

Legal & General UK Special Situations Trust

Annual Manager's Report
for the year ended
14 September 2018

**EVERY
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 maximise capital growth by investing predominantly in a portfolio of UK companies.

Securities of companies considered undervalued due to their special situation, such as recovery action, management change, refinancing activity or undervalued strategic assets, will be chosen.

The Trust may hold derivatives for the purposes of Efficient Portfolio Management.

Manager's Investment Report

During the year under review, the Trust's R-Class distribution units fell by 1.74%, while the FTSE All-Share Index rose by 0.88% on a capital only basis. (Source: Bloomberg).

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.

Market/Economic Review

The global economic background has improved over the past twelve months, led by solid growth in the major developed economies, although recent indicators suggest there has been some loss of momentum, particularly in Europe. Despite a rise in commodity prices, with the oil price (Brent crude) recovering to \$79 per barrel in May, its highest level since 2014, inflationary pressures worldwide have remained subdued by historical standards.

In the UK, both economic and political uncertainty have heightened over the last 12 months, with precariousness as to the outcome of the UK government's strategy on Brexit and the implications for trade with the European Union (EU). The UK economy grew at its slowest pace for six years during the first quarter of 2018. The Bank of England voted to increase interest rates to 0.5 per cent in November, removing the emergency support announced in August 2016 in the wake of the EU referendum and sanctioned a further rate hike to 0.75% in August as inflation remained above its 2% target.

Although UK equities performed well in 2017, the market recorded three consecutive months of losses before rebounding strongly during the second quarter. The market has been led higher by energy stocks, benefiting from the recovery in the oil price. Food retailers also performed well on encouraging earnings announcements, while the autos sector was driven by a hostile takeover bid from Melrose Industries for component supplier GKN which eventually received shareholder approval. Amongst the weakest sectors were utilities, food producers and telecoms. These sectors are less sensitive to the economic cycle but are more closely correlated with bond markets, and tend to underperform when investors are more optimistic about the economic outlook and earnings growth prospects.

Trust Review

The Trust delivered a negative return over the review year.

Sector allocation was positive for returns, helped by our overweight position in industrials and underweight in financials. However, towards the end of the year being

Manager's Investment Report continued

underweight in the healthcare sector as well as stock selection within the sectors was a drag on performance.

Airline business Wizz Air contributed well to relative returns early in the year.

The company operates a virtuous cycle of low costs driving low prices, stimulating demand in underpenetrated markets and is working hard to drive market share gains.

New entrant to the Trust, Whitbread benefited performance from the sale of popular high street coffee chain Costa to Coca Cola.

Detractors included Playtech in the first half of the year where sentiment had been overly negative on increased concern about the impact of industry consolidation on suppliers. In later months, British semiconductor manufacturer IQE reported lower profitability, dampening investor sentiment and resulting in significant share price losses.

In terms of trading activity, we exited positions in NMC Healthcare, St James's Place and Bayer. We added new positions in Tesco, Whitbread and tech-focused venture capital firm Draper Esprit. Shire was sold from the portfolio.

Outlook

Two countervailing forces have kept markets in a holding pattern recently: growth in the global economy and company earnings, and the ascent of populist economic policies. Trade wars continue to occupy markets' attention and although there has yet to be any major fall-out, our economists do anticipate some damage to growth over the next year.

Legal & General Investment Management Limited
(Investment Adviser)
10 October 2018

Authorised Status

Authorised Status

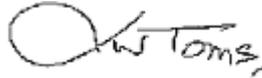
This Trust is an Authorised Unit Trust Scheme as defined in section 243 of the Financial Services and Markets Act 2000 and is a UCITS Retail Scheme within the meaning of the FCA Collective Investment Schemes sourcebook.

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)



L. W. Toms
(Director)

Legal & General (Unit Trust Managers) Limited
5 November 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 Trust and of the net income and net gains or losses on the property of the Trust 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 Trust'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 Trust 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 Trust 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 Special Situations Trust must ensure that the Trust is managed in accordance with the Financial Conduct Authority's Collective Investment Schemes Sourcebook, the Financial Services and Markets Act 2000, as amended, (together "the Regulations"), the Trust Deed and Prospectus (together "the Scheme documents") as detailed below.

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

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

The Depositary must ensure that:

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

Report of the Trustee

Report of the Trustee to the Unitholders of the Legal & General UK Special Situations Trust ("the Trust") for the year ended 14 September 2018

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

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

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

Northern Trust Global Services SE
UK Trustee and Depositary Services
5 November 2018

Portfolio Statement

Portfolio Statement as at 14 September 2018

All investments are in ordinary shares unless otherwise stated. The percentages in brackets show the equivalent holdings at 14 September 2017.

Holding/ Nominal Value	Investment	Market Value £	% of Net Assets
	UNITED KINGDOM		
	— 70.45% (60.71%)		
	Oil & Gas Producers		
	— 11.87% (6.06%)		
1,575,000	BP	8,664,075	3.30
3,000,000	Cairn Energy	6,282,000	2.39
2,000,000	Energean Oil & Gas	11,240,000	4.29
13,500,000	Ophir Energy	4,947,750	1.89
		31,133,825	11.87
	Construction & Materials		
	— 3.93% (1.90%)		
4,710,000	Melrose Industries	10,324,320	3.93
	Aerospace & Defense		
	— 3.74% (0.00%)		
600,000	Ultra Electronics	9,822,000	3.74
	Electronic & Electrical Equipment		
	— 0.98% (2.34%)		
1,503,060	Xaar	2,561,214	0.98
	Industrial Transportation		
	— 0.00% (5.03%)		
	Support Services — 2.90% (5.43%)		
3,114,290	Biffa	7,598,868	2.90
	Household Goods & Home Construction — 6.27% (0.00%)		
2,300,000	Countryside Properties	7,912,000	3.01
128,700	Reckitt Benckiser Group	8,543,106	3.26
		16,455,106	6.27
	Tobacco — 3.54% (0.00%)		
250,000	British American Tobacco	9,283,750	3.54
	Health Care Equipment & Services		
	— 1.30% (6.33%)		
1,478,880	Georgia Healthcare Group	3,416,213	1.30
	Pharmaceuticals & Biotechnology		
	— 0.00% (0.89%)		
	Food & Drug Retailers		
	— 3.13% (0.00%)		
3,500,000	Tesco	8,211,000	3.13
	General Retailers — 5.90% (0.00%)		
7,100,000	Saga	9,059,600	3.46
4,873,032	Vivo Energy	6,407,062	2.44
		15,466,662	5.90

Portfolio Statement continued

Holding/ Nominal Value	Investment	Market Value £	% of Net Assets
	Media — 1.74% (0.00%)		
4,000,000	Huntsworth	4,560,000	1.74
	Travel & Leisure — 8.48% (6.70%)		
210,000	Carnival	9,800,700	3.74
2,485,345	Gym Group	7,754,276	2.95
100,000	Whitbread	4,702,000	1.79
		22,256,976	8.48
	Fixed Line Telecommunications — 1.40% (3.22%)		
3,214,696	Zegona Communications	3,664,753	1.40
	Banks — 1.39% (4.56%)		
555,000	HSBC	3,640,245	1.39
	Life Insurance — 4.65% (8.82%)		
715,000	Prudential	12,190,750	4.65
	Real Estate Investment & Services — 4.28% (2.23%)		
3,680,000	Urban & Civic	11,224,000	4.28
	Financial Services — 3.14% (5.66%)		
1,100,000	Draper Esprit	5,885,000	2.24
670,260	IntegraFin	2,352,613	0.90
		8,237,613	3.14
	Software & Computer Services — 0.00% (1.54%)		
	Technology — 1.81% (0.00%)		
5,372,994	IQE	4,744,354	1.81
	IRELAND — 9.16% (11.86%)		
	Mining — 0.00% (1.67%)		
	Construction & Materials — 3.51% (3.96%)		
380,000	CRH	9,222,600	3.51
	Support Services — 4.05% (4.52%)		
150,449	DCC	10,614,177	4.05
	Household Goods & Home Construction — 1.60% (1.71%)		
3,000,000	Cairn Homes	4,200,209	1.60
	BERMUDA — 0.43% (1.54%)		
	Mining — 0.43% (1.54%)		
3,166,200	Petra Diamonds	1,142,365	0.43
	CHANNEL ISLANDS — 8.32% (9.91%)		
	Industrial Metals & Mining — 1.32% (0.00%)		
1,500,000	Yellow Cake	3,465,000	1.32
	Mining — 3.11% (3.59%)		
2,700,000	Glencore	8,151,300	3.11

Portfolio Statement continued

Holding/ Nominal Value	Investment	Market Value £	% of Net Assets
	Pharmaceuticals & Biotechnology — 0.00% (3.15%)		
	Travel & Leisure — 3.89% (3.17%)		
330,000	Wizz Air	10,197,000	3.89
	GERMANY — 0.00% (4.28%)		
	Chemicals — 0.00% (4.28%)		
	ISLE OF MAN — 7.00% (8.18%)		
	Travel & Leisure — 7.00% (8.18%)		
1,153,322	GVC	12,029,149	4.59
1,250,000	Playtech	6,322,500	2.41
		18,351,649	7.00
	MAURITIUS — 2.32% (0.00%)		
	Real Estate Investment & Services — 2.32% (0.00%)		
5,500,000	Grit Real Estate Income Group	6,078,737	2.32
	Portfolio of investments¹	256,214,686	97.68
	Net other assets	6,088,335	2.32
	Total net assets	£262,303,021	100.00%

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

Total purchases for the year: £150,419,546.

Total sales for the year: £148,476,807.

Independent Auditor's Report

Independent auditor's report to the Unitholders of Legal & General UK Special Situations Trust ('the Trust')

Opinion

We have audited the financial statements of the Trust for the year ended 14 September 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 Trust and the accounting policies set out on pages 22 and 23.

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 Trust as at 14 September 2018 and of the net revenue and the net capital losses on the property of the Trust 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 Trust 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 Trust 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 5, 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 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 they either intend to liquidate the Trust 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.

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

This report is made solely to the Trust'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 Trust'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 Trust and the Trust'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
5 November 2018

Financial Statements

Statement of Total Return for the year ended 14 September 2018

Notes	14/09/18		14/09/17	
	£	£	£	£
Income				
Net capital (losses)/ gains	3	(5,131,452)		24,740,900
Revenue	4	6,193,648	6,621,137	
Expenses	5	(3,170,012)	(3,483,939)	
Interest payable and similar charges	7	(757)	(4,466)	
Net revenue before taxation		<u>3,022,879</u>	<u>3,132,732</u>	
Taxation	6	—	1,165	
Net revenue after taxation for the year		<u>3,022,879</u>	<u>3,133,897</u>	
Total return before distributions		<u>(2,108,573)</u>	<u>27,874,797</u>	
Distributions	7	(3,023,371)	(3,134,243)	
Change in net assets attributable to Unitholders from investment activities		<u>£(5,131,944)</u>	<u>£24,740,554</u>	

Statement of Change in Net Assets attributable to Unitholders for the year ended 14 September 2018

	14/09/18		14/09/17	
	£	£	£	£
Opening net assets attributable to Unitholders		268,910,530		241,408,926
Amounts received on issue of units		16,737,965	20,830,637	
Amounts paid on cancellation of units		(18,399,929)	(18,223,143)	
		<u>(1,661,964)</u>	<u>2,607,494</u>	
Change in net assets attributable to Unitholders from investment activities		<u>(5,131,944)</u>	<u>24,740,554</u>	
Retained distributions on accumulation units		185,840	151,508	
Unclaimed distributions		559	2,048	
Closing net assets attributable to Unitholders		<u>£262,303,021</u>	<u>£268,910,530</u>	

Financial Statements continued

Balance Sheet as at 14 September 2018

	Notes	14/09/18 £	14/09/17 £
ASSETS			
Fixed assets:			
Investments		256,214,686	259,437,435
Current assets:			
Debtors	8	981,828	5,477,353
Cash and bank balances	9	<u>7,878,774</u>	<u>7,099,116</u>
Total assets		<u>265,075,288</u>	<u>272,013,904</u>
LIABILITIES			
Creditors:			
Distributions payable		(2,331,330)	(1,758,116)
Other creditors	10	<u>(440,937)</u>	<u>(1,345,258)</u>
Total liabilities		<u>(2,772,267)</u>	<u>(3,103,374)</u>
Net assets attributable to Unitholders		<u>£262,303,021</u>	<u>£268,910,530</u>

Notes to the Financial Statements

1. Statement of Compliance

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

2. Summary of Significant Accounting Policies

(a) Basis of Preparation

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

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

(b) Functional and Presentation Currency

The functional and presentation currency of the Trust is Sterling.

(c) Recognition of Revenue

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

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

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

All other revenue is recognised on an accruals basis.

(d) Treatment of Expenses

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

(e) Distribution Policy

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

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 12 noon on 14 September 2018, being the last working day of the accounting year. The fair value for non-derivative securities is bid market price.

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

(g) Taxation

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

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

(h) Foreign Exchange

Transactions in foreign currencies are translated at the rate of exchange ruling on the date of the transaction. Where applicable, assets and liabilities denominated in foreign currencies are translated into Sterling at the rates of exchange ruling at 12 noon on 14 September 2018, being the last working day of the accounting year.

3. Net capital (losses)/gains

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

Non-derivative securities

Currency gains/(losses)

Net capital (losses)/gains

14/09/18	14/09/17
£	£
(5,165,488)	24,778,137
<u>34,036</u>	<u>(37,237)</u>
<u>(5,131,452)</u>	<u>24,740,900</u>

4. Revenue

UK Franked dividends

Non-taxable overseas dividends

Bank interest

14/09/18	14/09/17
£	£
4,492,813	4,982,384
1,693,027	1,638,310
<u>7,808</u>	<u>443</u>
<u>6,193,648</u>	<u>6,621,137</u>

Notes to the Financial Statements continued

5. Expenses

	14/09/18	14/09/17
	£	£
Payable to the Manager, associates of the Manager and agents of either of them:		
Fund management fees	<u>3,170,012</u>	<u>3,483,939</u>
Total expenses	<u>3,170,012</u>	<u>3,483,939</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 year, the total audit fee was £8,960 plus VAT of £1,792.

Notes to the Financial Statements continued

6. Taxation

(a) Analysis of taxation charge in year

	14/09/18	14/09/17
	£	£
Corporation tax	—	—
Overseas tax	—	(1,165)
Current tax [note 6(b)]	—	(1,165)
Deferred tax [note 6(c)]	—	—
Total taxation	—	(1,165)

(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	3,022,879	3,132,732
Net revenue before taxation multiplied by the applicable rate of Corporation tax of 20% (2017: 20%)	604,576	626,546
Effects of:		
Overseas tax	—	(1,165)
Revenue not subject to taxation	(1,237,168)	(1,324,139)
Excess non trade loan deficits	—	805
Excess management expenses not utilised	632,592	696,788
Current tax	—	(1,165)

(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 £2,358,974 (14 September 2017: £1,726,382) due to surplus management expenses.

It is unlikely the Trust will generate sufficient taxable profits in the future to utilise this amount and therefore no deferred tax asset has been recognised (14 September 2017: same).

Notes to the Financial Statements continued

7. Distributions

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

	14/09/18	14/09/17
	£	£
Interim distribution	508,279	1,268,968
Final distribution	<u>2,504,576</u>	<u>1,851,172</u>
	3,012,855	3,120,140
Add: Revenue deducted on cancellation of units	39,871	47,963
Less: Revenue received on creation of units	<u>(29,355)</u>	<u>(33,860)</u>
Distributions for the year	3,023,371	3,134,243
Interest payable and similar charges		
Bank overdraft interest	<u>757</u>	<u>4,466</u>
	<u>3,024,128</u>	<u>3,138,709</u>

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

	14/09/18	14/09/17
	£	£
Net revenue after taxation for the year	3,022,879	3,133,897
Equalisation effect of conversions	<u>492</u>	<u>346</u>
Distributions for the year	3,023,371	3,134,243

8. Debtors

	14/09/18	14/09/17
	£	£
Accrued revenue	870,010	1,370,017
Amounts receivable for creation of units	111,818	134,707
Overseas tax recoverable	—	317
Sales awaiting settlement	<u>—</u>	<u>3,972,312</u>
	<u>981,828</u>	<u>5,477,353</u>

Notes to the Financial Statements continued

9. Net uninvested cash

	14/09/18	14/09/17
	£	£
Cash and bank balances	<u>7,878,774</u>	<u>7,099,116</u>
Net uninvested cash	<u>7,878,774</u>	<u>7,099,116</u>

10. Other creditors

	14/09/18	14/09/17
	£	£
Accrued expenses	109,396	136,440
Amounts payable for cancellation of units	331,541	182,281
Purchases awaiting settlement	—	<u>1,026,537</u>
	<u>440,937</u>	<u>1,345,258</u>

11. Contingent liabilities and outstanding commitments

There were no contingent liabilities or outstanding commitments at the balance sheet date (14 September 2017: 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 8. 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 14 September 2018, if the price of the investments held by the Trust increased or decreased by 5%, with all other variables remaining constant, then the net assets attributable to unitholders would increase or decrease by approximately £12,810,734 (14 September 2017: £12,971,872).

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 14 September 2018, if the value of Sterling increased or decreased by 1% against all currencies, with all other variables remaining constant, then the net assets attributable to unitholders would increase or decrease by approximately £102,789 (14 September 2017: £160,910).

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

14/09/18 Currency	Net foreign currency assets		
	Monetary exposures	Non-monetary exposures	Total
	£'000	£'000	£'000
Euro	—	4,200	4,200
US Dollar	—	6,079	6,079

14/09/17 Currency	Net foreign currency assets		
	Monetary exposures	Non-monetary exposures	Total
	£'000	£'000	£'000
Euro	—	16,091	16,091

(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.

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

(f) Fair Value

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

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

14/09/18	Assets	Liabilities
Basis of Valuation	£	£
Level 1 - Quoted Prices	256,214,686	—
Level 2 - Observable Market Data	—	—
Level 3 - Unobservable Data	—	—
Total	256,214,686	—

14/09/17	Assets	Liabilities
Basis of Valuation	£	£
Level 1 - Quoted Prices	259,437,435	—
Level 2 - Observable Market Data	—	—
Level 3 - Unobservable Data	—	—
Total	259,437,435	—

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

14/09/18	Value	Commissions		Taxes		Total
Purchases	£'000	£'000	%	£'000	%	£'000
Equities	149,813	59	0.04	548	0.37	150,420
Total	149,813	59	0.04	548	0.37	150,420

14/09/18	Value	Commissions		Taxes		Total
Sales	£'000	£'000	%	£'000	%	£'000
Equities	148,544	(67)	0.05	—	—	148,477
Total	148,544	(67)	0.05	—	—	148,477

Commissions and taxes as % of average net assets

Commissions 0.05%

Taxes 0.20%

14/09/17	Value	Commissions		Taxes		Total
Purchases	£'000	£'000	%	£'000	%	£'000
Equities	191,220	104	0.05	703	0.37	192,027
Total	191,220	104	0.05	703	0.37	192,027

14/09/17	Value	Commissions		Taxes		Total
Sales	£'000	£'000	%	£'000	%	£'000
Equities	194,204	(91)	0.05	—	—	194,113
Total	194,204	(91)	0.05	—	—	194,113

Commissions and taxes as % of average net assets

Commissions 0.08%

Taxes 0.27%

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 0.42% (14 September 2017: 0.52%).

Notes to the Financial Statements continued

14. Unit classes

A list of unit classes in issue and the fund management fee on each unit class can be found on page 41. The net asset value per unit of each unit class and the number of units in each class are given in the comparative tables on pages 31 to 39. The distributions per unit class are given in the distribution tables on pages 27 to 29. All classes have the same rights on winding up.

R-Class	Distribution	Accumulation
Opening Units	155,754,960	11,248,928
Units issued	5,807,804	900,187
Units cancelled	(9,102,582)	(1,121,428)
Units converted	(1,140,297)	882,810
Closing Units	151,319,885	11,910,497

F-Class	Distribution	Accumulation
Opening Units	65,354	47,764
Units issued	—	822
Units cancelled	—	(2)
Units converted	—	(822)
Closing Units	65,354	47,762

I-Class	Distribution	Accumulation
Opening Units	3,447,104	3,395,438
Units issued	350,890	6,959,457
Units cancelled	(738,660)	(4,760,205)
Units converted	135,032	60,929
Closing Units	3,194,366	5,655,619

C-Class	Distribution	Accumulation
Opening Units	—	—
Units issued	2,000	2,000
Units cancelled	—	—
Units converted	—	—
Closing Units	2,000	2,000

L-Class	Distribution
Opening Units	71,424,056
Units issued	—
Units cancelled	—
Units converted	—
Closing Units	71,424,056

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 68.72% (68.78% as at 14 September 2017) 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 106.77p. The Net Asset Value per R-Class distribution unit for the Trust as at 12 noon on 1 November 2018 was 102.60p. This represents a decrease of 3.91% from the year end value.

Distribution Tables

Distribution Tables for the year ended 14 September 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.

Distribution Tables continued

Interim dividend distribution in pence per unit			Period	
			15/09/17	to 14/03/18
R-Class			Distribution	Distribution
Distribution Units			14/05/18	14/05/17
Group 1	—	—	—	0.2518
Group 2	—	—	—	0.2518
R-Class			Distribution	Distribution
Accumulation Units			14/05/18	14/05/17
Group 1	—	—	—	0.2649
Group 2	—	—	—	0.2649
F-Class			Distribution	Distribution
Distribution Units			14/05/18	14/05/17
Group 1	0.0649	—	0.0649	0.5271
Group 2	—	0.0649	0.0649	0.5271
F-Class			Distribution	Distribution
Accumulation Units			14/05/18	14/05/17
Group 1	0.0702	—	0.0702	0.5608
Group 2	—	0.0702	0.0702	0.5608
I-Class			Distribution	Distribution
Distribution Units			14/05/18	14/05/17
Group 1	0.2631	—	0.2631	0.7132
Group 2	0.1413	0.1218	0.2631	0.7132
I-Class			Distribution	Distribution
Accumulation Units			14/05/18	14/05/17
Group 1	0.3000	—	0.3000	0.7998
Group 2	0.1121	0.1879	0.3000	0.7998
C-Class			Distribution	Distribution
Distribution Units¹			14/05/18	14/05/17
Group 1	0.1105	—	0.1105	N/A
Group 2	—	0.1105	0.1105	N/A
C-Class			Distribution	Distribution
Accumulation Units¹			14/05/18	14/05/17
Group 1	0.1105	—	0.1105	N/A
Group 2	—	0.1105	0.1105	N/A
L-Class			Distribution	Distribution
Distribution Units			14/05/18	14/05/17
Group 1	0.6817	—	0.6817	1.0890
Group 2	—	0.6817	0.6817	1.0890

¹ C-Class units launched on 12 December 2017.

In the above table, a distribution pay rate of — denotes that the Classes were in a shortfall position, and therefore no distribution payment was made.

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.

Distribution Tables continued

Final dividend distribution in pence per unit			Period	
			15/03/18	to 14/09/18
R-Class			Distribution	Distribution
Distribution Units			14/11/18	14/11/17
Group 1	Revenue	Equalisation	0.6952	0.4706
Group 2	0.3212	0.3740	0.6952	0.4706
R-Class			Distribution	Distribution
Accumulation Units			14/11/18	14/11/17
Group 1	Revenue	Equalisation	0.7414	0.4965
Group 2	0.3549	0.3865	0.7414	0.4965
F-Class			Distribution	Distribution
Distribution Units			14/11/18	14/11/17
Group 1	Revenue	Equalisation	1.1732	0.7511
Group 2	—	1.1732	1.1732	0.7511
F-Class			Distribution	Distribution
Accumulation Units			14/11/18	14/11/17
Group 1	Revenue	Equalisation	1.2715	0.8161
Group 2	—	1.2715	1.2715	0.8161
I-Class			Distribution	Distribution
Distribution Units			14/11/18	14/11/17
Group 1	Revenue	Equalisation	1.3062	0.9605
Group 2	0.5773	0.7289	1.3062	0.9605
I-Class			Distribution	Distribution
Accumulation Units			14/11/18	14/11/17
Group 1	Revenue	Equalisation	1.4909	1.0840
Group 2	0.8597	0.6312	1.4909	1.0840
C-Class			Distribution	Distribution
Distribution Units¹			14/11/18	14/11/17
Group 1	Revenue	Equalisation	0.6870	N/A
Group 2	—	0.6870	0.6870	N/A
C-Class			Distribution	Distribution
Accumulation Units¹			14/11/18	14/11/17
Group 1	Revenue	Equalisation	0.6875	N/A
Group 2	—	0.6875	0.6875	N/A
L-Class			Distribution	Distribution
Distribution Units			14/11/18	14/11/17
Group 1	Revenue	Equalisation	1.7316	1.3881
Group 2	—	1.7316	1.7316	1.3881

¹ C-Class units launched on 12 December 2017.

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.

Trust Information

The Comparative Tables on pages 31 to 39 give the performance of each active share class in the Trust.

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

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

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

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

Trust Information continued

Comparative Tables

R-Class Distribution Units

Change in Net Asset Value per Unit

Accounting Year ending	14/09/18 (pence per unit)	14/09/17 (pence per unit)	14/09/16 (pence per unit)
Opening net asset value per unit	108.90	98.96	83.95
Return before operating charges*	0.38	12.55	17.02
Operating charges (calculated on average price)	(1.81)	(1.89)	(1.55)
Return after operating charges*	(1.43)	10.66	15.47
Distributions on income units	(0.70)	(0.72)	(0.46)
Closing net asset value per unit	106.77	108.90	98.96
* after direct transaction costs of:	0.27	0.36	0.48

Performance

Return after charges	(1.31)%	10.77%	18.43%
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Other Information

Closing net asset value (£)	161,559,641	169,618,457	162,341,288
Closing number of units	151,319,885	155,754,960	164,041,310
Operating charges [†]	1.63%	1.83%	1.75%
Direct transaction costs	0.25%	0.35%	0.54%

Prices

Highest unit price	117.00p	116.70p	107.20p
Lowest unit price	104.90p	94.90p	76.83p

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

Past performance is not a guide to future performance.

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

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

Trust Information continued

Comparative Tables continued

R-Class Accumulation Units

Change in Net Asset Value per Unit

Accounting Year ending	14/09/18 (pence per unit)	14/09/17 (pence per unit)	14/09/16 (pence per unit)
Opening net asset value per unit	115.33	104.10	87.90
Return before operating charges*	0.39	13.22	17.82
Operating charges (calculated on average price)	(1.91)	(1.99)	(1.62)
Return after operating charges*	(1.52)	11.23	16.20
Distributions	(0.74)	(0.76)	(0.48)
Retained distributions on accumulation units	0.74	0.76	0.48
Closing net asset value per unit	113.81	115.33	104.10
* after direct transaction costs of:	0.29	0.38	0.50

Performance

Return after charges	(1.32)%	10.79%	18.43%
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Other Information

Closing net asset value (£)	13,555,140	12,973,257	11,546,066
Closing number of units	11,910,497	11,248,928	11,091,237
Operating charges†	1.63%	1.83%	1.75%
Direct transaction costs	0.25%	0.35%	0.54%

Prices

Highest unit price	123.90p	123.00p	112.20p
Lowest unit price	111.10p	99.82p	80.45p

† 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 Year ending	14/09/18 (pence per unit)	14/09/17 (pence per unit)	14/09/16 (pence per unit)
Opening net asset value per unit	110.33	100.27	85.09
Return before operating charges*	0.35	12.74	17.28
Operating charges (calculated on average price)	(1.27)	(1.40)	(1.12)
Return after operating charges*	(0.92)	11.34	16.16
Distributions on income units	(1.24)	(1.28)	(0.98)
Closing net asset value per unit	108.17	110.33	100.27
* after direct transaction costs of:	0.28	0.37	0.48

Performance

Return after charges	(0.83)%	11.31%	18.99%
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Other Information

Closing net asset value (£)	70,692	72,105	57,952
Closing number of units	65,354	65,354	57,796
Operating charges [†]	1.13%	1.33%	1.25%
Direct transaction costs	0.25%	0.35%	0.54%

Prices

Highest unit price	118.90p	112.70p	103.80p
Lowest unit price	106.50p	96.25p	78.04p

[†] 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 Year ending	14/09/18 (pence per unit)	14/09/17 (pence per unit)	14/09/16 (pence per unit)
Opening net asset value per unit	119.49	107.31	90.18
Return before operating charges*	0.38	13.68	18.34
Operating charges (calculated on average price)	(1.38)	(1.50)	(1.21)
Return after operating charges*	(1.00)	12.18	17.13
Distributions	(1.34)	(1.38)	(1.04)
Retained distributions on accumulation units	1.34	1.38	1.04
Closing net asset value per unit	118.49	119.49	107.31
* after direct transaction costs of:	0.30	0.39	0.52

Performance

Return after charges	(0.84)%	11.35%	19.00%
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Other Information

Closing net asset value (£)	56,593	57,074	32,984
Closing number of units	47,762	47,764	30,736
Operating charges†	1.13%	1.33%	1.25%
Direct transaction costs	0.25%	0.35%	0.54%

Prices

Highest unit price	128.80p	121.20p	110.20p
Lowest unit price	115.40p	103.10p	82.69p

† 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

I-Class Distribution Units

Change in Net Asset Value per Unit

Accounting Year ending	14/09/18 (pence per unit)	14/09/17 (pence per unit)	14/09/16 (pence per unit)
Opening net asset value per unit	109.51	99.52	84.42
Return before operating charges*	0.35	12.64	17.16
Operating charges (calculated on average price)	(0.94)	(0.98)	(0.77)
Return after operating charges*	(0.59)	11.66	16.39
Distributions on income units	(1.57)	(1.67)	(1.29)
Closing net asset value per unit	107.35	109.51	99.52
* after direct transaction costs of:	0.28	0.36	0.48

Performance

Return after charges	(0.54)%	11.72%	19.41%
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Other Information

Closing net asset value (£)	3,429,302	3,775,065	3,722,032
Closing number of units	3,194,366	3,447,104	3,740,075
Operating charges†	0.84%	0.94%	0.86%
Direct transaction costs	0.25%	0.35%	0.54%

Prices

Highest unit price	118.00p	111.90p	103.20p
Lowest unit price	105.70p	95.61p	77.54p

† 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

I-Class Accumulation Units

Change in Net Asset Value per Unit

Accounting Year ending	14/09/18 (pence per unit)	14/09/17 (pence per unit)	14/09/16 (pence per unit)
Opening net asset value per unit	124.60	111.47	93.29
Return before operating charges*	0.39	14.23	19.05
Operating charges (calculated on average price)	(1.07)	(1.10)	(0.87)
Return after operating charges*	(0.68)	13.13	18.18
Distributions	(1.79)	(1.88)	(1.44)
Retained distributions on accumulation units	1.79	1.88	1.44
Closing net asset value per unit	123.92	124.60	111.47
* after direct transaction costs of:	0.32	0.40	0.54

Performance

Return after charges	(0.55)%	11.78%	19.49%
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Other Information

Closing net asset value (£)	7,008,669	4,230,758	2,427,329
Closing number of units	5,655,619	3,395,438	2,177,594
Operating charges†	0.84%	0.94%	0.86%
Direct transaction costs	0.25%	0.35%	0.54%

Prices

Highest unit price	134.60p	126.20p	114.40p
Lowest unit price	120.50p	107.10p	85.69p

† 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

C-Class Distribution Units

Change in Net Asset Value per Unit

Accounting Year ending	12/12/17 to 14/09/18 ¹ (pence per unit)
Opening net asset value per unit	50.00
Return before operating charges*	(0.96)
Operating charges (calculated on average price)	(0.19)
Return after operating charges*	(1.15)
Distributions on income units	(0.80)
Closing net asset value per unit	48.05
* after direct transaction costs of:	0.12

Performance

Return after charges	(2.30)%
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Other Information

Closing net asset value (£)	961
Closing number of units	2,000
Operating charges [†]	0.50%
Direct transaction costs	0.25%

Prices

Highest unit price	52.95p
Lowest unit price	47.36p

¹ C-Class Units launched on 12 December 2017.

[†] 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

C-Class Accumulation Units

Change in Net Asset Value per Unit

Accounting Year ending	12/12/17 to 14/09/18 ¹ (pence per unit)
Opening net asset value per unit	50.00
Return before operating charges*	(0.96)
Operating charges (calculated on average price)	(0.19)
Return after operating charges*	(1.15)
Distributions	(0.80)
Retained distributions on accumulation units	0.80
Closing net asset value per unit	48.85
* after direct transaction costs of:	0.12

Performance

Return after charges	(2.30)%
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Other Information

Closing net asset value (£)	977
Closing number of units	2,000
Operating charges [†]	0.50%
Direct transaction costs	0.25%

Prices

Highest unit price	53.07p
Lowest unit price	47.46p

¹ C-Class Units launched on 12 December 2017.

[†] 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

L-Class Distribution Units

Change in Net Asset Value per Unit

Accounting Year ending	14/09/18 (pence per unit)	14/09/17 (pence per unit)	14/09/16 (pence per unit)
Opening net asset value per unit	109.46	99.47	84.40
Return before operating charges*	0.33	12.67	17.20
Operating charges (calculated on average price)	(0.10)	(0.20)	(0.10)
Return after operating charges*	0.23	12.47	17.10
Distributions on income units	(2.41)	(2.48)	(2.03)
Closing net asset value per unit	107.28	109.46	99.47
* after direct transaction costs of:	0.28	0.36	0.48

Performance

Return after charges	0.21%	12.54%	20.26%
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Other Information

Closing net asset value (£)	76,621,046	78,183,814	61,281,275
Closing number of units	71,424,056	71,424,056	61,610,514
Operating charges†	0.09%	0.19%	0.11%
Direct transaction costs	0.25%	0.35%	0.54%

Prices

Highest unit price	118.10p	112.10p	103.50p
Lowest unit price	105.70p	95.71p	77.76p

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

Past performance is not a guide to future performance.

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

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

Risk and Reward Profile (unaudited)



- 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 number highlighted above reflects the rate at which the Trust's unit price has moved up and down in the past. If the Trust has less than five years' track record, the number also reflects the rate at which a representative benchmark 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 Trust 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 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 (unaudited)

Constitution

Launch date:	10 November 2008
Period end dates for distribution:	14 March, 14 September
Distribution dates:	14 May, 14 November
Minimum initial lump sum investment:	R-Class £100 F-Class* £500 I-Class £1,000,000 C-Class** £20,000,000 L-Class*** £100,000
Valuation point:	12 noon
Fund management fees:	R-Class Annual 1.54%† F-Class* Annual 1.04%† I-Class Annual 0.79%† C-Class** Annual 0.50% L-Class*** Annual 0.04%†
Initial charges:	R-Class Nil F-Class* Nil I-Class Nil C-Class** Nil L-Class*** Nil

* F-Class units are only available to:

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

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

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

† With effect from 2 January 2018 – See Significant Changes on page 44.

Pricing and Dealing

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

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

General Information (unaudited) continued

Buying and Selling Units

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

ISA Status

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

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

Prospectus and Manager's Reports

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

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

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

Dual Pricing Arrangement

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

General Information (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 Special Situations 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 Trust (Pro-rated) (£'000)
32	6,726	11,997	112

Material Risk Takers

Headcount	Fixed Remuneration (£,000)	Variable Remuneration (£'000)	Remuneration related to this Trust (Pro-rated) (£'000)
17	2,188	3,163	214

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 pro-rated 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 31 December 2017, UTM engaged the services of Legal & General Investment Management's Active Equities Team, which consists of 17 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 pro-rated 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 Active Equities Team.

Significant Changes

New Unit Class: C-Class

With effect from 12 December 2017, C-Class units have launched within the Trust with accumulation and distribution units available.

Reduction of FMF

With effect from 2 January 2018, the Fund Management Fees (FMF) have been reduced as follows:

	Old FMF	New FMF
R-Class	1.83%	1.54%
F-Class	1.33%	1.04%
I-Class	0.94%	0.79%
L-Class	0.19%	0.04%

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 Special Situations Trust, 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 (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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