

Legal & General Real Capital Builder Fund

Annual Manager's Report
for the year ended
31 December 2020



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

Manager's Investment Report

Investment Objective and Policy

The objective of the Fund is to grow capital, at the rate of UK inflation (CPI) +4% per annum (the "Benchmark") on average over a rolling five year period and to manage volatility so that it remains around 66% of the global share markets as represented by the MSCI World TR Net Index.

There is no guarantee that the Fund's objective will be met over any time period and capital is at risk. This objective is before the deduction of any charges and assumes any income is reinvested.

The Fund is actively managed and invests at least 50% in shares of companies and depositary receipts from any region of the world, including emerging markets, and in any currency. The Fund will also invest in bonds (both government and corporate) to help manage volatility and to protect capital.

Over a market cycle (typically 3 to 5 years), the Fund will hold, on average, shares in 20 to 40 companies selected by the Manager following research of each company. At times the Fund's portfolio of company shares may be concentrated.

The Fund may also invest in participatory notes, preference shares, cash, permitted deposits, money market instruments (such as treasury bills), real estate investment trusts (REITs) and collective investment schemes, including those which are operated by the Manager or an associate of the Manager.

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 hold derivatives for Efficient Portfolio Management purposes.

Manager's Investment Report

During the year under review, the price of the Fund's I-Class distribution units rose by 11.11%. For the same period, the Benchmark returned +5.02%.

Past performance is not a guide to future performance.

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

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

Market/Economic Review

Following a difficult first quarter as COVID quickly became a global pandemic, equity markets commenced one of the most extended rallies, rising over 50% from April through the remainder of the year. As markets turned their attention to move beyond COVID, this led to renewed focus of paving the way for an economic recovery with positive vaccination news and a once in a generation coordinated global fiscal stimulus programme. Lockdowns and social distancing gave rise to several new ways of working, shopping, recreation and spending – structural themes that have been in force for several years, experienced a dramatic step up in adoption rates. Several industries experienced a catalyst for adoption, equivalent to three years compressed into a single year. Similarly, we see a heightened focus on Environmental, Social and Governance (ESG) factors, sustainability and Climate change, a dramatic trend shift, moving from satellite to core – across not only companies, but investments. The year concluded with the most pronounced change, a shift from Republicans to Democrats and the end of four years of a Trump era, to the US welcoming President Elect Joe Biden and the Vice President Kamala Harris.

Manager's Investment Report continued

Fund Review

At the asset class level, both equities and bonds made a positive influence on returns. By sector, we saw strong contributions from communication services, industrials, financials, healthcare (all equity) and corporate debt (fixed income). Meanwhile, the zero exposure to Energy and Real Estate industries also added value.

At the country level, contribution was strongest in North America. At the stock level, Nintendo, Microsoft, Facebook, Thermo Fisher Scientific, MSCI, Novo Nordisk and Alphabet 'A' were the strongest contributors to returns. On the flipside, the most notable detractors were Samsonite International, Amadeus IT Group and Coway.

For trading activity, we made several changes throughout the year. This included the introduction of new positions in consumer brand, Mondelez International, industrial solutions business, Emerson Electric, digital payment enabler, Paypal, wind turbine specialist, Vestas Wind Systems, and leading Telemedicine player, Teladoc Health. In terms of holdings sold, industrial conglomerate, Honeywell International, premium mixer business, Fevertree Drinks and travel luggage company, Samsonite International were all exited.

Outlook

Looking ahead, the new year is expected to see further progress of several themes from 2020, including the reopening of economies, rising focus on sustainability and climate, shift in US policy and diversity (both of returns and corporate focus). In our view, quality companies with strong returns that were able to grow and thrive through the crisis will emerge stronger, with better margins and returns over the long term. We maintain our focus of investing in sustainable companies at attractive valuations, and look to identify the businesses that benefit from additional structural themes that have seen a shift in policy and adoption. This includes key trends such as decarbonisation solutions (i.e. electrification, renewable energy), digitisation of payments, cloud computing, e-commerce, and beneficiaries of network enhancements. In the portfolio, we remain focused on investing in market leaders that will benefit from health/wellbeing trends, data as an asset service and digital enablement.

For the sake of balance, through 2021 market participants are more likely to focus on earnings, in a bid to catch up with valuations of equity markets. This is consistent with our own investment process, where we will continue to focus on companies with high predictability of earnings and those generating improving returns on invested capital. Inevitably, market forecasts come with a large variance and uncertainty, as 2020 has demonstrated; hence we give ourselves and our investors a starting edge by focusing on structural growth companies that are not dependant on economic cycles.

Legal & General Investment Management Limited
(Investment Adviser)

27 January 2021

Manager's Investment Report continued

Important Note from the Manager

Since January 2020, global financial markets have been affected by the COVID-19 coronavirus. The virus has caused major uncertainty and disruption to businesses and everyday life. Financial markets have reacted sharply to this news, with concerns regarding the economic impact this may have on a global scale. The long-term impact on the global economy and markets will depend upon the overall scale and the duration of the outbreak, the success of vaccine rollout programs, as well as on the actions taken by governments and central banks.

Legal & General (Unit Trust Managers) Limited
March 2021

Authorised Status

Authorised Status

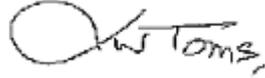
This Fund is an Authorised Unit Trust Scheme as defined in section 243 of the Financial Services and Markets Act 2000 and is a UCITS Retail Scheme within the meaning of the FCA Collective Investment Schemes sourcebook.

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
30 April 2021

Statement of Responsibilities

Statement of the Manager's Responsibilities

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

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

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

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

The Manager is responsible for the maintenance and integrity of the corporate and financial information included on the Fund's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Statement of Responsibilities continued

Statement of the Trustee's Responsibilities

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

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

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

The Depositary must ensure that:

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

Report of the Trustee

Report of the Trustee to the Unitholders of the Legal & General Real Capital Builder Fund ("the Fund") for the year ended 31 December 2020

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

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

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

Northern Trust Global Services SE UK Branch
UK Trustee and Depositary Services
30 April 2021

Portfolio Statement

Portfolio Statement as at 31 December 2020

All investments are in investment grade securities or ordinary shares unless otherwise stated. The percentages in brackets show the equivalent holdings at 31 December 2019.

Holding/ Nominal Value	Investment	Market Value £	% of Net Assets
	CORPORATE BONDS — 19.56% (21.29%)		
	UNITED KINGDOM — 5.92% (7.47%)		
GBP1,877,000	Anglian Water Services Financing 2.625% 15/06/2027	1,987,848	1.07
GBP2,063,000	Cadent Finance 2.125% 22/09/2028	2,226,596	1.20
GBP1,440,000	Experian Finance 3.25% 07/04/2032	1,757,866	0.95
GBP1,853,000	GlaxoSmithKline Capital 1.25% 12/10/2028	1,927,416	1.04
GBP1,348,000	National Grid Electricity Transmission 1.125% 07/07/2028	1,378,379	0.75
GBP1,546,000	Northumbrian Water Finance 2.375% 05/10/2027	1,690,455	0.91
		10,968,560	5.92
	CONTINENTAL EUROPE — 3.78% (4.11%)		
	France — 1.71% (1.16%)		
GBP1,200,000	LVMH Moët Hennessy Louis Vuitton 1.125% 11/02/2027	1,227,146	0.66
GBP1,577,000	Orange 5.25% 05/12/2025	1,944,353	1.05
		3,171,499	1.71
	Germany — 1.29% (1.38%)		
GBP2,300,000	Henkel AG & Company 1.25% 30/09/2026	2,397,405	1.29
	Netherlands — 0.78% (1.57%)		
GBP926,000	Enel Finance International 1% 20/10/2027	937,652	0.51
GBP500,000	Siemens Financieringsmaatschappij 0.875% 05/06/2023	506,648	0.27
		1,444,300	0.78
	NORTH AMERICA — 9.86% (9.71%)		
	Canada — 1.00% (0.93%)		
GBP1,800,000	Royal Bank of Canada 1.125% 15/12/2025	1,849,424	1.00
	Cayman Islands — 0.89% (1.01%)		
GBP1,312,000	Southern Water Services Finance 6.64% 31/03/2026	1,663,457	0.89
	United States — 7.97% (7.77%)		
GBP2,329,000	AT&T 5.2% 18/11/2033	3,256,646	1.76
GBP921,000	Comcast 1.5% 20/02/2029	965,900	0.52
GBP2,232,000	Digital Stout 3.3% 19/07/2029	2,586,559	1.40
GBP2,128,000	Fidelity National Information Services 2.25% 03/12/2029	2,310,540	1.25
GBP577,000	Fiserv 2.25% 01/07/2025	619,155	0.33
GBP1,775,000	Realty Income 1.625% 15/12/2030	1,870,318	1.01
GBP2,529,000	Verizon Communications 2.5% 08/04/2031	2,861,599	1.54

Portfolio Statement continued

Holding/ Nominal Value	Investment	Market Value £	% of Net Assets
	United States — (cont.)		
GBP286,000	Wells Fargo 2% 28/07/2025	301,704	0.16
		14,772,421	7.97
	GOVERNMENT BONDS — 12.55% (12.72%)		
	UNITED KINGDOM — 12.55% (12.72%)		
GBP2,337,000	United Kingdom Gilt 5% 07/03/2025	2,836,673	1.53
GBP2,677,000	United Kingdom Gilt 1.5% 22/07/2026	2,908,850	1.57
GBP3,347,000	United Kingdom Gilt 4.25% 07/12/2027	4,329,032	2.33
GBP3,019,000	United Kingdom Gilt 4.25% 07/06/2032	4,358,231	2.35
GBP2,850,000	United Kingdom Gilt 4.5% 07/09/2034	4,404,558	2.38
GBP2,688,000	United Kingdom Gilt 4.25% 07/09/2039	4,422,555	2.39
		23,259,899	12.55
	EQUITIES — 65.01% (64.07%)		
	UNITED KINGDOM — 1.33% (5.83%)		
18,995	Johnson Matthey	461,009	0.25
873,000	Nomura Bank International	2,008,234	1.08
		2,469,243	1.33
	IRELAND — 2.16% (3.20%)		
47,229	Medtronic	4,001,730	2.16
	CONTINENTAL EUROPE — 15.05% (14.34%)		
	Austria — 0.27% (0.59%)		
31,715	ams	510,710	0.27
	Denmark — 4.57% (3.31%)		
107,858	Novo Nordisk	5,587,526	3.01
16,563	Vestas Wind Systems	2,886,817	1.56
		8,474,343	4.57
	France — 0.13% (0.77%)		
8,392	Valeo	244,442	0.13
	Germany — 3.57% (2.92%)		
31,876	Puma	2,645,275	1.43
100,805	TeamViewer	3,973,314	2.14
		6,618,589	3.57
	Italy — 1.36% (2.23%)		
55,984	Moncler	2,524,339	1.36
	Luxembourg — 1.41% (2.63%)		
506,702	B&M European Value Retail	2,620,663	1.41
	Spain — 0.40% (1.89%)		
13,714	Amadeus IT Group	739,231	0.40
	Switzerland — 3.34% (0.00%)		
71,377	Nestlé	6,189,853	3.34

Portfolio Statement continued

Holding/ Nominal Value	Investment	Market Value £	% of Net Assets
NORTH AMERICA — 39.15% (33.12%)			
Bermuda — 2.84% (2.80%)			
81,113	IHS Markit	5,259,745	2.84
Cayman Islands — 1.58% (1.47%)			
16,768	Alibaba Group	2,929,854	1.58
United States — 34.73% (28.85%)			
3,597	Alphabet 'A'	4,575,948	2.47
9,384	Aspen Technology	900,583	0.49
39,017	Electronic Arts	4,061,221	2.19
25,856	Emerson Electric	1,512,182	0.82
26,674	Facebook	5,313,496	2.87
55,766	Intercontinental Exchange	4,624,148	2.49
2,357	Intuitive Surgical	1,408,380	0.76
24,013	JPMorgan Chase & Company	2,206,352	1.19
17,500	Mastercard	4,561,181	2.46
32,892	McDonald's	5,100,091	2.75
38,812	Microsoft	6,303,821	3.40
106,839	Mondelez International	4,541,127	2.45
14,336	MSCI	4,590,187	2.48
16,633	PayPal	2,820,468	1.52
32,587	Progressive	2,325,835	1.25
17,779	salesforce.com	2,897,555	1.56
3,413	Teladoc Health	508,774	0.27
11,615	Thermo Fisher Scientific	3,929,508	2.12
56,630	Uber Technologies	2,204,951	1.19
		64,385,808	34.73
ASIA — 7.32% (7.58%)			
Hong Kong — 2.67% (3.59%)			
551,641	AIA Group	4,952,979	2.67
Japan — 2.75% (2.03%)			
8,584	Nintendo	4,017,291	2.17
21,086	Shiseido	1,069,567	0.58
		5,086,858	2.75
South Korea — 1.90% (1.96%)			
71,699	Coway	3,515,836	1.90
FORWARD CURRENCY CONTRACTS — 0.00% (0.52%)			
Portfolio of investments¹		180,051,188	97.12
Net other assets²		5,329,529	2.88
Total net assets		£185,380,717	100.00%

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

² Includes shares in the LGIM Sterling Liquidity Fund Class 1 to the value of £4,684,571 which is shown as a cash equivalent in the balance sheet of the Fund.

Total purchases for the year: £56,126,988.

Total sales for the year: £55,649,980.

Independent Auditor's Report

Independent auditor's report to the Unitholders of Legal & General Real Capital Builder Fund ('the Fund')

Opinion

We have audited the financial statements of the Fund for the year ended 31 December 2020 which comprise the Statement of Total Return, the Statement of Change in Net Assets Attributable to Unitholders, the Balance Sheet, the Related Notes and Distribution Tables for the Fund and the accounting policies set out on pages 18 to 19.

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 31 December 2020 and of the net revenue and the net capital gains on the property of the Fund for the year then ended; and
- have been properly prepared in accordance with the Trust Deed, the Statement of Recommended Practice relating to UK Authorised Funds, and the COLL Rules.

Basis for opinion

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

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

Going concern

The Manager has prepared the financial statements on the going concern basis as they do not intend to liquidate the Fund or 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").

In our evaluation of the Manager's conclusions, we considered the inherent risks to the Fund's business model and analysed how those risks might affect the Fund's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the Manager's use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the Manager's assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Fund's ability to continue as a going concern for the going concern period.

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 above conclusions are not a guarantee that the Fund will continue in operation.

Independent Auditor's Report continued

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud (“fraud risks”) we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of directors as to the Fund’s high-level policies and procedures to prevent and detect fraud, as well as whether they have knowledge of any actual, suspected or alleged fraud;
- Assessing the segregation of duties in place between the Manager, the Trustee, the Administrator and the Investment Adviser;
- Reading board minutes.

As required by auditing standards, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to revenue recognition because the revenue is principally non-judgemental and based on publicly available information, with limited opportunity for manipulation. We did not identify any additional fraud risks.

We evaluated the design and implementation of the controls over journal entries and other adjustments and made inquiries of the Administrator about inappropriate or unusual activity relating to the processing of journal entries and other adjustments. We substantively tested all material post-closing entries and, based on the results of our risk assessment procedures and understanding of the process, including the segregation of duties between the Manager and the Administrator, no further high-risk journal entries or other adjustments were identified.

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the Manager and the Administrator (as required by auditing standards) and discussed with the Directors the policies and procedures regarding compliance with laws and regulations.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Fund is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related authorised fund legislation maintained by the Financial Conduct Authority) and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Independent Auditor's Report continued

Secondly, the Fund is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: money laundering, data protection and bribery and corruption legislation recognising the Fund's activities. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Directors and the Administrator and inspection of regulatory and legal correspondence, if any. Therefore if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

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.

Independent Auditor's Report continued

Manager's responsibilities

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

Auditor's responsibilities

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

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

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

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

Grant Archer
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square,
London E14 5GL
30 April 2021

Financial Statements

Statement of Total Return for the year ended 31 December 2020

	Notes	31/12/20		31/12/19	
		£	£	£	£
Income					
Net capital gains	3		18,250,342		29,767,055
Revenue	4	2,445,784		3,986,641	
Expenses	5	(84,695)		(111,016)	
Interest payable and similar charges	7	(1,511)		(4,417)	
Net revenue before taxation		<u>2,359,578</u>		<u>3,871,208</u>	
Taxation	6	(358,108)		(472,597)	
Net revenue after taxation for the year			<u>2,001,470</u>		<u>3,398,611</u>
Total return before distributions			<u>20,251,812</u>		<u>33,165,666</u>
Distributions	7		(2,001,470)		(3,398,611)
Change in net assets attributable to Unitholders from investment activities			<u>£18,250,342</u>		<u>£29,767,055</u>

Statement of Change in Net Assets attributable to Unitholders for the year ended 31 December 2020

	31/12/20		31/12/19	
	£	£	£	£
Opening net assets attributable to Unitholders		165,147,795		198,810,976
Amounts received on issue of units	53,809		53,189	
Amounts paid on cancellation of units	(72,639)		(66,550,901)	
		<u>(18,830)</u>		<u>(66,497,712)</u>
Change in net assets attributable to Unitholders from investment activities		18,250,342		29,767,055
Retained distributions on accumulation units		<u>2,001,410</u>		<u>3,067,476</u>
Closing net assets attributable to Unitholders		<u>£185,380,717</u>		<u>£165,147,795</u>

Financial Statements continued

Balance Sheet as at 31 December 2020

	Notes	31/12/20 £	31/12/19 £
ASSETS			
Fixed assets:			
Investments		180,051,188	162,833,433
Current assets:			
Debtors	8	620,832	658,318
Cash and bank balances	9	2,056,579	1,672,972
Cash equivalents	9	4,684,571	1,719,720
Total assets		187,413,170	166,884,443
LIABILITIES			
Creditors:			
Bank overdrafts	9	(1,954,496)	(1,601,245)
Distributions payable		(27)	(19)
Other creditors	10	(77,930)	(135,384)
Total liabilities		(2,032,453)	(1,736,648)
Net assets attributable to Unitholders		£185,380,717	£165,147,795

Notes to the Financial Statements

1. Statement of Compliance

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

2. Summary of Significant Accounting Policies

(a) Basis of Preparation

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

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

(b) Functional and Presentation Currency

The functional and presentation currency of the Fund is Sterling.

(c) Recognition of Revenue

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

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

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

Bond revenue is accounted for on an effective yield basis, calculated with reference to the purchase price. If the Manager believes that future commitments will not be met due to the bond issuer showing signs of financial distress, revenue accruals will be discounted. Any resultant revenue from these issues will then be treated on a receipts basis.

Revenue from offshore funds is recognised when it is reported.

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.

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 31 December 2020, being the last working day of the accounting year. The fair value for non-derivative securities is bid market price, excluding any accrued interest. The fair value for units in Collective Investment Schemes is the cancellation price or bid price for dual priced funds and single price for single priced funds.

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 31 December 2020, being the last working day of the accounting year.

3. Net capital gains

	31/12/20	31/12/19
	£	£
The net capital gains during the year comprise:		
Non-derivative securities	18,275,877	29,081,691
Forward currency contracts	(482,703)	547,499
Currency gains	457,168	137,865
Net capital gains	<u>18,250,342</u>	<u>29,767,055</u>

Notes to the Financial Statements continued

4. Revenue

	31/12/20	31/12/19
	£	£
UK Franked dividends	13,893	524,796
Non-taxable overseas dividends	1,535,340	2,002,245
Bond interest	885,703	1,331,608
Taxable overseas distributions	10,050	121,958
Bank interest	798	6,034
	<u>2,445,784</u>	<u>3,986,641</u>

5. Expenses

	31/12/20	31/12/19
	£	£
Payable to the Manager, associates of the Manager and agents of either of them:		
Fund management fees	<u>84,695</u>	<u>111,016</u>
Total expenses	<u>84,695</u>	<u>111,016</u>

Audit fees of £10,387 plus VAT of £2,077 have been borne by the Manager out of its fund management fee. In the prior year, the total audit fee was £10,094 plus VAT of £2,019.

Notes to the Financial Statements continued

6. Taxation

(a) Analysis of taxation charge in year

	31/12/20	31/12/19
	£	£
Corporation tax	162,069	268,834
Overseas tax	196,039	203,763
Current tax [note 6(b)]	358,108	472,597
Deferred tax [note 6(c)]	—	—
Total taxation	<u>358,108</u>	<u>472,597</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>2,359,578</u>	<u>3,871,208</u>
Net revenue before taxation multiplied by the applicable rate of Corporation tax of 20% (2019: 20%)	471,916	774,242
Effects of:		
Overseas tax	196,039	203,763
Revenue not subject to taxation	<u>(309,847)</u>	<u>(505,408)</u>
Current tax	<u>358,108</u>	<u>472,597</u>

(c) Provision for deferred tax

There is no deferred tax provision in the current or preceding year.

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:

	31/12/20	31/12/19
	£	£
Interim distribution	1,169,115	2,125,808
Final distribution	<u>832,358</u>	<u>941,725</u>
	2,001,473	3,067,533
Add: Revenue deducted on cancellation of units	111	331,200
Less: Revenue received on creation of units	<u>(114)</u>	<u>(122)</u>
Distributions for the year	2,001,470	3,398,611
Interest payable and similar charges		
Bank overdraft interest	<u>1,511</u>	<u>4,417</u>
	<u>2,002,981</u>	<u>3,403,028</u>

8. Debtors

	31/12/20	31/12/19
	£	£
Accrued revenue	529,854	590,568
Overseas tax recoverable	<u>90,978</u>	<u>67,750</u>
	<u>620,832</u>	<u>658,318</u>

9. Net uninvested cash

	31/12/20	31/12/19
	£	£
Amounts held at futures clearing houses and brokers	—	48,906
Cash and bank balances	2,056,579	1,624,066
Amounts due to futures clearing houses and brokers	—	(48,789)
Bank overdrafts	(1,954,496)	(1,552,456)
Cash equivalents	<u>4,684,571</u>	<u>1,719,720</u>
Net uninvested cash	<u>4,786,654</u>	<u>1,791,447</u>

Notes to the Financial Statements continued

10. Other creditors

	31/12/20	31/12/19
	£	£
Accrued expenses	6,861	8,550
Corporation tax payable	71,069	126,834
	<u>77,930</u>	<u>135,384</u>

11. Contingent liabilities and outstanding commitments

There were no contingent liabilities or outstanding commitments at the balance sheet date (31 December 2019: same).

Notes to the Financial Statements continued

12. Financial Instruments and Associated Risks

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

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

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

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

(a) Market Risk arising from other price risk

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

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

The assets held by the Fund can be seen in the Portfolio Statement starting on page 9. Movements in the prices of these investments result in movements in the performance of the Fund. The Manager adheres to the investment guidelines established in the Trust Deed, the Prospectus, the COLL and the Fund's IOG, and in this way, monitors and controls the exposure to risk from any type of security, sector or issuer.

At 31 December 2020, if the price of the investments held by the Fund increased or decreased by 5%, with all other variables remaining constant, then the net assets attributable to unitholders would increase or decrease by approximately £9,002,559 (31 December 2019: £8,141,672).

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 is exposed to interest rate risk through its holdings in debt securities. The market value of debt securities and any floating rate payments from debt securities held (and interest rate swaps) may fluctuate as a result of changes in interest rates. This risk is managed by the active monitoring and adjustment of the investments held by the Fund, in line with the stated investment objective and policy of the Fund.

At 31 December 2020, if interest rates on the Fund increased or decreased by 1 basis point, with all other variables remaining constant, then the net assets attributable to unitholders would increase or decrease by approximately £xxx (31 December 2019: £41,333). This represents the Manager's best estimate of a reasonable possible shift in interest rates, having regard to historical volatility of those rates.

The interest rate profile of the Fund's net assets and liabilities at the balance sheet date was:

	Total	Floating	Fixed	No
31/12/20	£'000	rate	rate	interest
		£'000	£'000	£'000
Portfolio	180,051	—	59,527	120,524
Other assets	7,362	6,741†	—	621
Other liabilities	(2,032)	(1,954)†	—	(78)
Total	185,381	4,787	59,527	121,067

	Total	Floating	Fixed	No
31/12/19	£'000	rate	rate	interest
		£'000	£'000	£'000
Portfolio	162,833	—	56,172	106,661
Other assets	4,051	3,393†	—	658
Other liabilities	(1,736)	(1,601)†	—	(135)
Total	165,148	1,792	56,172	107,184

† The Fund's floating rate other assets and liabilities are represented by its bank balances and overdraft facilities. Cash is deposited, and overdraft facilities utilised, on normal commercial terms and earn or bear interest based on LIBOR or its overseas equivalent.

Currency	Fixed Rate Financial Assets			
	Weighted average		Weighted average	
	Interest rate		Period for which	
	31/12/20	31/12/19	31/12/20	31/12/19
	%		Years	
Sterling	0.69	1.50	9.05	8.62

Notes to the Financial Statements continued

12. Financial Instruments and Associated Risks continued

(c) Foreign Currency Risk

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

Forward currency contracts were utilised during the current and the preceding year.

At 31 December 2020, if the value of Sterling increased or decreased by 1% against all currencies, with all other variables remaining constant, then the net assets attributable to unitholders would increase or decrease by approximately £1,176,909 (31 December 2019: £729,318).

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

31/12/20 Currency	Net foreign currency assets		
	Monetary exposures	Non-monetary exposures	Total
	£'000	£'000	£'000
Danish Krone	42	8,474	8,516
Euro	36	10,127	10,163
Hong Kong Dollar	8	4,953	4,961
Japanese Yen	42	5,087	5,129
South Korean Won	41	3,516	3,557
Swedish Krona	1	—	1
Swiss Franc	34	6,700	6,734
US Dollar	45	78,585	78,630

31/12/19 Currency	Net foreign currency assets		
	Monetary exposures	Non-monetary exposures	Total
	£'000	£'000	£'000
Danish Krone	23	5,457	5,480
Euro	207	12,887	13,094
Hong Kong Dollar	1	8,022	8,023
Indian Rupee	31	—	31
Japanese Yen	1	3,349	3,350
South Korean Won	32	3,239	3,271
Swedish Krona	1	—	1
Swiss Franc	1	975	976
US Dollar	(24,061)	62,767	38,706

Notes to the Financial Statements continued

12. Financial Instruments and Associated Risks continued

(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.

Bonds or other debt securities involve credit risk to the issuer which may be evidenced by the issuer's credit rating. Securities which are subordinated and/or have a lower credit rating are generally considered to have a higher credit risk and a greater possibility of default than more highly rated securities.

The Fund's investments in bonds expose it to the default risk of the bond issuer with regard to interest payments and principal repayments. At the balance sheet date none of the bonds held by the Fund had low credit ratings (sub-investment grade).

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

(e) Liquidity Risk

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

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

Notes to the Financial Statements continued

12. Financial Instruments and Associated Risks continued

(f) Fair Value

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

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

31/12/20	Assets	Liabilities
Basis of Valuation	£	£
Level 1 - Quoted Prices	143,784,122	—
Level 2 - Observable Market Data	36,267,066	—
Level 3 - Unobservable Data	—	—
Total	180,051,188	—

31/12/19	Assets	Liabilities
Basis of Valuation	£	£
Level 1 - Quoted Prices	126,808,568	—
Level 2 - Observable Market Data	36,024,865	—
Level 3 - Unobservable Data	—	—
Total	162,833,433	—

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

31/12/20	Value	Commissions		Taxes		Total
Purchases	£'000	£'000	%	£'000	%	£'000
Equities	38,487	7	0.02	—	—	38,494
Debt Securities	17,633	—	—	—	—	17,633
Total	56,120	7	0.02	—	—	56,127

31/12/20	Value	Commissions		Taxes		Total
Sales	£'000	£'000	%	£'000	%	£'000
Equities	38,876	(7)	0.02	(3)	0.01	38,866
Debt Securities	16,784	—	—	—	—	16,784
Total	55,660	(7)	0.02	(3)	0.01	55,650

Commissions and taxes as % of average net assets

Commissions	0.01%
Taxes	0.00%

31/12/19	Value	Commissions		Taxes		Total
Purchases	£'000	£'000	%	£'000	%	£'000
Equities	70,513	15	0.02	21	0.03	70,549
Debt Securities	30,481	—	—	—	—	30,481
Total	100,994	15	0.02	21	0.03	101,030

31/12/19	Value	Commissions		Taxes		Total
Sales	£'000	£'000	%	£'000	%	£'000
Equities	108,186	(20)	0.02	(12)	0.01	108,154
Debt Securities	40,021	—	—	—	—	40,021
Total	148,207	(20)	0.02	(12)	0.01	148,175

Commissions and taxes as % of average net assets

Commissions	0.02%
Taxes	0.02%

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 0.19% (31 December 2019: 0.14%).

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 42. 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 35 to 40. The distributions per unit class are given in the distribution tables on pages 32 and 33. All classes have the same rights on winding up.

I-Class	Distribution	Accumulation
Opening Units	5,877	302,998
Units issued	13,955	73,074
Units cancelled	(9,679)	(124,915)
Units converted	—	—
Closing Units	10,153	251,157

C-Class	Distribution	Accumulation
Opening Units	2,000	2,000
Units issued	—	—
Units cancelled	—	—
Units converted	—	—
Closing Units	2,000	2,000

L-Class	Distribution	Accumulation
Opening Units	2,000	311,500,577
Units issued	—	—
Units cancelled	—	—
Units converted	—	—
Closing Units	2,000	311,500,577

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 18.45% (99.90% as at 31 December 2019) of the Fund's units in issue.

16. Post balance sheet market movements

As at the close of business on the balance sheet date the Net Asset Value per I-Class distribution unit was 56.76p. The Net Asset Value per I-Class distribution unit for the Fund as at 12 noon on 27 April 2021 was 58.17p. This represents an increase of 2.48% from the year end value.

Distribution Tables

Distribution Tables for the year ended 31 December 2020

Group 1: units purchased prior to a distribution period.

Group 2: units purchased during a distribution period.

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

Interim dividend distribution in pence per unit			Period	
			01/01/20	to 30/06/20
I-Class			Distribution	Distribution
Distribution Units			31/08/20	31/08/19
	Revenue	Equalisation		
Group 1	0.2335	—	0.2335	0.3523
Group 2	0.1114	0.1221	0.2335	0.3523
I-Class			Distribution	Distribution
Accumulation Units			31/08/20	31/08/19
	Revenue	Equalisation		
Group 1	0.2394	—	0.2394	0.3575
Group 2	0.0556	0.1838	0.2394	0.3575
C-Class			Distribution	Distribution
Distribution Units			31/08/20	31/08/19
	Revenue	Equalisation		
Group 1	0.2475	—	0.2475	0.3665
Group 2	—	0.2475	0.2475	0.3665
C-Class			Distribution	Distribution
Accumulation Units			31/08/20	31/08/19
	Revenue	Equalisation		
Group 1	0.2535	—	0.2535	0.3725
Group 2	—	0.2535	0.2535	0.3725
L-Class			Distribution	Distribution
Distribution Units			31/08/20	31/08/19
	Revenue	Equalisation		
Group 1	0.3620	—	0.3620	0.4765
Group 2	—	0.3620	0.3620	0.4765
L-Class			Distribution	Distribution
Accumulation Units			31/08/20	31/08/19
	Revenue	Equalisation		
Group 1	0.3750	—	0.3750	0.4846
Group 2	—	0.3750	0.3750	0.4846

Distribution Tables continued

Final dividend distribution in pence per unit			Period	
			01/07/20	to 31/12/20
I-Class			Distribution	Distribution
Distribution Units			28/02/21	28/02/20
	Revenue	Equalisation		
Group 1	0.1416	—	0.1416	0.1635
Group 2	0.0390	0.1026	0.1416	0.1635
I-Class			Distribution	Distribution
Accumulation Units			28/02/21	28/02/20
	Revenue	Equalisation		
Group 1	0.1457	—	0.1457	0.1671
Group 2	0.0758	0.0699	0.1457	0.1671
C-Class			Distribution	Distribution
Distribution Units			28/02/21	28/02/20
	Revenue	Equalisation		
Group 1	0.1540	—	0.1540	0.1770
Group 2	—	0.1540	0.1540	0.1770
C-Class			Distribution	Distribution
Accumulation Units			28/02/21	28/02/20
	Revenue	Equalisation		
Group 1	0.1585	—	0.1585	0.1815
Group 2	—	0.1585	0.1585	0.1815
L-Class			Distribution	Distribution
Distribution Units			28/02/21	28/02/20
	Revenue	Equalisation		
Group 1	0.2565	—	0.2565	0.2940
Group 2	—	0.2565	0.2565	0.2940
L-Class			Distribution	Distribution
Accumulation Units			28/02/21	28/02/20
	Revenue	Equalisation		
Group 1	0.2670	—	0.2670	0.3021
Group 2	—	0.2670	0.2670	0.3021

Fund Information

The Comparative Tables on pages 35 to 40 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

I-Class Distribution Units

Change in Net Asset Value per Unit

Accounting Year ending	01/01/20 to 31/12/20 (pence per unit)	01/01/19 to 31/12/19 (pence per unit)	24/10/17 to 31/12/18 ¹ (pence per unit)
Opening net asset value per unit	51.15	44.44	50.00
Return before operating charges*	6.32	7.50	(4.57)
Operating charges (calculated on average price)	(0.29)	(0.27)	(0.33)
Return after operating charges*	6.03	7.23	(4.90)
Distributions on income units	(0.38)	(0.52)	(0.66)
Closing net asset value per unit	56.80	51.15	44.44
* after direct transaction costs of:	0.01	0.02	0.06

Performance

Return after charges	11.79%	16.27%	(9.80)%
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Other Information

Closing net asset value (£)	5,763	3,006	2,612
Closing number of units	10,153	5,877	5,877
Operating charges [†]	0.55%	0.55%	0.57%
Direct transaction costs	0.01%	0.04%	0.10%

Prices

Highest unit price	57.55p	51.92p	51.90p
Lowest unit price	42.92p	44.17p	44.29p

¹ The Fund launched on 24 October 2017.

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

Past performance is not a guide to future performance.

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

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

Fund Information continued

Comparative Tables continued

I-Class Accumulation Units

Change in Net Asset Value per Unit

Accounting Year ending	01/01/20 to 31/12/20 (pence per unit)	01/01/19 to 31/12/19 (pence per unit)	24/10/17 to 31/12/18 ¹ (pence per unit)
Opening net asset value per unit	52.42	45.06	50.00
Return before operating charges*	6.49	7.63	(4.60)
Operating charges (calculated on average price)	(0.30)	(0.27)	(0.34)
Return after operating charges*	6.19	7.36	(4.94)
Distributions	(0.39)	(0.52)	(0.66)
Retained distributions on accumulation units	0.39	0.52	0.66
Closing net asset value per unit	58.61	52.42	45.06
* after direct transaction costs of:	0.01	0.02	0.06

Performance

Return after charges	11.81%	16.33%	(9.88)%
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Other Information

Closing net asset value (£)	147,214	158,821	242,074
Closing number of units	251,157	302,998	537,223
Operating charges [†]	0.55%	0.55%	0.57%
Direct transaction costs	0.01%	0.04%	0.10%

Prices

Highest unit price	59.24p	53.03p	52.06p
Lowest unit price	43.99p	44.80p	44.63p

¹ The Fund launched on 24 October 2017.

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

Past performance is not a guide to future performance.

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

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

Fund Information continued

Comparative Tables continued

C-Class Distribution Units

Change in Net Asset Value per Unit

Accounting Year ending	01/01/20 to 31/12/20 (pence per unit)	01/01/19 to 31/12/19 (pence per unit)	28/02/18 to 31/12/18 ¹ (pence per unit)
Opening net asset value per unit	51.35	44.60	50.00
Return before operating charges*	6.31	7.54	(4.54)
Operating charges (calculated on average price)	(0.26)	(0.25)	(0.21)
Return after operating charges*	6.05	7.29	(4.75)
Distributions on income units	(0.40)	(0.54)	(0.65)
Closing net asset value per unit	57.00	51.35	44.60
* after direct transaction costs of:	0.01	0.02	0.04

Performance

Return after charges	11.78%	16.35%	(9.50)%
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Other Information

Closing net asset value (£)	1,140	1,027	892
Closing number of units	2,000	2,000	2,000
Operating charges [†]	0.50%	0.50%	0.50%
Direct transaction costs	0.01%	0.04%	0.10%

Prices

Highest unit price	57.78p	52.14p	52.13p
Lowest unit price	43.12p	44.33p	44.49p

¹ C-Class units launched on 28 February 2018.

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Fund Information continued

Comparative Tables continued

C-Class Accumulation Units

Change in Net Asset Value per Unit

Accounting Year ending	01/01/20 to 31/12/20 (pence per unit)	01/01/19 to 31/12/19 (pence per unit)	28/02/18 to 31/12/18 ¹ (pence per unit)
Opening net asset value per unit	52.65	45.20	50.00
Return before operating charges*	6.52	7.70	(4.59)
Operating charges (calculated on average price)	(0.27)	(0.25)	(0.21)
Return after operating charges*	6.25	7.45	(4.80)
Distributions	(0.41)	(0.55)	(0.65)
Retained distributions on accumulation units	0.41	0.55	0.65
Closing net asset value per unit	58.90	52.65	45.20
* after direct transaction costs of:	0.01	0.02	0.04

Performance

Return after charges	11.87%	16.48%	(9.60)%
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Other Information

Closing net asset value (£)	1,178	1,053	904
Closing number of units	2,000	2,000	2,000
Operating charges [†]	0.50%	0.50%	0.50%
Direct transaction costs	0.01%	0.04%	0.10%

Prices

Highest unit price	59.54p	53.28p	52.26p
Lowest unit price	44.20p	44.97p	44.80p

¹ C-Class units launched on 28 February 2018.

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

Fund Information continued

Comparative Tables continued

L-Class Distribution Units

Change in Net Asset Value per Unit

Accounting Year ending	01/01/20 to 31/12/20 (pence per unit)	01/01/19 to 31/12/19 (pence per unit)	24/10/17 to 31/12/18 ¹ (pence per unit)
Opening net asset value per unit	51.15	44.45	50.00
Return before operating charges*	6.25	7.49	(4.57)
Operating charges (calculated on average price)	(0.03)	(0.02)	(0.04)
Return after operating charges*	6.22	7.47	(4.61)
Distributions on income units	(0.62)	(0.77)	(0.94)
Closing net asset value per unit	56.75	51.15	44.45
* after direct transaction costs of:	0.01	0.02	0.06

Performance

Return after charges	12.16%	16.81%	(9.22)%
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Other Information

Closing net asset value (£)	1,135	1,023	889
Closing number of units	2,000	2,000	2,000
Operating charges [†]	0.05%	0.05%	0.07%
Direct transaction costs	0.01%	0.04%	0.10%

Prices

Highest unit price	57.63p	52.02p	52.00p
Lowest unit price	42.98p	44.24p	44.33p

¹ The Fund launched on 24 October 2017.

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

Past performance is not a guide to future performance.

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

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

Fund Information continued

Comparative Tables continued

L-Class Accumulation Units

Change in Net Asset Value per Unit

Accounting Year ending	01/01/20 to 31/12/20 (pence per unit)	01/01/19 to 31/12/19 (pence per unit)	24/10/17 to 31/12/18 ¹ (pence per unit)
Opening net asset value per unit	52.96	45.32	50.00
Return before operating charges*	6.53	7.67	(4.64)
Operating charges (calculated on average price)	(0.03)	(0.03)	(0.04)
Return after operating charges*	6.50	7.64	(4.68)
Distributions	(0.64)	(0.79)	(0.95)
Retained distributions on accumulation units	0.64	0.79	0.95
Closing net asset value per unit	59.46	52.96	45.32
* after direct transaction costs of:	0.01	0.02	0.06

Performance

Return after charges	12.27%	16.86%	(9.36)%
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Other Information

Closing net asset value (£)	185,224,287	164,982,865	198,563,605
Closing number of units	311,500,577	311,500,577	438,162,180
Operating charges [†]	0.05%	0.05%	0.07%
Direct transaction costs	0.01%	0.04%	0.10%

Prices

Highest unit price	60.09p	53.56p	52.27p
Lowest unit price	44.60p	45.06p	44.86p

¹ The Fund launched on 24 October 2017.

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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 the mix of different asset types in which the Fund invests has a balancing effect on the rate at which the Fund share price moves up and down. This type of fund is generally considered to be higher risk than one investing only in bonds and lower risk than one investing only in company shares.
- Even a fund in the lowest category is not a risk free investment.

General Information (unaudited)

Constitution

Launch date:	24 October 2017
Period end dates for distributions:	30 June, 31 December
Distribution dates:	31 August, 28 February
Minimum initial lump sum investment:	I-Class £1,000,000 C-Class* £20,000,000 L-Class** £100,000
Valuation point:	12 noon
Fund management fees:	I-Class Annual 0.55% C-Class* Annual 0.50% L-Class** Annual 0.05%
Initial charge:	Nil for all existing unit classes

* Class C units are available to certain eligible investors who meet the criteria for investment in such units as outlined in the share class policy of the Manager, which is available to investors in the C Class upon request. Where investors in the C Class no longer continue to meet the criteria for investment in such units, further investment in such units may not be permitted.

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

Pricing and Dealing

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

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

Buying and Selling Units

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

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.

General Information (unaudited) continued

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.

Remuneration Disclosure

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

The following provides information on the remuneration of persons whose professional activities have a material impact on the management company and the funds we manage as at 31 December 2020.

Controlled Functions

Headcount	Fixed Remuneration (£'000)	Variable Remuneration (£'000)	Remuneration related to this Fund (Pro-rated) (£'000)
89	17,974	26,604	127

Material Risk Takers

Headcount	Fixed Remuneration (£,000)	Variable Remuneration (£'000)	Remuneration related to this Fund (Pro-rated) (£'000)
17	2,311	2,158	344

Controlled Functions

During 2020, Legal & General Unit Trust Managers Limited (UTM) engaged the services of three employees of Legal & General Investment Management (Holdings) Limited (LGIMH), plus a further one employee of Legal & General Resources (LGR) to act as Directors. There were another three non-executive Directors. UTM also engaged the services of a further 74 LGIMH employees and a further 10 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 2020, UTM engaged the services of Legal & General Investment Management's Equities Fund Management Team, which consists of 17 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 Equities Fund Management Team.

Assessment of Value

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

Significant Change

Changes to Pricing Methodology

We have recently reviewed the way we calculate prices for your funds. Following the review, we have decided to adopt a standardised way of pricing funds across most of our Unit Trust fund range.

Previously we used four different methods for calculating fund prices. With effect from 1 December 2020, we have adopted a 'single swing pricing' method.

The move to a standardised pricing method will:

1. Make our pricing simpler;
2. Make it easier for you to compare prices across our funds; and
3. Make it easier for you to compare our funds to funds offered by our competitors.

This new pricing method means that on each day all our customers receive the same price regardless of whether they are buying or selling their investments.

If you'd like to know more about this change and what it means for you, then you can visit our website at legalandgeneral.com/swing-pricing. If you have any questions about the change or require further information, please contact us Monday to Friday between 9.00am and 5:00pm on 0370 050 0955 or email us at investments@landg.com.

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

General Information (unaudited) continued

Authorised Fund Manager

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

Directors of the Manager

A. Clare*
E. Cowhey*
A. J. C. Craven
S. Hynes
H. Solomon
L. W. Toms
A. R. Toutouchi*

*Non-executive Director

Secretary

J. McCarthy

Registrar

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Wolverhampton WV1 9RB
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Dealing: 0370 050 0956
Enquiries: 0370 050 0955
Registration: 0370 050 0955

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

Trustee

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Trustee and Depositary Services
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Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority

Independent Auditor

KPMG LLP
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Investment Adviser

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One Coleman Street,
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Authorised and regulated by the Financial Conduct Authority

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

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