

Legal & General UK Special Situations Trust

Unit Trust (UK 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.

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 4.

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 £166.8m	Fund launch date 10 Nov 2008
Historical yield 0.9%	

COSTS

Initial charge 0.00%	Ongoing charge 0.79%
Price basis Single swing	Dilution adjustment 0.68%- round trip

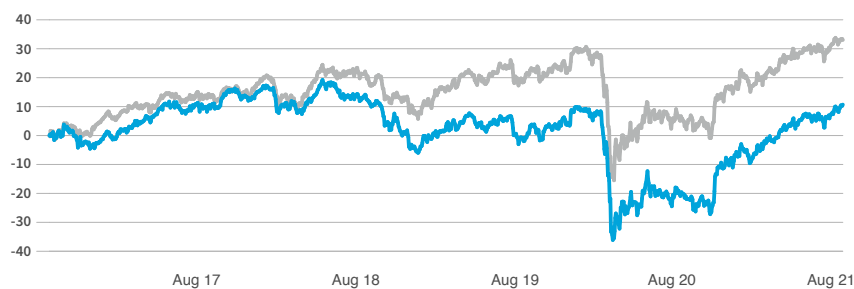
BENCHMARKS

Benchmark
FTSE All Share TR Net Index

Performance objective
FTSE All Share TR Net Index +5%

Comparator benchmark
IA Sector: UK All Companies

PERFORMANCE (%)



	1 month	3 months	1 year	3 years	5 years
■ Fund	4.51	4.35	40.57	-0.65	11.67
■ Benchmark	2.67	3.37	26.89	11.23	33.03
Performance objective	-	-	-	28.56	67.94
Comparator	3.23	4.34	32.43	16.61	41.67

12 MONTH PERFORMANCE TO MOST RECENT QUARTER (%)

12 months to 30 June	2021	2020	2019	2018	2017
Fund	31.70	-22.41	-10.18	6.47	22.53
Benchmark	21.40	-13.03	0.52	8.98	18.08
Comparator	27.63	-11.21	-2.12	9.11	22.72

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 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

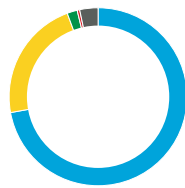
- **What does it invest in?** Invests at least 80% in shares of UK companies which are considered to be undervalued by the market, where the Manager believes there to be a catalyst (a feature or market event) which should increase the value of the company.
- **How does it invest?** Actively managed,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

Large	72.2
Mid	22.2
Small	1.8
Micro	0.5
Cash and Equivalents	3.3













■ Top 10 holdings 35.0%
■ Rest of portfolio 65.0%
No. of holdings 51











TOP 10 HOLDINGS (%)

Ashtead Group	4.4
St. James's Place	4.4
BP	3.8
Smith (DS)	3.8
Future	3.4
Biffa	3.2
Barclays	3.1
GlaxoSmithKline	3.0
Tesco	3.0
Intermediate Capital Group	3.0

TOP SECTOR OVER/UNDERWEIGHTS (%)

	Fund	Relative	
Industrials	22.7	9.3	
Consumer Discretionary	18.0	5.7	
Unclassified	1.9	1.9	
Utilities	4.8	1.8	
Technology	2.9	0.9	
Financials	20.8	-1.6	
Telecommunications	0.0	-2.2	
Health Care	4.5	-5.3	
Consumer Staples	9.5	-5.4	
Basic Materials	3.9	-5.4	

TOP 5 STOCK OVER/UNDERWEIGHTS (%)

	Fund	Relative	
St. James's Place	4.4	4.0	
Smith (DS)	3.8	3.6	
Ashtead Group	4.4	3.3	
Future	3.4	3.2	
Biffa	3.2	3.2	
HSBC Holdings	0.0	-3.2	
Diageo	0.0	-3.3	
Unilever	0.0	-4.3	
Royal Dutch Shell	0.0	-4.6	
AstraZeneca	0.0	-5.4	

FUND MANAGER COMMENTARY

The UK equity market delivered a positive return in August, further continuing its upward trajectory year-to-date. Positive earnings delivery, guidance upgrades and analyst revisions have been a key feature of the latest corporate reporting season, supporting the strong market performance. That said, commentary from management teams point to continued headwinds from supply disruption, rising freight and distribution costs, and increasing labour shortages. This continues to be a key part of our engagement with companies. Aside from earnings, M&A activity is continuing, with high profile movement in food and industrial sectors highlighting once again the relative valuation merits of UK assets. On Covid-19, final restrictions in the UK economy were lifted in August, although this was accompanied by more cautious rhetoric from government officials as cases of the delta variant rise. Despite this, the high vaccination rate appears to be keeping hospitalisations stable.

The L&G UK Special Situations Trust outperformed its benchmark in August. Sector allocation was positive due to our overweight in Industrials underweight in Basic Materials. Stock selection also made a positive contribution, driven by our names in Consumer Discretionary and Energy. At the individual stock level, top positive contributions came from our holdings in Cairn Energy, Future and Biffa. The largest negative contributions to relative returns came from Darktrace and Coca-Cola HBC.

In terms of portfolio activity, we sold our position in UDG Healthcare following the acquisition by TDR Capital. We also exited our position in Coats Group following its strong share price recovery.



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.

ENVIRONMENTAL PERFORMANCE

Carbon dioxide (CO₂) is the most significant contributor to greenhouse gas emissions which are driving climate change.



1,820
Tonnes

CO₂eⁱ per \$1 million EVIC

CARBON RESERVES

Carbon reserves are fossil fuels (coal, oil and gas) which, if burnt, will become the carbon emissions of the future. To meet global climate change targets, the unabated use of fossil fuels is expected to decline over time.

The figure is a measure of the size of carbon reserves held by the fund's underlying companies.



96
Tonnes

CO₂e per \$1 million of revenues

CARBON EMISSIONS

Following the global Paris Agreement on climate change, companies in all sectors are expected to reduce their emissions to prepare and adapt for a low-carbon economy.

Carbon emissions intensity describes the relationship between the carbon emissions of a company and its salesⁱⁱ.

NOTES


ⁱ Carbon dioxide equivalent (CO₂e) is a standard unit to compare the emissions of different greenhouse gases.

ⁱⁱ The choice of this metric follows best practice recommendations from the **Task Force on Climate-related Financial Disclosures**.

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The calculations above rely on third party data provided at a point in time that may not cover the entirety of the fund's investments or the fund's benchmark (against which the fund's performance is measured). As a result, what we may report may change as third party data changes and may also differ from other third party calculations.

Refinitiv: Source: Refinitiv ESG

 For further information please go to www.lgim.com/esginfo

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	15 Mar 21	14 May 21	0.41p
Final	15 Sep 20	13 Nov 20	0.44p
Interim	16 Mar 20	14 May 20	0.72p
Final	16 Sep 19	14 Nov 19	1.84p



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 £1,326.8 billion (as at 30 June 2021). 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 30 June 2021. 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	GB00B3DMY345
	I Inc	GB00B3DMY121
SEDOL	I Acc	B3DMY34
	I Inc	B3DMY12
Bloomberg	I Acc	LGUKSIA
	I Inc	LGUKSII

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 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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