

Legal & General UK Select Equity Fund
Annual Manager's Report
for the year ended
30 September 2020



Contents

	Page Number
Manager's Investment Report*	2
Authorised Status*	5
Directors' Statement	5
Statement of the Manager's Responsibilities	6
Statement of the Trustee's Responsibilities	7
Report of the Trustee	8
Portfolio Statement*	9
Independent Auditor's Report	12
Statement of Total Return	15
Statement of Change in Net Assets attributable to Unitholders	15
Balance Sheet	16
Notes to the Financial Statements	17
Distribution Tables	29
Fund Information*	31
Risk and Reward Profile (unaudited)*	38
General Information (unaudited)*	39

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

Manager's Investment Report

Investment Objective and Policy

The objective of the Fund is to provide growth above that of the FTSE All-Share TR Net Index, the "Benchmark Index". The Fund aims to outperform the Benchmark Index by 3% per annum. This objective is before the deduction of any charges and measured over rolling three year periods.

The Fund is actively managed and invests at least 90% in the shares of UK companies. These are companies that are incorporated, headquartered or which have their principal business activities in the UK, or companies that are listed in the UK and constituents of the Benchmark Index.

Over a market cycle (typically three to five years), the Fund will comprise a portfolio of on average 30 to 60 companies selected by the Manager following research of each company. At times the Fund's portfolio may be concentrated.

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

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

The Fund may only use derivatives for the purpose of Efficient Portfolio Management.

Managers Investment Report

During the year under review, the published price of the Fund's A-Class accumulation units fell by 7.47%, whilst the FTSE All-Share Index fell by 16.51% on a total return basis (Source: Bloomberg).

Past performance is not a guide to future performance.

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

Market/Economic Review

The final quarter of 2019 was characterised by increasing market optimism as investors drew confidence from apparent progress in US and China trade talks and a decisive result in the UK election, which was perceived as reducing the near-term risk of a 'no deal' Brexit. However, 2020 heralded a dramatic shift: markets were rattled early in the year by a spat between Russia and Saudi Arabia over oil production, which caused the price of oil to plummet. As panic about the global spread of the Coronavirus took hold, equity markets dived, government bond yields soared, and credit spreads peaked, forcing central banks to intervene to stem rising yields and inject liquidity back into the markets. Significant stimulus packages from the US Federal Reserve, the European Central Bank and the Bank of England were announced and implemented, supported by additional government spending. Central bank action reversed the increase in government bond yields and brought investment-grade corporate spreads down from their highs, and bolstered equity markets in return. However, towards the end of the review year, it became clear that the equity market recovery has been primarily driven by a handful of strong-performing technology stocks.

Compared to global peers, returns from UK equities were disappointing over the year. Throughout the latter stages of 2019, uncertainty over Brexit negotiations overshadowed the market, before a resounding victory for the Conservatives in the December general election heralded a rally in share prices, particularly amongst more domestically focused smaller companies which had previously underperformed the

Manager's Investment Report continued

broader FTSE All Share Index. However, the UK market posted its worst quarterly performance since 1987 during the first quarter of 2020, with domestically-focused stocks particularly hard hit by the sell-off. The impact of COVID-19 was severe on sectors such as retailers, financials, industrials and real estate, as a broad range of companies moved to reduce dividend payments and opted to preserve cash.

Fund Review

The L&G UK Select Equity Fund performed favourably against its benchmark during the year. Our bias towards quality growth companies has been rewarded in a difficult market environment.

Stock selection and sector positioning both made positive contributions towards relative returns, with over two thirds of outperformance derived from favourable selection. Our holdings within consumer services, telecoms, financials and technology all gained strongly, while there was a more modest positive contribution from election within materials and healthcare. The only notable detractor was our stock selection within consumer goods. In respect of sector allocation, our underweight position to oil & gas and banks continues to add value. The overweight positioning within industrials and technology was also beneficial. On the flipside, the underweight in materials and healthcare was unhelpful to relative performance.

At the stock level, ASOS, the online fashion retailer, Fevertree Drinks, the premium spirits tonic mixer, B&M European Value Retail, the low-cost everyday essential retailer, and AVEVA, the simulation software solutions business were the largest positive contributors. Each of these companies reported encouraging financial results and market resilience in the year. Other COVID-19 winners (market share gains and increased financial benefit) included Just Eat Takeaway, JD Sports Fashion and Rentokil Initial. We also benefitted from the private equity takeover of cybersecurity business Sophos Group. Finally, increased levels of Merger and Acquisition (M&A) activity towards the end of the year was favourable for a number of companies, including Helios Towers, the African focused telecoms business.

At the other end of the spectrum, holdings of Cineworld Group, the world's second largest cinema operator, Carnival, the global cruise liner, Aston Martin Lagonda Global, the luxury auto manufacturer, Vivo Energy, the oil retail services provider and Network International, the digital payments specialist all had a negative impact on performance. While many of the detractors underperformed due to the COVID-19 impact on trading and sentiment, there were additionally some stock specific headwinds which warranted our attention.

In respect of portfolio activity, we introduced several new positions to the portfolio in the year. This included Abcam, ConvaTec Group, Croda International, Derwent London, Experian, HomeServe and London Stock Exchange Group. Conversely, we exited holdings in Carnival, Cineworld Group, Melrose, Next, Rio Tinto, Smiths Group, Tesco and Weir Group.

Outlook

Looking ahead, with the ongoing Brexit uncertainty and potential for further disruption from COVID-19, we believe it is going to take time for confidence to improve and economic stability to return. The near-term outlook for the UK economy will be driven by those measures taken by government to protect health of public, business and consumer confidence. From a bottom-up perspective, we reiterate our view that the likely winners identified pre-COVID still look best placed to weather current storms especially given the likelihood of consolidation, further opportunities for M&A and the need for investment at this point in the cycle. These businesses should continue to

Manager's Investment Report continued

compound earnings, maintain or grow cash flow and take advantage of new growth avenues. The greater focus on sustainability, Environmental, Social and Governance (ESG) materiality and investing in a better long term future will also serve industry leaders and their stakeholders well. We believe this will result in businesses creating increasing barriers to scale and success. A winning result in any environment.

Legal & General Investment Management Limited
(Investment Manager)
28 October 2020

Important Note from the Manager

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

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

Legal & General (Unit Trust Managers) Limited
30 November 2020

Authorised Status

Authorised Status

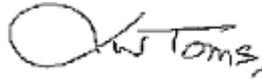
This Fund is an Authorised Unit Trust Scheme as defined in section 243 of the Financial Services and Markets Act 2000 and is a UCITS Retail Scheme within the meaning of the FCA Collective Investment Schemes sourcebook.

Directors' Statement

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



A. J. C. Craven
(Director)



L. W. Toms
(Director)

Legal & General (Unit Trust Managers) Limited
3 December 2020

Statement of Responsibilities

Statement of the Manager's Responsibilities

The Collective Investment Schemes sourcebook published by the FCA, ("the COLL Rules") require the Manager to prepare financial statements for each annual accounting period which give a true and fair view of the financial position of the Fund and of the net income and net gains or losses on the property of the Fund for the period.

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

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

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

Statement of Responsibilities continued

Statement of the Trustee's Responsibilities

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

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

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

The Depositary must ensure that:

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

Report of the Trustee

Report of the Trustee to the Unitholders of the Legal & General UK Select Equity Fund ("the Fund") for the year ended 30 September 2020

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

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

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

Northern Trust Global Services SE UK Branch
UK Trustee and Depositary Services
3 December 2020

Portfolio Statement

Portfolio Statement as at 30 September 2020

All investments are in ordinary shares unless otherwise stated. The percentages in brackets show the equivalent holdings at 30 September 2019.

Holding/ Nominal Value	Investment	Market Value £	% of Net Assets
	UNITED KINGDOM		
	— 77.70% (85.34%)		
	Oil & Gas Producers		
	— 2.57% (8.65%)		
1,950,000	BP	4,448,925	1.41
385,000	Royal Dutch Shell 'B'	3,662,120	1.16
		8,111,045	2.57
	Chemicals — 3.50% (0.00%)		
175,900	Croda International	11,035,966	3.50
	Mining — 0.00% (2.95%)		
	Construction & Materials		
	— 0.00% (3.36%)		
	General Industrials — 0.00% (2.34%)		
	Industrial Engineering		
	— 0.00% (2.46%)		
	Support Services — 13.34% (10.67%)		
364,030	Ashtead	10,138,235	3.22
2,928,000	Biffa	6,412,320	2.03
2,304,485	Network International	6,019,315	1.91
2,158,030	Rentokil Initial	11,718,103	3.72
1,379,459	RWS	7,766,354	2.46
		42,054,327	13.34
	Automobiles & Parts		
	— 2.37% (2.07%)		
14,808,805	Aston Martin Lagonda Global	7,478,447	2.37
	Beverages — 2.99% (3.10%)		
414,755	Fevertree Drinks	9,427,381	2.99
	Food Producers — 2.47% (3.06%)		
421,000	Associated British Foods	7,782,185	2.47
	Household Goods & Home Construction — 0.00% (2.08%)		
	Personal Goods — 3.28% (2.35%)		
3,085,450	Watches of Switzerland Group	10,336,257	3.28
	Health Care Equipment & Services		
	— 2.91% (2.66%)		
5,081,580	ConvaTec Group	9,167,170	2.91
	Pharmaceuticals & Biotechnology		
	— 6.46% (0.00%)		
483,000	Abcam	5,863,620	1.86
170,000	AstraZeneca	14,487,400	4.60
		20,351,020	6.46

Portfolio Statement continued

Holding/ Nominal Value	Investment	Market Value £	% of Net Assets
	Food & Drug Retailers — 3.31% (2.95%)		
366,300	Ocado Group	10,413,909	3.31
	General Retailers — 9.31% (12.01%)		
192,230	ASOS	9,938,291	3.15
765,000	HomeServe	9,378,900	2.98
1,262,250	JD Sports Fashion	10,022,265	3.18
		29,339,456	9.31
	Travel & Leisure — 1.45% (4.63%)		
2,653,856	SSP	4,556,671	1.45
	Mobile Telecommunications — 3.08% (0.00%)		
6,340,224	Helios Towers	9,700,543	3.08
	Banks — 1.11% (5.79%)		
3,320,000	Natwest	3,504,260	1.11
	Life Insurance — 2.50% (2.00%)		
845,500	St. James's Place	7,890,206	2.50
	Real Estate Investment Trusts — 3.08% (0.00%)		
385,000	Derwent London	9,709,700	3.08
	Financial Services — 6.73% (3.63%)		
1,242,500	3i Group	12,208,805	3.88
101,000	London Stock Exchange Group	8,989,000	2.85
45,262	Sole Realisation (SVG Capital) ¹	—	—
		21,197,805	6.73
	Equity Investment Instruments — 3.69% (2.75%)		
4,180,000	HgCapital Trust	11,641,300	3.69
	Software & Computer Services — 3.55% (5.83%)		
233,400	AVEVA	11,196,198	3.55
	IRELAND — 1.55% (0.00%)		
	Travel & Leisure — 1.55% (0.00%)		
2,249,362	Dalata Hotel Group	4,895,667	1.55
	CHANNEL ISLANDS — 6.15% (2.73%)		
	Support Services — 3.57% (0.00%)		
382,245	Experian	11,245,648	3.57
	Travel & Leisure — 2.58% (2.73%)		
270,050	Wizz Air	8,128,505	2.58
	GERMANY — 0.00% (2.35%)		
	Travel & Leisure — 0.00% (2.35%)		
	LUXEMBOURG — 3.33% (2.86%)		
	General Retailers — 3.33% (2.86%)		
2,113,500	B&M European Value Retail	10,497,755	3.33

Portfolio Statement continued

Holding/ Nominal Value	Investment	Market Value £	% of Net Assets
	NETHERLANDS — 6.23% (2.46%)		
	Industrial Engineering		
	— 2.62% (2.46%)		
334,000	RHI Magnesita	8,269,840	2.62
	General Retailers — 3.61% (0.00%)		
130,977	Just Eat Takeaway	11,379,282	3.61
	SWITZERLAND — 3.39% (3.02%)		
	Beverages — 3.39% (3.02%)		
561,850	Coca-Cola HBC	10,677,959	3.39
	Portfolio of investments²	309,988,502	98.35
	Net other assets	5,188,905	1.65
	Total net assets	£315,177,407	100.00%

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

² All investments are admitted to an official stock exchange unless otherwise stated.

Total purchases for the year: £231,249,182.

Total sales for the year: £256,791,349.

Independent Auditor's Report

Independent auditor's report to the Unitholders of Legal & General UK Select Equity Fund ('the Fund')

Opinion

We have audited the financial statements of the Fund for the year ended 30 September 2020 which comprise the Statement of Total Return, the Statement of Change in Net Assets Attributable to Unitholders, the Balance Sheet, the Related Notes and Distribution Tables for the Fund and the accounting policies set out on pages 17 to 18.

In our opinion, the financial statements:

- give a true and fair view, in accordance with UK accounting standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland, of the financial position of the Fund as at 30 September 2020 and of the net revenue and the net capital losses on the property of the Fund for the year then ended; and
- have been properly prepared in accordance with the Trust Deed, the Statement of Recommended Practice relating to UK Authorised Funds, and the COLL Rules.

Basis for opinion

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

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

Going concern

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

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the Manager's conclusions, we considered the inherent risks to the Fund's business model and analysed how those risks might affect the Fund's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the Fund will continue in operation.

Independent Auditor's Report continued

Other information

The Manager (Legal & General (Unit Trust Managers) Limited) is responsible for the other information presented in the Annual Manager's Report together with the financial statements. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the other information; and
- in our opinion the information given in Manager's Report for the financial year is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where under the COLL Rules we are required to report to you if, in our opinion:

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

Manager's responsibilities

As explained more fully in their statement set out on page 6, the Manager is responsible for: the preparation of financial statements that give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Fund or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

Independent Auditor's Report continued

The purpose of our audit work and to whom we owe our responsibilities

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

Grant Archer
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square,
London E14 5GL
3 December 2020

Financial Statements

Statement of Total Return for the year ended 30 September 2020

	Notes	30/09/20		30/09/19	
		£	£	£	£
Income					
Net capital losses	3		(27,543,144)		(27,111,759)
Revenue	4	6,287,367		14,363,420	
Expenses	5	(4,334,187)		(4,951,376)	
Interest payable and similar charges	7	(34)		(70)	
Net revenue before taxation		<u>1,953,146</u>		<u>9,411,974</u>	
Taxation	6	(115,797)		(163,989)	
Net revenue after taxation for the year			<u>1,837,349</u>		<u>9,247,985</u>
Total return before distributions			<u>(25,705,795)</u>		<u>(17,863,774)</u>
Distributions	7		(1,837,349)		(9,247,985)
Change in net assets attributable to Unitholders from investment activities			<u>£(27,543,144)</u>		<u>£(27,111,759)</u>

Statement of Change in Net Assets attributable to Unitholders for the year ended 30 September 2020

	30/09/20		30/09/19	
	£	£	£	£
Opening net assets attributable to Unitholders		367,847,975		433,128,075
Amounts received on issue of units	4,498,838		3,232,238	
Amounts paid on cancellation of units	<u>(31,426,840)</u>		<u>(50,418,955)</u>	
		(26,928,002)		(47,186,717)
Change in net assets attributable to Unitholders from investment activities		(27,543,144)		(27,111,759)
Retained distributions on accumulation units		<u>1,800,578</u>		<u>9,018,376</u>
Closing net assets attributable to Unitholders		<u>£315,177,407</u>		<u>£367,847,975</u>

Financial Statements continued

Balance Sheet as at 30 September 2020

	Notes	30/09/20 £	30/09/19 £
ASSETS			
Fixed assets:			
Investments		309,988,502	363,296,182
Current assets:			
Debtors	8	533,892	1,715,562
Cash and bank balances	9	<u>10,738,389</u>	<u>4,963,037</u>
Total assets		<u>321,260,783</u>	<u>369,974,781</u>
LIABILITIES			
Creditors:			
Bank overdrafts	9	(5,234,361)	(315,321)
Distributions payable		(268)	(4,025)
Other creditors	10	<u>(848,747)</u>	<u>(1,807,460)</u>
Total liabilities		<u>(6,083,376)</u>	<u>(2,126,806)</u>
Net assets attributable to Unitholders		<u>£315,177,407</u>	<u>£367,847,975</u>

Notes to the Financial Statements

1. Statement of Compliance

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

2. Summary of Significant Accounting Policies

(a) Basis of Preparation

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

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

(b) Functional and Presentation Currency

The functional and presentation currency of the Fund is Sterling.

(c) Recognition of Revenue

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

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

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

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 revenue 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 30 September 2020, 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 30 September 2020, being the last working day of the accounting year.

3. Net capital losses

The net capital losses during the year comprise:

Non-derivative securities

Currency (losses)/gains

Net capital losses

	30/09/20	30/09/19
	£	£
Non-derivative securities	(27,415,173)	(27,131,046)
Currency (losses)/gains	<u>(127,971)</u>	<u>19,287</u>
Net capital losses	<u>(27,543,144)</u>	<u>(27,111,759)</u>

4. Revenue

UK Franked dividends

Non-taxable overseas dividends

Property interest distributions

Bank interest

	30/09/20	30/09/19
	£	£
UK Franked dividends	5,052,499	12,650,215
Non-taxable overseas dividends	1,143,041	1,697,169
Property interest distributions	84,700	—
Bank interest	<u>7,127</u>	<u>16,036</u>
	<u>6,287,367</u>	<u>14,363,420</u>

Notes to the Financial Statements continued

5. Expenses

Payable to the Manager,
associates of the Manager
and agents of either of them:

Fund management fees

Total expenses

	30/09/20	30/09/19
	£	£
	4,334,187	4,951,376
	<u>4,334,187</u>	<u>4,951,376</u>

Audit fees of £9,433 plus VAT of £1,887 have been borne by the Manager out of its fund management fee. In the prior year, the total audit fee was £9,167 plus VAT of £1,834.

Notes to the Financial Statements continued

6. Taxation

(a) Analysis of taxation charge in year

	30/09/20	30/09/19
	£	£
Overseas tax	115,797	163,989
Current tax [note 6(b)]	115,797	163,989
Deferred tax [note 6(c)]	—	—
Total taxation	<u>115,797</u>	<u>163,989</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>1,953,146</u>	<u>9,411,974</u>
Net revenue before taxation multiplied by the applicable rate of Corporation tax of 20% (2019: 20%)	390,629	1,882,395
Effects of:		
Overseas tax	115,797	163,989
Revenue not subject to taxation	(1,256,048)	(2,869,477)
Excess management expenses not utilised	<u>865,419</u>	<u>987,082</u>
Current tax	<u>115,797</u>	<u>163,989</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 £30,505,929 (30 September 2019: £29,640,510) due to surplus management expenses.

It is unlikely the Fund will generate sufficient taxable profits in the future to utilise this amount and therefore no deferred tax asset has been recognised (30 September 2019: same).

Notes to the Financial Statements continued

7. Distributions

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

	30/09/20	30/09/19
	£	£
Interim distribution	1,501,665	4,050,652
Final distribution	<u>300,794</u>	<u>4,973,097</u>
	1,802,459	9,023,749
Add: Revenue deducted on cancellation of units	49,809	242,840
Less: Revenue received on creation of units	<u>(14,919)</u>	<u>(18,604)</u>
Distributions for the year	1,837,349	9,247,985
Interest payable and similar charges		
Bank overdraft interest	<u>34</u>	<u>70</u>
	<u>1,837,383</u>	<u>9,248,055</u>

8. Debtors

	30/09/20	30/09/19
	£	£
Accrued revenue	327,225	399,181
Amounts receivable for creation of units	—	10,000
Management fee rebates	—	260
Overseas tax recoverable	56,726	12,914
Sales awaiting settlement	<u>149,941</u>	<u>1,293,207</u>
	<u>533,892</u>	<u>1,715,562</u>

9. Net uninvested cash

	30/09/20	30/09/19
	£	£
Cash and bank balances	10,738,389	4,963,037
Bank overdrafts	<u>(5,234,361)</u>	<u>(315,321)</u>
Net uninvested cash	<u>5,504,028</u>	<u>4,647,716</u>

Notes to the Financial Statements continued

10. Other creditors

	30/09/20	30/09/19
	£	£
Accrued expenses	343,736	395,526
Amounts payable for cancellation of units	505,011	496,012
Purchases awaiting settlement	—	915,922
	<u>848,747</u>	<u>1,807,460</u>

11. Contingent liabilities and outstanding commitments

There were no contingent liabilities or outstanding commitments at the balance sheet date (30 September 2019: same).

Notes to the Financial Statements continued

12. Financial Instruments and Associated Risks

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

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

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

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

(a) Market Risk arising from other price risk

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

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

The assets held by the Fund can be seen in the Portfolio Statement starting on page 9. 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 30 September 2020, if the price of the investments held by the Fund increased or decreased by 5%, with all other variables remaining constant, then the net assets attributable to unitholders would increase or decrease by approximately £15,499,425 (30 September 2019: £18,164,809).

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.

At the year end the Fund had no significant exposures to currencies other than Sterling (30 September 2019: same).

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

(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.

(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.

Notes to the Financial Statements continued

12. Financial Instruments and Associated Risks continued

(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 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:

30/09/20	Assets	Liabilities
Basis of Valuation	£	£
Level 1 - Quoted Prices	309,988,502	—
Level 2 - Observable Market Data	—	—
Level 3 - Unobservable Data	—	—
Total	309,988,502	—

30/09/19	Assets	Liabilities
Basis of Valuation	£	£
Level 1 - Quoted Prices	363,296,182	—
Level 2 - Observable Market Data	—	—
Level 3 - Unobservable Data	—	—
Total	363,296,182	—

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

30/09/20	Value	Commissions		Taxes		Total
Purchases	£'000	£'000	%	£'000	%	£'000
Equities	230,423	67	0.03	759	0.33	231,249
Total	230,423	67	0.03	759	0.33	231,249

30/09/20	Value	Commissions		Taxes		Total
Sales	£'000	£'000	%	£'000	%	£'000
Equities	256,879	(88)	0.03	—	—	256,791
Total	256,879	(88)	0.03	—	—	257,791

Commissions and taxes as % of average net assets

Commissions	0.05%
Taxes	0.23%

30/09/19	Value	Commissions		Taxes		Total
Purchases	£'000	£'000	%	£'000	%	£'000
Equities	221,316	65	0.03	659	0.30	222,040
Total	221,316	65	0.03	659	0.30	222,040

30/09/19	Value	Commissions		Taxes		Total
Sales	£'000	£'000	%	£'000	%	£'000
Equities	256,468	(72)	0.03	—	—	256,396
Total	256,468	(72)	0.03	—	—	256,396

Commissions and taxes as % of average net assets

Commissions	0.04%
Taxes	0.17%

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 0.22% (30 September 2019: 0.21%).

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 39. 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 32 to 37. The distributions per unit class are given in the distribution tables on pages 29 and 30. All classes have the same rights on winding up.

R-Class	Accumulation
Opening Units	175,024
Units issued	2,809
Units cancelled	(25,359)
Units converted	—
Closing Units	152,474

A-Class	Accumulation
Opening Units	95,048,945
Units issued	136,073
Units cancelled	(7,663,399)
Units converted	—
Closing Units	87,521,619

F-Class	Accumulation
Opening Units	274
Units issued	—
Units cancelled	(274)
Units converted	—
Closing Units	—

I-Class	Distribution	Accumulation
Opening Units	82,779	11,115,849
Units issued	7,032	1,244,242
Units cancelled	(61,544)	(1,609,368)
Units converted	—	—
Closing Units	28,267	10,750,723

L-Class	Accumulation
Opening Units	495,485
Units issued	—
Units cancelled	(41,297)
Units converted	—
Closing Units	454,188

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 0.00% (0.07% as at 30 September 2019) 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 A-Class accumulation unit was 317.84p. The Net Asset Value per A-Class accumulation unit for the Fund as at 12 noon on 2 December 2020 was 345.76p. This represents an increase of 8.78% from the year end value.

Distribution Tables

Distribution Tables for the year ended 30 September 2020

Group 1: units purchased prior to a distribution period.

Group 2: units purchased during a distribution period.

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

Interim dividend distribution in pence per unit			Period	
			01/10/19	to 31/03/20
R-Class			Distribution	Distribution
Accumulation Units			Revenue	Equalisation
			31/05/20	31/05/19
Group 1	1.3896	—	1.3896	3.4288
Group 2	0.4857	0.9039	1.3896	3.4288
A-Class			Distribution	Distribution
Accumulation Units			Revenue	Equalisation
			31/05/20	31/05/19
Group 1	1.3991	—	1.3991	3.4514
Group 2	0.7366	0.6625	1.3991	3.4514
F-Class			Distribution	Distribution
Accumulation Units			Revenue	Equalisation
			31/05/20	31/05/19
Group 1	N/A	N/A	N/A	4.1386
Group 2	N/A	N/A	N/A	4.1386
I-Class			Distribution	Distribution
Distribution Units			Revenue	Equalisation
			31/05/20	31/05/19
Group 1	1.8470	—	1.8470	3.9046
Group 2	0.6937	1.1533	1.8470	3.9046
I-Class			Distribution	Distribution
Accumulation Units			Revenue	Equalisation
			31/05/20	31/05/19
Group 1	2.2583	—	2.2583	4.6279
Group 2	0.7118	1.5465	2.2583	4.6279
L-Class			Distribution	Distribution
Accumulation Units			Revenue	Equalisation
			31/05/20	31/05/19
Group 1	0.4298	—	0.4298	N/A
Group 2	—	0.4298	0.4298	N/A

Distribution Tables continued

Final dividend distribution in pence per unit			Period	
			01/04/20	to 30/09/20
R-Class			Distribution	Distribution
Accumulation Units			30/11/20	30/11/19
Group 1	Revenue	Equalisation	0.1975	4.5032
Group 2	0.0290	0.1685	0.1975	4.5032
A-Class			Distribution	Distribution
Accumulation Units			30/11/20	30/11/19
Group 1	Revenue	Equalisation	0.1986	4.5322
Group 2	0.0469	0.1517	0.1986	4.5322
F-Class			Distribution	Distribution
Accumulation Units			30/11/20	30/11/19
Group 1	Revenue	Equalisation	N/A	5.2919
Group 2	N/A	N/A	N/A	5.2919
I-Class			Distribution	Distribution
Distribution Units			30/11/20	30/11/19
Group 1	Revenue	Equalisation	0.9477	4.8619
Group 2	0.2197	0.7280	0.9477	4.8619
I-Class			Distribution	Distribution
Accumulation Units			30/11/20	30/11/19
Group 1	Revenue	Equalisation	1.1614	5.8374
Group 2	0.7357	0.4257	1.1614	5.8374
I-Class			Distribution	Distribution
Accumulation Units			30/11/20	30/11/19
Group 1	Revenue	Equalisation	0.3259	0.8938
Group 2	—	0.3259	0.3259	0.8938

In the above tables, a distribution pay rate of N/A denotes that the class was not in existence as at the applicable XD date, and therefore no distribution was made. Please refer to the comparative tables on pages 32 to 37 for the launch date or closure date of these classes.

Fund Information

The Comparative Tables on pages 32 to 37 give the performance of each active unit class in the Fund.

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

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

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

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

Fund Information continued

Comparative Tables

R-Class Accumulation Units

Change in Net Asset Value per Unit

Accounting Year ending	30/09/20 (pence per unit)	30/09/19 (pence per unit)	30/09/18 (pence per unit)
Opening net asset value per unit	341.29	355.13	348.74
Return before operating charges*	(21.07)	(9.29)	12.00
Operating charges (calculated on average price)	(4.44)	(4.55)	(5.61)
Return after operating charges*	(25.51)	(13.84)	6.39
Distributions	(1.59)	(7.93)	(8.19)
Retained distributions on accumulation units	1.59	7.93	8.19
Closing net asset value per unit	315.78	341.29	355.13
* after direct transaction costs of:	0.89	0.70	0.62

Performance

Return after charges	(7.47)%	(3.90)%	1.83%
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Other Information

Closing net asset value (£)	481,482	597,343	940,207
Closing number of units	152,474	175,024	264,749
Operating charges†	1.37%	1.37%	1.58%
Direct transaction costs	0.28%	0.21%	0.17%

Prices

Highest unit price	376.30p	356.30p	379.50p
Lowest unit price	219.40p	296.20p	331.80p

† 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.

Fund Information continued

Comparative Tables continued

A-Class Accumulation Units

Change in Net Asset Value per Unit

Accounting Year ending	30/09/20 (pence per unit)	30/09/19 (pence per unit)	30/09/18 (pence per unit)
Opening net asset value per unit	343.52	357.45	350.30
Return before operating charges*	(21.22)	(9.35)	12.05
Operating charges (calculated on average price)	(4.46)	(4.58)	(4.90)
Return after operating charges*	(25.68)	(13.93)	7.15
Distributions	(1.60)	(7.98)	(8.96)
Retained distributions on accumulation units	1.60	7.98	8.96
Closing net asset value per unit	317.84	343.52	357.45
* after direct transaction costs of:	0.89	0.70	0.62

Performance

Return after charges	(7.48)%	(3.90)%	2.04%
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Other Information

Closing net asset value (£)	278,182,927	326,515,439	381,029,817
Closing number of units	87,521,619	95,048,945	106,595,851
Operating charges†	1.37%	1.37%	1.37%
Direct transaction costs	0.28%	0.21%	0.17%

Prices

Highest unit price	378.80p	358.60p	381.90p
Lowest unit price	220.80p	298.20p	333.80p

† 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.

Fund Information continued

Comparative Tables continued

F-Class Accumulation Units

Change in Net Asset Value per Unit

Accounting Year ending	01/10/19 to 12/12/19 ¹ (pence per unit)	01/10/18 to 30/09/19 (pence per unit)	01/10/17 to 30/09/18 (pence per unit)
Opening net asset value per unit	352.55	365.69	357.30
Return before operating charges*	16.30	(9.71)	12.48
Operating charges (calculated on average price)	(0.15)	(3.43)	(4.09)
Return after operating charges*	16.15	(13.14)	8.39
Distributions	—	(9.43)	(10.07)
Retained distributions on accumulation units	—	9.43	10.07
Closing net asset value per unit	368.70	352.55	365.69
* after direct transaction costs of:	0.21	0.72	0.64

Performance

Return after charges	4.58%	(3.59)%	2.35%
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Other Information

Closing net asset value (£)	—	966	1,002
Closing number of units	—	274	274
Operating charges [†]	1.00%	1.00%	1.12%
Direct transaction costs	0.00%	0.21%	0.17%

Prices

Highest unit price	—p	367.60p	390.20p
Lowest unit price	—p	305.30p	340.80p

¹ F-Class Accumulation units ceased to exist on 12 December 2019. Value shown is the closing net asset value at this date.

[†] 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.

Fund Information continued

Comparative Tables continued

I-Class Distribution Units

Change in Net Asset Value per Unit

Accounting Year ending	30/09/20 (pence per unit)	30/09/19 (pence per unit)	30/09/18 (pence per unit)
Opening net asset value per unit	296.29	315.67	317.48
Return before operating charges*	(18.82)	(8.31)	10.67
Operating charges (calculated on average price)	(2.23)	(2.30)	(2.51)
Return after operating charges*	(21.05)	(10.61)	8.16
Distributions on income units	(2.79)	(8.77)	(9.97)
Closing net asset value per unit	272.45	296.29	315.67
* after direct transaction costs of:	0.78	0.62	0.56

Performance

Return after charges	(7.10)%	(3.36)%	2.57%
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Other Information

Closing net asset value (£)	77,014	245,270	72,346
Closing number of units	28,267	82,779	22,918
Operating charges [†]	0.78%	0.78%	0.78%
Direct transaction costs	0.28%	0.21%	0.17%

Prices

Highest unit price	327.20p	316.60p	342.90p
Lowest unit price	191.00p	263.70p	301.70p

[†] 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.

Fund Information continued

Comparative Tables continued

I-Class Accumulation Units

Change in Net Asset Value per Unit

Accounting Year ending	30/09/20 (pence per unit)	30/09/19 (pence per unit)	30/09/18 (pence per unit)
Opening net asset value per unit	362.09	374.54	364.89
Return before operating charges*	(22.41)	(9.71)	12.57
Operating charges (calculated on average price)	(2.68)	(2.74)	(2.92)
Return after operating charges*	(25.09)	(12.45)	9.65
Distributions	(3.42)	(10.47)	(11.52)
Retained distributions on accumulation units	3.42	10.47	11.52
Closing net asset value per unit	337.00	362.09	374.54
* after direct transaction costs of:	0.94	0.74	0.65

Performance

Return after charges	(6.93)%	(3.32)%	2.64%
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Other Information

Closing net asset value (£)	36,230,302	40,249,606	51,084,703
Closing number of units	10,750,723	11,115,849	13,639,152
Operating charges†	0.78%	0.78%	0.78%
Direct transaction costs	0.28%	0.21%	0.17%

Prices

Highest unit price	399.80p	377.00p	399.40p
Lowest unit price	233.40p	312.90p	348.60p

† 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.

Fund Information continued

Comparative Tables continued

L-Class Accumulation Units

Change in Net Asset Value per Unit

Accounting Year ending	01/10/19 to 30/09/20 (pence per unit)	25/04/19 to 30/09/19 ¹ (pence per unit)
Opening net asset value per unit	48.31	50.00
Return before operating charges*	(3.00)	(1.68)
Operating charges (calculated on average price)	(0.02)	(0.01)
Return after operating charges*	(3.02)	(1.69)
Distributions	(0.76)	(0.89)
Retained distributions on accumulation units	0.76	0.89
Closing net asset value per unit	45.29	48.31
* after direct transaction costs of:	0.13	0.04

Performance

Return after charges	(6.25)%	(3.38)%
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Other Information

Closing net asset value (£)	205,682	239,351
Closing number of units	454,188	495,485
Operating charges [†]	0.05%	0.05%
Direct transaction costs	0.28%	0.21%

Prices

Highest unit price	53.43p	50.00p
Lowest unit price	31.24p	44.65p

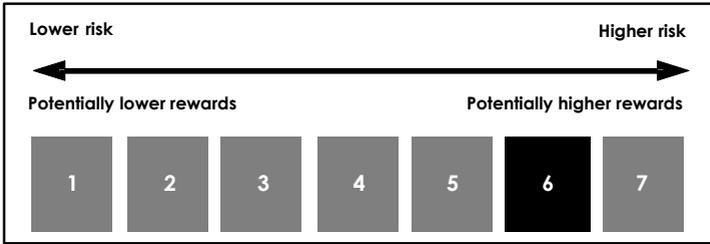
¹ L-Class Accumulation units launched on 25 April 2019.

[†] 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.

Risk and Reward Profile (unaudited)



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

General Information (unaudited)

Constitution

Launch date:	2 January 1996
Period end dates for distributions:	30 September, 31 March
Distribution dates:	30 November, 31 May
Minimum initial lump sum investment:	R-Class £20 A-Class £20 I-Class £1,000,000 L-Class* £100,000
Valuation point:	12 noon
Fund management fees:	R-Class Annual 1.37% A-Class Annual 1.37% F-Class Annual 1.00% I-Class Annual 0.78% L-Class* Annual 0.05%
Initial charge:	Nil for all existing unit classes

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

Pricing and Dealing

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

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

Buying and Selling Units

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

ISA Status

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

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

Prospectus and Manager's Reports

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

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

General Information (unaudited) continued

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 Select Equity Fund, as a UCITs Scheme, is required to disclose the aggregate remuneration paid by the UCITs Manager and by the UCITs Scheme to Identified Staff, together with the number of beneficiaries, and, where relevant, performance fees paid by the UCITs Scheme. The aggregate amount of remuneration must be broken down by category of employees or other staff members and be split into fixed and variable remuneration.

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

Controlled Functions

Headcount	Fixed Remuneration (£,000)	Variable Remuneration (£,000)	Remuneration related to this Fund (Pro-rated) (£'000)
63	12,234	16,246	202

Material Risk Takers

Headcount	Fixed Remuneration (£,000)	Variable Remuneration (£,000)	Remuneration related to this Fund (Pro-rated) (£'000)
19	2,309	2,347	302

Controlled Functions

During 2019, Legal & General Unit Trust Managers Limited (UTM) engaged the services of three employees of Legal & General Investment Management (Holdings) Limited (LGIMH), plus a further one employee of Legal & General Resources (LGR) to act as Directors. There were another three non-executive Directors. In addition, there were a further two Directors during the year that were LGIMH employees that have resigned. UTM also engaged the services of a further 46 LGIMH employees and a further eight L&G Resources (LGR) employees to act in a variety of Controlled Functions, including Chief Compliance Officer, Money Laundering Reporting Officer, Client Asset Oversight, Systems and Controls Functions, Significant Management Functions and Customer Functions. These employees were also engaged by other companies in the L&G Group. The aggregate remuneration received by these individuals, for all their services across the L&G Group, is disclosed in the table above. We have prorated the remuneration figures by the Net Asset Value of the UCITS Funds as a percentage of the total assets under management of UTM.

General Information (unaudited) continued

Material Risk Takers

As at 31 December 2019, UTM engaged the services of Legal & General Investment Management's Active Equities Fund Management Team, which consists of 19 investment professionals located in our London Office. The team includes a variety of Fund Managers, Analysts and Support Staff, with the Fund Managers empowered to take discretionary investment management decisions on behalf of the Fund. The team is also engaged in managing other Legal & General UTM Funds/Schemes and is also engaged by other companies in the L&G Group. The aggregate remuneration received by the members of the team, for all their services across the L&G Group, is disclosed in the table above. We have prorated the remuneration figures by the Net Asset Value of the UCITS Funds as a percentage of the total assets under management of the Active Equities Fund Management team.

Assessment of Value

We have now published Assessment of Value reports for our funds on legalandgeneral.com and lgim.com.

Significant Change

Closure of F-Class Units

As at 12 December 2019, the F-Class units were closed.

General Information (unaudited) continued

Authorised Fund Manager

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

Directors of the Manager

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

*Non-executive Director

Secretary

J. McCarthy

Registrar

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

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

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

Trustee

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

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

Independent Auditor

KPMG LLP
15 Canada Square,
London E14 5GL

Investment Manager

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**

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