

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.

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 £269.7m	Base currency GBP	IA Sector IA UK All Companies
Launch date 10 Nov 2008	Domicile UK	Historical yield 1.50%

COSTS

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

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	-2.32	1.54	9.57	36.79	76.37
■ IA Sector	-2.92	0.55	6.56	20.21	48.93
Quartile ranking	1	2	1	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
---	-------



MARKET CAPITALISATION (%)

Large	39.4
Mid	39.8
Small	16.1
Micro	1.4
Cash and Equivalents	3.3



■ Top 10 holdings 44.85%
 ■ Rest of portfolio 55.15%
 No. of holdings 36

TOP 10 HOLDINGS (%)

Melrose Industries Plc	5.1
Prudential	5.1
Urban & Civic PLC	4.7
BP	4.6
Playtech	4.5
GVC Holdings	4.3
DCC	4.3
Wizz Air Holdings	4.2
British American Tobacco	4.1
Glencore	4.0

TOP SECTOR OVER/UNDERWEIGHTS (%)

	Fund	Relative	
Industrials	28.7	18.0	
Technology	9.1	7.9	
Consumer Services	15.8	4.1	
Unclassified	0.7	0.7	
Utilities	0.0	-2.5	
Health Care	4.4	-3.3	
Oil & Gas	7.8	-4.8	
Consumer Goods	8.7	-6.0	
Financials	16.6	-11.0	

TOP 5 STOCK OVER/UNDERWEIGHTS (%)

	Fund	Relative	
Melrose Industries	5.1	4.9	
Urban & Civic PLC	4.7	4.7	
Playtech	4.5	4.4	
GVC Holdings	4.3	4.2	
Wizz Air Holdings	4.2	4.1	
Astrazeneca	0.0	-2.6	
Diageo	0.0	-2.6	
Glaxosmithkline	0.0	-2.7	
HSBC Holdings	1.0	-5.1	
Royal Dutch Shell	0.0	-8.2	

FUND MANAGER COMMENTARY

The volatile start to the year for UK equity markets continued, with the FTSE All Share a heavy casualty. The index closed the month down -3.3% in total returns. The overall mood of markets settled in the last week of the period, but risk assets clearly remain sensitive to shifting perceptions about the central bank policy outlook and ongoing signs of global protectionism and populism. Rising bond yields have also played a part.

While it proved a tough month for equity investors, corporate earnings data and M&A activity are broadly supportive to UK equities. Economic momentum remains largely solid, particularly GDP growth and cyclical indicators, though there are clearly pockets of the market – consumer and housing – that endure negative headlines.

For UK equities, the underperformance of the multinational bond proxies and resource names weighed on large cap stocks. Meanwhile, mid and small caps outperformed, helped by some welcome M&A activity. At a sector level, consumer staples, telecoms, utilities and oil & gas producers were notably weak. Food retailers and online names also performed well. From a style perspective, value stocks were broadly out of favour.

During the period, the fund delivered a total return of -2.4%. Outperformance against its benchmark was driven by sector allocation, as we benefited from our overweight in consumer services and underweight in oil & gas sectors. Our underweight in bond proxies also added value. Stock selection was a small positive for fund performance.



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

- 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). 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 be applied to reduce the impact of exchange rate fluctuations 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	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

ISIN	I Acc	GB00B3DMY345
	I Inc	GB00B3DMY121
SEDOL	I Acc	B3DMY34
	I Inc	B3DMY12
Bloomberg	I Acc	LGUKSIA
	I Inc	LGUKSII

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

Issued by Legal & General (Unit Trust Managers) Limited as management company for this fund. Registered in England and Wales No. 01009418. Registered Office: One Coleman Street, London, EC2R 5AA. Authorised and Regulated by the Financial Conduct Authority No. 119273. We are members of the Investment Association. All features described in this fact sheet are those current at the time of publication and may be changed in the future. Nothing in this fact sheet should be construed as advice and it is therefore not a recommendation to buy or sell investments. If in doubt about the suitability of this product, you should seek professional advice. No investment decisions should be made without first reviewing the key investor information document of the Fund (“KIID”) which can be obtained from www.legalandgeneral.com. This fact sheet is only directed at investors resident in jurisdictions where this fund is registered for sale. It is not an offer or invitation to persons outside of those jurisdictions. We reserve the right to reject any applications from outside of such jurisdictions.

Source: FTSE International Limited (“FTSE”) © FTSE 2016. “FTSE®” is a trade mark of the London Stock Exchange Group companies and is used by FTSE International Limited under licence. All rights in the FTSE indices and/or FTSE ratings vest in FTSE and/or its licensors. Neither FTSE nor its licensors accept any liability for any errors or omissions in the FTSE indices and/or FTSE ratings or underlying data. No further distribution of FTSE Data is permitted without FTSE’s express written consent.