

Legal & General
(Alliance & Leicester) Capital Growth Fund

**Interim Manager's Report
for the period ended
31 August 2019
(Unaudited)**



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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 objective of the Fund is to track the capital performance of the FTSE 350 Index (the 'Index') and to maintain a gross income yield equal to that of the Index.

Securities in the Index will be held with weightings generally proportionate to their official Index weighting. From time to time, non-Index constituents may be held as a result of a corporate action and these holdings will be sold or transferred as soon as reasonably practical.

The Fund may hold derivatives for Efficient Portfolio Management purposes.

From 7 August 2019

The objective of the Fund is to provide a combination of growth and income by tracking the performance of the FTSE 350 Index, the "Benchmark Index".

This objective is after the deduction of charges and taxation.

The Fund will invest at least 90% in assets that are included in the Benchmark Index.

The Benchmark Index consists of shares of the 350 largest companies on the UK stock market in accordance with the Index provider's methodology. Such shares in companies are from all economic sectors.

The Fund is a Replicating Fund as it replicates as closely as possible the constituents of the Benchmark Index by holding all, or substantially all, of the assets comprising the Benchmark Index in similar proportions to their weightings in the Benchmark Index.

The Fund may also invest in money market instruments (such as treasury bills), cash, permitted deposits and shares in companies which are reasonably expected to become part of the Benchmark Index in the near future or are an alternative to a constituent of the Benchmark Index and collective investment schemes, including those managed or operated by the Manager or an associate of the Manager.

The Fund may only use derivatives for Efficient Portfolio Management purposes.

Manager's Investment Report continued

Manager's Investment Report

During the period under review, the bid price of the Fund's accumulation units rose by 4.54%. FTSE, the Index compiler, calculates the Benchmark Index at the end of the business day using closing prices, whereas the Fund is valued using prevailing prices at 12 noon. Therefore, for tracking purposes the Fund has been revalued using closing prices. On this basis over the review period, the Fund returned 1.83% compared with the FTSE 350 Index return of 1.75% (Source: Bloomberg), producing a tracking difference of +0.08%.

Past performance is not a guide to future performance.

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

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

The FTSE 350 Index is calculated by FTSE International Limited ("FTSE"). FTSE does not sponsor, endorse or promote this product.

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Market/Economic Review

Global equity indices posted double-digit percentage gains in Sterling terms over the review period, despite volatility reasserting itself during May and August as US-China trade tensions escalated. The catalyst for equities came from a change in direction at the US Federal Reserve (Fed), which adopted a much more dovish tone on monetary policy. The Fed indicated there would be no further interest rate hikes this year, before opting to cut interest rates in July, commenting that this was a 'mid-cycle policy adjustment' rather than the beginning of a monetary easing cycle.

UK equities gained ground but underperformed global indices, as political developments dominated the headlines. The risk of a disorderly Brexit increased with the new prime minister emphasising the desire to leave the EU 'come what may' by the end of October. The UK economy shrank during the second quarter for the first time in almost seven years, as stockpiling activity slowed and Brexit uncertainty intensified against a backdrop of weaker global growth. The weakness of Sterling, which declined to a two-year low against the Dollar in August, boosted the performance of the market's many international constituents. More domestically oriented smaller companies underperformed the broader market as, to a lesser extent, did mid-cap stocks. More domestically focused FTSE Mid 250 Index (+1.11%) underperformed the more globally focused FTSE 100 Index (+1.87%) during the review period.

The best performing sectors over the review period were Leisure Goods (+39.94%), Health Care Equipment & Services (+28.99%) and Personal Goods (+26.51%). The worst performing sectors over the review period were Automobiles & Parts (-38.95%), Fixed Line Telecommunications (-21.80%) and Oil Equipment, Services & Distribution (-20.71%).

Manager's Investment Report continued

Fund Review

Companies held within the Fund are held with weightings generally proportionate to those of the Index. Hence, investment activity other than to raise or invest cash, is only necessary when there are changes in the issued share capital or free float of the constituent companies, or to the constituents of the Index.

During the review period, there were two Index reviews carried out by FTSE. The March quarterly Index review resulted in three additions and three deletions. Here, the largest additions were Kier Group, Pets At Home Group and AJ Bell. The largest deletions were Halfords Group, Edinburgh Dragon Trust and Superdry. There were 49 changes to the free share capital of constituents with the largest increases being BP, Scottish Mortgage Investment Trust and Centrica and the largest decreases being Royal Dutch Shell 'A', Diageo and Rio Tinto. The two way Index turnover was 0.68%.

The annual Index review in June resulted in seven additions and seven deletions. The largest additions were Network International, Future and 4imprint Group. The largest deletions were Just Group, Civitas Social Housing and 888. There were 182 changes to the free share capital of constituents with the largest increases being HSBC, GlaxoSmithKline and BP and the largest decreases being Royal Dutch Shell 'A', Diageo and Rio Tinto. The two way Index turnover was 0.92%.

Outside of the Index reviews, there was a noticeable amount of overseas Merger & Acquisition (M&A) activity. The cash deals included Jardine Lloyd Thompson Group acquired by Marsh & McLennan Cos Inc, Dairy Crest Group by Saputo, BTG by Boston Scientific Corp and RPC Group by Berry Global Group. As M&A targets were deleted from the Index, a number of stocks were promoted from the FTSE Small Cap Index including Law Debenture, NextEnergy Solar Fund, Oxford Instruments and PureTech Health.

Another noteworthy corporate action involved Mondi simplifying current dual listed holding company structure where Mondi UK acquired all of the outstanding shares of Mondi South Africa via a scheme of arrangement and increased its weight in the Index. Euromoney Institutional Investor increased its free float as a result of completion share and cash exchange offer with Daily Mail & General Trust.

Companies raising capital via rights issues included Renewables Infrastructure Group, Sirius Minerals. Sirius Minerals, Greencoat UK Wind, Metro Bank and Sequoia Economic Infrastructure Income Fund raised capital for growth via primary placings. Secondary placings that resulted in companies having their freely available share capital increased in the Index were made for Avast.

Outlook

Despite above-target inflation, the Bank of England (BoE) will be wary to hike again in the midst of a congested Brexit timetable. Our expectation is for the UK base rate to remain at 0.75% as we head into 2020 and with the US Fed recently reducing their interest rates for a second time since 2008. Better fiscal position opens up space for further easing in the UK, more likely to be deployed ahead of next election, e.g. NHS spending. We have maintained our UK GDP growth rate expectation at 1.4% in 2019 and 1.5% in 2020. Our No Deal/Hard Brexit probabilities have risen significantly

Manager's Investment Report continued

in recent weeks as the rhetoric from Boris Johnson on leaving the EU on 31 October with or without a deal has been more consistent than expected. However, with the government's majority having been whittled down to just one MP, an early election is highly likely.

The Fund remains well positioned to capture the performance of the Index.

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

Authorised Status

Authorised Status

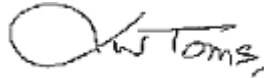
This Fund is an Authorised Unit Trust Scheme as defined in section 243 of the Financial Services and Markets Act 2000 and is a UCITS Retail Scheme within the meaning of the FCA Collective Investment Schemes sourcebook.

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
21 October 2019

Portfolio Statement

Portfolio Statement as at 31 August 2019

All investments are in ordinary shares or collective investment schemes unless otherwise stated. The percentages in brackets show the equivalent holdings at 28 February 2019.

Holding/ Nominal Value	Investment	Market Value £	% of Net Assets
	UNITED KINGDOM		
	— 88.69% (87.64%)		
	Oil & Gas Producers		
	— 13.01% (13.72%)		
1,264,155	BP	6,362,492	4.47
36,855	Cairn Energy	60,921	0.04
4,739	Energear Oil & Gas	46,964	0.03
48,000	Premier Oil	38,467	0.03
31,905	Royal Dutch Shell 'A'	730,784	0.52
237,422	Royal Dutch Shell 'B'	5,417,970	3.81
247,368	Royal Dutch Shell 'A' (Dutch Listing)	5,665,379	3.98
91,821	Tullow Oil	185,203	0.13
		18,508,180	13.01
	Oil Equipment, Services & Distribution — 0.14% (0.20%)		
9,600	Hunting	43,661	0.03
42,566	John Wood Group	161,751	0.11
		205,412	0.14
	Chemicals — 0.70% (0.76%)		
8,015	Croda International	376,384	0.26
37,440	Elementis	55,411	0.04
12,117	Johnson Matthey	351,757	0.25
403,571	Sirius Minerals	41,971	0.03
20,598	Synthomer	62,577	0.04
5,232	Victrex	108,721	0.08
		996,821	0.70
	Forestry & Paper — 0.34% (0.29%)		
30,739	Mondi	489,365	0.34
	Industrial Metals & Mining — 0.14% (0.17%)		
34,790	Evraz	170,749	0.12
17,747	Ferrexpo	35,618	0.02
		206,367	0.14
	Mining — 4.75% (5.07%)		
9,000	Acacia Mining	23,436	0.02
65,082	Anglo American	1,145,704	0.80
22,578	Antofagasta	193,629	0.14
131,729	BHP Group	2,317,903	1.63
11,467	Fresnillo	83,526	0.06
15,000	Hochschild Mining	32,280	0.02
14,310	KAZ Minerals	57,483	0.04
70,209	Rio Tinto	2,904,897	2.04
		6,758,858	4.75

Portfolio Statement continued

Holding/ Nominal Value	Investment	Market Value £	% of Net Assets
	Construction & Materials		
	— 0.58% (0.57%)		
45,780	Balfour Beatty	99,159	0.07
21,100	Ibstock	45,196	0.03
12,383	Marshalls	86,681	0.06
305,637	Melrose Industries	550,758	0.39
13,000	Polypipe Group	48,438	0.03
		830,232	0.58
	Aerospace & Defense		
	— 2.05% (1.96%)		
31,654	Babcock International Group	160,106	0.11
203,191	BAE Systems	1,116,738	0.79
158,064	Cobham	256,064	0.18
49,578	Meggitt	304,706	0.21
34,480	QinetiQ Group	98,957	0.07
106,175	Rolls-Royce	818,397	0.58
26,785	Senior	54,534	0.04
4,635	Ultra Electronics	102,341	0.07
		2,911,843	2.05
	General Industrials — 0.58% (0.70%)		
92,535	Coats Group	67,226	0.05
81,579	DS Smith	275,982	0.19
25,284	Smiths Group	420,473	0.29
14,590	Vesuvius	68,369	0.05
		832,050	0.58
	Electronic & Electrical Equipment		
	— 0.57% (0.50%)		
24,088	Halma	474,534	0.33
18,737	Morgan Advanced Materials	47,742	0.04
3,000	Oxford Instruments	38,880	0.03
2,110	Renishaw	74,145	0.05
7,447	Spectris	171,728	0.12
		807,029	0.57
	Industrial Engineering		
	— 0.79% (0.73%)		
11,760	Bodycote	84,084	0.06
5,380	Hill & Smith	61,978	0.04
17,055	IMI	172,170	0.12
55,694	Rotork	172,707	0.12
4,718	Spirax-Sarco Engineering	378,148	0.27
16,975	The Weir Group	248,259	0.18
		1,117,346	0.79
	Industrial Transportation		
	— 0.30% (0.29%)		
68,633	BBA Aviation	221,959	0.15
1,615	Clarkson	37,549	0.03
2,000	James Fisher & Sons	39,680	0.03

Portfolio Statement continued

Holding/ Nominal Value	Investment	Market Value £	% of Net Assets
	Industrial Transportation — (cont.)		
59,178	Royal Mail	123,623	0.09
		<hr/>	<hr/>
		422,811	0.30
	Support Services — 2.95% (2.74%)		
15,593	Aggreko	120,222	0.09
30,220	Ashthead Group	687,203	0.48
49,509	BCA Marketplace	119,614	0.08
21,470	Bunzl	433,050	0.30
105,505	Capita	132,989	0.09
7,109	Diploma	112,464	0.08
27,731	Electrocomponents	161,672	0.11
21,250	Equiniti Group	43,435	0.03
17,099	Essentra	68,841	0.05
98,775	G4S	171,967	0.12
86,431	Hays	120,571	0.09
17,363	HomeServe	200,543	0.14
36,798	Howden Joinery Group	199,077	0.14
10,278	Intertek Group	563,234	0.40
10,700	Network International	64,628	0.05
19,630	PageGroup	83,035	0.06
4,200	PayPoint	37,506	0.03
115,972	Rentokil Initial	525,585	0.37
71,552	Serco Group	105,038	0.07
35,680	SIG	44,993	0.03
16,247	Travis Perkins	204,712	0.14
		<hr/>	<hr/>
		4,200,379	2.95
	Automobiles & Parts — 0.03% (0.05%)		
3,774	Aston Martin Lagonda Global	17,945	0.01
12,269	TI Fluid Systems	20,244	0.02
		<hr/>	<hr/>
		38,189	0.03
	Beverages — 3.82% (3.27%)		
5,748	A.G. Barr	33,913	0.02
16,959	Britvic	148,391	0.11
148,832	Diageo	5,254,514	3.69
		<hr/>	<hr/>
		5,436,818	3.82
	Food Producers — 0.60% (0.62%)		
22,347	Associated British Foods	505,266	0.35
7,524	Bakkavor Group	8,336	0.01
3,283	Cranswick	90,020	0.06
4,000	Hilton Food Group	38,640	0.03
29,278	Tate & Lyle	209,338	0.15
		<hr/>	<hr/>
		851,600	0.60
	Household Goods & Home Construction — 3.20% (3.18%)		
64,169	Barratt Developments	407,345	0.29
8,151	Bellway	237,194	0.17

Portfolio Statement continued

Holding/ Nominal Value	Investment	Market Value £	% of Net Assets
	Household Goods & Home Construction — (cont.)		
7,739	Berkeley Group	302,440	0.21
8,775	Bovis Homes Group	90,558	0.06
27,288	Countryside Properties	80,609	0.06
17,237	Crest Nicholson	60,088	0.04
6,400	Galliford Try	37,344	0.03
34,000	McCarthy & Stone	45,628	0.03
19,519	Persimmon	369,592	0.26
39,569	Reckitt Benckiser Group	2,535,582	1.78
13,024	Redrow	72,023	0.05
212,835	Taylor Wimpey	308,504	0.22
		4,546,907	3.20
	Leisure Goods — 0.06% (0.04%)		
2,084	Games Workshop Group	91,863	0.06
	Personal Goods — 2.98% (2.39%)		
26,330	Burberry Group	572,414	0.40
12,951	PZ Cussons	27,197	0.02
2,000	Ted Baker	18,500	0.01
69,407	Unilever (UK Listing)	3,621,658	2.55
		4,239,769	2.98
	Tobacco — 3.84% (3.86%)		
144,996	British American Tobacco	4,192,559	2.95
60,295	Imperial Brands	1,274,034	0.89
		5,466,593	3.84
	Health Care Equipment & Services — 1.05% (0.81%)		
91,381	ConvaTec Group	160,465	0.11
26,261	Mediclinic International	89,392	0.06
5,552	NMC Health	135,857	0.10
56,170	Smith & Nephew	1,105,426	0.78
		1,491,140	1.05
	Pharmaceuticals & Biotechnology — 8.40% (7.22%)		
83,338	AstraZeneca	6,130,343	4.31
6,417	Dechra Pharmaceuticals	194,564	0.14
4,062	Genus	106,018	0.07
309,593	GlaxoSmithKline	5,318,808	3.74
8,718	Hikma Pharmaceuticals	176,975	0.12
9,800	PureTech Health	26,264	0.02
		11,952,972	8.40
	Food & Drug Retailers — 1.64% (1.66%)		
6,669	Greggs	139,916	0.10
103,387	J Sainsbury	206,516	0.14
27,668	Ocado Group	363,142	0.26
616,092	Tesco	1,367,724	0.96

Portfolio Statement continued

Holding/ Nominal Value	Investment	Market Value £	% of Net Assets
Food & Drug Retailers — (cont.)			
135,811	Wm Morrison Supermarkets	250,911	0.18
		2,328,209	1.64
General Retailers — 1.41% (1.46%)			
16,532	Card Factory	25,377	0.02
62,391	Dixons Carphone	67,913	0.05
6,343	Dunelm Group	55,121	0.04
25,866	Inchcape	150,669	0.10
23,000	JD Sports Fashion	142,048	0.10
37,823	Just Eat	296,381	0.21
138,899	Kingfisher	271,617	0.19
124,000	Marks & Spencer Group	238,266	0.17
8,263	Next	489,170	0.34
31,000	Pets at Home Group	71,548	0.05
12,449	Sports Direct International	30,923	0.02
23,765	Vivo Energy	28,090	0.02
7,016	WH Smith	137,934	0.10
		2,005,057	1.41
Media — 3.36% (2.92%)			
1,800	4imprint Group	48,960	0.03
25,534	Ascential	96,519	0.07
58,445	Auto Trader Group	311,512	0.22
5,436	Euromoney Institutional Investor	74,038	0.05
4,194	Future	49,489	0.04
78,729	Informa	688,564	0.48
229,757	ITV	270,194	0.19
35,048	Moneysupermarket.com Group	131,360	0.09
49,184	Pearson	410,981	0.29
120,032	RELX	2,384,436	1.68
58,040	Rightmove	313,532	0.22
		4,779,585	3.36
Travel & Leisure — 3.61% (3.38%)			
10,438	Carnival	362,094	0.25
66,400	Cineworld Group	146,279	0.10
100,635	Compass Group	2,099,246	1.48
26,029	Domino's Pizza Group	62,938	0.04
15,979	easyJet	153,718	0.11
28,000	El Group	78,736	0.06
80,617	FirstGroup	104,077	0.07
2,785	Go-Ahead Group	57,650	0.04
19,021	Greene King	159,852	0.11
11,457	InterContinental Hotels Group	589,921	0.42
4,918	J D Wetherspoon	77,655	0.05
40,000	Marston's	50,440	0.04
47,026	Merlin Entertainments	212,463	0.15
7,666	Millennium & Copthorne Hotels	52,129	0.04
14,050	Mitchells & Butlers	49,386	0.04
27,399	National Express Group	115,459	0.08

Portfolio Statement continued

Holding/ Nominal Value	Investment	Market Value £	% of Net Assets
	Travel & Leisure — (cont.)		
8,886	Rank Group	14,982	0.01
31,000	Restaurant Group	48,329	0.03
28,006	SSP Group	199,963	0.14
28,782	Stagecoach Group	35,690	0.03
8,511	Whitbread	373,463	0.26
51,058	William Hill	90,781	0.06
		<hr/>	
		5,135,251	3.61
	Fixed Line Telecommunications — 0.68% (0.86%)		
530,646	BT Group	880,872	0.62
43,919	TalkTalk Telecom Group	45,236	0.03
3,201	Telecom Plus	37,068	0.03
		<hr/>	
		963,176	0.68
	Mobile Telecommunications — 1.98% (1.70%)		
29,784	Inmarsat	179,657	0.13
1,695,887	Vodafone Group	2,639,818	1.85
		<hr/>	
		2,819,475	1.98
	Electricity — 0.60% (0.62%)		
9,300	ContourGlobal	16,275	0.01
26,757	Drax Group	71,602	0.05
66,155	SSE	760,782	0.54
		<hr/>	
		848,659	0.60
	Gas, Water & Multi-utilities — 2.11% (2.23%)		
367,344	Centrica	255,157	0.18
217,261	National Grid	1,872,355	1.31
26,250	Pennon Group	200,288	0.14
15,565	Severn Trent	324,530	0.23
43,213	United Utilities Group	353,396	0.25
		<hr/>	
		3,005,726	2.11
	Banks — 9.36% (10.36%)		
2,311	Bank of Georgia Group	31,291	0.02
1,082,064	Barclays	1,489,136	1.05
9,521	Close Brothers Group	123,106	0.08
73,854	CYBG	104,910	0.07
1,284,697	HSBC	7,650,371	5.38
4,515,131	Lloyds Banking Group	2,265,693	1.59
9,953	Metro Bank	27,152	0.02
290,126	Royal Bank of Scotland Group	538,619	0.38
170,084	Standard Chartered	1,062,685	0.75
2,070	TBC Bank Group	25,833	0.02
		<hr/>	
		13,318,796	9.36
	Nonlife Insurance — 0.80% (0.94%)		
12,564	Admiral Group	267,864	0.19
33,581	Beazley	191,076	0.13

Portfolio Statement continued

Holding/ Nominal Value	Investment	Market Value £	% of Net Assets
	Nonlife Insurance — (cont.)		
88,316	Direct Line Insurance Group	252,407	0.18
19,348	Hastings Group	34,846	0.03
66,372	RSA Insurance Group	347,789	0.24
15,200	Sabre Insurance Group	39,900	0.03
		<hr/>	
		1,133,882	0.80
	Life Insurance — 3.17% (3.76%)		
247,555	Aviva	882,534	0.62
380,976	Legal & General Group	843,481	0.59
35,833	Phoenix Group	230,585	0.16
164,084	Prudential	2,248,771	1.58
32,898	St. James's Place	304,570	0.22
		<hr/>	
		4,509,941	3.17
	Real Estate Investment & Services — 0.24% (0.27%)		
47,088	Capital & Counties Properties	96,625	0.07
10,209	CLS	23,991	0.02
286	Daejan	15,158	0.01
40,911	Grainger	99,332	0.07
7,952	Savills	66,200	0.04
11,537	St. Modwen Properties	46,783	0.03
		<hr/>	
		348,089	0.24
	Real Estate Investment Trusts — 1.92% (1.98%)		
141,268	Assura	97,334	0.07
9,287	Big Yellow Group	99,557	0.07
62,361	British Land	317,792	0.22
6,407	Derwent London	203,614	0.14
17,502	Great Portland Estates	121,814	0.09
50,165	Hammerson	114,276	0.08
60,362	Intu Properties	24,748	0.02
46,379	Land Securities Group	361,663	0.25
43,451	LondonMetric Property	88,901	0.06
18,833	NewRiver REIT	30,735	0.02
72,935	Primary Health Properties	99,775	0.07
13,315	Safestore	89,610	0.06
69,369	SEGRO	542,466	0.38
15,033	Shaffesbury	130,186	0.09
109,510	Tritax Big Box REIT	153,752	0.11
17,310	UNITE Group	181,582	0.13
9,210	Workspace Group	78,607	0.06
		<hr/>	
		2,736,412	1.92
	Financial Services — 3.21% (2.89%)		
60,169	3i Group	663,363	0.47
11,622	AJ Bell	46,430	0.03
6,729	Amigo	5,006	—
25,720	Ashmore Group	118,055	0.08
17,488	Brewin Dolphin	53,198	0.04

Portfolio Statement continued

Holding/ Nominal Value	Investment	Market Value £	% of Net Assets
	Financial Services — (cont.)		
9,100	Charter Court Financial Services Group	23,523	0.02
16,692	Hargreaves Lansdown	315,729	0.22
23,227	IG Group	125,565	0.09
12,244	IntegraFin	47,201	0.03
18,578	Intermediate Capital Group	249,131	0.17
42,670	Investec	180,366	0.13
65,819	IP Group	37,846	0.03
31,484	John Laing Group	111,264	0.08
27,562	Jupiter Fund Management	94,648	0.07
19,779	London Stock Exchange Group	1,384,134	0.97
15,834	OneSavings Bank	50,352	0.03
18,183	Paragon Banking Group	79,642	0.06
17,004	Provident Financial	67,404	0.05
122,423	Quilter	153,274	0.11
3,624	Rathbone Brothers	82,084	0.06
7,055	Schroders	193,378	0.13
3,067	Sole Realisation ¹	—	—
154,636	Standard Life Aberdeen	387,672	0.27
33,896	TP ICAP	98,841	0.07
		4,568,106	3.21
	Equity Investment Instruments — 2.79% (2.46%)		
6,162	Aberforth Smaller Companies Trust	72,219	0.05
21,177	Alliance Trust	169,416	0.12
7,343	AVI Global Trust	54,338	0.04
5,800	Baillie Gifford Japan Trust	46,052	0.03
8,111	Bankers Investment Trust	75,757	0.05
3,000	BlackRock Smaller Companies Trust	42,000	0.03
3,917	BMO Global Smaller Companies	52,958	0.04
2,222	Caledonia Investments	67,660	0.05
22,827	City of London Investment Trust	93,476	0.07
14,395	Dexion 'B' Shares ¹	151	—
13,017	Edinburgh Investment Trust	71,724	0.05
34,870	F&C Investment Trust	245,136	0.17
23,490	Fidelity China Special Situations	50,151	0.04
26,817	Fidelity European Values	66,372	0.05
12,000	Fidelity Special Values	30,480	0.02
11,918	Finsbury Growth & Income Trust	111,910	0.08
89,990	Greencoat UK Wind	125,086	0.09
4,600	Herald Investment Trust	60,352	0.04
24,000	HgCapital Trust	51,600	0.04
117,381	HICL Infrastructure	197,670	0.14
13,842	JPMorgan American Investment Trust	65,473	0.05
7,853	JPMorgan Emerging Markets Investment Trust	78,137	0.05
7,000	JPMorgan Indian Investment Trust	49,490	0.03
10,500	JPMorgan Japanese Investment Trust	47,092	0.03

Portfolio Statement continued

Holding/ Nominal Value	Investment	Market Value £	% of Net Assets
	Equity Investment Instruments — (cont.)		
6,900	Jupiter European Opportunities Trust	57,891	0.04
7,672	Law Debuture	43,577	0.03
50,811	Mercantile Investment Trust	102,130	0.07
13,860	Monks Investment Trust	128,344	0.09
7,991	Murray International Trust	92,536	0.07
3,500	Pantheon International	79,275	0.06
15,303	Perpetual Income and Growth Investment Trust	44,914	0.03
144	Personal Assets Trust	61,632	0.04
8,527	Polar Capital Technology Trust	120,231	0.08
8,119	RIT Capital Partners	171,717	0.12
10,000	Schroder AsiaPacific Fund	43,700	0.03
5,107	Scottish Investment Trust	41,571	0.03
93,419	Scottish Mortgage Investment Trust	491,384	0.35
5,471	Smithson Investment Trust	69,263	0.05
4,314	Temple Bar Investment Trust	50,905	0.04
16,090	Templeton Emerging Markets Investment Trust	125,019	0.09
20,348	TR Property Investment Trust	86,377	0.06
56,565	Witan Investment Trust	119,918	0.08
50,000	Woodford Patient Capital Trust	20,925	0.01
3,242	Worldwide Healthcare Trust	90,938	0.06
		<hr/>	
		3,966,947	2.79
	Software & Computer Services — 0.88% (0.97%)		
20,581	Avast	78,043	0.06
4,074	AVEVA Group	151,797	0.11
4,680	Computacenter	62,946	0.04
4,700	FDM Group	35,579	0.03
7,500	Funding Circle	8,325	0.01
3,500	Kainos Group	17,395	0.01
19,470	Micro Focus International	218,492	0.15
2,820	Micro Focus International ADR	30,011	0.02
69,575	Sage Group	489,530	0.34
8,110	Softcat	84,912	0.06
19,064	Sophos Group	73,797	0.05
		<hr/>	
		1,250,827	0.88
	Technology Hardware & Equipment — 0.05% (0.04%)		
38,000	Spirent Communications	69,692	0.05
	IRELAND — 2.03% (1.80%)		
	Construction & Materials — 1.01% (0.88%)		
51,614	CRH	1,432,805	1.01
	General Industrials — 0.27% (0.23%)		
15,179	Smurfit Kappa Group	381,600	0.27

Portfolio Statement continued

Holding/ Nominal Value	Investment	Market Value £	% of Net Assets
	Support Services — 0.38% (0.36%)		
6,232	DCC	436,364	0.31
14,006	Grafton Group	102,594	0.07
		538,958	0.38
	Food Producers — 0.04% (0.04%)		
29,508	Greencore Group	61,790	0.04
	Health Care Equipment & Services — 0.09% (0.07%)		
15,960	UDG Healthcare	126,323	0.09
	Travel & Leisure — 0.24% (0.22%)		
5,129	Flutter Entertainment	346,413	0.24
	BERMUDA — 0.26% (0.26%)		
	Nonlife Insurance — 0.26% (0.26%)		
17,578	Hiscox	273,338	0.19
13,035	Lancashire	89,225	0.07
		362,563	0.26
	CANADA — 0.10% (0.06%)		
	Media — 0.10% (0.06%)		
24,286	Entertainment One	142,437	0.10
	CAYMAN ISLANDS — 0.05% (0.04%)		
	Equity Investment Instruments — 0.05% (0.04%)		
13,000	Vietnam Enterprise	63,505	0.05
	CHANNEL ISLANDS — 4.83% (4.63%)		
	Oil Equipment, Services & Distribution — 0.05% (0.05%)		
16,153	Petrofac	67,520	0.05
	Mining — 1.37% (1.72%)		
66,284	Centamin	92,963	0.06
708,927	Glencore	1,665,270	1.17
16,971	Polymetal International	194,742	0.14
		1,952,975	1.37
	Industrial Transportation — 0.00% (0.02%)		
	Support Services — 1.82% (1.43%)		
58,134	Experian	1,467,884	1.03
14,619	Ferguson	880,941	0.62
45,512	IWG	190,422	0.14
8,000	Sanne Group	41,680	0.03
		2,580,927	1.82
	Media — 0.53% (0.46%)		
78,586	WPP	760,712	0.53
	Travel & Leisure — 0.10% (0.07%)		
1,240	PPHE Hotel Group	21,824	0.01
3,614	Wizz Air	130,176	0.09
		152,000	0.10

Portfolio Statement continued

Holding/ Nominal Value	Investment	Market Value £	% of Net Assets
	Real Estate Investment & Services — 0.03% (0.03%)		
35,451	BMO Commercial Property Trust	37,862	0.03
	Real Estate Investment Trusts — 0.02% (0.02%)		
39,626	UK Commercial Property Trust	32,176	0.02
	Financial Services — 0.12% (0.00%)		
100,146	Man Group	169,046	0.12
	Equity Investment Instruments — 0.79% (0.83%)		
34,512	3i Infrastructure	103,709	0.07
17,000	Apax Global Alpha	25,925	0.02
56,544	GCP Infrastructure Investments	71,019	0.05
7,541	Genesis Emerging Markets Fund	57,161	0.04
5,124	HarbourVest Global Private Equity	85,775	0.06
95,978	International Public Partnerships	157,980	0.11
39,875	NB Global Floating Rate Income Fund	35,409	0.03
37,000	NextEnergy Solar Fund	44,215	0.03
13,896	Pershing Square	212,609	0.15
88,053	Renewables Infrastructure Group	114,293	0.08
2,623	Riverstone Energy	18,125	0.01
76,564	Sequoia Economic Infrastructure Income Fund	88,814	0.06
28,064	Syncona	64,126	0.05
12,900	VinaCapital Vietnam Opportunity Fund	44,247	0.03
		1,123,407	0.79
	GERMANY — 0.16% (0.16%)		
	Travel & Leisure — 0.16% (0.16%)		
27,955	TUI (Listing)	231,356	0.16
	GIBALTAR — 0.00% (0.02%)		
	Travel & Leisure — 0.00% (0.02%)		
	ISLE OF MAN — 0.21% (0.21%)		
	Travel & Leisure — 0.21% (0.21%)		
36,418	GVC	229,069	0.16
18,506	Playtech	68,491	0.05
		297,560	0.21
	ISRAEL — 0.03% (0.04%)		
	Financial Services — 0.03% (0.04%)		
6,615	Plus500	45,008	0.03
	LUXEMBOURG — 0.18% (0.16%)		
	General Retailers — 0.14% (0.13%)		
55,224	B&M European Value Retail	198,696	0.14
	Equity Investment Instruments — 0.04% (0.03%)		
38,013	BBGI SICAV	60,251	0.04

Portfolio Statement continued

Holding/ Nominal Value	Investment	Market Value £	% of Net Assets
	NETHERLANDS — 0.07% (0.07%) Industrial Engineering — 0.07% (0.07%)		
2,160	RHI Magnesita	96,250	0.07
	SPAIN — 0.30% (0.44%) Travel & Leisure — 0.30% (0.44%)		
101,624	International Consolidated Airlines Group	432,207	0.30
	SWITZERLAND — 0.24% (0.23%) Beverages — 0.24% (0.23%)		
12,546	Coca-Cola HBC	342,380	0.24
	FUTURES CONTRACTS — -0.01% (0.16%)		
10	FTSE 100 Index Future Expiry September 2019	(12,637)	(0.01)
Portfolio of investments^{2,3}		138,214,464	97.14
Net other assets		4,068,160	2.86
Total net assets		£142,282,624	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.

³ Including investment liabilities.

Total purchases for the period: £2,247,214.

Total sales for the period: £2,088,930.

Financial Statements

Statement of Total Return for the period ended 31 August 2019

	31/08/19		31/08/18	
	£	£	£	£
Income				
Net capital gains		2,982,369		4,839,098
Revenue	3,873,221		3,719,263	
Expenses	(380,577)		(515,213)	
Interest payable and similar charges	(31)		(8)	
Net revenue before taxation	<u>3,492,613</u>		<u>3,204,042</u>	
Taxation	(25,476)		(23,639)	
Net revenue after taxation for the period		<u>3,467,137</u>		<u>3,180,403</u>
Total return before distributions		6,449,506		8,019,501
Distributions		<u>(3,467,137)</u>		<u>(3,180,403)</u>
Change in Unitholders' Funds from investment activities		<u>£2,982,369</u>		<u>£4,839,098</u>

Statements of Change in Unitholders' Funds for the period ended 31 August 2019

	31/08/19		31/08/18	
	£	£	£	£
Opening net assets		141,363,786		148,952,550
Amounts received on issue of units	72,819		23,836	
Amounts paid on cancellation of units	<u>(5,547,931)</u>		<u>(4,939,497)</u>	
		(5,475,112)		(4,915,661)
Change in Unitholders' Funds from investment activities		2,982,369		4,839,098
Retained distributions on accumulation units		3,411,581		3,133,529
Closing net assets		<u>£142,282,624</u>		<u>£152,009,516</u>

The difference between the opening net assets and the comparative closing net assets is the movement in the second half of the year.

Financial Statements continued

Balance Sheet as at 31 August 2019

	31/08/19 £	28/02/19 £
ASSETS		
Fixed assets:		
Investments	138,227,101	135,594,513
Current assets:		
Debtors	1,802,097	932,633
Cash and bank balances	2,673,997	5,203,229
Total assets	142,703,195	141,730,375
LIABILITIES		
Investment liabilities	(12,637)	–
Creditors:		
Bank overdrafts	(188,318)	(195,050)
Other creditors	(219,616)	(171,539)
Total liabilities	(420,571)	(366,589)
Net Assets	£142,282,624	£141,363,786
Unitholders' Funds	£142,282,624	£141,363,786

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. Accounting Policies

The accounting policies applied are consistent with the most recent annual Financial Statements.

(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.

Fund Information

Net Asset Values and Units in Issue

Class	Net Asset Value (£)	Units in Issue	Net Asset Value per Unit (p)
A-Class Accumulation Units	142,282,624	84,677,234	168.03

Past performance is not a guide to future performance.

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

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

Ongoing Charges Figures

	31 Aug 19	28 Feb 19
A-Class	0.52%	0.60%

The Ongoing Charges Figure (OCF) is the ratio of the Fund's total disclosable costs (excluding overdraft interest) to the average net assets of the Fund.

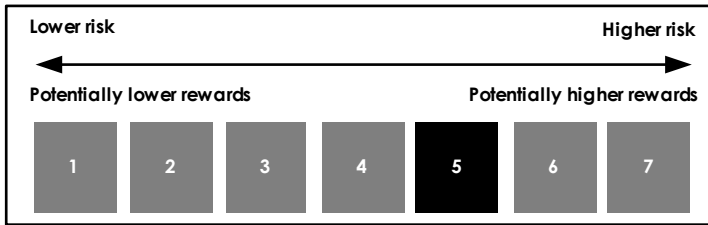
The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a fund and is calculated based on the last period's figures.

Distribution Information

A-Class

The distribution payable on 31 October 2019 is 4.0289p per unit for accumulation units.

Risk and Reward Profile



- 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

Constitution

Launch date:	26 February 1996
Period end dates for distributions:	28 February, 31 August
Distribution dates:	30 April, 31 October
Minimum initial lump sum investment:	A-Class £500 I-Class £1,000,000
Minimum monthly contributions:	A-Class £50 I-Class N/A
Valuation point:	12 noon
Fund management fees:	A-Class 0.52% I-Class 0.10%
Initial charge:	Nil for all existing unit classes

Pricing and Dealing

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

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

Buying and Selling Units

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

ISA Status

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

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

Prospectus and Manager's Reports

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 continued

Information on Tracking Error

The 'Tracking Error' of a Fund is the measure of the volatility of the differences between the return of the Fund and the return of the benchmark Index. It provides an indication of how closely the Fund is tracking the performance of the benchmark Index after considering things such as Fund charges and taxation.

Using monthly returns, over the review period, the annualised Tracking Error of the Fund is 0.09%, whilst over the last three years to the end of August 2019, the annualised Tracking Error of the Fund is 0.15%. These Tracking Errors are within the anticipated Tracking Error levels set out in the Fund's Prospectus of +/-0.50% per annum.

Dual Pricing Arrangement

The Manager's fixed dual pricing arrangement has a set spread to account for the costs of transacting in a particular Fund. Where the Manager operates a box through which unit subscriptions and unit redemptions are netted into a single trade instruction to the Trustee, the netting reduces the actual transaction costs and this generates a revenue to the Manager. The revenue generated from this activity is calculated on a monthly basis and returned to the Fund in the form of a payment from the Manager. This provides an enhanced return to the Fund, though the size of any return will be dependent on the size of subscriptions and redemptions.

General Information 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 (Alliance & Leicester) Capital Growth 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	65

Material Risk Takers

Headcount	Fixed Remuneration (£,000)	Variable Remuneration (£,000)	Remuneration related to this Fund (Pro-rated) (£'000)
24	2,667	3,393	3

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 pro-rated the remuneration figures by the Net Asset Value of the UCITS Funds as a percentage of the total assets under management of UTM.

Material Risk Takers

As at 31 December 2018, UTM engaged the services of Legal & General Investment Management's Index Fund Management team, which consists of 24 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 pro-rated 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 Index Fund Management team.

General Information continued

Significant Changes

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.

Change in Fund name

With effect from 23 September 2019, the L&G (Alliance & Leicester) Capital Growth Fund has changed its name to the L&G UK 350 Index Fund.

New Unit Class: I-Class

With effect from 23 September 2019, I-Class units have launched within the Fund with accumulation and distribution units available.

General Information 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

E. Cowhey* (appointed 9 October 2019)
A. J. C. Craven
S. Hynes
H. Morrissey
H. Solomon
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**

Legal & General
(Unit Trust Managers) Limited
Registered in England and Wales No. 01009418
Registered office:
One Coleman Street,
London EC2R 5AA
www.legalandgeneral.com

