

Legal & General
Global Health and Pharmaceuticals Index Trust

**Annual Manager's Report
for the year ended
7 January 2018**

**EVERY
DAY
MATTERS.®**



Contents

	Page Number
Manager's Investment Report*	2
Authorised Status*	5
Directors' Statement	5
Statement of the Manager's Responsibilities	6
Statement of the Trustee's Responsibilities	7
Report of the Trustee	8
Portfolio Statement*	9
Independent Auditors' Report	14
Statement of Total Return	17
Statement of Change in Net Assets attributable to Unitholders	17
Balance Sheet	18
Notes to the Financial Statements	19
Distribution Table	32
Trust Information*	33
Risk and Reward Profile*	40
General Information*	41

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

Manager's Investment Report

Investment Objective and Policy

The investment objective of this Trust is to secure capital growth from a portfolio of securities representing companies engaged in Health, Pharmaceuticals and Biotechnology.

Securities representing all such companies in the FTSE World Index will be held with weightings generally proportionate to their market capitalisation.

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

Manager's Investment Report

During the year under review, the bid price of the Trust's R-Class distribution units rose by 8.34%. 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 3pm. Therefore, for tracking purposes, the Trust has been revalued using closing prices and foreign exchange rates. On this basis, over the review year, the Trust rose by 8.30% on a capital only basis compared with the FTSE World Health and Pharmaceutical Index rise of 8.38% (Source: Rimes), producing a tracking difference of -0.08%.

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.

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

All copyright in the Index values and constituent list belongs to FTSE. Legal & General has obtained full licence from FTSE to use such copyright in the creation of this product.

"FTSE™", "FT-SE®" and "Footsie®" are trademarks of the London Stock Exchange Plc and The Financial Times Limited and are used by FTSE International Limited ("FTSE") under license.

Market/Economic Review

The global economic background improved in 2017, led by solid growth in the major developed economies. Despite a rise in commodity prices that saw the oil price end the year at an 18-month high, inflationary pressures worldwide have remained subdued.

Economic activity accelerated in the US, with output growing at an annualised rate of over 3% during both the second and third quarters. Growth was underpinned by improving consumer and business sentiment, a stronger labour market and a recovery in the energy sector. The Federal Reserve (Fed) sanctioned a gradual tightening of monetary policy, raising interest rates three times. It also began unwinding its asset purchase programme, known as quantitative easing (QE), in October. As the year drew to a close, Congress approved the Trump administration's tax reforms, which include a cut in the main rate of corporation tax from 35% to 21%.

In recent months, the recovery in economic activity has been most pronounced in the Eurozone, with economic confidence recording its highest level for more than a decade. The European Central Bank (ECB) announced it would reduce its monthly asset purchase programme with effect from 2018, but with inflation remaining subdued, the ECB has signalled monetary policy will remain accommodative. In the UK, however, both economic and political uncertainty heightened during the year as the June general

Manager's Investment Report continued

election resulted in a hung parliament and Brexit negotiations began. The Bank of England (BoE) voted to increase interest rates to 0.5% in November, removing the emergency support announced in August 2016 in the wake of the EU referendum.

Japan's economy has now recorded seven consecutive quarters of growth as monetary policy has remained loose. Meanwhile, the Chinese authorities have adopted a range of policy initiatives to facilitate the economy's transition from export and investment-driven growth towards consumption and services, while tightening regulation of shadow banking and encouraging debt reduction in the broader economy. Both the Brazilian and Russian economies saw a turn of fortunes as the year progressed, given the boost of a recovery in commodity markets.

Equities recorded double-digit percentage gains as a combination of an improving global economic outlook, low inflation and supportive central bank policies underpinned markets worldwide. In recent months, there has been a marked decline in equity market volatility, while markets have also been supported by companies buying back their own shares.

Trust Review

At the end of the year under review, there were 90 companies in the FTSE World Index classified as Pharmaceuticals and Biotechnology, and a further 71 companies classified under the Health Care Equipment and Services sector. These sub sectors account for approximately 69% and 31% of the portfolio respectively.

The top 10 holdings in the portfolio are shown in descending order of holding value below. Together these account for roughly 39% of the total market value of the Trust:

Johnson & Johnson (US)
UnitedHealth (US)
Pfizer (US)
Novartis (Switzerland)
Roche AG (Switzerland)
AbbVie (US)
Merck & Company (US)
Amgen (US)
Medtronic (Ireland)
Bayer (Germany)

The March quarterly Index review resulted in one addition IDEXX Laboratories and one deletion Alynlam Pharmaceuticals (both US). There were three increases and 17 reductions in free share capital of existing Index constituents reflected in this Index review. The most significant of these changes was Allergan (Ireland), whose shares in issue reduced by 11%, resulting in a reduction of its weighting in the Index by approximately 0.23%. The total two-way Index turnover for this review was 0.98%.

The June quarterly Index review resulted in two additions and two deletions. Added to the Index were Vifor Pharma (Switzerland) and ConvaTec Group (UK). The deletions were Varex Imaging (US) and Actelion (Switzerland), removed following its acquisition for cash by Johnson & Johnson (US). There were also 134 changes in free share capital to Index constituents, with the largest increase being Mylan (Netherlands) and the largest decrease being Aetna (US). The total two-way Index turnover for this review was 2.38%.

The September review featured two additions, Align Technology and Cooper Cos (both US), and one deletion, Endo International (US). There were also 14 changes in free share capital at this review, though none resulted in a change to Index weight of

Manager's Investment Report continued

more than 0.04%. The total two-way Index turnover for this review was 1.46%.

In the December review, there was one addition to the Index – Bayer (Germany) – which was due to a reclassification of the stock's sector under FTSE rules. This stock came into the Index with a weight of 2.24%. There were no deletions and a total of 20 changes to free share capital at this review, resulting in a total two-way Index turnover of 4.60%.

Outlook

We have a positive view on global growth and this could provide a tailwind to the performance of risk assets over the year ahead. However, we are wary that markets haven't fully considered the medium-term headwinds to growth, or to the risks. The market enthusiasm behind President Trump's proposed policies (tax cuts and infrastructure spending for example) may run out of steam if he can't deliver, or indeed if he does deliver what the market believes to be the wrong policies.

Given this backdrop the Trust remains well positioned to continue to capture performance.

Legal & General Investment Management Limited
(Investment Adviser)
30 January 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
23 February 2018

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 Global Health and Pharmaceuticals 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 Global Health and Pharmaceuticals Index Trust ("the Trust") for the year ended 7 January 2018

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
23 February 2018

Portfolio Statement

Portfolio Statement as at 7 January 2018

All investments are in ordinary shares unless otherwise stated. The percentages in brackets show the equivalent holdings at 7 January 2017.

Holding/ Nominal Value	Investment	Market value £	% of Net Assets
UNITED KINGDOM — 4.31% (4.67%)			
157,024	AstraZeneca	8,132,273	1.87
164,336	Convatec Group	328,836	0.08
596,445	GlaxoSmithKline	8,091,373	1.86
16,153	Hikma Pharmaceuticals	181,075	0.04
50,848	Mediclinic International	317,597	0.07
9,317	NMC Health	289,759	0.07
110,254	Smith & Nephew	1,409,597	0.32
		18,750,510	4.31
IRELAND — 4.25% (5.44%)			
19,064	Alkermes	767,231	0.18
41,489	Allergan	5,265,470	1.21
7,230	Jazz Pharmaceuticals	721,906	0.16
11,914	Mallinckrodt	206,018	0.05
167,668	Medtronic	10,413,124	2.39
16,822	Perrigo	1,127,426	0.26
		18,501,175	4.25
CHANNEL ISLANDS — 0.98% (1.35%)			
92,822	Shire	3,590,819	0.83
5,654	Shire ADR	655,805	0.15
		4,246,624	0.98
CONTINENTAL EUROPE — 20.99% (19.27%)			
Belgium — 0.20% (0.21%)			
14,790	UCB	877,330	0.20
Denmark — 3.02% (2.56%)			
10,912	CHR Hansen	763,939	0.18
16,314	Coloplast 'B'	977,967	0.22
6,783	Genmab	883,511	0.20
7,671	H Lundbeck	288,824	0.07
218,156	Novo Nordisk	8,782,182	2.02
26,401	Novozymes 'B'	1,120,884	0.26
14,502	William Demant	304,997	0.07
		13,122,304	3.02
Finland — 0.08% (0.12%)			
12,456	Orion 'B'	361,920	0.08
France — 2.97% (3.06%)			
5,397	BioMerieux	369,878	0.09
25,156	Essilor International	2,544,744	0.58
4,193	Ipsen	394,193	0.09
5,281	Orpea	471,866	0.11
135,689	Sanofi	8,980,086	2.06

Portfolio Statement continued

Holding/ Nominal Value	Investment	Market value £	% of Net Assets
	France — (cont.)		
2,808	Sartorius Stedim Biotech	156,796	0.04
		12,917,563	2.97
	Germany — 3.73% (1.59%)		
102,064	Bayer	9,870,705	2.27
49,528	Fresenius	2,928,284	0.67
26,616	Fresenius Medical Care	2,127,485	0.49
15,944	Merck	1,315,775	0.30
		16,242,249	3.73
	Hungary — 0.08% (0.08%)		
17,854	Gedeon Richter	344,510	0.08
	Italy — 0.09% (0.08%)		
11,847	Recordati	404,068	0.09
	Luxembourg — 0.13% (0.11%)		
1,246	Eurofins Scientific	571,869	0.13
	Netherlands — 1.46% (1.34%)		
6,391	GrandVision	119,145	0.03
116,171	Koninklijke Philips	3,379,062	0.77
65,798	Mylan	2,164,373	0.50
28,924	Qiagen	697,134	0.16
		6,359,714	1.46
	Spain — 0.34% (0.29%)		
31,625	Grifols	550,830	0.13
40,354	Grifols 'A'	932,859	0.21
		1,483,689	0.34
	Sweden — 0.08% (0.08%)		
28,059	Arjo	60,336	0.01
28,059	Getinge	301,999	0.07
		362,335	0.08
	Switzerland — 8.81% (9.75%)		
9,160	Lonza Group	1,867,536	0.43
274,749	Novartis	17,424,796	4.01
2,493	Roche	477,975	0.11
86,688	Roche AG	16,505,894	3.79
6,218	Sonova	738,996	0.17
1,243	Straumann	662,876	0.15
6,384	Vifor Pharma	647,892	0.15
		38,325,965	8.81
	NORTH AMERICA — 59.55% (58.99%)		
	United States — 59.38% (58.87%)		
209,011	Abbott Laboratories	9,050,279	2.08
196,901	AbbVie	14,422,985	3.31
39,354	Aetna	5,377,320	1.24
26,895	Alexion Pharmaceuticals	2,427,586	0.56
9,766	Align Technology	1,696,391	0.39
90,863	Amgen	12,011,123	2.76

Portfolio Statement continued

Holding/ Nominal Value	Investment	Market value £	% of Net Assets
	United States — (cont.)		
31,741	Anthem	5,449,112	1.25
61,429	Baxter International	3,097,859	0.71
32,217	Becton Dickinson & Company	5,284,695	1.21
26,206	Biogen	6,586,749	1.51
21,545	BioMarin Pharmaceutical	1,436,015	0.33
13,394	Bioerativ	555,847	0.13
168,837	Boston Scientific	3,202,414	0.74
203,619	Bristol-Myers Squibb	9,326,244	2.14
95,766	Celgene	7,431,150	1.71
20,938	Centene	1,589,492	0.37
29,471	Cigna	4,561,974	1.05
5,926	Cooper Cos	994,468	0.23
18,814	DaVita	1,034,878	0.24
27,859	Dentsply Sirona	1,375,730	0.32
25,972	Edwards Lifesciences	2,218,531	0.51
120,701	Eli Lilly	7,675,263	1.76
69,900	Express Scripts	3,894,425	0.89
160,594	Gilead Sciences	8,736,399	2.01
35,204	HCA Healthcare	2,228,197	0.51
19,389	Henry Schein	1,035,454	0.24
34,200	Hologic	1,107,565	0.25
17,607	Humana	3,380,929	0.78
10,964	IDEXX Laboratories	1,325,358	0.30
17,996	llumina	3,028,354	0.70
21,233	Incyte	1,552,495	0.36
13,723	Intuitive Surgical	3,813,210	0.88
19,971	IQVIA	1,448,725	0.33
333,466	Johnson & Johnson	34,539,000	7.93
12,826	Laboratory Corporation of America	1,549,211	0.36
338,512	Merck & Company	14,262,998	3.28
10,472	Patterson	290,367	0.07
731,399	Pfizer	19,853,762	4.56
16,833	Quest Diagnostics	1,234,383	0.28
9,757	Regeneron Pharmaceuticals	2,775,411	0.64
17,308	ResMed	1,105,326	0.25
41,968	Stryker	4,924,840	1.13
49,289	Thermo Fisher Scientific	7,303,408	1.68
118,527	UnitedHealth	19,908,022	4.57
10,746	Universal Health Services	886,518	0.20
11,495	Varian Medical Systems	934,056	0.21
31,284	Vertex Pharmaceuticals	3,589,365	0.82
9,379	Waters	1,383,436	0.32
24,882	Zimmer Biomet	2,293,268	0.53
60,703	Zoetis	3,266,435	0.75
		258,457,022	59.38
	Canada — 0.17% (0.12%)		
41,914	Valeant Pharmaceuticals International	741,616	0.17

Portfolio Statement continued

Holding/ Nominal Value	Investment	Market value £	% of Net Assets
	SOUTH AMERICA — 0.06% (0.03%)		
	Brazil — 0.06% (0.03%)		
25,401	Fleury	164,429	0.04
31,400	Odontoprev	110,207	0.02
		<hr/>	<hr/>
		274,636	0.06
	AFRICA — 0.27% (0.32%)		
	South Africa — 0.27% (0.32%)		
1,082	Adcock Ingram	404	—
41,561	Aspen Pharmacare	667,273	0.15
159,588	Life Healthcare Group	249,646	0.06
191,059	Netcare	276,737	0.06
		<hr/>	<hr/>
		1,194,060	0.27
	ASIA — 6.65% (6.45%)		
	Japan — 5.64% (5.84%)		
23,200	Alfresa	413,829	0.09
13,200	Asahi Intecc	356,579	0.08
248,800	Astellas Pharmaceutical	2,356,802	0.54
26,608	Chugai Pharmaceutical	1,031,779	0.24
80,000	Daiichi Sankyo	1,624,595	0.37
32,500	Eisai	1,390,939	0.32
9,300	Hisamitsu Pharmaceutical	431,540	0.10
4,100	Kaken Pharmaceutical	156,848	0.04
4,100	Kissei Pharmaceutical	88,979	0.02
7,800	Kobayashi Pharmaceutical	381,253	0.09
5,500	Kyorin	77,926	0.02
31,900	Kyowa Hakko Kirin	478,579	0.11
18,900	Medipal	284,779	0.07
6,100	Miraca	197,382	0.05
27,600	Mitsubishi Tanabe Pharmaceutical	427,019	0.10
1,500	Mochida Pharmaceutical	86,711	0.02
8,700	Nihon Kohden	153,144	0.03
6,600	Nippon Shinyaku	376,365	0.09
13,800	Nipro	153,792	0.03
34,500	Olympus	1,016,284	0.23
54,200	Ono Pharmaceutical	948,774	0.22
51,500	Otsuka	1,703,338	0.39
10,600	PeptiDream	269,074	0.06
11,400	Rohto Pharmaceutical	232,173	0.05
45,500	Santen Pharmaceutical	536,127	0.12
3,800	Sawai Pharmaceutical	125,807	0.03
36,000	Shionogi	1,482,547	0.34
21,300	Sumitomo Dainippon Pharmaceutical	244,454	0.06
9,470	Suzuken	296,244	0.07
17,600	Sysmex	1,075,903	0.25
5,975	Taisho Pharmaceutical	355,911	0.08
94,100	Takeda Pharmaceutical	4,023,624	0.92
38,200	Terumo	1,381,701	0.32
12,114	Topcon	202,346	0.05

Portfolio Statement continued

Holding/ Nominal Value	Investment	Market value £	% of Net Assets
	Japan — (cont.)		
7,700	Tsumura	191,444	0.04
		24,554,591	5.64
	Malaysia — 0.09% (0.10%)		
355,500	IHH Healthcare	381,989	0.09
	South Korea — 0.75% (0.31%)		
9,626	Celltrion	1,783,553	0.41
5,272	Celltrion Healthcare	398,750	0.09
815	Hanmi Pharm	338,466	0.08
1,624	Hanmi Science	125,179	0.03
1,678	Samsung Biologics	453,906	0.11
1,022	Yuhan	153,967	0.03
		3,253,821	0.75
	Taiwan — 0.01% (0.02%)		
15,500	OBI Pharma	57,410	0.01
	Thailand — 0.16% (0.18%)		
1,089,600	Bangkok Dusit Medical Services	521,470	0.12
38,200	Bumrungrad Hospital	168,388	0.04
		689,858	0.16
	MIDDLE EAST — 0.37% (0.86%)		
	Israel — 0.37% (0.86%)		
112,461	Teva Pharmaceutical Industries	1,592,567	0.37
	PACIFIC BASIN — 1.83% (1.61%)		
	Australia — 1.65% (1.46%)		
17,291	Ansell	242,327	0.06
7,051	Cochlear	703,323	0.16
56,032	CSL	4,632,405	1.06
203,013	Healthscope	248,172	0.06
16,084	Ramsay Healthcare	657,784	0.15
51,627	Sonic Healthcare	696,316	0.16
		7,180,327	1.65
	New Zealand — 0.18% (0.15%)		
69,625	Fisher & Paykel Healthcare	516,850	0.12
49,087	Ryman Healthcare	282,895	0.06
		799,745	0.18
Portfolio of investments¹		432,049,467	99.26
Net other assets		3,217,567	0.74
Total net assets		£435,267,034	100.00%

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

Total purchases for the year: £173,323,690.

Total sales for the year: £30,855,114.

Independent Auditors' Report

Independent auditors' report to the Unitholders of Legal & General Global Health and Pharmaceuticals Index Trust

Report on the audit of the financial statements

Opinion

In our opinion, Legal & General Global Health and Pharmaceuticals Index Trust's financial statements:

- give a true and fair view of the financial position of the Trust as at 7 January 2018 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 7 January 2018; the statement of total return, and the statement of change in net assets attributable to unitholders for the year then ended; the distribution table; 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. 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
23 February 2018

Financial Statements

Statement of Total Return for the year ended 7 January 2018

Notes	07/01/18		07/01/17	
	£	£	£	£
Income				
Net capital gains	3	24,434,344		32,729,394
Revenue	4	6,777,118	4,509,428	
Expenses	5	(1,925,443)	(1,512,284)	
Interest payable and similar charges	7	(1,869)	(726)	
Net revenue before taxation		<u>4,849,806</u>	<u>2,996,418</u>	
Taxation	6	(796,186)	(520,413)	
Net revenue after taxation for the year		<u>4,053,620</u>	<u>2,476,005</u>	
Total return before distributions		<u>28,487,964</u>	<u>35,205,399</u>	
Distributions	7	(4,055,261)	(2,482,157)	
Change in net assets attributable to Unitholders from investment activities		<u>£24,432,703</u>	<u>£32,723,242</u>	

Statement of Change in Net Assets attributable to Unitholders for the year ended 7 January 2018

	07/01/18		07/01/17	
	£	£	£	£
Opening net assets attributable to Unitholders		267,859,162		193,793,867
Amounts received on issue of units		167,935,941	57,657,976	
Amounts paid on cancellation of units		(27,803,705)	(18,735,067)	
		<u>140,132,236</u>	<u>38,922,909</u>	
Change in net assets attributable to Unitholders from investment activities		<u>24,432,703</u>	<u>32,723,242</u>	
Retained distributions on accumulation units		<u>2,842,933</u>	<u>2,419,144</u>	
Closing net assets attributable to Unitholders		<u>£435,267,034</u>	<u>£267,859,162</u>	

Financial Statements continued

Balance Sheet as at 7 January 2018

	Notes	07/01/18 £	07/01/17 £
ASSETS			
Fixed assets:			
Investments		432,049,467	265,165,819
Current assets:			
Debtors	8	1,938,096	877,810
Cash and bank balances	9	5,158,086	3,592,535
Total assets		439,145,649	269,636,164
LIABILITIES			
Creditors:			
Bank overdrafts	9	(124)	(79)
Distributions payable		(2,523,684)	(537,268)
Other creditors	10	(1,354,807)	(1,239,655)
Total liabilities		(3,878,615)	(1,777,002)
Net assets attributable to Unitholders		£435,267,034	£267,859,162

Notes to the Financial Statements

1. Statement of Compliance

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

2. Summary of Significant Accounting Policies

(a) Basis of Preparation

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

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

(b) Functional and Presentation Currency

The functional and presentation currency of the Trust is Sterling.

(c) Recognition of revenue

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

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

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

All other revenue is recognised on an accruals basis.

(d) Treatment of expenses

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

(e) Distribution Policy

The policy is to distribute all available revenue, after deduction of those expenses which are chargeable in calculating the distribution, on an annual basis, 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.

Notes to the Financial Statements continued

2. Summary of Significant Accounting Policies continued

(f) Basis of valuation of investments

All investments are valued at their fair value as at 3pm on 5 January 2018, being the last working day of the accounting year. The fair value for non-derivative securities is bid market price.

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

(g) Taxation

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

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

(h) Foreign exchange

Transactions in foreign currencies are translated at the rate of exchange ruling on the date of the transaction. Where applicable, assets and liabilities denominated in foreign currencies are translated into Sterling at the rates of exchange ruling at 3pm on 5 January 2018, being the last working day of the accounting year.

3. Net capital gains

The net capital gains during the year comprise:

Non-derivative securities
Forward currency contracts
Currency (losses)/gains
Net capital gains

07/01/18	07/01/17
£	£
24,416,611	32,682,748
110,180	(52,445)
(92,447)	99,091
<u>24,434,344</u>	<u>32,729,394</u>

4. Revenue

UK Franked dividends
Taxable overseas dividends
Non-taxable overseas dividends
Franked stock dividends
Bank interest

07/01/18	07/01/17
£	£
691,610	546,511
58,264	71,768
6,005,477	3,890,195
21,046	—
721	954
<u>6,777,118</u>	<u>4,509,428</u>

Notes to the Financial Statements continued

5. Expenses

	07/01/18	07/01/17
	£	£
Payable to the Manager, associates of the Manager and agents of either of them:		
Fund management fees	1,925,443	1,512,284
Total expenses	1,925,443	1,512,284

Audit fees of £8,997 plus VAT on Audit fees of £1,799 have been borne by the Manager out of its fund management fee. In the prior year, the total audit fee was £8,735 plus VAT of £1,747.

Notes to the Financial Statements continued

6. Taxation

(a) Analysis of taxation charge in year

	07/01/18	07/01/17
	£	£
Overseas tax	796,186	520,413
Current tax [note 6(b)]	796,186	520,413
Deferred tax [note 6(c)]	—	—
Total taxation	<u>796,186</u>	<u>520,413</u>

(b) Factors affecting taxation charge for the year

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

Net revenue before taxation	<u>4,849,806</u>	<u>2,996,418</u>
Net revenue before taxation multiplied by the applicable rate of Corporation tax of 20% (2017: 20%)	969,961	599,284
Effects of:		
DTR expensed	(1,748)	(2,153)
Overseas tax	796,186	520,413
Revenue not subject to taxation	(1,343,626)	(887,341)
Excess management expenses not utilised	<u>375,413</u>	<u>290,210</u>
Current tax	<u>796,186</u>	<u>520,413</u>

(c) Provision for deferred tax

There is no deferred tax provision in the current or preceding year. At the year end there is a potential deferred tax asset of £1,611,811 (7 January 2017: £1,236,398) 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 (7 January 2017: 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:

	07/01/18	07/01/17
	£	£
Final distribution	5,366,617	2,956,412
	<u>5,366,617</u>	<u>2,956,412</u>
Add: Revenue deducted on cancellation of units	192,062	137,870
Less: Revenue received on creation of units	(1,503,418)	(612,125)
Distributions for the year	4,055,261	2,482,157
Interest payable and similar charges		
Bank overdraft interest	1,869	726
	<u>4,057,130</u>	<u>2,482,883</u>

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

	07/01/18	07/01/17
	£	£
Net revenue after taxation for the year	4,053,620	2,476,005
Equalisation effect of conversions	1,641	6,152
Distributions for the year	4,055,261	2,482,157

8. Debtors

	07/01/18	07/01/17
	£	£
Accrued revenue	382,657	256,871
Amounts receivable for creation of units	211,999	176,984
Overseas tax recoverable	593,627	443,682
Receivable for foreign exchange contracts	734	273
Sales awaiting settlement	749,079	—
	<u>1,938,096</u>	<u>877,810</u>

Notes to the Financial Statements continued

9. Net uninvested cash

	07/01/18	07/01/17
	£	£
Cash and bank balances	5,158,086	3,592,535
Bank overdrafts	(124)	(79)
Net uninvested cash	<u>5,157,962</u>	<u>3,592,456</u>

10. Other creditors

	07/01/18	07/01/17
	£	£
Accrued expenses	214,806	171,079
Amounts payable for cancellation of units	1,140,001	246,903
Purchases awaiting settlement	—	821,673
	<u>1,354,807</u>	<u>1,239,655</u>

11. Contingent liabilities and outstanding commitments

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

	07/01/18	07/01/17
	£	£
Commitments on warrants	<u>21,503</u>	—
Total	<u>21,503</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 7 January 2018, 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 £21,602,473 (7 January 2017: £13,258,291).

Notes to the Financial Statements continued

12. Financial Instruments and Associated Risks continued

(b) Interest Rate Risk

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

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

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

(c) Foreign Currency Risk

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

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

At 7 January 2018, 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 £4,110,977 (7 January 2017: £2,517,749).

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

07/01/18 Currency	Net foreign currency assets		Total £'000
	Monetary exposures £'000	Non-monetary exposures £'000	
Australian Dollar	16	7,180	7,196
Brazilian Real	1	275	276
Canadian Dollar	32	742	774
Danish Krone	56	13,122	13,178
Euro	59	37,054	37,113
Hungarian Forint	3	345	348
Israeli Shekel	—	1,593	1,593
Japanese Yen	26	24,555	24,581
Malaysian Ringgit	—	382	382
Mexican Peso	2	—	2
New Zealand Dollar	37	800	837
South African Rand	36	1,194	1,230
South Korean Won	2	3,254	3,256
Swedish Krona	7	362	369
Swiss Franc	570	38,326	38,896
Taiwan Dollar	7	57	64
Thai Baht	—	690	690
US Dollar	535	279,778	280,313

Notes to the Financial Statements continued

12. Financial Instruments and Associated Risks continued

(c) Foreign Currency Risk continued

07/01/17 Currency	Net foreign currency assets		Total £'000
	Monetary exposures £'000	Non-monetary exposures £'000	
Australian Dollar	1	3,905	3,906
Brazilian Real	—	92	92
Canadian Dollar	—	323	323
Danish Krone	8	6,872	6,880
Euro	42	17,029	17,071
Hungarian Forint	1	214	215
Israeli Shekel	—	2,300	2,300
Japanese Yen	—	15,657	15,657
Malaysian Ringgit	—	274	274
Mexican Peso	2	—	2
New Zealand Dollar	8	392	400
South African Rand	4	866	870
South Korean Won	—	824	824
Swedish Krona	4	209	213
Swiss Franc	72	26,105	26,177
Taiwan Dollar	8	64	72
Thai Baht	—	478	478
US Dollar	896	174,396	175,292

(d) Credit Risk

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

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

(e) Liquidity Risk

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

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

Notes to the Financial Statements continued

12. Financial Instruments and Associated Risks continued

(f) Fair Value

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

The Statement of Recommended Practice for Financial Statements of UK Authorised Funds issued by the Investment Management Association in May 2014 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:

07/01/18	Assets	Liabilities
Basis of Valuation	£	£
Level 1 - Quoted Prices	432,049,467	—
Level 2 - Observable Market Data	—	—
Level 3 - Unobservable Data	—	—
Total	432,049,467	—

07/01/17	Assets	Liabilities
Basis of Valuation	£	£
Level 1 - Quoted Prices	265,165,819	—
Level 2 - Observable Market Data	—	—
Level 3 - Unobservable Data	—	—
Total	265,165,819	—

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

07/01/18	Value	Commissions	Taxes		Total	
Purchases	£'000	£'000	%	£'000	%	£'000
Equities	173,213	52	0.03	59	0.03	173,324
Total	173,213	52	0.03	59	0.03	173,324

07/01/18	Value	Commissions	Taxes		Total	
Sales	£'000	£'000	%	£'000	%	£'000
Equities	30,862	(6)	0.02	(1)	—	30,855
Total	30,862	(6)	0.02	(1)	—	30,855

Commissions and taxes as % of average net assets

Commissions 0.02%

Taxes 0.02%

07/01/17	Value	Commissions	Taxes		Total	
Purchases	£'000	£'000	%	£'000	%	£'000
Equities	56,165	17	0.03	17	0.03	56,199
Total	56,165	17	0.03	17	0.03	56,199

07/01/17	Value	Commissions	Taxes		Total	
Sales	£'000	£'000	%	£'000	%	£'000
Equities	15,941	(4)	0.03	—	—	15,937
Total	15,941	(4)	0.03	—	—	15,937

Commissions and taxes as % of average net assets

Commissions 0.01%

Taxes 0.01%

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% (7 January 2017: 0.08%).

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 41. 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 34 to 39. The distributions per unit class are given in the distribution table on page 32. All classes have the same rights on winding up.

R-Class	Distribution	Accumulation
Opening Units	12,043,433	163,161,625
Units issued	1,264,793	6,821,267
Units cancelled	(1,512,074)	(8,534,031)
Units converted	(96,749)	(462,502)
Closing Units	11,699,403	160,986,359

F-Class	Distribution	Accumulation
Opening Units	1,216	233,776
Units issued	—	57,688
Units cancelled	—	—
Units converted	—	—
Closing Units	1,216	291,464

I-Class	Distribution	Accumulation
Opening Units	62,357,826	189,384,223
Units issued	236,278,652	35,583,371
Units cancelled	(8,330,810)	(24,220,187)
Units converted	73,290	441,005
Closing Units	290,378,958	201,188,412

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 nil% (nil% as at 7 January 2017) of the Trust's units in issue.

Notes to the Financial Statements continued

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 59.37p. The Net Asset Value per R-Class distribution unit for the Trust as at 3pm on 22 February 2018 was 57.04p. This represents a decrease of 3.92% from the year end value.

Distribution Tables

Distribution Table for the year ended 7 January 2018

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.

Final dividend distribution in pence per unit			Period	
			08/01/17	to 07/01/18
R-Class			Distribution	Distribution
Distribution Units			07/03/18	07/03/17
Group 1	Revenue	Equalisation	0.4170	0.3326
Group 2	0.1251	0.2919	0.4170	0.3326
R-Class			Distribution	Distribution
Accumulation Units			07/03/18	07/03/17
Group 1	0.4666	—	0.4666	0.3701
Group 2	0.1595	0.3071	0.4666	0.3701
F-Class			Distribution	Distribution
Distribution Units			07/03/18	07/03/17
Group 1	0.7713	—	0.7713	0.7179
Group 2	—	0.7713	0.7713	0.7179
F-Class			Distribution	Distribution
Accumulation Units			07/03/18	07/03/17
Group 1	0.8872	—	0.8872	0.8178
Group 2	0.1200	0.7672	0.8872	0.8178
I-Class			Distribution	Distribution
Distribution Units			07/03/18	07/03/17
Group 1	0.8522	—	0.8522	0.7973
Group 2	0.3196	0.5326	0.8522	0.7973
I-Class			Distribution	Distribution
Accumulation Units			07/03/18	07/03/17
Group 1	1.0383	—	1.0383	0.9574
Group 2	0.4375	0.6008	1.0383	0.9574

Trust Information (unaudited)

The Comparative Tables on pages 34 to 39 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 (unaudited) continued

Comparative Tables

R-Class Distribution Units

Change in Net Asset Value per Unit

Accounting Year ending	07/01/18 (pence per unit)	07/01/17 (pence per unit)	07/01/16 (pence per unit)
Opening net asset value per unit	54.86	47.30	45.04
Return before operating charges*	5.53	8.48	3.04
Operating charges (calculated on average price)	(0.60)	(0.59)	(0.55)
Return after operating charges*	4.93	7.89	2.49
Distributions on income units	(0.42)	(0.33)	(0.23)
Closing net asset value per unit	59.37	54.86	47.30
* after direct transaction costs of:	0.02	0.01	0.01

Performance

Return after charges	8.99%	16.68%	5.53%
----------------------	-------	--------	-------

Other Information

Closing net asset value (£)	6,945,908	6,607,055	5,622,192
Closing number of units	11,699,403	12,043,433	11,886,195
Operating charges [†]	1.03%	1.15%	1.15%
Direct transaction costs	0.03%	0.02%	0.02%

Prices

Highest unit price	61.17p	56.97p	51.05p
Lowest unit price	52.68p	43.31p	43.43p

[†] 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 (unaudited) continued

Comparative Tables continued

R-Class Accumulation Units

Change in Net Asset Value per Unit

Accounting Year ending	07/01/18 (pence per unit)	07/01/17 (pence per unit)	07/01/16 (pence per unit)
Opening net asset value per unit	61.37	52.60	49.85
Return before operating charges*	6.19	9.42	3.36
Operating charges (calculated on average price)	(0.67)	(0.65)	(0.61)
Return after operating charges*	5.52	8.77	2.75
Distributions	(0.47)	(0.37)	(0.26)
Retained distributions on accumulation units	0.47	0.37	0.26
Closing net asset value per unit	66.89	61.37	52.60
* after direct transaction costs of:	0.02	0.01	0.01

Performance

Return after charges	8.99%	16.67%	5.52%
----------------------	-------	--------	-------

Other Information

Closing net asset value (£)	107,678,286	100,139,971	89,425,215
Closing number of units	160,986,359	163,161,625	170,016,282
Operating charges†	1.03%	1.15%	1.15%
Direct transaction costs	0.03%	0.02%	0.02%

Prices

Highest unit price	68.43p	63.36p	56.50p
Lowest unit price	58.94p	48.16p	48.06p

† 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 (unaudited) continued

Comparative Tables continued

F-Class Distribution Units

Change in Net Asset Value per Unit

Accounting Year ending	07/01/18 (pence per unit)	07/01/17 (pence per unit)	07/01/16 (pence per unit)
Opening net asset value per unit	55.02	47.45	45.15
Return before operating charges*	5.55	8.52	3.09
Operating charges (calculated on average price)	(0.26)	(0.23)	(0.22)
Return after operating charges*	5.29	8.29	2.87
Distributions on income units	(0.77)	(0.72)	(0.57)
Closing net asset value per unit	59.54	55.02	47.45
* after direct transaction costs of:	0.02	0.01	0.01

Performance

Return after charges	9.61%	17.47%	6.36%
----------------------	-------	--------	-------

Other Information

Closing net asset value (£)	724	669	577
Closing number of units	1,216	1,216	1,216
Operating charges [†]	0.45%	0.45%	0.45%
Direct transaction costs	0.03%	0.02%	0.02%

Prices

Highest unit price	61.49p	57.40p	51.28p
Lowest unit price	52.83p	43.45p	43.75p

[†] 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 (unaudited) continued

Comparative Tables continued

F-Class Accumulation Units

Change in Net Asset Value per Unit

Accounting Year ending	07/01/18 (pence per unit)	07/01/17 (pence per unit)	07/01/16 (pence per unit)
Opening net asset value per unit	63.25	53.83	50.65
Return before operating charges*	6.40	9.68	3.43
Operating charges (calculated on average price)	(0.30)	(0.26)	(0.25)
Return after operating charges*	6.10	9.42	3.18
Distributions	(0.89)	(0.82)	(0.64)
Retained distributions on accumulation units	0.89	0.82	0.64
Closing net asset value per unit	69.35	63.25	53.83
* after direct transaction costs of:	0.02	0.01	0.01

Performance

Return after charges	9.64%	17.50%	6.28%
----------------------	-------	--------	-------

Other Information

Closing net asset value (£)	202,122	147,862	106,870
Closing number of units	291,464	233,776	198,543
Operating charges†	0.45%	0.45%	0.45%
Direct transaction costs	0.03%	0.02%	0.02%

Prices

Highest unit price	70.75p	65.18p	57.53p
Lowest unit price	60.76p	49.32p	49.09p

† 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 (unaudited) continued

Comparative Tables continued

I-Class Distribution Units

Change in Net Asset Value per Unit

Accounting Year ending	07/01/18 (pence per unit)	07/01/17 (pence per unit)	07/01/16 (pence per unit)
Opening net asset value per unit	54.92	47.35	45.09
Return before operating charges*	5.56	8.53	3.04
Operating charges (calculated on average price)	(0.18)	(0.16)	(0.15)
Return after operating charges*	5.38	8.37	2.89
Distributions on income units	(0.85)	(0.80)	(0.63)
Closing net asset value per unit	59.45	54.92	47.35
* after direct transaction costs of:	0.02	0.01	0.01

Performance

Return after charges	9.80%	17.68%	6.41%
----------------------	-------	--------	-------

Other Information

Closing net asset value (£)	172,640,075	34,249,394	12,388,624
Closing number of units	290,378,958	62,357,826	26,161,380
Operating charges†	0.31%	0.31%	0.31%
Direct transaction costs	0.03%	0.02%	0.02%

Prices

Highest unit price	61.48p	57.40p	51.23p
Lowest unit price	52.77p	43.39p	43.75p

† 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 (unaudited) continued

Comparative Tables continued

I-Class Accumulation Units

Change in Net Asset Value per Unit

Accounting Year ending	07/01/18 (pence per unit)	07/01/17 (pence per unit)	07/01/16 (pence per unit)
Opening net asset value per unit	66.91	56.86	53.43
Return before operating charges*	6.77	10.24	3.61
Operating charges (calculated on average price)	(0.22)	(0.19)	(0.18)
Return after operating charges*	6.55	10.05	3.43
Distributions	(1.04)	(0.96)	(0.75)
Retained distributions on accumulation units	1.04	0.96	0.75
Closing net asset value per unit	73.46	66.91	56.86
* after direct transaction costs of:	0.02	0.01	0.01

Performance

Return after charges	9.79%	17.68%	6.42%
----------------------	-------	--------	-------

Other Information

Closing net asset value (£)	147,799,919	126,714,211	86,250,389
Closing number of units	201,188,412	189,384,223	151,684,280
Operating charges†	0.31%	0.31%	0.31%
Direct transaction costs	0.03%	0.02%	0.02%

Prices

Highest unit price	74.89p	68.93p	60.70p
Lowest unit price	64.28p	52.10p	51.84p

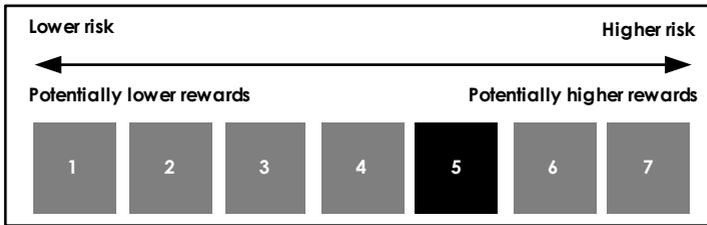
† Operating charges, otherwise known as the OCF is the ratio of the Trust's total disclosable costs (excluding overdraft interest) to the average net assets of the Trust. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a Trust and is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

Past performance is not a guide to future performance.

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

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

Risk and Reward Profile



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

General Information

Constitution

Launch date:	1 November 2000
Period end date for distribution:	7 January
Distribution date:	7 March
Minimum initial lump sum investment:	R-Class £500 F-Class* £500 I-Class £1,000,000
Valuation point:	3pm
Fund management fees:	R-Class Annual 0.95%† (1.15% Prior to 6 June 2017) F-Class* Annual 0.45% I-Class Annual 0.31%
Initial charge:	R-Class Nil F-Class* Nil I-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.

† With effect from 6 June 2017 – See Significant Changes on page 44.

Pricing and Dealing

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

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

Buying and Selling Units

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

ISA Status

This 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.

General Information continued

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.

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

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 0.01%, whilst over the last three years to the end of December 2017, the annualised Tracking Error of the Trust is 0.02%. These Tracking Errors are within the anticipated Tracking Error levels set out in the Trust's Prospectus of +/-0.75% per annum.

Dual Pricing Arrangement

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

General Information continued

Remuneration Disclosure

In accordance with the Undertakings for collective investment in transferable securities (UCITs) Directive, often referred to as the UCITs V Directive, the Legal & General Global Health and Pharmaceuticals 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 as at 31 December 2016. At the time of publishing, figures as at 31 December 2017 were not available. We shall publish this data in the Trust's interim report due to be published in September 2018:

Controlled Functions

Headcount	Fixed Remuneration (£,000)	Variable Remuneration (£,000)	Remuneration related to this Fund (Pro-rated) (£'000)
16	3,278	5,980	68

Market Risk Takers

Headcount	Fixed Remuneration (£,000)	Variable Remuneration (£,000)	Remuneration related to this Fund (Pro-rated) (£'000)
22	2,178	2,535	4

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 Fund 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 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 UCIT's Fund as a percentage of the total assets under management of LGIM's Index Fund Management Team.

Significant Changes

Change of FMF for R-Class

With effect from 6 June 2017, the Fund Management Fee (FMF) has been reduced from 1.15% to 0.95%.

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 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. Morrissey (appointed 5 July 2017)
H. Solomon
S. D. Thomas
L. W. Toms
A. R. Toutouchi*
M. J. Zinkula

*Non-executive Director

Secretary

J. McCarthy

Registrar

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

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

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

Trustee

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

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

Independent Auditors

PricewaterhouseCoopers LLP
7 More London Riverside
London SE1 2RT

Investment Adviser

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

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

Legal & General
(Unit Trust Managers) Limited
Registered in England and Wales No. 01009418
Registered office:
One Coleman Street,
London EC2R 5AA
www.legalandgeneral.com

