Legal & General UK Select Equity Fund

Unit Trust (UCITS compliant) I-Class GBP

FUND AIM

The objective of this fund is to provide growth by investing predominantly in shares of UK companies. The fund will seek to achieve its objective by investing at least 80% in shares of UK companies with an aim to outperform the FTSE All Share Index (the "Index") by 3% per annum before charges, over a rolling three year basis.

RISK AND REWARD PROFILE

1	2	3	4	**5**	6	7

Lower risk / Potentially lower rewards — Higher risk / Potentially higher rewards

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 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	Base currency	Benchmark
£381.0m	**GBP**	**FTSE All-Share Index**
Launch date	Domicile	Historical yield
2 Jan 1996	**UK**	**3.4%**

COSTS

Initial charge	Ongoing charge
0.00%	**0.78%**
Price basis	Dilution levy
Single - dilution levy	**0.69%- round trip**

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	2.54	2.21	-4.54	22.48	20.67
Benchmark	2.29	2.57	1.70	30.39	27.57
Quartile ranking	1	2	4	3	3

12 MONTH PERFORMANCE TO MOST RECENT QUARTER (%)

12 months to 31 December	2018	2017	2016	2015	2014
Fund	-14.87	9.38	17.60	2.04	0.86
Benchmark	-9.47	13.10	16.75	0.98	1.18
Quartile ranking	4	1	3	3	3

Performance for the I Inc unit class in GBP, launched on 31 October 2012. 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

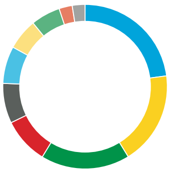
- We invest in 30-40 UK companies, with the aim of providing growth through a portfolio of high conviction ideas
- Adopt a bottom-up, stock picking approach with a strong investment process
- Our size means we can leverage LGIM's scale to gain exceptional access to corporate management teams, which is a key pillar for stock selection

MORNINGSTAR ★★★★

FE CROWN FUND RATING

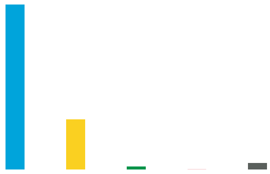
PORTFOLIO BREAKDOWN

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



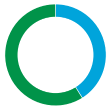
SECTOR (%)

Consumer Services	22.9
Financials	18.3
Industrials	17.5
Consumer Goods	9.1
Oil & Gas	7.8
Health Care	7.3
Basic Materials	6.1
Technology	5.8
Telecommunications	2.6
Other	2.5



MARKET CAPITALISATION (%)

Large	73.7
Mid	22.3
Small	1.2
Micro	0.0
Cash and Equivalents	2.9



Top 10 holdings **41.1%**
Rest of portfolio **58.9%**
No. of holdings **36**

TOP 10 HOLDINGS (%)

BP	5.6
Royal Bank of Scotland Group	5.5
AstraZeneca	5.1
Rio Tinto	4.7
HSBC Holdings	3.6
Barclays	3.6
3I Group	3.4
Melrose Industries Plc	3.3
Tesco	3.2
Sophos Group	3.2

COUNTRY (%)

United Kingdom	100.0

FUND MANAGER COMMENTARY

Following the sharp Q4 sell-off last year, the FTSE All-Share index has enjoyed its best start to the year since 2013. February brought another period of positive returns for global equity markets, driven primarily by early signs of a renormalisation of risk. We have seen a number of end-market indicators and underlying data readings prove to be more robust this month.

In the UK, Brexit induced fatigue appear to be showing for consumers and is reflected in subdued business sentiment. PMIs have come down, but remain in expansion territory. As expected, sterling remains highly sensitive to newsflow, showing clear volatility.

Turning to markets, cyclicals largely outperformed, though consumer services saw mixed performance. The rally in oil price helped the energy sector, while improved sentiment towards China inevitably helped mining shares. Defensive stocks were broadly out of favour and 'value' saw small underperformance against other style tilts. Mid-caps topped the leaderboard despite seeing a number of stock-specific shocks.

The L&G UK Select Equity delivered a net return of 2.5% in the period, which reflected small outperformance of the FTSE All Share index. Stock selection and sector positioning both made a positive contribution. For selection, we saw good gains in financials, healthcare and consumer services. This was modestly offset by weakness in consumer goods. From an allocation perspective, our overweight in technology was helped by the performance of Micro Focus, which drove the tech sector in February.

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). 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.

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	01 Oct 18	30 Nov 18	5.93p
Interim	03 Apr 18	31 May 18	4.04p
Final	02 Oct 17	30 Nov 17	5.40p
Interim	31 Mar 17	31 May 17	3.67p

Legal & General INVESTMENT MANAGEMENT

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	GB00B8F72V68
	I Inc	GB00B887M570
SEDOL	I Acc	B8F72V6
	I Inc	B887M57
Bloomberg	I Acc	LGUSEIA LN
	I Inc	LGUSEII LN

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.