

Legal & General UK Special Situations Trust



Unit Trust (UCITS compliant) C-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 £248.0m	Base currency GBP	IA Sector IA UK All Companies
Launch date 10 Nov 2008	Domicile UK	Historical yield 2.5%

COSTS

Initial charge 0.00%	Ongoing charge 0.50%
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	Launch
■ Fund	4.24	6.33	-5.03	-	-5.14
■ IA Sector	4.52	8.09	1.21	-	3.80
Quartile ranking	2	4	4	-	4

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

12 MONTH PERFORMANCE TO MOST RECENT QUARTER (%)

12 months to 31 March	2019	2018	2017	2016	2015
Fund	-5.25	-	-	-	-
IA Sector	2.79	-	-	-	-
Quartile ranking	4	-	-	-	-

Performance for the C Inc unit class in GBP, launched on 12 December 2017. 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.

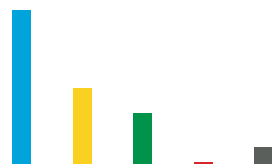


PORTFOLIO BREAKDOWN

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

COUNTRY (%)

	United Kingdom	100.0
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MARKET CAPITALISATION (%)

Large	51.6
Mid	25.3
Small	17.0
Micro	0.6
Cash and Equivalents	5.4

Cash positions are held as collateral on futures



■ Top 10 holdings 41.3%
■ Rest of portfolio 58.7%
No. of holdings 39

TOP 10 HOLDINGS (%)

BP	6.1
Energean Oil & Gas	4.5
Melrose Industries Plc	4.5
Prudential	4.2
Tesco	3.9
Smith (DS)	3.9
Carnival	3.6
St. James's Place	3.6
Taylor Wimpey	3.6
Ferguson	3.5

TOP SECTOR OVER/UNDERWEIGHTS (%)

	Fund	Relative	
Consumer Services	20.0	8.4	
Technology	5.0	3.9	
Unclassified	2.8	2.8	
Industrials	13.4	1.9	
Oil & Gas	15.8	1.8	
Financials	25.5	-1.0	
Utilities	0.0	-2.7	
Basic Materials	4.9	-2.9	
Health Care	3.7	-4.2	
Consumer Goods	6.8	-7.5	

TOP 5 STOCK OVER/UNDERWEIGHTS (%)

	Fund	Relative	
Energean Oil & Gas	4.5	4.5	
Melrose Industries Plc	4.5	4.0	
Smith (DS)	3.9	3.7	
St. James's Place	3.6	3.4	
Carnival	3.6	3.3	
AstraZeneca	0.0	-3.3	
Diageo	0.0	-3.3	
GlaxoSmithKline	0.0	-3.3	
HSBC Holdings	1.6	-4.2	
Royal Dutch Shell	0.0	-8.7	

FUND MANAGER COMMENTARY

Following a strong first quarter for risk assets, equity markets extended their recovery in April. Aside from better data indicators from the US and recent signs of stabilisation in Chinese economic data, the most encouraging development in the past month is how sluggish economic activity readings now appear to be discounted by investors.

Seemingly, investor assumptions imply many of the global economic events will be resolved favourably. However, it's likely that the onus falls on corporate earnings to have a determining impact on price momentum going forwards. Thus far, subdued expectations have broadly been exceeded in the US and Europe.

Turning to UK equity market performance, sector leadership was mainly with industrials, financials and consumer cyclicals. This reflected ebbing concerns about the global economic outlook. Healthcare, utilities and resources were this month's laggards. UK mid-caps were the strongest size group.

For the fund, we are pleased to report a strong performance, with the portfolio up 4.2% in April. This was driven by a combination of positive stock selection- from oil & gas and industrials- and sector positioning, where our underweight in healthcare and utilities added value. Leading contributors included Melrose, St James's Place, Ferguson, Draper Esprit, Energean and Blue Prism. Not owning AstraZeneca and British American Tobacco also proved helpful. Saga and Micro Focus were the main noteworthy detractors.

For activity, we initiated new positions in Intermediate Capital and Standard Chartered. Countryside Properties and Ophir Energy were sold.



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
Final	17 Sep 18	14 Nov 18	0.69p
Interim	15 Mar 18	14 May 18	0.11p



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	C Acc	GB00BF7MD712
	C Inc	GB00BF7MD829
SEDOL	C Acc	BF7MD71
	C Inc	BF7MD82
Bloomberg	C Acc	LGUSSCA LN
	C Inc	LGUSSCI 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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