

Legal & General Growth Trust  
**Interim Manager's Report**  
**for the period ended**  
**15 November 2019**  
**(Unaudited)**





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# Manager's Investment Report

## Investment Objective and Policy

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

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

### Prior to 7 August 2019

The objective of the Trust is to secure capital growth by investing in a portfolio principally of UK shares.

Securities of companies with strong growth prospects will be chosen.

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

### From 7 August 2019

The objective of the Trust is to provide growth above that of the FTSE All Share TR Net Index, the "Benchmark Index". The Trust aims to outperform the Benchmark Index by 4% 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 the Manager believes have strong growth prospects. These are companies that are incorporated, listed, headquartered or which have their principal business activities in the UK.

Over a market cycle (typically three to five years), the Trust will comprise on average 25 companies in broadly equal weightings selected by the Manager following research of each company. The Trust's portfolio will be concentrated.

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

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

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

## Manager's Investment Report

During the period under review, the bid price of the Trust's R- Class accumulation units rose by 5.23%. This compares to a rise in the FTSE All-Share Index of 3.21% 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.**

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

## Market/Economic Review

Global equity indices posted modest gains in Sterling terms over the review period, as volatility reasserted itself during May and August with an escalation in US-China trade tensions. Markets were underpinned by an accommodative stance from the major central banks with US Federal Reserve (Fed) opting to cut interest rates in July,

## Manager's Investment Report continued

September and October, aimed at keeping a decline in earnings expectations from morphing into a broader recession.

UK equities have underperformed global indices, and have struggled to make any headway over the period. Uncertainty over Brexit negotiations increased scepticism amongst investors globally that the UK's withdrawal from the European Union can be resolved in a timely and efficient manner. The UK economy shrank during the second quarter for the first time in almost seven years, as stockpiling activity slowed and Brexit uncertainty intensified against a backdrop of weaker global growth. More domestically-oriented smaller companies underperformed the broader market.

### Trust Review

The Trust delivered a positive return over the period. Stock selection was a consistent contributor to performance throughout the six months.

Online food takeaway platform business, Just Eat saw its share rebound strongly after a rival bid from Prosus. While Just Eat management dismissed the bid as unacceptable, this has now become a complex situation, given the ongoing Just Eat/Takeaway merger. From our perspective, it comes down to whether existing shareholders are happy to receive cash or if they want to remain invested in a larger and stronger business, with potentially superior future value. Time will also tell if this becomes part of a larger scale industry consolidation.

JD Sports Fashion continues to show industry leadership. The sportswear retailer reported a very encouraging H1 performance against a challenging retail backdrop. Management upgraded guidance on the back of outperformance in like-for-like sales for the UK and JD Europe fascia, alongside impressive early-stage progress as part of the ongoing Finish Line turnaround. Brand awareness and engagement with consumers on social channels is at all-time highs, while we believe management's focus on best-in-class execution and disciplined international store roll-out ensures the business is well-positioned for long term growth.

Boohoo.com continued its positive momentum through the latter half of the period. The company appears well placed as a diversified brand owner, whilst benefiting from structural margin advantage and its position as a leader on social channels. Our recent discussion with management on sustainability also helped illustrate improvements to the structure of the business and the long-term opportunity.

We switched our holding of NMC Health into Helios Towers. Helios Towers owns and operates telecoms towers and infrastructure in five high-growth African markets, each with robust barriers to entry. This focus on infrastructure enables mobile services at a lower cost and higher quality of service to traditional single owner models. Importantly, Helios Towers benefit from a strong customer base and for each tower site the economics materially improve with additional tenants. Given the thematic and demographic appeal, the company recently successfully completed its IPO listing. For NMC Health, we exited our position given broader market concerns over downside from the tough backdrop in the UAE and Saudi Arabia, alongside potential execution issues following an intense period of merger and acquisition activity. We will continue to monitor developments, given our belief in the strong long-term growth potential for its multi-vertical operations.

## **Manager's Investment Report continued**

### **Outlook**

Encouragingly, we have seen a recent uptick of investor interest in UK equities. In addition to supportive policy measures from both the government and the Bank of England, the momentum of positive company earnings and growth next year will be crucial for market returns.

Legal & General Investment Management Limited  
(Investment Adviser)  
10 December 2019

## Authorised Status

### Authorised Status

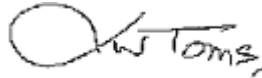
This Trust is an Authorised Unit Trust Scheme as defined in section 243 of the Financial Services and Markets Act 2000 and is a UCITS Retail Scheme within the meaning of the FCA Collective Investment Schemes sourcebook.

### 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  
7 January 2020

## Portfolio Statement

### Portfolio Statement as at 15 November 2019

All investments are in ordinary shares unless otherwise stated. The percentages in brackets show the equivalent holdings at 15 May 2019.

Holding/ Nominal Value	Investment	Market Value £	% of Net Assets
	<b>UNITED KINGDOM</b>		
	— 74.61% (70.06%)		
	<b>Construction &amp; Materials</b>		
	— 3.89% (3.62%)		
3,790,500	Melrose Industries	8,308,776	3.89
	<b>Industrial Engineering</b>		
	— 3.81% (3.68%)		
578,369	The Weir Group	8,140,544	3.81
	<b>Support Services — 15.64% (16.11%)</b>		
346,420	Ashtead Group	8,175,512	3.83
1,532,915	Network International	8,047,804	3.77
1,914,000	Rentokil Initial	8,505,816	3.98
1,459,506	RWS	8,684,060	4.06
		33,413,192	15.64
	<b>Automobiles &amp; Parts</b>		
	— 3.96% (3.40%)		
1,733,524	Aston Martin Lagonda Global	8,464,798	3.96
	<b>Beverages — 3.95% (4.07%)</b>		
464,335	Fevertree Drinks	8,441,610	3.95
	<b>Health Care Equipment &amp; Services</b>		
	— 0.00% (3.71%)		
	<b>Pharmaceuticals &amp; Biotechnology</b>		
	— 4.18% (0.00%)		
676,630	Abcam	8,931,516	4.18
	<b>Food &amp; Drug Retailers</b>		
	— 4.14% (3.71%)		
780,861	Ocado Group	8,831,538	4.14
	<b>General Retailers</b>		
	— 15.54% (15.99%)		
243,538	ASOS	7,525,324	3.52
1,134,600	JD Sports Fashion	8,470,924	3.97
1,179,011	Just Eat	8,804,854	4.12
6,951,351	Vivo Energy	8,397,232	3.93
		33,198,334	15.54
	<b>Travel &amp; Leisure — 3.63% (3.90%)</b>		
3,895,894	Cineworld Group	7,760,621	3.63
	<b>Mobile Telecommunications</b>		
	— 4.44% (0.00%)		
7,887,883	Helios Towers	9,473,347	4.44
	<b>Financial Services — 3.67% (4.10%)</b>		
737,860	3i Group	7,832,384	3.67



## Portfolio Statement continued

Holding/ Nominal Value	Investment	Market Value £	% of Net Assets
	<b>Software &amp; Computer Services</b> — 7.76% (7.77%)		
190,342	AVEVA Group	8,329,366	3.90
1,446,955	Sophos Group	8,233,174	3.86
		<hr/>	<hr/>
		16,562,540	7.76
	<b>CHANNEL ISLANDS — 7.96% (8.23%)</b>		
	<b>General Retailers — 3.99% (4.15%)</b>		
3,284,626	Boohoo.com	8,533,458	3.99
	<b>Travel &amp; Leisure — 3.97% (4.08%)</b>		
219,505	Wizz Air	8,475,088	3.97
	<b>GERMANY — 3.65% (3.94%)</b>		
	<b>Travel &amp; Leisure — 3.65% (3.94%)</b>		
487,829	TUI	5,123,699	2.40
255,195	TUI (UK Listing)	2,680,823	1.25
		<hr/>	<hr/>
		7,804,522	3.65
	<b>ISLE OF MAN — 0.00% (3.31%)</b>		
	<b>Travel &amp; Leisure — 0.00% (3.31%)</b>		
	<b>LUXEMBOURG — 4.07% (3.85%)</b>		
	<b>General Retailers — 4.07% (3.85%)</b>		
2,343,538	B&M European Value Retail	8,692,183	4.07
	<b>NETHERLANDS — 4.09% (3.82%)</b>		
	<b>Industrial Engineering</b> — 4.09% (3.82%)		
221,385	RHI Magnesita	8,744,708	4.09
	<b>SWITZERLAND — 4.18% (4.31%)</b>		
	<b>Beverages — 4.18% (4.31%)</b>		
356,800	Coca-Cola HBC	8,923,568	4.18
		<hr/>	<hr/>
	<b>Portfolio of investments<sup>1</sup></b>	210,532,727	98.56
	<b>Net other assets</b>	3,067,169	1.44
	<b>Total net assets</b>	<hr/>	<hr/>
		£213,599,896	100.00%

<sup>1</sup> All investments are admitted to an official stock exchange unless otherwise stated.

Total purchases for the period: £73,026,077.

Total sales for the period: £74,655,342.

## Financial Statements

### Statement of Total Return for the period ended 15 November 2019

	15/11/19		15/11/18	
	£	£	£	£
<b>Income</b>				
Net capital gains/ (losses)		9,721,947		(20,070,458)
Revenue	2,616,305		1,698,387	
Expenses	(881,863)		(1,573,310)	
Interest payable and similar charges	(549)		(28)	
<b>Net revenue before taxation</b>	<u>1,733,893</u>		<u>125,049</u>	
Taxation	(69,179)		(14,643)	
<b>Net revenue after taxation for the period</b>		<u>1,664,714</u>		<u>110,406</u>
<b>Total return before distributions</b>		11,386,661		(19,960,052)
Distributions		<u>(2,271,318)</u>		<u>(243,847)</u>
<b>Change in net assets attributable to Unitholders from investment activities</b>		<u><b>£9,115,343</b></u>		<u><b>£(20,203,899)</b></u>

### Statement of Change in Net Assets attributable to Unitholders for the period ended 15 November 2019

	15/11/19		15/11/18	
	£	£	£	£
<b>Opening net assets attributable to Unitholders</b>		208,064,850		203,569,258
Amounts received on issue of units	2,825,852		7,894,587	
Amounts paid on cancellation of units	<u>(8,602,655)</u>		<u>(4,014,719)</u>	
<b>Change in net assets attributable to Unitholders from investment activities</b>		<u>(5,776,803)</u>		<u>3,879,868</u>
<b>Retained distributions on accumulation units</b>		9,115,343		(20,203,899)
<b>Retained distributions on accumulation units</b>		<u>2,196,506</u>		<u>156,464</u>
<b>Closing net assets attributable to Unitholders</b>		<u><b>£213,599,896</b></u>		<u><b>£187,401,691</b></u>

The difference between the opening net assets and the comparative closing net assets is the movement in the second half of the year.

## Financial Statements continued

### Balance Sheet as at 15 November 2019

	15/11/19 £	15/05/19 £
<b>ASSETS</b>		
<b>Fixed assets:</b>		
Investments	210,532,727	202,897,751
<b>Current assets:</b>		
Debtors	285,390	489,751
Cash and bank balances	2,955,692	5,376,440
<b>Total assets</b>	<b>213,773,809</b>	<b>208,763,942</b>
<b>LIABILITIES</b>		
<b>Creditors:</b>		
Bank overdrafts	–	(354,314)
Distributions payable	(18,952)	(4,473)
Other creditors	(154,961)	(340,305)
<b>Total liabilities</b>	<b>(173,913)</b>	<b>(699,092)</b>
<b>Net assets attributable to Unitholders</b>	<b>£213,599,896</b>	<b>£208,064,850</b>

# Notes to the Financial Statements

## 1. Statement of Compliance

The Financial Statements have been prepared in compliance with UK Financial Reporting Standard 102 (FRS 102) and in accordance with the Statement of Recommended Practice for UK Authorised Funds issued by the Investment Management Association in May 2014 (2014 SORP).

## 2. Accounting Policies

The accounting policies applied are consistent with the most recent annual Financial Statements.

### (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.

## Trust Information

### Net Asset Values and Units in Issue

Class	Net Asset Value (£)	Units in Issue	Net Asset Value per Unit (p)
R-Class			
Distribution Units	1,216,395	1,276,056	95.32
Accumulation Units	13,778,064	12,016,457	114.66
F-Class			
Distribution Units	626	650	96.31
Accumulation Units	130,630	109,189	119.64
I-Class			
Distribution Units	901,247	943,372	95.53
Accumulation Units	6,285,892	4,949,533	127.00
C-Class			
Distribution Units	761,715	1,414,370	53.86
Accumulation Units	35,287,390	63,946,072	55.18
L-Class			
Accumulation Units	155,237,937	309,967,300	50.08

**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.**

### Ongoing Charges Figures

	15 Nov 19	15 May 19
R-Class	1.53%	1.53%
F-Class	1.03%	1.03%
I-Class	0.78%	0.78%
C-Class	0.50%	0.50%
L-Class	0.05%	0.05%

The Ongoing Charges Figure (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.

## Trust Information continued

### Distribution Information

#### R-Class

The distribution payable on 15 January 2020 is 0.3824p per unit for distribution units and 0.4581p per unit for accumulation units.

#### F-Class

The distribution payable on 15 January 2020 is 0.6261p per unit for distribution units and 0.7771p per unit for accumulation units.

#### I-Class

The distribution payable on 15 January 2020 is 0.7458p per unit for distribution units and 0.9838p per unit for accumulation units.

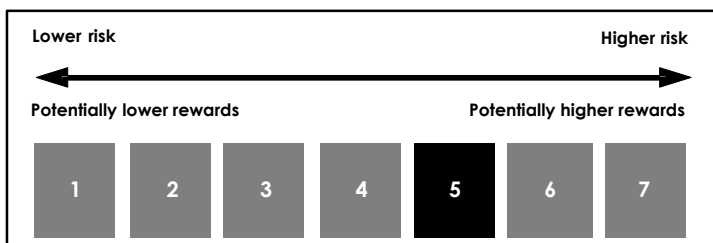
#### C-Class

The distribution payable on 15 January 2020 is 0.4971p per unit for distribution units and 0.5047p per unit for accumulation units.

#### L-Class

The distribution payable on 15 January 2020 is 0.5707p per unit for accumulation units.

## Risk and Reward Profile



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

## General Information

### Constitution

Launch date:	1 November 2000
Period end date for distributions:	15 May, 15 November
Distribution dates:	15 July, 15 January
Minimum initial lump sum investment:	R-Class £100 F-Class* £500 I-Class £1,000,000 C-Class** £20,000,000 L-Class*** £100,000
Minimum monthly contributions:	R-Class £20 F-Class* £50 I-Class N/A C-Class** N/A L-Class*** N/A
Valuation point:	12 noon
Fund management fees:	R-Class Annual 1.53% F-Class* Annual 1.03% I-Class Annual 0.78% C-Class** Annual 0.50% L-Class*** Annual 0.05%
Initial charge:	Nil for all existing unit classes

\* Class F units are available to:

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

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

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

### Pricing and Dealing

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

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



## General Information continued

### Buying and Selling Units

Units may be bought on any business day from the Manager or through a financial adviser by completing an application form or on the internet at [www.legalandgeneral.com](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 Trust may be held within this tax advantaged savings arrangement. The favourable tax treatment of ISAs may not be maintained. For full written information, please contact your usual financial adviser or ring 0370 050 0955.

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

### Prospectus and Manager's Reports

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

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

### Dual Pricing Arrangement

The Manager's fixed dual pricing arrangement has a set spread to account for the costs of transacting in a particular Trust. Where the Manager operates a box through which unit subscriptions and unit redemptions are netted into a single trade instruction to the Trustee, the netting reduces the actual transaction costs and this generates a revenue to the Manager. The revenue generated from this activity is calculated on a monthly basis and returned to the Trust in the form of a payment from the Manager. This provides an enhanced return to the Trust, though the size of any return will be dependent on the size of subscriptions and redemptions.

### 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 Trust will no longer be issued.

## General Information 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

E. Cowhey\* (appointed 9 October 2019)  
A. J. C. Craven  
S. Hynes  
H. Morrissey  
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 Depositary Services  
50 Bank Street,  
Canary Wharf,  
London E14 5NT

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

### Independent 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  
Registered in England and Wales No. 01009418  
Registered office:  
One Coleman Street,  
London EC2R 5AA  
[www.legalandgeneral.com](http://www.legalandgeneral.com)

