

Legal & General UK Smaller Companies Trust

Annual Manager's Report
for the year ended
18 June 2023



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* These collectively comprise the Authorised Fund Manager's Report.

Manager's Investment Report

Investment Objective and Policy

The Investment Objective and Policy of the Trust as disclosed within the Scheme Prospectus was updated with effect from 23 May 2023. The previous and revised Investment Objectives are set out below:

Prior to 23 May 2023

The objective of the Trust is to provide growth above that of the Numis Smaller Companies ex-Investment Companies Index TR, the "Benchmark Index".

The Trust aims to outperform the Benchmark Index by 3% per annum. This objective is before the deduction of any charges and measured over rolling three year periods.

The Trust is actively managed and invests at least 70% in the shares of UK companies that are in the lowest 10% by capitalisation of UK stock markets. These companies are incorporated, headquartered or which have their principal business activities in the UK, or companies that are listed in the UK and constituents of the Benchmark Index.

Over a market cycle (typically 3 to 5 years), the Trust will comprise on average 50 to 100 companies selected by the Manager following research of each company.

The Trust may also invest in collective investment schemes including those managed or operated by the Manager or an affiliate of the Manager as well as participatory notes, preference shares, cash, permitted deposits and money market instruments (such as Treasury bills).

In addition, the Trust is also permitted to receive and hold warrants and convertible bonds as a result of corporate actions.

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

From 23 May 2023

The objective of the Trust is to provide growth above that of the Numis Smaller Companies ex-Investment Companies Index TR, the "Benchmark Index". The Trust aims to outperform the Benchmark Index over rolling three year periods after the deduction of all fees and expenses.

The Trust is actively managed and invests at least 70% in the shares of UK companies that are in the lowest 10% by capitalisation of UK stock markets. These companies are incorporated, headquartered or which have their principal business activities in the UK, or companies that are listed in the UK and constituents of the Benchmark Index.

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Manager's Investment Report continued

Manager's Investment Report

During the year under review, the published price of the Trust's R-Class accumulation units increased by 1.07%. This compares to a rise in the Benchmark Index of 3.08% on a total return basis (Source: Bloomberg).

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

Over the past 12 months, inflationary pressures and tighter monetary policy have increasingly dominated the thoughts of market participants. Fears of an economic slowdown remain at the forefront of the minds of investors and, with signs that inflation has peaked in a number of developed markets, there's now even tentative talk of when central banks might start cutting rates.

In the US, the Federal Reserve (Fed) has continued with its monetary tightening; having hiked in four successive 75 basis-point increments, it slowed its pace of rises with a 50 basis-point rise in December and 25-basis point hikes in February and March. May saw yet another rate hike, by 25 basis points, to take rates to between 5.00% and 5.25%. Fed Chair Jerome Powell suggested the effects of recent bank failures in the US could limit any further monetary tightening. US annualised inflation dropped to 4.90% in May, its lowest level since April 2021.

The UK continued to raise rates during the six months, hitting 4.50% in May – its 12th consecutive hike and taking rates to their highest level since 2008. Meanwhile, inflation has remained stubbornly high; it sat at 8.70% in May.

The days of widespread central-bank asset purchasing look numbered, with the Bank of Japan seemingly the last bastion of such a policy, and even it intervened late in the period to allowing the 10-year government bond greater yield move freedom. However, in September the first and last 'mini budget' of UK Chancellor Kwasi Kwarteng's tenure – which included a number of sizeable unfunded spending pledges – prompted Gilt yields to soar and Sterling to plummet to its lowest level versus the US Dollar in almost 40 years.

However, Kwarteng's tenure proved to be short-lived, while Prime Minister Liz Truss resigned after just 49 days in office. Rishi Sunak was chosen by Conservative MPs to replace her in double-quick time, making him the UK's third premier in just two months. The prospect of more fiscally responsible governance saw Gilt yields retreat significantly from their September highs, while Sterling bucked the long-term trend and made up ground versus the US Dollar.

Meanwhile, the effects of Russia's invasion of Ukraine in February 2022 continued to be seen, with lingering fears of a global geopolitical crisis while the ramifications for the energy sector, and energy consumers, continues to be felt keenly.

Despite a notably volatile few months midway through the year, global equity Indices rose in US Dollar terms over the past year, even as inflationary worries, the prospect of tighter monetary policy and recessionary fears increasingly took their toll.

Against this backdrop, UK equities lost ground in Sterling terms. Despite strong showings from technology, industrials and consumer discretionary, these performances were offset by a woeful 12 months for telecoms, real estate and basic materials.

Manager's Investment Report continued

Meanwhile, the energy sector, which has performed so well over the past couple of years, also lost ground over the year.

Trust Review

The Trust underperformed its Benchmark Index over the year, driven primarily by weak sector allocation. The Trust's underweight allocation to financials and overweight to real estate detracted from performance. The rising interest rate environment supported the financials sector which outperformed the broader market while the Real Estate sector lagged.

Stock selection was also negative overall, with the largest drag on performance stemming from financials (predominantly via CMC Markets) and technology (via NCC Group). Some bright spots did come from owning 4Imprint Group, DiscoverIE Group and CVS Group, which were up strongly in the year.

In terms of trading activity, we initiated a number of new positions to increase diversification. We exited positions in Brewin Dolphin, Sanne Group, Ultra Electronics and Euromoney Institutional Investor (acquired). We reduced our position in Redde Northgate, as the business is exposed to risk of a cyclical downturn.

Outlook

Looking ahead, central banks remain committed to getting inflation under control using tight monetary conditions.

While the global economy has avoided a recession so far in 2023, it remains a significant risk in the coming months as businesses and consumers suffer from higher funding costs. And unless policymakers announce significant stimulus, China's economy is likely to be a drag rather than a boost for the global economy. If a recession occurs, equity and credit markets are likely to correct, arguing for a cautious portfolio stance.

Legal & General Investment Management Limited
(Investment Adviser)
26 July 2023

Important Note from the Manager

On 5 May 2023, the WHO Director-General concurred with the advice offered by the International Health Regulations (2005) ("IHR") Emergency Committee regarding the Coronavirus 2019 disease (COVID-19) pandemic and determined that COVID-19 is now an established and ongoing health issue which no longer constitutes a public health emergency of international concern ("PHEIC").

The Manager continues to monitor the COVID-19 pandemic on an on-going basis.

In response to events in Eastern Europe, the Manager is closely monitoring financial markets and any potential liquidity and volatility risks which may have an impact on the Trust.

Legal & General (Unit Trust Managers) Limited
July 2023

Authorised Status

Authorised Status

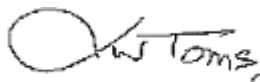
This Trust is an Authorised Unit Trust Scheme as defined in section 243 of the Financial Services and Markets Act 2000 and is a UCITS Retail Scheme within the meaning of the FCA Collective Investment Schemes sourcebook.

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
7 September 2023

Statement of Responsibilities

Statement of the Manager's Responsibilities

The Collective Investment Schemes sourcebook published by the FCA, ("the COLL Rules") require the Manager to prepare financial statements for each annual accounting period which give a true and fair view of the financial position of the Trust and of the net income and net gains or losses on the property of the Trust for the year.

In preparing the financial statements, the Manager is responsible for:

- selecting suitable accounting policies and then applying them consistently;
- making judgements and estimates that are reasonable and prudent;
- following UK accounting standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland;
- complying with the disclosure requirements of the Statement of Recommended Practice for UK Authorised Funds issued by the Investment Association in May 2014 and amended in June 2017;
- keeping proper accounting records which enable it to demonstrate that the financial statements as prepared comply with the above requirements;
- assessing the Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern;
- using the going concern basis of accounting unless they either intend to liquidate the Trust or to cease operations, or have no realistic alternative but to do so;
- such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; and
- taking reasonable steps for the prevention and detection of fraud and irregularities.

The Manager is responsible for the management of the Trust in accordance with its Trust Deed, the Prospectus and the COLL Rules.

The Manager is responsible for the maintenance and integrity of the corporate and financial information included on the Trust's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Statement of Responsibilities continued

Statement of the Trustee's Responsibilities

The Depositary in its capacity as Trustee of Legal & General UK Smaller Companies Trust must ensure that the Trust is managed in accordance with the Financial Conduct Authority's Collective Investment Schemes Sourcebook ("COLL"), the Financial Services and Markets Act 2000, as amended, (together "the Regulations"), the Trust Deed and Prospectus (together "the Scheme documents") as detailed below.

The Depositary must in the context of its role act honestly, fairly, professionally, independently and in the interests of the Trust and its investors.

The Depositary is responsible for the safekeeping of all custodial assets and maintaining a record of all other assets of the Trust in accordance with the Regulations.

The Depositary must ensure that:

- the Trust's cash flows are properly monitored and that cash of the Trust is booked in cash accounts in accordance with the Regulations;
- the sale, issue, repurchase, redemption and cancellation of units are carried out in accordance with the Regulations;
- the value of units of the Trust are calculated in accordance with the Regulations;
- any consideration relating to transactions in the Trust's assets is remitted to the Trust within the usual time limits;
- the Trust's income is applied in accordance with the Regulations; and
- the instructions of the Authorised Fund Manager ("the AFM"), which is the UCITS Management Company, are carried out (unless they conflict with the Regulations).

Report of the Trustee

Report of the Trustee to the Unitholders of the Legal & General UK Smaller Companies Trust ("the Trust") for the year ended 18 June 2023

The Depositary also has a duty to take reasonable care to ensure that the Trust is managed in accordance with the Regulations and the Scheme documents of the Trust in relation to the investment and borrowing powers applicable to the Trust.

Having carried out such procedures as we considered necessary to discharge our responsibilities as Depositary of the Trust, it is our opinion, based on the information available to us and the explanations provided, that, in all material respects the Trust, acting through the AFM:

- (i) has carried out the issue, sale, redemption and cancellation, and calculation of the price of the Trust's units and the application of the Trust's income in accordance with the Regulations and the Scheme documents of the Trust; and
- (ii) has observed the investment and borrowing powers and restrictions applicable to the Trust in accordance with the Regulations and the Scheme documents of the Trust.

Northern Trust Investor Services Limited
UK Trustee and Depositary Services
7 September 2023

Portfolio Statement

Portfolio Statement as at 18 June 2023

All investments are in ordinary shares unless otherwise stated. The percentages in brackets show the equivalent holdings at 18 June 2022.

Holding/ Nominal Value	Investment	Market Value £	% of Net Assets
	EQUITIES — 99.04% (98.93%)		
	UNITED KINGDOM		
	— 92.21% (92.44%)		
	Chemicals — 3.25% (3.08%)		
2,520,045	Elementis	2,651,087	1.38
3,898	Trealt	27,442	0.01
246,000	Victrex	3,574,380	1.86
		6,252,909	3.25
	General Industrials — 0.54% (0.00%)		
1,473,133	Coats Group	1,045,924	0.54
	Industrial Engineering		
	— 6.56% (5.66%)		
399,286	Hill & Smith	6,005,262	3.12
6,339,718	Severfield	4,450,482	2.32
520,597	Vesuvius	2,154,230	1.12
		12,609,974	6.56
	Industrial Transportation		
	— 2.86% (2.52%)		
180,775	Clarkson	5,432,289	2.83
23,994	Wincanton	64,784	0.03
		5,497,073	2.86
	Beverages — 1.16% (1.11%)		
463,163	AG Barr	2,239,393	1.16
	Food Producers — 2.93% (2.46%)		
170,852	Cranswick	5,638,116	2.93
	Personal Goods — 1.35% (1.26%)		
1,457,234	PZ Cussons	2,588,048	1.35
	Media — 2.67% (0.89%)		
82,264	4imprint Group	4,084,408	2.12
486,539	Reach	350,551	0.18
66,223	YouGov	708,586	0.37
		5,143,545	2.67
	Banks — 0.10% (0.00%)		
117,491	Virgin Money UK	187,692	0.10
	Life Insurance — 0.16% (0.00%)		
387,466	Just Group	314,235	0.16
	Real Estate Investment Trusts		
	— 6.79% (7.10%)		
2,492,597	Hammerson	663,529	0.34
518,146	Safestore	4,748,808	2.47
3,039,228	Urban Logistics REIT	3,871,976	2.01

Portfolio Statement continued

Holding/ Nominal Value	Investment	Market Value £	% of Net Assets
	Real Estate Investment Trusts — (cont.)		
738,325	Workspace Group	3,783,916	1.97
		13,068,229	6.79
	Industrial Metals and Mining — 1.26% (0.99%)		
372,915	Bodycote	2,425,812	1.26
	Oil, Gas and Coal — 2.70% (3.48%)		
432,775	Energean	4,907,668	2.55
429,751	EnQuest	70,651	0.04
83,821	Serica Energy	212,235	0.11
		5,190,554	2.70
	Household Goods and Home Construction — 3.08% (3.63%)		
1,365,701	Crest Nicholson Holdings	2,955,377	1.54
909,282	Headlam Group	2,418,690	1.26
748,643	Watkin Jones	549,504	0.28
		5,923,571	3.08
	Software and Computer Services — 6.29% (6.30%)		
347,477	Bytes Technology Group	1,869,426	0.97
126,640	FD Technologies ¹	2,697,432	1.40
199,091	Moneysupermarket.com Group	530,379	0.28
2,619,923	NCC Group	2,342,211	1.22
317,625	Softcat	4,653,206	2.42
		12,092,654	6.29
	Electronic and Electrical Equipment — 5.11% (5.01%)		
727,649	DiscoverIE Group	6,767,136	3.52
1,766,421	Luceco	2,229,223	1.16
31,832	Oxford Instruments	833,998	0.43
		9,830,357	5.11
	Travel and Leisure — 3.66% (3.09%)		
221,409	Firstgroup	303,330	0.16
2,125,975	Goals Soccer Centres ²	—	—
2,621,168	Gym Group	2,560,881	1.33
832,718	On the Beach Group	985,938	0.51
1,137,524	Trainline	3,196,443	1.66
		7,046,592	3.66
	Telecommunications Service Providers — 0.12% (0.00%)		
15,334	Telecom Plus	232,770	0.12
	Technology Hardware and Equipment — 0.00% (0.00%)		
3,338,400	Celoxica Holdings ²	—	—
	Pharmaceuticals and Biotechnology — 3.00% (3.58%)		
80,141	Dechra Pharmaceuticals	2,905,913	1.51
82,620	Genus	2,035,757	1.06

Portfolio Statement continued

Holding/ Nominal Value	Investment	Market Value £	% of Net Assets
	Pharmaceuticals and Biotechnology — (cont.)		
46,890	Indivior	833,704	0.43
		5,775,374	3.00
	Investment Banking and Brokerage Services — 11.04% (12.05%)		
457,115	AJ Bell	1,518,536	0.79
1,632,001	CMC Markets	2,735,234	1.42
454,143	Curtis Banks Group ¹	1,416,926	0.74
117,455	IG Group	821,598	0.43
70,507	Impax Asset Management Group	430,798	0.22
390,985	IntegraFin Holdings	1,043,148	0.54
181,043	Liontrust Asset Management	1,432,050	0.74
257,454	Mattlioli Woods ¹	1,570,469	0.82
282,588	Molten Ventures	844,938	0.44
1,229,912	OSB Group	6,297,150	3.27
26,203	Paragon Banking Group	151,322	0.08
675,940	Tatton Asset Management ¹	2,980,895	1.55
		21,243,064	11.04
	Construction and Materials — 9.36% (9.01%)		
633,414	Breedon Group	2,217,582	1.15
521,116	Genuit Group	1,711,866	0.89
1,592,829	Ibstock	2,508,706	1.31
860,189	Keller Group	5,875,091	3.05
487,239	Marshalls	1,309,698	0.68
571,763	Tyman	1,566,631	0.82
711,381	Volution Group	2,811,378	1.46
		18,000,952	9.36
	Medical Equipment and Services — 1.89% (2.44%)		
1,496,689	Advanced Medical Solutions Group ¹	3,629,471	1.89
	Aerospace and Defense — 2.07% (2.32%)		
5,500	Avon Protection	48,675	0.03
22,360	Chemring Group	65,738	0.03
2,269,556	Senior	3,876,402	2.01
		3,990,815	2.07
	Industrial Support Services — 3.93% (9.15%)		
306,461	FDM Group	2,111,516	1.10
1,325,041	Knights Group	1,004,381	0.52
355,691	Mitie Group	335,772	0.18
339,764	Pagegroup	1,393,033	0.72
372,011	Redde Northgate	1,406,202	0.73
463,912	RWS Holdings	1,253,490	0.65
17,409	SThree	63,804	0.03
		7,568,198	3.93

Portfolio Statement continued

Holding/ Nominal Value	Investment	Market Value £	% of Net Assets
	Real Estate Investment and Services — 2.50% (2.35%)		
70,270	Rightmove	372,572	0.20
500,000	Savills	4,427,500	2.30
		4,800,072	2.50
	Retailers — 7.31% (4.96%)		
221,374	Currys	117,107	0.06
300,000	CVS Group	6,528,000	3.39
1,265,896	Halfords Group	2,493,815	1.30
212,073	Howden Joinery Group	1,455,669	0.76
600,000	Moonpig Group	877,800	0.46
680,884	Pets at Home Group	2,585,997	1.34
		14,058,388	7.31
	Non-life Insurance — 0.52% (0.00%)		
172,070	Beazley	994,565	0.52
	BERMUDA — 0.09% (0.00%)		
	Oil, Gas and Coal — 0.09% (0.00%)		
133,935	Gulf Keystone Petroleum	178,000	0.09
	CHANNEL ISLANDS — 2.52% (2.51%)		
	Investment Banking and Brokerage Services — 2.10% (2.51%)		
173,879	JTC	1,337,999	0.69
543,313	Man Group	1,244,187	0.65
912,655	TP ICAP Group	1,457,510	0.76
		4,039,696	2.10
	Precious Metals and Mining — 0.25% (0.00%)		
518,830	Centamin	487,441	0.25
	Industrial Metals and Mining — 0.17% (0.00%)		
78,904	Yellow Cake	331,554	0.17
	GIBRALTAR — 0.44% (0.57%)		
	Travel and Leisure — 0.44% (0.57%)		
685,849	888 Holdings	838,794	0.44
	ISLE OF MAN — 1.19% (1.61%)		
	Electronic and Electrical Equipment — 1.19% (1.61%)		
2,111,049	Strix Group ¹	2,288,377	1.19
	ISRAEL — 0.53% (0.00%)		
	Investment Banking and Brokerage Services — 0.53% (0.00%)		
67,255	Plus500	1,012,860	0.53

Portfolio Statement continued

Holding/ Nominal Value	Investment
	UNITED STATES — 2.06% (1.80%)
	Industrial Support Services — 2.06% (1.80%)
2,730,613	Boku ¹
Portfolio of investments³	
Net other assets	
Total net assets	

Market Value £	% of Net Assets
3,959,389	2.06
190,524,458	99.04
1,856,452	0.96
£192,380,910	100.00%

¹ These securities are quoted on the Alternative Investment Market and comprise 9.65% of the net assets of the Trust.

² Delisted securities are valued at the Manager's best assessment of their fair and reasonable value.

³ All investments are admitted to an official stock exchange unless otherwise stated.

Total purchases for the year: £23,096,274.

Total sales for the year: £44,878,348.

Independent Auditor's Report

Independent auditor's report to the Unitholders of Legal & General UK Smaller Companies Trust ('the Trust')

Opinion

We have audited the financial statements of the Trust for the year ended 18 June 2023 which comprise the Statement of Total Return, the Statement of Change in Net Assets Attributable to Unitholders, the Balance Sheet, the Related Notes and Distribution Tables for the Trust and the accounting policies set out on pages 20 to 21.

In our opinion, the financial statements:

- give a true and fair view, in accordance with UK accounting standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland, of the financial position of the Trust as at 18 June 2023 and of the net revenue and the net capital losses on the property of the Trust for the year then ended; and
- have been properly prepared in accordance with the Trust Deed, the Statement of Recommended Practice relating to UK Authorised Funds, and the COLL Rules.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the Trust in accordance with, UK ethical requirements including the FRC Ethical Standard.

We have received all the information and explanations which we consider necessary for the purposes of our audit and we believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The Manager has prepared the financial statements on the going concern basis as they do not intend to liquidate the Trust or to cease their operations, and as they have concluded that the Trust's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over their ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the Manager's conclusions, we considered the inherent risks to the Trust's business model and analysed how those risks might affect the Trust's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the Manager's use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the Manager's assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Trust's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Trust will continue in operation.

Independent Auditor's Report continued

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud (“fraud risks”) we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of directors as to the Trust’s high-level policies and procedures to prevent and detect fraud, as well as whether they have knowledge of any actual, suspected or alleged fraud;
- Assessing the segregation of duties in place between the Manager, the Trustee, the Administrator and the Investment Adviser;
- Reading board minutes.

As required by auditing standards, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to revenue recognition because the revenue is principally non-judgemental and based on publicly available information, with limited opportunity for manipulation. We did not identify any additional fraud risks.

We evaluated the design and implementation of the controls over journal entries and other adjustments and made inquiries of the Administrator about inappropriate or unusual activity relating to the processing of journal entries and other adjustments. We identified and selected a sample of journal entries made at the end of the reporting period and tested those substantively including all material post-closing entries. Based on the results of our risk assessment procedures and understanding of the process, including the segregation of duties between the Directors and the Administrator, no further high-risk journal entries or other adjustments were identified.

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the Manager and the Administrator (as required by auditing standards) and discussed with the Directors the policies and procedures regarding compliance with laws and regulations.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Trust is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related authorised fund legislation maintained by the Financial Conduct Authority) and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Independent Auditor's Report continued

Secondly, the Trust is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: money laundering, data protection and bribery and corruption legislation recognising the Trust's activities. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Directors and the Administrator and inspection of regulatory and legal correspondence, if any. Therefore if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Other information

The Manager (Legal & General (Unit Trust Managers) Limited) is responsible for the other information presented in the Annual Manager's Report together with the financial statements. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the other information; and
- in our opinion the information given in Manager's Report for the financial year is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where under the COLL Rules we are required to report to you if, in our opinion:

- proper accounting records for the Trust have not been kept; or
- the financial statements are not in agreement with the accounting records.

Independent Auditor's Report continued

Manager's responsibilities

As explained more fully in their statement set out on page 6, the Manager is responsible for: the preparation of financial statements that give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Trust or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the Trust's unitholders, as a body, in accordance with Rule 4.5.12 of the Collective Investment Schemes sourcebook ("the COLL Rules") issued by the Financial Conduct Authority under section 247 of the Financial Services and Markets Act 2000. Our audit work has been undertaken so that we might state to the Trust's unitholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Trust and the Trust's unitholders as a body, for our audit work, for this report, or for the opinions we have formed.

Grant Archer
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
319 St Vincent Street,
Glasgow G2 5AS
7 September 2023

Financial Statements

Statement of Total Return for the year ended 18 June 2023

		18/06/23		18/06/22	
Notes		£	£	£	£
Income					
Net capital losses	3		(2,165,917)		(58,597,615)
Revenue	4	6,824,320		5,905,158	
Expenses	5	(1,160,765)		(1,753,808)	
Interest payable and similar charges	7	—		—	
Net revenue before taxation		5,663,555		4,151,350	
Taxation	6	(2,702)		—	
Net revenue after taxation for the year			5,660,853		4,151,350
Total return before distributions			3,494,936		(54,446,265)
Distributions	7		(5,660,853)		(4,151,350)
Change in net assets attributable to Unitholders from investment activities			£(2,165,917)		£(58,597,615)

Statement of Change in Net Assets attributable to Unitholders for the year ended 18 June 2023

	18/06/23		18/06/22	
	£	£	£	£
Opening net assets attributable to Unitholders		216,782,306		302,884,802
Amounts received on issue of units	6,874,525		103,062,904	
Amounts paid on cancellation of units	(33,426,149)		(133,883,682)	
		(26,551,624)		(30,820,778)
Change in net assets attributable to Unitholders from investment activities		(2,165,917)		(58,597,615)
Retained distributions on accumulation units		4,315,663		3,313,629
Unclaimed distributions		482		2,268
Closing net assets attributable to Unitholders		£192,380,910		£216,782,306

Financial Statements continued

Balance Sheet as at 18 June 2023

	Notes	18/06/23 £	18/06/22 £
ASSETS			
Fixed assets:			
Investments		190,524,458	214,472,451
Current assets:			
Debtors	8	901,233	1,367,129
Cash and bank balances	9	3,078,797	2,565,546
Total assets		194,504,488	218,405,126
LIABILITIES			
Creditors:			
Distributions payable		(593,652)	(517,548)
Other creditors	10	(1,529,926)	(1,105,272)
Total liabilities		(2,123,578)	(1,622,820)
Net assets attributable to Unitholders		£192,380,910	£216,782,306

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 Association in May 2014 (2014 SORP) and amended in June 2017.

2. Summary of Significant Accounting Policies

(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. In making this assessment, the Manager has considered, amongst other things, factors such as Trust size, cash flows through the Trust and Trust liquidity in its assessment of the Trust's ability to meet its liabilities as they fall due at least the twelve month period from the date the financial statements are signed. Based on this assessment, the Manager deems the basis of preparation appropriate.

The principal accounting policies which have been applied consistently are set out below.

(b) Functional and Presentation Currency

The functional and presentation currency of the Trust is Sterling.

(c) Recognition of Revenue

Revenue from quoted equities and non-equity shares is recognised net of attributable tax credits when the security is quoted ex-dividend. Revenue from unquoted equity investments is recognised net of attributable tax credits when the dividend is declared.

Overseas revenue received after the deduction of withholding tax is shown gross of taxation, with the taxation consequences shown within the taxation charge.

Special dividends are treated as either revenue or capital depending on the facts of each particular case.

All other revenue is recognised on an accruals basis.

(d) Treatment of Expenses

All expenses (other than those relating to the purchase and sale of investments) are charged against revenue on an accruals basis.

(e) Distribution Policy

The policy is to distribute all available revenue, after deduction of those expenses which are chargeable in calculating the distribution. In order to conduct a controlled dividend flow, interim distributions will be at the Manager's discretion, up to a maximum of the distributable revenue for the period. All remaining revenue is distributed in accordance with the COLL.

Fund Management Fees are deducted from revenue for the purpose of calculating the distribution.

Distributions which have remained unclaimed by Unitholders for over six years are credited to the capital property of the Trust.

Notes to the Financial Statements continued

2. Summary of Significant Accounting Policies continued

(f) Basis of Valuation of Investments

All investments are valued at their fair value as at 12 noon on 16 June 2023, being the last working day of the accounting year. The fair value for non-derivative securities is bid market price.

Where values cannot be readily determined, the securities are valued at the Manager's best assessment of their fair and reasonable value.

(g) Taxation

Provision is made for taxation at current rates on the excess of investment revenue over expenses, with relief for overseas taxation taken where appropriate.

Deferred tax is provided for on all timing differences that have originated but not reversed by the balance sheet date, other than those differences that are regarded as permanent. Any liability to deferred tax is provided for at the average rate of tax expected to apply.

3. Net capital losses

The net capital losses during the year comprise:

Non-derivative securities

Currency gains

Net capital losses

18/06/23	18/06/22
£	£
(2,165,920)	(58,600,357)
3	2,742
<u>(2,165,917)</u>	<u>(58,597,615)</u>

4. Revenue

UK Franked dividends

Non-taxable overseas dividends

Property dividend distributions

Property interest distributions

Bank interest

18/06/23	18/06/22
£	£
5,877,556	5,218,368
299,131	258,408
36,529	98,775
521,963	329,424
89,141	183
<u>6,824,320</u>	<u>5,905,158</u>

Notes to the Financial Statements continued

5. Expenses

Payable to the Manager,
associates of the Manager
and agents of either of them:

Fund Management Fees

Total expenses

18/06/23	18/06/22
£	£
1,160,765	1,753,808
1,160,765	1,753,808

Audit fees of £11,529 plus VAT of £2,306 have been borne by the Manager out of its Fund Management Fee. In the prior year, the total audit fee was £11,529 plus VAT of £2,306.

Notes to the Financial Statements continued

6. Taxation

(a) Analysis of taxation charge in year

	18/06/23	18/06/22
	£	£
Overseas tax	2,702	—
Current tax [note 6(b)]	2,702	—
Deferred tax [note 6(c)]	—	—
Total taxation	2,702	—

(b) Factors affecting taxation charge for the year

The current tax charge excludes capital gains and losses for the reason that Authorised Unit Trusts are not subject to Corporation Tax on these items. Current tax differs from taxation assessed on net revenue before taxation as follows:

Net revenue before taxation	5,663,555	4,151,350
Net revenue before taxation multiplied by the applicable rate of Corporation tax of 20% (2022: 20%)	1,132,711	830,270
Effects of:		
Overseas tax	2,702	—
Revenue not subject to taxation	(1,242,643)	(1,088,669)
Excess management expenses not utilised	109,932	258,399
Current tax	2,702	—

(c) Provision for deferred tax

There is no deferred tax provision in the current or preceding year. At the year end, there is a potential deferred tax asset of £13,241,520 (18 June 2022: £13,131,588) due to surplus management expenses.

It is unlikely the Trust will generate sufficient taxable profits in the future to utilise this amount and therefore no deferred tax asset has been recognised (18 June 2022: same).

Notes to the Financial Statements continued

7. Distributions

The distributions take account of revenue received on the creation of units and revenue deducted on the cancellation of units and comprise:

	18/06/23	18/06/22
	£	£
Interim distribution	2,648,776	1,827,731
Final distribution	2,860,627	2,350,310
	<u>5,509,403</u>	<u>4,178,041</u>
Add: Revenue deducted on cancellation of units	192,860	231,437
Less: Revenue received on creation of units	<u>(41,410)</u>	<u>(258,128)</u>
Distributions for the year	5,660,853	4,151,350
Interest payable and similar charges		
Bank overdraft interest	<u>—</u>	<u>—</u>
	<u>5,660,853</u>	<u>4,151,350</u>

The differences between the net revenue after taxation and the distributions for the year are as follows:

	18/06/23	18/06/22
	£	£
Net revenue after taxation for the year	<u>5,660,853</u>	<u>4,151,350</u>
Distributions for the year	5,660,853	4,151,350

8. Debtors

	18/06/23	18/06/22
	£	£
Accrued revenue	719,229	503,113
Amounts receivable for creation of units	<u>182,004</u>	<u>864,016</u>
	<u>901,233</u>	<u>1,367,129</u>

9. Net uninvested cash

	18/06/23	18/06/22
	£	£
Cash and bank balances	<u>3,078,797</u>	<u>2,565,546</u>
Net uninvested cash	<u>3,078,797</u>	<u>2,565,546</u>

Notes to the Financial Statements continued

10. Other creditors

	18/06/23	18/06/22
	£	£
Accrued expenses	51,930	64,271
Amounts payable for cancellation of units	1,477,996	1,041,001
	<u>1,529,926</u>	<u>1,105,272</u>

11. Contingent liabilities and outstanding commitments

There were no contingent liabilities or outstanding commitments at the balance sheet date (18 June 2022: same).

Notes to the Financial Statements continued

12. Financial Instruments and Associated Risks

The investments of a Trust in financial securities and derivatives are subject to normal market fluctuations and other risks inherent in investing in such instruments. Legal & General (Unit Trust Managers) Limited (UTM) is the Authorised Fund Manager and has responsibility for ensuring appropriate risk management processes are implemented for each Unit Trust.

The UTM Board has delegated the risk oversight function to the Fund Manager Oversight Committee (FMOC), a committee of the Legal & General Investment Management (Holdings) Limited (LGIMH) Board that meets monthly. The primary objective of the FMOC is to ensure proper oversight of the investment management activities and associated services performed by LGIM, its delegates and other Fund Managers, under the Investment Management Agreement (IMA), on behalf of UTM in its capacity as Authorised Fund Manager. The committee consists of senior members of LGIMH and members of the UTM Board. Other senior staff members are also in attendance, as required by the agenda.

Each Trust has Investment Guidelines, an Investment Objective and Investment Restrictions, against which the fund manager will operate. These are set out in Schedule 1 of the IMA between LGIM and UTM. The Schedule is maintained by each fund manager, reviewed by the LGIM Operational Risk and Compliance Teams and approved senior members of LGIMH on behalf of the UTM board. The Schedule provides the detail needed to determine the risk profile for each fund. Fund managers are not permitted to invest into any new instruments without first gaining approval from UTM.

The Investment Objective and Policy of this Trust is detailed on page 2.

(a) Market Risk arising from other price risk

Market Risk arises mainly from uncertainty about future prices. It represents the potential loss the Trust may suffer through holding market positions in the face of market movements.

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting similar instruments traded in the market.

The assets held by the Trust can be seen in the Portfolio Statement starting on page 9. Movements in the prices of these investments result in movements in the performance of the Trust. The Manager adheres to the investment guidelines established in the Trust Deed, the Prospectus, the COLL and the Trust's IOG, and in this way, monitors and controls the exposure to risk from any type of security, sector or issuer.

As at the balance sheet date, if the price of the investments held by the Trust increased or decreased by 5%, with all other variables remaining constant, then the net assets attributable to unitholders would increase or decrease by approximately £9,526,223 (18 June 2022: £10,723,623).

Notes to the Financial Statements continued

12. Financial Instruments and Associated Risks continued

(b) Interest Rate Risk

Interest Rate Risk is the risk of movements in the value of financial instruments as a result of fluctuations in interest rates.

The Trust's only interest bearing financial instruments were its bank balances and overdraft facilities as disclosed in note 9. Cash is deposited and overdraft facilities utilised on normal commercial terms.

In the event of a change in interest rates, there would be no material impact upon the assets of the Trust.

(c) Foreign Currency Risk

Foreign Currency Risk is the risk of movements in the value of financial instruments as a result of fluctuations in exchange rates. This risk may be managed by the use of forward currency contracts or currency futures as necessary.

As at the balance sheet date, the Trust had no significant exposures to currencies other than Sterling (18 June 2022: same).

Forward currency contracts were not utilised during the current and the preceding year.

(d) Credit Risk

Credit Risk is the risk of suffering financial loss as a result of a counterparty to a financial transaction being unable to fulfil their financial obligations as they fall due.

This risk is managed by appraising the credit profile of financial instruments and issuers in line with the Trust's investment objective and policy.

(e) Liquidity Risk

Liquidity Risk relates to the capacity to meet liabilities as they fall due. The primary source of this risk to the Trust is the liability to Unitholders for any cancellation of units.

This risk is minimised by holding a large proportion of readily realisable assets, cash balances and via access to overdraft facilities.

Notes to the Financial Statements continued

12. Financial Instruments and Associated Risks continued

(f) Fair Value

The fair value of a financial instrument is the amount for which it could be exchanged between knowledgeable, willing parties in an arm's length transaction. There is no material difference between the value of the financial assets and liabilities, as shown in the financial statements, and their fair value.

The Statement of Recommended Practice for Financial Statements of UK Authorised Funds issued by the Investment Association in May 2014 requires the classification of the Trust's financial instruments held at the year end into a 3 tiered fair value hierarchy. The 3 tiers of the hierarchy and the classification of the Trust's financial instruments as at the balance sheet date were:

18/06/23	Assets	Liabilities
Basis of Valuation	£	£
Level 1 - Quoted Prices	190,524,458	—
Level 2 - Observable Market Data	—	—
Level 3 - Unobservable Data	—	—
Total	190,524,458	—

18/06/22	Assets	Liabilities
Basis of Valuation	£	£
Level 1 - Quoted Prices	214,472,451	—
Level 2 - Observable Market Data	—	—
Level 3 - Unobservable Data	—	—
Total	214,472,451	—

Level 1

The unadjusted quoted price in an active market for assets or liabilities that the entity can access at the measurement date.

Level 2

Valuation techniques using observable inputs other than quoted prices within Level 1.

Level 3

Valuation techniques using unobservable inputs.

Notes to the Financial Statements continued

13. Portfolio transaction costs

18/06/23	Value	Commissions		Taxes		Total
Purchases	£'000	£'000	%	£'000	%	£'000
Equities	23,002	11	0.05	83	0.36	23,096
Total	23,002	11	0.05	83	0.36	23,096

18/06/23	Value	Commissions		Taxes		Total
Sales	£'000	£'000	%	£'000	%	£'000
Equities	44,890	(12)	0.03	—	—	44,878
Total	44,890	(12)	0.03	—	—	44,878

Commissions and taxes as % of average net assets

Commissions 0.01%

Taxes 0.04%

18/06/22	Value	Commissions		Taxes		Total
Purchases	£'000	£'000	%	£'000	%	£'000
Equities	16,896	9	0.05	78	0.46	16,983
Total	16,896	9	0.05	78	0.46	16,983

18/06/22	Value	Commissions		Taxes		Total
Sales	£'000	£'000	%	£'000	%	£'000
Equities	37,265	(9)	0.02	—	—	37,256
Total	37,265	(9)	0.02	—	—	37,256

Commissions and taxes as % of average net assets

Commissions 0.00%

Taxes 0.03%

Transaction costs consist of expenses incurred in the process of the purchase and sales of securities above the cost of the securities.

The average portfolio dealing spread, including the effect of foreign exchange, as at the balance sheet date was 0.74% (18 June 2022: 0.55%).

Notes to the Financial Statements continued

14. Unit classes

A list of unit classes in issue and the Fund Management Fee on each unit class can be found on page 43. The net asset value per unit of each unit class and the number of units in each class are given in the comparative tables on pages 35 to 41. The distributions per unit class are given in the distribution tables on pages 32 and 33. All classes have the same rights on winding up.

R-Class	Distribution	Accumulation
Opening Units	2,001,159	455,748
Units issued	6,272	144,183
Units cancelled	(1,109,884)	(132,965)
Units converted	—	—
Closing Units	897,547	466,966

F-Class	Accumulation
Opening Units	68
Units issued	—
Units cancelled	—
Units converted	—
Closing Units	68

I-Class	Distribution	Accumulation
Opening Units	4,556,026	2,241,406
Units issued	120,580	129,956
Units cancelled	(536,650)	(331,864)
Units converted	—	—
Closing Units	4,139,956	2,039,498

C-Class	Accumulation
Opening Units	120,116,724
Units issued	5,304,841
Units cancelled	(10,101,011)
Units converted	—
Closing Units	115,320,554

L-Class	Accumulation
Opening Units	127,556,963
Units issued	321,919
Units cancelled	(16,786,191)
Units converted	—
Closing Units	111,092,691

Notes to the Financial Statements continued

15. Ultimate controlling party and related party transactions

The Manager is regarded as a related party to the Trust because it provides key management personnel services to the Trust. The ultimate controlling party of the Manager is Legal & General Group Plc. Subsidiaries of Legal & General Group Plc are also considered related parties to the Trust.

Legal & General (Unit Trust Managers) Limited acts as the principal on all the transactions of the units in the Trust. The aggregated monies received through creations or paid on cancellations are disclosed in the statement of change in net assets attributable to unitholders.

Equalisation amounts relating to creations and cancellations of units are shown within note 7. Fees received by the Authorised Fund Manager from the Trust plus any rebates paid by the Authorised Fund Manager to the Trust are shown within notes 3, 4 and 5 as applicable. Any outstanding fees, amounts outstanding on creations or cancellations of units in the Trust, or rebates receivable by the Trust from the Manager are shown within notes 8 and 10 as applicable.

As at the balance sheet date, the Manager and its associates held 30.44% (27.64% as at 18 June 2022) of the Trust's units in issue.

16. Post balance sheet market movements

As at the close of business on the balance sheet date, the Net Asset Value per R-Class accumulation unit was 1,033.42p. The Net Asset Value per R-Class accumulation unit for the Trust as at 12 noon on 4 September 2023 was 995.70p. This represents a decrease of 3.65% from the year end value.

Distribution Tables

Distribution Tables for the year ended 18 June 2023

Group 1: units purchased prior to a distribution period.

Group 2: units purchased during a distribution period.

Equalisation is the average amount of revenue included in the purchase price of all Group 2 units and is refunded to the holders of these units as a return of capital. As capital it is not liable to Income Tax but must be deducted from the cost of units for Capital Gains Tax purposes.

Interim dividend distribution in pence per unit			Period	
			19/06/22 to	18/12/22
R-Class			Distribution	Distribution
Distribution Units	Revenue	Equalisation	18/02/23	18/02/22
Group 1	7.4904	—	7.4904	2.1916
Group 2	4.3333	3.1571	7.4904	2.1916
R-Class			Distribution	Distribution
Accumulation Units	Revenue	Equalisation	18/02/23	18/02/22
Group 1	8.7010	—	8.7010	2.4847
Group 2	2.9007	5.8003	8.7010	2.4847
F-Class			Distribution	Distribution
Accumulation Units	Revenue	Equalisation	18/02/23	18/02/22
Group 1	11.5000	—	11.5000	5.3382
Group 2	—	11.5000	11.5000	5.3382
I-Class			Distribution	Distribution
Distribution Units	Revenue	Equalisation	18/02/23	18/02/22
Group 1	10.5811	—	10.5811	6.2077
Group 2	6.8019	3.7792	10.5811	6.2077
I-Class			Distribution	Distribution
Accumulation Units	Revenue	Equalisation	18/02/23	18/02/22
Group 1	13.2630	—	13.2630	7.6191
Group 2	7.3983	5.8647	13.2630	7.6191
C-Class			Distribution	Distribution
Accumulation Units	Revenue	Equalisation	18/02/23	18/02/22
Group 1	0.6290	—	0.6290	0.3933
Group 2	0.2951	0.3339	0.6290	0.3933
L-Class			Distribution	Distribution
Accumulation Units	Revenue	Equalisation	18/02/23	18/02/22
Group 1	0.8192	—	0.8192	0.5900
Group 2	0.5726	0.2466	0.8192	0.5900

Distribution Tables continued

Final dividend distribution in pence per unit			Period	
			19/12/22	to 18/06/23
R-Class			Distribution	Distribution
Distribution Units	Revenue	Equalisation	18/08/23	18/08/22
Group 1	9.1550	—	9.1550	5.7235
Group 2	7.6141	1.5409	9.1550	5.7235
R-Class			Distribution	Distribution
Accumulation Units	Revenue	Equalisation	18/08/23	18/08/22
Group 1	10.7564	—	10.7564	6.5993
Group 2	7.6362	3.1202	10.7564	6.5993
F-Class			Distribution	Distribution
Accumulation Units	Revenue	Equalisation	18/08/23	18/08/22
Group 1	13.9264	—	13.9264	9.3235
Group 2	—	13.9264	13.9264	9.3235
I-Class			Distribution	Distribution
Distribution Units	Revenue	Equalisation	18/08/23	18/08/22
Group 1	12.3547	—	12.3547	8.8456
Group 2	10.2155	2.1392	12.3547	8.8456
I-Class			Distribution	Distribution
Accumulation Units	Revenue	Equalisation	18/08/23	18/08/22
Group 1	15.6757	—	15.6757	10.9798
Group 2	8.3195	7.3562	15.6757	10.9798
C-Class			Distribution	Distribution
Accumulation Units	Revenue	Equalisation	18/08/23	18/08/22
Group 1	0.7374	—	0.7374	0.5347
Group 2	0.4420	0.2954	0.7374	0.5347
L-Class			Distribution	Distribution
Accumulation Units	Revenue	Equalisation	18/08/23	18/08/22
Group 1	0.9421	—	0.9421	0.7167
Group 2	0.7564	0.1857	0.9421	0.7167

Trust Information

The Comparative Tables on pages 35 to 41 give the performance of each active unit class in the Trust.

The 'Return after charges' disclosed in the Comparative Tables is calculated as the return after operating charges per unit divided by the opening net asset value per unit. It differs from the Trust's performance disclosed in the Manager's report, which is calculated based on the latest published price.

Portfolio transaction costs are incurred when investments are bought or sold by a fund in order to achieve the investment objective. These transaction costs affect an investor in different ways depending on whether they are joining, leaving or continuing with their investment in the Trust.

Direct transaction costs include broker commission and taxes. Broker commission includes the fee paid to a broker to execute the trades and research costs.

In addition, there are indirect portfolio transaction costs arising from the 'dealing spread' – the difference between the buying and selling prices of underlying investments in the portfolio. Unlike shares whereby broker commissions and stamp duty are paid by a fund on each transaction, other types of investments (such as bonds, money instruments, derivatives, collective investment schemes) do not have separately identifiable transaction costs; these costs form part of the dealing spread. Dealing spreads vary considerably depending on the transaction value and money market sentiment.

Trust Information continued

Comparative Tables

R-Class Distribution Units

Change in Net Asset Value per Unit

Accounting Year ending	18/06/23 (pence per unit)	18/06/22 (pence per unit)	18/06/21 (pence per unit)
Opening net asset value per unit	880.76	1,116.00	799.11
Return before operating charges*	20.68	(211.22)	339.00
Operating charges (calculated on average price)	(12.48)	(16.10)	(13.25)
Return after operating charges*	8.20	(227.32)	325.75
Distributions on income units	(16.65)	(7.92)	(8.86)
Closing net asset value per unit	872.31	880.76	1,116.00
* after direct transaction costs of:	0.45	0.38	1.04

Performance

Return after charges	0.93%	(20.37)%	40.76%
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Other Information

Closing net asset value (£)	7,829,394	17,625,328	77,315,351
Closing number of units	897,547	2,001,159	6,927,927
Operating charges [†]	1.43% [^]	1.43%	1.43%
Direct transaction costs	0.05%	0.03%	0.11%

Prices¹

Highest unit price	943.20p	1,275.00p	1,147.00p
Lowest unit price	773.40p	882.90p	777.20p

[†] Operating charges, otherwise known as the 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.

[^] This Trust's ongoing charges include any charges made by any open ended funds it may invest in. In addition to the ongoing charges, the Trust incurs costs relating to investments in closed ended funds (such as investment trusts). These costs vary and are approximately 0.02%. Portfolio transaction costs are also excluded from the ongoing charges.

¹ Highest and lowest unit prices are based on published prices.

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.

Trust Information continued

Comparative Tables continued

R-Class Accumulation Units

Change in Net Asset Value per Unit

Accounting Year ending	18/06/23 (pence per unit)	18/06/22 (pence per unit)	18/06/21 (pence per unit)
Opening net asset value per unit	1,023.58	1,286.07	913.03
Return before operating charges*	24.40	(243.49)	388.33
Operating charges (calculated on average price)	(14.56)	(19.00)	(15.29)
Return after operating charges*	9.84	(262.49)	373.04
Distributions	(19.46)	(9.08)	(10.15)
Retained distributions on accumulation units	19.46	9.08	10.15
Closing net asset value per unit	1,033.42	1,023.58	1,286.07
* after direct transaction costs of:	0.52	0.45	1.20

Performance

Return after charges	0.96%	(20.41)%	40.86%
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Other Information

Closing net asset value (£)	4,825,699	4,664,935	32,699,550
Closing number of units	466,966	455,748	2,542,597
Operating charges [†]	1.43% [^]	1.43%	1.43%
Direct transaction costs	0.05%	0.03%	0.11%

Prices¹

Highest unit price	1,098.00p	1,469.00p	1,315.00p
Lowest unit price	898.80p	1,020.00p	888.10p

[†] Operating charges, otherwise known as the 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.

[^] This Trust's ongoing charges include any charges made by any open ended funds it may invest in. In addition to the ongoing charges, the Trust incurs costs relating to investments in closed ended funds (such as investment trusts). These costs vary and are approximately 0.02%. Portfolio transaction costs are also excluded from the ongoing charges.

¹ Highest and lowest unit prices are based on published prices.

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.

Trust Information continued

Comparative Tables continued

F-Class Accumulation Units

Change in Net Asset Value per Unit

Accounting Year ending	18/06/23 (pence per unit)	18/06/22 (pence per unit)	18/06/21 (pence per unit)
Opening net asset value per unit	1,095.59	1,370.61	969.22
Return before operating charges*	25.95	(260.14)	412.73
Operating charges (calculated on average price)	(11.25)	(14.88)	(11.34)
Return after operating charges*	14.70	(275.02)	401.39
Distributions	(25.43)	(14.66)	(15.78)
Retained distributions on accumulation units	25.43	14.66	15.78
Closing net asset value per unit	1,110.29	1,095.59	1,370.61
* after direct transaction costs of:	0.56	0.49	1.24

Performance

Return after charges	1.34%	(20.07)%	41.41%
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Other Information

Closing net asset value (£)	755	745	36,143
Closing number of units	68	68	2,637
Operating charges†	1.03%^	1.03%	1.03%
Direct transaction costs	0.05%	0.03%	0.11%

Prices¹

Highest unit price	1,178.00p	1,567.00p	1,402.00p
Lowest unit price	963.00p	1,091.00p	943.00p

† Operating charges, otherwise known as the 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.

^ This Trust's ongoing charges include any charges made by any open ended funds it may invest in. In addition to the ongoing charges, the Trust incurs costs relating to investments in closed ended funds (such as investment trusts). These costs vary and are approximately 0.02%. Portfolio transaction costs are also excluded from the ongoing charges.

¹ Highest and lowest unit prices are based on published prices.

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.

Trust Information continued

Comparative Tables continued

I-Class Distribution Units

Change in Net Asset Value per Unit

Accounting Year ending	18/06/23 (pence per unit)	18/06/22 (pence per unit)	18/06/21 (pence per unit)
Opening net asset value per unit	902.78	1,144.08	819.12
Return before operating charges*	21.22	(217.65)	347.99
Operating charges (calculated on average price)	(6.99)	(8.60)	(7.46)
Return after operating charges*	14.23	(226.25)	340.53
Distributions on income units	(22.94)	(15.05)	(15.57)
Closing net asset value per unit	894.07	902.78	1,144.08
* after direct transaction costs of:	0.46	0.37	1.07

Performance

Return after charges	1.58%	(19.78)%	41.57%
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Other Information

Closing net asset value (£)	37,014,067	41,130,766	4,834,672
Closing number of units	4,139,956	4,556,026	422,580
Operating charges†	0.78% [^]	0.78%	0.78%
Direct transaction costs	0.05%	0.03%	0.11%

Prices¹

Highest unit price	967.80p	1,309.00p	1,179.00p
Lowest unit price	794.40p	907.90p	796.90p

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[^] This Trust's ongoing charges include any charges made by any open ended funds it may invest in. In addition to the ongoing charges, the Trust incurs costs relating to investments in closed ended funds (such as investment trusts). These costs vary and are approximately 0.02%. Portfolio transaction costs are also excluded from the ongoing charges.

¹ Highest and lowest unit prices are based on published prices.

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.

Trust Information continued

Comparative Tables continued

I-Class Accumulation Units

Change in Net Asset Value per Unit

Accounting Year ending	18/06/23 (pence per unit)	18/06/22 (pence per unit)	18/06/21 (pence per unit)
Opening net asset value per unit	1,131.54	1,412.60	996.41
Return before operating charges*	27.16	(270.31)	425.38
Operating charges (calculated on average price)	(8.81)	(10.75)	(9.19)
Return after operating charges*	18.35	(281.06)	416.19
Distributions	(28.94)	(18.60)	(19.22)
Retained distributions on accumulation units	28.94	18.60	19.22
Closing net asset value per unit	1,149.89	1,131.54	1,412.60
* after direct transaction costs of:	0.58	0.47	1.32

Performance

Return after charges	1.62%	(19.90)%	41.77%
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Other Information

Closing net asset value (£)	23,451,955	25,362,294	10,854,215
Closing number of units	2,039,498	2,241,406	768,386
Operating charges [†]	0.78% [^]	0.78%	0.78%
Direct transaction costs	0.05%	0.03%	0.11%

Prices[‡]

Highest unit price	1,219.00p	1,616.00p	1,444.00p
Lowest unit price	995.60p	1,127.00p	969.60p

[†] Operating charges, otherwise known as the 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.

[^] This Trust's ongoing charges include any charges made by any open ended funds it may invest in. In addition to the ongoing charges, the Trust incurs costs relating to investments in closed ended funds (such as investment trusts). These costs vary and are approximately 0.02%. Portfolio transaction costs are also excluded from the ongoing charges.

[‡] Highest and lowest unit prices are based on published prices.

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.

Trust Information continued

Comparative Tables continued

C-Class Accumulation Units

Change in Net Asset Value per Unit

Accounting Year ending	18/06/23 (pence per unit)	18/06/22 (pence per unit)	18/06/21 (pence per unit)
Opening net asset value per unit	49.87	62.14	43.76
Return before operating charges*	1.20	(11.90)	18.68
Operating charges (calculated on average price)	(0.30)	(0.37)	(0.30)
Return after operating charges*	0.90	(12.27)	18.38
Distributions	(1.37)	(0.93)	(0.95)
Retained distributions on accumulation units	1.37	0.93	0.95
Closing net asset value per unit	50.77	49.87	62.14
* after direct transaction costs of:	0.03	0.02	0.06

Performance

Return after charges	1.80%	(19.75)%	42.00%
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Other Information

Closing net asset value (£)	58,547,700	59,901,286	81,392,555
Closing number of units	115,320,554	120,116,724	130,972,657
Operating charges†	0.60%^	0.60%	0.60%
Direct transaction costs	0.05%	0.03%	0.11%

Prices¹

Highest unit price	53.75p	71.13p	63.56p
Lowest unit price	43.91p	49.67p	42.59p

† Operating charges, otherwise known as the 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.

^ This Trust's ongoing charges include any charges made by any open ended funds it may invest in. In addition to the ongoing charges, the Trust incurs costs relating to investments in closed ended funds (such as investment trusts). These costs vary and are approximately 0.02%. Portfolio transaction costs are also excluded from the ongoing charges.

¹ Highest and lowest unit prices are based on published prices.

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.

Trust Information continued

Comparative Tables continued

L-Class Accumulation Units

Change in Net Asset Value per Unit

Accounting Year ending	18/06/23 (pence per unit)	18/06/22 (pence per unit)	18/06/21 (pence per unit)
Opening net asset value per unit	53.39	66.16	46.34
Return before operating charges*	1.29	(12.74)	19.85
Operating charges (calculated on average price)	(0.03)	(0.03)	(0.03)
Return after operating charges*	1.26	(12.77)	19.82
Distributions	(1.76)	(1.31)	(1.34)
Retained distributions on accumulation units	1.76	1.31	1.34
Closing net asset value per unit	54.65	53.39	66.16
* after direct transaction costs of:	0.03	0.02	0.06

Performance

Return after charges	2.36%	(19.30)%	42.77%
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Other Information

Closing net asset value (£)	60,711,340	68,096,952	95,752,316
Closing number of units	111,092,691	127,556,963	144,720,145
Operating charges [†]	0.05% [^]	0.05%	0.05%
Direct transaction costs	0.05%	0.03%	0.11%

Prices¹

Highest unit price	57.74p	75.82p	67.67p
Lowest unit price	47.09p	53.17p	45.11p

[†] Operating charges, otherwise known as the 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.

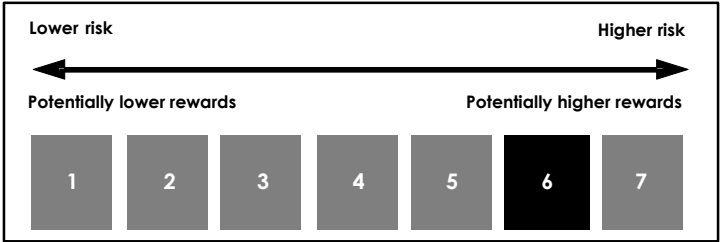
[^] This Trust's ongoing charges include any charges made by any open ended funds it may invest in. In addition to the ongoing charges, the Trust incurs costs relating to investments in closed ended funds (such as investment trusts). These costs vary and are approximately 0.02%. Portfolio transaction costs are also excluded from the ongoing charges.

¹ Highest and lowest unit prices are based on published prices.

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.

Risk and Reward Profile (unaudited)



- The Risk and Reward Indicator table demonstrates where the Trust ranks in terms of its potential risk and reward. The higher the rank the greater the potential reward but the greater the risk of losing money. It is not guaranteed to remain the same and may change over time. It is based on historical data and may not be a reliable indication of the future risk profile of the Trust. The shaded area in the table above shows the Trust's ranking on the Risk and Reward Indicator.
- The Trust is in category six 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.
- Even a trust in the lowest category is not a risk free investment.

General Information (unaudited)

Constitution

Launch date:	9 September 1985
Period end dates for distributions:	18 December, 18 June
Distribution dates:	18 February, 18 August
Minimum initial lump sum investment:	R-Class £100 I-Class £1,000,000 C-Class* £20,000,000 L-Class** £100,000
Minimum monthly contributions:	R-Class £20 I-Class N/A C-Class* N/A L-Class** N/A
Valuation point:	12 noon
Fund Management Fees:	R-Class Annual 1.43% F-Class*** Annual 1.03% I-Class Annual 0.78% C-Class* Annual 0.60% L-Class** Annual 0.05%
Initial charge:	Nil for all existing unit classes

* Class C 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.

** Class L units are only available to other Legal & General funds and/or companies which have entered into an agreement with the Manager or an affiliate of the Manager.

*** Class F units are closed to new subscriptions.

Pricing and Dealing

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

Dealing in units takes place on a forward pricing basis, from 9:00am to 5:00pm, 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 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.

General Information (unaudited) continued

Prospectus and Manager's 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.

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

General Information (unaudited) continued

Remuneration Disclosure

In accordance with the Undertakings for collective investment in transferable securities (UCITs) Directive, often referred to as the UCITs V Directive, the Legal & General UK Smaller Companies Trust, as a UCITs Scheme, is required to disclose the aggregate remuneration paid by the UCITs Manager and by the UCITs Scheme to Identified Staff, together with the number of beneficiaries, and, where relevant, performance fees paid by the UCITs Scheme. The aggregate amount of remuneration must be broken down by category of employees or other staff members and be split into fixed and variable remuneration.

The following provides information on the remuneration of persons whose professional activities have a material impact on the management company and the funds we manage as at 31 December 2022:

Controlled Functions

Headcount	Fixed Remuneration (£'000)	Variable Remuneration (£'000)	Remuneration related to this Trust (Pro-rated) (£'000)
37	9,236	11,203	62

Material Risk Takers

Headcount	Fixed Remuneration (£'000)	Variable Remuneration (£'000)	Remuneration related to this Trust (Pro-rated) (£'000)
10	1,229	844	284

Controlled Functions

During 2022, Legal & General Unit Trust Managers Limited (UTM) engaged the services of four employees of Legal & General Investment Management (Holdings) Limited (LGIMH). In addition, there were three non-executive Directors. UTM also engaged the services of a further 30 LGIMH employees to act in a variety of Controlled Functions, including Chief Compliance Officer, Money Laundering Reporting Officer, Client Asset Oversight, Systems and Controls Functions, Significant Management Functions and Customer Functions. These employees were also engaged by other companies in the L&G Group. The aggregate remuneration received by these individuals, for all their services across the L&G Group, is disclosed in the table above. We have prorated the remuneration figures by the Net Asset Value of the UCITS Funds as a percentage of the total assets under management of UTM.

Material Risk Takers

As at the 31 December 2022, UTM engaged the services of Legal & General Investment Management's Active Equities Fund Management team, which consists of 10 investment professionals located in our London Office. The team includes a variety of Fund Managers, Analysts and Support Staff, with the Fund Managers empowered to take discretionary investment management decisions on behalf of the Fund. The team is also engaged in managing other Legal & General UTM Funds/Schemes and is also engaged by other companies in the L&G Group. The aggregate remuneration received by the members of the team, for all their services across the L&G Group, is disclosed in the table above. We have prorated the remuneration figures by the Net Asset Value of the UCITS Funds as a percentage of the total assets under management of the Legal & General Investment Management's Active Equities Fund Management team.

General Information (unaudited) continued

Assessment of Value

We have now published Assessment of Value reports for our funds on legalandgeneral.com and lgim.com.

Taskforce on Climate related Financial Disclosures (TCFD) Report

In accordance with the Taskforce on Climate related Financial Disclosures (TCFD) requirements, UTM has prepared its public TCFD report which is available for investors to read and review at the following website link:
https://www.lgim.com/landg-assets/lgim/_document-library/capabilities/utm-tcfcl-legal-entity-report-2022.pdf.

Significant Change

Change of Investment Objective and Policy

With effect from 23 May 2023, the Investment Objective & Policy was updated. The previous and revised Investment Objective and Policy are set out on page 2.

Notifiable Change

Prospectus Updates

Following a review, the Risk Factors section of the Prospectus (including the Table of Fund specific risks) was updated on 9 December 2022.

With effect from 16 March 2023, the Prospectus was updated for the following:

To introduce wording to allow for the compulsory conversion or cancellation of units and to clarify the circumstances in which redemptions, conversions or cancellations may be carried out.

To introduce revised wording confirming the Trust may not be offered or sold to in the United States of America or held by U.S. Persons and that the compulsory redemption provisions as set out in the Prospectus will apply accordingly to any such U.S. Person.

To introduce wording to reflect the treatment of unclaimed distributions and client money.

With effect from 23 May 2023, the Prospectus was further updated to confirm that units may be redeemed in certain circumstances.

General Information (unaudited) 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

M. M. Ammon
A. D. Clare* (resigned on 15 November 2022)
E. Cowhey*
A. J. C. Craven
D. J. Hosie*
R. R. Mason
L. W. Toms

*Non-executive Director

Secretary

J. McCarthy
One Coleman Street,
London EC2R 5AA

Registrar

Legal & General (Unit Trust Managers) Limited
Brunel House,
2 Fitzalan Road,
Cardiff CF24 0EB
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 Investor Services Limited
Trustee and Depositary Services
50 Bank Street,
Canary Wharf,
London E14 5NT
Authorised and regulated by the Financial Conduct Authority

Independent Auditor

KPMG LLP
319 St Vincent Street,
Glasgow G2 5AS

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:
One Coleman Street,
London EC2R 5AA
www.legalandgeneral.com

