

Legal & General UK Special Situations Trust

Unit Trust (UCITS compliant) C-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 | Launch date |
| £238.1m | 10 Nov 2008 |
| Historical yield | |
| 2.8% | |

For detail on price basis methodologies please refer to the 'Guide to Investing With Us' found on our website. [↗](#)

COSTS

| | |
|----------------|--------------------|
| Initial charge | Ongoing charge |
| 0.00% | 0.50% |
| Price basis | Bid / Offer spread |
| Dual | 0.74% |

BENCHMARKS

Target benchmark
FTSE All Share TR Net Index

Comparator benchmark
IA Sector: UK All Companies

PERFORMANCE (%)



| | 1 month | 3 months | 1 year | 3 years | Launch |
|-------------------|---------|----------|--------|---------|--------|
| ■ Fund | 3.22 | 6.97 | 14.89 | - | -3.11 |
| ■ Index | 3.32 | 4.16 | 19.17 | - | 10.79 |
| Relative to Index | -0.10 | 2.81 | -4.28 | - | -13.90 |
| Comparator | 3.73 | 7.00 | 22.42 | - | 11.56 |

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.

12 MONTH PERFORMANCE TO MOST RECENT QUARTER (%)

| 12 months to 31 December | 2019 | 2018 | 2017 | 2016 | 2015 |
|--------------------------|-------|--------|------|------|------|
| Fund | 14.89 | -17.35 | - | - | - |
| Index | 19.17 | -9.47 | - | - | - |
| Relative to Index | -4.28 | -7.88 | - | - | - |
| Comparator | 22.42 | -11.12 | - | - | - |

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.

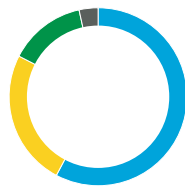
Past performance is not a guide to the future.

PORTFOLIO BREAKDOWN

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

COUNTRY (%)

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



MARKET CAPITALISATION (%)

| | |
|----------------------|------|
| Large | 57.8 |
| Mid | 24.8 |
| Small | 14.0 |
| Micro | 0.0 |
| Cash and Equivalents | 3.4 |



■ Top 10 holdings 39.9%
■ Rest of portfolio 60.1%
No. of holdings 44

TOP 10 HOLDINGS (%)

| | |
|------------------------------|-----|
| BP | 5.2 |
| St. James's Place | 4.6 |
| Smith (DS) | 4.2 |
| Energiean Oil & Gas | 4.1 |
| Tesco | 4.1 |
| Taylor Wimpey | 3.9 |
| Prudential | 3.6 |
| Carnival | 3.5 |
| Royal Bank of Scotland Group | 3.4 |
| Reckitt Benckiser Group | 3.3 |

TOP SECTOR OVER/UNDERWEIGHTS (%)

| | Fund | Relative | |
|--------------------|------|----------|--|
| Consumer Services | 19.1 | 7.1 | |
| Financials | 29.7 | 2.9 | |
| Unclassified | 2.9 | 2.9 | |
| Technology | 3.4 | 2.2 | |
| Oil & Gas | 13.8 | 1.9 | |
| Consumer Goods | 12.6 | -1.4 | |
| Telecommunications | 0.7 | -1.8 | |
| Utilities | 0.0 | -3.0 | |
| Basic Materials | 2.7 | -4.8 | |
| Health Care | 2.3 | -6.9 | |

TOP 5 STOCK OVER/UNDERWEIGHTS (%)

| | Fund | Relative | |
|---------------------|------|----------|--|
| St. James's Place | 4.6 | 4.3 | |
| Energiean Oil & Gas | 4.1 | 4.1 | |
| Smith (DS) | 4.2 | 4.0 | |
| Taylor Wimpey | 3.9 | 3.6 | |
| Carnival | 3.5 | 3.3 | |
| Diageo | 0.0 | -3.1 | |
| HSBC Holdings | 1.4 | -3.6 | |
| GlaxoSmithKline | 0.0 | -3.7 | |
| AstraZeneca | 0.0 | -4.2 | |
| Royal Dutch Shell | 0.0 | -7.5 | |

FUND MANAGER COMMENTARY

December confirmed the strong performance of global equities in 2019. The biggest market event was seen in the UK, where the general election outcome was favourable for domestic-focused equities, as Boris Johnson's Conservative party won by a clear majority. Elsewhere, markets also benefited from the reaction to the latest announcement of a phase 1 agreement between the US-China, as tensions moderated over the trade deal. Meanwhile, economic data continues to hold out. Finally, the Bank of England and Fed opted to keep central bank policy rates on hold. The Fed signalled they would likely remain so through 2020.

In respect of equity market performance, style factors continue to deviate regionally, though the Q4 rebound for Cyclical and Financials in the UK continued. Miners also enjoyed a better month. By size, Large-caps were weak on a relative basis, given mid and small-cap gearing to Brexit positivity. Value once more advanced, though Quality also fared well.

The UK Special Situations fund delivered a positive return of 3.2% in the period, which was in line with the benchmark performance. Stock selection had a positive impact, with gains in Oil & Gas and Consumer Services. This was offset slightly by some relative selection weakness in Financials and Healthcare. In terms of sector allocation, the underweight positioning in Utilities had a small negative impact. At the company level, top performers included UK domestic names Taylor Wimpey, Tesco and St James's Place. Elsewhere, Carnival and Cairn Energy also performed well.



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 £1,134.5 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 | 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.

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