

# Legal & General UK Special Situations Trust



Unit Trust (UCITS compliant) I-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 <b>£283.5m</b>	Base currency <b>GBP</b>	IA Sector <b>IA UK All Companies</b>
Launch date <b>10 Nov 2008</b>	Domicile <b>UK</b>	Historical yield <b>1.10%</b>

## COSTS

Initial charge <b>0.00%</b>	Ongoing charge <b>0.79%</b>
Price basis <b>Dual</b>	Bid / Offer spread <b>0.72%</b>

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	3.60	3.66	5.82	35.31	77.74
■ IA Sector	2.82	5.73	6.68	22.55	50.51
Quartile ranking	1	4	3	1	1

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

12 months to 31 March	2018	2017	2016	2015	2014
Fund	4.05	19.81	7.87	0.47	25.93
IA Sector	2.74	18.13	-2.48	5.76	14.17
Quartile ranking	2	2	1	4	1

Performance for the I 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
- The portfolio invests in stocks with strong economic moats and attractive cash generation, which we consider to be either underappreciated or undervalued by the market
- 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

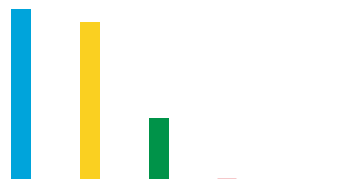


## PORTFOLIO BREAKDOWN

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

### COUNTRY (%)

	United Kingdom	100.0
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### MARKET CAPITALISATION (%)

Large	42.7
Mid	39.5
Small	15.3
Micro	0.0
Cash and Equivalents	2.4



■ Top 10 holdings 41.1%  
■ Rest of portfolio 58.9%  
No. of holdings 35

### TOP 10 HOLDINGS (%)

Prudential	4.7
Urban & Civic PLC	4.4
GVC Holdings	4.4
Playtech	4.2
Melrose Industries Plc	4.1
Energean Oil & Gas Plc	4.0
DCC	4.0
CRH	3.8
Wizz Air Holdings	3.7
Carnival	3.7

### TOP SECTOR OVER/UNDERWEIGHTS (%)

	Fund	Relative	
Industrials	22.4	11.1	
Consumer Services	18.9	7.2	
Technology	6.0	5.0	
Unclassified	4.5	4.5	
Utilities	0.0	-2.6	
Oil & Gas	11.3	-2.7	
Basic Materials	4.1	-3.8	
Health Care	1.5	-7.0	
Financials	18.5	-7.6	

### TOP 5 STOCK OVER/UNDERWEIGHTS (%)

	Fund	Relative	
Urban & Civic PLC	4.4	4.4	
GVC Holdings	4.4	4.2	
Playtech	4.2	4.1	
Energean Oil & Gas	4.0	4.0	
DCC	4.0	3.7	
Diageo	0.0	-2.7	
AstraZeneca	0.0	-2.8	
GlaxoSmithKline	0.0	-3.0	
HSBC Holdings	1.5	-4.4	
Royal Dutch Shell	0.0	-8.9	

## FUND MANAGER COMMENTARY

Global equity markets managed to overcome the well-known seasonal trading adage ‘sell in May and go away’, with strong returns seen across most regions last month. The UK equity market proved to be remarkably resilient to what are additionally now familiar domestic economic headwinds.

European equities were impacted by market nervousness around rising political worries in Italy and Spain, alongside a slowing of momentum in the core economies. Meanwhile, the US dollar remains well supported, while the surge in the oil price looks to be over for now. From a style perspective, growth stocks outperformed.

The FTSE 100 has impressively delivered a 1000 point rally from March lows, which has seen the market PE (Price/Earnings) multiple rebound. Sterling weakness has been beneficial for large cap overseas earners, while M&A and an improvement in the capex environment continues to be supportive factors. Overall, we believe sentiment appears to be warming towards the UK market, which looks more solid on technical grounds.

For UK Special Situations, the fund delivered a healthy return of 3.6% in the period, which represented relative outperformance of 80bps. Sector allocation benefited from our overweight in industrials and underweight in financials, which offset disappointing performance in materials and healthcare. Stock selection in oil & gas also made a positive contribution. Meanwhile, our mid-cap exposure was a key contributor to returns. This was led by Energean Oil & Gas, Ultra Electronics and Wizz Air. In terms of trading, Whitbread and Vivo Energy were two new positions on the fund.



### 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
Interim	15 Mar 18	14 May 18	0.26p
Final	15 Sep 17	14 Nov 17	0.96p
Interim	14 Mar 17	14 May 17	0.71p
Final	14 Sep 16	14 Nov 16	0.99p



### 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 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

<b>ISIN</b>	I Acc	GB00B3DMY345
	I Inc	GB00B3DMY121
<b>SEDOL</b>	I Acc	B3DMY34
	I Inc	B3DMY12
<b>Bloomberg</b>	I Acc	LGUKSIA
	I Inc	LGUKSII

## 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.

## Important information

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