

Legal & General UK Index Trust

**Annual Manager's Report  
for the year ended  
6 October 2017**

**EVERY  
DAY  
MATTERS.®**





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

# Manager's Investment Report

## Investment Objective and Policy

The objective of this Trust is to track the capital performance of the UK equity market, as represented by the FTSE All-Share Index, by investment in a representative sample of stocks selected from all economic sectors.

Securities in the FTSE All-Share Index will be held with weightings generally proportionate to their company's market capitalisation.

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

## Manager's Investment Report

During the year under review, the bid price of the Trust's R-Class distribution units rose by 8.02%. FTSE, the Index compiler, calculates the benchmark Index at the end of the business day using closing prices, whereas the Trust is valued using prevailing prices at 12 noon. Therefore, for tracking purposes the Trust has been revalued using closing prices. On this basis, over the review year, the Trust rose by 8.68% on a capital only basis compared with the FTSE All-Share Index rise of 8.39% (Source: Bloomberg), producing a tracking difference of +0.29%.

**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 year 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 3.0% in September. However, the weakness in wage growth intensified the debate over how long the Bank of England may leave interest rates at the record low of 0.25%.

As a result, domestically focused FTSE Mid 250 Index (+11.32%) outperformed the

## Manager's Investment Report continued

more globally focused FTSE 100 Index (+7.47%). During the review year we also saw strong performance from the tail end of the FTSE All-Share, the FTSE SmallCap Index (+16.01%) (Source: Bloomberg).

Over the review year, major sectors such as Industrial Metals & Mining (+110.55%), Leisure Goods (+62.72%) and Mining (+37.13%) showed the largest positive returns; whilst the most underperforming sectors were Technology Hardware & Equipment (-24.11%), Fixed Line Telecommunications (-22.77%) and Oil Equipment, Services & Distribution (-17.04%).

### Trust Review

Companies held within the Trust are held with weightings generally proportionate to those of the benchmark Index. Therefore, investment activity, other than to raise or invest cash, is only necessary when there are changes to the benchmark Index, or as a result of corporate action.

There were four Index rebalances during the year under review. At the quarterly Index review in December 2016, there were seven additions to the FTSE All-Share universe and no deletions, the largest additions were medical product and technology company ConvaTec Group, real estate investment trust NewRiver REIT and commercial bank TBC Bank Group.

There were 91 changes to the free share capital of constituents. The largest increases were HSBC, oil exploration and refinery company Royal Dutch Shell and software company Playtech, and the largest decreases being manufacturing company PZ Cussons, communications and media company WPP and real estate company Shaftesbury.

At the quarterly Index review in March 2017, there were two additions to the FTSE All-Share universe: real estate investment trust Civitas Social Housing and closed-end fund SQN Asset Finance Income Fund 'C'. There were no deletions from the FTSE All-Share universe in March review. There were 99 changes to the free share capital of constituents. The largest increases were Lloyds Banking Group, Royal Dutch Shell 'A' and GlaxoSmithKline, the largest decreases were Alliance Trust, marketing services company Experian and SVG Capital.

At the annual Index review in June 2017, there were 20 additions and 5 deletions. The largest additions were investment company Melrose Industries, Pershing Square and Sirius Minerals, whereas the largest deletions were Braemar Shipping Services and airline company Flybe Group. There were 558 changes to the free share capital of constituents. The largest increases were Lloyds Banking Group, betting and gaming company Ladbrokes Coral Group and medical and surgical equipment manufacturer ConvaTec Group, and the largest decreases were mining stock Anglo American, research-based pharmaceutical company GlaxoSmithKline and alcoholic beverages producer Diageo.

The September 2017 quarterly Index review resulted in six additions of which the largest were natural ingredients producer PureCircle, gambling stock 888 Holdings and real estate investment company Sirius Real Estate. Oil company Exillon Energy was the only deletion. There were 87 non-significant changes to the free share capital of constituents.

Mergers and acquisitions occurring outside of the Index reviews included: SABMiller all cash acquisition by Anheuser-Busch InBev (Belgium) for \$103 billion; E2v technologies all cash acquisition by Teledyne Technologies for £619.56 million; Brammer £321 million cash acquisition by Al Robin; Lavendon Group £607 million cash

## Manager's Investment Report continued

acquisition by Loxam SAS; Henderson Group completed all stock merger with Janus Capital Group and was assigned US nationality; Sepura £152 million cash acquisition by Hytera Communications; Exova Group £749 million cash acquisition by Element Material Technology Group; Standard Life acquired Aberdeen Asset Management in exchange for stock; Elis SA (France) acquired Berendsen for £2.5 billion in exchange for stock and cash; Altrad Investment Authority SAS (France) acquired Cape for £399 million in cash acquisition; British American Tobacco acquired Reynolds American Inc. (US) in cash and stock deal worth £58.7 billion and subsequently increased its weight in the FTSE All-Share Index by 0.94%; following a £6.8 billion takeover of Hewlett Packard's Software business Micro Focus increased its weight in the Index.

Outside Index Reviews, receipt of the Royal Bank of Scotland 2008 rights issue litigation proceeds added 0.1% to the Trust performance. Also, the free float was increased as a result of secondary placings for Worldpay Group, Ferrexpo, DFS Furniture, Countryside Properties, Forterra, The Gym Group, On The Beach Group, ConvaTec Group, Ibstock and Hastings Group. Companies raising capital via rights issues included: RPC Group, Laird, Cobham, Segro and Tullow Oil. Other notable corporate activities included voluntary liquidation and deletion of SVG Capital and DW Catalyst Fund.

At the end of the review year, the Trust had holdings in all of the 640 companies in the Index. The three largest stocks in the Index at the end of the review year were Royal Dutch Shell (7.8%), HSBC (6.3%) and British American Tobacco (4.5%).

### 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 be negative for Sterling, but we only attribute a relatively low probability to this outcome.

Given Brexit uncertainties most market participants anticipated Bank of England to keep rates on hold for a long time, but following the latest stronger inflation data, the Monetary Policy Committee adopted a more hawkish tilt indicating that some withdrawal of monetary stimulus was likely to be appropriate over the coming months. The Bank of England indicated that interest rates will need to rise more than once if economy develops as expected. The market has been quick to re-price the odds, and now sees a more than 70% probability of a rate hike before year-end. We stick to our view that the first rate rise will be in 2018, contingent on relatively smooth negotiations with the EU and our odds for a 2017 hike are lower than implied by the market.

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 likely to adopt 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)  
30 October 2017

## Authorised Status

### Authorised Status

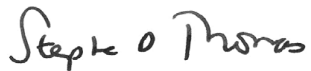
This Trust is an Authorised Unit Trust Scheme as defined in section 243 of the Financial Services and Markets Act 2000 and is a UCITS Retail Scheme within the meaning of the FCA Collective Investment Schemes sourcebook.

### Directors' Statement

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



A. J. C. Craven  
(Director)



S. D. Thomas  
(Director)

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

## Statement of Responsibilities

### Statement of the Manager's Responsibilities

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

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

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



## Statement of Responsibilities continued

### Statement of the Trustee's Responsibilities

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

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

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

The Depositary must ensure that:

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

# Report of the Trustee

## **Report of the Trustee to the Unitholders of the Legal & General UK Index Trust ("the Trust") for the year ended 6 October 2017**

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

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

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

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

# Portfolio Statement

## Portfolio Statement as at 6 October 2017

All investments are in ordinary shares or collective investment schemes unless otherwise stated. The percentages in brackets show the equivalent holdings at 6 October 2016.

Holding/ Nominal Value	Investment	Market value £	% of Net Assets
	<b>UNITED KINGDOM</b>		
	<b>— 87.80% (85.90%)</b>		
	<b>Oil &amp; Gas Producers</b>		
	<b>— 11.85% (11.42%)</b>		
45,117,758	BP	220,580,719	3.83
1,380,110	Cairn Energy	2,703,635	0.05
2,377,785	EnQuest	653,891	0.01
189,254	Nostrum Oil & Gas	770,642	0.01
1,669,959	Ophir Energy	1,210,720	0.02
1,176,667	Premier Oil	782,484	0.01
1,088,338	Royal Dutch Shell 'A'	25,167,816	0.44
9,456,289	Royal Dutch Shell 'A' (Dutch listing)	219,741,077	3.81
8,708,652	Royal Dutch Shell 'B'	204,740,409	3.55
520,457	Soco International	618,043	0.01
3,218,642	Tullow Oil	6,092,889	0.11
		<b>683,062,325</b>	<b>11.85</b>
	<b>Oil Equipment, Services &amp; Distribution — 0.23% (0.26%)</b>		
920,457	Amec Foster Wheeler	5,099,332	0.09
432,842	Gulf Marine Services	207,764	—
318,455	Hunting	1,536,227	0.03
868,538	John Wood Group	6,422,838	0.11
		<b>13,266,161</b>	<b>0.23</b>
	<b>Chemicals — 0.71% (0.66%)</b>		
170,657	Carclo	231,240	—
298,603	Croda International	11,579,824	0.20
1,072,989	Elementis	3,061,238	0.05
445,005	Johnson Matthey	15,214,721	0.26
9,733,785	Sirius Minerals	2,467,514	0.04
637,970	Synthomer	3,136,261	0.06
96,790	Treatt	459,511	0.01
190,472	Victrex	4,645,612	0.08
94,582	Zotefoams	332,219	0.01
		<b>41,128,140</b>	<b>0.71</b>
	<b>Forestry &amp; Paper — 0.31% (0.27%)</b>		
855,456	Mondi	18,178,440	0.31
	<b>Industrial Metals &amp; Mining — 0.10% (0.04%)</b>		
1,169,699	Evrax	3,840,122	0.07
630,608	Ferrexpo	1,885,518	0.03
		<b>5,725,640</b>	<b>0.10</b>
	<b>Mining — 4.03% (3.46%)</b>		
355,330	Acacia Mining	658,071	0.01
2,649,894	Anglo American	39,284,679	0.68
813,678	Antofagasta	8,161,190	0.14

## Portfolio Statement continued

Holding/ Nominal Value	Investment	Market value £	% of Net Assets
<b>Mining — (cont.)</b>			
4,862,046	BHP Billiton	66,877,443	1.16
397,075	Fresnillo	5,678,172	0.10
554,514	Hochschild Mining	1,245,438	0.02
571,530	KAZ Minerals	4,918,016	0.09
659,015	Lonmin	589,818	0.01
7,096,284	Petropavlovsk	564,155	0.01
2,781,903	Rio Tinto	102,763,497	1.78
198,860	Vedanta Resources	1,825,535	0.03
		<hr/>	
		232,566,014	4.03
<b>Construction &amp; Materials — 0.55% (0.32%)</b>			
1,622,116	Balfour Beatty	4,348,893	0.08
245,650	Costain Group	1,082,088	0.02
467,549	Forterra	1,360,568	0.02
218,071	Henry Boot	649,852	0.01
830,945	Ibstock	1,978,480	0.03
169,742	Keller Group	1,586,239	0.03
219,875	Kier Group	2,543,954	0.04
762,629	Low & Bonar	583,411	0.01
467,084	Marshalls	2,030,881	0.04
4,457,915	Melrose Industries	9,816,329	0.17
90,693	Morgan Sindall Group	1,312,328	0.02
148,706	Norcros	249,454	0.01
463,022	Polypipe Group	1,899,779	0.03
410,876	Tyman	1,372,326	0.02
432,439	Volution Group	844,337	0.02
		<hr/>	
		31,658,919	0.55
<b>Aerospace &amp; Defense — 1.91% (1.79%)</b>			
70,105	Avon Rubber	660,389	0.01
7,334,075	BAE Systems	44,957,880	0.78
672,412	Chemring Group	1,206,980	0.02
5,842,798	Cobham	8,694,083	0.15
1,876,552	Meggitt	9,795,601	0.17
1,443,862	QinetiQ Group	3,530,243	0.06
3,793,554	Rolls-Royce	35,014,503	0.61
1,020,727	Senior	2,946,839	0.05
180,428	Ultra Electronics	3,323,484	0.06
		<hr/>	
		110,130,002	1.91
<b>General Industrials — 0.71% (0.62%)</b>			
2,156,665	Coats Group	1,854,732	0.03
2,312,511	DS Smith	11,608,805	0.20
996,813	RPC Group	9,743,847	0.17
926,609	Smiths Group	14,909,139	0.26
501,824	Vesuvius	2,973,307	0.05
		<hr/>	
		41,089,830	0.71

## Portfolio Statement continued

Holding/ Nominal Value	Investment	Market value £	% of Net Assets
	<b>Electronic &amp; Electrical Equipment</b>		
	<b>— 0.46% (0.45%)</b>		
66,063	Dialight	505,382	0.01
882,955	Halma	10,153,983	0.17
162,014	Luceco	376,683	0.01
677,253	Morgan Advanced Materials	2,117,770	0.04
124,611	Oxford Instruments	1,190,658	0.02
85,780	Renishaw	3,836,939	0.07
277,836	Spectris	6,823,652	0.12
386,855	TT Electronics	858,818	0.01
180,291	Xaar	787,872	0.01
		<b>26,651,757</b>	<b>0.46</b>
	<b>Industrial Engineering</b>		
	<b>— 0.75% (0.67%)</b>		
445,503	Bodycote	4,230,051	0.07
447,464	Fenner	1,520,259	0.03
7,258	Goodwin	121,281	—
180,991	Hill & Smith	2,275,057	0.04
643,729	IMI	7,950,053	0.14
86,625	Porvair	422,730	0.01
459,363	Renold	234,275	—
2,038,837	Rotork	5,402,918	0.09
690,611	Severfield	462,710	0.01
170,466	Spirax-Sarco Engineering	9,605,759	0.17
294,266	Trifast	624,580	0.01
515,314	Weir Group	10,316,586	0.18
		<b>43,166,259</b>	<b>0.75</b>
	<b>Industrial Transportation</b>		
	<b>— 0.34% (0.38%)</b>		
2,394,785	BBA Aviation	7,287,331	0.13
58,342	Clarkson	1,711,171	0.03
134,304	Clipper Logistics	542,588	0.01
104,801	James Fisher & Sons	1,616,031	0.03
2,087,046	Royal Mail	7,851,467	0.13
273,831	Wincanton	657,879	0.01
		<b>19,666,467</b>	<b>0.34</b>
	<b>Support Services — 3.40% (3.39%)</b>		
1,409,718	AA	2,235,813	0.04
163,501	Acal	492,956	0.01
589,969	Aggreko	5,241,875	0.09
1,155,235	Ashthead Group	21,279,429	0.37
1,159,159	Babcock International Group	9,632,611	0.17
383,591	Biffa	959,936	0.02
778,929	Bunzl	17,962,103	0.31
1,514,981	Capita	8,635,392	0.15
987,913	Carillion	456,910	0.01
137,417	Charles Taylor	364,499	—
412,721	Communis	238,346	—
652,434	Connect Group	655,696	0.01

## Portfolio Statement continued

Holding/ Nominal Value	Investment	Market value £	% of Net Assets
	<b>Support Services — (cont.)</b>		
247,500	De La Rue	1,665,675	0.03
262,797	Diploma	2,872,371	0.05
1,076,673	Electrocomponents	7,364,443	0.13
650,232	Equiniti Group	1,929,238	0.03
139,335	Equiniti Group Rights	148,043	—
615,052	Essentra	3,376,635	0.06
3,642,864	G4S	10,261,948	0.18
3,277,944	Hays	6,175,647	0.11
589,196	Hogg Robinson Group	474,303	0.01
589,267	HomeServe	4,784,848	0.08
1,473,262	Howden Joinery Group	6,411,636	0.11
133,531	HSS Hire Group	50,742	—
353,551	Interserve	422,493	0.01
374,867	Intertek Group	19,249,420	0.33
157,811	John Menzies	1,134,661	0.02
240,433	Mears Group	1,178,723	0.02
855,297	Mitie Group	2,192,126	0.04
309,249	Northgate	1,388,528	0.02
718,634	Pagegroup	3,650,661	0.06
151,018	PayPoint	1,443,732	0.02
1,433,525	Renewi	1,537,456	0.03
4,318,573	Rentokil Initial	13,124,143	0.23
118,388	Ricardo	954,799	0.02
158,527	Robert Walters	861,594	0.01
512,616	RPS Group	1,539,130	0.03
2,454,037	Serco Group	2,910,488	0.05
1,305,908	SIG	2,306,234	0.04
1,183,196	Speedy Hire	606,388	0.01
288,349	SThree	1,009,942	0.02
586,652	Travis Perkins	8,488,854	0.15
44,770	VP	369,353	0.01
4,356,686	Worldpay Group	18,049,750	0.31
		<hr/>	
		196,089,570	3.40
		<hr/>	
	<b>Automobiles &amp; Parts — 0.25% (0.26%)</b>		
3,999,851	GKN	14,363,465	0.25
		<hr/>	
	<b>Beverages — 2.66% (2.57%)</b>		
197,178	A.G. Barr	1,243,207	0.02
614,998	Britvic	4,686,285	0.08
5,785,393	Diageo	146,139,027	2.54
443,129	Stock Spirits Group	1,141,057	0.02
		<hr/>	
		153,209,576	2.66
		<hr/>	
	<b>Food Producers — 0.74% (0.67%)</b>		
33,587	Anglo-Eastern Plantations	295,566	0.01
812,491	Associated British Foods	26,617,205	0.46
194,739	Carr's Group	276,529	0.01
120,714	Cranwick	3,657,634	0.06
310,920	Dairy Crest Group	1,888,839	0.03

## Portfolio Statement continued

Holding/ Nominal Value	Investment	Market value £	% of Net Assets
<b>Food Producers — (cont.)</b>			
396,376	Devro	958,239	0.02
131,995	Hilton Food Group	998,542	0.02
1,649,306	Premier Foods	655,599	0.01
1,079,076	Tate & Lyle	7,175,856	0.12
		<b>42,524,009</b>	<b>0.74</b>
<b>Household Goods &amp; Home Construction — 3.31% (3.24%)</b>			
2,328,144	Barratt Developments	15,237,703	0.26
287,916	Bellway	9,789,144	0.17
302,994	Berkeley Group	11,501,652	0.20
311,835	Bovis Homes Group	3,635,996	0.06
672,860	Countryside Properties	2,397,400	0.04
587,037	Crest Nicholson	3,343,176	0.06
200,734	Galliford Try	2,782,173	0.05
195,033	Headlam Group	1,174,099	0.02
441,237	McBride	961,897	0.02
1,228,832	McCarthy & Stone	1,851,850	0.03
94,545	MJ Gleeson	643,851	0.01
715,349	Persimmon	19,371,651	0.34
1,456,346	Reckitt Benckiser Group	99,512,122	1.73
563,616	Redrow	3,446,512	0.06
7,554,287	Taylor Wimpey	15,093,465	0.26
74,857	Up Global Sourcing	68,120	—
		<b>190,810,811</b>	<b>3.31</b>
<b>Leisure Goods — 0.04% (0.01%)</b>			
67,934	Games Workshop Group	1,380,419	0.03
414,563	Photo-Me International	720,303	0.01
		<b>2,100,722</b>	<b>0.04</b>
<b>Personal Goods — 2.53% (2.36%)</b>			
1,015,933	Burberry Group	18,144,563	0.32
228,022	Jimmy Choo	523,766	0.01
477,331	PZ Cussons	1,547,030	0.03
113,454	SuperGroup	1,978,638	0.03
65,429	Ted Baker	1,766,583	0.03
2,773,201	Unilever	121,715,792	2.11
		<b>145,676,372</b>	<b>2.53</b>
<b>Tobacco — 5.67% (5.67%)</b>			
5,162,100	British American Tobacco	247,135,537	4.29
193,200	British American Tobacco ADR	9,077,324	0.16
2,234,828	Imperial Brands	70,620,565	1.22
		<b>326,833,426</b>	<b>5.67</b>
<b>Health Care Equipment &amp; Services — 0.91% (0.75%)</b>			
189,872	Cambian Group	377,845	0.01
111,220	Consort Medical	1,218,971	0.02
2,957,858	ConvaTec Group	8,426,938	0.15
153,960	Georgia Healthcare Group	473,427	0.01

## Portfolio Statement continued

Holding/ Nominal Value	Investment	Market value £	% of Net Assets
	<b>Health Care Equipment &amp; Services</b>		
	<b>— (cont.)</b>		
156,854	Medica Group	321,551	0.01
891,977	Mediclinic International	6,069,904	0.10
191,836	NMC Health	5,281,245	0.09
2,074,651	Smith & Nephew	28,733,916	0.50
655,542	Spire Healthcare Group	1,465,136	0.02
		<b>52,368,933</b>	<b>0.91</b>
	<b>Pharmaceuticals &amp; Biotechnology</b>		
	<b>— 6.09% (6.87%)</b>		
2,965,394	AstraZeneca	151,264,748	2.62
899,824	BTG	6,406,747	0.11
431,209	Circassia Pharmaceuticals	371,918	0.01
216,899	Dechra Pharmaceuticals	4,622,118	0.08
142,798	Genus	3,127,276	0.05
11,315,069	GlaxoSmithKline	172,781,104	3.00
315,230	Hikma Pharmaceuticals	3,722,866	0.07
1,719,748	Indivior	5,926,251	0.10
6,232,698	Oxford Biomedica	560,943	0.01
288,552	PureTech Health	375,839	0.01
1,610,735	Vectura Group	1,702,547	0.03
		<b>350,862,357</b>	<b>6.09</b>
	<b>Food &amp; Drug Retailers</b>		
	<b>— 1.24% (1.37%)</b>		
3,779,796	Booker Group	7,843,077	0.14
236,379	Greggs	3,020,923	0.05
4,064,523	J Sainsbury	9,844,275	0.17
182,917	McColl's Retail Group	506,680	0.01
1,057,870	Ocado Group	3,184,189	0.06
18,745,755	Tesco	35,270,138	0.61
5,024,642	WM Morrison Supermarkets	11,611,948	0.20
		<b>71,281,230</b>	<b>1.24</b>
	<b>General Retailers — 1.75% (1.91%)</b>		
587,652	AO World	653,763	0.01
712,187	Card Factory	2,167,185	0.04
113,487	Carpentright	219,030	—
2,402,987	Debenhams	1,135,411	0.02
499,073	DFS Furniture	1,048,053	0.02
115,126	Dignity	2,697,402	0.05
2,348,749	Dixons Carphone	4,641,128	0.08
233,441	Dunelm Group	1,669,103	0.03
143,930	Findel	253,317	—
464,393	Halfords Group	1,592,868	0.03
988,803	Inchcape	8,543,258	0.15
871,221	JD Sports Fashion	3,220,033	0.06
1,299,326	Just Eat	9,017,322	0.16
5,187,426	Kingfisher	15,909,836	0.28
754,118	Lookers	852,153	0.01
3,722,469	Marks & Spencer Group	13,006,307	0.22



## Portfolio Statement continued

Holding/ Nominal Value	Investment	Market value £	% of Net Assets
	<b>General Retailers — (cont.)</b>		
172,331	Moss Brothers Group	163,715	—
348,601	Mothercare	332,914	0.01
123,831	Motorpoint Group	173,363	—
355,784	N Brown Group	1,256,985	0.02
324,220	Next	16,745,963	0.29
3,277,737	Pendragon	983,321	0.02
916,655	Pets at Home	1,996,475	0.03
2,611,585	Saga	5,029,913	0.09
592,479	Sports Direct International	2,339,107	0.04
336,428	Topps Tiles	241,387	—
255,159	WH Smith	5,256,275	0.09
		<b>101,145,587</b>	<b>1.75</b>
	<b>Media — 2.37% (2.48%)</b>		
66,676	4imprint Group	1,234,839	0.02
934,707	Ascential	3,239,694	0.06
2,234,057	Auto Trader Group	8,435,799	0.15
157,791	Bloomsbury Publishing	252,466	—
119,579	Euromoney Institutional Investor	1,328,523	0.02
614,868	Gocompare.Com Group	676,355	0.01
495,962	Huntsworth	388,090	0.01
1,878,528	Informa	12,764,598	0.22
648,622	ITV Group	1,188,600	0.02
8,560,538	ITV	15,289,121	0.27
1,216,784	Moneysupermarket.com Group	3,881,541	0.07
1,878,917	Pearson	11,705,653	0.20
2,508,693	RELX	42,296,564	0.73
213,723	Rightmove	8,623,723	0.15
2,397,383	Sky	22,139,832	0.38
87,020	STV Group	313,272	0.01
644,715	Trinity Mirror	533,502	0.01
626,826	ZPG	2,278,512	0.04
		<b>136,570,684</b>	<b>2.37</b>
	<b>Travel &amp; Leisure — 3.22% (3.19%)</b>		
419,666	Carnival	20,869,990	0.36
451,977	Cineworld Group	3,143,500	0.05
3,689,226	Compass Group	59,691,677	1.04
1,173,184	Domino's Pizza Group	3,703,742	0.06
570,864	easyJet	7,107,257	0.12
1,182,346	EI Group	1,575,476	0.03
2,838,102	Firstgroup	3,269,494	0.06
71,242	Fuller Smith & Turner	712,420	0.01
98,266	Go-Ahead Group	1,695,089	0.03
714,073	Greene King	3,838,142	0.07
274,890	Gym Group	618,503	0.01
318,459	Hollywood Bowl Group	589,945	0.01
211,411	Hostelworld	762,665	0.01
440,528	InterContinental Hotels Group	18,057,243	0.31
190,195	J D Wetherspoon	2,386,947	0.04

## Portfolio Statement continued

Holding/ Nominal Value	Investment	Market value £	% of Net Assets
	<b>Travel &amp; Leisure — (cont.)</b>		
3,989,564	Ladbroke's Coral Group	4,935,091	0.09
1,480,406	Marston's	1,588,476	0.03
1,628,690	Merlin Entertainments	7,579,923	0.13
277,570	Millennium & Copthorne Hotels	1,239,072	0.02
555,179	Mitchells & Butlers	1,376,844	0.02
974,538	National Express Group	3,454,737	0.06
238,764	On the Beach Group	1,004,003	0.02
396,962	Rank Group	893,561	0.02
467,334	Restaurant Group	1,452,941	0.03
281,700	Sportech	273,953	0.01
1,108,257	SSP	6,095,414	0.11
984,575	Stagecoach Group	1,639,317	0.03
3,337,724	Thomas Cook Group	4,078,699	0.07
424,751	Whitbread	16,403,884	0.28
2,066,491	William Hill	5,292,283	0.09
		<hr/>	
		185,330,288	3.22
	<b>Fixed Line Telecommunications — 1.05% (1.49%)</b>		
19,579,029	BT Group	55,447,810	0.96
1,191,467	KCOM Group	1,191,467	0.02
1,216,762	TalkTalk Telecom Group	2,592,920	0.04
139,263	Telecom Plus	1,555,568	0.03
		<hr/>	
		60,787,765	1.05
	<b>Mobile Telecommunications — 2.42% (2.74%)</b>		
1,059,766	Inmarsat	6,771,905	0.12
62,390,095	Vodafone Group	132,610,147	2.30
		<hr/>	
		139,382,052	2.42
	<b>Electricity — 0.62% (0.76%)</b>		
923,089	Drax Group	2,783,113	0.05
2,387,284	SSE	32,801,282	0.57
		<hr/>	
		35,584,395	0.62
	<b>Gas, Water &amp; Multiutilities — 2.28% (3.00%)</b>		
13,196,626	Centrica	23,094,096	0.40
8,041,159	National Grid	75,120,507	1.30
991,472	Pennon Group	7,906,989	0.14
547,361	Severn Trent	11,855,839	0.20
1,583,834	United Utilities Group	13,652,649	0.24
		<hr/>	
		131,630,080	2.28
	<b>Banks — 10.94% (9.40%)</b>		
547,293	Aldermore Group	1,300,915	0.02
39,764,500	Barclays	75,433,256	1.31
84,509	BGEO Group	2,813,305	0.05
2,072,198	CYBG	6,274,615	0.11
46,992,548	HSBC	354,323,812	6.15
167,099,142	Lloyds Banking Group	111,354,868	1.93

## Portfolio Statement continued

Holding/ Nominal Value	Investment	Market value £	% of Net Assets
	<b>Banks — (cont.)</b>		
193,887	Metro Bank	6,609,608	0.12
7,545,732	Royal Bank of Scotland Group	20,592,303	0.36
6,310,123	Standard Chartered	48,682,599	0.84
77,319	TBC Bank Group	1,285,042	0.02
666,040	Virgin Money UK	1,841,601	0.03
		<b>630,511,924</b>	<b>10.94</b>
	<b>Nonlife Insurance — 0.84% (0.88%)</b>		
465,679	Admiral Group	8,596,434	0.15
1,228,033	Beazley	5,912,979	0.10
3,194,298	Direct Line Insurance Group	11,521,833	0.20
614,868	esure Group	1,681,664	0.03
763,345	Hastings Group	2,314,462	0.04
282,890	Jardine Lloyd Thompson Group	3,575,730	0.06
2,368,861	RSA Insurance Group	14,710,627	0.26
		<b>48,313,729</b>	<b>0.84</b>
	<b>Life Insurance — 4.02% (3.70%)</b>		
9,479,692	Aviva	46,933,955	0.81
346,552	Chesnara	1,374,945	0.02
1,500,006	Just Group	2,193,009	0.04
13,807,860	Legal & General Group	36,190,401	0.63
11,220,867	Old Mutual	21,936,795	0.38
6,048,764	Prudential	109,240,678	1.90
1,209,707	St James's Place	13,693,883	0.24
		<b>231,563,666</b>	<b>4.02</b>
	<b>Real Estate Investment &amp; Services — 0.27% (0.26%)</b>		
1,740,436	Capital & Counties Properties	4,504,248	0.08
382,920	CLS	794,559	0.01
363,043	Countrywide	442,005	0.01
10,311	Daejan	623,300	0.01
633,667	Foxtons Group	434,062	0.01
974,867	Grainger	2,643,839	0.04
248,213	Helical	784,974	0.01
184,598	LSL Property Services	434,267	0.01
298,330	Savills	2,811,760	0.05
395,907	St Modwen Properties	1,494,153	0.03
301,889	U & I Group	557,740	0.01
		<b>15,524,907</b>	<b>0.27</b>
	<b>Real Estate Investment Trusts — 1.91% (1.89%)</b>		
4,271,318	Assura	2,667,438	0.05
338,295	Big Yellow Group	2,658,999	0.05
2,396,741	British Land	14,440,365	0.25
1,435,918	Capital & Regional	778,986	0.01
676,252	Civitas Social Housing	745,568	0.01
629,780	Custodian REIT	728,970	0.01
230,968	Derwent London	6,404,743	0.11

## Portfolio Statement continued

Holding/ Nominal Value	Investment	Market value £	% of Net Assets
	<b>Real Estate Investment Trusts — (cont.)</b>		
268,070	Ediston Property Investment	298,898	0.01
1,414,263	Empiric Student Property	1,421,334	0.02
909,705	GCP Student Living	1,309,975	0.02
757,562	Great Portland Estates	4,579,462	0.08
1,846,431	Hammerson	9,859,942	0.17
1,738,958	Hansteen	2,392,806	0.04
2,020,184	Intu Properties	4,678,746	0.08
1,684,057	Land Securities Group	16,503,754	0.29
1,555,785	LondonMetric Property	2,644,834	0.05
299,338	LXI REIT	307,570	0.01
173,208	McKay Securities	381,058	0.01
649,619	NewRiver REIT	2,231,441	0.04
1,399,367	Primary Health Properties	1,717,723	0.03
3,084,045	Redefine International	1,181,498	0.02
480,334	Safestore	2,140,368	0.04
313,625	Schroder European REIT	344,988	0.01
2,323,894	Segro	12,397,974	0.21
638,275	Shaffesbury	6,306,157	0.11
81,063	Town Centre Securities	248,863	—
3,062,983	Tritax Big Box REIT	4,517,900	0.08
513,094	UNITE Group	3,612,182	0.06
273,180	Workspace Group	2,473,645	0.04
		<b>109,976,187</b>	<b>1.91</b>
	<b>Financial Services — 2.94% (2.77%)</b>		
2,223,034	3i Group	20,685,331	0.36
541,499	Allied Minds	893,473	0.02
337,568	Arrow Global Group	1,476,860	0.03
927,825	Ashmore Group	3,143,471	0.06
624,670	Brewin Dolphin	2,196,340	0.04
55,401	City of London Investment Group	235,454	—
350,702	Close Brothers Group	5,193,897	0.09
234,735	CMC Markets	390,247	0.01
564,999	Hargreaves Lansdown	8,435,435	0.15
935,224	IG Group	6,022,843	0.10
675,815	Intermediate Capital Group	6,430,380	0.11
524,608	International Personal Finance	1,067,577	0.02
1,480,816	Investec	8,248,145	0.14
1,592,299	IP Group	2,226,034	0.04
829,922	John Laing Group	2,369,427	0.04
974,773	Jupiter Fund Management	5,395,369	0.09
91,892	Liontrust Asset Management	468,649	0.01
729,300	London Stock Exchange Group	28,792,764	0.50
3,630,417	Man Group	6,175,339	0.11
739,863	NEX Group	4,827,606	0.08
393,396	OneSavings Bank	1,501,593	0.03
674,109	Paragon Group	3,003,156	0.05
337,592	Provident Financial	2,881,348	0.05
117,767	Rathbone Brothers	3,063,120	0.05

## Portfolio Statement continued

Holding/ Nominal Value	Investment	Market value £	% of Net Assets
	<b>Financial Services — (cont.)</b>		
7,566	S&U	152,531	—
258,449	Schroders	8,851,878	0.15
104,667	Sole Realisation	73,267	—
6,304,464	Standard Life Aberdeen	27,002,019	0.47
1,286,925	TP ICAP	6,872,179	0.12
931,636	VPC Specialty Lending Investments	726,676	0.01
276,274	Xafinity	466,212	0.01
		<hr/>	
		169,268,620	2.94
	<b>Equity Investment Instruments — 3.25% (3.02%)</b>		
82,280	Aberdeen Asian Smaller Companies Investment Trust	873,814	0.01
750,980	Aberdeen Diversified Income and Growth Trust	916,196	0.02
269,141	Aberdeen New Dawn Investment Trust	619,024	0.01
138,656	Aberdeen New India Investment Trust	623,952	0.01
222,094	Aberforth Smaller Companies Trust	2,962,734	0.05
399,183	Aberforth Split Level Income Trust	395,191	0.01
914,263	Alliance Trust	6,792,974	0.12
57,343	Allianz Technology Trust	625,039	0.01
83,131	Artemis Alpha Trust	243,574	—
178,264	Baillie Gifford Japan Trust	1,283,501	0.02
84,376	Baillie Gifford Shin Nippon	633,664	0.01
287,545	Bankers Investment Trust	2,416,816	0.04
42,271	Baring Emerging Europe	330,559	0.01
598,377	BB Healthcare Trust	709,077	0.01
153,476	Biotech Growth Trust	1,330,637	0.02
388,342	BlackRock Frontiers Investment Trust	603,872	0.01
210,127	BlackRock Greater Europe Investment Trust	703,925	0.01
87,882	BlackRock Latin American Investment Trust	436,334	0.01
553,612	BlackRock New Energy Investment Trust <sup>1</sup>	—	—
193,049	Blackrock North American Income Trust	310,809	0.01
109,904	BlackRock Smaller Companies Trust	1,395,781	0.02
165,325	Blackrock Throgmorton Trust	747,269	0.01
422,889	BlackRock World Mining Trust	1,619,665	0.03
305,424	British Empire Trust	2,174,619	0.04
77,592	Brunner Investment Trust	568,749	0.01
76,030	Caledonia Investments	2,068,776	0.04
5,951	Capital Gearing Trust	234,231	—
791,679	City of London Investment Trust	3,438,262	0.06
337,038	Dexion	3,534	—
767,460	Diverse Income Trust	775,135	0.01
373,724	Dunedin Income Growth Investment Trust	979,157	0.02

## Portfolio Statement continued

Holding/ Nominal Value	Investment	Market value £	% of Net Assets
<b>Equity Investment Instruments — (cont.)</b>			
99,887	Dunedin Smaller Companies Investment Trust	243,724	—
202,181	Ecofin Global Utilities and Infrastructure Trust	261,824	—
492,868	Edinburgh Dragon Trust	1,769,396	0.03
457,807	Edinburgh Investment Trust	3,220,672	0.06
110,254	Edinburgh Worldwide Investment Trust	767,919	0.01
63,130	Electra Private Equity	1,053,008	0.02
143,500	Electric and General Investment Trust <sup>1</sup>	—	—
105,245	EP Global Opportunities Trust	330,469	0.01
98,968	European Investment Trust	931,289	0.02
214,021	F&C Capital & Income Investment Trust	695,568	0.01
134,623	F&C Global Smaller Companies	1,830,873	0.03
160,790	F&C Private Equity Trust	561,157	0.01
158,546	Fidelity Asian Values	606,835	0.01
31,709	Fidelity Asian Values Subscription	5,391	—
993,521	Fidelity China Special Situations	2,359,612	0.04
974,348	Fidelity European Values	2,215,667	0.04
313,040	Fidelity Japanese Values	404,604	0.01
431,441	Fidelity Special Values	1,069,974	0.02
335,943	Finsbury Growth & Income Trust	2,543,089	0.04
1,276,948	Foreign & Colonial Investment Trust	7,974,540	0.14
51,008	Fundsmith Emerging Equities Trust	594,753	0.01
1,736,012	Greencoat UK Winds	2,086,686	0.04
4,985	Hansa Trust	48,354	—
7,991	Hansa Trust 'A'	78,711	—
86,376	Henderson Alternative Strategies Trust	251,786	—
375,497	Henderson Diversified Income Trust	347,335	0.01
48,427	Henderson European Focus Trust	682,821	0.01
54,089	Henderson EuroTrust	638,250	0.01
237,698	Henderson High Income Trust	455,192	0.01
475,329	Henderson International Income Trust	784,293	0.01
184,550	Henderson Smaller Companies Investment Trust	1,500,392	0.03
176,711	Herald Investment Trust	1,979,163	0.03
80,279	HGCcapital Trust	1,320,590	0.02
167,482	ICG Enterprise Trust	1,259,465	0.02
497,498	Impax Environmental Markets	1,233,795	0.02
55,223	Independent Investment Trust	347,353	0.01
101,908	International Biotechnology Trust	642,530	0.01
178,805	Invesco Asia Trust	506,018	0.01
127,535	Invesco Income Growth Trust	380,054	0.01
68,134	Invesco Perpetual UK Smaller Companies Investment Trust	339,989	0.01
621,137	JPMorgan American Investment Trust	2,462,187	0.04

## Portfolio Statement continued

Holding/ Nominal Value	Investment	Market value £	% of Net Assets
	<b>Equity Investment Instruments — (cont.)</b>		
234,031	JPMorgan Asian Investment Trust	837,831	0.01
160,845	JPMorgan Chinese Investment Trust	464,842	0.01
127,070	JPMorgan Claverhouse Investment Trust	888,219	0.02
292,287	JPMorgan Emerging Markets Investment Trust	2,509,284	0.04
199,583	JPMorgan European Investment Trust - Growth	637,668	0.01
177,904	JPMorgan European Investment Trust - Income	295,321	—
389,947	JPMorgan European Smaller Companies Trust	1,591,959	0.03
662,155	JPMorgan Global Emerging Markets Income Trust	874,045	0.02
285,490	JPMorgan Global Growth & Income	913,568	0.02
251,051	JPMorgan Indian Investment Trust	1,869,075	0.03
116,858	JPMorgan Japan Smaller Companies Trust	441,139	0.01
419,219	JPMorgan Japanese Investment Trust	1,589,888	0.03
54,749	JPMorgan Mid Cap Investment Trust	610,999	0.01
124,123	JPMorgan Russian Securities	633,027	0.01
45,354	JPMorgan Smaller Companies Investment Trust	449,005	0.01
100,000	JPMorgan US Smaller Companies Investment Trust	282,000	—
264,394	Jupiter European Opportunities Trust	1,841,504	0.03
55,056	Jupiter US Smaller Companies	480,914	0.01
29,303	Keystone Investment Trust	518,077	0.01
280,660	Law Debenture	1,675,540	0.03
432	Lindsell Train Investment Trust	360,724	0.01
63,244	Lowland Investment Company	965,103	0.02
54,102	Majedie Investments	154,732	—
84,580	Martin Currie Asia Unconstrained Trust	326,690	0.01
267,876	Martin Currie Portfolio Investment Trust	648,930	0.01
209,350	Mercantile Investment Trust	4,325,171	0.07
256,820	Merchants Trust	1,255,850	0.02
498,844	Monks Investment Trust	3,666,503	0.06
31,189	Montanaro European Smaller Companies Trust	256,685	—
75,166	Montanaro UK Smaller Companies Investment Trust	422,433	0.01
155,202	Murray Income Trust	1,215,232	0.02
296,477	Murray International Trust	3,883,849	0.07
68,807	North American Income Trust	867,656	0.01
25,695	North Atlantic Smaller Companies Investment Trust	682,202	0.01
199,289	P2P Global Investments	1,572,390	0.03
266,074	Pacific Assets Trust	667,181	0.01
108,045	Pacific Horizon Investment Trust	322,514	0.01

## Portfolio Statement continued

Holding/ Nominal Value	Investment	Market value £	% of Net Assets
	<b>Equity Investment Instruments — (cont.)</b>		
78,451	Pantheon International Fund	1,486,646	0.03
549,227	Perpetual Income and Growth Investment Trust	2,132,099	0.04
3,915	Personal Assets Trust	1,593,405	0.03
439,783	Polar Capital Global Financials Trust	606,901	0.01
379,672	Polar Capital Global Healthcare Trust	782,124	0.01
308,138	Polar Capital Technology Trust	3,377,192	0.06
41,844	Ranger Direct Lending Fund	331,614	0.01
296,561	RIT Capital Partners	5,868,942	0.10
399,753	Schroder Asia Pacific Fund	1,762,911	0.03
170,754	Schroder Asian Total Return Investment	590,809	0.01
148,697	Schroder Income Growth Fund	429,734	0.01
279,969	Schroder Japan Growth Fund	571,137	0.01
353,032	Schroder UK Growth Fund	617,806	0.01
76,773	Schroder UK Mid Cap Fund	408,816	0.01
304,292	Scottish American Investment Trust	1,125,880	0.02
223,922	Scottish Investment Trust	1,893,261	0.03
3,190,048	Scottish Mortgage Investment Trust	13,870,329	0.24
67,312	Scottish Oriental Smaller Companies Trust	726,296	0.01
245,079	Securities Trust of Scotland	419,085	0.01
106,203	Standard Life Equity Income Trust	494,109	0.01
173,506	Standard Life Private Equity Trust	598,162	0.01
158,808	Standard Life UK Smaller Companies Trust	735,281	0.01
137,685	Strategic Equity Capital	316,331	0.01
156,886	Temple Bar Investment Trust	2,089,722	0.04
676,220	Templeton Emerging Markets Investment Trust	5,325,232	0.09
113,495	TR European Growth Trust	1,371,020	0.02
742,129	TR Property Investment Trust	2,742,909	0.05
595,497	Troy Income & Growth Trust	470,443	0.01
102,556	Value and Income Trust	278,952	—
429,854	Witan Investment Trust	4,552,154	0.08
148,170	Witan Pacific Investment Trust	480,071	0.01
1,882,822	Woodford Patient Capital Trust	1,763,263	0.03
108,864	Worldwide Healthcare Trust	2,922,998	0.05
		<b>187,335,582</b>	<b>3.25</b>
	<b>Software &amp; Computer Services — 1.06% (0.81%)</b>		
196,452	Alfa Financial Software	1,019,586	0.02
154,568	AVEVA Group	3,720,452	0.06
183,619	Computacenter	1,825,173	0.03
207,575	FDM Group	2,123,492	0.04
94,383	Fidessa Group	2,146,269	0.04
126,131	Kainos Group	357,266	0.01
927,958	Micro Focus International	22,512,261	0.39
83,400	Micro Focus International ADR	2,029,460	0.03



## Portfolio Statement continued

Holding/ Nominal Value	Investment	Market value £	% of Net Assets
	<b>Software &amp; Computer Services</b>		
	<b>— (cont.)</b>		
618,465	NCC Group	1,405,462	0.02
2,523,624	Sage Group	18,359,365	0.32
206,230	SDL	965,672	0.02
147,816	Servelec	393,190	0.01
213,856	Softcat	888,999	0.01
604,365	Sophos Group	3,435,815	0.06
		<hr/>	
		61,182,462	1.06
	<b>Technology Hardware &amp; Equipment</b>		
	<b>— 0.07% (0.10%)</b>		
591,961	Imagination Technologies Group	1,000,414	0.02
1,123,435	Laird	1,651,449	0.03
445,385	Nanoco Group	120,254	—
1,437,407	Spirent Communications	1,326,008	0.02
		<hr/>	
		4,098,125	0.07
	<b>IRELAND — 1.91% (1.94%)</b>		
	<b>Mining — 0.01% (0.01%)</b>		
168,000	Kenmare Resources	537,600	0.01
174	Kenmare Resources Warrants	—	—
		<hr/>	
		537,600	0.01
	<b>Construction &amp; Materials</b>		
	<b>— 0.94% (0.97%)</b>		
1,956,833	CRH	54,204,274	0.94
	<b>General Industrials — 0.23% (0.18%)</b>		
555,121	Smurfit Kappa Group	13,017,588	0.23
	<b>Support Services — 0.33% (0.33%)</b>		
206,068	DCC	15,094,481	0.26
503,931	Grafton Group	4,117,116	0.07
		<hr/>	
		19,211,597	0.33
	<b>Food Producers — 0.06% (0.06%)</b>		
1,704,696	Greencore Group	3,290,063	0.06
	<b>Health Care Equipment &amp; Services</b>		
	<b>— 0.09% (0.07%)</b>		
580,573	UDG Healthcare	5,201,934	0.09
	<b>Travel &amp; Leisure — 0.25% (0.32%)</b>		
191,230	Paddy Power Betfair	14,724,710	0.25
	<b>BERMUDA — 0.27% (0.24%)</b>		
	<b>Mining — 0.02% (0.03%)</b>		
1,203,309	Petra Diamonds	1,013,788	0.02
	<b>Food Producers — 0.02% (0.00%)</b>		
300,399	PureCircle	1,343,535	0.02
	<b>Nonlife Insurance — 0.21% (0.19%)</b>		
669,350	Hiscox	8,835,420	0.15
466,812	Lancashire	3,085,627	0.06
		<hr/>	
		11,921,047	0.21

## Portfolio Statement continued

Holding/ Nominal Value	Investment	Market value £	% of Net Assets
	<b>Equity Investment Instruments</b> <b>— 0.02% (0.02%)</b>		
491,738	Utilico Emerging Markets	1,122,392	0.02
	<b>BRITISH VIRGIN ISLANDS</b> <b>— 0.00% (0.01%)</b>		
	<b>Mining — 0.00% (0.01%)</b>		
253,374	Gem Diamonds	202,699	—
	<b>CANADA — 0.04% (0.04%)</b>		
	<b>Media — 0.04% (0.04%)</b>		
855,435	Entertainment One	2,386,664	0.04
	<b>CAYMAN ISLANDS — 0.16% (0.12%)</b>		
	<b>Life Insurance — 0.13% (0.10%)</b>		
928,838	Phoenix Group	7,063,813	0.13
	<b>Equity Investment Instruments</b> <b>— 0.03% (0.02%)</b>		
462,062	Dragon Capital Vietnam Enterprise Investments	1,804,814	0.03
	<b>CHANNEL ISLANDS — 7.10% (7.35%)</b>		
	<b>Oil Equipment, Services &amp; Distribution — 0.05% (0.11%)</b>		
609,941	Petrofac	2,687,400	0.05
	<b>Mining — 2.19% (1.57%)</b>		
2,462,050	Centamin	3,589,669	0.06
27,281,548	Glencore	101,187,262	1.75
651,929	Polymetal International	5,629,407	0.10
217,144	Randgold Resources	16,079,513	0.28
		126,485,851	2.19
	<b>Industrial Transportation</b> <b>— 0.03% (0.02%)</b>		
706,132	Stobart Group	1,860,658	0.03
	<b>Support Services — 1.24% (1.27%)</b>		
2,194,397	Experian	33,618,162	0.59
589,670	Ferguson	30,485,939	0.53
1,542,380	IWG	4,795,259	0.08
284,428	Sanne Group	2,363,597	0.04
		71,262,957	1.24
	<b>Pharmaceuticals &amp; Biotechnology</b> <b>— 1.40% (1.97%)</b>		
2,083,076	Shire	80,948,333	1.40
	<b>Media — 0.83% (1.17%)</b>		
187,223	Tarsus Group	543,415	0.01
920,841	UBM	6,367,615	0.11
2,948,493	WPP	41,013,538	0.71
		47,924,568	0.83
	<b>Travel &amp; Leisure — 0.07% (0.03%)</b>		
124,666	Wizz Air	3,900,799	0.07

## Portfolio Statement continued

Holding/ Nominal Value	Investment	Market value £	% of Net Assets
<b>Real Estate Investment &amp; Services</b>			
<b>— 0.17% (0.15%)</b>			
1,207,400	F&C Commercial Property Trust	1,802,648	0.03
270,601	Kennedy Wilson Europe Real Estate	3,046,967	0.05
142,572	Macau Property Opportunities Fund	229,541	—
982,219	MedicX Fund	886,453	0.02
156,518	Phoenix Spree Deutschland	507,510	0.01
1,279,750	Picton Property Income	1,084,588	0.02
901,532	Raven Russia	428,228	0.01
1,398,920	Sirius Real Estate	867,330	0.01
1,467,019	UK Commercial Property Trust	1,341,589	0.02
		<b>10,194,854</b>	<b>0.17</b>
<b>Real Estate Investment Trusts</b>			
<b>— 0.06% (0.06%)</b>			
539,892	F&C UK REIT	574,985	0.01
570,809	Regional REIT	596,495	0.01
1,213,561	Schroder REIT	749,374	0.01
1,056,221	Standard Life Investment Property Income Trust	969,083	0.02
541,211	Target Healthcare REIT	627,805	0.01
		<b>3,517,742</b>	<b>0.06</b>
<b>Financial Services — 0.01% (0.12%)</b>			
295,162	Real Estate Credit Investments	495,134	0.01
<b>Equity Investment Instruments</b>			
<b>— 1.05% (0.88%)</b>			
1,603,081	3i Infrastructure	3,170,894	0.05
426,111	Aberdeen Asian Income Fund	940,640	0.02
319,346	Alcentra European Floating Rate Income Fund	325,733	0.01
529,475	Apax Global Alpha	791,565	0.01
52,942	BH Global Fund	705,187	0.01
13,844	BH Macro	272,035	0.01
859,181	Bluefield Solar Income Trust	1,000,946	0.02
195,988	City Merchants High Yield Trust	388,056	0.01
806,201	CQS New City High Yield Fund	495,814	0.01
626,748	CVC Credit Partners European Opportunities	723,894	0.01
110,508	Dexion Absolute <sup>1</sup>	—	—
36,835	Dexion Absolute (Redemption Shares) <sup>2</sup>	—	—
100,198	Dexion Equity Alternative <sup>1</sup>	—	—
17,667	DW Catalyst Fund	217,304	—
986,264	Foresight Solar Fund	1,089,822	0.02
392,726	Funding Circle SME Income Fund	407,453	0.01
565,174	GCP Asset Backed Income Fund	593,433	0.01
282,587	GCP Asset Backed Income Fund Rights	—	—
1,778,884	GCP Infrastructure Investments	2,246,731	0.04
314,638	Genesis Emerging Markets Fund	2,219,771	0.04
188,205	HarbourVest Global Private Equity	2,388,321	0.04
267,844	Henderson Far East Income	1,007,093	0.02

## Portfolio Statement continued

Holding/ Nominal Value	Investment	Market value £	% of Net Assets
	<b>Equity Investment Instruments — (cont.)</b>		
3,952,163	HICL Infrastructure	6,295,796	0.11
62,557	Highbridge Multi Strategy Fund Assented	3,760	—
250,307	Highbridge Multi-Strategy Fund	529,399	0.01
225,329	ICG-Longbow Senior Secured UK Property Debt Investments	229,272	—
3,037,678	International Public Partnerships	4,905,850	0.09
761,421	John Laing Environmental Assets Group	820,431	0.01
1,980,891	John Laing Infrastructure Fund	2,549,407	0.04
475,877	JPMorgan Global Convertibles Income Trust	474,687	0.01
226,931	Middlefield Canadian Income PCC	237,710	—
2,366,256	NB Global Floating Rate Income Fund	2,224,281	0.04
126,236	NB Private Equity Partners	1,262,360	0.02
1,256,197	NextEnergy Solar Fund	1,416,362	0.02
531,800	Pershing Square	5,376,498	0.09
2,198,888	Renewables Infrastructure	2,385,794	0.04
128,047	Riverstone Energy	1,623,636	0.03
359,240	Ruffer Investment	830,743	0.01
608,995	Schroder Oriental Income Fund	1,552,937	0.03
1,729,405	Sequoia Economic Infrastructure Income Fund	1,936,934	0.03
932,307	SQN Asset Finance Income Fund	927,645	0.02
298,914	SQN Asset Finance Income Fund 'C'	292,936	0.01
881,073	Starwood European Real Estate Finance	969,180	0.02
911,448	Syncona	1,731,751	0.03
912,157	TwentyFour Income Trust	1,078,626	0.02
343,083	TwentyFour Select Monthly Income Fund	339,652	0.01
402,758	VinaCapital Vietnam Opportunity Fund	1,214,315	0.02
		60,194,654	1.05
	<b>FRANCE — 0.02% (0.00%) Support Services — 0.02% (0.00%)</b>		
42,132	Elis	834,812	0.02
	<b>GERMANY — 0.24% (0.24%) Travel &amp; Leisure — 0.24% (0.24%)</b>		
1,083,769	TUI	13,991,458	0.24
	<b>GIBRALTAR — 0.02% (0.00%) Travel &amp; Leisure — 0.02% (0.00%)</b>		
542,438	888 Holdings	1,317,039	0.02
	<b>ISLE OF MAN — 0.34% (0.31%) Oil Equipment, Services &amp; Distribution — 0.01% (0.01%)</b>		
616,779	Lamprell	539,682	0.01

## Portfolio Statement continued

Holding/ Nominal Value	Investment	Market value £	% of Net Assets
	<b>Support Services — 0.12% (0.10%)</b>		
1,162,655	Paysafe Group	6,772,465	0.12
	<b>Travel &amp; Leisure — 0.21% (0.18%)</b>		
667,777	GVC	5,719,510	0.10
685,702	Playtech	6,359,886	0.11
		12,079,396	0.21
	<b>Life Insurance — 0.00% (0.00%)</b>		
142,081	Hansard Global	117,927	—
	<b>Real Estate Investment Trusts — 0.00% (0.02%)</b>		
	<b>LUXEMBOURG — 0.16% (0.11%)</b>		
	<b>General Retailers — 0.13% (0.08%)</b>		
1,893,871	B&M European Value Retail	7,511,092	0.13
	<b>Equity Investment Instruments — 0.03% (0.03%)</b>		
1,118,351	Bilfinger Berger Global Infrastructure	1,588,059	0.03
	<b>NETHERLANDS — 0.01% (0.00%)</b>		
	<b>Travel &amp; Leisure — 0.01% (0.00%)</b>		
171,533	DP Eurasia	370,511	0.01
	<b>SINGAPORE — 0.02% (0.01%)</b>		
	<b>Electronic &amp; Electrical Equipment — 0.02% (0.01%)</b>		
34,580	XP Power	989,334	0.02
	<b>SPAIN — 0.41% (0.29%)</b>		
	<b>Travel &amp; Leisure — 0.41% (0.29%)</b>		
3,893,399	International Consolidated Airlines Group	23,788,668	0.41
	<b>SWITZERLAND — 0.20% (0.16%)</b>		
	<b>Beverages — 0.20% (0.16%)</b>		
457,733	Coca-Cola HBC	11,667,614	0.20
	<b>FUTURES CONTRACTS — 0.00% (-0.01%)</b>		
235	FTSE 100 Index ICF Future Expiry December 2017	336,692	—
<b>Portfolio of investments<sup>3</sup></b>		5,689,040,695	98.70
<b>Net other assets</b>		74,702,734	1.30
<b>Total net assets</b>		£5,763,743,429	100.00%

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

<sup>2</sup> Unlisted securities are valued at the Manager's best assessment of their fair and reasonable value.

<sup>3</sup> All investments are admitted to an official stock exchange unless otherwise stated.

Total purchases for the year: £318,134,495.

Total sales for the year: £71,965,448.

# Independent Auditors' Report

## Independent auditors' report to the Unitholders of Legal & General UK Index Trust

### Report on the audit of the financial statements

#### **Opinion**

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

- give a true and fair view of the financial position of the Trust as at 6 October 2017 and of the net revenue and, the net capital gains on its scheme property for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law), the Statement of Recommended Practice for UK Authorised Funds, the Collective Investment Schemes sourcebook and the Trust Deed.

We have audited the financial statements, included within the Annual Manager's Report (the "Annual Report"), which comprise: the balance sheet as at 6 October 2017; the statement of total return, and the statement of change in net assets attributable to unitholders for the year then ended; the distribution tables; and the notes to the financial statements, which include a description of the significant accounting policies.

#### **Basis for opinion**

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

#### **Independence**

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

#### **Conclusions relating to going concern**

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

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

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

## **Independent Auditors' Report continued**

### ***Reporting on other information***

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

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

### ***Authorised Fund Manager's Report***

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

### **Responsibilities for the financial statements and the audit**

#### ***Responsibilities of the Authorised Fund Manager for the financial statements***

As explained more fully in the Authorised Fund Manager's Responsibilities Statement set out on page 6, the Authorised Fund Manager is responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The Authorised Fund Manager is also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

#### ***Auditors' responsibilities for the audit of the financial statements***

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

## Independent Auditors' Report continued

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

### **Use of this report**

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

### **Other required reporting**

#### **Opinion on matter required by the Collective Investment Schemes sourcebook**

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

#### **Collective Investment Schemes sourcebook exception reporting**

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

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

We have no exceptions to report arising from this responsibility.

PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
London  
27 November 2017

#### **Notes:**

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



## Financial Statements

### Statement of Total Return for the year ended 6 October 2017

Notes	06/10/17		06/10/16	
	£	£	£	£
<b>Income</b>				
Net capital gains	3	421,272,086		493,676,515
Revenue	4	210,068,738	189,405,821	
Expenses	5	(16,669,271)	(15,160,469)	
Interest payable and similar charges	7	(9,738)	(96)	
<b>Net revenue before taxation</b>		193,389,729	174,245,256	
Taxation	6	28,907	(1,239,466)	
<b>Net revenue after taxation for the year</b>		193,418,636	173,005,790	
<b>Total return before distributions</b>		614,690,722	666,682,305	
Distributions	7	(193,450,227)	(173,132,826)	
<b>Change in net assets attributable to Unitholders from investment activities</b>		<b>£421,240,495</b>	<b>£493,549,479</b>	

### Statement of Change in Net Assets attributable to Unitholders for the year ended 6 October 2017

	06/10/17		06/10/16	
	£	£	£	£
<b>Opening net assets attributable to Unitholders</b>		5,210,521,859		4,693,850,000
Amounts received on issue of units		401,690,157	311,618,097	
Amounts paid on cancellation of units		(382,548,426)	(388,420,091)	
		19,141,731	(76,801,994)	
<b>Change in net assets attributable to Unitholders from investment activities</b>		421,240,495	493,549,479	
<b>Retained distributions on accumulation units</b>		112,830,368	99,924,374	
Unclaimed distributions		8,976	–	
<b>Closing net assets attributable to Unitholders</b>		<b>£5,763,743,429</b>	<b>£5,210,521,859</b>	

## Financial Statements continued

### Balance Sheet as at 6 October 2017

	Notes	06/10/17 £	06/10/16 £
<b>ASSETS</b>			
<b>Fixed assets:</b>			
Investments		5,689,040,695	5,039,349,174
<b>Current assets:</b>			
Debtors	8	59,223,324	111,090,572
Cash and bank balances	9	104,131,822	113,876,669
<b>Total assets</b>		<b>5,852,395,841</b>	<b>5,264,316,415</b>
<b>LIABILITIES</b>			
<b>Investment liabilities</b>			
		–	(381,063)
<b>Creditors:</b>			
Bank overdrafts	9	–	(333)
Distributions payable		(44,353,141)	(40,461,130)
Other creditors	10	(44,299,271)	(12,952,030)
<b>Total liabilities</b>		<b>(88,652,412)</b>	<b>(53,794,556)</b>
<b>Net assets attributable to Unitholders</b>		<b>£5,763,743,429</b>	<b>£5,210,521,859</b>

# Notes to the Financial Statements

## 1. Statement of Compliance

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

## 2. Summary of Significant Accounting Policies

### (a) Basis of Preparation

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

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

### (b) Functional and Presentation Currency

The functional and presentation currency of the Trust is Sterling.

### (c) Recognition of revenue

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

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

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

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

Underwriting commission is taken to revenue and recognised when the issue takes place, except where the Trust 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 Trust.

#### (f) Basis of valuation of investments

All investments are valued at their fair value as at 12 noon on 6 October 2017, being the last working day of the accounting year. The fair value for non-derivative securities is bid market price. The fair value for units in Collective Investment Schemes is the cancellation price or bid price for dual priced funds and single price for single priced funds. The fair value for derivative instruments is the cost of closing out the contract at the balance sheet date.

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

#### (g) Taxation

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

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

#### (h) Foreign exchange

Transactions in foreign currencies are translated at the rate of exchange ruling on the date of the transaction. Where applicable, assets and liabilities denominated in foreign currencies are translated into Sterling at the rates of exchange ruling at 12 noon on 6 October 2017, being the last working day of the accounting year.

## Notes to the Financial Statements continued

### 2. Summary of Significant Accounting Policies continued

#### (i) Derivative Instruments

The Trust 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 Trust 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 Trust 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.

### 3. Net capital gains

The net capital gains during the year comprise:

Non-derivative securities

Derivative securities

Currency gains/(losses)

Net capital gains

	06/10/17	06/10/16
	£	£
Non-derivative securities	412,010,553	495,659,869
Derivative securities	9,113,202	(1,925,200)
Currency gains/(losses)	148,331	(58,154)
Net capital gains	<u>421,272,086</u>	<u>493,676,515</u>

### 4. Revenue

UK Franked dividends

Non-taxable overseas dividends

Property distributions

Property interest distributions

Futures revenue

Franked stock dividends

Unfranked stock dividends

Underwriting commission

Bank interest

	06/10/17	06/10/16
	£	£
UK Franked dividends	145,574,310	142,081,741
Non-taxable overseas dividends	14,548,876	16,076,109
Property distributions	1,012,453	—
Property interest distributions	3,115,520	2,550,060
Futures revenue	3,218,015	1,601,310
Franked stock dividends	42,362,270	26,796,807
Unfranked stock dividends	147,968	—
Underwriting commission	88,144	98,861
Bank interest	1,182	200,933
	<u>210,068,738</u>	<u>189,405,821</u>

## Notes to the Financial Statements continued

### 5. Expenses

	06/10/17	06/10/16
	£	£
Payable to the Manager, associates of the Manager and agents of either of them:		
Fund management fees	<u>16,669,271</u>	<u>15,160,469</u>
Total expenses	<u>16,669,271</u>	<u>15,160,469</u>

Audit fees of £8,975 plus VAT on Audit fees of £1,795 have been borne by the Manager out of its fund management fee. In the prior year, the total audit fee was £8,835 plus VAT of £1,767.

## Notes to the Financial Statements continued

### 6. Taxation

#### (a) Analysis of taxation charge in year

	06/10/17	06/10/16
	£	£
Overseas tax	(28,907)	1,239,466
Current tax [note 6(b)]	(28,907)	1,239,466
Deferred tax [note 6(c)]	—	—
Total taxation	(28,907)	1,239,466

#### (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	193,389,729	174,245,256
Net revenue before taxation multiplied by the applicable rate of Corporation tax of 20% (2016: 20%)	38,677,946	34,849,051
<b>Effects of:</b>		
Overseas tax	(28,907)	1,239,466
Revenue not subject to taxation	(40,670,489)	(37,056,478)
Excess management expenses not utilised	1,992,543	2,207,427
Current tax	(28,907)	1,239,466

#### (c) Provision for deferred tax

There is no deferred tax provision in the current or preceding year. At the year end there is a potential deferred tax asset of £40,397,011 (6 October 2016: £38,404,468) due to surplus management expenses.

It is unlikely the Trust will generate sufficient taxable profits in the future to utilise this amounts and therefore no deferred tax asset has been recognised (6 October 2016: same).

## Notes to the Financial Statements continued

### 7. Distributions

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

	06/10/17	06/10/16
	£	£
Interim distribution	89,294,999	75,121,610
Final distribution	<u>105,190,986</u>	<u>96,447,474</u>
	194,485,985	171,569,084
Add: Revenue deducted on cancellation of units	3,194,156	4,238,059
Less: Revenue received on creation of units	<u>(4,229,914)</u>	<u>(2,674,317)</u>
<b>Distributions for the year</b>	<b>193,450,227</b>	<b>173,132,826</b>
<b>Interest payable and similar charges</b>		
Bank overdraft interest	<u>9,738</u>	<u>96</u>
	<u>193,459,965</u>	<u>173,132,922</u>

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

	06/10/17	06/10/16
	£	£
Net revenue after taxation for the year	193,418,636	173,005,790
Equalisation effect of conversions	<u>31,591</u>	<u>127,036</u>
<b>Distributions for the year</b>	<b>193,450,227</b>	<b>173,132,826</b>

### 8. Debtors

	06/10/17	06/10/16
	£	£
Accrued revenue	9,825,047	9,913,320
Amounts receivable for creation of units	46,736,415	1,493,622
Overseas tax recoverable	561,307	760,999
PID tax recoverable	10,262	—
Sales awaiting settlement	<u>2,090,293</u>	<u>98,922,631</u>
	<u>59,223,324</u>	<u>111,090,572</u>



## Notes to the Financial Statements continued

### 9. Net uninvested cash

	06/10/17	06/10/16
	£	£
Amounts held at futures clearing houses and brokers	607,530	7,286,721
Cash and bank balances	103,524,292	106,589,948
Bank overdrafts	—	(333)
Net uninvested cash	<u>104,131,822</u>	<u>113,876,336</u>

### 10. Other creditors

	06/10/17	06/10/16
	£	£
Accrued expenses	1,665,462	1,564,899
Amounts payable for cancellation of units	4,425,224	11,193,301
Purchases awaiting settlement	<u>38,208,585</u>	<u>193,830</u>
	<u>44,299,271</u>	<u>12,952,030</u>

### 11. Contingent liabilities and outstanding commitments

Contingent liabilities and outstanding commitments at the balance sheet date were:

	06/10/17	06/10/16
	£	£
Commitments on rights issues	<u>547,324</u>	—
Total	<u>547,324</u>	—

## Notes to the Financial Statements continued

### 12. Financial Instruments and Associated Risks

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

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

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

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

#### (a) Market Risk arising from other price risk

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

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

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

At 6 October 2017, if the price of the investments held by the Trust increased or decreased by 5%, with all other variables remaining constant, then the net assets attributable to unitholders would increase or decrease by approximately £284,452,035 (6 October 2016: £251,948,406).

## Notes to the Financial Statements continued

### 12. Financial Instruments and Associated Risks continued

#### (b) Interest Rate Risk

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

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

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

#### (c) Foreign Currency Risk

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

As this Trust invests in other collective investment schemes that hold investment instruments in overseas financial securities, there is currency risk in respect of the financial instruments held by those schemes.

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

At 6 October 2017, if the value of Sterling increased or decreased by 1% against all currencies, with all other variables remaining constant, then the net assets attributable to unitholders would increase or decrease by approximately £2,354,305 (6 October 2016: £1,753,634).

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

06/10/17 Currency	Net foreign currency assets		
	Monetary exposures £'000	Non-monetary exposures £'000	Total £'000
Euro	3,748	220,576	224,324
US Dollar	—	11,107	11,107

06/10/16 Currency	Net foreign currency assets		
	Monetary exposures £'000	Non-monetary exposures £'000	Total £'000
Euro	648	174,715	175,363

#### (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.

As this Trust invests in Collective Investment Schemes there is credit risk in respect of the assets held by these Schemes.

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

## Notes to the Financial Statements continued

### 12. Financial Instruments and Associated Risks continued

#### (e) Liquidity Risk

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

The Trust 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 Trust made use of the following derivatives:

##### **Futures**

Futures are used to manage market exposure with reduced dealing costs, in order to maintain an Index distribution. The effect of these instruments was to increase the exposure of the Trust by £17,582,700 (6 October 2016: increase the exposure by £116,110,400), representing 0.31% of the net asset value (6 October 2016: 2.23%).

This results in an effective equity exposure at the year end of 99.01% (6 October 2016: 98.94%) of net assets, which means that the gains or losses of the Trust will be 0.9901 (6 October 2016: 0.9894) times the gains or losses if the Trust was fully invested in equities.

## Notes to the Financial Statements continued

### 12. Financial Instruments and Associated Risks continued

#### (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, and subsequently amended by Financial Reporting Exposure Draft 62 (FRED62), requires the classification of the Trust's financial instruments held at the year end into a 3 tiered fair value hierarchy. The 3 tiers of the hierarchy and the classification of the Trust's financial instruments as at the balance sheet date were:

<b>06/10/17</b>	<b>Assets</b>	<b>Liabilities</b>
<b>Basis of Valuation</b>	<b>£</b>	<b>£</b>
Level 1 - Quoted Prices	5,689,040,695	—
Level 2 - Observable Market Data	—	—
Level 3 - Unobservable Data	—	—
<b>Total</b>	<b>5,689,040,695</b>	<b>—</b>

<b>06/10/16</b>	<b>Assets</b>	<b>Liabilities</b>
<b>Basis of Valuation</b>	<b>£</b>	<b>£</b>
Level 1 - Quoted Prices	5,039,349,174	(381,063)
Level 2 - Observable Market Data	—	—
Level 3 - Unobservable Data	—	—
<b>Total</b>	<b>5,039,349,174</b>	<b>(381,063)</b>

#### **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

06/10/17	Value	Commissions		Taxes		Total
Purchases	£'000	£'000	%	£'000	%	£'000
Equities	317,014	87	0.03	1,033	0.32	318,134
<b>Total</b>	<b>317,014</b>	<b>87</b>	<b>0.03</b>	<b>1,033</b>	<b>0.32</b>	<b>318,134</b>

06/10/17	Value	Commissions		Taxes		Total
Sales	£'000	£'000	%	£'000	%	£'000
Equities	71,981	(16)	0.02	—	—	71,965
<b>Total</b>	<b>71,981</b>	<b>(16)</b>	<b>0.02</b>	<b>—</b>	<b>—</b>	<b>71,965</b>

Commissions and taxes as % of average net assets

Commissions	0.00%
Taxes	0.02%

06/10/16	Value	Commissions		Taxes		Total
Purchases	£'000	£'000	%	£'000	%	£'000
Equities	335,424	91	0.03	1,214	0.36	336,729
<b>Total</b>	<b>335,424</b>	<b>91</b>	<b>0.03</b>	<b>1,214</b>	<b>0.36</b>	<b>336,729</b>

06/10/16	Value	Commissions		Taxes		Total
Sales	£'000	£'000	%	£'000	%	£'000
Equities	345,061	(40)	0.01	(1)	—	345,020
Derivatives	2,055	(1)	—	—	—	2,054
<b>Total</b>	<b>347,116</b>	<b>(41)</b>	<b>0.01</b>	<b>(1)</b>	<b>—</b>	<b>347,074</b>

Commissions and taxes as % of average net assets

Commissions	0.00%
Taxes	0.03%

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 0.09% (6 October 2016: 0.10%).

## 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 60. 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 50 to 58. The distributions per unit class are given in the distribution tables on pages 47 and 48. All classes have the same rights on winding up.

<b>R-Class</b>	<b>Distribution</b>	<b>Accumulation</b>
Opening Units	550,625,683	657,051,637
Units issued	14,829,070	3,470,416
Units cancelled	(33,406,558)	(37,352,723)
Units converted	(2,370,801)	(4,347,763)
Closing Units	529,677,394	618,821,567

<b>F-Class</b>	<b>Distribution</b>	<b>Accumulation</b>
Opening Units	1,012,895	1,397,744
Units issued	52,262	193,685
Units cancelled	(39,892)	(48,270)
Units converted	2,981	34,469
Closing Units	1,028,246	1,577,628

<b>I-Class</b>	<b>Distribution</b>	<b>Accumulation</b>
Opening Units	346,499,524	369,579,853
Units issued	33,980,801	30,839,013
Units cancelled	(35,299,710)	(28,807,965)
Units converted	(12,915,937)	568,367
Closing Units	332,264,678	372,179,268

<b>C-Class</b>	<b>Distribution</b>	<b>Accumulation</b>
Opening Units	141,975,635	142,613,985
Units issued	69,587,545	30,451,699
Units cancelled	(11,669,997)	(16,924,897)
Units converted	(712,594)	3,561,137
Closing Units	199,180,589	159,701,924

<b>L-Class</b>	<b>Distribution</b>
Opening Units	361,029,325
Units issued	19,158,013
Units cancelled	(15,991,920)
Units converted	15,983,180
Closing Units	380,178,598

## Notes to the Financial Statements continued

### 15. Ultimate controlling party and related party transactions

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

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

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

At the year end, the Manager and its associates held 5.54% (6.54% as at 6 October 2016) of the Trust's units in issue.

### 16. Post balance sheet market movements

As at the close of business on the balance sheet date the Net Asset Value per R-Class distribution unit was 164.20p. The Net Asset Value per R-Class distribution unit for the Trust as at 12 noon on 23 November 2017 was 162.60p. This represents a decrease of 0.97% from the year end value.



## Distribution Tables

### Distribution Tables for the year ended 6 October 2017

Group 1: units purchased prior to a distribution period.

Group 2: units purchased during a distribution period.

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

Interim dividend distribution in pence per unit			Period	
			07/10/16	to 06/04/17
<b>R-Class</b>			<b>Distribution</b>	<b>Distribution</b>
<b>Distribution Units</b>			<b>06/06/17</b>	<b>06/06/16</b>
Group 1	Revenue	Equalisation	2.3986	2.0085
Group 2	1.5133	0.8853	2.3986	2.0085
<b>R-Class</b>			<b>Distribution</b>	<b>Distribution</b>
<b>Accumulation Units</b>			<b>06/06/17</b>	<b>06/06/16</b>
Group 1	Revenue	Equalisation	4.0820	3.3095
Group 2	2.0150	2.0670	4.0820	3.3095
<b>F-Class</b>			<b>Distribution</b>	<b>Distribution</b>
<b>Distribution Units</b>			<b>06/06/17</b>	<b>06/06/16</b>
Group 1	Revenue	Equalisation	2.6143	2.1556
Group 2	2.1729	0.4414	2.6143	2.1556
<b>F-Class</b>			<b>Distribution</b>	<b>Distribution</b>
<b>Accumulation Units</b>			<b>06/06/17</b>	<b>06/06/16</b>
Group 1	Revenue	Equalisation	4.4827	3.5728
Group 2	1.4537	3.0290	4.4827	3.5728
<b>I-Class</b>			<b>Distribution</b>	<b>Distribution</b>
<b>Distribution Units</b>			<b>06/06/17</b>	<b>06/06/16</b>
Group 1	Revenue	Equalisation	2.7732	2.3235
Group 2	1.6402	1.1330	2.7732	2.3235
<b>I-Class</b>			<b>Distribution</b>	<b>Distribution</b>
<b>Accumulation Units</b>			<b>06/06/17</b>	<b>06/06/16</b>
Group 1	Revenue	Equalisation	4.9077	3.9639
Group 2	2.5172	2.3905	4.9077	3.9639
<b>C-Class</b>			<b>Distribution</b>	<b>Distribution</b>
<b>Distribution Units</b>			<b>06/06/17</b>	<b>06/06/16</b>
Group 1	Revenue	Equalisation	2.8085	2.3527
Group 2	1.6650	1.1435	2.8085	2.3527
<b>C-Class</b>			<b>Distribution</b>	<b>Distribution</b>
<b>Accumulation Units</b>			<b>06/06/17</b>	<b>06/06/16</b>
Group 1	Revenue	Equalisation	4.9740	4.0142
Group 2	2.7152	2.2588	4.9740	4.0142
<b>L-Class</b>			<b>Distribution</b>	<b>Distribution</b>
<b>Distribution Units</b>			<b>06/06/17</b>	<b>06/06/16</b>
Group 1	Revenue	Equalisation	2.8385	2.3799
Group 2	1.7788	1.0597	2.8385	2.3799

## Distribution Tables continued

Final dividend distribution in pence per unit			Period	
			07/04/17	to 06/10/17
<b>R-Class</b>			<b>Distribution</b>	<b>Distribution</b>
<b>Distribution Units</b>			<b>06/12/17</b>	<b>06/12/16</b>
	<b>Revenue</b>	<b>Equalisation</b>		
Group 1	2.8125	—	2.8125	2.6566
Group 2	1.6638	1.1487	2.8125	2.6566
<b>R-Class</b>			<b>Distribution</b>	<b>Distribution</b>
<b>Accumulation Units</b>			<b>06/12/17</b>	<b>06/12/16</b>
	<b>Revenue</b>	<b>Equalisation</b>		
Group 1	4.8587	—	4.8587	4.4430
Group 2	2.4700	2.3887	4.8587	4.4430
<b>F-Class</b>			<b>Distribution</b>	<b>Distribution</b>
<b>Distribution Units</b>			<b>06/12/17</b>	<b>06/12/16</b>
	<b>Revenue</b>	<b>Equalisation</b>		
Group 1	3.0459	—	3.0459	2.8599
Group 2	1.6476	1.3983	3.0459	2.8599
<b>F-Class</b>			<b>Distribution</b>	<b>Distribution</b>
<b>Accumulation Units</b>			<b>06/12/17</b>	<b>06/12/16</b>
	<b>Revenue</b>	<b>Equalisation</b>		
Group 1	5.3090	—	5.3090	4.8128
Group 2	3.1568	2.1522	5.3090	4.8128
<b>I-Class</b>			<b>Distribution</b>	<b>Distribution</b>
<b>Distribution Units</b>			<b>06/12/17</b>	<b>06/12/16</b>
	<b>Revenue</b>	<b>Equalisation</b>		
Group 1	3.1923	—	3.1923	2.9893
Group 2	1.5707	1.6216	3.1923	2.9893
<b>I-Class</b>			<b>Distribution</b>	<b>Distribution</b>
<b>Accumulation Units</b>			<b>06/12/17</b>	<b>06/12/16</b>
	<b>Revenue</b>	<b>Equalisation</b>		
Group 1	5.7484	—	5.7484	5.1877
Group 2	2.7605	2.9879	5.7484	5.1877
<b>C-Class</b>			<b>Distribution</b>	<b>Distribution</b>
<b>Distribution Units</b>			<b>06/12/17</b>	<b>06/12/16</b>
	<b>Revenue</b>	<b>Equalisation</b>		
Group 1	3.2279	—	3.2279	3.0503
Group 2	0.7446	2.4833	3.2279	3.0503
<b>C-Class</b>			<b>Distribution</b>	<b>Distribution</b>
<b>Accumulation Units</b>			<b>06/12/17</b>	<b>06/12/16</b>
	<b>Revenue</b>	<b>Equalisation</b>		
Group 1	5.8187	—	5.8187	5.2964
Group 2	2.8257	2.9930	5.8187	5.2964
<b>L-Class</b>			<b>Distribution</b>	<b>Distribution</b>
<b>Distribution Units</b>			<b>06/12/17</b>	<b>06/12/16</b>
	<b>Revenue</b>	<b>Equalisation</b>		
Group 1	3.2584	—	3.2584	3.0788
Group 2	1.5093	1.7491	3.2584	3.0788

## Trust Information

The Comparative Tables on pages 50 to 58 give the performance of each active share class in the Trust.

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

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

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

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

## Trust Information continued

### Comparative Tables

#### R-Class Distribution Units

##### Change in Net Asset Value per Unit

Accounting Year ending	06/10/17 (pence per unit)	06/10/16 (pence per unit)	06/10/15 (pence per unit)
Opening net asset value per unit	151.95	137.54	139.45
Return before operating charges*	18.35	19.85	3.29
Operating charges (calculated on average price)	(0.89)	(0.78)	(0.81)
Return after operating charges*	17.46	19.07	2.48
Distributions on income units	(5.21)	(4.66)	(4.39)
Closing net asset value per unit	164.20	151.95	137.54
* after direct transaction costs of:	0.03	0.04	0.05

#### Performance

Return after charges	11.49%	13.87%	1.78%
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#### Other Information

Closing net asset value (£)	869,720,215	836,653,575	834,148,437
Closing number of units	529,677,394	550,625,683	606,489,199
Operating charges <sup>†</sup>	0.56%	0.56%	0.56%
Direct transaction costs	0.02%	0.03%	0.04%

#### Prices

Highest unit price	167.00p	156.40p	154.50p
Lowest unit price	145.10p	122.80p	130.70p

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

**Past performance is not a guide to future performance.**

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

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

## Trust Information continued

### Comparative Tables continued

#### R-Class Accumulation Units

##### Change in Net Asset Value per Unit

Accounting Year ending	06/10/17 (pence per unit)	06/10/16 (pence per unit)	06/10/15 (pence per unit)
Opening net asset value per unit	258.57	226.66	222.82
Return before operating charges*	31.46	33.20	5.14
Operating charges (calculated on average price)	(1.52)	(1.29)	(1.30)
Return after operating charges*	29.94	31.91	3.84
Distributions	(8.94)	(7.75)	(7.08)
Retained distributions on accumulation units	8.94	7.75	7.08
Closing net asset value per unit	288.51	258.57	226.66
* after direct transaction costs of:	0.06	0.06	0.09

#### Performance

Return after charges	11.58%	14.08%	1.72%
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#### Other Information

Closing net asset value (£)	1,785,362,710	1,698,957,373	1,647,757,119
Closing number of units	618,821,567	657,051,637	726,980,156
Operating charges†	0.56%	0.56%	0.56%
Direct transaction costs	0.02%	0.03%	0.04%

#### Prices

Highest unit price	288.40p	261.60p	250.00p
Lowest unit price	246.90p	202.50p	208.80p

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

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## Trust Information continued

### Comparative Tables continued

#### F-Class Distribution Units

##### Change in Net Asset Value per Unit

Accounting Year ending	06/10/17 (pence per unit)	06/10/16 (pence per unit)	06/10/15 (pence per unit)
Opening net asset value per unit	152.75	138.25	140.17
Return before operating charges*	18.46	19.97	3.31
Operating charges (calculated on average price)	(0.48)	(0.46)	(0.52)
Return after operating charges*	17.98	19.51	2.79
Distributions on income units	(5.66)	(5.01)	(4.71)
Closing net asset value per unit	165.07	152.75	138.25
* after direct transaction costs of:	0.03	0.04	0.05

##### Performance

Return after charges	11.77%	14.11%	1.99%
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##### Other Information

Closing net asset value (£)	1,697,343	1,547,167	1,729,660
Closing number of units	1,028,246	1,012,895	1,251,134
Operating charges†	0.30%	0.33%	0.36%
Direct transaction costs	0.02%	0.03%	0.04%

##### Prices

Highest unit price	169.00p	158.40p	155.20p
Lowest unit price	146.60p	123.60p	131.40p

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## Trust Information continued

### Comparative Tables continued

#### F-Class Accumulation Units

##### Change in Net Asset Value per Unit

Accounting Year ending	06/10/17 (pence per unit)	06/10/16 (pence per unit)	06/10/15 (pence per unit)
Opening net asset value per unit	261.94	229.08	224.75
Return before operating charges*	31.92	33.63	5.18
Operating charges (calculated on average price)	(0.83)	(0.77)	(0.85)
Return after operating charges*	31.09	32.86	4.33
Distributions	(9.79)	(8.38)	(7.62)
Retained distributions on accumulation units	9.79	8.38	7.62
Closing net asset value per unit	293.03	261.94	229.08
* after direct transaction costs of:	0.06	0.07	0.09

#### Performance

Return after charges	11.87%	14.34%	1.93%
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#### Other Information

Closing net asset value (£)	4,622,931	3,661,275	3,252,238
Closing number of units	1,577,628	1,397,744	1,419,704
Operating charges†	0.30%	0.33%	0.36%
Direct transaction costs	0.02%	0.03%	0.04%

#### Prices

Highest unit price	294.60p	266.60p	252.50p
Lowest unit price	251.40p	204.80p	210.60p

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## Trust Information continued

### Comparative Tables continued

#### I-Class Distribution Units

##### Change in Net Asset Value per Unit

Accounting Year ending	06/10/17 (pence per unit)	06/10/16 (pence per unit)	06/10/15 (pence per unit)
Opening net asset value per unit	151.99	137.55	139.47
Return before operating charges*	18.39	19.89	3.28
Operating charges (calculated on average price)	(0.16)	(0.14)	(0.14)
Return after operating charges*	18.23	19.75	3.14
Distributions on income units	(5.97)	(5.31)	(5.06)
Closing net asset value per unit	164.25	151.99	137.55
* after direct transaction costs of:	0.03	0.04	0.05

#### Performance

Return after charges	11.99%	14.36%	2.25%
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#### Other Information

Closing net asset value (£)	545,745,944	526,646,452	418,490,274
Closing number of units	332,264,678	346,499,524	304,241,515
Operating charges†	0.10%	0.10%	0.10%
Direct transaction costs	0.02%	0.03%	0.04%

#### Prices

Highest unit price	167.40p	156.80p	154.50p
Lowest unit price	145.90p	123.10p	130.70p

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

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## Trust Information continued

### Comparative Tables continued

#### I-Class Accumulation Units

##### Change in Net Asset Value per Unit

Accounting Year ending	06/10/17 (pence per unit)	06/10/16 (pence per unit)	06/10/15 (pence per unit)
Opening net asset value per unit	268.97	234.68	229.65
Return before operating charges*	32.81	34.53	5.27
Operating charges (calculated on average price)	(0.28)	(0.24)	(0.24)
Return after operating charges*	32.53	34.29	5.03
Distributions	(10.66)	(9.15)	(8.41)
Retained distributions on accumulation units	10.66	9.15	8.41
Closing net asset value per unit	301.50	268.97	234.68
* after direct transaction costs of:	0.06	0.07	0.09

#### Performance

Return after charges	12.09%	14.61%	2.19%
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#### Other Information

Closing net asset value (£)	1,122,114,809	994,053,454	851,179,543
Closing number of units	372,179,268	369,579,853	362,701,142
Operating charges†	0.10%	0.10%	0.10%
Direct transaction costs	0.02%	0.03%	0.04%

#### Prices

Highest unit price	301.40p	272.10p	258.40p
Lowest unit price	258.20p	210.00p	215.20p

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## Trust Information continued

### Comparative Tables continued

#### C-Class Distribution Units

##### Change in Net Asset Value per Unit

Accounting Year ending	06/10/17 (pence per unit)	06/10/16 (pence per unit)	06/10/15 (pence per unit)
Opening net asset value per unit	152.14	137.70	139.61
Return before operating charges*	18.42	19.92	3.32
Operating charges (calculated on average price)	(0.10)	(0.08)	(0.09)
Return after operating charges*	18.32	19.84	3.23
Distributions on income units	(6.04)	(5.40)	(5.14)
Closing net asset value per unit	164.42	152.14	137.70
* after direct transaction costs of:	0.03	0.04	0.05

##### Performance

Return after charges	12.04%	14.41%	2.31%
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##### Other Information

Closing net asset value (£)	327,491,899	215,998,253	172,647,163
Closing number of units	199,180,589	141,975,635	125,382,075
Operating charges†	0.06%	0.06%	0.06%
Direct transaction costs	0.02%	0.03%	0.04%

##### Prices

Highest unit price	168.50p	157.90p	154.70p
Lowest unit price	146.10p	123.20p	130.80p

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## Trust Information continued

### Comparative Tables continued

#### C-Class Accumulation Units

##### Change in Net Asset Value per Unit

Accounting Year ending	06/10/17 (pence per unit)	06/10/16 (pence per unit)	06/10/15 (pence per unit)
Opening net asset value per unit	269.44	235.00	229.86
Return before operating charges*	32.87	34.58	5.28
Operating charges (calculated on average price)	(0.17)	(0.14)	(0.14)
Return after operating charges*	32.70	34.44	5.14
Distributions	(10.79)	(9.31)	(8.52)
Retained distributions on accumulation units	10.79	9.31	8.52
Closing net asset value per unit	302.14	269.44	235.00
* after direct transaction costs of:	0.06	0.07	0.09

#### Performance

Return after charges	12.14%	14.66%	2.24%
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#### Other Information

Closing net asset value (£)	482,525,224	384,259,426	281,890,067
Closing number of units	159,701,924	142,613,985	119,953,664
Operating charges†	0.06%	0.06%	0.06%
Direct transaction costs	0.02%	0.03%	0.04%

#### Prices

Highest unit price	303.80p	274.20p	258.70p
Lowest unit price	258.70p	210.30p	215.40p

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## Trust Information continued

### Comparative Tables continued

#### L-Class Distribution Units

##### Change in Net Asset Value per Unit

Accounting Year ending	06/10/17 (pence per unit)	06/10/16 (pence per unit)	06/10/15 (pence per unit)
Opening net asset value per unit	151.99	137.57	139.49
Return before operating charges*	18.39	19.90	3.31
Operating charges (calculated on average price)	(0.03)	(0.03)	(0.03)
Return after operating charges*	18.36	19.87	3.28
Distributions on income units	(6.10)	(5.45)	(5.20)
Closing net asset value per unit	164.25	151.99	137.57
* after direct transaction costs of:	0.03	0.04	0.05

##### Performance

Return after charges	12.08%	14.44%	2.35%
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##### Other Information

Closing net asset value (£)	624,462,354	548,744,884	482,755,499
Closing number of units	380,178,598	361,029,325	350,917,874
Operating charges†	0.02%	0.02%	0.02%
Direct transaction costs	0.02%	0.03%	0.04%

##### Prices

Highest unit price	168.40p	157.80p	154.60p
Lowest unit price	145.90p	123.10p	130.70p

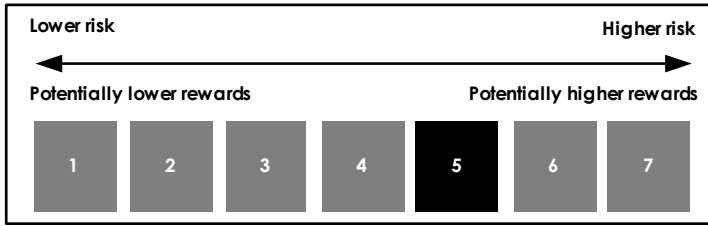
† Operating charges, otherwise known as the OCF is the ratio of the Trust's total disclosable costs (excluding overdraft interest) to the average net assets of the Trust. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a Trust and is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

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## Risk and Reward Profile



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

## General Information

### Constitution

Launch date:	24 September 1992
Period end dates for distributions:	6 April, 6 October
Distribution dates:	6 June, 6 December
Minimum initial lump sum investment:	R-Class £500 F-Class* £500 I-Class £1,000,000 C-Class** £100,000,000 L-Class† £100,000
Minimum monthly contributions:	R-Class £50 F-Class* £50 I-Class N/A C-Class** N/A L-Class† N/A
Valuation point:	12 noon
Fund management fees:	R-Class Annual 0.56% F-Class* Annual 0.30% I-Class Annual 0.10% C-Class** Annual 0.06% L-Class† Annual 0.02%
Initial charge:	R-Class Nil F-Class* Nil I-Class Nil C-Class** Nil L-Class† Nil

\* F-Class units are only available to:

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

\*\* C-Class units are only available to distributors who actively market and distribute such units (or whom the manager believes intends to do so) and to whom the Manager has confirmed by letter that they meet the criteria for investment in such units.

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

### Pricing and Dealing

The prices are published on the internet at [www.legalandgeneral.com/investments/fund-information/daily-fund-prices](http://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.

## General Information continued

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

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

### Prospectus and Manager's Reports

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

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

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

### Information on Tracking Error

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

Using monthly returns, over the review year, the annualised Tracking Error of the Trust is 0.13%, whilst over the last three years to the end of October 2017, the annualised Tracking Error of the Trust is 0.10%. These Tracking Errors are within the anticipated Tracking Error levels set out in the Trust's Prospectus of +/-0.25% per annum.

## General Information continued

### Remuneration Disclosure

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

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

### Controlled Functions

Headcount	Fixed Remuneration (£,000)	Variable Remuneration (£,000)	Remuneration related to this Scheme (Pro-rated) (£'000)
16	3,278	5,980	1,273

### Material Risk Takers

Headcount	Fixed Remuneration (£,000)	Variable Remuneration (£,000)	Remuneration related to this Fund (Pro-rated) (£'000)
22	2,178	2,535	73

### Controlled Functions

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



## General Information continued

### Material Risk Takers

As at the 31 December 2016, UTM engaged the services of Legal & General Investment Management's Index Fund Management team, which consists of 22 investment professionals located in our London Office. The team includes a variety of Fund Managers, Analysts and Support Staff, with the Fund Managers empowered to take discretionary investment management decisions on behalf of the Trust. The team is also engaged in managing other Legal & General UTM Funds/Schemes and is also engaged by other companies in the L&G Group. The aggregate remuneration received by the members of the team, for all their services across the L&G Group, is disclosed in the table above. We have prorated the remuneration figures by the Net Asset Value of the UCITS Funds as a percentage of the total net assets under management of the Index Fund Management team.

### Significant Change

#### Removal of Initial Commission

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

## General Information continued

### Authorised Fund Manager

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

### Directors of the Manager

R. M. Bartley  
A. J. C. Craven  
S. Hynes  
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:  
One Coleman Street,  
London EC2R 5AA  
[www.legalandgeneral.com](http://www.legalandgeneral.com)

