

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 £370.9m	Launch date 2 Jan 1996
Historical yield 2.7%	

COSTS

Initial charge 0.00%	Ongoing charge 0.78%
Price basis Single- dilution levy	Dilution levy 0.84%- round trip

BENCHMARKS

Target and constraining benchmark

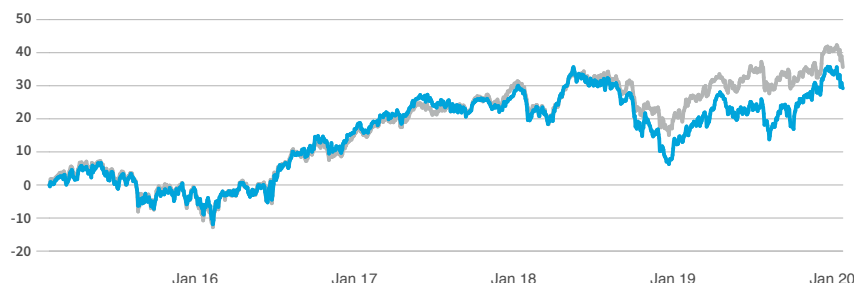
FTSE All Share TR Net Index

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	-3.93	3.41	12.43	11.12	29.21
■ Index	-3.25	2.21	10.67	18.44	35.61
Relative to Index	-0.68	1.20	1.76	-7.32	-6.40
Comparator	-2.43	4.76	13.35	20.37	36.96

12 MONTH PERFORMANCE TO MOST RECENT QUARTER (%)

12 months to 31 December	2019	2018	2017	2016	2015
Fund	24.73	-14.87	9.38	17.60	2.04
Index	19.17	-9.47	13.10	16.75	0.98
Relative to Index	5.56	-5.40	-3.72	0.85	1.06
Comparator	22.43	-11.12	14.03	11.19	4.57

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.

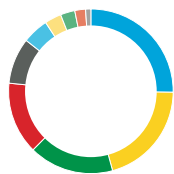
FUND SNAPSHOT

- **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.



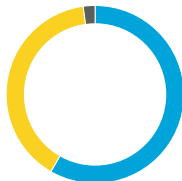
PORTFOLIO BREAKDOWN

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



SECTOR (%)

Consumer Services	25.2
Industrials	20.6
Consumer Goods	16.7
Financials	14.2
Oil & Gas	9.0
Health Care	5.1
Technology	3.3
Telecommunications	2.8
Unclassified	2.1
Other	1.0



MARKET CAPITALISATION (%)

Large	58.3
Mid	39.6
Small	0.0
Micro	0.0
Cash and Equivalents	2.1



■ Top 10 holdings 39.1%
 ■ Rest of portfolio 60.9%
 No. of holdings 35

TOP 10 HOLDINGS (%)

AstraZeneca	5.1
BP	4.9
Royal Dutch Shell	4.2
Just Eat	4.0
3I Group	3.9
Associated British Foods	3.6
Watches of Switzerland Group	3.5
Coca-Cola HBC AG	3.4
Fever-Tree Drinks	3.3
Aveva Group	3.3

COUNTRY (%)

United Kingdom	100.0
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FUND MANAGER COMMENTARY

The unfortunate emergence of a significant health scare from China dented the equity rally in January. Fears over the Coronavirus outbreak largely led to global equity markets underperforming. Despite the best efforts of the WHO to restore some calm, panic indicators were elevated, with forecasts of a potentially large, but temporary effect on China growth. The other big news saw the UK quietly step into the unknown, as it begins once again to tread its own path and embark on a twelve month transition period. Fortunately, on balance, the flow of data post the general election suggests that the outcome has delivered a boost to UK confidence.

Government Bonds and Gold led asset returns, indicating a period of risk aversion. Sentiment may be warming towards UK assets, but a tough start to the year for Resources led to a month of underperformance. China-exposed stocks were also hit hard, while Utilities and Housebuilders found favour. At the size level, small-caps were the winners. In respect of factor returns, Value struggled relative to Growth.

The L&G UK Select fund delivered a disappointing negative return of -3.9%. Stock selection in Consumer sectors had the largest negative impact on relative performance. This was partially offset by strength in the Financial sector. On allocation, the underweight to Resources added value. The biggest detractors were FeverTree Drinks, Cineworld and Carnival. On the flipside, Coca Cola HBC, Aveva and Wizz Air added most value. On trading activity, we exited our position in Reckitt Benckiser.



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 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
Final	01 Oct 19	29 Nov 19	4.86p
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

Important: Due to exceptional market conditions, spreads are currently volatile and may be higher than indicated. To see the latest spread visit www.legalandgeneral.com/chargesandfees [↗](#)

Important information

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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

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 Visit www.legalandgeneral.com

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Lines are open Monday to Friday 8.30am to 6.00pm. We may record and monitor calls. Call charges will vary.