

# Legal & General UK Smaller Companies Trust



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 Numis ex-Investment Trusts Index Net TR, the "Benchmark Index". The Fund aims to outperform the Benchmark Index by 3% per annum. This objective is before the deduction of any charges and measured over rolling three year periods.

## RISK AND REWARD PROFILE



The synthetic risk and reward indicator (SRI) is based on the historic volatility of the fund's value and it may change in the future.

The fund is in category 6 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 a more specialist investment providing growth from an investment in shares of UK companies that make up the lowest 10% by capitalisation on UK stock markets.
- 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        | Fund launch date  |
| <b>£247.5m</b>   | <b>9 Sep 1985</b> |
| Historical yield |                   |
| <b>1.0%</b>      |                   |

## COSTS

|                |                    |
|----------------|--------------------|
| Initial charge | Ongoing charge     |
| <b>0.00%</b>   | <b>0.78%</b>       |
| Price basis    | Bid / Offer spread |
| <b>Dual</b>    | <b>2.88%</b>       |

## BENCHMARKS

Benchmark  
**Numis ex-Investment Trusts Index Net TR**

Performance objective

**Numis ex-Investment Trusts Index Net TR +3%**

Comparator benchmark

**IA Sector: UK Smaller Companies**

## PERFORMANCE (%)



|                       | 1 month | 3 months | 1 year | 3 years | 5 years |
|-----------------------|---------|----------|--------|---------|---------|
| ■ Fund                | -1.98   | 4.11     | -6.68  | -9.17   | 6.00    |
| ■ Benchmark           | -0.38   | 6.30     | -9.62  | -12.09  | 14.79   |
| Performance objective | -       | -        | -      | -3.64   | 32.56   |
| Comparator            | -1.15   | 5.28     | 0.62   | 3.74    | 39.70   |

## FUND SNAPSHOT

- **What does it invest in?** Invests at least 90% in shares of UK companies which are within the smallest 10% when measured by market capitalisation.
- **How does it invest?** Actively managed, with holdings in between 50 and 100 companies on average over a typical market cycle of 3-5 years.



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

| 12 months to 30 September | 2020  | 2019  | 2018  | 2017  | 2016 |
|---------------------------|-------|-------|-------|-------|------|
| Fund                      | -6.68 | -5.67 | 3.19  | 14.54 | 1.89 |
| Benchmark                 | -9.62 | -4.05 | 1.38  | 20.20 | 8.63 |
| Comparator                | 0.62  | -6.85 | 10.68 | 24.77 | 7.92 |

For annual performance against the performance objective please see the Key Investor Information Document (KIID). Performance for the I Inc unit class in GBP, launched on 17 August 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.**

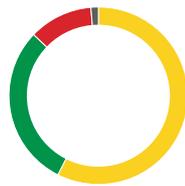


## PORTFOLIO BREAKDOWN

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

### COUNTRY (%)

|                                                                                  |                |       |
|----------------------------------------------------------------------------------|----------------|-------|
|  | United Kingdom | 100.0 |
|----------------------------------------------------------------------------------|----------------|-------|



### MARKET CAPITALISATION (%)

|                        |      |
|------------------------|------|
| ■ Large                | 0.0  |
| ■ Mid                  | 57.5 |
| ■ Small                | 29.6 |
| ■ Micro                | 11.6 |
| ■ Cash and Equivalents | 1.3  |

Cash positions are held as collateral on futures



■ Top 10 holdings 32.4%  
■ Rest of portfolio 67.6%  
No. of holdings 70

### TOP 10 HOLDINGS (%)

|                            |     |
|----------------------------|-----|
| Safestore Holdings         | 4.1 |
| Discoverie Group           | 4.0 |
| Genus                      | 3.9 |
| Dechra Pharmaceuticals     | 3.8 |
| Cranswick                  | 3.1 |
| Knights Group Holdings     | 2.9 |
| CVS Group                  | 2.8 |
| Ultra Electronics Holdings | 2.8 |
| 888 Holdings               | 2.6 |
| Hill & Smith Holdings      | 2.6 |

### TOP SECTOR OVER/UNDERWEIGHTS (%)

|                    | Fund | Relative |                                                                                     |
|--------------------|------|----------|-------------------------------------------------------------------------------------|
| Industrials        | 29.6 | 10.1     |  |
| Health Care        | 11.9 | 9.3      |  |
| Unclassified       | 3.2  | 3.2      |  |
| Consumer Services  | 18.2 | 0.4      |  |
| Oil & Gas          | 2.3  | -1.2     |  |
| Utilities          | 0.0  | -2.0     |  |
| Telecommunications | 0.0  | -2.9     |  |
| Basic Materials    | 3.0  | -4.4     |  |
| Financials         | 18.1 | -11.5    |  |
| Other              | 13.7 | -        |                                                                                     |

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

|                        | Fund | Relative |                                                                                       |
|------------------------|------|----------|---------------------------------------------------------------------------------------|
| Safestore Holdings     | 4.1  | 4.1      |  |
| Genus                  | 3.9  | 3.9      |  |
| Dechra Pharmaceuticals | 3.8  | 3.8      |  |
| Discoverie Group       | 4.0  | 3.5      |  |
| Cranswick              | 3.1  | 3.1      |  |
| S4 Capital Plc         | 0.0  | -1.5     |  |
| Future                 | 0.0  | -1.6     |  |
| Pets at Home Group     | 0.0  | -1.7     |  |
| Centamin               | 0.0  | -1.9     |  |
| William Hill           | 0.0  | -2.0     |  |



### ROD OSCROFT

Rod joined LGIM in 2000 and has been the Fund Manager for the UK Smaller Companies Trust since August 2013. He focuses on UK small and mid-cap funds which are typically concentrated, conviction weighted, benchmark agnostic portfolios. In Q3 2016, he was appointed co-head of Active Equity alongside Nick Hartley. Rod joined LGIM from Hermes Investment Management where he specialised in small company research. Prior to this, Rod worked in the transport asset rental industry. He graduated from Cambridge University with an Honours degree in Economics.

## ENVIRONMENTAL PERFORMANCE

Carbon dioxide (CO<sub>2</sub>) is the most significant contributor to greenhouse gas emissions which are driving climate change.



0  
Tonnes

CO<sub>2</sub>e<sup>i</sup> per \$1 million of market capitalisation

### CARBON RESERVES

Carbon reserves are fossil fuels (coal, oil and gas) which, if burnt, will become the carbon emissions of the future. To meet global climate change targets, the unabated use of fossil fuels is expected to decline over time.

The figure is a measure of the size of carbon reserves held by the fund's underlying companies.



73  
Tonnes

CO<sub>2</sub>e per \$1 million of sales

### CARBON EMISSIONS

Following the global Paris Agreement on climate change, companies in all sectors are expected to reduce their emissions to prepare and adapt for a low-carbon economy.

Carbon emissions intensity describes the relationship between the carbon emissions of a company and its sales<sup>ii</sup>.

## NOTES

<sup>i</sup> Carbon dioxide equivalent (CO<sub>2</sub>e) is a standard unit to compare the emissions of different greenhouse gases.

<sup>ii</sup> The choice of this metric follows best practice recommendations from the **Task Force on Climate-related Financial Disclosures**.

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The calculations above rely on third party data provided at a point in time that may not cover the entirety of the fund's investments or the fund's benchmark (against which the fund's performance is measured). As a result, what we may report may change as third party data changes and may also differ from other third party calculations.

**Refinitiv:** Source: Refinitiv ESG



For further information please go to [www.lgim.com/esginfo](http://www.lgim.com/esginfo)

**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 fund invests in smaller companies. Investments in smaller companies tend to be riskier than investments in larger companies because they can: be harder to buy and sell; or go up and down in value more often and by larger amounts, especially in the short term. In times of market uncertainty or if an exceptional amount of withdrawals are requested it may become less easy for your fund to sell investments and the Manager may defer withdrawals, or suspend dealing. The Manager can only delay paying out if it is in the interests of all investors and with the permission of the fund trustee or depository.
- 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   | 19 Jun 20   | 18 Aug 20 | 0.20p          |
| Interim | 20 Dec 19   | 20 Dec 19 | 8.32p          |
| Final   | 19 Jun 19   | 16 Aug 19 | 8.68p          |
| Interim | 19 Dec 18   | 18 Feb 19 | 7.13p          |



**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 £1,240.6 billion (as at 30 June 2020). We work with a wide range of global clients, including pension schemes, sovereign wealth funds, fund distributors and retail investors.

Source: LGIM internal data as at 30 June 2020. 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 | GB00B7LFF300 |
|                  | I Inc | GB00B89NFZ54 |
| <b>SEDOL</b>     | I Acc | B7LFF30      |
|                  | I Inc | B89NFZ5      |
| <b>Bloomberg</b> | I Acc | LGSMCIA LN   |
|                  | I Inc | LGSMCII 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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