

# Legal & General UK Special Situations Trust

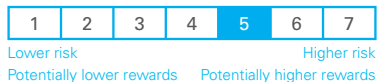


Unit Trust (UCITS compliant) I-Class GBP

## 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.

This fund is in category 5 because it invests in company shares which generally provide higher rewards and higher risks than other investments such as bonds, cash or commercial property.

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 to grow their money in an investment which can form part of their existing savings portfolio
- 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
- 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

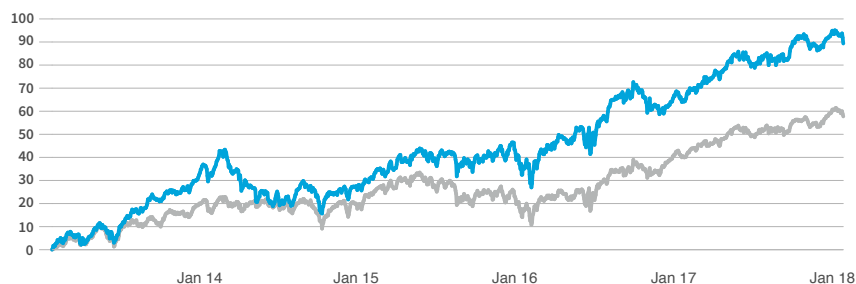
Fund size <b>£275.4m</b>	Base currency <b>GBP</b>	IA Sector <b>IA UK All Companies</b>
Launch date <b>10 Nov 2008</b>	Domicile <b>UK</b>	Historical yield <b>1.50%</b>

## COSTS

Initial charge <b>0.00%</b>	Ongoing charge <b>0.79%</b>
Price basis <b>Dual</b>	Bid / Offer spread <b>0.86%</b>

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	-1.58	3.38	15.25	46.04	89.34
■ IA Sector	-0.78	4.13	12.50	28.00	57.75
Quartile ranking	4	3	2	1	1

## ANNUAL PERFORMANCE (%)

12 months to 31 December	2017	2016	2015	2014	2013
Fund	17.20	12.13	14.97	-2.23	39.68
IA Sector	14.03	11.19	4.57	0.58	26.32
Quartile ranking	1	2	1	4	1

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
- We look companies which are undervalued because they be undergoing management change, refinancing or recovering from difficulty
- 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 (%)

 United Kingdom	100.0
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### MARKET CAPITALISATION (%)

Large	40.8
Mid	37.8
Small	17.4
Micro	0.0
Cash and Equivalents	4.0











■ Top 10 holdings 45.90%  
■ Rest of portfolio 54.10%  
No. of holdings 34











### TOP 10 HOLDINGS (%)

Prudential	5.2
Melrose Industries Plc	5.0
BP	4.8
DCC	4.7
Urban & Civic PLC	4.7
British American Tobacco	4.6
Playtech	4.5
GVC Holdings	4.4
Glencore	4.2
CRH	4.0

### TOP SECTOR OVER/UNDERWEIGHTS (%)

	Fund	Relative	
Industrials	29.3	18.6	
Technology	8.5	7.3	
Consumer Services	15.7	4.6	
Utilities	0.0	-2.6	
Health Care	4.6	-3.1	
Oil & Gas	7.1	-5.9	
Consumer Goods	9.3	-6.1	
Financials	17.0	-10.2	

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

	Fund	Relative	
Melrose Industries	5.0	4.8	
Urban & Civic PLC	4.7	4.7	
DCC	4.7	4.4	
Playtech	4.5	4.4	
GVC Holdings	4.4	4.3	
Astrazeneca	0.0	-2.6	
Diageo	0.0	-2.6	
Glaxosmithkline	0.0	-2.6	
HSBC Holdings	1.1	-5.2	
Royal Dutch Shell	0.0	-8.5	

### FUND MANAGER COMMENTARY

Despite seeing a positive performance for global markets, it was a more difficult month for the FTSE All Share Index, which reversed part of December's strong performance. Much of the decline in large caps was due to sterling strength and a decline in the bond proxies. Meanwhile for mid-caps we saw several profit warnings. At a sector level, basic materials were pushed higher by rising commodity markets. Investors also favoured industries with strong EPS indicators, such as financials, industrials and consumer discretionary. Meanwhile, consumer staples, utilities and telecoms underperformed. From a style perspective, value was out of favour.

Overall, current UK economic data releases are presenting a consistent picture: an improved performance by manufacturing and trade, but a challenging environment for the consumer. M&A enjoyed its strongest start to a year for over a decade, helped by greater clarity on US tax reforms and more signs of industry consolidation as companies look to enhance organic growth. The initial estimate for UK GDP in Q4 delivered a modest upside surprise. Meanwhile business sentiment remains broadly resilient.

The fund delivered a return of -1.5% in January, meaning relative gains of 40bps. Sector allocation helped, led by our overweight in industrials and underweight in consumer goods. Yet, stock selection was more mixed, as positive performance in financials is offset by weakness in materials.



#### 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**

- 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 have been applied to reduce the impact of exchange rate fluctuations but may not entirely eliminate it.
- 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 institutions providing services such as safekeeping of assets or acting as counterparty to derivatives or other instruments, becomes unwilling or unable to meet its obligations to the fund.

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	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
Interim	14 Mar 16	14 May 16	0.31p



**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 £957.2 billion (as at 30 June 2017). We work with a wide range of global clients, including pension schemes, sovereign wealth funds, fund distributors and retail investors.

Assets under management includes 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**

<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.

**Important information**

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