

Legal & General UK Select Equity Fund

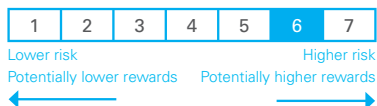
Unit Trust (UK UCITS compliant) I-Class GBP

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 £356.4m	Fund launch date 2 Jan 1996
Historical yield 0.5%	

COSTS

Initial charge 0.00%	Ongoing charge 0.78%
Price basis Single swing	Dilution adjustment 0.85%- round trip

BENCHMARKS

Benchmark

FTSE All Share TR Net Index

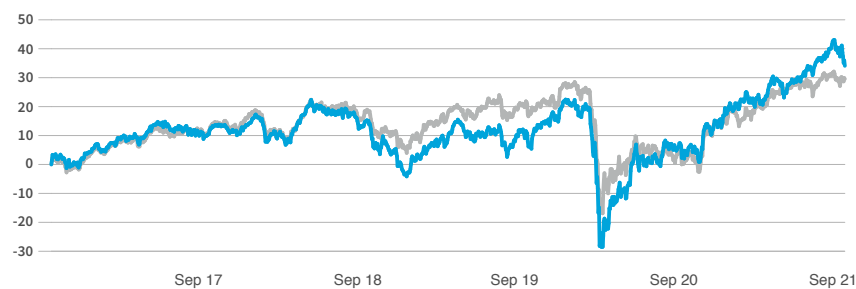
Performance objective

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	-4.62	2.44	29.73	16.81	34.05
■ Benchmark	-0.96	2.22	27.84	9.39	29.55
Performance objective	-	-	-	19.43	49.25
Comparator	-1.74	2.72	32.49	15.19	38.52

12 MONTH PERFORMANCE TO MOST RECENT QUARTER (%)

12 months to 30 September	2021	2020	2019	2018	2017
Fund	29.73	-6.92	-3.27	2.64	11.81
Benchmark	27.84	-16.63	2.64	5.83	11.90
Comparator	32.49	-13.13	0.08	5.63	13.84

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.

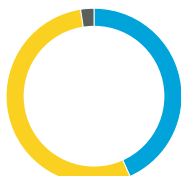
PORTFOLIO BREAKDOWN

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



SECTOR (%)

Industrials	22.7
Consumer Staples	13.9
Technology	12.2
Financials	10.0
Consumer Discretionary	9.9
Health Care	8.6
Unclassified	7.9
Real Estate	5.3
Basic Materials	4.4
Other	5.0



MARKET CAPITALISATION (%)

Large	43.3
Mid	54.3
Small	-
Micro	-
Cash and Equivalents	2.4



■ Top 10 holdings 34.7%
■ Rest of portfolio 65.3%

No. of holdings 40

TOP 10 HOLDINGS (%)

AstraZeneca	6.2
Unilever	5.2
Experian	3.1
Ashtead Group	3.1
Helios Towers	3.0
Rentokil Initial	3.0
Aveva Group	2.8
3I Group	2.8
St. James's Place	2.8
Tritax Big Box REIT	2.7

COUNTRY (%)

United Kingdom	96.4
Netherlands	2.1
Ireland	1.5

FUND MANAGER COMMENTARY

Equity markets sold off on China credit news and activity slowdown, inflation worries and concerns over broader macro momentum. This past month we've had incrementally hawkish central bank communication and evidence of firm price pressures at a time when growth and inflation are trending in the wrong direction. The net effect resulted in a sharp drawdown in equities, tighter HY spreads, rising bond yields in US and Germany, end to US curve flattening, bottoming out in copper and in iron ore price, and significant moves in power prices and oil. Corporate news flow has been on the negative side as we start to see signs of persistent supply chain issues and higher costs across a range of sectors impacting financial guidance.

Unsurprisingly, market leadership turned to become more value and cyclical as the month progressed. By sector, Energy and Financials outperformed, while Consumer Staples held up well. On the reverse side we saw Utilities, Tech, Telecoms and Resources sell-off sharply. Regionally, the UK market was an outlier in September, with its sector composition boosting relative global market performance.

L&G UK Select Equity underperformed its benchmark by 360bps. Sector allocation was the biggest headwind. The overweight to Technology and underweights to Energy, Healthcare and Financials were all unhelpful. Stock selection was mixed though our Consumer Discretionary exposure saw the largest underperformance. Top stock contributors were Darktrace, Fevertree Drinks, Rotork, Dalata Hotel Group and Helios Towers. The largest detractors were Alphawave, Boohoo, Ocado Group, Moonpig, Just Eat Takeaway and RHI Magnesita. There was no significant new activity.



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 21	31 May 21	0.86p
Final	01 Oct 20	30 Nov 20	0.95p
Interim	01 Apr 20	31 May 20	1.85p
Final	01 Oct 19	29 Nov 19	4.86p



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

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 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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