

Legal & General
(Alliance & Leicester) Capital Growth Fund

**Interim Manager's Report
for the period ended
31 August 2018
(Unaudited)**

**EVERY
DAY
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Manager's Investment Report

Investment Objective and Policy

The objective of the Fund is to track the capital performance of the FTSE 350 Index (the 'Index') and to maintain a gross income yield equal to that of the Index.

Securities in the Index will be held with weightings generally proportionate to their official Index weighting. From time to time non-Index constituents may be held as a result of a corporate action and these holdings will be sold or transferred as soon as reasonably practical.

Manager's Investment Report

During the period under review, the bid price of the Fund's units rose by 5.45%. 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 12pm. Therefore, for tracking purposes the Fund has been revalued using closing prices. On this basis over the review period, the Fund returned 3.18% on a capital only basis, compared with the FTSE 350 Index return of 3.16% (source: Bloomberg), producing a tracking difference of +0.02%.

Past performance is not a guide to future performance.

The value of investments and any income from them may go down as well as up.

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

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Market/Economic Review

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 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 energy sectors performed well, boosted by the strength of the oil price. 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.

The more domestically focused FTSE Mid 250 Index (+5.09%) outperformed the more globally focused FTSE 100 Index (+2.77%) during the review period. The UK market was at its lowest in March but rebounded in May and maintained its level towards the end of the period.

Manager's Investment Report continued

The best performing sectors over the review period were Oil Equipment, Services & Distribution (+25.39%), Food & Drug Retailers (+24.34%) and Pharmaceuticals & Biotechnology (+24.06%). The worst performing sectors over the review period were Mobile Telecommunications (-17.93%), Software & Computer Services (-14.22%) and Industrial Transportation (-13.22%).

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.

During the period under review there were two Index reviews carried out by FTSE. The March quarterly Index review resulted in seven additions and seven deletions. The largest additions were Pantheon International, Baillie Gifford Japan Trust and Games Workshop Group. The largest deletions were MITIE Group, Vectura Group and Hansteen Holdings. There were 44 changes to the free share capital of constituents with the largest increases being Royal Dutch Shell 'A' and Ocado Group and the largest decreases being Diageo and Rio Tinto.

The Index review in June resulted in four additions and four deletions. The largest additions were Laird, Premier Oil, IntegrafIn and Energean Oil and Gas. The largest deletions were Marstons, Woodford Patient Capital Trust, Pets At Home Group and Purecircle. There were 213 changes to the free share capital of constituents with the largest increases being BP and Royal Bank of Scotland Group and the largest decreases being Melrose Industries and Rio Tinto.

Outside of the reviews there was a noticeable amount of overseas Merger & Acquisition (M&A) activity. Booker was deleted from the Index as a result of all stock merger with Tesco. Aldermore Group was acquired by FirstRand Limited for cash. GKN was taken over by Melrose Industries in exchange for stock. UBM was acquired by Informa in a stock acquisition. Ladbroke's Coral Group merged with GVC. The cash deals included Fidessa Group acquired by ION Bidco, Fenner by Michelin B, ZPG by Zephyr Bidco and Laird by AI Ladder Limited. As M&A targets were deleted from the Index a number of stocks were promoted from the FTSE Small Cap Index including Edinburgh Dragon Trust, Vinacapital Vietnam Opportunity Fund, Primary Health Properties, AA, JPMorgan Japanese Investment Trust, Fidelity Special Values, Keller Group, BlackRock Smaller Companies Trust and Hilton Food Group.

Another noteworthy corporate action involved the demerger of Quilter from Old Mutual and the creation of a new holding company which subsequently became assigned to South Africa resulting in the new company being deleted from UK Indices.

Companies raising capital via rights issues included John Laing Group, Galliford Try, Provident Financial, Phoenix Group and DS Smith. The Weir Group and Metro Bank raised capital for growth via primary placings. Secondary placings that resulted in companies having their freely available share capital increased in the Index were made for ConvaTec Group and Just Group. In addition, HMRC reduced their stake to 62.4% in Royal Bank of Scotland Group.

Manager's Investment Report continued

Outlook

Following the rate hike in August to 0.75%, the Bank of England (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 GDP growth rate expectation at 1.3% in 2018 and 1.5% in 2019. Brexit 'No deal' scenario is still a potential outcome, however we are assigning a probability of less than 10%. 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)
26 September 2018

Authorised Status

Authorised Status

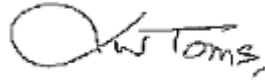
This Fund is an Authorised Unit Trust Scheme as defined in section 243 of the Financial Services and Markets Act 2000 and is a UCITS Retail Scheme within the meaning of the FCA Collective Investment Schemes sourcebook.

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
19 October 2018

Portfolio Statement

Portfolio Statement as at 31 August 2018

All investments are in ordinary shares unless otherwise stated. The percentages in brackets show the equivalent holdings at 28 February 2018.

Holding/ Nominal Value	Investment	Market Value £	% of Net Assets
	UNITED KINGDOM		
	— 87.41% (88.00%)		
	Oil & Gas Producers		
	— 13.71% (12.55%)		
1,251,367	BP	6,886,273	4.53
36,855	Cairn Energy	89,336	0.06
4,019	Energean Oil & Gas	20,859	0.01
48,000	Premier Oil	58,944	0.04
35,102	Royal Dutch Shell 'A'	886,325	0.58
259,186	Royal Dutch Shell 'A' (Dutch Listing)	6,547,192	4.31
239,368	Royal Dutch Shell 'B'	6,145,773	4.04
91,821	Tullow Oil	212,290	0.14
		20,846,992	13.71
	Oil Equipment, Services & Distribution — 0.26% (0.22%)		
9,600	Hunting	82,416	0.05
42,566	John Wood Group	312,605	0.21
		395,021	0.26
	Chemicals — 0.84% (0.78%)		
8,211	Croda International	421,881	0.28
29,952	Elementis	77,755	0.05
12,117	Johnson Matthey	426,518	0.28
247,923	Sirius Minerals	90,393	0.06
16,479	Synthomer	93,354	0.06
5,232	Victrex	166,796	0.11
		1,276,697	0.84
	Forestry & Paper — 0.33% (0.31%)		
23,429	Mondi	502,318	0.33
	Industrial Metals & Mining — 0.13% (0.14%)		
33,871	Evrax	169,761	0.11
17,747	Ferrexpo	27,029	0.02
		196,790	0.13
	Mining — 4.17% (4.53%)		
63,686	Anglo American	996,049	0.65
22,578	Antofagasta	184,327	0.12
133,600	BHP Billiton	2,216,157	1.46
11,467	Fresnillo	104,441	0.07
15,000	Hochschild Mining	26,295	0.02
14,310	KAZ Minerals	67,543	0.04
73,550	Rio Tinto	2,702,963	1.78
5,673	Vedanta Resources	47,279	0.03
		6,345,054	4.17

Portfolio Statement continued

Holding/ Nominal Value	Investment	Market Value £	% of Net Assets
Construction & Materials			
— 0.68% (0.41%)			
45,780	Balfour Beatty	133,861	0.09
21,100	Ibstock	51,948	0.03
5,000	Keller Group	52,000	0.04
5,883	Kier Group	56,388	0.04
12,383	Marshalls	56,541	0.04
280,608	Melrose Industries	628,001	0.41
13,000	Polypipe Group	47,658	0.03
		1,026,397	0.68
Aerospace & Defense			
— 2.00% (1.84%)			
205,650	BAE Systems	1,249,941	0.82
158,931	Cobham	198,505	0.13
49,578	Meggitt	267,424	0.18
34,480	QinetiQ Group	93,785	0.06
106,077	Rolls-Royce	1,068,726	0.70
26,785	Senior	85,551	0.06
4,635	Ultra Electronics	74,855	0.05
		3,038,787	2.00
General Industrials — 0.77% (0.74%)			
78,141	Coats Group	64,701	0.04
83,354	DS Smith	415,020	0.28
25,251	RPC Group	182,514	0.12
25,284	Smiths Group	409,980	0.27
14,590	Vesuvius	91,625	0.06
		1,163,840	0.77
Electronic & Electrical Equipment			
— 0.47% (0.47%)			
24,088	Halma	345,181	0.23
18,737	Morgan Advanced Materials	64,043	0.04
2,110	Renishaw	112,569	0.07
8,038	Spectris	188,893	0.13
		710,686	0.47
Industrial Engineering			
— 0.78% (0.81%)			
11,760	Bodycote	112,954	0.07
4,600	Hill & Smith	49,450	0.03
17,055	IMI	206,536	0.14
55,694	Rotork	189,137	0.13
4,718	Spirax-Sarco Engineering	337,573	0.22
15,728	The Weir Group	295,372	0.19
		1,191,022	0.78
Industrial Transportation			
— 0.37% (0.45%)			
68,633	BBA Aviation	213,586	0.14
1,615	Clarkson	46,431	0.03
2,000	James Fisher & Sons	36,480	0.02

Portfolio Statement continued

Holding/ Nominal Value	Investment	Market Value £	% of Net Assets
Industrial Transportation — (cont.)			
59,178	Royal Mail	267,011	0.18
		<hr/>	<hr/>
		563,508	0.37
Support Services — 2.99% (2.79%)			
39,000	AA	44,577	0.03
15,593	Aggreko	132,634	0.09
31,220	Ashtead Group	742,099	0.49
31,654	Babcock International Group	228,352	0.15
42,400	BCA Marketplace	100,700	0.07
21,952	Bunzl	526,190	0.35
105,505	Capita Group	157,203	0.10
7,109	Diploma	104,076	0.07
28,877	Electrocomponents	216,000	0.14
21,250	Equinifi Group	46,856	0.03
17,099	Essentra	76,604	0.05
98,775	G4S	247,925	0.16
86,431	Hays	177,356	0.12
17,363	HomeServe	181,096	0.12
38,444	Howden Joinery Group	189,990	0.12
10,278	Intertek Group	529,112	0.35
19,630	PageGroup	120,430	0.08
40,000	Renewi	26,200	0.02
115,972	Rentokil Initial	381,780	0.25
71,552	Serco Group	70,550	0.05
42,129	SIG	54,936	0.03
16,247	Travis Perkins	186,434	0.12
		<hr/>	<hr/>
		4,541,100	2.99
Automobiles & Parts — 0.02% (0.34%)			
9,600	TI Fluid Systems	27,130	0.02
Beverages — 2.86% (2.76%)			
5,748	A.G. Barr	39,891	0.03
17,563	Britvic	143,051	0.09
154,599	Diageo	4,171,081	2.74
		<hr/>	<hr/>
		4,354,023	2.86
Food Producers — 0.60% (0.61%)			
22,347	Associated British Foods	515,992	0.34
7,524	Bakkavor Group	14,100	0.01
2,731	Cranwick	88,321	0.06
9,765	Dairy Crest Group	46,188	0.03
4,000	Hilton Food Group	37,360	0.02
31,368	Tate & Lyle	210,103	0.14
		<hr/>	<hr/>
		912,064	0.60
Household Goods & Home Construction — 3.15% (3.10%)			
64,169	Barratt Developments	349,978	0.23
8,151	Bellway	240,128	0.16

Portfolio Statement continued

Holding/ Nominal Value	Investment	Market Value £	% of Net Assets
	Household Goods & Home Construction — (cont.)		
8,775	Bovis Homes Group	99,772	0.07
22,083	Countryside Properties	74,199	0.05
17,237	Crest Nicholson	66,087	0.04
6,400	Galliford Try	62,688	0.04
34,214	McCarthy & Stone	38,593	0.03
20,119	Persimmon	494,525	0.32
40,043	Reckitt Benckiser Group	2,633,228	1.73
13,676	Redrow	74,944	0.05
212,835	Taylor Wimpey	359,159	0.24
8,039	The Berkeley Group	294,308	0.19
		4,787,609	3.15
	Leisure Goods — 0.04% (0.00%)		
1,900	Games Workshop Group	67,925	0.04
	Personal Goods — 2.59% (2.27%)		
26,330	Burberry Group	592,952	0.39
12,951	PZ Cussons	31,212	0.02
2,837	Superdry	33,845	0.02
2,000	Ted Baker	44,520	0.03
73,605	Unilever	3,236,412	2.13
		3,938,941	2.59
	Tobacco — 4.71% (5.44%)		
145,446	British American Tobacco	5,466,588	3.60
866	British American Tobacco ADR	32,648	0.02
60,295	Imperial Brands	1,665,348	1.09
		7,164,584	4.71
	Health Care Equipment & Services — 0.87% (0.86%)		
79,654	ConvaTec Group	171,734	0.11
26,261	Mediclinic International	128,942	0.09
5,552	NMC Health	218,305	0.15
56,170	Smith & Nephew	765,316	0.50
18,739	Spire Healthcare Group	32,793	0.02
		1,317,090	0.87
	Pharmaceuticals & Biotechnology — 6.83% (5.89%)		
81,111	AstraZeneca	4,720,660	3.10
23,894	BTG	130,581	0.09
6,417	Dechra Pharmaceuticals	200,852	0.13
4,062	Genus	116,254	0.08
312,231	GlaxoSmithKline	4,923,883	3.24
8,718	Hikma Pharmaceuticals	172,355	0.11
45,677	Indivior	123,419	0.08
		10,388,004	6.83
	Food & Drug Retailers — 1.77% (1.45%)		
6,669	Greggs	69,958	0.05

Portfolio Statement continued

Holding/ Nominal Value	Investment	Market Value £	% of Net Assets
Food & Drug Retailers — (cont.)			
103,387	J Sainsbury	339,730	0.22
35,235	Ocado Group	381,243	0.25
616,092	Tesco	1,521,131	1.00
141,653	Wm Morrison Supermarkets	377,009	0.25
		2,689,071	1.77
General Retailers — 1.49% (1.69%)			
16,532	Card Factory	31,460	0.02
68,691	Dixons Carphone	115,847	0.08
6,343	Dunelm Group	33,364	0.02
12,950	Halfords Group	41,932	0.03
27,566	Inchcape	191,170	0.12
23,000	JD Sports Fashion	117,346	0.08
37,823	Just Eat	293,582	0.19
138,899	Kingfisher	382,250	0.25
99,831	Marks & Spencer Group	302,089	0.20
8,463	Next	466,819	0.31
75,697	Saga	96,287	0.06
12,449	Sports Direct International	47,705	0.03
7,016	WH Smith	145,652	0.10
		2,265,503	1.49
Media — 2.93% (2.57%)			
21,321	Ascential	91,510	0.06
58,445	Auto Trader Group	264,756	0.17
2,748	Euromoney Institutional Investor	36,328	0.02
80,447	Informa	615,902	0.41
229,757	ITV	372,091	0.25
35,048	Moneysupermarket.com Group	100,237	0.07
49,184	Pearson	457,018	0.30
70,095	RELX	1,203,181	0.79
58,040	Rightmove	285,615	0.19
66,420	Sky	1,024,861	0.67
		4,451,499	2.93
Travel & Leisure — 3.33% (3.45%)			
11,165	Carnival	518,503	0.34
66,400	Cineworld Group	202,122	0.13
101,552	Compass Group	1,697,949	1.12
26,029	Domino's Pizza Group	75,927	0.05
15,979	easyJet	245,198	0.16
80,617	FirstGroup	73,563	0.05
2,785	Go-Ahead Group	47,456	0.03
21,721	Greene King	105,825	0.07
12,376	InterContinental Hotels Group	594,172	0.39
4,918	J D Wetherspoon	61,328	0.04
95,123	Ladbrokes Coral Group Rights	10,806	0.01
47,026	Merlin Entertainments	174,843	0.11
7,666	Millennium & Copthorne Hotels	40,323	0.03
14,050	Mitchells & Butlers	35,771	0.02

Portfolio Statement continued

Holding/ Nominal Value	Investment	Market Value £	% of Net Assets
Travel & Leisure — (cont.)			
27,399	National Express Group	109,377	0.07
7,000	On the Beach Group	35,770	0.02
8,886	Rank Group	15,408	0.01
29,407	SSP Group	205,496	0.14
28,782	Stagecoach Group	46,943	0.03
89,229	Thomas Cook Group	76,246	0.05
11,898	Whitbread	556,469	0.37
51,058	William Hill	131,372	0.09
		5,060,867	3.33
Fixed Line Telecommunications — 0.83% (0.94%)			
537,452	BT Group	1,177,557	0.78
36,430	TalkTalk Telecom Group	46,485	0.03
3,201	Telecom Plus	33,226	0.02
		1,257,268	0.83
Mobile Telecommunications — 1.98% (2.46%)			
29,423	Inmarsat	163,651	0.11
1,707,923	Vodafone Group	2,853,256	1.87
		3,016,907	1.98
Electricity — 0.62% (0.59%)			
9,300	ContourGlobal	20,739	0.01
26,757	Drax Group	102,907	0.07
65,122	SSE	824,445	0.54
		948,091	0.62
Gas, Water & Multi-utilities — 2.04% (1.95%)			
358,517	Centrica	519,312	0.34
214,482	National Grid	1,745,883	1.15
26,250	Pennon Group	203,490	0.13
15,565	Severn Trent	313,012	0.21
43,213	United Utilities Group	322,974	0.21
		3,104,671	2.04
Banks — 10.33% (11.88%)			
2,311	Bank of Georgia Group	38,635	0.03
1,096,915	Barclays	1,941,539	1.28
9,521	Close Brothers Group	152,146	0.10
53,651	CYBG	179,087	0.12
1,286,450	HSBC	8,621,788	5.67
4,610,782	Lloyds Banking Group	2,740,649	1.80
5,161	Metro Bank	142,134	0.09
290,126	Royal Bank of Scotland Group	705,877	0.46
172,884	Standard Chartered	1,086,922	0.72
2,000	TBC Bank Group	32,440	0.02
16,663	Virgin Money (UK)	64,269	0.04
		15,705,486	10.33

Portfolio Statement continued

Holding/ Nominal Value	Investment	Market Value £	% of Net Assets
	Nonlife Insurance — 0.92% (0.94%)		
12,564	Admiral Group	262,588	0.17
33,581	Beazley	202,158	0.13
88,316	Direct Line Insurance Group	293,739	0.20
18,103	Esure Group	50,471	0.03
19,348	Hastings Group	52,704	0.04
7,617	Jardine Lloyd Thompson Group	110,446	0.07
66,372	RSA Insurance Group	420,002	0.28
		1,392,108	0.92
	Life Insurance — 3.66% (4.48%)		
257,441	Aviva	1,263,263	0.83
50,223	Just Group	46,029	0.03
380,976	Legal & General Group	974,918	0.64
166,096	Prudential	2,898,375	1.91
32,898	St. James's Place	374,379	0.25
		5,556,964	3.66
	Real Estate Investment & Services — 0.24% (0.25%)		
46,997	Capital & Counties Properties	121,957	0.08
10,209	CLS	23,174	0.02
286	Daejan	16,845	0.01
27,894	Grainger	86,137	0.06
7,952	Savills	63,537	0.04
11,537	St. Modwen Properties	45,294	0.03
		356,944	0.24
	Real Estate Investment Trusts — 1.86% (1.84%)		
141,268	Assura	77,839	0.05
9,287	Big Yellow Group	88,180	0.06
6,777	Derwent London	206,021	0.14
17,502	Great Portland Estates	126,889	0.08
50,165	Hammerson	236,979	0.16
60,362	Intu Properties	95,100	0.06
46,379	Land Securities Group	426,223	0.28
42,990	LondonMetric Property	78,887	0.05
17,929	NewRiver REIT	47,333	0.03
41,000	Primary Health Properties	46,248	0.03
13,315	Safestore	71,768	0.05
66,199	SEGRO	437,973	0.29
15,033	Shaffesbury	139,130	0.09
62,361	The British Land Company	396,616	0.26
16,065	The Unite Group	142,898	0.09
85,119	Tritax Big Box REIT	128,955	0.08
7,943	Workspace Group	85,626	0.06
		2,832,665	1.86
	Financial Services — 3.13% (3.03%)		
61,669	3i Group	557,118	0.37
25,720	Ashmore Group	92,026	0.06

Portfolio Statement continued

Holding/ Nominal Value	Investment	Market Value £	% of Net Assets
	Financial Services — (cont.)		
17,488	Brewin Dolphin	62,712	0.04
9,100	Charter Court Financial Services	32,378	0.02
16,216	Hargreaves Lansdown	356,590	0.23
23,227	IG Group	211,250	0.14
12,244	IntegraFin	44,078	0.03
18,578	Intermediate Capital Group	194,697	0.13
39,461	Investec	203,066	0.13
55,483	IP Group	73,681	0.05
31,484	John Laing Group	98,419	0.07
27,562	Jupiter Fund Management	116,587	0.08
20,114	London Stock Exchange Group	942,341	0.62
100,146	Man Group	173,303	0.11
20,709	NEX Group	216,409	0.14
11,291	OneSavings Bank	46,971	0.03
18,183	Paragon Banking Group	85,424	0.06
17,004	Provident Financial	116,783	0.08
100,047	Quilter	142,307	0.09
3,624	Rathbone Brothers	94,659	0.06
7,455	Schroders	230,807	0.15
3,067	Sole Realisation (SVG Capital) ¹	—	—
176,727	Standard Life Aberdeen	562,522	0.37
33,896	TP ICAP	99,349	0.07
		4,753,477	3.13
	Equity Investment Instruments — 2.36% (2.15%)		
6,162	Aberforth Smaller Companies Trust	82,941	0.06
3,000	BlackRock Smaller Companies Trust	44,250	0.03
7,343	British Empire Trust	55,660	0.04
2,222	Caledonia Investments	61,994	0.04
14,395	Dexion 'B' Shares ¹	151	—
13,000	Edinburgh Dragon Trust	47,970	0.03
3,000	F&C Global Smaller Companies	43,650	0.03
23,490	Fidelity China Special Situations	52,500	0.04
26,817	Fidelity European Values	62,886	0.04
12,000	Fidelity Special Values	32,880	0.02
9,300	Finsbury Growth & Income Trust	78,399	0.05
34,779	Foreign & Colonial Investment Trust	252,496	0.17
65,419	Greencoat UK Wind	81,250	0.05
4,600	Herald Investment Trust	61,180	0.04
13,842	JPMorgan American Investment Trust	64,088	0.04
8,705	JPMorgan Emerging Markets Investment Trust	74,515	0.05
7,000	JPMorgan Indian Investment Trust	49,910	0.03
10,500	JPMorgan Japanese Investment Trust	47,565	0.03
6,900	Jupiter European Opportunities Trust	61,479	0.04
8,424	Murray International Trust	95,191	0.06
3,500	Pantheon International	72,100	0.05

Portfolio Statement continued

Holding/ Nominal Value	Investment	Market Value £	% of Net Assets
Equity Investment Instruments — (cont.)			
16,908	Perpetual Income and Growth Investment Trust	61,122	0.04
120	Personal Assets Trust	47,940	0.03
8,527	Polar Capital Technology Trust	117,161	0.08
8,119	RIT Capital Partners	168,875	0.11
10,000	Schroder AsiaPacific Fund	44,200	0.03
5,356	Scottish Investment Trust	46,758	0.03
86,847	Scottish Mortgage Investment Trust	482,001	0.32
4,314	Temple Bar Investment Trust	54,874	0.04
18,258	Templeton Emerging Markets Investment Trust	128,354	0.08
21,797	The Alliance Trust	168,927	0.11
5,800	The Baillie Gifford Japan Trust	49,068	0.03
8,111	The Bankers Investment Trust	72,756	0.05
22,827	The City of London Investment Trust	96,216	0.06
11,677	The Edinburgh Investment Trust	80,688	0.05
53,310	The Mercantile Investment Trust	115,150	0.08
13,860	The Monks Investment Trust	116,424	0.08
21,578	TR Property Investment Trust	90,735	0.06
11,313	Witan Investment Trust	126,479	0.08
3,242	Worldwide Healthcare Trust	93,045	0.06
		3,583,828	2.36
Software & Computer Services — 0.75% (1.02%)			
5,317	Alfa Financial Software	8,869	—
4,074	AVEVA Group	115,294	0.08
3,610	Computacenter	48,879	0.03
4,700	FDM Group	44,039	0.03
23,470	Micro Focus International	309,100	0.20
3,400	Micro Focus International ADR	44,547	0.03
6,506	Softcat	55,301	0.04
19,064	Sophos Group	102,946	0.07
69,575	The Sage Group	414,667	0.27
		1,143,642	0.75
IRELAND — 1.94% (1.97%)			
Construction & Materials — 0.91% (0.90%)			
53,577	CRH	1,386,573	0.91
General Industrials — 0.32% (0.27%)			
15,179	Smurfit Kappa Group	480,264	0.32
Support Services — 0.34% (0.34%)			
5,759	DCC	403,130	0.27
14,006	Grafton Group	107,706	0.07
		510,836	0.34
Food Producers — 0.05% (0.06%)			
47,998	Greencore Group	83,396	0.05

Portfolio Statement continued

Holding/ Nominal Value	Investment	Market Value £	% of Net Assets
	Health Care Equipment & Services — 0.08% (0.09%)		
15,960	UDG Healthcare	118,343	0.08
	Travel & Leisure — 0.24% (0.31%)		
5,277	Paddy Power Betfair	372,556	0.24
	BERMUDA — 0.26% (0.25%)		
	Food Producers — 0.00% (0.02%)		
	Nonlife Insurance — 0.26% (0.23%)		
18,376	Hiscox	311,289	0.21
13,035	Lancashire	79,579	0.05
		390,868	0.26
	CANADA — 0.05% (0.05%)		
	Media — 0.05% (0.05%)		
21,586	Entertainment One	79,177	0.05
	CAYMAN ISLANDS — 0.22% (0.18%)		
	Life Insurance — 0.18% (0.14%)		
38,233	Phoenix Group	272,028	0.18
	Equity Investment Instruments — 0.04% (0.04%)		
13,000	Vietnam Enterprise Investments	58,500	0.04
	CHANNEL ISLANDS — 6.69% (6.67%)		
	Oil Equipment, Services & Distribution — 0.07% (0.06%)		
16,153	Petrofac	104,381	0.07
	Mining — 1.87% (2.37%)		
66,284	Centamin	67,941	0.05
744,253	Glencore	2,376,028	1.56
14,843	Polymetal International	96,153	0.06
5,941	Randgold Resources	301,327	0.20
		2,841,449	1.87
	Industrial Transportation — 0.03% (0.03%)		
21,000	Stobart Group	50,085	0.03
	Support Services — 1.45% (1.30%)		
58,730	Experian	1,131,140	0.74
14,865	Ferguson	922,522	0.61
45,512	IWG	107,909	0.07
8,000	Sanne Group	49,920	0.03
		2,211,491	1.45
	Pharmaceuticals & Biotechnology — 1.70% (1.19%)		
57,452	Shire	2,580,456	1.70
	Media — 0.66% (0.90%)		
78,586	WPP	1,010,616	0.66
	Travel & Leisure — 0.07% (0.06%)		
3,174	Wizz Air	99,949	0.07

Portfolio Statement continued

Holding/ Nominal Value	Investment	Market Value £	% of Net Assets
	Real Estate Investment & Services — 0.06% (0.06%)		
35,451	F&C Commercial Property Trust	52,113	0.04
39,626	UK Commercial Property Trust	35,386	0.02
		<hr/>	<hr/>
		87,499	0.06
	Equity Investment Instruments — 0.78% (0.70%)		
34,512	3i Infrastructure	85,107	0.05
47,936	GCP Infrastructure Investments	59,057	0.04
7,541	Genesis Emerging Markets Fund	51,807	0.03
5,583	HarbourVest Global Private Equity	76,711	0.05
108,339	HICL Infrastructure Company	169,984	0.11
93,792	International Public Partnerships	145,940	0.10
57,187	John Laing Infrastructure Fund	83,264	0.06
64,329	NB Global Floating Rate Income Fund	59,697	0.04
14,200	Pershing Square	168,412	0.11
3,815	Riverstone Energy	48,374	0.03
49,000	Sequoia Economic Infrastructure Income Fund	53,410	0.04
26,597	Syncona	71,147	0.05
61,257	The Renewables Infrastructure Group	67,383	0.04
12,900	VinaCapital Vietnam Opportunity Fund	43,602	0.03
		<hr/>	<hr/>
		1,183,895	0.78
	GERMANY — 0.26% (0.30%) Travel & Leisure — 0.26% (0.30%)		
27,955	TUI	399,058	0.26
	GIBRALTAR — 0.02% (0.02%) Travel & Leisure — 0.02% (0.02%)		
13,376	888	31,220	0.02
	ISLE OF MAN — 0.33% (0.24%) Travel & Leisure — 0.31% (0.22%)		
34,171	GVC	373,831	0.25
18,506	Playtech	96,194	0.06
		<hr/>	<hr/>
		470,025	0.31
	Real Estate Investment Trusts — 0.02% (0.02%)		
89,307	RDI REIT	30,320	0.02
	LUXEMBOURG — 0.14% (0.13%) General Retailers — 0.14% (0.13%)		
51,425	B&M European Value Retail	212,848	0.14
	NETHERLANDS — 0.08% (0.04%) Industrial Engineering — 0.05% (0.04%)		
1,382	RHI Magnesita	69,376	0.05
	Media — 0.03% (0.00%)		
3,000	RELX N.V.	51,423	0.03
		<hr/>	<hr/>

Portfolio Statement continued

Holding/ Nominal Value	Investment	Market Value £	% of Net Assets
	SPAIN — 0.48% (0.44%) Travel & Leisure — 0.48% (0.44%)		
105,440	International Consolidated Airlines Group	731,332	0.48
	SWITZERLAND — 0.22% (0.21%) Beverages — 0.22% (0.21%)		
12,546	Coca-Cola HBC	330,462	0.22
	FUTURES CONTRACTS — 0.00% (-0.01%)		
	Portfolio of investments²	149,122,999	98.10
	Net other assets	2,886,517	1.90
	Total net assets	£152,009,516	100.00%

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

² All investments are admitted to an official stock exchange unless otherwise stated.

Total purchases for the period: £1,904,861.

Total sales for the period: £4,268,910.

Financial Statements

Statement of Total Return for the period ended 31 August 2018

	31/08/18		31/08/17	
	£	£	£	£
Income				
Net capital gains		4,839,098		3,865,082
Revenue	3,719,263		3,544,450	
Expenses	(515,213)		(891,422)	
Interest payable and similar charges	(8)		(9)	
Net revenue before taxation	<u>3,204,042</u>		<u>2,653,019</u>	
Taxation	(23,639)		(492)	
Net revenue after taxation for the period		<u>3,180,403</u>		<u>2,652,527</u>
Total return before distributions		8,019,501		6,517,609
Distributions		<u>(3,180,403)</u>		<u>(2,652,527)</u>
Change in Unitholders' Funds from investment activities		<u>£4,839,098</u>		<u>£3,865,082</u>

Statements of Change in Unitholders' Funds for the period ended 31 August 2018

	31/08/18		31/08/17	
	£	£	£	£
Opening net assets		148,952,550		152,732,031
Amounts received on issue of units	23,836		66,588	
Amounts paid on cancellation of units	<u>(4,939,497)</u>		<u>(4,814,854)</u>	
		(4,915,661)		(4,748,266)
Change in Unitholders' Funds from investment activities		4,839,098		3,865,082
Retained distributions on accumulation units		<u>3,133,529</u>		<u>2,619,406</u>
Closing net assets		<u>£152,009,516</u>		<u>£154,468,253</u>

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 31 August 2018

	31/08/18 £	28/02/18 £
ASSETS		
Fixed assets:		
Investments	149,122,999	146,723,556
Current assets:		
Debtors	1,187,128	811,106
Cash and bank balances	2,164,970	1,972,500
Total assets	152,475,097	149,507,162
LIABILITIES		
Investment liabilities	–	(22,770)
Creditors:		
Bank overdrafts	(180,082)	(183,139)
Other creditors	(285,499)	(348,703)
Total liabilities	(465,581)	(554,612)
Net Assets	£152,009,516	£148,952,550
Unitholders' Funds	£152,009,516	£148,952,550

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.

Fund Information

Net Asset Values and Units in Issue

Class	Net Asset Value (£)	Units in Issue	Net Asset Value per Unit (p)
R-Class Accumulation Units	152,009,516	90,386,625	168.18

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.

Ongoing Charges Figures

	31 Aug 18	28 Feb 18
R-Class	0.60%	0.98%

The Ongoing Charges Figure (OCF) is the ratio of the Fund's total disclosable costs (excluding overdraft interest) to the average net assets of the Fund.

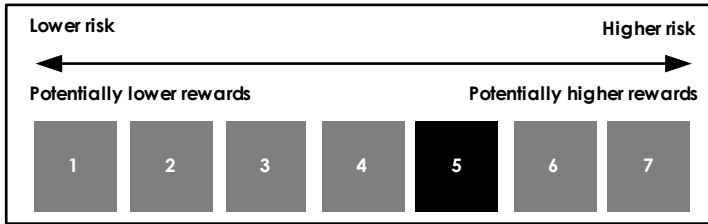
The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a fund and is calculated based on the last period's figures.

Distribution Information

R-Class

The distribution payable on 31 October 2018 is 3.4668p 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 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

Constitution

Launch date:	26 February 1996
Period end dates for distributions:	28 February, 31 August
Distribution dates:	30 April, 31 October
Minimum initial lump sum investment:	£500
Minimum monthly contributions:	£50
Valuation point:	12 noon
Fund management fees:	Annual 0.52%† (0.82% Prior to 1 June 2018)
Initial charge:	Nil

† With effect from 1 June 2018 - See Significant Changes on page 24.

Pricing and Dealing

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

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

Buying and Selling Units

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

ISA Status

This 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.

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.

General Information continued

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 period, the annualised Tracking Error of the Fund is 0.08%, whilst over the last three years to the end of August 2018, the annualised Tracking Error of the Fund is 0.15%. These Tracking Errors are within the anticipated Tracking Error levels set out in the Fund's Prospectus of +/-0.50% per annum.

Significant Changes

Change of Fund Management Fees (FMF)

With effect from 1 June 2018, the FMF for R-Class Accumulation units have been reduced from 0.82% to 0.52%.

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 (Alliance & Leicester) Capital Growth 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 (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
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

