

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.

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 | Launch date |
| £361.6m | 2 Jan 1996 |
| Historical yield | |
| 3.4% | |

COSTS

| | |
|------------------------------|--------------------------|
| Initial charge | Ongoing charge |
| 0.00% | 0.78% |
| Price basis | Dilution levy |
| Single- dilution levy | 0.74%- round trip |

BENCHMARKS

Target and constraining benchmark

FTSE All Share TR Net Index

Comparator benchmark

IA Sector: UK All Companies

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 | -3.59 | 0.17 | -7.01 | 9.61 | 22.83 |
| ■ Index | -3.57 | 1.98 | 0.44 | 20.20 | 31.17 |
| Relative to Index | -0.02 | -1.81 | -7.45 | -10.59 | -8.34 |
| Comparator | -3.25 | 0.92 | -3.12 | 17.70 | 30.02 |

12 MONTH PERFORMANCE TO MOST RECENT QUARTER (%)

| 12 months to 30 June | 2019 | 2018 | 2017 | 2016 | 2015 |
|----------------------|-------|-------|-------|-------|------|
| Fund | -7.33 | 6.23 | 24.01 | 0.02 | 4.79 |
| Index | 0.57 | 9.02 | 18.12 | 2.21 | 2.60 |
| Relative to Index | -7.90 | -2.79 | 5.89 | -2.19 | 2.19 |
| Comparator | -2.12 | 9.11 | 22.72 | -3.98 | 6.86 |

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.

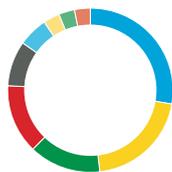
FUND SNAPSHOT

- **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.



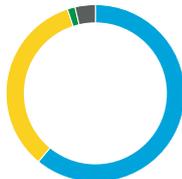
PORTFOLIO BREAKDOWN

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



SECTOR (%)

| | |
|-------------------|------|
| Consumer Services | 27.7 |
| Industrials | 20.5 |
| Financials | 14.1 |
| Consumer Goods | 13.7 |
| Oil & Gas | 8.9 |
| Technology | 5.8 |
| Unclassified | 3.2 |
| Health Care | 3.1 |
| Basic Materials | 3.1 |



MARKET CAPITALISATION (%)

| | |
|----------------------|------|
| Large | 61.0 |
| Mid | 33.9 |
| Small | 1.4 |
| Micro | 0.0 |
| Cash and Equivalents | 3.7 |



■ Top 10 holdings 36.6%
■ Rest of portfolio 63.4%

No. of holdings 36

TOP 10 HOLDINGS (%)

| | |
|------------------------------|-----|
| BP | 5.6 |
| Royal Bank of Scotland Group | 4.1 |
| 3i Group | 3.7 |
| Next | 3.7 |
| Just Eat | 3.5 |
| Royal Dutch Shell | 3.3 |
| Associated British Foods | 3.2 |
| Melrose Industries Plc | 3.2 |
| Coca-Cola HBC AG | 3.2 |
| NMC Health | 3.1 |

COUNTRY (%)

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

FUND MANAGER COMMENTARY

It was a gloomy month for equity markets as risk appetite remains highly sensitive to news regarding global trade negotiations. Uncertainty continues to weigh on economic data, while central banks continue to review policy and decisions about asset purchases. Meanwhile, in UK politics, Prime Minister Boris Johnson requested for Parliament to be suspended, as more MPs attempt to make a move to block a hard Brexit.

UK equity market performance suggests the region remains unloved and relatively undervalued. M&A activity helped mid-caps, with Greene King and Entertainment One the latest companies to be acquired by opportunistic buyers. By sector, it was a better month for defensives. Healthcare and Utilities led across the board, while Oils, Materials and Financials underperformed. At the style level, Value continues to lag Quality and Growth, as we saw structural quality and low beta remain in favour at the expense of more cyclical names.

Fund performance was in line with the index return in August. Sector allocation was a positive, led by the underweight positioning in Banks and Oils which added value. Stock selection was a small negative, following weakness in both Consumer sectors. Top performers in the period were NMC Health, Rentokil, Just Eat and Wizz Air. On the flipside, Cineworld, Sophos and RBS Group detracted from returns. For activity, we added a new position in RWS Holdings. We also switched out of Barclays and into St James's Place.



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 your investment and any income you take from it may fall as well as rise and is not guaranteed. You might get back less than you invest.
- 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 19 | 31 May 19 | 3.90p |
| 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 |



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 £1,134.5 billion (as at 30 June 2019). We work with a wide range of global clients, including pension schemes, sovereign wealth funds, fund distributors and retail investors.

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

 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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