

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 2018**



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 18	28 Nov 17
R-Class	1.81%	1.85%
F-Class	1.31%	1.35%
I-Class	1.06%	1.10%
C-Class	0.94%	0.98%
L-Class	0.34%	0.38%
Feeder	0.31%	0.35%
Fund Expense Ratios**:	28 Nov 18	28 Nov 17
R-Class	1.50%	1.50%
F-Class	1.00%	1.00%
I-Class	0.75%	0.75%
C-Class	0.63%	0.63%
L-Class	0.03%	0.03%
Feeder	0.00%	0.00%
Property Expense Ratios***:	28 Nov 18	28 Nov 17
R-Class	0.31%	0.35%
F-Class	0.31%	0.35%
I-Class	0.31%	0.35%
C-Class	0.31%	0.35%
L-Class	0.31%	0.35%
Feeder	0.31%	0.35%

* 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 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 fund and is calculated based on the last period's figures.

Distribution Information

R-Class

The distribution paid on 28 January 2019 was 0.2748p per share for distribution shares (consisting of 0.2448p property distribution, net of 20% tax, 0.0132p interest distribution plus 0.0168p dividend distribution) and 0.3921p per share for accumulation shares (consisting of 0.3493p property distribution, net of 20% tax, 0.0188p interest distribution plus 0.0240p dividend distribution).

F-Class

The distribution paid on 28 January 2019 was 0.3514p per share for distribution shares (consisting of 0.3130p property distribution, net of 20% tax, 0.0169p interest distribution plus 0.0215p dividend distribution) and 0.5117p per share for accumulation shares (consisting of 0.4558p property distribution, net of 20% tax, 0.0246p interest distribution plus 0.0313p dividend distribution).

I-Class

The distribution paid on 28 January 2019 was 0.3869p per share for distribution shares (consisting of 0.3446p property distribution, net of 20% tax, 0.0186p interest distribution plus 0.0237p dividend distribution) and 0.5933p per share for accumulation shares (consisting of 0.5285p property distribution, net of 20% tax, 0.0285p interest distribution plus 0.0363p dividend distribution).

C-Class

The distribution paid on 28 January 2019 was 0.4165p per share for distribution shares (consisting of 0.3710p property distribution, net of 20% tax, 0.0200p interest distribution plus 0.0255p dividend distribution) and 0.6412p per share for accumulation shares (consisting of 0.5711p property distribution, net of 20% tax, 0.0308p interest distribution plus 0.0393p dividend distribution).

L-Class

The distribution paid on 28 January 2019 was 0.4809p per share for distribution shares (consisting of 0.4284p property distribution, net of 20% tax, 0.0231p interest distribution plus 0.0294p dividend distribution).

Feeder

The distribution paid on 28 January 2019 was 0.5688p per share for distribution shares (consisting of 0.5067p property distribution, 0.0273p interest distribution plus 0.0348p dividend distribution) and 0.9432p per share for accumulation shares (consisting of 0.8401p property distribution, 0.0453p interest distribution plus 0.0578p dividend distribution).

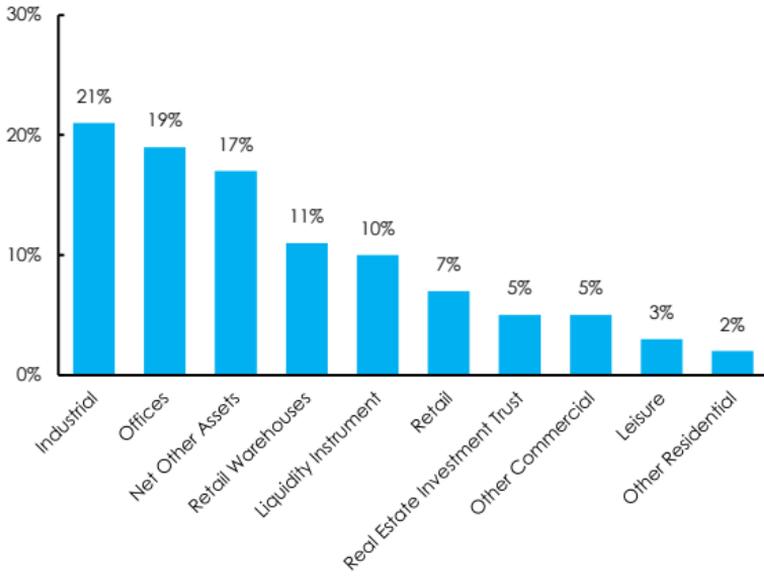
Portfolio Information

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

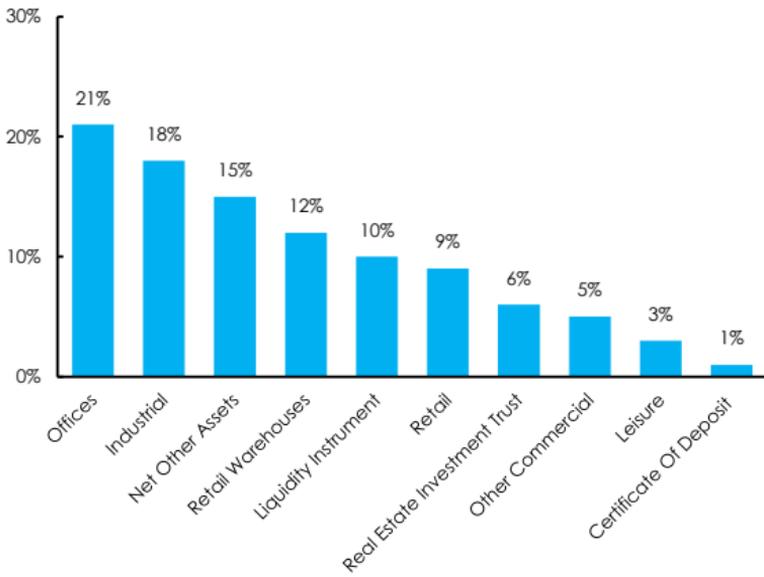
Top 10 Holdings at 28 November 2018	
Holding	Sector
LGIM Sterling Liquidity Fund	Liquidity Instrument
Fradley Park, Lichfield	Industrial
15 Bonhill Street, London	Offices
Woodside Industrial Park, Dunstable	Industrial
Birstall Shopping Park, Leeds	Retail Warehouses
Follingsby Park, Gateshead	Industrial
1 Colmore Square, Birmingham	Offices
JVC Kenwood Unit, Staple Corner, London	Retail Warehouses
Into Exeter Residential Blocks A-E, Exeter	Other Residential
The Aircraft Factory, Hammersmith	Offices

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

Fund Holdings as at 28 November 2018



Fund Holdings as at 28 November 2017



Comparative Tables

R-Class Distribution Shares

Change in Net Asset Value per Share

Accounting year ending	28/11/18 (pence per share)	28/11/17 (pence per share)	28/11/16 (pence per share)
Opening net asset value per share	51.75	48.52	49.77
Return before operating charges*	4.67	5.27	1.15
Operating charges (calculated on average price)	(0.97)	(0.93)	(0.91)
Return after operating charges*	3.70	4.34	0.24
Distributions on income shares [^]	(1.32)	(1.11)	(1.49)
Closing net asset value per share	54.13	51.75	48.52
* after direct transaction costs of:	0.38	0.51	0.33

Performance

Return after charges	7.15%	8.94%	0.48%
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Other Information

Closing net asset value (£)	4,487,669	4,962,956	5,471,905
Closing number of shares	8,290,340	9,590,524	11,277,644
Fund management fee (FMF)	1.50%	1.50%	1.48%
Property expense ratio (PER)	0.31%	0.35%	0.37%
Operating charges [†]	1.81%	1.85%	1.85%
Direct transaction costs	0.70%	1.01%	0.67%

Prices

Highest share price	57.03p	55.53p	55.81p
Lowest share price	51.26p	48.22p	43.53p

[^] Distributions on income shares are shown gross of taxation.

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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

R-Class Accumulation Shares

Change in Net Asset Value per Share

Accounting year ending	28/11/18 (pence per share)	28/11/17 (pence per share)	28/11/16 (pence per share)
Opening net asset value per share	72.48	66.80	66.87
Return before operating charges*	6.65	7.25	1.55
Operating charges (calculated on average price)	(1.37)	(1.29)	(1.24)
Return after operating charges*	5.28	5.96	0.31
Distributions [^]	(1.86)	(1.54)	(2.02)
Retained distributions on accumulation shares [^]	1.52	1.26	1.64
Closing net asset value per share	77.42	72.48	66.80
* after direct transaction costs of:	0.53	0.71	0.45

Performance

Return after charges	7.28%	8.92%	0.46%
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Other Information

Closing net asset value (£)	62,825,854	60,696,194	69,717,169
Closing number of shares	81,154,017	83,738,916	104,370,743
Fund management fee (FMF)	1.50%	1.50%	1.48%
Property expense ratio (PER)	0.31%	0.35%	0.37%
Operating charges [†]	1.81%	1.85%	1.85%
Direct transaction costs	0.70%	1.01%	0.67%

Prices

Highest share price	81.15p	76.81p	75.92p
Lowest share price	71.84p	66.36p	59.19p

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Comparative Tables continued

F-Class Distribution Shares

Change in Net Asset Value per Share

Accounting year ending	28/11/18 (pence per share)	28/11/17 (pence per share)	28/11/16 (pence per share)
Opening net asset value per share	53.93	50.59	51.86
Return before operating charges*	4.89	5.47	1.22
Operating charges (calculated on average price)	(0.73)	(0.71)	(0.69)
Return after operating charges*	4.16	4.76	0.53
Distributions on income shares [^]	(1.67)	(1.42)	(1.80)
Closing net asset value per share	56.42	53.93	50.59
* after direct transaction costs of:	0.39	0.53	0.34

Performance

Return after charges	7.71%	9.41%	1.02%
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Other Information

Closing net asset value (£)	459,217	523,558	463,642
Closing number of shares	813,862	970,757	916,511
Fund management fee (FMF)	1.00%	1.00%	0.98%
Property expense ratio (PER)	0.31%	0.35%	0.37%
Operating charges [†]	1.31%	1.35%	1.35%
Direct transaction costs	0.70%	1.01%	0.67%

Prices

Highest share price	59.50p	56.72p	55.41p
Lowest share price	53.43p	50.25p	45.39p

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Comparative Tables continued

F-Class Accumulation Shares

Change in Net Asset Value per Share

Accounting year ending	28/11/18 (pence per share)	28/11/17 (pence per share)	28/11/16 (pence per share)
Opening net asset value per share	77.10	70.75	70.55
Return before operating charges*	7.06	7.70	1.62
Operating charges (calculated on average price)	(1.05)	(1.00)	(0.95)
Return after operating charges*	6.01	6.70	0.67
Distributions [^]	(2.41)	(2.00)	(2.47)
Retained distributions on accumulation shares [^]	1.97	1.65	2.00
Closing net asset value per share	82.67	77.10	70.75
* after direct transaction costs of:	0.57	0.75	0.47

Performance

Return after charges	7.80%	9.47%	0.94%
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Other Information

Closing net asset value (£)	1,995,248	1,580,703	1,382,083
Closing number of shares	2,413,621	2,050,243	1,953,605
Fund management fee (FMF)	1.00%	1.00%	0.98%
Property expense ratio (PER)	0.31%	0.35%	0.37%
Operating charges [†]	1.31%	1.35%	1.35%
Direct transaction costs	0.70%	1.01%	0.67%

Prices

Highest share price	86.64p	80.57p	76.46p
Lowest share price	76.40p	70.29p	62.62p

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Comparative Tables continued

I-Class Distribution Shares

Change in Net Asset Value per Share

Accounting year ending	28/11/18 (pence per share)	28/11/17 (pence per share)	28/11/16 (pence per share)
Opening net asset value per share	54.38	51.00	52.29
Return before operating charges*	4.94	5.53	1.23
Operating charges (calculated on average price)	(0.60)	(0.58)	(0.57)
Return after operating charges*	4.34	4.95	0.66
Distributions on income shares [^]	(1.83)	(1.57)	(1.95)
Closing net asset value per share	56.89	54.38	51.00
* after direct transaction costs of:	0.40	0.54	0.35

Performance

Return after charges	7.98%	9.70%	1.26%
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Other Information

Closing net asset value (£)	236,343,690	207,317,867	155,777,187
Closing number of shares	415,469,173	381,252,008	305,434,484
Fund management fee (FMF)	0.75%	0.75%	0.72%
Property expense ratio (PER)	0.31%	0.35%	0.37%
Operating charges [†]	1.06%	1.10%	1.09%
Direct transaction costs	0.70%	1.01%	0.67%

Prices

Highest share price	60.02p	57.21p	55.89p
Lowest share price	53.87p	50.67p	45.75p

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Comparative Tables continued

I-Class Accumulation Shares

Change in Net Asset Value per Share

Accounting year ending	28/11/18 (pence per share)	28/11/17 (pence per share)	28/11/16 (pence per share)
Opening net asset value per share	81.70	74.80	74.44
Return before operating charges*	7.49	8.17	1.70
Operating charges (calculated on average price)	(0.91)	(0.86)	(0.81)
Return after operating charges*	6.58	7.31	0.89
Distributions [^]	(2.78)	(2.32)	(2.81)
Retained distributions on accumulation shares [^]	2.27	1.91	2.28
Closing net asset value per share	87.77	81.70	74.80
* after direct transaction costs of:	0.60	0.80	0.50

Performance

Return after charges	8.05%	9.77%	1.20%
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Other Information

Closing net asset value (£)	362,015,610	302,708,059	270,928,059
Closing number of shares	412,467,371	370,518,299	362,204,179
Fund management fee (FMF)	0.75%	0.75%	0.72%
Property expense ratio (PER)	0.31%	0.35%	0.37%
Operating charges [†]	1.06%	1.10%	1.09%
Direct transaction costs	0.70%	1.01%	0.67%

Prices

Highest share price	91.98p	85.37p	80.77p
Lowest share price	80.95p	74.32p	66.14p

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Comparative Tables continued

C-Class Distribution Shares

Change in Net Asset Value per Share

Accounting year ending	28/11/18 (pence per share)	28/11/17 (pence per share)	28/11/16 (pence per share)
Opening net asset value per share	56.51	52.99	54.33
Return before operating charges*	5.14	5.74	1.26
Operating charges (calculated on average price)	(0.55)	(0.54)	(0.53)
Return after operating charges*	4.59	5.20	0.73
Distributions on income shares [^]	(1.98)	(1.68)	(2.07)
Closing net asset value per share	59.12	56.51	52.99
* after direct transaction costs of:	0.41	0.56	0.36

Performance

Return after charges	8.12%	9.81%	1.36%
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Other Information

Closing net asset value (£)	79,520,642	72,204,662	62,385,438
Closing number of shares	134,508,229	127,770,580	117,741,353
Fund management fee (FMF)	0.63%	0.63%	0.62%
Property expense ratio (PER)	0.31%	0.35%	0.37%
Operating charges [†]	0.94%	0.98%	0.99%
Direct transaction costs	0.70%	1.01%	0.67%

Prices

Highest share price	62.39p	59.47p	58.09p
Lowest share price	55.99p	52.65p	47.56p

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Comparative Tables continued

C-Class Accumulation Shares

Change in Net Asset Value per Share

Accounting year ending	28/11/18 (pence per share)	28/11/17 (pence per share)	28/11/16 (pence per share)
Opening net asset value per share	85.08	77.82	77.39
Return before operating charges*	7.80	8.50	1.76
Operating charges (calculated on average price)	(0.84)	(0.80)	(0.76)
Return after operating charges*	6.96	7.70	1.00
Distributions [^]	(3.01)	(2.50)	(3.00)
Retained distributions on accumulation shares [^]	2.46	2.06	2.43
Closing net asset value per share	91.49	85.08	77.82
* after direct transaction costs of:	0.63	0.83	0.52

Performance

Return after charges	8.18%	9.89%	1.28%
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Other Information

Closing net asset value (£)	232,533,197	225,822,379	188,196,218
Closing number of shares	254,173,195	265,429,952	241,847,115
Fund management fee (FMF)	0.63%	0.63%	0.62%
Property expense ratio (PER)	0.31%	0.35%	0.37%
Operating charges [†]	0.94%	0.98%	0.99%
Direct transaction costs	0.70%	1.01%	0.67%

Prices

Highest share price	95.88p	88.91p	83.99p
Lowest share price	84.31p	77.32p	68.81p

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Comparative Tables continued

L-Class Distribution Shares

Change in Net Asset Value per Share

Accounting year ending	28/11/18 (pence per share)	28/11/17 (pence per share)	28/11/16 (pence per share)
Opening net asset value per share	54.38	51.04	52.30
Return before operating charges*	5.00	5.49	1.24
Operating charges (calculated on average price)	(0.19)	(0.20)	(0.21)
Return after operating charges*	4.81	5.29	1.03
Distributions on income shares [^]	(2.27)	(1.95)	(2.29)
Closing net asset value per share	56.92	54.38	51.04
* after direct transaction costs of:	0.40	0.54	0.35

Performance

Return after charges	8.85%	10.36%	1.99%
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Other Information

Closing net asset value (£)	104,236,071	79,467,164	70,002,467
Closing number of shares	183,115,718	146,135,683	137,140,986
Fund management fee (FMF)	0.03%	0.03%	0.03%
Property expense ratio (PER)	0.31%	0.35%	0.37%
Operating charges [†]	0.34%	0.38%	0.40%
Direct transaction costs	0.70%	1.01%	0.67%

Prices

Highest share price	60.16p	57.30p	56.00p
Lowest share price	53.88p	50.70p	45.81p

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Comparative Tables continued

Feeder Distribution Shares

Change in Net Asset Value per Share

Accounting year ending	28/11/18 (pence per share)	28/11/17 (pence per share)	28/11/16 (pence per share)
Opening net asset value per share	52.96	50.05	51.93
Return before operating charges*	4.74	5.00	0.59
Operating charges (calculated on average price)	(0.17)	(0.18)	(0.19)
Return after operating charges*	4.57	4.82	0.40
Distributions on income shares [^]	(2.29)	(1.91)	(2.28)
Closing net asset value per share	55.24	52.96	50.05
* after direct transaction costs of:	0.39	0.53	0.34

Performance

Return after charges	8.63%	9.63%	0.79%
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Other Information

Closing net asset value (£)	747,413,220	739,784,088	603,603,760
Closing number of shares	1,353,140,292	1,396,931,357	1,205,941,095
Fund management fee (FMF)	0.00%	0.00%	0.00%
Property expense ratio (PER)	0.31%	0.35%	0.37%
Operating charges [†]	0.31%	0.35%	0.37%
Direct transaction costs	0.70%	1.01%	0.67%

Prices

Highest share price	58.46p	55.91p	55.34p
Lowest share price	52.47p	49.74p	45.17p

[†] 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	28/11/18 (pence per share)	28/11/17 (pence per share)	28/11/16 (pence per share)
Opening net asset value per share	83.10	75.73	75.15
Return before operating charges*	7.50	7.65	0.86
Operating charges (calculated on average price)	(0.27)	(0.28)	(0.28)
Return after operating charges*	7.23	7.37	0.58
Distributions [^]	(3.38)	(2.88)	(3.33)
Retained distributions on accumulation shares [^]	3.38	2.88	3.33
Closing net asset value per share	90.33	83.10	75.73
* after direct transaction costs of:	0.62	0.81	0.50

Performance

Return after charges	8.70%	9.73%	0.77%
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Other Information

Closing net asset value (£)	1,468,995,475	1,215,010,515	983,021,027
Closing number of shares	1,626,182,946	1,462,111,146	1,297,989,519
Fund management fee (FMF)	0.00%	0.00%	0.00%
Property expense ratio (PER)	0.31%	0.35%	0.37%
Operating charges [†]	0.31%	0.35%	0.37%
Direct transaction costs	0.70%	1.01%	0.67%

Prices

Highest share price	94.65p	86.82p	81.59p
Lowest share price	82.35p	75.25p	66.89p

[†] 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-funds R-Class accumulation shares rose by 6.47%.

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 2017, the performance from commercial property in the UK has remained positive with a strong finish to 2017 and steady, but reducing performance in 2018.

Momentum in both the occupier markets and capital markets has been mixed, with a continuing significant divergence in performance between the strong Industrial market and the weak Retail market.

The industrial property market continues to perform at a very high level with a depth of occupational demand, a sustainable level of supply and has experienced demonstrable widespread rental growth. This has attracted significant capital into the investment market, further supplementing rental growth with strong levels of capital growth.

By way of example, the commercial property market returned 1.4% in December 2017 and has since provided total returns of between 0.3% and 0.9% per month to the end of November 2018 (Source: IPD Monthly Digest). However, in the strong industrial market, returns were 2.7% in December 2017 and have continued at between 1.0% and 2.1% per month to the end of November 2018.

Turning to the retail market, performance headwinds are apparent as a result of continuing structural change to the sector which is manifesting in increasing cases of high profile occupier failure with use of store closure programmes, Company Voluntary Arrangements and Administration. The net effect of these events is that there will be more space available to lease where tenants have defaulted on their lease contracts. Rents are under downward pressure in weaker locations and investors are reluctant to support pricing in these parts of the market. Demonstrating the comparison with the positive returns shown by industrial property, retail property total returns were +0.8% in December 2017 and have shown more subdued total returns of -0.8% to +0.5% per month to the end of November 2018.

Between the two extremes, the performance of Office property has also remained positive and broadly in line with the overall market performance but is marginally underperforming the wider market.

Sub-fund Review

Investor flows to the Sub-fund remain positive and relatively stable with a net flow of £225.85 million. During this time, the Sub-fund has been actively reshaping the property portfolio with a number of sales and acquisitions.

Authorised Corporate Director's Investment Report continued

Sales from the Sub-fund include 133 Princes Street in Edinburgh which was sold for £2.98 million in December 2017 following a successful lease extension with the tenant.

In 2018, the Sub-fund sold another of the smaller retail assets at 35 Cornhill in Bury St Edmunds for £1.64 million. Again, this was sold following a successful re-letting of the space to Caffè Nero.

In the office portfolio, the Sub-fund has sold Sigma House in Basildon for £28.25 million. The asset is let for the long term, but our forecast returns for the asset were not sufficient to justify holding the investment. We also elected to sell a vacant office at 66-67 Newman Street in London's West End for £17.5 million.

Turning to purchases, in December the Sub-fund acquired 5 blocks of student accommodation located on-campus at University of Exeter. The properties are let on very long leases to INTO University of Exeter LLP. The asset was acquired for £49.6 million, reflecting a yield of 5.48%

In 2018 to date the Sub-fund has acquired three further investments. In London, the Sub-fund has acquired The Aircraft Factory in Hammersmith for £63 million. The property is an office building that has been comprehensively refurbished and has been re-let to a selection of dynamic and innovative tenants, mostly operating in the Technology sector. The Sub-fund also acquired a speculative office development site at 1 Victoria Street, Windsor, which will be built over the next two years.

Continuing the Sub-fund's long term theme of exposure to Industrial assets, we have also acquired a 50% share of Woodside Industrial Estate in Dunstable for £91.75 million. The asset is a substantial industrial park that benefits from recent infrastructure projects with faster access to the M1 motorway. We anticipate returns to be supported by rental growth in the location.

Despite sizeable acquisitions, the Sub-fund's cash position remains at an elevated level.

Outlook

Going forward, we anticipate weak performance from retail returns as recent occupier difficulties impact further on both rents and investment pricing. Political uncertainty is likely to result in some volatility. Positive returns for the sector will be reliant on continued strength in the industrial and to a lesser extent the Other/Alternative sub-sectors.

Legal & General Investment Management Limited
(Investment Adviser)
14 December 2018

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	£100
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 £20 and £50 per month, respectively.

F-Class shares are only available to:

- i) investors who have received advice from authorised intermediaries, platforms or other distributors in relation to their investment in shares in the Sub-fund and
- ii) 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 intend to do so) and who have entered a written agreement with the ACD relating to the conditions for investment in such shares.

L-Class shares are not available to customers and are intended only for investment by Legal & General group of companies.

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 of Auditor

With effect from 28 April 2018, PricewaterhouseCoopers LLP ceased to be Independent Auditors of the Company and KPMG LLP have been appointed. The change of Auditor has no impact on the way the Company is operated.

General Data Protection Regulation

Legal & General takes your privacy very seriously. Under data protection legislation, we have classified ourselves as a 'data controller'. This means that we are subject to certain obligations relating to how we process personal data. These obligations include, without limitation, providing individuals with certain information regarding how we process their personal data. We will use the personal data you have provided to us in connection with an investment in shares of Legal & General Investment Funds ICVC, including your name, age, contact details, bank account details, transactions and the invested amount, and any information regarding the dealing in shares in accordance with all applicable data protection laws and our Privacy Policy which is available from 25 May 2018 at www.lgim.com/UTMPrivacy (or available upon request). Our Privacy Policy sets out, amongst other things, the purpose or purposes for which your personal data is collected and intended to be processed and also contains any other information prescribed by data protection legislation.

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

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

Depository

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

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Financial Conduct Authority**

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