

Legal & General UK 100 Index Trust

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





## Investment Objective and Policy

The investment objective of this Trust is to track the capital performance of the UK equity market as represented by the FTSE 100 Index.

Securities in the FTSE 100 Index will be held with weightings generally proportionate to their company's market capitalisation.

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.

## 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

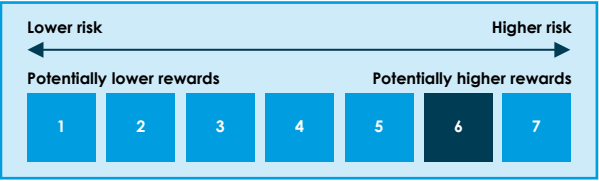
Period End Dates for Distributions:	5 May, 5 Nov	
Distribution Dates:	5 Jul, 5 Jan	
Ongoing Charges Figures:	5 May 13	5 May 12
E-Class	2.08%	2.08%
I-Class	0.23%	0.25%
R-Class	0.83%	0.83%
F-Class*	0.38%	—

\* F-Class units were 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



- 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
5 May 11			
E-Class			
Accumulation Units	£23,712,262	127.26p	18,632,594
I-Class			
Distribution Units	£24,655,486	116.78p	21,112,887
Accumulation Units	£49,254,749	141.27p	34,865,746
R-Class			
Distribution Units	£9,656,640	116.88p	8,262,311
Accumulation Units	£123,164,868	136.77p	90,055,274
5 May 12			
E-Class			
Accumulation Units	£20,739,789	124.92p	16,601,960
I-Class			
Distribution Units	£30,397,688	112.73p	26,965,232
Accumulation Units	£24,415,687	141.23p	17,287,783
R-Class			
Distribution Units	£9,416,691	112.82p	8,346,485
Accumulation Units	£122,655,621	135.94p	90,227,587
5 May 13			
E-Class			
Accumulation Units	£21,349,037	143.18p	14,910,748
I-Class			
Distribution Units	£12,302,136	127.03p	9,684,154
Accumulation Units	£24,454,086	164.87p	14,832,723
R-Class			
Distribution Units	£10,657,191	127.14p	8,382,570
Accumulation Units	£136,764,692	157.75p	86,694,844
F-Class*			
Distribution Units	£1,083	127.71p	848
Accumulation Units	£94,346	158.77p	59,422

\* F-Class units were 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.**

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

## Distribution Information

### E-Class

The distribution payable on 5 July 2013 is 1.3538p net per unit for accumulation units.

### I-Class

The distribution payable on 5 July 2013 is 2.3402p net per unit for distribution units and 2.9838p net per unit for accumulation units.

### R-Class

The distribution payable on 5 July 2013 is 1.9752p net per unit for distribution units and 2.4147p net per unit for accumulation units.

### F-Class

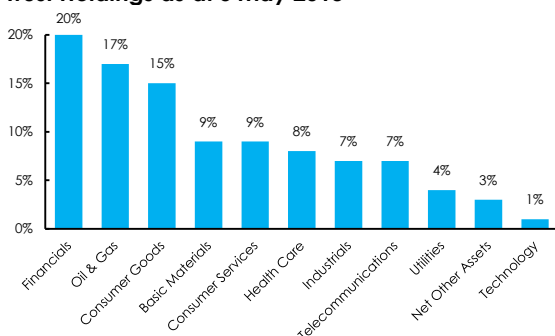
The distribution payable on 5 July 2013 is 2.2240p net per unit for distribution units and 2.7060p net per unit for accumulation units.

## Portfolio Information

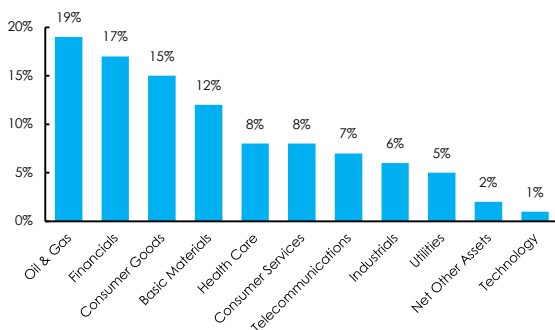
The top 10 holdings and their associated weighting for the current and preceding year are:

Top 10 Holdings at 5 May 2013		Top 10 Holdings at 5 May 2012	
Holding	Percentage of Net Asset Value	Holding	Percentage of Net Asset Value
HSBC Holdings	7.69%	HSBC Holdings	6.73%
Vodafone Group	5.59%	Vodafone Group	5.67%
BP	5.25%	BP	5.35%
GlaxoSmithKline	4.77%	GlaxoSmithKline	4.86%
British American Tobacco	4.12%	Royal Dutch Shell 'A' (Dutch Listing)	4.29%
Royal Dutch Shell 'A' (Dutch listing)	4.01%	British American Tobacco	4.18%
Royal Dutch Shell 'B'	3.56%	Royal Dutch Shell 'B'	4.06%
Diageo	2.90%	Rio Tinto	3.06%
AstraZeneca	2.43%	BG Group	3.06%
BHP Billiton	2.27%	BHP Billiton	2.72%

## Trust Holdings as at 5 May 2013



## Trust Holdings as at 5 May 2012



## Unit Price Range and Net Revenue

### E-Class Units

Year	Highest Offer	Lowest Bid	Net Revenue
<b>Accumulation Units</b>			
2008	131.70p	77.63p	1.9865p
2009	115.50p	73.00p	2.2507p
2010	128.60p	103.60p	1.8979p
2011	131.20p	107.20p	1.2672p
2012	131.40p	115.70p	2.0429p
2013 <sup>(1)</sup>	144.20p	132.30p	2.3559p

### I-Class Units

Year	Highest Offer	Lowest Bid	Net Revenue
<b>Distribution Units</b>			
2008	128.90p	75.70p	4.1861p
2009	107.40p	69.88p	3.8613p
2010	119.00p	96.19p	3.6148p
2011	122.00p	99.14p	3.2148p
2012	119.60p	104.80p	3.9262p
2013 <sup>(1)</sup>	130.00p	119.20p	4.2895p
<b>Accumulation Units</b>			
2008	137.70p	82.32p	4.2238p
2009	124.30p	77.92p	4.2433p
2010	141.90p	113.30p	4.1443p
2011	146.10p	119.90p	3.8110p
2012	151.00p	131.30p	4.7879p
2013 <sup>(1)</sup>	165.70p	151.90p	5.4276p

<sup>(1)</sup> The above tables show the highest offer and lowest bid prices to 5 May 2013 and the net revenue per unit to 5 July 2013.

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## Unit Price Range and Net Revenue continued

### R-Class Units

Year	Highest Offer	Lowest Bid	Net Revenue
<b>Distribution Units</b>			
2008	128.90p	75.57p	3.4491p
2009	107.50p	69.86p	3.3452p
2010	118.20p	96.21p	3.0562p
2011	121.80p	98.98p	2.5748p
2012	118.80p	104.70p	3.2761p
2013 <sup>(2)</sup>	129.80p	118.90p	3.5908p
<b>Accumulation Units</b>			
2008	135.70p	80.79p	3.6629p
2009	121.20p	76.32p	3.6128p
2010	136.70p	110.20p	3.4079p
2011	140.90p	115.80p	2.9686p
2012	144.10p	126.10p	3.8619p
2013 <sup>(2)</sup>	158.60p	145.20p	4.3612p

### F-Class Units\*

Year	Highest Offer	Lowest Bid	Net Revenue
<b>Distribution Units</b>			
2012 <sup>(1)</sup>	118.50p	117.50p	—
2013 <sup>(2)</sup>	130.60p	120.00p	2.2240p
<b>Accumulation Units</b>			
2012 <sup>(1)</sup>	144.80p	143.60p	—
2013 <sup>(2)</sup>	159.50p	146.60p	2.7060p

\* F-Class units were launched on 19 December 2012.

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

<sup>(2)</sup> The above table shows the highest offer and lowest bid prices to 5 May 2013 and the net revenue per unit to 5 July 2013.

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## **Manager's Investment Report**

During the year under review, the bid price of the Trust units rose from 114.5p to 129.1p, an increase of 12.75%. FTSE, the Index compiler, calculates the benchmark Index at the end of the business day using closing prices, whereas the Trust is valued using prevailing prices at 12 noon. Therefore, for tracking purposes the Trust has been revalued using closing prices. On this basis, over the review year from the close of business on 4 May 2012 (the last working day of the prior accounting period) to the close of business on 3 May 2013 (the last working day of the current accounting period), the Trust rose by 15.50%, compared with the FTSE 100 Index (capital only) rise of 15.32% (Source: Bloomberg), producing a tracking deviation of +0.18%.

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## **Market/Economic Review**

The Trust holds all 100 companies in the Index, with weightings generally in line with 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.

The unexpected turmoil surrounding the Italian election result and the more recent Cypriot rejection of bailout plans has once again pushed eurozone concern to the forefront of investors' minds. This has, to some extent, been reflected in the equity market performance. However, the UK market has continued to post impressive gains in the last six months, albeit, slightly dampened since the recent Cyprus headlines.

The best performing sectors over the review year included Technology Hardware & Equipment (+103.5%), Financial Services (+54.3%) and Life Insurance (+46.9%). Industrial Metals and Mining (-55.5%), Mining (-11.0%) and Oil Equipment, Services & Distribution (-8.8%) were the worst performing sectors.

At the annual Index review in June 2012, the free float methodology was enhanced from banded to actual. There were 52 changes to the free share capital of constituents, with the largest increases being Glencore International, Royal Dutch Shell A and Tesco, and the largest decreases being SABMiller,

## **Manager's Investment Report continued**

Standard Chartered and Rio Tinto, contributing to a two-way Index turnover of 4.6%. In addition, Babcock International Group was added to the Index, replacing Man Group.

At the quarterly Index review in September 2012, two companies were added: engineering group Melrose and energy services company Wood Group (John). These replaced Ashmore Group and ICAP in the Index.

At the quarterly Index review in December 2012, the international leisure travel group TUI Travel was added to the Index. As a result water, sewerage services and waste management company Pennon Group was deleted from the Index.

At the quarterly Index review in March 2013, easyJet and London Stock Exchange replaced the natural resources company Kazakhmys and Intu Properties.

Outside the reviews, mining and metals group Glencore International completed its long awaited merger with Xstrata, resulting in a small increase in weighting for the new entity. As a result, William Hill was added to the Index. Also, French utility company GDF Suez acquired the remaining 30% of International Power that it did not own, leading to its deletion from the Index and replacement by Pennon Group.

Johnson Matthey, the speciality chemicals company, returned cash to shareholders as a special dividend following a jump in profits. Other capital repayments included Admiral Group, Carnival, Hargreaves Lansdown, InterContinental Hotels, ITV, Rolls-Royce, Severn Trent, Standard Life and Wolseley. There has been continued activity with capital raisings, most notably British Land and Intu Properties, to fund acquisitions.

## **Outlook**

Britain has averted the much-touted 'triple dip' recession, with the latest official figures showing that the economy grew 0.3% in the first quarter of 2013. An environment of accelerating global growth, easing of credit conditions, extremely accommodative central banks and relatively attractive valuations makes for a very supportive backdrop in the months ahead, ensuring that the Trust is in a good position to capture any further upturn in the markets.

Legal & General Investment Management Limited

(Investment Adviser)

17 May 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](http://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 available.

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

### **Change in Annual Management Charge**

With effect from 1 April 2013, the management charge for I-Class units has been reduced from 0.20% to 0.15%.

### **Minimum Investment Amounts**

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

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

In addition, monthly contributions can be made into the E-Class, R-Class and F-Class units, 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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**Trustee**

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London SE1 2RT







**Authorised and regulated by the  
Financial Conduct Authority**

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