

Legal & General Distribution Trust

**Annual Manager's Report**  
**for the year ended**  
**14 October 2021**





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

# Manager's Investment Report

## Investment Objective and Policy

The objective of the Trust is to provide a combination of income and growth.

The Trust is actively managed and will have exposure to shares in companies, bonds (both corporate and government), cash, deposits and money market instruments (such as treasury bills). The assets in the Trust may represent all economic sectors and geographical areas. The Manager will aim to identify a combination of investments that are expected to produce income, together with some potential for growth.

The Trust will have exposure of between 20% and 40% to shares in companies and at least 60% of the value of the Trust to interest bearing assets such as bonds and money market instruments.

To obtain exposure to shares in companies, bonds, cash and money market instruments, the Manager may invest directly and/or in collective investment schemes including those which are managed or operated by the Manager or an associate of the Manager.

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

## Manager's Investment Report

During the year under review, the published price of the Trust's R-Class accumulation units rose by 12.58%.

**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

Despite retreating somewhat towards the end of the year under review, global equity indices made strong gains as investors weighed up the likely trajectory of the economic recovery from the pandemic. Unprecedented stimulus from central banks and the creation of effective vaccines were the two pillars of the rebound. Against this backdrop UK equities made notable gains over the 12-month period. After the UK's service-oriented economy effectively ground to a halt in the early months of the pandemic the picture brightened significantly in the closing months of 2020 after the UK became the first country in the world to approve a COVID-19 vaccine. That, coupled with an historic trade deal between the EU and UK just before the year end, led to a relief rally in stocks as the dreaded 'no-deal' scenario had been avoided.

Yields on government bonds rose as an improving economic backdrop over the year since the onset of the pandemic led investors to favour equities, though the rise tailed off during the second half of the review year on inflationary worries and COVID-19-related risk aversion, before rising once again as inflationary pressures returned to the fore. Bond spreads narrowed considerably in the early months of the review year. With spreads at very tight levels, investment grade debt in developed countries effectively tracked underlying government bond yields towards the end of the review year, with little cushion available in the event of a rise in underlying yields. High yield remained supported by investors seeking returns in a world of low fixed income rates.

## Trust Review

Against this backdrop, the Trust delivered double digit positive returns over the year under review, with most of the gains driven by the income focused UK equity holdings. Cyclical sectors were strong, and the Trust's large weightings in banks (Natwest Group,

## Manager's Investment Report continued

Barclays) and travel and leisure companies (SSP Group, Easyjet) were notable positive contributors. The UK market's low valuation also led to takeover bids for the Trust's holdings in Meggitt, Morrisons and Entain. The largest detractors were financial services company TP ICAP Group, insurer Phoenix Group, and not owning the mining company Glencore. Elsewhere, the allocation to high yield credit performed strongly over the year providing a further tailwind for the Trust, with additional support from the allocation to global inflation linked bonds. Given the backdrop of rising rates, the exposure to UK government and corporate bonds were marginal detractors.

In terms of portfolio activity, the Trust trimmed the exposure to the income focussed UK equity holdings following strong performance, recycling part of the proceeds into UK government bonds. Within the UK income segment of the Trust, positions in Easyjet and RSA were sold. Easyjet had gained on hopes for a strong summer year, while RSA was taken over by rival insurers. Holdings were reduced in certain stocks that had risen strongly, such as SSP Group and takeover candidates including Meggitt and Entain. Significant additions were made to the positions in defence supplier BAE Systems and consumer staples giant Unilever and initiated a new holding in defence company QinetiQ Group.

### Outlook

In the medium term, we expect the economic recovery to continue, with the near-term range of outcomes narrowing as the vaccine rollout continues apace worldwide. The end of the third quarter saw risk assets negatively impacted but we believe much of the bad news has now been priced in. With this in mind, we will look to buy the dip and cautiously increase our allocation to risk assets.

Attention now turns to when the US might increase interest rates. An area that will have a large bearing on this is whether inflation is more persistent than previously feared. We anticipate inflation might prove more persistent than the Federal Reserve (Fed) view, before coming back in line with the Fed's forecast in late 2022 as we see some of the price increases caused by supply bottlenecks reverse.

Finally, the economic and market situations have improved markedly over the last year, and the outlook for dividends is becoming clearer. The portfolio's holdings in banks are well capitalised and the Bank of England has removed restrictions on returning capital so these should prove to be a strong source of dividends over the next year. However other industries like the oil companies are seeing large changes to their long-term outlook. It was notable that Royal Dutch Shell cut its dividend to fund more investment in green technologies. We anticipate further recovery in UK dividends over the next year, but it will take longer to recover to past levels.

Legal & General Investment Management Limited  
(Investment Adviser)  
November 2021

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

### **Important Note from the Manager**

Since January 2020, global financial markets have been affected by the COVID-19 pandemic. Whilst causing major uncertainty within markets and disrupting businesses, as well as everyday life, the success of vaccination rollout programs around the globe has seen markets stabilise and a degree of normality return. As lockdown measures in major economies are relaxed, we are cognisant of an upturn in infection rates and the potential for restrictions and volatility to return. As such, the Manager is monitoring the situation on an on-going basis.

Legal & General (Unit Trust Managers) Limited  
October 2021

## Authorised Status

### Authorised Status

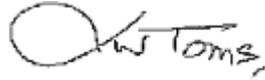
This Trust is an Authorised Unit Trust Scheme as defined in section 243 of the Financial Services and Markets Act 2000 and is a UCITS Retail Scheme within the meaning of the FCA Collective Investment Schemes sourcebook.

### 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  
2 February 2022

## 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 period.

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;
- 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 Distribution 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 Distribution Trust ("the Trust") for the year ended 14 October 2021**

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  
2 February 2022

## Portfolio Statement

### Portfolio Statement as at 14 October 2021

All investments are in investment grade securities, ordinary shares or collective investment schemes unless otherwise stated. The percentages in brackets show the equivalent holdings at 14 October 2020.

| Holding/<br>Nominal<br>Value | Investment   | Market<br>Value<br>£ | % of<br>Net<br>Assets |
|------------------------------|--|----------------------|-----------------------|
|                              | <b>EQUITIES — 34.22% (30.92%)</b>                                  |                      |                       |
|                              | <b>UNITED KINGDOM</b>  |                      |                       |
|                              | — 32.13% (29.66%)  |                      |                       |
|                              | <b>Aerospace &amp; Defense</b>                                     |                      |                       |
|                              | — 2.11% (1.36%)  |                      |                       |
| 74,400                       | BAE Systems  | 444,019              | 1.12                  |
| 25,000                       | Meggitt  | 186,800              | 0.47                  |
| 73,000                       | QinetiQ Group  | 206,152              | 0.52                  |
|                              |  | 836,971              | 2.11                  |
|                              | <b>General Industrials — 1.16% (1.12%)</b>                         |                      |                       |
| 57,200                       | DS Smith   | 218,790              | 0.55                  |
| 146,700                      | Melrose Industries <sup>1</sup>                                    | 241,542              | 0.61                  |
|                              |  | 460,332              | 1.16                  |
|                              | <b>Food Producers — 1.88% (1.18%)</b>                              |                      |                       |
| 35,100                       | Tate & Lyle  | 236,363              | 0.59                  |
| 13,200                       | Unilever   | 511,500              | 1.29                  |
|                              |  | 747,863              | 1.88                  |
|                              | <b>Household Goods &amp; Home<br/>Construction — 0.66% (0.59%)</b> |                      |                       |
| 170,000                      | Taylor Wimpey  | 261,035              | 0.66                  |
|                              | <b>Tobacco — 2.15% (2.12%)</b>                                     |                      |                       |
| 14,500                       | British American Tobacco   | 376,275              | 0.95                  |
| 30,600                       | Imperial Brands  | 477,666              | 1.20                  |
|                              |  | 853,941              | 2.15                  |
|                              | <b>Pharmaceuticals &amp; Biotechnology</b>                         |                      |                       |
|                              | — 2.14% (2.30%)  |                      |                       |
| 5,380                        | AstraZeneca  | 475,484              | 1.20                  |
| 26,700                       | GlaxoSmithKline  | 373,587              | 0.94                  |
|                              |  | 849,071              | 2.14                  |
|                              | <b>Travel &amp; Leisure — 0.92% (1.16%)</b>                        |                      |                       |
| 51,700                       | SSP Group  | 135,092              | 0.34                  |
| 7,060                        | Whitbread  | 232,204              | 0.58                  |
|                              |  | 367,296              | 0.92                  |
|                              | <b>Gas, Water &amp; Multi-utilities</b>                            |                      |                       |
|                              | — 0.79% (0.79%)  |                      |                       |
| 34,800                       | National Grid  | 313,792              | 0.79                  |
|                              | <b>Banks — 3.98% (2.51%)</b>                                       |                      |                       |
| 208,000                      | Barclays   | 406,474              | 1.03                  |
| 100,500                      | HSBC   | 430,140              | 1.08                  |
| 832,000                      | Lloyds Banking Group   | 401,814              | 1.01                  |
| 149,000                      | Natwest Group  | 342,402              | 0.86                  |
|                              |  | 1,580,830            | 3.98                  |

## Portfolio Statement continued

| Holding/<br>Nominal<br>Value | Investment   | Market<br>Value<br>£ | % of<br>Net<br>Assets |
|------------------------------|--|----------------------|-----------------------|
|                              | <b>Life Insurance — 1.77% (2.28%)</b>  |                      |                       |
| 51,500                       | Aviva  | 204,301              | 0.52                  |
| 37,600                       | Phoenix Group  | 246,957              | 0.62                  |
| 17,300                       | Prudential   | 249,725              | 0.63                  |
|                              |  | <b>700,983</b>       | <b>1.77</b>           |
|                              | <b>Software &amp; Computer Services<br/>— 0.00% (0.16%)</b>                        |                      |                       |
|                              | <b>Non-life Insurance — 0.56% (1.50%)</b>  |                      |                       |
| 79,300                       | Direct Line Insurance  | 220,375              | 0.56                  |
|                              | <b>Investment Banking and Brokerage<br/>Services — 1.09% (1.44%)</b>               |                      |                       |
| 75,900                       | Brewin Dolphin   | 278,933              | 0.70                  |
| 77,600                       | M&G  | 154,734              | 0.39                  |
|                              |  | <b>433,667</b>       | <b>1.09</b>           |
|                              | <b>Oil, Gas and Coal — 3.78% (1.97%)</b>   |                      |                       |
| 176,000                      | BP   | 632,984              | 1.59                  |
| 73,600                       | John Wood Group  | 164,054              | 0.41                  |
| 13,300                       | Royal Dutch Shell 'A'  | 233,043              | 0.59                  |
| 26,600                       | Royal Dutch Shell 'B'  | 470,926              | 1.19                  |
|                              |  | <b>1,501,007</b>     | <b>3.78</b>           |
|                              | <b>Retailers — 1.70% (1.55%)</b>   |                      |                       |
| 237,000                      | Currys   | 291,273              | 0.73                  |
| 5,020                        | Next   | 385,837              | 0.97                  |
|                              |  | <b>677,110</b>       | <b>1.70</b>           |
|                              | <b>Industrial Support Services<br/>— 0.44% (0.59%)</b>                             |                      |                       |
| 25,500                       | PageGroup  | 174,038              | 0.44                  |
|                              | <b>Telecommunications Service<br/>Providers — 1.85% (1.46%)</b>                    |                      |                       |
| 225,600                      | BT Group   | 321,029              | 0.81                  |
| 372,000                      | Vodafone Group   | 413,143              | 1.04                  |
|                              |  | <b>734,172</b>       | <b>1.85</b>           |
|                              | <b>Personal Care, Drug and Grocery<br/>Stores — 1.59% (1.47%)</b>                  |                      |                       |
| 170,000                      | Tesco  | 452,880              | 1.14                  |
| 62,700                       | Wm Morrison Supermarkets   | 178,820              | 0.45                  |
|                              |  | <b>631,700</b>       | <b>1.59</b>           |
|                              | <b>Precious Metals and Mining<br/>— 3.56% (4.11%)</b>                              |                      |                       |
| 12,100                       | Anglo American   | 349,629              | 0.88                  |
| 25,800                       | BHP Group  | 508,002              | 1.28                  |
| 11,000                       | Rio Tinto  | 557,040              | 1.40                  |
|                              |  | <b>1,414,671</b>     | <b>3.56</b>           |
|                              | <b>IRELAND — 0.40% (0.00%)<br/>Industrial Support Services<br/>— 0.40% (0.00%)</b> |                      |                       |
| 2,640                        | DCC  | 159,984              | 0.40                  |

## Portfolio Statement continued

| Holding/<br>Nominal<br>Value                | Investment  | Market<br>Value<br>£ | % of<br>Net<br>Assets |
|---|---|----------------------|-----------------------|
|   | <b>CHANNEL ISLANDS — 1.20% (0.66%)</b>  |                      |                       |
|   | <b>Media — 0.86% (0.66%)</b>  |                      |                       |
| 34,700                                      | WPP   | 339,505              | 0.86                  |
|   | <b>Investment Banking and Brokerage<br/>Services — 0.34% (0.00%)</b>                      |                      |                       |
| 86,200                                      | TP ICAP Group   | 134,972              | 0.34                  |
|   | <b>ISLE OF MAN — 0.47% (0.60%)</b>  |                      |                       |
|   | <b>Travel &amp; Leisure — 0.47% (0.60%)</b>   |                      |                       |
| 9,100                                       | Entain  | 187,278              | 0.47                  |
|   | <b>UNITED STATES — 0.02% (0.00%)</b>  |                      |                       |
|   | <b>Life Insurance — 0.02% (0.00%)</b>   |                      |                       |
| 432   | Jackson Financial   | 8,902                | 0.02                  |
|   | <b>COLLECTIVE INVESTMENT SCHEMES<br/>— 54.18% (59.48%)</b>                                |                      |                       |
| 4,582,108                                   | Legal & General Fixed Interest Trust<br>'R' Inc <sup>1</sup>                              | 3,473,237            | 8.75                  |
| 2,958,149                                   | Legal & General Global Inflation<br>Linked Bond Index Fund 'L' Inc <sup>1</sup>           | 1,761,873            | 4.43                  |
| 11,292,468                                  | Legal & General High Income Trust<br>'I' Inc <sup>1</sup>                                 | 5,166,304            | 13.01                 |
| 5,117,461                                   | Legal & General Managed Monthly<br>Income Trust 'R' Inc <sup>1</sup>                      | 3,543,842            | 8.92                  |
| 7,165,606                                   | Legal & General Short Dated<br>Sterling Corporate Bond Index Fund<br>'I' Inc <sup>1</sup> | 3,671,656            | 9.25                  |
| 3,851,663                                   | Legal & General Sterling Income<br>Fund 'I' Inc <sup>1</sup>                              | 3,901,735            | 9.82                  |
|   |   | 21,518,647           | 54.18                 |
|   | <b>GOVERNMENT BONDS<br/>— 10.02% (8.59%)</b>  |                      |                       |
| GBP1,930,000                                | United Kingdom Gilt 1.75%<br>07/09/2022   | 1,953,423            | 4.92                  |
| GBP1,764,923                                | United Kingdom Gilt 5% 07/03/2025   | 2,027,332            | 5.10                  |
|   |   | 3,980,755            | 10.02                 |
|   | <b>FUTURES CONTRACTS<br/>— 0.01% (-0.01%)</b>   |                      |                       |
| 3   | FTSE 100 Index Future Expiry<br>December 2021   | 4,491                | 0.01                  |
| <b>Portfolio of investments<sup>2</sup></b> |   | 39,093,388           | 98.43                 |
| <b>Net other assets</b>                     |   | 622,806              | 1.57                  |
| <b>Total net assets</b>                     |   | £39,716,194          | 100.00%               |

<sup>1</sup> These unlisted deposits have been valued at the Manager's best assessment of their fair and reasonable value.

<sup>2</sup> All investments are admitted to an official stock exchange unless otherwise stated.

Total purchases for the year: £4,070,178.

Total sales for the year: £7,158,847.

# Independent Auditor's Report

## Independent auditor's report to the Unitholders of Legal & General Distribution Trust ('the Trust')

### **Opinion**

We have audited the financial statements of the Trust for the year ended 14 October 2021 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 18 to 19.

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 14 October 2021 and of the net revenue and the net capital gains 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 nonjudgemental 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 substantively tested all material post-closing entries and, based on the results of our risk assessment procedures and understanding of the process, including the segregation of duties between the Manager 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](http://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  
15 Canada Square,  
London E14 5GL  
2 February 2022

## Financial Statements

### Statement of Total Return for the year ended 14 October 2021

| Notes  | 14/10/21 |                          | 14/10/20                   |   |
|--|----------|--------------------------|----------------------------|---|
|  | £        | £                        | £                          | £ |
| <b>Income</b>  |          |                          |                            |   |
| Net capital gains/<br>(losses)   | 3        | 3,952,638                | (3,527,533)                |   |
| Revenue  | 4        | 1,386,202                | 1,416,125                  |   |
| Expenses   | 5        | (382,047)                | (414,016)                  |   |
| Interest payable<br>and similar charges  | 7        | (2)                      | (55)                       |   |
| <b>Net revenue<br/>before taxation</b>   |          | <u>1,004,153</u>         | <u>1,002,054</u>           |   |
| Taxation   | 6        | (2,473)                  | (2,227)                    |   |
| <b>Net revenue<br/>after taxation for the year</b>   |          | <u>1,001,680</u>         | <u>999,827</u>             |   |
| <b>Total return<br/>before distributions</b>   |          | <u>4,954,318</u>         | <u>(2,527,706)</u>         |   |
| Distributions  | 7        | (1,197,461)              | (1,206,818)                |   |
| <b>Change in net assets<br/>attributable to Unitholders<br/>from investment activities</b> |          | <u><b>£3,756,857</b></u> | <u><b>£(3,734,524)</b></u> |   |

### Statement of Change in Net Assets attributable to Unitholders for the year ended 14 October 2021

|  | 14/10/21     |                           | 14/10/20    |                           |
|--|--------------|---------------------------|-------------|---------------------------|
|  | £            | £                         | £           | £                         |
| <b>Opening net assets<br/>attributable to Unitholders</b>                                  |              | 38,798,411                |             | 48,559,048                |
| Amounts received on<br>issue of units  | 12,558,259   |                           | 1,094,758   |                           |
| Amounts paid on<br>cancellation of units   | (16,337,525) |                           | (8,018,264) |                           |
|  |              | <u>(3,779,266)</u>        |             | <u>(6,923,506)</u>        |
| <b>Change in net assets<br/>attributable to Unitholders<br/>from investment activities</b> |              | 3,756,857                 |             | (3,734,524)               |
| Retained distributions on<br>accumulation units  |              | 940,022                   |             | 897,393                   |
| Unclaimed distributions  |              | 170                       |             | —                         |
| <b>Closing net assets<br/>attributable to Unitholders</b>                                  |              | <u><b>£39,716,194</b></u> |             | <u><b>£38,798,411</b></u> |

## Financial Statements continued

### Balance Sheet as at 14 October 2021

|   | Notes | 14/10/21<br>£      | 14/10/20<br>£      |
|---|-------|--------------------|--------------------|
| <b>ASSETS</b>                                 |       |                    |                    |
| <b>Fixed assets:</b>                          |       |                    |                    |
| Investments                                   |       | 39,093,388         | 38,407,160         |
| <b>Current assets:</b>                        |       |                    |                    |
| Debtors                                       | 8     | 1,526,053          | 133,110            |
| Cash and bank balances                        | 9     | 885,244            | 803,655            |
| <b>Total assets</b>                           |       | <b>41,504,685</b>  | <b>39,343,925</b>  |
| <b>LIABILITIES</b>                            |       |                    |                    |
| Investment liabilities                        |       | —                  | (5,199)            |
| <b>Creditors:</b>                             |       |                    |                    |
| Bank overdrafts                               | 9     | (205,955)          | (327,641)          |
| Distributions payable                         |       | (133,707)          | (118,115)          |
| Other creditors                               | 10    | (1,448,829)        | (94,559)           |
| <b>Total liabilities</b>                      |       | <b>(1,788,491)</b> | <b>(545,514)</b>   |
| <b>Net assets attributable to Unitholders</b> |       | <b>£39,716,194</b> | <b>£38,798,411</b> |

# 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).

## 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, and in response to COVID-19, 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. 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.

Bond revenue is accounted for on an effective yield basis, calculated with reference to the purchase price. If the Manager believes that future commitments will not be met due to the bond issuer showing signs of financial distress, revenue accruals will be discounted. Any resultant revenue from these issues will then be treated on a receipts basis.

Revenue from distribution and accumulation units in Collective Investment Schemes is recognised when the distribution is quoted ex-dividend.

Equalisation on distributions received from Collective Investment Schemes is treated as capital property of the Trust.

Rebates received from underlying Collective Investment Schemes are treated as revenue or capital depending on the treatment of the Manager's fees in the underlying Trust.

Revenue from derivative instruments is treated in accordance with note 2(h).

All other revenue is recognised on an accruals basis.

## Notes to the Financial Statements continued

### 2. Summary of Significant Accounting Policies continued

#### (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.

50% of the fund management fee is charged to capital and 50% is charged to revenue for the purpose of calculating the distribution. This increases the amount of the distribution paid, but reduces the capital growth potential of the Trust. Marginal tax relief is not accounted for in determining the distribution.

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

#### (f) Basis of Valuation of Investments

All investments are valued at their fair value as at 12 noon on 14 October 2021, being the last working day of the accounting year. The fair value for non-derivative securities is bid market price, excluding any accrued interest. The fair value for units in Collective Investment Schemes is the cancellation price or bid price for dual priced funds and single price for single priced funds. The fair value for derivative instruments is the cost of closing out the contract on the last working day of the accounting year.

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.

#### (h) Derivative Instruments

The Trust may make use of financial derivative instruments for Efficient Portfolio Management (EPM) purposes. EPM aims to reduce risk, reduce costs, or generate additional capital or income for the Trust with an acceptably low level of risk. These aims allow for tactical asset allocation, which is a temporary switch in investment exposure through the use of derivatives rather than trading the underlying securities.

Derivative instruments held within the Trust have been accounted for and taxed in accordance with the Statement of Recommended Practice for Authorised Funds (IA SORP 2014). Returns on derivative transactions have been treated as either revenue or capital depending on the motives and circumstances on acquisition.

## Notes to the Financial Statements continued

### 3. Net capital gains/losses

|  | 14/10/21         | 14/10/20           |
|--|------------------|--------------------|
|  | £                | £                  |
| The net capital gains/(losses) during the year comprise: |                  |                    |
| Non-derivative securities                                | 3,868,958        | (3,362,549)        |
| Derivative securities                                    | 78,601           | (170,698)          |
| Currency gains/(losses)                                  | 321              | (112)              |
| Management fee rebates                                   | <u>4,758</u>     | <u>5,826</u>       |
| Net capital gains/(losses)                               | <u>3,952,638</u> | <u>(3,527,533)</u> |

### 4. Revenue

|                                | 14/10/21         | 14/10/20         |
|--------------------------------|------------------|------------------|
|                                | £                | £                |
| UK Franked dividends           | 594,467          | 485,899          |
| Non-taxable overseas dividends | 26,859           | 26,779           |
| Bond interest                  | 17,395           | 28,823           |
| Interest distributions         | 619,000          | 725,515          |
| Management fee rebates         | 112,311          | 124,795          |
| Futures revenue                | 16,117           | 23,401           |
| Bank interest                  | <u>53</u>        | <u>913</u>       |
|                                | <u>1,386,202</u> | <u>1,416,125</u> |

### 5. Expenses

|   | 14/10/21       | 14/10/20       |
|---|----------------|----------------|
|   | £              | £              |
| Payable to the Manager, associates of the Manager and agents of either of them: |                |                |
| Fund management fees†   | <u>382,047</u> | <u>414,016</u> |
| Total expenses  | <u>382,047</u> | <u>414,016</u> |

† Included within the Fund management fee is £191,023 borne by the capital account (14 October 2020: £207,008).

Audit fees of £11,255 plus VAT of £2,251 have been borne by the Manager out of its fund management fee. In the prior year, the total audit fee was £10,387 plus VAT of £2,077.

## Notes to the Financial Statements continued

### 6. Taxation

#### (a) Analysis of taxation charge in year

|                          | 14/10/21     | 14/10/20     |
|--------------------------|--------------|--------------|
|                          | £            | £            |
| Overseas tax             | 2,473        | 2,227        |
| Current tax [note 6(b)]  | 2,473        | 2,227        |
| Deferred tax [note 6(c)] | —            | —            |
| Total taxation           | <u>2,473</u> | <u>2,227</u> |

#### (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   | <u>1,004,153</u> | <u>1,002,054</u> |
| Net revenue before taxation multiplied by the applicable rate of Corporation tax of 20% (2020: 20%) | 200,831          | 200,411          |
| <b>Effects of:</b>  |                  |                  |
| Capitalised revenue subject to taxation   | 952              | 1,165            |
| Interest distributions deductible for tax purposes  | (77,517)         | (99,040)         |
| Overseas tax  | 2,473            | 2,227            |
| Revenue not subject to taxation   | <u>(124,266)</u> | <u>(102,536)</u> |
| Current tax   | <u>2,473</u>     | <u>2,227</u>     |

#### (c) Provision for deferred tax

There is no deferred tax provision in the current or preceding year.

## 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:

|  | 14/10/21         | 14/10/20         |
|--|------------------|------------------|
|  | £                | £                |
| Interim distribution                           | 560,570          | 618,676          |
| Final distribution                             | 631,947          | 543,665          |
|  | <u>1,192,517</u> | <u>1,162,341</u> |
| Add: Revenue deducted on cancellation of units | 161,976          | 52,076           |
| Less: Revenue received on creation of units    | (157,032)        | (7,599)          |
| <b>Distributions for the year</b>              | <b>1,197,461</b> | <b>1,206,818</b> |
| <b>Interest payable and similar charges</b>    |                  |                  |
| Bank overdraft interest                        | 2                | 55               |
|  | <u>1,197,463</u> | <u>1,206,873</u> |

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

|   | 14/10/21         | 14/10/20         |
|---|------------------|------------------|
|   | £                | £                |
| Net revenue after taxation for the year | 1,001,680        | 999,827          |
| Add: Expenses charged to capital        | 191,023          | 207,008          |
| Equalisation effect of conversions      | —                | (17)             |
| Capital Rebates                         | 4,758            | —                |
| <b>Distributions for the year</b>       | <b>1,197,461</b> | <b>1,206,818</b> |

### 8. Debtors

|  | 14/10/21         | 14/10/20       |
|--|------------------|----------------|
|  | £                | £              |
| Accrued revenue                          | 119,960          | 122,348        |
| Amounts receivable for creation of units | 1,400,999        | 3,000          |
| Management fee rebates                   | 4,714            | 5,761          |
| Overseas tax recoverable                 | 380              | 2,001          |
|  | <u>1,526,053</u> | <u>133,110</u> |

## Notes to the Financial Statements continued

### 9. Net uninvested cash

|   | 14/10/21         | 14/10/20         |
|---|------------------|------------------|
|   | £                | £                |
| Amounts held at futures clearing houses and brokers | 16,011           | 108,655          |
| Cash and bank balances                              | 869,233          | 695,000          |
| Bank overdrafts                                     | <u>(205,955)</u> | <u>(327,641)</u> |
| Net uninvested cash                                 | <u>679,289</u>   | <u>476,014</u>   |

### 10. Other creditors

|   | 14/10/21         | 14/10/20      |
|---|------------------|---------------|
|   | £                | £             |
| Accrued expenses                          | 11,829           | 14,210        |
| Amounts payable for cancellation of units | <u>1,437,000</u> | <u>80,349</u> |
|   | <u>1,448,829</u> | <u>94,559</u> |

### 11. Contingent liabilities and outstanding commitments

There were no contingent liabilities or outstanding commitments at the balance sheet date (14 October 2020: 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.

At 14 October 2021, 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 £1,954,669 (14 October 2020: £1,920,098).

## 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 is exposed to interest rate risk through its holdings in debt securities. The market value of debt securities and any floating rate payments from debt securities held (and interest rate swaps) may fluctuate as a result of changes in interest rates. This risk is managed by the active monitoring and adjustment of the investments held by the Trust, in line with the stated investment objective and policy of the Trust.

At 14 October 2021, if interest rates on the Trust increased or decreased by 1 basis point, with all other variables remaining constant, then the net assets attributable to unitholders would increase or decrease by approximately £12,137 (14 October 2020: £13,563). This represents the Manager's best estimate of a reasonable possible shift in interest rates, having regard to historical volatility of those rates.

The interest rate profile of the Trust's net assets and liabilities at the balance sheet date was:

|                   | Total         | Floating   | Fixed        | No            |
|-------------------|---------------|------------|--------------|---------------|
| 14/10/21          | £'000         | rate       | rate         | interest      |
|                   |               | £'000      | £'000        | £'000         |
| Portfolio         | 39,094        | —          | 3,981        | 35,113        |
| Other assets      | 2,411         | 885†       | —            | 1,526         |
| Other liabilities | (1,789)       | (206)†     | —            | (1,583)       |
| <b>Total</b>      | <b>39,716</b> | <b>679</b> | <b>3,981</b> | <b>35,056</b> |

|                   | Total         | Floating   | Fixed        | No            |
|-------------------|---------------|------------|--------------|---------------|
| 14/10/20          | £'000         | rate       | rate         | interest      |
|                   |               | £'000      | £'000        | £'000         |
| Portfolio         | 38,402        | —          | 3,334        | 35,068        |
| Other assets      | 937           | 804†       | —            | 133           |
| Other liabilities | (541)         | (328)†     | —            | (213)         |
| <b>Total</b>      | <b>38,798</b> | <b>476</b> | <b>3,334</b> | <b>34,988</b> |

† The Trust's floating rate other assets and liabilities are represented by its bank balances and overdraft facilities. Cash is deposited, and overdraft facilities utilised, on normal commercial terms.

| Currency | Fixed Rate Financial Assets      |          |   |          |
|----------|----------------------------------|----------|---|----------|
|          | Weighted average Interest rate % |          | Weighted average Period for which Rate is fixed Years |          |
|          | 14/10/21                         | 14/10/20 | 14/10/21  | 14/10/20 |
| Sterling | 0.48                             | (0.05)   | 2.17  | 2.95     |

## Notes to the Financial Statements continued

### 12. Financial Instruments and Associated Risks continued

#### (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.

At the year end the Trust had no significant exposures to currencies other than Sterling (14 October 2020: same).

As this Trust invests in other collective investment schemes that hold investment instruments in overseas financial securities, there is currency risk in respect of the financial instruments held by those schemes.

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.

Bonds or other debt securities involve credit risk to the issuer which may be evidenced by the issuer's credit rating. Securities which are subordinated and/or have a lower credit rating are generally considered to have a higher credit risk and a greater possibility of default than more highly rated securities.

The Trust's investments in bonds expose it to the default risk of the bond issuer with regards interest payments and principal repayments. At the balance sheet, date none of the bonds held by the Trust's had low credit ratings (sub-investment grade).

As this Trust invests in Collective Investment Schemes, there is credit risk in respect of the assets held by these Schemes.

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.

The Trust can also be exposed to liquidity risk through its commitments under derivative contracts, whereby additional margin payments or collateral payments may need to be posted with the counterparty or clearing house.

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

#### (f) Derivative Risk - Sensitivity Analysis

Derivative Risk arises from uncertainty about future market movements. This risk is managed by the policies shown within Market risk.

At the balance sheet date the Trust made use of the following derivatives:

## Notes to the Financial Statements continued

### 12. Financial Instruments and Associated Risks continued

#### (f) Derivative Risk - Sensitivity Analysis continued

##### Futures (excluding Currency Futures)

Futures are used to adjust the equities exposure of the Trust in a cost effective manner. The effect of these instruments was to increase the exposure of the Trust by £215,130 (14 October 2020: £355,830), representing 0.54% of the net asset value (14 October 2020: 0.92%).

This results in an effective equity exposure at the year end of 98.97% (14 October 2020: 99.90%) of net assets, which means that the gains or losses of the Trust will be 0.9897 (14 October 2020: 0.9990) times the gains or losses if the Trust was fully invested in equities.

#### (g) 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:

| 14/10/21                         | Assets            | Liabilities |
|----------------------------------|-------------------|-------------|
| Basis of Valuation               | £                 | £           |
| Level 1 - Quoted Prices          | 17,574,741        | —           |
| Level 2 - Observable Market Data | 21,518,647        | —           |
| Level 3 - Unobservable Data      | —                 | —           |
| <b>Total</b>                     | <b>39,093,388</b> | <b>—</b>    |

| 14/10/20                         | Assets            | Liabilities    |
|----------------------------------|-------------------|----------------|
| Basis of Valuation               | £                 | £              |
| Level 1 - Quoted Prices          | 15,331,591        | (5,199)        |
| Level 2 - Observable Market Data | 23,075,569        | —              |
| Level 3 - Unobservable Data      | —                 | —              |
| <b>Total</b>                     | <b>38,407,160</b> | <b>(5,199)</b> |

##### 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

| 14/10/21        | Value        | Commissions |             | Taxes     |             | Total        |
|-----------------|--------------|-------------|-------------|-----------|-------------|--------------|
| Purchases       | £'000        | £'000       | %           | £'000     | %           | £'000        |
| Equities        | 2,074        | 1           | 0.05        | 11        | 0.53        | 2,085        |
| Debt Securities | 1,985        | —           | —           | —         | —           | 1,985        |
| <b>Total</b>    | <b>4,059</b> | <b>1</b>    | <b>0.05</b> | <b>11</b> | <b>0.53</b> | <b>4,070</b> |

| 14/10/21                      | Value        | Commissions |             | Taxes    |            | Total        |
|-------------------------------|--------------|-------------|-------------|----------|------------|--------------|
| Sales                         | £'000        | £'000       | %           | £'000    | %          | £'000        |
| Equities                      | 4,409        | (1)         | 0.02        | —        | (1)        | 4,408        |
| Collective Investment Schemes | 1,561        | —           | —           | —        | —          | 1,561        |
| Debt Securities               | 1,168        | —           | —           | —        | —          | 1,168        |
| Derivatives                   | 22           | —           | —           | —        | —          | 22           |
| <b>Total</b>                  | <b>7,160</b> | <b>(1)</b>  | <b>0.02</b> | <b>—</b> | <b>(1)</b> | <b>7,159</b> |

Commissions and taxes as % of average net assets

Commissions 0.00%

Taxes 0.03%

| 14/10/20     | Value        | Commissions |             | Taxes     |             | Total        |
|--------------|--------------|-------------|-------------|-----------|-------------|--------------|
| Purchases    | £'000        | £'000       | %           | £'000     | %           | £'000        |
| Equities     | 3,150        | 2           | 0.06        | 13        | 0.41        | 3,165        |
| <b>Total</b> | <b>3,150</b> | <b>2</b>    | <b>0.06</b> | <b>13</b> | <b>0.41</b> | <b>3,165</b> |

| 14/10/20                      | Value        | Commissions |             | Taxes    |          | Total        |
|-------------------------------|--------------|-------------|-------------|----------|----------|--------------|
| Sales                         | £'000        | £'000       | %           | £'000    | %        | £'000        |
| Equities                      | 4,791        | (1)         | 0.02        | —        | —        | 4,790        |
| Collective Investment Schemes | 2,710        | —           | —           | —        | —        | 2,710        |
| Debt Securities               | 1,607        | —           | —           | —        | —        | 1,607        |
| <b>Total</b>                  | <b>9,108</b> | <b>(1)</b>  | <b>0.02</b> | <b>—</b> | <b>—</b> | <b>9,107</b> |

Commissions and taxes as % of average net assets

Commissions 0.01%

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 0.02% (14 October 2020: 0.54%).

## 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 41. 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 34 to 39. The distributions per unit class are given in the distribution tables on pages 31 and 32. All classes have the same rights on winding up.

| <b>R-Class</b>  | <b>Distribution</b> | <b>Accumulation</b> |
|-----------------|---------------------|---------------------|
| Opening Units   | 7,364,329           | 12,784,853          |
| Units issued    | 419,059             | 394,685             |
| Units cancelled | (5,396,504)         | (10,071,483)        |
| Units converted | —                   | —                   |
| Closing Units   | 2,386,884           | 3,108,055           |

| <b>F-Class</b>  | <b>Distribution</b> | <b>Accumulation</b> |
|-----------------|---------------------|---------------------|
| Opening Units   | 140,146             | 310,606             |
| Units issued    | —                   | 11,796              |
| Units cancelled | (137,998)           | (290,859)           |
| Units converted | —                   | —                   |
| Closing Units   | 2,148               | 31,543              |

| <b>I-Class</b>  | <b>Distribution</b> | <b>Accumulation</b> |
|-----------------|---------------------|---------------------|
| Opening Units   | 8,689,625           | 19,604,474          |
| Units issued    | 4,571,389           | 8,591,284           |
| Units cancelled | (1,179,644)         | (2,111,080)         |
| Units converted | 6,061               | (3,352)             |
| Closing Units   | 12,087,431          | 26,081,326          |

### 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.

At the year end, the Manager and its associates held 0.02% (0.02% as at 14 October 2020) of the Trust's units in issue.

## Notes to the Financial Statements continued

### 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 100.35p. The Net Asset Value per R-Class accumulation unit for the Trust as at 12 noon on 28 January 2022 was 101.40p. This represents an increase of 1.05% from the year end value.

## Distribution Tables

### Distribution Tables for the year ended 14 October 2021

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 Interest distribution in pence per unit |                |                     | Period              |                     |
|---|----------------|---------------------|---------------------|---------------------|
|   |                |                     | 15/10/20            | to 14/04/21         |
| <b>R-Class</b>                                  |                |                     | <b>Distribution</b> | <b>Distribution</b> |
| <b>Distribution Units</b>                       |                |                     | <b>14/06/21</b>     | <b>14/06/20</b>     |
|   | <b>Revenue</b> | <b>Equalisation</b> |                     |                     |
| Group 1   | 0.7044         | —                   | 0.7044              | 0.7067              |
| Group 2   | 0.2009         | 0.5035              | 0.7044              | 0.7067              |
| <b>R-Class</b>                                  |                |                     | <b>Distribution</b> | <b>Distribution</b> |
| <b>Accumulation Units</b>                       |                |                     | <b>14/06/21</b>     | <b>14/06/20</b>     |
|   | <b>Revenue</b> | <b>Equalisation</b> |                     |                     |
| Group 1   | 1.2373         | —                   | 1.2373              | 1.2076              |
| Group 2   | 0.4950         | 0.7423              | 1.2373              | 1.2076              |
| <b>F-Class</b>                                  |                |                     | <b>Distribution</b> | <b>Distribution</b> |
| <b>Distribution Units</b>                       |                |                     | <b>14/06/21</b>     | <b>14/06/20</b>     |
|   | <b>Revenue</b> | <b>Equalisation</b> |                     |                     |
| Group 1   | 0.7954         | —                   | 0.7954              | 0.7892              |
| Group 2   | —              | 0.7954              | 0.7954              | 0.7892              |
| <b>F-Class</b>                                  |                |                     | <b>Distribution</b> | <b>Distribution</b> |
| <b>Accumulation Units</b>                       |                |                     | <b>14/06/21</b>     | <b>14/06/20</b>     |
|   | <b>Revenue</b> | <b>Equalisation</b> |                     |                     |
| Group 1   | 1.4220         | —                   | 1.4220              | 1.3696              |
| Group 2   | 0.2869         | 1.1351              | 1.4220              | 1.3696              |
| <b>I-Class</b>                                  |                |                     | <b>Distribution</b> | <b>Distribution</b> |
| <b>Distribution Units</b>                       |                |                     | <b>14/06/21</b>     | <b>14/06/20</b>     |
|   | <b>Revenue</b> | <b>Equalisation</b> |                     |                     |
| Group 1   | 0.8396         | —                   | 0.8396              | 0.8299              |
| Group 2   | 0.3085         | 0.5311              | 0.8396              | 0.8299              |
| <b>I-Class</b>                                  |                |                     | <b>Distribution</b> | <b>Distribution</b> |
| <b>Accumulation Units</b>                       |                |                     | <b>14/06/21</b>     | <b>14/06/20</b>     |
|   | <b>Revenue</b> | <b>Equalisation</b> |                     |                     |
| Group 1   | 1.5183         | —                   | 1.5183              | 1.4549              |
| Group 2   | 0.7387         | 0.7796              | 1.5183              | 1.4549              |

## Distribution Tables continued

| Final Interest distribution in pence per unit |                |                     | Period              |                     |
|---|----------------|---------------------|---------------------|---------------------|
|   |                |                     | 15/04/21            | to 14/10/21         |
| <b>R-Class</b>                                |                |                     | <b>Distribution</b> | <b>Distribution</b> |
| <b>Distribution Units</b>                     | <b>Revenue</b> | <b>Equalisation</b> | <b>14/12/21</b>     | <b>14/12/20</b>     |
| Group 1                                       | 0.8017         | —                   | 0.8017              | 0.6609              |
| Group 2                                       | 0.2802         | 0.5215              | 0.8017              | 0.6609              |
| <b>R-Class</b>                                |                |                     | <b>Distribution</b> | <b>Distribution</b> |
| <b>Accumulation Units</b>                     | <b>Revenue</b> | <b>Equalisation</b> | <b>14/12/21</b>     | <b>14/12/20</b>     |
| Group 1                                       | 1.4261         | —                   | 1.4261              | 1.1461              |
| Group 2                                       | 0.7965         | 0.6296              | 1.4261              | 1.1461              |
| <b>F-Class</b>                                |                |                     | <b>Distribution</b> | <b>Distribution</b> |
| <b>Distribution Units</b>                     | <b>Revenue</b> | <b>Equalisation</b> | <b>14/12/21</b>     | <b>14/12/20</b>     |
| Group 1                                       | 0.8999         | —                   | 0.8999              | 0.7432              |
| Group 2                                       | —              | 0.8999              | 0.8999              | 0.7432              |
| <b>F-Class</b>                                |                |                     | <b>Distribution</b> | <b>Distribution</b> |
| <b>Accumulation Units</b>                     | <b>Revenue</b> | <b>Equalisation</b> | <b>14/12/21</b>     | <b>14/12/20</b>     |
| Group 1                                       | 1.6361         | —                   | 1.6361              | 1.3094              |
| Group 2                                       | 0.1576         | 1.4785              | 1.6361              | 1.3094              |
| <b>I-Class</b>                                |                |                     | <b>Distribution</b> | <b>Distribution</b> |
| <b>Distribution Units</b>                     | <b>Revenue</b> | <b>Equalisation</b> | <b>14/12/21</b>     | <b>14/12/20</b>     |
| Group 1                                       | 0.9476         | —                   | 0.9476              | 0.7871              |
| Group 2                                       | 0.3338         | 0.6138              | 0.9476              | 0.7871              |
| <b>I-Class</b>                                |                |                     | <b>Distribution</b> | <b>Distribution</b> |
| <b>Accumulation Units</b>                     | <b>Revenue</b> | <b>Equalisation</b> | <b>14/12/21</b>     | <b>14/12/20</b>     |
| Group 1                                       | 1.7384         | —                   | 1.7384              | 1.4025              |
| Group 2                                       | 0.9115         | 0.8269              | 1.7384              | 1.4025              |

## Trust Information

The Comparative Tables on pages 34 to 39 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                             | 14/10/21<br>(pence<br>per unit) | 14/10/20<br>(pence<br>per unit) | 14/10/19<br>(pence<br>per unit) |
|--|---------------------------------|---------------------------------|---------------------------------|
| Opening net asset value per unit                   | 50.77                           | 55.36                           | 55.25                           |
| Return before operating charges*                   | 7.14                            | (2.47)                          | 2.76                            |
| Operating charges<br>(calculated on average price) | (0.78)                          | (0.75)                          | (0.78)                          |
| Return after operating charges*                    | 6.36                            | (3.22)                          | 1.98                            |
| Distributions on income units                      | (1.51)                          | (1.37)                          | (1.87)                          |
| Closing net asset value per unit                   | 55.62                           | 50.77                           | 55.36                           |
| * after direct transaction costs of:               | 0.02                            | 0.02                            | 0.02                            |

#### Performance

|                      |        |         |       |
|----------------------|--------|---------|-------|
| Return after charges | 12.53% | (5.82)% | 3.58% |
|----------------------|--------|---------|-------|

#### Other Information

|                                |           |           |           |
|--------------------------------|-----------|-----------|-----------|
| Closing net asset value (£)    | 1,327,616 | 3,739,052 | 5,508,136 |
| Closing number of units        | 2,386,884 | 7,364,329 | 9,949,884 |
| Operating charges <sup>†</sup> | 1.41%     | 1.41%     | 1.41%     |
| Direct transaction costs       | 0.03%     | 0.04%     | 0.04%     |

#### Prices

|                    |        |        |        |
|--------------------|--------|--------|--------|
| Highest unit price | 57.44p | 58.03p | 57.57p |
| Lowest unit price  | 49.60p | 45.31p | 52.88p |

<sup>†</sup> 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 trust and is calculated based on the last period's figures. Included within the OCF are synthetic costs which include the OCF of the underlying funds weighted on the basis of their investment proportion.

**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                             | 14/10/21<br>(pence<br>per unit) | 14/10/20<br>(pence<br>per unit) | 14/10/19<br>(pence<br>per unit) |
|--|---------------------------------|---------------------------------|---------------------------------|
| Opening net asset value per unit                   | 89.18                           | 94.63                           | 91.34                           |
| Return before operating charges*                   | 12.55                           | (4.16)                          | 4.60                            |
| Operating charges<br>(calculated on average price) | (1.38)                          | (1.29)                          | (1.31)                          |
| Return after operating charges*                    | 11.17                           | (5.45)                          | 3.29                            |
| Distributions                                      | (2.66)                          | (2.35)                          | (3.12)                          |
| Retained distributions on accumulation units       | 2.66                            | 2.35                            | 3.12                            |
| Closing net asset value per unit                   | 100.35                          | 89.18                           | 94.63                           |
| * after direct transaction costs of:               | 0.03                            | 0.03                            | 0.04                            |

#### Performance

|                      |        |         |       |
|----------------------|--------|---------|-------|
| Return after charges | 12.53% | (5.76)% | 3.60% |
|----------------------|--------|---------|-------|

#### Other Information

|                             |           |            |            |
|-----------------------------|-----------|------------|------------|
| Closing net asset value (£) | 3,118,978 | 11,401,806 | 12,898,444 |
| Closing number of units     | 3,108,055 | 12,784,853 | 13,630,109 |
| Operating charges†          | 1.41%     | 1.41%      | 1.41%      |
| Direct transaction costs    | 0.03%     | 0.04%      | 0.04%      |

#### Prices

|                    |         |        |        |
|--------------------|---------|--------|--------|
| Highest unit price | 102.20p | 99.20p | 96.73p |
| Lowest unit price  | 87.12p  | 77.45p | 87.42p |

† 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 trust and is calculated based on the last period's figures. Included within the OCF are synthetic costs which include the OCF of the underlying funds weighted on the basis of their investment proportion.

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## Trust Information continued

### Comparative Tables continued

#### F-Class Distribution Units

##### Change in Net Asset Value per Unit

| Accounting Year ending                             | 14/10/21<br>(pence<br>per unit) | 14/10/20<br>(pence<br>per unit) | 14/10/19<br>(pence<br>per unit) |
|--|---------------------------------|---------------------------------|---------------------------------|
| Opening net asset value per unit                   | 52.23                           | 56.80                           | 56.55                           |
| Return before operating charges*                   | 7.35                            | (2.54)                          | 2.84                            |
| Operating charges<br>(calculated on average price) | (0.52)                          | (0.50)                          | (0.52)                          |
| Return after operating charges*                    | 6.83                            | (3.04)                          | 2.32                            |
| Distributions on income units                      | (1.70)                          | (1.53)                          | (2.07)                          |
| Closing net asset value per unit                   | 57.36                           | 52.23                           | 56.80                           |
| * after direct transaction costs of:               | 0.02                            | 0.02                            | 0.02                            |

#### Performance

|                      |        |         |       |
|----------------------|--------|---------|-------|
| Return after charges | 13.08% | (5.35)% | 4.10% |
|----------------------|--------|---------|-------|

#### Other Information

|                                |       |         |         |
|--------------------------------|-------|---------|---------|
| Closing net asset value (£)    | 1,232 | 73,204  | 82,513  |
| Closing number of units        | 2,148 | 140,146 | 145,258 |
| Operating charges <sup>†</sup> | 0.91% | 0.91%   | 0.91%   |
| Direct transaction costs       | 0.03% | 0.04%   | 0.04%   |

#### Prices

|                    |        |        |        |
|--------------------|--------|--------|--------|
| Highest unit price | 59.26p | 59.63p | 59.08p |
| Lowest unit price  | 51.04p | 46.59p | 54.18p |

<sup>†</sup> 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 trust and is calculated based on the last period's figures. Included within the OCF are synthetic costs which include the OCF of the underlying funds weighted on the basis of their investment proportion.

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## Trust Information continued

### Comparative Tables continued

#### F-Class Accumulation Units

##### Change in Net Asset Value per Unit

| Accounting Year ending                             | 14/10/21<br>(pence<br>per unit) | 14/10/20<br>(pence<br>per unit) | 14/10/19<br>(pence<br>per unit) |
|--|---------------------------------|---------------------------------|---------------------------------|
| Opening net asset value per unit                   | 93.36                           | 98.57                           | 94.67                           |
| Return before operating charges*                   | 13.18                           | (4.34)                          | 4.78                            |
| Operating charges<br>(calculated on average price) | (0.94)                          | (0.87)                          | (0.88)                          |
| Return after operating charges*                    | 12.24                           | (5.21)                          | 3.90                            |
| Distributions                                      | (3.06)                          | (2.68)                          | (3.50)                          |
| Retained distributions on accumulation units       | 3.06                            | 2.68                            | 3.50                            |
| Closing net asset value per unit                   | 105.60                          | 93.36                           | 98.57                           |
| * after direct transaction costs of:               | 0.03                            | 0.04                            | 0.04                            |

#### Performance

|                      |        |         |       |
|----------------------|--------|---------|-------|
| Return after charges | 13.11% | (5.29)% | 4.12% |
|----------------------|--------|---------|-------|

#### Other Information

|                             |        |         |         |
|-----------------------------|--------|---------|---------|
| Closing net asset value (£) | 33,308 | 289,971 | 315,237 |
| Closing number of units     | 31,543 | 310,606 | 319,824 |
| Operating charges†          | 0.91%  | 0.91%   | 0.91%   |
| Direct transaction costs    | 0.03%  | 0.04%   | 0.04%   |

#### Prices

|                    |         |         |         |
|--------------------|---------|---------|---------|
| Highest unit price | 107.40p | 103.50p | 100.60p |
| Lowest unit price  | 91.21p  | 80.84p  | 90.69p  |

† 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 trust and is calculated based on the last period's figures. Included within the OCF are synthetic costs which include the OCF of the underlying funds weighted on the basis of their investment proportion.

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## Trust Information continued

### Comparative Tables continued

#### I-Class Distribution Units

##### Change in Net Asset Value per Unit

| Accounting Year ending                             | 14/10/21<br>(pence<br>per unit) | 14/10/20<br>(pence<br>per unit) | 14/10/19<br>(pence<br>per unit) |
|--|---------------------------------|---------------------------------|---------------------------------|
| Opening net asset value per unit                   | 52.77                           | 57.32                           | 56.99                           |
| Return before operating charges*                   | 7.44                            | (2.57)                          | 2.87                            |
| Operating charges<br>(calculated on average price) | (0.38)                          | (0.36)                          | (0.38)                          |
| Return after operating charges*                    | 7.06                            | (2.93)                          | 2.49                            |
| Distributions on income units                      | (1.79)                          | (1.62)                          | (2.16)                          |
| Closing net asset value per unit                   | 58.04                           | 52.77                           | 57.32                           |
| * after direct transaction costs of:               | 0.02                            | 0.02                            | 0.02                            |

#### Performance

|                      |        |         |       |
|----------------------|--------|---------|-------|
| Return after charges | 13.38% | (5.11)% | 4.37% |
|----------------------|--------|---------|-------|

#### Other Information

|                                |            |           |            |
|--------------------------------|------------|-----------|------------|
| Closing net asset value (£)    | 7,015,110  | 4,585,890 | 6,623,225  |
| Closing number of units        | 12,087,431 | 8,689,625 | 11,554,065 |
| Operating charges <sup>†</sup> | 0.66%      | 0.66%     | 0.66%      |
| Direct transaction costs       | 0.03%      | 0.04%     | 0.04%      |

#### Prices

|                    |        |        |        |
|--------------------|--------|--------|--------|
| Highest unit price | 59.96p | 60.21p | 59.61p |
| Lowest unit price  | 51.57p | 47.07p | 54.63p |

<sup>†</sup> 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 trust and is calculated based on the last period's figures. Included within the OCF are synthetic costs which include the OCF of the underlying funds weighted on the basis of their investment proportion.

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## Trust Information continued

### Comparative Tables continued

#### I-Class Accumulation Units

##### Change in Net Asset Value per Unit

| Accounting Year ending                             | 14/10/21<br>(pence<br>per unit) | 14/10/20<br>(pence<br>per unit) | 14/10/19<br>(pence<br>per unit) |
|--|---------------------------------|---------------------------------|---------------------------------|
| Opening net asset value per unit                   | 95.43                           | 100.50                          | 96.28                           |
| Return before operating charges*                   | 13.47                           | (4.43)                          | 4.87                            |
| Operating charges<br>(calculated on average price) | (0.70)                          | (0.64)                          | (0.65)                          |
| Return after operating charges*                    | 12.77                           | (5.07)                          | 4.22                            |
| Distributions                                      | (3.26)                          | (2.86)                          | (3.68)                          |
| Retained distributions on accumulation units       | 3.26                            | 2.86                            | 3.68                            |
| Closing net asset value per unit                   | 108.20                          | 95.43                           | 100.50                          |
| * after direct transaction costs of:               | 0.03                            | 0.04                            | 0.04                            |

#### Performance

|                      |        |         |       |
|----------------------|--------|---------|-------|
| Return after charges | 13.38% | (5.04)% | 4.38% |
|----------------------|--------|---------|-------|

#### Other Information

|                             |            |            |            |
|-----------------------------|------------|------------|------------|
| Closing net asset value (£) | 28,219,950 | 18,708,488 | 23,131,493 |
| Closing number of units     | 26,081,326 | 19,604,474 | 23,015,822 |
| Operating charges†          | 0.66%      | 0.66%      | 0.66%      |
| Direct transaction costs    | 0.03%      | 0.04%      | 0.04%      |

#### Prices

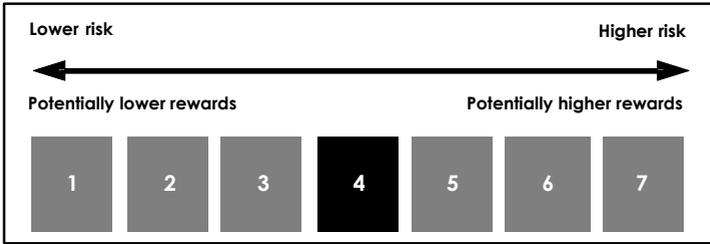
|                    |         |         |         |
|--------------------|---------|---------|---------|
| Highest unit price | 110.00p | 105.60p | 102.50p |
| Lowest unit price  | 93.25p  | 82.52p  | 92.29p  |

† 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 trust and is calculated based on the last period's figures. Included within the OCF are synthetic costs which include the OCF of the underlying funds weighted on the basis of their investment proportion.

**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 four because the mix of different asset types in which the Trust invests has a balancing effect on the rate at which the Trust share price moves up and down. This type of trust is generally considered to be higher risk than one investing only in bonds and lower risk than one investing only in company shares.
- Even a trust in the lowest category is not a risk free investment.

## General Information (unaudited)

### Constitution

|                                      |   |
|--------------------------------------|---|
| Launch date:                         | 28 November 2003  |
| Period end dates for distributions:  | 14 April, 14 October  |
| Distribution dates:                  | 14 June, 14 December  |
| Minimum initial lump sum investment: | R-Class £20<br>I-Class £1,000,000                                     |
| Minimum monthly contributions:       | R-Class £20<br>I-Class N/A  |
| Valuation point:                     | 12 noon   |
| Fund management fees:                | R-Class Annual 1.41%<br>F-Class* Annual 0.91%<br>I-Class Annual 0.66% |
| Initial charge:                      | Nil for all existing unit classes                                     |

\* 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](http://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 8:30am to 6:00pm, Monday to Friday.

### Buying and Selling Units

Units may be bought on any business day from the Manager or through a financial adviser by completing an application form or on the internet at [www.legalandgeneral.com](http://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.

### 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.

## General Information (unaudited) continued

### EU Savings Directive

The Trust has been reviewed against the requirements of the Directive 2003/48/EC on Taxation of savings in the form of interest payments (ESD), following the HM Revenue & Customs debt investment reporting guidance notes.

Under the Directive, information is collected about the payment of distributions to residents in certain other countries and is reported to HM Revenue & Customs to be exchanged with Tax authorities in those countries.

The Trust falls within the 25% debt investment reporting threshold. This means that details of all distributions and redemption proceeds paid to non UK investors will be reported by Legal & General (Unit Trust Managers) Limited to HM Revenue & Customs to be exchanged with the relevant Tax authorities.

## 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 Distribution 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 during 2020:

### Controlled Functions

| Headcount | Fixed Remuneration (£'000) | Variable Remuneration (£'000) | Remuneration related to this Trust (Pro-rated) (£'000) |
|-----------|----------------------------|-------------------------------|--|
| 89        | 17,973                     | 26,604                        | 28   |

### Material Risk Takers

| Headcount | Fixed Remuneration (£'000) | Variable Remuneration (£'000) | Remuneration related to this Trust (Pro-rated) (£'000) |
|-----------|----------------------------|-------------------------------|--|
| 37        | 4,360                      | 5,194                         | 97   |

### Controlled Functions

During 2020, Legal & General Unit Trust Managers Limited (UTM) engaged the services of three employees of Legal & General Investment Management (Holdings) Limited (LGIMH), plus a further one employee of Legal & General Resources (LGR) to act as Directors. There were another three non-executive Directors. UTM also engaged the services of a further 74 LGIMH employees and a further 10 L&G Resources (LGR) 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 31 December 2020, UTM engaged the services of Legal & General Investment Management's Multi Asset Allocation Fund Management team, which consists of 37 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 Trust. 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 Multi Asset Allocation Fund Management team.

## General Information (unaudited) continued

### Assessment of Value

We have now published Assessment of Value reports for our funds on [legalandgeneral.com](http://legalandgeneral.com) and [lgim.com](http://lgim.com).

### Significant Changes

#### Changes to Pricing Methodology

We have recently reviewed the way we calculate prices for your funds. Following the review, we have decided to adopt a standardised way of pricing funds across most of our Unit Trust fund range.

Previously we used four different methods for calculating fund prices. With effect from 1 December 2020, we have adopted a 'single swing pricing' method.

The move to a standardised pricing method will:

1. Make our pricing simpler;
2. Make it easier for you to compare prices across our funds; and
3. Make it easier for you to compare our funds to funds offered by our competitors.

This new pricing method means that on each day all our customers receive the same price regardless of whether they are buying or selling their investments.

If you'd like to know more about this change and what it means for you, then you can visit our website at [legalandgeneral.com/swing-pricing](http://legalandgeneral.com/swing-pricing). If you have any questions about the change or require further information, please contact us Monday to Friday between 9.00am and 5:00pm on 0370 050 0955 or email us at [investments@landg.com](mailto:investments@landg.com).

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

#### Changes of Depositary

The depositary of the Trust has changed with effect from 30 October 2021. The depositary is the entity we are required by regulation to appoint to carry out certain services in relation to the Trust, namely, safekeeping of the assets, cash monitoring and regulatory oversight.

As you may know, the depositary of the Trust was Northern Trust Global Services SE, UK branch ("NTGS-UK"). NTGS-UK is the UK branch of Northern Trust Global Services SE, which is a bank established in Luxembourg, and was permitted to provide trustee and depositary services into the UK by virtue of having extra permissions in the UK.

As a consequence of the UK's decision to leave the European Union, however, the UK financial services regulator which regulates NTGS-UK, the Financial Conduct Authority ("FCA"), has provided that UK branches of EU banks are no longer able to provide trustee and depositary services into the UK and those services have to be provided from a UK incorporated company. The FCA has provided a grace period for firms to implement the new rules which came into force on 1 January 2021.

In order to comply with the new rules, Northern Trust has established Northern Trust Investor Services Limited ("NTISL") to be the new trustee and depositary. NTISL is a company established in England and Wales and is authorised by the FCA to be a trustee and depositary. NTISL will provide the same services as NTGS-UK with the same processes and procedures in place. The change of depositary took place on 30 October 2021 and we have amended the Prospectus of the Trust to reflect the details of NTISL as from that date.

## 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 (appointed on 6 October 2021)  
A. D. Clare\*  
E. Cowhey\*  
A. J. C. Craven  
S. Hynes (resigned on 30 April 2021)  
M. Jordy\* (appointed on 24 March 2021)  
L. W. Toms  
A. R. Toutouchi (resigned on 1 November 2021)

\*Non-executive Director

### Secretary

J. McCarthy

### 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  
15 Canada Square,  
London E14 5GL

### Investment Adviser

Legal & General Investment Management Limited  
One Coleman Street,  
London EC2R 5AA  
Authorised and regulated by the Financial Conduct Authority

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

Legal & General  
(Unit Trust Managers) Limited  
Registered in England and Wales No. 01009418  
Registered office:  
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London EC2R 5AA  
[www.legalandgeneral.com](http://www.legalandgeneral.com)

