

Legal & General Growth Trust
Interim Manager's Report
for the period ended
15 November 2018
(Unaudited)



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Manager's Investment Report

Investment Objective and Policy

The objective of the Trust is to secure capital growth by investing in a portfolio principally of UK shares. Securities of companies with strong growth prospects will be chosen.

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

Manager's Investment Report

During the period under review, the bid price of the Trust's R-Class distribution units fell by 9.54%. This compares to a fall in the FTSE All-Share Index of 9.07% on a capital only basis.

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.

Market/Economic Review

Global equity indices have made significant gains over the last six months for Sterling-based investors, as the pound's weakness, particularly against the US Dollar, enhanced returns. As trade tensions remained in the spotlight, the oil price rallied to over \$82 per barrel, its highest level since November 2014, underpinned by the supply issue in the Permian basin and looming US sanctions against Iran. However, a favourable economic background and encouraging corporate earnings announcements underpinned markets until October, when concerns over the impact of escalating trade conflict between the US and China heralded a sharp sell-off. The technology and healthcare sectors outperformed, boosted by robust earnings growth. Financials were amongst the weakest sectors as the differential between 2-year and 10-year US Treasury bond yields reached its lowest point since 2007.

In contrast, UK equities underperformed global indices as uncertainty surrounding the outcome of Brexit negotiations overshadowed the market. Sterling's recent weakness has provided a boost for companies with substantial international earnings, with FTSE 100 Index stocks outperforming both mid-caps and smaller 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 and raise its benchmark base rate to 0.75% in August. Pharmaceuticals and energy stocks performed well, the latter boosted by the strength of the oil price, while companies with significant exposure to emerging markets underperformed.

Trust Review

The Trust delivered a negative total return over the course of the period, severely affected by a very tough October for equity markets. Much of this particular fall stems from the Trust's overweight positioning to consumer services and industrials, which were victims of the cyclical sell-off and market rotation.

Ocado Group delivered strong returns and the Ocado solutions platform has the potential to become industry standard for online food retail logistics on a global scale. We concur with expectations for more partnership announcements, however, the stock detracted from performance late into the period after some profit-taking from investors.

Airline stock Wizz Air was also weak, with the company caught up in the contagion effect from industry disruption over the summer and oil price strength. While this has been disappointing, we maintain conviction in the growth strategy from both demand and market share gain. This stems from the group's low exposure to capacity constrained airports and lack of competition over much of its route network.

Manager's Investment Report continued

For activity, we bought a new position in carbonated mixer business Fevertree Drinks, taking advantage of a significant recent pull-back in the shares. The latest UK Nielsen soft drinks sales data highlighted a slowdown in performance in recent weeks, which has seen the market turn more cautious on the stock. While our decision to invest at this time may seem like swimming against the current, we see considerable scope for Fevertree Drinks to continue to deliver long-term growth. We have confidence in their ability to exceed consensus forecasts this year and are comfortable with assertions for growth in the medium term. Much of this stems from the large growth opportunity in the US, given the premiumisation trends in spirits and a culture of long drink mixability. Currently the penetration of mixers in the US is well below the figure in the UK market, which we expect will narrow over time. Importantly, the recent agreement with Southern Glazer's Wine & Spirits provides distribution muscle and removes a barrier to gaining scale in this market.

Making way for Fevertree Drinks was our position in consumer business Reckitt Benckiser, which we believe has inferior growth prospects and lower operational quality. While Reckitt Benckiser remains a decent business, we do have concerns over a slowdown in its health segment and are also unclear on the strategic plan for the HyHo business.

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. We are also closely monitoring the ongoing Brexit negotiations and the impact it may have on UK companies.

Legal & General Investment Management Limited
(Investment Adviser)
7 December 2018

Authorised Status

Authorised Status

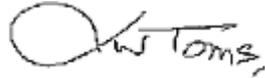
This Trust is an Authorised Unit Trust Scheme as defined in section 243 of the Financial Services and Markets Act 2000 and is a UCITS Retail Scheme within the meaning of the FCA Collective Investment Schemes sourcebook.

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
3 January 2019

Portfolio Statement

Portfolio Statement as at 15 November 2018

All investments are in ordinary shares unless otherwise stated. The percentages in brackets show the equivalent holdings at 15 May 2018.

Holding/ Nominal Value	Investment	Market Value £	% of Net Assets
	UNITED KINGDOM		
	— 67.99% (76.37%)		
	Construction & Materials		
	— 4.48% (3.76%)		
4,606,000	Melrose Industries	8,394,435	4.48
	Aerospace & Defense		
	— 0.00% (3.97%)		
	Industrial Engineering		
	— 3.93% (0.00%)		
471,500	The Weir Group	7,355,400	3.93
	Support Services — 12.14% (11.81%)		
394,205	Ashtead Group	7,507,634	4.01
330,800	Bunzl	7,591,860	4.05
2,390,000	Rentokil Initial	7,640,830	4.08
		22,740,324	12.14
	Automobiles & Parts		
	— 4.10% (0.00%)		
500,222	Aston Martin Lagonda Global	7,678,408	4.10
	Beverages — 4.23% (0.00%)		
268,850	Fevertree Drinks	7,933,764	4.23
	Household Goods & Home Construction — 0.00% (3.46%)		
	Personal Goods — 0.00% (4.06%)		
	Tobacco — 0.00% (3.29%)		
	Health Care Equipment & Services		
	— 4.10% (4.01%)		
212,000	NMC Health	7,687,120	4.10
	Food & Drug Retailers		
	— 3.81% (3.84%)		
918,200	Ocado Group	7,141,760	3.81
	General Retailers		
	— 11.66% (10.85%)		
124,910	ASOS	6,712,663	3.58
1,295,000	Just Eat	7,236,460	3.86
7,787,098	Vivo Energy	7,903,905	4.22
		21,853,028	11.66
	Media — 3.93% (4.00%)		
1,717,000	Auto Trader Group	7,371,081	3.93
	Travel & Leisure — 3.97% (7.76%)		
2,616,500	Cineworld Group	7,446,559	3.97

Portfolio Statement continued

Holding/ Nominal Value	Investment	Market Value £	% of Net Assets
	Life Insurance — 0.00% (3.68%)		
	Financial Services — 3.79% (0.00%)		
880,000	3i Group	7,103,360	3.79
	Software & Computer Services — 7.85% (11.88%)		
296,400	AVEVA Group	7,819,032	4.17
2,092,000	Sophos Group	6,891,048	3.68
		14,710,080	7.85
	IRELAND — 3.76% (3.70%)		
	Construction & Materials — 3.76% (3.70%)		
315,900	CRH	7,044,570	3.76
	CHANNEL ISLANDS — 7.86% (4.27%)		
	General Retailers — 4.05% (4.27%)		
3,594,626	Boohoo.com	7,599,040	4.05
	Travel & Leisure — 3.81% (0.00%)		
247,530	Wizz Air	7,131,339	3.81
	GERMANY — 3.82% (0.00%)		
	Travel & Leisure — 3.82% (0.00%)		
409,025	TUI	5,102,497	2.72
164,975	TUI (UK Listing)	2,058,063	1.10
		7,160,560	3.82
	ISLE OF MAN — 3.39% (4.22%)		
	Travel & Leisure — 3.39% (4.22%)		
809,000	GVC	6,346,605	3.39
	LUXEMBOURG — 3.83% (3.85%)		
	General Retailers — 3.83% (3.85%)		
1,980,157	B&M European Value Retail	7,178,069	3.83
	NETHERLANDS — 3.82% (0.00%)		
	Industrial Engineering — 3.82% (0.00%)		
202,730	RHI Magnesita	7,164,478	3.82
	SWITZERLAND — 4.04% (3.93%)		
	Beverages — 4.04% (3.93%)		
318,220	Coca-Cola HBC	7,576,818	4.04
	Portfolio of investments¹	184,616,798	98.51
	Net other assets	2,784,893	1.49
	Total net assets	£187,401,691	100.00%

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

Total purchases for the period: £103,103,383.

Total sales for the period: £94,512,207.

Financial Statements

Statement of Total Return For the period ended 15 November 2018

	16/05/18 to 15/11/18		16/05/17 to 10/11/17 ¹	
	£	£	£	£
Income				
Net capital losses		(20,070,458)		(682,288)
Revenue	1,698,387		2,209,384	
Expenses	(1,573,310)		(1,650,990)	
Interest payable and similar charges	(28)		(275)	
Net revenue before taxation	<u>125,049</u>		<u>558,119</u>	
Taxation	(14,643)		(12,373)	
Net revenue after taxation for the period		<u>110,406</u>		<u>545,746</u>
Total return before distributions		(19,960,052)		(136,542)
Distributions		(243,847)		(545,746)
Change in net assets attributable to Unitholders from investment activities		<u>£(20,203,899)</u>		<u>£(682,288)</u>

Statement of Change in Net Assets attributable to Unitholders for the period ended 15 November 2018

	16/05/18 to 15/11/18		16/05/17 to 10/11/17 ¹	
	£	£	£	£
Opening net assets attributable to Unitholders		203,569,258		188,877,471
Amounts received on issue of units	7,894,587		4,221,554	
Amounts paid on cancellation of units	(4,014,719)		(3,947,936)	
		<u>3,879,868</u>		<u>273,618</u>
Change in net assets attributable to Unitholders from investment activities		(20,203,899)		(682,288)
Retained distributions on accumulation units		<u>156,464</u>		<u>78,504</u>
Closing net assets attributable to Unitholders		<u>£187,401,691</u>		<u>£188,547,305</u>

¹ The Trust's Interim accounting date, usually 15 November, was moved to 10 November 2017 in order to facilitate the closure of E-Class.

The difference between the opening net assets and the comparative closing net assets is the movement in the second half of the year.

Financial Statements continued

Balance Sheet as at 15 November 2018

	15/11/18 £	15/05/18 £
ASSETS		
Fixed assets:		
Investments	184,616,798	196,116,027
Current assets:		
Debtors	934,450	858,579
Cash and bank balances	2,829,284	7,555,373
Total assets	188,380,532	204,529,979
LIABILITIES		
Creditors:		
Bank overdrafts	–	(648,891)
Distributions payable	(87,637)	(59,298)
Other creditors	(891,204)	(252,532)
Total liabilities	(978,841)	(960,721)
Net assets attributable to Unitholders	£187,401,691	£203,569,258

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. Accounting Policies

The accounting policies applied are consistent with the most recent annual Financial Statements.

(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.

Trust Information

Net Asset Values and Units in Issue

Class	Net Asset Value (£)	Units in Issue	Net Asset Value per Unit (p)
R-Class			
Distribution Units	144,589,007	169,536,467	85.28
Accumulation Units	12,778,709	12,506,929	102.17
F-Class			
Distribution Units	559	650	86.00
Accumulation Units	121,369	114,419	106.07
I-Class			
Distribution Units	2,068,885	2,424,126	85.35
Accumulation Units	5,051,208	4,497,352	112.32
C-Class			
Distribution Units	581,230	1,208,037	48.11
Accumulation Units	22,210,724	45,636,383	48.67

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.

Ongoing Charges Figures

	15 Nov 18	15 May 18
R-Class	1.53%	1.71%
E-Class [†]	–	1.82%
F-Class	1.03%	1.21%
I-Class	0.78%	0.88%
C-Class	0.50%	0.50%

[†] As at the 10 November 2017, the E-Class was closed. All unitholders in the E-Class as at 10 November 2017 have been moved into the R-Class. The terms and charges are identical between the classes.

The Ongoing Charges Figure (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 fund and is calculated based on the last period's figures.

Trust Information continued

Distribution Information

R-Class

The distribution payable on 15 January 2019 is 0.0444p per unit for distribution units and 0.0563p per unit for accumulation units.

F-Class

The distribution payable on 15 January 2019 is 0.2615p per unit for distribution units and 0.3235p per unit for accumulation units.

I-Class

The distribution payable on 15 January 2019 is 0.3697p per unit for distribution units and 0.4845p per unit for accumulation units.

C-Class

The distribution payable on 15 January 2019 is 0.2772p per unit for distribution units and 0.2788p per unit for accumulation units.

Risk and Reward Profile



- This risk and reward profile is based on historical data which may not be a reliable indication of the Trust's risk and reward category in the future.
- The category 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

Constitution

Launch date:	1 November 2000
Period end date for distributions:	15 May, 15 November
Distribution dates:	15 July, 15 January
Minimum initial lump sum investment:	R-Class £100 F-Class* £500 I-Class £1,000,000 C-Class** £20,000,000
Minimum monthly contributions:	R-Class £20 F-Class* £50 I-Class N/A C-Class** N/A
Valuation point:	12 noon
Fund management fees:	R-Class Annual 1.53% F-Class* Annual 1.03% I-Class Annual 0.78% C-Class** Annual 0.50%
Initial charge:	R-Class Nil F-Class* Nil I-Class Nil C-Class** Nil

* F-Class units are only available to:

- (i) investors who have received advice from authorised intermediaries, 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 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.

Pricing and Dealing

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

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

Buying and Selling Units

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

General Information continued

ISA Status

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

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

Prospectus and Manager's Reports

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

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

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

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.

Significant Changes

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 Growth 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 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**

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