

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

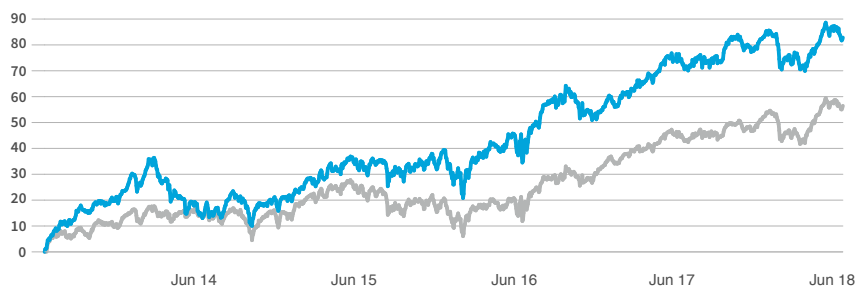
| | | |
|-----------------------------------|-----------------------------|---|
| Fund size £279.5m | Base currency GBP | IA Sector IA UK All Companies |
| Launch date 10 Nov 2008 | Domicile UK | Historical yield 1.10% |

COSTS

| | |
|--------------------------------|------------------------------------|
| Initial charge 0.00% | Ongoing charge 0.79% |
| Price basis Dual | Bid / Offer spread 0.72% |

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 | -1.30 | -0.11 | 6.47 | 38.93 | 82.80 |
| ■ IA Sector | -0.14 | 2.73 | 9.12 | 28.57 | 56.40 |
| Quartile ranking | 4 | 4 | 4 | 1 | 1 |

12 MONTH PERFORMANCE TO MOST RECENT QUARTER (%)

| 12 months to 30 June | 2018 | 2017 | 2016 | 2015 | 2014 |
|----------------------|------|-------|-------|-------|-------|
| Fund | 6.47 | 22.53 | 6.49 | 14.74 | 14.68 |
| IA Sector | 9.12 | 22.72 | -3.98 | 6.86 | 13.84 |
| Quartile ranking | 4 | 2 | 1 | 1 | 2 |

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

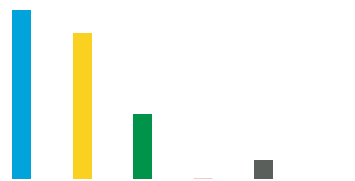
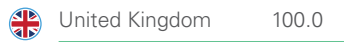
- Aims to provide long-term capital growth through stocks with unrecognised market potential
- The portfolio invests in stocks with strong economic moats and attractive cash generation, which we consider to be either underappreciated or undervalued by the market
- Legal & General has a significant presence 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 (%)



MARKET CAPITALISATION (%)

| | |
|----------------------|------|
| Large | 42.5 |
| Mid | 36.6 |
| Small | 16.3 |
| Micro | 0.0 |
| Cash and Equivalents | 4.6 |



■ Top 10 holdings 41.9%
 ■ Rest of portfolio 58.1%
 No. of holdings 35

TOP 10 HOLDINGS (%)

| | |
|------------------------|-----|
| Urban & Civic PLC | 5.0 |
| GVC Holdings | 4.7 |
| Prudential | 4.7 |
| Playtech | 4.2 |
| Wizz Air Holdings | 4.1 |
| Energiean Oil & Gas | 4.0 |
| DCC | 3.9 |
| CRH | 3.8 |
| BP | 3.8 |
| Melrose Industries Plc | 3.8 |

TOP SECTOR OVER/UNDERWEIGHTS (%)

| | Fund | Relative | |
|-------------------|------|----------|--|
| Industrials | 22.3 | 10.9 | |
| Consumer Services | 19.7 | 8.0 | |
| Unclassified | 5.9 | 5.9 | |
| Technology | 6.0 | 5.0 | |
| Oil & Gas | 11.9 | -2.4 | |
| Utilities | 0.0 | -2.7 | |
| Basic Materials | 4.3 | -3.4 | |
| Health Care | 1.4 | -7.2 | |
| Financials | 15.4 | -10.4 | |

TOP 5 STOCK OVER/UNDERWEIGHTS (%)

| | Fund | Relative | |
|---------------------|------|----------|--|
| Urban & Civic PLC | 5.0 | 5.0 | |
| GVC Holdings | 4.7 | 4.5 | |
| Playtech | 4.2 | 4.1 | |
| Wizz Air Holdings | 4.1 | 4.0 | |
| Energiean Oil & Gas | 4.0 | 4.0 | |
| Diageo | 0.0 | -2.7 | |
| AstraZeneca | 0.0 | -2.7 | |
| GlaxoSmithKline | 0.0 | -3.0 | |
| HSBC Holdings | 1.5 | -4.3 | |
| Royal Dutch Shell | 0.0 | -9.0 | |

FUND MANAGER COMMENTARY

In what was another difficult quarter for value, the fund's underperformance was derived from stock selection, notably within industrials and consumer services. A total return of 6.3% was disappointing in the period given the strong returns of the FTSE All Share Index. Sector allocation was positive for returns, led by our underweight in financials (banks), which added value. In terms of stocks, Equiniti, Xaar, IQE and Melrose all detracted from performance. On the flipside, we saw gains from Energiean Oil & Gas and Ultra Electronics. In respect of trading, we added new positions in Tesco, Whitbread and DraperEprit. Shire was sold from the portfolio.



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

| | | |
|------------------|-------|--------------|
| ISIN | I Acc | GB00B3DMY345 |
| | I Inc | GB00B3DMY121 |
| SEDOL | I Acc | B3DMY34 |
| | I Inc | B3DMY12 |
| Bloomberg | I Acc | LGUKSIA |
| | I Inc | LGUKSII |

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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