

Legal & General Growth Trust

**Interim Manager's Report
for the period ended
15 November 2020
(Unaudited)**



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Manager's Investment Report

Investment Objective and Policy

The objective of the Trust is to provide growth above that of the FTSE All Share TR Net Index, the "Benchmark Index". The Trust aims to outperform the Benchmark Index by 4% per annum. This objective is before the deduction of any charges and measured over rolling three year periods.

The Trust is actively managed and invests at least 90% in the shares of UK companies that the Manager believes have strong growth prospects. These are companies that are incorporated, listed, headquartered or which have their principal business activities in the UK.

Over a market cycle (typically three to five years), the Trust will comprise on average 25 companies in broadly equal weightings selected by the Manager following research of each company. The Trust's portfolio will be concentrated.

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

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

The Trust may only hold derivatives for the purpose of Efficient Portfolio Management.

Manager's Investment Report

During the period under review, the bid price of the Trust's R-Class accumulation units rose by 26.34%. This compares to a rise in the FTSE All-Share Index of 13.28% on a total return basis (Source: Bloomberg).

Past performance is not a guide to future performance.

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

Market/Economic Review

UK equities delivered strong positive returns over the six-month review period, led by small and mid-cap stocks. At the sector level, unsurprisingly, robust demand during periods of lockdown for personal care, food, health, homeware and hygiene products proved tailwinds for a number of consumer durables and services. Higher selling prices helped commodity industries, while internet-related demand drove growth in communication services and e-commerce businesses. For healthcare, positive growth was strongest within life sciences and biotechnology, reflecting positive news over vaccine trials and development, particularly towards the end of the review period. Elsewhere, fortunes were more mixed across industrials and financials, with a real polarisation between long-term winners and losers. Given the significance of headlines regarding the global pandemic, US political risk and Brexit, it's perhaps no surprise that corporate earnings have become something of a sideshow to a top-down driven market. Still, for the most part, earnings have generally been positive for the companies in which the portfolio is invested, with firms having matched or beaten expectations.

Trust Review

The Trust outperformed the FTSE All-Share Index over the review period, with approximately two thirds of outperformance derived from strong stock selection, which was predominantly driven by gains within our consumer services, consumer goods and telecoms exposure. Sector allocation also added value, driven by a combination of the

Manager's Investment Report continued

large overweight position in consumer services (retail and online platforms), in addition to the benefit from our zero exposure to oil & gas and utility sectors.

Turning to Trust performance at the stock level, Aston Martin Lagonda Global, ASOS, Wizz Air, JD Sports Fashion, B&M European Value Retail, Helios Towers, Ashtead Group and 3i Group were notable outperformers. Secular growth names such as Croda International, Experian, Ocado Group and Rentokil Initial also made a positive albeit more modest contribution, as these companies sold off more recently amid the sharp intra-market style rotation during November. Nevertheless, these positions have comfortably outperformed the FTSE All-Share benchmark year-to-date, on the basis of structural growth drivers and their ability to compound returns over the long term. The biggest detractors in the review period were Network International and Boohoo.com, although we maintain conviction in our investment thesis in both companies.

In terms of trading activity, we introduced new positions in food producer, Cranswick, and repairs & improvement business, HomeServe. We believe Cranswick represents a high quality defensive growth business with attractive compounding returns. Investment-fuelled expansion, new customer acquisition and increasing efforts to drive vertical integration leave it well-placed for the long term, in our view. Sustainability is at the heart of the business and remains a key focus as per its Second Nature ESG strategy, where there is clear aspiration and commitment to improve on best in class fundamentals. HomeServe consists of two divisions at different stages of maturity: its Membership business is built on acquiring utility and energy policies and is supplemented by growth in HVAC (Heating, Ventilation and Air Conditioning) services, while its Home Experts division provides an online marketplace for customers to find local trades. The UK is its most mature business, while the group is growing strongly in the US and has opportunities in nascent regions like Japan. We believe the Membership business offers compounding growth and is highly cash generative. Elsewhere, we exited our holding of Vivo Energy, which has proved to be a disappointing investment. Holdings of biotech company Abcam, and African fuel retailer Vivo Energy, were also sold.

Outlook

Looking ahead, the backdrop for equities into 2021 feels quite supportive. Improving economic (GDP) growth, financial conditions at all-time lows and potential for a decent capital expenditure recovery, imply a decent environment for equity markets. In general, there is plenty of debate over the sustainability of any rotation trade, while we agree with the view that we should see a recovery of earnings for some cyclical parts of the economy. However, we believe the environment also firmly supports the view that the winners pre-COVID-19, during COVID-19 and after the COVID-19 pandemic will continue to be the long-term quality compounders and secular & structural growth names. We have seen an acceleration of a number of key long-term thematic trends that are either digital-led or data enabled, in addition to demographic change and rising focus on health & wellbeing. Additionally, sustainability themes will play an increasingly integral role in corporate decision making and investment decision making. We believe this will be to the benefit of sector leaders and quality growth companies.

Legal & General Investment Management Limited
(Investment Adviser)
4 December 2020

Manager's Investment Report continued

Important Note from the Manager

Since January 2020, global financial markets have been affected by the COVID-19 coronavirus. The impact on the Company will take longer to assess; however, the Company has enacted its business continuity plans, with a large number of staff working remotely. Our technology and IT infrastructure supports large scale remote working, with our Investment Management Teams able to work in a 'business as usual' manner. We remain in regular contact with all key suppliers and we continue to monitor this situation closely.

The virus has caused major uncertainty and disruption to businesses and everyday life. Financial markets have reacted sharply to this news, with concerns regarding the economic impact this may have on a global scale. The long-term impact on the global economy and markets will depend upon the overall scale and the duration of the outbreak, as well as on the actions taken by governments and central banks.

Legal & General (Unit Trust Managers) Limited
4 December 2020

Authorised Status

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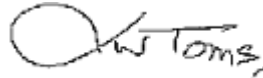
This Trust is an Authorised Unit Trust Scheme as defined in section 243 of the Financial Services and Markets Act 2000 and is a UCITS Retail Scheme within the meaning of the FCA Collective Investment Schemes sourcebook.

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
12 January 2021

Portfolio Statement

Portfolio Statement as at 15 November 2020

All investments are in ordinary shares unless otherwise stated. The percentages in brackets show the equivalent holdings at 15 May 2020.

Holding/ Nominal Value	Investment	Market Value £	% of Net Assets
	UNITED KINGDOM		
	— 70.34% (69.53%)		
	Chemicals — 3.81% (4.01%)		
135,757	Croda International	8,457,661	3.81
	Support Services — 15.51% (15.94%)		
286,234	Ashthead Group	9,102,241	4.10
3,735,179	Network International	9,016,722	4.07
1,522,441	Rentokil Initial	8,239,451	3.71
1,450,055	RWS	8,062,306	3.63
		34,420,720	15.51
	Automobiles & Parts		
	— 4.52% (3.25%)		
15,751,680	Aston Martin Lagonda Global	10,033,820	4.52
	Beverages — 3.90% (3.68%)		
367,481	Fevertree Drinks	8,661,527	3.90
	Food Producers — 3.03% (0.00%)		
182,153	Cranswick	6,732,726	3.03
	Health Care Equipment & Services		
	— 4.06% (3.20%)		
4,443,541	ConvaTec Group	9,011,501	4.06
	Pharmaceuticals & Biotechnology		
	— 0.00% (4.15%)		
	Food & Drug Retailers		
	— 3.73% (4.00%)		
359,535	Ocado Group	8,276,496	3.73
	General Retailers		
	— 11.56% (11.51%)		
181,510	ASOS	8,271,411	3.73
727,729	HomeServe	8,878,294	4.00
1,063,426	JD Sports Fashion	8,507,408	3.83
		25,657,113	11.56
	Mobile Telecommunications		
	— 4.64% (3.84%)		
5,620,027	Helios Towers	10,295,889	4.64
	Life Insurance — 4.09% (3.91%)		
830,654	St. James's Place	9,070,742	4.09
	Financial Services — 7.75% (8.20%)		
811,159	3i Group	8,983,586	4.05
97,258	London Stock Exchange Group	8,204,685	3.70
		17,188,271	7.75

Portfolio Statement continued

Holding/ Nominal Value	Investment	Market Value £	% of Net Assets
	Software & Computer Services — 3.74% (3.84%)		
200,838	AVEVA	8,292,601	3.74
	CHANNEL ISLANDS — 12.27% (11.42%)		
	Support Services — 4.03% (4.05%)		
288,863	Experian	8,948,976	4.03
	General Retailers — 4.13% (4.35%)		
3,224,147	Boohoo.com	9,159,801	4.13
	Travel & Leisure — 4.11% (3.02%)		
209,961	Wizz Air	9,124,905	4.11
	LUXEMBOURG — 4.02% (4.19%)		
	General Retailers — 4.02% (4.19%)		
1,785,215	B&M European Value Retail	8,924,290	4.02
	NETHERLANDS — 7.86% (7.68%)		
	Industrial Engineering — 4.35% (3.31%)		
322,854	RHI Magnesita	9,659,792	4.35
	General Retailers — 3.51% (4.37%)		
91,754	Just Eat Takeaway.com	7,789,914	3.51
	SWITZERLAND — 4.32% (3.58%)		
	Beverages — 4.32% (3.58%)		
435,039	Coca-Cola HBC	9,579,559	4.32
Portfolio of investments¹		219,286,304	98.81
Net other assets		2,636,234	1.19
Total net assets		£221,922,538	100.00%

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

Total purchases for the period: £65,180,836.

Total sales for the period: £76,945,465.

Financial Statements

Statement of Total Return For the period ended 15 November 2020

	15/11/20		15/11/19	
	£	£	£	£
Income				
Net capital gains		49,592,814		9,721,947
Revenue	924,377		2,616,305	
Expenses	(323,990)		(881,863)	
Interest payable and similar charges	(140)		(549)	
Net revenue before taxation	<u>600,247</u>		<u>1,733,893</u>	
Taxation	(14,827)		(69,179)	
Net revenue after taxation for the period		<u>585,420</u>		<u>1,664,714</u>
Total return before distributions		50,178,234		11,386,661
Distributions		(28,833)		(2,271,318)
Change in net assets attributable to Unitholders from investment activities		<u>£50,149,401</u>		<u>£9,115,343</u>

Statement of Change in Net Assets attributable to Unitholders for the period ended 15 November 2020

	15/11/20		15/11/19	
	£	£	£	£
Opening net assets attributable to Unitholders		188,227,891		208,064,850
Amounts received on issue of units	4,905,424		2,825,852	
Amounts paid on cancellation of units	(9,587,014)		(8,602,655)	
Amounts paid on in-specie transactions	(11,773,164)		—	
		<u>(16,454,754)</u>		<u>(5,776,803)</u>
Change in net assets attributable to Unitholders from investment activities		50,149,401		9,115,343
Retained distributions on accumulation units		—		2,196,506
Closing net assets attributable to Unitholders		<u>£221,922,538</u>		<u>£213,599,896</u>

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

Financial Statements continued

Balance Sheet as at 15 November 2020

	15/11/20 £	15/05/20 £
ASSETS		
Fixed assets:		
Investments	219,286,304	181,458,340
Current assets:		
Debtors	3,185,801	653,012
Cash and bank balances	1,427,786	7,270,746
Total assets	223,899,891	189,382,098
LIABILITIES		
Creditors:		
Distributions payable	–	(5,237)
Other creditors	(1,977,353)	(1,148,970)
Total liabilities	(1,977,353)	(1,154,207)
Net assets attributable to Unitholders	£221,922,538	£188,227,891

Notes to the Financial Statements

1. Statement of Compliance

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

2. Accounting Policies

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

(a) Basis of Preparation

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

Trust Information

Net Asset Values and Units in Issue

Class	Net Asset Value (£)	Units in Issue	Net Asset Value per Unit (p)
R-Class			
Distribution Units	1,259,992	1,239,503	101.65
Accumulation Units	14,578,192	11,926,042	122.24
F-Class			
Accumulation Units	146,609	114,425	128.13
I-Class			
Distribution Units	1,059,244	1,035,689	102.27
Accumulation Units	20,602,387	15,108,968	136.36
C-Class			
Distribution Units	736,738	1,275,986	57.74
Accumulation Units	26,734,411	44,992,083	59.42
L-Class			
Accumulation Units	156,804,965	289,425,263	54.18

Past performance is not a guide to future performance.

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

Ongoing Charges Figures

	15 Nov 20	15 May 20
R-Class	1.43%	1.52%
F-Class	1.03%	1.03%
I-Class	0.78%	0.78%
C-Class	0.50%	0.50%
L-Class	0.05%	0.05%

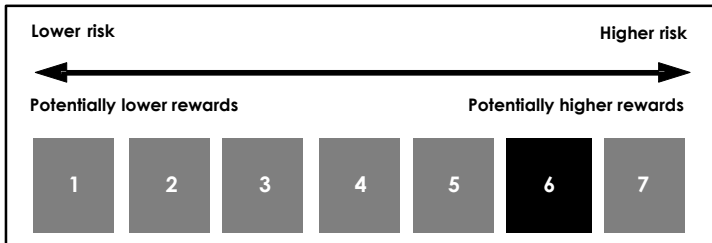
The Ongoing Charges Figure (OCF) is the ratio of the Trust's total disclosable costs (excluding overdraft interest) to the average net assets of the Trust.

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

Distribution Information

As at 15 November 2020, the Trust had low level of distributable revenue. Therefore, the Manager has decided not to distribute at this time. All distributable revenue has been carried forward to the next distribution period.

Risk and Reward Profile



- The Risk and Reward Indicator table demonstrates where the Trust 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 Trust. The shaded area in the table above shows the Trust's ranking on the Risk and Reward Indicator.
- The Trust is in category six because it invests in company shares which are sensitive to variations in the stock market. The value of company shares can change substantially over short periods of time. Company shares are generally considered to be higher risk investments than bonds or cash.
- Even a trust in the lowest category is not a risk free investment.

General Information

Constitution

Launch date:	1 November 2000
Period end date for distributions:	15 May, 15 November
Distribution dates:	15 July, 15 January
Minimum initial lump sum investment:	R-Class £100 I-Class £1,000,000 C-Class* £20,000,000 L-Class** £100,000
Minimum monthly contributions:	R-Class £20 I-Class N/A C-Class* N/A L-Class** N/A
Valuation point:	12 noon
Fund management fees:	R-Class Annual 1.43% F-Class*** Annual 1.03% I-Class Annual 0.78% 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.

*** Closed to new subscriptions.

Pricing and Dealing

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

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

Buying and Selling Units

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

ISA Status

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

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

General Information continued

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.

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, though the size of any return will be dependent on the size of subscriptions and redemptions.

Significant Change

Changes to Pricing Methodology

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

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

The move to a standardised pricing method will:

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

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

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

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

General Information continued

Authorised Fund Manager

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

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

*Non-executive Director

Secretary

J. McCarthy

Registrar

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P.O. Box 6080,
Wolverhampton WV1 9RB
Authorised and regulated by the Financial Conduct Authority

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

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

Trustee

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