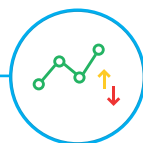


# Legal & General UK Special Situations Trust



Unit Trust (UCITS compliant) I-Class GBP

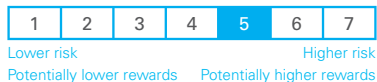
Base currency: **GBP**

Domicile: **UK**

## FUND AIM

The objective of the 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 5% 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 (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 a more specialist investment providing growth from an investment in shares of UK companies which are considered undervalued due to their special situation.
- 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<br><b>£170.9m</b>     | Launch date<br><b>10 Nov 2008</b> |
| Historical yield<br><b>3.6%</b> |                                   |

## COSTS

|                                |                                    |
|--------------------------------|------------------------------------|
| Initial charge<br><b>0.00%</b> | Ongoing charge<br><b>0.79%</b>     |
| Price basis<br><b>Dual</b>     | Bid / Offer spread<br><b>0.76%</b> |

## BENCHMARKS

Target benchmark  
**FTSE All Share TR Net Index +5%**

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                | 12.09   | -24.08   | -24.76 | -24.68  | -2.89   |
| ■ Benchmark           | 5.38    | -17.46   | -12.67 | 6.58    | 32.18   |
| Relative to Benchmark | 6.71    | -6.62    | -12.09 | -31.26  | -35.07  |
| Comparator            | 10.28   | -18.66   | -14.70 | -7.18   | 6.48    |

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

| 12 months to 31 March | 2020   | 2019   | 2018  | 2017  | 2016  |
|-----------------------|--------|--------|-------|-------|-------|
| Fund                  | -30.02 | -5.59  | 4.05  | 19.81 | 7.87  |
| Benchmark             | -14.63 | 11.96  | 5.84  | 27.07 | 0.88  |
| Relative to Benchmark | -15.39 | -17.55 | -1.79 | -7.26 | 6.99  |
| Comparator            | -19.15 | 2.79   | 2.74  | 18.13 | -2.48 |

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 the future.**

## FUND SNAPSHOT

- **What does it invest in?** Invests at least 80% in shares of UK companies which are considered to be undervalued by the market, where the Manager believes there to be a catalyst (a feature or market event) which should increase the value of the company.
- **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.

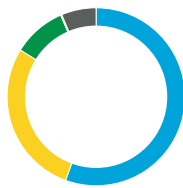


## PORTFOLIO BREAKDOWN

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

### COUNTRY (%)

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



### MARKET CAPITALISATION (%)

|                        |      |
|------------------------|------|
| ■ Large                | 55.6 |
| ■ Mid                  | 28.2 |
| ■ Small                | 9.7  |
| ■ Micro                | 0.2  |
| ■ Cash and Equivalents | 6.3  |



■ Top 10 holdings 41.1%  
■ Rest of portfolio 58.9%  
No. of holdings 45

### TOP 10 HOLDINGS (%)

|                       |     |
|-----------------------|-----|
| Tesco                 | 5.5 |
| BP                    | 5.1 |
| St. James's Place     | 4.9 |
| Taylor Wimpey         | 4.6 |
| Smith (DS)            | 4.5 |
| Prudential            | 4.2 |
| Energiean Oil & Gas   | 3.8 |
| Blue Prism Group      | 2.9 |
| Land Securities Group | 2.8 |
| Ashtead Group         | 2.8 |

### TOP SECTOR OVER/UNDERWEIGHTS (%)

|                    | Fund | Relative |  |
|--------------------|------|----------|--|
| Consumer Services  | 19.8 | 8.4      |  |
| Industrials        | 18.3 | 6.5      |  |
| Technology         | 4.0  | 2.9      |  |
| Financials         | 27.6 | 2.3      |  |
| Unclassified       | 2.2  | 2.2      |  |
| Telecommunications | 0.0  | -2.3     |  |
| Consumer Goods     | 13.6 | -2.5     |  |
| Utilities          | 0.0  | -3.5     |  |
| Basic Materials    | 3.4  | -4.1     |  |
| Health Care        | 0.2  | -11.6    |  |
| Other              | 10.9 | -        |  |

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

|                          | Fund | Relative |  |
|--------------------------|------|----------|--|
| St. James's Place        | 4.9  | 4.6      |  |
| Taylor Wimpey            | 4.6  | 4.3      |  |
| Smith (DS)               | 4.5  | 4.3      |  |
| Tesco                    | 5.5  | 4.3      |  |
| Energiean Oil & Gas      | 3.8  | 3.8      |  |
| Diageo                   | 0.0  | -3.4     |  |
| British American Tobacco | 0.0  | -3.8     |  |
| GlaxoSmithKline          | 0.0  | -4.4     |  |
| Royal Dutch Shell        | 0.0  | -5.6     |  |
| AstraZeneca              | 0.0  | -5.9     |  |

## FUND MANAGER COMMENTARY

Equity markets performed well through April as they recovered from March lows. Risk sentiment improved with increasing evidence that the curve of the infection rates for the coronavirus virus are progressively peaking. This is encouraging news though there remains a high degree of uncertainty as lockdowns begin to be relaxed globally.

For UK equity markets, we saw a broad continuation of good returns for defensives, structural winners and momentum. At the size level, Mid-caps found favour at the expense of Large caps. Corporate earnings season has been no worse than feared, though has less relevance given economic damage is likely to accelerate through Q2. Elsewhere, the oil price volatility has been extraordinary, with fears of a global glut driven by slumping demand and capacity constraints.

The L&G UK Special Situations fund delivered a return of 11.8% during the period. This was all driven by stock selection, where we saw positive contributions in Oil & Gas, Materials, Consumer Goods and Industrials. Sector allocation was negative, driven by the underweight in Healthcare which continues to perform well. At the company level, leading contributors were housebuilder Taylor Wimpey and mid-cap oil names Cairn Energy and Energiean. Go-Co and Biffa also enjoyed a good month. On the flipside, Grit Real Estate, Trian and Standard Chartered were the notable detractors. On activity, we introduced a new position in aerospace parts manufacturer Meggitt. On the flipside, the holding of Draper Esprit was 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   | 16 Sep 19   | 14 Nov 19 | 1.84p          |
| Interim | 15 Mar 19   | 14 May 19 | 0.92p          |
| Final   | 17 Sep 18   | 14 Nov 18 | 1.31p          |
| Interim | 15 Mar 18   | 14 May 18 | 0.26p          |



**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 £1,196.2 billion (as at 31 December 2019). 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 31 December 2019. 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 | GB00B3DMY345 |
|                  | I Inc | GB00B3DMY121 |
| <b>SEDOL</b>     | I Acc | B3DMY34      |
|                  | I Inc | B3DMY12      |
| <b>Bloomberg</b> | I Acc | LGUKSIA      |
|                  | I Inc | LGUKSII      |

**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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