 3.8 |
| CRH | 3.8 |

TOP SECTOR OVER/UNDERWEIGHTS (%)

| | Fund | Relative | |
|-------------------|------|----------|---|
| Industrials | 27.0 | 16.1 |  |
| Consumer Services | 17.0 | 5.7 |  |
| Technology | 6.5 | 5.5 |  |
| Basic Materials | 5.1 | -2.6 |  |
| Utilities | 0.0 | -2.7 |  |
| Consumer Goods | 12.1 | -2.7 |  |
| Health Care | 1.8 | -6.6 |  |
| Financials | 17.8 | -9.5 |  |

TOP 5 STOCK OVER/UNDERWEIGHTS (%)

| | Fund | Relative | |
|--------------------|------|----------|---|
| Melrose Industries | 4.8 | 4.6 |  |
| Urban & Civic PLC | 4.6 | 4.6 |  |
| Playtech | 4.2 | 4.2 |  |
| GVC Holdings | 4.3 | 4.1 |  |
| DCC | 4.3 | 4.0 |  |
| Diageo | 0.0 | -2.6 |  |
| Astrazeneca | 0.0 | -2.8 |  |
| Glaxosmithkline | 0.0 | -3.0 |  |
| HSBC Holdings | 1.0 | -4.9 |  |
| Royal Dutch Shell | 0.0 | -8.3 |  |

FUND MANAGER COMMENTARY

It was a tough month for risk assets as volatility returned. Geopolitical turmoil coincided with fears of a slowdown in global growth, which was further compounded by worries about rising inflation and faster interest rate hikes.

After the initial threat of US steel and aluminium tariffs were directed at Europe, it wasn't long before Trump's attention shifted towards imposing \$60 billion of tariffs on Chinese imports. At present, it's difficult to quantify the ramifications, but the threat is deemed sufficient enough to keep investors in a defensive stance. Elsewhere, slowing PMIs (both manufacturing and services) and inflation data have somewhat undershot forecasts in recent weeks, with people questioning if the former has now peaked at robust levels.

The FTSE All Share index delivered its third consecutive negative month of returns. Tech, general retailers, banks, travel & leisure, media and telecoms were industries that all underperformed. Conversely, we saw a better month for pharmaceuticals, utilities, real estate and insurance stocks.

The fund underperformed by 40bps during the period. Stock selection was a small positive, though this was offset by weakness from sector positioning. We saw gains in financials and oil & gas sectors, with M&A helpful to returns. This benefit was partially offset by weakness in technology and select industrials. Meanwhile, our overweight in consumer discretionary and underweight in healthcare detracted relative value.



GAVIN LAUNDER

Gavin joined LGIM in 2007 and is a Fund Manager within the High Alpha team for Europe ex-UK portfolios. He joined LGIM from BlueBay Asset Management where he was a Global Equities Analyst. Gavin spent the majority of his buy-side career as a Portfolio Manager with UBS O'Connor. Prior to this, he was a top-rated, sell-side analyst covering the Autos, Capital Goods and Conglomerates sectors at investment banks including SG Warburg (now part of UBS) and Goldman Sachs. Gavin holds a degree in Philosophy and Economics from University College, London.

KEY RISKS

- 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). 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.

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 | 15 Sep 17 | 14 Nov 17 | 0.47p |
| Interim | 14 Mar 17 | 14 May 17 | 0.25p |
| Final | 14 Sep 16 | 14 Nov 16 | 0.46p |
| Final | 14 Sep 15 | 14 Nov 15 | 0.28p |



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 £983.3 billion (as at 31 December 2017). We work with a wide range of global clients, including pension schemes, sovereign wealth funds, fund distributors and retail investors.

Assets under management includes 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 | R Acc | GB00B3DMXT38 |
| | R Inc | GB00B3DMXD77 |
| SEDOL | R Acc | B3DMXT3 |
| | R Inc | B3DMXD7 |
| Bloomberg | R Acc | LGUKSSA |
| | R Inc | LGUKSSI |

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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