Distribution Number 17

Legal & General Growth Trust

Annual Manager's Short Report for the year ended 15 May 2013

Investment Objective and Policy

The investment objective of this 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.

Risk Profile

Market Risk

Market risk arises mainly from uncertainty about future prices. The Manager adheres to the investment guidelines and in this way, monitors and controls the exposure to risk from any type of security, sector or issuer.

Trust Facts

Period End Dates for Distributions:	15 May, 15 Nov	
Distribution Dates:	15 Jul, 15 Jan	
Ongoing Charges Figures	15 May 13	15 May 12
E-Class	1.68%	1.67%
R-Class	1.68%	1.67%
I-Class	0.79%	0.80%
F-Class*	1.18%	—

* F-Class units launched on 19 December 2012.

The Ongoing Charges Figure (OCF) is the ratio of the Trust's total discloseable 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.

Risk and Reward Profile

Lower risk						Higher risk
Potentially lower rewards						Potentially higher rewards
1	2	3	4	5	6	7

- This risk and reward profile is based on historical data which may not be a reliable indication of the Trust's risk and reward category in the future.
- The category is based on the rate at which the value of the Trust has moved up and down in the past.
- This Trust is in category six because it invests in company shares which generally provide higher rewards and higher risks than other investments such as bonds, cash or commercial property.
- The Trust's category is not guaranteed to remain the same and may change over time.
- Even a trust in the lowest category is not a risk free investment.

Trust Performance

Accounting Date	Net Asset Value Of Trust	Net Asset Value Per Unit	Number Of Units In Issue
15 May 11			
E-Class			
Distribution Units	£160,828,177	56.64p	283,950,972
Accumulation Units	£2,181,090	64.34p	3,390,038
R-Class			
Distribution Units	£4,899,475	56.64p	8,650,292
Accumulation Units	£25,974,505	64.34p	40,371,823
I-Class			
Distribution Units	£25,553,302	56.64p	45,112,399
Accumulation Units	£8,271,807	66.18p	12,498,580
15 May 12			
E-Class			
Distribution Units	£123,166,909	52.37p	235,206,636
Accumulation Units	£1,800,288	59.78p	3,011,766
R-Class			
Distribution Units	£1,732,455	52.37p	3,308,396
Accumulation Units	£17,590,074	59.78p	29,427,236
I-Class			
Distribution Units	£6,354,507	52.36p	12,136,653
Accumulation Units	£1,685,593	62.10p	2,714,536
15 May 13			
E-Class			
Distribution Units	£117,729,070	57.51p	204,714,568
Accumulation Units	£1,806,335	66.64p	2,710,388
R-Class			
Distribution Units	£1,381,234	57.51p	2,401,929
Accumulation Units	£12,277,363	66.64p	18,422,295
I-Class			
Distribution Units	£2,857,594	57.49p	4,970,477
Accumulation Units	£912,813	69.85p	1,306,792
F-Class*			
Distribution Units	£1,053	57.95p	1,817
Accumulation Units	£1,067	67.36p	1,584

* F-Class units launched on 19 December 2012.

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.

Distribution Information

E-Class

The distribution payable on 15 July 2013 is 0.5723p net per unit for distribution units and 0.6564p net per unit for accumulation units.

R-Class

The distribution payable on 15 July 2013 is 0.5723p net per unit for distribution units and 0.6564p net per unit for accumulation units.

I-Class

The distribution payable on 15 July 2013 is 0.8217p net per unit for distribution units and 0.9836p net per unit for accumulation units.

F-Class

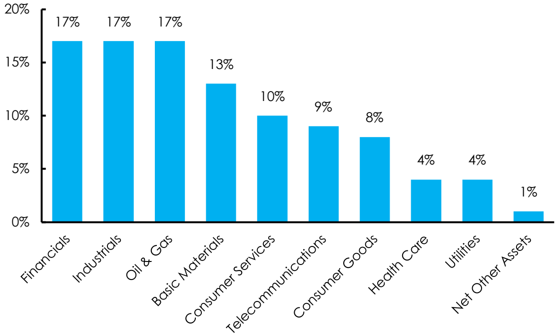
The distribution payable on 15 July 2013 is 0.7066p net per unit for distribution units and 0.8106p net per unit for accumulation units.

Portfolio Information

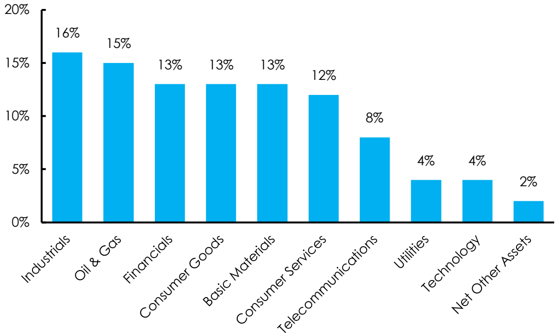
The top 10 holdings and their associated weighting for the current and preceding year are:

Top 10 Holdings at 15 May 2013		Top 10 Holdings at 15 May 2012	
Holding	**Percentage of Net Asset Value**	**Holding**	**Percentage of Net Asset Value**
Colt Group	4.74%	Rolls-Royce	4.58%
Rolls-Royce	4.44%	Imperial Tobacco	4.54%
Barclays	4.44%	Drax Group	4.49%
HSBC Holdings	4.43%	Vodafone Group	4.47%
BP	4.40%	Telecity	4.43%
Howden Joinery	4.32%	HSBC Holdings	4.41%
Prudential	4.32%	Lancashire Holdings	4.29%
Berkeley Group	4.29%	British American Tobacco	4.28%
Kentz	4.28%	Babcock International Group	4.27%
Shire	4.21%	Pearson	4.26%

Trust Holdings as at 15 May 2013



Trust Holdings as at 15 May 2012



Unit Price Range and Net Revenue

E-Class Units

Year	Highest Offer	Lowest Bid	Net Revenue
Distribution Units			
2008	58.75p	34.65p	0.5385p
2009	54.09p	35.77p	0.8921p
2010	58.46p	48.27p	0.4433p
2011	58.66p	45.87p	0.4098p
2012	57.07p	50.01p	0.2624p
2013[1]	59.72p	54.87p	0.8544p
Accumulation Units			
2008	63.84p	37.90p	0.5881p
2009	60.66p	39.55p	0.9824p
2010	65.56p	54.45p	0.5201p
2011	66.62p	52.09p	0.4633p
2012	64.89p	57.08p	0.2984p
2013[1]	68.54p	62.97p	0.9787p

R-Class Units

Year	Highest Offer	Lowest Bid	Net Revenue
Distribution Units			
2008	61.68p	34.65p	0.5385p
2009	56.80p	35.77p	0.8921p
2010	61.38p	48.27p	0.4433p
2011	61.58p	45.87p	0.4098p
2012	59.92p	50.01p	0.2624p
2013[1]	62.71p	54.87p	0.8544p
Accumulation Units			
2008	67.03p	37.90p	0.5881p
2009	63.70p	39.54p	0.9824p
2010	68.84p	54.45p	0.5201p
2011	69.96p	52.10p	0.4633p
2012	68.14p	57.08p	0.2984p
2013[1]	71.96p	62.97p	0.9787p

[1] The above tables show the highest offer and lowest bid prices to 15 May 2013 and the net revenue per unit to 15 July 2013.

Past performance is not a guide to future performance.

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Unit Price Range and Net Revenue continued

I-Class Units

Year	Highest Offer	Lowest Bid	Net Revenue
Distribution Units			
2008	58.81p	34.77p	0.5837p
2009	53.89p	35.46p	1.2232p
2010	58.67p	48.32p	0.8622p
2011	58.74p	46.03p	0.8845p
2012	57.23p	50.08p	0.7253p
2013(2)	59.88p	54.93p	1.3410p
Accumulation Units			
2008	63.91p	38.17p	0.6448p
2009	61.39p	39.53p	1.3514p
2010	66.83p	55.60p	0.9771p
2011	68.63p	53.82p	1.0193p
2012	67.49p	59.40p	0.8515p
2013(2)	71.72p	65.79p	1.6014p

F-Class Units*

Year	Highest Offer	Lowest Bid	Net Revenue
Distribution Units			
2012(1)	55.49p	54.23p	—
2013(2)	60.27p	55.33p	0.7066p
Accumulation Units			
2012(1)	63.68p	62.24p	—
2013(2)	69.17p	63.50p	0.8106p

* There are no prior year comparatives for the F-Class which launched on 19 December 2012.

(1) The above table shows the highest offer and lowest bid prices from 19 December 2012 to 31 December 2012.

(2) The above tables show the highest offer and lowest bid prices to 15 May 2013 and the net revenue per unit to 15 July 2013.

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.

Manager's Investment Report

During the year under review, the bid price of the Trust's R-Class distribution units rose by 10.48%. This compares to a rise in the FTSE All-Share Index of 24.79% on a capital only basis (Source: Bloomberg).

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

Market/Economic Review

During the first half of the review year, the situation in Greece remained difficult as austerity measures were severe and uncertain in outcome. Actions by the authorities tended to follow each new crisis in the bond markets, and the European leaders eventually produced a range of measures to provide funding and becalm markets. However, growth in Europe remained greatly pressured by lost confidence, government spending and rising unemployment, particularly outside Germany.

Relatively positive conditions existed in the US during the first half of the year under review, where growth was more buoyant. China also remained a growth engine, but the complexion changed as growth slowed in certain sectors following tightened financial conditions. Oil prices fell and rallied but overall it was a difficult period for the large Mining and Oil sectors in the UK market. In contrast, Financials such as banks and insurance performed well, reflecting a perceived fall in the risk of a more extreme outcome in Europe, such as a Euro breakdown. Domestic consumer sectors in the UK, such as general retail, house builders and leisure also fared well.

The increased risk appetite in 2013 has benefited the equity asset class across most regions, however in April and May 2013 we have seen the market step back a little after a very positive trend. In the UK, each month from September 2012 to March 2013, the FTSE All-Share Index (the benchmark Index) posted a positive return. In fact, the first three months of 2013 have seen the benchmark Index rise over 10% which is very significant in the context of recent tumultuous years.

However, the first quarter recovery of 2013, albeit very weak from a historic point of view, might have been interrupted by a new challenge as the US Federal Reserve recently indicated a possible reduction in monetary stimulus. It seems not only the US, but each of the major regions of the world, may have a headwind holding back a further step to a full-blown recovery.

Trust Review

During the year under review, the Trust underperformed the benchmark Index. This underperformance was driven by stock selection. In particular, stock selection was weakest in the Oil & Gas, Utilities (Electricity), Financials, Technology and the Consumer Services (Media) sectors and best in the Industrials sector.

Manager's Investment Report continued

During the year under review, the Trust was overweight on a sector basis in Industrials, Consumer Services, Technology and Basic Materials, and underweight in the Consumer Goods, Health Care and Financials sectors. This reflects two dominant themes in the portfolio, first our belief that the economic cycle is moving towards being supportive of more cyclically sensitive industries while also secondly, anticipating there is still significant issues facing the broader Financials sector, particularly UK domestic banks.

At a stock level, the three largest detractors from relative performance were Rockhopper Exploration, Mecom Group and Spirent Communications and the three major positive contributors were Smith (David S) Holdings, Prudential and Anglo American.

In terms of detractors, Rockhopper Exploration, an Oil & Gas exploration and development company, has suffered from a lack of newsflow following the deal with Premier Oil to develop its main asset in the Falklands. Mecom Group, a European publisher, declined after they revealed a fall in advertising revenue. We believe the market reaction is overstated and have retained our position in the stock. Spirent Communications, an Electronic Solutions provider, fell as the market believes that the company will be held back by the relatively modest capex (capital expenditure) spending plans of its client base. As a result, we have now exited Spirent Communications.

In terms of stocks which made positive contributions, we took profits and have exited Anglo American as we have concerns for the direction of prices for base metals as the macro economic picture in China looks less certain. We also took profits in Smith (David S) Holdings. Prudential represents our preferred way to play the Financials sector through insurance and asset management while avoiding those names which focus on domestic retail banking and the stock remains in the portfolio.

The major active positions at the sector level for the Trust at the start of the review year included an underweight position in Health Care and Consumer Goods and an overweight position in Consumer Services and Basic Materials. At the end of the review year, the picture had switched into an overweight position in Industrials, while maintaining an overweight position in Consumer Services. The underweight position in the Financials sector has been reduced and we have maintained the underweight position in Consumer Goods.

At a stock level, purchases include house builder, Berkeley Group and kitchen supplier, Howden Joinery. We anticipate that recent government initiatives will aid both industries. We also initiated a position in International Consolidated Airlines (IAG) which includes carriers such as BA and Iberia as we believe there is a resolution to issues at Iberia and we believe the stock is undervalued. They are also well placed to take advantage of industry consolidation. Other purchases include Shire, a prescription drug manufacturer and Colt Group, a business telecommunications player where we were presented with attractive entry points to both stocks.

We took profits in positions within the Consumer Goods sector such as Associated British Foods, British American Tobacco and Imperial Tobacco, as we rotated to stocks with more sensitivity to the economic cycle. We also exited APR Energy as expected contracts failed to materialise. We also took profits in Elementis, a speciality chemicals firm, having achieved its price target.

Outlook

Equities have enjoyed a rally for a number of months and while valuations are not seen as obviously inexpensive, particularly relative to other asset classes, they can no longer be described as cheap either and therefore their sensitivity to 'bad news' is more pronounced. We reflect an element of cautiousness and anticipate a further series of bumps on the road to global recovery. We believe that markets have decoupled from corporate earnings in the near term and the latter needs to see an improved trend to support further market progress.

It is worth noting, one significant positive for this portfolio is that fundamentals (that is company specific details) have remerged as the key driver of returns. Tangible evidence of this change is the reduction in share price correlations for stocks with similar characteristics.

However, we believe there is a supportive environment for high quality, growth companies with shareholder friendly management teams as opposed to capital intensive or low-margin plays. The portfolio reflects stocks which we believe are well positioned in the current environment of subdued but consistent growth and whose prospects are not fully recognised in their share prices. We believe the mid-cap segment offers the best risk/reward opportunity and continue to favour companies which are leaders in their niche markets.

Overall the UK stock market has lagged in terms of recovery in a global context and domestic economic expansion is likely to be muted, but importantly for a bottom-up stock picking Trust, fundamentals are once again the main driver of share prices.

Legal & General Investment Management Limited
(Investment Adviser)
12 June 2013

Manager's Report and Accounts

Copies of the most recent Interim and Annual Long Form Manager's Reports are available free of charge by telephoning 0370 050 0955, by writing to the Manager or are available on the internet at www.legalandgeneral.com/investments/fund-information/managers-reports.

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

Significant Changes

New Unit Class: F-Class

With effect from 19 December 2012, the Trust launched a new F-Class, with distribution and accumulation units.

F-Class units are only available for investment through a financial adviser.

Change in Fund Manager

With effect from 3 July 2013, the Fund Manager changed from Robert Churchlow to Rod Oscroft.

Minimum Investment Amounts

The minimum initial lump sum investment amounts for each class are as follows:

E-Class	£100,000
R-Class	£500
I-Class	£1,000,000
F-Class	£500

In addition, monthly contributions can be made into the R-Class and F-Class only, with a minimum amount of £50 per month.

Other Information

The information in this report is designed to enable unitholders to understand how the Trust has performed during the year under review and how it is invested at the year end. Further information on the activities and performance of the Trust can be obtained by telephoning 0370 050 0955 or by writing to the Manager.

Manager
Legal & General (Unit Trust Managers) Limited
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Authorised and regulated by the Financial Conduct Authority

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

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