

Legal & General UK Smaller Companies Trust

Annual Manager's Report
for the year ended
18 June 2020



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

Manager's Investment Report

Investment Objective and Policy

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

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

Prior to 7 August 2019

The objective of the Trust is to maximise capital growth from a portfolio of UK securities, which will largely consist of smaller companies, and which may be selected from all economic sectors.

The Manager's policy for putting this into effect will be to invest primarily in those companies that comprise the lowest 10% by capitalisation of the main UK equity markets.

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

From 7 August 2019

The objective of the Trust is to provide growth above that of the Numis ex-Investment Trusts Index Net TR, the "Benchmark Index". The Trust aims to outperform the Benchmark Index by 3% per annum. This objective is before the deduction of any charges and measured over rolling three year periods.

The Trust is actively managed and invests at least 90% in the shares of UK companies that are in the lowest 10% by capitalisation of UK stock markets. These companies are incorporated, headquartered or which have their principal business activities in the UK, or companies that are listed in the UK and constituents of the Benchmark Index.

Over a market cycle (typically 3 to 5 years), the Trust will comprise on average 50 to 100 companies selected by the Manager following research of each company.

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 purposes of Efficient Portfolio Management.

Manager's Investment Report

During the year under review, the bid price of the Trust's R-Class accumulation units fell by 7.26%. This compares to a fall in the benchmark (Numis Smaller Companies Ex Investment Trusts Index) of 12.92% 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.

Manager's Investment Report continued

Market/Economic Review

Global economic indicators at the start of 2020 showed that industrial activity worldwide had begun to regain some momentum from earlier setbacks arising from the US-China trade dispute. However, subsequent economic indicators have highlighted the progressively more damaging impact from containment measures implemented to prevent the spread of the COVID-19 virus. Within the space of a few months, the closely-watched global manufacturing PMI composite index suffered a precipitate collapse, declining close to levels last seen during the nadir of the 2008/9 global downturn in April. Worldwide, inflationary pressures have remained subdued by historical standards. Most notably, the oil price slumped to an 18-year low in March, hit by a sharp drop in demand as lockdowns cut consumption, which was exacerbated by the failure of OPEC and Russia to agree production cuts.

Throughout much of 2019, uncertainty over Brexit negotiations had overshadowed the UK market before a resounding victory for the Conservatives in the December general election heralded a rally over the fourth quarter, particularly amongst more domestically-focused smaller companies which had previously underperformed the broader FTSE All Share Index. However, the UK market posted its worst quarterly performance since 1987 during the opening months of 2020, with smaller companies particularly hard hit by the sell-off. The impact of COVID-19 was severe on sectors such as retailers, financials, industrials and real estate, as a range of companies moved to suspend dividend payments and opted to preserve cash.

Trust Review

The Trust outperformed its benchmark, though reported a negative absolute return during a difficult period for UK equities. Risk assets saw significant volatility caused by the spread of COVID-19 and the subsequent lockdown measures implemented by governments around the world.

On a relative basis, stock selection and sector allocation were both positive contributors. Relative stock selection strength within industrials, consumer goods and financials added value. In terms of allocation, the overweight position in healthcare was most beneficial. In terms of negatives, selection and positioning in basic materials was the biggest headwind. More recently, we've given back some of the outperformance, driven by the lack of exposure to UK small cap growth and momentum style factors. This hurt Trust performance in the second quarter of 2020, despite the outperformance in the prior periods thanks to its quality and low-beta positioning.

In respect of outperformers, we saw positive single stock contributions from Cranswick, Genus, discoverIE Group, Charles Taylor, CMC Markets.

Pork and poultry processor Cranswick benefited from an increase in demand especially during the UK's lockdown. The company primarily benefitted as we saw an increase in supermarket sales as consumers stocked up on goods.

The biggest individual detractor during the review year was Senior, an aerospace supplier that manufactures parts for plane makers including Boeing. The company has suffered particularly due to the woes experienced across the aviation industry as a result of the travel bans put in place to combat the spread of COVID-19.

Other stock-specific detractors include Arrow Global Group, Redde Northgate, Science in Sport, Gym Group, Workspace Group, Crest Nicholson. Broadly, cyclical and consumer businesses which are UK domestic focused.

On trading activity, we focused on removing risk and moved to a more defensive position. Over the year, we sold Charles Taylor, Amerisur Resources, Consort Medical,

Manager's Investment Report continued

Xaar and Hansteen Holdings. We introduced new positions in Domino's Pizza Group, Urban Logistics REIT, Pebble Group, On the Beach Group and Watkin Jones.

In summary, while this was a difficult period for investors, we maintain conviction in our investment approach.

Outlook

Looking ahead, the key will be COVID-19 hospitalisation and death rates across the US states suffering a spike in infections. This will heavily influence whether local economies have to be locked down once again. The big difference versus the initial infection wave is that monetary and fiscal policy is now very supportive and should help moderate market weakness. The UK small-cap market has been negatively impacted by the developments so far but we believe there are a number of defensive and value creation opportunities to position the Trust for the long-term.

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 Investment Management Limited
(Investment Adviser)
15 July 2020

Authorised Status

Authorised Status

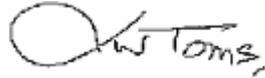
This Trust is an Authorised Unit Trust Scheme as defined in section 243 of the Financial Services and Markets Act 2000 and is a UCITS Retail Scheme within the meaning of the FCA Collective Investment Schemes sourcebook.

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
25 August 2020

Statement of Responsibilities

Statement of the Manager's Responsibilities

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

Statement of Responsibilities continued

Statement of the Trustee's Responsibilities

The Depositary in its capacity as Trustee of Legal & General UK Smaller Companies Trust must ensure that the Trust 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 Trust and its investors.

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

The Depositary must ensure that:

- the Trust's cash flows are properly monitored and that cash of the Trust 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 Trust are calculated in accordance with the Regulations;
- any consideration relating to transactions in the Trust's assets is remitted to the Trust within the usual time limits;
- the Trust'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 Smaller Companies Trust ("the Trust") for the year ended 18 June 2020

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

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

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

Northern Trust Global Services SE UK Branch
UK Trustee and Depositary Services
25 August 2020

Portfolio Statement

Portfolio Statement as at 18 June 2020

All investments are in ordinary shares unless otherwise stated. The percentages in brackets show the equivalent holdings at 18 June 2019.

Holding/ Nominal Value	Investment	Market Value £	% of Net Assets
	UNITED KINGDOM		
	— 89.94% (88.48%)		
	Oil & Gas Producers		
	— 1.71% (3.22%)		
800,000	Energyan Oil & Gas	4,176,000	1.71
	Chemicals — 2.88% (3.06%)		
246,000	Victrix	4,998,720	2.05
589,000	Zotefoams	2,020,270	0.83
		7,018,990	2.88
	Construction & Materials		
	— 3.21% (2.21%)		
1,177,965	Costain Group	907,033	0.37
860,189	Keller Group	6,021,323	2.47
982,103	Kier Group	893,714	0.37
		7,822,070	3.21
	Aerospace & Defense		
	— 3.75% (4.17%)		
2,945,911	Senior	2,327,270	0.95
321,465	Ultra Electronics	6,815,058	2.80
		9,142,328	3.75
	Electronic & Electrical Equipment		
	— 4.11% (4.50%)		
1,579,330	discoverIE Group	7,612,370	3.12
2,400,000	Luceco	2,400,000	0.99
		10,012,370	4.11
	Industrial Engineering		
	— 5.00% (4.25%)		
799,904	Flowtech Fluidpower ¹	601,528	0.25
519,053	Hill & Smith	6,768,451	2.78
6,758,288	Severfield	4,811,901	1.97
		12,181,880	5.00
	Industrial Transportation		
	— 1.76% (1.55%)		
180,775	Clarkson	4,293,406	1.76
	Support Services — 8.34% (9.10%)		
1,369,050	Alpha Financial Markets Consulting ¹	2,258,933	0.93
1,883,070	Biffa	4,076,847	1.67
1,515,916	Knights Group	5,502,775	2.26
1,013,863	Mears Group	1,652,597	0.68
1,833,721	Redde Northgate	3,421,723	1.41
1,841,765	Staffline Group ¹	663,035	0.27

Portfolio Statement continued

Holding/ Nominal Value	Investment	Market Value £	% of Net Assets
Support Services — (cont.)			
6,365,505	Sureserve Group ¹	2,737,167	1.12
		<hr/>	<hr/>
		20,313,077	8.34
Automobiles & Parts — 0.00% (0.12%)			
Food Producers — 3.95% (3.82%)			
209,850	Cranswick	7,533,615	3.09
6,747,673	Science in Sport	2,091,779	0.86
		<hr/>	<hr/>
		9,625,394	3.95
Household Goods & Home Construction — 4.60% (4.66%)			
1,365,701	Crest Nicholson	3,589,062	1.47
909,282	Headlam Group	2,736,939	1.12
761,904	Redrow	3,666,282	1.51
748,643	Watkin Jones	1,217,294	0.50
		<hr/>	<hr/>
		11,209,577	4.60
Personal Goods — 1.50% (0.00%)			
1,192,212	Inspecks Group	2,503,645	1.03
1,532,120	Ted Baker	1,149,090	0.47
		<hr/>	<hr/>
		3,652,735	1.50
Health Care Equipment & Services — 2.91% (4.48%)			
1,940,873	Advanced Medical Solutions Group ¹	4,755,139	1.95
1,009,349	Medica Group	1,246,546	0.51
9,090,909	Open Orphan	1,090,909	0.45
		<hr/>	<hr/>
		7,092,594	2.91
Pharmaceuticals & Biotechnology — 8.68% (7.81%)			
283,880	Dechra Pharmaceuticals	8,028,126	3.29
247,000	Genus	8,521,500	3.50
4,672,684	Vectura Group	4,611,939	1.89
		<hr/>	<hr/>
		21,161,565	8.68
Food & Drug Retailers — 0.35% (0.54%)			
2,017,049	McColl's Retail Group	849,178	0.35
General Retailers — 3.21% (2.69%)			
550,000	CVS Group	5,321,250	2.19
9,237,654	Vertu Motors ¹	2,494,166	1.02
		<hr/>	<hr/>
		7,815,416	3.21
Media — 4.37% (5.40%)			
4,945,200	Ebiquity ¹	1,434,108	0.59
494,701	Euromoney Institutional Investor	4,155,489	1.70
2,987,569	Hyve Group	3,435,704	1.41
1,665,657	Pebble Group	1,632,344	0.67
		<hr/>	<hr/>
		10,657,645	4.37

Portfolio Statement continued

Holding/ Nominal Value	Investment	Market Value £	% of Net Assets
	Travel & Leisure — 3.96% (2.14%)		
1,146,200	Domino's Pizza Group	3,761,828	1.54
2,125,975	Goals Soccer Centres ²	—	—
2,764,134	Gym Group	4,472,369	1.83
415,090	On the Beach Group	1,234,893	0.51
641,818	Revolution Bars Group	161,096	0.07
385,090	Revolution Bars Rights	19,640	0.01
		9,649,826	3.96
	Fixed Line Telecommunications — 1.28% (1.35%)		
3,058,692	Zegona Communications	3,119,866	1.28
	Nonlife Insurance — 0.00% (1.22%)		
	Real Estate Investment & Services — 1.75% (1.51%)		
500,000	Savills	4,270,000	1.75
	Real Estate Investment Trusts — 7.60% (6.73%)		
1,264,000	Safestore	9,435,760	3.87
2,818,040	Urban Logistics REIT	3,804,354	1.56
766,097	Workspace Group	5,289,900	2.17
		18,530,014	7.60
	Financial Services — 8.53% (7.82%)		
2,050,000	Arrow Global Group	1,867,550	0.77
1,674,000	CMC Markets	4,503,060	1.85
450,060	Curtis Banks Group ¹	1,062,142	0.44
390,985	IntegraFin	1,986,204	0.81
286,060	Mattoli Woods ¹	2,059,632	0.84
1,429,696	Morses Club	760,598	0.31
1,229,912	OneSavings Bank	3,281,405	1.35
1,388,983	River and Mercantile Group	2,618,233	1.07
936,966	Tatton Asset Management ¹	2,660,983	1.09
		20,799,807	8.53
	Software & Computer Services — 6.06% (5.68%)		
129,750	First Derivatives ¹	3,204,825	1.31
2,789,427	NCC Group	4,502,135	1.85
380,193	Softcat	4,261,964	1.75
5,092,173	Tribal Group ¹	2,800,695	1.15
		14,769,619	6.06
	Technology Hardware & Equipment — 0.00% (0.00%)		
3,338,400	Celoxica ²	—	—
	Oil Equipment & Services — 0.43% (0.45%)		
990,683	Tekmar Group	1,040,217	0.43

Portfolio Statement continued

Holding/ Nominal Value	Investment	Market Value £	% of Net Assets
	AUSTRALIA — 0.26% (0.28%)		
	Support Services — 0.26% (0.00%)		
12,556,903	Wameja	627,845	0.26
	Software & Computer Services — 0.00% (0.28%)		
	BERMUDA — 0.50% (0.57%)		
	Mining — 0.50% (0.57%)		
2,147,079	Capital Drilling	1,223,835	0.50
	CHANNEL ISLANDS — 1.90% (1.97%)		
	Travel & Leisure — 1.90% (1.97%)		
137,490	Wizz Air	4,619,664	1.90
	GIBRALTAR — 1.49% (1.35%)		
	Travel & Leisure — 1.49% (1.35%)		
2,486,118	888	3,624,760	1.49
	ISLE OF MAN — 1.67% (1.14%)		
	Electronic & Electrical Equipment — 1.67% (1.14%)		
2,111,049	Strix Group ¹	4,065,880	1.67
	UNITED STATES — 1.32% (1.47%)		
	Support Services — 1.32% (1.47%)		
3,400,000	Boku ¹	3,230,000	1.32
	Portfolio of investments³	236,595,558	97.08
	Net other assets	7,112,300	2.92
	Total net assets	£243,707,858	100.00%

¹ These securities are quoted on the Alternative Investment Market and comprise 13.95% of the net assets of the Trust.

² Delisted securities are valued at the Manager's best assessment of their fair and reasonable value.

³ All investments are admitted to an official stock exchange unless otherwise stated.

Total purchases for the year: £22,930,992.

Total sales for the year: £37,323,152.

Independent Auditor's Report

Independent auditor's report to the Unitholders of Legal & General UK Smaller Companies Trust ('the Trust')

Opinion

We have audited the financial statements of the Trust for the year ended 18 June 2020 which comprise the Statement of Total Return, the Statement of Changes in Net Assets Attributable to Unitholders, the Balance Sheet, the Related Notes and Distribution Tables for the Trust and the accounting policies set out on pages 18 to 19.

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 Trust as at 18 June 2020 and of the net revenue and the net capital losses on the property of the Trust 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 Trust 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 Trust to cease their operations, and as they have concluded that the Trust'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").

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

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

Independent Auditor's Report continued

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

Manager's responsibilities

As explained more fully in their statement set out on page 6, the Manager is responsible for: the preparation of financial statements that give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Trust'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 Trust 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.

Independent Auditor's Report continued

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

This report is made solely to the Trust'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 Trust'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 Trust and the Trust'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
25 August 2020

Financial Statements

Statement of Total Return for the year ended 18 June 2020

Notes	18/06/20		18/06/19	
	£	£	£	£
Income				
Net capital losses	3	(19,551,264)		(47,806,507)
Revenue	4	4,857,735		7,700,422
Expenses	5	(2,309,982)		(4,161,984)
Interest payable and similar charges	7	—		(535)
Net revenue before taxation		<u>2,547,753</u>		<u>3,537,903</u>
Taxation	6	—		—
Net revenue after taxation for the year		<u>2,547,753</u>		<u>3,537,903</u>
Total return before distributions		<u>(17,003,511)</u>		<u>(44,268,604)</u>
Distributions	7	<u>(3,023,758)</u>		<u>(3,808,090)</u>
Change in net assets attributable to Unitholders from investment activities		<u>£(20,027,269)</u>		<u>£(48,076,694)</u>

Statement of Change in Net Assets attributable to Unitholders for the year ended 18 June 2020

	18/06/20		18/06/19	
	£	£	£	£
Opening net assets attributable to Unitholders		284,003,257		348,213,237
Amounts received on issue of units		13,051,231		15,880,676
Amounts paid on cancellation of units		<u>(35,883,891)</u>		<u>(33,854,114)</u>
		(22,832,660)		(17,973,438)
Change in net assets attributable to Unitholders from investment activities		(20,027,269)		(48,076,694)
Retained distributions on accumulation units		2,555,894		1,821,262
Unclaimed distributions		<u>8,636</u>		<u>18,890</u>
Closing net assets attributable to Unitholders		<u>£243,707,858</u>		<u>£284,003,257</u>

Financial Statements continued

Balance Sheet as at 18 June 2020

	Notes	18/06/20 £	18/06/19 £
ASSETS			
Fixed assets:			
Investments		236,595,558	270,538,977
Current assets:			
Debtors	8	770,803	1,167,914
Cash and bank balances	9	<u>7,801,231</u>	<u>13,749,019</u>
Total assets		<u>245,167,592</u>	<u>285,455,910</u>
LIABILITIES			
Creditors:			
Distributions payable		(821)	(1,045,276)
Other creditors	10	<u>(1,458,913)</u>	<u>(407,377)</u>
Total liabilities		<u>(1,459,734)</u>	<u>(1,452,653)</u>
Net assets attributable to Unitholders		<u>£243,707,858</u>	<u>£284,003,257</u>

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 Trust size, cash flows through the Trust and Trust liquidity.

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 Trust 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.

Underwriting commission is taken to revenue and recognised when the issue takes place, except where the Trust 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.

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

(f) Basis of Valuation of Investments

All investments are valued at their fair value as at 12 noon on 18 June 2020, being the last working day of the accounting year. The fair value for non-derivative securities is bid market price.

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.

3. Net capital losses

The net capital losses during the year comprise:

Non-derivative securities

Currency (losses)/gains

Net capital losses

	18/06/20	18/06/19
	£	£
	(19,551,259)	(47,806,695)
	(5)	188
	<u>(19,551,264)</u>	<u>(47,806,507)</u>

Notes to the Financial Statements continued

4. Revenue

	18/06/20	18/06/19
	£	£
UK Franked dividends	4,003,848	6,638,479
Non-taxable overseas dividends	308,879	395,226
Property dividend distributions	—	59,670
Property interest distributions	530,726	550,094
Underwriting commission	—	30,190
Bank interest	14,282	26,763
	<u>4,857,735</u>	<u>7,700,422</u>

5. Expenses

	18/06/20	18/06/19
	£	£
Payable to the Manager, associates of the Manager and agents of either of them:		
Fund management fees	<u>2,309,982</u>	<u>4,161,984</u>
Total expenses	<u>2,309,982</u>	<u>4,161,984</u>

Audit fees of £9,433 plus VAT of £1,887 have been borne by the Manager out of its fund management fee. In the prior year, the total audit fee was £9,167 plus VAT of £1,833.

Notes to the Financial Statements continued

6. Taxation

(a) Analysis of taxation charge in year

	18/06/20	18/06/19
	£	£
Corporation tax	—	—
Current tax [note 6(b)]	—	—
Deferred tax [note 6(c)]	—	—
Total taxation	—	—

(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	2,547,753	3,537,903
Net revenue before taxation multiplied by the applicable rate of Corporation tax of 20% (2019: 20%)	509,551	707,581
Effects of:		
Revenue not subject to taxation	(862,545)	(1,418,675)
Excess management expenses not utilised	352,994	711,094
Current tax	—	—

(c) Provision for deferred tax

There is no deferred tax provision in the current or preceding year. At the year end there is a potential deferred tax asset of £12,580,556 (18 June 2019: £12,227,562) due to surplus management expenses.

It is unlikely the Trust will generate sufficient taxable profits in the future to utilise this amount and therefore no deferred tax asset has been recognised (18 June 2019: 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:

	18/06/20	18/06/19
	£	£
Interim distribution	2,562,602	1,638,536
Final distribution	387,087	2,127,888
	<u>2,949,689</u>	<u>3,766,424</u>
Add: Revenue deducted on cancellation of units	117,757	83,962
Less: Revenue received on creation of units	(43,688)	(42,296)
Distributions for the year	3,023,758	3,808,090
Interest payable and similar charges		
Bank overdraft interest	—	535
	<u>3,023,758</u>	<u>3,808,625</u>

The differences between the net revenue after taxation and the distributions for the year are as follows:

	18/06/20	18/06/19
	£	£
Net revenue after taxation for the year	2,547,753	3,537,903
Equalisation effect of conversions	231,575	270,187
Revenue shortfall	244,430	—
Distributions for the year	3,023,758	3,808,090

8. Debtors

	18/06/20	18/06/19
	£	£
Accrued revenue	30,936	1,116,961
Amounts receivable for creation of units	248,902	50,953
Sales awaiting settlement	490,965	—
	<u>770,803</u>	<u>1,167,914</u>

Notes to the Financial Statements continued

9. Net uninvested cash

	18/06/20	18/06/19
	£	£
Cash and bank balances	<u>7,801,231</u>	<u>13,749,019</u>
Net uninvested cash	<u>7,801,231</u>	<u>13,749,019</u>

10. Other creditors

	18/06/20	18/06/19
	£	£
Accrued expenses	86,683	173,936
Amounts payable for cancellation of units	223,140	233,441
Purchases awaiting settlement	<u>1,149,090</u>	<u>—</u>
	<u>1,458,913</u>	<u>407,377</u>

11. Contingent liabilities and outstanding commitments

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

	18/06/20	18/06/19
	£	£
Commitments on rights issues	<u>77,018</u>	<u>—</u>
Total	<u>77,018</u>	<u>—</u>

Notes to the Financial Statements continued

12. Financial Instruments and Associated Risks

The investments of a Trust 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 Trust 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 Trust 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 Trust 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 Trust 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 Trust. The Manager adheres to the investment guidelines established in the Trust Deed, the Prospectus, the COLL and the Trust's IOG, and in this way, monitors and controls the exposure to risk from any type of security, sector or issuer.

At 18 June 2020, if the price of the investments held by the Trust increased or decreased by 5%, with all other variables remaining constant, then the net assets attributable to unitholders would increase or decrease by approximately £11,829,778 (18 June 2019: £13,526,949).

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 Trust'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 and earn or bear interest based on LIBOR or its overseas equivalent.

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

(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.

At the year end the Trust had no significant exposures to currencies other than Sterling (18 June 2019: same).

Forward currency contracts were not utilised during the current and the preceding year.

(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 Trust's investment objective and policy.

(e) Liquidity Risk

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

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

Notes to the Financial Statements continued

12. Financial Instruments and Associated Risks continued

(f) 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 Trust'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 Trust's financial instruments as at the balance sheet date were:

18/06/20	Assets	Liabilities
Basis of Valuation	£	£
Level 1 - Quoted Prices	236,595,558	—
Level 2 - Observable Market Data	—	—
Level 3 - Unobservable Data	—	—
Total	236,595,558	—

18/06/19	Assets	Liabilities
Basis of Valuation	£	£
Level 1 - Quoted Prices	270,432,678	—
Level 2 - Observable Market Data	—	—
Level 3 - Unobservable Data	106,299	—
Total	270,538,977	—

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

18/06/20	Value	Commissions		Taxes		Total
Purchases	£'000	£'000	%	£'000	%	£'000
Equities	22,898	5	0.02	28	0.12	22,931
Total	22,898	5	0.02	28	0.12	22,931

18/06/20	Value	Commissions		Taxes		Total
Sales	£'000	£'000	%	£'000	%	£'000
Equities	37,332	(9)	0.02	—	—	37,323
Total	37,332	(9)	0.02	—	—	37,323

Commissions and taxes as % of average net assets

Commissions 0.01%

Taxes 0.01%

18/06/19	Value	Commissions		Taxes		Total
Purchases	£'000	£'000	%	£'000	%	£'000
Equities	28,377	10	0.04	43	0.15	28,430
Total	28,377	10	0.04	43	0.15	28,430

18/06/19	Value	Commissions		Taxes		Total
Sales	£'000	£'000	%	£'000	%	£'000
Equities	47,519	(21)	0.04	—	—	47,498
Total	47,519	(21)	0.04	—	—	47,498

Commissions and taxes as % of average net assets

Commissions 0.01%

Taxes 0.01%

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 1.58% (18 June 2019: 1.09%).

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 44. 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 33 to 42. The distributions per unit class are given in the distribution tables on pages 30 and 31. All classes have the same rights on winding up.

R-Class	Distribution	Accumulation
Opening Units	19,411,997	2,461,338
Units issued	228,921	47,486
Units cancelled	(1,119,271)	(190,416)
Units converted	(10,667,266)	28,364
Closing Units	7,854,381	2,346,772

F-Class	Distribution	Accumulation
Opening Units	64	6,244
Units issued	—	—
Units cancelled	(64)	—
Units converted	—	—
Closing Units	—	6,244

I-Class	Distribution	Accumulation
Opening Units	377,549	371,707
Units issued	19,790	88,696
Units cancelled	(43,729)	(108,909)
Units converted	54,136	13,879
Closing Units	407,746	365,373

C-Class	Accumulation
Opening Units	180,450,350
Units issued	15,357,759
Units cancelled	(23,235,551)
Units converted	—
Closing Units	172,572,558

L-Class	Accumulation
Opening Units	2,000
Units issued	4,006,004
Units cancelled	(23,156,412)
Units converted	185,239,770
Closing Units	166,091,362

Notes to the Financial Statements continued

15. Ultimate controlling party and related party transactions

The Manager is regarded as a related party to the Trust because it provides key management personnel services to the Trust. 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 Trust.

Legal & General (Unit Trust Managers) Limited acts as the principal on all the transactions of the units in the Trust. 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 Trust plus any rebates paid by the Authorised Fund Manager to the Trust are shown within notes 3, 4 and 5 as applicable. Any outstanding fees, amounts outstanding on creations or cancellations of units in the Trust, or rebates receivable by the Trust from the Manager are shown within notes 8 and 10 as applicable.

At the year end, the Manager and its associates held 62.45% (62.90% as at 18 June 2019) of the Trust'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 R-Class accumulation unit was 913.03p. The Net Asset Value per R-Class accumulation unit for the Trust as at 12 noon on 24 August 2020 was 943.2p. This represents an increase of 3.30% from the year end value.

Distribution Tables

Distribution Tables for the year ended 18 June 2020

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	
			19/06/19	to 18/12/19
R-Class			Distribution	Distribution
Distribution Units			18/02/20	18/02/19
	Revenue	Equalisation		
Group 1	4.4889	—	4.4889	3.9415
Group 2	2.5762	1.9127	4.4889	3.9415
R-Class			Distribution	Distribution
Accumulation Units			18/02/20	18/02/19
	Revenue	Equalisation		
Group 1	5.1052	—	5.1052	4.4662
Group 2	1.7029	3.4023	5.1052	4.4662
F-Class			Distribution	Distribution
Distribution Units			18/02/20	18/02/19
	Revenue	Equalisation		
Group 1	N/A	N/A	N/A	6.1406
Group 2	N/A	N/A	N/A	6.1406
F-Class			Distribution	Distribution
Accumulation Units			18/02/20	18/02/19
	Revenue	Equalisation		
Group 1	8.3172	—	8.3172	7.0525
Group 2	—	8.3172	8.3172	7.0525
I-Class			Distribution	Distribution
Distribution Units			18/02/20	18/02/19
	Revenue	Equalisation		
Group 1	8.3202	—	8.3202	7.1301
Group 2	2.0776	6.2426	8.3202	7.1301
I-Class			Distribution	Distribution
Accumulation Units			18/02/20	18/02/19
	Revenue	Equalisation		
Group 1	10.0345	—	10.0345	8.4426
Group 2	3.1449	6.8896	10.0345	8.4426
C-Class			Distribution	Distribution
Accumulation Units			18/02/20	18/02/19
	Revenue	Equalisation		
Group 1	0.4874	—	0.4874	0.4079
Group 2	0.1442	0.3432	0.4874	0.4079
L-Class			Distribution	Distribution
Accumulation Units			18/02/20	18/02/19
	Revenue	Equalisation		
Group 1	0.6671	—	0.6671	N/A
Group 2	0.3734	0.2937	0.6671	N/A

Distribution Tables continued

Final dividend distribution in pence per unit			Period	
			19/12/19	to 18/06/20
R-Class			Distribution	Distribution
Distribution Units	Revenue	Equalisation	18/08/20	18/08/19
Group 1	—	—	—	5.2157
Group 2	—	—	—	5.2157
R-Class			Distribution	Distribution
Accumulation Units	Revenue	Equalisation	18/08/20	18/08/19
Group 1	—	—	—	5.9517
Group 2	—	—	—	5.9517
F-Class			Distribution	Distribution
Distribution Units	Revenue	Equalisation	18/08/20	18/08/19
Group 1	N/A	N/A	N/A	7.4843
Group 2	N/A	N/A	N/A	7.4843
F-Class			Distribution	Distribution
Accumulation Units	Revenue	Equalisation	18/08/20	18/08/19
Group 1	—	—	—	8.8428
Group 2	—	—	—	8.8428
I-Class			Distribution	Distribution
Distribution Units	Revenue	Equalisation	18/08/20	18/08/19
Group 1	0.2012	—	0.2012	8.6845
Group 2	—	0.2012	0.2012	8.6845
I-Class			Distribution	Distribution
Accumulation Units	Revenue	Equalisation	18/08/20	18/08/19
Group 1	0.2447	—	0.2447	10.3733
Group 2	—	0.2447	0.2447	10.3733
C-Class			Distribution	Distribution
Accumulation Units	Revenue	Equalisation	18/08/20	18/08/19
Group 1	0.0500	—	0.0500	0.4970
Group 2	—	0.0500	0.0500	0.4970
I-Class			Distribution	Distribution
Accumulation Units	Revenue	Equalisation	18/08/20	18/08/19
Group 1	0.1800	—	0.1800	0.2875
Group 2	0.0625	0.1175	0.1800	0.2875

In the above tables, a distribution pay rate of N/A denotes that the class was not in existence as at the applicable XD date, and therefore no distribution was made. Please refer to the comparative tables on pages 33 to 42 for the launch date of these classes.

In the above tables, a distribution pay rate of — denotes that the class was in a shortfall position, and therefore no distribution payment was made.

Trust Information

The Comparative Tables on pages 33 to 42 give the performance of each active unit class in the Trust.

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 Trust'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 Trust.

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.

Trust Information continued

Comparative Tables

R-Class Distribution Units

Change in Net Asset Value per Unit

Accounting Year ending	18/06/20 (pence per unit)	18/06/19 (pence per unit)	18/06/18 (pence per unit)
Opening net asset value per unit	865.61	1,004.37	909.59
Return before operating charges*	(48.85)	(115.91)	116.52
Operating charges (calculated on average price)	(13.16)	(13.69)	(15.80)
Return after operating charges*	(62.01)	(129.60)	100.72
Distributions on income units	(4.49)	(9.16)	(5.94)
Closing net asset value per unit	799.11	865.61	1,004.37
* after direct transaction costs of:	0.13	0.22	0.39

Performance

Return after charges	(7.16)%	(12.90)%	11.07%
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Other Information

Closing net asset value (£)	62,764,800	168,031,874	310,433,623
Closing number of units	7,854,381	19,411,997	30,908,226
Operating charges†	1.51%	1.53%	1.66%
Direct transaction costs	0.02%	0.02%	0.04%

Prices

Highest unit price	1,009.00p	1,023.00p	1,032.00p
Lowest unit price	616.00p	788.20p	880.00p

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

Trust Information continued

Comparative Tables continued

R-Class Accumulation Units

Change in Net Asset Value per Unit

Accounting Year ending	18/06/20 (pence per unit)	18/06/19 (pence per unit)	18/06/18 (pence per unit)
Opening net asset value per unit	984.58	1,129.99	1,017.16
Return before operating charges*	(56.55)	(129.96)	130.52
Operating charges (calculated on average price)	(15.00)	(15.45)	(17.69)
Return after operating charges*	(71.55)	(145.41)	112.83
Distributions	(5.11)	(10.42)	(6.65)
Retained distributions on accumulation units	5.11	10.42	6.65
Closing net asset value per unit	913.03	984.58	1,129.99
* after direct transaction costs of:	0.15	0.25	0.43

Performance

Return after charges	(7.27)%	(12.87)%	11.09%
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Other Information

Closing net asset value (£)	21,426,798	24,233,738	29,187,187
Closing number of units	2,346,772	2,461,338	2,582,961
Operating charges†	1.51%	1.53%	1.66%
Direct transaction costs	0.02%	0.02%	0.04%

Prices

Highest unit price	1,154.00p	1,151.00p	1,157.00p
Lowest unit price	703.80p	891.00p	985.00p

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

Trust Information continued

Comparative Tables continued

E-Class Distribution Units

Change in Net Asset Value per Unit

Accounting Period ending	19/06/19 to 18/06/20 (pence per unit)	16/12/17 to 18/06/19 (pence per unit)	19/06/17 to 15/12/17 ¹ (pence per unit)
Opening net asset value per unit	—	—	909.59
Return before operating charges*	—	—	62.58
Operating charges (calculated on average price)	—	—	(8.13)
Return after operating charges*	—	—	54.45
Distributions on income units	—	—	(1.69)
Closing net asset value per unit	—	—	962.35
* after direct transaction costs of:	—	—	0.18

Performance

Return after charges	—	—	5.99%
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Other Information

Closing net asset value (£)	—	—	—
Closing number of units	—	—	—
Operating charges [†]	—	—	1.77%
Direct transaction costs	—	—	0.04%

Prices

Highest unit price	—	—	1,001.00p
Lowest unit price	—	—	880.00p

¹ E-Class units ceased to exist on 15 December 2017. Value shown is the closing net asset value at this date.

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

Trust Information continued

Comparative Tables continued

E-Class Accumulation Units

Change in Net Asset Value per Unit

Accounting Period ending	19/06/19 to 18/06/20 (pence per unit)	16/12/17 to 18/06/19 (pence per unit)	19/06/17 to 15/12/17 ¹ (pence per unit)
Opening net asset value per unit	—	—	1,017.16
Return before operating charges*	—	—	70.01
Operating charges (calculated on average price)	—	—	(9.09)
Return after operating charges*	—	—	60.92
Distributions	—	—	(1.89)
Retained distributions on accumulation units	—	—	1.89
Closing net asset value per unit	—	—	1,078.08
* after direct transaction costs of:	—	—	0.21

Performance

Return after charges	—	—	5.99%
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Other Information

Closing net asset value (£)	—	—	—
Closing number of units	—	—	—
Operating charges [†]	—	—	1.77%
Direct transaction costs	—	—	0.04%

Prices

Highest unit price	—	—	1,120.00p
Lowest unit price	—	—	985.00p

¹ E-Class units ceased to exist on 15 December 2017. Value shown is the closing net asset value at this date.

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Trust Information continued

Comparative Tables continued

F-Class Distribution Units

Change in Net Asset Value per Unit

Accounting Year ending	19/06/19 to 12/12/19 ¹ (pence per unit)	19/06/18 to 18/06/19 (pence per unit)	19/06/17 to 18/06/18 (pence per unit)
Opening net asset value per unit	884.38	1,026.56	929.69
Return before operating charges*	71.10	(119.13)	119.34
Operating charges (calculated on average price)	(2.25)	(9.43)	(11.30)
Return after operating charges*	68.85	(128.56)	108.04
Distributions on income units	—	(13.62)	(11.17)
Closing net asset value per unit	953.23	884.38	1,026.56
* after direct transaction costs of:	0.03	0.23	0.40

Performance

Return after charges	7.79%	(12.52)%	11.62%
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Other Information

Closing net asset value (£)	—	566	657
Closing number of units	—	64	64
Operating charges [†]	1.03%	1.03%	1.16%
Direct transaction costs	0.00%	0.02%	0.04%

Prices

Highest unit price	957.00p	1,046.00p	1,057.00p
Lowest unit price	863.30p	805.20p	899.20p

¹ F-Class Distribution units ceased to exist on 12 December 2019. Value shown is the closing net asset value at this date.

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Trust Information continued

Comparative Tables continued

F-Class Accumulation Units

Change in Net Asset Value per Unit

Accounting Year ending	18/06/20 (pence per unit)	18/06/19 (pence per unit)	18/06/18 (pence per unit)
Opening net asset value per unit	1,040.05	1,187.64	1,063.66
Return before operating charges*	(60.00)	(136.64)	136.95
Operating charges (calculated on average price)	(10.83)	(10.95)	(12.97)
Return after operating charges*	(70.83)	(147.59)	123.98
Distributions	(8.32)	(15.90)	(12.88)
Retained distributions on accumulation units	8.32	15.90	12.88
Closing net asset value per unit	969.22	1,040.05	1,187.64
* after direct transaction costs of:	0.16	0.26	0.45

Performance

Return after charges	(6.81)%	(12.43)%	11.66%
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Other Information

Closing net asset value (£)	60,518	64,941	71,864
Closing number of units	6,244	6,244	6,051
Operating charges†	1.03%	1.03%	1.16%
Direct transaction costs	0.02%	0.02%	0.04%

Prices

Highest unit price	1,223.00p	1,210.00p	1,215.00p
Lowest unit price	746.30p	939.00p	1,031.00p

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Trust Information continued

Comparative Tables continued

I-Class Distribution Units

Change in Net Asset Value per Unit

Accounting Year ending	18/06/20 (pence per unit)	18/06/19 (pence per unit)	18/06/18 (pence per unit)
Opening net asset value per unit	884.28	1,025.97	929.11
Return before operating charges*	(49.69)	(118.74)	119.47
Operating charges (calculated on average price)	(6.95)	(7.14)	(8.09)
Return after operating charges*	(56.64)	(125.88)	111.38
Distributions on income units	(8.52)	(15.81)	(14.52)
Closing net asset value per unit	819.12	884.28	1,025.97
* after direct transaction costs of:	0.14	0.23	0.40

Performance

Return after charges	(6.41)%	(12.27)%	11.99%
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Other Information

Closing net asset value (£)	3,339,914	3,338,593	3,944,673
Closing number of units	407,746	377,549	384,484
Operating charges†	0.78%	0.78%	0.83%
Direct transaction costs	0.02%	0.02%	0.04%

Prices

Highest unit price	1,033.00p	1,048.00p	1,058.00p
Lowest unit price	630.50p	805.30p	899.40p

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Trust Information continued

Comparative Tables continued

I-Class Accumulation Units

Change in Net Asset Value per Unit

Accounting Year ending	18/06/20 (pence per unit)	18/06/19 (pence per unit)	18/06/18 (pence per unit)
Opening net asset value per unit	1,066.59	1,214.84	1,084.46
Return before operating charges*	(61.76)	(139.76)	139.86
Operating charges (calculated on average price)	(8.42)	(8.49)	(9.48)
Return after operating charges*	(70.18)	(148.25)	130.38
Distributions	(10.28)	(18.82)	(16.96)
Retained distributions on accumulation units	10.28	18.82	16.96
Closing net asset value per unit	996.41	1,066.59	1,214.84
* after direct transaction costs of:	0.17	0.27	0.46

Performance

Return after charges	(6.58)%	(12.20)%	12.02%
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Other Information

Closing net asset value (£)	3,640,604	3,964,580	4,574,170
Closing number of units	365,373	371,707	376,526
Operating charges†	0.78%	0.78%	0.83%
Direct transaction costs	0.02%	0.02%	0.04%

Prices

Highest unit price	1,256.00p	1,238.00p	1,243.00p
Lowest unit price	766.70p	961.80p	1,051.00p

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

Trust Information continued

Comparative Tables continued

C-Class Accumulation Units

Change in Net Asset Value per Unit

Accounting Year ending	19/06/19 to 18/06/20 (pence per unit)	19/06/18 to 18/06/19 (pence per unit)	28/02/18 to 18/06/18 ¹ (pence per unit)
Opening net asset value per unit	46.75	53.15	50.00
Return before operating charges*	(2.71)	(6.13)	3.24
Operating charges (calculated on average price)	(0.28)	(0.27)	(0.09)
Return after operating charges*	(2.99)	(6.40)	3.15
Distributions	(0.54)	(0.90)	(0.46)
Retained distributions on accumulation units	0.54	0.90	0.46
Closing net asset value per unit	43.76	46.75	53.15
* after direct transaction costs of:	0.01	0.01	0.02

Performance

Return after charges	(6.40)%	(12.04)%	6.30%
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Other Information

Closing net asset value (£)	75,516,334	84,367,980	1,063
Closing number of units	172,572,558	180,450,350	2,000
Operating charges [†]	0.60%	0.60%	0.60%
Direct transaction costs	0.02%	0.02%	0.04%

Prices

Highest unit price	55.11p	54.22p	54.42p
Lowest unit price	33.66p	42.13p	48.72p

¹ C-Class Accumulation units launched on 28 February 2018.

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

Trust Information continued

Comparative Tables continued

L-Class Accumulation Units

Change in Net Asset Value per Unit

Accounting Year ending	19/06/19 to 18/06/20 (pence per unit)	25/04/19 to 18/06/19 ¹ (pence per unit)
Opening net asset value per unit	49.25	50.00
Return before operating charges*	(2.88)	(0.75)
Operating charges (calculated on average price)	(0.03)	—
Return after operating charges*	(2.91)	(0.75)
Distributions	(0.85)	(0.29)
Retained distributions on accumulation units	0.85	0.29
Closing net asset value per unit	46.34	49.25
* after direct transaction costs of:	0.01	0.00

Performance

Return after charges	(5.91)%	(1.50)%
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Other Information

Closing net asset value (£)	76,958,890	985
Closing number of units	166,091,362	2,000
Operating charges [†]	0.05%	0.05%
Direct transaction costs	0.02%	0.02%

Prices

Highest unit price	58.25p	51.56p
Lowest unit price	35.59p	49.06p

¹ L-Class Accumulation units launched on 25 April 2019.

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Risk and Reward Profile (unaudited)



- 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 five 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 (unaudited)

Constitution

Launch date:	9 September 1985
Period end dates for distributions:	18 December, 18 June
Distribution dates:	18 February, 18 August
Minimum initial lump sum investment:	R-Class £100 F-Class* £500 I-Class £1,000,000 C-Class** £20,000,000 L-Class*** £100,000
Minimum monthly contributions:	R-Class £20 F-Class* £50 I-Class N/A C-Class** N/A L-Class*** N/A
Valuation point:	12 noon
Fund management fees:	R-Class Annual 1.43% (1.53% Prior to 23 April 2020) F-Class* Annual 1.03% I-Class Annual 0.78% C-Class** Annual 0.60% L-Class*** Annual 0.05%
Initial charge:	Nil for all existing unit classes

* Class F units are available to:

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

** 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 an agreement with the Manager or an affiliate of the Manager.

Pricing and Dealing

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

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

General Information (unaudited) continued

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.

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.

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.

General Information (unaudited) continued

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 Smaller Companies Trust, 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 2019:

Controlled Functions

Headcount	Fixed Remuneration (£,000)	Variable Remuneration (£,000)	Remuneration related to this Trust (Pro-rated) (£'000)
63	12,234	16,246	154

Material Risk Takers

Headcount	Fixed Remuneration (£,000)	Variable Remuneration (£,000)	Remuneration related to this Trust (Pro-rated) (£'000)
19	2,309	2,347	231

Controlled Functions

During 2019, 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. There were another three non-executive Directors. In addition, there were a further two Directors during the year that were LGIMH employees that have resigned. UTM also engaged the services of a further 46 LGIMH employees and a further eight 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 the 31 December 2019, UTM engaged the services of Legal & General Investment Management's Equities Fund Management team, which consists of 19 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 Trust. The team is also engaged in managing other Legal & General UTM Funds/Schemes and is also engaged by other companies in the L&G Group. The aggregate remuneration received by the members of the team, for all their services across the L&G Group, is disclosed in the table above. We have prorated the remuneration figures by the Net Asset Value of the UCITS Funds as a percentage of the total assets under management of the Equities Fund Management team.

Assessment of Value

We have now published Assessment of Value reports for our funds on legalandgeneral.com and lgim.com.

Significant Changes

Change in Investment Objective and Policy

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

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

Publication of Short Report Discontinued

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

Closure of F Class Units

As of 12 December 2019, the F-Class units were closed to new business. Subsequently, the F distribution class was closed on 12 December 2019.

Change in Fund Management Fee (FMF)

With effect from 23 April 2020, the FMF for R-Class units have been reduced from 1.53% to 1.43%.

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

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

*Non-executive Director

Secretary

J. McCarthy

Registrar

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

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

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

Trustee

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

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

Independent 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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www.legalandgeneral.com

