

Suspension of dealing in the Legal & General UK Property Fund and the Legal & General UK Property Feeder Fund

Dear Investor,

We are writing to confirm that in light of extreme market volatility and the exceptional circumstances in the UK property market, we have taken the difficult decision to suspend trading in the Legal & General UK Property Fund (the "Fund") and Legal & General UK Property Feeder Fund (the "Feeder Fund").

The suspension will apply to any instructions to be effected on or after the valuation point at 12.00 midday on 18th March 2020. This means we cannot process any instruction to buy, sell, transfer or switch shares in the funds placed after midday on 17th March 2020. Any monies received for purchases will not be accepted and will be returned to investors. The suspension will remain in place until further notice.

Why have we suspended dealing in the fund?

Given the impact of the COVID-19 virus outbreak on global financial markets, the Fund's independent valuers, Knight Frank LLP, has introduced a material valuation uncertainty clause as of 18th March to its valuations of the underlying properties in the Fund. As this means we cannot be confident about the valuation of properties, in the interests of customers and in the light of our regulatory responsibilities we have taken the decision to suspend the Funds.

This uncertainty is due to the unprecedented set of circumstance caused by the COVID-19 virus impacting market activity across all sectors. This means the independent valuers are unable to rely on previous market experience to inform their opinion of values of the properties held by the Fund. We believe this suspension to be the fairest outcome for all investors, taking an appropriate forward looking view through the current crisis. While the Funds have sufficient liquidity to meet redemptions received so far, we have taken this action as a prudent and temporary measure until such times as these extreme conditions stabilise and the uncertainty around property valuations is removed.

Fund Positioning

Despite the suspension, the Fund's strategic position is particularly well placed for the long-term UK property market outlook. The property portfolio is well diversified across sectors and geography, with assets in locations we believe to be strong and below benchmark vacancy rates. From a sector position the portfolio is overweight to industrial and alternatives which we believe to have better long term dynamics and underweight to the retail sector, which is currently the weakest part of the market. At present we have high levels of liquidity with 24% held in cash and 2% in Real Estate Investment Trusts, which should help us navigate the market during this declared period of valuation uncertainty.

What happens next?

We will continue to monitor the Fund and market closely and take all actions that we consider to be in the best interests of investors, with a view to resuming dealing in the Funds as soon as possible. We continue to engage frequently with our regulator, the FCA, our independent valuers and with industry bodies such as the Association of Real Estate Funds. Once valuation certainty has been re-established by the independent valuers, we will look to reopen the Funds as soon as we are able.

For now, any requests to buy, sell or exchange shares of the Funds during the suspension will not be processed. If you placed orders to buy, sell or exchange shares since the Funds were suspended, we ask that you kindly re-submit them once dealing resumes.

We will provide further information about the suspension and inform you once dealing in the Funds has resumed via our [website](#) and through direct communications.

We intend to continue to calculate and publish the prices of the Funds during the period of suspension.

If you have any questions, for intermediaries please contact your usual Legal & General representative or fundsales@lgim.com. For our Personal Investing customers please visit www.legalandgeneral.com/investments/, we will endeavour to respond to your query as possible. However, please understand that given the current challenging environment and health situation we may not be able to speak to you immediately. We appreciate your patience at a time of global and national emergency, during which we are taking steps to protect our employees and the wider public.

Kind regards,

Honor Solomon, Director

For and on behalf of Legal & General (Unit Trust Managers) Limited

Important information

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.

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