

Legal & General Real Capital Builder Fund

Annual Manager's Report
for the year ended
31 December 2019



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* These collectively comprise the Authorised Fund Manager's Report.

Manager's Investment Report

Investment Objective and Policy

In line with the updated rules and guidance for the asset management industry published by the Financial Conduct Authority (FCA) in February 2019, we have clarified the Investment Objectives and Policies for our UK regulated funds.

The revised Investment Objective and Policy came into effect on 7 August 2019. The previous and revised Investment Objective and Policy are set out below.

Prior to 7 August 2019

The Fund's objective is to grow capital, at the rate of inflation (CPI) +4% per annum on average over a rolling five year period and to manage volatility so that it remains around two thirds of the MSCI World Index. There is no guarantee that the objective will be met over any time period and capital is at risk. This objective is before the deduction of any charges and assumes any income is reinvested.

The Fund seeks to achieve capital growth by investing mainly in equities. The Fund will also invest in fixed income securities to help manage volatility and to protect capital.

The Fund's portfolio will be concentrated.

The Fund may invest in any region of the world, including emerging markets, and in any currency.

The Fund may also invest in permitted deposits, money market instruments, cash, near cash and units in collective investment schemes. The collective investment schemes in which the Fund invests will include those managed by Legal & General.

The Fund may use derivatives for Efficient Portfolio Management only.

From 7 August 2019

The objective of the Fund is to grow capital, at the rate of UK inflation (CPI) +4% per annum (the "Benchmark") on average over a rolling five year period and to manage volatility so that it remains around 66% of the global share markets as represented by the MSCI World TR Net Index.

There is no guarantee that the Fund's objective will be met over any time period and capital is at risk. This objective is before the deduction of any charges and assumes any income is reinvested.

The Fund is actively managed and invests at least 50% in shares of companies and depositary receipts from any region of the world, including emerging markets, and in any currency. The Fund will also invest in bonds (both government and corporate) to help manage volatility and to protect capital.

Over a market cycle (typically 3 to 5 years), the Fund will hold, on average, shares in 20 to 40 companies selected by the Manager following research of each company. At times the Fund's portfolio of company shares may be concentrated.

The Fund may also invest in participatory notes, preference shares, cash, permitted deposits, money market instruments (such as treasury bills), real estate investment trusts (REITs) and collective investment schemes, including those which are operated by the Manager or an associate of the Manager.

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 hold derivatives for Efficient Portfolio Management purposes.

Manager's Investment Report continued

Manager's Investment Report

During the year under review, the bid price of the Fund's I-Class distribution units rose by 14.77%.

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.

Exchange rate changes may cause the value of any overseas investments to rise or fall.

Market/Economic Review

Following the gloom that overshadowed financial markets in late 2018, optimism that the global economy would avoid a damaging recession helped world stock markets to rebound sharply over the first half of 2019. Nevertheless, although robust consumer demand enabled the US economy to demonstrate considerable resilience, the picture elsewhere remained more cloudy, with China's ongoing economic slowdown exacerbated by the deepening US-China trade dispute while European economies laboured amid reduced export demand and prolonged Brexit-related uncertainties. Meanwhile, sporadic escalations in the US-China trade dispute and subdued global inflation underpinned demand for ultra-low risk government bonds.

Global equities extended their gains throughout the second half of 2019, buoyed by US-led cuts in global interest rates as the Federal Reserve sought to cushion the US economy from the effects of world trade friction. Although global inflation remained muted, government bond markets' third quarter gains subsequently waned as growing optimism over a US-China trade deal undermined the appeal of 'safe havens', albeit that corporate bond prices held up relatively well amid expectations that a more stable economic outlook would underpin company earnings. Despite further subdued performance from the Eurozone and UK economies, optimism that the Phase One trade deal agreed between the US and China in December, further positive signs from the US economy and greater Brexit-related political clarity following new UK PM Boris Johnson's resounding election victory helped global equities to end 2019 on a strong note.

Fund Review

Equities delivered a strong contribution to performance over the year. At the sector level, our holdings among financials, communications and consumer cyclicals boosted the portfolio's returns, with selected holdings among technology companies, where exposure to long-term themes, such as simulation software, connecting the world and supply chain automation, continued to work to our advantage. Our fixed income exposure further enhanced returns, with holdings in both government and corporate bonds contributing positively to returns over the year.

At the stock level, a range of our favoured holdings contributed strongly to returns. Asia-focused life insurance giant AIA Group, among the portfolio's biggest individual holdings, produced robust share price gains. The shares set a succession of new all-time price highs amid a surge in new business as the company continued to win market share in China, while healthy growth in premiums demonstrated the strength of the business model.

Among health care companies, Danish multinational pharmaceutical firm Novo Nordisk, another of the portfolio's largest holdings, also generated impressive share price gains. The company reported healthy sales growth at its diabetes, obesity care and biopharmaceuticals units, also raising its sales growth forecasts based on

Manager's Investment Report continued

expectations that demand for new-generation insulin products should more than offset the effects of pricing pressure in diabetes care, particularly in the US. Health care sector peer Medtronic, a medical devices company that ranked among the portfolio's biggest holdings over the review year, also generated strong share price returns. Impressive earnings growth vindicated the company's strategy of building its existing franchise in minimally invasive and robotic assisted surgery to counteract more muted sales trends at its cardiac and vascular unit, helping Medtronic to raise its full-year earnings forecast. The portfolio's other sizeable positive contributors included software heavyweight Microsoft, payment services provider Mastercard, diverse industrial group Honeywell International and Chinese e-commerce giant Alibaba Group.

However, our stake in consumer discretionary company Samsonite International detracted from returns early in the review year. The premium luggage manufacturer's valuation suffered as the extended US-China trade dispute created sales volatility and clouded its short-term trading performance. Our holding in NMC Health also weighed on returns, following the UAE-focused private healthcare provider's announcement of plans for a joint venture in Saudi Arabia, the shares fell amid accounting and cash flow concerns.

In terms of activity, we reduced exposure to cyclical growth companies, while repositioning the portfolio more towards secular and structural growth names that are more aligned with our investment philosophy. We disposed of our holdings in media firm Auto Trader, supply chain solutions and truck supplier KION Group and diversified industrial growth company Fortive. Meanwhile, we introduced video games producer Electronic Arts, financial & commodity market operator Intercontinental Exchange, premium mixer drinks maker Fevertree Drinks and sportswear firm Puma.

Outlook

We believe that the Phase One US-China trade deal has diminished, but not eliminated, the prospect of another escalation in the long-running trade dispute, while lingering Iran-related tensions represent a further geopolitical risk. Nevertheless, helped by US-led cuts in global interest rates during the second half of 2019, we believe that risks to global growth are broadly balanced. While we retain our view that the outlook for growth across European economies remains subdued, recent weakness in UK inflation should provide scope for the Bank of England to introduce further stimulus in the event that growth remains weak as talks progress throughout 2020 over the terms of the UK's future trading relationship with the EU.

Legal & General Investment Management Limited
(Investment Adviser)
24 January 2020

Authorised Status

Authorised Status

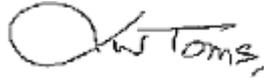
This Fund is an Authorised Unit Trust Scheme as defined in section 243 of the Financial Services and Markets Act 2000 and is a UCITS Retail Scheme within the meaning of the FCA Collective Investment Schemes sourcebook.

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
21 February 2020

Statement of Responsibilities

Statement of the Manager's Responsibilities

The Collective Investment Schemes sourcebook published by the FCA, ("the COLL Rules") require the Manager to prepare financial statements for each annual accounting period which give a true and fair view of the financial position of the Fund and of the net income and net gains or losses on the property of the Fund for the period.

In preparing the financial statements, the Manager is responsible for:

- selecting suitable accounting policies and then applying them consistently;
- making judgements and estimates that are reasonable and prudent;
- following UK accounting standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland;
- complying with the disclosure requirements of the Statement of Recommended Practice for UK Authorised Funds issued by the Investment Management Association in May 2014;
- keeping proper accounting records which enable it to demonstrate that the financial statements as prepared comply with the above requirements;
- assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern;
- using the going concern basis of accounting unless they either intend to liquidate the Fund or to cease operations, or have no realistic alternative but to do so;
- such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; and
- taking reasonable steps for the prevention and detection of fraud and irregularities.

The Manager is responsible for the management of the Fund in accordance with its Trust Deed, the Prospectus and the COLL Rules.

Statement of Responsibilities continued

Statement of the Trustee's Responsibilities

The Depositary in its capacity as Trustee of Legal & General Real Capital Builder Fund must ensure that the Fund is managed in accordance with the Financial Conduct Authority's Collective Investment Schemes Sourcebook ("COLL"), the Financial Services and Markets Act 2000, as amended, (together "the Regulations"), the Trust Deed and Prospectus (together "the Scheme documents") as detailed below.

The Depositary must in the context of its role act honestly, fairly, professionally, independently and in the interests of the Fund and its investors.

The Depositary is responsible for the safekeeping of all custodial assets and maintaining a record of all other assets of the Fund in accordance with the Regulations.

The Depositary must ensure that:

- the Fund's cash flows are properly monitored and that cash of the Fund is booked in cash accounts in accordance with the Regulations;
- the sale, issue, repurchase, redemption and cancellation of units are carried out in accordance with the Regulations;
- the value of units of the Fund are calculated in accordance with the Regulations;
- any consideration relating to transactions in the Fund's assets is remitted to the Fund within the usual time limits;
- the Fund's income is applied in accordance with the Regulations; and
- the instructions of the Authorised Fund Manager ("the AFM"), which is the UCITS Management Company, are carried out (unless they conflict with the Regulations).

Report of the Trustee

Report of the Trustee to the Unitholders of the Legal & General Real Capital Builder Fund ("the Fund") for the year ended 31 December 2019

The Depositary also has a duty to take reasonable care to ensure that the Fund is managed in accordance with the Regulations and the Scheme documents of the Fund in relation to the investment and borrowing powers applicable to the Fund.

Having carried out such procedures as we considered necessary to discharge our responsibilities as Depositary of the Fund, it is our opinion, based on the information available to us and the explanations provided, that, in all material respects the Fund, acting through the AFM:

- (i) has carried out the issue, sale, redemption and cancellation, and calculation of the price of the Fund's units and the application of the Fund's income in accordance with the Regulations and the Scheme documents of the Fund; and
- (ii) has observed the investment and borrowing powers and restrictions applicable to the Fund in accordance with the Regulations and the Scheme documents of the Fund.

Northern Trust Global Services SE UK Branch
UK Trustee and Depositary Services
21 February 2020

Portfolio Statement

Portfolio Statement as at 31 December 2019

All investments are in investment grade securities or ordinary shares unless otherwise stated. The percentages in brackets show the equivalent holdings at 31 December 2018.

Holding/ Nominal Value	Investment	Market Value £	% of Net Assets
	CORPORATE BONDS — 21.29% (23.27%)		
	UNITED KINGDOM — 7.47% (15.04%)		
GBP2,091,000	Anglian Water Services Financing 2.625% 15/06/2027	2,088,600	1.26
GBP655,000	BP Capital Markets 1.827% 08/09/2025	669,779	0.40
GBP2,063,000	Cadent Finance 2.125% 22/09/2028	2,096,582	1.27
GBP1,865,000	Experian Finance 2.125% 27/09/2024	1,930,629	1.17
GBP1,918,000	Next Group 5.375% 26/10/2021	2,058,651	1.25
GBP2,329,000	Northumbrian Water Finance 2.375% 05/10/2027	2,423,059	1.47
GBP812,000	Yorkshire Water Finance 6.454% 28/05/2027	1,068,652	0.65
		12,335,952	7.47
	CHANNEL ISLANDS — 0.00% (1.22%)		
	CONTINENTAL EUROPE — 4.11% (3.18%)		
	France — 1.16% (1.33%)		
GBP1,577,000	Orange 5.25% 05/12/2025	1,911,441	1.16
	Germany — 1.38% (0.00%)		
GBP2,300,000	Henkel AG & Company 1.25% 30/09/2026	2,274,424	1.38
	Netherlands — 1.57% (1.85%)		
GBP1,038,000	innogy Finance 6.5% 20/04/2021	1,107,924	0.67
GBP1,475,000	Volkswagen Financial Services 2.75% 02/10/2020	1,491,782	0.90
		2,599,706	1.57
	NORTH AMERICA — 9.71% (3.83%)		
	Canada — 0.93% (1.07%)		
GBP1,540,000	Royal Bank of Canada 1.125% 22/12/2021	1,542,168	0.93
	Cayman Islands — 1.01% (0.00%)		
GBP1,312,000	Southern Water Services Finance 6.64% 31/03/2026	1,662,876	1.01
	United States — 7.77% (2.76%)		
GBP2,329,000	AT&T 5.2% 18/11/2033	2,961,254	1.79
GBP2,503,000	Digital Stout 3.3% 19/07/2029	2,679,972	1.62
GBP2,128,000	Fidelity National Information Services 2.25% 03/12/2029	2,123,889	1.28
GBP577,000	Fiserv 2.25% 01/07/2025	591,826	0.36
GBP2,815,000	Verizon Communications 2.5% 08/04/2031	2,919,586	1.77
GBP1,537,000	Wells Fargo 2% 28/07/2025	1,563,375	0.95
		12,839,902	7.77

Portfolio Statement continued

Holding/ Nominal Value	Investment	Market Value £	% of Net Assets
	GOVERNMENT BONDS		
	— 12.72% (8.80%)		
	UNITED KINGDOM — 12.72% (8.80%)		
GBP2,661,000	United Kingdom Gilt 5% 07/03/2025	3,253,498	1.97
GBP3,087,000	United Kingdom Gilt 1.5% 22/07/2026	3,259,230	1.97
GBP3,144,000	United Kingdom Gilt 4.25% 07/12/2027	4,008,952	2.43
GBP2,902,000	United Kingdom Gilt 4.25% 07/06/2032	4,010,988	2.43
GBP2,215,000	United Kingdom Gilt 4.5% 07/09/2034	3,236,115	1.96
GBP2,127,000	United Kingdom Gilt 4.25% 07/09/2039	3,236,805	1.96
		21,005,588	12.72
	EQUITIES — 64.07% (58.92%)		
	UNITED KINGDOM — 5.83% (11.14%)		
37,335	Fevertree Drinks	786,648	0.48
69,744	Johnson Matthey	2,083,951	1.26
1,044,000	Nomura Bank International	2,793,717	1.69
64,978	Reckitt Benckiser Group	3,966,907	2.40
		9,631,223	5.83
	IRELAND — 3.20% (2.22%)		
61,792	Medtronic	5,282,890	3.20
	CONTINENTAL EUROPE		
	— 14.34% (17.08%)		
	Austria — 0.59% (0.62%)		
31,715	ams	975,206	0.59
	Denmark — 3.31% (3.31%)		
123,742	Novo Nordisk	5,457,467	3.31
	France — 0.77% (1.40%)		
47,260	Valeo	1,263,361	0.77
	Germany — 2.92% (3.91%)		
41,420	Daimler	1,735,330	1.05
37,855	Puma	2,202,469	1.33
32,809	Teamviewer	884,584	0.54
		4,822,383	2.92
	Italy — 2.23% (1.31%)		
107,918	Moncler	3,674,667	2.23
	Luxembourg — 2.63% (3.90%)		
549,980	B&M European Value Retail	2,269,218	1.37
1,149,633	Samsonite International	2,087,928	1.26
		4,357,146	2.63
	Netherlands — 0.00% (1.70%)		
	Spain — 1.89% (0.93%)		
50,511	Amadeus IT Group	3,126,437	1.89

Portfolio Statement continued

Holding/ Nominal Value	Investment	Market Value £	% of Net Assets
NORTH AMERICA — 33.12% (22.34%)			
Bermuda — 2.80% (0.00%)			
81,770	IHS Markit	4,629,238	2.80
Cayman Islands — 1.47% (2.04%)			
15,062	Alibaba Group	2,427,206	1.47
United States — 28.85% (20.30%)			
3,540	Alphabet 'A'	3,591,750	2.18
35,299	Aspen Technology	3,230,864	1.96
40,662	Electronic Arts	3,291,685	1.99
26,621	Facebook	4,119,614	2.49
31,139	Honeywell International	4,158,938	2.52
76,308	Intercontinental Exchange	5,339,653	3.23
30,189	JPMorgan Chase & Co.	3,169,513	1.92
17,603	Mastercard	3,967,571	2.40
36,319	McDonald's	5,416,367	3.28
35,286	Microsoft	4,211,132	2.55
43,923	Progressive	2,404,808	1.46
15,877	Thermo Fisher Scientific	3,906,927	2.37
36,630	Uber Technologies	824,723	0.50
		47,633,545	28.85
ASIA — 7.58% (6.14%)			
Hong Kong — 3.59% (3.04%)			
746,193	AlA Group	5,934,496	3.59
Japan — 2.03% (0.93%)			
10,922	Nintendo	3,348,874	2.03
South Korea — 1.96% (2.17%)			
53,199	Woongjin Coway	3,238,841	1.96
FORWARD CURRENCY CONTRACTS			
— 0.52% (-0.74%)			
USD(45,276,805)	Sold US Dollars		
GBP35,000,000	for Sterling (Expires 07/01/2020) ¹	726,878	0.44
GBP(10,000,000)	Sold Sterling		
USD13,384,330	for US Dollars (Expires 07/01/2020) ¹	131,518	0.08
		858,396	0.52
Portfolio of investments²		162,833,433	98.60
Net other assets³		2,314,362	1.40
Total net assets		£165,147,795	100.00%

¹ Unlisted securities are valued at the Manager's best assessment of their fair and reasonable value.

² All investments are admitted to an official stock exchange unless otherwise stated.

³ Includes shares in the LGIM Sterling Liquidity Fund Class 1 to the value of £1,719,720 which is shown as a cash equivalent in the balance sheet of the Fund.

Total purchases for the year: £101,029,826.

Total sales for the year: £148,175,201.

Independent Auditor's Report

Independent auditor's report to the Unitholders of Legal & General Real Capital Builder Fund ('the Fund')

Opinion

We have audited the financial statements of the Fund for the year ended 31 December 2019 which comprise the Statement of Total Return, the Statement of Changes in Net Assets Attributable to Unitholders, the Balance Sheet, the Related Notes and Distribution Tables for the Fund and the accounting policies set out on pages 17 to 18.

In our opinion, the financial statements:

- give a true and fair view, in accordance with UK accounting standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland, of the financial position of the Fund as at 31 December 2019 and of the net revenue and the net capital gains on the property of the Fund for the year then ended; and
- have been properly prepared in accordance with the Trust Deed, the Statement of Recommended Practice relating to UK Authorised Funds, and the COLL Rules.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the Fund in accordance with, UK ethical requirements including the FRC Ethical Standard.

We have received all the information and explanations which we consider necessary for the purposes of our audit and we believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

The impact of uncertainties due to the UK exiting the European Union on our audit

Uncertainties related to the effects of Brexit are relevant to understanding our audit of the financial statements. All audits assess and challenge the reasonableness of estimates made by the Manager and related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the Fund's future prospects and performance.

Brexit is one of the most significant economic events for the UK, and its effects are subject to unprecedented levels of uncertainty of consequences, with the full range of possible effects unknown. We applied a standardised firm-wide approach in response to that uncertainty when assessing the Fund's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a fund and this is particularly the case in relation to Brexit.

Going concern

The Manager has prepared the financial statements on the going concern basis as they do not intend to liquidate the Fund to cease their operations, and as they have concluded that the Fund's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over their ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

Independent Auditor's Report continued

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the Manager's conclusions, we considered the inherent risks to the Fund's business model, including the impact of Brexit, and analysed how those risks might affect the Fund's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the Fund will continue in operation.

Other information

The Manager (Legal & General (Unit Trust Managers) Limited) is responsible for the other information presented in the Annual Manager's Report together with the financial statements. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the other information; and
- in our opinion the information given in Manager's Report for the financial year is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where under the COLL Rules we are required to report to you if, in our opinion:

- proper accounting records for the Fund have not been kept; or
- the financial statements are not in agreement with the accounting records.

Manager's responsibilities

As explained more fully in their statement set out on page 6, the Manager is responsible for: the preparation of financial statements that give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Fund or to cease operations, or have no realistic alternative but to do so.

Independent Auditor's Report continued

Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the Fund's unitholders, as a body, in accordance with Rule 4.5.12 of the Collective Investment Schemes sourcebook ('the COLL Rules') issued by the Financial Conduct Authority under section 247 of the Financial Services and Markets Act 2000. Our audit work has been undertaken so that we might state to the Fund's unitholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Fund and the Fund's unitholders as a body, for our audit work, for this report, or for the opinions we have formed.

Jatin Patel
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square,
London E14 5GL
21 February 2020

Financial Statements

Statement of Total Return for the year ended 31 December 2019

Notes	01/01/19 to 31/12/19		24/10/17 to 31/12/18 ¹	
	£	£	£	£
Income				
Net capital gains/ (losses)	3	29,767,055	(24,694,782)	
Revenue	4	3,986,641	4,868,273	
Expenses	5	(111,016)	(172,770)	
Interest payable and similar charges	7	(4,417)	(15,846)	
Net revenue before taxation		<u>3,871,208</u>	<u>4,679,657</u>	
Taxation	6	(472,597)	(533,399)	
Net revenue after taxation for the year		<u>3,398,611</u>	<u>4,146,258</u>	
Total return before distributions		<u>33,165,666</u>	<u>(20,548,524)</u>	
Distributions	7	(3,398,611)	(4,146,258)	
Change in net assets attributable to Unitholders from investment activities		<u>£29,767,055</u>	<u>£(24,694,782)</u>	

Statement of Change in Net Assets attributable to Unitholders for the year ended 31 December 2019

	01/01/19 to 31/12/19		24/10/17 to 31/12/18 ¹	
	£	£	£	£
Opening net assets attributable to Unitholders		198,810,976	—	
Amounts received on issue of units	53,189		969,247	
Amounts received on in-specie transactions	—		218,441,068	
Amounts paid on cancellation of units	(66,550,901)		(50,970)	
		<u>(66,497,712)</u>	<u>219,359,345</u>	
Change in net assets attributable to Unitholders from investment activities		<u>29,767,055</u>	<u>(24,694,782)</u>	
Retained distributions on accumulation units		<u>3,067,476</u>	<u>4,146,413</u>	
Closing net assets attributable to Unitholders		<u>£165,147,795</u>	<u>£198,810,976</u>	

¹ The Fund launched on 24 October 2017.

Financial Statements continued

Balance Sheet as at 31 December 2019

	Notes	31/12/19 £	31/12/18 £
ASSETS			
Fixed assets:			
Investments		162,833,433	180,901,241
Current assets:			
Debtors	8	658,318	889,841
Cash and bank balances	9	1,672,972	2,203,283
Cash equivalents	9	1,719,720	17,410,418
Total assets		166,884,443	201,404,783
LIABILITIES			
Investment liabilities		—	(1,463,920)
Creditors:			
Bank overdrafts	9	(1,601,245)	(793,381)
Distributions payable		(19)	(30)
Other creditors	10	(135,384)	(336,476)
Total liabilities		(1,736,648)	(2,593,807)
Net assets attributable to Unitholders		£165,147,795	£198,810,976

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 Management Association in May 2014 (2014 SORP).

2. Summary of Significant Accounting Policies

(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.

The principal accounting policies which have been applied consistently are set out below.

(b) Functional and Presentation Currency

The functional and presentation currency of the Fund is Sterling.

(c) Recognition of Revenue

Revenue from quoted equities and non-equity shares is recognised net of attributable tax credits when the security is quoted ex-dividend. Revenue from unquoted equity investments is recognised net of attributable tax credits when the dividend is declared.

Overseas revenue received after the deduction of withholding tax is shown gross of taxation, with the taxation consequences shown within the taxation charge.

Special dividends are treated as either revenue or capital depending on the facts of each particular case.

Bond revenue is accounted for on an effective yield basis, calculated with reference to the purchase price. If the Manager believes that future commitments will not be met due to the bond issuer showing signs of financial distress, revenue accruals will be discounted. Any resultant revenue from these issues will then be treated on a receipts basis.

Revenue from offshore funds is recognised when it is reported.

All other revenue is recognised on an accruals basis.

(d) Treatment of Expenses

All expenses (other than those relating to the purchase and sale of investments) are charged against revenue on an accruals basis.

Notes to the Financial Statements continued

2. Summary of Significant Accounting Policies continued

(e) Distribution Policy

The policy is to distribute all available revenue, after deduction of those expenses which are chargeable in calculating the distribution. In order to conduct a controlled dividend flow, interim distributions will be at the Manager's discretion, up to a maximum of the distributable revenue for the period. All remaining revenue is distributed in accordance with the COLL.

Fund management fees are deducted from revenue for the purpose of calculating the distribution.

Distributions which have remained unclaimed by Unitholders for over six years are credited to the capital property of the Fund.

(f) Basis of Valuation of Investments

All investments are valued at their fair value as at 12 noon on 31 December 2019, being the last working day of the accounting year. The fair value for non-derivative securities is bid market price, excluding any accrued interest. The fair value for derivative instruments is the cost of closing out the contract on the last working day of the accounting year.

Where values cannot be readily determined, the securities are valued at the Manager's best assessment of their fair and reasonable value.

(g) Taxation

Provision is made for taxation at current rates on the excess of investment revenue over expenses, with relief for overseas taxation taken where appropriate.

Deferred tax is provided for on all timing differences that have originated but not reversed by the balance sheet date, other than those differences that are regarded as permanent. Any liability to deferred tax is provided for at the average rate of tax expected to apply.

(h) Foreign Exchange

Transactions in foreign currencies are translated at the rate of exchange ruling on the date of the transaction. Where applicable, assets and liabilities denominated in foreign currencies are translated into Sterling at the rates of exchange ruling at 12 noon on 31 December 2019, being the last working day of the accounting year.

3. Net capital gains/(losses)

	01/01/19 to 31/12/19	24/10/17 to 31/12/18
	£	£
The net capital gains/(losses) during the year comprise:		
Non-derivative securities	29,081,691	(21,841,235)
Derivative securities	—	15,070
Forward currency contracts	547,499	(2,340,862)
Currency gains/(losses)	137,865	(527,755)
Net capital gains/(losses)	<u>29,767,055</u>	<u>(24,694,782)</u>

Notes to the Financial Statements continued

4. Revenue

	01/01/19 to 31/12/19	24/10/17 to 31/12/18
	£	£
UK Franked dividends	524,796	636,289
Non-taxable overseas dividends	2,002,245	2,404,478
Bond interest	1,331,608	1,759,755
Taxable overseas distributions	121,958	66,373
Bank interest	6,034	1,378
	<u>3,986,641</u>	<u>4,868,273</u>

5. Expenses

	01/01/19 to 31/12/19	24/10/17 to 31/12/18
	£	£
Payable to the Manager, associates of the Manager and agents of either of them:		
Fund management fees	<u>111,016</u>	<u>172,770</u>
Total expenses	<u>111,016</u>	<u>172,770</u>

Audit fees of £10,094 plus VAT of £2,019 have been borne by the Manager out of its fund management fee. In the prior period, the total audit fee was £9,800 plus VAT of £1,960.

Notes to the Financial Statements continued

6. Taxation

(a) Analysis of taxation charge in year

	01/01/19 to 31/12/19	24/10/17 to 31/12/18
	£	£
Corporation tax	268,834	327,779
Overseas tax	203,763	205,620
Current tax [note 6(b)]	472,597	533,399
Deferred tax [note 6(c)]	—	—
Total taxation	472,597	533,399

(b) Factors affecting taxation charge for the year

The current tax charge excludes capital gains and losses for the reason that Authorised Unit Trusts are not subject to Corporation Tax on these items. Current tax differs from taxation assessed on net revenue before taxation as follows:

Net revenue before taxation	3,871,208	4,679,657
Net revenue before taxation multiplied by the applicable rate of Corporation tax of 20% (2018: 20%)	774,242	935,931
Effects of:		
Overseas tax	203,763	205,620
Revenue not subject to taxation	(505,408)	(608,152)
Current tax	472,597	533,399

(c) Provision for deferred tax

There is no deferred tax provision in the current year or preceding period.

Notes to the Financial Statements continued

7. Distributions

The distributions take account of revenue received on the creation of units and revenue deducted on the cancellation of units and comprise:

	01/01/19 to 31/12/19	24/10/17 to 31/12/18
	£	£
First interim distribution	—	478,071
Interim distribution	2,125,808	1,933,929
Final distribution	941,725	1,734,481
	<u>3,067,533</u>	<u>4,146,481</u>
Add: Revenue deducted on cancellation of units	331,200	23
Less: Revenue received on creation of units	(122)	(246)
Distributions for the year	3,398,611	4,146,258
Interest payable and similar charges		
Bank overdraft interest	4,417	4,683
Futures expense	—	11,163
	<u>3,403,028</u>	<u>4,162,104</u>

8. Debtors

	31/12/19	31/12/18
	£	£
Accrued revenue	590,568	792,180
Overseas tax recoverable	67,750	97,661
	<u>658,318</u>	<u>889,841</u>

9. Net uninvested cash

	31/12/19	31/12/18
	£	£
Amounts held at futures clearing houses and brokers	48,906	49,332
Cash and bank balances	1,624,066	2,153,951
Amounts due to futures clearing houses and brokers	(48,789)	(49,262)
Bank overdrafts	(1,552,456)	(744,119)
Cash equivalents	1,719,720	17,410,418
Net uninvested cash	<u>1,791,447</u>	<u>18,820,320</u>

Notes to the Financial Statements continued

10. Other creditors

	31/12/19	31/12/18
	£	£
Accrued expenses	8,550	8,697
Corporation tax payable	<u>126,834</u>	<u>327,779</u>
	<u>135,384</u>	<u>336,476</u>

11. Contingent liabilities and outstanding commitments

There were no contingent liabilities or outstanding commitments at the balance sheet date (31 December 2018: same).

Notes to the Financial Statements continued

12. Financial Instruments and Associated Risks

The investments of a Fund in financial securities and derivatives are subject to normal market fluctuations and other risks inherent in investing in such instruments. Legal & General (Unit Trust Managers) Limited (UTM) is the Authorised Fund Manager and has responsibility for ensuring appropriate risk management processes are implemented for each Unit Trust.

The UTM Board has delegated the risk oversight function to the Fund Manager Oversight Committee (FMOC), a committee of the Legal & General Investment Management (Holdings) Limited (LGIMH) Board that meets monthly. The primary objective of the FMOC is to ensure proper oversight of the investment management activities and associated services performed by LGIM, its delegates and other Fund Managers, under the Investment Management Agreement (IMA), on behalf of UTM in its capacity as Authorised Fund Manager. The committee consists of senior members of LGIMH and members of the UTM Board. Other senior staff members are also in attendance, as required by the agenda.

Each Fund has Investment Guidelines, an Investment Objective and Investment Restrictions, against which the fund manager will operate. These are set out in Schedule 1 of the IMA between LGIM and UTM. The Schedule is maintained by each fund manager, reviewed by the LGIM Operational Risk and Compliance Teams and approved senior members of LGIMH on behalf of the UTM board. The Schedule provides the detail needed to determine the risk profile for each fund. Fund managers are not permitted to invest into any new instruments without first gaining approval from UTM.

The Investment Objective and Policy of this Fund is detailed on page 2.

(a) Market Risk arising from other price risk

Market Risk arises mainly from uncertainty about future prices. It represents the potential loss the Fund may suffer through holding market positions in the face of market movements.

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting similar instruments traded in the market.

The assets held by the Fund can be seen in the Portfolio Statement starting on page 9. Movements in the prices of these investments result in movements in the performance of the Fund. The Manager adheres to the investment guidelines established in the Trust Deed, the Prospectus, the COLL and the Fund's IOG, and in this way, monitors and controls the exposure to risk from any type of security, sector or issuer.

At 31 December 2019, if the price of the investments held by the Fund increased or decreased by 5%, with all other variables remaining constant, then the net assets attributable to unitholders would increase or decrease by approximately £8,141,672 (31 December 2018: £8,971,866).

Notes to the Financial Statements continued

12. Financial Instruments and Associated Risks continued

(b) Interest Rate Risk

Interest Rate Risk is the risk of movements in the value of financial instruments as a result of fluctuations in interest rates.

The Fund is exposed to interest rate risk through its holdings in debt securities. The market value of debt securities and any floating rate payments from debt securities held (and interest rate swaps) may fluctuate as a result of changes in interest rates. This risk is managed by the active monitoring and adjustment of the investments held by the Fund, in line with the stated investment objective and policy of the Fund.

At 31 December 2019, if interest rates on the Fund increased or decreased by 1 basis point, with all other variables remaining constant, then the net assets attributable to unitholders would increase or decrease by approximately £41,333 (31 December 2018: £41,173). This represents the Manager's best estimate of a reasonable possible shift in interest rates, having regard to historical volatility of those rates.

The interest rate profile of the Fund's net assets and liabilities at the balance sheet date was:

	Total	Floating	Fixed	No
31/12/19	£'000	rate	rate	interest
		£'000	£'000	£'000
Portfolio	162,833	—	56,172	106,661
Other assets	4,051	3,393†	—	658
Other liabilities	(1,736)	(1,601)†	—	(135)
Total	165,148	1,792	56,172	107,184

	Total	Floating	Fixed	No
31/12/18	£'000	rate	rate	interest
		£'000	£'000	£'000
Portfolio	179,437	1,673*	62,093	115,671
Other assets	20,504	19,614†	—	890
Other liabilities	(1,130)	(793)†	—	(337)
Total	198,811	20,494	62,093	116,224

* The Fund's floating rate investments earn interest which is variable, based on LIBOR or its overseas equivalent.

† The Fund's floating rate other assets and liabilities are represented by its bank balances and overdraft facilities. Cash is deposited, and overdraft facilities utilised, on normal commercial terms and earn or bear interest based on LIBOR or its overseas equivalent.

Currency	Fixed Rate Financial Assets			
	Weighted average		Weighted average	
	Interest rate		Period for which	
	31/12/19	31/12/18	31/12/19	31/12/18
	%		Rate is fixed	
			Years	
Sterling	1.50	2.31	8.62	7.62

Notes to the Financial Statements continued

12. Financial Instruments and Associated Risks continued

(c) Foreign Currency Risk

Foreign Currency Risk is the risk of movements in the value of financial instruments as a result of fluctuations in exchange rates. This risk may be managed by the use of forward currency contracts or currency futures as necessary.

Forward currency contracts were utilised during the current year and preceding period.

At 31 December 2019, if the value of Sterling increased or decreased by 1% against all currencies, with all other variables remaining constant, then the net assets attributable to unitholders would increase or decrease by approximately £729,318 (31 December 2018: £486,740).

The direct foreign currency profile of the Fund's net assets at the balance sheet date was:

31/12/19 Currency	Net foreign currency assets		Total £'000
	Monetary exposures £'000	Non-monetary exposures £'000	
Danish Krone	23	5,457	5,480
Euro	207	12,887	13,094
Hong Kong Dollar	1	8,022	8,023
Indian Rupee	31	—	31
Japanese Yen	1	3,349	3,350
South Korean Won	32	3,239	3,271
Swedish Krona	1	—	1
Swiss Franc	1	975	976
US Dollar	(24,061)	62,767	38,706

31/12/18 Currency	Net foreign currency assets		Total £'000
	Monetary exposures £'000	Non-monetary exposures £'000	
Danish Krone	6	6,586	6,592
Euro	145	14,997	15,142
Hong Kong Dollar	139	10,306	10,445
Japanese Yen	—	1,854	1,854
South Korean Won	—	4,304	4,304
Swedish Krona	1	—	1
Swiss Franc	—	1,241	1,241
US Dollar	(48,012)	57,107	9,095

Notes to the Financial Statements continued

12. Financial Instruments and Associated Risks continued

(d) Credit Risk

Credit Risk is the risk of suffering financial loss as a result of a counterparty to a financial transaction being unable to fulfil their financial obligations as they fall due.

Bonds or other debt securities involve credit risk to the issuer which may be evidenced by the issuer's credit rating. Securities which are subordinated and/or have a lower credit rating are generally considered to have a higher credit risk and a greater possibility of default than more highly rated securities.

The Fund's investments in bonds expose it to the default risk of the bond issuer with regard to interest payments and principal repayments. At the balance sheet date none of the bonds held by the Sub-fund had low credit ratings (sub-investment grade).

This risk is managed by appraising the credit profile of financial instruments and issuers in line with the Fund's investment objective and policy.

(e) Liquidity Risk

Liquidity Risk relates to the capacity to meet liabilities as they fall due. The primary source of this risk to the Fund is the liability to Unitholders for any cancellation of units.

The Fund can also be exposed to liquidity risk through its commitments under derivative contracts, whereby additional margin payments or collateral payments may need to be posted with the counterparty or clearing house.

This risk is minimised by holding a large proportion of readily realisable assets, cash balances and via access to overdraft facilities.

(f) Derivative Risk - Sensitivity Analysis

Derivative Risk arises from uncertainty about future market movements. This risk is managed by the policies shown within Market risk.

At the balance sheet date, no derivatives were held that could impact the Fund in a significant way (31 December 2018: same).

Notes to the Financial Statements continued

12. Financial Instruments and Associated Risks continued

(g) Fair Value

The fair value of a financial instrument is the amount for which it could be exchanged between knowledgeable, willing parties in an arm's length transaction. There is no material difference between the value of the financial assets and liabilities, as shown in the financial statements, and their fair value.

The Statement of Recommended Practice for Financial Statements of UK Authorised Funds issued by the Investment Management Association in May 2014 requires the classification of the Fund's financial instruments held at the year end into a 3 tiered fair value hierarchy. The 3 tiers of the hierarchy and the classification of the Fund's financial instruments as at the balance sheet date were:

31/12/19	Assets	Liabilities
Basis of Valuation	£	£
Level 1 - Quoted Prices	126,808,568	—
Level 2 - Observable Market Data	36,024,865	—
Level 3 - Unobservable Data	—	—
Total	162,833,433	—

31/12/18	Assets	Liabilities
Basis of Valuation	£	£
Level 1 - Quoted Prices	173,306,808	—
Level 2 - Observable Market Data	7,594,433	(1,463,920)
Level 3 - Unobservable Data	—	—
Total	180,901,241	(1,463,920)

Level 1

The unadjusted quoted price in an active market for assets or liabilities that the entity can access at the measurement date.

Level 2

Valuation techniques using observable inputs other than quoted prices within Level 1.

Level 3

Valuation techniques using unobservable inputs.

Notes to the Financial Statements continued

13. Portfolio transaction costs

31/12/19	Value	Commissions		Taxes		Total
Purchases	£'000	£'000	%	£'000	%	£'000
Equities	70,513	15	0.02	21	0.03	70,549
Debt Securities	30,481	—	—	—	—	30,481
Total	100,994	15	0.02	21	0.03	101,030

31/12/19	Value	Commissions		Taxes		Total
Sales	£'000	£'000	%	£'000	%	£'000
Equities	108,186	(20)	0.02	(12)	0.01	108,154
Debt Securities	40,021	—	—	—	—	40,021
Total	148,207	(20)	0.02	(12)	0.01	148,175

Commissions and taxes as % of average net assets

Commissions	0.02%
Taxes	0.02%

31/12/18	Value	Commissions		Taxes		Total
Purchases	£'000	£'000	%	£'000	%	£'000
Equities	274,163	45	0.02	116	0.04	274,324
Debt Securities	102,747	—	—	—	—	102,747
Total	376,910	45	0.02	116	0.04	377,071

31/12/18	Value	Commissions		Taxes		Total
Sales	£'000	£'000	%	£'000	%	£'000
Equities	136,725	(39)	0.03	(13)	0.01	136,673
Debt Securities	36,553	—	—	—	—	36,553
Total	173,278	(39)	0.03	(13)	0.01	173,226

Commissions and taxes as % of average net assets

Commissions	0.04%
Taxes	0.06%

Transaction costs consist of expenses incurred in the process of the purchase and sales of securities above the cost of the securities.

The average portfolio dealing spread, including the effect of foreign exchange, as at the balance sheet date was 0.14% (31 December 2018: 0.16%).

Notes to the Financial Statements continued

14. Unit classes

A list of unit classes in issue and the fund management fee on each unit class can be found on page 42. The net asset value per unit of each unit class and the number of units in each class are given in the comparative tables on pages 35 to 40. The distributions per unit class are given in the distribution tables on pages 31 to 33. All classes have the same rights on winding up.

I-Class	Distribution	Accumulation
Opening Units	5,877	537,223
Units issued	—	101,598
Units cancelled	—	(335,823)
Units converted	—	—
Closing Units	5,877	302,998

C-Class	Distribution	Accumulation
Opening Units	2,000	2,000
Units issued	—	—
Units cancelled	—	—
Units converted	—	—
Closing Units	2,000	2,000

L-Class	Distribution	Accumulation
Opening Units	2,000	438,162,180
Units issued	—	—
Units cancelled	—	(126,661,603)
Units converted	—	—
Closing Units	2,000	311,500,577

Notes to the Financial Statements continued

15. Ultimate controlling party and related party transactions

The Manager is regarded as a related party to the Fund because it provides key management personnel services to the Fund. The ultimate controlling party of the Manager is Legal & General Group Plc. Subsidiaries of Legal & General Group Plc are also considered related parties to the Fund.

Legal & General (Unit Trust Managers) Limited acts as the principal on all the transactions of the units in the Fund. The aggregated monies received through creations or paid on cancellations are disclosed in the statement of change in net assets attributable to unitholders.

Equalisation amounts relating to creations and cancellations of units are shown within note 7. Fees received by the Authorised Fund Manager from the Fund plus any rebates paid by the Authorised Fund Manager to the Fund are shown within notes 3, 4 and 5 as applicable. Any outstanding fees, amounts outstanding on creations or cancellations of units in the Fund, or rebates receivable by the Fund from the Manager are shown within notes 8 and 10 as applicable.

At the year end, the Manager and its associates held 99.90% (99.88% as at 31 December 2018) of the Fund's units in issue

16. Post balance sheet market movements

As at the close of business on the balance sheet date the Net Asset Value per I-Class distribution unit was 51.15p. The Net Asset Value per I-Class distribution unit for the Fund as at 12 noon on 19 February 2020 was 52.42p. This represents an increase of 2.48% from the year end value.

Distribution Tables

Distribution Tables for the year ended 31 December 2019

Group 1: units purchased prior to a distribution period.

Group 2: units purchased during a distribution period.

Equalisation is the average amount of revenue included in the purchase price of all Group 2 units and is refunded to the holders of these units as a return of capital. As capital it is not liable to Income Tax but must be deducted from the cost of units for Capital Gains Tax purposes.

1st dividend distribution in pence per unit				Period	
				24/10/18	to 31/12/18 ¹
I-Class			Distribution	Distribution	
Distribution Units	Revenue	Equalisation	N/A	28/02/18	
Group 1	—	—	—	0.0630	
Group 2	—	—	—	0.0630	
I-Class			Distribution	Distribution	
Accumulation Units	Revenue	Equalisation	N/A	28/02/18	
Group 1	—	—	—	0.0631	
Group 2	—	—	—	0.0631	
C-Class			Distribution	Distribution	
Distribution Units	Revenue	Equalisation	N/A	28/02/18	
Group 1	—	—	—	N/A	
Group 2	—	—	—	N/A	
C-Class			Distribution	Distribution	
Accumulation Units	Revenue	Equalisation	N/A	28/02/18	
Group 1	—	—	—	N/A	
Group 2	—	—	—	N/A	
L-Class			Distribution	Distribution	
Distribution Units	Revenue	Equalisation	N/A	28/02/18	
Group 1	—	—	—	0.1090	
Group 2	—	—	—	0.1090	
L-Class			Distribution	Distribution	
Accumulation Units	Revenue	Equalisation	N/A	28/02/18	
Group 1	—	—	—	0.1090	
Group 2	—	—	—	0.1090	

Distribution Tables continued

Interim dividend distribution in pence per unit			Period	
			01/01/19	to 30/06/19
I-Class			Distribution	Distribution
Distribution Units			31/08/19	31/08/18
	Revenue	Equalisation		
Group 1	0.3523	—	0.3523	0.3147
Group 2	—	0.3523	0.3523	0.3147
I-Class			Distribution	Distribution
Accumulation Units			31/08/19	31/08/18
	Revenue	Equalisation		
Group 1	0.3575	—	0.3575	0.3145
Group 2	0.2254	0.1321	0.3575	0.3145
C-Class			Distribution	Distribution
Distribution Units			31/08/19	31/08/18
	Revenue	Equalisation		
Group 1	0.3665	—	0.3665	0.3615
Group 2	—	0.3665	0.3665	0.3615
C-Class			Distribution	Distribution
Accumulation Units			31/08/19	31/08/18
	Revenue	Equalisation		
Group 1	0.3725	—	0.3725	0.3615
Group 2	—	0.3725	0.3725	0.3615
L-Class			Distribution	Distribution
Distribution Units			31/08/19	31/08/18
	Revenue	Equalisation		
Group 1	0.4765	—	0.4765	0.4405
Group 2	—	0.4765	0.4765	0.4405
L-Class			Distribution	Distribution
Accumulation Units			31/08/19	31/08/18
	Revenue	Equalisation		
Group 1	0.4846	—	0.4846	0.4409
Group 2	—	0.4846	0.4846	0.4409

Distribution Tables continued

Final dividend distribution in pence per unit			Period	
			01/07/19	to 31/12/19
I-Class			Distribution	Distribution
Distribution Units			28/02/20	28/02/19
Group 1	0.1635	—	0.1635	0.2805
Group 2	—	0.1635	0.1635	0.2805
I-Class			Distribution	Distribution
Accumulation Units			28/02/20	28/02/19
Group 1	0.1671	—	0.1671	0.2805
Group 2	0.0408	0.1263	0.1671	0.2805
C-Class			Distribution	Distribution
Distribution Units			28/02/20	28/02/19
Group 1	0.1770	—	0.1770	0.2910
Group 2	—	0.1770	0.1770	0.2910
C-Class			Distribution	Distribution
Accumulation Units			28/02/20	28/02/19
Group 1	0.1815	—	0.1815	0.2910
Group 2	—	0.1815	0.1815	0.2910
L-Class			Distribution	Distribution
Distribution Units			28/02/20	28/02/19
Group 1	0.2940	—	0.2940	0.3950
Group 2	—	0.2940	0.2940	0.3950
L-Class			Distribution	Distribution
Accumulation Units			28/02/20	28/02/19
Group 1	0.3021	—	0.3021	0.3955
Group 2	—	0.3021	0.3021	0.3955

¹The Fund launched on 24 October 2017.

In the above tables, a distribution pay rate of N/A denotes that the class was not in existence as at the applicable XD date, and therefore no distribution was made. Please refer to the comparative tables on pages 35 to 40 for the launch date of these classes.

Fund Information

The Comparative Tables on pages 35 to 40 give the performance of each active unit class in the Fund.

The 'Return after charges' disclosed in the Comparative Tables is calculated as the return after operating charges per unit divided by the opening net asset value per unit. It differs from the Fund's performance disclosed in the Manager's report, which is calculated based on the latest published price.

Portfolio transaction costs are incurred when investments are bought or sold by a fund in order to achieve the investment objective. These transaction costs affect an investor in different ways depending on whether they are joining, leaving or continuing with their investment in the Fund.

Direct transaction costs include broker commission and taxes. Broker commission includes the fee paid to a broker to execute the trades and research costs.

In addition, there are indirect portfolio transaction costs arising from the 'dealing spread' – the difference between the buying and selling prices of underlying investments in the portfolio. Unlike shares whereby broker commissions and stamp duty are paid by a fund on each transaction, other types of investments (such as bonds, money instruments, derivatives, collective investment schemes) do not have separately identifiable transaction costs; these costs form part of the dealing spread. Dealing spreads vary considerably depending on the transaction value and money market sentiment.

Fund Information continued

Comparative Tables

I-Class Distribution Units

Change in Net Asset Value per Unit

Accounting Year ending	01/01/19 to 31/12/19 (pence per unit)	24/10/17 to 31/12/18 ¹ (pence per unit)
Opening net asset value per unit	44.44	50.00
Return before operating charges*	7.50	(4.57)
Operating charges (calculated on average price)	(0.27)	(0.33)
Return after operating charges*	7.23	(4.90)
Distributions on income units	(0.52)	(0.66)
Closing net asset value per unit	51.15	44.44
* after direct transaction costs of:	0.02	0.06

Performance

Return after charges	16.27%	(9.80)%
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Other Information

Closing net asset value (£)	3,006	2,612
Closing number of units	5,877	5,877
Operating charges [†]	0.55%	0.57%
Direct transaction costs	0.04%	0.10%

Prices

Highest unit price	51.92p	51.90p
Lowest unit price	44.17p	44.29p

¹ The Fund launched on 24 October 2017.

[†] Operating charges, otherwise known as the 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.

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.

Exchange rate changes may cause the value of any overseas investments to rise or fall.

Fund Information continued

Comparative Tables continued

I-Class Accumulation Units

Change in Net Asset Value per Unit

Accounting Year ending	01/01/19 to 31/12/19 (pence per unit)	24/10/17 to 31/12/18 ¹ (pence per unit)
Opening net asset value per unit	45.06	50.00
Return before operating charges*	7.63	(4.60)
Operating charges (calculated on average price)	(0.27)	(0.34)
Return after operating charges*	7.36	(4.94)
Distributions	(0.52)	(0.66)
Retained distributions on accumulation units	0.52	0.66
Closing net asset value per unit	52.42	45.06
* after direct transaction costs of:	0.02	0.06

Performance

Return after charges	16.33%	(9.88)%
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Other Information

Closing net asset value (£)	158,821	242,074
Closing number of units	302,998	537,223
Operating charges [†]	0.55%	0.57%
Direct transaction costs	0.04%	0.10%

Prices

Highest unit price	53.03p	52.06p
Lowest unit price	44.80p	44.63p

¹ The Fund launched on 24 October 2017.

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Fund Information continued

Comparative Tables continued

C-Class Distribution Units

Change in Net Asset Value per Unit

Accounting Year ending	01/01/19 to 31/12/19 (pence per unit)	28/02/18 to 31/12/18 ¹ (pence per unit)
Opening net asset value per unit	44.60	50.00
Return before operating charges*	7.54	(4.54)
Operating charges (calculated on average price)	(0.25)	(0.21)
Return after operating charges*	7.29	(4.75)
Distributions on income units	(0.54)	(0.65)
Closing net asset value per unit	51.35	44.60
* after direct transaction costs of:	0.02	0.04

Performance

Return after charges	16.35%	(9.50)%
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Other Information

Closing net asset value (£)	1,027	892
Closing number of units	2,000	2,000
Operating charges [†]	0.50%	0.50%
Direct transaction costs	0.04%	0.10%

Prices

Highest unit price	52.14p	52.13p
Lowest unit price	44.33p	44.49p

¹ C-Class units launched on 28 February 2018.

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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.

Exchange rate changes may cause the value of any overseas investments to rise or fall.

Fund Information continued

Comparative Tables continued

C-Class Accumulation Units

Change in Net Asset Value per Unit

Accounting Year ending	01/01/19 to 31/12/19 (pence per unit)	28/02/18 to 31/12/18 ¹ (pence per unit)
Opening net asset value per unit	45.20	50.00
Return before operating charges*	7.70	(4.59)
Operating charges (calculated on average price)	(0.25)	(0.21)
Return after operating charges*	7.45	(4.80)
Distributions	(0.55)	(0.65)
Retained distributions on accumulation units	0.55	0.65
Closing net asset value per unit	52.65	45.20
* after direct transaction costs of:	0.02	0.04

Performance

Return after charges	16.48%	(9.60)%
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Other Information

Closing net asset value (£)	1,053	904
Closing number of units	2,000	2,000
Operating charges [†]	0.50%	0.50%
Direct transaction costs	0.04%	0.10%

Prices

Highest unit price	53.28p	52.26p
Lowest unit price	44.97p	44.80p

¹ C-Class units launched on 28 February 2018.

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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.

Exchange rate changes may cause the value of any overseas investments to rise or fall.

Fund Information continued

Comparative Tables continued

L-Class Distribution Units

Change in Net Asset Value per Unit

Accounting Year ending	01/01/19 to 31/12/19 (pence per unit)	24/10/17 to 31/12/18 ¹ (pence per unit)
Opening net asset value per unit	44.45	50.00
Return before operating charges*	7.49	(4.57)
Operating charges (calculated on average price)	(0.02)	(0.04)
Return after operating charges*	7.47	(4.61)
Distributions on income units	(0.77)	(0.94)
Closing net asset value per unit	51.15	44.45
* after direct transaction costs of:	0.02	0.06

Performance

Return after charges	16.81%	(9.22)%
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Other Information

Closing net asset value (£)	1,023	889
Closing number of units	2,000	2,000
Operating charges [†]	0.05%	0.07%
Direct transaction costs	0.04%	0.10%

Prices

Highest unit price	52.02p	52.00p
Lowest unit price	44.24p	44.33p

¹ The Fund launched on 24 October 2017.

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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.

Exchange rate changes may cause the value of any overseas investments to rise or fall.

Fund Information continued

Comparative Tables continued

L-Class Accumulation Units

Change in Net Asset Value per Unit

Accounting Year ending	01/01/19 to 31/12/19 (pence per unit)	24/10/17 to 31/12/18 ¹ (pence per unit)
Opening net asset value per unit	45.32	50.00
Return before operating charges*	7.67	(4.64)
Operating charges (calculated on average price)	(0.03)	(0.04)
Return after operating charges*	7.64	(4.68)
Distributions	(0.79)	(0.95)
Retained distributions on accumulation units	0.79	0.95
Closing net asset value per unit	52.96	45.32
* after direct transaction costs of:	0.02	0.06

Performance

Return after charges	16.86%	(9.36)%
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Other Information

Closing net asset value (£)	164,982,865	198,563,605
Closing number of units	311,500,577	438,162,180
Operating charges [†]	0.05%	0.07%
Direct transaction costs	0.04%	0.10%

Prices

Highest unit price	53.56p	52.27p
Lowest unit price	45.06p	44.86p

¹ The Fund launched on 24 October 2017.

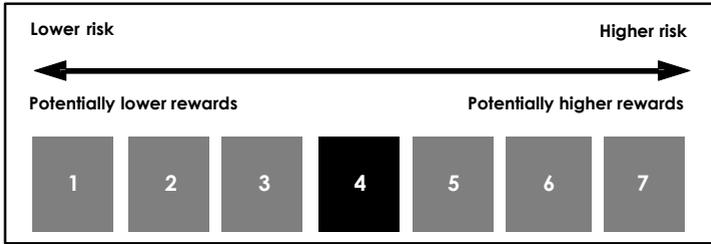
[†] Operating charges, otherwise known as the OCF is the ratio of the Fund's total disclosable costs (excluding overdraft interest) to the average net assets of the Fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a fund and is calculated based on the last period's figures.

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Exchange rate changes may cause the value of any overseas investments to rise or fall.

Risk and Reward Profile (unaudited)



- 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 four because the mix of different asset types in which the Fund invests has a balancing effect on the rate at which the Fund share price moves up and down. This type of fund is generally considered to be higher risk than one investing only in bonds and lower risk than one investing only in company shares.
- Even a fund in the lowest category is not a risk free investment.

General Information (unaudited)

Constitution

Launch date:	24 October 2017
Period end dates for distributions:	30 June, 31 December
Distribution dates:	31 August, 28 February
Minimum initial lump sum investment:	I-Class £1,000,000 C-Class* £20,000,000 L-Class** £100,000
Valuation point:	12 noon
Fund management fees:	I-Class Annual 0.55% C-Class* Annual 0.50% L-Class** Annual 0.05%
Initial charge:	Nil for all existing unit classes

* Class C units are available to certain eligible investors who meet the criteria for investment in such units as outlined in the share class policy of the Manager, which is available to investors in the C Class upon request. Where investors in the C Class no longer continue to meet the criteria for investment in such units, further investment in such units may not be permitted.

** Class L units are only available to other Legal & General funds and/or companies which have entered into 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. Units may normally be sold back to the Manager on any business day at the bid price calculated at the following valuation point.

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.

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

General Information (unaudited) continued

Dual Pricing Arrangement

The Manager's fixed dual pricing arrangement has a set spread to account for the costs of transacting in a particular Fund. Where the Manager operates a box through which unit subscriptions and unit redemptions are netted into a single trade instruction to the Trustee, the netting reduces the actual transaction costs and this generates a revenue to the Manager. The revenue generated from this activity is calculated on a monthly basis and returned to the Fund in the form of a payment from the Manager. This provides an enhanced return to the Fund, though the size of any return will be dependent on the size of subscriptions and redemptions.

Remuneration Disclosure

In accordance with the Undertakings for collective investment in transferable securities (UCITS) Directive, often referred to as the UCITs V Directive, the Legal & General Real Capital Builder Fund, as a UCITs Scheme, is required to disclose the aggregate remuneration paid by the UCITs Manager and by the UCITs Scheme to Identified Staff, together with the number of beneficiaries, and, where relevant, performance fees paid by the UCITs Scheme. The aggregate amount of remuneration must be broken down by category of employees or other staff members and be split into fixed and variable remuneration.

The following provides information on the remuneration of persons whose professional activities have a material impact on the management company and the funds managed by it. At the time of publishing, figures as at 31 December 2019 were not yet available. We shall publish this data in the Scheme's interim report, due to be published in September 2020:

Controlled Functions

Headcount	Fixed Remuneration (£'000)	Variable Remuneration (£'000)	Remuneration related to this Fund (Pro-rated) (£'000)
36	7,644	13,053	97

Material Risk Takers

Headcount	Fixed Remuneration (£,000)	Variable Remuneration (£'000)	Remuneration related to this Fund (Pro-rated) (£'000)
31	3,584	5,288	34

Controlled Functions

As at 31 December 2018, Legal & General Unit Trust Managers Limited (UTM) engaged the services of seven employees of Legal & General Investment Management (Holdings) Limited (LGIMH), plus a further one employee of Legal & General Resources (LGR) to act as Directors. In addition there was one non-executive Director. UTM also engaged the services of a further 24 LGIMH employees and a further three L&G Resources (LGR) employees to act in a variety of Controlled Functions, including Chief Compliance Officer, Money Laundering Reporting Officer, Client Asset Oversight, Systems and Controls Functions, Significant Management Functions and Customer Functions. These employees were also engaged by other companies in the L&G Group. The aggregate remuneration received by these individuals, for all their services across the L&G Group, is disclosed in the table above. We have prorated the remuneration figures by the Net Asset Value of the UCITS Funds as a percentage of the total assets under management of UTM.

General Information (unaudited) continued

Material Risk Takers

As at 31 December 2018, UTM engaged the services of Legal & General Investment Management's Multi Asset Allocation Fund Management team, which consists of 31 investment professionals located in our London Office. The team includes a variety of Fund Managers, Analysts and Support Staff, with the Fund Managers empowered to take discretionary investment management decisions on behalf of the Fund. The team is also engaged in managing other Legal & General UTM Funds/Schemes and is also engaged by other companies in the L&G Group. The aggregate remuneration received by the members of the team, for all their services across the L&G Group, is disclosed in the table above. We have prorated the remuneration figures by the Net Asset Value of the UCITS Funds as a percentage of the total assets under management of the Legal & General Investment Management's Multi Asset Allocation Fund Management team.

Assessment of Value

We will be publishing Assessment of Value reports for our funds on legalandgeneral.com and lgim.com on 30 April 2020. Please look out for further information nearer the time.

Significant Changes

Change in Investment Objective and Policy

In line with the updated rules and guidance for the asset management industry published by the Financial Conduct Authority (FCA) in February 2019, we have clarified the Investment Objectives and Policies for our UK regulated funds.

The revised Investment Objective and Policy came into effect on 7 August 2019. The previous and revised Investment Objective and Policy are set out on page 2.

Publication of Short Report Discontinued

With effect from 20 September 2019, the Short Report for this Fund will no longer be issued.

General Information (unaudited) 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

E. Cowhey* (appointed 9 October 2019)
A. Clare* (appointed 10 September 2019)
A. J. C. Craven
S. Hynes
H. Morrissey (resigned 18 October 2019)
H. Solomon
L. W. Toms
A. R. Toutouchi*
M. J. Zinkula (resigned 15 July 2019)

*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

Northern Trust Global Services SE UK Branch
Trustee and Depository Services
50 Bank Street,
Canary Wharf,
London E14 5NT

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

Independent Auditors

KPMG LLP
15 Canada Square,
London E14 5GL

Investment Adviser

Legal & General Investment Management Limited
One Coleman Street,
London EC2R 5AA
Authorised and regulated by the Financial Conduct Authority

**Authorised and regulated by the
Financial Conduct Authority**

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(Unit Trust Managers) Limited
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