

Legal & General UK Smaller Companies Trust

Annual Manager's Report
for the year ended
18 June 2021



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

Manager's Investment Report

Investment Objective and Policy

The Investment Objective and Policy of the Trust as disclosed within the Scheme Prospectus was updated with effect from 21 September 2021. For more information, please see the significant changes section on page 46 of this report. The previous and updated versions of the Trusts Investment Object and Policy are set out below.

Prior to 21 September 2021

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.

From 21 September 2021

The objective of the Trust is to provide growth above that of the Numis Smaller Companies 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 70% 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 continued

Manager's Investment Report

During the year under review, the published price of the Trust's R-Class accumulation units rose by 41.32%. This compares to a rise in the benchmark index of 45.29% on a total return basis (Source: Bloomberg).

Past performance is not a guide to future performance.

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

Market/Economic Review

The very strong performance in equity markets over the review period follows the significant impact in the prior period and the immediate concerns about the long-term implications of the pandemic on economic performance. The initial recovery was driven by the unprecedented fiscal and monetary support put in place by governments and central banks globally. This support structure meant that the worst aspects of economic crisis were averted, ensuring that businesses with previously robust business models were protected from failure and their employees similarly protected through schemes such as the furlough programme. With economic catastrophe averted, further positive performance was dependent upon successful development of a vaccine and, with the roll-out, a route out of the health crisis. The positive data from a number of vaccines in November 2020 meant equity markets experienced another significant period of positive performance as investors finally believed a route to normalisation, albeit lacking a clear timeline, existed. In addition, equity markets started to price in the short-term benefits of consumer and business activity recovering as inventories were rebuilt, delayed capital expenditure plans recommenced, and excess savings deployed.

Trust Review

At a stock level, the Trust benefitted from its holding in CVS Group, a consolidator of veterinary practices in the UK. The business has benefitted from the boom in pet ownership during the pandemic and the strong demand for its services that this implies. The business operates in a very fragmented environment and should continue to see attractive opportunities to leverage its benefits of scale to grow its business both organically and inorganically. Luceco, a distributor of electrical and lighting components, was also a strong performer in the period as its online focus allowed it to win market share during times of depressed activity, and which it was able to retain when demand started to recover.

Offsetting this, Hyve Group, a global events business, was owned by the Trust during the period and was a significant detractor from performance. Events businesses are amongst those most significantly impacted by the pandemic and the associated lockdown measures, with revenues across the sector falling to zero. In addition, it is not clear what customer response will be when restrictions lift and whether their structural role in the value chain has been fundamentally diminished by new behaviours adopted during the pandemic. On this basis, we exited the position in the period, preferring names where the fundamentals were either robust or even enhanced by their recent experience.

Manager's Investment Report continued

We added a number of positions to the Trust during the review period, where we think the underlying fundamentals are attractive and where we see clear valuation support. This included Bytes Technology Group, a reseller of technology solutions for SMEs: the business has a clear focus on cloud and cyber security which is driving a string pipeline of growth. We also added Volution Group, a leader in ventilation solutions for office and residential buildings: the business benefits from the step-up in environmental regulations, which increases demand for their services and should be a long-term structural winner.

Outlook

Whilst a path out of the pandemic now appears to exist, the operating environment into which we will emerge is likely to be structurally different to pre-pandemic environment. Similarly, the extreme bifurcation of the market for much of last year now appears to have closed, and we expect that opportunities for outperformance will come from those structurally advantaged businesses that the Trust aims to own.

Legal & General Investment Management Limited
(Investment Adviser)
2 August 2021

Important Note from the Manager

Since January 2020, global financial markets have been affected by the COVID-19 coronavirus. 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, the success of vaccine rollout programs, as well as on the actions taken by governments and central banks.

Legal & General (Unit Trust Managers) Limited
March 2021

Authorised Status

Authorised Status

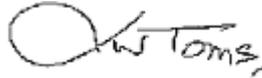
This Trust is an Authorised Unit Trust Scheme as defined in section 243 of the Financial Services and Markets Act 2000 and is a UCITS Retail Scheme within the meaning of the FCA Collective Investment Schemes sourcebook.

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
1 October 2021

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.

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

Statement of Responsibilities continued

Statement of the Trustee's Responsibilities

The Depositary in its capacity as Trustee of Legal & General UK 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 2021

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
1 October 2021

Portfolio Statement

Portfolio Statement as at 18 June 2021

All investments are in ordinary shares unless otherwise stated. The percentages in brackets show the equivalent holdings at 18 June 2020.

Holding/ Nominal Value	Investment	Market Value £	% of Net Assets
	UNITED KINGDOM		
	— 89.56% (89.94%)		
	Chemicals — 3.17% (2.88%)		
2,272,230	Elementis	3,378,806	1.12
246,000	Victrex	6,223,800	2.05
		9,602,606	3.17
	Industrial Metals & Mining		
	— 1.06% (0.00%)		
372,915	Bodycote	3,201,475	1.06
	Construction & Materials		
	— 6.24% (3.21%)		
521,116	Genuit Group	3,147,540	1.04
1,267,277	Ibstock	2,706,904	0.90
860,189	Keller Group	6,984,735	2.31
368,451	Marshalls	2,494,413	0.82
422,167	Tyman	1,973,631	0.65
381,923	Volution Group	1,583,071	0.52
		18,890,294	6.24
	Aerospace & Defense		
	— 3.92% (3.75%)		
3,011,151	Senior	4,607,061	1.52
321,465	Ultra Electronics	7,271,538	2.40
		11,878,599	3.92
	Electronic & Electrical Equipment		
	— 6.29% (4.11%)		
1,171,853	discoverIE Group	10,476,366	3.46
2,400,000	Luceco	8,580,000	2.83
		19,056,366	6.29
	Industrial Engineering		
	— 5.10% (5.00%)		
519,053	Hill & Smith	7,412,077	2.45
6,758,288	Severfield	5,312,014	1.75
520,597	Vesuvius	2,712,311	0.90
		15,436,402	5.10
	Industrial Transportation		
	— 1.84% (1.76%)		
180,775	Clarkson	5,576,909	1.84
	Beverages — 0.42% (0.00%)		
493,304	Stock Spirits Group	1,280,124	0.42
	Food Producers — 2.27% (3.95%)		
170,852	Cranswick	6,868,250	2.27
	Personal Goods — 1.19% (1.50%)		
568,696	PZ Cussons	1,393,305	0.46

Portfolio Statement continued

Holding/ Nominal Value	Investment	Market Value £	% of Net Assets
	Personal Goods — (cont.)		
1,532,120	Ted Baker	2,195,528	0.73
		3,588,833	1.19
	Pharmaceuticals & Biotechnology — 6.32% (8.68%)		
147,485	Dechra Pharmaceuticals	6,430,346	2.12
123,227	Genus	6,340,029	2.09
4,672,684	Vectura Group	6,382,886	2.11
		19,153,261	6.32
	Media — 0.75% (2.67%)		
82,264	4imprint Group	2,262,260	0.75
	Travel & Leisure — 4.67% (3.96%)		
829,797	Domino's Pizza Group	3,176,463	1.05
2,125,975	Goals Soccer Centres ¹	—	—
2,764,134	Gym Group	8,015,988	2.65
852,754	On the Beach Group	2,950,529	0.97
		14,142,980	4.67
	Real Estate Investment & Services — 1.91% (1.75%)		
500,000	Savills	5,790,000	1.91
	Real Estate Investment Trusts — 5.88% (7.60%)		
648,280	Safestore	6,233,212	2.06
3,039,228	Urban Logistics REIT	4,877,961	1.61
766,097	Workspace Group	6,711,010	2.21
		17,822,183	5.88
	Software & Computer Services — 5.96% (6.06%)		
347,477	Bytes Technology Group	1,594,919	0.53
129,750	First Derivatives ²	2,899,913	0.96
2,789,427	NCC Group	7,921,973	2.61
317,625	Softcat	5,644,196	1.86
		18,061,001	5.96
	Technology Hardware & Equipment — 0.00% (0.00%)		
3,338,400	Celoxica ¹	—	—
	Oil, Gas and Coal — 1.97% (2.14%)		
800,000	Energiean	5,972,000	1.97
	Household Goods and Home Construction — 3.96% (4.60%)		
1,365,701	Crest Nicholson	5,733,213	1.89
909,282	Headlam Group	4,137,233	1.37
292,054	Made.com	574,470	0.19
748,643	Watkin Jones	1,557,177	0.51
		12,002,093	3.96
	Telecommunication Service Providers — 0.00% (1.28%)		

Portfolio Statement continued

Holding/ Nominal Value	Investment	Market Value £	% of Net Assets
	Medical Equipment and Services — 1.81% (2.91%)		
1,940,873	Advanced Medical Solutions Group ²	5,492,671	1.81
	Investment Banking and Brokerage Services — 11.42% (8.53%)		
2,050,000	Arrow Global Group	6,262,750	2.07
1,322,748	Brewin Dolphin	4,708,983	1.56
1,674,000	CMC Markets	7,583,220	2.50
454,143	Curtis Banks Group ²	1,226,186	0.41
390,985	Integrafin	2,080,040	0.69
102,246	Liontrust Asset Management	1,613,442	0.53
286,060	Mattlioli Woods ²	2,088,238	0.69
1,229,912	OSB Group	5,706,792	1.88
786,966	Tatton Asset Management ²	3,305,257	1.09
		34,574,908	11.42
	Industrial Support Services — 7.93% (10.04%)		
1,883,070	Biffa	5,498,564	1.81
494,701	Euromoney Institutional Investor	5,144,890	1.70
306,461	FDM Group	3,076,869	1.02
1,515,916	Knights Group	5,927,232	1.96
458,431	Redde Northgate	1,774,128	0.58
463,912	RWS Holdings	2,593,268	0.86
		24,014,951	7.93
	Retailers — 5.48% (3.21%)		
411,202	CVS Group	9,149,245	3.02
389,648	Halfords Group	1,581,971	0.52
620,634	Moonpig Group	2,771,751	0.92
680,884	Pets at Home Group	3,088,490	1.02
		16,591,457	5.48
	Personal Care, Drug and Grocery Stores — 0.00% (0.35%)		
	AUSTRALIA — 0.00% (0.26%)		
	Industrial Support Services — 0.00% (0.26%)		
	BERMUDA — 0.00% (0.50%)		
	Precious Metals and Mining — 0.00% (0.50%)		
	CHANNEL ISLANDS — 2.41% (1.90%)		
	Construction & Materials — 1.08% (0.00%)		
3,167,070	Breedon Group	3,287,419	1.08
	Travel & Leisure — 0.00% (1.90%)		
	Investment Banking and Brokerage Services — 1.33% (0.00%)		
485,482	Sanne Group	4,014,936	1.33

Portfolio Statement continued

Holding/ Nominal Value	Investment	Market Value £	% of Net Assets
	GIBRALTAR — 0.87% (1.49%) Travel & Leisure — 0.87% (1.49%)		
685,849	888	2,640,518	0.87
	ISLE OF MAN — 2.16% (1.67%) Electronic & Electrical Equipment — 2.16% (1.67%)		
2,111,049	Strix Group ²	6,533,697	2.16
	UNITED STATES — 1.85% (1.32%) Industrial Support Services — 1.85% (1.32%)		
3,400,000	Boku ²	5,610,000	1.85
Portfolio of investments³		293,346,193	96.85
Net other assets		9,538,609	3.15
Total net assets		£302,884,802	100.00%

¹ Delisted securities are valued at the Manager's best assessment of their fair and reasonable value.

² These securities are quoted on the Alternative Investment Market and comprise 8.97% of the net assets of the Trust.

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

Total purchases for the year: £52,955,664.

Total sales for the year: £85,184,476.

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 2021 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 19 to 20.

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 2021 and of the net revenue and the net capital gains 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 or 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").

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.

Our conclusions based on this work:

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

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Trust will continue in operation.

Independent Auditor's Report continued

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

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

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

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

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

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

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

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

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

Independent Auditor's Report continued

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

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

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

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

Other information

The Manager (Legal & General (Unit Trust Managers) Limited) is responsible for the other information presented in the Annual Manager's Report together with the financial statements. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the other information; and
- in our opinion the information given in Manager's Report for the financial year is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where under the COLL Rules we are required to report to you if, in our opinion:

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

Independent Auditor's Report continued

Manager's responsibilities

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

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
1 October 2021

Financial Statements

Statement of Total Return for the year ended 18 June 2021

Notes	18/06/21		18/06/20	
	£	£	£	£
Income				
Net capital gains/ (losses)	3	88,979,440	(19,551,264)	
Revenue	4	6,427,144	4,857,735	
Expenses	5	(1,943,210)	(2,309,982)	
Interest payable and similar charges	7	—	—	
Net revenue before taxation		<u>4,483,934</u>	<u>2,547,753</u>	
Taxation	6	—	—	
Net revenue after taxation for the year		<u>4,483,934</u>	<u>2,547,753</u>	
Total return before distributions		93,463,374	(17,003,511)	
Distributions	7	<u>(4,484,099)</u>	<u>(3,023,758)</u>	
Change in net assets attributable to Unitholders from investment activities		<u>£88,979,275</u>	<u>£(20,027,269)</u>	

Statement of Change in Net Assets attributable to Unitholders for the year ended 18 June 2021

	18/06/21		18/06/20	
	£	£	£	£
Opening net assets attributable to Unitholders		243,707,858		284,003,257
Amounts received on issue of units		13,509,316		13,051,231
Amounts paid on cancellation of units		<u>(47,007,572)</u>		<u>(35,883,891)</u>
Change in net assets attributable to Unitholders from investment activities		(33,498,256)		(22,832,660)
Retained distributions on accumulation units		88,979,275		(20,027,269)
Unclaimed distributions		3,692,429		2,555,894
Unclaimed distributions		<u>3,496</u>		<u>8,636</u>
Closing net assets attributable to Unitholders		<u>£302,884,802</u>		<u>£243,707,858</u>

Financial Statements continued

Balance Sheet as at 18 June 2021

	Notes	18/06/21 £	18/06/20 £
ASSETS			
Fixed assets:			
Investments		293,346,193	236,595,558
Current assets:			
Debtors	8	1,249,196	770,803
Cash and bank balances	9	9,859,568	7,801,231
Total assets		304,454,957	245,167,592
LIABILITIES			
Creditors:			
Distributions payable		(404,172)	(821)
Other creditors	10	(1,165,983)	(1,458,913)
Total liabilities		(1,570,155)	(1,459,734)
Net assets attributable to Unitholders		£302,884,802	£243,707,858

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 2021, 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 gains/(losses)

The net capital gains/(losses) during the year comprise:

Non-derivative securities

Currency losses

Net capital gains/(losses)

	18/06/21	18/06/20
	£	£
Non-derivative securities	88,979,446	(19,551,259)
Currency losses	(6)	(5)
Net capital gains/(losses)	<u>88,979,440</u>	<u>(19,551,264)</u>

Notes to the Financial Statements continued

4. Revenue

	18/06/21	18/06/20
	£	£
UK Franked dividends	5,365,767	4,003,848
Non-taxable overseas dividends	449,127	308,879
Property interest distributions	608,957	530,726
Underwriting commission	3,292	—
Bank interest	1	14,282
	<u>6,427,144</u>	<u>4,857,735</u>

5. Expenses

	18/06/21	18/06/20
	£	£
Payable to the Manager, associates of the Manager and agents of either of them:		
Fund management fees	<u>1,943,210</u>	<u>2,309,982</u>
Total expenses	<u>1,943,210</u>	<u>2,309,982</u>

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

Notes to the Financial Statements continued

6. Taxation

(a) Analysis of taxation charge in year

	18/06/21	18/06/20
	£	£
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	4,483,934	2,547,753
Net revenue before taxation multiplied by the applicable rate of Corporation tax of 20% (2020: 20%)	896,787	509,551
Effects of:		
Revenue not subject to taxation	(1,189,420)	(862,545)
Excess management expenses not utilised	292,633	352,994
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 £12,873,189 (18 June 2020: £12,580,556) 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 2020: 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:

	18/06/21	18/06/20
	£	£
Interim distribution	1,933,176	2,562,602
Final distribution	2,461,148	387,087
	<u>4,394,324</u>	<u>2,949,689</u>
Add: Revenue deducted on cancellation of units	137,832	117,757
Less: Revenue received on creation of units	(48,057)	(43,688)
Distributions for the year	4,484,099	3,023,758
Interest payable and similar charges		
Bank overdraft interest	—	—
	<u>4,484,099</u>	<u>3,023,758</u>

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

	18/06/21	18/06/20
	£	£
Net revenue after taxation for the year	4,483,934	2,547,753
Equalisation effect of conversions	165	231,575
Revenue shortfall	—	244,430
Distributions for the year	4,484,099	3,023,758

8. Debtors

	18/06/21	18/06/20
	£	£
Accrued revenue	651,192	30,936
Amounts receivable for creation of units	598,004	248,902
Sales awaiting settlement	—	490,965
	<u>1,249,196</u>	<u>770,803</u>

Notes to the Financial Statements continued

9. Net uninvested cash

	18/06/21	18/06/20
	£	£
Cash and bank balances	<u>9,859,568</u>	<u>7,801,231</u>
Net uninvested cash	<u>9,859,568</u>	<u>7,801,231</u>

10. Other creditors

	18/06/21	18/06/20
	£	£
Accrued expenses	110,874	86,683
Amounts payable for cancellation of units	471,001	223,140
Purchases awaiting settlement	<u>584,108</u>	<u>1,149,090</u>
	<u>1,165,983</u>	<u>1,458,913</u>

11. Contingent liabilities and outstanding commitments

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

	18/06/21	18/06/20
	£	£
Commitments on rights issues	<u>—</u>	<u>77,018</u>
Total	<u>—</u>	<u>77,018</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 2021, 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 £14,667,310 (18 June 2020: £11,829,778).

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.

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 2020: 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:

18/06/21	Assets	Liabilities
Basis of Valuation	£	£
Level 1 - Quoted Prices	293,346,193	—
Level 2 - Observable Market Data	—	—
Level 3 - Unobservable Data	—	—
Total	293,346,193	—

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	—

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

18/06/21	Value	Commissions	Taxes		Total	
Purchases	£'000	£'000	%	£'000	%	£'000
Equities	52,716	25	0.05	215	0.41	52,956
Total	52,716	25	0.05	215	0.41	52,956

18/06/21	Value	Commissions	Taxes		Total	
Sales	£'000	£'000	%	£'000	%	£'000
Equities	85,242	(58)	0.07	—	—	85,184
Total	85,242	(58)	0.07	—	—	85,184

Commissions and taxes as % of average net assets

Commissions 0.03%

Taxes 0.08%

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%

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 0.59% (18 June 2020: 1.58%).

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 34 to 41. The distributions per unit class are given in the distribution tables on pages 31 and 32. All classes have the same rights on winding up.

R-Class	Distribution	Accumulation
Opening Units	7,854,381	2,346,772
Units issued	23,122	391,354
Units cancelled	(853,513)	(271,699)
Units converted	(96,063)	76,170
Closing Units	6,927,927	2,542,597

F-Class	Accumulation
Opening Units	6,244
Units issued	344
Units cancelled	(3,951)
Units converted	—
Closing Units	2,637

I-Class	Distribution	Accumulation
Opening Units	407,746	365,373
Units issued	66,889	479,093
Units cancelled	(60,850)	(76,080)
Units converted	8,795	—
Closing Units	422,580	768,386

C-Class	Accumulation
Opening Units	172,572,558
Units issued	2,625,773
Units cancelled	(44,225,674)
Units converted	—
Closing Units	130,972,657

L-Class	Accumulation
Opening Units	166,091,362
Units issued	215,591
Units cancelled	(21,586,808)
Units converted	—
Closing Units	144,720,145

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 26.87% (62.45% as at 18 June 2020) 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 1,286.07p. The Net Asset Value per R-Class accumulation unit for the Trust as at 12 noon on 27 September 2021 was 1,395.00p. This represents an increase of 8.47% from the year end value.

Distribution Tables

Distribution Tables for the year ended 18 June 2021

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	
			19/06/20	to 18/12/20
R-Class			Distribution	Distribution
Distribution Units			18/02/21	18/02/20
	Revenue	Equalisation		
Group 1	3.5825	—	3.5825	4.4889
Group 2	1.0969	2.4856	3.5825	4.4889
R-Class			Distribution	Distribution
Accumulation Units			18/02/21	18/02/20
	Revenue	Equalisation		
Group 1	4.0954	—	4.0954	5.1052
Group 2	1.8368	2.2586	4.0954	5.1052
F-Class			Distribution	Distribution
Accumulation Units			18/02/21	18/02/20
	Revenue	Equalisation		
Group 1	6.5825	—	6.5825	8.3172
Group 2	—	6.5825	6.5825	8.3172
I-Class			Distribution	Distribution
Distribution Units			18/02/21	18/02/20
	Revenue	Equalisation		
Group 1	6.5015	—	6.5015	8.3202
Group 2	1.0130	5.4885	6.5015	8.3202
I-Class			Distribution	Distribution
Accumulation Units			18/02/21	18/02/20
	Revenue	Equalisation		
Group 1	8.1018	—	8.1018	10.0345
Group 2	3.9212	4.1806	8.1018	10.0345
C-Class			Distribution	Distribution
Accumulation Units			18/02/21	18/02/20
	Revenue	Equalisation		
Group 1	0.4053	—	0.4053	0.4874
Group 2	0.2731	0.1322	0.4053	0.4874
L-Class			Distribution	Distribution
Accumulation Units			18/02/21	18/02/20
	Revenue	Equalisation		
Group 1	0.5763	—	0.5763	0.6671
Group 2	0.5474	0.0289	0.5763	0.6671

Distribution Tables continued

Final dividend distribution in pence per unit			Period	
			19/12/20	to 18/06/21
R-Class			Distribution	Distribution
Distribution Units			18/08/21	18/08/20
	Revenue	Equalisation		
Group 1	5.2806	—	5.2806	—
Group 2	4.5155	0.7651	5.2806	—
R-Class			Distribution	Distribution
Accumulation Units			18/08/21	18/08/20
	Revenue	Equalisation		
Group 1	6.0567	—	6.0567	—
Group 2	4.4829	1.5738	6.0567	—
F-Class			Distribution	Distribution
Accumulation Units			18/08/21	18/08/20
	Revenue	Equalisation		
Group 1	9.1956	—	9.1956	—
Group 2	—	9.1956	9.1956	—
I-Class			Distribution	Distribution
Distribution Units			18/08/21	18/08/20
	Revenue	Equalisation		
Group 1	9.0714	—	9.0714	0.2012
Group 2	4.8082	4.2632	9.0714	0.2012
I-Class			Distribution	Distribution
Accumulation Units			18/08/21	18/08/20
	Revenue	Equalisation		
Group 1	11.1220	—	11.1220	0.2447
Group 2	2.5668	8.5552	11.1220	0.2447
C-Class			Distribution	Distribution
Accumulation Units			18/08/21	18/08/20
	Revenue	Equalisation		
Group 1	0.5401	—	0.5401	0.0500
Group 2	0.3641	0.1760	0.5401	0.0500
L-Class			Distribution	Distribution
Accumulation Units			18/08/21	18/08/20
	Revenue	Equalisation		
Group 1	0.7668	—	0.7668	0.1800
Group 2	0.6326	0.1342	0.7668	0.1800

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 34 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	18/06/21 (pence per unit)	18/06/20 (pence per unit)	18/06/19 (pence per unit)
Opening net asset value per unit	799.11	865.61	1,004.37
Return before operating charges*	339.00	(48.85)	(115.91)
Operating charges (calculated on average price)	(13.25)	(13.16)	(13.69)
Return after operating charges*	325.75	(62.01)	(129.60)
Distributions on income units	(8.86)	(4.49)	(9.16)
Closing net asset value per unit	1,116.00	799.11	865.61
* after direct transaction costs of:	1.04	0.13	0.22

Performance

Return after charges	40.76%	(7.16)%	(12.90)%
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Other Information

Closing net asset value (£)	77,315,351	62,764,800	168,031,874
Closing number of units	6,927,927	7,854,381	19,411,997
Operating charges [†]	1.43%	1.51%	1.53%
Direct transaction costs	0.11%	0.02%	0.02%

Prices

Highest unit price	1,147.00p	1,009.00p	1,023.00p
Lowest unit price	777.20p	616.00p	788.20p

[†] 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	18/06/21 (pence per unit)	18/06/20 (pence per unit)	18/06/19 (pence per unit)
Opening net asset value per unit	913.03	984.58	1,129.99
Return before operating charges*	388.33	(56.55)	(129.96)
Operating charges (calculated on average price)	(15.29)	(15.00)	(15.45)
Return after operating charges*	373.04	(71.55)	(145.41)
Distributions	(10.15)	(5.11)	(10.42)
Retained distributions on accumulation units	10.15	5.11	10.42
Closing net asset value per unit	1,286.07	913.03	984.58
* after direct transaction costs of:	1.20	0.15	0.25

Performance

Return after charges	40.86%	(7.27)%	(12.87)%
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Other Information

Closing net asset value (£)	32,699,550	21,426,798	24,233,738
Closing number of units	2,542,597	2,346,772	2,461,338
Operating charges†	1.43%	1.51%	1.53%
Direct transaction costs	0.11%	0.02%	0.02%

Prices

Highest unit price	1,315.00p	1,154.00p	1,151.00p
Lowest unit price	888.10p	703.80p	891.00p

† 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

F-Class Distribution Units

Change in Net Asset Value per Unit

Accounting Year ending	13/12/19 to 18/06/21 (pence per unit)	19/06/19 to 12/12/19 ¹ (pence per unit)	19/06/18 to 18/06/19 (pence per unit)
Opening net asset value per unit	—	884.38	1,026.56
Return before operating charges*	—	71.10	(119.13)
Operating charges (calculated on average price)	—	(2.25)	(9.43)
Return after operating charges*	—	68.85	(128.56)
Distributions on income units	—	—	(13.62)
Closing net asset value per unit	—	953.23	884.38
* after direct transaction costs of:	—	0.03	0.23

Performance

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

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

Prices

Highest unit price	—	957.00p	1,046.00p
Lowest unit price	—	863.30p	805.20p

¹ F-Class Distribution units ceased to exist on 12 December 2019. 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

F-Class Accumulation Units

Change in Net Asset Value per Unit

Accounting Year ending	18/06/21 (pence per unit)	18/06/20 (pence per unit)	18/06/19 (pence per unit)
Opening net asset value per unit	969.22	1,040.05	1,187.64
Return before operating charges*	412.73	(60.00)	(136.64)
Operating charges (calculated on average price)	(11.34)	(10.83)	(10.95)
Return after operating charges*	401.39	(70.83)	(147.59)
Distributions	(15.78)	(8.32)	(15.90)
Retained distributions on accumulation units	15.78	8.32	15.90
Closing net asset value per unit	1,370.61	969.22	1,040.05
* after direct transaction costs of:	1.24	0.16	0.26

Performance

Return after charges	41.41%	(6.81)%	(12.43)%
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Other Information

Closing net asset value (£)	36,143	60,518	64,941
Closing number of units	2,637	6,244	6,244
Operating charges†	1.03%	1.03%	1.03%
Direct transaction costs	0.11%	0.02%	0.02%

Prices

Highest unit price	1,402.00p	1,223.00p	1,210.00p
Lowest unit price	943.00p	746.30p	939.00p

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Trust Information continued

Comparative Tables continued

I-Class Distribution Units

Change in Net Asset Value per Unit

Accounting Year ending	18/06/21 (pence per unit)	18/06/20 (pence per unit)	18/06/19 (pence per unit)
Opening net asset value per unit	819.12	884.28	1,025.97
Return before operating charges*	347.99	(49.69)	(118.74)
Operating charges (calculated on average price)	(7.46)	(6.95)	(7.14)
Return after operating charges*	340.53	(56.64)	(125.88)
Distributions on income units	(15.57)	(8.52)	(15.81)
Closing net asset value per unit	1,144.08	819.12	884.28
* after direct transaction costs of:	1.07	0.14	0.23

Performance

Return after charges	41.57%	(6.41)%	(12.27)%
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Other Information

Closing net asset value (£)	4,834,672	3,339,914	3,338,593
Closing number of units	422,580	407,746	377,549
Operating charges†	0.78%	0.78%	0.78%
Direct transaction costs	0.11%	0.02%	0.02%

Prices

Highest unit price	1,179.00p	1,033.00p	1,048.00p
Lowest unit price	796.90p	630.50p	805.30p

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Trust Information continued

Comparative Tables continued

I-Class Accumulation Units

Change in Net Asset Value per Unit

Accounting Year ending	18/06/21 (pence per unit)	18/06/20 (pence per unit)	18/06/19 (pence per unit)
Opening net asset value per unit	996.41	1,066.59	1,214.84
Return before operating charges*	425.38	(61.76)	(139.76)
Operating charges (calculated on average price)	(9.19)	(8.42)	(8.49)
Return after operating charges*	416.19	(70.18)	(148.25)
Distributions	(19.22)	(10.28)	(18.82)
Retained distributions on accumulation units	19.22	10.28	18.82
Closing net asset value per unit	1,412.60	996.41	1,066.59
* after direct transaction costs of:	1.32	0.17	0.27

Performance

Return after charges	41.77%	(6.58)%	(12.20)%
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Other Information

Closing net asset value (£)	10,854,215	3,640,604	3,964,580
Closing number of units	768,386	365,373	371,707
Operating charges†	0.78%	0.78%	0.78%
Direct transaction costs	0.11%	0.02%	0.02%

Prices

Highest unit price	1,444.00p	1,256.00p	1,238.00p
Lowest unit price	969.60p	766.70p	961.80p

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Trust Information continued

Comparative Tables continued

C-Class Accumulation Units

Change in Net Asset Value per Unit

Accounting Year ending	18/06/21 (pence per unit)	18/06/20 (pence per unit)	18/06/19 (pence per unit)
Opening net asset value per unit	43.76	46.75	53.15
Return before operating charges*	18.68	(2.71)	(6.13)
Operating charges (calculated on average price)	(0.30)	(0.28)	(0.27)
Return after operating charges*	18.38	(2.99)	(6.40)
Distributions	(0.95)	(0.54)	(0.90)
Retained distributions on accumulation units	0.95	0.54	0.90
Closing net asset value per unit	62.14	43.76	46.75
* after direct transaction costs of:	0.06	0.01	0.01

Performance

Return after charges	42.00%	(6.40)%	(12.04)%
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Other Information

Closing net asset value (£)	81,392,555	75,516,334	84,367,980
Closing number of units	130,972,657	172,572,558	180,450,350
Operating charges†	0.60%	0.60%	0.60%
Direct transaction costs	0.11%	0.02%	0.02%

Prices

Highest unit price	63.56p	55.11p	54.22p
Lowest unit price	42.59p	33.66p	42.13p

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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	19/06/20 to 18/06/21 (pence per unit)	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	46.34	49.25	50.00
Return before operating charges*	19.85	(2.88)	(0.75)
Operating charges (calculated on average price)	(0.03)	(0.03)	—
Return after operating charges*	19.82	(2.91)	(0.75)
Distributions	(1.34)	(0.85)	(0.29)
Retained distributions on accumulation units	1.34	0.85	0.29
Closing net asset value per unit	66.16	46.34	49.25
* after direct transaction costs of:	0.06	0.01	0.00

Performance

Return after charges	42.77%	(5.91)%	(1.50)%
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Other Information

Closing net asset value (£)	95,752,316	76,958,890	985
Closing number of units	144,720,145	166,091,362	2,000
Operating charges [†]	0.05%	0.05%	0.05%
Direct transaction costs	0.11%	0.02%	0.02%

Prices

Highest unit price	67.67p	58.25p	51.56p
Lowest unit price	45.11p	35.59p	49.06p

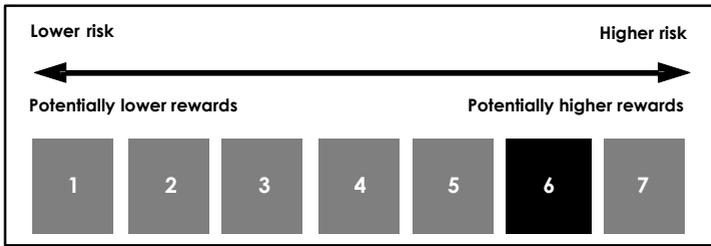
¹ L-Class Accumulation units launched on 25 April 2019.

[†] 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.

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:	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 I-Class £1,000,000 C-Class* £20,000,000 L-Class** £100,000
Minimum monthly contributions:	R-Class £20 I-Class N/A C-Class* N/A L-Class** N/A
Valuation point:	12 noon
Fund management fees:	R-Class Annual 1.43% F-Class*** Annual 1.03% I-Class Annual 0.78% C-Class* Annual 0.60% L-Class** Annual 0.05%
Initial charge:	Nil for all existing unit classes

* Class C units are available to certain eligible investors who meet the criteria for investment in such units as outlined in the share class policy of the Manager, which is available to investors in the C Class upon request. Where investors in the C Class no longer continue to meet the criteria for investment in such units, further investment in such units may not be permitted.

** Class L units are only available to other Legal & General funds and/or companies which have entered into an agreement with the Manager or an affiliate of the Manager.

*** Class F units are closed to new subscriptions.

Pricing and Dealing

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

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

Buying and Selling Units

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

ISA Status

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

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

General Information (unaudited) continued

Prospectus and Manager's Reports

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

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

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

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 2020:

Controlled Functions

Headcount	Fixed Remuneration (£,000)	Variable Remuneration (£,000)	Remuneration related to this Trust (Pro-rated) (£'000)
89	17,974	26,604	185

Material Risk Takers

Headcount	Fixed Remuneration (£,000)	Variable Remuneration (£,000)	Remuneration related to this Trust (Pro-rated) (£'000)
17	2,311	2,158	502

Controlled Functions

As at 31 December 2020, Legal & General Unit Trust Managers Limited (UTM) engaged the services of three employees of Legal & General Investment Management (Holdings) Limited (LGIMH), plus a further one employee of Legal & General Resources (LGR) to act as Directors. There were another three non-executive Directors. UTM also engaged the services of a further 53 LGIMH employees and a further 10 L&G Resources (LGR) employees to act in a variety of Controlled Functions, including Chief Compliance Officer, Money Laundering Reporting Officer, Client Asset Oversight, Systems and Controls Functions, Significant Management Functions and Customer Functions. These employees were also engaged by other companies in the L&G Group. The aggregate remuneration received by these individuals, for all their services across the L&G Group, is disclosed in the table above. We have prorated the remuneration figures by the Net Asset Value of the UCITS Funds as a percentage of the total assets under management of UTM.

Material Risk Takers

As at 31 December 2020, UTM engaged the services of Equities Fund Management Team, which consists of 17 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 Legal & General Investment Management's Index Fund Management team.

General Information (unaudited) continued

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

With effect from 21 September 2021, the Investment Objective and Policy wording has been corrected. The prior wording contained two drafting errors. The incorrect and corrected wording for the Trust's Investment Objective and Policy can be found on page 2. In practice, the Trust has been managed (and has always had the aim of being managed) in line with the corrected wording. Any unitholders who have been affected by these errors have been written to following our investigation to confirm any impact of these errors. No action is required from Unitholders.

Changes to Pricing Methodology

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

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

The move to a standardised pricing method will:

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

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

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

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

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

*Non-executive Director

Secretary

J. McCarthy

Registrar

Legal & General (Unit Trust Managers) Limited
P.O. Box 6080,
Wolverhampton WV1 9RB
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Dealing: 0370 050 0956
Enquiries: 0370 050 0955
Registration: 0370 050 0955

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Trustee

Northern Trust Global Services SE UK Branch
Trustee and Depositary Services
50 Bank Street,
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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**

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(Unit Trust Managers) Limited
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