

Legal & General UK Select Equity Fund
Annual Manager's Report
for the year ended
30 September 2019



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

Manager's Investment Report

Investment Objective and Policy

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

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

Prior to 7 August 2019

The Fund aims to generate growth by investing predominantly in shares of UK companies. The Fund has a target to outperform the FTSE All-Share Index (the "Index") by 3% per annum before charges, measured over rolling three year periods.

The Fund is actively managed. The Fund invests its assets predominantly in a broad range of shares of UK companies. These are companies that are incorporated or headquartered or which have their principal business activities in the UK. The Fund may also invest in collective investment schemes and hold shares in other UK listed companies. The collective investment schemes invested in may include those managed or operated by Legal & General.

The Fund's portfolio will be concentrated.

The Fund may use derivatives for Efficient Portfolio Management to reduce risk or cost, or to generate additional capital or income with no, or an acceptably low, level of risk. The Fund may also invest in cash or deposits.

From 7 August 2019

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.

Manager's Investment Report continued

Managers Investment Report

During the year under review, the bid price of the Fund's A-Class accumulation units fell by 3.83%, whilst the FTSE All-Share Total Return Index rose by 2.68% (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

Over the last 12 months, global economic indicators have highlighted a synchronised slowdown although activity continues to expand. The closely-watched global manufacturing PMI composite Index fell back to its lowest level for three and a half years in February. This was partly a result of the US-China trade dispute, but also reflective of a slowdown in the Chinese economy. Worldwide, inflationary pressures have remained subdued by historical standards. Having risen to its highest level in four years in early October, the oil price (Brent crude) declined sharply to just over \$50 per barrel in December, its lowest level for 15 months, driven by increased levels of supply, before rallying during the opening quarter of 2019.

Escalating trade tensions between the US and China and concerns that the Fed had tightened monetary policy too aggressively unsettled investors, particularly during the fourth quarter of 2018 when equity markets worldwide recorded sharp falls. Since the turn of the year, global equity indices have rallied, although volatility resurfaced in May and August, as the Fed changed course and loosened monetary policy, with the ECB following suit

UK equities underperformed global indices over the last 12 months as uncertainty over Brexit negotiations has weighed on investor sentiment. More domestically orientated smaller companies underperformed globally-focused FTSE 100 constituents by a wide margin. However, merger and acquisition activity has underpinned the market as a combination of Sterling weakness, attractive valuations and the low cost of borrowing has encouraged takeover bids from acquisitive corporations and private equity investors.

Fund Review

The Fund delivered a negative return over the review year against a backdrop of market stress and major uncertainty around Brexit.

After a strong start to 2019, there was a dramatic turn of fortunes during May in what proved a very difficult month for global equity markets. NMC Health, for example, was a major detractor. The company's management had struggled to reverse its negative momentum since the start of the Fund's review year. However, a strong set of interim company results from the company in August gave it a positive momentum and diminished the negative view many other investors held of the company.

British car manufacturer Aston Martin Lagonda Global suffered a disappointing profit warning. Cashflow and balance sheet concerns are now the main focus for investors, with fears that the company may require fresh support from the market. On the financial results, fewer sales of special models (Valkyrie) meant gross margins were lower than expected. This now leaves management with little wiggle room and places pressure on the business regarding its DBX model.

Online food takeaway business Just Eat continues to be an interesting story for the Fund. The company has reported strong financial results with strength seen not just in the UK but also internationally including Brazil and Canada. However, pushback

Manager's Investment Report continued

from shareholders on the proposed Takeaway.com deal, on the grounds that it had undervalued the worth of Just Eat, put pressure on the share price.

For activity, we topped up our holdings in Cineworld Group which remains one of our key leisure stocks. We have continued to reduce our position in B&M European Value Retail following strong share price performance, to realise some gains in recent months.

Outlook

Brexit uncertainty will undoubtedly be a key risk that we manage in the portfolio.

Our recession probabilities for the coming year have increased, mainly due to trade war concerns. The alarm may be temporary, as predicting Trump's next move is obviously very difficult. An easing of trade war concerns would probably see recession probabilities decline and equity prices rise.

Legal & General Investment Management Limited
(Investment Adviser)
25 October 2019

Authorised Status

Authorised Status

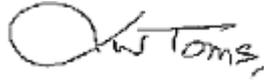
This Fund is an Authorised Unit Trust Scheme as defined in section 243 of the Financial Services and Markets Act 2000 and is a UCITS Retail Scheme within the meaning of the FCA Collective Investment Schemes sourcebook.

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
19 November 2019

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 Management 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, 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 2019

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
19 November 2019

Portfolio Statement

Portfolio Statement as at 30 September 2019

All investments are in ordinary shares unless otherwise stated. The percentages in brackets show the equivalent holdings at 30 September 2018.

Holding/ Nominal Value	Investment	Market Value £	% of Net Assets
	EQUITIES — 98.76% (98.37%)		
	UNITED KINGDOM		
	— 85.34% (88.99%)		
	Oil & Gas Producers		
	— 8.65% (10.93%)		
3,865,000	BP	19,900,885	5.41
500,000	Royal Dutch Shell 'B'	11,917,500	3.24
		<hr/>	<hr/>
		31,818,385	8.65
	Mining — 2.95% (4.62%)		
257,000	Rio Tinto	10,849,255	2.95
	Construction & Materials		
	— 3.36% (4.67%)		
6,100,500	Melrose Industries	12,371,814	3.36
	Aerospace & Defense		
	— 0.00% (3.72%)		
	General Industrials — 2.34% (2.78%)		
550,000	Smiths Group	8,626,750	2.34
	Industrial Engineering		
	— 2.46% (1.91%)		
632,750	The Weir Group	9,032,506	2.46
	Support Services — 10.67% (3.98%)		
410,595	Ashtead Group	9,353,354	2.54
2,500,000	Biffa	6,037,500	1.64
1,417,185	Network International	7,525,252	2.05
2,121,000	Rentokil Initial	9,864,771	2.68
1,100,053	RWS	6,457,311	1.76
		<hr/>	<hr/>
		39,238,188	10.67
	Automobiles & Parts		
	— 2.07% (0.00%)		
1,452,233	Aston Martin Lagonda Global	7,632,937	2.07
	Beverages — 3.10% (0.00%)		
474,162	Fevertree Drinks	11,394,113	3.10
	Food Producers — 3.06% (1.89%)		
491,900	Associated British Foods	11,259,591	3.06
	Household Goods & Home		
	Construction — 2.08% (2.03%)		
119,700	Reckitt Benckiser Group	7,650,027	2.08
	Personal Goods — 2.35% (1.25%)		
3,116,450	Watches of Switzerland Group	8,648,149	2.35

Portfolio Statement continued

Holding/ Nominal Value	Investment	Market Value £	% of Net Assets
	Tobacco — 0.00% (4.18%)		
	Health Care Equipment & Services — 2.66% (2.36%)		
356,500	NMC Health	9,771,665	2.66
	Pharmaceuticals & Biotechnology — 0.00% (4.27%)		
	Food & Drug Retailers — 2.95% (5.21%)		
4,450,000	Tesco	10,840,200	2.95
	General Retailers — 12.01% (3.65%)		
412,743	ASOS	10,178,243	2.77
1,921,560	Just Eat	12,789,903	3.47
213,500	Next	13,271,160	3.61
6,444,963	Vivo Energy	7,940,198	2.16
		44,179,504	12.01
	Media — 0.00% (2.50%)		
	Travel & Leisure — 4.63% (2.98%)		
200,000	Carnival	6,712,000	1.82
4,519,134	Cineworld Group	10,317,183	2.81
		17,029,183	4.63
	Fixed Line Telecommunications — 0.00% (0.79%)		
	Mobile Telecommunications — 0.00% (1.81%)		
	Banks — 5.79% (12.39%)		
862,000	HSBC	5,387,500	1.47
7,600,000	Royal Bank of Scotland Group	15,906,800	4.32
		21,294,300	5.79
	Life Insurance — 2.00% (2.17%)		
750,000	St. James's Place	7,362,000	2.00
	Financial Services — 3.63% (4.40%)		
1,133,855	3i Group	13,341,728	3.63
45,262	Sole Realisation (SVG Capital) ¹	—	—
		13,341,728	3.63
	Equity Investment Instruments — 2.75% (0.00%)		
4,400,000	HgCapital Trust	10,120,000	2.75
	Software & Computer Services — 5.83% (4.50%)		
276,567	AVEVA Group	10,177,666	2.76
2,842,350	Sophos Group	11,284,129	3.07
		21,461,795	5.83

Portfolio Statement continued

Holding/ Nominal Value	Investment	Market Value £	% of Net Assets
	CHANNEL ISLANDS — 2.73% (3.71%)		
	Pharmaceuticals & Biotechnology — 0.00% (2.34%)		
	Media — 0.00% (0.93%)		
	Travel & Leisure — 2.73% (0.44%)		
279,320	Wizz Air	10,052,727	2.73
	GERMANY — 2.35% (1.55%)		
	Travel & Leisure — 2.35% (1.55%)		
911,340	TUI	8,634,035	2.35
	LUXEMBOURG — 2.86% (1.57%)		
	General Retailers — 2.86% (1.57%)		
2,737,450	B&M European Value Retail	10,514,545	2.86
	NETHERLANDS — 2.46% (1.04%)		
	Industrial Engineering — 2.46% (1.04%)		
223,385	RHI Magnesita	9,042,625	2.46
	SWITZERLAND — 3.02% (1.51%)		
	Beverages — 3.02% (1.51%)		
423,200	Coca-Cola HBC	11,130,160	3.02
Portfolio of investments²		363,296,182	98.76
Net other assets		4,551,793	1.24
Total net assets		£367,847,975	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: £222,040,391.

Total sales for the year: £256,396,216.

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 2019 which comprise the Statement of Total Return, the Statement of Changes 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 2019 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.

The impact of uncertainties due to the UK exiting the European Union on our audit

Uncertainties related to the effects of Brexit are relevant to understanding our audit of the financial statements. All audits assess and challenge the reasonableness of estimates made by the Manager and related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the Fund's future prospects and performance.

Brexit is one of the most significant economic events for the UK, and at the date of this report its effects are subject to unprecedented levels of uncertainty of outcomes, with the full range of possible effects unknown. We applied a standardised firm-wide approach in response to that uncertainty when assessing the Fund's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a fund and this is particularly the case in relation to Brexit.

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").

Independent Auditor's Report continued

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, including the impact of Brexit, 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.

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.

Independent Auditor's Report continued

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.

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.

Jatin Patel
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square,
London E14 5GL
19 November 2019

Financial Statements

Statement of Total Return for the year ended 30 September 2019

Notes	30/09/19		30/09/18	
	£	£	£	£
Income				
Net capital losses	3	(27,111,759)		(1,738,014)
Revenue	4	14,363,420	17,612,229	
Expenses	5	(4,951,376)	(5,945,807)	
Interest payable and similar charges	7	(70)	—	
Net revenue before taxation		<u>9,411,974</u>	<u>11,666,422</u>	
Taxation	6	(163,989)	—	
Net revenue after taxation for the year		<u>9,247,985</u>	<u>11,666,422</u>	
Total return before distributions		(17,863,774)	9,928,408	
Distributions	7	(9,247,985)	(11,666,422)	
Change in net assets attributable to Unitholders from investment activities		<u>£(27,111,759)</u>	<u>£(1,738,014)</u>	

Statement of Change in Net Assets attributable to Unitholders for the year ended 30 September 2019

	30/09/19		30/09/18	
	£	£	£	£
Opening net assets attributable to Unitholders		433,128,075		465,786,150
Amounts received on issue of units		3,232,238	9,971,169	
Amounts paid on cancellation of units		(50,418,955)	(52,250,472)	
		<u>(47,186,717)</u>	<u>(42,279,303)</u>	
Change in net assets attributable to Unitholders from investment activities		(27,111,759)	(1,738,014)	
Retained distributions on accumulation units		<u>9,018,376</u>	<u>11,359,242</u>	
Closing net assets attributable to Unitholders		<u>£367,847,975</u>	<u>£433,128,075</u>	

Financial Statements continued

Balance Sheet as at 30 September 2019

	Notes	30/09/19 £	30/09/18 £
ASSETS			
Fixed assets:			
Investments		363,296,182	426,048,743
Current assets:			
Debtors	8	1,715,562	7,073,558
Cash and bank balances	9	<u>4,963,037</u>	<u>6,657,197</u>
Total assets		<u>369,974,781</u>	<u>439,779,498</u>
LIABILITIES			
Creditors:			
Bank overdrafts	9	(315,321)	(2,701,514)
Distributions payable		(4,025)	(1,360)
Other creditors	10	<u>(1,807,460)</u>	<u>(3,948,549)</u>
Total liabilities		<u>(2,126,806)</u>	<u>(6,651,423)</u>
Net assets attributable to Unitholders		<u>£367,847,975</u>	<u>£433,128,075</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 Management 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.

Revenue from distribution and accumulation units in Collective Investment Schemes is recognised when the distribution is quoted ex-dividend.

Equalisation on distributions received from Collective Investment Schemes is treated as capital property of the Fund.

Rebates received from underlying Collective Investment Schemes are treated as revenue or capital depending on the treatment of the Manager's fees in the underlying Fund.

Underwriting commission is taken to revenue and recognised when the issue takes place, except where the Fund is required to take up all or some of the shares underwritten, in which case an appropriate proportion of the commission is deducted from the cost of those shares.

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.

Notes to the Financial Statements continued

2. Summary of Significant Accounting Policies continued

(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.

The ordinary element of stock dividends is treated as revenue and forms part of the distribution. In the case of an enhanced stock dividend, the value of the enhancement is treated as capital and does not form part of the distribution.

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

(f) Basis of Valuation of Investments

All investments are valued at their fair value as at 12 noon on 30 September 2019, 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 2019, being the last working day of the accounting year.

3. Net capital losses

	30/09/19	30/09/18
	£	£
The net capital losses during the year comprise:		
Non-derivative securities	(27,131,046)	(1,738,014)
Currency gains	19,287	—
Net capital losses	<u>(27,111,759)</u>	<u>(1,738,014)</u>

Notes to the Financial Statements continued

4. Revenue

	30/09/19	30/09/18
	£	£
UK Franked dividends	12,650,215	17,035,824
Non-taxable overseas dividends	1,697,169	154,057
UK Franked distributions	—	300,670
Management fee rebates	—	67,071
Franked stock dividends	—	47,156
Underwriting commission	—	676
Bank interest	16,036	6,775
	<u>14,363,420</u>	<u>17,612,229</u>

5. Expenses

	30/09/19	30/09/18
	£	£
Payable to the Manager, associates of the Manager and agents of either of them:		
Fund management fees	<u>4,951,376</u>	<u>5,945,807</u>
Total expenses	<u>4,951,376</u>	<u>5,945,807</u>

Audit fees of £9,167 plus VAT of £1,834 have been borne by the Manager out of its fund management fee. In the prior year, the total audit fee was £8,900 plus VAT of £1,780.

Notes to the Financial Statements continued

6. Taxation

(a) Analysis of taxation charge in year

	30/09/19	30/09/18
	£	£
Overseas tax	163,989	—
Current tax [note 6(b)]	163,989	—
Deferred tax [note 6(c)]	—	—
Total taxation	<u>163,989</u>	<u>—</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>9,411,974</u>	<u>11,666,422</u>
Net revenue before taxation multiplied by the applicable rate of Corporation tax of 20% (2018: 20%)	1,882,395	2,333,284
Effects of:		
Overseas tax	163,989	—
Revenue not subject to taxation	(2,869,477)	(3,507,541)
Excess management expenses not utilised	<u>987,082</u>	<u>1,174,257</u>
Current tax	<u>163,989</u>	<u>—</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 £29,640,510 (30 September 2018: £28,653,428) 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 2018: 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:

	30/09/19	30/09/18
	£	£
Interim distribution	4,050,652	4,513,397
Final distribution	4,973,097	6,848,282
	<u>9,023,749</u>	<u>11,361,679</u>
Add: Revenue deducted on cancellation of units	242,840	374,289
Less: Revenue received on creation of units	(18,604)	(69,546)
Distributions for the year	9,247,985	11,666,422
Interest payable and similar charges		
Bank overdraft interest	70	—
	<u>9,248,055</u>	<u>11,666,422</u>

8. Debtors

	30/09/19	30/09/18
	£	£
Accrued revenue	399,181	667,589
Amounts receivable for creation of units	10,000	4,996
Management fee rebates	260	260
Overseas tax recoverable	12,914	—
Sales awaiting settlement	1,293,207	6,400,713
	<u>1,715,562</u>	<u>7,073,558</u>

9. Net uninvested cash

	30/09/19	30/09/18
	£	£
Cash and bank balances	4,963,037	6,657,197
Bank overdrafts	(315,321)	(2,701,514)
Net uninvested cash	<u>4,647,716</u>	<u>3,955,683</u>

Notes to the Financial Statements continued

10. Other creditors

	30/09/19	30/09/18
	£	£
Accrued expenses	395,526	462,453
Amounts payable for cancellation of units	496,012	949,012
Purchases awaiting settlement	915,922	2,537,084
	<u>1,807,460</u>	<u>3,948,549</u>

11. Contingent liabilities and outstanding commitments

There were no contingent liabilities or outstanding commitments at the balance sheet date (30 September 2018: 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 2019, 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 £18,164,809 (30 September 2018: £21,302,437).

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 2018: 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 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:

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	—

30/09/18	Assets	Liabilities
Basis of Valuation	£	£
Level 1 - Quoted Prices	426,048,743	—
Level 2 - Observable Market Data	—	—
Level 3 - Unobservable Data	—	—
Total	426,048,743	—

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

30/09/19	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%

30/09/18	Value	Commissions	Taxes		Total	
Purchases	£'000	£'000	%	£'000	%	£'000
Equities	179,278	59	0.03	664	0.37	180,001
Total	179,278	59	0.03	664	0.37	180,001

30/09/18	Value	Commissions	Taxes		Total	
Sales	£'000	£'000	%	£'000	%	£'000
Equities	191,301	(70)	0.04	—	—	191,231
Collective Investment Schemes	19,767	—	—	—	—	19,767
Total	211,068	(70)	0.04	—	—	210,998

Commissions and taxes as % of average net assets

Commissions	0.03%
Taxes	0.15%

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 0.21% (30 September 2018: 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 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	264,749
Units issued	25,697
Units cancelled	(115,422)
Units converted	—
Closing Units	175,024

A-Class	Accumulation
Opening Units	106,595,851
Units issued	107,412
Units cancelled	(11,654,318)
Units converted	—
Closing Units	95,048,945

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

I-Class	Distribution	Accumulation
Opening Units	22,918	13,639,152
Units issued	70,927	669,790
Units cancelled	(11,066)	(3,193,093)
Units converted	—	—
Closing Units	82,779	11,115,849

L-Class	Accumulation
Opening Units	—
Units issued	527,400
Units cancelled	(31,915)
Units converted	—
Closing Units	495,485

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 0.07% (0.07% as at 30 September 2018) 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 343.52p. The Net Asset Value per A-Class accumulation unit for the Fund as at 12 noon on 15 November 2019 was 353.42p. This represents an increase of 2.88% from the year end value.

Distribution Tables

Distribution Tables for the year ended 30 September 2019

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	
			01/10/18	to 31/03/19
R-Class			Distribution	Distribution
Accumulation Units			31/05/19	31/05/18
Group 1	Revenue	Equalisation	3.4288	2.8941
Group 2	2.4450	0.9838	3.4288	2.8941
A-Class			Distribution	Distribution
Accumulation Units			31/05/19	31/05/18
Group 1	Revenue	Equalisation	3.4514	3.4349
Group 2	2.2164	1.2350	3.4514	3.4349
F-Class			Distribution	Distribution
Accumulation Units			31/05/19	31/05/18
Group 1	Revenue	Equalisation	4.1386	3.8467
Group 2	—	4.1386	4.1386	3.8467
I-Class			Distribution	Distribution
Distribution Units			31/05/19	31/05/18
Group 1	Revenue	Equalisation	3.9046	4.0396
Group 2	2.8611	1.0435	3.9046	4.0396
I-Class			Distribution	Distribution
Accumulation Units			31/05/19	31/05/18
Group 1	Revenue	Equalisation	4.6279	4.6079
Group 2	2.8768	1.7511	4.6279	4.6079

Distribution Tables continued

Final dividend distribution in pence per unit			Period	
			01/04/19	to 30/09/19
R-Class			Distribution	Distribution
Accumulation Units			30/11/19	30/11/18
Group 1	Revenue	Equalisation	4.5032	5.2931
Group 2	1.9452	2.5580	4.5032	5.2931
A-Class			Distribution	Distribution
Accumulation Units			30/11/19	30/11/18
Group 1	Revenue	Equalisation	4.5322	5.5262
Group 2	2.4849	2.0473	4.5322	5.5262
F-Class			Distribution	Distribution
Accumulation Units			30/11/19	30/11/18
Group 1	Revenue	Equalisation	5.2919	6.2226
Group 2	—	5.2919	5.2919	6.2226
I-Class			Distribution	Distribution
Distribution Units			30/11/19	30/11/18
Group 1	Revenue	Equalisation	4.8619	5.9328
Group 2	3.7919	1.0700	4.8619	5.9328
I-Class			Distribution	Distribution
Accumulation Units			30/11/19	30/11/18
Group 1	Revenue	Equalisation	5.8374	6.9079
Group 2	3.8293	2.0081	5.8374	6.9079
L-Class			Distribution	Distribution
Accumulation Units			30/11/19	30/11/18
Group 1	Revenue	Equalisation	0.8938	N/A
Group 2	0.0619	0.8319	0.8938	N/A

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 of this class.

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	30/09/19 (pence per unit)	30/09/18 (pence per unit)	30/09/17 (pence per unit)
Opening net asset value per unit	355.13	348.74	314.67
Return before operating charges*	(9.29)	12.00	39.74
Operating charges (calculated on average price)	(4.55)	(5.61)	(5.67)
Return after operating charges*	(13.84)	6.39	34.07
Distributions	(7.93)	(8.19)	(6.76)
Retained distributions on accumulation units	7.93	8.19	6.76
Closing net asset value per unit	341.29	355.13	348.74
* after direct transaction costs of:	0.70	0.62	0.29

Performance

Return after charges	(3.90)%	1.83%	10.83%
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Other Information

Closing net asset value (£)	597,343	940,207	1,132,779
Closing number of units	175,024	264,749	324,824
Operating charges†	1.37%	1.58%	1.68%
Direct transaction costs	0.21%	0.17%	0.09%

Prices

Highest unit price	356.30p	379.50p	359.20p
Lowest unit price	296.20p	331.80p	310.60p

† 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

A-Class Accumulation Units

Change in Net Asset Value per Unit

Accounting Year ending	30/09/19 (pence per unit)	30/09/18 (pence per unit)	30/09/17 (pence per unit)
Opening net asset value per unit	357.45	350.30	315.13
Return before operating charges*	(9.35)	12.05	39.85
Operating charges (calculated on average price)	(4.58)	(4.90)	(4.68)
Return after operating charges*	(13.93)	7.15	35.17
Distributions	(7.98)	(8.96)	(7.80)
Retained distributions on accumulation units	7.98	8.96	7.80
Closing net asset value per unit	343.52	357.45	350.30
* after direct transaction costs of:	0.70	0.62	0.29

Performance

Return after charges	(3.90)%	2.04%	11.16%
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Other Information

Closing net asset value (£)	326,515,439	381,029,817	420,501,878
Closing number of units	95,048,945	106,595,851	120,040,989
Operating charges†	1.37%	1.37%	1.38%
Direct transaction costs	0.21%	0.17%	0.09%

Prices

Highest unit price	358.60p	381.90p	360.50p
Lowest unit price	298.20p	333.80p	311.20p

† 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	30/09/19 (pence per unit)	30/09/18 (pence per unit)	30/09/17 (pence per unit)
Opening net asset value per unit	365.69	357.30	320.93
Return before operating charges*	(9.71)	12.48	40.41
Operating charges (calculated on average price)	(3.43)	(4.09)	(4.04)
Return after operating charges*	(13.14)	8.39	36.37
Distributions	(9.43)	(10.07)	(8.62)
Retained distributions on accumulation units	9.43	10.07	8.62
Closing net asset value per unit	352.55	365.69	357.30
* after direct transaction costs of:	0.72	0.64	0.30

Performance

Return after charges	(3.59)%	2.35%	11.33%
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Other Information

Closing net asset value (£)	966	1,002	979
Closing number of units	274	274	274
Operating charges†	1.00%	1.12%	1.18%
Direct transaction costs	0.21%	0.17%	0.09%

Prices

Highest unit price	367.60p	390.20p	367.60p
Lowest unit price	305.30p	340.80p	315.30p

† 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	30/09/19 (pence per unit)	30/09/18 (pence per unit)	30/09/17 (pence per unit)
Opening net asset value per unit	315.67	317.48	292.08
Return before operating charges*	(8.31)	10.67	36.93
Operating charges (calculated on average price)	(2.30)	(2.51)	(2.45)
Return after operating charges*	(10.61)	8.16	34.48
Distributions on income units	(8.77)	(9.97)	(9.08)
Closing net asset value per unit	296.29	315.67	317.48
* after direct transaction costs of:	0.62	0.56	0.28

Performance

Return after charges	(3.36)%	2.57%	11.80%
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Other Information

Closing net asset value (£)	245,270	72,346	113,999
Closing number of units	82,779	22,918	35,908
Operating charges [†]	0.78%	0.78%	0.79%
Direct transaction costs	0.21%	0.17%	0.09%

Prices

Highest unit price	316.60p	342.90p	331.70p
Lowest unit price	263.70p	301.70p	288.60p

[†] 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

I-Class Accumulation Units

Change in Net Asset Value per Unit

Accounting Year ending	30/09/19 (pence per unit)	30/09/18 (pence per unit)	30/09/17 (pence per unit)
Opening net asset value per unit	374.54	364.89	326.31
Return before operating charges*	(9.71)	12.57	41.37
Operating charges (calculated on average price)	(2.74)	(2.92)	(2.79)
Return after operating charges*	(12.45)	9.65	38.58
Distributions	(10.47)	(11.52)	(10.19)
Retained distributions on accumulation units	10.47	11.52	10.19
Closing net asset value per unit	362.09	374.54	364.89
* after direct transaction costs of:	0.74	0.65	0.31

Performance

Return after charges	(3.32)%	2.64%	11.82%
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Other Information

Closing net asset value (£)	40,249,606	51,084,703	44,036,515
Closing number of units	11,115,849	13,639,152	12,068,439
Operating charges†	0.78%	0.78%	0.79%
Direct transaction costs	0.21%	0.17%	0.09%

Prices

Highest unit price	377.00p	399.40p	374.90p
Lowest unit price	312.90p	348.60p	322.40p

† 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	25/04/19 to 30/09/19 ¹ (pence per unit)
Opening net asset value per unit	50.00
Return before operating charges*	(1.68)
Operating charges (calculated on average price)	(0.01)
Return after operating charges*	(1.69)
Distributions	(0.89)
Retained distributions on accumulation units	0.89
Closing net asset value per unit	48.31
* after direct transaction costs of:	0.04

Performance

Return after charges	(3.38)%
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Other Information

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

Prices

Highest unit price	50.00p
Lowest unit price	44.65p

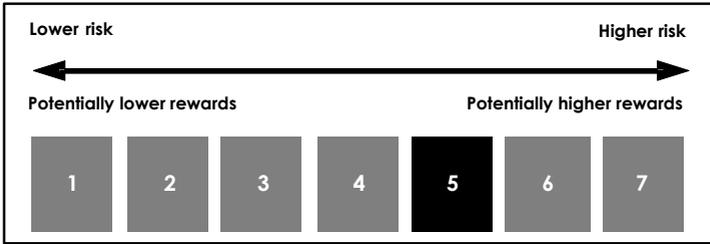
¹ L-Class Accumulation units launched on 25 April 2019.

[†] 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 five because it invests in company shares which are sensitive to variations in the stock market. The value of company shares can change substantially over short periods of time. Company shares are generally considered to be higher risk investments than bonds or cash.
- Even a 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 F-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 F units are available to:

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

** 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/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.

General Information (unaudited) continued

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.

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

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 managed by it as at 31 December 2018:

Controlled Functions

Headcount	Fixed Remuneration (£,000)	Variable Remuneration (£,000)	Remuneration related to this Fund (Pro-rated) (£'000)
36	7,644	13,053	174

Material Risk Takers

Headcount	Fixed Remuneration (£,000)	Variable Remuneration (£,000)	Remuneration related to this Fund (Pro-rated) (£'000)
19	2,324	2,868	311

Controlled Functions

As at 31 December 2018, Legal & General Unit Trust Managers Limited (UTM) engaged the services of seven employees of Legal & General Investment Management (Holdings) Limited (LGIMH), plus a further one employee of Legal & General Resources (LGR) to act as Directors. In addition, there was one non-executive Director. UTM also engaged the services of a further 24 LGIMH employees and a further three 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 2018, UTM engaged the services of Legal & General Investment Management's Active Equities 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 Legal & General Investment Management's Active Equities Fund Management team.

Assessment of Value

We will be publishing Assessment of Value reports for our funds on legalandgeneral.com and lgim.com on 30 April 2020. Please look out for further information nearer the time.

Significant Changes

New Unit Class: L-Class

With effect from 25 April 2019, L-Class units have launched within the Fund with accumulation units available.

Change in Investment Objective and Policy

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

The revised Investment Objective and Policy came into effect on 7 August 2019. The previous and revised Investment Objective and Policy are set out on page 2.

Publication of Short Report Discontinued

With effect from 20 September 2019, the Short Report for this Fund will no longer be issued.

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 (resigned 31 December 2018)
E. Cowhey* (appointed 9 October 2019)
A. J. C. Craven
S. Hynes
H. Morrissey
H. Solomon
S. D. Thomas (resigned 17 October 2018)
L. W. Toms
A. R. Toutouchi*
M. J. Zinkula (resigned 15 July 2019)
*Non-executive Director

Secretary

J. McCarthy

Registrar

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

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

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

Trustee

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

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

Independent Auditors

KPMG LLP
15 Canada Square,
London E14 5GL

Investment Adviser

Legal & General Investment Management Limited
One Coleman Street,
London EC2R 5AA
Authorised and regulated by the Financial Conduct Authority

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

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(Unit Trust Managers) Limited
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