

Legal & General UK Equity Income Fund

**Annual Manager's Report
for the year ended
24 January 2018**

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

Manager's Investment Report

Investment Objective and Policy

The Fund aims to provide an income in excess of the FTSE All Share Index yield and to provide capital growth over the long term.

The Manager will seek to achieve the investment objective by investing predominantly in the securities of companies domiciled in the UK or in companies which have a significant part of their activities in the UK but which are domiciled or quoted on a regulated market outside the UK. The Fund may also invest in other non-UK domiciled securities which are traded in the UK. The Fund may use depositary receipts and derivatives both for efficient portfolio management and investment purposes.

The Fund may also invest in other transferable securities, permitted deposits, money market instruments, cash, near cash and units in collective investment schemes.

Manager's Investment Report

During the year under review, the bid price of the Fund's R-Class accumulation units rose by 11.34%.

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

The global economic background has improved over the past twelve months, led by solid growth in the major developed economies. Despite a rise in commodity prices, with the oil price ending the year at a three-year high, inflationary pressures worldwide have remained subdued. In the US, economic activity has accelerated with output growing at an annualised rate of over 3% during both the second and third quarters of 2017. Growth has been underpinned by improving consumer and business sentiment, a stronger labour market and a recovery in the energy sector. In the UK, both economic and political uncertainty have heightened over the last 12 months, as the June general election resulted in a hung parliament and Brexit negotiations began. The Bank of England voted to increase interest rates to 0.5% in November, removing the emergency support announced in August 2016 in the wake of the EU referendum.

Equities recorded double-digit percentage gains as a combination of an improving global economic outlook, low inflation and supportive central bank policies underpinned markets worldwide. Equity markets have also been supported by positive earnings momentum, and by companies buying back their own shares. Over the last 12 months investors have favoured technology stocks with earnings from a number of leading US companies exceeding expectations, while basic materials have performed well, led by mining stocks. Energy stocks weakened before retrieving some lost ground as the reporting year ended, rallying in line with the oil price in recent months on evidence that a supply squeeze from the Organisation of Petroleum Exporting Countries is now finally affecting inventories.

Fund Review

Over the review year, the Fund delivered a positive return.

The first six months of the review year saw solid gains for the Fund but unfortunately some of those gains were given back in the final month of the year. The Fund's holding in British American Tobacco proved detrimental over this time, as the stock sold off in

Manager's Investment Report continued

response to a proposal from the US Food and Drug Administration to limit the level of nicotine in cigarettes.

A number of holdings gained ground over the latter half of the year, especially over a strong December period. This includes general retailer Next which provided some festive cheer after the company reported a better-than-expected trading update. Pre-Christmas sales were helped by favourable weather in November and December, as well as improvements made to mobile and online. Management also provided some reassuring guidance for the year ahead.

After holding steady for much of the year, diversified financial company Saga fell back sharply towards the end of 2017. The company, which provides insurance and travel services, issued a profit warning that resulted in its shares falling heavily. Management also lowered growth expectations for the current year and the next. This is largely a result of trading in the home broking and travel business, which has been under considerable pressure in the past year – in turn partly due to the administration of Monarch.

In terms of trading activity, we added advertising and public relations business WPP to the portfolio. We also introduced a new position in UK gambling company GVC. The company operates a portfolio of well-known gaming brands that offers geographic diversity, led by its acquisition of bwin.party in 2015. GVC recently announced intentions to acquire Ladbrokes Coral for a mixture of cash and shares. We believe this is an attractive deal that will help drive greater scale as well as the potential for high cost and revenue synergies.

Outlook

Following a strong year for global equity markets, we anticipate another year of robust earnings growth in 2018. This will be supported by the continuation of synchronised global growth, while a pick-up in merger and acquisition activity will be driven by a return of investment and business confidence. However, we are also mindful that the removal of loose monetary policy may prompt a change in market leadership as the year progresses. In the UK, political risks remain and there is scope for inflation to become an increasing concern.

We retain our value bias over growth, seeking pockets in the market that we deem attractive on multiple metrics. On positioning, we continue to avoid bond proxies, maintaining a preference for out-of-favour areas such as financials and consumer services.

Legal & General Investment Management Limited
(Investment Adviser)
16 February 2018

Authorised Status

Authorised Status

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

Directors' Statement

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



A. J. C. Craven
(Director)



S. D. Thomas
(Director)

Legal & General (Unit Trust Managers) Limited
14 March 2018

Statement of Responsibilities

Statement of the Manager's Responsibilities

The Manager of the Fund is required by the FCA Collective Investment Schemes sourcebook (COLL) to prepare financial statements for each accounting period which give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the net revenue and the net capital gains or losses on the Scheme property for the accounting period, and the financial position of the Fund at the end of that period. In preparing these financial statements, the Manager is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are prudent and reasonable;
- state whether applicable Accounting Standards have been followed, subject to any material departure disclosed and explained in the financial statements; and
- prepare the financial statements on the basis that the Fund will continue in operation unless it is inappropriate to presume this.

The Manager is also required to manage the Fund in accordance with the Trust Deed, the Prospectus and the COLL, maintain proper accounting records to enable them to ensure that the financial statements comply with the Statement of Recommended Practice for UK Authorised Funds issued by The Investment Association in May 2014 and the COLL and take in these respects reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of Responsibilities continued

Statement of the Trustee's Responsibilities

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

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

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

The Depositary must ensure that:

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

Report of the Trustee

Report of the Trustee to the Unitholders of the Legal & General UK Equity Income Fund ("the Fund") for the year ended 24 January 2018

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

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

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

Northern Trust Global Services Limited
UK Trustee and Depositary Services
14 March 2018

Portfolio Statement

Portfolio Statement as at 24 January 2018

All investments are in ordinary shares unless otherwise stated. The percentages in brackets show the equivalent holdings at 24 January 2017.

Holding/ Nominal Value	Investment	Market Value £	% of Net Assets
	UNITED KINGDOM		
	— 90.14% (93.85%)		
	Oil & Gas Producers		
	— 9.55% (13.22%)		
2,672,072	BP	13,876,070	5.04
482,000	Royal Dutch Shell 'B'	12,433,190	4.51
		26,309,260	9.55
	Chemicals — 2.05% (0.84%)		
177,000	Johnson Matthey	5,658,690	2.05
	Mining — 7.49% (3.54%)		
496,000	BHP Billiton	7,802,080	2.83
325,700	Rio Tinto	12,832,580	4.66
		20,634,660	7.49
	Construction & Materials		
	— 2.20% (1.26%)		
2,567,000	Melrose Industries	6,068,388	2.20
	Aerospace & Defense		
	— 2.21% (0.57%)		
698,699	Chemring Group	1,348,489	0.49
331,000	Ultra Electronics	4,726,680	1.72
		6,075,169	2.21
	General Industrials — 2.27% (0.84%)		
1,225,000	DS Smith	6,245,050	2.27
	Industrial Engineering		
	— 0.00% (0.44%)		
	Automobiles & Parts		
	— 1.45% (0.69%)		
909,000	GKN	3,990,510	1.45
	Beverages — 0.00% (2.78%)		
	Food Producers — 0.96% (0.00%)		
400,000	Tate & Lyle	2,647,200	0.96
	Household Goods & Home Construction — 1.67% (5.00%)		
2,306,500	Taylor Wimpey	4,599,161	1.67
	Personal Goods — 0.00% (2.01%)		
	Tobacco — 5.44% (9.36%)		
161,400	British American Tobacco	8,123,262	2.95
234,500	Imperial Brands	6,872,022	2.49
		14,995,284	5.44

Portfolio Statement continued

Holding/ Nominal Value	Investment	Market Value £	% of Net Assets
	Health Care Equipment & Services — 1.91% (1.78%)		
420,300	Smith & Nephew	5,257,953	1.91
	Pharmaceuticals & Biotechnology — 4.46% (7.62%)		
84,500	AstraZeneca	4,231,760	1.54
596,900	GlaxoSmithKline	8,046,212	2.92
		12,277,972	4.46
	Food & Drug Retailers — 1.52% (0.00%)		
2,000,000	Tesco	4,198,000	1.52
	General Retailers — 5.72% (6.16%)		
2,010,000	Dixons Carphone	4,116,480	1.49
473,573	Inchcape	3,449,980	1.25
116,000	Next	5,716,480	2.08
2,100,699	Saga	2,483,026	0.90
		15,765,966	5.72
	Media — 2.03% (2.60%)		
3,327,800	ITV	5,582,384	2.03
	Travel & Leisure — 1.84% (2.83%)		
125,000	Go-Ahead Group	1,998,750	0.73
586,000	Greene King	3,069,468	1.11
		5,068,218	1.84
	Fixed Line Telecommunications — 2.32% (3.13%)		
2,434,037	BT Group	6,400,300	2.32
	Mobile Telecommunications — 4.25% (3.96%)		
5,149,000	Vodafone Group	11,695,954	4.25
	Gas, Water & Multi-utilities — 0.00% (1.75%)		
	Banks — 11.17% (9.42%)		
3,553,000	Barclays	7,445,311	2.70
1,489,700	HSBC	11,630,088	4.22
16,257,500	Lloyds Banking Group	11,687,517	4.25
		30,762,916	11.17
	Nonlife Insurance — 3.50% (1.22%)		
1,827,000	Direct Line Insurance Group	6,811,056	2.47
200,000	Jardine Lloyd Thompson Group	2,820,000	1.03
		9,631,056	3.50
	Life Insurance — 8.38% (7.64%)		
1,464,200	Aviva	7,684,122	2.79
565,600	Prudential	11,023,544	4.00
351,400	St James's Place	4,366,145	1.59
		23,073,811	8.38

Portfolio Statement continued

Holding/ Nominal Value	Investment	Market Value £	% of Net Assets
	Real Estate Investment Trusts — 1.05% (1.93%)		
289,781	Land Securities Group	2,903,606	1.05
	Financial Services — 4.32% (3.26%)		
42,105	Brewin Dolphin	158,062	0.06
910,000	Jupiter Fund Management	5,347,160	1.94
1,187,000	TP ICAP	6,393,182	2.32
		11,898,404	4.32
	Software & Computer Services — 2.38% (0.00%)		
301,000	Micro Focus	6,552,770	2.38
	CAYMAN ISLANDS — 2.58% (0.00%)		
	Life Insurance — 2.58% (0.00%)		
907,000	Phoenix Group	7,115,415	2.58
	CHANNEL ISLANDS — 2.11% (0.55%)		
	Pharmaceuticals & Biotechnology — 0.00% (0.55%)		
	Media — 2.11% (0.00%)		
447,000	WPP	5,815,470	2.11
	DENMARK — 1.54% (0.00%)		
	Pharmaceuticals & Biotechnology — 1.54% (0.00%)		
103,000	Novo Nordisk	4,232,956	1.54
	FRANCE — 0.00% (0.58%)		
	Gas, Water & Multiutilities — 0.00% (0.58%)		
	ISLE OF MAN — 3.29% (1.06%)		
	Travel & Leisure — 3.29% (1.06%)		
580,000	GVC	5,478,100	1.99
447,400	Playtech	3,579,200	1.30
		9,057,300	3.29
	SWITZERLAND — 0.00% (1.77%)		
	Pharmaceuticals & Biotechnology — 0.00% (1.77%)		
Portfolio of investments¹		274,513,823	99.66
Net other assets		934,009	0.34
Total net assets		£275,447,832	100.00%

¹ All investments are admitted to an official stock exchange unless otherwise stated.

Total purchases for the year: £110,032,609.

Total sales for the year: £259,211,951.

Independent Auditors' Report

Independent auditors' report to the Unitholders of Legal & General UK Equity Income Fund

Report on the audit of the financial statements

Opinion

In our opinion, Legal & General UK Equity Income Fund's financial statements:

- give a true and fair view of the financial position of the Fund as at 24 January 2018 and of the net revenue and, the net capital gains on its scheme property for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law), the Statement of Recommended Practice for UK Authorised Funds, the Collective Investment Schemes sourcebook and the Trust Deed.

We have audited the financial statements, included within the Annual Manager's Report (the "Annual Report"), which comprise: the balance sheet as at 24 January 2018; the statement of total return, and the statement of change in net assets attributable to unitholders for the year then ended; the distribution tables; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the Fund in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you when:

- the Authorised Fund Manager's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Authorised Fund Manager has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Fund's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Fund's ability to continue as a going concern.

Independent Auditors' Report continued

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The Authorised Fund Manager is responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

Authorised Fund Manager's Report

In our opinion, the information given in the Authorised Fund Manager's Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Responsibilities for the financial statements and the audit

Responsibilities of the Authorised Fund Manager for the financial statements

As explained more fully in the Authorised Fund Manager's Responsibilities Statement set out on page 5, the Authorised Fund Manager is responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The Authorised Fund Manager is also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Authorised Fund Manager is responsible for assessing the Fund's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the Authorised Fund Manager either intend to wind up or terminate the Fund, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

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

Independent Auditors' Report continued

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the Fund's unitholders as a body in accordance with paragraph 4.5.12 of the Collective Investment Schemes sourcebook and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Opinion on matter required by the Collective Investment Schemes sourcebook

In our opinion, we have obtained all the information and explanations we consider necessary for the purposes of the audit.

Collective Investment Schemes sourcebook exception reporting

Under the Collective Investment Schemes sourcebook we are also required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
14 March 2018

Financial Statements

Statement of Total Return for the year ended 24 January 2018

Notes	24/01/18		24/01/17	
	£	£	£	£
Income				
Net capital gains	3	30,796,229		50,211,389
Revenue	4	15,529,373	22,216,178	
Expenses	5	(4,004,625)	(5,030,345)	
Interest payable and similar charges	7	(23,844)	(66,689)	
Net revenue before taxation		11,500,904	17,119,144	
Taxation	6	(207,146)	(141,527)	
Net revenue after taxation for the year		11,293,758	16,977,617	
Total return before distributions		42,089,987	67,189,006	
Distributions	7	(15,298,380)	(21,974,956)	
Change in net assets attributable to Unitholders from investment activities		£26,791,607	£45,214,050	

Statement of Change in Net Assets attributable to Unitholders for the year ended 24 January 2018

	24/01/18		24/01/17	
	£	£	£	£
Opening net assets attributable to Unitholders		401,784,193		503,272,597
Amounts received on issue of units		6,078,631	6,483,339	
Amounts paid on cancellation of units		(163,012,703)	(162,471,540)	
		(156,934,072)	(155,988,201)	
Change in net assets attributable to Unitholders from investment activities		26,791,607	45,214,050	
Retained distributions on accumulation units		3,596,241	9,096,544	
Unclaimed distributions		209,863	189,203	
Closing net assets attributable to Unitholders		£275,447,832	£401,784,193	

Financial Statements continued

Balance Sheet as at 24 January 2018

	Notes	24/01/18 £	24/01/17 £
ASSETS			
Fixed assets:			
Investments		274,513,823	392,978,760
Current assets:			
Debtors	8	1,428,325	2,521,094
Cash and bank balances	9	2,979,996	12,795,561
Total assets		278,922,144	408,295,415
LIABILITIES			
Creditors:			
Bank overdrafts	9	—	(2,517,690)
Distributions payable		(1,493,041)	(2,244,207)
Other creditors	10	(1,981,271)	(1,749,325)
Total liabilities		(3,474,312)	(6,511,222)
Net assets attributable to Unitholders		£275,447,832	£401,784,193

Notes to the Financial Statements

1. Statement of Compliance

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

2. Summary of Significant Accounting Policies

(a) Basis of Preparation

The Financial Statements have been prepared on a going concern basis, under the historical cost convention as modified by the revaluation of certain financial assets and liabilities measured at fair value through profit or loss.

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

(b) Functional and Presentation Currency

The functional and presentation currency of the Fund is Sterling.

(c) Recognition of revenue

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

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

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

All other revenue is recognised on an accruals basis.

(d) Treatment of expenses

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

(e) Distribution Policy

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

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

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

Notes to the Financial Statements continued

2. Summary of Significant Accounting Policies continued

(f) Basis of valuation of investments

All investments are valued at their fair value as at 12 noon on 24 January 2018, being the last working day of the accounting year. The fair value for non-derivative securities is bid market price.

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

(g) Taxation

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

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

(h) Foreign exchange

Transactions in foreign currencies are translated at the rate of exchange ruling on the date of the transaction. Where applicable, assets and liabilities denominated in foreign currencies are translated into Sterling at the rates of exchange ruling at 12 noon on 24 January 2018, being the last working day of the accounting year.

3. Net capital gains

The net capital gains during the year comprise:

Non-derivative securities

Currency gains

Net capital gains

24/01/18	24/01/17
£	£
30,714,405	49,559,604
<u>81,824</u>	<u>651,785</u>
<u>30,796,229</u>	<u>50,211,389</u>

4. Revenue

UK Franked dividends

Non-taxable overseas dividends

Property dividend distributions

Property interest distributions

Bank interest

24/01/18	24/01/17
£	£
13,474,363	19,124,329
1,791,258	2,948,949
111,830	21,928
141,908	107,996
<u>10,014</u>	<u>12,976</u>
<u>15,529,373</u>	<u>22,216,178</u>

Notes to the Financial Statements continued

5. Expenses

	24/01/18	24/01/17
	£	£
Payable to the Manager, associates of the Manager and agents of either of them:		
Fund management fees	<u>4,004,625</u>	<u>5,030,345</u>
Total expenses	<u>4,004,625</u>	<u>5,030,345</u>

Audit fees of £8,369 plus VAT on Audit fees of £1,674 have been borne by the Manager out of its fund management fee. In the prior year, the total audit fee was £8,125 plus VAT of £1,625.

Notes to the Financial Statements continued

6. Taxation

(a) Analysis of taxation charge in year

	24/01/18	24/01/17
	£	£
Overseas tax	207,146	141,527
Current tax [note 6(b)]	207,146	141,527
Deferred tax [note 6(c)]	—	—
Total taxation	<u>207,146</u>	<u>141,527</u>

(b) Factors affecting taxation charge for the year

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

Net revenue before taxation	<u>11,500,904</u>	<u>17,119,144</u>
Net revenue before taxation multiplied by the applicable rate of Corporation tax of 20% (2017: 20%)	2,300,181	3,423,829
Effects of:		
Overseas tax	207,146	141,527
Revenue not subject to taxation	(3,075,490)	(4,419,041)
Excess management expenses not utilised	<u>775,309</u>	<u>995,212</u>
Current tax	<u>207,146</u>	<u>141,527</u>

(c) Provision for deferred tax

There is no deferred tax provision in the current or preceding year. At the year end there is a potential deferred tax asset of £4,588,862 (24 January 2017: £3,813,553) due to surplus management expenses.

It is unlikely the Fund will generate sufficient taxable profits in the future to utilise this amounts and therefore no deferred tax asset has been recognised (24 January 2017: same).

Notes to the Financial Statements continued

7. Distributions

The distributions take account of revenue received on the creation of units and revenue deducted on the cancellation of units and comprise:

	24/01/18	24/01/17
	£	£
First interim distribution	4,697,915	6,463,759
Second interim distribution	3,752,555	6,886,263
Third interim distribution	3,586,418	3,514,250
Final distribution	<u>1,822,647</u>	<u>3,721,215</u>
	13,859,535	20,585,487
Add: Revenue deducted on cancellation of units	1,490,837	1,444,726
Less: Revenue received on creation of units	<u>(51,992)</u>	<u>(55,257)</u>
Distributions for the year	15,298,380	21,974,956
Interest payable and similar charges		
Bank overdraft interest	<u>23,844</u>	<u>66,689</u>
	<u>15,322,224</u>	<u>22,041,645</u>

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

	24/01/18	24/01/17
	£	£
Net revenue after taxation for the year	11,293,758	16,977,617
Add: Expenses charged to capital	4,004,625	5,030,345
Equalisation effect of conversions	(3)	(10)
Tax relief on capital expenses	—	<u>(32,996)</u>
Distributions for the year	15,298,380	21,974,956

8. Debtors

	24/01/18	24/01/17
	£	£
Accrued revenue	732,720	863,958
Amounts receivable for creation of units	66,838	86,565
Overseas tax recoverable	628,767	629,321
Sales awaiting settlement	—	<u>941,250</u>
	<u>1,428,325</u>	<u>2,521,094</u>

Notes to the Financial Statements continued

9. Net uninvested cash

	24/01/18	24/01/17
	£	£
Cash and bank balances	2,979,996	12,795,561
Bank overdrafts	—	(2,517,690)
Net uninvested cash	<u>2,979,996</u>	<u>10,277,871</u>

10. Other creditors

	24/01/18	24/01/17
	£	£
Accrued expenses	196,671	295,597
Amounts payable for cancellation of units	418,216	324,701
Purchases awaiting settlement	<u>1,366,384</u>	<u>1,129,027</u>
	<u>1,981,271</u>	<u>1,749,325</u>

11. Contingent liabilities and outstanding commitments

There were no contingent liabilities or outstanding commitments at the balance sheet date (24 January 2017: same).

Notes to the Financial Statements continued

12. Financial Instruments and Associated Risks

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

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

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

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

(a) Market Risk arising from other price risk

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

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

The assets held by the Fund can be seen in the Portfolio Statement starting on page 8. Movements in the prices of these investments result in movements in the performance of the Fund. The Manager adheres to the investment guidelines established in the Trust Deed, the Prospectus, the COLL and the Fund's IOG, and in this way, monitors and controls the exposure to risk from any type of security, sector or issuer.

At 24 January 2018, if the price of the investments held by the Fund increased or decreased by 5%, with all other variables remaining constant, then the net assets attributable to unitholders would increase or decrease by approximately £13,725,691 (24 January 2017: £19,648,938).

Notes to the Financial Statements continued

12. Financial Instruments and Associated Risks continued

(b) Interest Rate Risk

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

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

In the event of a change in interest rates, there would be no material impact upon the assets of the Fund.

(c) Foreign Currency Risk

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

Forward currency contracts were not utilised during the current year and the preceding year.

At 24 January 2018, if the value of Sterling increased or decreased by 1% against all currencies, with all other variables remaining constant, then the net assets attributable to unitholders would increase or decrease by approximately £47,485 (24 January 2017: £206,247).

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

24/01/18 Currency	Net foreign currency assets		
	Monetary exposures	Non-monetary exposures	Total
	£'000	£'000	£'000
Danish Krone	26	4,233	4,259
Euro	56	—	56
Swiss Franc	433	—	433

24/01/17 Currency	Net foreign currency assets		
	Monetary exposures	Non-monetary exposures	Total
	£'000	£'000	£'000
Euro	3,916	2,345	6,261
Swiss Franc	7,255	7,109	14,364

(d) Credit Risk

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

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

Notes to the Financial Statements continued

12. Financial Instruments and Associated Risks continued

(e) Liquidity Risk

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

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

(f) Fair Value

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

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

24/01/18	Assets	Liabilities
Basis of Valuation	£	£
Level 1 - Quoted Prices	274,513,823	—
Level 2 - Observable Market Data	—	—
Level 3 - Unobservable Data	—	—
Total	274,513,823	—

24/01/17	Assets	Liabilities
Basis of Valuation	£	£
Level 1 - Quoted Prices	392,978,760	—
Level 2 - Observable Market Data	—	—
Level 3 - Unobservable Data	—	—
Total	392,978,760	—

Level 1

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

Level 2

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

Level 3

Valuation techniques using unobservable inputs.

Notes to the Financial Statements continued

13. Portfolio transaction costs

24/01/18	Value	Commissions	Taxes		Total	
Purchases	£'000	£'000	%	£'000	%	£'000
Equities	109,586	52	0.05	395	0.36	110,033
Total	109,586	52	0.05	395	0.36	110,033

24/01/18	Value	Commissions	Taxes		Total	
Sales	£'000	£'000	%	£'000	%	£'000
Equities	259,325	(113)	0.04	—	—	259,212
Total	259,325	(113)	0.04	—	—	259,212

Commissions and taxes as % of average net assets

Commissions 0.05%

Taxes 0.13%

24/01/17	Value	Commissions	Taxes		Total	
Purchases	£'000	£'000	%	£'000	%	£'000
Equities	209,653	159	0.08	910	0.43	210,722
Total	209,653	159	0.08	910	0.43	210,722

24/01/17	Value	Commissions	Taxes		Total	
Sales	£'000	£'000	%	£'000	%	£'000
Equities	364,332	(252)	0.07	(1)	—	364,079
Total	364,332	(252)	0.07	(1)	—	364,079

Commissions and taxes as % of average net assets

Commissions 0.09%

Taxes 0.19%

Transaction costs consist of expenses incurred in the process of the purchase and sales of securities above the cost of the securities.

The average portfolio dealing spread, including the effect of foreign exchange, as at the balance sheet date was 0.05% (24 January 2017: 0.05%).

Notes to the Financial Statements continued

14. Unit classes

A list of unit classes in issue and the fund management fee on each unit class can be found on page 41. The net asset value per unit of each unit class and the number of units in each class are given in the comparative tables on pages 33 to 39. The distributions per unit class are given in the distribution tables on pages 28 to 31. All classes have the same rights on winding up.

R-Class	Distribution	Accumulation
Opening Units	254,156,558	56,472,846
Units issued	5,438,001	2,071,283
Units cancelled	(19,257,587)	(5,433,606)
Units converted	(1,957,082)	922,514
Closing Units	238,379,890	54,033,037

F-Class	Distribution	Accumulation
Opening Units	83,388	50,381
Units issued	—	19,189
Units cancelled	(25,426)	(8,378)
Units converted	—	—
Closing Units	57,962	61,192

I-Class	Distribution	Accumulation
Opening Units	7,686,493	149,830,941
Units issued	632,573	700,934
Units cancelled	(1,651,411)	(145,047,378)
Units converted	651,221	43,163
Closing Units	7,318,876	5,527,660

L-Class	Distribution
Opening Units	131,001,908
Units issued	—
Units cancelled	(31,961,988)
Units converted	—
Closing Units	99,039,920

Notes to the Financial Statements continued

15. Ultimate controlling party and related party transactions

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

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

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

At the year end, the Manager and its associates held 25.95% (49.90% as at 24 January 2017) of the Fund's units in issue.

16. Post balance sheet market movements

As at the close of business on the balance sheet date the Net Asset Value per R-Class distribution unit was 63.20p. The Net Asset Value per R-Class distribution unit for the Fund as at 12 noon on 13 March 2018 was 59.92p. This represents a decrease of 5.19% from the year end value. Over the same period, the FTSE All-Share Index was down 5.44%.

Distribution Tables

Distribution Tables for the year ended 24 January 2018

Group 1: units purchased prior to a distribution period.

Group 2: units purchased during a distribution period.

Equalisation is the average amount of revenue included in the purchase price of all Group 2 units and is refunded to the holders of these units as a return of capital. As capital it is not liable to Income Tax but must be deducted from the cost of units for Capital Gains Tax purposes.

1st Interim dividend distribution in pence per unit			Period	
			25/01/17	to 24/04/17
R-Class			Distribution	Distribution
Distribution Units			24/06/17	24/06/16
Group 1	Revenue	Equalisation	0.7260	0.7157
Group 2	0.1099	0.6161	0.7260	0.7157
R-Class			Distribution	Distribution
Accumulation Units			24/06/17	24/06/16
Group 1	Revenue	Equalisation	0.9171	0.8655
Group 2	0.2648	0.6523	0.9171	0.8655
F-Class			Distribution	Distribution
Distribution Units			24/06/17	24/06/16
Group 1	Revenue	Equalisation	0.7467	0.7325
Group 2	—	0.7467	0.7467	0.7325
F-Class			Distribution	Distribution
Accumulation Units			24/06/17	24/06/16
Group 1	Revenue	Equalisation	0.9423	0.8836
Group 2	0.4786	0.4637	0.9423	0.8836
I-Class			Distribution	Distribution
Distribution Units			24/06/17	24/06/16
Group 1	Revenue	Equalisation	0.7632	0.7470
Group 2	0.2291	0.5341	0.7632	0.7470
I-Class			Distribution	Distribution
Accumulation Units			24/06/17	24/06/16
Group 1	Revenue	Equalisation	0.9647	0.9027
Group 2	0.1206	0.8441	0.9647	0.9027
L-Class			Distribution	Distribution
Distribution Units			24/06/17	24/06/16
Group 1	Revenue	Equalisation	0.7979	0.7750
Group 2	—	0.7979	0.7979	0.7750

Distribution Tables continued

2nd Interim dividend distribution in pence per unit			Period	
			25/04/17	to 24/07/17
R-Class			Distribution	Distribution
Distribution Units			24/09/17	24/09/16
Group 1	Revenue	Equalisation	0.8539	0.7728
Group 2	0.0825	0.7714	0.8539	0.7728
R-Class			Distribution	Distribution
Accumulation Units			24/09/17	24/09/16
Group 1	Revenue	Equalisation	1.0883	0.9434
Group 2	0.2484	0.8399	1.0883	0.9434
F-Class			Distribution	Distribution
Distribution Units			24/09/17	24/09/16
Group 1	Revenue	Equalisation	0.8790	0.7913
Group 2	—	0.8790	0.8790	0.7913
F-Class			Distribution	Distribution
Accumulation Units			24/09/17	24/09/16
Group 1	Revenue	Equalisation	1.1233	0.9651
Group 2	0.0455	1.0778	1.1233	0.9651
I-Class			Distribution	Distribution
Distribution Units			24/09/17	24/09/16
Group 1	Revenue	Equalisation	0.8995	0.8071
Group 2	0.3755	0.5240	0.8995	0.8071
I-Class			Distribution	Distribution
Accumulation Units			24/09/17	24/09/16
Group 1	Revenue	Equalisation	1.1516	0.9852
Group 2	0.2444	0.9072	1.1516	0.9852
I-Class			Distribution	Distribution
Distribution Units			24/09/17	24/09/16
Group 1	Revenue	Equalisation	0.9410	0.8378
Group 2	—	0.9410	0.9410	0.8378

Distribution Tables continued

3rd Interim dividend distribution in pence per unit			Period	
			25/07/17	to 24/10/17
R-Class				
Distribution Units	Revenue	Equalisation	Distribution	Distribution
			24/12/17	24/12/16
Group 1	0.8203	—	0.8203	0.5022
Group 2	0.2022	0.6181	0.8203	0.5022
R-Class				
Accumulation Units	Revenue	Equalisation	Distribution	Distribution
			24/12/17	24/12/16
Group 1	1.0624	—	1.0624	0.6231
Group 2	0.4153	0.6471	1.0624	0.6231
F-Class				
Distribution Units	Revenue	Equalisation	Distribution	Distribution
			24/12/17	24/12/16
Group 1	0.8451	—	0.8451	0.5149
Group 2	—	0.8451	0.8451	0.5149
F-Class				
Accumulation Units	Revenue	Equalisation	Distribution	Distribution
			24/12/17	24/12/16
Group 1	1.0942	—	1.0942	0.6387
Group 2	—	1.0942	1.0942	0.6387
I-Class				
Distribution Units	Revenue	Equalisation	Distribution	Distribution
			24/12/17	24/12/16
Group 1	0.8667	—	0.8667	0.5259
Group 2	0.3671	0.4996	0.8667	0.5259
I-Class				
Accumulation Units	Revenue	Equalisation	Distribution	Distribution
			24/12/17	24/12/16
Group 1	1.1221	—	1.1221	0.6526
Group 2	0.4067	0.7154	1.1221	0.6526
L-Class				
Distribution Units	Revenue	Equalisation	Distribution	Distribution
			24/12/17	24/12/16
Group 1	0.9082	—	0.9082	0.5470
Group 2	—	0.9082	0.9082	0.5470

Distribution Tables continued

Final dividend distribution in pence per unit			Period			
			25/10/17	to 24/01/18		
R-Class						
Distribution Units			Revenue	Equalisation	Distribution	Distribution
			24/03/18		24/03/17	
Group 1	0.4189	—	0.4189		0.5535	
Group 2	0.1388	0.2801	0.4189		0.5535	
R-Class						
Accumulation Units			Revenue	Equalisation	Distribution	Distribution
			24/03/18		24/03/17	
Group 1	0.5497	—	0.5497		0.6911	
Group 2	0.1963	0.3534	0.5497		0.6911	
F-Class						
Distribution Units			Revenue	Equalisation	Distribution	Distribution
			24/03/18		24/03/17	
Group 1	0.4322	—	0.4322		0.5682	
Group 2	—	0.4322	0.4322		0.5682	
F-Class						
Accumulation Units			Revenue	Equalisation	Distribution	Distribution
			24/03/18		24/03/17	
Group 1	0.5671	—	0.5671		0.7090	
Group 2	—	0.5671	0.5671		0.7090	
I-Class						
Distribution Units			Revenue	Equalisation	Distribution	Distribution
			24/03/18		24/03/17	
Group 1	0.4437	—	0.4437		0.5804	
Group 2	0.0563	0.3874	0.4437		0.5804	
I-Class						
Accumulation Units			Revenue	Equalisation	Distribution	Distribution
			24/03/18		24/03/17	
Group 1	0.5822	—	0.5822		0.7250	
Group 2	0.3627	0.2195	0.5822		0.7250	
I-Class						
Distribution Units			Revenue	Equalisation	Distribution	Distribution
			24/03/18		24/03/17	
Group 1	0.4660	—	0.4660		0.6047	
Group 2	—	0.4660	0.4660		0.6047	

Fund Information (unaudited)

The Comparative Tables on pages 33 to 39 give the performance of each active share class in the Fund.

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

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

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

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

Fund Information (unaudited) continued

Comparative Tables

R-Class Distribution Units

Change in Net Asset Value per Unit

Accounting Year ending	24/01/18 (pence per unit)	24/01/17 (pence per unit)	24/01/16 (pence per unit)
Opening net asset value per unit	59.42	54.73	59.87
Return before operating charges*	7.69	8.24	(1.84)
Operating charges (calculated on average price)	(1.09)	(1.01)	(1.00)
Return after operating charges*	6.60	7.23	(2.84)
Distributions on income units	(2.82)	(2.54)	(2.30)
Closing net asset value per unit	63.20	59.42	54.73
* after direct transaction costs of:	0.11	0.16	0.18

Performance

Return after charges	11.11%	13.21%	(4.74)%
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Other Information

Closing net asset value (£)	150,658,580	151,014,666	149,823,424
Closing number of units	238,379,890	254,156,558	273,774,078
Operating charges [†]	1.75%	1.76%	1.67%
Direct transaction costs	0.18%	0.27%	0.27%

Prices

Highest unit price	68.06p	65.39p	67.15p
Lowest unit price	59.24p	51.19p	53.44p

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

Past performance is not a guide to future performance.

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

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

Fund Information (unaudited) continued

Comparative Tables continued

R-Class Accumulation Units

Change in Net Asset Value per Unit

Accounting Year ending	24/01/18 (pence per unit)	24/01/17 (pence per unit)	24/01/16 (pence per unit)
Opening net asset value per unit	75.02	66.14	69.62
Return before operating charges*	9.86	10.13	(2.30)
Operating charges (calculated on average price)	(1.40)	(1.25)	(1.18)
Return after operating charges*	8.46	8.88	(3.48)
Distributions	(3.62)	(3.12)	(2.71)
Retained distributions on accumulation units	3.62	3.12	2.71
Closing net asset value per unit	83.48	75.02	66.14
* after direct transaction costs of:	0.14	0.19	0.18

Performance

Return after charges	11.28%	13.43%	(5.00)%
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Other Information

Closing net asset value (£)	45,109,062	42,367,750	39,376,099
Closing number of units	54,033,037	56,472,846	59,533,303
Operating charges†	1.75%	1.76%	1.67%
Direct transaction costs	0.18%	0.27%	0.27%

Prices

Highest unit price	86.95p	81.80p	78.87p
Lowest unit price	74.78p	61.88p	64.01p

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

Past performance is not a guide to future performance.

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

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

Fund Information (unaudited) continued

Comparative Tables continued

F-Class Distribution Units

Change in Net Asset Value per Unit

Accounting Year ending	24/01/18 (pence per unit)	24/01/17 (pence per unit)	24/01/16 (pence per unit)
Opening net asset value per unit	61.05	55.95	60.90
Return before operating charges*	7.91	8.44	(1.90)
Operating charges (calculated on average price)	(0.80)	(0.74)	(0.71)
Return after operating charges*	7.11	7.70	(2.61)
Distributions on income units	(2.90)	(2.60)	(2.34)
Closing net asset value per unit	65.26	61.05	55.95
* after direct transaction costs of:	0.11	0.16	0.18

Performance

Return after charges	11.65%	13.76%	(4.29)%
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Other Information

Closing net asset value (£)	37,827	50,906	50,473
Closing number of units	57,962	83,388	90,210
Operating charges†	1.25%	1.26%	1.17%
Direct transaction costs	0.18%	0.27%	0.27%

Prices

Highest unit price	66.81p	63.98p	65.16p
Lowest unit price	60.88p	52.34p	54.62p

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

Past performance is not a guide to future performance.

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

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

Fund Information (unaudited) continued

Comparative Tables continued

F-Class Accumulation Units

Change in Net Asset Value per Unit

Accounting Year ending	24/01/18 (pence per unit)	24/01/17 (pence per unit)	24/01/16 (pence per unit)
Opening net asset value per unit	77.06	67.59	70.79
Return before operating charges*	10.16	10.38	(2.36)
Operating charges (calculated on average price)	(1.04)	(0.91)	(0.84)
Return after operating charges*	9.12	9.47	(3.20)
Distributions	(3.73)	(3.19)	(2.76)
Retained distributions on accumulation units	3.73	3.19	2.76
Closing net asset value per unit	86.18	77.06	67.59
* after direct transaction costs of:	0.15	0.20	0.18

Performance

Return after charges	11.83%	14.01%	(4.52)%
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Other Information

Closing net asset value (£)	52,736	38,824	33,595
Closing number of units	61,192	50,381	49,704
Operating charges†	1.25%	1.26%	1.17%
Direct transaction costs	0.18%	0.27%	0.27%

Prices

Highest unit price	87.65p	80.01p	76.51p
Lowest unit price	76.82p	63.25p	65.41p

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

Past performance is not a guide to future performance.

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

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

Fund Information (unaudited) continued

Comparative Tables continued

I-Class Distribution Units

Change in Net Asset Value per Unit

Accounting Year ending	24/01/18 (pence per unit)	24/01/17 (pence per unit)	24/01/16 (pence per unit)
Opening net asset value per unit	62.45	57.01	61.80
Return before operating charges*	8.11	8.62	(1.93)
Operating charges (calculated on average price)	(0.57)	(0.52)	(0.48)
Return after operating charges*	7.54	8.10	(2.41)
Distributions on income units	(2.97)	(2.66)	(2.38)
Closing net asset value per unit	67.02	62.45	57.01
* after direct transaction costs of:	0.12	0.16	0.18

Performance

Return after charges	12.07%	14.21%	(3.90)%
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Other Information

Closing net asset value (£)	4,905,057	4,799,926	3,861,789
Closing number of units	7,318,876	7,686,493	6,774,071
Operating charges†	0.87%	0.87%	0.78%
Direct transaction costs	0.18%	0.27%	0.27%

Prices

Highest unit price	68.61p	65.43p	66.22p
Lowest unit price	62.28p	53.34p	55.66p

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Fund Information (unaudited) continued

Comparative Tables continued

I-Class Accumulation Units

Change in Net Asset Value per Unit

Accounting Year ending	24/01/18 (pence per unit)	24/01/17 (pence per unit)	24/01/16 (pence per unit)
Opening net asset value per unit	78.86	68.91	71.88
Return before operating charges*	10.39	10.59	(2.40)
Operating charges (calculated on average price)	(0.72)	(0.64)	(0.57)
Return after operating charges*	9.67	9.95	(2.97)
Distributions	(3.82)	(3.26)	(2.81)
Retained distributions on accumulation units	3.82	3.26	2.81
Closing net asset value per unit	88.53	78.86	68.91
* after direct transaction costs of:	0.15	0.20	0.18

Performance

Return after charges	12.26%	14.44%	(4.13)%
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Other Information

Closing net asset value (£)	4,893,655	118,149,996	190,952,373
Closing number of units	5,527,660	149,830,941	277,123,898
Operating charges†	0.87%	0.87%	0.78%
Direct transaction costs	0.18%	0.27%	0.27%

Prices

Highest unit price	90.04p	81.87p	77.79p
Lowest unit price	78.61p	64.49p	66.68p

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

Past performance is not a guide to future performance.

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

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

Fund Information (unaudited) continued

Comparative Tables continued

L-Class Distribution Units

Change in Net Asset Value per Unit

Accounting Year ending	24/01/18 (pence per unit)	24/01/17 (pence per unit)	24/01/16 (pence per unit)
Opening net asset value per unit	65.16	59.04	63.52
Return before operating charges*	8.50	8.95	(2.00)
Operating charges (calculated on average price)	(0.08)	(0.07)	(0.02)
Return after operating charges*	8.42	8.88	(2.02)
Distributions on income units	(3.11)	(2.76)	(2.46)
Closing net asset value per unit	70.47	65.16	59.04
* after direct transaction costs of:	0.12	0.17	0.18

Performance

Return after charges	12.92%	15.04%	(3.18)%
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Other Information

Closing net asset value (£)	69,790,915	85,362,125	119,174,844
Closing number of units	99,039,920	131,001,908	201,851,537
Operating charges [†]	0.12%	0.12%	0.03%
Direct transaction costs	0.18%	0.27%	0.27%

Prices

Highest unit price	72.13p	68.27p	68.24p
Lowest unit price	65.00p	55.27p	57.63p

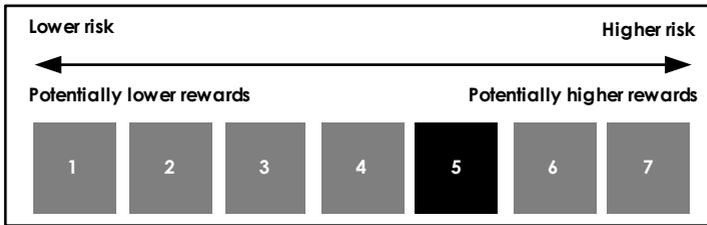
[†] Operating charges, otherwise known as the OCF is the ratio of the Fund's total disclosable costs (excluding overdraft interest) to the average net assets of the Fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a Fund and is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

Past performance is not a guide to future performance.

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

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

Risk and Reward Profile



- The risk and reward indicator is based on historical data which may not be a reliable indication of the Fund's risk and reward category in the future.
- The category is based on the rate at which the value of the Fund has moved up and down in the past.
- This Fund is in category five because it invests in company shares which generally provide higher rewards and higher risks than other investments such as bonds, cash or commercial property.
- The Fund's category is not guaranteed to remain the same and may change over time.
- Even a fund in the lowest category is not a risk free investment.

General Information (unaudited)

Constitution

Launch date:	31 March 2011
Period end dates for distributions:	24 January, 24 April, 24 July, 24 October
Distribution dates:	24 March, 24 June, 24 September, 24 December
Minimum initial lump sum investment:	R-Class £500 F-Class* £500 I-Class £1,000,000 C-Class** £20,000,000 L-Class*** £100,000
Valuation point:	12 noon
Fund management fees:	R-Class Annual 1.53%† (1.77% Prior to 2 January 2018) F-Class* Annual 1.03%† (1.27% Prior to 2 January 2018) I-Class Annual 0.78%† (0.88% Prior to 2 January 2018) C-Class** Annual 0.50% L-Class*** Annual 0.03%† (0.13% Prior to 2 January 2018)
Initial charge:	R-Class Nil† F-Class* Nil I-Class Nil C-Class** Nil L-Class*** Nil

* F-Class units are only available to:

- (i) investors who have received advice from authorised intermediaries, platforms or other distributors in relation to their investment in units in the Fund, 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.

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

*** L-Class is not available to retail customers and is intended only for investment by Legal & General group companies.

† With effect from 6 June 2017 - See Significant Changes on page 44.

General Information (unaudited) continued

Pricing and Dealing

The prices are published on the internet at 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.

Buying and Selling Units

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

ISA Status

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

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

Prospectus and Manager's Reports

The Manager will send to all persons on the Unitholder Register annual and interim short form 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 Fund. Where the Manager operates a box through which unit subscriptions and unit redemptions are netted into a single trade instruction to the Trustee, the netting reduces the actual transaction costs and this generates a revenue to the Manager. The revenue generated from this activity is calculated on a monthly basis and returned to the Fund in the form of a payment from the Manager. This provides an enhanced return to the Fund, though the size of any return will be dependent on the size of subscriptions and redemptions.

General Information (unaudited) continued

Remuneration Disclosure

In accordance with the Undertakings for collective investment in transferable securities (UCITs) Directive, often referred to as the UCITs V Directive, the Legal & General UK Equity Income Fund, as a UCITs Scheme, is required to disclose the aggregate remuneration paid by the UCITs Manager and by the UCITs Scheme to Identified Staff, together with the number of beneficiaries, and, where relevant, performance fees paid by the UCITs Scheme. The aggregate amount of remuneration must be broken down by category of employees or other staff members and be split into fixed and variable remuneration.

The following provides information on the remuneration of persons whose professional activities have a material impact on the management company and the funds managed by it as at 31 December 2016. At the time of publishing, figures for 31 December 2017 were unavailable. We shall publish this data in the Fund's interim report, due to be published in September 2018:

Controlled Functions

Headcount	Fixed Remuneration (£'000)	Variable Remuneration (£'000)	Remuneration related to this Scheme (Pro-rated) (£'000)
16	3,278	5,980	105

Material Risk Takers

Headcount	Fixed Remuneration (£,000)	Variable Remuneration (£'000)	Remuneration related to this Fund (Pro-rated) (£'000)
20	2,991	4,914	397

Controlled Functions

As at 31 December 2016, Legal & General Unit Trust Managers Limited (UTM) engaged the services of five employees of Legal & General Investment Management (Holdings) Limited (LGIMH), plus a further two employees of Legal & General Resources (LGR) to act as Directors. In addition, one LGIMH employee plus one LGR employee were also engaged in Director Services during the year, but resigned in 2016. UTM also engaged the services of a further five LGIMH employees and a further two L&G Resources (LGR) employees to act in a variety of Controlled Functions, including Chief Compliance Officer, Money Laundering Reporting Officer, Client Asset Oversight, Systems and Controls Functions and Significant Management Functions. These employees were also engaged by other companies in the L&G Group. The aggregate remuneration received by these individuals, for all their services across the L&G Group, is disclosed in the table above. We have prorated the remuneration figures by the Net Asset Value of the UCITS Funds as a percentage of the total assets under management of UTM.

General Information (unaudited) continued

Material Risk Takers

As at the 31 December 2016, UTM engaged the services of Legal & General Investment Management's Equities Fund Management team, which consists of 20 investment professionals located in our London Office. The team includes a variety of Fund Managers, Analysts and Support Staff, with the Fund Managers empowered to take discretionary investment management decisions on behalf of the Fund. The team is also engaged in managing other Legal & General UTM Funds/Schemes and is also engaged by other companies in the L&G Group. The aggregate remuneration received by the members of the team, for all their services across the L&G Group, is disclosed in the table above. We have prorated the remuneration figures by the Net Asset Value of the UCITS Fund as a percentage of the total assets managed by the Equities Team.

Significant Changes

Removal of the Initial Charge for R-Class

With effect from 6 June 2017, the initial charge for R-Class units 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 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.

Reduction of FMF

With effect from 2 January 2018, the Fund Management Fees (FMF) have been reduced as follows:

	Old FMF	New FMF
R-Class	1.77%	1.53%
F-Class	1.27%	1.03%
I-Class	0.88%	0.78%
L-Class	0.13%	0.03%

New Unit Class: C-Class

With effect from 28 February 2018, C-Class units have been launched with distribution and accumulation units available.

General Information (unaudited) continued

Authorised Fund Manager

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

Directors of the Manager

R. M. Bartley
A. J. C. Craven
S. Hynes
H. Morrissey (appointed 5 July 2017)
H. Solomon
S. D. Thomas
L. W. Toms
A. R. Toutouchi*
M. J. Zinkula

*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 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

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
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