

Legal & General UK Mid Cap Index Fund

**Annual Manager's Report**  
**for the year ended**  
**31 October 2018**





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

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

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

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

## Manager's Investment Report

During the year under review, the price of the Fund's I-Class distribution units fell by 7.67%. FTSE, the Index compiler, calculates the benchmark Index at the end of the business day using closing prices, whereas the Fund is valued using prevailing prices at 12 noon. Therefore, for tracking purposes the Fund has been revalued using closing prices. On this basis, over the review year, the Fund fell by 7.80% on a capital only basis compared with the FTSE 250 excluding Investment Trust Index fall of 7.58% (Source: Bloomberg), producing a tracking difference of -0.22%.

**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.**

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## Market/Economic Review

Despite closing 2017 on a positive note, UK equities faltered during the first quarter of 2018 recording three consecutive months of losses before rallying in April and May. Initially Sterling's strengthened, with the currency reaching its highest level since the 2016 referendum, surpassing \$1.40 at the end of January. This caused a headwind for companies and sectors with high international earnings, notably food & beverages. Subsequently, the currency weakened providing a boost for the same companies. Although the Bank of England indicated interest rates may need to be increased as soon as May, the economy grew at its slowest pace for six years during the first quarter, leading the Bank to adopt a more cautious approach, raising its benchmark base rate to 0.75% in August. The healthcare and energy sectors performed well, boosted by the strength of the oil price and merger and acquisition activity respectively. Companies with significant exposure to emerging markets underperformed, notably mining companies and financials. UK equities struggled in August as Brexit-related headlines intensified, along with the probability attached to a no deal scenario.

## Manager's Investment Report continued

As a result, domestically focused FTSE Mid 250 Index (-6.48%) underperformed the more globally focused FTSE 100 Index (-4.87%), but outperformed the tail end of the FTSE All-Share, the FTSE Small Cap Index (-6.75%) (Source: Rimes).

Over the year, major sectors such as Food and Drug Retailers (+126.08%), Electricity (+23.54%) and Media (+23.14%) showed the largest positive returns; whilst the most underperforming sectors were Personal Goods (-42.79%), Health Care Equipment & Services (-33.97%) and Mobile Telecommunications (-26.55%).

### Fund Review

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

There were four Index rebalances during the year under review. At the quarterly Index review in December 2017, there were seven additions to the Index. Institutional public sector services Babcock International Group, medical equipment manufacturer ConvaTec Group and resorts owner Merlin Entertainments were demoted from FTSE 100. Vehicle auction services BCA Marketplace, refractory products provider RHI Magnesita and automotive parts manufacturer TI Fluid Systems were added to the FTSE All-Share universe, whilst natural ingredients distributor PureCircle was promoted from FTSE Small Cap. Safety technology manufacturer Halma, packaging services provider DS Smith and restaurants delivery services provider Just Eat were promoted to FTSE 100 Index. Payments services Paypoint, independent operator Restaurant group and independent oil & gas producer Nostrum oil & gas were demoted to FTSE Small Cap. There were 17 changes to the free share capital of constituents with the largest increases being research provider IP Group, financial services provider Just Group and homes builder Redrow. The largest decreases being commercial properties operator Hansteen, fitted kitchen manufacturer Howden Joinery Group and automotive marketplace Auto Trader Group.

At the quarterly Index review in March 2018, property developer Hammerson was demoted from FTSE 100, whilst war games manufacturer Games Workshop Group, online retailer On The Beach Group, power services ContourGlobal, financial services Charter Court Financial and food products manufacturer Bakkavor Group were all promoted from FTSE Small Cap. Postal service provider Royal Mail was promoted to FTSE 100 Index. Property services provider Mitie Group, respiratory treatments provider Vectura Group, real estate investment operator Hansteen, funeral services Dignity, insurance provider AA Plc, online retailer Brown (N) Group and mining company Acacia Mining were demoted to FTSE Small Cap. There were 20 changes to the free share capital of constituents with the largest increases being retail distributor Ocado Group, product development and services Dechra Pharmaceutical and telecommunications services TalkTalk Telecom Group. The largest decreases were information technology provider Computacenter, technology engineering provider RPC Group and hedge fund Man Group.

At the annual Index review in June 2018, there were six additions to the Index: Integrated security company G4S and medical facilities Mediclinic International, technology solution Laird, oil & gas exploration Premier Oil, investment advisory Integrafin and oil & gas exploration Energean Oil & Gas. There were five deletions from the Index: E-gaming operator GVC, independent brewing Marston's, pets supplies Pets at Home Group and natural ingredients provider Purecircle. There were 112 changes to the free shares capital of constituents with the largest weight increases being

## Manager's Investment Report continued

property development Countryside Properties, property development Unite Group and Tritax Big Box REIT. The largest decreases being mining services Polymetal International and retail sports apparel Sports Direct International.

At the quarterly Index review in September 2018, there were four additions to the Index. Trading platform Plus500, security software Avast, petroleum product producer Vivo Energy and loan guarantor Amigo. There were four deletions from the Index. Retirement homebuilder McCarthy & Stone, waste management services Renewi, financial software Alfa Financial Software and RDI REIT. There were 17 changes to the free shares capital of constituents with the largest increases being oil & gas solution provider The Weir Group, retail apparel Superdry and information technology services Softcat. The largest decreases being electronics equipment provider Spectris and alternative investment Man Group.

The free float increased as a result of secondary placings for companies including; OneSavings Bank, 888, Ocado, TalkTalk, Just Group, Ladbroke's Coral Group, OneSavings, Pets at Home Group, ConvaTec Group, Countryside Properties, Just Eat, Sanne Group, Sabre Insurance, RBS, Standard Life Aberdeen and Superdry. Index weight increased as a result of primary placings for HomeServe, Shaftesbury, Primary Health Properties, Dairy Crest Group and Metro Bank. Significant merger and acquisitions included cash and stock deals for Booker by Tesco, Ladbroke's Coral Group by GVC and UBM by Informa, cash only deals were completed for Paysafe by Pi UK Bidco Ltd and Aldermore by FirstRand. Finally, rights issues were raised for Cineworld Group (£1.7 billion), Phoenix Group (£950 million), Capita (£700 million), Provident Financial (£330 million), John Laing Group (£216 million), Elementis (£176 million), Galliford Try (£157 million) and Grainger (£347 million).

At the end of the review year, the Fund had holdings in all of the 196 companies in the Index. The three largest stocks in the Index at the end of the review year were Spirax-Sarco Engineering (1.63%), Hiscox (1.55%) and The Weir Group (1.41%).

### Outlook

Following the rate hike in August to 0.75%, the BoE is likely to stay on hold until next year. Despite above-target inflation, the BoE will be wary to hike again in the midst of a congested Brexit timetable. Better fiscal position opens up space for further easing, more likely to be deployed ahead of next election, e.g. NHS spending. We have maintained our UK economic growth rate expectation at 1.3% in 2018 and 1.5% in 2019. A Brexit 'No deal' scenario is still possible, however we see this as being an unlikely outcome. Headline inflation is expected to stay below 3% unless oil rises further. Our view is that the fundamentals driving economic growth remain relatively strong, and global growth is synchronised and therefore see limited recession risks in the next 12 months.

The Fund remains well positioned to capture the performance of the Index.

Legal & General Investment Management Limited  
(Investment Adviser)  
23 November 2018

## Authorised Status

### Authorised Status

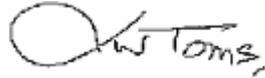
This Fund is an Authorised Unit Trust Scheme as defined in section 243 of the Financial Services and Markets Act 2000 and is a UCITS Retail Scheme within the meaning of the FCA Collective Investment Schemes sourcebook.

### Directors' Statement

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



A. J. C. Craven  
(Director)



L. W. Toms  
(Director)

Legal & General (Unit Trust Managers) Limited  
18 December 2018

## Statement of Responsibilities

### Statement of the Manager's Responsibilities

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

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

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

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

## Statement of Responsibilities continued

### Statement of the Trustee's Responsibilities

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

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

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

The Depositary must ensure that:

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

## Report of the Trustee

### **Report of the Trustee to the Unitholders of the Legal & General UK Mid Cap Index Fund ("the Fund") for the year ended 31 October 2018**

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

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

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

Northern Trust Global Services SE  
UK Trustee and Depositary Services  
18 December 2018

# Portfolio Statement

## Portfolio Statement as at 31 October 2018

All investments are in ordinary shares unless otherwise stated. The percentages in brackets show the equivalent holdings at 31 October 2017.

Holding/ Nominal Value	Investment	Market Value £	% of Net Assets
	<b>UNITED KINGDOM</b>		
	<b>— 86.10% (86.30%)</b>		
	<b>Oil &amp; Gas Producers</b>		
	<b>— 1.84% (1.18%)</b>		
409,830	Cairn Energy	799,988	0.38
51,179	Energean Oil & Gas	311,680	0.15
538,345	Premier Oil	578,721	0.27
972,626	Tullow Oil	2,199,107	1.04
		<b>3,889,496</b>	<b>1.84</b>
	<b>Oil Equipment, Services &amp; Distribution — 0.34% (1.58%)</b>		
98,599	Hunting	671,952	0.32
7,277	John Wood Group	52,715	0.02
		<b>724,667</b>	<b>0.34</b>
	<b>Chemicals — 1.84% (1.64%)</b>		
404,748	Elementis	825,686	0.39
3,184,085	Sirius Minerals	734,887	0.35
188,012	Synthomer	834,397	0.39
57,606	Victrex	1,506,973	0.71
		<b>3,901,943</b>	<b>1.84</b>
	<b>Industrial Metals &amp; Mining</b>		
	<b>— 0.20% (0.62%)</b>		
202,907	Ferrexpo	419,612	0.20
	<b>Mining — 0.53% (1.00%)</b>		
171,696	Hochschild Mining	276,087	0.13
164,511	KAZ Minerals	848,219	0.40
		<b>1,124,306</b>	<b>0.53</b>
	<b>Construction &amp; Materials</b>		
	<b>— 1.81% (2.80%)</b>		
484,686	Balfour Beatty	1,266,484	0.60
272,127	Ibstock	604,122	0.29
48,500	Keller Group	313,310	0.15
66,212	Kier Group	574,720	0.27
139,738	Marshalls	592,489	0.28
130,778	Polypipe Group	469,755	0.22
		<b>3,820,880</b>	<b>1.81</b>
	<b>Aerospace &amp; Defense</b>		
	<b>— 3.46% (3.25%)</b>		
1,691,182	Cobham	1,825,631	0.86
547,601	Meggitt	2,876,001	1.36
392,021	QinetiQ Group	1,089,034	0.52
296,161	Senior	806,743	0.38

## Portfolio Statement continued

Holding/ Nominal Value	Investment	Market Value £	% of Net Assets
	<b>Aerospace &amp; Defense — (cont.)</b>		
50,614	Ultra Electronics	727,829	0.34
		<hr/> 7,325,238	<hr/> 3.46
	<b>General Industrials — 1.78% (3.24%)</b>		
997,667	Coats Group	787,159	0.37
282,991	RPC Group	2,155,260	1.02
150,334	Vesuvius	821,575	0.39
		<hr/> 3,763,994	<hr/> 1.78
	<b>Electronic &amp; Electrical Equipment — 1.57% (2.91%)</b>		
199,774	Morgan Advanced Materials	558,168	0.26
24,183	Renishaw	1,010,849	0.48
81,722	Spectris	1,748,034	0.83
		<hr/> 3,317,051	<hr/> 1.57
	<b>Industrial Engineering — 5.50% (4.86%)</b>		
132,515	Bodycote	1,070,721	0.51
54,110	Hill & Smith	532,984	0.25
189,532	IMI	1,904,797	0.90
613,347	Rotork	1,846,174	0.87
51,884	Spirax-Sarco Engineering	3,369,866	1.59
183,072	The Weir Group	2,922,744	1.38
		<hr/> 11,647,286	<hr/> 5.50
	<b>Industrial Transportation — 1.23% (2.29%)</b>		
722,852	BBA Aviation	1,736,291	0.82
16,990	Clarkson	407,760	0.19
28,322	James Fisher & Sons	462,781	0.22
		<hr/> 2,606,832	<hr/> 1.23
	<b>Support Services — 10.72% (8.70%)</b>		
420,887	AA	432,461	0.20
170,053	Aggreko	1,467,557	0.69
355,551	Babcock International Group	2,177,394	1.03
537,653	BCA Marketplace	1,077,994	0.51
1,169,098	Capita Group	1,501,706	0.71
78,062	Diploma	1,007,000	0.48
312,759	Electrocomponents	1,914,711	0.91
229,103	Equiniti Group	497,154	0.24
184,768	Essentra	703,966	0.33
1,094,235	G4S	2,350,417	1.11
947,831	Hays	1,553,495	0.73
191,536	HomeServe	1,829,169	0.86
415,679	Howden Joinery Group	1,926,672	0.91
219,350	PageGroup	1,102,234	0.52
768,114	Serco Group	743,534	0.35
409,970	SIG	456,297	0.22

## Portfolio Statement continued

Holding/ Nominal Value	Investment	Market Value £	% of Net Assets
	<b>Support Services — (cont.)</b>		
178,396	Travis Perkins	1,940,057	0.92
		<b>22,681,818</b>	<b>10.72</b>
	<b>Automobiles &amp; Parts — 0.13% (0.00%)</b>		
131,807	TI Fluid Systems	267,041	0.13
	<b>Beverages — 0.90% (0.73%)</b>		
58,883	A.G. Barr	446,333	0.21
186,297	Britvic	1,468,952	0.69
		<b>1,915,285</b>	<b>0.90</b>
	<b>Food Producers — 2.04% (1.56%)</b>		
96,827	Bakkavor Group	144,853	0.07
35,832	Cranswick	1,036,978	0.49
106,291	Dairy Crest Group	508,071	0.24
45,129	Hilton Food Group	415,187	0.20
329,102	Tate & Lyle	2,201,692	1.04
		<b>4,306,781</b>	<b>2.04</b>
	<b>Household Goods &amp; Home Construction — 3.06% (3.40%)</b>		
87,024	Bellway	2,496,719	1.18
94,927	Bovis Homes Group	910,160	0.43
313,063	Countryside Properties	924,162	0.44
174,899	Crest Nicholson	595,706	0.28
76,325	Galliford Try	657,921	0.31
168,922	Redrow	887,685	0.42
		<b>6,472,353</b>	<b>3.06</b>
	<b>Leisure Goods — 0.31% (0.00%)</b>		
21,220	Games Workshop Group	650,393	0.31
	<b>Personal Goods — 0.48% (0.68%)</b>		
128,341	PZ Cussons	283,120	0.13
46,077	Superdry	369,307	0.18
20,256	Ted Baker	366,634	0.17
		<b>1,019,061</b>	<b>0.48</b>
	<b>Health Care Equipment &amp; Services — 1.41% (0.24%)</b>		
1,030,212	ConvaTec Group	1,731,271	0.82
276,585	Mediclinic International	1,026,684	0.48
194,812	Spire Healthcare Group	228,125	0.11
		<b>2,986,080</b>	<b>1.41</b>
	<b>Pharmaceuticals &amp; Biotechnology — 3.27% (3.19%)</b>		
272,061	BTG	1,500,416	0.71
70,161	Dechra Pharmaceuticals	1,598,268	0.75
43,467	Genus	972,791	0.46
98,851	Hikma Pharmaceuticals	1,877,675	0.89

## Portfolio Statement continued

Holding/ Nominal Value	Investment	Market Value £	% of Net Assets
<b>Pharmaceuticals &amp; Biotechnology</b>			
<b>— (cont.)</b>			
510,731	Indivior	978,305	0.46
		<hr/>	<hr/>
		6,927,455	3.27
<b>Food &amp; Drug Retailers</b>			
<b>— 0.38% (1.68%)</b>			
70,222	Greggs	808,958	0.38
842	Tesco	1,800	—
		<hr/>	<hr/>
		810,758	0.38
<b>General Retailers — 3.86% (5.93%)</b>			
220,015	Card Factory	397,127	0.19
708,003	Dixons Carphone	1,209,269	0.57
68,091	Dunelm Group	404,461	0.19
140,031	Halfords Group	428,775	0.20
292,057	Inchcape	1,582,949	0.75
255,094	JD Sports Fashion	1,030,070	0.49
785,453	Saga	933,118	0.44
133,771	Sports Direct International	434,622	0.21
259,896	Vivo Energy	301,687	0.14
74,473	WH Smith	1,447,010	0.68
		<hr/>	<hr/>
		8,169,088	3.86
<b>Media — 2.50% (3.39%)</b>			
277,785	Ascential	1,031,693	0.49
655,262	Auto Trader Group	2,704,922	1.28
37,628	Euromoney Institutional Investor	479,381	0.22
366,341	Moneysupermarket.com Group	1,078,508	0.51
		<hr/>	<hr/>
		5,294,504	2.50
<b>Travel &amp; Leisure — 7.06% (6.22%)</b>			
712,255	Cineworld Group	2,072,662	0.98
334,596	Domino's Pizza Group	934,527	0.44
323,306	El Group	538,628	0.26
854,741	FirstGroup	733,795	0.35
29,848	Go-Ahead Group	453,690	0.22
216,683	Greene King	1,045,712	0.49
49,336	J D Wetherspoon	601,406	0.28
960,208	Ladbrokes Coral Group CVR	109,080	0.05
497,831	Merlin Entertainments	1,629,899	0.77
81,809	Millennium & Copthome Hotels	393,501	0.19
150,207	Mitchells & Butlers	388,135	0.18
298,931	National Express Group	1,193,930	0.56
73,948	On the Beach Group	312,430	0.15
119,570	Rank Group	186,290	0.09
323,720	SSP Group	2,156,299	1.02
298,181	Stagecoach Group	448,762	0.21
940,360	Thomas Cook Group	423,538	0.20
606,613	William Hill	1,310,891	0.62
		<hr/>	<hr/>
		14,933,175	7.06

## Portfolio Statement continued

Holding/ Nominal Value	Investment	Market Value £	% of Net Assets
	<b>Fixed Line Telecommunications</b>		
	<b>— 0.50% (0.53%)</b>		
473,366	TalkTalk Telecom Group	574,666	0.27
39,847	Telecom Plus	490,915	0.23
		<hr/>	<hr/>
		1,065,581	0.50
	<b>Mobile Telecommunications</b>		
	<b>— 0.69% (0.80%)</b>		
323,809	Inmarsat	1,460,702	0.69
	<b>Electricity — 0.64% (0.33%)</b>		
118,964	ContourGlobal	217,942	0.10
283,450	Drax Group	1,134,934	0.54
		<hr/>	<hr/>
		1,352,876	0.64
	<b>Gas, Water &amp; Multi-utilities</b>		
	<b>— 1.05% (0.96%)</b>		
296,121	Pennon Group	2,226,830	1.05
	<b>Banks — 2.87% (3.22%)</b>		
26,087	Bank of Georgia Group	407,009	0.19
106,509	Close Brothers Group	1,560,357	0.74
868,917	CYBG	2,307,844	1.09
63,686	Metro Bank	1,406,187	0.67
23,966	TBC Bank Group	389,687	0.18
		<hr/>	<hr/>
		6,071,084	2.87
	<b>Nonlife Insurance — 2.06% (1.72%)</b>		
367,038	Beazley	1,912,268	0.90
185,540	esure Group	517,286	0.25
216,537	Hastings Group	400,593	0.19
80,935	Jardine Lloyd Thompson Group	1,524,815	0.72
		<hr/>	<hr/>
		4,354,962	2.06
	<b>Life Insurance — 0.27% (0.28%)</b>		
642,493	Just Group	579,207	0.27
	<b>Real Estate Investment &amp; Services</b>		
	<b>— 1.71% (1.61%)</b>		
518,727	Capital & Counties Properties	1,296,299	0.61
107,113	CLS	223,866	0.11
3,113	Daejan	184,912	0.09
289,800	Grainger	773,766	0.36
92,932	Savills	675,151	0.32
121,783	St. Modwen Properties	456,443	0.22
		<hr/>	<hr/>
		3,610,437	1.71
	<b>Real Estate Investment Trusts</b>		
	<b>— 8.04% (5.74%)</b>		
1,656,878	Assura	881,459	0.42
103,145	Big Yellow Group	892,720	0.42
70,848	Derwent London	2,081,514	0.98
198,645	Great Portland Estates	1,389,720	0.66
561,390	Hammerson	2,485,274	1.17
626,513	Intu Properties	1,232,351	0.58

## Portfolio Statement continued

Holding/ Nominal Value	Investment	Market Value £	% of Net Assets
<b>Real Estate Investment Trusts — (cont.)</b>			
454,351	LondonMetric Property	809,654	0.38
206,393	NewRiver REIT	522,174	0.25
494,423	Primary Health Properties	542,876	0.26
144,434	Safestore	775,611	0.37
162,201	Shaffesbury	1,454,132	0.69
1,041,331	Tritax Big Box REIT	1,491,186	0.70
183,617	UNITE Group	1,557,072	0.74
93,941	Workspace Group	892,440	0.42
		<b>17,008,183</b>	<b>8.04</b>
<b>Financial Services — 9.81% (8.09%)</b>			
92,611	Amigo	207,356	0.10
270,864	Ashmore Group	956,692	0.45
191,603	Brewin Dolphin	624,626	0.30
98,358	Charter Court Financial Services Group	282,878	0.13
255,735	IG Group	1,551,033	0.73
133,489	IntegraFin	368,430	0.17
196,417	Intermediate Capital Group	1,850,248	0.87
458,675	Investec	2,234,206	1.06
709,511	IP Group	743,567	0.35
347,269	John Laing Group	1,083,480	0.51
293,081	Jupiter Fund Management	989,735	0.47
1,097,212	Man Group	1,701,227	0.80
202,452	NEX Group	2,291,757	1.08
165,011	OneSavings Bank	623,081	0.30
181,875	Paragon Banking Group	774,787	0.37
179,196	Provident Financial	925,010	0.44
1,315,556	Quilter	1,540,779	0.73
37,705	Rathbone Brothers	855,903	0.41
19,053	Sole Realisation (SVG Capital) <sup>1</sup>	—	—
398,675	TP ICAP	1,149,779	0.54
		<b>20,754,574</b>	<b>9.81</b>
<b>Software &amp; Computer Services — 2.00% (1.93%)</b>			
188,034	Avast	513,709	0.24
44,891	AVEVA Group	1,156,392	0.55
50,314	Computacenter	542,385	0.26
58,130	FDM Group	490,036	0.23
84,833	Softcat	539,538	0.25
231,641	Sophos Group	984,011	0.47
		<b>4,226,071</b>	<b>2.00</b>
<b>Technology Hardware &amp; Equipment — 0.24% (0.00%)</b>			
427,110	Spirent Communications	502,281	0.24
<b>IRELAND — 1.50% (1.57%)</b>			
<b>Support Services — 0.52% (0.52%)</b>			
153,516	Grafton Group	1,101,477	0.52

## Portfolio Statement continued

Holding/ Nominal Value	Investment	Market Value £	% of Net Assets
	<b>Food Producers — 0.45% (0.38%)</b>		
498,416	Greencore Group	948,236	0.45
	<b>Health Care Equipment &amp; Services — 0.53% (0.67%)</b>		
175,970	UDG Healthcare	1,117,410	0.53
	<b>BERMUDA — 1.90% (1.56%)</b>		
	<b>Nonlife Insurance — 1.90% (1.56%)</b>		
196,365	Hiscox	3,188,967	1.51
141,872	Lancashire	832,789	0.39
		4,021,756	1.90
	<b>CANADA — 0.49% (0.26%)</b>		
	<b>Media — 0.49% (0.26%)</b>		
250,422	Entertainment One	1,025,729	0.49
	<b>CAYMAN ISLANDS — 1.16% (0.83%)</b>		
	<b>Life Insurance — 1.16% (0.83%)</b>		
408,168	Phoenix Group	2,461,253	1.16
	<b>CHANNEL ISLANDS — 3.28% (4.03%)</b>		
	<b>Oil Equipment, Services &amp; Distribution — 0.50% (0.31%)</b>		
182,808	Petrofac	1,057,361	0.50
	<b>Mining — 0.93% (1.09%)</b>		
764,012	Centamin	776,618	0.37
162,555	Polymetal International	1,186,002	0.56
		1,962,620	0.93
	<b>Industrial Transportation — 0.21% (0.26%)</b>		
216,800	Stobart Group	459,616	0.21
	<b>Support Services — 0.74% (0.68%)</b>		
442,170	IWG	1,039,100	0.49
94,191	Sanne Group	526,528	0.25
		1,565,628	0.74
	<b>Media — 0.00% (0.79%)</b>		
	<b>Travel &amp; Leisure — 0.48% (0.52%)</b>		
39,155	Wizz Air	1,014,506	0.48
	<b>Real Estate Investment &amp; Services — 0.42% (0.38%)</b>		
364,512	F&C Commercial Property Trust	491,362	0.23
450,576	UK Commercial Property Trust	392,001	0.19
		883,363	0.42
	<b>GIBRALTAR — 0.16% (0.17%)</b>		
	<b>Travel &amp; Leisure — 0.16% (0.17%)</b>		
179,810	888	335,705	0.16

## Portfolio Statement continued

Holding/ Nominal Value	Investment	Market Value £	% of Net Assets
	<b>ISLE OF MAN — 0.47% (2.56%)</b>		
	Support Services — 0.00% (0.81%)		
	<b>Travel &amp; Leisure — 0.47% (1.62%)</b>		
207,527	Playtech	1,002,771	0.47
	<b>Real Estate Investment Trusts — 0.00% (0.13%)</b>		
	<b>ISRAEL — 0.44% (0.00%)</b>		
	<b>Financial Services — 0.44% (0.00%)</b>		
68,430	Plus500	929,279	0.44
	<b>LUXEMBOURG — 1.19% (0.93%)</b>		
	<b>General Retailers — 1.19% (0.93%)</b>		
601,657	B&M European Value Retail	2,516,731	1.19
	<b>NETHERLANDS — 0.30% (0.00%)</b>		
	<b>Industrial Engineering — 0.30% (0.00%)</b>		
16,721	RHI Magnesita	642,755	0.30
	<b>FUTURES CONTRACTS — -0.21% (0.06%)</b>		
145	FTSE 250 Index Future Expiry December 2018	(445,150)	(0.21)
	<b>Portfolio of investments<sup>2,3</sup></b>	204,788,931	96.78
	<b>Net other assets</b>	6,821,574	3.22
	<b>Total net assets</b>	£211,610,505	100.00%

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

<sup>2</sup> All investments are admitted to an official stock exchange unless otherwise stated.

<sup>3</sup> Including investment liabilities.

Total purchases for the year: £101,233,775.

Total sales for the year: £41,101,030.

# Independent Auditor's Report

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

### **Opinion**

We have audited the financial statements of the Fund for the year ended 31 October 2018 which comprise the Statement of Total Return, the Statement of Changes in Net Assets Attributable to Unitholders, the Balance Sheet, the Related Notes and Distribution Tables for the Fund and the accounting policies set out on pages 21 to 22.

In our opinion, the financial statements:

- give a true and fair view, in accordance with UK accounting standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland, of the financial position of the Fund as at 31 October 2018 and of the net revenue and the net capital losses on the property of the Fund for the year then ended; and
- have been properly prepared in accordance with the Trust Deed, the Statement of Recommended Practice relating to UK Authorised Funds, and the COLL Rules.

### **Basis for opinion**

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

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

### **Going concern**

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

### **Other information**

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

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

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

## Independent Auditor's Report continued

### ***Matters on which we are required to report by exception***

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

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

### ***Manager's responsibilities***

As explained more fully in their statement set out on page 6, the Manager is responsible for: the preparation of financial statements that give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Fund or to cease operations, or have no realistic alternative but to do so.

### ***Auditor's responsibilities***

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

A fuller description of our responsibilities is provided on the FRC's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).

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

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

Jatin Patel  
for and on behalf of KPMG LLP, Statutory Auditor  
Chartered Accountants  
15 Canada Square,  
London E14 5GL  
18 December 2018

## Financial Statements

### Statement of Total Return for the year ended 31 October 2018

Notes	01/11/17 to 31/10/18		18/01/17 to 31/10/17 <sup>1</sup>	
	£	£	£	£
<b>Income</b>				
Net capital (losses)/ gains	3	(18,103,623)		14,032,295
Revenue	4	5,675,729	3,907,004	
Expenses	5	(100,942)	(49,479)	
Interest payable and similar charges	7	(6)	(2,394)	
<b>Net revenue before taxation</b>		<u>5,574,781</u>	<u>3,855,131</u>	
Taxation	6	(116,678)	(39,562)	
<b>Net revenue after taxation for the year</b>		<u>5,458,103</u>	<u>3,815,569</u>	
<b>Total return before distributions</b>		<u>(12,645,520)</u>	<u>17,847,864</u>	
Distributions	7	(5,458,108)	(3,815,569)	
<b>Change in net assets attributable to Unitholders from investment activities</b>		<u>£(18,103,628)</u>	<u>£14,032,295</u>	

### Statement of Change in Net Assets attributable to Unitholders for the year ended 31 October 2018

	01/11/17 to 31/10/18		18/01/17 to 31/10/17 <sup>1</sup>	
	£	£	£	£
<b>Opening net assets attributable to Unitholders</b>		166,341,404		—
<b>Amounts received on issue of units</b>		65,543,892	160,084,254	
<b>Amounts paid on cancellation of units</b>		<u>(2,766,126)</u>	<u>(7,898,141)</u>	
		62,777,766	152,186,113	
<b>Change in net assets attributable to Unitholders from investment activities</b>		(18,103,628)	14,032,295	
<b>Retained distributions on accumulation units</b>		<u>594,963</u>	<u>122,996</u>	
<b>Closing net assets attributable to Unitholders</b>		<u>£211,610,505</u>	<u>£166,341,404</u>	

<sup>1</sup> The Fund launched on 18 January 2017.

## Financial Statements continued

### Balance Sheet as at 31 October 2018

	Notes	31/10/18 £	31/10/17 <sup>1</sup> £
<b>ASSETS</b>			
<b>Fixed assets:</b>			
Investments		205,234,081	163,463,632
<b>Current assets:</b>			
Debtors	8	1,167,685	943,230
Cash and bank balances	9	<u>8,830,662</u>	<u>4,522,734</u>
<b>Total assets</b>		<b><u>215,232,428</u></b>	<b><u>168,929,596</u></b>
<b>LIABILITIES</b>			
Investment liabilities		(445,150)	—
<b>Creditors:</b>			
Distributions payable		(3,091,396)	(2,506,335)
Other creditors	10	<u>(85,377)</u>	<u>(81,857)</u>
<b>Total liabilities</b>		<b><u>(3,621,923)</u></b>	<b><u>(2,588,192)</u></b>
<b>Net assets attributable to Unitholders</b>		<b><u>£211,610,505</u></b>	<b><u>£166,341,404</u></b>

<sup>1</sup>The Fund launched on 18 January 2017.

# Notes to the Financial Statements

## 1. Statement of Compliance

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

## 2. Summary of Significant Accounting Policies

### (a) Basis of Preparation

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

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

### (b) Functional and Presentation Currency

The functional and presentation currency of the Fund is Sterling.

### (c) Recognition of Revenue

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

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

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

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

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

All other revenue is recognised on an accruals basis.

### (d) Treatment of Expenses

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

## Notes to the Financial Statements continued

### 2. Summary of Significant Accounting Policies continued

#### (e) Distribution Policy

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

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

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

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

#### (f) Basis of Valuation of Investments

All investments are valued at their fair value as at 12 noon on 31 October 2018, being the last working day of the accounting year. The fair value for non-derivative securities is bid market price. The fair value for derivative instruments is the cost of closing out the contract on the last working day of the accounting year.

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

#### (g) Taxation

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

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

#### (h) Derivative Instruments

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

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

## Notes to the Financial Statements continued

### 3. Net capital (losses)/gains

The net capital (losses)/gains during the year comprise:

	01/11/17 to 31/10/18	18/01/17 to 31/10/17
	£	£
Non-derivative securities	(17,764,585)	13,972,366
Derivative securities	(341,870)	57,715
Forward currency contracts	9,065	—
Currency (losses)/gains	<u>(6,233)</u>	<u>2,214</u>
Net capital (losses)/gains	<u>(18,103,623)</u>	<u>14,032,295</u>

### 4. Revenue

	01/11/17 to 31/10/18	18/01/17 to 31/10/17
	£	£
UK Franked dividends	4,122,272	2,902,490
Non-taxable overseas dividends	686,976	551,920
Property dividend distributions	106,040	94,564
Property interest distributions	408,973	217,087
Futures revenue	143,384	23,684
Franked stock dividends	174,471	92,496
Unfranked stock dividends	22,415	18,777
Underwriting commission	10,882	5,985
Bank interest	<u>316</u>	<u>1</u>
	<u>5,675,729</u>	<u>3,907,004</u>

### 5. Expenses

Payable to the Manager, associates of the Manager and agents of either of them:

	01/11/17 to 31/10/18	18/01/17 to 31/10/17
	£	£
Fund management fees	<u>100,942</u>	<u>49,479</u>
Total expenses	<u>100,942</u>	<u>49,479</u>

Audit fees of £8,900 plus VAT of £1,780 have been borne by the Manager out of its fund management fee. In the prior period, the total audit fee was £8,975 plus VAT of £1,795.

## Notes to the Financial Statements continued

### 6. Taxation

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

	01/11/17 to 31/10/18	18/01/17 to 31/10/17
	£	£
Corporation tax	91,659	33,956
Overseas tax	19,674	5,606
Current tax [note 6(b)]	111,333	39,562
Deferred tax [note 6(c)]	5,345	—
Total taxation	<u>116,678</u>	<u>39,562</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>5,574,781</u>	<u>3,855,131</u>
Net revenue before taxation multiplied by the applicable rate of Corporation tax of 20% (2017: 20%)	1,114,956	771,026
<b>Effects of:</b>		
Overseas tax	19,674	5,606
Revenue not subject to taxation	<u>(1,023,297)</u>	<u>(737,070)</u>
Current tax	<u>111,333</u>	<u>39,562</u>

#### (c) Provision for deferred tax

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

## Notes to the Financial Statements continued

### 7. Distributions

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

	01/11/17 to 31/10/18	18/01/17 to 31/10/17
	£	£
Interim distribution	2,362,358	1,316,125
Final distribution	3,505,929	2,622,730
	<u>5,868,287</u>	<u>3,938,855</u>
Add: Revenue deducted on cancellation of units	17,382	43,704
Less: Revenue received on creation of units	(427,561)	(166,990)
<b>Distributions for the year</b>	<b>5,458,108</b>	<b>3,815,569</b>
<b>Interest payable and similar charges</b>		
Bank overdraft interest	6	2,394
	<u>5,458,114</u>	<u>3,817,963</u>

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

	01/11/17 to 31/10/18	18/01/17 to 31/10/17
	£	£
Net revenue after taxation for the year	5,458,103	3,815,569
Equalisation effect of conversions	5	—
<b>Distributions for the year</b>	<b>5,458,108</b>	<b>3,815,569</b>

### 8. Debtors

	31/10/18	31/10/17
	£	£
Accrued revenue	590,111	480,996
Amounts receivable for creation of units	340,992	338,985
Overseas tax recoverable	6,812	3,657
PfID tax recoverable	2,582	2,982
Sales awaiting settlement	227,188	116,610
	<u>1,167,685</u>	<u>943,230</u>

## Notes to the Financial Statements continued

### 9. Net uninvested cash

	31/10/18	31/10/17
	£	£
Amounts held at futures clearing houses and brokers	712,472	11,803
Cash and bank balances	<u>8,118,190</u>	<u>4,510,931</u>
Net uninvested cash	<u>8,830,662</u>	<u>4,522,734</u>

### 10. Other creditors

	31/10/18	31/10/17
	£	£
Accrued expenses	10,454	6,389
Amounts payable for cancellation of units	23,919	19,000
Corporation tax payable	45,659	33,956
Deferred tax	5,345	—
Purchases awaiting settlement	<u>—</u>	<u>22,512</u>
	<u>85,377</u>	<u>81,857</u>

### 11. Contingent liabilities and outstanding commitments

There were no contingent liabilities or outstanding commitments at the balance sheet date (31 October 2017: same).

## Notes to the Financial Statements continued

### 12. Financial Instruments and Associated Risks

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

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

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

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

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

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

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

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

At 31 October 2018, if the price of the investments held by the Fund increased or decreased by 5%, with all other variables remaining constant, then the net assets attributable to unitholders would increase or decrease by approximately £10,239,447 (31 October 2017: £8,173,182).

## Notes to the Financial Statements continued

### 12. Financial Instruments and Associated Risks continued

#### (b) Interest Rate Risk

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

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

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

#### (c) Foreign Currency Risk

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

At the year end the Fund had no significant exposures to currencies other than Sterling (31 October 2017: same).

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

#### (d) Credit Risk

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

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

#### (e) Liquidity Risk

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

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

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

#### (f) Derivative Risk - Sensitivity Analysis

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

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

## Notes to the Financial Statements continued

### 12. Financial Instruments and Associated Risks continued

#### (f) Derivative Risk - Sensitivity Analysis continued

##### Futures (excluding Currency Futures)

Futures are used to adjust the equities exposure of the Fund in a cost effective manner. The effect of these instruments was to increase the exposure of the Fund by £5,466,500 (31 October 2017: increase the exposure by £2,622,100), representing 2.58% of the net asset value (31 October 2017: 1.58%).

This results in an effective equity exposure at the year end of 99.36% (31 October 2017: 99.85%) of net assets, which means that the gains or losses of the Fund will be 0.9936 (31 October 2017: 0.9985) times the gains or losses if the Fund was fully invested in equities.

#### (g) Fair Value

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

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

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

<b>31/10/17</b>	<b>Assets</b>	<b>Liabilities</b>
<b>Basis of Valuation</b>	<b>£</b>	<b>£</b>
Level 1 - Quoted Prices	163,463,632	—
Level 2 - Observable Market Data	—	—
Level 3 - Unobservable Data	—	—
<b>Total</b>	<b>163,463,632</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

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

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

Commissions and taxes as % of average net assets

Commissions	0.01%
Taxes	0.23%

31/10/17	Value	Commissions		Taxes		Total
Purchases	£'000	£'000	%	£'000	%	£'000
Equities	169,995	97	0.06	766	0.45	170,858
<b>Total</b>	<b>169,995</b>	<b>97</b>	<b>0.06</b>	<b>766</b>	<b>0.45</b>	<b>170,858</b>

31/10/17	Value	Commissions		Taxes		Total
Sales	£'000	£'000	%	£'000	%	£'000
Equities	21,345	(3)	0.01	—	—	21,342
<b>Total</b>	<b>21,345</b>	<b>(3)</b>	<b>0.01</b>	<b>—</b>	<b>—</b>	<b>21,342</b>

Commissions and taxes as % of average net assets

Commissions	0.07%
Taxes	0.51%

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 0.14% (31 October 2017: 0.11%).

## 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 44. 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 36 to 42. The distributions per unit class are given in the distribution tables on pages 33 and 34. All classes have the same rights on winding up.

<b>R-Class</b>	<b>Distribution</b>	<b>Accumulation</b>
Opening Units	—	—
Units issued	124,220	640,567
Units cancelled	—	(41,802)
Units converted	—	—
Closing Units	124,220	598,765

<b>I-Class</b>	<b>Distribution</b>	<b>Accumulation</b>
Opening Units	2,850,382	13,443,706
Units issued	18,237,747	32,597,826
Units cancelled	(1,037,227)	(2,291,529)
Units converted	(94,723)	—
Closing Units	19,956,179	43,750,003

<b>C-Class</b>	<b>Distribution</b>	<b>Accumulation</b>
Opening Units	2,702,697	203,878
Units issued	13,158,094	4,391,348
Units cancelled	(815,652)	(290,435)
Units converted	94,705	—
Closing Units	15,139,844	4,304,791

<b>L-Class</b>	<b>Distribution</b>
Opening Units	281,754,869
Units issued	47,915,603
Units cancelled	(439,384)
Units converted	—
Closing Units	329,231,088

## Notes to the Financial Statements continued

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

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

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

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

At the year end, the Manager and its associates held 33.68% (46.45% as at 31 October 2017) of the Fund's units in issue.

### 16. Post balance sheet market movements

As at the close of business on the balance sheet date the Net Asset Value per I-Class distribution unit was 50.92p. The Net Asset Value per I-Class distribution unit for the Fund as at 12 noon on 14 December 2018 was 47.19p. This represents a decrease of 7.33% from the year end value.

## Distribution Tables

### Distribution Tables for the year ended 31 October 2018

Group 1: units purchased prior to a distribution period.

Group 2: units purchased during a distribution period.

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

Interim dividend distribution in pence per unit			Period	
			01/11/17	to 30/04/18
<b>I-Class</b>			<b>Distribution</b>	<b>Distribution</b>
<b>Distribution Units</b>			<b>30/06/18</b>	<b>30/06/17</b>
Group 1	Revenue	Equalisation	0.6706	0.4589
Group 2	0.4552	0.2154	0.6706	0.4589
<b>I-Class</b>			<b>Distribution</b>	<b>Distribution</b>
<b>Accumulation Units</b>			<b>30/06/18</b>	<b>30/06/17</b>
Group 1	Revenue	Equalisation	0.6867	0.4584
Group 2	0.5096	0.1771	0.6867	0.4584
<b>C-Class</b>			<b>Distribution</b>	<b>Distribution</b>
<b>Distribution Units</b>			<b>30/06/18</b>	<b>30/06/17</b>
Group 1	Revenue	Equalisation	0.6869	0.4624
Group 2	0.3479	0.3390	0.6869	0.4624
<b>C-Class</b>			<b>Distribution</b>	<b>Distribution</b>
<b>Accumulation Units</b>			<b>30/06/18</b>	<b>30/06/17</b>
Group 1	Revenue	Equalisation	0.7039	0.4642
Group 2	0.4864	0.2175	0.7039	0.4642
<b>L-Class</b>			<b>Distribution</b>	<b>Distribution</b>
<b>Distribution Units</b>			<b>30/06/18</b>	<b>30/06/17</b>
Group 1	Revenue	Equalisation	0.6985	0.4680
Group 2	0.4720	0.2265	0.6985	0.4680

## Distribution Tables continued

Final dividend distribution in pence per unit			Period	
			01/05/18	to 31/10/18
<b>R-Class</b>			<b>Distribution</b>	<b>Distribution</b>
<b>Distribution Units<sup>1</sup></b>	<b>Revenue</b>	<b>Equalisation</b>	<b>31/12/18</b>	<b>31/12/17</b>
Group 1	0.5103	—	0.5103	N/A
Group 2	0.1594	0.3509	0.5103	N/A
<b>R-Class</b>			<b>Distribution</b>	<b>Distribution</b>
<b>Accumulation Units<sup>1</sup></b>	<b>Revenue</b>	<b>Equalisation</b>	<b>31/12/18</b>	<b>31/12/17</b>
Group 1	0.5137	—	0.5137	N/A
Group 2	0.1918	0.3219	0.5137	N/A
<b>I-Class</b>			<b>Distribution</b>	<b>Distribution</b>
<b>Distribution Units</b>	<b>Revenue</b>	<b>Equalisation</b>	<b>31/12/18</b>	<b>31/12/17</b>
Group 1	0.8248	—	0.8248	0.8453
Group 2	0.3810	0.4438	0.8248	0.8453
<b>I-Class</b>			<b>Distribution</b>	<b>Distribution</b>
<b>Accumulation Units</b>	<b>Revenue</b>	<b>Equalisation</b>	<b>31/12/18</b>	<b>31/12/17</b>
Group 1	0.8546	—	0.8546	0.8526
Group 2	0.5941	0.2605	0.8546	0.8526
<b>C-Class</b>			<b>Distribution</b>	<b>Distribution</b>
<b>Distribution Units</b>	<b>Revenue</b>	<b>Equalisation</b>	<b>31/12/18</b>	<b>31/12/17</b>
Group 1	0.8400	—	0.8400	0.8612
Group 2	0.4144	0.4256	0.8400	0.8612
<b>C-Class</b>			<b>Distribution</b>	<b>Distribution</b>
<b>Accumulation Units</b>	<b>Revenue</b>	<b>Equalisation</b>	<b>31/12/18</b>	<b>31/12/17</b>
Group 1	0.8726	—	0.8726	0.8679
Group 2	0.2951	0.5775	0.8726	0.8679
<b>L-Class</b>			<b>Distribution</b>	<b>Distribution</b>
<b>Distribution Units</b>	<b>Revenue</b>	<b>Equalisation</b>	<b>31/12/18</b>	<b>31/12/17</b>
Group 1	0.8501	—	0.8501	0.8727
Group 2	0.2872	0.5629	0.8501	0.8727

<sup>1</sup> R-Class units launched on 1 June 2018.

In the above table, a distribution pay rate of N/A denotes that the Classes were not in existence as at the applicable XD date, and therefore no distribution payment was made.

## Fund Information

The Comparative Tables on pages 36 to 42 give the performance of each active share class in the Fund.

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

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

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

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

# Fund Information continued

## Comparative Tables

### R-Class Distribution Units

#### Change in Net Asset Value per Unit

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

#### Performance

Return after charges	(10.62)%
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#### Other Information

Closing net asset value (£)	54,884
Closing number of units	124,220
Operating charges <sup>†</sup>	0.52%
Direct transaction costs	0.24%

#### Prices

Highest unit price	50.92p
Lowest unit price	43.46p

<sup>1</sup> R-Class units launched on 1 June 2018.

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

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

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

## Fund Information continued

### Comparative Tables continued

#### R-Class Accumulation Units

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

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

#### Performance

Return after charges	(10.60)%
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#### Other Information

Closing net asset value (£)	267,649
Closing number of units	598,765
Operating charges†	0.52%
Direct transaction costs	0.24%

#### Prices

Highest unit price	50.92p
Lowest unit price	43.46p

<sup>1</sup> R-Class units launched on 1 June 2018.

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

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## Fund Information continued

### Comparative Tables continued

#### I-Class Distribution Units

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

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

##### Performance

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

Closing net asset value (£)	10,161,948	1,573,534
Closing number of units	19,956,179	2,850,382
Operating charges <sup>†</sup>	0.14%	0.14%
Direct transaction costs	0.24%	0.58%

##### Prices

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

<sup>1</sup> The Fund launched on 18 January 2017.

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

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

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

## Fund Information continued

### Comparative Tables continued

#### I-Class Accumulation Units

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

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

#### Performance

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

Closing net asset value (£)	23,457,803	7,600,773
Closing number of units	43,750,003	13,443,706
Operating charges <sup>†</sup>	0.14%	0.14%
Direct transaction costs	0.24%	0.58%

#### Prices

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

<sup>1</sup> The Fund launched on 18 January 2017.

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

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

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

## Fund Information continued

### Comparative Tables continued

#### C-Class Distribution Units

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

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

##### Performance

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

Closing net asset value (£)	7,709,709	1,492,260
Closing number of units	15,139,844	2,702,697
Operating charges <sup>†</sup>	0.08%	0.08%
Direct transaction costs	0.24%	0.58%

##### Prices

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

<sup>1</sup> The Fund launched on 18 January 2017.

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

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

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

## Fund Information continued

### Comparative Tables continued

#### C-Class Accumulation Units

#### Change in Net Asset Value per Unit

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

#### Performance

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

Closing net asset value (£)	2,310,343	115,303
Closing number of units	4,304,791	203,878
Operating charges†	0.08%	0.08%
Direct transaction costs	0.24%	0.58%

#### Prices

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

<sup>1</sup> The Fund launched on 18 January 2017.

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

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

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

## Fund Information continued

### Comparative Tables continued

#### L-Class Distribution Units

#### Change in Net Asset Value per Unit

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

#### Performance

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

Closing net asset value (£)	167,648,169	155,559,534
Closing number of units	329,231,088	281,754,869
Operating charges <sup>†</sup>	0.04%	0.04%
Direct transaction costs	0.24%	0.58%

#### Prices

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

<sup>1</sup> The Fund launched on 18 January 2017.

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

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

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

## Risk and Reward Profile (unaudited)



- This risk and reward profile is based on historical data which may not be a reliable indication of the Fund's risk and reward category in the future.
- The category number highlighted above reflects the rate at which the Fund's unit price has moved up and down in the past. If the Fund has less than five years' track record, the number also reflects the rate at which the Index the Fund tracks has moved up and down in the past. Higher numbers mean the potential reward could be greater, but this comes with increased risk of losing money.
- The Fund is in category five because it invests in company shares which are sensitive to variations in the stock market. The value of company shares can change substantially over short periods of time. Company shares are generally considered to be higher risk investments than bonds or cash.
- The Fund's category is not guaranteed to remain the same and may change over time.
- Even a fund in the lowest category is not a risk free investment.

## General Information (unaudited)

### Constitution

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

† With effect from 1 June 2018 – See Significant Change on page 47.

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

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

### Pricing and Dealing

The prices are published on the internet at [www.legalandgeneral.com/investments/fund-information/daily-fund-prices](http://www.legalandgeneral.com/investments/fund-information/daily-fund-prices) immediately after they become available.

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

### Buying and Selling Units

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

### ISA Status

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

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

## General Information (unaudited) continued

### Prospectus and Manager's Reports

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

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

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

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

### Information on Tracking Error

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

Using monthly returns, over the review year, the annualised Tracking Error of the Fund is 0.14%, whilst the annualised Tracking Error since the launch of the Fund on 18 January 2017 to the end of October 2018 is 0.23%. These Tracking Errors are within the anticipated Tracking Error levels set out in the Fund's Prospectus of +/-0.50% per annum.

## General Information (unaudited) continued

### Remuneration Disclosure

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

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

### Controlled Functions

Headcount	Fixed Remuneration (£'000)	Variable Remuneration (£'000)	Remuneration related to this Scheme (Pro-rated) (£,000)
32	6,726	11,997	38

### Material Risk Takers

Headcount	Fixed Remuneration (£'000)	Variable Remuneration (£,000)	Remuneration related to this Fund (Pro-rated) (£,000)
22	2,281	3,000	1

### Controlled Functions

As at 31 December 2017, Legal & General Unit Trust Managers Limited (UTM) engaged the services of six 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 there was one non-executive Director. UTM also engaged the services of a further 20 LGIMH employees and a further three L&G Resources (LGR) employees to act in a variety of Controlled Functions, including Chief Compliance Officer, Money Laundering Reporting Officer, Client Asset Oversight, Systems and Controls Functions, Significant Management Functions and Customer Functions. These employees were also engaged by other companies in the L&G Group. The aggregate remuneration received by these individuals, for all their services across the L&G Group, is disclosed in the table above. We have prorated the remuneration figures by the Net Asset Value of the UCITS Funds as a percentage of the total assets under management of UTM.

## General Information (unaudited) continued

### Material Risk Takers

As at the 31 December 2017, 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 have prorated the remuneration figures by the Net Asset Value of the UCITS Funds as a percentage of the total assets under management of the Legal & General Investment Management's Index Fund Management team.

### Significant Changes

#### New Unit Class: R-Class

With effect from 1 June 2018, R-Class units have launched with income and accumulation units available.

#### Change of Auditor

With effect from 28 April 2018, PricewaterhouseCoopers LLP ceased to be Independent Auditors of the Fund and KPMG LLP have been appointed. The change of Auditor has no impact on the way the Fund is operated.

### General Data Protection Regulation (GDPR)

Legal & General takes your privacy very seriously. Under data protection legislation, we have classified ourselves as a 'data controller'. This means that we are subject to certain obligations relating to how we process personal data. These obligations include, without limitation, providing individuals with certain information regarding how we process their personal data.

We will use the personal data you have provided to us in connection with an investment in units of Legal & General UK Mid Cap Index Fund, including your name, age, contact details, bank account details, transactions and the invested amount, and any information regarding the dealing in units in accordance with all applicable data protection laws and our Privacy Policy which is available from 25 May 2018 at [www.lgim.com/UTMprivacy](http://www.lgim.com/UTMprivacy) (or available upon request). Our Privacy Policy sets out, amongst other things, the purpose or purposes for which your personal data is collected and intended to be processed and also contains any other information prescribed by data protection legislation.

## General Information (unaudited) continued

### Authorised Fund Manager

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

### Directors of the Manager

R. M. Bartley  
A. J. C. Craven  
S. Hynes  
H. Morrissey  
H. Solomon  
S. D. Thomas (resigned 17 October 2018)  
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 SE  
Trustee and Depository Services  
50 Bank Street,  
Canary Wharf,  
London E14 5NT

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

### Independent Auditors

KPMG LLP  
15 Canada Square,  
London E14 5GL

### Investment Adviser

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



**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)

