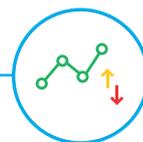


# Legal & General UK Select Equity Fund



Unit Trust (UCITS compliant) I-Class GBP

## FUND AIM

The objective of this Fund is to provide growth above that of the FTSE All Share TR Net Index, the "Benchmark Index".

## 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 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 <b>£378.3m</b>	Base currency <b>GBP</b>	Benchmark <b>FTSE All Share TR Net Index</b>
Launch date <b>2 Jan 1996</b>	Domicile <b>UK</b>	Historical yield <b>3.2%</b>

## COSTS

Initial charge <b>0.00%</b>	Ongoing charge <b>0.78%</b>
Price basis <b>Single- dilution levy</b>	Dilution levy <b>0.76%- round trip</b>

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	1.53	-2.20	-5.85	16.83	29.43
■ Benchmark	2.00	2.57	1.27	27.01	38.95
Quartile ranking	3	4	4	4	4

## 12 MONTH PERFORMANCE TO MOST RECENT QUARTER (%)

12 months to 30 June	2019	2018	2017	2016	2015
Fund	-7.33	6.23	24.01	0.02	4.79
Benchmark	0.57	9.02	18.12	2.21	2.60
Quartile ranking	4	4	2	1	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 the future.**

## 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



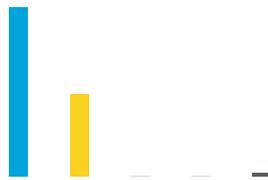
## PORTFOLIO BREAKDOWN

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



### SECTOR (%)

Consumer Services	27.2
Industrials	19.4
Financials	15.3
Consumer Goods	13.0
Oil & Gas	9.2
Technology	5.7
Health Care	4.7
Basic Materials	3.2
Unclassified	2.4



### MARKET CAPITALISATION (%)

Large	66.3
Mid	32.4
Small	0.0
Micro	0.0
Cash and Equivalents	1.4

Cash positions are held as collateral on futures



■ Top 10 holdings 37.2%  
■ Rest of portfolio 62.9%  
No. of holdings 36

### TOP 10 HOLDINGS (%)

BP	5.7
Royal Bank of Scotland Group	4.4
3i Group	3.5
Just Eat	3.5
Royal Dutch Shell	3.5
Next	3.5
Fever-Tree Drinks	3.3
Barclays	3.3
Rio Tinto	3.2
Associated British Foods	3.2

### COUNTRY (%)

United Kingdom	100.0
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## FUND MANAGER COMMENTARY

While global equity markets delivered positive performance in July, a hawkish rate cut from the Federal Reserve and a feeling of déjà-vu around the latest escalation in trade tensions once more highlighted the disconnect between risk assets and the broader macro environment.

In the UK, sterling fell to its lowest level in over two years as market fears around a no-deal Brexit intensify. Even if we discount the currency impact, driven purely by economic and political headwinds, UK equity valuations are 19% below their long-term average.

Fundamentally, there has been plenty to digest in terms of corporate newsflow. Meanwhile, the fall in sterling has at least made the UK more attractive to potential acquirers. Bids for Just Eat and Cobham could prove to be just the start of the 'open season'.

Turning to equity market returns, the FTSE 100 was one of the best performers globally in GBP terms. Quality defensives and bond proxy sectors broadly found favour. Outperformers included large-cap pharmaceutical, telecoms, tobacco, aerospace and retail sectors.

The L&G UK Select Equity fund recorded a positive return of 1.5% in July, driven by good performance from our technology and consumer services exposure. Sector positioning was a small negative, led by the portfolio's underweight allocation in telecoms and healthcare. Elsewhere, selection in consumer goods was the biggest drag on relative returns. The most significant stock move came from Aston Martin on the back of a profit warning.



### GAVIN LAUNDER

Gavin joined LGIM in 2007 and has been the Fund Manager for the UK Select Equity Fund since June 2018. Previously, he was a Global Equities Analyst at BlueBay Asset Management. 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 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.

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	01 Apr 19	31 May 19	3.90p
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



### 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 £1,134.5 billion (as at 30 June 2019). We work with a wide range of global clients, including pension schemes, sovereign wealth funds, fund distributors and retail investors.

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

<b>ISIN</b>	I Acc	GB00B8F72V68
	I Inc	GB00B887M570
<b>SEDOL</b>	I Acc	B8F72V6
	I Inc	B887M57
<b>Bloomberg</b>	I Acc	LGUSEIA LN
	I Inc	LGUSEII LN

## TO FIND OUT MORE

 Visit [www.legalandgeneral.com](http://www.legalandgeneral.com)

 Call **0370 050 0955**

 Email [investments@landg.com](mailto: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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