

Legal & General UK Special Situations Trust

Annual Manager's Report
for the year ended
14 September 2017

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

Manager's Investment Report

Investment Objective and Policy

The investment objective of this Trust is to maximise capital growth by investing predominantly in a portfolio of UK companies.

Securities of companies considered undervalued due to their special situation, such as recovery action, management change, refinancing activity or undervalued strategic assets, will be chosen.

Manager's Investment Report

During the year under review, the Trust's R-Class distribution units rose by 10.08%, while the FTSE All-Share Index rose by 9.80% on a capital only basis (Source: Bloomberg).

Past performance is not a guide to future performance.

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

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

Market/Economic Review

Global economic activity has improved markedly over the review year. The recovery has been particularly strong in the manufacturing sector, accompanied by an upturn in global trade volumes, although recent data suggests this has now peaked with inventories starting to rise from a low level. Higher commodity prices over the second half of 2016 have been reflected in rising consumer price inflation in the major developed economies. While the global recovery has been broad-based, it has been led by the US where growth accelerated during the latter half of 2016 driven by consumer demand.

In the UK, whilst both economic and political uncertainty have heightened over the review year, particularly as the June general election resulted in a hung parliament and Brexit negotiations began, UK economic indicators have exceeded expectations. The Bank of England left interest rates at a historic low of 0.25%. Both the European Central Bank and the Bank of Japan continued with the unorthodox policy of negative interest rates.

In recent months, European economic indicators have highlighted a significant improvement in both manufacturing and service sector activity, while in Japan exports have been a significant contributor to growth.

Trust Review

The Trust delivered a positive return over the review year despite an early period of negative performance. Sector allocation was initially detrimental, led by an underperforming technology sector and an underweight position in the energy sector as oil prices rallied.

Strong stock selection helped drive performance throughout the rest of the period, helped by positions in the technology and consumer services sectors. In the early months of 2017, the aforementioned energy underweight position came to benefit relative returns.

Over the summer, our holdings in the consumer discretionary, telecommunications and healthcare sectors were particularly beneficial to the Trust's performance. Sector allocation was also positive, helped by our overweight position in the financial and technology sectors.

Manager's Investment Report continued

In terms of trading activity, we initiated a number of new positions. Notable additions include the Anglo-Swiss commodity giant Glencore and development company Cairn Energy. Given the structural opportunities for growth, we also introduced Wizz Air and Bayer to the Trust. On the flipside, following a period of strong performance we took the decision to exit the positions in Micro Focus and Countryside Properties.

Outlook

We believe Sterling continues to look undervalued, however this may continue to be the case throughout the Brexit process. Given the current investment sentiment towards the UK, we believe this is a stock picker's market, one where we can identify both value and growth opportunities for active management to outperform.

Legal & General Investment Management Limited
(Investment Adviser)
5 October 2017

Authorised Status

Authorised Status

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

Directors' Statement

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



A. J. C. Craven
(Director)



S. D. Thomas
(Director)

Legal & General (Unit Trust Managers) Limited
2 November 2017

Statement of Responsibilities

Statement of the Manager's Responsibilities

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

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

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

Statement of Responsibilities continued

Statement of the Trustee's Responsibilities

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

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

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

The Depositary must ensure that:

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

Report of the Trustee

Report of the Trustee to the Unitholders of the Legal & General UK Special Situations Trust ("the Trust") for the year ended 14 September 2017

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

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

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

Northern Trust Global Services Limited
UK Trustee and Depositary Services
2 November 2017

Portfolio Statement

Portfolio Statement as at 14 September 2017

All investments are in ordinary shares unless otherwise stated. The percentages in brackets show the equivalent holdings at 14 September 2016.

Holding/ Nominal Value	Investment	Market value £	% of Net Assets
	UNITED KINGDOM		
	— 60.71% (69.25%)		
	Oil & Gas Producers		
	— 6.06% (5.62%)		
3,000,000	Cairn Energy	5,574,000	2.07
485,000	Royal Dutch Shell 'B'	10,730,625	3.99
		<hr/>	<hr/>
		16,304,625	6.06
	Chemicals — 0.00% (1.10%)		
	Construction & Materials		
	— 1.90% (0.00%)		
2,500,000	Melrose Industries	5,117,500	1.90
	Electronic & Electrical Equipment		
	— 2.34% (2.12%)		
1,503,060	Xaar	6,282,791	2.34
	Industrial Transportation		
	— 5.03% (1.87%)		
2,894,816	BBA Aviation	8,739,449	3.25
830,189	Global Ports	4,777,738	1.78
		<hr/>	<hr/>
		13,517,187	5.03
	Support Services — 5.43% (0.00%)		
3,114,290	Biffa	7,108,367	2.64
2,500,000	Equiniti Group	7,505,000	2.79
		<hr/>	<hr/>
		14,613,367	5.43
	Household Goods & Home Construction — 0.00% (1.08%)		
	Health Care Equipment & Services		
	— 6.33% (10.89%)		
1,478,880	Georgia Healthcare Group	4,954,248	1.84
430,000	NMC Health	12,065,800	4.49
		<hr/>	<hr/>
		17,020,048	6.33
	Pharmaceuticals & Biotechnology		
	— 0.89% (1.09%)		
2,279,198	Vectura Group	2,379,483	0.89
	General Retailers — 0.00% (7.19%)		
	Media — 0.00% (1.79%)		
	Travel & Leisure — 6.70% (6.73%)		
210,000	Carnival	10,815,000	4.02
3,520,345	Gym Group	7,199,105	2.68
		<hr/>	<hr/>
		18,014,105	6.70
	Fixed Line Telecommunications		
	— 3.22% (0.00%)		
5,000,000	Zegona Communications	8,650,000	3.22

Portfolio Statement continued

Holding/ Nominal Value	Investment	Market value £	% of Net Assets
	Mobile Telecommunications — 0.00% (4.15%)		
	Banks — 4.56% (0.40%)		
5,000,000	Barclays	9,545,000	3.55
370,000	HSBC	2,712,100	1.01
		<hr/>	<hr/>
		12,257,100	4.56
	Life Insurance — 8.82% (12.44%)		
715,000	Prudential	12,719,850	4.73
980,000	St James's Place	11,005,400	4.09
		<hr/>	<hr/>
		23,725,250	8.82
	Real Estate Investment & Services — 2.23% (0.00%)		
2,500,000	Urban & Civic	6,000,000	2.23
	Financial Services — 5.66% (6.17%)		
3,283,334	CMC Markets	4,990,667	1.86
5,446,429	IP Group	6,590,179	2.45
911,528	OneSavings Bank	3,636,997	1.35
		<hr/>	<hr/>
		15,217,843	5.66
	Software & Computer Services — 1.54% (6.61%)		
752,393	Alfa Financial Software	3,707,417	1.38
213,859	NCC Group	440,015	0.16
		<hr/>	<hr/>
		4,147,432	1.54
	IRELAND — 11.86% (7.62%)		
	Mining — 1.67% (0.00%)		
1,600,000	Kenmare Resources	4,496,000	1.67
	Construction & Materials — 3.96% (3.64%)		
400,000	CRH	10,664,000	3.96
	Support Services — 4.52% (3.98%)		
166,119	DCC	12,143,299	4.52
	Household Goods & Home Construction — 1.71% (0.00%)		
3,000,000	Cairn Homes	4,589,538	1.71
	BERMUDA — 1.54% (0.71%)		
	Mining — 1.54% (0.71%)		
4,997,474	Petra Diamonds	4,127,914	1.54
	CHANNEL ISLANDS — 9.91% (4.28%)		
	Mining — 3.59% (0.00%)		
2,700,000	Glencore	9,666,000	3.59
	Pharmaceuticals & Biotechnology — 3.15% (4.28%)		
212,595	Shire	8,478,289	3.15
	Travel & Leisure — 3.17% (0.00%)		
300,000	Wizz Air	8,514,000	3.17

Portfolio Statement continued

Holding/ Nominal Value	Investment	Market value £	% of Net Assets
	GERMANY — 4.28% (0.00%)		
	Chemicals — 4.28% (0.00%)		
115,000	Bayer	11,501,476	4.28
	GIBRALTAR — 0.00% (4.13%)		
	Travel & Leisure — 0.00% (4.13%)		
	ISLE OF MAN — 8.18% (12.53%)		
	Support Services — 0.00% (4.25%)		
	Travel & Leisure — 8.18% (8.28%)		
1,253,992	GVC	10,464,563	3.89
1,225,000	Playtech	11,545,625	4.29
		22,010,188	8.18
	Portfolio of investments¹	259,437,435	96.48
	Net other assets	9,473,095	3.52
	Total net assets	£268,910,530	100.00%

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

Total purchases for the year: £192,026,939.

Total sales for the year: £194,113,384.

Independent Auditors' Report

Independent auditors' report to the Unitholders of Legal & General UK Special Situations Trust

Report on the audit of the financial statements

Opinion

In our opinion, Legal & General UK Special Situations Trust's financial statements:

- give a true and fair view of the financial position of the Trust as at 14 September 2017 and of the net revenue and, the net capital gains on its scheme property for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law), the Statement of Recommended Practice for UK Authorised Funds, the Collective Investment Schemes sourcebook and the Trust Deed.

We have audited the financial statements, included within the Annual Manager's Report (the "Annual Report"), which comprise: the balance sheet as at 14 September 2017; the statement of total return, and the statement of change in net assets attributable to unitholders for the year then ended; the distribution tables; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

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

Independence

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

Conclusions relating to going concern

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

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

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

Independent Auditors' Report continued

Reporting on other information

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

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

Authorised Fund Manager's Report

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

Responsibilities for the financial statements and the audit

Responsibilities of the Authorised Fund Manager for the financial statements

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

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

Auditors' responsibilities for the audit of the financial statements

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

Independent Auditors' Report continued

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

Use of this report

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

Other required reporting

Opinion on matter required by the Collective Investment Schemes sourcebook

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

Collective Investment Schemes sourcebook exception reporting

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

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

We have no exceptions to report arising from this responsibility.

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
2 November 2017

Notes:

- a) The maintenance and integrity of the Legal & General website is the responsibility of the Authorised Fund Manager; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.
- b) Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Financial Statements

Statement of Total Return for the year ended 14 September 2017

Notes	14/09/17		14/09/16	
	£	£	£	£
Income				
Net capital gains	3	24,740,900		35,214,646
Revenue	4	6,621,137	4,924,637	
Expenses	5	(3,483,939)	(2,899,341)	
Interest payable and similar charges	7	(4,466)	(14)	
Net revenue before taxation		<u>3,132,732</u>	<u>2,025,282</u>	
Taxation	6	1,165	(77,446)	
Net revenue after taxation for the year		<u>3,133,897</u>	<u>1,947,836</u>	
Total return before distributions		<u>27,874,797</u>	<u>37,162,482</u>	
Distributions	7	(3,134,243)	(1,952,722)	
Change in net assets attributable to Unitholders from investment activities		<u>£24,740,554</u>	<u>£35,209,760</u>	

Statement of Change in Net Assets attributable to Unitholders for the year ended 14 September 2017

	14/09/17		14/09/16	
	£	£	£	£
Opening net assets attributable to Unitholders		241,408,926		191,411,666
Amounts received on issue of units		20,830,637	27,080,021	
Amounts paid on cancellation of units		<u>(18,223,143)</u>	<u>(12,374,207)</u>	
		2,607,494	14,705,814	
Change in net assets attributable to Unitholders from investment activities		24,740,554	35,209,760	
Retained distributions on accumulation units		151,508	81,686	
Unclaimed distributions		<u>2,048</u>	<u>–</u>	
Closing net assets attributable to Unitholders		<u>£268,910,530</u>	<u>£241,408,926</u>	

Financial Statements continued

Balance Sheet as at 14 September 2017

	Notes	14/09/17 £	14/09/16 £
ASSETS			
Fixed assets:			
Investments		259,437,435	237,838,583
Current assets:			
Debtors	8	5,477,353	1,268,783
Cash and bank balances	9	7,099,116	12,137,539
Total assets		272,013,904	251,244,905
LIABILITIES			
Creditors:			
Distributions payable		(1,758,116)	(1,659,530)
Other creditors	10	(1,345,258)	(8,176,449)
Total liabilities		(3,103,374)	(9,835,979)
Net assets attributable to Unitholders		£268,910,530	£241,408,926

Notes to the Financial Statements

1. Statement of Compliance

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

2. Summary of Significant Accounting Policies

(a) Basis of Preparation

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

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

(b) Functional and Presentation Currency

The functional and presentation currency of the Trust is Sterling.

(c) Recognition of revenue

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

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

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

All other revenue is recognised on an accruals basis.

(d) Treatment of expenses

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

(e) Distribution Policy

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

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

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

Notes to the Financial Statements continued

2. Summary of Significant Accounting Policies continued

(f) Basis of valuation of investments

All investments are valued at their fair value as at 12 noon on 14 September 2017, being the last working day of the accounting year. The fair value for non-derivative securities is bid market price.

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

(g) Taxation

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

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

(h) Foreign exchange

Transactions in foreign currencies are translated at the rate of exchange ruling on the date of the transaction. Where applicable, assets and liabilities denominated in foreign currencies are translated into Sterling at the rates of exchange ruling at 12 noon on 14 September 2017, being the last working day of the accounting year.

3. Net capital gains

The net capital gains during the year comprise:

Non-derivative securities

Currency losses

Net capital gains

14/09/17	14/09/16
£	£
24,778,137	35,220,864
<u>(37,237)</u>	<u>(6,218)</u>
<u>24,740,900</u>	<u>35,214,646</u>

4. Revenue

UK Franked dividends

Non-taxable overseas dividends

Bank interest

14/09/17	14/09/16
£	£
4,982,384	4,386,248
1,638,310	530,456
<u>443</u>	<u>7,933</u>
<u>6,621,137</u>	<u>4,924,637</u>

Notes to the Financial Statements continued

5. Expenses

	14/09/17	14/09/16
	£	£
Payable to the Manager, associates of the Manager and agents of either of them:		
Fund management fees	3,483,939	2,899,341
Total expenses	<u>3,483,939</u>	<u>2,899,341</u>

Audit fees of £8,960 plus VAT on Audit fees of £1,792 have been borne by the Manager out of its fund management fee. In the prior year, the total audit fee was £8,820 plus VAT of £1,764.

Notes to the Financial Statements continued

6. Taxation

(a) Analysis of taxation charge in year

	14/09/17	14/09/16
	£	£
Overseas tax	(1,165)	77,446
Current tax [note 6(b)]	(1,165)	77,446
Deferred tax [note 6(c)]	–	–
Total taxation	(1,165)	77,446

(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	3,132,732	2,025,282
Net revenue before taxation multiplied by the applicable rate of Corporation tax of 20% (2016: 20%)	626,546	405,056
Effects of:		
Overseas tax	(1,165)	77,446
Revenue not subject to taxation	(1,324,139)	(983,341)
Excess non trade loan deficits	805	–
Excess management expenses not utilised	696,788	578,285
Current tax	(1,165)	77,446

(c) Provision for deferred tax

There is no deferred tax provision in the current or preceding year. At the year end there is a potential deferred tax asset of £1,726,382 (14 September 2016: £1,029,594) due to surplus management expenses.

It is unlikely the Trust will generate sufficient taxable profits in the future to utilise this amounts and therefore no deferred tax asset has been recognised (14 September 2016: same).

Notes to the Financial Statements continued

7. Distributions

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

	14/09/17	14/09/16
	£	£
Interim distribution	1,268,968	340,773
Final distribution	<u>1,851,172</u>	<u>1,737,180</u>
	3,120,140	2,077,953
Add: Revenue deducted on cancellation of units	47,963	26,059
Less: Revenue received on creation of units	<u>(33,860)</u>	<u>(151,290)</u>
Distributions for the year	3,134,243	1,952,722
Interest payable and similar charges		
Bank overdraft interest	<u>4,466</u>	<u>14</u>
	<u>3,138,709</u>	<u>1,952,736</u>

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

	14/09/17	14/09/16
	£	£
Net revenue after taxation for the year	3,133,897	1,947,836
Equalisation uplift on units conversions	<u>346</u>	<u>4,886</u>
Distributions for the year	3,134,243	1,952,722

8. Debtors

	14/09/17	14/09/16
	£	£
Accrued revenue	1,370,017	1,176,712
Amounts receivable for creation of units	134,707	92,071
Overseas tax recoverable	317	–
Sales awaiting settlement	<u>3,972,312</u>	<u>–</u>
	<u>5,477,353</u>	<u>1,268,783</u>

Notes to the Financial Statements continued

9. Net uninvested cash

	14/09/17	14/09/16
	£	£
Cash and bank balances	<u>7,099,116</u>	<u>12,137,539</u>
Net uninvested cash	<u>7,099,116</u>	<u>12,137,539</u>

10. Other creditors

	14/09/17	14/09/16
	£	£
Accrued expenses	136,440	130,263
Amounts payable for cancellation of units	182,281	442,123
Purchases awaiting settlement	<u>1,026,537</u>	<u>7,604,063</u>
	<u>1,345,258</u>	<u>8,176,449</u>

11. Contingent liabilities and outstanding commitments

There were no contingent liabilities or outstanding commitments at the balance sheet date (14 September 2016: same).

Notes to the Financial Statements continued

12. Financial Instruments and Associated Risks

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

At 14 September 2017, if the price of the investments held by the Trust increased or decreased by 5%, with all other variables remaining constant, then the net assets attributable to unitholders would increase or decrease by approximately £12,971,872 (14 September 2016: £11,891,929).

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

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

(c) Foreign Currency Risk

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

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

At 14 September 2017, 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 £160,910 (14 September 2016: £90,148).

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

14/09/17 Currency	Net foreign currency assets		
	Monetary exposures £'000	Non-monetary exposures £'000	Total £'000
Euro	–	16,091	16,091

14/09/16 Currency	Net foreign currency assets		
	Monetary exposures £'000	Non-monetary exposures £'000	Total £'000
US Dollar	–	9,015	9,015

(d) Credit Risk

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

This risk is managed by appraising the credit profile of financial instruments and issuers in line with the Trust'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 Trust is the liability to Unitholders for any cancellation of units.

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

Notes to the Financial Statements continued

12. Financial Instruments and Associated Risks continued

(f) Fair Value

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

The Statement of Recommended Practice for Financial Statements of UK Authorised Funds issued by the Investment Management Association in May 2014, and subsequently amended by Financial Reporting Exposure Draft 62 (FRED62), requires the classification of the Trust'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 Trust's financial instruments as at the balance sheet date were:

14/09/17	Assets	Liabilities
Basis of Valuation	£	£
Level 1 - Quoted Prices	259,437,435	—
Level 2 - Observable Market Data	—	—
Level 3 - Unobservable Data	—	—
Total	259,437,435	—

14/09/16	Assets	Liabilities
Basis of Valuation	£	£
Level 1 - Quoted Prices	237,838,583	—
Level 2 - Observable Market Data	—	—
Level 3 - Unobservable Data	—	—
Total	237,838,583	—

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

14/09/17	Value	Commissions		Taxes		Total
Purchases	£'000	£'000	%	£'000	%	£'000
Equities	191,220	104	0.05	703	0.37	192,027
Total	191,220	104	0.05	703	0.37	192,027

14/09/17	Value	Commissions		Taxes		Total
Sales	£'000	£'000	%	£'000	%	£'000
Equities	194,204	(91)	0.05	–	–	194,113
Total	194,204	(91)	0.05	–	–	194,113

Commissions and taxes as % of average net assets

Commissions 0.08%

Taxes 0.27%

14/09/16	Value	Commissions		Taxes		Total
Purchases	£'000	£'000	%	£'000	%	£'000
Equities	195,431	202	0.10	702	0.36	196,335
Total	195,431	202	0.10	702	0.36	196,335

14/09/16	Value	Commissions		Taxes		Total
Sales	£'000	£'000	%	£'000	%	£'000
Equities	185,083	(219)	0.12	–	–	184,864
Total	185,083	(219)	0.12	–	–	184,864

Commissions and taxes as % of average net assets

Commissions 0.20%

Taxes 0.34%

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 0.52% (14 September 2016: 0.25%).

Notes to the Financial Statements continued

14. Unit classes

A list of unit classes in issue and the fund management fee on each unit class can be found on page 39. The net asset value per unit of each unit class and the number of units in each class are given in the comparative tables on pages 31 to 37. The distributions per unit class are given in the distribution tables on pages 28 and 29. All classes have the same rights on winding up.

R-Class	Distribution	Accumulation
Opening Units	164,041,310	11,091,237
Units issued	5,260,522	1,294,050
Units cancelled	(13,372,538)	(1,136,315)
Units converted	(174,334)	(44)
Closing Units	155,754,960	11,248,928

F-Class	Distribution	Accumulation
Opening Units	57,796	30,736
Units issued	676	17,028
Units cancelled	(65,874)	–
Units converted	72,756	–
Closing Units	65,354	47,764

I-Class	Distribution	Accumulation
Opening Units	3,740,075	2,177,594
Units issued	401,862	3,138,850
Units cancelled	(794,617)	(1,921,047)
Units converted	99,784	41
Closing Units	3,447,104	3,395,438

L-Class	Distribution
Opening Units	61,610,514
Units issued	9,813,542
Units cancelled	–
Units converted	–
Closing Units	71,424,056

Notes to the Financial Statements continued

15. Ultimate controlling party and related party transactions

The Manager is regarded as a related party to the Trust because it provides key management personnel services to the Trust. 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 Trust.

Legal & General (Unit Trust Managers) Limited acts as the principal on all the transactions of the units in the Trust. 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 Trust plus any rebates paid by the Authorised Fund Manager to the Trust are shown within notes 3, 4 and 5 as applicable. Any outstanding fees, amounts outstanding on creations or cancellations of units in the Trust, or rebates receivable by the Trust from the Manager are shown within notes 8 and 10 as applicable.

At the year end, the Manager and its associates held 68.78% (67.32% as at 14 September 2016) of the Trust's units in issue.

16. Post balance sheet market movements

As at the close of business on the balance sheet date the Net Asset Value per R-Class distribution unit was 108.90p. The Net Asset Value per R-Class distribution unit for the Trust as at 12 noon on 1 November 2017 was 114.00p. This represents an increase of 4.68% from the year end value.

Distribution Tables

Distribution Tables for the year ended 14 September 2017

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	
			15/09/16	to 14/03/17
R-Class			Distribution	Distribution
Distribution Units			14/05/17	14/05/16
	Revenue	Equalisation		
Group 1	0.2518	–	0.2518	–
Group 2	0.0828	0.1690	0.2518	–
R-Class			Distribution	Distribution
Accumulation Units			14/05/17	14/05/16
	Revenue	Equalisation		
Group 1	0.2649	–	0.2649	–
Group 2	0.0553	0.2096	0.2649	–
F-Class			Distribution	Distribution
Distribution Units			14/05/17	14/05/16
	Revenue	Equalisation		
Group 1	0.5271	–	0.5271	0.1431
Group 2	0.0883	0.4388	0.5271	0.1431
F-Class			Distribution	Distribution
Accumulation Units			14/05/17	14/05/16
	Revenue	Equalisation		
Group 1	0.5608	–	0.5608	0.1499
Group 2	0.0873	0.4735	0.5608	0.1499
I-Class			Distribution	Distribution
Distribution Units			14/05/17	14/05/16
	Revenue	Equalisation		
Group 1	0.7132	–	0.7132	0.3081
Group 2	0.2852	0.4280	0.7132	0.3081
I-Class			Distribution	Distribution
Accumulation Units			14/05/17	14/05/16
	Revenue	Equalisation		
Group 1	0.7998	–	0.7998	0.3470
Group 2	0.4598	0.3400	0.7998	0.3470
L-Class			Distribution	Distribution
Distribution Units			14/05/17	14/05/16
	Revenue	Equalisation		
Group 1	1.0890	–	1.0890	0.6326
Group 2	1.0157	0.0733	1.0890	0.6326

Distribution Tables continued

Final dividend distribution in pence per unit			Period	
			15/03/17	to 14/09/17
R-Class			Distribution	Distribution
Distribution Units			14/11/17	14/11/16
	Revenue	Equalisation		
Group 1	0.4706	–	0.4706	0.4609
Group 2	0.2402	0.2304	0.4706	0.4609
R-Class			Distribution	Distribution
Accumulation Units			14/11/17	14/11/16
	Revenue	Equalisation		
Group 1	0.4965	–	0.4965	0.4823
Group 2	0.2508	0.2457	0.4965	0.4823
F-Class			Distribution	Distribution
Distribution Units			14/11/17	14/11/16
	Revenue	Equalisation		
Group 1	0.7511	–	0.7511	0.8443
Group 2	–	0.7511	0.7511	0.8443
F-Class			Distribution	Distribution
Accumulation Units			14/11/17	14/11/16
	Revenue	Equalisation		
Group 1	0.8161	–	0.8161	0.8933
Group 2	0.2203	0.5958	0.8161	0.8933
I-Class			Distribution	Distribution
Distribution Units			14/11/17	14/11/16
	Revenue	Equalisation		
Group 1	0.9605	–	0.9605	0.9910
Group 2	0.4757	0.4848	0.9605	0.9910
I-Class			Distribution	Distribution
Accumulation Units			14/11/17	14/11/16
	Revenue	Equalisation		
Group 1	1.0840	–	1.0840	1.0964
Group 2	0.4837	0.6003	1.0840	1.0964
I-Class			Distribution	Distribution
Distribution Units			14/11/17	14/11/16
	Revenue	Equalisation		
Group 1	1.3881	–	1.3881	1.4054
Group 2	–	1.3881	1.3881	1.4054

In the above tables, a distribution pay rate of – denotes that the Classes were in a shortfall position, and therefore no distribution payment was made.

Trust Information

The Comparative Tables on pages 31 to 37 give the performance of each active share class in the Trust.

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 Trust'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 Trust.

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.

Trust Information continued

Comparative Tables

R-Class Distribution Units

Change in Net Asset Value per Unit

Accounting Year ending	14/09/17 (pence per unit)	14/09/16 (pence per unit)	14/09/15 (pence per unit)
Opening net asset value per unit	98.96	83.95	78.58
Return before operating charges*	12.55	17.02	7.02
Operating charges (calculated on average price)	(1.89)	(1.55)	(1.37)
Return after operating charges*	10.66	15.47	5.65
Distributions on income units	(0.72)	(0.46)	(0.28)
Closing net asset value per unit	108.90	98.96	83.95
* after direct transaction costs of:	0.36	0.48	0.61

Performance

Return after charges	10.77%	18.43%	7.19%
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Other Information

Closing net asset value (£)	169,618,457	162,341,288	145,972,598
Closing number of units	155,754,960	164,041,310	173,874,882
Operating charges [†]	1.83%	1.75%	1.68%
Direct transaction costs	0.35%	0.54%	0.73%

Prices

Highest unit price	116.70p	107.20p	93.46p
Lowest unit price	94.90p	76.83p	71.07p

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

Trust Information continued

Comparative Tables continued

R-Class Accumulation Units

Change in Net Asset Value per Unit

Accounting Year ending	14/09/17 (pence per unit)	14/09/16 (pence per unit)	14/09/15 (pence per unit)
Opening net asset value per unit	104.10	87.90	82.00
Return before operating charges*	13.22	17.82	7.33
Operating charges (calculated on average price)	(1.99)	(1.62)	(1.43)
Return after operating charges*	11.23	16.20	5.90
Distributions	(0.76)	(0.48)	(0.29)
Retained distributions on accumulation units	0.76	0.48	0.29
Closing net asset value per unit	115.33	104.10	87.90
* after direct transaction costs of:	0.38	0.50	0.63

Performance

Return after charges	10.79%	18.43%	7.20%
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Other Information

Closing net asset value (£)	12,973,257	11,546,066	10,132,593
Closing number of units	11,248,928	11,091,237	11,527,208
Operating charges†	1.83%	1.75%	1.68%
Direct transaction costs	0.35%	0.54%	0.73%

Prices

Highest unit price	123.00p	112.20p	97.53p
Lowest unit price	99.82p	80.45p	74.16p

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

Trust Information continued

Comparative Tables continued

F-Class Distribution Units

Change in Net Asset Value per Unit

Accounting Year ending	14/09/17 (pence per unit)	14/09/16 (pence per unit)	14/09/15 (pence per unit)
Opening net asset value per unit	100.27	85.09	79.64
Return before operating charges*	12.74	17.28	7.16
Operating charges (calculated on average price)	(1.40)	(1.12)	(0.99)
Return after operating charges*	11.34	16.16	6.17
Distributions on income units	(1.28)	(0.98)	(0.72)
Closing net asset value per unit	110.33	100.27	85.09
* after direct transaction costs of:	0.37	0.48	0.62

Performance

Return after charges	11.31%	18.99%	7.75%
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Other Information

Closing net asset value (£)	72,105	57,952	53,080
Closing number of units	65,354	57,796	62,379
Operating charges†	1.33%	1.25%	1.18%
Direct transaction costs	0.35%	0.54%	0.73%

Prices

Highest unit price	112.70p	103.80p	90.54p
Lowest unit price	96.25p	78.04p	72.07p

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

Trust Information continued

Comparative Tables continued

F-Class Accumulation Units

Change in Net Asset Value per Unit

Accounting Year ending	14/09/17 (pence per unit)	14/09/16 (pence per unit)	14/09/15 (pence per unit)
Opening net asset value per unit	107.31	90.18	83.72
Return before operating charges*	13.68	18.34	7.49
Operating charges (calculated on average price)	(1.50)	(1.21)	(1.03)
Return after operating charges*	12.18	17.13	6.46
Distributions	(1.38)	(1.04)	(0.75)
Retained distributions on accumulation units	1.38	1.04	0.75
Closing net asset value per unit	119.49	107.31	90.18
* after direct transaction costs of:	0.39	0.52	0.63

Performance

Return after charges	11.35%	19.00%	7.72%
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Other Information

Closing net asset value (£)	57,074	32,984	799
Closing number of units	47,764	30,736	886
Operating charges†	1.33%	1.25%	1.18%
Direct transaction costs	0.35%	0.54%	0.73%

Prices

Highest unit price	121.20p	110.20p	95.16p
Lowest unit price	103.10p	82.69p	75.73p

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

Trust Information continued

Comparative Tables continued

I-Class Distribution Units

Change in Net Asset Value per Unit

Accounting Year ending	14/09/17 (pence per unit)	14/09/16 (pence per unit)	14/09/15 (pence per unit)
Opening net asset value per unit	99.52	84.42	79.01
Return before operating charges*	12.64	17.16	7.09
Operating charges (calculated on average price)	(0.98)	(0.77)	(0.65)
Return after operating charges*	11.66	16.39	6.44
Distributions on income units	(1.67)	(1.29)	(1.03)
Closing net asset value per unit	109.51	99.52	84.42
* after direct transaction costs of:	0.36	0.48	0.62

Performance

Return after charges	11.72%	19.41%	8.15%
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Other Information

Closing net asset value (£)	3,775,065	3,722,032	929,480
Closing number of units	3,447,104	3,740,075	1,101,067
Operating charges†	0.94%	0.86%	0.79%
Direct transaction costs	0.35%	0.54%	0.73%

Prices

Highest unit price	111.90p	103.20p	89.99p
Lowest unit price	95.61p	77.54p	71.51p

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

Trust Information continued

Comparative Tables continued

I-Class Accumulation Units

Change in Net Asset Value per Unit

Accounting Year ending	14/09/17 (pence per unit)	14/09/16 (pence per unit)	14/09/15 (pence per unit)
Opening net asset value per unit	111.47	93.29	86.25
Return before operating charges*	14.23	19.05	7.76
Operating charges (calculated on average price)	(1.10)	(0.87)	(0.72)
Return after operating charges*	13.13	18.18	7.04
Distributions	(1.88)	(1.44)	(1.12)
Retained distributions on accumulation units	1.88	1.44	1.12
Closing net asset value per unit	124.60	111.47	93.29
* after direct transaction costs of:	0.40	0.54	0.67

Performance

Return after charges	11.78%	19.49%	8.16%
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Other Information

Closing net asset value (£)	4,230,758	2,427,329	563,558
Closing number of units	3,395,438	2,177,594	604,111
Operating charges†	0.94%	0.86%	0.79%
Direct transaction costs	0.35%	0.54%	0.73%

Prices

Highest unit price	126.20p	114.40p	98.31p
Lowest unit price	107.10p	85.69p	78.07p

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

Trust Information continued

Comparative Tables continued

L-Class Distribution Units

Change in Net Asset Value per Unit

Accounting Year ending	14/09/17 (pence per unit)	14/09/16 (pence per unit)	14/09/15 (pence per unit)
Opening net asset value per unit	99.47	84.40	79.01
Return before operating charges*	12.67	17.20	7.09
Operating charges (calculated on average price)	(0.20)	(0.10)	(0.03)
Return after operating charges*	12.47	17.10	7.06
Distributions on income units	(2.48)	(2.03)	(1.67)
Closing net asset value per unit	109.46	99.47	84.40
* after direct transaction costs of:	0.36	0.48	0.61

Performance

Return after charges	12.54%	20.26%	8.94%
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Other Information

Closing net asset value (£)	78,183,814	61,281,275	33,759,558
Closing number of units	71,424,056	61,610,514	40,000,718
Operating charges [†]	0.19%	0.11%	0.04%
Direct transaction costs	0.35%	0.54%	0.73%

Prices

Highest unit price	112.10p	103.50p	90.13p
Lowest unit price	95.71p	77.76p	71.56p

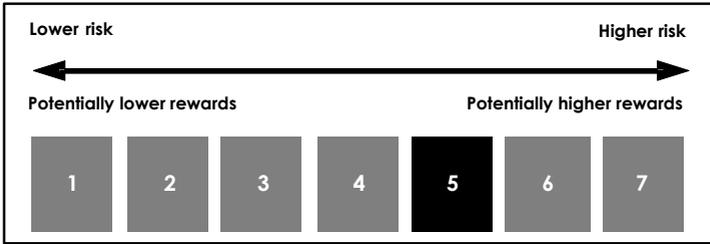
[†] Operating charges, otherwise known as the OCF is the ratio of the Trust's total disclosable costs (excluding overdraft interest) to the average net assets of the Trust. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a Trust and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

Past performance is not a guide to future performance.

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

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

Risk and Reward Profile



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

General Information

Constitution

Launch date:	10 November 2008
Period end dates for distribution:	14 March, 14 September
Distribution dates:	14 May, 14 November
Minimum initial lump sum investment:	R-Class £500 F-Class* £500 I-Class £1,000,000 L-Class** £100,000
Valuation point:	12 noon
Fund management fees:	R-Class 1.83% F-Class* 1.33% I-Class 0.94% L-Class** 0.19%
Initial charges:	R-Class Nil† F-Class* Nil I-Class Nil L-Class** Nil

* F-Class units are only available to:

- (i) investors who have received advice from authorised intermediaries and platforms in relation to their investment in units in the Trust and
- (ii) authorised intermediaries or distributors who the Manager reasonably considers will adequately bear the costs of marketing to and acquiring investors at no or limited cost to the Manager, and to whom the Manager has confirmed that such distributor or investor meets the criteria for investment in such units.

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

† With effect from 6 June 2017 - See Significant Changes on page 42.

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.

General Information continued

ISA Status

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

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

Prospectus and Manager's Reports

The Manager will send to all persons on the Unitholder Register annual and interim short form reports.

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

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

Dual Pricing Arrangement

The Manager's fixed dual pricing arrangement has a set spread to account for the costs of transacting in a particular Trust. 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 Trust in the form of a payment from the Manager. This provides an enhanced return to the Trust, 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 UK Special Situations Trust, 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:

Controlled Functions

Headcount	Fixed Remuneration (£,000)	Variable Remuneration (£,000)	Remuneration related to this Scheme (Pro-rated) (£'000)
16	3,278	5,980	64

Material Risk Takers

Headcount	Fixed Remuneration (£,000)	Variable Remuneration (£,000)	Remuneration related to this Fund (Pro-rated) (£'000)
20	2,991	4,914	241

Controlled Functions

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

General Information continued

Material Risk Takers

As at the 31 December 2016, UTM engaged the services of Legal & General Investment Management's Equities Fund Management team, which consists of 20 investment professionals located in our London Office. The team includes a variety of Fund Managers, Analysts and Support Staff, with the Fund Managers empowered to take discretionary investment management decisions on behalf of the Trust. 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 net assets under management of UTM.

Significant Changes

Removal of the Initial Charge for R-Class

With effect from 6 June 2017, the initial charge for R-Class units has been removed. Prior to this change the initial charge was 5%. The removal of the initial charge will provide better value for investors, as there is no longer a cost of setting up the investment.

Removal of Initial Commission

With effect from 6 June 2017, initial commission will no longer be paid on the Trust. The initial commission was intended to reflect the costs incurred by the product provider and the intermediary for setting up and selling the business, however, Legal & General no longer consider it appropriate to continue to pay commission on such transactions.

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

R. M. Bartley
A. J. C. Craven
S. Hynes (appointed 29 June 2016)
H. Solomon
S. D. Thomas
L. W. Toms
A. R. Toutouchi*
M. J. Zinkula

*Non-executive Director

Secretary

J. McCarthy

Registrar

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

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

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

Trustee

Northern Trust Global Services Limited
Trustee and Depository Services
50 Bank Street,
Canary Wharf,
London E14 5NT

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

Independent Auditors

PricewaterhouseCoopers LLP
7 More London Riverside
London SE1 2RT

Investment Adviser

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

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

Legal & General
(Unit Trust Managers) Limited
Registered in England and Wales No. 01009418
Registered office:
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