

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.

This fund is in category 6 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 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 £312.3m	Fund launch date 2 Jan 1996
Historical yield 2.5%	

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

COSTS

Initial charge 0.00%	Ongoing charge 0.78%
Price basis Single- dilution levy	Dilution levy 1.23%- round trip

BENCHMARKS

Benchmark

FTSE All Share TR Net Index

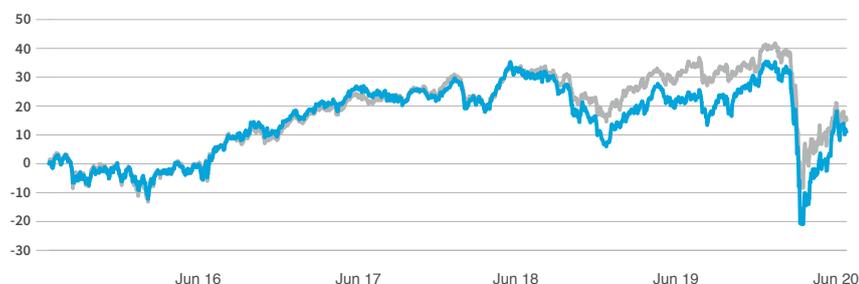
Performance objective

FTSE All Share TR Net Index +3%

Comparator benchmark

IA Sector: UK All Companies

PERFORMANCE (%)



	1 month	3 months	1 year	3 years	5 years
■ Fund	0.29	24.71	-9.02	-10.43	11.09
■ Benchmark	1.54	10.17	-12.99	-4.60	15.17
Performance objective	-	-	-	4.00	32.50
Comparator	0.70	14.29	-11.20	-5.16	11.74

12 MONTH PERFORMANCE TO MOST RECENT QUARTER (%)

12 months to 30 June	2020	2019	2018	2017	2016
Fund	-9.02	-7.33	6.23	24.01	0.02
Benchmark	-12.99	0.57	9.02	18.12	2.21
Comparator	-11.20	-2.12	9.11	22.72	-3.98

For annual performance against the performance objective please see the Key Investor Information Document (KIID). 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.



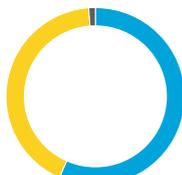
PORTFOLIO BREAKDOWN

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



SECTOR (%)

Consumer Services	24.7
Industrials	18.9
Financials	16.7
Consumer Goods	14.1
Health Care	10.3
Oil & Gas	3.5
Technology	3.2
Basic Materials	3.1
Telecommunications	2.9
Other	2.6



MARKET CAPITALISATION (%)

Large	56.6
Mid	42.2
Small	0.0
Micro	0.0
Cash and Equivalents	1.2



■ Top 10 holdings 36.5%
 ■ Rest of portfolio 63.5%
 No. of holdings 35

TOP 10 HOLDINGS (%)

AstraZeneca	5.2
Just Eat Takeaway.Com	3.9
Coca-Cola HBC AG	3.7
3I Group	3.6
Rentokil Initial	3.6
Experian	3.5
JD Sports Fashion	3.4
HG Capital Trust	3.2
Aveva Group	3.2
B&M European Value Retail	3.2

COUNTRY (%)

United Kingdom	100.0
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FUND MANAGER COMMENTARY

Gains were seen across all equity regions in June, though the UK was one of the weaker global markets. Yet, another positive month brings to a close a very strong recovery for stocks in Q2. Economies are re-opening, activity is recovering, but it also brings a flare-up in new COVID-19 cases. Markets are becoming increasingly torn between better macro data, concerns about a second wave and US politics. Earnings estimates have been cut dramatically, but should follow activity momentum higher in H2. All eyes now on the upcoming Q2 earnings season for market direction.

In the UK, we saw value outperform strongly in the early part of June, though this soon run out of steam as market volatility increased. By sector, Utilities, Resources and Financials were the stand-out winners. The biggest laggards were Healthcare and Consumer Services. Large-caps were the size winners, with the pound broadly unchanged against the dollar.

The fund reported a small gain of +0.3%, which reflected underperformance of the benchmark return. Sector allocation detracted value, led by the underweight in Financials and Basic Materials. The overweight in Consumer Services was additionally unhelpful. Stock selection was also negative, notably within Industrials. The biggest individual positive contributors were Ashtead and ASOS. Leading negatives were Biffa, JD Sports, RWS Holdings and SSP Group. For activity, we introduced new positions in online grocery solutions business, Ocado Group, and property investment and development business, Derwent London. Positions in Rio Tinto, Smiths Group and Tesco were all sold.



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
Interim	01 Apr 20	31 May 20	1.85p
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

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 £1,196.2 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

ISIN	I Acc	GB00B8F72V68
	I Inc	GB00B887M570
SEDOL	I Acc	B8F72V6
	I Inc	B887M57
Bloomberg	I Acc	LGUSEIA LN
	I Inc	LGUSEII LN

TO FIND OUT MORE

 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.