

Legal & General UK 350 Index Fund  
(formerly Legal & General (Alliance & Leicester)  
Capital Growth Fund)

**Annual Manager's Report**  
**for the year ended**  
**28 February 2020**





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

# Manager's Investment Report

## Investment Objective and Policy

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

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

### Prior to 7 August 2019

The objective of the Fund is to track the capital performance of the FTSE 350 Index (the 'Index') and to maintain a gross income yield equal to that of the Index.

Securities in the Index will be held with weightings generally proportionate to their official Index weighting. From time to time non-Index constituents may be held as a result of a corporate action and these holdings will be sold or transferred as soon as reasonably practical.

The Fund may hold derivatives for Efficient Portfolio Management purposes.

### From 7 August 2019

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

This objective is after the deduction of charges and taxation.

The Fund will invest at least 90% in assets that are included in the Benchmark Index.

The Benchmark Index consists of shares of the 350 largest companies on the UK stock market in accordance with the Index provider's methodology. Such shares in companies are from all economic sectors.

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

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

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

## Manager's Investment Report

During the year under review, the bid price of the Fund's A-Class accumulation units fell by 2.12%. FTSE, the Index compiler, calculates the benchmark Index at the end of the business day using closing prices, whereas the Fund is valued using prevailing prices at 12pm. Therefore, for tracking purposes the Fund has been revalued using closing prices. On this basis, over the review year, the Fund decreased by 5.63% on a capital only basis, compared with the FTSE 350 Index decrease of 5.70% (Source: Bloomberg), producing a tracking difference of +0.07%.

**Past performance is not a guide to future performance.**

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

**Exchange rate changes may cause the value of any overseas investments to rise or fall.**

## Manager's Investment Report continued

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### Market/Economic Review

Prior to February, global economic indicators had shown that industrial activity worldwide had begun to regain some momentum from prior setbacks arising from the US-China trade dispute. However, the closely-watched global manufacturing Purchasing Managers' (PMI) composite Index highlighting economic activity took a severe turn for the worse in February, plunging to its weakest reading since 2009. It was China, and the impact of the measures launched to contain the spread of the coronavirus epidemic, that was the primary cause of the sharp fall in the PMI Index as the review year ended. Worldwide, inflationary pressures have remained subdued by historical standards. Although periodic geopolitical tensions have underpinned the oil price, continued growth in US shale production placed a cap on the upside before crude oil fell to a 4-year low at the end of February, triggered by fears over the economic impact of the coronavirus outbreak.

Global equity indices generated positive returns over the review year, despite periodic bouts of volatility associated with a rise in US-China trade tensions, and most recently a sharp sell-off in response to the spread of the coronavirus. Markets were underpinned by accommodating monetary policy, with lower US interest rates boosting demand for equities over the fourth quarter of 2019. In January, the US and China signed off on a 'phase one' trade deal, easing concerns about the impact of the trade dispute on global economic growth.

Returns from UK have been disappointing over the review year as uncertainty over Brexit negotiations overshadowed the market. However, a resounding victory for the Conservatives in the December general election heralded a rally, while Sterling also gained ground against other major currencies over the fourth quarter. The post-election rally was most notable amongst more domestically-oriented smaller companies, which outperformed globally-focused FTSE 100 Index constituents. Merger and acquisition activity has underpinned Mid 250 stocks in particular, as a combination of Sterling's earlier weakness, attractive valuations and the low cost of borrowing has encouraged takeover bids from acquisitive corporations and private equity investors. However, the market recorded heavy losses in February as political uncertainty over negotiations on a trade deal with the EU added to concerns over the impact of the coronavirus.

In GBP terms, the UK major sectors such as Leisure Goods (+101.28%), Technology Hardware & Equipment (+40.19%) and Electricity (+22.31%) showed the largest positive returns during the review year, whilst Industrials Metals & Mining (-43.32%) and Automobile & Parts (-39.33%) and Fixed Line Telecommunications (-31.43%) were the worst performing sectors on a price only basis.

In the UK again in GBP terms, the FTSE 250 Index (+0.78%) has weathered the market turbulence much better than the FTSE 100 Index (-6.98%) and has also outperformed small-cap stocks in the FTSE Small Cap Index (-0.70%) which have greater domestic focus.

## Manager's Investment Report continued

### Fund Review

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

During the year under review there were four Index reviews carried out by FTSE. At the March 2019 quarterly Index review, AJ Bell was added to the Index as a new member of the FTSE All-Share parent Index and Pets at Home Group and Kier Group were promoted from the FTSE Small Cap Index. The three deletions were Edinburgh Dragon Trust, Halfords Group and Superdry. There were 49 changes to the free share capital of constituents with the largest increases being BP, Scottish Mortgage Investment Trust and Centrica. The largest decreases were Royal Dutch Shell 'A', Diageo and Rio Tinto.

The annual Index review in June 2019 resulted in Network International and Future both being added to the parent FTSE All-Share Index and five other companies being promoted from the FTSE Small Cap Index including 4imprint Group and Marston's. The deletions included Civitas Social Housing, Saga, Just Group and 888. There were 182 changes to the free share capital of constituents with the largest increases being HSBC, GlaxoSmithKline and BP and the largest decreases being Royal Dutch Shell 'A', Diageo and Rio Tinto.

The September 2019 quarterly Index review resulted in Trainline, Airtel Africa, Finable and Watches of Switzerland Group being new companies and Foresight Solar Fund and Sirius Real Estate being the only two promotions. Metro Bank, Woodford Patient Capital and Ted Baker were among the largest deletions. There were 44 changes to the free share capital of constituents with the largest increases being Anglo American, BT Group and National Grid and the largest decreases being Royal Dutch Shell 'A', Standard Chartered and Glencore.

During the December 2019 Index review C&C Group, LXI REIT and Helios Towers replaced Card Factory, NB Global Floating Rate Income Fund and Riverstone Energy. There were 47 changes to the free share capital of constituents with the largest increases being Network International, Trainline and Bovis Homes Group and the largest decreases being Royal Dutch Shell 'A', Diageo and Lloyds Banking Group.

Outside of the reviews there was a noticeable amount of activity including multiple cash takeovers by overseas companies taking advantage of the weak Pound. Jardine Lloyd Thompson Group was deleted from the Index as a result of a takeover by Marsh & McLennan, Immarsat was acquired by Canada Pension Plan, Entertainment One by Hasbro, Merlin Entertainments by Berkeley Bidco, BTG by Boston Scientific, Acacia Mining by Barrick Gold, RPC Group by Berry Bidco, Greene King by CK-Noble, BCA Marketplace by BBD Bidco, Cobham by Advent and Sophos Group by Thomas Bravo.

Other movements included: Just Eat merging with the Dutch food company firm Takeaway.com, Bovis Homes Group increasing its weight after buying Galliford Try's Linden Homes, M&G and Ninety One being added to the Index after they demerged from Prudential and Investec respectively, Charter Court Financial Services deleted following its merger with OneSavings Bank, Thomas Cook and Debenhams both liquidated and removed from the Index.

Whitbread returned £2.5 billion via a tender offer following the sale of Costa Coffee to Coca-Cola reducing its shares and Index weight by 25%. Other noteworthy capital

## Manager's Investment Report continued

repayments included special dividends by Rio Tinto, Royal Bank of Scotland Group, Barratt Developments, Admiral Group, Wm Morrison Supermarkets and International Consolidated Airlines Group.

Companies raising capital via rights issues or open offers included LXI REIT, Marks & Spencer Group. Companies that sourced smaller amounts of capital as a percentage of themselves included UNITE Group, Brewin Dolphin, Primary Health Properties, WH Smith and Energean Oil & Gas.

At the end of the review year the three largest stocks in the Index were Royal Dutch Shell (6.60%), HSBC (5.30%), and AstraZeneca (4.45%).

### Outlook

Looking ahead, the focus will remain on the Coronavirus and policies put in place to arrest its spread as well as mitigating fiscal and monetary support. Markets are expecting an extended period of economic weakness, but with a relatively swift recovery boosted by interest rate cuts and government support. The infection trend during February suggests that a more dramatic recovery is unlikely, but such a scenario would probably lead to a significant market recovery alongside higher government bond yields. On the downside, we could see a more prolonged recession take place if the Coronavirus continues to spread and governments put in place more aggressive containment policies.

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

### Important note from the Manager

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

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

Legal & General Investment Management Limited  
(Investment Adviser)  
27 March 2020

## Authorised Status

### Authorised Status

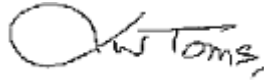
This Fund is an Authorised Unit Trust Scheme as defined in section 243 of the Financial Services and Markets Act 2000 and is a UCITS Retail Scheme within the meaning of the FCA Collective Investment Schemes sourcebook.

### Directors' Statement

We hereby certify that this Manager's Report has been prepared in accordance with the requirements of the FCA Collective Investment Schemes sourcebook.



A. J. C. Craven  
(Director)



L. W. Toms  
(Director)

Legal & General (Unit Trust Managers) Limited  
24 April 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 Fund and of the net income and net gains or losses on the property of the Fund for the period.

In preparing the financial statements, the Manager is responsible for:

- selecting suitable accounting policies and then applying them consistently;
- making judgements and estimates that are reasonable and prudent;
- following UK accounting standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland;
- complying with the disclosure requirements of the Statement of Recommended Practice for UK Authorised Funds issued by the Investment Management Association in May 2014;
- keeping proper accounting records which enable it to demonstrate that the financial statements as prepared comply with the above requirements;
- assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern;
- using the going concern basis of accounting unless they either intend to liquidate the Fund or to cease operations, or have no realistic alternative but to do so;
- such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; and
- taking reasonable steps for the prevention and detection of fraud and irregularities.

The Manager is responsible for the management of the Fund in accordance with its Trust Deed, the Prospectus and the COLL Rules.

## Statement of Responsibilities continued

### Statement of the Trustee's Responsibilities

The Depositary in its capacity as Trustee of Legal & General UK 350 Index Fund must ensure that the Fund is managed in accordance with the Financial Conduct Authority's Collective Investment Schemes Sourcebook ("COLL"), the Financial Services and Markets Act 2000, as amended, (together "the Regulations"), the Trust Deed and Prospectus (together "the Scheme documents") as detailed below.

The Depositary must in the context of its role act honestly, fairly, professionally, independently and in the interests of the Fund and its investors.

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

The Depositary must ensure that:

- the Fund's cash flows are properly monitored and that cash of the Fund is booked in cash accounts in accordance with the Regulations;
- the sale, issue, repurchase, redemption and cancellation of units are carried out in accordance with the Regulations;
- the value of units of the Fund are calculated in accordance with the Regulations;
- any consideration relating to transactions in the Fund's assets is remitted to the Fund within the usual time limits;
- the Fund's income is applied in accordance with the Regulations; and
- the instructions of the Authorised Fund Manager ("the AFM"), which is the UCITS Management Company, are carried out (unless they conflict with the Regulations).

# Report of the Trustee

## **Report of the Trustee to the Unitholders of the Legal & General UK 350 Index Fund ("the Fund") for the year ended 28 February 2020**

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

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

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

Northern Trust Global Services SE UK Branch  
UK Trustee and Depositary Services  
24 April 2020

## Portfolio Statement

### Portfolio Statement as at 28 February 2020

All investments are in ordinary shares unless otherwise stated. The percentages in brackets show the equivalent holdings at 28 February 2019.

Holding/ Nominal Value	Investment	Market Value £	% of Net Assets
	<b>EQUITIES — 98.62% (95.76%)</b>		
	<b>UNITED KINGDOM</b>		
	<b>— 89.81% (87.64%)</b>		
	<b>Oil &amp; Gas Producers</b>		
	<b>— 10.60% (13.72%)</b>		
1,258,385	BP	5,000,822	3.90
36,855	Cairn Energy	50,528	0.04
5,939	Energean Oil & Gas	38,366	0.03
48,000	Premier Oil	36,701	0.03
31,905	Royal Dutch Shell 'A'	533,196	0.42
237,422	Royal Dutch Shell 'B'	3,960,674	3.09
234,239	Royal Dutch Shell 'A' (Dutch Listing)	3,941,702	3.07
87,111	Tullow Oil	27,858	0.02
		<b>13,589,847</b>	<b>10.60</b>
	<b>Oil Equipment, Services &amp; Distribution — 0.14% (0.20%)</b>		
9,600	Hunting	29,914	0.02
42,566	John Wood Group	151,109	0.12
		<b>181,023</b>	<b>0.14</b>
	<b>Chemicals — 0.67% (0.76%)</b>		
7,815	Croda International	354,957	0.28
37,440	Elementis	37,702	0.03
12,117	Johnson Matthey	295,655	0.23
20,598	Synthomer	57,798	0.05
5,232	Victrix	108,512	0.08
		<b>854,624</b>	<b>0.67</b>
	<b>Forestry &amp; Paper — 0.37% (0.29%)</b>		
30,739	Mondi	472,920	0.37
	<b>Industrial Metals &amp; Mining — 0.11% (0.17%)</b>		
34,790	Evrax	113,728	0.09
17,747	Ferrexpo	23,169	0.02
		<b>136,897</b>	<b>0.11</b>
	<b>Mining — 4.71% (5.07%)</b>		
78,267	Anglo American	1,394,405	1.09
22,578	Antofagasta	171,999	0.13
131,729	BHP Group	1,851,583	1.44
11,467	Fresnillo	73,389	0.06
15,000	Hochschild Mining	24,930	0.02
14,310	KAZ Minerals	57,254	0.05
69,650	Rio Tinto	2,459,342	1.92
		<b>6,032,902</b>	<b>4.71</b>

## Portfolio Statement continued

Holding/ Nominal Value	Investment	Market Value £	% of Net Assets
	<b>Construction &amp; Materials</b>		
	<b>— 0.30% (0.60%)</b>		
43,229	Balfour Beatty	106,084	0.08
6,400	Galliford Try	9,751	0.01
21,100	Ibstock	58,658	0.05
12,383	Marshalls	90,210	0.07
2,500	Morgan Sindall Group	43,550	0.03
13,000	Polypipe Group	69,615	0.06
		<b>377,868</b>	<b>0.30</b>
	<b>Aerospace &amp; Defense</b>		
	<b>— 2.04% (1.96%)</b>		
1,800	Avon Rubber	49,387	0.04
31,654	Babcock International Group	141,778	0.11
203,191	BAE Systems	1,237,027	0.96
49,578	Meggitt	264,449	0.21
34,480	QinetiQ Group	118,749	0.09
106,175	Rolls-Royce	675,273	0.53
26,785	Senior	37,365	0.03
4,635	Ultra Electronics	88,529	0.07
		<b>2,612,557</b>	<b>2.04</b>
	<b>General Industrials — 0.59% (0.70%)</b>		
92,535	Coats Group	55,984	0.04
80,351	DS Smith	253,588	0.20
25,010	Smiths Group	379,777	0.30
14,590	Vesuvius	60,169	0.05
		<b>749,518</b>	<b>0.59</b>
	<b>Electronic &amp; Electrical Equipment</b>		
	<b>— 0.65% (0.50%)</b>		
24,088	Halma	464,176	0.36
18,737	Morgan Advanced Materials	52,801	0.04
3,000	Oxford Instruments	40,980	0.03
2,110	Renishaw	72,204	0.06
7,447	Spectris	206,058	0.16
		<b>836,219</b>	<b>0.65</b>
	<b>Industrial Engineering</b>		
	<b>— 0.85% (0.73%)</b>		
11,760	Bodycote	88,612	0.07
4,990	Hill & Smith	66,567	0.05
17,055	IMI	167,275	0.13
55,694	Rotork	155,943	0.12
4,637	Spirax-Sarco Engineering	389,044	0.31
16,451	The Weir Group	221,677	0.17
		<b>1,089,118</b>	<b>0.85</b>
	<b>Industrial Transportation</b>		
	<b>— 0.24% (0.29%)</b>		
1,615	Clarkson	40,536	0.03
2,000	James Fisher & Sons	34,280	0.03
59,178	Royal Mail	95,484	0.07

## Portfolio Statement continued

Holding/ Nominal Value	Investment	Market Value £	% of Net Assets
	<b>Industrial Transportation — (cont.)</b>		
51,924	Signature Aviation	142,947	0.11
		<hr/>	<hr/>
		313,247	0.24
	<b>Support Services — 3.25% (2.74%)</b>		
15,593	Aggreko	104,442	0.08
29,178	Ashtead Group	697,938	0.54
21,209	Bunzl	404,031	0.31
105,505	Capita	138,317	0.11
7,109	Diploma	132,867	0.10
27,731	Electrocomponents	163,336	0.13
21,250	Equiniti Group	41,650	0.03
17,099	Essentra	59,470	0.05
13,594	Finablr	8,082	0.01
98,775	G4S	167,276	0.13
86,431	Hays	119,448	0.09
17,363	HomeServe	203,668	0.16
36,798	Howden Joinery Group	234,403	0.18
10,176	Intertek Group	532,612	0.42
22,840	Network International	122,422	0.10
19,630	PageGroup	78,638	0.06
4,200	PayPoint	35,742	0.03
115,972	Rentokil Initial	558,405	0.44
71,552	Serco Group	106,040	0.08
35,680	SIG	21,604	0.02
16,247	Travis Perkins	237,125	0.18
		<hr/>	<hr/>
		4,167,516	3.25
	<b>Automobiles &amp; Parts — 0.03% (0.05%)</b>		
3,638	Aston Martin Lagonda Global	11,656	0.01
12,269	Ti Fluid Systems	24,317	0.02
		<hr/>	<hr/>
		35,973	0.03
	<b>Beverages — 3.26% (3.27%)</b>		
5,748	A.G. Barr	30,637	0.02
16,959	Britvic	144,830	0.11
146,320	Diageo	4,006,241	3.13
		<hr/>	<hr/>
		4,181,708	3.26
	<b>Food Producers — 0.67% (0.62%)</b>		
21,897	Associated British Foods	495,748	0.39
7,524	Bakkavor Group	7,915	—
3,351	Cranwick	112,594	0.09
4,000	Hilton Food Group	39,400	0.03
29,278	Tate & Lyle	207,464	0.16
		<hr/>	<hr/>
		863,121	0.67
	<b>Household Goods &amp; Home Construction — 3.80% (3.15%)</b>		
64,169	Barratt Developments	480,112	0.37
7,807	Bellway	291,748	0.23

## Portfolio Statement continued

Holding/ Nominal Value	Investment	Market Value £	% of Net Assets
	<b>Household Goods &amp; Home Construction — (cont.)</b>		
7,423	Berkeley Group	352,592	0.28
13,416	Bovis Homes Group	171,188	0.13
27,288	Countryside Properties	126,289	0.10
17,237	Crest Nicholson	75,464	0.06
34,000	McCarthy & Stone	45,526	0.04
19,519	Persimmon	553,754	0.43
39,569	Reckitt Benckiser Group	2,262,951	1.76
13,024	Redrow	96,508	0.08
206,172	Taylor Wimpey	413,375	0.32
		<b>4,869,507</b>	<b>3.80</b>
	<b>Leisure Goods — 0.10% (0.04%)</b>		
2,084	Games Workshop Group	131,605	0.10
	<b>Personal Goods — 2.61% (2.39%)</b>		
25,926	Burberry Group	419,612	0.33
12,951	PZ Cussons	22,949	0.02
68,794	Unilever (UK Listing)	2,886,940	2.25
5,582	Watches of Switzerland Group	18,566	0.01
		<b>3,348,067</b>	<b>2.61</b>
	<b>Tobacco — 4.18% (3.86%)</b>		
144,156	British American Tobacco	4,402,524	3.43
60,295	Imperial Brands	953,747	0.75
		<b>5,356,271</b>	<b>4.18</b>
	<b>Health Care Equipment &amp; Services — 1.01% (0.81%)</b>		
92,116	ConvaTec Group	188,562	0.15
24,664	Mediclinic International	82,994	0.06
7,026	NMC Health	65,932	0.05
55,195	Smith & Nephew	960,117	0.75
		<b>1,297,605</b>	<b>1.01</b>
	<b>Pharmaceuticals &amp; Biotechnology — 8.59% (7.22%)</b>		
82,784	AstraZeneca	5,700,506	4.45
6,417	Dechra Pharmaceuticals	165,944	0.13
4,062	Genus	123,891	0.10
309,120	GlaxoSmithKline	4,832,782	3.77
8,718	Hikma Pharmaceuticals	158,101	0.12
9,800	PureTech Health	27,440	0.02
		<b>11,008,664</b>	<b>8.59</b>
	<b>Food &amp; Drug Retailers — 1.75% (1.66%)</b>		
6,669	Greggs	140,049	0.11
103,387	J Sainsbury	201,294	0.16
27,668	Ocado Group	284,427	0.22
610,622	Tesco	1,389,776	1.08

## Portfolio Statement continued

Holding/ Nominal Value	Investment	Market Value £	% of Net Assets
<b>Food &amp; Drug Retailers — (cont.)</b>			
135,811	Wm Morrison Supermarkets	230,675	0.18
		<b>2,246,221</b>	<b>1.75</b>
<b>General Retailers — 1.65% (1.46%)</b>			
62,391	Dixons Carphone	75,836	0.06
6,343	Dunelm Group	68,568	0.05
25,866	Inchcape	144,074	0.11
23,000	JD Sports Fashion	166,612	0.13
6,816	Just Eat	449,856	0.35
134,155	Kingfisher	245,571	0.19
124,000	Marks & Spencer Group	195,610	0.15
8,043	Next	492,232	0.39
31,000	Pets at Home Group	79,732	0.06
12,449	Sports Direct International	47,754	0.04
23,765	Vivo Energy	23,527	0.02
6,577	WH Smith	128,646	0.10
		<b>2,118,018</b>	<b>1.65</b>
<b>Media — 3.37% (2.92%)</b>			
1,800	4imprint Group	50,400	0.04
25,534	Ascential	85,182	0.07
58,445	Auto Trader Group	295,030	0.23
5,436	Euromoney Institutional Investor	56,752	0.04
4,736	Future	53,706	0.04
45,000	Hyve Group	34,335	0.03
78,729	Informa	524,493	0.41
229,757	ITV	267,897	0.21
32,328	Moneysupermarket.com Group	97,178	0.07
49,184	Pearson	269,725	0.21
119,305	RELX	2,246,513	1.75
56,023	Rightmove	341,292	0.27
		<b>4,322,503</b>	<b>3.37</b>
<b>Travel &amp; Leisure — 3.13% (3.38%)</b>			
9,977	Carnival	236,654	0.18
63,734	Cineworld Group	94,996	0.07
100,171	Compass Group	1,690,887	1.32
26,029	Domino's Pizza Group	75,640	0.06
15,593	easyJet	172,459	0.13
28,000	EI Group	79,688	0.06
76,607	FirstGroup	88,022	0.07
2,785	Go-Ahead Group	53,472	0.04
11,457	InterContinental Hotels Group	491,734	0.38
4,428	J D Wetherspoon	59,025	0.05
40,000	Marston's	36,340	0.03
14,050	Mitchells & Butlers	46,716	0.04
27,399	National Express Group	111,185	0.09
8,886	Rank Group	23,592	0.02
31,000	Restaurant Group	32,736	0.03
28,006	SSP Group	144,791	0.11



## Portfolio Statement continued

Holding/ Nominal Value	Investment	Market Value £	% of Net Assets
	<b>Travel &amp; Leisure — (cont.)</b>		
28,782	Stagecoach Group	37,186	0.03
28,216	Trainline	127,960	0.10
8,511	Whitbread	331,844	0.26
51,058	William Hill	77,174	0.06
		<b>4,012,101</b>	<b>3.13</b>
	<b>Fixed Line Telecommunications — 0.66% (0.86%)</b>		
547,946	BT Group	760,549	0.59
43,919	TalkTalk Telecom Group	47,081	0.04
3,201	Telecom Plus	43,406	0.03
		<b>851,036</b>	<b>0.66</b>
	<b>Mobile Telecommunications — 1.83% (1.70%)</b>		
37,925	Airtel Africa	24,651	0.02
12,400	Helios Towers	15,550	0.01
1,695,887	Vodafone Group	2,304,710	1.80
		<b>2,344,911</b>	<b>1.83</b>
	<b>Electricity — 0.85% (0.62%)</b>		
9,300	ContourGlobal	16,647	0.01
26,757	Drax Group	69,889	0.05
64,941	SSE	1,006,261	0.79
		<b>1,092,797</b>	<b>0.85</b>
	<b>Gas, Water &amp; Multi-utilities — 2.71% (2.23%)</b>		
367,344	Centrica	269,924	0.21
217,261	National Grid	2,147,408	1.67
26,250	Pennon Group	281,925	0.22
15,047	Severn Trent	370,908	0.29
43,213	United Utilities Group	407,931	0.32
		<b>3,478,096</b>	<b>2.71</b>
	<b>Banks — 9.50% (10.36%)</b>		
2,311	Bank of Georgia Group	37,924	0.03
1,082,064	Barclays	1,631,536	1.27
9,521	Close Brothers Group	120,536	0.09
73,854	CYBG	112,037	0.09
1,277,095	HSBC	6,620,460	5.16
4,454,626	Lloyds Banking Group	2,186,330	1.71
286,468	Royal Bank of Scotland Group	508,624	0.40
167,281	Standard Chartered	941,457	0.73
2,070	TBC Bank Group	26,082	0.02
		<b>12,184,986</b>	<b>9.50</b>
	<b>Nonlife Insurance — 0.87% (0.94%)</b>		
12,564	Admiral Group	267,362	0.21
33,581	Beazley	176,804	0.14
86,793	Direct Line Insurance Group	266,368	0.21
19,348	Hastings Group	31,092	0.02

## Portfolio Statement continued

Holding/ Nominal Value	Investment	Market Value £	% of Net Assets
<b>Nonlife Insurance — (cont.)</b>			
64,936	RSA Insurance Group	333,251	0.26
15,200	Sabre Insurance Group	43,396	0.03
		1,118,273	0.87
<b>Life Insurance — 3.54% (3.76%)</b>			
246,288	Aviva	867,426	0.68
66,000	Just Group	47,520	0.04
373,363	Legal & General Group	978,958	0.76
33,424	Phoenix Group	231,495	0.18
164,084	Prudential	2,081,405	1.62
32,898	St. James's Place	332,928	0.26
		4,539,732	3.54
<b>Real Estate Investment &amp; Services — 0.32% (0.27%)</b>			
47,214	Capital & Counties Properties	93,980	0.07
10,209	CLS	25,216	0.02
286	Daejan	22,880	0.02
42,034	Grainger	127,615	0.10
7,952	Savills	86,518	0.07
11,537	St. Modwen Properties	53,301	0.04
		409,510	0.32
<b>Real Estate Investment Trusts — 2.29% (1.98%)</b>			
143,938	Assura	105,219	0.08
9,287	Big Yellow Group	100,300	0.08
59,083	British Land	293,642	0.23
6,407	Derwent London	253,717	0.20
26,100	GCP Student Living	48,964	0.04
17,502	Great Portland Estates	151,742	0.12
50,165	Hammerson	104,694	0.08
45,196	Land Securities Group	376,121	0.29
43,874	LondonMetric Property	90,293	0.07
33,000	LXI REIT	42,834	0.03
18,833	NewRiver REIT	30,170	0.02
73,680	Primary Health Properties	107,573	0.08
13,315	Safestore	105,721	0.08
68,702	SEGRO	575,723	0.45
13,873	Shaffesbury	110,360	0.09
109,510	Tritax Big Box REIT	142,144	0.11
17,455	UNITE Group	202,652	0.16
8,431	Workspace Group	96,198	0.08
		2,938,067	2.29
<b>Financial Services — 4.47% (2.89%)</b>			
60,169	3i Group	612,821	0.48
11,622	AJ Bell	40,793	0.03
25,720	Ashmore Group	120,678	0.09
17,488	Brewin Dolphin	53,933	0.04
18,963	Hargreaves Lansdown	285,109	0.22

## Portfolio Statement continued

<b>Holding/ Nominal Value</b>	<b>Investment</b>	<b>Market Value £</b>	<b>% of Net Assets</b>
	<b>Financial Services — (cont.)</b>		
23,227	IG Group	151,394	0.12
12,244	Integrafin	58,771	0.05
17,626	Intermediate Capital Group	281,663	0.22
42,670	Investec	170,083	0.13
65,819	IP Group	44,691	0.03
31,484	John Laing Group	102,701	0.08
27,562	Jupiter Fund Management	83,127	0.06
19,779	London Stock Exchange Group	1,527,334	1.19
164,084	M&G	329,481	0.26
305,637	Melrose Industries	647,339	0.51
23,344	OneSavings Bank	91,322	0.07
16,347	Paragon Banking Group	74,019	0.06
17,004	Provident Financial	70,397	0.06
122,423	Quilter	179,594	0.14
3,624	Rathbone Brothers	61,028	0.05
7,055	Schroders	202,055	0.16
3,067	Sole Realisation <sup>1</sup>	—	—
150,609	Standard Life Aberdeen	412,970	0.32
33,896	TP ICAP	123,009	0.10
		<b>5,724,312</b>	<b>4.47</b>
	<b>Equity Investment Instruments — 3.07% (2.46%)</b>		
5,751	Aberforth Smaller Companies Trust	71,542	0.06
21,177	Alliance Trust	159,886	0.12
7,343	AVI Global Trust	50,300	0.04
5,800	Baillie Gifford Japan Trust	37,932	0.03
7,724	Bankers Investment Trust	69,748	0.05
3,000	BlackRock Smaller Companies Trust	44,100	0.03
11,300	BlackRock World Mining Trust	36,160	0.03
39,170	BMO Global Smaller Companies	48,806	0.04
2,065	Caledonia Investments	59,575	0.05
22,827	City of London Investment Trust	87,427	0.07
14,395	Dexion 'B' Shares <sup>1</sup>	151	—
12,095	Edinburgh Investment Trust	64,104	0.05
34,342	F&C Investment Trust	232,152	0.18
23,490	Fidelity China Special Situations	51,208	0.04
26,817	Fidelity European Values	64,093	0.05
12,000	Fidelity Special Values	27,420	0.02
11,918	Finsbury Growth & Income Trust	94,033	0.07
89,990	Greencoat UK Wind	123,826	0.10
4,700	Henderson Smaller Companies Investment Trust	40,984	0.03
4,296	Herald Investment Trust	58,512	0.05
24,000	HgCapital Trust	55,680	0.04
113,841	HICL Infrastructure	192,619	0.15
4,300	ICG Enterprise Trust	37,066	0.03
13,842	JPMorgan American Investment Trust	60,974	0.05
7,853	JPMorgan Emerging Markets Investment Trust	73,111	0.06

## Portfolio Statement continued

Holding/ Nominal Value	Investment	Market Value £	% of Net Assets
<b>Equity Investment Instruments</b>			
<b>— (cont.)</b>			
4,690	JPMorgan Indian Investment Trust	25,450	0.02
10,500	JPMorgan Japanese Investment Trust	40,215	0.03
6,900	Jupiter European Opportunities Trust	52,371	0.04
7,672	Law Debenture	43,117	0.03
50,811	Mercantile Investment Trust	120,676	0.09
13,860	Monks Investment Trust	122,245	0.10
7,991	Murray International Trust	82,627	0.06
3,500	Pantheon International	74,900	0.06
15,303	Perpetual Income and Growth Investment Trust	43,231	0.03
144	Personal Assets Trust	59,616	0.05
8,527	Polar Capital Technology Trust	123,812	0.10
5,000	Pollen Street Secured Lending	43,200	0.03
8,119	RIT Capital Partners	153,774	0.12
10,000	Schroder AsiaPacific Fund	42,450	0.03
5,107	Scottish Investment Trust	35,749	0.03
93,419	Scottish Mortgage Investment Trust	512,870	0.40
5,471	Smithson Investment Trust	63,682	0.05
4,314	Temple Bar Investment Trust	50,819	0.04
15,617	Templeton Emerging Markets Investment Trust	116,659	0.09
20,348	TR Property Investment Trust	87,700	0.07
56,565	Witan Investment Trust	110,754	0.09
3,242	Worldwide Healthcare Trust	93,532	0.07
		<b>3,940,858</b>	<b>3.07</b>
<b>Software &amp; Computer Services</b>			
<b>— 0.97% (0.97%)</b>			
28,854	Avast	110,395	0.09
4,074	AVEVA Group	175,589	0.14
4,680	Computacenter	77,033	0.06
4,700	FDM Group	40,843	0.03
3,500	Kainos Group	26,040	0.02
18,554	Micro Focus International	132,754	0.10
69,575	Sage Group	482,851	0.38
8,110	Softcat	85,317	0.07
19,064	Sophos Group	109,389	0.08
		<b>1,240,211</b>	<b>0.97</b>
<b>Technology Hardware &amp; Equipment</b>			
<b>— 0.06% (0.04%)</b>			
38,000	Spirent Communications	79,610	0.06
<b>IRELAND — 2.20% (1.80%)</b>			
<b>Construction &amp; Materials</b>			
<b>— 1.04% (0.88%)</b>			
50,268	CRH	1,332,102	1.04
<b>General Industrials — 0.30% (0.23%)</b>			
15,009	Smurfit Kappa Group	385,131	0.30

## Portfolio Statement continued

Holding/ Nominal Value	Investment	Market Value £	% of Net Assets
	<b>Support Services — 0.36% (0.36%)</b>		
6,232	DCC	346,250	0.27
14,006	Grafton Group	121,712	0.09
		467,962	0.36
	<b>Beverages — 0.05% (0.00%)</b>		
19,475	C&C Group	64,170	0.05
	<b>Food Producers — 0.05% (0.04%)</b>		
29,508	Greencore Group	62,203	0.05
	<b>Health Care Equipment &amp; Services — 0.09% (0.07%)</b>		
15,960	UDG Healthcare	110,683	0.09
	<b>Travel &amp; Leisure — 0.31% (0.22%)</b>		
4,870	Flutter Entertainment	396,710	0.31
	<b>BERMUDA — 0.25% (0.26%)</b>		
	<b>Nonlife Insurance — 0.25% (0.26%)</b>		
17,578	Hiscox	217,967	0.17
13,035	Lancashire	96,133	0.08
		314,100	0.25
	<b>CANADA — 0.00% (0.06%)</b>		
	<b>Media — 0.00% (0.06%)</b>		
	<b>CAYMAN ISLANDS — 0.04% (0.04%)</b>		
	<b>Equity Investment Instruments — 0.04% (0.04%)</b>		
13,000	Vietnam Enterprise	52,520	0.04
	<b>CHANNEL ISLANDS — 5.03% (4.63%)</b>		
	<b>Oil Equipment, Services &amp; Distribution — 0.04% (0.05%)</b>		
16,153	Petrofac	49,848	0.04
	<b>Mining — 1.27% (1.72%)</b>		
66,284	Centamin	89,053	0.07
697,615	Glencore	1,334,677	1.04
16,971	Polymetal International	207,216	0.16
		1,630,946	1.27
	<b>Industrial Transportation — 0.00% (0.02%)</b>		
	<b>Support Services — 2.07% (1.43%)</b>		
57,296	Experian	1,475,945	1.15
14,503	Ferguson	980,403	0.76
42,384	IWG	148,301	0.12
8,000	Sanne Group	46,640	0.04
		2,651,289	2.07
	<b>Media — 0.45% (0.46%)</b>		
77,538	WPP	578,899	0.45
	<b>Travel &amp; Leisure — 0.13% (0.07%)</b>		
1,240	PPHE Hotel Group	21,204	0.02

## Portfolio Statement continued

Holding/ Nominal Value	Investment	Market Value £	% of Net Assets
	<b>Travel &amp; Leisure — (cont.)</b>		
4,099	Wizz Air	138,423	0.11
		<hr/>	<hr/>
		159,627	0.13
	<b>Real Estate Investment &amp; Services — 0.04% (0.03%)</b>		
60,128	Sirius Real Estate	48,764	0.04
	<b>Real Estate Investment Trusts — 0.05% (0.02%)</b>		
35,451	BMO Commercial Property Trust	34,919	0.03
39,626	UK Commercial Property Trust	31,423	0.02
		<hr/>	<hr/>
		66,342	0.05
	<b>Financial Services — 0.11% (0.00%)</b>		
94,056	Man Group	136,569	0.11
	<b>Equity Investment Instruments — 0.87% (0.83%)</b>		
34,208	3i Infrastructure	101,427	0.08
17,000	Apax Global Alpha	24,735	0.02
35,000	Foresight Solar Fund	39,200	0.03
56,544	GCP Infrastructure Investments	65,704	0.05
7,541	Genesis Emerging Markets Fund	53,466	0.04
5,124	HarbourVest Global Private Equity	84,648	0.07
93,638	International Public Partnerships	148,510	0.12
37,531	NextEnergy Solar Fund	43,536	0.03
13,896	Pershing Square	188,986	0.15
96,983	Renewables Infrastructure Group	126,854	0.10
17,000	Schroder Oriental Income Fund	36,550	0.03
92,259	Sequoia Economic Infrastructure Income Fund	102,965	0.08
28,064	Syncona	67,915	0.05
11,615	VinaCapital Vietnam Opportunity Fund	31,302	0.02
		<hr/>	<hr/>
		1,115,798	0.87
	<b>GERMANY — 0.13% (0.16%)</b>		
	<b>Travel &amp; Leisure — 0.13% (0.16%)</b>		
27,461	TUI (UK Listing)	168,281	0.13
	<b>GIBRALTAR — 0.01% (0.02%)</b>		
	<b>Travel &amp; Leisure — 0.01% (0.02%)</b>		
17,140	888	19,197	0.01
	<b>ISLE OF MAN — 0.26% (0.21%)</b>		
	<b>Travel &amp; Leisure — 0.26% (0.21%)</b>		
36,418	GVC	287,775	0.22
18,506	Playtech	48,227	0.04
		<hr/>	<hr/>
		336,002	0.26
	<b>ISRAEL — 0.05% (0.04%)</b>		
	<b>Financial Services — 0.05% (0.04%)</b>		
6,615	Plus500	61,811	0.05

## Portfolio Statement continued

Holding/ Nominal Value	Investment	Market Value £	% of Net Assets
	<b>LUXEMBOURG — 0.18% (0.16%)</b>		
	<b>General Retailers — 0.14% (0.13%)</b>		
53,689	B&M European Value Retail	174,704	0.14
	<b>Equity Investment Instruments — 0.04% (0.03%)</b>		
38,013	BBGI SICAV	58,920	0.04
	<b>NETHERLANDS — 0.04% (0.07%)</b>		
	<b>Industrial Engineering — 0.04% (0.07%)</b>		
1,740	RHI Magnesita	51,608	0.04
	<b>SPAIN — 0.38% (0.44%)</b>		
	<b>Travel &amp; Leisure — 0.38% (0.44%)</b>		
100,275	International Consolidated Airlines Group	493,153	0.38
	<b>SWITZERLAND — 0.24% (0.23%)</b>		
	<b>Beverages — 0.24% (0.23%)</b>		
12,268	Coca-Cola HBC	309,767	0.24
	<b>FUTURES CONTRACTS — -0.10% (0.16%)</b>		
13	FTSE 100 Index Future Expiry March 2020	(119,960)	(0.10)
<b>Portfolio of investments<sup>2,3</sup></b>		126,325,165	98.52
<b>Net other assets</b>		1,892,789	1.48
<b>Total net assets</b>		£128,217,954	100.00%

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

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

<sup>3</sup> Including investment liabilities.

Total purchases for the year: £3,877,602.

Total sales for the year: £4,871,517.

# Independent Auditor's Report

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

### **Opinion**

We have audited the financial statements of the Fund for the year ended 28 February 2020 which comprise the Statement of Total Return, the Statement of Changes in Net Assets Attributable to Unitholders, the Balance Sheet, the Related Notes and Distribution Tables for the Fund and the accounting policies set out on pages 27 to 28.

In our opinion, the financial statements:

- give a true and fair view, in accordance with UK accounting standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland, of the financial position of the Fund as at 28 February 2020 and of the net revenue and the net capital losses on the property of the Fund for the year then ended; and
- have been properly prepared in accordance with the Trust Deed, the Statement of Recommended Practice relating to UK Authorised Funds, and the COLL Rules.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the Fund in accordance with, UK ethical requirements including the FRC Ethical Standard.

We have received all the information and explanations which we consider necessary for the purposes of our audit and we believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

### **Going concern**

The Manager has prepared the financial statements on the going concern basis as they do not intend to liquidate the Fund to cease their operations, and as they have concluded that the Fund's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over their ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

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 Fund's business model and analysed how those risks might affect the Fund's financial resources or ability to continue operations over the going concern period. 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 Fund 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 Fund 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 7, the Manager is responsible for: the preparation of financial statements that give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Fund or to cease operations, or have no realistic alternative but to do so.

## **Auditor's responsibilities**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).

## 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 Fund's unitholders, as a body, in accordance with Rule 4.5.12 of the Collective Investment Schemes sourcebook ('the COLL Rules') issued by the Financial Conduct Authority under section 247 of the Financial Services and Markets Act 2000. Our audit work has been undertaken so that we might state to the Fund's unitholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Fund and the Fund's unitholders as a body, for our audit work, for this report, or for the opinions we have formed.

Jatin Patel  
for and on behalf of KPMG LLP, Statutory Auditor  
Chartered Accountants  
15 Canada Square,  
London E14 5GL  
24 April 2020

## Financial Statements

### Statement of Total Return for the year ended 28 February 2020

		28/02/20		28/02/19	
		£	£	£	£
<b>Income</b>					
Net capital losses	3		(7,672,793)		(4,056,890)
Revenue	4	6,060,211		6,196,236	
Expenses	5	(753,832)		(881,596)	
Interest payable and similar charges	7	(1,114)		(142)	
Net revenue before taxation		5,305,265		5,314,498	
Taxation	6	(58,653)		(49,847)	
Net revenue after taxation for the year			5,246,612		5,264,651
Total return before distributions			(2,426,181)		1,207,761
Distributions	7		(5,246,617)		(5,264,651)
Change in Unitholders' Funds from investment activities			<b>£(7,672,798)</b>		<b>£(4,056,890)</b>

### Statement of Change in Net Assets attributable to Unitholders for the year ended 28 February 2020

		28/02/20		28/02/19	
		£	£	£	£
Opening net assets			141,363,786		148,952,550
Amounts received on issue of units		207,132		114,586	
Amounts paid on cancellation of units		(10,841,016)		(8,841,952)	
			(10,633,884)		(8,727,366)
Change in Unitholders' Funds from investment activities			(7,672,798)		(4,056,890)
Retained distributions on accumulation units			5,160,850		5,195,147
Unclaimed distributions			—		345
Closing net assets			<b>£128,217,954</b>		<b>£141,363,786</b>

## Financial Statements continued

### Balance Sheet as at 28 February 2020

		28/02/20 £	28/02/19 £
<b>ASSETS</b>			
<b>Fixed assets:</b>			
Investments		126,445,125	135,594,513
<b>Current assets:</b>			
Debtors	8	690,528	932,633
Cash and bank balances	9	1,698,167	5,203,229
<b>Total assets</b>		<u><b>128,833,820</b></u>	<u><b>141,730,375</b></u>
<b>LIABILITIES</b>			
Investment liabilities		(119,960)	—
<b>Creditors:</b>			
Bank overdrafts	9	(173,969)	(195,050)
Distributions payable		(602)	—
Other creditors	10	(321,335)	(171,539)
<b>Total liabilities</b>		<u><b>(615,866)</b></u>	<u><b>(366,589)</b></u>
<b>Net assets attributable to Unitholders</b>		<u><b>£128,217,954</b></u>	<u><b>£141,363,786</b></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 Management Association in May 2014 (2014 SORP).

## 2. Summary of Significant Accounting Policies

### (a) Basis of Preparation

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

The principal accounting policies which have been applied consistently are set out below.

### (b) Functional and Presentation Currency

The functional and presentation currency of the Fund is Sterling.

### (c) Recognition of Revenue

Revenue from quoted equities and non-equity shares is recognised net of attributable tax credits when the security is quoted ex-dividend. Revenue from unquoted equity investments is recognised net of attributable tax credits when the dividend is declared.

Overseas revenue received after the deduction of withholding tax is shown gross of taxation, with the taxation consequences shown within the taxation charge.

Special dividends are treated as either revenue or capital depending on the facts of each particular case.

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

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

All other revenue is recognised on an accruals basis.

### (d) Treatment of Expenses

All expenses (other than those relating to the purchase and sale of investments) are charged against revenue on an accruals basis.

## Notes to the Financial Statements continued

### 2. Summary of Significant Accounting Policies continued

#### (e) Distribution Policy

The policy is to distribute all available revenue, after deduction of those expenses which are chargeable in calculating the distribution. In order to conduct a controlled dividend flow, interim distributions will be at the Manager's discretion, up to a maximum of the distributable revenue for the period. All remaining revenue is distributed in accordance with the COLL.

Fund management fees are deducted from revenue for the purpose of calculating the distribution.

The ordinary element of stock dividends is treated as revenue and forms part of the distribution. In the case of an enhanced stock dividend, the value of the enhancement is treated as capital and does not form part of the distribution.

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

#### (f) Basis of Valuation of Investments

All investments are valued at their fair value as at 12 noon on 28 February 2020, being the last working day of the accounting year. The fair value for non-derivative securities is bid market price. The fair value for derivative instruments is the cost of closing out the contract on the last working day of the accounting year.

Where values cannot be readily determined, the securities are valued at the Manager's best assessment of their fair and reasonable value.

#### (g) Taxation

Provision is made for taxation at current rates on the excess of investment revenue over expenses, with relief for overseas taxation taken where appropriate.

Deferred tax is provided for on all timing differences that have originated but not reversed by the balance sheet date, other than those differences that are regarded as permanent. Any liability to deferred tax is provided for at the average rate of tax expected to apply.

#### (h) Foreign Exchange

Transactions in foreign currencies are translated at the rate of exchange ruling on the date of the transaction. Where applicable, assets and liabilities denominated in foreign currencies are translated into Sterling at the rates of exchange ruling at 12 noon on 28 February 2020, being the last working day of the accounting year.

#### (i) Derivative Instruments

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

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

## Notes to the Financial Statements continued

### 3. Net capital losses

	28/02/20	28/02/19
	£	£
The net capital losses during the year comprise:		
Non-derivative securities	(7,779,465)	(4,150,967)
Derivative securities	105,513	83,948
Forward currency contracts	(1,119)	13,226
Currency gains/(losses)	<u>2,278</u>	<u>(3,097)</u>
Net capital losses	<u>(7,672,793)</u>	<u>(4,056,890)</u>

### 4. Revenue

	28/02/20	28/02/19
	£	£
UK Franked dividends	4,714,447	5,046,130
Taxable overseas dividends	3,454	3,139
Non-taxable overseas dividends	945,460	870,948
Interest distributions	7,148	1,705
Property dividend distributions	13,442	15,872
Property interest distributions	78,334	88,172
Futures revenue	67,689	46,208
Franked stock dividends	204,461	108,588
Unfranked stock dividends	16,608	10,705
Underwriting commission	383	—
Bank interest	<u>8,785</u>	<u>4,769</u>
	<u>6,060,211</u>	<u>6,196,236</u>

### 5. Expenses

	28/02/20	28/02/19
	£	£
Payable to the Manager, associates of the Manager and agents of either of them:		
Fund management fees	<u>753,832</u>	<u>881,596</u>
Total expenses	<u>753,832</u>	<u>881,596</u>

Audit fees of £9,167 plus VAT of £1,833 have been borne by the Manager out of its fund management fee. In the prior year, the total audit fee was £8,900 plus VAT of £1,780.

## Notes to the Financial Statements continued

### 6. Taxation

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

	28/02/20	28/02/19
	£	£
Overseas tax	58,653	49,847
Current tax [note 6(b)]	58,653	49,847
Deferred tax [note 6(c)]	—	—
Total taxation	<u>58,653</u>	<u>49,847</u>

#### (b) Factors affecting taxation charge for the year

The current tax charge excludes capital gains and losses for the reason that Authorised Unit Trusts are not subject to Corporation Tax on these items. Current tax differs from taxation assessed on net revenue before taxation as follows:

Net revenue before taxation	<u>5,305,265</u>	<u>5,314,498</u>
Net revenue before taxation multiplied by the applicable rate of Corporation tax of 20% (2019: 20%)	1,061,053	1,062,900
<b>Effects of:</b>		
DTR expensed	(140)	—
Overseas tax	58,653	49,847
Revenue not subject to taxation	(1,175,394)	(1,208,936)
Excess management expenses not utilised	<u>114,481</u>	<u>146,036</u>
Current tax	<u>58,653</u>	<u>49,847</u>

#### (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 £12,028,080 (28 February 2019: £11,913,599) due to surplus management expenses.

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

	28/02/20	28/02/19
	£	£
Interim distribution	3,411,581	3,133,523
Final distribution	1,749,871	2,061,624
	<u>5,161,452</u>	<u>5,195,147</u>
Add: Revenue deducted on cancellation of units	86,544	70,146
Less: Revenue received on creation of units	(1,379)	(642)
<b>Distributions for the year</b>	<b>5,246,617</b>	<b>5,264,651</b>
<b>Interest payable and similar charges</b>		
Bank overdraft interest	1,114	142
	<u>5,247,731</u>	<u>5,264,793</u>

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

	28/02/20	28/02/19
	£	£
Net revenue after taxation for the year	5,246,612	5,264,651
Equalisation effect of conversions	5	—
<b>Distributions for the year</b>	<b>5,246,617</b>	<b>5,264,651</b>

### 8. Debtors

	28/02/20	28/02/19
	£	£
Accrued revenue	649,024	904,543
Overseas tax recoverable	39,787	28,021
PID tax recoverable	1,717	69
	<u>690,528</u>	<u>932,633</u>

## Notes to the Financial Statements continued

### 9. Net uninvested cash

	28/02/20	28/02/19
	£	£
Amounts held at futures clearing houses and brokers	189,026	—
Cash and bank balances	1,509,141	5,203,229
Amounts due to futures clearing houses and brokers	—	(23,212)
Bank overdrafts	(173,969)	(171,838)
Net uninvested cash	<u>1,524,198</u>	<u>5,008,179</u>

### 10. Other creditors

	28/02/20	28/02/19
	£	£
Accrued expenses	57,285	56,824
Amounts payable for cancellation of units	213,480	107,616
Purchases awaiting settlement	50,570	7,099
	<u>321,335</u>	<u>171,539</u>

### 11. Contingent liabilities and outstanding commitments

There were no contingent liabilities or outstanding commitments at the balance sheet date (28 February 2019: same).

## Notes to the Financial Statements continued

### 12. Financial Instruments and Associated Risks

The investments of a Fund in financial securities and derivatives are subject to normal market fluctuations and other risks inherent in investing in such instruments. Legal & General (Unit Trust Managers) Limited (UTM) is the Authorised Fund Manager and has responsibility for ensuring appropriate risk management processes are implemented for each Unit Trust.

The UTM Board has delegated the risk oversight function to the Fund Manager Oversight Committee (FMOC), a committee of the Legal & General Investment Management (Holdings) Limited (LGIMH) Board that meets monthly. The primary objective of the FMOC is to ensure proper oversight of the investment management activities and associated services performed by LGIM, its delegates and other Fund Managers, under the Investment Management Agreement (IMA), on behalf of UTM in its capacity as Authorised Fund Manager. The committee consists of senior members of LGIMH and members of the UTM Board. Other senior staff members are also in attendance, as required by the agenda.

Each Fund has Investment Guidelines, an Investment Objective and Investment Restrictions, against which the fund manager will operate. These are set out in Schedule 1 of the IMA between LGIM and UTM. The Schedule is maintained by each fund manager, reviewed by the LGIM Operational Risk and Compliance Teams and approved senior members of LGIMH on behalf of the UTM board. The Schedule provides the detail needed to determine the risk profile for each fund. Fund managers are not permitted to invest into any new instruments without first gaining approval from UTM.

The Investment Objective and Policy of this Fund is detailed on page 2.

#### **(a) Market Risk arising from other price risk**

Market Risk arises mainly from uncertainty about future prices. It represents the potential loss the Fund may suffer through holding market positions in the face of market movements.

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting similar instruments traded in the market.

The assets held by the Fund can be seen in the Portfolio Statement starting on page 10. Movements in the prices of these investments result in movements in the performance of the Fund. The Manager adheres to the investment guidelines established in the Trust Deed, the Prospectus, the COLL and the Fund's IOG, and in this way, monitors and controls the exposure to risk from any type of security, sector or issuer.

At 28 February 2020, if the price of the investments held by the Fund increased or decreased by 5%, with all other variables remaining constant, then the net assets attributable to unitholders would increase or decrease by approximately £6,316,258 (28 February 2019: £6,779,726).

## Notes to the Financial Statements continued

### 12. Financial Instruments and Associated Risks continued

#### (b) Interest Rate Risk

Interest Rate Risk is the risk of movements in the value of financial instruments as a result of fluctuations in interest rates.

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

#### (c) Foreign Currency Risk

Foreign Currency Risk is the risk of movements in the value of financial instruments as a result of fluctuations in exchange rates. This risk may be managed by the use of forward currency contracts or currency futures as necessary.

Forward currency contracts were utilised during the current and the preceding year.

At 28 February 2020, 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 £39,780 (28 February 2019: £61,850).

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

28/02/20 Currency	Net foreign currency assets		
	Monetary exposures £'000	Non-monetary exposures £'000	Total £'000
Euro	36	3,942	3,978

28/02/19 Currency	Net foreign currency assets		
	Monetary exposures £'000	Non-monetary exposures £'000	Total £'000
Euro	29	6,091	6,120
US Dollar	—	65	65

#### (d) Credit Risk

Credit Risk is the risk of suffering financial loss as a result of a counterparty to a financial transaction being unable to fulfil their financial obligations as they fall due.

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

## Notes to the Financial Statements continued

### 12. Financial Instruments and Associated Risks continued

#### (e) Liquidity Risk

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

The Fund can also be exposed to liquidity risk through its commitments under derivative contracts, whereby additional margin payments or collateral payments may need to be posted with the counterparty or clearing house.

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

#### (f) Derivative Risk - Sensitivity Analysis

Derivative Risk arises from uncertainty about future market movements. This risk is managed by the policies shown within Market risk.

At the balance sheet date the Fund made use of the following derivatives:

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

Futures are used to adjust the equities exposure of the Fund in a cost effective manner. The effect of these instruments was to increase the exposure of the Fund by £852,215 (28 February 2019: increase the exposure by £3,880,525), representing 0.66% of the net asset value (28 February 2019: 2.75%).

This results in an effective equity exposure at the year end of 99.18% (28 February 2019: 98.67%) of net assets, which means that the gains or losses of the Fund will be 0.9918 (28 February 2019: 0.9867) times the gains or losses if the Fund was fully invested in equities.

## Notes to the Financial Statements continued

### 12. Financial Instruments and Associated Risks continued

#### (g) Fair Value

The fair value of a financial instrument is the amount for which it could be exchanged between knowledgeable, willing parties in an arm's length transaction. There is no material difference between the value of the financial assets and liabilities, as shown in the financial statements, and their fair value.

The Statement of Recommended Practice for Financial Statements of UK Authorised Funds issued by the Investment Management Association in May 2014 requires the classification of the Fund's financial instruments held at the year end into a 3 tiered fair value hierarchy. The 3 tiers of the hierarchy and the classification of the Fund's financial instruments as at the balance sheet date were:

<b>28/02/20</b>	<b>Assets</b>	<b>Liabilities</b>
<b>Basis of Valuation</b>	<b>£</b>	<b>£</b>
Level 1 - Quoted Prices	126,445,125	(119,960)
Level 2 - Observable Market Data	—	—
Level 3 - Unobservable Data	—	—
<b>Total</b>	<b>126,445,125</b>	<b>(119,960)</b>

<b>28/02/19</b>	<b>Assets</b>	<b>Liabilities</b>
<b>Basis of Valuation</b>	<b>£</b>	<b>£</b>
Level 1 - Quoted Prices	135,594,513	—
Level 2 - Observable Market Data	—	—
Level 3 - Unobservable Data	—	—
<b>Total</b>	<b>135,594,513</b>	<b>—</b>

#### Level 1

The unadjusted quoted price in an active market for assets or liabilities that the entity can access at the measurement date.

#### Level 2

Valuation techniques using observable inputs other than quoted prices within Level 1.

#### Level 3

Valuation techniques using unobservable inputs.

## Notes to the Financial Statements continued

### 13. Portfolio transaction costs

<b>28/02/20</b>	<b>Value</b>	<b>Commissions</b>		<b>Taxes</b>		<b>Total</b>
<b>Purchases</b>	<b>£'000</b>	<b>£'000</b>	<b>%</b>	<b>£'000</b>	<b>%</b>	<b>£'000</b>
Equities	3,862	1	0.03	15	0.39	3,878
<b>Total</b>	<b>3,862</b>	<b>1</b>	<b>0.03</b>	<b>15</b>	<b>0.39</b>	<b>3,878</b>

<b>28/02/20</b>	<b>Value</b>	<b>Commissions</b>		<b>Taxes</b>		<b>Total</b>
<b>Sales</b>	<b>£'000</b>	<b>£'000</b>	<b>%</b>	<b>£'000</b>	<b>%</b>	<b>£'000</b>
Equities	4,873	(1)	0.02	—	—	4,872
<b>Total</b>	<b>4,873</b>	<b>(1)</b>	<b>0.02</b>	<b>—</b>	<b>—</b>	<b>4,872</b>

Commissions and taxes as % of average net assets

Commissions 0.00%

Taxes 0.01%

<b>28/02/19</b>	<b>Value</b>	<b>Commissions</b>		<b>Taxes</b>		<b>Total</b>
<b>Purchases</b>	<b>£'000</b>	<b>£'000</b>	<b>%</b>	<b>£'000</b>	<b>%</b>	<b>£'000</b>
Equities	3,947	1	0.03	11	0.30	3,959
<b>Total</b>	<b>3,947</b>	<b>1</b>	<b>0.03</b>	<b>11</b>	<b>0.30</b>	<b>3,959</b>

<b>28/02/19</b>	<b>Value</b>	<b>Commissions</b>		<b>Taxes</b>		<b>Total</b>
<b>Sales</b>	<b>£'000</b>	<b>£'000</b>	<b>%</b>	<b>£'000</b>	<b>%</b>	<b>£'000</b>
Equities	11,006	(2)	0.02	—	—	11,004
<b>Total</b>	<b>11,006</b>	<b>(2)</b>	<b>0.02</b>	<b>—</b>	<b>—</b>	<b>11,004</b>

Commissions and taxes as % of average net assets

Commissions 0.00%

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 0.09% (28 February 2019: 0.05%).

## 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 46. 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 42 to 44. The distributions per unit class are given in the distribution tables on page 40. All classes have the same rights on winding up.

<b>A-Class</b>	<b>Accumulation</b>
Opening Units	87,970,469
Units issued	90,503
Units cancelled	(6,414,022)
Units converted	(6,014)
Closing Units	81,640,936

<b>I-Class</b>	<b>Distribution</b>	<b>Accumulation</b>
Opening Units	—	—
Units issued	93,580	2,548
Units cancelled	—	—
Units converted	—	20,484
Closing Units	93,580	23,032

### 15. Ultimate controlling party and related party transactions

The Manager is regarded as a related party to the Fund because it provides key management personnel services to the Fund. The ultimate controlling party of the Manager is Legal & General Group Plc. Subsidiaries of Legal & General Group Plc are also considered related parties to the Fund.

Legal & General (Unit Trust Managers) Limited acts as the principal on all the transactions of the units in the Fund. The aggregated monies received through creations or paid on cancellations are disclosed in the statement of change in net assets attributable to unitholders.

Equalisation amounts relating to creations and cancellations of units are shown within note 7. Fees received by the Authorised Fund Manager from the Fund plus any rebates paid by the Authorised Fund Manager to the Fund are shown within notes 3, 4 and 5 as applicable. Any outstanding fees, amounts outstanding on creations or cancellations of units in the Fund, or rebates receivable by the Fund from the Manager are shown within notes 8 and 10 as applicable.

At the year end, the Manager and its associates held 0.00% (0.00% as at 28 February 2019) of the Fund's units in issue.



## Notes to the Financial Statements continued

### 16. Post balance sheet market movements

As at the close of business on the balance sheet date the Net Asset Value per A-Class accumulation unit was 156.99p. The Net Asset Value per A-Class accumulation unit for the Fund as at 12 noon on 22 April 2020 was 135.60p. This represents a decrease of 13.63% from the year end value.

This compares to a fall in the FTSE 350 Index of 13.11% on a total return basis (Source Bloomberg). Investments in financial markets are affected by many factors, many of which have shifted following the outbreak of coronavirus, officially known as Covid-19. This Fund invests in Company shares, whose values have fallen in recent weeks, primarily on concerns about how Covid-19 will affect the economy and economic growth around the world. Global growth is likely to be slower as efforts to contain the virus are implemented.

## Distribution Tables

### Distribution Tables for the year ended 28 February 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	
			01/03/19	to 31/08/19
<b>A-Class</b>			<b>Distribution</b>	<b>Distribution</b>
<b>Accumulation Units</b>			<b>Revenue</b>	<b>Equalisation</b>
	<b>Revenue</b>	<b>Equalisation</b>	<b>31/10/19</b>	<b>31/10/18</b>
Group 1	4.0289	—	4.0289	3.4668
Group 2	2.2604	1.7685	4.0289	3.4668

Final dividend distribution in pence per unit			Period	
			01/09/19	to 28/02/20
<b>A-Class</b>			<b>Distribution</b>	<b>Distribution</b>
<b>Accumulation Units</b>			<b>Revenue</b>	<b>Equalisation</b>
	<b>Revenue</b>	<b>Equalisation</b>	<b>30/04/20</b>	<b>30/04/19</b>
Group 1	2.1424	—	2.1424	2.3435
Group 2	1.2060	0.9364	2.1424	2.3435
<b>I-Class</b>			<b>Distribution</b>	<b>Distribution</b>
<b>Distribution Units</b>			<b>Revenue</b>	<b>Equalisation</b>
	<b>Revenue</b>	<b>Equalisation</b>	<b>30/04/20</b>	<b>30/04/19</b>
Group 1	0.6434	—	0.6434	N/A
Group 2	0.1958	0.4476	0.6434	N/A
<b>I-Class</b>			<b>Distribution</b>	<b>Distribution</b>
<b>Accumulation Units</b>			<b>Revenue</b>	<b>Equalisation</b>
	<b>Revenue</b>	<b>Equalisation</b>	<b>30/04/20</b>	<b>30/04/19</b>
Group 1	0.6434	—	0.6434	N/A
Group 2	—	0.6434	0.6434	N/A

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 42 to 44 for the launch date of these classes.

## Fund Information

The Comparative Tables on pages 42 to 44 give the performance of each active unit class in the Fund.

The 'Return after charges' disclosed in the Comparative Tables is calculated as the return after operating charges per unit divided by the opening net asset value per unit. It differs from the Fund's performance disclosed in the Manager's report, which is calculated based on the latest published price.

Portfolio transaction costs are incurred when investments are bought or sold by a fund in order to achieve the investment objective. These transaction costs affect an investor in different ways depending on whether they are joining, leaving or continuing with their investment in the Fund.

Direct transaction costs include broker commission and taxes. Broker commission includes the fee paid to a broker to execute the trades and research costs.

In addition, there are indirect portfolio transaction costs arising from the 'dealing spread' – the difference between the buying and selling prices of underlying investments in the portfolio. Unlike shares whereby broker commissions and stamp duty are paid by a fund on each transaction, other types of investments (such as bonds, money instruments, derivatives, collective investment schemes) do not have separately identifiable transaction costs; these costs form part of the dealing spread. Dealing spreads vary considerably depending on the transaction value and money market sentiment.

## Fund Information continued

### Comparative Tables

#### A-Class Accumulation Units

#### Change in Net Asset Value per Unit

Accounting Year ending	28/02/20 (pence per unit)	28/02/19 (pence per unit)	28/02/18 (pence per unit)
Opening net asset value per unit	160.69	159.51	153.81
Return before operating charges*	(2.81)	2.16	7.27
Operating charges (calculated on average price)	(0.89)	(0.98)	(1.57)
Return after operating charges*	(3.70)	1.18	5.70
Distributions	(6.17)	(5.81)	(4.37)
Retained distributions on accumulation units	6.17	5.81	4.37
Closing net asset value per unit <sup>^</sup>	156.99	160.69	159.51
* after direct transaction costs of:	0.02	0.02	0.02

#### Performance

Return after charges	(2.30)%	0.74%	3.71%
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#### Other Information

Closing net asset value (£)	128,164,814	141,363,786	148,952,550
Closing number of units	81,640,936	87,970,469	93,379,602
Operating charges <sup>†</sup>	0.52%	0.60%	0.98%
Direct transaction costs	0.01%	0.01%	0.01%

#### Prices

Highest unit price	181.60p	175.00p	170.20p
Lowest unit price	157.30p	148.60p	152.40p

<sup>^</sup> Due to the adjustments made to reverse the canceled dividend accrual at year end, the closing net asset value was reduced significantly.

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

**Past performance is not a guide to future performance.**

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

**Exchange rate changes may cause the value of any overseas investments to rise or fall.**

## Fund Information continued

### Comparative Tables continued

#### I-Class Distribution Units

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

Accounting Period ending	23/09/19 to 28/02/20 <sup>1</sup> (pence per unit)
Opening net asset value per unit	50.00
Return before operating charges*	(3.89)
Operating charges (calculated on average price)	(0.03)
Return after operating charges*	(3.92)
Distributions on income units	(0.64)
Closing net asset value per unit <sup>^</sup>	45.44
* after direct transaction costs of:	—

#### Performance

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

Closing net asset value (£)	42,525
Closing number of units	93,580
Operating charges <sup>†</sup>	0.10%
Direct transaction costs	0.01%

#### Prices

Highest unit price	53.28p
Lowest unit price	46.17p

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

<sup>^</sup> Due to the adjustments made to reverse the canceled dividend accrual at year end, the closing net asset value was reduced significantly.

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

**Past performance is not a guide to future performance.**

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

**Exchange rate changes may cause the value of any overseas investments to rise or fall.**

## Fund Information continued

### Comparative Tables continued

#### I-Class Accumulation Units

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

Accounting Period ending	23/09/19 to 28/02/20 <sup>1</sup> (pence per unit)
Opening net asset value per unit	50.00
Return before operating charges*	(3.88)
Operating charges (calculated on average price)	(0.03)
Return after operating charges*	(3.91)
Distributions	(0.64)
Retained distributions on accumulation units	0.64
Closing net asset value per unit <sup>^</sup>	46.09
* after direct transaction costs of:	—

#### Performance

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

Closing net asset value (£)	10,615
Closing number of units	23,032
Operating charges <sup>†</sup>	0.10%
Direct transaction costs	0.01%

#### Prices

Highest unit price	53.29p
Lowest unit price	46.17p

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

<sup>^</sup> Due to the adjustments made to reverse the canceled dividend accrual at year end, the closing net asset value was reduced significantly.

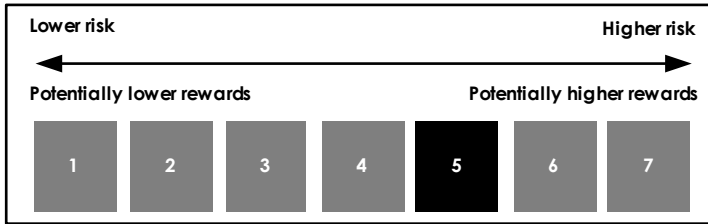
<sup>†</sup> Operating charges, otherwise known as the OCF is the ratio of the Fund's total disclosable costs (excluding overdraft interest) to the average net assets of the Fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a fund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

**Past performance is not a guide to future performance.**

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

**Exchange rate changes may cause the value of any overseas investments to rise or fall.**

## Risk and Reward Profile (unaudited)



- The Risk and Reward Indicator table demonstrates where the Fund ranks in terms of its potential risk and reward. The higher the rank the greater the potential reward but the greater the risk of losing money. It is not guaranteed to remain the same and may change over time. It is based on historical data and may not be a reliable indication of the future risk profile of the Fund. The shaded area in the table above shows the Fund's ranking on the Risk and Reward Indicator.
- The Fund is in category five because it invests in company shares which are sensitive to variations in the stock market. The value of company shares can change substantially over short periods of time. Company shares are generally considered to be higher risk investments than bonds or cash.
- Even a fund in the lowest category is not a risk free investment.

## General Information (unaudited)

### Constitution

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

### Pricing and Dealing

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

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

### Buying and Selling Units

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

### ISA Status

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

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

### Prospectus and Manager's Reports

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

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



## **General Information (unaudited) continued**

### **Information on Tracking Error**

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

Using monthly returns, over the review year, the annualised Tracking Error of the Fund is 0.10%, whilst over the last three years to the end of February 2020, the annualised Tracking Error of the Fund is 0.09%. These Tracking Errors are within the anticipated Tracking Error levels set out in the Fund's Prospectus of +/-0.50% per annum.

### **Dual Pricing Arrangement**

The Manager's fixed dual pricing arrangement has a set spread to account for the costs of transacting in a particular Fund. 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 Fund in the form of a payment from the Manager. This provides an enhanced return to the Fund, 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 350 Index Fund, as a UCITs Scheme, is required to disclose the aggregate remuneration paid by the UCITs Manager and by the UCITs Scheme to Identified Staff, together with the number of beneficiaries, and, where relevant, performance fees paid by the UCITs Scheme. The aggregate amount of remuneration must be broken down by category of employees or other staff members and be split into fixed and variable remuneration.

The following provides information on the remuneration of persons whose professional activities have a material impact on the management company and the funds we manage as at 31 December 2019:

### Controlled Functions

Headcount	Fixed Remuneration (£,000)	Variable Remuneration (£,000)	Remuneration related to this Fund (Pro-rated) (£'000)
63	12,234	16,246	75

### Material Risk Takers

Headcount	Fixed Remuneration (£,000)	Variable Remuneration (£,000)	Remuneration related to this Fund (Pro-rated) (£'000)
25	3,115	3,987	3

### 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.

### Material Risk Takers

As at 31 December 2019, UTM engaged the services of Legal & General Investment Management's Index Fund Management team, which consists of 25 investment professionals located in our London Office. The team includes a variety of Fund Managers, Analysts and Support Staff, with the Fund Managers empowered to take discretionary investment management decisions on behalf of the Fund. The team is also engaged in managing other Legal & General UTM Funds/Schemes and is also engaged by other companies in the L&G Group. The aggregate remuneration received by the members of the team, for all their services across the L&G Group, is disclosed in the table 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 Fixed Income Fund Management team.

## **General Information (unaudited) continued**

### **Assessment of Value**

We will be publishing Assessment of Value reports for our funds on [legalandgeneral.com](http://legalandgeneral.com) and [lgim.com](http://lgim.com) on 30 April 2020. Please look out for further information nearer the time.

### **Significant Changes**

#### **Change in Investment Objective and Policy**

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

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

#### **Publication of Short Report Discontinued**

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

#### **Change in Fund Name**

With effect from 23 September 2019, the L&G (Alliance & Leicester) Capital Growth Fund has changed its name to the L&G UK 350 Index Fund.

#### **New Unit Class: I-Class**

With effect from 23 September 2019, I-Class units have launched within the Fund with accumulation and distribution units available.

## General Information (unaudited) continued

### Authorised Fund Manager

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

### Directors of the Manager

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

\*Non-executive Director

### Secretary

J. McCarthy

### Registrar

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

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

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

### Trustee

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

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

### Independent Auditors

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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London EC2R 5AA  
[www.legalandgeneral.com](http://www.legalandgeneral.com)

