

Legal & General UK Mid Cap Index Fund
Annual Manager's Report
for the year ended
31 October 2019



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

Manager's Investment Report

Investment Objective and Policy

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

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

Prior to 7 August 2019

The investment objective of this Fund is to track the capital performance of the UK equity market, as represented by the FTSE 250 excluding Investment Trusts Index.

The Fund will invest primarily in the equities that make up the constituents of the FTSE 250 excluding Investment Trusts Index. Securities in the FTSE 250 excluding Investment Trusts Index will be held with weightings generally proportionate to their company's market capitalisation.

The Fund may also invest in other transferable securities, permitted deposits, money market instruments, cash, near cash and units in collective investment schemes. The Fund may hold derivatives for the purposes of Efficient Portfolio Management.

From time to time non Index constituents may be held as a result of a corporate action or Index changes and these holdings will be sold or transferred as soon as reasonably practical.

From 7 August 2019

The objective of the Fund is to provide growth by tracking the capital performance of the FTSE 250 excluding Investment Trusts Index, the "Benchmark Index". This objective is after the deduction of charges and taxation.

The Benchmark Index is comprised of shares in all eligible middle capitalisation companies (excluding investment trusts) listed on the London Stock Exchange's (LSE) main market, which pass screening for size and liquidity in accordance with the Index provider's methodology.

The Fund is a Replicating Fund as it seeks to replicate as closely as possible the constituents of the Benchmark Index by holding all, or substantially all, of the assets comprising the Benchmark Index in similar proportions to their weightings in the Benchmark Index. The Fund will have at least 80% exposure to assets that are included in the Benchmark Index.

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

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

Manager's Investment Report continued

Manager's Investment Report

During the year under review, the price of the Fund's I-Class distribution units rose by 5.49%. FTSE, the Index compiler, calculates the Benchmark Index at the end of the business day using closing prices, whereas the Fund is valued using prevailing prices at 12 noon. Therefore, for tracking purposes the Fund has been revalued using closing prices. On this basis, over the review year, the Fund rose by 5.11% on a capital only basis compared with the FTSE 250 excluding Investment Trust Index rise of 5.53% (Source: Bloomberg), producing a tracking difference of -0.42%.

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.

The FTSE 250 excluding Investment Trusts Index is calculated by FTSE International Limited ("FTSE"). FTSE does not sponsor, endorse or promote this product.

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Market/Economic Review

Over the last 12 months, global economic indicators have highlighted a synchronised slowdown, although activity continues to expand. The closely-watched global manufacturing Purchasing Managers' (PMI) Composite Index fell back to its lowest level for three and a half years in February. This was partly a result of the US-China trade dispute, but also reflective of a slowdown in the Chinese economy. Worldwide, inflationary pressures have remained subdued by historical standards. Having risen to its highest level in four years in early October 2018, the oil price (Brent crude) declined sharply to just over \$50 per barrel in December, its lowest level for 15 months, driven by increased levels of supply, notably US inventories, before rallying during the opening quarter of 2019.

In the UK, economic and political uncertainty has heightened over the last 12 months, with precariousness as to the outcome of Brexit negotiations and the implications for future trade with the EU. The risk of a disorderly Brexit increased with the new Prime Minister emphasising the desire to leave the EU 'come what may' by the end of October. The UK economy shrank during the second quarter of 2019 for the first time in almost seven years, as stockpiling activity slowed and Brexit uncertainty intensified against a backdrop of weaker global growth.

As a result domestically focused FTSE Mid 250 Index (+5.83%) outperformed the more globally focused FTSE 100 Index (+1.69%) and outperformed the tail end of the FTSE All-Share, the FTSE Small Cap Index (+2.29%) (Source: Rimes).

Over the review year, major sectors such as Technology Hardware and Equipment (+68.19%), Food and Drug Retailers (+55.59%) and Leisure Goods (+45.60%) showed the largest positive returns; whilst the most underperforming sectors were Automobiles & Parts (-53.13%), Oil Equipment, Services & Distribution (-46.56%) and Banks (-44.84%).

Manager's Investment Report continued

Fund Review

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

There were four Index rebalances during the year under review. At the semi-annual Index review in December 2018, there were six additions and nine deletions to the Index. Just Eat and Royal Mail were demoted from the FTSE 100. McCarthy & Stone, Aston Martin Lagonda Global, Funding Circle and Acacia Mining were added from the FTSE SmallCap. Spirax-Sacro Engineering, Hiscox and Hikma Pharmaceutical were promoted to the FTSE 100 Index. Kier Group, AA, Thomas Cook, On The Beach Group, Keller and Spire Healthcare Group were demoted to the FTSE SmallCap. There were 19 changes to the free share capital of constituents with the largest increases being Polymetal International, RHI Magnesita and Avast. The largest decreases being Phoenix Group, Hammerson and Howden Joinery Group.

At the quarterly Index review in March 2019 there were five additions and four deletions to the Index. John Wood Group and GVC were demoted from the FTSE 100, whilst, Kier Group, Pets at Home Group and AJ Bell were all promoted from the FTSE SmallCap. Just Eat and Phoenix Group were promoted to the FTSE 100 Index, whilst, Halfords and Superdry were demoted to the FTSE SmallCap. There were 16 changes to the free share capital of constituents with the largest increases being Playtech, Polymetal International and Genus. The largest decreases were KAZ Minerals, Great Portland Estates and Drax Group.

At the annual Index review in June 2019 there were nine additions and nine deletions to the Index. Hikma Pharmaceuticals and easyJet were demoted from the FTSE 100 Index, whilst, Just Group, Civitas Social Housing, 888, Saga, Stobart Group, Indivior and Kier Group were demoted to the FTSE Small Cap Index. Aveva Group and JD Sports Fashion were promoted to the FTSE 100 Index, whilst, 4imprint, Martsons, PayPoint and Kainos were promoted from the FTSE Small Cap Index. Network International, Future and PPHE Hotel Group were new entrants to the FTSE universe. There were 87 changes to the free shares capital of constituents with the largest increases being Games Workshop Group, Entertainment One and Aston Martin Lagonda Global. The largest decreases being Shaftesbury, Howden Joinery Group and Great Portland Estates.

At the quarterly Index review in September 2019 there were eight additions and eight deletions to the Index. Direct Line, Micro Focus International and Marks & Spencer Group were demoted from the FTSE 100 Index, whilst, Metro Bank, Intu Properties, Ted Baker, Funding Circle and Amigo were demoted to the FTSE Small Cap Index. Meggitt, Polymetal International and Hikma Pharmaceutical were promoted to the FTSE 100 Index, whilst, Sirius Real Estate was promoted from the FTSE Small Cap Index. Trainline, Airtel Africa and Finabl were added to the FTSE universe.

There were 14 changes to the free share capital of constituents with the largest increases being AJ Bell, LondonMetric Property and Energean Oil & Gas. The largest decreases being RHI Magnesita, Inchcape and Great Portland Estates.

Other significant corporate actions included; the free floats increasing as a result of a secondary placing for Avast, whilst Daily Mail & General Trust (Non-constituent) distributed additional shares in Euromoney Institutional Investor. The Index weights increased as a result of primary placings for Big Yellow Group and Just Group.

Manager's Investment Report continued

Greencore Group had a significant tender offer, reducing the size of the company by 37%, whilst Primary Health Properties increased its weight following the merger with Medix from the FTSE SmallCap Index. RPC Group, BTG, Green King, Jardine Lloyd Thompson Group and Dairy Crest Group were all acquired for cash and subsequently removed. Charter Court Financial Services merged with OneSavings Bank and GCP Student Living, Oxford Instruments and PureTech Health were resulting promotions. Just Eat was demoted to the Index pushing Sirius Minerals down to the FTSE SmallCap Index.

At the end of the review year the Fund had holdings in all of the 189 companies in the Index. The three largest stocks in the Index at the end of the review year were GVC (1.73%), Just Eat (1.42%) and Intermediate Capital Group (1.39%).

Outlook

Despite above-target inflation, the Bank of England will be wary to hike again in the midst of a congested Brexit timetable. Our expectation is for the UK base rate to remain at 0.75% as we head into 2020, with the US Fed recently reducing their interest rates for a third time since 2008. Better fiscal position opens up space for further easing in the UK, more likely to be deployed in 2020, e.g. NHS spending. We have maintained our UK economic growth (GDP) rate expectation at 1.4% in 2019 and 1.5% in 2020. The December election resulted in a Conservative majority of 80 seats which should make it relatively straightforward for Boris Johnson to get his deal through by the new 31st January 2020 deadline. The Pound has recently strengthened on the hopes a deal is now in sight.

The Fund remains well positioned to capture the market performance.

Legal & General Investment Management Limited
(Investment Adviser)
17 December 2019

Authorised Status

Authorised Status

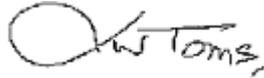
This Fund is an Authorised Unit Trust Scheme as defined in section 243 of the Financial Services and Markets Act 2000 and is a UCITS Retail Scheme within the meaning of the FCA Collective Investment Schemes sourcebook.

Directors' Statement

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



A. J. C. Craven
(Director)



L. W. Toms
(Director)

Legal & General (Unit Trust Managers) Limited
20 December 2019

Statement of Responsibilities

Statement of the Manager's Responsibilities

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

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

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

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

Statement of Responsibilities continued

Statement of the Trustee's Responsibilities

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

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

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

The Depositary must ensure that:

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

Report of the Trustee

Report of the Trustee to the Unitholders of the Legal & General UK Mid Cap Index Fund ("the Fund") for the year ended 31 October 2019

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

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

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

Northern Trust Global Services SE UK Branch
UK Trustee and Depositary Services
20 December 2019

Portfolio Statement

Portfolio Statement as at 31 October 2019

All investments are in ordinary shares unless otherwise stated. The percentages in brackets show the equivalent holdings at 31 October 2018.

Holding/ Nominal Value	Investment	Market Value £	% of Net Assets
	EQUITIES — 98.16% (96.99%)		
	UNITED KINGDOM		
	— 87.75% (85.30%)		
	Oil & Gas Producers		
	— 1.79% (1.84%)		
514,975	Cairn Energy	899,147	0.33
86,953	Energean Oil & Gas	771,273	0.29
717,916	Premier Oil	601,470	0.22
1,235,298	Tullow Oil	2,541,008	0.95
		4,812,898	1.79
	Oil Equipment, Services & Distribution — 0.90% (0.34%)		
125,136	Hunting	487,780	0.18
589,244	John Wood Group	1,939,791	0.72
		2,427,571	0.90
	Chemicals — 1.17% (1.84%)		
509,013	Elementis	737,560	0.28
295,174	Synthomer	815,861	0.30
72,666	Victrex	1,582,665	0.59
		3,136,086	1.17
	Industrial Metals & Mining — 0.12% (0.20%)		
259,388	Ferrexpo	321,122	0.12
	Mining — 0.50% (0.53%)		
221,806	Hochschild Mining	440,063	0.16
196,293	KAZ Minerals	916,885	0.34
		1,356,948	0.50
	Construction & Materials — 1.56% (1.81%)		
608,557	Balfour Beatty	1,365,602	0.51
342,834	Ibstock	832,401	0.31
175,703	Marshalls	1,261,547	0.47
166,614	Polypipe Group	746,764	0.27
		4,206,314	1.56
	Aerospace & Defense — 3.43% (4.49%)		
446,726	Babcock International Group	2,445,378	0.91
2,120,756	Cobham	3,350,794	1.25
492,751	QinetiQ	1,548,224	0.57
371,792	Senior	680,379	0.25
61,584	Ultra Electronics	1,206,431	0.45
		9,231,206	3.43

Portfolio Statement continued

Holding/ Nominal Value	Investment	Market Value £	% of Net Assets
	General Industrials — 0.63% (1.78%)		
1,266,045	Coats Group	927,378	0.35
189,120	Vesuvius	759,884	0.28
		<hr/>	<hr/>
		1,687,262	0.63
	Electronic & Electrical Equipment — 1.78% (1.57%)		
250,840	Morgan Advanced Materials	596,498	0.22
47,285	Oxford Instruments	610,922	0.23
30,351	Renishaw	1,141,805	0.42
102,696	Spectris	2,453,407	0.91
		<hr/>	<hr/>
		4,802,632	1.78
	Industrial Engineering — 3.71% (5.50%)		
166,443	Bodycote	1,196,725	0.45
70,190	Hill & Smith	922,297	0.34
238,202	IMI	2,404,649	0.89
772,010	Rotork	2,336,874	0.87
229,647	The Weir Group	3,128,941	1.16
		<hr/>	<hr/>
		9,989,486	3.71
	Industrial Transportation — 2.17% (1.23%)		
909,068	BBA Aviation	2,779,930	1.04
21,938	Clarkson	620,845	0.23
36,279	James Fisher & Sons	699,459	0.26
814,149	Royal Mail	1,725,996	0.64
		<hr/>	<hr/>
		5,826,230	2.17
	Support Services — 11.46% (9.69%)		
213,357	Aggreko	1,673,999	0.62
663,680	BCA Marketplace	1,566,285	0.58
1,469,167	Capita Group	2,322,753	0.86
98,001	Diploma	1,543,516	0.58
394,159	Electrocomponents	2,697,624	1.00
286,888	Equiniti Group	623,121	0.23
231,697	Essentra	902,228	0.34
158,153	Finabl	246,719	0.09
1,373,730	G4S	2,838,126	1.06
1,194,917	Hays	1,871,240	0.70
242,464	HomeServe	2,822,281	1.05
512,092	Howden Joinery Group	2,965,013	1.10
273,950	Network International	1,479,330	0.55
276,823	PageGroup	1,239,613	0.46
57,882	PayPoint	533,672	0.20
1,073,143	Serco Group	1,673,030	0.62
525,642	SIG	590,296	0.22
223,789	Travis Perkins	3,221,442	1.20
		<hr/>	<hr/>
		30,810,288	11.46

Portfolio Statement continued

Holding/ Nominal Value	Investment	Market Value £	% of Net Assets
	Automobiles & Parts — 0.22% (0.13%)		
51,759	Aston Martin Lagonda Global	217,491	0.08
200,849	TI Fluid Systems	367,554	0.14
		<hr/> 585,045	<hr/> 0.22
	Beverages — 1.02% (0.90%)		
73,191	A.G. Barr	405,478	0.15
234,465	Britvic	2,327,065	0.87
		<hr/> 2,732,543	<hr/> 1.02
	Food Producers — 1.84% (2.04%)		
126,546	Bakkavor Group	148,818	0.05
45,484	Cranswick	1,418,191	0.53
56,697	Hilton Food Group	585,113	0.22
414,670	Tate & Lyle	2,787,412	1.04
		<hr/> 4,939,534	<hr/> 1.84
	Household Goods & Home Construction — 3.60% (3.06%)		
109,446	Bellway	3,474,911	1.29
119,229	Bovis Homes Group	1,393,787	0.52
392,796	Countryside Properties	1,387,355	0.52
219,328	Crest Nicholson	834,324	0.31
95,856	Galliford Try	695,435	0.26
471,225	McCarthy & Stone	686,104	0.25
201,657	Redrow	1,224,058	0.45
		<hr/> 9,695,974	<hr/> 3.60
	Leisure Goods — 0.48% (0.31%)		
28,744	Games Workshop Group	1,280,833	0.48
	Personal Goods — 0.20% (0.48%)		
166,060	PZ Cussons	331,456	0.12
70,592	Watches of Switzerland Group	203,658	0.08
		<hr/> 535,114	<hr/> 0.20
	Health Care Equipment & Services — 1.42% (1.41%)		
1,300,082	ConvaTec Group	2,550,111	0.95
347,109	Mediclinic International	1,264,171	0.47
		<hr/> 3,814,282	<hr/> 1.42
	Pharmaceuticals & Biotechnology — 1.61% (3.27%)		
88,331	Dechra Pharmaceuticals	2,349,605	0.87
57,691	Genus	1,646,501	0.61
136,376	PureTech Health	342,304	0.13
		<hr/> 4,338,410	<hr/> 1.61
	Food & Drug Retailers — 0.58% (0.38%)		
88,237	Greggs	1,567,089	0.58
	General Retailers — 5.69% (3.86%)		
280,693	Card Factory	487,564	0.18

Portfolio Statement continued

Holding/ Nominal Value	Investment	Market Value £	% of Net Assets
	General Retailers — (cont.)		
890,300	Dixons Carphone	1,194,783	0.44
86,590	Dunelm Group	697,049	0.26
359,041	Inchcape	2,348,128	0.87
485,000	Just Eat	3,567,660	1.33
1,732,313	Marks & Spencer Group	3,158,007	1.17
421,844	Pets at Home Group	874,904	0.33
170,595	Sports Direct International	528,844	0.20
339,774	Vivo Energy	413,845	0.15
94,495	WH Smith	2,042,982	0.76
		<hr/>	
		15,313,766	5.69
		<hr/>	
	Media — 2.23% (2.50%)		
24,576	4imprint	729,907	0.27
350,208	Ascential	1,219,424	0.45
94,098	Euromoney Institutional Investor	1,328,664	0.50
75,869	Future	1,139,552	0.42
459,868	Moneysupermarket.com	1,571,829	0.59
		<hr/>	
		5,989,376	2.23
		<hr/>	
	Travel & Leisure — 8.44% (7.06%)		
895,146	Cineworld Group	1,989,014	0.74
410,048	Domino's Pizza Group	1,173,557	0.44
219,616	easyJet	2,695,786	1.00
380,028	El Group	1,070,919	0.40
1,075,433	FirstGroup	1,400,214	0.52
38,273	Go-Ahead Group	787,658	0.29
61,693	J D Wetherspoon	911,206	0.34
556,590	Marston's	680,710	0.25
628,173	Merlin Entertainments	2,856,303	1.06
192,971	Mitchells & Butlers	816,267	0.30
374,842	National Express Group	1,683,790	0.63
153,490	Rank Group	376,818	0.14
420,035	Restaurant	567,887	0.21
389,661	SSP Group	2,400,312	0.89
363,020	Stagecoach Group	502,057	0.19
300,774	Trainline	1,249,716	0.47
773,636	William Hill	1,528,318	0.57
		<hr/>	
		22,690,532	8.44
		<hr/>	
	Fixed Line Telecommunications — 0.47% (0.50%)		
592,955	TalkTalk Telecom Group	658,773	0.24
50,822	Telecom Plus	610,881	0.23
		<hr/>	
		1,269,654	0.47
		<hr/>	
	Mobile Telecommunications — 1.01% (0.69%)		
721,935	Airtel Africa	456,624	0.17
410,834	Inmarsat	2,253,835	0.84
		<hr/>	
		2,710,459	1.01
		<hr/>	

Portfolio Statement continued

Holding/ Nominal Value	Investment	Market Value £	% of Net Assets
	Electricity — 0.52% (0.64%)		
156,680	ContourGlobal	334,512	0.13
350,125	Drax Group	1,057,377	0.39
		<hr/>	<hr/>
		1,391,889	0.52
	Gas, Water & Multi-utilities — 1.24% (1.05%)		
372,316	Pennon Group	3,330,739	1.24
	Banks — 1.56% (2.87%)		
33,478	Bank of Georgia Group	431,197	0.16
133,518	Close Brothers Group	1,841,213	0.69
1,097,741	CYBG	1,508,296	0.56
31,189	TBC Bank Group	404,833	0.15
		<hr/>	<hr/>
		4,185,539	1.56
	Nonlife Insurance — 2.67% (2.06%)		
462,374	Beazley	2,721,071	1.01
1,221,876	Direct Line	3,355,272	1.25
272,666	Hastings Group	496,797	0.18
205,526	Sabre Insurance	605,274	0.23
		<hr/>	<hr/>
		7,178,414	2.67
	Life Insurance — 0.00% (0.27%)		
	Real Estate Investment & Services — 2.02% (1.71%)		
652,142	Capital & Counties Properties	1,679,266	0.63
137,520	CLS	352,739	0.13
4,480	Daejan	219,296	0.08
532,536	Grainger	1,382,463	0.51
117,104	Savills	1,083,212	0.40
156,420	St. Modwen Properties	714,839	0.27
		<hr/>	<hr/>
		5,431,815	2.02
	Real Estate Investment Trusts — 8.90% (8.04%)		
2,091,268	Assura	1,570,542	0.58
135,674	Big Yellow Group	1,549,397	0.58
89,016	Derwent London	3,176,091	1.18
362,240	GCP Student Living	633,920	0.23
233,518	Great Portland Estates	1,860,671	0.69
680,827	Hammerson	1,991,419	0.74
718,671	LondonMetric Property	1,671,629	0.62
266,819	NewRiver REIT	540,309	0.20
997,484	Primary Health Properties	1,414,432	0.53
181,183	Safestore	1,287,305	0.48
197,395	Shaftesbury	1,881,174	0.70
1,512,764	Tritax Big Box	2,290,325	0.85
253,749	UNITE Group	2,874,976	1.07
118,368	Workspace Group	1,207,354	0.45
		<hr/>	<hr/>
		23,949,544	8.90

Portfolio Statement continued

Holding/ Nominal Value	Investment	Market Value £	% of Net Assets
	Financial Services — 8.89% (9.01%)		
228,148	AJ Bell	849,851	0.32
342,259	Ashmore Group	1,587,397	0.59
256,278	Brewin Dolphin	852,893	0.32
322,147	IG Group	2,050,144	0.76
169,825	IntegraFin	629,202	0.23
246,599	Intermediate Capital Group	3,659,529	1.36
589,540	Investec	2,579,827	0.96
891,494	IP Group	503,694	0.19
437,640	John Laing Group	1,601,762	0.60
367,701	Jupiter Fund Management	1,267,833	0.47
330,841	OneSavings Bank	1,194,998	0.44
227,886	Paragon Banking Group	1,146,267	0.43
225,130	Provident Financial	998,902	0.37
1,651,011	Quilter	2,256,932	0.84
48,833	Rathbone Brothers	1,023,051	0.38
19,053	Sole Realisation (SVG Capital) ¹	—	—
500,070	TP ICAP	1,704,239	0.63
		23,906,521	8.89
	Software & Computer Services — 3.53% (2.00%)		
466,233	Avast	1,940,462	0.72
63,105	Computacenter	866,432	0.32
75,069	FDM Group	545,001	0.20
48,589	Kainos	251,691	0.10
299,217	Micro Focus International	3,189,653	1.19
109,175	Softcat	1,024,607	0.38
296,166	Sophos	1,673,338	0.62
		9,491,184	3.53
	Technology Hardware & Equipment — 0.39% (0.24%)		
534,772	Spirent Communications	1,063,127	0.39
	IRELAND — 1.53% (1.50%)		
	Support Services — 0.56% (0.52%)		
192,912	Grafton Group	1,506,643	0.56
	Food Producers — 0.34% (0.45%)		
393,613	Greencore Group	916,331	0.34
	Health Care Equipment & Services — 0.63% (0.53%)		
220,852	UDG Healthcare	1,699,456	0.63
	BERMUDA — 0.47% (1.90%)		
	Nonlife Insurance — 0.47% (1.90%)		
178,310	Lancashire	1,270,459	0.47
	CANADA — 0.70% (0.49%)		
	Media — 0.70% (0.49%)		
338,268	Entertainment One	1,879,079	0.70

Portfolio Statement continued

Holding/ Nominal Value	Investment	Market Value £	% of Net Assets
	CAYMAN ISLANDS — 0.00% (1.16%)		
	Life Insurance — 0.00% (1.16%)		
	CHANNEL ISLANDS — 3.99% (4.08%)		
	Oil Equipment, Services & Distribution — 0.33% (0.50%)		
229,618	Petrofac	891,607	0.33
	Mining — 0.41% (0.93%)		
959,623	Centamin	1,099,248	0.41
	Industrial Transportation — 0.00% (0.21%)		
	Support Services — 1.09% (0.74%)		
593,746	IWG	2,273,453	0.84
120,330	Sanne Group	659,408	0.25
		2,932,861	1.09
	Travel & Leisure — 0.83% (0.48%)		
18,716	PPHE Hotel Group	344,375	0.13
49,224	Wizz Air	1,882,818	0.70
		2,227,193	0.83
	Real Estate Investment & Services — 0.43% (0.23%)		
463,825	BMO Commercial Property Trust	548,241	0.20
829,413	Sirius Real Estate	608,789	0.23
		1,157,030	0.43
	Real Estate Investment Trusts — 0.19% (0.19%)		
573,895	UK Commercial Property Trust	506,749	0.19
	Financial Services — 0.71% (0.80%)		
1,335,036	Man Group	1,905,764	0.71
	GIBRALTAR — 0.00% (0.16%)		
	Travel & Leisure — 0.00% (0.16%)		
	ISLE OF MAN — 2.08% (0.47%)		
	Travel & Leisure — 2.08% (0.47%)		
513,434	GVC	4,510,004	1.68
272,092	Playtech	1,080,478	0.40
		5,590,482	2.08
	ISRAEL — 0.30% (0.44%)		
	Financial Services — 0.30% (0.44%)		
97,549	Plus500	792,293	0.30
	LUXEMBOURG — 1.03% (1.19%)		
	General Retailers — 1.03% (1.19%)		
755,622	B&M European Value Retail	2,773,888	1.03
	NETHERLANDS — 0.31% (0.30%)		
	Industrial Engineering — 0.31% (0.30%)		
24,254	RHI Magnesita	837,248	0.31

Portfolio Statement continued

Holding/ Nominal Value	Investment	Market Value £	% of Net Assets
	FUTURES CONTRACTS — -0.01% (-0.21%)		
105	FTSE 250 Index Future Expiry December 2019	(12,450)	(0.01)
Portfolio of investments^{2,3}		263,973,307	98.15
Net other assets		4,964,847	1.85
Total net assets		£268,938,154	100.00%

¹ Delisted securities are valued at the Manager's best assessment of their fair and reasonable value.

² All investments are admitted to an official stock exchange unless otherwise stated.

³ Including investment liabilities.

Total purchases for the year: £169,743,387.

Total sales for the year: £124,774,523.

Independent Auditor's Report

Independent auditor's report to the Unitholders of Legal & General UK Mid Cap Index Fund ('the Fund')

Opinion

We have audited the financial statements of the Fund for the year ended 31 October 2019 which comprise the Statement of Total Return, the Statement of Changes in Net Assets Attributable to Unitholders, the Balance Sheet, the Related Notes and Distribution Tables for the Fund and the accounting policies set out on pages 23 to 24.

In our opinion, the financial statements:

- give a true and fair view, in accordance with UK accounting standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland, of the financial position of the Fund as at 31 October 2019 and of the net revenue and the net capital gains and losses on the property of the Fund for the year then ended; and
- have been properly prepared in accordance with the Trust Deed, the Statement of Recommended Practice relating to UK Authorised Funds, and the COLL Rules.

Basis for opinion

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

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

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

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

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

Going concern

The Manager has prepared the financial statements on the going concern basis as they do not intend to liquidate the Fund to cease their operations, and as they have concluded that the Fund's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over their ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

Independent Auditor's Report continued

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the Manager's conclusions, we considered the inherent risks to the Fund's business model, including the impact of Brexit, and analysed how those risks might affect the Fund's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the Fund will continue in operation.

Other information

The Manager (Legal & General (Unit Trust Managers) Limited) is responsible for the other information presented in the Annual Manager's Report together with the financial statements. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the other information; and
- in our opinion the information given in Manager's Report for the financial year is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where under the COLL Rules we are required to report to you if, in our opinion:

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

Manager's responsibilities

As explained more fully in their statement set out on page 7, the Manager is responsible for: the preparation of financial statements that give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Fund or to cease operations, or have no realistic alternative but to do so.

Independent Auditor's Report continued

Auditor's responsibilities

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

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

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

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

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

Financial Statements

Statement of Total Return for the year ended 31 October 2019

Notes	31/10/19		31/10/18	
	£	£	£	£
Income				
Net capital gains/ (losses)	3	13,933,947		(18,103,623)
Revenue	4	9,580,940	5,675,729	
Expenses	5	(165,907)	(100,942)	
Interest payable and similar charges	7	(1,751)	(6)	
Net revenue before taxation		<u>9,413,282</u>	<u>5,574,781</u>	
Taxation	6	(199,417)	(116,678)	
Net revenue after taxation for the year		<u>9,213,865</u>	<u>5,458,103</u>	
Total return before distributions		<u>23,147,812</u>	<u>(12,645,520)</u>	
Distributions	7	(9,213,701)	(5,458,108)	
Change in net assets attributable to Unitholders from investment activities		<u>£13,934,111</u>	<u>£(18,103,628)</u>	

Statement of Change in Net Assets attributable to Unitholders for the year ended 31 October 2019

	31/10/19		31/10/18	
	£	£	£	£
Opening net assets attributable to Unitholders		211,610,505		166,341,404
Amounts received on issue of units	125,704,658		65,543,892	
Amounts paid on cancellation of units	<u>(83,828,658)</u>		<u>(2,766,126)</u>	
		41,876,000		62,777,766
Change in net assets attributable to Unitholders from investment activities		13,934,111		(18,103,628)
Retained distributions on accumulation units		<u>1,517,538</u>		<u>594,963</u>
Closing net assets attributable to Unitholders		<u>£268,938,154</u>		<u>£211,610,505</u>

Financial Statements continued

Balance Sheet as at 31 October 2019

	Notes	31/10/19 £	31/10/18 £
ASSETS			
Fixed assets:			
Investments		263,985,757	205,234,081
Current assets:			
Debtors	8	5,196,915	1,167,685
Cash and bank balances	9	4,039,174	8,830,662
Total assets		<u>273,221,846</u>	<u>215,232,428</u>
LIABILITIES			
Investment liabilities		(12,450)	(445,150)
Creditors:			
Distributions payable		(3,833,877)	(3,091,396)
Other creditors	10	(437,365)	(85,377)
Total liabilities		<u>(4,283,692)</u>	<u>(3,621,923)</u>
Net assets attributable to Unitholders		<u>£268,938,154</u>	<u>£211,610,505</u>

Notes to the Financial Statements

1. Statement of Compliance

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

2. Summary of Significant Accounting Policies

(a) Basis of Preparation

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

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

(b) Functional and Presentation Currency

The functional and presentation currency of the Fund is Sterling.

(c) Recognition of Revenue

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

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

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

Revenue from derivative instruments is treated in accordance with note 2(h).

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

All other revenue is recognised on an accruals basis.

(d) Treatment of Expenses

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

Notes to the Financial Statements continued

2. Summary of Significant Accounting Policies continued

(e) Distribution Policy

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

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

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

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

(f) Basis of Valuation of Investments

All investments are valued at their fair value as at 12 noon on 31 October 2019, being the last working day of the accounting year. The fair value for non-derivative securities is bid market price. The fair value for derivative instruments is the cost of closing out the contract on the last working day of the accounting year.

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) Derivative Instruments

The Fund may make use of financial derivative instruments for Efficient Portfolio Management (EPM) purposes. EPM aims to reduce risk, reduce costs, or generate additional capital or income for the Fund with an acceptably low level of risk. These aims allow for tactical asset allocation, which is a temporary switch in investment exposure through the use of derivatives rather than trading the underlying securities.

Derivative instruments held within the Fund have been accounted for and taxed in accordance with the Statement of Recommended Practice for Authorised Funds (IA SORP 2014). Returns on derivative transactions have been treated as either revenue or capital depending on the motives and circumstances on acquisition.

Notes to the Financial Statements continued

3. Net capital gains/(losses)

	31/10/19	31/10/18
	£	£
The net capital gains/(losses) during the year comprise:		
Non-derivative securities	13,954,562	(17,764,585)
Derivative securities	(18,541)	(341,870)
Forward currency contracts	—	9,065
Currency losses	<u>(2,074)</u>	<u>(6,233)</u>
Net capital gains/(losses)	<u>13,933,947</u>	<u>(18,103,623)</u>

4. Revenue

	31/10/19	31/10/18
	£	£
UK Franked dividends	7,483,205	4,122,272
Taxable overseas dividends	67,499	—
Non-taxable overseas dividends	868,591	686,976
Property dividend distributions	196,050	106,040
Property interest distributions	587,516	408,973
Futures revenue	149,545	143,384
Franked stock dividends	82,327	174,471
Unfranked stock dividends	124,948	22,415
Underwriting commission	4,780	10,882
Bank interest	<u>16,479</u>	<u>316</u>
	<u>9,580,940</u>	<u>5,675,729</u>

5. Expenses

	31/10/19	31/10/18
	£	£
Payable to the Manager, associates of the Manager and agents of either of them:		
Fund management fees	<u>165,907</u>	<u>100,942</u>
Total expenses	<u>165,907</u>	<u>100,942</u>

Audit fees of £9,167 plus VAT of £1,833 have been borne by the Manager out of its fund management fee. In the prior year, the total audit fee was £8,900 plus VAT of £1,780.

Notes to the Financial Statements continued

6. Taxation

(a) Analysis of taxation charge in year

	31/10/19	31/10/18
	£	£
Corporation tax	145,002	91,659
Overseas tax	48,765	19,674
Current tax [note 6(b)]	193,767	111,333
Deferred tax [note 6(c)]	5,650	5,345
Total taxation	<u>199,417</u>	<u>116,678</u>

(b) Factors affecting taxation charge for the year

The current tax charge excludes capital gains and losses for the reason that Authorised Unit Trusts are not subject to Corporation Tax on these items. Current tax differs from taxation assessed on net revenue before taxation as follows:

Net revenue before taxation	<u>9,413,282</u>	<u>5,574,781</u>
Net revenue before taxation multiplied by the applicable rate of Corporation tax of 20% (2018: 20%)	1,882,656	1,114,956
Effects of:		
DTR expensed	(5,971)	—
Overseas tax	48,765	19,674
Revenue not subject to taxation	<u>(1,731,683)</u>	<u>(1,023,297)</u>
Current tax	<u>193,767</u>	<u>111,333</u>

(c) Provision for deferred tax

Deferred tax	5,650	5,345
Provision at start of year	5,345	—
Settled	<u>(5,345)</u>	<u>—</u>
Provision at end of year	<u>5,650</u>	<u>5,345</u>

Notes to the Financial Statements continued

7. Distributions

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

	31/10/19	31/10/18
	£	£
Interim distribution	4,376,937	2,362,358
Final distribution	<u>4,640,293</u>	<u>3,505,929</u>
	9,017,230	5,868,287
Add: Revenue deducted on cancellation of units	1,015,742	17,382
Less: Revenue received on creation of units	<u>(819,271)</u>	<u>(427,561)</u>
Distributions for the year	9,213,701	5,458,108
Interest payable and similar charges		
Bank overdraft interest	<u>1,751</u>	<u>6</u>
	<u>9,215,452</u>	<u>5,458,114</u>

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

	31/10/19	31/10/18
	£	£
Net revenue after taxation for the year	9,213,865	5,458,103
Equalisation effect of conversions	<u>(164)</u>	<u>5</u>
Distributions for the year	9,213,701	5,458,108

8. Debtors

	31/10/19	31/10/18
	£	£
Accrued revenue	779,084	590,111
Amounts receivable for creation of units	2,088,212	340,992
Overseas tax recoverable	16,250	6,812
PID tax recoverable	—	2,582
Sales awaiting settlement	<u>2,313,369</u>	<u>227,188</u>
	<u>5,196,915</u>	<u>1,167,685</u>

Notes to the Financial Statements continued

9. Net uninvested cash

	31/10/19	31/10/18
	£	£
Amounts held at futures clearing houses and brokers	108,837	712,472
Cash and bank balances	<u>3,930,337</u>	<u>8,118,190</u>
Net uninvested cash	<u>4,039,174</u>	<u>8,830,662</u>

10. Other creditors

	31/10/19	31/10/18
	£	£
Accrued expenses	15,052	10,454
Amounts payable for cancellation of units	294,003	23,919
Corporation tax payable	81,001	45,659
Deferred tax	5,650	5,345
Purchases awaiting settlement	<u>41,659</u>	<u>—</u>
	<u>437,365</u>	<u>85,377</u>

11. Contingent liabilities and outstanding commitments

There were no contingent liabilities or outstanding commitments at the balance sheet date (31 October 2018: same).

Notes to the Financial Statements continued

12. Financial Instruments and Associated Risks

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

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

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

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

(a) Market Risk arising from other price risk

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

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

The assets held by the Fund can be seen in the Portfolio Statement starting on page 10. Movements in the prices of these investments result in movements in the performance of the Fund. The Manager adheres to the investment guidelines established in the Trust Deed, the Prospectus, the COLL and the Fund's IOG, and in this way, monitors and controls the exposure to risk from any type of security, sector or issuer.

At 31 October 2019, if the price of the investments held by the Fund increased or decreased by 5%, with all other variables remaining constant, then the net assets attributable to unitholders would increase or decrease by approximately £13,198,665 (31 October 2018: £10,239,447).

Notes to the Financial Statements continued

12. Financial Instruments and Associated Risks continued

(b) Interest Rate Risk

Interest Rate Risk is the risk of movements in the value of financial instruments as a result of fluctuations in interest rates.

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

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

(c) Foreign Currency Risk

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

At the year end the Fund had no significant exposures to currencies other than Sterling (31 October 2018: same).

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

(d) Credit Risk

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

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

(e) Liquidity Risk

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

The Fund can also be exposed to liquidity risk through its commitments under derivative contracts, whereby additional margin payments or collateral payments may need to be posted with the counterparty or clearing house.

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

(f) Derivative Risk - Sensitivity Analysis

Derivative Risk arises from uncertainty about future market movements. This risk is managed by the policies shown within Market risk.

At the balance sheet date the Fund made use of the following derivatives:

Notes to the Financial Statements continued

12. Financial Instruments and Associated Risks continued

(f) Derivative Risk - Sensitivity Analysis continued

Futures (excluding Currency Futures)

Futures are used to adjust the equities exposure of the Fund in a cost effective manner. The effect of these instruments was to increase the exposure of the Fund to equities by £4,208,400 (31 October 2018: increase the exposure by £5,466,500), representing 1.56% of the net asset value (31 October 2018: 2.58%).

This results in an effective equity exposure at the year end of 99.71% (31 October 2018: 99.36%) of net assets, which means that the gains or losses of the Fund will be 0.9971 (31 October 2018: 0.9936) times the gains or losses if the Fund was fully invested in equities.

(g) Fair Value

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

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

31/10/19	Assets	Liabilities
Basis of Valuation	£	£
Level 1 - Quoted Prices	263,985,757	(12,450)
Level 2 - Observable Market Data	—	—
Level 3 - Unobservable Data	—	—
Total	263,985,757	(12,450)

31/10/18	Assets	Liabilities
Basis of Valuation	£	£
Level 1 - Quoted Prices	205,234,081	(445,150)
Level 2 - Observable Market Data	—	—
Level 3 - Unobservable Data	—	—
Total	205,234,081	(445,150)

Level 1

The unadjusted quoted price in an active market for assets or liabilities that the entity can access at the measurement date.

Level 2

Valuation techniques using observable inputs other than quoted prices within Level 1.

Level 3

Valuation techniques using unobservable inputs.

Notes to the Financial Statements continued

13. Portfolio transaction costs

31/10/19	Value	Commissions		Taxes		Total
Purchases	£'000	£'000	%	£'000	%	£'000
Equities	168,926	48	0.03	769	0.46	169,743
Total	168,926	48	0.03	769	0.46	169,743

31/10/19	Value	Commissions		Taxes		Total
Sales	£'000	£'000	%	£'000	%	£'000
Equities	124,794	(18)	0.01	(1)	—	124,775
Total	124,794	(18)	0.01	(1)	—	124,775

Commissions and taxes as % of average net assets

Commissions	0.02%
Taxes	0.28%

31/10/18	Value	Commissions		Taxes		Total
Purchases	£'000	£'000	%	£'000	%	£'000
Equities	100,765	19	0.02	450	0.45	101,234
Total	100,765	19	0.02	450	0.45	101,234

31/10/18	Value	Commissions		Taxes		Total
Sales	£'000	£'000	%	£'000	%	£'000
Equities	41,102	(1)	—	—	—	41,101
Total	41,102	(1)	—	—	—	41,101

Commissions and taxes as % of average net assets

Commissions	0.01%
Taxes	0.23%

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 0.17% (31 October 2018: 0.14%).

Notes to the Financial Statements continued

14. Unit classes

A list of unit classes in issue and the fund management fee on each unit class can be found on page 46. 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 38 to 44. The distributions per unit class are given in the distribution tables on pages 35 and 36. All classes have the same rights on winding up.

R-Class	Distribution	Accumulation
Opening Units	124,220	598,765
Units issued	438,302	3,101,618
Units cancelled	(40,045)	(983,763)
Units converted	(2,159)	2,134
Closing Units	520,318	2,718,754

I-Class	Distribution	Accumulation
Opening Units	19,956,179	43,750,003
Units issued	13,882,629	23,612,674
Units cancelled	(1,787,425)	(11,983,583)
Units converted	(892,301)	—
Closing Units	31,159,082	55,379,094

C-Class	Distribution	Accumulation
Opening Units	15,139,844	4,304,791
Units issued	22,150,926	22,617,845
Units cancelled	(1,733,853)	(16,610,745)
Units converted	892,232	14,918,355
Closing Units	36,449,149	25,230,246

L-Class	Distribution
Opening Units	329,231,088
Units issued	155,070,645
Units cancelled	(125,691,658)
Units converted	(15,719,877)
Closing Units	342,890,198

Notes to the Financial Statements continued

15. Ultimate controlling party and related party transactions

The Manager is regarded as a related party to the Fund because it provides key management personnel services to the Fund. The ultimate controlling party of the Manager is Legal & General Group Plc. Subsidiaries of Legal & General Group Plc are also considered related parties to the Fund.

Legal & General (Unit Trust Managers) Limited acts as the principal on all the transactions of the units in the Fund. The aggregated monies received through creations or paid on cancellations are disclosed in the statement of change in net assets attributable to unitholders.

Equalisation amounts relating to creations and cancellations of units are shown within note 7. Fees received by the Authorised Fund Manager from the Fund plus any rebates paid by the Authorised Fund Manager to the Fund are shown within notes 3, 4 and 5 as applicable. Any outstanding fees, amounts outstanding on creations or cancellations of units in the Fund, or rebates receivable by the Fund from the Manager are shown within notes 8 and 10 as applicable.

At the year end, the Manager and its associates held 1.67% (33.68% as at 31 October 2018) of the Fund's units in issue.

16. Post balance sheet market movements

As at the close of business on the balance sheet date the Net Asset Value per I-Class distribution unit was 53.68p. The Net Asset Value per I-Class distribution unit for the Fund as at 12 noon on 18 December 2019 was 58.17p. This represents an increase of 8.36% from the year end value. Over the same period, the benchmark Index increased by 8.07%.

Distribution Tables

Distribution Tables for the year ended 31 October 2019

Group 1: units purchased prior to a distribution period.

Group 2: units purchased during a distribution period.

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

Interim dividend distribution in pence per unit			Period	
			01/11/18	to 30/04/19
R-Class			Distribution	Distribution
Distribution Units			30/06/19	30/06/18
	Revenue	Equalisation		
Group 1	0.5488	—	0.5488	N/A
Group 2	0.3115	0.2373	0.5488	N/A
R-Class			Distribution	Distribution
Accumulation Units			30/06/19	30/06/18
	Revenue	Equalisation		
Group 1	0.5532	—	0.5532	N/A
Group 2	0.3331	0.2201	0.5532	N/A
I-Class			Distribution	Distribution
Distribution Units			30/06/19	30/06/18
	Revenue	Equalisation		
Group 1	0.7320	—	0.7320	0.6706
Group 2	0.4386	0.2934	0.7320	0.6706
I-Class			Distribution	Distribution
Accumulation Units			30/06/19	30/06/18
	Revenue	Equalisation		
Group 1	0.7708	—	0.7708	0.6867
Group 2	0.4350	0.3358	0.7708	0.6867
C-Class			Distribution	Distribution
Distribution Units			30/06/19	30/06/18
	Revenue	Equalisation		
Group 1	0.7482	—	0.7482	0.6869
Group 2	0.4565	0.2917	0.7482	0.6869
C-Class			Distribution	Distribution
Accumulation Units			30/06/19	30/06/18
	Revenue	Equalisation		
Group 1	0.7903	—	0.7903	0.7039
Group 2	0.4143	0.3760	0.7903	0.7039
L-Class			Distribution	Distribution
Distribution Units			30/06/19	30/06/18
	Revenue	Equalisation		
Group 1	0.7589	—	0.7589	0.6985
Group 2	0.4654	0.2935	0.7589	0.6985

Distribution Tables continued

Final dividend distribution in pence per unit			Period	
			01/05/19	to 31/10/19
R-Class			Distribution	Distribution
Distribution Units			31/12/19	31/12/18
	Revenue	Equalisation		
Group 1	0.6990	—	0.6990	0.5103
Group 2	0.3559	0.3431	0.6990	0.5103
R-Class			Distribution	Distribution
Accumulation Units			31/12/19	31/12/18
	Revenue	Equalisation		
Group 1	0.7143	—	0.7143	0.5137
Group 2	0.3329	0.3814	0.7143	0.5137
I-Class			Distribution	Distribution
Distribution Units			31/12/19	31/12/18
	Revenue	Equalisation		
Group 1	0.9086	—	0.9086	0.8248
Group 2	0.3910	0.5176	0.9086	0.8248
I-Class			Distribution	Distribution
Accumulation Units			31/12/19	31/12/18
	Revenue	Equalisation		
Group 1	0.9696	—	0.9696	0.8546
Group 2	0.3905	0.5791	0.9696	0.8546
C-Class			Distribution	Distribution
Distribution Units			31/12/19	31/12/18
	Revenue	Equalisation		
Group 1	0.9251	—	0.9251	0.8400
Group 2	0.4830	0.4421	0.9251	0.8400
C-Class			Distribution	Distribution
Accumulation Units			31/12/19	31/12/18
	Revenue	Equalisation		
Group 1	0.9909	—	0.9909	0.8726
Group 2	0.1262	0.8647	0.9909	0.8726
L-Class			Distribution	Distribution
Distribution Units			31/12/19	31/12/18
	Revenue	Equalisation		
Group 1	0.9361	—	0.9361	0.8501
Group 2	0.6512	0.2849	0.9361	0.8501

In the above tables, a distribution pay rate of N/A denotes that the class was not in existence as at the applicable XD date, and therefore no distribution was made. Please refer to the comparative tables on pages 38 to 44 for the launch date of these classes.

Fund Information

The Comparative Tables on pages 38 to 44 give the performance of each active unit class in the Fund.

The 'Return after charges' disclosed in the Comparative Tables is calculated as the return after operating charges per unit divided by the opening net asset value per unit. It differs from the Fund's performance disclosed in the Manager's report, which is calculated based on the latest published price.

Portfolio transaction costs are incurred when investments are bought or sold by a fund in order to achieve the investment objective. These transaction costs affect an investor in different ways depending on whether they are joining, leaving or continuing with their investment in the Fund.

Direct transaction costs include broker commission and taxes. Broker commission includes the fee paid to a broker to execute the trades and research costs.

In addition, there are indirect portfolio transaction costs arising from the 'dealing spread' – the difference between the buying and selling prices of underlying investments in the portfolio. Unlike shares whereby broker commissions and stamp duty are paid by a fund on each transaction, other types of investments (such as bonds, money instruments, derivatives, collective investment schemes) do not have separately identifiable transaction costs; these costs form part of the dealing spread. Dealing spreads vary considerably depending on the transaction value and money market sentiment.

Fund Information continued

Comparative Tables

R-Class Distribution Units

Change in Net Asset Value per Unit

Accounting Year ending	01/11/18 to 31/10/19 (pence per unit)	01/06/18 to 31/10/18 ¹ (pence per unit)
Opening net asset value per unit	44.18	50.00
Return before operating charges*	3.88	(5.21)
Operating charges (calculated on average price)	(0.23)	(0.10)
Return after operating charges*	3.65	(5.31)
Distributions on income units	(1.25)	(0.51)
Closing net asset value per unit	46.58	44.18
* after direct transaction costs of:	0.14	0.11

Performance

Return after charges	8.26%	(10.62)%
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Other Information

Closing net asset value (£)	242,369	54,884
Closing number of units	520,318	124,220
Operating charges [†]	0.52%	0.52%
Direct transaction costs	0.31%	0.24%

Prices

Highest unit price	48.32p	50.92p
Lowest unit price	40.20p	43.46p

¹ R-Class units launched on 1 June 2018.

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

Past performance is not a guide to future performance.

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

Fund Information continued

Comparative Tables continued

R-Class Accumulation Units

Change in Net Asset Value per Unit

Accounting Year ending	01/11/18 to 31/10/19 (pence per unit)	01/06/18 to 31/10/18 ¹ (pence per unit)
Opening net asset value per unit	44.70	50.00
Return before operating charges*	3.92	(5.20)
Operating charges (calculated on average price)	(0.24)	(0.10)
Return after operating charges*	3.68	(5.30)
Distributions	(1.27)	(0.51)
Retained distributions on accumulation units	1.27	0.51
Closing net asset value per unit	48.38	44.70
* after direct transaction costs of:	0.14	0.12

Performance

Return after charges	8.23%	(10.60)%
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Other Information

Closing net asset value (£)	1,315,408	267,649
Closing number of units	2,718,754	598,765
Operating charges [†]	0.52%	0.52%
Direct transaction costs	0.31%	0.24%

Prices

Highest unit price	49.45p	50.92p
Lowest unit price	40.66p	43.46p

¹ R-Class units launched on 1 June 2018.

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Past performance is not a guide to future performance.

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

Fund Information continued

Comparative Tables continued

I-Class Distribution Units

Change in Net Asset Value per Unit

Accounting Year ending	01/11/18 to 31/10/19 (pence per unit)	01/11/17 to 31/10/18 (pence per unit)	18/01/17 to 31/10/17 ¹ (pence per unit)
Opening net asset value per unit	50.92	55.20	50.00
Return before operating charges*	4.47	(2.70)	6.56
Operating charges (calculated on average price)	(0.07)	(0.08)	(0.06)
Return after operating charges*	4.40	(2.78)	6.50
Distributions on income units	(1.64)	(1.50)	(1.30)
Closing net asset value per unit	53.68	50.92	55.20
* after direct transaction costs of:	0.16	0.14	0.32

Performance

Return after charges	8.64%	(5.04)%	13.00%
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Other Information

Closing net asset value (£)	16,726,812	10,161,948	1,573,534
Closing number of units	31,159,082	19,956,179	2,850,382
Operating charges [†]	0.14%	0.14%	0.14%
Direct transaction costs	0.31%	0.24%	0.58%

Prices

Highest unit price	55.77p	58.90p	56.76p
Lowest unit price	46.35p	50.32p	49.82p

¹ The Fund launched on 18 January 2017.

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

Past performance is not a guide to future performance.

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

Fund Information continued

Comparative Tables continued

I-Class Accumulation Units

Change in Net Asset Value per Unit

Accounting Year ending	01/11/18 to 31/10/19 (pence per unit)	01/11/17 to 31/10/18 (pence per unit)	18/01/17 to 31/10/17 ¹ (pence per unit)
Opening net asset value per unit	53.62	56.54	50.00
Return before operating charges*	4.73	(2.84)	6.60
Operating charges (calculated on average price)	(0.08)	(0.08)	(0.06)
Return after operating charges*	4.65	(2.92)	6.54
Distributions	(1.74)	(1.54)	(1.31)
Retained distributions on accumulation units	1.74	1.54	1.31
Closing net asset value per unit	58.27	53.62	56.54
* after direct transaction costs of:	0.17	0.14	0.32

Performance

Return after charges	8.67%	(5.16)%	13.08%
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Other Information

Closing net asset value (£)	32,268,617	23,457,803	7,600,773
Closing number of units	55,379,094	43,750,003	13,443,706
Operating charges [†]	0.14%	0.14%	0.14%
Direct transaction costs	0.31%	0.24%	0.58%

Prices

Highest unit price	59.52p	61.03p	57.24p
Lowest unit price	48.80p	52.15p	49.82p

¹ The Fund launched on 18 January 2017.

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

Past performance is not a guide to future performance.

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

Fund Information continued

Comparative Tables continued

C-Class Distribution Units

Change in Net Asset Value per Unit

Accounting Year ending	01/11/18 to 31/10/19 (pence per unit)	01/11/17 to 31/10/18 (pence per unit)	18/01/17 to 31/10/17 ¹ (pence per unit)
Opening net asset value per unit	50.92	55.21	50.00
Return before operating charges*	4.48	(2.72)	6.56
Operating charges (calculated on average price)	(0.04)	(0.04)	(0.03)
Return after operating charges*	4.44	(2.76)	6.53
Distributions on income units	(1.67)	(1.53)	(1.32)
Closing net asset value per unit	53.69	50.92	55.21
* after direct transaction costs of:	0.16	0.14	0.32

Performance

Return after charges	8.72%	(5.00)%	13.06%
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Other Information

Closing net asset value (£)	19,569,679	7,709,709	1,492,260
Closing number of units	36,449,149	15,139,844	2,702,697
Operating charges [†]	0.08%	0.08%	0.08%
Direct transaction costs	0.31%	0.24%	0.58%

Prices

Highest unit price	55.78p	58.91p	56.77p
Lowest unit price	46.36p	50.33p	49.82p

¹ The Fund launched on 18 January 2017.

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

Past performance is not a guide to future performance.

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

Fund Information continued

Comparative Tables continued

C-Class Accumulation Units

Change in Net Asset Value per Unit

Accounting Year ending	01/11/18 to 31/10/19 (pence per unit)	01/11/17 to 31/10/18 (pence per unit)	18/01/17 to 31/10/17 ¹ (pence per unit)
Opening net asset value per unit	53.67	56.55	50.00
Return before operating charges*	4.72	(2.83)	6.58
Operating charges (calculated on average price)	(0.04)	(0.05)	(0.03)
Return after operating charges*	4.68	(2.88)	6.55
Distributions	(1.78)	(1.58)	(1.33)
Retained distributions on accumulation units	1.78	1.58	1.33
Closing net asset value per unit	58.35	53.67	56.55
* after direct transaction costs of:	0.17	0.14	0.32

Performance

Return after charges	8.72%	(5.09)%	13.10%
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Other Information

Closing net asset value (£)	14,723,042	2,310,343	115,303
Closing number of units	25,230,246	4,304,791	203,878
Operating charges [†]	0.08%	0.08%	0.08%
Direct transaction costs	0.31%	0.24%	0.58%

Prices

Highest unit price	59.61p	61.08p	57.35p
Lowest unit price	48.85p	52.19p	49.82p

¹ The Fund launched on 18 January 2017.

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

Past performance is not a guide to future performance.

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

Fund Information continued

Comparative Tables continued

L-Class Distribution Units

Change in Net Asset Value per Unit

Accounting Year ending	01/11/18 to 31/10/19 (pence per unit)	01/11/17 to 31/10/18 (pence per unit)	18/01/17 to 31/10/17 ¹ (pence per unit)
Opening net asset value per unit	50.92	55.21	50.00
Return before operating charges*	4.49	(2.72)	6.57
Operating charges (calculated on average price)	(0.02)	(0.02)	(0.02)
Return after operating charges*	4.47	(2.74)	6.55
Distributions on income units	(1.70)	(1.55)	(1.34)
Closing net asset value per unit	53.69	50.92	55.21
* after direct transaction costs of:	0.16	0.14	0.31

Performance

Return after charges	8.78%	(4.96)%	13.10%
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Other Information

Closing net asset value (£)	184,092,227	167,648,169	155,559,534
Closing number of units	342,890,198	329,231,088	281,754,869
Operating charges [†]	0.04%	0.04%	0.04%
Direct transaction costs	0.31%	0.24%	0.58%

Prices

Highest unit price	55.34p	58.91p	56.78p
Lowest unit price	46.36p	50.34p	49.82p

¹ The Fund launched on 18 January 2017.

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

Past performance is not a guide to future performance.

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

Risk and Reward Profile (unaudited)



- The Risk and Reward Indicator table demonstrates where the Fund ranks in terms of its potential risk and reward. The higher the rank the greater the potential reward but the greater the risk of losing money. It is not guaranteed to remain the same and may change over time. It is based on historical data and may not be a reliable indication of the future risk profile of the Fund. The shaded area in the table above shows the Fund's ranking on the Risk and Reward Indicator.
- The Fund is in category five because it invests in company shares which are sensitive to variations in the stock market. The value of company shares can change substantially over short periods of time. Company shares are generally considered to be higher risk investments than bonds or cash.
- Even a fund in the lowest category is not a risk free investment.

General Information (unaudited)

Constitution

Launch date:	18 January 2017
Period end dates for distributions:	30 April, 31 October
Distribution dates:	30 June, 31 December
Minimum initial lump sum investment:	R-Class £100 I-Class £1,000,000 C-Class* £100,000,000 L-Class** £100,000
Minimum monthly contributions:	R-Class £20 I-Class N/A C-Class* N/A L-Class** N/A
Valuation point:	12 noon
Fund management fees:	R-Class Annual 0.52% I-Class Annual 0.14% C-Class* Annual 0.08% L-Class** Annual 0.04%
Initial charge:	Nil for all existing unit classes

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

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

Pricing and Dealing

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

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

Buying and Selling Units

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

ISA Status

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

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

General Information (unaudited) continued

Prospectus and Manager's Reports

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

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

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

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 year, the annualised Tracking Error of the Fund is 0.18%, whilst the annualised tracking error since launch of the Fund on 18 January 2017 to the end of November 2019 is 0.22%. These Tracking Errors are within the anticipated Tracking Error levels set out in the Fund's Prospectus of +/-0.50% per annum.

General Information (unaudited) 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 Mid Cap Index Fund, as a UCITs Scheme, is required to disclose the aggregate remuneration paid by the UCITs Manager and by the UCITs Scheme to Identified Staff, together with the number of beneficiaries, and, where relevant, performance fees paid by the UCITs Scheme. The aggregate amount of remuneration must be broken down by category of employees or other staff members and be split into fixed and variable remuneration.

The following provides information on the remuneration of persons whose professional activities have a material impact on the management company and the funds managed by it as at 31 December 2018:

Controlled Functions

Headcount	Fixed Remuneration (£,000)	Variable Remuneration (£,000)	Remuneration related to this Fund (Pro-rated) (£'000)
36	7,644	13,053	56

Material Risk Takers

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

Controlled Functions

During 2018, Legal & General Unit Trust Managers Limited (UTM) engaged the services of seven employees of Legal & General Investment Management (Holdings) Limited (LGIMH), plus a further one employee of Legal & General Resources (LGR) to act as Director. In addition, there was one non-executive Director. UTM also engaged the services of a further 24 LGIMH employees and a further three L&G Resources (LGR) employees to act in a variety of Controlled Functions, including Chief Compliance Officer, Money Laundering Reporting Officer, Client Asset Oversight, Systems and Controls Functions, Significant Management Functions and Customer Functions. These employees were also engaged by other companies in the L&G Group. The aggregate remuneration received by these individuals, for all their services across the L&G Group, is disclosed in the table above. We have prorated the remuneration figures by the Net Asset Value of the UCITS Funds as a percentage of the total assets under management of UTM.

General Information (unaudited) continued

Material Risk Takers

During 2018, UTM engaged the services of Legal & General Investment Management's Index Fund Management team, which consists of 24 investment professionals located in our London Office. The team includes a variety of Fund Managers, Analysts and Support Staff, with the Fund Managers empowered to take discretionary investment management decisions on behalf of the Fund. The team is also engaged in managing other Legal & General UTM Funds/Schemes and is also engaged by other companies in the L&G Group. The aggregate remuneration received by the members of the team, for all their services across the L&G Group, is disclosed in the table above. We have prorated the remuneration figures by the Net Asset Value of the UCITS Funds as a percentage of the total assets under management of the Index Fund Management team.

Assessment of Value

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

Significant Changes

Change in Investment Objective and Policy

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

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

Publication of Short Report Discontinued

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

General Information (unaudited) continued

Authorised Fund Manager

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

Directors of the Manager

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

*Non-executive Director

Secretary

J. McCarthy

Registrar

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

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

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

Trustee

Northern Trust Global Services SE UK Branch
Trustee and 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

KPMG LLP
15 Canada Square,
London E14 5GL

Investment Adviser

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

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Financial Conduct Authority**

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