

Legal & General US Index Trust

**Annual Manager's Report  
for the year ended  
5 December 2017**

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

# Manager's Investment Report

## Investment Objective and Policy

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

Securities in the FTSE USA 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 a corporate action and these holdings will be sold or transferred as soon as reasonably practical.

## Manager's Investment Report

During the review year, the bid price of the Trust's R-Class distribution units rose by 13.27%. 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 12.76% compared with the FTSE USA Index increase of 12.81% (Source: Bloomberg), producing a tracking difference of -0.05%.

**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

Equity markets recorded double-digit percentage gains as a combination of an improving global economic outlook, low inflation and supportive central bank policies underpinned the rally. 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. Since the beginning of 2017, there has been a cooling of the so-called reflation trade that dominated equity markets in the latter half of 2016 when commodity-related sectors and financials performed relatively well. Instead, investors have favoured technology stocks with earnings from a number of leading US companies exceeding expectations. Energy stocks weakened before retrieving some lost ground as the reporting year ended, rallying in line with the oil price in recent months on evidence that a supply squeeze from OPEC is now finally impacting on inventories.

Over the review year, the FTSE USA Index underperformed the FTSE World Index by 1.8% in Sterling terms. The best performing sectors over the review year were Real Estate Investment & Services (+34.5%), Technology Hardware & Equipment (+34.0%) and Software & Computer Services (+25.1%), whilst the worst performing sectors were Oil Equipment, Services & Distribution (-25.8%), Food & Drug Retailers (-12.9%) and Fixed Line Telecommunications (-9.3%). The US Dollar weakened, depreciating 5.6% against Sterling.

## Manager's Investment Report continued

### 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 a corporate action.

The December 2016 quarterly Index review resulted in no additions and ten deletions, the largest of which were Internet based Liberty Ventures, Chemical company Ingevity and automotive renting and leasing firm Hertz. There were 177 changes to the free share capital of constituents, with the largest increases being Household product firm Procter & Gamble, Stryker, which specialises in medical devices and the social networking website, Facebook Class 'A'. The largest decreases were for communications equipment firm, Apple, speciality pharmaceuticals firm Allergan and the publishing & broadcasting firm Sirius XM. Two-way Index turnover was 0.9%.

The March 2017 Index review resulted in eight additions, the largest of which were information services provider IHS Markit, life science equipment firm IDEXX Laboratories and real estate firm Mid-America Apartment Communities. There were also five deletions from the Index. These included Biotech firm Alnylam Pharmaceuticals, Chemical specialists Versum Materials and infrastructure construction firm, Chicago Bridge & Iron. There were 89 changes to the free share capital of constituents, with the largest increases being for chemical firm Dow Chemical, semiconductor provider Nvidia and energy infrastructure firm Williams Companies. The largest decreases were for Apple, Allergan and financial services firm, Citigroup. Two-way Index turnover was 1.0%.

In June 2017, the Index review saw no additions and six deletions with the largest of these being Mead Johnson Nutrition. There were 580 changes to the free share capital of constituents, with the largest decrease being financial services provider Wells Fargo and the largest increase being the social network website, Facebook Class 'A'. The Two-way Index turnover was 2.7%.

The September 2017 semi-annual review resulted in eleven additions with the largest being Align Technology, Cooper Companies and CBOE Holdings and four deletions, Transocean, International Game Technology and Endo International the largest of these. There were 91 changes to the free share capital of constituents. The largest decreases were Illinois Tool Works, Berkshire Hathaway Class 'A' and Liberty Broadband Series 'C'. The upweights were all small in size with Noble Energy, Microchip Technology and Exelon the ones of note. The Two-way Index turnover was 1.2%.

Index changes outside of the review, were relatively quiet for the period. In early December, Microsoft completed the USD 24 billion cash takeover of LinkedIn. LinkedIn's weight in the Index at the time was 0.11%. Canadian firm Enbridge purchased the US Index constituent Spectra Energy which at the time was weighted at 0.13%. The deal, the largest deal in the pipeline industry for 2016, was completed at the end of February 2017 and was worth USD 42.2 billion and was paid for in Enbridge stock.

In June, Yahoo was deleted from the Index following a USD 4.48 billion cash takeover by Verizon Communications whilst in July 2017, British American Tobacco agreed the acquisition of its remaining stake in Reynolds American in a USD 4.7 billion cash and stock, cross border merger.

## Manager's Investment Report continued

The three largest holdings in the Trust constituents at the end of the review year were Apple (3.8%), Microsoft (2.6%) and Amazon (1.9%).

### 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 the performance.

Legal & General Investment Management Limited  
(Investment Adviser)  
2 January 2018

## 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  
24 January 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 US 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 US Index Trust ("the Trust") for the year ended 5 December 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  
24 January 2018

## Portfolio Statement

### Portfolio Statement as at 5 December 2017

All investments are in ordinary shares unless otherwise stated. The percentages in brackets show the equivalent holdings at 5 December 2016.

Holding/ Nominal Value	Investment	Market value £	% of Net Assets
	<b>UNITED STATES — 94.30% (93.86%)</b>		
	<b>Oil &amp; Gas Producers</b>		
	<b>— 4.76% (5.69%)</b>		
119,265	Anadarko Petroleum	4,286,224	0.12
31,739	Andeavor	2,557,028	0.07
39,400	Antero Resources	534,660	0.01
79,457	Apache	2,536,780	0.07
96,941	Cabot Oil & Gas	2,046,484	0.05
50,523	Cheniere Energy	1,800,310	0.05
397,816	Chevron	35,656,560	0.97
20,220	Cimarex Energy	1,695,385	0.05
30,748	Concho Resources	3,195,878	0.09
257,290	ConocoPhillips	9,832,714	0.27
20,219	Continental Resources	713,700	0.02
108,096	Devon Energy	3,116,390	0.08
121,613	EOG Resources	9,151,301	0.25
47,130	EQT	2,071,980	0.06
893,282	Exxon Mobil	55,436,145	1.50
58,283	Hess	2,022,161	0.05
37,787	HollyFrontier	1,261,536	0.03
182,673	Marathon Oil	2,049,190	0.05
106,285	Marathon Petroleum	5,110,129	0.14
34,594	Murphy Oil	743,691	0.02
42,481	Newfield Exploration	981,231	0.03
93,304	Noble Energy	1,853,023	0.05
160,493	Occidental Petroleum	8,372,301	0.23
92,175	Phillips 66	6,772,125	0.18
35,018	Pioneer Natural Resources	4,063,276	0.11
36,903	Range Resources	487,315	0.01
42,957	Targa Resources	1,426,464	0.04
93,522	Valero Energy	5,919,440	0.16
		<b>175,693,421</b>	<b>4.76</b>
	<b>Oil Equipment, Services &amp; Distribution — 0.54% (0.98%)</b>		
87,010	Baker Hughes	2,032,436	0.06
183,923	Halliburton	6,018,501	0.16
21,777	Helmerich & Payne	948,468	0.03
406,498	Kinder Morgan	5,204,530	0.14
80,137	National Oilwell Varco	2,006,706	0.05
174,910	Williams Companies	3,788,805	0.10
		<b>19,999,446</b>	<b>0.54</b>
	<b>Alternative Energy — 0.00% (0.01%)</b>		
	<b>Chemicals — 1.75% (1.69%)</b>		
44,705	Air Products & Chemicals	5,377,645	0.15
23,634	Albemarle	2,254,149	0.06
12,999	Ashland Global	702,492	0.02

## Portfolio Statement continued

Holding/ Nominal Value	Investment	Market value £	% of Net Assets
	<b>Chemicals — (cont.)</b>		
17,910	Avery Dennison	1,502,765	0.04
28,107	Celanese 'A'	2,212,113	0.06
46,415	CF Industries	1,288,384	0.04
492,714	DowDuPont	26,377,839	0.71
30,555	Eastman Chemical	2,044,051	0.06
54,148	Ecolab	5,530,883	0.15
27,367	FMC	1,831,597	0.05
16,203	International Flavors & Fragrances	1,847,895	0.05
86,842	Mosaic	1,515,889	0.04
54,130	PPG Industries	4,701,823	0.13
59,877	Praxair	6,818,953	0.18
6,100	Westlake Chemical	444,218	0.01
		<b>64,450,696</b>	<b>1.75</b>
	<b>Forestry &amp; Paper — 0.10% (0.11%)</b>		
85,851	International Paper	3,622,818	0.10
	<b>Industrial Metals &amp; Mining — 0.25% (0.30%)</b>		
29,190	Alcoa	905,207	0.02
87,572	Arconic	1,576,870	0.04
278,406	Freeporf-McMoran	2,864,054	0.08
64,592	Nucor	2,771,869	0.08
30,000	Southern Copper	945,511	0.03
		<b>9,063,511</b>	<b>0.25</b>
	<b>Mining — 0.08% (0.09%)</b>		
113,417	Newmont Mining	3,085,746	0.08
	<b>Construction &amp; Materials — 0.48% (0.55%)</b>		
8,854	Acuity Brands	1,133,937	0.03
27,901	Fluor	1,012,901	0.03
32,238	Fortune Brands	1,648,136	0.04
26,168	Jacobs Engineering Group	1,287,363	0.04
12,663	Martin Marietta Materials	1,942,810	0.05
70,402	Masco	2,260,787	0.06
40,300	MDU Resources Group	830,959	0.02
17,207	Sherwin-Williams	5,200,653	0.14
27,530	Vulcan Materials	2,548,687	0.07
		<b>17,866,233</b>	<b>0.48</b>
	<b>Aerospace &amp; Defense — 2.29% (2.23%)</b>		
117,182	Boeing	24,055,717	0.65
54,729	General Dynamics	8,188,573	0.22
16,107	L3 Technologies	2,320,252	0.06
52,804	Lockheed Martin	12,264,332	0.33
33,713	Northrop Grumman	7,540,630	0.21
61,192	Raytheon	8,419,480	0.23
34,340	Rockwell Collins	3,406,137	0.09
55,050	Textron	2,236,585	0.06

## Portfolio Statement continued

Holding/ Nominal Value	Investment	Market value £	% of Net Assets
<b>Aerospace &amp; Defense — (cont.)</b>			
10,392	Transdigm Group	2,113,519	0.06
157,301	United Technologies	14,110,721	0.38
		<b>84,655,946</b>	<b>2.29</b>
<b>General Industrials — 2.41% (2.95%)</b>			
122,307	3M	21,672,756	0.59
72,128	Ball	2,179,840	0.06
20,710	Bemis	754,002	0.02
128,428	Danaher	8,852,488	0.24
63,861	Fortive	3,507,744	0.09
1,829,534	General Electric	24,227,638	0.66
159,746	Honeywell International	18,289,810	0.49
20,011	Packaging Corporation of America	1,755,766	0.05
27,811	Parker-Hannifin	3,808,123	0.10
40,009	Sealed Air	1,426,553	0.04
52,548	WestRock	2,470,155	0.07
		<b>88,944,875</b>	<b>2.41</b>
<b>Electronic &amp; Electrical Equipment — 0.77% (0.70%)</b>			
69,352	Agilent Technologies	3,435,593	0.09
46,305	AMETEK	2,446,920	0.07
62,384	Amphenol 'A'	4,088,813	0.11
18,304	Arrow Electronics	1,061,261	0.03
27,443	Avnet	827,335	0.02
135,974	Emerson Electric	6,561,854	0.18
36,117	Jabil	761,108	0.02
36,228	Keysight Technologies	1,142,608	0.03
5,319	Mettler-Toledo International	2,415,010	0.06
20,991	Roper Industries	4,034,134	0.11
55,132	Trimble Navigation	1,714,205	0.05
		<b>28,488,841</b>	<b>0.77</b>
<b>Industrial Engineering — 1.25% (1.13%)</b>			
119,581	Caterpillar	12,598,108	0.34
33,940	Cummins	4,162,033	0.11
65,904	Deere & Co	7,413,586	0.20
33,460	Dover	2,405,264	0.07
27,275	Flowserve	862,267	0.02
63,867	Illinois Tool Works	7,900,891	0.22
71,727	Paccar	3,783,901	0.10
27,268	Rockwell Automation	3,867,736	0.11
18,440	Wabtec	1,057,205	0.03
38,758	Xylem	1,965,885	0.05
		<b>46,016,876</b>	<b>1.25</b>
<b>Industrial Transportation — 1.61% (1.60%)</b>			
30,259	C.H Robinson Worldwide	1,948,793	0.05
181,087	CSX	7,614,712	0.21

## Portfolio Statement continued

Holding/ Nominal Value	Investment	Market value £	% of Net Assets
<b>Industrial Transportation — (cont.)</b>			
38,880	Expeditors International of Washington	1,874,251	0.05
52,303	Fedex	9,149,326	0.25
19,039	Hunt (JB) Transport Services	1,554,129	0.04
22,860	Kansas City Southern	1,910,956	0.05
59,827	Norfolk Southern	6,227,191	0.17
170,348	Union Pacific	16,200,431	0.44
144,243	United Parcel Service 'B'	13,031,690	0.35
		<b>59,511,479</b>	<b>1.61</b>
<b>Support Services — 1.87% (1.83%)</b>			
11,237	Alliance Data Systems	1,960,243	0.05
94,184	Automatic Data Processing	8,134,009	0.22
23,886	Broadridge Financial Solutions	1,589,199	0.04
18,558	Cintas	2,186,512	0.06
58,970	Fastenal	2,389,264	0.07
68,624	Fidelity National Information Services	4,785,392	0.13
44,065	Fiserv	4,311,049	0.12
18,927	Fleetcar Technologies	2,575,447	0.07
31,775	Global Payments	2,293,836	0.06
14,072	Manpower	1,324,448	0.04
65,800	Paychex	3,327,225	0.09
238,636	Paypal	12,745,372	0.35
46,824	Republic Services	2,262,776	0.06
28,095	Robert Half International	1,161,737	0.03
16,235	Stericycle	799,182	0.02
38,719	Total Systems Services	2,120,985	0.06
17,051	United Rentals	2,007,433	0.05
32,659	Vantiv 'A'	1,750,614	0.05
33,550	Verisk Analytics 'A'	2,398,248	0.07
92,317	Waste Management	5,707,106	0.15
10,473	WW Grainger	1,773,097	0.05
55,573	Xerox	1,212,479	0.03
		<b>68,815,653</b>	<b>1.87</b>
<b>Automobiles &amp; Parts — 0.97% (0.97%)</b>			
17,561	Autoliv	1,676,491	0.04
42,762	BorgWarner	1,722,066	0.05
822,394	Ford Motor Company	7,676,657	0.21
280,471	General Motors	8,914,777	0.24
62,200	Gentex	958,419	0.03
31,355	Genuine Parts	2,194,663	0.06
52,757	Goodyear Tire & Rubber	1,243,721	0.03
34,351	Harley-Davidson	1,300,756	0.03
15,881	Lear Corporation	2,084,721	0.06
62,463	LKQ	1,819,396	0.05

## Portfolio Statement continued

Holding/ Nominal Value	Investment	Market value £	% of Net Assets
<b>Automobiles &amp; Parts — (cont.)</b>			
27,377	Tesla Motors	6,224,935	0.17
		<hr/>	<hr/>
		35,816,602	0.97
<b>Beverages — 1.90% (1.98%)</b>			
37,113	Brown-Forman 'B'	1,705,363	0.05
807,610	Coca-Cola	27,743,933	0.75
34,029	Constellation Brands 'A'	5,487,094	0.15
38,410	Dr Pepper Snapple Group	2,675,319	0.07
35,703	Molson Coors Brewing 'A'	2,117,889	0.06
86,994	Monster Beverage	4,094,559	0.11
300,789	PepsiCo	26,297,206	0.71
		<hr/>	<hr/>
		70,121,363	1.90
<b>Food Producers — 1.53% (1.81%)</b>			
117,543	Archer Daniels Midland	3,598,737	0.10
36,232	Campbell Soup	1,357,958	0.04
83,797	ConAgra Foods	2,337,883	0.06
120,436	General Mills	5,153,090	0.14
28,957	Hershey	2,421,490	0.07
57,491	Hormel Foods	1,589,412	0.04
13,825	Ingredion	1,435,190	0.04
23,452	JM Smucker	2,065,361	0.06
51,907	Kellogg	2,626,261	0.07
126,974	Kraft Heinz	7,700,291	0.21
28,395	Lamb Weston	1,159,769	0.03
66,774	Leucadia National	1,286,371	0.03
24,922	McCormick & Company	1,922,114	0.05
309,145	Mondelez International	9,895,217	0.27
92,660	Monsanto	8,190,001	0.22
57,964	Tyson Foods 'A'	3,592,439	0.10
		<hr/>	<hr/>
		56,331,584	1.53
<b>Household Goods &amp; Home Construction — 1.74% (1.77%)</b>			
53,747	Church & Dwight	1,932,395	0.05
27,256	Clorox	2,908,199	0.08
67,061	D.R. Horton	2,480,468	0.07
10,351	Edgewell Personal Care Company	457,142	0.01
26,379	Leggett & Platt	939,190	0.03
42,102	Lennar	1,920,821	0.05
842	Lennar 'B'	31,033	—
12,749	Mohawk Industries	2,657,228	0.07
99,476	Newell Rubbermaid	2,333,251	0.06
807	NVR	2,012,394	0.06
538,887	Procter & Gamble	36,571,629	0.99
59,235	Pulte Group	1,457,726	0.04
11,428	Snap-on	1,460,613	0.04
32,977	Stanley Black & Decker	4,152,195	0.11
32,031	Toll Brothers	1,102,750	0.03

## Portfolio Statement continued

Holding/ Nominal Value	Investment	Market value £	% of Net Assets
	<b>Household Goods &amp; Home Construction — (cont.)</b>		
15,334	Whirlpool	1,906,762	0.05
		<hr/>	
		64,323,796	1.74
	<b>Leisure Goods — 0.42% (0.40%)</b>		
156,081	Activision Blizzard	6,951,262	0.19
62,995	Electronic Arts	4,837,401	0.13
23,720	Hasbro	1,606,053	0.05
69,768	Mattel	836,655	0.02
12,209	Polaris Industries	1,123,657	0.03
		<hr/>	
		15,355,028	0.42
	<b>Personal Goods — 1.24% (1.20%)</b>		
179,682	Colgate-Palmolive	9,929,724	0.27
96,646	Coty	1,245,304	0.03
46,218	Estée Lauder 'A'	4,265,033	0.12
76,362	HanesBrands	1,184,026	0.03
74,681	Kimberley-Clark	6,802,119	0.18
20,202	Lululemon Athletica	998,972	0.03
278,406	Nike 'B'	12,438,534	0.34
12,918	Polo Ralph Lauren	926,011	0.02
16,883	PVH	1,668,569	0.05
59,523	Tapestry	1,844,974	0.05
37,933	Under Armour 'A'	370,746	0.01
38,301	Under Armour 'C'	336,139	0.01
67,746	VF	3,572,878	0.10
		<hr/>	
		45,583,029	1.24
	<b>Tobacco — 1.26% (1.54%)</b>		
407,241	Altria Group	21,201,752	0.57
326,440	Philip Morris International	25,397,877	0.69
		<hr/>	
		46,599,629	1.26
	<b>Health Care Equipment &amp; Services — 4.33% (3.84%)</b>		
68,253	Aetna	9,129,867	0.25
16,710	Align Technology	2,858,139	0.08
55,977	Anthem	9,327,833	0.25
15,088	Bard (C.R.)	3,737,295	0.10
104,925	Baxter International	5,036,931	0.14
47,253	Becton Dickinson & Company	7,722,492	0.21
288,046	Boston Scientific	5,398,986	0.15
34,304	Centene	2,522,112	0.07
52,237	Cigna	7,926,150	0.21
10,436	Cooper Companies	1,803,966	0.05
32,776	DaVita	1,468,015	0.04
50,028	Dentsply Sirona	2,450,381	0.07
43,203	Edwards Lifesciences	3,673,573	0.10
121,615	Express Scripts	6,109,719	0.16
62,090	HCA Healthcare	3,836,139	0.10
33,456	Henry Schein	1,743,527	0.05



## Portfolio Statement continued

Holding/ Nominal Value	Investment	Market value £	% of Net Assets
	<b>Health Care Equipment &amp; Services — (cont.)</b>		
62,589	Hologic	1,948,394	0.05
30,375	Humana	5,721,145	0.15
18,096	IDEXX Laboratories	2,181,650	0.06
23,067	Intuitive Surgical	6,394,164	0.17
21,546	LabCorp	2,498,624	0.07
16,996	Patterson	462,285	0.01
28,414	Quest Diagnostics	2,084,201	0.06
28,576	ResMed	1,791,052	0.05
71,672	Stryker	8,158,465	0.22
84,339	Thermo Electron	11,473,720	0.31
202,297	Unitedhealth Group	33,446,617	0.91
18,029	Universal Health Services 'B'	1,401,227	0.04
19,590	Varian Medical Systems	1,597,502	0.04
15,373	Waters	2,227,677	0.06
41,351	Zimmer	3,541,645	0.10
		<b>159,673,493</b>	<b>4.33</b>
	<b>Pharmaceuticals &amp; Biotechnology — 7.46% (7.54%)</b>		
355,962	Abbott Laboratories	14,597,250	0.40
334,893	Abbvie	23,996,426	0.65
45,622	Alexion Pharmaceuticals	3,850,056	0.10
154,895	Amgen	20,638,830	0.56
44,598	Biogen Idec	10,646,220	0.29
36,562	BioMarin Pharmaceuticals	2,275,531	0.06
21,975	Bioerativ	841,115	0.02
346,778	Bristol-Myers Squibb	16,161,806	0.44
163,082	Celgene	12,604,439	0.34
205,814	Eli Lilly	13,120,374	0.36
274,645	Gilead Sciences	14,969,113	0.41
30,694	Illumina	4,879,647	0.13
35,126	Incyte	2,523,717	0.07
25,496	Iqvia	1,927,857	0.05
568,204	Johnson & Johnson	59,091,691	1.60
576,684	Merck & Co	24,116,500	0.65
1,246,068	Pfizer	33,326,799	0.90
16,443	Regeneron Pharmaceuticals	4,696,548	0.13
53,310	Vertex Pharmaceuticals	5,590,526	0.15
103,564	Zoetis	5,494,273	0.15
		<b>275,348,718</b>	<b>7.46</b>
	<b>Food &amp; Drug Retailers — 1.08% (1.49%)</b>		
32,368	AmerisourceBergen	2,064,141	0.05
67,051	Cardinal Health	3,023,135	0.08
214,925	CVS Health	11,315,799	0.31
188,835	Kroger	3,748,868	0.10
45,063	McKesson	5,039,649	0.14
104,316	Sysco	4,573,628	0.12

## Portfolio Statement continued

Holding/ Nominal Value	Investment	Market value £	% of Net Assets
<b>Food &amp; Drug Retailers — (cont.)</b>			
194,016	Walgreens Boots Alliance	10,200,498	0.28
		<b>39,965,718</b>	<b>1.08</b>
<b>General Retailers — 6.08% (5.65%)</b>			
15,805	Advance Auto Parts	1,214,964	0.03
83,639	Amazon.com	71,261,247	1.93
13,753	AutoNation	574,116	0.02
5,953	Autozone	3,227,001	0.09
33,993	Bed Bath & Beyond	591,601	0.02
56,531	Best Buy	2,598,894	0.07
46,149	Block (H & R)	889,727	0.02
50,631	Brands	2,095,492	0.06
38,376	CarMax	1,974,218	0.05
14,670	Cars.com	271,582	0.01
91,916	Costco Wholesale	12,934,197	0.35
57,063	Dollar General	3,842,429	0.10
48,164	Dollar Tree	3,770,229	0.10
210,747	eBay	5,758,912	0.16
27,785	Foot Locker	906,932	0.03
253,210	Home Depot	34,519,039	0.94
36,664	Kohls	1,298,278	0.04
177,910	Loews	11,562,693	0.31
68,119	Macy's	1,275,773	0.03
8,055	MercadoLibre	1,643,558	0.04
86,392	Netflix	12,028,256	0.33
24,571	Nordstrom	842,993	0.02
18,165	O'Reilly Automotive	3,414,760	0.09
81,144	Ross Stores	4,695,044	0.13
116,012	Target	5,243,597	0.14
45,466	The Gap	1,129,712	0.03
22,997	Tiffany & Co	1,611,536	0.04
135,618	TJX	7,698,547	0.21
23,358	Tractor Supply	1,191,025	0.03
12,264	Ulta Salon Cosmetics & Fragrance	2,015,335	0.06
306,390	Wal-Mart Stores	22,168,458	0.60
		<b>224,250,145</b>	<b>6.08</b>
<b>Media — 2.85% (3.18%)</b>			
71,285	CBS 'B'	3,142,398	0.09
39,909	Charter Communications	9,949,919	0.27
992,112	Comcast 'A'	29,429,553	0.80
34,700	Discovery Communications 'A'	522,799	0.01
48,174	Discovery Communications 'C'	680,260	0.02
46,446	DISH Network 'A'	1,790,906	0.05
7,441	Dun & Bradstreet	682,009	0.02
81,753	Interpublic Group	1,259,096	0.03
91,715	Liberty Media - Interactive 'A'	1,696,529	0.05
21,500	Liberty SiriusXM 'A'	679,377	0.02
37,645	Liberty SiriusXM 'C'	1,187,860	0.03

## Portfolio Statement continued

Holding/ Nominal Value	Investment	Market value £	% of Net Assets
	<b>Media — (cont.)</b>		
94,958	News Corporation 'A'	1,164,886	0.03
14,223	News Corporation 'B'	175,749	0.01
48,419	Omnicom Group	2,725,145	0.07
15,183	Scripps Networks Interactive	935,460	0.03
310,334	Sirius XM	1,300,566	0.04
44,010	Tegna	450,452	0.01
329,675	The Walt Disney Company	26,685,170	0.72
163,566	Time Warner	11,219,746	0.30
229,926	Twenty-First Century Fox 'A'	5,851,697	0.16
80,379	Twenty-First Century Fox 'B'	1,999,004	0.05
70,777	Viacom 'B'	1,546,304	0.04
		<b>105,074,885</b>	<b>2.85</b>
	<b>Travel &amp; Leisure — 2.42% (2.31%)</b>		
27,203	American Airlines	1,005,786	0.03
52,529	Aramark	1,668,071	0.05
6,335	Chipotle Mexican Grill	1,482,835	0.04
27,027	Darden Restaurants	1,711,469	0.05
37,601	Delta Air Lines	1,478,961	0.04
10,246	Domino's Pizza	1,440,953	0.04
24,410	Expedia	2,222,593	0.06
41,247	Hilton Worldwide	2,387,806	0.06
78,395	Las Vegas Sands	4,058,636	0.11
67,991	Marriott International 'A'	6,497,964	0.18
172,439	McDonald's	22,226,839	0.60
107,155	MGM Mirage	2,703,203	0.07
10,319	Priceline.com	13,338,885	0.36
34,586	Southwest Airlines	1,590,534	0.04
296,910	Starbucks	13,106,121	0.35
23,745	TripAdvisor	612,979	0.02
17,100	United Continental	793,901	0.02
21,492	Wyndham Worldwide	1,814,997	0.05
16,384	Wynn Resorts	1,937,932	0.05
79,623	Yum China	2,438,951	0.07
75,707	Yum! Brands	4,696,607	0.13
		<b>89,216,023</b>	<b>2.42</b>
	<b>Fixed Line Telecommunications — 1.90% (2.38%)</b>		
1,297,096	AT&T	35,502,619	0.96
200,954	CenturyLink	2,203,404	0.06
858,976	Verizon Communications	32,545,687	0.88
		<b>70,251,710</b>	<b>1.90</b>
	<b>Mobile Telecommunications — 0.09% (0.16%)</b>		
174,987	Sprint Nextel	759,397	0.02
56,830	T-Mobile US	2,563,992	0.07
		<b>3,323,389</b>	<b>0.09</b>

## Portfolio Statement continued

Holding/ Nominal Value	Investment	Market value £	% of Net Assets
<b>Electricity — 2.26% (2.18%)</b>			
135,320	AES	1,076,798	0.03
48,014	Alliant Energy	1,575,091	0.04
101,775	American Electric Power	5,793,311	0.16
11,000	Avangrid	421,937	0.01
74,872	Calpine	838,228	0.02
60,457	CMS Energy	2,211,446	0.06
63,651	Consolidated Edison	4,142,479	0.11
136,026	Dominion Energy	8,369,740	0.23
37,184	DTE Energy	3,146,551	0.09
65,904	Edison International	3,533,620	0.10
37,803	Entergy	2,339,542	0.06
65,840	Eversource Energy	3,156,242	0.09
203,359	Exelon	6,207,944	0.17
93,727	FirstEnergy	2,257,709	0.06
99,215	NextEra Energy	11,442,146	0.31
62,944	NRG Energy	1,288,960	0.03
108,233	PG&E	4,257,132	0.12
23,724	Pinnacle West	1,562,881	0.04
140,926	PPL	3,724,038	0.10
108,060	Public Service	4,235,045	0.11
210,560	Southern Company	7,819,591	0.21
105,971	Xcel Energy	3,984,364	0.11
		<b>83,384,795</b>	<b>2.26</b>
<b>Gas, Water &amp; Multi-utilities — 0.80% (0.77%)</b>			
51,893	Ameren	2,402,668	0.06
36,745	American Water Works	2,478,387	0.07
92,323	Centerpoint Energy	1,992,978	0.05
146,511	Duke Energy	9,552,552	0.26
68,438	Nisource	1,366,824	0.04
75,580	ONEOK	2,940,722	0.08
28,988	SCANA	947,278	0.02
53,242	Sempra Energy	4,676,212	0.13
65,441	WEC Energy Group	3,298,842	0.09
		<b>29,656,463</b>	<b>0.80</b>
<b>Banks — 6.55% (6.66%)</b>			
2,076,785	Bank of America	44,831,593	1.21
171,796	BB&T	6,390,238	0.17
573,982	Citigroup	32,599,989	0.88
104,890	Citizens Financial Group	3,224,622	0.09
36,774	Comerica	2,308,161	0.06
19,714	Commerce Bancshares	833,953	0.02
159,192	Fifth Third Bancorp	3,700,734	0.10
33,138	First Republic Bank	2,354,983	0.06
226,653	Huntington Bancshares	2,464,940	0.07
745,130	JPMorgan Chase & Co	59,004,709	1.60
231,350	Keycorp	3,346,085	0.09
30,175	M&T Bank	3,837,351	0.10

## Portfolio Statement continued

Holding/ Nominal Value	Investment	Market value £	% of Net Assets
	<b>Banks — (cont.)</b>		
101,051	New York Community Bank	1,018,483	0.03
66,171	Peoples United Financial	941,289	0.03
102,052	PNC Financial Services Group	10,901,043	0.30
251,571	Regions Financial	3,155,405	0.09
99,114	Suntrust Banks	4,721,084	0.13
333,091	US Bancorp	13,669,277	0.37
946,268	Wells Fargo	40,628,804	1.10
44,438	Zions Bancorporation	1,702,894	0.05
		<b>241,635,637</b>	<b>6.55</b>
	<b>Nonlife Insurance — 2.87% (2.82%)</b>		
3,197	Alleghany	1,366,638	0.04
77,819	Allstate	5,954,885	0.16
191,098	American International Group	8,432,551	0.23
35,223	Arthur J. Gallagher & Co	1,732,309	0.05
91	Berkshire Hathaway Class 'A'	19,958,831	0.54
262,746	Berkshire Hathaway Class 'B'	38,432,028	1.04
26,000	Brown & Brown	994,789	0.03
33,713	Cincinnati Financial	1,872,359	0.05
3,100	CNA Financial	124,656	—
77,485	Hartford Financial Services	3,195,377	0.09
56,378	Loews	2,110,083	0.06
2,756	Markel	2,267,002	0.06
106,985	Marsh & McLennan	6,835,285	0.18
55,070	Old Republic International	845,276	0.02
119,285	Progressive	4,820,591	0.13
57,931	The Travelers Companies	5,843,122	0.16
20,069	W.R. Berkley	1,038,855	0.03
		<b>105,824,637</b>	<b>2.87</b>
	<b>Life Insurance — 0.85% (0.89%)</b>		
79,049	Aflac	5,155,779	0.14
11,570	Assurant	850,396	0.02
17,491	Brighthouse Financial	764,922	0.02
46,849	Lincoln National	2,677,584	0.07
192,403	MetLife	7,650,862	0.21
56,949	Principal Financial Group	2,999,212	0.08
89,098	Prudential Financial	7,688,134	0.21
25,400	Torchmark	1,680,098	0.04
49,062	UnumProvident	2,065,614	0.06
		<b>31,532,601</b>	<b>0.85</b>
	<b>Real Estate Investment &amp; Services — 0.05% (0.04%)</b>		
62,033	CBRE	2,000,811	0.05
	<b>Real Estate Investment Trusts — 2.90% (2.79%)</b>		
72,319	AGNC Investment	1,085,808	0.03
19,786	Alexandria Real Estate Equities	1,879,626	0.05
88,992	American Tower	9,305,274	0.25
226,854	Annaly Capital Management	2,011,189	0.06

## Portfolio Statement continued

Holding/ Nominal Value	Investment	Market value £	% of Net Assets
	<b>Real Estate Investment Trusts — (cont.)</b>		
29,051	Avalonbay Communities	3,871,953	0.11
32,242	Boston Properties	3,040,838	0.08
84,748	Crown Castle International	6,909,037	0.19
42,689	Digital Realty Trust	3,538,986	0.10
75,255	Duke Realty	1,543,304	0.04
16,459	Equinix Inc	5,484,128	0.15
75,513	Equity Residential	3,685,713	0.10
13,929	Essex Property Trust	2,544,111	0.07
25,039	Extra Space Storage	1,581,665	0.04
16,505	Federal Realty Investment Trust	1,630,474	0.04
130,038	GGP	2,276,681	0.06
98,847	HCP	1,966,050	0.05
30,800	Hospitality Properties	692,163	0.02
155,131	Host Hotels & Resorts	2,281,814	0.06
52,117	Iron Mountain	1,568,864	0.04
17,152	JBG Smith Properties	430,524	0.01
87,997	Kimco Realty	1,222,290	0.03
33,169	Liberty Property Trust	1,101,930	0.03
32,201	Macerich	1,543,174	0.04
23,835	Mid-America Apartment Communities	1,813,262	0.05
23,770	Park Hotels & Resorts	509,585	0.01
110,917	Prologis	5,369,988	0.15
31,132	Public Storage	4,904,553	0.13
58,274	Realty Income	2,404,442	0.07
29,802	Regency Centers	1,512,284	0.04
25,403	SBA Communications Corporation	3,062,202	0.08
64,857	Simon Property Group	7,865,975	0.21
20,728	SL Green Realty	1,590,319	0.04
57,719	UDR	1,678,637	0.05
73,987	Ventas	3,468,037	0.09
194,946	Vereit	1,133,339	0.03
36,387	Vornado Realty Trust	2,085,874	0.06
24,520	Weingarten Realty	600,132	0.02
78,146	Welltower	3,871,234	0.11
153,791	Weyerhaeuser	4,019,355	0.11
		<b>107,084,814</b>	<b>2.90</b>
	<b>Financial Services — 5.50% (5.15%)</b>		
12,156	Affiliated Managers Group	1,770,375	0.05
99,738	Ally Financial	2,052,076	0.05
155,946	American Express	11,550,265	0.31
32,738	Ameriprise Financial	4,033,397	0.11
216,023	Bank of New York Mellon	8,831,311	0.24
25,678	BlackRock	9,780,347	0.26
100,832	Capital One Financial	7,116,184	0.19
19,657	CBOE Global Markets	1,789,820	0.05
240,218	Charles Schwab	9,112,333	0.25
28,598	CIT Group	1,059,493	0.03

## Portfolio Statement continued

Holding/ Nominal Value	Investment	Market value £	% of Net Assets
	<b>Financial Services — (cont.)</b>		
68,274	CME Group	7,836,212	0.21
79,567	Discover Financial Services	4,360,371	0.12
56,199	E*Trade Financial	2,090,415	0.06
26,073	Equifax	2,181,484	0.06
57,594	Fidelity National Financial	1,692,579	0.05
64,042	Franklin Resources	2,116,141	0.06
77,640	Goldman Sachs	14,322,424	0.39
124,213	Intercontinental Exchange	6,642,446	0.18
5,325	Liberty Broadband Series 'A'	345,883	0.01
21,372	Liberty Broadband Series 'C'	1,410,005	0.04
198,450	Mastercard 'A'	21,319,267	0.58
36,482	Moodys	4,112,847	0.11
274,882	Morgan Stanley	10,680,988	0.29
26,222	Nasdaq	1,539,279	0.04
57,186	Navient	562,325	0.01
45,884	Northern Trust	3,345,153	0.09
26,178	Raymond James Financial	1,730,195	0.05
53,678	S&P Global	6,735,921	0.18
22,700	Santander Consumer USA	299,760	0.01
28,153	SEI Investments	1,468,005	0.04
80,772	State Street Boston	5,816,498	0.16
171,555	Synchrony Financial	4,768,396	0.13
50,827	T. Rowe Price Group	3,884,100	0.10
55,749	TD Ameritrade	2,186,553	0.06
386,446	Visa	31,211,396	0.85
45,128	Voya Financial	1,502,251	0.04
103,352	Western Union	1,525,584	0.04
		<b>202,782,079</b>	<b>5.50</b>
	<b>Software &amp; Computer Services — 10.57% (9.38%)</b>		
103,840	Adobe Systems	13,189,086	0.36
34,443	Akamai Technologies	1,448,329	0.04
62,745	Alphabet 'A'	47,789,699	1.29
63,583	Alphabet 'C'	47,729,845	1.29
17,631	Ansys	1,887,123	0.05
11,194	Arista Networks	1,771,508	0.05
43,886	Autodesk	3,549,689	0.10
66,665	CA Inc	1,657,445	0.04
28,367	CDK Global	1,467,550	0.04
32,440	CDW	1,692,753	0.05
60,890	Cerner	3,183,649	0.09
31,106	Citrix Systems	2,026,729	0.05
123,493	Cognizant Technology Solutions 'A'	6,492,713	0.18
29,680	CSRA	644,238	0.02
42,608	Dell Technologies 'V'	2,382,229	0.06
12,867	DST Systems	592,587	0.02
59,956	DXC Technology Company	4,184,066	0.11
491,651	Facebook Class 'A'	63,460,086	1.72
18,535	Gartner	1,655,650	0.04

## Portfolio Statement continued

Holding/ Nominal Value	Investment	Market value £	% of Net Assets
	<b>Software &amp; Computer Services</b>		
	<b>— (cont.)</b>		
346,374	Hewlett Packard Enterprise Company	3,617,409	0.10
14,097	IAC	1,293,956	0.04
180,771	IBM	20,905,599	0.57
51,357	Intuit	5,939,276	0.16
1,579,293	Microsoft	96,422,217	2.61
61,053	Nuance	689,425	0.02
605,065	Oracle	21,817,290	0.59
17,070	Palo Alto Networks	1,814,497	0.05
37,256	Red Hat	3,353,705	0.09
142,474	Salesforce.com	10,723,199	0.29
35,196	ServiceNow	3,092,291	0.08
27,790	Splunk	1,606,499	0.04
130,608	Symantec	2,712,493	0.07
31,115	Synopsys	2,042,139	0.06
143,178	Twitter	2,210,445	0.06
21,444	VeriSign	1,799,610	0.05
16,081	Vmware 'A'	1,382,339	0.04
27,639	Workday	2,005,134	0.05
		<b>390,232,497</b>	<b>10.57</b>
	<b>Technology Hardware &amp; Equipment</b>		
	<b>— 8.52% (7.10%)</b>		
176,086	Advanced Micro Devices	1,344,828	0.04
76,827	Analog Devices	4,878,177	0.13
1,099,210	Apple	139,115,436	3.77
226,201	Applied Materials	8,516,634	0.23
1,056,638	Cisco Systems	29,432,330	0.80
186,551	Corning	4,464,504	0.12
13,297	F5 Networks	1,307,528	0.04
25,408	Harris	2,665,627	0.07
353,471	HP	5,575,443	0.15
993,671	Intel	32,819,101	0.89
78,969	Juniper Networks	1,639,456	0.04
32,416	KLA-Tencor	2,476,685	0.07
33,543	Lam Research	4,575,021	0.12
59,347	Maxim Integrated Products	2,287,912	0.06
48,031	Microchip Technology	3,103,030	0.08
233,403	Micron Technology	7,262,353	0.20
34,236	Motorola Solutions	2,354,012	0.06
27,100	NCR	636,852	0.02
57,372	NetApp	2,389,859	0.06
119,153	Nvidia	16,913,268	0.46
26,896	Qorvo	1,454,714	0.04
311,863	Qualcomm	14,964,038	0.41
39,059	Skyworks Solutions	2,871,130	0.08
208,388	Texas Instruments	15,128,838	0.41
61,702	Western Digital	3,575,629	0.10



## Portfolio Statement continued

Holding/ Nominal Value	Investment	Market value £	% of Net Assets
	<b>Technology Hardware &amp; Equipment — (cont.)</b>		
52,473	Xilinx	2,683,021	0.07
		<hr/>	
		314,435,426	8.52
	<b>BERMUDA — 0.43% (0.44%)</b>		
	<b>Food Producers — 0.04% (0.05%)</b>		
30,617	Bunge	1,525,836	0.04
	<b>General Retailers — 0.01% (0.04%)</b>		
14,372	Signet Jewelers	526,567	0.01
	<b>Travel &amp; Leisure — 0.04% (0.04%)</b>		
34,892	Norwegian Cruise Line	1,423,056	0.04
	<b>Nonlife Insurance — 0.17% (0.21%)</b>		
27,502	Arch Capital Group	1,890,174	0.05
16,100	Axis Capital	603,300	0.02
8,734	Everest Group	1,382,851	0.04
8,632	RenaissanceRe	833,643	0.02
52,229	XL Group	1,450,546	0.04
		<hr/>	
		6,160,514	0.17
	<b>Financial Services — 0.13% (0.07%)</b>		
77,521	IHS Markit	2,583,456	0.07
84,470	Invesco	2,305,099	0.06
		<hr/>	
		4,888,555	0.13
	<b>Technology Hardware &amp; Equipment — 0.04% (0.03%)</b>		
88,104	Marvell Technology Group	1,474,958	0.04
	<b>BRITISH VIRGIN ISLANDS — 0.04% (0.04%)</b>		
	<b>Personal Goods — 0.04% (0.04%)</b>		
30,203	Michael Kors	1,329,390	0.04
	<b>CAYMAN ISLANDS — 0.02% (0.02%)</b>		
	<b>Food Producers — 0.02% (0.02%)</b>		
16,390	Herbalife	823,282	0.02
	<b>CHANNEL ISLANDS — 0.19% (0.12%)</b>		
	<b>Automobiles &amp; Parts — 0.12% (0.08%)</b>		
55,464	Delphi Automotive	3,595,623	0.10
18,488	Delphi Technologies	729,391	0.02
		<hr/>	
		4,325,014	0.12
	<b>Financial Services — 0.03% (0.00%)</b>		
41,018	Janus Henderson Group	1,109,263	0.03
	<b>Software &amp; Computer Services — 0.04% (0.04%)</b>		
30,355	Amdocs	1,467,588	0.04

## Portfolio Statement continued

Holding/ Nominal Value	Investment	Market value £	% of Net Assets
	<b>CURACAO — 0.38% (0.59%)</b>		
	<b>Oil Equipment, Services &amp; Distribution — 0.38% (0.59%)</b>		
292,759	Schlumberger	14,069,168	0.38
	<b>IRELAND — 1.87% (2.17%)</b>		
	<b>Oil Equipment, Services &amp; Distribution — 0.01% (0.02%)</b>		
178,315	Weatherford	467,224	0.01
	<b>General Industrials — 0.14% (0.15%)</b>		
94,319	Eaton	5,305,005	0.14
	<b>Electronic &amp; Electrical Equipment — 0.04% (0.04%)</b>		
20,400	Allegion	1,262,510	0.04
	<b>Industrial Engineering — 0.14% (0.15%)</b>		
52,155	Ingersoll-Rand	3,291,814	0.09
34,878	Pentair	1,781,026	0.05
		5,072,840	0.14
	<b>Support Services — 0.54% (0.58%)</b>		
131,234	Accenture 'A'	14,441,210	0.39
196,761	Johnson Controls International	5,444,101	0.15
		19,885,311	0.54
	<b>Automobiles &amp; Parts — 0.03% (0.03%)</b>		
19,296	Adient	1,131,561	0.03
	<b>Health Care Equipment &amp; Services — 0.47% (0.50%)</b>		
288,443	Medtronic	17,380,869	0.47
	<b>Pharmaceuticals &amp; Biotechnology — 0.36% (0.56%)</b>		
33,162	Alkermes	1,348,795	0.04
71,087	Allergan	8,651,722	0.23
11,841	Jazz Pharmaceuticals	1,187,802	0.03
20,824	Mallinckrodt	333,426	0.01
28,402	Perrigo	1,808,899	0.05
		13,330,644	0.36
	<b>Nonlife Insurance — 0.09% (0.08%)</b>		
27,339	Willis Towers Watson	3,203,592	0.09
	<b>Technology Hardware &amp; Equipment — 0.05% (0.06%)</b>		
59,930	Seagate Technology	1,759,892	0.05
	<b>ISRAEL — 0.05% (0.06%)</b>		
	<b>Software &amp; Computer Services — 0.05% (0.06%)</b>		
25,100	Check Point Software	1,932,853	0.05

## Portfolio Statement continued

Holding/ Nominal Value	Investment	Market value £	% of Net Assets
	<b>LIBERIA — 0.09% (0.06%)</b>		
	<b>Travel &amp; Leisure — 0.09% (0.06%)</b>		
34,751	Royal Caribbean Cruises	3,212,023	0.09
	<b>NETHERLANDS — 0.52% (0.54%)</b>		
	<b>Oil Equipment, Services &amp; Distribution — 0.02% (0.03%)</b>		
9,600	Core Laboratories	743,403	0.02
	<b>Chemicals — 0.15% (0.15%)</b>		
69,011	Lyondellbasell Industries 'A'	5,361,529	0.15
	<b>Construction &amp; Materials — 0.00% (0.02%)</b>		
	<b>Electronic &amp; Electrical Equipment — 0.04% (0.03%)</b>		
36,872	Sensata Technologies	1,303,173	0.04
	<b>Industrial Transportation — 0.03% (0.04%)</b>		
29,600	AerCap	1,129,224	0.03
	<b>Pharmaceuticals &amp; Biotechnology — 0.08% (0.08%)</b>		
112,114	Mylan	3,061,979	0.08
	<b>Software &amp; Computer Services — 0.03% (0.06%)</b>		
53,900	Yandex	1,283,907	0.03
	<b>Technology Hardware &amp; Equipment — 0.17% (0.13%)</b>		
72,020	NXP Semiconductors	6,115,856	0.17
	<b>PANAMA — 0.11% (0.10%)</b>		
	<b>Travel &amp; Leisure — 0.11% (0.10%)</b>		
84,110	Carnival	4,172,317	0.11
	<b>SINGAPORE — 0.49% (0.36%)</b>		
	<b>Electronic &amp; Electrical Equipment — 0.04% (0.04%)</b>		
112,647	Flextronics International	1,517,724	0.04
	<b>Technology Hardware &amp; Equipment — 0.45% (0.32%)</b>		
85,241	Broadcom	16,721,423	0.45
	<b>SWITZERLAND — 0.46% (0.48%)</b>		
	<b>Oil Equipment, Services &amp; Distribution — 0.00% (0.03%)</b>		
	<b>Electronic &amp; Electrical Equipment — 0.14% (0.12%)</b>		
73,206	TE Connectivity	5,065,131	0.14
	<b>Nonlife Insurance — 0.29% (0.30%)</b>		
97,552	Chubb	10,875,660	0.29
	<b>Technology Hardware &amp; Equipment — 0.03% (0.03%)</b>		
24,201	Garmin	1,102,142	0.03

## Portfolio Statement continued

Holding/ Nominal Value	Investment	Market value £	% of Net Assets
	<b>UNITED KINGDOM — 0.35% (0.41%)</b>		
	<b>Beverages — 0.04% (0.04%)</b>		
40,730	Coca-Cola European Partners	1,205,164	0.04
	<b>Media — 0.16% (0.20%)</b>		
46,505	Liberty Global 'A'	1,108,795	0.03
120,709	Liberty Global 'C'	2,798,932	0.07
75,175	Nielsen	2,088,940	0.06
		5,996,667	0.16
	<b>Travel &amp; Leisure — 0.00% (0.02%)</b>		
	<b>Nonlife Insurance — 0.15% (0.15%)</b>		
54,204	AON	5,603,178	0.15
	<b>FUTURES CONTRACTS — 0.00% (0.00%)</b>		
146	S&P 500 Index Future Expiry December 2017	5,957	—
<b>Portfolio of investments<sup>1</sup></b>		<b>3,664,352,362</b>	<b>99.30</b>
<b>Net other assets</b>		<b>25,956,598</b>	<b>0.70</b>
<b>Total net assets</b>		<b>£3,690,308,960</b>	<b>100.00%</b>

<sup>1</sup> All investments are admitted to an official stock exchange unless otherwise stated.

Total purchases for the year: £254,620,679.

Total sales for the year: £144,706,476.

# Independent Auditor's Report

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

### Report on the audit of the financial statements

#### **Opinion**

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

- give a true and fair view of the financial position of the Trust as at 5 December 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 5 December 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 Auditor's 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 Auditor's 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  
24 January 2018

#### **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 5 December 2017

Notes	06/12/16 to 05/12/17		01/12/15 to 05/12/16 <sup>1</sup>	
	£	£	£	£
<b>Income</b>				
Net capital gains	3	426,459,152		686,424,666
Revenue	4	70,143,789	66,037,498	
Expenses	5	(13,473,417)	(12,958,177)	
Interest payable and similar charges	7	(12,255)	(2,619)	
<b>Net revenue before taxation</b>		<u>56,658,117</u>	<u>53,076,702</u>	
Taxation	6	(9,990,320)	(9,468,826)	
<b>Net revenue after taxation for the year</b>		<u>46,667,797</u>	<u>43,607,876</u>	
<b>Total return before distributions</b>		<u>473,126,949</u>	<u>730,032,542</u>	
Distributions	7	(46,686,300)	(43,634,069)	
<b>Change in net assets attributable to Unitholders from investment activities</b>		<u><b>£426,440,649</b></u>	<u><b>£686,398,473</b></u>	

### Statement of Change in Net Assets attributable to Unitholders for the year ended 5 December 2017

	06/12/16 to 05/12/17		01/12/15 to 05/12/16 <sup>1</sup>	
	£	£	£	£
<b>Opening net assets attributable to Unitholders</b>		3,152,636,593		2,889,952,332
Amounts received on issue of units		383,863,462	272,331,013	
Amounts paid on cancellation of units		(296,227,079)	(693,649,369)	
Amounts paid on in-specie transactions		–	(23,078,729)	
		<u>87,636,383</u>	<u>(444,397,085)</u>	
<b>Change in net assets attributable to Unitholders from investment activities</b>		<u>426,440,649</u>	<u>686,398,473</u>	
Retained distributions on accumulation units		23,592,135	20,682,873	
Unclaimed distributions		3,200	–	
<b>Closing net assets attributable to Unitholders</b>		<u><b>£3,690,308,960</b></u>	<u><b>£3,152,636,593</b></u>	

<sup>1</sup> To accommodate the transition of Trustee, the Trust's period end date, normally 5 December, was moved to 30 November 2015.



## Financial Statements continued

### Balance Sheet as at 5 December 2017

	Notes	05/12/17 £	05/12/16 £
<b>ASSETS</b>			
<b>Fixed assets:</b>			
Investments		3,664,352,362	3,128,956,384
<b>Current assets:</b>			
Debtors	8	13,171,340	13,653,764
Cash and bank balances	9	27,194,239	23,131,857
<b>Total assets</b>		<b>3,704,717,941</b>	<b>3,165,742,005</b>
<b>LIABILITIES</b>			
<b>Creditors:</b>			
Bank overdrafts	9	(133,954)	(276,878)
Distributions payable		(11,767,166)	(10,826,932)
Other creditors	10	(2,507,861)	(2,001,602)
<b>Total liabilities</b>		<b>(14,408,981)</b>	<b>(13,105,412)</b>
<b>Net assets attributable to Unitholders</b>		<b>£3,690,308,960</b>	<b>£3,152,636,593</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).

All other revenue is recognised on an accruals basis.

### (d) Treatment of expenses

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

### (e) Distribution Policy

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

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

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 December 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 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 3pm on 5 December 2017, being the last working day of the accounting year.

#### (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

	06/12/16 to 05/12/17	01/12/15 to 05/12/16
	£	£
The net capital gains during the year comprise:		
Non-derivative securities	425,077,860	686,490,780
Derivative securities	2,386,207	(119,092)
Forward currency contracts	(42,530)	(586,124)
Currency (losses)/gains	<u>(962,385)</u>	<u>639,102</u>
Net capital gains	<u>426,459,152</u>	<u>686,424,666</u>

## Notes to the Financial Statements continued

### 4. Revenue

	06/12/16 to 05/12/17	01/12/15 to 05/12/16
	£	£
UK Franked dividends	183,920	—
Taxable overseas dividends	3,835,670	3,525,966
Non-taxable overseas dividends	65,864,956	62,407,325
Futures revenue	186,650	81,168
Unfranked stock dividends	38,769	—
Bank interest	33,824	23,039
	<u>70,143,789</u>	<u>66,037,498</u>

### 5. Expenses

	06/12/16 to 05/12/17	01/12/15 to 05/12/16
	£	£
Payable to the Manager, associates of the Manager and agents of either of them:		
Fund management fees	<u>13,473,417</u>	<u>12,958,177</u>
Total expenses	<u>13,473,417</u>	<u>12,958,177</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 period, 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

	06/12/16 to 05/12/17	01/12/15 to 05/12/16
	£	£
Overseas tax	<u>9,990,320</u>	<u>9,468,826</u>
Current tax [note 6(b)]	9,990,320	9,468,826
Deferred tax [note 6(c)]	<u>—</u>	<u>—</u>
Total taxation	<u>9,990,320</u>	<u>9,468,826</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>56,658,117</u>	<u>53,076,702</u>
Net revenue before taxation multiplied by the applicable rate of Corporation tax of 20% (2016: 20%)	11,331,623	10,615,340
<b>Effects of:</b>		
DTR expensed	(113,132)	(30,425)
Overseas tax	9,990,320	9,468,826
Revenue not subject to taxation	(13,227,001)	(12,481,465)
Excess management expenses not utilised	<u>2,008,510</u>	<u>1,896,550</u>
Current tax	<u>9,990,320</u>	<u>9,468,826</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 £14,902,997 (5 December 2016: £12,894,487) 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 (5 December 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:

	06/12/16 to 05/12/17	01/12/15 to 05/12/16
	£	£
Interim distribution	23,843,481	20,764,628
Final distribution	<u>23,459,949</u>	<u>21,863,688</u>
	47,303,430	42,628,316
Add: Revenue deducted on cancellation of units	952,144	2,135,570
Less: Revenue received on creation of units	<u>(1,569,274)</u>	<u>(1,129,817)</u>
<b>Distributions for the year</b>	<b>46,686,300</b>	<b>43,634,069</b>
<b>Interest payable and similar charges</b>		
Bank overdraft interest	<u>12,255</u>	<u>2,619</u>
	<u>46,698,555</u>	<u>43,636,688</u>

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

	06/12/16 to 05/12/17	01/12/15 to 05/12/16
	£	£
Net revenue after taxation for the year	46,667,797	43,607,876
Equalisation effect of conversions	<u>18,503</u>	<u>26,193</u>
<b>Distributions for the year</b>	<b>46,686,300</b>	<b>43,634,069</b>

### 8. Debtors

	05/12/17	05/12/16
	£	£
Accrued revenue	5,511,149	5,120,315
Amounts receivable for creation of units	7,621,075	8,444,009
Overseas tax recoverable	1,376	89,440
Receivable for foreign exchange contracts	<u>37,740</u>	<u>—</u>
	<u>13,171,340</u>	<u>13,653,764</u>

## Notes to the Financial Statements continued

### 9. Net uninvested cash

	05/12/17	05/12/16
	£	£
Amounts held at futures clearing houses and brokers	429,351	482,564
Cash and bank balances	26,764,888	22,649,293
Bank overdrafts	<u>(133,954)</u>	<u>(276,878)</u>
Net uninvested cash	<u>27,060,285</u>	<u>22,854,979</u>

### 10. Other creditors

	05/12/17	05/12/16
	£	£
Accrued expenses	1,302,654	1,205,457
Amounts payable for cancellation of units	1,205,207	748,015
Payable for foreign exchange contracts	<u>—</u>	<u>48,130</u>
	<u>2,507,861</u>	<u>2,001,602</u>

### 11. Contingent liabilities and outstanding commitments

There were no contingent liabilities or outstanding commitments at the balance sheet date (5 December 2016: same).

## Notes to the Financial Statements continued

### 12. Financial Instruments and Associated Risks

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

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

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

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

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

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

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

The assets held by the Trust can be seen in the Portfolio Statement starting on page 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 5 December 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 £183,217,618 (5 December 2016: £156,447,819).



## Notes to the Financial Statements continued

### 12. Financial Instruments and Associated Risks continued

#### (b) Interest Rate Risk

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

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

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

#### (c) Foreign Currency Risk

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

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

At 5 December 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 £36,776,206 (5 December 2016: £28,827,700).

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

05/12/17 Currency	Net foreign currency assets		
	Monetary exposures	Non-monetary exposures	Total
	£'000	£'000	£'000
US Dollar	13,269	3,664,352	3,677,621

05/12/16 Currency	Net foreign currency assets		
	Monetary exposures	Non-monetary exposures	Total
	£'000	£'000	£'000
US Dollar	10,719	3,128,894	3,139,613

#### (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.

## 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 adjust the duration and interest rate risk of the Trust in a cost effective manner. The effect of these instruments was to increase the exposure of the Trust by £14,340,255 (5 December 2016: increase the exposure by £13,006,564), representing 0.39% of the net asset value (5 December 2016: 0.41%).

This results in an effective equity exposure at the year end of 99.69% (5 December 2016: 99.66%) of net assets, which means that the gains or losses of the Trust will be 0.9969 (5 December 2016: 0.9966) 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>05/12/17</b>	<b>Assets</b>	<b>Liabilities</b>
<b>Basis of Valuation</b>	<b>£</b>	<b>£</b>
Level 1 - Quoted Prices	3,664,352,362	—
Level 2 - Observable Market Data	—	—
Level 3 - Unobservable Data	—	—
<b>Total</b>	<b>3,664,352,362</b>	<b>—</b>

<b>05/12/16</b>	<b>Assets</b>	<b>Liabilities</b>
<b>Basis of Valuation</b>	<b>£</b>	<b>£</b>
Level 1 - Quoted Prices	3,128,956,384	—
Level 2 - Observable Market Data	—	—
Level 3 - Unobservable Data	—	—
<b>Total</b>	<b>3,128,956,384</b>	<b>—</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

05/12/17	Value	Commissions		Taxes		Total
Purchases	£'000	£'000	%	£'000	%	£'000
Equities	254,553	68	0.03	—	—	254,621
<b>Total</b>	<b>254,553</b>	<b>68</b>	<b>0.03</b>	<b>—</b>	<b>—</b>	<b>254,621</b>
05/12/17	Value	Commissions		Taxes		Total
Sales	£'000	£'000	%	£'000	%	£'000
Equities	144,740	(31)	0.02	(3)	—	144,706
<b>Total</b>	<b>144,740</b>	<b>(31)</b>	<b>0.02</b>	<b>(3)</b>	<b>—</b>	<b>144,706</b>

Commissions and taxes as % of average net assets

Commissions	0.00%
Taxes	0.00%

05/12/16	Value	Commissions		Taxes		Total
Purchases	£'000	£'000	%	£'000	%	£'000
Equities	201,554	43	0.02	—	—	201,597
<b>Total</b>	<b>201,554</b>	<b>43</b>	<b>0.02</b>	<b>—</b>	<b>—</b>	<b>201,597</b>
05/12/16	Value	Commissions		Taxes		Total
Sales	£'000	£'000	%	£'000	%	£'000
Equities	638,426	(156)	0.02	(11)	—	638,259
<b>Total</b>	<b>638,426</b>	<b>(156)</b>	<b>0.02</b>	<b>(11)</b>	<b>—</b>	<b>638,259</b>

Commissions and taxes as % of average net assets

Commissions	0.01%
Taxes	0.00%

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% (5 December 2016: 0.07%).

## 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 57. 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 48 to 55. The distributions per unit class are given in the distribution tables on pages 45 and 46. All classes have the same rights on winding up.

<b>R-Class</b>	<b>Distribution</b>	<b>Accumulation</b>
Opening Units	307,221,163	65,788,497
Units issued	6,102,612	1,146,511
Units cancelled	(24,503,003)	(4,355,036)
Units converted	(1,849,519)	(824,504)
Closing Units	286,971,253	61,755,468

<b>F-Class</b>	<b>Distribution</b>	<b>Accumulation</b>
Opening Units	24,188	398,789
Units issued	26,909	121,907
Units cancelled	(1,054)	(41,221)
Units converted	–	–
Closing Units	50,043	479,475

<b>I-Class</b>	<b>Distribution</b>	<b>Accumulation</b>
Opening Units	151,051,590	174,786,598
Units issued	47,534,668	10,795,167
Units cancelled	(8,851,619)	(17,595,130)
Units converted	(5,721,080)	58,302
Closing Units	184,013,559	168,044,937

<b>C-Class</b>	<b>Distribution</b>	<b>Accumulation</b>
Opening Units	41,810,559	97,783,277
Units issued	9,198,518	19,974,624
Units cancelled	(9,620,918)	(7,083,778)
Units converted	7,663,824	636,510
Closing Units	49,051,983	111,310,633

## 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 35.56% (38.32% as at 5 December 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 393.76p. The Net Asset Value per R-Class distribution unit for the Trust as at 3pm on 23 January 2018 was 406.30p. This represents an increase of 3.20% from the year end value.

## Distribution Tables

### Distribution Tables for the year ended 5 December 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	
			06/12/16	to 05/06/17
<b>R-Class</b>			<b>Distribution</b>	<b>Distribution</b>
<b>Distribution Units</b>			<b>05/08/17</b>	<b>05/08/16</b>
	<b>Revenue</b>	<b>Equalisation</b>		
Group 1	1.7164	—	1.7164	1.4652
Group 2	0.9940	0.7224	1.7164	1.4652
<b>R-Class</b>			<b>Distribution</b>	<b>Distribution</b>
<b>Accumulation Units</b>			<b>05/08/17</b>	<b>05/08/16</b>
	<b>Revenue</b>	<b>Equalisation</b>		
Group 1	1.9670	—	1.9670	1.6628
Group 2	0.9608	1.0062	1.9670	1.6628
<b>F-Class</b>			<b>Distribution</b>	<b>Distribution</b>
<b>Distribution Units</b>			<b>05/08/17</b>	<b>05/08/16</b>
	<b>Revenue</b>	<b>Equalisation</b>		
Group 1	2.6320	—	2.6320	2.1808
Group 2	0.4444	2.1876	2.6320	2.1808
<b>F-Class</b>			<b>Distribution</b>	<b>Distribution</b>
<b>Accumulation Units</b>			<b>05/08/17</b>	<b>05/08/16</b>
	<b>Revenue</b>	<b>Equalisation</b>		
Group 1	3.0694	—	3.0694	2.5030
Group 2	1.4390	1.6304	3.0694	2.5030
<b>I-Class</b>			<b>Distribution</b>	<b>Distribution</b>
<b>Distribution Units</b>			<b>05/08/17</b>	<b>05/08/16</b>
	<b>Revenue</b>	<b>Equalisation</b>		
Group 1	3.0889	—	3.0889	2.5517
Group 2	0.9876	2.1013	3.0889	2.5517
<b>I-Class</b>			<b>Distribution</b>	<b>Distribution</b>
<b>Accumulation Units</b>			<b>05/08/17</b>	<b>05/08/16</b>
	<b>Revenue</b>	<b>Equalisation</b>		
Group 1	3.7503	—	3.7503	3.0448
Group 2	1.8311	1.9192	3.7503	3.0448
<b>C-Class</b>			<b>Distribution</b>	<b>Distribution</b>
<b>Distribution Units</b>			<b>05/08/17</b>	<b>05/08/16</b>
	<b>Revenue</b>	<b>Equalisation</b>		
Group 1	3.1648	—	3.1648	2.6091
Group 2	1.3361	1.8287	3.1648	2.6091
<b>C-Class</b>			<b>Distribution</b>	<b>Distribution</b>
<b>Accumulation Units</b>			<b>05/08/17</b>	<b>05/08/16</b>
	<b>Revenue</b>	<b>Equalisation</b>		
Group 1	3.8474	—	3.8474	3.1166
Group 2	2.0897	1.7577	3.8474	3.1166

## Distribution Tables continued

Final dividend distribution in pence per unit			Period	
			06/06/17	to 05/12/17
<b>R-Class</b>			<b>Distribution</b>	<b>Distribution</b>
<b>Distribution Units</b>			<b>05/02/18</b>	<b>05/02/17</b>
	<b>Revenue</b>	<b>Equalisation</b>		
Group 1	1.6120	—	1.6120	1.6598
Group 2	1.0845	0.5275	1.6120	1.6598
<b>R-Class</b>			<b>Distribution</b>	<b>Distribution</b>
<b>Accumulation Units</b>			<b>05/02/18</b>	<b>05/02/17</b>
	<b>Revenue</b>	<b>Equalisation</b>		
Group 1	1.8561	—	1.8561	1.8934
Group 2	0.9576	0.8985	1.8561	1.8934
<b>F-Class</b>			<b>Distribution</b>	<b>Distribution</b>
<b>Distribution Units</b>			<b>05/02/18</b>	<b>05/02/17</b>
	<b>Revenue</b>	<b>Equalisation</b>		
Group 1	2.5690	—	2.5690	2.5559
Group 2	1.0304	1.5386	2.5690	2.5559
<b>F-Class</b>			<b>Distribution</b>	<b>Distribution</b>
<b>Accumulation Units</b>			<b>05/02/18</b>	<b>05/02/17</b>
	<b>Revenue</b>	<b>Equalisation</b>		
Group 1	3.0167	—	3.0167	2.9584
Group 2	1.5547	1.4620	3.0167	2.9584
<b>I-Class</b>			<b>Distribution</b>	<b>Distribution</b>
<b>Distribution Units</b>			<b>05/02/18</b>	<b>05/02/17</b>
	<b>Revenue</b>	<b>Equalisation</b>		
Group 1	3.0467	—	3.0467	2.9549
Group 2	1.8846	1.1621	3.0467	2.9549
<b>I-Class</b>			<b>Distribution</b>	<b>Distribution</b>
<b>Accumulation Units</b>			<b>05/02/18</b>	<b>05/02/17</b>
	<b>Revenue</b>	<b>Equalisation</b>		
Group 1	3.7292	—	3.7292	3.5575
Group 2	1.9681	1.7611	3.7292	3.5575
<b>C-Class</b>			<b>Distribution</b>	<b>Distribution</b>
<b>Distribution Units</b>			<b>05/02/18</b>	<b>05/02/17</b>
	<b>Revenue</b>	<b>Equalisation</b>		
Group 1	3.1258	—	3.1258	3.0217
Group 2	1.2099	1.9159	3.1258	3.0217
<b>C-Class</b>			<b>Distribution</b>	<b>Distribution</b>
<b>Accumulation Units</b>			<b>05/02/18</b>	<b>05/02/17</b>
	<b>Revenue</b>	<b>Equalisation</b>		
Group 1	3.8317	—	3.8317	3.6419
Group 2	2.1041	1.7276	3.8317	3.6419



## Trust Information

The Comparative Tables on pages 48 to 55 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 Period ending	06/12/16 to 05/12/17 (pence per unit)	01/12/15 to 05/12/16 (pence per unit)	06/12/14 to 30/11/15 <sup>^</sup> (pence per unit)
Opening net asset value per unit	347.42	278.23	268.09
Return before operating charges*	52.78	74.80	14.89
Operating charges (calculated on average price)	(3.11)	(2.48)	(2.22)
Return after operating charges*	49.67	72.32	12.67
Distributions on income units	(3.33)	(3.13)	(2.53)
Closing net asset value per unit	393.76	347.42	278.23
* after direct transaction costs of:	0.01	0.02	0.02

#### Performance

Return after charges	14.30%	25.99%	4.73%
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#### Other Information

Closing net asset value (£)	1,129,965,422	1,067,339,796	1,188,852,470
Closing number of units	286,971,253	307,221,163	427,296,985
Operating charges <sup>†</sup>	0.82%	0.82%	0.82%
Direct transaction costs	0.00%	0.01%	0.01%

#### Prices

Highest unit price	398.00p	358.10p	290.70p
Lowest unit price	346.80p	253.80p	242.00p

<sup>^</sup> To accommodate the transition of Trustee, the Trust's period end date, normally 5 December, was moved to 30 November 2015.

<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 Period ending	06/12/16 to 05/12/17 (pence per unit)	01/12/15 to 05/12/16 (pence per unit)	06/12/14 to 30/11/15 <sup>^</sup> (pence per unit)
Opening net asset value per unit	398.16	315.74	301.48
Return before operating charges*	60.58	85.26	16.77
Operating charges (calculated on average price)	(3.57)	(2.84)	(2.51)
Return after operating charges*	57.01	82.42	14.26
Distributions	(3.82)	(3.56)	(2.85)
Retained distributions on accumulation units	3.82	3.56	2.85
Closing net asset value per unit	455.17	398.16	315.74
* after direct transaction costs of:	0.01	0.02	0.02

#### Performance

Return after charges	14.32%	26.10%	4.73%
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#### Other Information

Closing net asset value (£)	281,091,233	261,942,486	229,304,122
Closing number of units	61,755,468	65,788,497	72,624,706
Operating charges <sup>†</sup>	0.82%	0.82%	0.82%
Direct transaction costs	0.00%	0.01%	0.01%

#### Prices

Highest unit price	458.20p	408.40p	326.90p
Lowest unit price	397.40p	288.00p	273.40p

<sup>^</sup> To accommodate the transition of Trustee, the Trust's period end date, normally 5 December, was moved to 30 November 2015.

<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

#### F-Class Distribution Units

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

Accounting Period ending	06/12/16 to 05/12/17 (pence per unit)	01/12/15 to 05/12/16 (pence per unit)	06/12/14 to 30/11/15 <sup>^</sup> (pence per unit)
Opening net asset value per unit	347.88	278.65	268.47
Return before operating charges*	52.88	74.95	14.94
Operating charges (calculated on average price)	(1.30)	(0.98)	(1.01)
Return after operating charges*	51.58	73.97	13.93
Distributions on income units	(5.20)	(4.74)	(3.75)
Closing net asset value per unit	394.26	347.88	278.65
* after direct transaction costs of:	0.01	0.02	0.02

#### Performance

Return after charges	14.83%	26.55%	5.19%
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#### Other Information

Closing net asset value (£)	197,301	84,147	724,306
Closing number of units	50,043	24,188	259,935
Operating charges <sup>†</sup>	0.34%	0.35%	0.37%
Direct transaction costs	0.00%	0.01%	0.01%

#### Prices

Highest unit price	399.30p	359.80p	291.60p
Lowest unit price	347.60p	254.60p	242.70p

<sup>^</sup> To accommodate the transition of Trustee, the Trust's period end date, normally 5 December, was moved to 30 November 2015.

<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

#### F-Class Accumulation Units

#### Change in Net Asset Value per Unit

Accounting Period ending	06/12/16 to 05/12/17 (pence per unit)	01/12/15 to 05/12/16 (pence per unit)	06/12/14 to 30/11/15 <sup>^</sup> (pence per unit)
Opening net asset value per unit	405.71	320.18	304.37
Return before operating charges*	61.81	86.77	16.96
Operating charges (calculated on average price)	(1.51)	(1.24)	(1.15)
Return after operating charges*	60.30	85.53	15.81
Distributions	(6.09)	(5.46)	(4.26)
Retained distributions on accumulation units	6.09	5.46	4.26
Closing net asset value per unit	466.01	405.71	320.18
* after direct transaction costs of:	0.01	0.02	0.02

#### Performance

Return after charges	14.86%	26.71%	5.19%
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#### Other Information

Closing net asset value (£)	2,234,409	1,617,926	1,152,058
Closing number of units	479,475	398,789	359,814
Operating charges <sup>†</sup>	0.34%	0.35%	0.37%
Direct transaction costs	0.00%	0.01%	0.01%

#### Prices

Highest unit price	468.90p	416.60p	330.60p
Lowest unit price	405.30p	292.50p	277.00p

<sup>^</sup> To accommodate the transition of Trustee, the Trust's period end date, normally 5 December, was moved to 30 November 2015.

<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.

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## Trust Information continued

### Comparative Tables continued

#### I-Class Distribution Units

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

Accounting Period ending	06/12/16 to 05/12/17 (pence per unit)	01/12/15 to 05/12/16 (pence per unit)	06/12/14 to 30/11/15 <sup>^</sup> (pence per unit)
Opening net asset value per unit	347.68	278.46	268.27
Return before operating charges*	52.85	75.04	14.94
Operating charges (calculated on average price)	(0.38)	(0.31)	(0.27)
Return after operating charges*	52.47	74.73	14.67
Distributions on income units	(6.14)	(5.51)	(4.48)
Closing net asset value per unit	394.01	347.68	278.46
* after direct transaction costs of:	0.01	0.02	0.02

#### Performance

Return after charges	15.09%	26.84%	5.47%
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#### Other Information

Closing net asset value (£)	725,032,059	525,179,995	442,646,921
Closing number of units	184,013,559	151,051,590	158,964,422
Operating charges <sup>†</sup>	0.10%	0.10%	0.10%
Direct transaction costs	0.00%	0.01%	0.01%

#### Prices

Highest unit price	399.40p	360.00p	291.70p
Lowest unit price	347.40p	254.50p	242.60p

<sup>^</sup> To accommodate the transition of Trustee, the Trust's period end date, normally 5 December, was moved to 30 November 2015.

<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.

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## Trust Information continued

### Comparative Tables continued

#### I-Class Accumulation Units

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

Accounting Period ending	06/12/16 to 05/12/17 (pence per unit)	01/12/15 to 05/12/16 (pence per unit)	06/12/14 to 30/11/15 <sup>^</sup> (pence per unit)
Opening net asset value per unit	422.13	332.29	315.02
Return before operating charges*	64.34	90.21	17.59
Operating charges (calculated on average price)	(0.46)	(0.37)	(0.32)
Return after operating charges*	63.88	89.84	17.27
Distributions	(7.48)	(6.60)	(5.29)
Retained distributions on accumulation units	7.48	6.60	5.29
Closing net asset value per unit	486.01	422.13	332.29
* after direct transaction costs of:	0.01	0.03	0.02

#### Performance

Return after charges	15.13%	27.04%	5.48%
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#### Other Information

Closing net asset value (£)	816,715,315	737,822,939	666,640,299
Closing number of units	168,044,937	174,786,598	200,621,929
Operating charges <sup>†</sup>	0.10%	0.10%	0.10%
Direct transaction costs	0.00%	0.01%	0.01%

#### Prices

Highest unit price	488.90p	433.40p	342.50p
Lowest unit price	421.70p	303.70p	287.30p

<sup>^</sup> To accommodate the transition of Trustee, the Trust's period end date, normally 5 December, was moved to 30 November 2015.

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## Trust Information continued

### Comparative Tables continued

#### C-Class Distribution Units

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

Accounting Period ending	06/12/16 to 05/12/17 (pence per unit)	01/12/15 to 05/12/16 (pence per unit)	06/12/14 to 30/11/15 <sup>^</sup> (pence per unit)
Opening net asset value per unit	347.67	278.44	268.25
Return before operating charges*	52.82	75.04	14.94
Operating charges (calculated on average price)	(0.23)	(0.18)	(0.16)
Return after operating charges*	52.59	74.86	14.78
Distributions on income units	(6.29)	(5.63)	(4.59)
Closing net asset value per unit	393.97	347.67	278.44
* after direct transaction costs of:	0.01	0.02	0.02

#### Performance

Return after charges	15.13%	26.89%	5.51%
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#### Other Information

Closing net asset value (£)	193,247,918	145,363,425	95,059,488
Closing number of units	49,051,983	41,810,559	34,139,804
Operating charges <sup>†</sup>	0.06%	0.06%	0.06%
Direct transaction costs	0.00%	0.01%	0.01%

#### Prices

Highest unit price	399.20p	360.10p	292.10p
Lowest unit price	347.40p	254.50p	242.60p

<sup>^</sup> To accommodate the transition of Trustee, the Trust's period end date, normally 5 December, was moved to 30 November 2015.

<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.

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## Trust Information continued

### Comparative Tables continued

#### C-Class Accumulation Units

#### Change in Net Asset Value per Unit

Accounting Period ending	06/12/16 to 05/12/17 (pence per unit)	01/12/15 to 05/12/16 (pence per unit)	06/12/14 to 30/11/15 <sup>^</sup> (pence per unit)
Opening net asset value per unit	422.65	332.56	315.18
Return before operating charges*	64.40	90.31	17.57
Operating charges (calculated on average price)	(0.28)	(0.22)	(0.19)
Return after operating charges*	64.12	90.09	17.38
Distributions	(7.68)	(6.76)	(5.41)
Retained distributions on accumulation units	7.68	6.76	5.41
Closing net asset value per unit	486.77	422.65	332.56
* after direct transaction costs of:	0.01	0.03	0.02

#### Performance

Return after charges	15.17%	27.09%	5.51%
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#### Other Information

Closing net asset value (£)	541,825,303	413,285,879	265,572,668
Closing number of units	111,310,633	97,783,277	79,855,894
Operating charges <sup>†</sup>	0.06%	0.06%	0.06%
Direct transaction costs	0.00%	0.01%	0.01%

#### Prices

Highest unit price	489.40p	434.00p	343.20p
Lowest unit price	422.30p	304.00p	287.50p

<sup>^</sup> To accommodate the transition of Trustee, the Trust's period end date, normally 5 December, was moved to 30 November 2015.

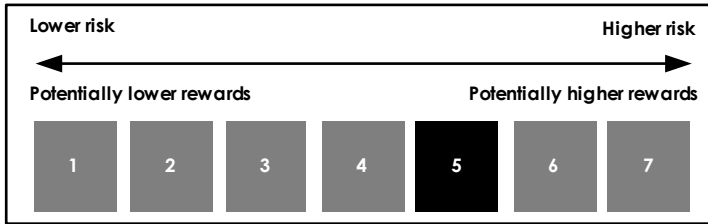
<sup>†</sup> Operating charges, otherwise known as the OCF is the ratio of the Trust's total disclosable costs (excluding overdraft interest) to the average net assets of the Trust. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a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

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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:	23 September 1992
Period end date for distributions:	5 June, 5 December
Distribution dates:	5 August, 5 February
Minimum initial lump sum investment:	R-Class £500 F-Class* £500 I-Class £1,000,000 C-Class** £100,000,000
Minimum monthly contributions:	R-Class £50 F-Class* £50 I-Class N/A C-Class** N/A
Valuation point:	3pm
Fund management fees:	R-Class Annual 0.82% F-Class* Annual 0.34% I-Class Annual 0.10% C-Class** Annual 0.06%
Initial charge:	R-Class Nil F-Class* Nil I-Class Nil C-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 Fund 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.

### 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.

### 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.

## General Information continued

### ISA Status

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

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

### Prospectus and Manager's Reports

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

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

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

### 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 0.01%. These Tracking Errors are within the anticipated Tracking Error levels set out in the Trust's Prospectus of +/-0.50% 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 US 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	771

### Market Risk Takers

Headcount	Fixed Remuneration (£,000)	Variable Remuneration (£,000)	Remuneration related to this Scheme (Pro-rated) (£'000)
22	2,178	2,535	44

### 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.

### 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 Fund. The team is also engaged in managing other Legal & General UTM Funds/Schemes and is also engaged by other companies in the L&G Group. The aggregate remuneration received by the members of the team, for all their services across the L&G Group, is disclosed in the table above. We present the total value of the Fund and total value of assets managed by the teams, to help put this remuneration in context.

## **General Information continued**

### **Significant Changes**

#### **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 Depository Services  
50 Bank Street,  
Canary Wharf,  
London E14 5NT

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

### Independent Auditors

PricewaterhouseCoopers LLP  
7 More London Riverside  
London SE1 2RT

### Investment Adviser

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

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

Legal & General  
(Unit Trust Managers) Limited  
Registered in England and Wales No. 01009418  
Registered office:  
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London EC2R 5AA  
[www.legalandgeneral.com](http://www.legalandgeneral.com)

