

Legal & General UK Special Situations Trust

Annual Manager's Report
for the year ended
14 September 2020



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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 Trust is to provide growth above that of the FTSE All Share TR Net Index, the "Benchmark Index". The Trust aims to outperform the Benchmark Index by 5% 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 80% in a shares of UK companies. 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. The Trust invests in companies in special situations which are considered to be undervalued by the wider market, and which the Manager perceives to have a catalyst which when realised should result in an improved valuation of the company.

Over a market cycle (typically 3 to 5 years), the Trust will comprise on average 30 to 60 companies selected by the Manager following research of each company. At times the Trust's portfolio may be concentrated.

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

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

The Trust may only hold derivatives for the 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 25.92%, while the FTSE All-Share Total Return Index fell by 14.15% (Source: Bloomberg).

Past performance is not a guide to future performance.

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

Market/Economic Review

The final quarter of 2019 was characterised by increasing market optimism, as investors drew confidence from apparent progress in US and China trade talks and a decisive result in the UK election, which was perceived as reducing the near-term risk of a 'no deal' Brexit. But 2020 heralded a dramatic shift: markets were rattled early in the year by a spat between Russia and Saudi Arabia over oil production, which caused the price of oil to plummet. As panic about the global spread of the Coronavirus took hold, equity markets dived, government bond yields soared and credit spreads peaked, forcing central banks to intervene to stem rising yields and inject liquidity back into the markets. Significant stimulus packages from the US Federal Reserve, the European Central Bank and the Bank of England were announced and implemented, supported by additional government spending. Central bank action reversed the increase in government bond yields and brought investment-grade corporate spreads down from their highs, and bolstered equity markets. However, this equity market recovery was primarily driven by a handful of technology stocks.

Manager's Investment Report continued

Compared to global peers, returns from UK equities were disappointing over the year. Throughout the latter stages of 2019, uncertainty over Brexit negotiations overshadowed the market, before a resounding victory for the Conservatives in the December general election heralded a rally in share prices, 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 first quarter of 2020, with domestically-focused stocks 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 broad range of companies moved to suspend dividend payments and opted to preserve cash.

Trust Review

For the first six months of the year, the strategy matched the FTSE All Share. However, from March we've seen a difficult year for performance. This has coincided with the spread of Coronavirus globally, which has had a damaging effect on economic growth prospects. While equity markets have more broadly rebounded sharply from the lows of March, driven by US technology stocks, the UK market has somewhat lagged other regions due to its skew towards value stocks and older parts of the economy. Valuations reflect the degree to which risks are being reflected in asset prices, with the UK looking unloved compared to other markets. Liquidity and balance sheet risk has been a concern over the last six months, though it is encouraging to see how many corporations and capital markets have operated through the crisis.

In respect of Trust performance, investor preference for larger-cap defensive quality and momentum stocks has been a headwind for the strategy. Our style bias towards value and recovery names has been unhelpful, with high levels of uncertainty negatively impacting sectors like Travel & Leisure, Banks, Financial Services, Oil & Gas and Retail. Broadly, our UK-focused mid and small cap companies have endured a difficult year, though there have been signs of improvement during the third quarter. Conversely, defensive businesses have benefitted through this year of uncertainty.

Stock selection in Consumer Services, Healthcare, Consumer Goods and Basic Materials contributed to negative relative performance. Sector allocation also had a detrimental impact, with an overweight in Oil & Gas and an underweight positioning within Healthcare and Utilities detracting from returns. At the stock level, cruise liner, Carnival; leisure operator, Cineworld; oil retail services provider, Vivo Energy; and tech hardware business, Micro Focus International, were the main detractors. Additional underperformers include Natwest, Energean Oil & Gas, Hunting, Standard Chartered and Taylor Wimpey. Turning to positive contributors; property company, Grit Real Estate Income; technology provider, Blue Prism; and healthcare services business, Huntsworth, were the strongest performers.

In respect of trading activity, we made a number of changes in response to the difficult market environment and worsening outlook for some sectors. We introduced new positions in Dixons Carphone, Meggitt, National Grid, Next, Rio Tinto, Smith & Nephew and UDG Healthcare. On the flipside, holdings of Carnival, Cineworld, Draper Esprit, Hunting, IAG, Micro Focus International and Glencore were all sold.

With effect from 23 April 2020, the Manager reduced the Fund Management Fee for the R-Class units from 1.54% to 1.44%.

Outlook

Looking ahead, with the ongoing Brexit uncertainty and potential for further disruption from COVID-19, we believe it is going to take time for confidence to improve and economic stability to return. The near-term outlook for the UK economy will be

Manager's Investment Report continued

driven by those measures taken by government to protect health of public, business and consumer confidence. At present, an improving Brexit outcome is certainly not priced in to UK risk assets. From a bottom-up perspective, we continue to focus on those companies with improving balance sheets and opportunities where we see underappreciated structural growth and positive catalyst for change. Over time, we believe this will lead to a reappraisal of the shares and potential for valuation normalisation.

Legal & General Investment Management Limited
(Investment Manager)
15 October 2020

Important note from the Manager

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

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

Legal & General (Unit Trust Managers) Limited
15 October 2020

Authorised Status

Authorised Status

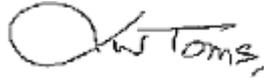
This Trust is an Authorised Unit Trust Scheme as defined in section 243 of the Financial Services and Markets Act 2000 and is a UCITS Retail Scheme within the meaning of the FCA Collective Investment Schemes sourcebook.

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
12 November 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 Special Situations 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 Special Situations Trust ("the Trust") for the year ended 14 September 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
12 November 2020

Portfolio Statement

Portfolio Statement as at 14 September 2020

All investments are in ordinary shares unless otherwise stated. The percentages in brackets show the equivalent holdings at 14 September 2019.

Holding/ Nominal Value	Investment	Market Value £	% of Net Assets
	UNITED KINGDOM		
	— 81.83% (79.52%)		
	Oil & Gas Producers		
	— 8.70% (12.38%)		
2,548,387	BP	6,602,871	4.06
2,064,251	Cairn Energy	2,835,994	1.74
909,277	Energear Oil & Gas	4,714,601	2.90
		14,153,466	8.70
	Oil Equipment, Services & Distribution — 0.00% (1.86%)		
	Mining — 2.12% (0.00%)		
68,802	Rio Tinto	3,451,108	2.12
	Aerospace & Defense		
	— 3.61% (0.00%)		
639,869	BAE Systems	3,313,242	2.04
950,000	Meggitt	2,558,350	1.57
		5,871,592	3.61
	General Industrials — 4.24% (6.06%)		
1,480,242	Coats	802,095	0.49
1,700,091	DS Smith	4,755,155	2.92
1,101,949	Melrose Industries	1,340,521	0.83
		6,897,771	4.24
	Electronic & Electrical Equipment		
	— 0.00% (0.48%)		
	Support Services — 8.83% (0.85%)		
204,000	Ashtead	5,799,720	3.56
1,827,564	Biffa	3,947,538	2.43
700,000	De La Rue	974,400	0.60
526,011	Electrocomponents	3,642,626	2.24
		14,364,284	8.83
	Food Producers — 2.56% (0.00%)		
217,327	Associated British Foods	4,165,072	2.56
	Household Goods & Home Construction — 6.27% (7.83%)		
70,372	Bellway	1,673,446	1.03
49,200	Reckitt Benckiser	3,736,248	2.30
4,352,233	Taylor Wimpey	4,789,633	2.94
		10,199,327	6.27
	Health Care Equipment & Services		
	— 2.08% (3.12%)		
215,000	Smith & Nephew	3,374,425	2.08

Portfolio Statement continued

Holding/ Nominal Value	Investment	Market Value £	% of Net Assets
	Pharmaceuticals & Biotechnology — 3.00% (0.00%)		
322,603	GlaxoSmithKline	4,871,305	3.00
	Food & Drug Retailers — 3.99% (3.87%)		
2,942,883	Tesco	6,492,000	3.99
	General Retailers — 3.95% (3.07%)		
920,000	Dixons Carphone	795,800	0.49
55,000	Next	3,265,900	2.01
3,154,950	Vivo Energy	2,359,897	1.45
		6,421,597	3.95
	Media — 2.23% (4.11%)		
3,325,000	Goco	3,597,650	2.21
34,964	Hyve	28,448	0.02
		3,626,098	2.23
	Travel & Leisure — 5.46% (9.14%)		
242,653	Hollywood Bowl	342,010	0.21
740,000	On the Beach	2,035,000	1.25
1,535,832	SSP	3,467,909	2.13
2,135,345	The Gym	3,032,190	1.87
		8,877,109	5.46
	Fixed Line Telecommunications — 0.00% (2.20%)		
	Gas, Water & Multi-utilities — 1.73% (0.00%)		
330,586	National Grid	2,817,254	1.73
	Banks — 6.70% (6.54%)		
3,360,519	Barclays	3,444,532	2.12
3,359,766	Natwest	3,433,681	2.11
1,057,500	Standard Chartered	4,019,557	2.47
		10,897,770	6.70
	Life Insurance — 8.06% (7.55%)		
570,271	Prudential	6,675,022	4.10
674,662	St. James's Place	6,432,228	3.96
		13,107,250	8.06
	Real Estate Investment & Services — 0.00% (1.02%)		
	Real Estate Investment Trusts — 2.22% (1.94%)		
675,357	Land Securities	3,608,432	2.22
	Financial Services — 3.09% (4.56%)		
308,000	Intermediate Capital	3,763,760	2.31
446,765	John Laing	1,265,359	0.78
		5,029,119	3.09

Portfolio Statement continued

Holding/ Nominal Value	Investment	Market Value £	% of Net Assets
	Software & Computer Services — 2.99% (2.94%)		
347,382	Blue Prism	4,856,400	2.99
	IRELAND — 1.54% (0.00%)		
	Health Care Equipment & Services — 1.54% (0.00%)		
344,124	UDG Healthcare	2,500,061	1.54
	CHANNEL ISLANDS — 7.21% (11.35%)		
	Industrial Metals & Mining — 1.97% (1.31%)		
1,500,000	Yellow Cake	3,210,000	1.97
	Mining — 0.00% (3.05%)		
	Support Services — 3.04% (4.11%)		
67,659	Ferguson	4,947,226	3.04
	Equity Investment Instruments — 2.20% (2.88%)		
4,026,800	Trian Investors 1	3,583,852	2.20
	ISLE OF MAN — 0.00% (2.26%)		
	Travel & Leisure — 0.00% (2.26%)		
	MAURITIUS — 2.07% (2.82%)		
	Real Estate Investment & Services — 2.07% (2.82%)		
5,900,000	Grit Real Estate Income	3,363,000	2.07
	NETHERLANDS — 0.50% (0.00%)		
	Industrial Engineering — 0.50% (0.00%)		
27,978	RHI Magnesita	807,366	0.50
	SWITZERLAND — 2.48% (0.00%)		
	Beverages — 2.48% (0.00%)		
194,176	Coca-Cola HBC	4,038,861	2.48
Portfolio of investments¹		155,531,745	95.63
Net other assets		7,106,913	4.37
Total net assets		£162,638,658	100.00%

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

Total purchases for the year: £80,091,467.

Total sales for the year: £85,168,442.

Independent Auditor's Report

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

Opinion

We have audited the financial statements of the Trust for the year ended 14 September 2020 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 Trust and the accounting policies set out on pages 17 to 18.

In our opinion, the financial statements:

- give a true and fair view, in accordance with UK accounting standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland, of the financial position of the Trust as at 14 September 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
12 November 2020

Financial Statements

Statement of Total Return for the year ended 14 September 2020

Notes	14/09/20		14/09/19	
	£	£	£	£
Income				
Net capital losses	3	(59,095,066)		(22,851,645)
Revenue	4	4,172,270	8,506,968	
Expenses	5	(1,126,801)	(1,506,104)	
Interest payable and similar charges	7	(86)	(407)	
Net revenue before taxation		<u>3,045,383</u>	<u>7,000,457</u>	
Taxation	6	—	—	
Net revenue after taxation for the year		<u>3,045,383</u>	<u>7,000,457</u>	
Total return before distributions		<u>(56,049,683)</u>	<u>(15,851,188)</u>	
Distributions	7	<u>(3,045,388)</u>	<u>(7,096,419)</u>	
Change in net assets attributable to Unitholders from investment activities		<u>£(59,095,071)</u>	<u>£(22,947,607)</u>	

Statement of Change in Net Assets attributable to Unitholders for the year ended 14 September 2020

	14/09/20		14/09/19	
	£	£	£	£
Opening net assets attributable to Unitholders		228,989,921		262,303,021
Amounts received on issue of units		7,862,981	18,989,772	
Amounts paid on cancellation of units		<u>(16,040,343)</u>	<u>(31,557,743)</u>	
Change in net assets attributable to Unitholders from investment activities		<u>(8,177,362)</u>	<u>(12,567,971)</u>	
Retained distributions on accumulation units		921,012	2,201,334	
Unclaimed distributions		<u>158</u>	<u>1,144</u>	
Closing net assets attributable to Unitholders		<u>£162,638,658</u>	<u>£228,989,921</u>	

Financial Statements continued

Balance Sheet as at 14 September 2020

	Notes	14/09/20 £	14/09/19 £
ASSETS			
Fixed assets:			
Investments		155,531,745	219,705,844
Current assets:			
Debtors	8	2,612,465	2,200,067
Cash and bank balances	9	<u>8,298,768</u>	<u>10,557,286</u>
Total assets		<u>166,442,978</u>	<u>232,463,197</u>
LIABILITIES			
Creditors:			
Distributions payable		(829,902)	(3,091,450)
Other creditors	10	<u>(2,974,418)</u>	<u>(381,826)</u>
Total liabilities		<u>(3,804,320)</u>	<u>(3,473,276)</u>
Net assets attributable to Unitholders		<u>£162,638,658</u>	<u>£228,989,921</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.

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.

(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.

Notes to the Financial Statements continued

2. Summary of Significant Accounting Policies continued

(f) Basis of Valuation of Investments

All investments are valued at their fair value as at 12 noon on 14 September 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 gains/(losses)

Net capital losses

14/09/20	14/09/19
£	£
(59,097,490)	(22,820,325)
2,424	(31,320)
<u>(59,095,066)</u>	<u>(22,851,645)</u>

4. Revenue

UK Franked dividends

Non-taxable overseas dividends

Property interest distributions

Bank interest

14/09/20	14/09/19
£	£
3,166,334	6,616,486
930,368	1,684,402
62,681	186,693
12,887	19,387
<u>4,172,270</u>	<u>8,506,968</u>

Notes to the Financial Statements continued

5. Expenses

Payable to the Manager,
associates of the Manager
and agents of either of them:

Fund management fees

Total expenses

	14/09/20	14/09/19
	£	£
	1,126,801	1,506,104
	<u>1,126,801</u>	<u>1,506,104</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

	14/09/20	14/09/19
	£	£
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	3,045,383	7,000,457
Net revenue before taxation multiplied by the applicable rate of Corporation tax of 20% (2019: 20%)	609,077	1,400,091
Effects of:		
Revenue not subject to taxation	(806,804)	(1,672,714)
Excess management expenses not utilised	197,727	272,623
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 £2,830,540 (14 September 2019: £2,632,813) 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 (14 September 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:

	14/09/20	14/09/19
	£	£
Interim distribution	1,797,740	2,458,957
Final distribution	1,190,010	4,519,075
	<u>2,987,750</u>	<u>6,978,032</u>
Add: Revenue deducted on cancellation of units	86,423	212,618
Less: Revenue received on creation of units	<u>(28,785)</u>	<u>(94,231)</u>
Distributions for the year	3,045,388	7,096,419
Interest payable and similar charges		
Bank overdraft interest	86	407
	<u>3,045,474</u>	<u>7,096,826</u>

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

	14/09/20	14/09/19
	£	£
Net revenue after taxation for the year	3,045,383	7,000,457
Equalisation effect of conversions	5	95,962
Distributions for the year	3,045,388	7,096,419

8. Debtors

	14/09/20	14/09/19
	£	£
Accrued revenue	237,354	1,843,422
Amounts receivable for creation of units	76,409	356,645
Sales awaiting settlement	<u>2,298,702</u>	<u>—</u>
	<u>2,612,465</u>	<u>2,200,067</u>

Notes to the Financial Statements continued

9. Net uninvested cash

	14/09/20	14/09/19
	£	£
Cash and bank balances	<u>8,298,768</u>	<u>10,557,286</u>
Net uninvested cash	<u>8,298,768</u>	<u>10,557,286</u>

10. Other creditors

	14/09/20	14/09/19
	£	£
Accrued expenses	35,065	50,268
Amounts payable for cancellation of units	115,185	331,558
Purchases awaiting settlement	<u>2,824,168</u>	<u>—</u>
	<u>2,974,418</u>	<u>381,826</u>

11. Contingent liabilities and outstanding commitments

There were no contingent liabilities or outstanding commitments at the balance sheet date (14 September 2019: same).

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 14 September 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 £7,776,587 (14 September 2019: £10,985,292).

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.

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

At the year end, the Trust had no significant exposures to currencies other than Sterling. At 14 September 2019, if the value of Sterling increased or decreased by 1% against all currencies, with all other variables remaining constant, then the net assets attributable to unitholders would increase or decrease by approximately £64,437.

The direct foreign currency profile of the Trust's net assets at 14 September 2019 was:

14/09/19 Currency	Net foreign currency assets		Total £'000
	Monetary exposures £'000	Non-monetary exposures £'000	
US Dollar	—	6,444	6,444

(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:

14/09/20	Assets	Liabilities
Basis of Valuation	£	£
Level 1 - Quoted Prices	155,531,745	—
Level 2 - Observable Market Data	—	—
Level 3 - Unobservable Data	—	—
Total	155,531,745	—

14/09/19	Assets	Liabilities
Basis of Valuation	£	£
Level 1 - Quoted Prices	219,705,844	—
Level 2 - Observable Market Data	—	—
Level 3 - Unobservable Data	—	—
Total	219,705,844	—

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

14/09/20	Value	Commissions		Taxes		Total
Purchases	£'000	£'000	%	£'000	%	£'000
Equities	79,718	20	0.03	353	0.44	80,091
Total	79,718	20	0.03	353	0.44	80,091

14/09/20	Value	Commissions		Taxes		Total
Sales	£'000	£'000	%	£'000	%	£'000
Equities	85,209	(41)	0.05	—	—	85,168
Total	85,209	(41)	0.05	—	—	85,168

Commissions and taxes as % of average net assets

Commissions 0.03%

Taxes 0.18%

14/09/19	Value	Commissions		Taxes		Total
Purchases	£'000	£'000	%	£'000	%	£'000
Equities	121,284	41	0.03	468	0.39	121,793
Total	121,284	41	0.03	468	0.39	121,793

14/09/19	Value	Commissions		Taxes		Total
Sales	£'000	£'000	%	£'000	%	£'000
Equities	135,352	(53)	0.04	—	—	135,299
Total	135,352	(53)	0.04	—	—	135,299

Commissions and taxes as % of average net assets

Commissions 0.04%

Taxes 0.20%

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 0.47% (14 September 2019: 0.66%).

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 43. 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 32 to 41. The distributions per unit class are given in the distribution tables on pages 29 and 30. All classes have the same rights on winding up.

R-Class	Distribution	Accumulation
Opening Units	50,514,589	11,548,732
Units issued	1,161,384	409,688
Units cancelled	(1,955,674)	(1,081,289)
Units converted	(1,073,813)	978,307
Closing Units	48,646,486	11,855,438

F-Class	Distribution	Accumulation
Opening Units	65,354	64,940
Units issued	—	1,416
Units cancelled	—	(19,807)
Units converted	—	—
Closing Units	65,354	46,549

I-Class	Distribution	Accumulation
Opening Units	3,229,644	2,837,385
Units issued	251,991	198,914
Units cancelled	(504,027)	(1,273,380)
Units converted	—	4,349
Closing Units	2,977,608	1,767,268

C-Class	Distribution	Accumulation
Opening Units	2,000	129,149,968
Units issued	—	8,354,880
Units cancelled	—	(12,679,507)
Units converted	—	—
Closing Units	2,000	124,825,341

L-Class	Distribution	Accumulation
Opening Units	103,216,409	358,181
Units issued	3,493,259	10,695
Units cancelled	(7,047,625)	(59,784)
Units converted	—	—
Closing Units	99,662,043	309,092

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 26.43% (70.24% as at 14 September 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 78.61p. The Net Asset Value per R-Class accumulation unit for the Trust as at 12 noon on 9 November 2020 was 81.57p. This represents an increase of 3.77% from the year end value.

Distribution Tables

Distribution Tables for the year ended 14 September 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	
			15/09/19	to 14/03/20
R-Class			Distribution	Distribution
Distribution Units			14/05/20	14/05/19
Group 1	Revenue	Equalisation	0.4442	0.5465
Group 2	0.0719	0.3723	0.4442	0.5465
R-Class			Distribution	Distribution
Accumulation Units			14/05/20	14/05/19
Group 1	Revenue	Equalisation	0.4831	0.5823
Group 2	0.1454	0.3377	0.4831	0.5823
F-Class			Distribution	Distribution
Distribution Units			14/05/20	14/05/19
Group 1	Revenue	Equalisation	0.6344	0.8023
Group 2	—	0.6344	0.6344	0.8023
F-Class			Distribution	Distribution
Accumulation Units			14/05/20	14/05/19
Group 1	Revenue	Equalisation	0.7132	0.8788
Group 2	—	0.7132	0.7132	0.8788
I-Class			Distribution	Distribution
Distribution Units			14/05/20	14/05/19
Group 1	Revenue	Equalisation	0.7214	0.9199
Group 2	0.2722	0.4492	0.7214	0.9199
I-Class			Distribution	Distribution
Accumulation Units			14/05/20	14/05/19
Group 1	Revenue	Equalisation	0.8559	1.0617
Group 2	0.2097	0.6462	0.8559	1.0617
C-Class			Distribution	Distribution
Distribution Units			14/05/20	14/05/19
Group 1	Revenue	Equalisation	0.3710	0.4750
Group 2	—	0.3710	0.3710	0.4750
C-Class			Distribution	Distribution
Accumulation Units			14/05/20	14/05/19
Group 1	Revenue	Equalisation	0.3887	0.4827
Group 2	0.1007	0.2880	0.3887	0.4827
L-Class			Distribution	Distribution
Distribution Units			14/05/20	14/05/19
Group 1	Revenue	Equalisation	0.9975	1.2904
Group 2	0.7680	0.2295	0.9975	1.2904
L-Class			Distribution	Distribution
Accumulation Units			14/05/20	14/05/19
Group 1	Revenue	Equalisation	0.4930	N/A
Group 2	0.3142	0.1788	0.4930	N/A

Distribution Tables continued

Final dividend distribution in pence per unit			Period	
			15/03/20	to 14/09/20
R-Class			Distribution	Distribution
Distribution Units			14/11/20	14/11/19
	Revenue	Equalisation		
Group 1	0.1616	—	0.1616	1.4528
Group 2	0.0373	0.1243	0.1616	1.4528
R-Class			Distribution	Distribution
Accumulation Units			14/11/20	14/11/19
	Revenue	Equalisation		
Group 1	0.1762	—	0.1762	1.5572
Group 2	0.0695	0.1067	0.1762	1.5572
F-Class			Distribution	Distribution
Distribution Units			14/11/20	14/11/19
	Revenue	Equalisation		
Group 1	0.3384	—	0.3384	1.7283
Group 2	—	0.3384	0.3384	1.7283
F-Class			Distribution	Distribution
Accumulation Units			14/11/20	14/11/19
	Revenue	Equalisation		
Group 1	0.3808	—	0.3808	1.9089
Group 2	—	0.3808	0.3808	1.9089
I-Class			Distribution	Distribution
Distribution Units			14/11/20	14/11/19
	Revenue	Equalisation		
Group 1	0.4380	—	0.4380	1.8430
Group 2	0.3011	0.1369	0.4380	1.8430
I-Class			Distribution	Distribution
Accumulation Units			14/11/20	14/11/19
	Revenue	Equalisation		
Group 1	0.5292	—	0.5292	2.1433
Group 2	0.2562	0.2730	0.5292	2.1433
C-Class			Distribution	Distribution
Distribution Units			14/11/20	14/11/19
	Revenue	Equalisation		
Group 1	0.2475	—	0.2475	0.8935
Group 2	—	0.2475	0.2475	0.8935
C-Class			Distribution	Distribution
Accumulation Units			14/11/20	14/11/19
	Revenue	Equalisation		
Group 1	0.2631	—	0.2631	0.9160
Group 2	0.1131	0.1500	0.2631	0.9160
L-Class			Distribution	Distribution
Distribution Units			14/11/20	14/11/19
	Revenue	Equalisation		
Group 1	0.7405	—	0.7405	2.2253
Group 2	0.5877	0.1528	0.7405	2.2253
L-Class			Distribution	Distribution
Accumulation Units			14/11/20	14/11/19
	Revenue	Equalisation		
Group 1	0.3723	—	0.3723	0.7538
Group 2	0.0244	0.3479	0.3723	0.7538

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 32 to 41 for the launch date of these classes.

Trust Information

The Comparative Tables on pages 32 to 41 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	14/09/20 (pence per unit)	14/09/19 (pence per unit)	14/09/18 (pence per unit)
Opening net asset value per unit	97.56	106.77	108.90
Return before operating charges*	(24.02)	(5.69)	0.38
Operating charges (calculated on average price)	(1.27)	(1.52)	(1.81)
Return after operating charges*	(25.29)	(7.21)	(1.43)
Distributions on income units	(0.61)	(2.00)	(0.70)
Closing net asset value per unit	71.66	97.56	106.77
* after direct transaction costs of:	0.18	0.23	0.27

Performance

Return after charges	(25.92)%	(6.75)%	(1.31)%
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Other Information

Closing net asset value (£)	34,862,438	49,280,202	161,559,641
Closing number of units	48,646,486	50,514,589	151,319,885
Operating charges [†]	1.50%	1.54%	1.63%
Direct transaction costs	0.21%	0.23%	0.25%

Prices

Highest unit price	103.80p	109.20p	117.00p
Lowest unit price	59.26p	90.67p	104.90p

[†] 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	14/09/20 (pence per unit)	14/09/19 (pence per unit)	14/09/18 (pence per unit)
Opening net asset value per unit	106.12	113.81	115.33
Return before operating charges*	(26.13)	(6.06)	0.39
Operating charges (calculated on average price)	(1.38)	(1.63)	(1.91)
Return after operating charges*	(27.51)	(7.69)	(1.52)
Distributions	(0.66)	(2.14)	(0.74)
Retained distributions on accumulation units	0.66	2.14	0.74
Closing net asset value per unit	78.61	106.12	113.81
* after direct transaction costs of:	0.20	0.24	0.29

Performance

Return after charges	(25.92)%	(6.76)%	(1.32)%
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Other Information

Closing net asset value (£)	9,320,108	12,255,623	13,555,140
Closing number of units	11,855,438	11,548,732	11,910,497
Operating charges†	1.50%	1.54%	1.63%
Direct transaction costs	0.21%	0.23%	0.25%

Prices

Highest unit price	112.90p	116.40p	123.90p
Lowest unit price	65.01p	96.65p	111.10p

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

F-Class Distribution Units

Change in Net Asset Value per Unit

Accounting Year ending	14/09/20 (pence per unit)	14/09/19 (pence per unit)	14/09/18 (pence per unit)
Opening net asset value per unit	98.84	108.17	110.33
Return before operating charges*	(24.42)	(5.76)	0.35
Operating charges (calculated on average price)	(0.89)	(1.04)	(1.27)
Return after operating charges*	(25.31)	(6.80)	(0.92)
Distributions on income units	(0.97)	(2.53)	(1.24)
Closing net asset value per unit	72.56	98.84	108.17
* after direct transaction costs of:	0.18	0.23	0.28

Performance

Return after charges	(25.61)%	(6.29)%	(0.83)%
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Other Information

Closing net asset value (£)	47,418	64,599	70,692
Closing number of units	65,354	65,354	65,354
Operating charges†	1.04%	1.04%	1.13%
Direct transaction costs	0.21%	0.23%	0.25%

Prices

Highest unit price	105.30p	110.60p	118.90p
Lowest unit price	60.00p	91.99p	106.50p

† 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

F-Class Accumulation Units

Change in Net Asset Value per Unit

Accounting Year ending	14/09/20 (pence per unit)	14/09/19 (pence per unit)	14/09/18 (pence per unit)
Opening net asset value per unit	111.05	118.49	119.49
Return before operating charges*	(27.38)	(6.29)	0.38
Operating charges (calculated on average price)	(1.01)	(1.15)	(1.38)
Return after operating charges*	(28.39)	(7.44)	(1.00)
Distributions	(1.09)	(2.79)	(1.34)
Retained distributions on accumulation units	1.09	2.79	1.34
Closing net asset value per unit	82.66	111.05	118.49
* after direct transaction costs of:	0.21	0.26	0.30

Performance

Return after charges	(25.57)%	(6.28)%	(0.84)%
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Other Information

Closing net asset value (£)	38,476	72,116	56,593
Closing number of units	46,549	64,940	47,762
Operating charges†	1.04%	1.04%	1.13%
Direct transaction costs	0.21%	0.23%	0.25%

Prices

Highest unit price	118.30p	121.20p	128.80p
Lowest unit price	68.21p	100.80p	115.40p

† 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

I-Class Distribution Units

Change in Net Asset Value per Unit

Accounting Year ending	14/09/20 (pence per unit)	14/09/19 (pence per unit)	14/09/18 (pence per unit)
Opening net asset value per unit	98.10	107.35	109.51
Return before operating charges*	(24.29)	(5.70)	0.35
Operating charges (calculated on average price)	(0.67)	(0.79)	(0.94)
Return after operating charges*	(24.96)	(6.49)	(0.59)
Distributions on income units	(1.16)	(2.76)	(1.57)
Closing net asset value per unit	71.98	98.10	107.35
* after direct transaction costs of:	0.18	0.23	0.28

Performance

Return after charges	(25.44)%	(6.05)%	(0.54)%
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Other Information

Closing net asset value (£)	2,143,389	3,168,430	3,429,302
Closing number of units	2,977,608	3,229,644	3,194,366
Operating charges†	0.79%	0.79%	0.84%
Direct transaction costs	0.21%	0.23%	0.25%

Prices

Highest unit price	104.60p	109.80p	118.00p
Lowest unit price	59.53p	91.36p	105.70p

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Trust Information continued

Comparative Tables continued

I-Class Accumulation Units

Change in Net Asset Value per Unit

Accounting Year ending	14/09/20 (pence per unit)	14/09/19 (pence per unit)	14/09/18 (pence per unit)
Opening net asset value per unit	116.44	123.92	124.60
Return before operating charges*	(28.84)	(6.57)	0.39
Operating charges (calculated on average price)	(0.80)	(0.91)	(1.07)
Return after operating charges*	(29.64)	(7.48)	(0.68)
Distributions	(1.39)	(3.21)	(1.79)
Retained distributions on accumulation units	1.39	3.21	1.79
Closing net asset value per unit	86.80	116.44	123.92
* after direct transaction costs of:	0.22	0.27	0.32

Performance

Return after charges	(25.46)%	(6.04)%	(0.55)%
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Other Information

Closing net asset value (£)	1,533,918	3,303,789	7,008,669
Closing number of units	1,767,268	2,837,385	5,655,619
Operating charges†	0.79%	0.79%	0.84%
Direct transaction costs	0.21%	0.23%	0.25%

Prices

Highest unit price	124.20p	126.70p	134.60p
Lowest unit price	71.54p	105.50p	120.50p

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Trust Information continued

Comparative Tables continued

C-Class Distribution Units

Change in Net Asset Value per Unit

Accounting Year ending	15/09/19 to 14/09/20 (pence per unit)	15/09/18 to 14/09/19 (pence per unit)	12/12/17 to 14/09/18 ¹ (pence per unit)
Opening net asset value per unit	43.95	48.05	50.00
Return before operating charges*	(10.94)	(2.51)	(0.96)
Operating charges (calculated on average price)	(0.19)	(0.22)	(0.19)
Return after operating charges*	(11.13)	(2.73)	(1.15)
Distributions on income units	(0.62)	(1.37)	(0.80)
Closing net asset value per unit	32.20	43.95	48.05
* after direct transaction costs of:	0.08	0.10	0.12

Performance

Return after charges	(25.32)%	(5.68)%	(2.30)%
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Other Information

Closing net asset value (£)	644	879	961
Closing number of units	2,000	2,000	2,000
Operating charges [†]	0.50%	0.50%	0.50%
Direct transaction costs	0.21%	0.23%	0.25%

Prices

Highest unit price	46.90p	49.17p	52.95p
Lowest unit price	26.25p	40.94p	47.36p

¹ C-Class units launched on 12 December 2017.

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Trust Information continued

Comparative Tables continued

C-Class Accumulation Units

Change in Net Asset Value per Unit

Accounting Year ending	15/09/19 to 14/09/20 (pence per unit)	15/09/18 to 14/09/19 (pence per unit)	12/12/17 to 14/09/18 ¹ (pence per unit)
Opening net asset value per unit	46.05	48.85	50.00
Return before operating charges*	(11.42)	(2.57)	(0.96)
Operating charges (calculated on average price)	(0.20)	(0.23)	(0.19)
Return after operating charges*	(11.62)	(2.80)	(1.15)
Distributions	(0.65)	(1.40)	(0.80)
Retained distributions on accumulation units	0.65	1.40	0.80
Closing net asset value per unit	34.43	46.05	48.85
* after direct transaction costs of:	0.09	0.11	0.12

Performance

Return after charges	(25.23)%	(5.73)%	(2.30)%
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Other Information

Closing net asset value (£)	42,971,558	59,475,818	977
Closing number of units	124,825,341	129,149,968	2,000
Operating charges [†]	0.50%	0.50%	0.50%
Direct transaction costs	0.21%	0.23%	0.25%

Prices

Highest unit price	49.17p	49.99p	53.07p
Lowest unit price	28.34p	41.62p	47.46p

¹ C-Class units launched on 12 December 2017.

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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 Distribution Units

Change in Net Asset Value per Unit

Accounting Year ending	14/09/20 (pence per unit)	14/09/19 (pence per unit)	14/09/18 (pence per unit)
Opening net asset value per unit	98.04	107.28	109.46
Return before operating charges*	(24.42)	(5.68)	0.33
Operating charges (calculated on average price)	(0.03)	(0.04)	(0.10)
Return after operating charges*	(24.45)	(5.72)	0.23
Distributions on income units	(1.74)	(3.52)	(2.41)
Closing net asset value per unit	71.85	98.04	107.28
* after direct transaction costs of:	0.18	0.23	0.28

Performance

Return after charges	(24.94)%	(5.33)%	0.21%
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Other Information

Closing net asset value (£)	71,608,306	101,194,942	76,621,046
Closing number of units	99,662,043	103,216,409	71,424,056
Operating charges [†]	0.04%	0.04%	0.09%
Direct transaction costs	0.21%	0.23%	0.25%

Prices

Highest unit price	104.80p	109.70p	118.10p
Lowest unit price	59.43p	91.49p	105.70p

[†] 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

L-Class Accumulation Units

Change in Net Asset Value per Unit

Accounting Year ending	15/09/19 to 14/09/20 (pence per unit)	25/04/19 to 14/09/19 ¹ (pence per unit)
Opening net asset value per unit	48.45	50.00
Return before operating charges*	(12.06)	(1.54)
Operating charges (calculated on average price)	(0.02)	(0.01)
Return after operating charges*	(12.08)	(1.55)
Distributions	(0.87)	(0.75)
Retained distributions on accumulation units	0.87	0.75
Closing net asset value per unit	36.37	48.45
* after direct transaction costs of:	0.09	0.04

Performance

Return after charges	(24.93)%	(3.10)%
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Other Information

Closing net asset value (£)	112,403	173,523
Closing number of units	309,092	358,181
Operating charges [†]	0.04%	0.04%
Direct transaction costs	0.21%	0.23%

Prices

Highest unit price	51.79p	50.13p
Lowest unit price	29.86p	45.27p

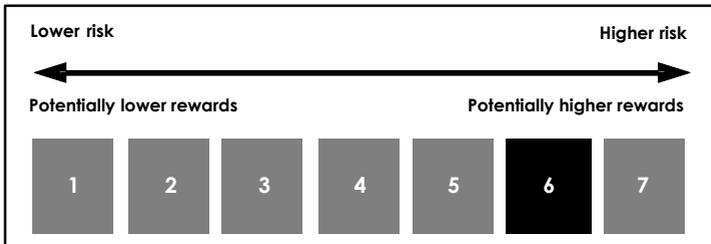
¹ L-Class Accumulation units launched on 25 April 2019.

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

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

General Information (unaudited)

Constitution

Launch date:	10 November 2008
Period end dates for distribution:	14 March, 14 September
Distribution dates:	14 May, 14 November
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
Valuation point:	12 noon
Fund management fees:	R-Class Annual 1.44% (1.54% prior to 23 April 2020) F-Class* Annual 1.04% I-Class Annual 0.79% C-Class** Annual 0.50% L-Class*** Annual 0.04%
Initial charges:	Nil for all existing unit classes

* Class F units are only 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.

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.

General Information (unaudited) continued

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 Special Situations 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 had a material impact on the management company and the funds we manage during 2019:

Controlled Functions

Headcount	Fixed Remuneration (£'000)	Variable Remuneration (£'000)	Remuneration related to this Trust (Pro-rated) (£'000)
63	12,234	16,246	121

Material Risk Takers

Headcount	Fixed Remuneration (£,000)	Variable Remuneration (£'000)	Remuneration related to this Trust (Pro-rated) (£'000)
19	2,309	2,347	181

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 31 December 2019, UTM engaged the services of Legal & General Investment Management's Active 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 Active 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

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 at 12 December 2019, the F-Class units were closed to new business.

Change in Fund Management Fee (FMF)

With effect from 23 April 2020, the FMF for R-Class units was reduced from 1.54% to 1.44%.

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. Toutounchi*

*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 Depositary 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
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www.legalandgeneral.com

