

Legal & General UK Select Equity Fund
Interim Manager's Report
for the period ended
31 March 2021
(Unaudited)



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Manager's Investment Report

Investment Objective and Policy

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 3% per annum. This objective is before the deduction of any charges and measured over rolling three year periods.

The Fund is actively managed and invests at least 90% in the shares of UK companies. These are companies that are incorporated, headquartered or which have their principal business activities in the UK, or companies that are listed in the UK and constituents of the Benchmark Index.

Over a market cycle (typically three to five years), the Fund will comprise a portfolio of on average 30 to 60 companies selected by the Manager following research of each company. At times the Fund's portfolio may be concentrated.

The Fund may also invest in collective investment schemes including those managed or operated by the Manager or an affiliate of the Manager as well as participatory notes, preference shares, cash, permitted deposits and money market instruments (such as treasury bills).

In addition, the Fund is also permitted to receive and hold warrants and convertible bonds as a result of corporate actions.

The Fund may only use derivatives for the purpose of Efficient Portfolio Management.

Managers Investment Report

During the period under review, the published price of the Fund's A-Class accumulation units rose by 18.26%, whilst the FTSE All-Share Index rose by 18.47% on a total return basis (Source: Bloomberg).

Past performance is not a guide to future performance.

The value of investments and any income from them may go down as well as up.

Market/Economic Review

Having lagged global markets in the two quarters after the onset of the pandemic, UK equities made strong gains over the past six months. While the early months of the pandemic highlighted shortcomings in the country's decision-making processes, the move to secure potential vaccine supplies ahead of successful trials was vindicated in November when phase-three trials showed a number of the vaccines to be highly effective. By reaching deals with drug manufacturers while the trials were still ongoing, the UK was able to avoid the shortages that would hamstring inoculation efforts in the first quarter of 2021. Success with vaccines, coupled with an eleventh-hour trade deal with the EU, resulted in a rally in the beaten-down value stocks and those focused on the domestic economy. The FTSE 250 Index, which is rich in domestically focused large- and mid-caps, strongly outperformed the more internationally facing FTSE 100 Index over the review period. Banks rose significantly amid the resurgence of cyclical sectors, while also enjoying the higher benchmark yields on offer, which helped boost net interest margins.

Fund Review

The I&G UK Select Equity Fund delivered a positive return during the review period, which broadly matched the performance of its Benchmark.

Sector allocation made a positive contribution, led by our exposure within consumer discretionary and consumer staples. Stock selection was a drag on returns as our holdings within telecoms and both consumer sectors underperformed on a relative

Manager's Investment Report continued

basis.

At the company level, Aston Martin Lagonda Global, Watches of Switzerland Group, RHI Magnesita, Network International, SSP Group, Wizz Air and Ashtead Group all made a strong positive contribution. Conversely, the main underperformers were Just Eat Takeaway.com, Ocado Group and Rentokil Initial as part of the market rotation in the first quarter of 2021. For trading activity, we introduced new positions in Ceres Power, Moonpig Group, Genus, Tritax Big Box REIT and Pets At Home Group. Positions in Abcam, BP, ConvaTec Group, JD Sports Fashion and B&M Value Retail were all sold.

Outlook

Overall, we maintain the view that stronger economic growth and higher corporate profitability will be supportive of performance for UK equities, in addition to monetary policy and green stimulus which should be favourable for structural and secular trends. Our strategy retains conviction in owning long-term sustainable growth companies that we believe may benefit from long duration trends which are amplified by a number of supportive mega-themes. As such, we maintain the view that the UK is home to a number of midcap long-term winners where the reappraisal of growth and valuations feels overdue.

Legal & General Investment Management Limited
(Investment Adviser)
27 April 2021

Important Note from the Manager

Since January 2020, global financial markets have been affected by the COVID-19 coronavirus. The virus has caused major uncertainty and disruption to businesses and everyday life. Financial markets have reacted sharply to this news, with concerns regarding the economic impact this may have on a global scale. The long-term impact on the global economy and markets will depend upon the overall scale and the duration of the outbreak, the success of vaccine rollout programs, as well as on the actions taken by governments and central banks.

Legal & General (Unit Trust Managers) Limited
March 2021

Authorised Status

Authorised Status

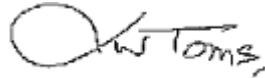
This Fund is an Authorised Unit Trust Scheme as defined in section 243 of the Financial Services and Markets Act 2000 and is a UCITS Retail Scheme within the meaning of the FCA Collective Investment Schemes sourcebook.

Directors' Statement

We hereby certify that this Manager's Report has been prepared in accordance with the requirements of the FCA Collective Investment Schemes sourcebook.



A. J. C. Craven
(Director)



L. W. Toms
(Director)

Legal & General (Unit Trust Managers) Limited
20 May 2021

Portfolio Statement

Portfolio Statement as at 31 March 2021

All investments are in ordinary shares unless otherwise stated. The percentages in brackets show the equivalent holdings at 30 September 2020.

Holding/ Nominal Value	Investment	Market Value £	% of Net Assets
	UNITED KINGDOM		
	— 78.54% (77.70%)		
	Oil & Gas Producers		
	— 0.00% (2.57%)		
	Alternative Energy — 2.83% (0.00%)		
783,730	Ceres Power	9,780,950	2.83
	Chemicals — 3.10% (3.50%)		
167,195	Croda International	10,727,231	3.10
	Mining — 1.39% (0.00%)		
86,500	Rio Tinto	4,807,670	1.39
	Support Services — 13.59% (13.34%)		
226,060	Ashtead Group	9,763,531	2.82
2,928,000	Biffa	7,876,320	2.27
2,253,155	Network International	9,269,480	2.68
2,184,030	Rentokil Initial	10,627,490	3.07
1,552,765	RWS Holdings	9,502,922	2.75
		47,039,743	13.59
	Automobiles & Parts		
	— 2.79% (2.37%)		
481,964	Aston Martin Lagonda Global	9,648,919	2.79
	Beverages — 2.38% (2.99%)		
383,315	Fevertree Drinks	8,241,273	2.38
	Food Producers — 5.63% (2.47%)		
421,000	Associated British Foods	10,196,620	2.94
257,600	Cranswick	9,299,360	2.69
		19,495,980	5.63
	Personal Goods — 2.79% (3.28%)		
1,445,050	Watches of Switzerland Group	9,667,385	2.79
	Health Care Equipment & Services		
	— 0.00% (2.91%)		
	Pharmaceuticals & Biotechnology		
	— 7.66% (6.46%)		
240,010	AstraZeneca	17,412,725	5.03
190,000	Genus	9,085,800	2.63
		26,498,525	7.66
	Food & Drug Retailers		
	— 2.76% (3.31%)		
469,715	Ocado Group	9,549,306	2.76
	General Retailers — 8.55% (9.31%)		
56,620	ASOS	3,132,218	0.90
925,000	HomeServe	11,127,750	3.22
1,264,337	Moonpig Group	5,325,388	1.54

Portfolio Statement continued

Holding/ Nominal Value	Investment	Market Value £	% of Net Assets
	General Retailers — (cont.)		
2,415,000	Pets at Home Group	10,007,760	2.89
		<hr/>	
		29,593,116	8.55
	Travel & Leisure — 0.00% (1.45%)		
	Mobile Telecommunications — 3.43% (3.08%)		
7,032,474	Helios Towers	11,884,881	3.43
	Banks — 0.00% (1.11%)		
	Life Insurance — 3.03% (2.50%)		
820,500	St. James's Place	10,469,580	3.03
	Real Estate Investment Trusts — 6.19% (3.08%)		
332,850	Derwent London	10,930,794	3.16
5,805,000	Tritax Big Box REIT	10,495,440	3.03
		<hr/>	
		21,426,234	6.19
	Financial Services — 5.54% (6.73%)		
835,000	3i Group	9,794,550	2.83
134,930	London Stock Exchange Group	9,358,745	2.71
		<hr/>	
		19,153,295	5.54
	Equity Investment Instruments — 0.00% (3.69%)		
	Software & Computer Services — 4.05% (3.55%)		
287,641	AVEVA Group	9,834,446	2.84
1,577,950	Trustpilot Group	4,165,788	1.21
		<hr/>	
		14,000,234	4.05
	Closed End Investments — 2.83% (0.00%)		
3,069,165	HgCapital Trust	9,790,636	2.83
	IRELAND — 2.07% (1.55%)		
	Travel & Leisure — 2.07% (1.55%)		
1,979,362	Dalata Hotel Group	7,163,765	2.07
	CHANNEL ISLANDS — 7.35% (6.15%)		
	Support Services — 3.04% (3.57%)		
418,810	Experian	10,499,567	3.04
	General Retailers — 1.52% (0.00%)		
1,545,000	boohoo Group	5,260,725	1.52
	Travel & Leisure — 2.79% (2.58%)		
196,200	Wizz Air	9,656,964	2.79
	LUXEMBOURG — 0.00% (3.33%)		
	General Retailers — 0.00% (3.33%)		
	NETHERLANDS — 5.70% (6.23%)		
	Chemicals — 2.88% (2.62%)		
242,080	RHI Magnesita	9,968,854	2.88
	General Retailers — 2.82% (3.61%)		
146,997	Just Eat Takeaway.com	9,737,081	2.82

Portfolio Statement continued

Holding/ Nominal Value	Investment
	SWITZERLAND — 2.83% (3.39%)
	Beverages — 2.83% (3.39%)
420,440	Coca-Cola HBC

Portfolio of investments¹

Net other assets

Total net assets

Market Value £	% of Net Assets
9,804,661	2.83
333,866,575	96.49
12,158,046	3.51
£346,024,621	100.00%

¹ All investments are admitted to an official stock exchange unless otherwise stated.

Total purchases for the period: £137,742,102.

Total sales for the period: £170,232,775.

Financial Statements

Statement of Total Return for the period ended 31 March 2021

	31/03/21		31/03/20	
	£	£	£	£
Income				
Net capital gains/ (losses)		56,332,939		(98,063,155)
Revenue	2,486,631		3,970,524	
Expenses	(2,198,929)		(2,338,621)	
Interest payable and similar charges	(5,829)		(21)	
Net revenue before taxation	<u>281,873</u>		<u>1,631,882</u>	
Taxation	(219,019)		(99,722)	
Net revenue after taxation for the period		<u>62,854</u>		<u>1,532,160</u>
Total return before distributions		56,395,793		(96,530,995)
Distributions		(114,249)		(1,532,160)
Change in net assets attributable to Unitholders from investment activities		<u>£56,281,544</u>		<u>£(98,063,155)</u>

Statement of Change in Net Assets attributable to Unitholders for the period ended 31 March 2021

	31/03/21		31/03/20	
	£	£	£	£
Opening net assets attributable to Unitholders		315,177,407		367,847,975
Amounts received on issue of units	2,062,891		2,010,796	
Amounts paid on cancellation of units	(27,607,503)		(21,858,770)	
Change in net assets attributable to Unitholders from investment activities		<u>(25,544,612)</u>		<u>(19,847,974)</u>
Retained distributions on accumulation units		110,282		1,500,052
Closing net assets attributable to Unitholders		<u>£346,024,621</u>		<u>£251,436,898</u>

The difference between the opening net assets and the comparative closing net assets is the movement in the second half of the year.

Financial Statements continued

Balance Sheet as at 31 March 2021

	31/03/21 £	30/09/20 £
ASSETS		
Fixed assets:		
Investments	333,866,575	309,988,502
Current assets:		
Debtors	5,736,536	533,892
Cash and bank balances	14,789,648	10,738,389
Total assets	354,392,759	321,260,783
LIABILITIES		
Creditors:		
Bank overdrafts	(51,728)	(5,234,361)
Distributions payable	(435)	(268)
Other creditors	(8,315,975)	(848,747)
Total liabilities	(8,368,138)	(6,083,376)
Net assets attributable to Unitholders	£346,024,621	£315,177,407

Notes to the Financial Statements

1. Statement of Compliance

The Financial Statements have been prepared in compliance with UK Financial Reporting Standard 102 (FRS 102) and in accordance with the Statement of Recommended Practice for UK Authorised Funds issued by the Investment Association in May 2014 (2014 SORP).

2. Accounting Policies

The accounting policies applied are consistent with the most recent annual Financial Statements.

(a) Basis of Preparation

The Financial Statements have been prepared on a going concern basis, under the historical cost convention as modified by the revaluation of certain financial assets and liabilities measured at fair value through profit or loss. In making this assessment, and in response to COVID-19, the Manager has considered, amongst other things, factors such as Fund size, cash flows through the Fund and Fund liquidity.

Fund Information

Net Asset Values and Units in Issue

Class	Net Asset Value (£)	Units in Issue	Net Asset Value per Unit (p)
R-Class			
Accumulation Units	537,816	143,995	373.50
A-Class			
Accumulation Units	303,730,803	80,792,560	375.94
I-Class			
Distribution Units	163,571	50,741	322.36
Accumulation Units	41,359,203	10,345,477	399.78
L-Class			
Accumulation Units	233,228	432,560	53.92

Past performance is not a guide to future performance.

The price of units and any income from them may go down as well as up.

Ongoing Charges Figures

	31 Mar 21	30 Sep 20
R-Class	1.37%	1.37%
A-Class	1.37%	1.37%
I-Class	0.78%	0.78%
L-Class	0.05%	0.05%

The Ongoing Charges Figure (OCF) is the ratio of the Fund's total disclosable costs (excluding overdraft interest) to the average net assets of the Fund.

The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a fund and is calculated based on the last period's figures.

Distribution Information

R-Class

A shortfall for the R-Class units arose because expenses exceeded the revenue of the R-Class. This being the case, there is no interim distribution payable for the R-Class.

A-Class

A shortfall for the A-Class units arose because expenses exceeded the revenue of the A-Class. This being the case, there is no interim distribution payable for the A-Class.

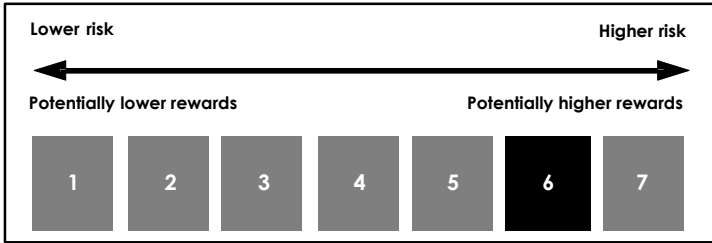
I-Class

The distribution payable on 31 May 2021 is 0.8569p per unit for distribution units and 1.0523p per unit for accumulation units.

L-Class

The distribution payable on 31 May 2021 is 0.3263p per unit for accumulation units.

Risk and Reward Profile



- The Risk and Reward Indicator table demonstrates where the Fund ranks in terms of its potential risk and reward. The higher the rank the greater the potential reward but the greater the risk of losing money. It is not guaranteed to remain the same and may change over time. It is based on historical data and may not be a reliable indication of the future risk profile of the Fund. The shaded area in the table above shows the Fund's ranking on the Risk and Reward Indicator.
- The Fund is in category six 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. Company shares are generally considered to be higher risk investments than bonds or cash.
- Even a fund in the lowest category is not a risk free investment.

General Information

Constitution

Launch date:	2 January 1996
Period end dates for distributions:	30 September, 31 March
Distribution dates:	30 November, 31 May
Minimum initial lump sum investment:	R-Class £20 A-Class £20 I-Class £1,000,000 L-Class* £100,000
Valuation point:	12 noon
Fund management fees:	R-Class Annual 1.37% A-Class Annual 1.37% I-Class Annual 0.78% L-Class* Annual 0.05%
Initial charge:	Nil for all existing unit classes

- * Class L units are only available to other Legal & General funds and/or companies which have entered into an agreement with the Manager or an affiliate of the Manager.

Pricing and Dealing

The prices are published on the internet at www.legalandgeneral.com/investments/funds/prices-and-reports/daily-fund-prices immediately after they become available.

Dealing in units takes place on a forward pricing basis, from 8:30am to 6:00pm, Monday to Friday.

Buying and Selling Units

Units may be bought on any business day from the Manager or through a financial adviser by completing an application form or on the internet at www.legalandgeneral.com. Units may normally be sold back to the Manager on any business day at the bid price calculated at the following valuation point.

ISA Status

This Fund may be held within this tax advantaged savings arrangement. The favourable tax treatment of ISAs may not be maintained. For full written information, please contact your usual financial adviser or ring 0370 050 0955.

Call charges will vary. We may record and monitor calls.

Prospectus and Manager's Reports

Copies of the Prospectus and the most recent annual or interim reports are available free of charge by telephoning 0370 050 0955 or by writing to the Manager.

Do you have difficulty in reading information in print because of a disability? If so, we can help. We are able to produce information for our clients in large print and braille. If you would like to discuss your particular requirements, please contact us on 0370 050 0955.

General Information continued

Significant Change

Changes to Pricing Methodology

We have recently reviewed the way we calculate prices for your funds. Following the review, we have decided to adopt a standardised way of pricing funds across most of our Unit Trust fund range.

Previously we used four different methods for calculating fund prices. With effect from 1 December 2020, we have adopted a 'single swing pricing' method.

The move to a standardised pricing method will:

1. Make our pricing simpler;
2. Make it easier for you to compare prices across our funds; and
3. Make it easier for you to compare our funds to funds offered by our competitors.

This new pricing method means that on each day all our customers receive the same price regardless of whether they are buying or selling their investments.

If you'd like to know more about this change and what it means for you, then you can visit our website at legalandgeneral.com/swing-pricing. If you have any questions about the change or require further information, please contact us Monday to Friday between 9.00am and 5:00pm on 0370 050 0955 or email us at investments@landg.com.

Call charges will vary. We may record and monitor calls.

General Information continued

Authorised Fund Manager

Legal & General (Unit Trust Managers) Limited
Registered in England and Wales No. 01009418
Registered office:
One Coleman Street,
London EC2R 5AA
Telephone: 0370 050 3350
Authorised and regulated by the Financial Conduct Authority

Directors of the Manager

A. Clare*
E. Cowhey*
A. J. C. Craven
S. Hynes
H. Solomon
L. W. Toms
A. R. Toutouchi*

*Non-executive Director

Secretary

J. McCarthy

Registrar

Legal & General (Unit Trust Managers) Limited
P.O. Box 6080,
Wolverhampton WV1 9RB
Authorised and regulated by the Financial Conduct Authority

Dealing: 0370 050 0956
Enquiries: 0370 050 0955
Registration: 0370 050 0955

Call charges will vary. We may record and monitor calls.

Trustee

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London E14 5NT

Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority

Independent Auditor

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**Authorised and regulated by the
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