

Legal & General
(Alliance & Leicester) Capital Growth Fund

**Interim Manager's Report
for the period ended
31 August 2017
(Unaudited)**

**EVERY
DAY
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Manager's Investment Report

Investment Objective and Policy

The (Alliance & Leicester) Capital Growth Fund is designed to track the capital performance of the FTSE 350 Index (the 'Index') and to maintain a gross income yield equal to that of the Index.

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

Manager's Investment Report

During the period under review, the bid price of the Fund's units rose by 4.29%. FTSE, the Index compiler, calculates the benchmark Index at the end of the business day using closing prices, whereas the Fund is valued using prevailing prices at 12pm. Therefore, for tracking purposes the Fund has been revalued using closing prices. On this basis over the review period, the Fund returned 2.91% on a capital only basis, compared with the FTSE 350 Index return of 2.84% (Source: Bloomberg), producing a tracking difference of +0.07%.

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.

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Market/Economic Review

In the aftermath of the UK vote to leave the European Union in the June 2016 referendum, Sterling fell to a 31-year low against the US dollar. For UK investors, the weakness of Sterling enhanced returns from international equities. During the period under review, UK equities continued to advance as economic indicators suggested the UK economy had weathered the post-referendum volatility well and the UK economic indicators remained broadly positive. In this stable environment the Conservatives aimed to take advantage of their healthy opinion poll lead over Labour and grow their majority to make a success of Brexit by announcing a snap general election. However, Sterling weakened against the Euro during May on the back of a narrowing in the polls, which showed Labour making significant ground against the Conservatives, leading the market to doubt the probability of a more substantial Conservative majority in the June election, which ended up being the case. European markets pushed higher as investors saw the pro-EU economic reformer Emmanuel Macron succeed in his bid for the French presidency in May. Inflation has been steadily increasing since the EU referendum pushing up to 2.9% in August. However, the average three month wage growth of 2.1% year on year in the three months to June intensified the debate over how long the Bank of England may leave interest rates at the record low of 0.25%.

Manager's Investment Report continued

The more domestically focused FTSE 250 Index (+5.50%) outperformed the more globally focused FTSE 100 Index (+2.30%) during the review period. The UK market was at its lowest in April and ended with a strong recovery, reaching its high point towards the end of the period.

The best performing sectors over the review period were Industrial Metals & Mining (+58.83%), Beverages (+15.77) and Personal Goods (+15.69%). The worst performing sectors over the review period were Oil Equipment, Services & Distribution (-28.70%), Automobiles & Parts (-11.39%) and Fixed Line Telecommunications (-9.75%).

Fund Review

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

During the period under review, there were two Index reviews carried out by FTSE. The March quarterly Index review, resulted in three additions and three deletions. Sanne Group, Northgate and Syncona were added to the Index, whereas International Personal Finance, Brown (N.) Group and CMC Markets were deletions. The largest increases in free share capital were for Lloyds Banking Group, Royal Dutch Shell A and GlaxoSmithKline and the largest decreases were for Alliance Trust, Experian and SVG Capital.

The annual Index review in June resulted in six additions and six deletions. Melrose Industries, Pershing Square Holdings, Sirius Minerals, Coats Group, FDM Group Holdings and TBC Bank Group were added to the Index, whereas deletions included Keller, Debenhams, Allied Minds, BH Macro (GBP), AO World and SVG Capital. The largest increases in free share capital were for Lloyds Banking Group, Ladbrokes Coral Group PLC and Royal Dutch Shell A and the largest decreases were for Anglo American, GlaxoSmithKline and Diageo.

Outside of the reviews there was a noticeable amount of overseas merger and acquisition activity. Henderson was deleted from the Index as a result of a merger with Janus (US) and was subsequently delisted from London Stock Exchange. Stobart Group was consequently promoted to the FTSE250 from the SmallCap Index. Jimmy Choo replaced Aberdeen Asset Management which merged with the subsequently enlarged Standard Life. British American Tobacco was weighted upwards after acquiring the remaining 57.8% of its Reynolds American (US) holding. Atkins (WS) was replaced in the FTSE250 Index by Brown (N) Group after being acquired by SNC-Lavalin Group (GB) Holdings. Shawbrook Group was replaced by Vietnam Enterprise Investments after being acquired by Marlin Bidco.

Companies raising capital via rights issues included Segro, Cobham and Tullow Oil. LondonMetric Property, Tritax Big Box REIT, Marstons, IP Group, NewRiver REIT and Metro Bank raised capital for growth via primary placings.

Secondary placings that resulted in companies having their freely available share capital increased in the Index were made for Ibstock, Onesavings Bank, JRP Group, Wizz Air Holdings and Playtech.

Outlook

Prime Minister Theresa May triggered Article 50 allowing the two-year window for official negotiations on Brexit to start. A 'hard Brexit' would imply giving up full access to the single market, with Britain having full control over its borders, making new trade deals and applying laws within its own territory. In LGIM's view, such a scenario could

Manager's Investment Report continued

be negative for sterling, but we only attribute a 30% probability to this outcome.

Given Brexit uncertainties most market participants thought the Bank of England outlook would be on hold for a long time, but after the Bank of England's warning that if the economy keeps growing as forecast then rates could rise faster than the market has been expecting. We stick to our view that the first rate rise will be in 2018, contingent on relatively smooth negotiations with the EU.

At the latest Monetary Policy Committee meeting, only two of the eight members voted to raise borrowing costs, compared to the 3-5 vote during the July meeting. Although July's consumer price inflation figure of 2.6% was marginally below the 2.7% consensus forecast. Labour market data subsequently suggested that the jobs market could be tightening further.

Subsequently, signs that the Brexit negotiations are yielding little progress and a further round of subdued UK economic data reinforced the suggestion that businesses and individuals are adopting a more cautious approach.

Given this backdrop of uncertainty the Trust remains well positioned to capture the performance of the Index.

Legal & General Investment Management Limited
(Investment Adviser)
28 September 2017

Authorised Status

Authorised Status

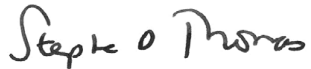
This Fund is an Authorised Unit Trust Scheme as defined in section 243 of the Financial Services and Markets Act 2000 and is a UCITS Retail Scheme within the meaning of the FCA Collective Investment Schemes sourcebook.

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)



S. D. Thomas
(Director)

Legal & General (Unit Trust Managers) Limited
19 October 2017

Portfolio Statement

Portfolio Statement as at 31 August 2017

All investments are in ordinary shares or collective investment schemes unless otherwise stated. The percentages in brackets show the equivalent holdings at 28 February 2017.

Holding/ Nominal Value	Investment	Market value £	% of Net Assets
	UNITED KINGDOM		
	— 84.19% (84.02%)		
	Oil & Gas Producers		
	— 7.62% (8.21%)		
1,276,093	BP	5,629,484	3.64
36,855	Cairn Energy	62,101	0.04
5,900	Nostrum Oil & Gas	22,072	0.01
26,888	Royal Dutch Shell 'A'	569,757	0.37
248,807	Royal Dutch Shell 'B'	5,351,839	3.47
91,821	Tullow Oil	140,302	0.09
		<hr/>	
		11,775,555	7.62
	Oil Equipment, Services & Distribution — 0.18% (0.24%)		
25,451	Amec Foster Wheeler	105,494	0.07
9,600	Hunting	37,834	0.02
23,478	John Wood Group	130,655	0.09
		<hr/>	
		273,983	0.18
	Chemicals — 0.65% (0.66%)		
8,531	Croda International	328,273	0.21
33,332	Elementis	89,530	0.06
12,117	Johnson Matthey	333,944	0.22
211,363	Sirius Minerals	57,153	0.04
16,479	Synthomer	77,698	0.05
5,709	Victrex	115,836	0.07
		<hr/>	
		1,002,434	0.65
	Forestry & Paper — 0.33% (0.31%)		
24,257	Mondi	507,699	0.33
	Industrial Metals & Mining — 0.11% (0.07%)		
33,871	Evraz	112,994	0.07
17,747	Ferrexpo	52,797	0.04
		<hr/>	
		165,791	0.11
	Mining — 4.34% (4.13%)		
11,500	Acacia Mining	23,219	0.01
74,242	Anglo American	1,041,615	0.67
22,578	Antofagasta	235,940	0.15
138,594	BHP Billiton	2,038,718	1.32
11,467	Fresnillo	183,931	0.12
15,000	Hochschild Mining	41,685	0.03
15,436	KAZ Minerals	131,669	0.09
79,065	Rio Tinto	2,966,123	1.92
5,673	Vedanta Resources	48,589	0.03
		<hr/>	
		6,711,489	4.34

Portfolio Statement continued

Holding/ Nominal Value	Investment	Market value £	% of Net Assets
	Construction & Materials		
	— 0.39% (0.25%)		
45,780	Balfour Beatty	120,035	0.08
17,400	Ibstock	41,012	0.03
6,621	Kier Group	76,671	0.05
14,000	Marshalls	61,026	0.04
112,097	Melrose Industries	246,277	0.16
13,000	Polypipe Group	51,103	0.03
		596,124	0.39
	Aerospace & Defense		
	— 1.94% (1.90%)		
211,165	BAE Systems	1,277,548	0.83
158,931	Cobham	215,828	0.14
49,578	Meggitt	255,575	0.16
38,392	QinetiQ Group	87,918	0.06
108,954	Rolls-Royce	998,019	0.64
26,785	Senior	73,310	0.05
5,175	Ultra Electronics	94,858	0.06
		3,003,056	1.94
	General Industrials — 0.73% (0.66%)		
64,141	Coats Group	50,736	0.03
65,873	DS Smith	324,688	0.21
27,310	RPC Group	251,525	0.16
26,975	Smiths Group	415,415	0.27
14,590	Vesuvius	84,695	0.06
		1,127,059	0.73
	Electronic & Electrical Equipment		
	— 0.40% (0.38%)		
24,088	Halma	262,078	0.17
18,737	Morgan Advanced Materials	56,061	0.04
2,436	Renishaw	111,861	0.07
8,038	Spectris	187,285	0.12
		617,285	0.40
	Industrial Engineering		
	— 0.68% (0.69%)		
11,760	Bodycote	112,837	0.07
4,600	Hill & Smith	58,972	0.04
18,726	IMI	212,915	0.14
59,025	Rotork	134,223	0.09
4,902	Spirax-Sarco Engineering	278,924	0.18
14,128	Weir Group	254,021	0.16
		1,051,892	0.68
	Industrial Transportation		
	— 0.34% (0.36%)		
68,633	BBA Aviation	206,722	0.14
1,852	Clarkson	51,782	0.03
2,000	James Fisher & Sons	30,880	0.02

Portfolio Statement continued

Holding/ Nominal Value	Investment	Market value £	% of Net Assets
Industrial Transportation — (cont.)			
60,897	Royal Mail	236,098	0.15
		525,482	0.34
Support Services — 3.36% (3.19%)			
43,039	AA	69,594	0.04
16,805	Aggreko	149,396	0.10
33,266	Ashtead Group	556,540	0.36
31,654	Babcock International Group	255,606	0.17
11,324	Berendsen	143,475	0.09
21,952	Bunzl	503,359	0.33
42,202	Capita	270,937	0.17
31,284	Carillion	13,843	0.01
7,109	Diploma	75,640	0.05
28,877	Electrocomponents	184,091	0.12
19,020	Essentra	101,852	0.07
104,096	G4S	295,424	0.19
94,548	Hays	166,499	0.11
17,363	HomeServe	126,403	0.08
40,600	Howden Joinery Group	170,885	0.11
10,566	Intertek Group	537,809	0.35
25,249	Mitie Group	67,920	0.04
9,000	Northgate	36,018	0.02
21,685	Pagegroup	107,211	0.07
5,052	PayPoint	45,645	0.03
123,394	Rentokil Initial	372,650	0.24
81,088	Serco Group	94,549	0.06
42,129	SIG	74,611	0.05
16,247	Travis Perkins	242,243	0.16
125,361	Worldpay Group	522,379	0.34
		5,184,579	3.36
Automobiles & Parts — 0.24% (0.27%)			
115,593	GKN	366,314	0.24
Beverages — 2.85% (2.66%)			
5,748	A.G. Barr	36,241	0.02
17,563	Britvic	132,425	0.09
163,942	Diageo	4,229,704	2.74
		4,398,370	2.85
Food Producers — 0.72% (0.64%)			
23,463	Associated British Foods	771,933	0.50
2,098	Cranswick	62,625	0.04
10,900	Dairy Crest Group	64,092	0.04
31,368	Tate & Lyle	212,832	0.14
		1,111,482	0.72
Household Goods & Home Construction — 3.53% (3.41%)			
66,080	Barratt Developments	412,339	0.27

Portfolio Statement continued

Holding/ Nominal Value	Investment	Market value £	% of Net Assets
	Household Goods & Home Construction — (cont.)		
8,151	Bellway	261,647	0.17
8,415	Berkeley Group	314,132	0.20
9,706	Bovis Homes Group	101,816	0.07
19,483	Countryside Properties	67,587	0.04
17,237	Crest Nicholson	92,821	0.06
4,800	Galliford Try	66,672	0.04
34,214	McCarthy & Stone	56,385	0.04
20,119	Persimmon	534,763	0.35
41,333	Reckitt Benckiser Group	3,020,616	1.96
13,676	Redrow	84,039	0.05
218,095	Taylor Wimpey	434,881	0.28
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		5,447,698	3.53
	Personal Goods — 2.75% (2.49%)		
29,470	Burberry Group	527,218	0.34
7,200	Jimmy Choo	16,517	0.01
14,951	PZ Cussons	51,267	0.03
2,837	SuperGroup	45,051	0.03
2,000	Ted Baker	49,200	0.03
79,236	Unilever	3,564,828	2.31
		<hr/>	
		4,254,081	2.75
	Tobacco — 6.02% (5.86%)		
146,374	British American Tobacco	7,023,756	4.55
5,100	British American Tobacco 'ADR'	244,147	0.16
63,316	Imperial Brands	2,024,213	1.31
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		9,292,116	6.02
	Health Care Equipment & Services — 0.94% (0.78%)		
72,249	ConvaTec Group	207,355	0.13
26,261	Mediclinic International	199,321	0.13
5,454	NMC Health	147,149	0.09
60,718	Smith & Nephew	844,587	0.55
18,739	Spire Healthcare Group	60,658	0.04
		<hr/>	
		1,459,070	0.94
	Pharmaceuticals & Biotechnology — 6.09% (6.75%)		
83,818	AstraZeneca	3,784,802	2.45
25,548	BTG	178,325	0.12
6,097	Dechra Pharmaceuticals	115,843	0.07
4,062	Genus	75,269	0.05
320,322	GlaxoSmithKline	4,897,723	3.17
9,469	Hikma Pharmaceuticals	116,185	0.08
45,677	Indivior	189,742	0.12
49,000	Vectura Group	53,067	0.03
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		9,410,956	6.09

Portfolio Statement continued

Holding/ Nominal Value	Investment	Market value £	% of Net Assets
	Food & Drug Retailers		
	— 1.27% (1.36%)		
112,295	Booker Group	222,456	0.14
7,500	Greggs	89,550	0.06
103,387	J Sainsbury	241,616	0.16
28,635	Ocado Group	86,907	0.06
540,996	Tesco	974,334	0.63
141,653	WM Morrison Supermarkets	345,208	0.22
		1,960,071	1.27
	General Retailers — 1.61% (1.72%)		
16,532	Card Factory	54,787	0.04
3,351	Dignity	75,498	0.05
68,691	Dixons Carphone	120,140	0.08
6,343	Dunelm Group	36,536	0.02
14,423	Halfords Group	46,197	0.03
27,566	Inchcape	228,246	0.15
23,000	JD Sports Fashion	73,255	0.05
36,823	Just Eat	242,664	0.16
148,726	Kingfisher	438,742	0.28
107,013	Marks & Spencer Group	340,836	0.22
10,100	N Brown Group	32,997	0.02
9,494	Next	386,691	0.25
20,867	Pets at Home	37,540	0.02
75,697	Saga	152,832	0.10
18,100	Sports Direct International	69,993	0.05
7,810	WH Smith	144,016	0.09
		2,480,970	1.61
	Media — 2.38% (2.50%)		
17,221	Ascential	64,097	0.04
61,054	Auto Trader Group	213,445	0.14
2,748	Euromoney Institutional Investor	29,486	0.02
54,989	Informa	375,575	0.24
245,203	ITV	384,969	0.25
35,048	Moneysupermarket.com Group	110,541	0.07
55,459	Pearson	334,418	0.22
71,239	RELX	1,195,390	0.77
6,104	Rightmove	249,043	0.16
69,298	Sky	660,756	0.43
16,044	ZPG	56,587	0.04
		3,674,307	2.38
	Travel & Leisure — 3.32% (3.24%)		
11,978	Carnival	643,219	0.42
13,280	Cineworld Group	84,660	0.05
105,149	Compass Group	1,723,392	1.12
20,929	Domino's Pizza Group	56,069	0.04
17,980	easyJet	214,142	0.14
80,617	Firstgroup	94,080	0.06
3,189	Go-Ahead Group	56,796	0.04
21,721	Greene King	148,354	0.10

Portfolio Statement continued

Holding/ Nominal Value	Investment	Market value £	% of Net Assets
	Travel & Leisure — (cont.)		
12,376	InterContinental Hotels Group	475,362	0.31
6,018	J D Wetherspoon	65,656	0.04
95,123	Ladbroke's Coral Group	110,628	0.07
42,775	Marston's	48,764	0.03
47,026	Merlin Entertainments	215,003	0.14
8,708	Millennium & Copthorne Hotels	40,327	0.03
15,754	Mitchells & Butlers	38,881	0.02
31,077	National Express Group	111,380	0.07
8,886	Rank Group	20,411	0.01
13,050	Restaurant Group	44,657	0.03
30,388	SSP	166,678	0.11
32,882	Stagecoach Group	54,157	0.03
103,257	Thomas Cook Group	128,348	0.08
12,387	Whitbread	458,814	0.30
51,058	William Hill	124,684	0.08
		<hr/>	
		5,124,462	3.32
	Fixed Line Telecommunications — 1.12% (1.30%)		
557,779	BT Group	1,620,906	1.05
36,430	TalkTalk Telecom Group	72,750	0.05
3,201	Telecom Plus	34,699	0.02
		<hr/>	
		1,728,355	1.12
	Mobile Telecommunications — 2.65% (2.54%)		
30,671	Inmarsat	221,598	0.14
1,764,920	Vodafone Group	3,873,117	2.51
		<hr/>	
		4,094,715	2.65
	Electricity — 0.65% (0.77%)		
26,757	Drax Group	82,519	0.05
65,078	SSE	924,758	0.60
		<hr/>	
		1,007,277	0.65
	Gas, Water & Multiutilities — 2.54% (2.90%)		
366,359	Centrica	727,223	0.47
226,924	National Grid	2,200,028	1.42
28,114	Pennon Group	228,005	0.15
15,565	Severn Trent	353,014	0.23
45,647	United Utilities Group	413,790	0.27
		<hr/>	
		3,922,060	2.54
	Banks — 11.40% (11.03%)		
12,902	Aldermore Group	28,771	0.02
1,132,365	Barclays	2,161,685	1.40
2,311	BGEO Group	79,937	0.05
53,651	CYBG	153,710	0.10
1,329,988	HSBC	10,014,810	6.48
4,708,348	Lloyds Banking Group	2,985,093	1.93
5,161	Metro Bank	179,035	0.12

Portfolio Statement continued

Holding/ Nominal Value	Investment	Market value £	% of Net Assets
	Banks — (cont.)		
217,133	Royal Bank of Scotland Group	540,227	0.35
178,849	Standard Chartered	1,386,258	0.90
2,000	TBC Bank Group	31,320	0.02
16,663	Virgin Money UK	44,124	0.03
		17,604,970	11.40
	Nonlife Insurance — 0.92% (0.86%)		
13,407	Admiral Group	258,889	0.17
34,971	Beazley	178,877	0.11
91,299	Direct Line Insurance Group	347,301	0.22
18,103	esure Group	49,240	0.03
19,348	Hastings Group	61,856	0.04
7,617	Jardine Lloyd Thompson Group	88,129	0.06
66,372	RSA Insurance Group	444,692	0.29
		1,428,984	0.92
	Life Insurance — 4.30% (4.19%)		
269,910	Aviva	1,415,678	0.92
33,565	Just Group	51,220	0.03
393,517	Legal & General Group	1,025,899	0.66
316,247	Old Mutual	653,366	0.42
171,048	Prudential	3,108,798	2.01
34,233	St James's Place	397,445	0.26
		6,652,406	4.30
	Real Estate Investment & Services — 0.23% (0.26%)		
46,735	Capital & Counties Properties	125,483	0.08
11,460	CLS	24,788	0.02
286	Daejan	17,246	0.01
27,894	Grainger	71,632	0.05
7,952	Savills	70,017	0.04
12,949	St Modwen Properties	45,503	0.03
		354,669	0.23
	Real Estate Investment Trusts — 1.88% (1.93%)		
122,090	Assura	79,847	0.05
9,287	Big Yellow Group	73,414	0.05
68,403	British Land	415,890	0.27
6,777	Derwent London	186,977	0.12
22,802	Great Portland Estates	136,812	0.09
50,165	Hammerson	279,670	0.18
42,937	Hansteen	56,806	0.04
60,362	Intu Properties	149,275	0.10
50,754	Land Securities Group	510,078	0.33
42,073	LondonMetric Property	69,505	0.04
17,929	NewRiver REIT	62,214	0.04
94,990	Redefine International	37,331	0.02
15,000	Safestore	61,920	0.04
64,314	Segro	343,758	0.22

Portfolio Statement continued

Holding/ Nominal Value	Investment	Market value £	% of Net Assets
	Real Estate Investment Trusts		
	— (cont.)		
15,033	Shaftesbury	149,804	0.10
81,375	Tritax Big Box REIT	115,878	0.08
14,625	UNITE Group	101,278	0.07
7,943	Workspace Group	69,461	0.04
		2,899,918	1.88
	Financial Services — 2.98% (2.85%)		
61,669	3i Group	593,872	0.38
25,720	Ashmore Group	94,290	0.06
20,233	Brewin Dolphin	71,422	0.05
10,721	Close Brothers Group	164,675	0.11
16,899	Hargreaves Lansdown	233,882	0.15
24,503	IG Group	158,167	0.10
18,578	Intermediate Capital Group	164,044	0.11
39,461	Investec	231,636	0.15
46,483	IP Group	52,758	0.03
23,613	John Laing Group	69,682	0.05
27,562	Jupiter Fund Management	146,630	0.09
20,747	London Stock Exchange Group	818,677	0.53
100,146	Man Group	166,743	0.11
20,709	NEX Group	137,715	0.09
9,620	OneSavings Bank	37,759	0.02
19,748	Paragon Group	80,295	0.05
9,954	Provident Financial	86,351	0.06
3,624	Rathbone Brothers	100,892	0.07
7,455	Schroders	250,786	0.16
3,067	Sole Realisation	2,147	—
180,729	Standard Life Aberdeen	780,388	0.51
31,896	TP ICAP	159,448	0.10
		4,602,259	2.98
	Equity Investment Instruments		
	— 1.97% (1.96%)		
6,162	Aberforth Smaller Companies Trust	79,058	0.05
25,038	Alliance Trust	180,524	0.12
8,111	Bankers Investment Trust	67,240	0.04
8,423	British Empire Trust	59,382	0.04
2,222	Caledonia Investments	61,638	0.04
22,827	City of London Investment Trust	97,334	0.06
14,395	Dexion	151	—
11,677	Edinburgh Investment Trust	82,732	0.05
1,719	Electra Private Equity	28,604	0.02
23,490	Fidelity China Special Situations	52,806	0.03
30,344	Fidelity European Values	67,637	0.04
7,900	Finsbury Growth & Income Trust	59,369	0.04
36,750	Foreign & Colonial Investment Trust	226,013	0.15
46,200	Greencoat UK Wind	56,225	0.04
17,815	JPMorgan American Investment Trust	68,944	0.05

Portfolio Statement continued

Holding/ Nominal Value	Investment	Market value £	% of Net Assets
	Equity Investment Instruments — (cont.)		
8,705	JPMorgan Emerging Markets Investment Trust	74,645	0.05
7,000	JPMorgan Indian Investment Trust	52,185	0.03
5,827	Mercantile Investment Trust	116,016	0.08
15,211	Monks Investment Trust	108,226	0.07
8,424	Murray International Trust	108,838	0.07
5,867	P2P Global Investments	49,605	0.03
16,908	Perpetual Income and Growth Investment Trust	64,183	0.04
120	Personal Assets Trust	49,140	0.03
9,266	Polar Capital Technology Trust	97,015	0.06
8,560	RIT Capital Partners	166,321	0.11
5,356	Scottish Investment Trust	44,214	0.03
89,831	Scottish Mortgage Investment Trust	389,058	0.25
5,035	Temple Bar Investment Trust	64,700	0.04
19,651	Templeton Emerging Markets Investment Trust	149,741	0.10
21,578	TR Property Investment Trust	79,342	0.05
11,313	Witan Investment Trust	117,203	0.08
51,216	Woodford Patient Capital Trust	49,039	0.03
3,242	Worldwide Healthcare Trust	83,060	0.05
		<hr/> 3,050,188	<hr/> 1.97
	Software & Computer Services — 0.76% (0.70%)		
5,047	AVEVA Group	96,801	0.06
2,710	Computacenter	27,561	0.02
4,000	FDM Group	36,540	0.02
2,903	Fidessa Group	60,237	0.04
15,712	Micro Focus International	359,962	0.23
73,958	Sage Group	514,748	0.33
6,506	Softcat	25,991	0.02
11,364	Sophos Group	57,161	0.04
		<hr/> 1,179,001	<hr/> 0.76
	IRELAND — 1.95% (2.04%)		
	Construction & Materials — 0.98% (1.00%)		
56,223	CRH	1,520,270	0.98
	General Industrials — 0.24% (0.22%)		
15,930	Smurfit Kappa Group	371,010	0.24
	Support Services — 0.34% (0.34%)		
5,759	DCC	403,994	0.26
15,154	Grafton Group	118,580	0.08
		<hr/> 522,574	<hr/> 0.34
	Food Producers — 0.06% (0.09%)		
47,998	Greencore Group	96,764	0.06

Portfolio Statement continued

Holding/ Nominal Value	Investment	Market value £	% of Net Assets
	Health Care Equipment & Services — 0.09% (0.07%)		
15,960	UDG Healthcare	133,106	0.09
	Travel & Leisure — 0.24% (0.32%)		
5,477	Paddy Power Betfair	370,245	0.24
	BERMUDA — 0.24% (0.24%)		
	Mining — 0.02% (0.03%)		
36,000	Petra Diamonds	33,642	0.02
	Nonlife Insurance — 0.22% (0.21%)		
18,376	Hiscox	235,764	0.15
14,640	Lancashire	101,162	0.07
		336,926	0.22
	CANADA — 0.04% (0.04%)		
	Media — 0.04% (0.04%)		
24,438	Entertainment One	58,529	0.04
	CAYMAN ISLANDS — 0.17% (0.14%)		
	Life Insurance — 0.13% (0.14%)		
26,068	Phoenix Group	203,461	0.13
	Equity Investment Instruments — 0.04% (0.00%)		
13,000	Dragon Capital - Vietnam Enterprise Investments	50,856	0.04
	CHANNEL ISLANDS — 6.77% (7.50%)		
	Oil Equipment, Services & Distribution — 0.05% (0.10%)		
17,792	Petrofac	71,808	0.05
	Mining — 2.31% (2.19%)		
75,364	Centamin	115,081	0.07
771,763	Glencore	2,803,429	1.82
17,982	Polymetal International	163,816	0.11
6,151	Randgold Resources	484,084	0.31
		3,566,410	2.31
	Industrial Transportation — 0.04% (0.00%)		
21,000	Stobart Group	60,774	0.04
	Support Services — 1.22% (1.25%)		
60,058	Experian	918,887	0.59
16,816	Ferguson	771,350	0.50
45,512	IWG	134,807	0.09
8,000	Sanne Group	60,600	0.04
		1,885,644	1.22
	Pharmaceuticals & Biotechnology — 1.45% (1.95%)		
58,977	Shire	2,237,292	1.45
	Media — 0.88% (1.23%)		
28,052	UBM	184,021	0.12

Portfolio Statement continued

Holding/ Nominal Value	Investment	Market value £	% of Net Assets
	Media — (cont.)		
82,664	WPP	1,173,829	0.76
		1,357,850	0.88
	Travel & Leisure — 0.04% (0.03%)		
2,374	Wizz Air	69,843	0.04
	Real Estate Investment & Services — 0.11% (0.08%)		
35,451	F&C Commercial Property Trust	53,176	0.04
6,857	Kennedy Wilson Europe Real Estate	76,593	0.05
39,626	UK Commercial Property Trust	35,822	0.02
		165,591	0.11
	Financial Services — 0.00% (0.11%)		
	Equity Investment Instruments — 0.67% (0.56%)		
49,026	3i Infrastructure	95,944	0.06
45,735	GCP Infrastructure Investments	57,352	0.04
7,541	Genesis Emerging Markets Fund	52,561	0.03
5,583	HarbourVest Global Private Equity	69,564	0.04
107,044	HICL Infrastructure	174,161	0.11
91,812	International Public Partnerships	148,552	0.10
57,187	John Laing Infrastructure Fund	78,518	0.05
73,791	NB Global Floating Rate Income Fund	69,769	0.05
12,900	Pershing Square	135,321	0.09
58,548	Renewables Infrastructure	63,466	0.04
3,815	Riverstone Energy	48,374	0.03
26,347	Syncona	43,077	0.03
		1,036,659	0.67
	GERMANY — 0.24% (0.23%)		
	Travel & Leisure — 0.24% (0.23%)		
29,055	TUI	377,134	0.24
	ISLE OF MAN — 0.33% (0.27%)		
	Support Services — 0.11% (0.08%)		
29,104	Paysafe Group	169,967	0.11
	Travel & Leisure — 0.22% (0.19%)		
20,759	GVC	161,090	0.11
18,506	Playtech	174,974	0.11
		336,064	0.22
	LUXEMBOURG — 0.11% (0.09%)		
	General Retailers — 0.11% (0.09%)		
47,725	B&M European Value Retail	175,389	0.11
	NETHERLANDS — 3.63% (3.48%)		
	Oil & Gas Producers — 3.63% (3.48%)		
263,830	Royal Dutch Shell 'A' (Dutch listing)	5,609,967	3.63

Portfolio Statement continued

Holding/ Nominal Value	Investment	Market value £	% of Net Assets
	SPAIN — 0.44% (0.41%)		
	Travel & Leisure — 0.44% (0.41%)		
111,304	International Consolidated Airlines Group	676,728	0.44
	SWITZERLAND — 0.22% (0.17%)		
	Beverages — 0.22% (0.17%)		
12,991	Coca-Cola HBC	344,262	0.22
	FUTURES CONTRACTS — 0.00% (0.01%)		
Portfolio of investments¹		151,885,892	98.33
Net other assets		2,582,361	1.67
Total net assets		£154,468,253	100.00%

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

Total purchases for the period: £4,001,582.

Total sales for the period: £6,528,322.

Financial Statements

Statement of Total Return for the period ended 31 August 2017

	31/08/17		31/08/16	
	£	£	£	£
Income				
Net capital gains		3,865,082		14,879,636
Revenue	3,544,450		3,501,311	
Expenses	(891,422)		(1,019,765)	
Interest payable and similar charges	(9)		(7)	
Net revenue before taxation	<u>2,653,019</u>		<u>2,481,539</u>	
Taxation	(492)		(1,504)	
Net revenue after taxation for the period		<u>2,652,527</u>		<u>2,480,035</u>
Total return before distributions		6,517,609		17,359,671
Distributions		<u>(2,652,527)</u>		<u>(2,480,034)</u>
Change in Unitholders' Funds from investment activities		<u>£3,865,082</u>		<u>£14,879,637</u>

Statements of Change in Unitholders' Funds for the period ended 31 August 2017

	31/08/17		31/08/16	
	£	£	£	£
Opening net assets		152,732,031		137,325,345
Amounts received on issue of units	66,588		-	
Amounts paid on cancellation of units	<u>(4,814,854)</u>		<u>(6,762,819)</u>	
		(4,748,266)		(6,762,819)
Change in Unitholders' Funds from investment activities		3,865,082		14,879,637
Retained distributions on accumulation units		2,619,406		2,427,710
Closing net assets		<u>£154,468,253</u>		<u>£147,869,873</u>

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

Financial Statements continued

Balance Sheet as at 31 August 2017

	31/08/17 £	28/02/17 £
ASSETS		
Fixed assets:		
Investments	151,885,892	150,686,937
Current assets:		
Debtors	1,200,739	1,349,197
Cash and bank balances	1,690,958	1,188,458
Total assets	154,777,589	153,224,592
LIABILITIES		
Creditors:		
Bank overdrafts	(95,676)	(88,544)
Other creditors	(213,660)	(404,017)
Total liabilities	(309,336)	(492,561)
Net Assets	£154,468,253	£152,732,031
Unitholders Funds'	£154,468,253	£152,732,031

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. Accounting Policies

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

(a) Basis of Preparation

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

Fund Information

Net Asset Values and Units in Issue

Class	Net Asset Value (£)	Units in Issue	Net Asset Value per Unit (p)
R-Class Accumulation Units	154,468,253	96,270,279	160.45

Past performance is not a guide to future performance.

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

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

Ongoing Charges Figures

	31 Aug 17	28 Feb 17
R-Class	0.98%	1.43%

The Ongoing Charges Figure (OCF) is the ratio of the Fund's total disclosable costs (excluding overdraft interest) and all costs suffered through holdings in underlying Collective Investment Schemes, to the average net assets of the Fund.

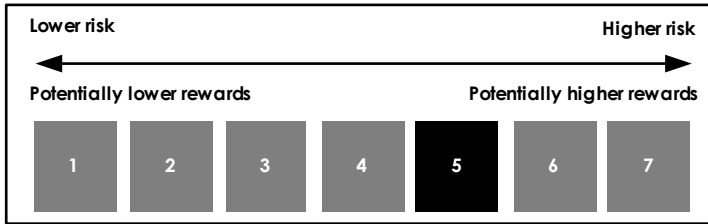
The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a fund and is calculated based on the last period's figures.

Distribution Information

R-Class

The distribution payable on 31 October 2017 is 2.7208p per unit for accumulation units.

Risk and Reward Profile



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

General Information

Constitution

Launch date:	26 February 1996
Period end dates for distributions:	28 February, 31 August
Distribution dates:	30 April, 31 October
Minimum initial lump sum investment:	£500
Minimum monthly contributions:	£50
Valuation point:	12 noon
Fund management fees:	Annual 0.82%†
Initial charge:	Nil†

† With effect from 6 June 2017 - See Significant Changes on page 24.

Pricing and Dealing

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

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

Buying and Selling Units

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

ISA Status

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

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

Prospectus and Manager's Reports

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.

General Information continued

Information on Tracking Error

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

Using monthly returns, over the review period, the annualised Tracking Error of the Fund is 0.05%, whilst over the last three years to the end of August 2017 the annualised Tracking Error of the Fund is 0.14%. These Tracking Errors are within the anticipated Tracking Error levels set out in the Fund's Prospectus of +/-0.50% per annum.

Dual Pricing Arrangement

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

Significant Changes

Change of Fund Management Fees (FMF)

With effect from 6 June 2017, the FMF was reduced from 1.43% to 0.82%.

Removal of Initial Charge

With effect from 6 June 2017, the initial charge has been removed. Prior to this change the initial charge was 3%. The removal of the initial charge will provide better value for investors, as there is no longer a cost of setting up the investments.

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
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 Depositary Services
50 Bank Street,
Canary Wharf,
London E14 5NT

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

Independent Auditors

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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London EC2R 5AA
www.legalandgeneral.com

