

Legal & General Growth Trust
**Annual Manager's
Short Report**
for the year ended
15 May 2017

**EVERY
DAY
MATTERS.®**



Investment Objective and Policy

The investment objective of this Trust is to secure capital growth by investing in a portfolio principally of UK shares. Securities of companies with strong growth prospects will be chosen.

Risk Profile

Market Risk

Market risk arises mainly from uncertainty about future prices. It represents the potential loss the Trust may suffer through holding market positions in the face of market movements. The Manager adheres to the investment guidelines and in this way, monitors and controls the exposure to risk from any type of security, sector or issuer.

Currency Risk

This Trust holds investments in overseas financial securities. The performance of the Trust may therefore be affected by changes in exchange rates. This risk may be managed by the use of forward currency contracts, which aim to manage the effect of changing exchange rates.

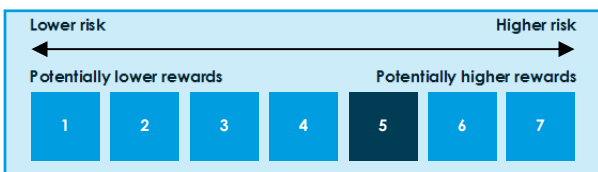
Trust Facts

Period End Dates for Distributions:	15 May, 15 Nov	
Distribution Dates:	15 Jul, 15 Jan	
Ongoing Charges Figures:	15 May 17	15 May 16
R-Class	1.82%	1.69%
E-Class	1.82%	1.69%
F-Class	1.32%	1.19%
I-Class	0.93%	0.80%

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

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

Risk and Reward Profile



- This risk and reward profile is based on historical data which may not be a reliable indication of the Trust's risk and reward category in the future.
- The category is based on the rate at which the value of the Trust has moved up and down in the past.
- This Trust is in category five because it invests in company shares which generally provide higher rewards and higher risks than other investments such as bonds, cash or commercial property.
- The Trust's category is not guaranteed to remain the same and may change over time.
- Even a trust in the lowest category is not a risk free investment.

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 final distribution payable for the R-Class.

E-Class

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

F-Class

The distribution payable on 15 July 2017 is 0.1646p per unit for distribution units and 0.1991p per unit for accumulation units.

I-Class

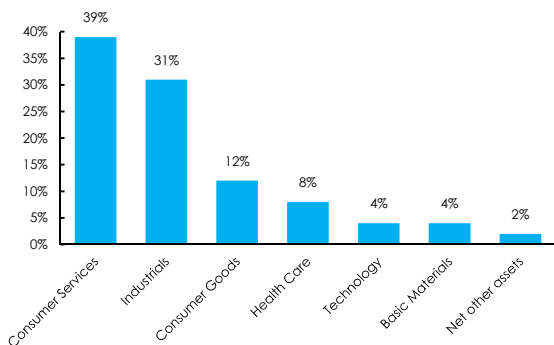
The distribution payable on 15 July 2017 is 0.3344p per unit for distribution units and 0.4315p per unit for accumulation units.

Portfolio Information

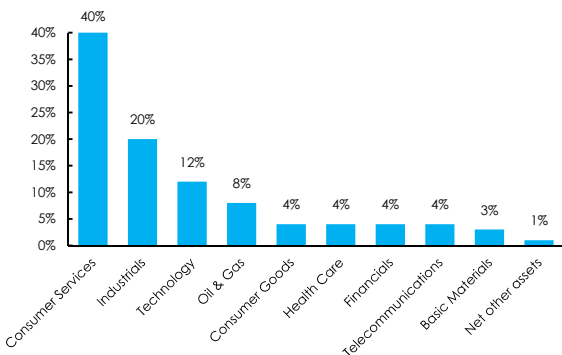
The top 10 holdings and their associated weighting at the current and preceding year ends were:

Top 10 Holdings at 15 May 2017		Top 10 Holdings at 15 May 2016	
Holding	Percentage of Net Asset Value	Holding	Percentage of Net Asset Value
Just Eat	4.12%	Ocado Group	4.28%
Shire	4.06%	TUI AG	4.23%
Playtech	4.05%	Carnival	4.17%
Burberry Group	4.04%	Tullow Oil	4.15%
DCC	4.04%	Worldpay Group	4.13%
B&M European Value Retail	4.03%	CRH	4.07%
Rentokil Initial	4.00%	Rightmove	4.07%
Asos	4.00%	DCC	4.05%
Coca-Cola	3.99%	Micro Focus International	4.03%
Melrose	3.99%	Reckitt Benckiser Group	4.03%

Trust Holdings as at 15 May 2017



Trust Holdings as at 15 May 2016



Comparative Tables

R-Class Distribution Units

Change in Net Asset Value per Unit

Accounting year ending	15/05/17 (pence per unit)	15/05/16 (pence per unit)	15/05/15 (pence per unit)
Opening net asset value per unit	70.13	70.03	63.37
Return before operating charges	20.32	1.83	8.26
Operating charges (calculated on average price)	(1.45)	(1.16)	(1.07)
Return after operating charges	18.87	0.67	7.19
Distributions on income units	(0.15)	(0.57)	(0.53)
Closing net asset value per unit	88.85	70.13	70.03
after direct transaction costs of:	0.50	0.56	0.55

Performance

Return after charges	26.90%	0.96%	11.35%
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Other Information

Closing net asset value (£)	920,389	714,911	935,824
Closing number of units	1,035,920	1,019,363	1,335,560
Operating charges†	1.82%	1.69%	1.67%
Direct transaction costs	0.63%	0.82%	0.85%

Prices

Highest unit price	93.92p	76.90p	74.38p
Lowest unit price	66.22p	60.83p	56.10p

† Operating charges, otherwise known as the OCF is the ratio of the Trust's total disclosable costs (excluding overdraft interest) to the average net assets of the Trust.

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.

Comparative Tables continued

R-Class Accumulation Units

Change in Net Asset Value per Unit

Accounting year ending	15/05/17 (pence per unit)	15/05/16 (pence per unit)	15/05/15 (pence per unit)
Opening net asset value per unit	83.55	82.75	74.28
Return before operating charges	24.26	2.17	9.73
Operating charges (calculated on average price)	(1.74)	(1.37)	(1.26)
Return after operating charges	22.52	0.80	8.47
Distributions	(0.18)	(0.68)	(0.63)
Retained distributions on accumulation units	0.18	0.68	0.63
Closing net asset value per unit	106.07	83.55	82.75
after direct transaction costs of:	0.60	0.67	0.64

Performance

Return after charges	26.96%	0.97%	11.40%
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Other Information

Closing net asset value (£)	11,077,736	7,567,919	9,405,146
Closing number of units	10,443,430	9,057,716	11,365,937
Operating charges†	1.82%	1.69%	1.67%
Direct transaction costs	0.63%	0.82%	0.85%

Prices

Highest unit price	112.10p	91.31p	87.56p
Lowest unit price	78.90p	72.23p	65.75p

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Comparative Tables continued

E-Class Distribution Units

Change in Net Asset Value per Unit

Accounting year ending	15/05/17 (pence per unit)	15/05/16 (pence per unit)	15/05/15 (pence per unit)
Opening net asset value per unit	70.13	70.03	63.37
Return before operating charges	20.32	1.83	8.26
Operating charges (calculated on average price)	(1.45)	(1.16)	(1.07)
Return after operating charges	18.87	0.67	7.19
Distributions on income units	(0.15)	(0.57)	(0.53)
Closing net asset value per unit	88.85	70.13	70.03
after direct transaction costs of:	0.50	0.56	0.55

Performance

Return after charges	26.90%	0.96%	11.35%
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Other Information

Closing net asset value (£)	166,421,630	129,604,672	135,791,153
Closing number of units	187,311,384	184,802,390	193,905,870
Operating charges†	1.82%	1.69%	1.67%
Direct transaction costs	0.63%	0.82%	0.85%

Prices

Highest unit price	89.45p	73.24p	70.84p
Lowest unit price	66.21p	60.84p	56.10p

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Comparative Tables continued

E-Class Accumulation Units

Change in Net Asset Value per Unit

Accounting year ending	15/05/17 (pence per unit)	15/05/16 (pence per unit)	15/05/15 (pence per unit)
Opening net asset value per unit	83.55	82.75	74.28
Return before operating charges	24.25	2.17	9.73
Operating charges (calculated on average price)	(1.73)	(1.37)	(1.26)
Return after operating charges	22.52	0.80	8.47
Distributions	(0.18)	(0.68)	(0.63)
Retained distributions on accumulation units	0.18	0.68	0.63
Closing net asset value per unit	106.07	83.55	82.75
after direct transaction costs of:	0.60	0.67	0.64

Performance

Return after charges	26.96%	0.97%	11.40%
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Other Information

Closing net asset value (£)	2,018,509	1,780,073	1,866,025
Closing number of units	1,902,945	2,130,530	2,255,067
Operating charges†	1.82%	1.69%	1.67%
Direct transaction costs	0.63%	0.82%	0.85%

Prices

Highest unit price	106.70p	86.96p	83.39p
Lowest unit price	78.90p	72.23p	65.75p

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Comparative Tables continued

F-Class Distribution Units

Change in Net Asset Value per Unit

Accounting year ending	15/05/17 (pence per unit)	15/05/16 (pence per unit)	15/05/15 (pence per unit)
Opening net asset value per unit	70.72	70.61	63.90
Return before operating charges	20.54	1.85	8.34
Operating charges (calculated on average price)	(1.06)	(0.82)	(0.76)
Return after operating charges	19.48	1.03	7.58
Distributions on income units	(0.51)	(0.92)	(0.87)
Closing net asset value per unit	89.69	70.72	70.61
after direct transaction costs of:	0.49	0.57	0.55

Performance

Return after charges	27.55%	1.46%	11.86%
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Other Information

Closing net asset value (£)	583	1,285	1,283
Closing number of units	650	1,817	1,817
Operating charges†	1.32%	1.19%	1.17%
Direct transaction costs	0.63%	0.82%	0.85%

Prices

Highest unit price	90.40p	73.88p	71.59p
Lowest unit price	66.80p	61.40p	56.69p

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Comparative Tables continued

F-Class Accumulation Units

Change in Net Asset Value per Unit

Accounting year ending	15/05/17 (pence per unit)	15/05/16 (pence per unit)	15/05/15 (pence per unit)
Opening net asset value per unit	85.69	84.44	75.42
Return before operating charges	24.93	2.24	9.92
Operating charges (calculated on average price)	(1.29)	(0.99)	(0.90)
Return after operating charges	23.64	1.25	9.02
Distributions	(0.62)	(1.11)	(1.03)
Retained distributions on accumulation units	0.62	1.11	1.03
Closing net asset value per unit	109.33	85.69	84.44
after direct transaction costs of:	0.62	0.68	0.66

Performance

Return after charges	27.59%	1.48%	11.96%
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Other Information

Closing net asset value (£)	184,630	152,043	174,606
Closing number of units	168,878	177,440	206,781
Operating charges†	1.32%	1.19%	1.17%
Direct transaction costs	0.63%	0.82%	0.85%

Prices

Highest unit price	110.00p	89.02p	85.09p
Lowest unit price	80.96p	73.98p	66.90p

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Comparative Tables continued

I-Class Distribution Units

Change in Net Asset Value per Unit

Accounting year ending	15/05/17 (pence per unit)	15/05/16 (pence per unit)	15/05/15 (pence per unit)
Opening net asset value per unit	70.13	70.02	63.36
Return before operating charges	20.35	1.85	8.27
Operating charges (calculated on average price)	(0.74)	(0.55)	(0.50)
Return after operating charges	19.61	1.30	7.77
Distributions on income units	(0.83)	(1.19)	(1.11)
Closing net asset value per unit	88.91	70.13	70.02
after direct transaction costs of:	0.50	0.56	0.55

Performance

Return after charges	27.96%	1.86%	12.26%
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Other Information

Closing net asset value (£)	2,143,923	1,880,990	1,693,099
Closing number of units	2,411,321	2,682,235	2,417,872
Operating charges†	0.93%	0.80%	0.78%
Direct transaction costs	0.63%	0.82%	0.85%

Prices

Highest unit price	89.84p	73.32p	71.13p
Lowest unit price	66.28p	60.96p	56.29p

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

Comparative Tables continued

I-Class Accumulation Units

Change in Net Asset Value per Unit

Accounting year ending	15/05/17 (pence per unit)	15/05/16 (pence per unit)	15/05/15 (pence per unit)
Opening net asset value per unit	89.93	88.28	78.54
Return before operating charges	26.23	2.35	10.37
Operating charges (calculated on average price)	(0.96)	(0.70)	(0.63)
Return after operating charges	25.27	1.65	9.74
Distributions	(1.07)	(1.51)	(1.38)
Retained distributions on accumulation units	1.07	1.51	1.38
Closing net asset value per unit	115.20	89.93	88.28
after direct transaction costs of:	0.65	0.71	0.68

Performance

Return after charges	28.10%	1.87%	12.40%
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Other Information

Closing net asset value (£)	6,110,071	3,219,246	1,095,870
Closing number of units	5,304,031	3,579,563	1,241,391
Operating charges†	0.93%	0.80%	0.78%
Direct transaction costs	0.63%	0.82%	0.85%

Prices

Highest unit price	115.90p	93.29p	88.96p
Lowest unit price	85.01p	77.57p	69.78p

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Manager's Investment Report

During the year under review, the bid price of the Trust's R-Class distribution units rose by 26.26%. This compares to a rise in the FTSE All-Share Index of 21.03% on a capital only basis (Source: Bloomberg).

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Market/Economic Review

Global economic activity has improved markedly over the past twelve months. The recovery has been particularly strong in the manufacturing sector, accompanied by an upturn in global trade volumes. A stabilisation and subsequent increase in commodity prices has been reflected in rising consumer price inflation in the major developed economies. While the recovery has been broad-based, it has been most noticeable in the US where growth accelerated during the second half of 2016 led by consumer demand. There has also been a pick-up in investment spending and inventory levels, as Donald Trump's unexpected victory in the November presidential election focused investors on the prospect of increased infrastructure spending and tax cuts. The Federal Reserve has signalled a gradual tightening of monetary policy, raising interest rates in December 2016 and March 2017 and signalling two further rate hikes in 2017.

UK equities rose on the improving economic outlook. Although the result in favour of Brexit in the EU referendum last June heightened volatility, subsequent domestic economic indicators were broadly reassuring. Returns from international markets were substantially enhanced for UK-based investors as Sterling plunged to a 31-year low against the US Dollar in the aftermath of the UK referendum result.

Trust Review

The UK vote to leave the European Union triggered a bout of marked volatility for the Trust, the UK market and the Sterling in the early months of the year under review. However, over the course of the review year, the Trust delivered a strong positive absolute level of return, outperforming its relative benchmark. A weakened Sterling helped support businesses with international earnings profiles and a supportive economic outlook helped boost the whole market.

Strong stock selection helped drive Trust performance over the course of the review year. A strong contributor to returns during the first half of the year was ARM Holdings. The share price rallied following a takeover bid from Japanese telecom operator Softbank at a significant premium against ARM's mid-July 2016 share price. Despite a slightly disappointing trading update in the first quarter of 2017, the new addition of Domino's Pizza performed well in the

Manager's Investment Report continued

final months of the review year, along with the Trust's similar holding in takeaway specialist Just Eat. In 2016, the takeaway food market in the UK was worth £6.1 billion, with 51% of orders still made via the telephone. Of the UK online portion, Just Eat currently has over half of the market share, with a margin greater than 50%.

In terms of trading activity, we added Playtech, an online gaming company as it continued to grow revenues above market rates. We initiated a new position in British luxury brand Burberry Group, whose management is increasingly focused on reducing its cost base and improving sales density, which should support the long-term turnaround story. We anticipate growth in Chinese consumer spending to support the company's recovery. The position in Tullow Oil was sold down on concerns over the slow pace of organic deleveraging and a poorly timed rights issue announcement in the first quarter of 2017. We took the decision to sell out of the positions in Standard Chartered, Randgold Resources and Reckitt Benckiser.

Outlook

The UK economy has recovered from the post-referendum volatility well; however, further consequences of the fall in the value of the pound could be felt more strongly in the year ahead.

As inflation rises, the real world value of UK incomes could come under pressure. We also expect weak business investment and less employment growth as uncertainty around the UK's future relationship with the EU leads to a deferral of expansion plans.

In this environment, the Bank of England is likely to be faced with a combination of above-target inflation but sluggish growth.

As a result, the bank is likely to opt to do very little.

We have a positive view on global growth and the performance of risk assets over the year ahead. However, we are wary that markets haven't fully considered the medium-term headwinds to growth, or to the risks. The market enthusiasm behind President Trump's proposed policies (tax cuts and infrastructure spending for example) may run out of steam if he can't deliver, or indeed if he does deliver what the market believes to be the wrong policies. Furthermore, we have material political and economic risks to be wary of, including European politics in the short and medium term and Chinese debt levels over the longer term.

Overall, we remain focused on investing in high-quality companies that have sustainable earnings growth, strong barriers to entry, are able to improve their returns on equity and are attractively valued.

Legal & General Investment Management Limited
(Investment Adviser)

6 June 2017

Manager's Report and Accounts

Copies of the most recent Interim and Annual Long Form Manager's Reports are available free of charge by telephoning 0370 050 0955, by writing to the Manager or are available on the internet at www.legalandgeneral.com/investments/fund-information/managers-reports.

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

Minimum Investment Amounts

The minimum initial lump sum investment amounts for each class are as follows:

R-Class	£500
E-Class	£100,000
F-Class	£500
I-Class	£1,000,000

In addition, monthly contributions can be made into the R-Class and F-Class with a minimum amount of £50 per month.

F-Class units are only available to:

- i) investors who have received advice from authorised intermediaries and platforms in relation to their investment in units in the Trust and
- ii) authorised intermediaries or distributors who the Manager reasonably considers will adequately bear the costs of marketing to and acquiring investors at no or limited cost to the Manager, and to whom the Manager has confirmed that such distributor or investor meets the criteria for investment in such units.

Other Information

The information in this report is designed to enable unitholders to understand how the Trust has performed during the year under review and how it is invested at the year end. Further information on the activities and performance of the Trust can be obtained by telephoning 0370 050 0955 or by writing to the Manager.

Dual Pricing Arrangement

The Manager's fixed dual pricing arrangement has a set spread to account for the costs of transacting in a particular Trust. 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 Trust in the form of a payment from the Manager. This provides an enhanced return to the Trust, through the size of any return will be dependent on the size of subscriptions and redemptions.

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

Trustee

Northern Trust Global Services Limited

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

PricewaterhouseCoopers LLP

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London SE1 2RT

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Financial Conduct Authority**

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