

Legal & General UK Select Equity Fund



Unit Trust (UCITS compliant) I-Class GBP

Base currency: **GBP**

Domicile: **UK**

FUND AIM

The objective of this Fund is to provide growth above that of the FTSE All Share TR Net Index, the "Benchmark Index". The Fund aims to outperform the Benchmark Index by 3% per annum before charges, 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 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 £369.1m	Launch date 2 Jan 1996
Historical yield 2.9%	

COSTS

Initial charge 0.00%	Ongoing charge 0.78%
Price basis Single- dilution levy	Dilution levy 0.74%- round trip

BENCHMARKS

Target and constraining benchmark

FTSE All Share TR Net Index

Comparator benchmark

IA Sector: UK All Companies

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	1.50	0.51	4.91	10.40	32.20
■ Index	-1.40	-2.11	6.79	19.31	37.89
Relative to Index	2.90	2.62	-1.88	-8.91	-5.69
Comparator	-0.33	-0.91	6.97	19.46	37.67

12 MONTH PERFORMANCE TO MOST RECENT QUARTER (%)

12 months to 30 September	2019	2018	2017	2016	2015
Fund	-3.27	2.64	11.81	17.92	-1.18
Index	2.68	5.87	11.94	16.82	-2.30
Relative to Index	-5.95	-3.23	-0.13	1.10	1.12
Comparator	0.08	5.63	13.84	11.98	1.70

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.

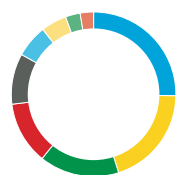
FUND SNAPSHOT

- **What does it invest in?** Invests at least 90% in shares of UK companies. The proportion of the fund invested in a company can vary between -10% and +5% of the weighting of that company in the Index.
- **How does it invest?** Actively managed, with holdings in between 30 and 60 companies on average over a typical market cycle of 3-5 years, which means the fund may be concentrated at times.



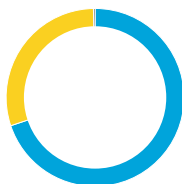
PORTFOLIO BREAKDOWN

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



SECTOR (%)

Consumer Services	25.3
Industrials	19.8
Consumer Goods	15.7
Financials	12.3
Oil & Gas	10.0
Technology	6.4
Unclassified	5.0
Basic Materials	2.9
Health Care	2.6



MARKET CAPITALISATION (%)

Large	69.9
Mid	29.8
Small	0.0
Micro	0.0
Cash and Equivalents	0.3



■ Top 10 holdings 36.3%
■ Rest of portfolio 63.7%

No. of holdings 36

TOP 10 HOLDINGS (%)

BP	5.3
Royal Dutch Shell	4.7
3I Group	3.9
Just Eat	3.7
Aveva Group	3.4
Coca-Cola HBC AG	3.2
Associated British Foods	3.1
Helios Towers Plc	3.1
Sophos Group	3.0
B&M European Value Retail	3.0

COUNTRY (%)

United Kingdom	100.0
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FUND MANAGER COMMENTARY

Another month passes with little concrete development around US-China trade developments, though there is growing optimism for a deal. In UK politics, Brexit-related risk has now moved onto worries over the outcome of a December general election. Meanwhile, the Q3 reporting season has been better than expected for most sectors. Globally, share price reaction has generally been skewed to the upside, though there have been some industry specific pockets of weakness.

The removal of an immediate threat of disruption from a 'no deal' Brexit was helpful to UK market performance. We saw the Brexit discount close slightly amid some recognition of the valuation merits, albeit aided by a bounce in sterling. This helped UK small and mid-caps outperform the overseas-focused FTSE 100. There was a continuation of style rotation as Value saw outperformance, though the sector picture was more mixed. In general, Cyclical outperformed Defensives. Staples were generally weak on the back of a lacklustre earnings season. Energy and Resources were also out of favour.

The fund recorded a strong month of outperformance in October. Positive selection was a significant driver, as the portfolio benefitted from M&A. We also saw gains from sector allocation, which was driven by our underweight in Oils and Miners. At the individual level, Sophos and Just Eat performed well following M&A activity. ASOS and Aveva were additional positive contributors after reassuring trading updates. On the flipside, FeverTree and Aston Martin were the biggest negatives. For activity, we switched out of NMC Health into Helios Towers.



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 your investment and any income you take from it may fall as well as rise and is not guaranteed. You might get back less than you invest.
- 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

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.

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