

Legal & General Worldwide Trust

**Interim Manager's  
Short Report  
for the period ended  
6 November 2013**





## Investment Objective and Policy

The investment objective of this Trust is to maximise the overall return by investment in units of other FCA recognised schemes, which may represent all economic sectors, on a worldwide basis.

The Manager will normally invest solely in its own schemes and provide a considerable UK content within the portfolio. However, if it considers it appropriate it will invest in other recognised schemes, if the prime underlying investments of such schemes are not equivalently represented in any of the Manager's schemes.

## 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.

### Currency Risk

This Trust is invested in Collective Investment Schemes which invest in overseas financial securities. The performance of the Trust may therefore be affected by changes in exchange rates. This risk may be managed by the use of forward currency contracts, which aim to manage the effect of changing exchange rates.

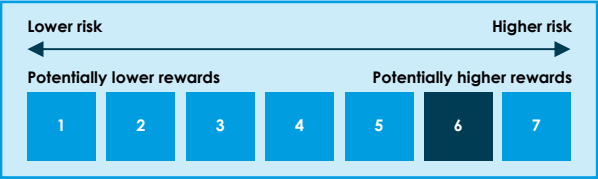
## Trust Facts

Period End Dates for Distributions:		6 May, 6 Nov
Distribution Dates:		6 Jul, 6 Jan
Ongoing Charges Figures:	6 Nov 13	6 May 13
E-Class	1.71%	1.70%
R-Class	1.71%	1.70%
I-Class	0.82%	0.81%
F-Class	1.21%	1.20%

The Ongoing Charges Figure (OCF) is the ratio of the Trust's total discloseable costs (excluding overdraft interest) and all costs suffered through holdings in the underlying Collective Investment Schemes, 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, through other funds, 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
6 May 11			
E-Class			
Distribution Units	£21,799,824	164.05p	13,288,402
Accumulation Units	£74,867,454	186.19p	40,210,414
R-Class			
Distribution Units	£2,706,071	164.05p	1,649,525
Accumulation Units	£5,006,840	186.19p	2,689,114
6 May 12			
E-Class			
Distribution Units	£19,014,323	159.03p	11,956,297
Accumulation Units	£69,067,953	181.97p	37,955,192
R-Class			
Distribution Units	£2,692,420	159.03p	1,692,984
Accumulation Units	£4,717,446	181.97p	2,592,426
6 May 13			
E-Class			
Distribution Units	£19,172,903	181.15p	10,583,703
Accumulation Units	£73,950,695	208.76p	35,423,794
R-Class			
Distribution Units	£2,972,706	181.15p	1,640,974
Accumulation Units	£5,060,091	208.76p	2,423,880
I-Class*			
Distribution Units	£1,128	182.52p	618
Accumulation Units	£1,144	211.85p	540
F-Class**			
Distribution Units	£1,100	182.72p	602
Accumulation Units	£1,103	210.90p	523
6 Nov 13			
E-Class			
Distribution Units	£19,548,216	192.01p	10,180,875
Accumulation Units	£75,546,771	222.57p	33,942,369
R-Class			
Distribution Units	£3,211,196	192.01p	1,672,418
Accumulation Units	£5,412,902	222.57p	2,431,960
I-Class*			
Distribution Units	£1,196	193.53p	618
Accumulation Units	£13,594	226.79p	5,994
F-Class**			
Distribution Units	£1,166	193.69p	602
Accumulation Units	£4,271	225.50p	1,894

\* I-Class units were launched on 17 August 2012.

\*\* 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 6 January 2014 is 1.1331p net per unit for distribution units and 1.3058p net per unit for accumulation units.

### **R-Class**

The distribution payable on 6 January 2014 is 1.1331p net per unit for distribution units and 1.3058p net per unit for accumulation units.

### **I-Class**

The distribution payable on 6 January 2014 is 1.9644p net per unit for distribution units and 2.2791p net per unit for accumulation units.

### **F-Class**

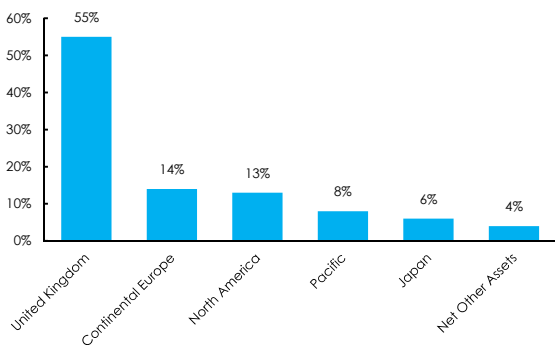
The distribution payable on 6 January 2014 is 1.6046p net per unit for distribution units and 1.8537p net per unit for accumulation units.

## Portfolio Information

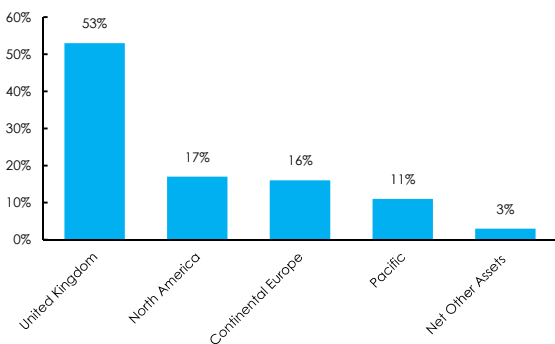
The top 10 holdings and their associated weighting for the current period and preceding year are:

Top 10 Holdings at 6 November 2013		Top 10 Holdings at 6 May 2013	
Holding	Percentage of Net Asset Value	Holding	Percentage of Net Asset Value
Legal & General UK Smaller Companies Trust	13.85%	Legal & General UK Index Trust	13.46%
Legal & General UK Index Trust	13.81%	Legal & General UK Smaller Companies Trust	12.20%
Legal & General Dynamic Bond Trust	8.41%	Legal & General US Index Trust	9.33%
Legal & General US Index Trust	7.58%	Legal & General Dynamic Bond Trust	8.69%
Legal & General European Trust	7.37%	Legal & General European Trust	8.55%
Legal & General Japan Index Trust	6.22%	Legal & General European Index Trust	7.74%
Legal & General European Index Trust	6.21%	Legal & General North American Trust	7.52%
Legal & General UK Alpha Trust	6.17%	Legal & General Pacific Growth Trust	7.28%
Legal & General Pacific Growth Trust	6.05%	Legal & General UK Alpha Trust	5.49%
Legal & General North American Trust	5.83%	Legal & General UK Active Opportunities Trust	4.97%

## Trust Holdings as at 6 November 2013



## Trust Holdings as at 6 May 2013





## Unit Price Range and Net Revenue

### E-Class Units

Year	Highest Offer	Lowest Bid	Net Revenue
<b>Distribution Units</b>			
2008	166.40p	109.20p	1.5523p
2009	150.50p	106.40p	1.7355p
2010	165.10p	140.30p	1.2089p
2011	169.50p	140.60p	1.1268p
2012	167.00p	150.80p	1.2678p
2013 <sup>(1)</sup>	195.30p	168.60p	1.1921p
2014 <sup>(2)</sup>	—	—	1.1331p
<b>Accumulation Units</b>			
2008	182.90p	120.40p	1.6980p
2009	169.40p	118.30p	1.9185p
2010	186.90p	158.10p	1.3528p
2011	192.40p	159.60p	1.2720p
2012	192.10p	171.90p	1.4295p
2013 <sup>(1)</sup>	225.10p	193.90p	1.3663p
2014 <sup>(2)</sup>	—	—	1.3058p

### R-Class Units

Year	Highest Offer	Lowest Bid	Net Revenue
<b>Distribution Units</b>			
2008	174.80p	109.20p	1.5523p
2009	158.00p	106.40p	1.7355p
2010	173.30p	140.30p	1.2089p
2011	178.00p	140.60p	1.1268p
2012	175.30p	150.80p	1.2526p
2013 <sup>(1)</sup>	205.10p	168.60p	1.1921p
2014 <sup>(2)</sup>	—	—	1.1331p
<b>Accumulation Units</b>			
2008	192.00p	120.40p	1.6980p
2009	177.90p	118.30p	1.9185p
2010	196.30p	158.10p	1.3528p
2011	202.00p	159.60p	1.2720p
2012	201.70p	171.90p	1.4173p
2013 <sup>(1)</sup>	236.40p	193.90p	1.3663p
2014 <sup>(2)</sup>	—	—	1.3058p

<sup>(1)</sup> The above tables show the highest offer and lowest bid prices to 6 November 2013.

<sup>(2)</sup> The above tables show the net revenue per unit to 6 January 2014.

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

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## Unit Price Range and Net Revenue continued

### I-Class Units\*

Year	Highest Offer	Lowest Bid	Net Revenue
<b>Distribution Units</b>			
2012 <sup>(1)</sup>	169.20p	160.90p	—
2013 <sup>(3)</sup>	198.30p	170.20p	2.3947p
2014 <sup>(4)</sup>	—	—	1.9644p
<b>Accumulation Units</b>			
2012 <sup>(1)</sup>	195.00p	184.10p	—
2013 <sup>(3)</sup>	230.00p	196.10p	2.7536p
2014 <sup>(4)</sup>	—	—	2.2791p

### F-Class Units\*\*

Year	Highest Offer	Lowest Bid	Net Revenue
<b>Distribution Units</b>			
2012 <sup>(2)</sup>	168.40p	165.90p	—
2013 <sup>(3)</sup>	198.10p	170.10p	0.7607p
2014 <sup>(4)</sup>	—	—	1.6046p
<b>Accumulation Units</b>			
2012 <sup>(2)</sup>	193.70p	190.90p	—
2013 <sup>(3)</sup>	228.70p	195.60p	0.8757p
2014 <sup>(4)</sup>	—	—	1.8537p

\* I-Class units were launched on 17 August 2012.

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

<sup>(1)</sup> The above table shows the highest offer and lowest bid prices from 17 August 2012 to 31 December 2012.

<sup>(2)</sup> The above table shows the highest offer and lowest bid prices from 19 December 2012 to 31 December 2012.

<sup>(3)</sup> The above tables show the highest offer and lowest bid prices to 6 November 2013.

<sup>(4)</sup> The above tables show the net revenue per unit to 6 January 2014.

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## **Manager's Investment Report**

During the period under review, the bid price of the Trust's E-Class accumulation units rose by 6.61%.

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## **Market/Economic Review**

Helped by ongoing stimulus measures from central banks, the global economy showed signs of improvement over the review period. The US economy continued to grow, helped by the Federal Reserve's (Fed) policy of ultra-low interest rates and quantitative easing (QE), a massive programme of electronic money creation, worth \$85 billion per month. However, markets endured a bout of volatility towards the end of the second quarter of 2013 as the Fed revealed plans to begin paring down QE, with the programme set to end by mid 2014, should the recovery continue as forecast.

Although the UK economy showed further signs of rising activity early in the review period, the euro zone economy remained in a malaise, prompting the European Central Bank (ECB) to lower interest rates by 0.25% to 0.50% in May. Meanwhile, further signs emerged that the Japanese economy was responding to its massive stimulus programme, with the weaker yen boosting exports. Meanwhile, optimism grew that economic activity in China was set to pick up after bottoming out.

Data released in August showed that the Eurozone finally emerged from recession in the second quarter of 2013; while evidence emerged that the UK economy was gaining momentum. However, the Fed surprised investors by maintaining its QE programme, citing the disappointing pace of improvement in the jobs market, the recent rise in mortgage rates and uncertainty caused by political disagreements related to government funding and the US permitted national debt limit. With a last-minute temporary political solution subsequently reached, speculation grew that the economic stimulus measures could soon be pared down.

Although equity markets performed well over the six-month review period, government bonds generally lost value as fixed income investments became less attractive given the improving economic environment. However, corporate bonds outperformed government bonds as investors sought out the higher yields offered compared to investment in government bonds.

## **Trust Review**

The Trust produced solid returns over the review period. Our overall positioning – favouring equities while adopting a more cautious level of exposure to bonds – had a positive effect on performance.

Within the equity portfolio, our relatively large holdings in European (excluding UK) equities was helpful in performance terms as European markets outperformed their global counterparts,

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

helped by the Eurozone economy's return to growth. Several southern European markets that had previously performed poorly on concern over the sovereign debt crisis, notably Spain and Italy, delivered robust returns during the period, as the improving Europe-wide economic outlook soothed lingering Eurozone tensions. Additionally, a pledge from ECB President Mario Draghi to continue to support what he recently termed the 'fragile' recovery also lifted sentiment towards Spain and Italy.

Although our relatively large exposure to UK equities detracted to some extent as the UK market underperformed its global peers, our significant exposure to smaller companies largely mitigated the effect. Smaller companies outperformed their larger peers, helped by their greater focus on the UK domestic economy relative to their more internationally-diversified peers.

In activity terms, having begun the review period with a relatively cautious stance towards Japan we subsequently raised exposure, taking the view that the government's efforts to stimulate the economy, weaken the yen and fight deflation are feeding through to help company profits. We reduced our exposure to US equities following good earlier returns, and reflecting increased uncertainties over the prospects for a withdrawal of QE.

Within the bond and alternatives element of the portfolio we maintained a wary stance towards overseas bonds, while investing a significant portion of our fixed income exposure in the Legal & General Dynamic Bond Trust given the manager's scope to use a range of investment tools with a view to delivering attractive returns.

## **Outlook**

Looking ahead, we believe that the prospects for the global economy have improved recently.

Although most European economic data releases have continued to suggest that the gloom previously afflicting the single currency zone is clearing, we retain longer-term concern over the lack of concrete measures to solve the sovereign debt crisis. Although the German election delivered the expected success for Chancellor Merkel, we believe that political risks elsewhere remain a cause for concern.

Against this backdrop we expect central banks to remain broadly supportive of the global economy, with the US and the UK set to keep interest rates low to avoid choking off the recovery. However, we believe that there is greater chance of fresh support from the Bank of Japan and the ECB should inflation consistently fall below forecasts.

Legal & General Investment Management Limited  
(Investment Adviser)  
5 December 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.

## **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 period under review and how it is invested at the period 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

Registered in England No. 01009418

Registered office:

One Coleman Street,

London EC2R 5AA

Telephone: 0370 050 3350

Authorised and regulated by the Financial Conduct Authority

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

**Trustee**

National Westminster Bank Plc

Trustee and Depositary Services

135 Bishopsgate

London EC2M 3UR

Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential

Regulation Authority

**Independent Auditors**

PricewaterhouseCoopers LLP

7 More London Riverside

London SE1 2RT



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Financial Conduct Authority**

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