

Legal & General UK Property Fund
(a Sub-fund of Legal & General Investment
Funds ICVC)

**Annual Authorised
Corporate Director's
Short Report
for the year ended
28 November 2017**

**EVERY
DAY
MATTERS.®**



Investment Objective and Policy

The Sub-fund will be a Property Authorised Investment Fund (PAIF) at all times, and, as such, its investment objective is to carry on Property Investment Business and to manage cash raised from investors for investment in the Property Investment Business. In so doing, the objective of the Sub-fund is to achieve income and capital growth through investing generally in commercial property.

The investment policy is to invest a minimum of 60% of its assets in commercial property. The Sub-fund will aim to diversify risk by seeking exposure across a range of sectors of the UK commercial property market (including but not limited to retail, offices, industrial, leisure and healthcare). The Sub-fund may, from time to time, seek diversification by investing in the Isle of Man and the Channel Islands but predominantly properties will be situated in the United Kingdom.

The intention of the ACD is to invest at least 80% of the Sub-fund's assets directly in property but it may reduce this level (to no lower than 60% in commercial property) from time to time if it believes it is in the interest of maintaining scheme liquidity and performance.

The Sub-fund may invest to a lesser extent in residential properties, and may develop properties with the intention of enhancing their capital value and/or income return. The Sub-fund may also invest in other property-related assets (including property-related UK transferable securities and UK property-related collective investment schemes), in money-market instruments, deposits, money-market-related collective investment schemes and government and public securities.

The Sub-fund may use derivatives only for the purpose of efficient portfolio management.

Risk Profile

Market Risk

Market Liquidity Risk

All property investments are relatively illiquid compared to bonds and equities. Liquidity is a function both of the time to effect a sale and the extent to which it is possible to trade at the market price. Property is slow to transact in normal market conditions and hence is illiquid. In poor market conditions it will take even longer to find a buyer to pay an acceptable price.

Market Valuation Risk

The value of a property, except where it is bought or sold, is generally a matter of a valuer's opinion rather than fact and may go down as well as up. The simplest yardstick of property valuation is initial yield, which is current annual rent divided by the value of the property, including purchase costs. Property yields will fluctuate through time and may reflect the general economic cycle.

At any time, the market value of a property will, broadly, reflect market expectations for rental growth. If an investment is made in the expectation that a certain level of rental growth will be achieved and that growth fails to materialise, then the returns from holding that property are likely to be lower than anticipated. Rental growth is affected by many things: general economic conditions, local trading conditions, relative scarcity of alternative space and so on.

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 Sub-fund's only interest bearing financial instruments were its bank balances, money out on deposit and overdraft facilities. Cash is deposited, and overdraft facilities utilised, on normal commercial terms and earn or bear interest based on London Interbank Offered Rate (LIBOR) or its overseas equivalent.

Fund Facts

Period End Dates for Distributions:	28 Feb, May, Aug and Nov	
Distribution Dates:	28 Apr, Jul, Oct and Jan	
Ongoing Charges Figures*:	28 Nov 17	28 Nov 16
R-Class	1.85%	1.85%
F-Class	1.35%	1.35%
I-Class	1.10%	1.09%
C-Class	0.98%	0.99%
L-Class	0.38%	0.40%
Feeder	0.35%	0.37%
Fund Expense Ratios**:	28 Nov 17	28 Nov 16
R-Class	1.50%	1.48%
F-Class	1.00%	0.98%
I-Class	0.75%	0.72%
C-Class	0.63%	0.62%
L-Class	0.03%	0.03%
Feeder	0.00%	0.00%
Property Expense Ratios***:	28 Nov 17	28 Nov 16
R-Class	0.35%	0.37%
F-Class	0.35%	0.37%
I-Class	0.35%	0.37%
C-Class	0.35%	0.37%
L-Class	0.35%	0.37%
Feeder	0.35%	0.37%

* The Ongoing Charges Figure (OCF) is the sum of the Fund Expense Ratio (FER) and Property Expense Ratio (PER).

** The FER shows the ratio of operating costs that relate to the management of the Sub-fund to the average net assets of the Sub-fund.

*** The PER shows the ratio of operating costs that relate to the management of the property assets to the average net assets of the Sub-fund.

The OCF is the ratio of the Sub-fund's total discloseable costs (excluding overdraft interest) to the average net assets of the Sub-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.

Distribution Information

R-Class

The distribution payable on 28 January 2018 is 0.2622p per share for distribution shares (consisting of 0.2172p property distribution, net of 20% tax, 0.0050p interest distribution plus 0.0400p dividend distribution) and 0.3621p per share for accumulation shares (consisting of 0.2999p property distribution, net of 20% tax, 0.0069p interest distribution plus 0.0553p dividend distribution).

F-Class

The distribution payable on 28 January 2018 is 0.3390p per share for distribution shares (consisting of 0.2809p property distribution, net of 20% tax, 0.0064p interest distribution plus 0.0517p dividend distribution) and 0.4814p per share for accumulation shares (consisting of 0.3988p property distribution, net of 20% tax, 0.0091p interest distribution plus 0.0735p dividend distribution).

I-Class

The distribution payable on 28 January 2018 is 0.3756p per share for distribution shares (consisting of 0.3112p property distribution, net of 20% tax, 0.0071p interest distribution plus 0.0573p dividend distribution) and 0.5587p per share for accumulation shares (consisting of 0.4628p property distribution, net of 20% tax, 0.0106p interest distribution plus 0.0853p dividend distribution).

C-Class

The distribution payable on 28 January 2018 is 0.4004p per share for distribution shares (consisting of 0.3317p property distribution, net of 20% tax, 0.0076p interest distribution plus 0.0611p dividend distribution) and 0.6025p per share for accumulation shares (consisting of 0.4990p property distribution, net of 20% tax, 0.0115p interest distribution plus 0.0920p dividend distribution).

L-Class

The distribution payable on 28 January 2018 is 0.4671p per share for distribution shares (consisting of 0.3869p property distribution, net of 20% tax, 0.0089p interest distribution plus 0.0713p dividend distribution).

Feeder

The distribution payable on 28 January 2018 is 0.5602p per share for distribution shares (consisting of 0.4640p property distribution, 0.0107p interest distribution plus 0.0855p dividend distribution) and 0.8177p per share for accumulation shares (consisting of 0.6773p property distribution, 0.0156p interest distribution plus 0.1248p dividend distribution).

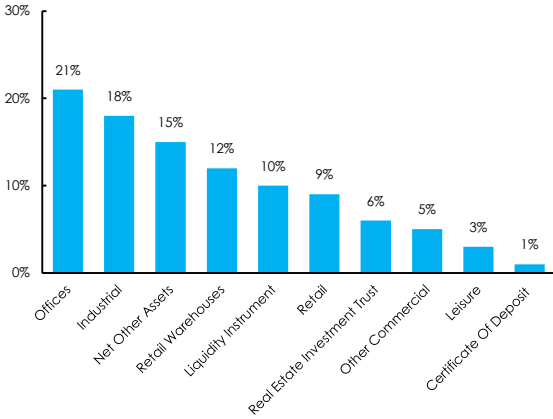
Portfolio Information

The top 10 holdings and their associated weighting at the current and preceding year ends were:

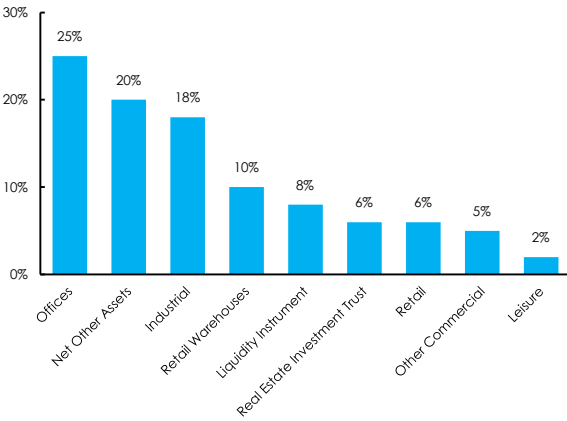
Top 10 Holdings at 28 November 2017	
Holding	Sector
LGIM Sterling Liquidity Fund	Liquidity Instrument
Fradley Park, Lichfield	Industrial
Birstall Shopping Park, Leeds	Retail Warehouses
15 Bonhill Street London	Offices
1 Colmore Square, Birmingham	Offices
Follingsby Park, Gateshead	Industrial
JVC Kenwood Unit, Staple Corner, London	Retail Warehouses
Tesco Extra, Carinal Road, Kettering, Northants	Retail Warehouses
Units 214, 216, 220, 230, 240 Cambridge Science Park, Cambridge	Offices
Hampton by Hilton Hotel Stansted, Bassingbourn Road, Stansted	Leisure

Top 10 Holdings at 28 November 2016	
Holding	Sector
LGIM Sterling Liquidity Fund	Liquidity Instrument
Fradley Park, Lichfield	Industrial
Birstall Shopping Park, Leeds	Retail Warehouses
1 Colmore Square, Birmingham	Offices
15 Bonhill Street London	Offices
Follingsby Park, Gateshead	Industrial
Units 214, 216, 220, 230, 240 Cambridge Science Park, Cambridge	Offices
St James Retail Park, Dumbarton	Retail Warehouses
55 Strand, London	Offices
Argos National Distribution Centre, Stratford	Industrial

Fund Holdings as at 28 November 2017



Fund Holdings as at 28 November 2016



Comparative Tables

R-Class Distribution Shares

Change in Net Asset Value per Share

Accounting year ending	28/11/17 (pence per share)	28/11/16 (pence per share)	28/11/15 (pence per share)
Opening net asset value per share	48.52	49.77	46.31
Return before operating charges*	5.27	1.15	5.72
Operating charges (calculated on average price)	(0.93)	(0.91)	(0.79)
Return after operating charges*	4.34	0.24	4.93
Distributions on income shares [^]	(1.11)	(1.49)	(1.47)
Closing net asset value per share	51.75	48.52	49.77
* after direct transaction costs of:	0.51	0.33	0.91

Performance

Return after charges	8.94%	0.48%	10.65%
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Other Information

Closing net asset value (£)	4,962,956	5,471,905	6,309,654
Closing number of shares	9,590,524	11,277,644	12,678,885
Fund management fee (FMF)	1.50%	1.48%	1.42%
Property expense ratio (PER)	0.35%	0.37%	0.25%
Operating charges [†]	1.85%	1.85%	1.67%
Direct transaction costs	1.01%	0.67%	1.93%

Prices

Highest share price	55.53p	55.81p	54.97p
Lowest share price	48.22p	43.53p	45.73p

[^] Distributions on income shares are shown gross of taxation – See Significant Changes on page 21.

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

Comparative Tables continued

R-Class Accumulation Shares

Change in Net Asset Value per Share

Accounting year ending	28/11/17 (pence per share)	28/11/16 (pence per share)	28/11/15 (pence per share)
Opening net asset value per share	66.80	66.87	60.72
Return before operating charges*	7.25	1.55	7.56
Operating charges (calculated on average price)	(1.29)	(1.24)	(1.04)
Return after operating charges*	5.96	0.31	6.52
Distributions [^]	(1.54)	(2.02)	(1.95)
Retained distributions on accumulation shares [^]	1.26	1.64	1.58
Closing net asset value per share	72.48	66.80	66.87
* after direct transaction costs of:	0.71	0.45	1.20

Performance

Return after charges	8.92%	0.46%	10.74%
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Other Information

Closing net asset value (£)	60,696,194	69,717,169	156,177,138
Closing number of shares	83,738,916	104,370,743	233,539,998
Fund management fee (FMF)	1.50%	1.48%	1.42%
Property expense ratio (PER)	0.35%	0.37%	0.25%
Operating charges [†]	1.85%	1.85%	1.67%
Direct transaction costs	1.01%	0.67%	1.93%

Prices

Highest share price	76.81p	75.92p	73.36p
Lowest share price	66.36p	59.19p	59.99p

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Comparative Tables

F-Class Distribution Shares

Change in Net Asset Value per Share

Accounting year ending	28/11/17 (pence per share)	28/11/16 (pence per share)	28/11/15 (pence per share)
Opening net asset value per share	50.59	51.86	48.26
Return before operating charges*	5.47	1.22	5.96
Operating charges (calculated on average price)	(0.71)	(0.69)	(0.58)
Return after operating charges*	4.76	0.53	5.38
Distributions on income shares [^]	(1.42)	(1.80)	(1.78)
Closing net asset value per share	53.93	50.59	51.86
* after direct transaction costs of:	0.53	0.34	0.95

Performance

Return after charges	9.41%	1.02%	11.15%
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Other Information

Closing net asset value (£)	523,558	463,642	324,022
Closing number of shares	970,757	916,511	624,753
Fund management fee (FMF)	1.00%	0.98%	0.92%
Property expense ratio (PER)	0.35%	0.37%	0.25%
Operating charges [†]	1.35%	1.35%	1.17%
Direct transaction costs	1.01%	0.67%	1.93%

Prices

Highest share price	56.72p	55.41p	54.62p
Lowest share price	50.25p	45.39p	47.67p

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Comparative Tables continued

F-Class Accumulation Shares

Change in Net Asset Value per Share

Accounting year ending	28/11/17 (pence per share)	28/11/16 (pence per share)	28/11/15 (pence per share)
Opening net asset value per share	70.75	70.55	63.80
Return before operating charges*	7.70	1.62	7.97
Operating charges (calculated on average price)	(1.00)	(0.95)	(0.77)
Return after operating charges*	6.70	0.67	7.20
Distributions [^]	(2.00)	(2.47)	(2.38)
Retained distributions on accumulation shares [^]	1.65	2.00	1.93
Closing net asset value per share	77.10	70.75	70.55
* after direct transaction costs of:	0.75	0.47	1.27

Performance

Return after charges	9.47%	0.94%	11.29%
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Other Information

Closing net asset value (£)	1,580,703	1,382,083	1,470,502
Closing number of shares	2,050,243	1,953,605	2,084,320
Fund management fee (FMF)	1.00%	0.98%	0.92%
Property expense ratio (PER)	0.35%	0.37%	0.25%
Operating charges [†]	1.35%	1.35%	1.17%
Direct transaction costs	1.01%	0.67%	1.93%

Prices

Highest share price	80.57p	76.46p	73.70p
Lowest share price	70.29p	62.62p	63.04p

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Comparative Tables

I-Class Distribution Shares

Change in Net Asset Value per Share

Accounting year ending	28/11/17 (pence per share)	28/11/16 (pence per share)	28/11/15 (pence per share)
Opening net asset value per share	51.00	52.29	48.65
Return before operating charges*	5.53	1.23	6.03
Operating charges (calculated on average price)	(0.58)	(0.57)	(0.44)
Return after operating charges*	4.95	0.66	5.59
Distributions on income shares [^]	(1.57)	(1.95)	(1.95)
Closing net asset value per share	54.38	51.00	52.29
* after direct transaction costs of:	0.54	0.35	0.96

Performance

Return after charges	9.70%	1.26%	11.49%
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Other Information

Closing net asset value (£)	207,317,867	155,777,187	270,855,093
Closing number of shares	381,252,008	305,434,484	518,030,912
Fund management fee (FMF)	0.75%	0.72%	0.63%
Property expense ratio (PER)	0.35%	0.37%	0.25%
Operating charges [†]	1.10%	1.09%	0.88%
Direct transaction costs	1.01%	0.67%	1.93%

Prices

Highest share price	57.21p	55.89p	55.09p
Lowest share price	50.67p	45.75p	48.06p

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Comparative Tables continued

I-Class Accumulation Shares

Change in Net Asset Value per Share

Accounting year ending	28/11/17 (pence per share)	28/11/16 (pence per share)	28/11/15 (pence per share)
Opening net asset value per share	74.80	74.44	67.16
Return before operating charges*	8.17	1.70	8.41
Operating charges (calculated on average price)	(0.86)	(0.81)	(0.61)
Return after operating charges*	7.31	0.89	7.80
Distributions [^]	(2.32)	(2.81)	(2.72)
Retained distributions on accumulation shares [^]	1.91	2.28	2.20
Closing net asset value per share	81.70	74.80	74.44
* after direct transaction costs of:	0.80	0.50	1.33

Performance

Return after charges	9.77%	1.20%	11.61%
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Other Information

Closing net asset value (£)	302,708,059	270,928,059	249,383,834
Closing number of shares	370,518,299	362,204,179	335,016,847
Fund management fee (FMF)	0.75%	0.72%	0.63%
Property expense ratio (PER)	0.35%	0.37%	0.25%
Operating charges [†]	1.10%	1.09%	0.88%
Direct transaction costs	1.01%	0.67%	1.93%

Prices

Highest share price	85.37p	80.77p	77.77p
Lowest share price	74.32p	66.14p	66.36p

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Comparative Tables

C-Class Distribution Shares

Change in Net Asset Value per Share

Accounting year ending	28/11/17 (pence per share)	28/11/16 (pence per share)	28/11/15 (pence per share)
Opening net asset value per share	52.99	54.33	50.53
Return before operating charges*	5.74	1.26	6.27
Operating charges (calculated on average price)	(0.54)	(0.53)	(0.43)
Return after operating charges*	5.20	0.73	5.84
Distributions on income shares [^]	(1.68)	(2.07)	(2.04)
Closing net asset value per share	56.51	52.99	54.33
* after direct transaction costs of:	0.56	0.36	1.00

Performance

Return after charges	9.81%	1.36%	11.56%
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Other Information

Closing net asset value (£)	72,204,662	62,385,438	987,015
Closing number of shares	127,770,580	117,741,353	1,816,589
Fund management fee (FMF)	0.63%	0.62%	0.58%
Property expense ratio (PER)	0.35%	0.37%	0.25%
Operating charges [†]	0.98%	0.99%	0.83%
Direct transaction costs	1.01%	0.67%	1.93%

Prices

Highest share price	59.47p	58.09p	57.25p
Lowest share price	52.65p	47.56p	49.92p

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Comparative Tables continued

C-Class Accumulation Shares

Change in Net Asset Value per Share

Accounting year ending	28/11/17 (pence per share)	28/11/16 (pence per share)	28/11/15 (pence per share)
Opening net asset value per share	77.82	77.39	69.79
Return before operating charges*	8.50	1.76	8.95
Operating charges (calculated on average price)	(0.80)	(0.76)	(0.80)
Return after operating charges*	7.70	1.00	8.15
Distributions [^]	(2.50)	(3.00)	(2.86)
Retained distributions on accumulation shares [^]	2.06	2.43	2.31
Closing net asset value per share	85.08	77.82	77.39
* after direct transaction costs of:	0.83	0.52	1.38

Performance

Return after charges	9.89%	1.28%	11.68%
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Other Information

Closing net asset value (£)	225,822,379	188,196,218	1,191
Closing number of shares	265,429,952	241,847,115	1,539
Fund management fee (FMF)	0.63%	0.62%	0.58%
Property expense ratio (PER)	0.35%	0.37%	0.25%
Operating charges [†]	0.98%	0.99%	0.83%
Direct transaction costs	1.01%	0.67%	1.93%

Prices

Highest share price	88.91p	83.99p	80.83p
Lowest share price	77.32p	68.81p	68.95p

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Comparative Tables

L-Class Distribution Shares

Change in Net Asset Value per Share

Accounting year ending	28/11/17 (pence per share)	28/11/16 (pence per share)	28/11/15 (pence per share)
Opening net asset value per share	51.04	52.30	48.67
Return before operating charges*	5.49	1.24	6.01
Operating charges (calculated on average price)	(0.20)	(0.21)	(0.14)
Return after operating charges*	5.29	1.03	5.87
Distributions on income shares [^]	(1.95)	(2.29)	(2.24)
Closing net asset value per share	54.38	51.04	52.30
* after direct transaction costs of:	0.54	0.35	0.96

Performance

Return after charges	10.36%	1.99%	12.06%
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Other Information

Closing net asset value (£)	79,467,164	70,002,467	55,242,259
Closing number of shares	146,135,683	137,140,986	105,616,694
Fund management fee (FMF)	0.03%	0.03%	0.03%
Property expense ratio (PER)	0.35%	0.37%	0.25%
Operating charges [†]	0.38%	0.40%	0.28%
Direct transaction costs	1.01%	0.67%	1.93%

Prices

Highest share price	57.30p	56.00p	55.18p
Lowest share price	50.70p	45.81p	48.08p

[^] Distributions on income shares are shown gross of taxation – See Significant Changes on page 21.

[†] Operating charges, otherwise known as the OCF is the ratio of the Sub-fund's total disclosable costs (excluding overdraft interest) to the average net assets of the Sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a Sub-fund and is calculated based on the last period's figures. Included within the OCF is the Property Expense Ratio (PER) which shows the ratio of operating costs that relate to the management of the property assets to the average net assets of the Sub-fund.

Past performance is not a guide to future performance.

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

Comparative Tables

Feeder Distribution Shares

Change in Net Asset Value per Share

Accounting year ending	28/11/17 (pence per share)	28/11/16 (pence per share)	28/11/15 (pence per share)
Opening net asset value per share	50.05	51.93	48.74
Return before operating charges*	5.00	0.59	5.61
Operating charges (calculated on average price)	(0.18)	(0.19)	(0.13)
Return after operating charges*	4.82	0.40	5.48
Distributions on income shares	(1.91)	(2.28)	(2.29)
Closing net asset value per share	52.96	50.05	51.93
* after direct transaction costs of:	0.53	0.34	0.96

Performance

Return after charges	9.63%	0.79%	11.24%
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Other Information

Closing net asset value (£)	739,784,088	603,603,760	591,272,481
Closing number of shares	1,396,931,357	1,205,941,095	1,138,504,616
Fund management fee (FMF)	0.00%	0.00%	0.01%
Property expense ratio (PER)	0.35%	0.37%	0.25%
Operating charges†	0.35%	0.37%	0.26%
Direct transaction costs	1.01%	0.67%	1.93%

Prices

Highest share price	55.91p	55.34p	54.91p
Lowest share price	49.74p	45.17p	48.05p

† Operating charges, otherwise known as the OCF is the ratio of the Sub-fund's total disclosable costs (excluding overdraft interest) to the average net assets of the Sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a Sub-fund and is calculated based on the last period's figures. Included within the OCF is the Property Expense Ratio (PER) which shows the ratio of operating costs that relate to the management of the property assets to the average net assets of the Sub-fund.

Past performance is not a guide to future performance.

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

Comparative Tables continued

Feeder Accumulation Shares

Change in Net Asset Value per Share

Accounting year ending	28/11/17 (pence per share)	28/11/16 (pence per share)	28/11/15 (pence per share)
Opening net asset value per share	75.73	75.15	67.47
Return before operating charges*	7.65	0.86	7.89
Operating charges (calculated on average price)	(0.28)	(0.28)	(0.18)
Return after operating charges*	7.37	0.58	7.71
Distributions	(2.88)	(3.33)	(3.06)
Retained distributions on accumulation shares	2.88	3.33	3.03
Closing net asset value per share	83.10	75.73	75.15
* after direct transaction costs of:	0.81	0.50	1.34

Performance

Return after charges	9.73%	0.77%	11.38%
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Other Information

Closing net asset value (£)	1,215,010,515	983,021,027	1,005,648,375
Closing number of shares	1,462,111,146	1,297,989,519	1,338,163,496
Fund management fee (FMF)	0.00%	0.00%	0.01%
Property expense ratio (PER)	0.35%	0.37%	0.25%
Operating charges†	0.35%	0.37%	0.26%
Direct transaction costs	1.01%	0.67%	1.93%

Prices

Highest share price	86.82p	81.59p	78.50p
Lowest share price	75.25p	66.89p	66.52p

† Operating charges, otherwise known as the OCF is the ratio of the Sub-fund's total disclosable costs (excluding overdraft interest) to the average net assets of the Sub-fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a Sub-fund and is calculated based on the last period's figures. Included within the OCF is the Property Expense Ratio (PER) which shows the ratio of operating costs that relate to the management of the property assets to the average net assets of the Sub-fund.

Past performance is not a guide to future performance.

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

Authorised Corporate Director's ('ACD') Investment Report

During the year under review, the bid price of the Sub-fund's R-Class accumulation shares rose by 8.54%.

Past performance is not a guide to future performance.

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

Market/Economic Review

Since November 2016, the performance from commercial property in the UK has remained positive and stable following a period of high volatility during the summer of 2016.

Momentum in most occupier markets has been positive but has been more sluggish following the result of the European Referendum last summer and the General Election. Broadly, these events have caused businesses to delay decision-making and major expansion plans with a notable slowing in rental growth. The exception to this has been the industrial sector which continues to demonstrate strong levels of growth compared to offices and retail properties.

This sentiment has also been reflected in the investment market where the market has shown throughout the year a strong preference for exposure to industrial assets, and this in turn has led to strong levels of capital growth for the sector.

In December 2016, capital growth was strong for IPD All Property at +0.8% for the month, though this ranged across the principle sectors from +0.3% in retail up to +1.5% in industrial (Source: IPD Monthly Digest).

This theme continued throughout 2017 with Industrial capital growth comfortably leading the market in every single month.

Sub-fund Review

Following significant volatility in the summer of 2016, investor flows to the Sub-fund have been very positive and relatively stable with a net inflow of £321.05 million. During this time, the Sub-fund has been actively reshaping the property portfolio with a number of sales and acquisitions.

Sales from the Sub-fund include the Nexus portfolio which comprised 16 smaller and more secondary assets across the UK. The portfolio was sold for £120 million and completed in December 2016.

The Sub-fund has also sold the long leasehold interest in Garden House, located on Throgmorton Street in City of London. This sale was led by a strategic view that Central London offices are more vulnerable to short term changes in the strength of the occupational market following the European Referendum. We had reached the end of the asset's business plan and the sale at a price of £32.365 million crystallised strong returns for the Sub-fund.

Authorised Corporate Director's Investment Report continued

Turning to purchases, in the first half of 2017 the Sub-fund acquired the Alexis portfolio, which comprised 7 retail assets let for the long term in strong locations including supermarkets in Guildford, Woodley, Lichfield, Otley and Clitheroe, as well as Debenhams department store in Edinburgh and The Range in Hereford. These assets were acquired for a total of £86.3 million.

The Sub-fund also acquired the JVC distribution complex on Priestly Way in North London. The property is leased to JVC until 2025, was acquired for £51.85 million and provides a Net Initial Yield of 6.15%.

Two smaller acquisitions were also completed in the first half of the year. Further industrial exposure has been generated by buying MXL Centre in Banbury for £12.88 million, and a restaurant unit let to Toni Macaroni adjoining the Sub-fund's existing leisure park asset in Dunfermline has been acquired for £1.583 million.

More recently, the Sub-fund has acquired Exe Bridges Retail Park in Exeter for £31 million providing a yield of 6.2% and a supermarket in Kettering, let to Tesco, for £51.55 million and providing a yield of 5.85%.

The Sub-fund has also made acquisitions in the Alternatives sector. This included buying a new Hampton By Hilton hotel located directly next to the terminal at Stansted Airport for £49.35 million, and the purchase of 5 blocks of on-campus student accommodation let to INTO University of Exeter for £49.6 million (this purchase was in progress as at the year end, and completed after the year end date).

Despite completing £334 million in acquisitions, the Sub-fund's cash position remains at an elevated level and the short term focus for the Sub-fund will be on sourcing further acquisitions and a continued delivery of asset management success on the portfolio's existing assets.

Outlook

Returns from the sector in 2017 have been more positive than expected, but have been driven by increasingly narrow parts of the wider market.

Going forward, there remains a high level of uncertainty and occupiers and investors will still need time to build confidence in making significant decisions.

Pricing for the sector remains in balance with other sectors and the yield from property is still regarded as attractive relative to other asset classes.

Legal & General Investment Management Limited
(Investment Adviser)
20 December 2017

ACD's Report and Accounts

Copies of the most recent Interim and Annual Long Form ACD's Reports are available free of charge by telephoning 0370 050 0955, by writing to the ACD or are available on the internet at www.legalandgeneral.com/investments/fund-information/managers-reports.

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

Creation/Cancellation Settlement

The ACD provides a net creation or cancellation decision and settlement with the Depositary, dependent on the inflows or outflows from Shareholders. This netting generates a revenue for the ACD, which is returned to the Sub-fund. This provides an enhanced return to the Sub-fund, though the size of any return is dependent on the size of inflows and outflows from Shareholders.

Minimum Investment Amounts

The minimum initial lump sum investment amounts for each class are as follows:

R-Class	£500
F-Class	£500
I-Class	£1,000,000
C-Class	£100,000,000
L-Class	£500,000
Feeder	N/A

In addition, monthly contributions can be made into the R-Class and F-Class only, with a minimum amount of £50 per month.

F-Class shares are only available to:

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

C-Class shares are only available to distributors who actively market and distribute such shares (or whom the ACD believes intends to do so) and to whom the ACD has confirmed by letter that they meet the criteria for investment in such shares.

L-Class is only available for investment to companies within the Legal & General Group.

Feeder shares are only available for investment by Legal & General UK Property Feeder Fund.

Other Information

The information in this report is designed to enable shareholders to understand how the Sub-fund has performed during the year under review and how it is invested at the year end. Further information on the activities and performance of the Sub-fund can be obtained by telephoning 0370 050 0955 or by writing to the ACD.

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

Significant Changes

Change in Depositary

With effect from 28 February 2017, National Westminster Bank Plc ceased to be the Depositary of this Company and Northern Trust Global Services Limited has been appointed to provide Depositary services thereafter.

As Depositary, Northern Trust Global Services Limited has the same duties and responsibilities as National Westminster Bank Plc. The change of Depositary has no impact on the way the Company is operated.

Gross Distribution Payments

We'd like to make you aware of an HM Revenue & Customs ruling which became effective from 6 April 2017. Where interest distributions were previously paid net, we are required to start paying all interest distributions on a gross basis, starting with the April 2017 distribution payment. Prior to 6 April 2017, interest distributions were paid to clients after the deduction of 20% income tax, unless the client has completed a gross declaration form. From 6 April 2017, we will not deduct tax on any interest distributions and all payments will be made gross. Please note, this does not apply to the Property Income Distribution element of the distribution payment, which will continue to have 20% Income Tax deducted at source.

It will become your responsibility to make any declarations to HM Revenue & Customs. If you are in any doubt as to your taxation position, please consult a professional adviser.

Removal of the Initial Charge for R-Class

With effect from 6 June 2017, the initial charge for R-Class shares has been removed. Prior to this change, the initial charge was 5%. The removal of the initial charge will provide better value for investors, as there is no longer a cost of setting up the investment.

Removal of Initial Commission

With effect from 6 June 2017, initial commission will no longer be paid on the Sub-fund. The initial commission was intended to reflect the costs incurred by the product provider and the intermediary for setting up and selling the business, however, Legal & General no longer consider it appropriate to continue to pay commission on such transactions.

Management Structure of the Legal & General UK Property Share Company

Michael Barrie

Michael Barrie is the Director of Fund Management and Co-Fund Manager of the L&G UK Property Fund.

Michael joined Legal & General as Director in November 2005, having previously been a Director with Foreign & Colonial Property Asset Management. Michael is a member of the Royal Institution of Chartered Surveyors and has a post-graduate Diploma in Property Investment from Reading University.

Matt Jarvis

Matt Jarvis is the Co-Fund Manager for the L&G UK Property Fund. Matt joined Legal & General Property as Asset Manager in November 2004 and is currently responsible for the UK Property Fund, having previously been a Commercial Valuer with Jones Lang LaSalle, and was nominated and shortlisted for YN Property Professional of the Year 2014. Matt holds a degree in Land Management from Reading University, a Diploma in Property Investment from Cambridge University and is a member of the Royal Institution of Chartered Surveyors.

Association of Real Estate Funds

The Company aims to comply with the Association of Real Estate Funds (AREF) Code of Practice, which is a voluntary Code whose aim is to encourage members of AREF to adopt best practice wherever possible.

The Code is publicly available and published on the Association's website: www.aref.org.uk.

Authorised Corporate Director ('ACD')

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

Depository to 28 February 2017

National Westminster Bank Plc

Trustee and Depository Services

135 Bishopsgate

London EC2M 3UR

Authorised by the Prudential Regulation Authority and regulated

by the Financial Conduct Authority and the Prudential

Regulation Authority

Depository from 1 March 2017

Northern Trust Global Services Limited

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

PricewaterhouseCoopers LLP

7 More London Riverside

London SE1 2RT

**Authorised and regulated by the
Financial Conduct Authority**

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