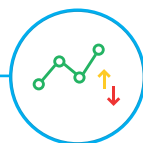


Legal & General UK Special Situations Trust



Unit Trust (UCITS compliant) F-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 on an ancillary basis. 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 £234.7m	Base currency GBP	IA Sector IA UK All Companies
Launch date 10 Nov 2008	Domicile UK	Historical yield 2.0%

COSTS

Initial charge 0.00%	Ongoing charge 1.04%
Price basis Dual	Bid / Offer spread 0.68%

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	-5.01	-0.12	-13.40	9.80	32.39
■ IA Sector	-3.18	3.00	-4.70	23.88	28.71
Quartile ranking	4	4	4	4	2

12 MONTH PERFORMANCE TO MOST RECENT QUARTER (%)

12 months to 31 March	2019	2018	2017	2016	2015
Fund	-5.75	3.54	19.39	7.43	0.08
IA Sector	2.79	2.74	18.13	-2.48	5.76
Quartile ranking	4	2	2	1	4

Performance for the F Inc unit class in GBP, launched on 20 December 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

- 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

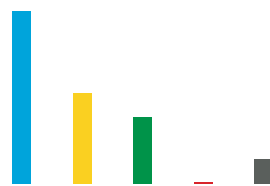


PORTFOLIO BREAKDOWN

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	48.4
Mid	25.4
Small	18.7
Micro	0.5
Cash and Equivalents	6.9

Cash positions are held as collateral on futures













■ Top 10 holdings 39.4%
■ Rest of portfolio 60.6%
No. of holdings 41











TOP 10 HOLDINGS (%)

BP	6.1
Energean Oil & Gas	4.5
Prudential	3.9
Melrose Industries Plc	3.8
Tesco	3.7
Carnival	3.6
Smith (DS)	3.5
St. James's Place	3.5
Ferguson	3.4
Reckitt Benckiser Group	3.4

TOP SECTOR OVER/UNDERWEIGHTS (%)

	Fund	Relative	
Consumer Services	22.0	10.3	
Technology	4.4	3.2	
Unclassified	2.9	2.9	
Industrials	13.2	2.0	
Oil & Gas	15.5	1.2	
Financials	24.5	-1.8	
Utilities	0.0	-2.6	
Basic Materials	4.4	-3.3	
Health Care	4.0	-4.2	
Consumer Goods	6.8	-7.6	

TOP 5 STOCK OVER/UNDERWEIGHTS (%)

	Fund	Relative	
Energean Oil & Gas	4.5	4.4	
Melrose Industries Plc	3.8	3.4	
Carnival	3.6	3.3	
Smith (DS)	3.5	3.3	
St. James's Place	3.5	3.3	
GlaxoSmithKline	0.0	-3.3	
AstraZeneca	0.0	-3.4	
Diageo	0.0	-3.5	
HSBC Holdings	1.6	-4.2	
Royal Dutch Shell	0.0	-9.1	

FUND MANAGER COMMENTARY

Following a strong start to the year, there was a dramatic turn of fortunes during May. The FTSE All Share index broke its four month winning streak, as the unfolding economic conflict between the U.S. and China led to a return of recession fears.

After failing to break the Brexit impasse, Prime Minister Theresa May announced she will step down as Conservative leader. Elsewhere, dovish central bank messaging helped to drive core bond yields lower. Finally, a solid Q1 reporting season resulted in an improvement in the earnings revision ratios across most equity markets.

For investors, there were few hiding places as the majority of sectors fell. Cyclical industries were hit especially hard, with UK domestics and retailers firmly out of favour. Defensives fared better, which extended to other safe haven assets, while small-caps surprisingly also outperformed. From a style view, value stocks underperformed, while low beta and quality stood out.

The L&G UK Special Situations fund reported a disappointing return of -5.0% in the period. Stock selection effects were detrimental, with the largest drivers of negative performance from Oil & Gas and Industrial companies. Sector allocation was broadly neutral. Looking at individual stocks, Melrose, DS Smith, Glencore and Hunting were detrimental. Huntsworth was the best performing stock, while Georgia Healthcare and GRIT Real Estate Income also added value.

On trading activity, the fund introduced new positions in Cineworld and Hays. Meanwhile, holdings of Jupiter and Blue Prism were reduced.



ROBERT WHITE

Robert joined LGIM in 2018 as a Fund Manager for the UK Special Situations Trust. Prior to this Robert worked at Mirabaud Asset Management where he was an Assistant Fund Manager (2013 to 2018) on the UK Equities Core product. Before that he worked at PWC in their Transaction Services division. In total he has over 10 years experience working within financial services. He read Philosophy, Politics and Economics at Pembroke College, Oxford and is a member of the Institute of Chartered Accountants in England and Wales.

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	15 Mar 19	14 May 19	0.80p
Final	17 Sep 18	14 Nov 18	1.17p
Interim	15 Mar 18	14 May 18	0.06p
Final	15 Sep 17	14 Nov 17	0.75p



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 £1,015.50 billion (as at 31 December 2018). 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	F Acc	GB00B8B8MQ85
	F Inc	GB00B8B8RZ22
SEDOL	F Acc	B8B8MQ8
	F Inc	B8B8RZ2
Bloomberg	F Acc	LGUSSFA LN
	F Inc	LGUSSFI 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.

Important information

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