

Legal & General UK Select Equity Fund

Unit Trust (UCITS compliant) I-Class GBP



FUND AIM

The objective of this fund is to provide growth by investing predominantly in shares of UK companies. The fund will seek to achieve its objective by investing at least 80% in shares of UK companies with an aim to outperform the FTSE All Share Index (the "Index") by 3% per annum before charges, over a rolling three year basis.

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 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 £379.5m | Base currency GBP | Benchmark FTSE All-Share Index |
| Launch date 2 Jan 1996 | Domicile UK | Historical yield 3.4% |

COSTS

| | |
|---|---|
| Initial charge 0.00% | Ongoing charge 0.78% |
| Price basis Single- dilution levy | Dilution levy 0.69%- round trip |

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

PERFORMANCE (%)



| | 1 month | 3 months | 1 year | 3 years | 5 years |
|------------------|---------|----------|--------|---------|---------|
| ■ Fund | 0.98 | 10.36 | -1.44 | 21.31 | 26.53 |
| ■ Benchmark | 2.67 | 9.41 | 6.36 | 31.32 | 34.47 |
| Quartile ranking | 3 | 1 | 4 | 3 | 3 |

12 MONTH PERFORMANCE TO MOST RECENT QUARTER (%)

| 12 months to 31 March | 2019 | 2018 | 2017 | 2016 | 2015 |
|-----------------------|-------|-------|-------|-------|------|
| Fund | -1.44 | -0.48 | 23.68 | -3.40 | 7.97 |
| Benchmark | 6.36 | 1.25 | 21.95 | -3.92 | 6.57 |
| Quartile ranking | 4 | 4 | 1 | 3 | 2 |

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

- We invest in 30-40 UK companies, with the aim of providing growth through a portfolio of high conviction ideas
- Adopt a bottom-up, stock picking approach with a strong investment process
- Our size means we can leverage LGIM's scale to gain exceptional access to corporate management teams, which is a key pillar for stock selection



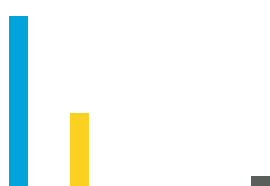
PORTFOLIO BREAKDOWN

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



SECTOR (%)

| | |
|--------------------|------|
| Consumer Services | 24.1 |
| Financials | 18.3 |
| Industrials | 18.1 |
| Consumer Goods | 13.4 |
| Oil & Gas | 8.3 |
| Technology | 5.8 |
| Health Care | 5.6 |
| Basic Materials | 3.7 |
| Telecommunications | 2.8 |



MARKET CAPITALISATION (%)

| | |
|----------------------|------|
| Large | 66.9 |
| Mid | 28.8 |
| Small | 0.0 |
| Micro | 0.0 |
| Cash and Equivalents | 4.3 |

Cash positions are held as collateral on futures



■ Top 10 holdings 38.2%
■ Rest of portfolio 61.8%
No. of holdings 35

TOP 10 HOLDINGS (%)

| | |
|------------------------------|-----|
| BP | 5.9 |
| Royal Bank of Scotland Group | 5.2 |
| HSBC Holdings | 3.7 |
| Rio Tinto | 3.7 |
| 3i Group | 3.5 |
| Barclays | 3.4 |
| Tesco | 3.4 |
| Melrose Industries Plc | 3.2 |
| Smiths Group | 3.2 |
| Fever-Tree Drinks | 3.1 |

COUNTRY (%)

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

FUND MANAGER COMMENTARY

Despite seeing a return of global growth worries and a sharp move on bond markets, equities have broadly brushed aside these concerns. UK equities have been impressively resilient in Q1, given volatility in currency moves and a lack of enthusiasm from global asset allocators.

Hysteria from the inversion of the US yield curve and sharp drop in Eurozone manufacturing PMI were viewed as renewed headwinds. However, such speculative cries of imminent recession do not necessarily match the economic backdrop of low distress, stable interest rates, and modest inflation. Arguably, any investor conservatism is reflected in the mixed signals we have seen on size, style and sector returns.

In more recent weeks, we've seen the unusual combination of rising markets with defensive leadership. Large-caps were the size winners, while value underperformed growth and quality. The strength of the FTSE 100 was spurred on by strong gains in consumer staples, resources and telecoms. Notably, UK miners made both short and long term relative highs. On the flipside, financials, utilities and leisure stocks were out of favour.

The L&G UK Select Equity fund delivered a net return of 1.0% in the period. Relative underperformance was driven by a combination of stock selection and sector positioning. Selection in healthcare, consumer goods and technology sectors all detracted small value.



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 |
|---------|-------------|-----------|----------------|
| Final | 01 Oct 18 | 30 Nov 18 | 5.93p |
| Interim | 03 Apr 18 | 31 May 18 | 4.04p |
| Final | 02 Oct 17 | 30 Nov 17 | 5.40p |
| Interim | 31 Mar 17 | 31 May 17 | 3.67p |



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 £984.8 billion (as at 30 June 2018). We work with a wide range of global clients, including pension schemes, sovereign wealth funds, fund distributors and retail investors.

Assets under management include 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 | 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

 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

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