

Legal & General UK 350 Index Fund

**Annual Manager's Report  
for the year ended  
28 February 2022**





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

# Manager's Investment Report

## Investment Objective and Policy

The objective of the Fund is to provide a combination of growth and income by tracking the performance of the FTSE 350 Index, the "Benchmark Index".

This objective is after the deduction of charges and taxation.

The Fund will invest at least 90% in assets that are included in the Benchmark Index. The Benchmark Index consists of shares of the 350 largest companies on the UK stock market in accordance with the Index provider's methodology. Such shares in companies are from all economic sectors.

The Fund is a Replicating Fund as it replicates as closely as possible the constituents of the Benchmark Index by holding all, or substantially all, of the assets comprising the Benchmark Index in similar proportions to their weightings in the Benchmark Index.

The Fund may also invest in money market instruments (such as treasury bills), cash, permitted deposits and shares in companies which are reasonably expected to become part of the Benchmark Index in the near future or are an alternative to a constituent of the Benchmark Index and collective investment schemes, including those managed or operated by the Manager or an Associate.

The Fund may only use derivatives for Efficient Portfolio Management purposes.

## Manager's Investment Report

During the year under review, the published price of the Fund's A-Class accumulation units rose by 13.49%. FTSE, the Index compiler, calculates the Benchmark Index at the end of the business day using closing prices, whereas the Fund is valued using prevailing prices at 12pm. Therefore, for tracking purposes, the Fund has been revalued using closing prices. On this basis, over the review year, the Fund returned 12.62% compared with the FTSE 350 Index return of 12.50% (Source: FTSE Russell), producing a tracking difference of +0.12%.

**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.**

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## Market/Economic Review

In response to the extreme market volatility caused by the swift spread of COVID-19 around the world, and the extraordinary lockdown measures implemented to control it, central banks and governments worldwide supplied and sustained an extensive range of monetary and fiscal stimulus packages to underpin the global economy.

Concerns over higher inflation and a subsequent rise in rates remained front and centre for investors and heightened towards the end of the reporting year. The Bank of England maintained its benchmark interest rate at 0.10% until December when, after months of 'will they, won't they', it became the first major developed-market central

## Manager's Investment Report continued

bank to raise rates since the onset of the pandemic, hiking interest rates to 0.25%.

Late in the year under review, Russia's invasion of Ukraine prompted fears of an all-out geopolitical crisis in the event of further escalation.

Despite going through something of a hiccup towards the end of the year, global equity indices made strong gains over the past year as investors weighed up the likely trajectory of the economic recovery from the pandemic. Unprecedented stimulus from central banks and the creation of effective vaccines formed the dual foundations of the rebound.

Against this backdrop, having significantly lagged the global rebound initially, UK equities nevertheless made notable gains over the 12-month period, although mid-caps lost sufficient ground to mean they finished in the red for the year. Market momentum was sustained through the early months of 2021 as the UK led the way with its vaccine rollout, despite a harsh winter lockdown, with economic indicators showing a strong recovery as shops and restaurants opened their doors once again. Growth then slowed as the year progressed.

### Fund Review

Companies held within the Fund are held with weightings generally proportionate to those of the Index. Hence investment activity, other than to raise or invest cash, is only necessary when there are changes in the issued share capital or free float of the constituent companies, or to the constituents of the Index.

During the year under review, there were four Index reviews carried out by FTSE. The March quarterly Index review resulted in three additions and three deletions. The additions were Dr. Martens (+0.09%), Chrysalis Investments (+0.05%) and Bytes Technology Group (+0.04%), and the deletions were NextEnergy Solar Fund (-0.03%), BMO Commercial Property Trust (-0.02%) and Petrofac (-0.01%). There were 46 changes to the free share capital of constituents with the largest increases being Flutter Entertainment (+0.27%), London Stock Exchange Group (+0.11%) and Wizz Air (+0.02%) and the largest decreases being TUI (-0.02%), Scottish Mortgage Investment Trust (-0.02%) and Abrdn (formerly Standard Life Aberdeen) (-0.01%). The two-way Index turnover was 1.35%.

The June quarterly Index review resulted in four additions and four deletions. The additions were Spire Healthcare Group (+0.03%), Trustpilot Group (+0.03%), Moonpig Group (+0.03%) and Auction Technology Group (+0.03%), and the deletions were Sabre Insurance Group (-0.03%), Foresight Solar Fund (-0.02%), Provident Financial (-0.02%) and JLEN Environmental Assets Group (-0.02%). There were 192 changes to the free share capital of constituents with the largest increases being Glencore (+0.15%), Unilever (+0.10%) and Vodafone Group (+0.06%) and the largest decreases being Barclays (-0.03%), Scottish Mortgage Investment Trust (-0.01%) and Standard Chartered (-0.01%). The two-way Index turnover was 1.16%.

The September Index review resulted in six additions and six deletions. The additions were Endeavour Mining (+0.14%), Molten Ventures (+0.07%), Darktrace (+0.07%), Bridgepoint Group (+0.06%), BlackRock Throgmorton Trust (+0.04%) and Baltic Classifieds Group (+0.02%), and the deletions were Just Eat Takeaway.com (-0.48%), Temple Bar Investment Trust (-0.03%), Tullow Oil (-0.03%), Civitas Social Housing (-0.03%), Wickes Group (-0.03%) and Avon Protection (-0.02%). There were 61 changes to the free share capital of constituents with the largest increases being Glencore (+0.17%), Rolls-Royce (+0.04%) and Wizz Air (+0.03%) and the largest decreases being BT Group (-0.08%), Unilever (-0.05%) and Vodafone Group (-0.02%).

## Manager's Investment Report continued

The two-way Index turnover was 1.68%.

The December Index review resulted in three additions and three deletions. The additions were Capital Gearing Trust (+0.04%), Provident Financial (+0.04%) and Petershill Partners (+0.03%), and the deletions were GCP Student Living (-0.04%), Restaurant Group (-0.02%) and AO World (-0.01%). There were 68 changes to the free share capital of constituents with the largest increases being Harbour Energy (+0.04%), National Grid (+0.03%) and Trustpilot Group (+0.02%) and the largest decreases being BP (-0.06%), Royal Dutch Shell 'B' (-0.05%) and Unilever (-0.04%). The two-way Index turnover was 0.82%.

At the end of the review year, the three largest stocks in the Index were Shell (6.48%), AstraZeneca (5.96%) and HSBC (4.47%), while the three largest country holdings were Great Britain (76.90%), Netherlands (6.48%) and Australia (5.17%).

### Outlook

Russia's military activity in Ukraine is now likely to be the dominant market focus, with direct implications for local financial assets as well as energy prices. Globally, we believe investors will weigh the impact of energy prices and supply disruption on inflation, together with how sanctions and sentiment could impact economic growth, the near-term risk of recession, and how monetary and fiscal policy will react. Government bond yields and risky assets have already reacted to some degree, but there is likely more volatility to come, arguing against taking significant portfolio risk.

The Fund remains well positioned to capture the performance of the Index.

Legal & General Investment Management Limited  
(Investment Adviser)  
March 2022

### Important Note from the Manager

Since January 2020, global financial markets have been affected by the COVID-19 pandemic. Whilst causing major uncertainty within markets and disrupting businesses, as well as everyday life, the success of vaccination rollout programs around the globe has seen markets stabilise and a degree of normality return. As lockdown measures in major economies are relaxed, we are cognisant of an upturn in infection rates and the potential for restrictions and volatility to return. As such, the Manager is monitoring the situation on an on-going basis.

In response to recent events in Eastern Europe, the Manager is closely monitoring financial markets and any potential liquidity and volatility risks which may have an impact on the Fund.

Legal & General (Unit Trust Managers) Limited  
March 2022

## Authorised Status

### Authorised Status

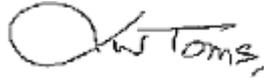
This Fund is an Authorised Unit Trust Scheme as defined in section 243 of the Financial Services and Markets Act 2000 and is a UCITS Retail Scheme within the meaning of the FCA Collective Investment Schemes sourcebook.

### 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  
27 June 2022

# 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 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.

The Manager is responsible for the maintenance and integrity of the corporate and financial information included on the Fund's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

## Statement of Responsibilities continued

### Statement of the Trustee's Responsibilities

The Depositary in its capacity as Trustee of Legal & General UK 350 Index 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 UK 350 Index Fund ("the Fund") for the year ended 28 February 2022**

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 Investor Services Limited  
UK Trustee and Depositary Services  
27 June 2022

# Portfolio Statement

## Portfolio Statement as at 28 February 2022

All investments are in ordinary shares unless otherwise stated. The percentages in brackets show the equivalent holdings at 28 February 2021.

Holding/ Nominal Value	Investment	Market Value £	% of Net Assets
	<b>EQUITIES — 97.01% (98.17%)</b>		
	<b>UNITED KINGDOM</b>		
	<b>— 86.04% (87.40%)</b>		
	<b>Chemicals — 0.69% (0.83%)</b>		
7,032	Croda International	519,384	0.41
31,111	Elementis	39,418	0.03
10,074	Johnson Matthey	181,433	0.14
19,400	Synthomer	55,096	0.04
4,450	Victrix	85,173	0.07
		<b>880,504</b>	<b>0.69</b>
	<b>Construction &amp; Materials</b>		
	<b>— 0.31% (0.28%)</b>		
35,768	Balfour Beatty	84,699	0.07
12,607	Genuit Group	63,791	0.05
21,100	Ibstock	36,609	0.03
10,977	Marshalls	68,442	0.05
2,333	Morgan Sindall Group	52,492	0.04
11,400	Tyman	38,760	0.03
10,900	Volusion Group	52,592	0.04
		<b>397,385</b>	<b>0.31</b>
	<b>Aerospace &amp; Defense</b>		
	<b>— 1.84% (1.53%)</b>		
27,523	Babcock International Group	89,587	0.07
167,858	BAE Systems	1,237,113	0.97
15,582	Chemring Group	48,071	0.04
41,783	Meggitt	314,710	0.24
30,358	QinetiQ Group	88,949	0.07
436,625	Rolls-Royce	445,532	0.35
3,861	Ultra Electronics	124,170	0.10
		<b>2,348,132</b>	<b>1.84</b>
	<b>General Industrials — 1.48% (1.65%)</b>		
17,793	Bunzl	515,997	0.41
79,657	Coats Group	47,794	0.04
68,433	DS Smith	234,999	0.18
232,238	Melrose Industries	337,210	0.26
25,578	Mondi	414,747	0.33
21,400	Smiths Group	327,206	0.26
		<b>1,877,953</b>	<b>1.48</b>
	<b>Electronic &amp; Electrical Equipment</b>		
	<b>— 0.70% (0.74%)</b>		
4,900	DiscoverIE Group	39,102	0.03
20,008	Halma	475,390	0.37
15,637	Morgan Advanced Materials	46,676	0.04
3,000	Oxford Instruments	62,250	0.05
1,841	Renishaw	85,791	0.07

## Portfolio Statement continued

Holding/ Nominal Value	Investment	Market Value £	% of Net Assets
	<b>Electronic &amp; Electrical Equipment — (cont.)</b>		
6,108	Spectris	183,179	0.14
		<hr/>	<hr/>
		892,388	0.70
	<b>Industrial Engineering — 0.88% (1.02%)</b>		
4,005	Hill & Smith	55,910	0.04
13,775	IMI	201,115	0.16
47,632	Rotork	145,087	0.11
3,876	Spirax-Sarco Engineering	456,787	0.36
11,384	Vesuvius	44,489	0.04
13,853	Weir Group	215,483	0.17
		<hr/>	<hr/>
		1,118,871	0.88
	<b>Industrial Transportation — 0.18% (0.38%)</b>		
1,332	Clarkson	43,223	0.03
49,128	Royal Mail	187,276	0.15
		<hr/>	<hr/>
		230,499	0.18
	<b>Automobiles &amp; Parts — 0.05% (0.07%)</b>		
3,083	Aston Martin Lagonda Global	30,053	0.02
17,036	TI Fluid Systems	36,457	0.03
		<hr/>	<hr/>
		66,510	0.05
	<b>Beverages — 3.62% (3.12%)</b>		
13,972	Britvic	117,016	0.09
121,486	Diageo	4,492,552	3.53
		<hr/>	<hr/>
		4,609,568	3.62
	<b>Food Producers — 0.57% (0.69%)</b>		
18,653	Associated British Foods	353,101	0.28
2,844	Cranswick	98,573	0.08
3,618	Hilton Food Group	38,496	0.03
39,393	Premier Foods	43,017	0.03
25,096	Tate & Lyle	186,112	0.15
		<hr/>	<hr/>
		719,299	0.57
	<b>Household Goods &amp; Home Construction — 2.99% (3.40%)</b>		
53,215	Barratt Developments	311,414	0.24
6,566	Bellway	184,636	0.15
5,589	Berkeley Group	212,606	0.17
28,223	Countryside Partnerships	82,411	0.07
13,916	Crest Nicholson	41,609	0.03
16,750	Persimmon	394,630	0.31
33,488	Reckitt Benckiser Group	2,115,102	1.66
12,224	Redrow	69,090	0.05
194,089	Taylor Wimpey	280,750	0.22
12,029	Vistry Group	117,138	0.09
		<hr/>	<hr/>
		3,809,386	2.99

## Portfolio Statement continued

Holding/ Nominal Value	Investment	Market Value £	% of Net Assets
	<b>Leisure Goods — 0.10% (0.15%)</b>		
1,764	Games Workshop Group	128,331	0.10
	<b>Personal Goods — 4.47% (4.87%)</b>		
21,543	Burberry Group	412,764	0.32
30,008	Dr. Martens	83,122	0.07
10,955	PZ Cussons	22,732	0.02
135,214	Unilever	5,027,256	3.95
11,632	Watches of Switzerland Group	138,188	0.11
		<b>5,684,062</b>	<b>4.47</b>
	<b>Tobacco — 3.73% (3.24%)</b>		
120,664	British American Tobacco	3,936,060	3.09
49,726	Imperial Brands	808,793	0.64
		<b>4,744,853</b>	<b>3.73</b>
	<b>Pharmaceuticals &amp; Biotechnology — 9.48% (7.64%)</b>		
73,211	AstraZeneca	6,591,186	5.18
17,087	AstraZeneca ADR	772,930	0.61
5,565	Dechra Pharmaceuticals	225,828	0.18
3,541	Genus	113,666	0.09
261,494	GlaxoSmithKline	4,033,284	3.17
8,957	Hikma Pharmaceuticals	186,843	0.15
33,290	Indivior	92,346	0.07
3,540	Oxford Biomedica	25,913	0.02
8,131	PureTech Health	18,213	0.01
		<b>12,060,209</b>	<b>9.48</b>
	<b>Media — 3.00% (2.73%)</b>		
1,615	4imprint Group	42,797	0.03
22,341	Ascential	72,027	0.06
49,333	Auto Trader Group	327,966	0.26
6,065	Future	154,658	0.12
78,838	Informa	466,879	0.37
198,828	ITV	219,208	0.17
40,442	Pearson	260,689	0.20
15,200	Reach	33,440	0.03
98,606	RELX	2,243,286	1.76
		<b>3,820,950</b>	<b>3.00</b>
	<b>Travel &amp; Leisure — 2.50% (2.89%)</b>		
7,229	Carnival	102,348	0.08
58,692	Cineworld Group	22,837	0.02
94,562	Compass Group	1,613,228	1.27
24,623	Domino's Pizza Group	88,643	0.07
32,611	easyJet	192,470	0.15
38,257	Firstgroup	37,779	0.03
9,711	InterContinental Hotels Group	503,224	0.40
4,546	J D Wetherspoon	39,437	0.03
11,904	Mitchells & Butlers	27,903	0.02
29,200	National Express Group	69,262	0.05
8,886	Rank Group	14,075	0.01
42,310	SSP Group	119,483	0.09

## Portfolio Statement continued

Holding/ Nominal Value	Investment	Market Value £	% of Net Assets
	<b>Travel &amp; Leisure — (cont.)</b>		
25,209	Trainline	49,990	0.04
10,596	Whitbread	306,648	0.24
		3,187,327	2.50
	<b>Electricity — 0.86% (0.73%)</b>		
9,300	ContourGlobal	16,944	0.01
22,033	Drax Group	153,460	0.12
55,136	SSE	924,355	0.73
		1,094,759	0.86
	<b>Banks — 8.33% (7.79%)</b>		
884,584	Barclays	1,595,436	1.25
8,041	Close Brothers Group	91,265	0.07
1,080,950	HSBC	5,507,440	4.33
36,012	Investec	145,056	0.12
3,748,459	Lloyds Banking Group	1,781,830	1.40
272,116	NatWest Group	614,982	0.48
133,422	Standard Chartered	717,811	0.57
1,900	TBC Bank Group	22,496	0.02
65,625	Virgin Money UK	119,208	0.09
		10,595,524	8.33
	<b>Life Insurance — 3.12% (3.58%)</b>		
201,389	Aviva	831,938	0.65
55,294	Just Group	45,645	0.04
313,112	Legal & General Group	851,352	0.67
36,200	Phoenix	218,503	0.17
145,197	Prudential	1,634,918	1.28
28,184	St. James's Place	389,926	0.31
		3,972,282	3.12
	<b>Real Estate Investment &amp; Services — 0.43% (0.43%)</b>		
8,635	CLS	17,270	0.01
36,185	Grainger	101,824	0.08
44,728	Rightmove	298,604	0.23
7,092	Savills	90,636	0.07
43,000	Tritax EuroBox	44,290	0.04
		552,624	0.43
	<b>Real Estate Investment Trusts — 2.33% (2.21%)</b>		
152,476	Assura	93,773	0.07
8,559	Big Yellow Group	119,655	0.10
49,306	British Land	257,673	0.20
40,684	Capital & Counties Properties	66,966	0.05
5,437	Derwent London	164,306	0.13
13,746	Great Portland Estates	93,266	0.07
242,136	Hammerson	87,726	0.07
38,105	Land Securities Group	298,896	0.24
48,728	LondonMetric Property	125,913	0.10
42,435	LXI REIT	58,815	0.05
71,375	Primary Health Properties	96,499	0.08

## Portfolio Statement continued

Holding/ Nominal Value	Investment	Market Value £	% of Net Assets
<b>Real Estate Investment Trusts</b>			
<b>— (cont.)</b>			
10,449	Safestore	131,762	0.10
63,277	Segro	815,957	0.64
15,058	Shafftesbury	88,014	0.07
98,883	Tritax Big Box REIT	230,199	0.18
16,658	UNITE Group	176,325	0.14
7,146	Workspace Group	55,024	0.04
		<b>2,960,769</b>	<b>2.33</b>
<b>Software &amp; Computer Services</b>			
<b>— 1.02% (0.90%)</b>			
3,697	Auction Technology Group	34,530	0.03
28,854	Avast	181,665	0.14
6,222	AVEVA	151,941	0.12
9,786	Baltic Classifieds Group	15,609	0.01
9,300	Bytes Technology Group	42,706	0.03
3,938	Computacenter	105,932	0.08
12,442	Darktrace	54,396	0.04
3,155	Kainos Group	47,041	0.04
18,554	Micro Focus International	70,487	0.06
28,378	Moneysupermarket.com Group	59,310	0.05
15,035	NCC Group	27,785	0.02
54,384	Sage Group	377,751	0.30
6,546	Softcat	101,397	0.08
16,285	Trustpilot Group	23,499	0.02
		<b>1,294,049</b>	<b>1.02</b>
<b>Technology Hardware &amp; Equipment</b>			
<b>— 0.06% (0.07%)</b>			
33,382	Spirent Communications	79,783	0.06
<b>Medical Equipment and Services</b>			
<b>— 0.69% (0.76%)</b>			
85,812	ConvaTec Group	152,789	0.12
20,931	Mediclinic International	69,114	0.06
46,641	Smith & Nephew	615,661	0.48
16,000	Spire Healthcare Group	35,760	0.03
		<b>873,324</b>	<b>0.69</b>
<b>Non-life Insurance — 0.56% (0.95%)</b>			
11,659	Admiral Group	348,604	0.27
32,338	Beazley	146,459	0.12
71,880	Direct Line Insurance Group	212,693	0.17
		<b>707,756</b>	<b>0.56</b>
<b>Oil, Gas and Coal — 9.48% (8.02%)</b>			
1,028,627	BP	3,637,225	2.86
28,554	Capricorn Energy	62,705	0.05
39,277	Diversified Energy	46,190	0.03
5,939	Energear	61,825	0.05
23,156	Harbour Energy	90,679	0.07
37,544	John Wood Group	66,997	0.05

## Portfolio Statement continued

Holding/ Nominal Value	Investment	Market Value £	% of Net Assets
<b>Oil, Gas and Coal — (cont.)</b>			
409,089	Shell	8,104,927	6.37
		<hr/>	
		12,070,548	9.48
		<hr/>	
<b>Industrial Metals and Mining — 0.12% (0.27%)</b>			
10,373	Bodycote	75,619	0.06
31,113	Evraz	46,607	0.04
15,062	Ferrexpo	24,898	0.02
		<hr/>	
		147,124	0.12
		<hr/>	
<b>Gas, Water &amp; Multi-utilities — 2.57% (2.15%)</b>			
308,487	Centrica	236,054	0.19
191,473	National Grid	2,141,434	1.68
14,693	Pennon	151,044	0.12
12,856	Severn Trent	359,325	0.28
36,577	United Utilities Group	384,425	0.30
		<hr/>	
		3,272,282	2.57
		<hr/>	
<b>Precious Metals and Mining — 4.92% (7.39%)</b>			
64,508	Anglo American	2,429,694	1.91
18,563	Antofagasta	272,969	0.22
9,100	Endeavour Mining	177,888	0.14
10,373	Fresnillo	74,935	0.06
15,000	Hochschild Mining	17,070	0.01
154,412	Petropavlovsk	10,770	0.01
57,646	Rio Tinto	3,273,716	2.57
		<hr/>	
		6,257,042	4.92
		<hr/>	
<b>Industrial Support Services — 2.57% (2.88%)</b>			
23,695	Ashtead Group	1,127,645	0.89
12,266	Biffa	39,374	0.03
96,252	Capita	27,008	0.02
6,640	Diploma	174,499	0.14
25,420	Electrocomponents	248,481	0.20
17,099	Essentra	51,297	0.04
5,436	Euromoney Institutional Investor	48,326	0.04
4,700	FDM Group	39,433	0.03
13,594	Finabl <sup>1</sup>	—	—
80,890	Hays	106,451	0.08
20,507	Inchcape	149,496	0.12
8,498	Intertek Group	449,204	0.35
69,000	Mitie Group	38,364	0.03
24,840	Network International	54,623	0.04
16,723	Pagegroup	93,147	0.07
12,024	Redde Northgate	44,309	0.03
98,696	Rentokil Initial	495,849	0.39
64,149	Serco Group	83,586	0.07
		<hr/>	
		3,271,092	2.57
		<hr/>	

## Portfolio Statement continued

Holding/ Nominal Value	Investment	Market Value £	% of Net Assets
	<b>Investment Banking and Brokerage Services — 3.26% (4.11%)</b>		
50,523	3i Group	659,325	0.52
113,973	abrdrn	232,163	0.18
16,343	AJ Bell	49,715	0.04
25,720	Ashmore Group	64,454	0.05
16,337	Brewin Dolphin	47,786	0.04
10,900	Bridgepoint Group	36,242	0.03
6,800	CMC Markets	15,436	0.01
20,385	Hargreaves Lansdown	226,579	0.18
19,911	IG Group	154,012	0.12
12,244	IntegraFin	52,135	0.04
14,941	Intermediate Capital Group	251,980	0.20
55,715	IP Group	50,701	0.04
23,972	Jupiter Fund Management	49,191	0.04
3,137	Liontrust Asset Management	46,365	0.04
19,278	London Stock Exchange Group	1,257,311	0.99
139,418	M&G	285,807	0.22
6,090	Molten Ventures	40,559	0.03
18,482	Ninety One	46,020	0.04
20,880	OSB Group	103,690	0.08
12,828	Paragon Banking Group	63,909	0.05
13,133	Petershill Partners	27,711	0.02
13,500	Provident Financial	38,070	0.03
89,670	Quilter	114,733	0.09
3,287	Rathbones Group	54,170	0.04
5,989	Schroders	180,928	0.14
		<b>4,148,992</b>	<b>3.26</b>
	<b>Personal Care, Drug and Grocery Stores — 1.48% (1.75%)</b>		
5,299	Greggs	134,701	0.11
89,288	J Sainsbury	243,488	0.19
26,096	Ocado Group	349,426	0.27
404,281	Tesco	1,152,807	0.91
		<b>1,880,422</b>	<b>1.48</b>
	<b>Retailers — 1.68% (1.91%)</b>		
50,837	Currys	46,414	0.04
5,879	Dunelm Group	68,549	0.05
10,501	Frasers Group	64,949	0.05
14,940	HomeServe	99,874	0.08
30,557	Howden Joinery Group	255,273	0.20
130,685	JD Sports Fashion	192,956	0.15
113,356	Kingfisher	337,347	0.27
107,014	Marks & Spencer Group	180,800	0.14
13,660	Moonpig Group	35,980	0.03
6,699	Next	451,647	0.35
25,646	Pets at Home Group	91,300	0.07
11,841	Travis Perkins	171,695	0.13
23,765	Vivo Energy	31,988	0.03

## Portfolio Statement continued

Holding/ Nominal Value	Investment	Market Value £	% of Net Assets
<b>Retailers — (cont.)</b>			
6,776	WH Smith	108,382	0.09
		2,137,154	1.68
<b>Telecommunications Service Providers — 2.23% (2.17%)</b>			
56,395	Airtel Africa	80,194	0.06
398,381	BT Group	744,574	0.59
34,942	Helios Towers	49,618	0.04
3,201	Telecom Plus	46,478	0.04
1,446,507	Vodafone Group	1,915,175	1.50
		2,836,039	2.23
<b>Closed End Investments — 3.74% (4.10%)</b>			
4,909	Aberforth Smaller Companies Trust	64,602	0.05
16,569	Alliance Trust	155,749	0.12
21,900	Allianz Technology Trust	58,801	0.05
29,540	Avi Global Trust	55,122	0.04
5,287	Baillie Gifford Japan Trust	43,988	0.03
17,500	Baillie Gifford Shin Nippon	29,995	0.02
16,000	Baillie Gifford US Growth Trust	34,800	0.03
70,250	Bankers Investment Trust	75,589	0.06
28,120	BB Healthcare Trust	47,804	0.04
2,748	BlackRock Smaller Companies Trust	45,232	0.04
5,200	BlackRock Throgmorton Trust	38,584	0.03
10,209	BlackRock World Mining Trust	73,505	0.06
31,848	BMO Global Smaller Companies	47,645	0.04
1,369	Caledonia Investments	47,504	0.04
900	Capital Gearing Trust	45,090	0.04
22,827	City of London Investment Trust	91,308	0.07
9,698	Edinburgh Investment Trust	60,419	0.05
19,400	Edinburgh Worldwide Investment Trust	42,680	0.03
5,543	European Opportunities Trust	39,189	0.03
28,605	F&C Investment Trust	235,419	0.19
19,573	Fidelity China Special Situations	53,043	0.04
23,254	Fidelity European Trust	69,529	0.05
12,000	Fidelity Special Values	34,440	0.03
11,918	Finsbury Growth & Income Trust	98,204	0.08
120,376	Greencoat UK Winds	176,953	0.14
4,227	Henderson Smaller Companies Investment Trust	42,693	0.03
3,466	Herald Investment Trust	65,369	0.05
22,309	HgCapital Trust	90,686	0.07
105,903	HicI Infrastructure	184,059	0.14
3,875	ICG Enterprise Trust	43,167	0.03
13,000	Impax Environmental Markets	56,160	0.04
10,863	JPMorgan American Investment Trust	76,150	0.06
60,546	JPMorgan Emerging Markets Investment Trust	67,812	0.05
9,005	JPMorgan European Discovery Trust	39,712	0.03

## Portfolio Statement continued

Holding/ Nominal Value	Investment	Market Value £	% of Net Assets
<b>Closed End Investments — (cont.)</b>			
8,993	JPMorgan Japanese Investment Trust	46,044	0.04
6,862	Law Debenture	54,073	0.04
41,145	Mercantile Investment Trust	90,930	0.07
12,623	Monks Investment Trust	134,309	0.11
6,591	Murray Income Trust	54,837	0.04
6,993	Murray International Trust	81,818	0.06
28,860	Pantheon International	85,426	0.07
144	Personal Assets Trust	70,992	0.06
7,384	Polar Capital Technology Trust	164,220	0.13
6,854	RIT Capital Partners	166,895	0.13
9,220	Schroder AsiaPacific Fund	50,341	0.04
9,452	Scottish American Investment Company	44,992	0.04
75,412	Scottish Mortgage Investment Trust	748,690	0.59
47,000	Socl Energy Efficiency Income Trust	52,875	0.04
7,118	Smithson Investment Trust	110,471	0.09
63,670	Templeton Emerging Markets Investment Trust	102,254	0.08
17,565	TR Property Investment Trust	79,657	0.06
41,733	Witan Investment Trust	93,482	0.07
3,242	Worldwide Healthcare Trust	100,502	0.08
		<b>4,763,810</b>	<b>3.74</b>
<b>IRELAND — 2.59% (2.87%)</b>			
<b>Construction &amp; Materials — 1.06% (1.13%)</b>			
40,896	CRH	1,343,833	1.06
<b>General Industrials — 0.40% (0.41%)</b>			
13,887	Smurfit Kappa	516,122	0.40
<b>Beverages — 0.04% (0.04%)</b>			
22,785	C&C Group	46,892	0.04
<b>Food Producers — 0.03% (0.03%)</b>			
26,890	Greencore Group	34,984	0.03
<b>Travel &amp; Leisure — 0.73% (0.82%)</b>			
707	Flutter Entertainment	74,553	0.06
8,081	Flutter Entertainment (Irish Listing)	852,025	0.67
		<b>926,578</b>	<b>0.73</b>
<b>Industrial Support Services — 0.33% (0.35%)</b>			
5,194	DCC	297,720	0.23
11,808	Grafton Group	125,519	0.10
		<b>423,239</b>	<b>0.33</b>
<b>Medical Equipment and Services — 0.00% (0.09%)</b>			
<b>BERMUDA — 0.18% (0.22%)</b>			
<b>Non-life Insurance — 0.18% (0.22%)</b>			
18,329	Hiscox	168,553	0.13

## Portfolio Statement continued

Holding/ Nominal Value	Investment	Market Value £	% of Net Assets
	<b>Non-life Insurance — (conf.)</b>		
13,733	Lancashire	64,930	0.05
		233,483	0.18
	<b>CAYMAN ISLANDS — 0.06% (0.05%)</b>		
	<b>Closed End Investments</b>		
	<b>— 0.06% (0.05%)</b>		
10,210	Vietnam Enterprise Investments	75,758	0.06
	<b>CHANNEL ISLANDS — 6.69% (5.66%)</b>		
	<b>Media — 0.50% (0.47%)</b>		
60,694	WPP	631,218	0.50
	<b>Travel &amp; Leisure — 0.11% (0.17%)</b>		
4,164	Wizz Air	137,245	0.11
	<b>Real Estate Investment &amp; Services</b>		
	<b>— 0.05% (0.04%)</b>		
55,200	Sirius Real Estate	68,337	0.05
	<b>Real Estate Investment Trusts</b>		
	<b>— 0.05% (0.04%)</b>		
27,000	BMO Commercial Property Trust	28,944	0.02
39,626	UK Commercial Property REIT	30,235	0.03
		59,179	0.05
	<b>Closed End Investments</b>		
	<b>— 0.99% (1.01%)</b>		
32,627	3i Infrastructure	109,627	0.09
21,583	Apax Global Alpha	40,576	0.03
1,280	BH Macro	47,872	0.04
28,282	Chrysalis Investments	49,069	0.04
5,097	Fidelity Emerging Markets	35,169	0.03
48,867	GCP Infrastructure Investments	51,115	0.04
4,337	HarbourVest Global Private Equity	109,726	0.09
55,154	Hipgnosis Songs Fund	59,787	0.05
86,761	International Public Partnerships	138,991	0.11
8,556	Pershing Square	230,157	0.18
121,006	Renewables Infrastructure Group	159,244	0.12
15,160	Schroder Oriental Income Fund	39,795	0.03
94,640	Sequoia Economic Infrastructure Income Fund	95,587	0.07
25,919	Syncona	45,099	0.03
9,787	VinaCapital Vietnam Opportunity Fund	48,054	0.04
		1,259,868	0.99
	<b>Precious Metals and Mining</b>		
	<b>— 2.52% (1.73%)</b>		
58,670	Centamin	58,154	0.04
702,937	Glencore	3,079,918	2.42
19,011	Polymetal International	75,626	0.06
		3,213,698	2.52
	<b>Industrial Support Services</b>		
	<b>— 2.22% (1.95%)</b>		
48,329	Experian	1,396,225	1.10
11,741	Ferguson	1,327,320	1.04

## Portfolio Statement continued

Holding/ Nominal Value	Investment	Market Value £	% of Net Assets
	<b>Industrial Support Services — (cont.)</b>		
38,791	IWG	107,218	0.08
		<hr/>	
		2,830,763	2.22
	<b>Investment Banking and Brokerage Services — 0.25% (0.23%)</b>		
6,600	JTC	50,226	0.04
75,296	Man Group	144,003	0.11
8,087	Sanne Group	73,834	0.06
44,584	TP ICAP Group	52,431	0.04
		<hr/>	
		320,494	0.25
	<b>Oil, Gas and Coal — 0.00% (0.02%)</b>		
	<b>GERMANY — 0.11% (0.16%)</b>		
	<b>Travel &amp; Leisure — 0.11% (0.16%)</b>		
56,251	TUI	134,777	0.11
	<b>GIBRALTAR — 0.03% (0.04%)</b>		
	<b>Travel &amp; Leisure — 0.03% (0.04%)</b>		
14,417	888	34,659	0.03
	<b>ISLE OF MAN — 0.49% (0.44%)</b>		
	<b>Travel &amp; Leisure — 0.49% (0.44%)</b>		
30,767	Entain	519,193	0.41
16,296	Playtech	108,695	0.08
		<hr/>	
		627,888	0.49
	<b>ISRAEL — 0.06% (0.06%)</b>		
	<b>Investment Banking and Brokerage Services — 0.06% (0.06%)</b>		
5,573	Plus500	77,660	0.06
	<b>LUXEMBOURG — 0.27% (0.27%)</b>		
	<b>Closed End Investments — 0.05% (0.05%)</b>		
36,316	BBGI Global Infrastructure	60,502	0.05
	<b>Retailers — 0.22% (0.22%)</b>		
47,634	B&M European Value Retail	282,565	0.22
	<b>NETHERLANDS — 0.04% (0.43%)</b>		
	<b>Chemicals — 0.04% (0.05%)</b>		
1,615	RHI Magnesita	45,543	0.04
	<b>Retailers — 0.00% (0.38%)</b>		
	<b>RUSSIAN FEDERATION — 0.02% (0.00%)</b>		
	<b>Oil, Gas and Coal — 0.02% (0.00%)</b>		
13,240	Raspadskaya	32,165	0.02
	<b>SINGAPORE — 0.03% (0.04%)</b>		
	<b>Electronic &amp; Electrical Equipment — 0.03% (0.04%)</b>		
851	XP Power	36,678	0.03
	<b>SOUTH AFRICA — 0.00% (0.00%)</b>		
	<b>Oil, Gas and Coal — 0.00% (0.00%)</b>		
1	Thungela Resources	7	—
		<hr/>	

## Portfolio Statement continued

Holding/ Nominal Value	Investment	Market Value £	% of Net Assets
	<b>SPAIN — 0.24% (0.33%)</b>		
	<b>Travel &amp; Leisure — 0.24% (0.33%)</b>		
200,111	International Consolidated Airlines Group	302,328	0.24
	<b>SWITZERLAND — 0.16% (0.20%)</b>		
	<b>Beverages — 0.16% (0.20%)</b>		
10,470	Coca-Cola HBC	205,264	0.16
	<b>FUTURES CONTRACTS</b>		
	<b>— 0.01% (-0.01%)</b>		
34	FTSE 100 Index Future Expiry March 2022	12,929	0.01
<b>Portfolio of investments<sup>2</sup></b>		123,466,258	97.02
<b>Net other assets</b>		3,793,458	2.98
<b>Total net assets</b>		£127,259,716	100.00%

<sup>1</sup> Suspended securities are valued at the Manager's best assessment of their fair and reasonable value.

<sup>2</sup> All investments are admitted to an official stock exchange unless otherwise stated.

Total purchases for the year: £4,528,950.

Total sales for the year: £20,161,564.

# Independent Auditor's Report

## Independent auditor's report to the Unitholders of Legal & General UK 350 Index Fund ('the Fund')

### **Opinion**

We have audited the financial statements of the Fund for the year ended 28 February 2022 which comprise the Statement of Total Return, the Statement of Change 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 27 to 28.

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 28 February 2022 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.

### **Going concern**

The Manager has prepared the financial statements on the going concern basis as they do not intend to liquidate the Fund or 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").

In our evaluation of the Manager's conclusions, we considered the inherent risks to the Fund's business model and analysed how those risks might affect the Fund's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the Manager's use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the Manager's assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Fund's ability to continue as a going concern for the going concern period.

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 above conclusions are not a guarantee that the Fund will continue in operation.

## Independent Auditor's Report continued

### ***Fraud and breaches of laws and regulations – ability to detect***

#### *Identifying and responding to risks of material misstatement due to fraud*

To identify risks of material misstatement due to fraud (“fraud risks”) we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of directors as to the Fund’s high-level policies and procedures to prevent and detect fraud, as well as whether they have knowledge of any actual, suspected or alleged fraud;
- Assessing the segregation of duties in place between the Manager, the Trustee, the Administrator and the Investment Adviser;
- Reading board minutes.

As required by auditing standards, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to revenue recognition because the revenue is principally nonjudgemental and based on publicly available information, with limited opportunity for manipulation. We did not identify any additional fraud risks.

We evaluated the design and implementation of the controls over journal entries and other adjustments and made inquiries of the Administrator about inappropriate or unusual activity relating to the processing of journal entries and other adjustments. We substantively tested all material post-closing entries and, based on the results of our risk assessment procedures and understanding of the process, including the segregation of duties between the Manager and the Administrator, no further high-risk journal entries or other adjustments were identified.

#### *Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations*

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the Manager and the Administrator (as required by auditing standards) and discussed with the Directors the policies and procedures regarding compliance with laws and regulations.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Fund is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related authorised fund legislation maintained by the Financial Conduct Authority) and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

## Independent Auditor's Report continued

Secondly, the Fund is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: money laundering, data protection and bribery and corruption legislation recognising the Fund's activities. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Directors and the Administrator and inspection of regulatory and legal correspondence, if any. Therefore if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

### *Context of the ability of the audit to detect fraud or breaches of law or regulation*

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

### **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.

## **Independent Auditor's Report continued**

### ***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.

### ***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](http://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.

Grant Archer  
for and on behalf of KPMG LLP, Statutory Auditor  
Chartered Accountants  
15 Canada Square,  
London E14 5GL  
27 June 2022

## Financial Statements

### Statement of Total Return for the year ended 28 February 2022

	Notes	28/02/22		28/02/21	
		£	£	£	£
<b>Income</b>					
Net capital gains	3		12,963,813		1,608,354
Revenue	4	4,568,865		3,575,848	
Expenses	5	(447,488)		(623,423)	
Interest payable and similar charges	7	(1,189)		(223)	
<b>Net revenue before taxation</b>		<u>4,120,188</u>		<u>2,952,202</u>	
Taxation	6	(31,821)		(42,107)	
<b>Net revenue after taxation for the year</b>			<u>4,088,367</u>		<u>2,910,095</u>
<b>Total return before distributions</b>			<u>17,052,180</u>		<u>4,518,449</u>
Distributions	7		(4,088,367)		(2,910,095)
<b>Change in net assets attributable to Unitholders from investment activities</b>			<u><b>£12,963,813</b></u>		<u><b>£1,608,354</b></u>

### Statement of Change in Net Assets attributable to Unitholders for the year ended 28 February 2022

	28/02/22		28/02/21	
	£	£	£	£
Opening net assets		128,589,115		128,217,954
Amounts received on issue of units	122,726,817		566,878	
Amounts paid on cancellation of units	(140,982,951)		(4,688,101)	
		<u>(18,256,134)</u>		<u>(4,121,223)</u>
<b>Change in net assets attributable to Unitholders from investment activities</b>		<u>12,963,813</u>		<u>1,608,354</u>
<b>Retained distributions on accumulation units</b>		<u>3,962,922</u>		<u>2,884,030</u>
<b>Closing net assets attributable to Unitholders</b>		<u><b>£127,259,716</b></u>		<u><b>£128,589,115</b></u>

## Financial Statements continued

### Balance Sheet as at 28 February 2022

	Notes	28/02/22 £	28/02/21 £
<b>ASSETS</b>			
<b>Fixed assets:</b>			
Investments		123,466,258	126,233,081
<b>Current assets:</b>			
Debtors	8	460,346	476,262
Cash and bank balances	9	<u>3,694,241</u>	<u>2,281,654</u>
<b>Total assets</b>		<b><u>127,620,845</u></b>	<b><u>128,990,997</u></b>
<b>LIABILITIES</b>			
Investment liabilities		—	(13,833)
<b>Creditors:</b>			
Bank overdrafts	9	(153,015)	(142,484)
Distributions payable		(4,345)	(2,052)
Other creditors	10	<u>(203,769)</u>	<u>(243,513)</u>
<b>Total liabilities</b>		<b><u>(361,129)</u></b>	<b><u>(401,882)</u></b>
<b>Net assets attributable to Unitholders</b>		<b><u>£127,259,716</u></b>	<b><u>£128,589,115</u></b>

# 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. 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. In making this assessment, and in response to COVID-19, the Manager has considered, amongst other things, factors such as Fund size, cash flows through the Fund and Fund liquidity in its assessment of the Fund's ability to meet its liabilities as they fall due. Based on this assessment, the Manager deems the basis of preparation appropriate.

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.

Revenue from derivative instruments is treated in accordance with note 2(i).

Underwriting commission is taken to revenue and recognised when the issue takes place, except where the Fund is required to take up all or some of the shares underwritten, in which case an appropriate proportion of the commission is deducted from the cost of those shares.

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.

The ordinary element of stock dividends is treated as revenue and forms part of the distribution. In the case of an enhanced stock dividend, the value of the enhancement is treated as capital and does not form part of 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 28 February 2022, being the last working day of the accounting year. The fair value for non-derivative securities is bid market price. 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 28 February 2022, being the last working day of the accounting year.

#### (i) Derivative Instruments

The Fund may make use of financial derivative instruments for Efficient Portfolio Management (EPM) purposes. EPM aims to reduce risk, reduce costs, or generate additional capital or income for the Fund with an acceptably low level of risk. These aims allow for tactical asset allocation, which is a temporary switch in investment exposure through the use of derivatives rather than trading the underlying securities.

Derivative instruments held within the Fund have been accounted for and taxed in accordance with the Statement of Recommended Practice for Authorised Funds (IA SORP 2014). Returns on derivative transactions have been treated as either revenue or capital depending on the motives and circumstances on acquisition.

## Notes to the Financial Statements continued

### 3. Net capital gains

	28/02/22	28/02/21
	£	£
The net capital gains during the year comprise:		
Non-derivative securities	12,876,839	1,318,087
Derivative securities	86,171	263,286
Forward currency contracts	(239)	(1,045)
Currency gains	<u>1,042</u>	<u>28,026</u>
Net capital gains	<u>12,963,813</u>	<u>1,608,354</u>

### 4. Revenue

	28/02/22	28/02/21
	£	£
UK Franked dividends	3,826,796	3,108,366
Non-taxable overseas dividends	488,671	328,132
Interest distributions	—	6,768
Property dividend distributions	7,327	11,054
Property interest distributions	48,705	44,433
Futures revenue	22,740	28,459
Franked stock dividends	157,001	32,753
Unfranked stock dividends	16,523	13,277
Underwriting commission	72	2,180
Bank interest	<u>1,030</u>	<u>426</u>
	<u>4,568,865</u>	<u>3,575,848</u>

### 5. Expenses

	28/02/22	28/02/21
	£	£
Payable to the Manager, associates of the Manager and agents of either of them:		
Fund Management Fees	<u>447,488</u>	<u>623,423</u>
Total expenses	<u>447,488</u>	<u>623,423</u>

Audit fees of £10,281 plus VAT of £2,056 have been borne by the Manager out of its Fund Management Fee. In the prior year, the total audit fee was £9,433 plus VAT of £1,887.

## Notes to the Financial Statements continued

### 6. Taxation

#### (a) Analysis of taxation charge in year

	28/02/22	28/02/21
	£	£
Corporation tax	—	—
Overseas tax	31,821	42,107
Current tax [note 6(b)]	31,821	42,107
Deferred tax [note 6(c)]	—	—
Total taxation	<u>31,821</u>	<u>42,107</u>

#### (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	<u>4,120,188</u>	<u>2,952,202</u>
Net revenue before taxation multiplied by the applicable rate of Corporation tax of 20% (2021: 20%)	824,038	590,440
<b>Effects of:</b>		
Overseas tax	31,821	42,107
Revenue not subject to taxation	(895,358)	(696,698)
Excess management expenses not utilised	<u>71,320</u>	<u>106,258</u>
Current tax	<u>31,821</u>	<u>42,107</u>

#### (c) Provision for deferred tax

There is no deferred tax provision in the current or preceding year. As at the balance sheet date, there is a potential deferred tax asset of £12,205,658 (28 February 2021: £12,134,338) due to surplus management expenses.

It is unlikely the Fund will generate sufficient taxable profits in the future to utilise this amount and therefore no deferred tax asset has been recognised (28 February 2021: same)

## 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:

	28/02/22	28/02/21
	£	£
Interim distribution	2,470,955	1,815,490
Final distribution	1,501,549	1,073,320
	<u>3,972,504</u>	<u>2,888,810</u>
Add: Revenue deducted on cancellation of units	358,047	24,415
Less: Revenue received on creation of units	(242,184)	(3,130)
<b>Distributions for the year</b>	<b>4,088,367</b>	<b>2,910,095</b>
<b>Interest payable and similar charges</b>		
Bank overdraft interest	1,189	223
	<u>4,089,556</u>	<u>2,910,318</u>

### 8. Debtors

	28/02/22	28/02/21
	£	£
Accrued revenue	456,808	441,986
Amounts receivable for creation of units	—	4,000
Overseas tax recoverable	3,426	30,276
PID tax recoverable	112	—
	<u>460,346</u>	<u>476,262</u>

### 9. Net uninvested cash

	28/02/22	28/02/21
	£	£
Amounts held at futures clearing houses and brokers	221,308	180,922
Cash and bank balances	3,472,933	2,100,732
Bank overdrafts	(153,015)	(142,484)
Net uninvested cash	<u>3,541,226</u>	<u>2,139,170</u>

## Notes to the Financial Statements continued

### 10. Other creditors

	28/02/22	28/02/21
	£	£
Accrued expenses	11,769	51,504
Amounts payable for cancellation of units	192,000	119,000
Purchases awaiting settlement	—	73,009
	<u>203,769</u>	<u>243,513</u>

### 11. Contingent liabilities and outstanding commitments

Contingent liabilities and outstanding commitments at the balance sheet date were:

	28/02/22	28/02/21
	£	£
Commitments on rights issues	—	16,212
Total	<u>—</u>	<u>16,212</u>

## 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 28 February 2022, 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 £6,173,313 (28 February 2021: £6,310,962).

## 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's only interest bearing financial instruments were its bank balances and overdraft facilities as disclosed in note 9. Cash is deposited and overdraft facilities utilised on normal commercial terms.

In the event of a change in interest rates, there would be no material impact upon the assets of the Fund.

#### (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 and the preceding year.

At 28 February 2022, 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 £75,464 (28 February 2021: £32,354).

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

28/02/22 Currency	Net foreign currency assets		
	Monetary exposures	Non-monetary exposures	Total
	£'000	£'000	£'000
Canadian Dollar	3	98	101
Euro	59	6,548	6,607
Russian Ruble	—	32	32
US Dollar	33	773	806

28/02/21 Currency	Net foreign currency assets		
	Monetary exposures	Non-monetary exposures	Total
	£'000	£'000	£'000
Euro	94	3,135	3,229
Israeli Shekel	3	—	3
US Dollar	3	—	3

## 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.

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

The Fund's holdings in derivatives expose the Fund to additional credit risk. Credit risk arises from the failure of the counterparty to the derivative contract to meet its financial obligations. The Fund aims to limit credit risk derived from derivative positions by carrying out transactions with reputable and well established institutions.

#### (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, the Fund made use of the following derivatives:

##### **Futures (excluding Currency Futures)**

Futures are used to adjust the equities exposure of the Fund in a cost effective manner. The effect of these instruments was to increase the exposure of the Fund by £2,505,290 (28 February 2021: increase the exposure by £1,434,840), representing 1.97% of the net asset value (28 February 2021: 1.12%).

This results in an effective equity exposure at the year end of 98.99% (28 February 2021: 99.28%) of net assets, which means that the gains or losses of the Fund will be 0.9899 (28 February 2021: 0.9928) times the gains or losses if the Fund was fully invested in equities.

# 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 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:

<b>28/02/22</b>	<b>Assets</b>	<b>Liabilities</b>
<b>Basis of Valuation</b>	<b>£</b>	<b>£</b>
Level 1 - Quoted Prices	123,466,258	—
Level 2 - Observable Market Data	—	—
Level 3 - Unobservable Data	—	—
<b>Total</b>	<b>123,466,258</b>	<b>—</b>

<b>28/02/21</b>	<b>Assets</b>	<b>Liabilities</b>
<b>Basis of Valuation</b>	<b>£</b>	<b>£</b>
Level 1 - Quoted Prices	126,233,081	(13,833)
Level 2 - Observable Market Data	—	—
Level 3 - Unobservable Data	—	—
<b>Total</b>	<b>126,233,081</b>	<b>(13,833)</b>

#### 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

<b>28/02/22</b>	<b>Value</b>	<b>Commissions</b>		<b>Taxes</b>		<b>Total</b>
<b>Purchases</b>	<b>£'000</b>	<b>£'000</b>	<b>%</b>	<b>£'000</b>	<b>%</b>	<b>£'000</b>
Equities	4,513	2	0.04	14	0.31	4,529
<b>Total</b>	<b>4,513</b>	<b>2</b>	<b>0.04</b>	<b>14</b>	<b>0.31</b>	<b>4,529</b>

<b>28/02/22</b>	<b>Value</b>	<b>Commissions</b>		<b>Taxes</b>		<b>Total</b>
<b>Sales</b>	<b>£'000</b>	<b>£'000</b>	<b>%</b>	<b>£'000</b>	<b>%</b>	<b>£'000</b>
Equities	20,167	(4)	0.02	(1)	0.00	20,162
<b>Total</b>	<b>20,167</b>	<b>(4)</b>	<b>0.02</b>	<b>(1)</b>	<b>0.00</b>	<b>20,162</b>

Commissions and taxes as % of average net assets

Commissions	0.01%
Taxes	0.01%

<b>28/02/21</b>	<b>Value</b>	<b>Commissions</b>		<b>Taxes</b>		<b>Total</b>
<b>Purchases</b>	<b>£'000</b>	<b>£'000</b>	<b>%</b>	<b>£'000</b>	<b>%</b>	<b>£'000</b>
Equities	7,000	2	0.03	18	0.26	7,020
<b>Total</b>	<b>7,000</b>	<b>2</b>	<b>0.03</b>	<b>18</b>	<b>0.26</b>	<b>7,020</b>

<b>28/02/21</b>	<b>Value</b>	<b>Commissions</b>		<b>Taxes</b>		<b>Total</b>
<b>Sales</b>	<b>£'000</b>	<b>£'000</b>	<b>%</b>	<b>£'000</b>	<b>%</b>	<b>£'000</b>
Equities	8,508	(2)	0.02	—	—	8,506
<b>Total</b>	<b>8,508</b>	<b>(2)</b>	<b>0.02</b>	<b>—</b>	<b>—</b>	<b>8,506</b>

Commissions and taxes as % of average net assets

Commissions	0.00%
Taxes	0.02%

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 0.08% (28 February 2021: 0.08%).

## 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 45. 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 41 to 43. The distributions per unit class are given in the distribution tables on page 39. All classes have the same rights on winding up.

<b>A-Class</b>	<b>Accumulation</b>
Opening Units	78,794,011
Units issued	5,019
Units cancelled	(75,829,577)
Units converted	—
Closing Units	2,969,453

<b>I-Class</b>	<b>Distribution</b>	<b>Accumulation</b>
Opening Units	427,934	24,581
Units issued	783,686	227,338,349
Units cancelled	(500,015)	(5,755,228)
Units converted	—	—
Closing Units	711,605	221,607,702

### 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.

As at the balance sheet date, the Manager and its associates held 0.00% (0.00% as at 28 February 2021) 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 A-Class accumulation unit was 185.03p. The Net Asset Value per A-Class accumulation unit for the Fund as at 12 noon on 22 June 2022 was 177.30p. This represents a decrease of 4.18% from the year end value.

## Distribution Tables

### Distribution Tables for the year ended 28 February 2022

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.

Interim dividend distribution in pence per unit			Period	
			01/03/21	to 31/08/21
<b>A-Class</b>			<b>Distribution</b>	<b>Distribution</b>
<b>Accumulation Units</b>			<b>Revenue</b>	<b>Equalisation</b>
Group 1	3.4346	—	31/10/21	31/10/20
Group 2	1.9115	1.5231	3.4346	2.2522
<b>I-Class</b>			<b>Distribution</b>	<b>Distribution</b>
<b>Distribution Units</b>			<b>Revenue</b>	<b>Equalisation</b>
Group 1	1.0769	—	31/10/21	31/10/20
Group 2	0.6953	0.3816	1.0769	0.7429
<b>I-Class</b>			<b>Distribution</b>	<b>Distribution</b>
<b>Accumulation Units</b>			<b>Revenue</b>	<b>Equalisation</b>
Group 1	1.1249	—	31/10/21	31/10/20
Group 2	0.5832	0.5417	1.1249	0.7534

Final dividend distribution in pence per unit			Period	
			01/09/21	to 28/02/22
<b>A-Class</b>			<b>Distribution</b>	<b>Distribution</b>
<b>Accumulation Units</b>			<b>Revenue</b>	<b>Equalisation</b>
Group 1	1.8146	—	30/04/22	30/04/21
Group 2	1.2962	0.5184	1.8146	1.3594
<b>I-Class</b>			<b>Distribution</b>	<b>Distribution</b>
<b>Distribution Units</b>			<b>Revenue</b>	<b>Equalisation</b>
Group 1	0.6105	—	30/04/22	30/04/21
Group 2	0.3630	0.2475	0.6105	0.4794
<b>I-Class</b>			<b>Distribution</b>	<b>Distribution</b>
<b>Accumulation Units</b>			<b>Revenue</b>	<b>Equalisation</b>
Group 1	0.6512	—	30/04/22	30/04/21
Group 2	0.2733	0.3779	0.6512	0.4936

## Fund Information

The Comparative Tables on pages 41 to 43 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

#### A-Class Accumulation Units

##### Change in Net Asset Value per Unit

Accounting Year ending	28/02/22 (pence per unit)	28/02/21 (pence per unit)	28/02/20 (pence per unit)
Opening net asset value per unit	162.93	156.99	160.69
Return before operating charges*	23.02	6.72	(2.81)
Operating charges (calculated on average price)	(0.92)	(0.78)	(0.89)
Return after operating charges*	22.10	5.94	(3.70)
Distributions	(5.25)	(3.61)	(6.17)
Retained distributions on accumulation units	5.25	3.61	6.17
Closing net asset value per unit	185.03	162.93	156.99
* after direct transaction costs of:	0.03	0.03	0.02

#### Performance

Return after charges	13.56%	3.78%	(2.30)%
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#### Other Information

Closing net asset value (£)	5,494,372	128,380,336	128,164,814
Closing number of units	2,969,453	78,794,011	81,640,936
Operating charges†	0.52%	0.52%	0.52%
Direct transaction costs	0.02%	0.02%	0.01%

#### Prices

Highest unit price	192.00p	169.20p	181.60p
Lowest unit price	163.70p	117.10p	157.30p

† 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 Distribution Units

#### Change in Net Asset Value per Unit

Accounting Year ending	01/03/21 to 28/02/22 (pence per unit)	29/02/20 to 28/02/21 (pence per unit)	23/09/19 to 28/02/20 <sup>1</sup> (pence per unit)
Opening net asset value per unit	46.03	45.44	50.00
Return before operating charges*	6.49	1.85	(3.89)
Operating charges (calculated on average price)	(0.05)	(0.04)	(0.03)
Return after operating charges*	6.44	1.81	(3.92)
Distributions on income units	(1.69)	(1.22)	(0.64)
Closing net asset value per unit	50.78	46.03	45.44
* after direct transaction costs of:	0.01	0.01	—

#### Performance

Return after charges	13.99%	3.98%	(7.84)%
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#### Other Information

Closing net asset value (£)	361,374	196,969	42,525
Closing number of units	711,605	427,934	93,580
Operating charges <sup>†</sup>	0.10%	0.10%	0.10%
Direct transaction costs	0.02%	0.02%	0.01%

#### Prices

Highest unit price	53.31p	48.25p	53.28p
Lowest unit price	46.23p	33.81p	46.17p

<sup>1</sup> I-Class units launched on 23 September 2019.

<sup>†</sup> 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	01/03/21 to 28/02/22 (pence per unit)	29/02/20 to 28/02/21 (pence per unit)	23/09/19 to 28/02/20 <sup>1</sup> (pence per unit)
Opening net asset value per unit	48.05	46.09	50.00
Return before operating charges*	6.78	2.00	(3.88)
Operating charges (calculated on average price)	(0.05)	(0.04)	(0.03)
Return after operating charges*	6.73	1.96	(3.91)
Distributions	(1.78)	(1.25)	(0.64)
Retained distributions on accumulation units	1.78	1.25	0.64
Closing net asset value per unit	54.78	48.05	46.09
* after direct transaction costs of:	0.01	0.01	—

#### Performance

Return after charges	14.01%	4.25%	(7.82)%
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#### Other Information

Closing net asset value (£)	121,403,970	11,810	10,615
Closing number of units	221,607,702	24,581	23,032
Operating charges <sup>†</sup>	0.10%	0.10%	0.10%
Direct transaction costs	0.02%	0.02%	0.01%

#### Prices

Highest unit price	56.82p	49.84p	53.29p
Lowest unit price	48.25p	34.37p	46.17p

<sup>1</sup> I-Class units launched on 23 September 2019.

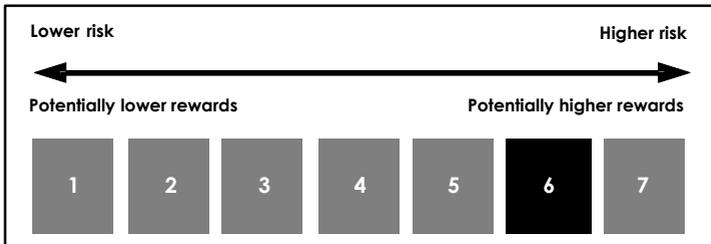
<sup>†</sup> Operating charges, otherwise known as the OCF is the ratio of the Fund's total disclosable costs (excluding overdraft interest) to the average net assets of the Fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a fund 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.**

## 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 six because it invests in company shares which are sensitive to variations in the stock market. The value of company shares can change substantially over short periods of time. Company shares are generally considered to be higher risk investments than bonds or cash.
- Even a fund in the lowest category is not a risk free investment.

## General Information (unaudited)

### Constitution

Launch date:	26 February 1996
Period end dates for distributions:	28 February, 31 August
Distribution dates:	30 April, 31 October
Minimum initial lump sum investment:	A-Class £500 I-Class £1,000,000
Minimum monthly contributions:	A-Class £50 I-Class N/A
Valuation point:	12 noon
Fund management fees:	A-Class 0.52% I-Class 0.10%
Initial charge:	Nil for all existing unit classes

### Pricing and Dealing

The prices are published on the internet at [www.legalandgeneral.com/investments/funds/prices-and-reports/daily-fund-prices](http://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](http://www.legalandgeneral.com). Units may normally be sold back to the Manager on any business day at the bid price calculated at the following valuation point.

### ISA Status

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

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

### Prospectus and Manager's Reports

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

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

## General Information (unaudited) continued

### Information on Tracking Error

The 'Tracking Error' of a Fund is the measure of the volatility of the differences between the return of the Fund and the return of the benchmark Index. It provides an indication of how closely the Fund is tracking the performance of the benchmark Index after considering things such as Fund charges and taxation.

Using monthly returns, over the review year, the annualised Tracking Error of the Fund is 0.08%, whilst over the last three years to the end of February 2022, the annualised Tracking Error of the Fund is 0.09%. These Tracking Errors are within the anticipated Tracking Error levels set out in the Fund's Prospectus of +/-0.50% per annum.

### 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 UK 350 Index 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 we manage as at 31 December 2020. At the time of publishing, figures for 2021 were not yet available. We shall publish this data in the Fund's interim report, due to be published in October 2022.

### Controlled Functions

Headcount	Fixed Remuneration (£'000)	Variable Remuneration (£'000)	Remuneration related to this Fund (Pro-rated) (£'000)
89	17,974	26,604	87

### Material Risk Takers

Headcount	Fixed Remuneration (£,000)	Variable Remuneration (£'000)	Remuneration related to this Fund (Pro-rated) (£'000)
39	4,975	3,865	3

### Controlled Functions

During 2020, Legal & General Unit Trust Managers Limited (UTM) engaged the services of three 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 were three non-executive Directors. UTM also engaged the services of a further 74 LGIMH employees and a further 10 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 2020, UTM engaged the services of Legal & General Investment Management's Index Fund Management team, which consists of 39 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 in the previous page. 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 Index Fund Management team.

### Assessment of Value

We have now published Assessment of Value reports for our funds on [legalandgeneral.com](http://legalandgeneral.com) and [lgim.com](http://lgim.com).

### Significant Change

#### Change of Trustee and Depositary

The depositary, in its capacity as trustee, of the Fund has changed with effect from 30 October 2021. The depositary is the entity we are required by regulation to appoint to carry out certain services in relation to the Fund, namely, safekeeping of the assets, cash monitoring and regulatory oversight.

As you may know, the depositary of the Fund was Northern Trust Global Services SE, UK branch ("NTGS-UK"). NTGS-UK is the UK branch of Northern Trust Global Services SE, which is a bank established in Luxembourg, and was permitted to provide trustee and depositary services into the UK by virtue of having extra permissions in the UK.

As a consequence of the UK's decision to leave the European Union, however, the UK financial services regulator which regulates NTGS-UK, the Financial Conduct Authority ("FCA"), has provided that UK branches of EU banks are no longer able to provide trustee and depositary services into the UK and those services have to be provided from a UK incorporated company. The FCA has provided a grace period for firms to implement the new rules which came into force on 1 January 2021.

In order to comply with the new rules, Northern Trust has established Northern Trust Investor Services Limited ("NTISL") to be the new trustee and depositary. NTISL is a company established in England and Wales and is authorised by the FCA to be a trustee and depositary. NTISL will provide the same services as NTGS-UK with the same processes and procedures in place. The change of depositary took place on 30 October 2021 and we have amended the Prospectus of the Fund to reflect the details of NTISL.

## 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

M. M. Ammon (appointed on 6 October 2021)  
A. D. Clare\*  
E. Cowhey\*  
A. J. C. Craven  
S. Hynes (resigned on 30 April 2021)  
M. Jordy\* (appointed on 24 March 2021)  
L. W. Toms  
A. R. Toutouchi (resigned on 1 November 2021)

\*Non-executive Director

### Secretary

J. McCarthy

### Registrar

Legal & General (Unit Trust Managers) Limited  
Brunel House,  
2 Fitzalan Road,  
Cardiff CF24 0EB  
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 Investor Services Limited  
Trustee and Depositary Services  
50 Bank Street,  
Canary Wharf,  
London E14 5NT

Authorised and regulated by the Financial Conduct Authority

### Independent Auditor

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**

Legal & General  
(Unit Trust Managers) Limited  
Registered in England and Wales No. 01009418  
Registered office:  
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London EC2R 5AA  
[www.legalandgeneral.com](http://www.legalandgeneral.com)

