

Legal & General  
Global Health and Pharmaceuticals Index Trust

**Annual Manager's Report  
for the year ended  
7 January 2023**





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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 track the performance of the FTSE World Index - Health Care (the "Benchmark Index") on a net total return basis before fees and expenses are applied. Therefore, the Trust's performance may differ from the Benchmark Index due to the deduction of fees and expenses and the impact of any tracking error factors.

The Benchmark Index is comprised of shares in companies engaged in health, pharmaceuticals and biotechnology.

The Trust is a Replicating Trust as it seeks to replicate as closely as possible the constituents of the Benchmark Index by holding all, or substantially all, of the assets comprising the Benchmark Index in similar proportions to their weightings in the Benchmark Index. The Trust will have at least 90% exposure (directly or through depositary receipts) to assets that are included in the Benchmark Index. The Trust will generally hold assets directly but can use depositary receipts (such as American depositary receipts and global depositary receipts) to gain exposure such as when the direct asset cannot be held or is not available.

The Trust may also invest in shares in companies which are reasonably expected to become part of the Benchmark Index in the near future or are an alternative to a constituent of the Benchmark Index and collective investment schemes, including those managed or operated by the Manager or an Associate as well as money market instruments (such as Treasury bills), depositary receipts (such as American depositary receipts and global depositary receipts), cash and permitted deposits.

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

## Manager's Investment Report

During the year under review, the published price of the Trust's R-Class distribution units rose by 9.11%. FTSE, the Index compiler, calculates the Benchmark Index at the end of the business day using closing prices, whereas the Trust is valued using prevailing prices at 3pm. Therefore, for tracking purposes, the Trust has been revalued using closing prices and foreign exchange rates. On this basis, over the review year, the Trust rose by 9.47% on a capital only basis compared with the Benchmark Index rise of 9.50% (Source: Bloomberg), producing a tracking difference of -0.03%.

**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.**

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

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# Manager's Investment Report continued

## Market/Economic Review

Over the past 12 months, inflationary pressures and tighter monetary policy have increasingly dominated the thoughts of market participants, with the pandemic-era support from central banks now a distant memory. Fears of an economic slowdown are now at the forefront of the minds of investors.

Despite fears of rising inflation amid strong economic growth and continued central bank support, the US Federal Reserve (Fed) kept rates low for the first part of the year, as did its European counterpart. The Bank of England (BoE) proved the frontrunner, acting in December. Despite measures of US consumer price inflation showing rapid rises, the Fed repeatedly argued that higher inflation would prove temporary, and that interest rates would not increase until its twin goals of sustained inflation of 2% and maximum employment had been met.

However, having started tapering its emergency asset purchasing programme, the Fed then acknowledged that inflationary forces can no longer be labelled 'transitory' and monetary tightening was required. The Fed finally bit the bullet and hiked rates in February. It then hiked rates in four successive 75 basis-point increments to end up at between 3.75% and 4% in November. Indeed, investors now expect the Fed to lift rates to around 5% in 2023. US annualised consumer price inflation sits at 7.70%, having been as high as 9.10% in July, a 40-year high.

Softening inflation numbers have raised hopes that the pace of interest rate hikes by the Fed might slow somewhat. Indeed, the Fed is expected to lift rates by just 50 basis points at its December meeting. However, while the pace of hikes might slow, the Fed warned that the terminal rate could prove to be higher than anticipated.

Having blinked first among developed market policymakers at the end of 2021, the UK continued to raise rates during the 12 months, hitting 3% in September – its eighth consecutive hike and taking rates to their highest level since 2008 – while inflation sits at a 41-year high of 11.10%.

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

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

In Europe, having stubbornly held off tightening monetary policy for as long as it could, in July the European Central Bank (ECB) lifted rates by 50 basis points to 0%, after eight years in negative territory, and in September and October it hiked by a combined 1.50%. Eurozone inflation fell for the first time in 17 months, rising at an annualised rate of 10% in November, down from 10.60% in October. The ECB is expected to hike rates by another 75 basis points at its December meeting, with ECB President Christine Lagarde saying that inflation 'still has some way to go'.

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

# Manager's Investment Report continued

## Trust Review

At the end of the year under review, there were 204 companies in the FTSE World Index – Health Care. The top 10 holdings in the Index are shown below:

Johnson & Johnson  
UnitedHealth Group  
Eli Lilly and Company  
AbbVie  
Merck & Company  
Pfizer  
Roche  
Novo Nordisk  
AstraZeneca  
Thermo Fisher Scientific

The March 2022 quarterly Index review resulted in five additions and five deletions. The largest additions were ICON, Grifols 'B' and EBOS, while the largest deletions were Galapagos, Suzuken ADR and Canopy Growth. There were 27 changes to the free share capital of constituents with the largest increases being Roche, Novartis and Regeneron Pharmaceuticals and the largest decreases being Bristol-Myers Squibb, Amgen and Koninklijke Philips. The two-way Index turnover was 1%.

The June 2022 quarterly Index review resulted in no additions and one deletion, BeiGene. There were 143 changes to the free share capital of constituents with the largest increases being Olympus, Pfizer and Danaher and the largest decreases being Amgen, Bristol-Myers Squibb and HCA Healthcare. The two-way turnover was 1.20%.

The September 2022 quarterly Index review resulted in five additions including Molina Healthcare, Bachem, and Diagnosticos da America and 11 deletions including Teladoc Health, Bausch Health, and Elekta. There were 27 changes to the free share capital of constituents with the largest increases being STERIS, Genmab and Bumrungrad Hospital and the largest decreases being AstraZeneca, Cigna and Roche. The two-way Index turnover was 1.13%.

The December 2022 quarterly Index review resulted in no additions and one deletion, EuroAPI. There were 26 changes to the free share capital of constituents with the largest increases being Alnylam Pharmaceuticals, Catalent and Royalty Pharma and the largest decreases being Novartis, Intuitive Surgical and Moderna. The two-way Index turnover was 0.34%.

## Outlook

Looking ahead, the key will be when central banks become comfortable that wage inflation is under control. Equity and credit markets are priced for a modest downturn, and therefore evidence that inflation is proving sticky would be a downside risk. In addition, if the growth slowdown accelerates, then corporate earnings would likely disappoint in 2023, although China represents an upside risk here should reopening go smoothly and the property market recovers. Overall, equity and credit markets have recovered to such a degree that investors are less compensated for risks going forward, arguing for a more cautious stance.

The Trust remains well positioned to capture the performance of the Index.

Legal & General Investment Management Limited  
(Investment Adviser)  
January 2023

## **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.

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

Legal & General (Unit Trust Managers) Limited  
January 2023

## Authorised Status

### Authorised Status

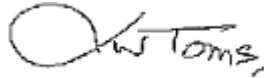
This Trust is an Authorised Unit Trust Scheme as defined in section 243 of the Financial Services and Markets Act 2000 and is a UCITS Retail Scheme within the meaning of the FCA Collective Investment Schemes sourcebook.

### Directors' Statement

We hereby certify that this Manager's Report has been prepared in accordance with the requirements of the FCA Collective Investment Schemes sourcebook.



A. J. C. Craven  
(Director)



L. W. Toms  
(Director)

Legal & General (Unit Trust Managers) Limited  
28 April 2023



# Statement of Responsibilities

## Statement of the Manager's Responsibilities

The Collective Investment Schemes sourcebook published by the FCA, ("the COLL Rules") require the Manager to prepare financial statements for each annual accounting period which give a true and fair view of the financial position of the Trust and of the net income and net gains or losses on the property of the Trust for the 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 and amended in June 2017;
- keeping proper accounting records which enable it to demonstrate that the financial statements as prepared comply with the above requirements;
- assessing the Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern;
- using the going concern basis of accounting unless they either intend to liquidate the Trust or to cease operations, or have no realistic alternative but to do so;
- such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; and
- taking reasonable steps for the prevention and detection of fraud and irregularities.

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

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

## Statement of Responsibilities continued

### Statement of the Trustee's Responsibilities

The Depositary in its capacity as Trustee of Legal & General Global Health and Pharmaceuticals Index 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 Global Health and Pharmaceuticals Index Trust ("the Trust") for the year ended 7 January 2023**

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

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

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

Northern Trust Investor Services Limited  
UK Trustee and Depositary Services  
28 April 2023

## Portfolio Statement

### Portfolio Statement as at 7 January 2023

All investments are in ordinary shares unless otherwise stated. The percentages in brackets show the equivalent holdings at 7 January 2022.

Holding/ Nominal Value	Investment	Market Value £	% of Net Assets
<b>EQUITIES — 99.23% (99.20%)</b>			
<b>UNITED KINGDOM — 4.65% (4.35%)</b>			
381,107	AstraZeneca	44,658,118	2.68
63,107	AstraZeneca ADR	3,696,119	0.22
436,039	ConvaTec Group	1,043,877	0.06
29,912	Dechra Pharmaceuticals	755,577	0.05
1,119,607	GSK	15,963,357	0.96
1,413,270	Haleon	4,469,467	0.27
43,654	Hikma Pharmaceuticals	727,494	0.04
101,060	Royalty Pharma	3,274,210	0.20
244,041	Smith & Nephew	2,825,995	0.17
		<b>77,414,214</b>	<b>4.65</b>
<b>IRELAND — 2.46% (2.54%)</b>			
61,513	Horizon Therapeutics	5,832,893	0.35
22,477	ICON	3,671,648	0.22
16,978	Jazz Pharmaceuticals	2,268,714	0.13
372,972	Medtronic	24,927,326	1.50
27,432	STERIS	4,295,254	0.26
		<b>40,995,835</b>	<b>2.46</b>
<b>CHANNEL ISLANDS — 0.16% (0.09%)</b>			
28,082	Novocure	2,638,830	0.16
<b>CONTINENTAL EUROPE — 16.74% (18.31%)</b>			
<b>Belgium — 0.13% (0.21%)</b>			
33,673	UCB	2,250,387	0.13
<b>Denmark — 3.95% (3.28%)</b>			
29,203	Chr Hansen	1,690,857	0.10
37,249	Coloplast	3,687,511	0.22
25,736	Demant	581,051	0.04
18,090	Genmab	6,393,104	0.38
38,184	GN Store Nord	763,537	0.05
13,118	H. Lundbeck 'A'	37,922	—
67,226	H. Lundbeck 'B'	210,336	0.01
436,421	Novo Nordisk	50,138,853	3.01
55,110	Novozymes 'B'	2,243,880	0.14
		<b>65,747,051</b>	<b>3.95</b>
<b>Finland — 0.08% (0.05%)</b>			
28,154	Orion	1,325,434	0.08
<b>France — 2.43% (2.58%)</b>			
11,678	BioMerieux	985,970	0.06
83,077	EssilorLuxottica	12,736,364	0.76
9,298	Ipsen	832,132	0.05
303,896	Sanofi	24,306,022	1.46

## Portfolio Statement continued

Holding/ Nominal Value	Investment	Market Value £	% of Net Assets
	<b>France — (cont.)</b>		
6,554	Sartorius Stedim Biotech	1,643,397	0.10
		40,503,885	2.43
	<b>Germany — 1.78% (2.19%)</b>		
274,757	Bayer	12,173,552	0.73
9,930	Carl Zeiss Meditec	1,037,247	0.06
46,672	Evotec	625,925	0.04
113,664	Fresenius & Company	2,853,102	0.17
55,090	Fresenius Medical Care & Company	1,565,646	0.10
35,826	Merck	5,856,041	0.35
582	Sartorius	166,431	0.01
7,067	Sartorius (Preference Shares)	2,231,723	0.13
76,337	Siemens Healthineers	3,132,272	0.19
		29,641,939	1.78
	<b>Hungary — 0.05% (0.05%)</b>		
40,927	Richter Gedeon	764,234	0.05
	<b>Italy — 0.14% (0.21%)</b>		
36,597	Amplifon	857,257	0.05
5,889	DiaSorin	645,807	0.04
26,336	Recordati Industria Chimica e Farmaceutica	890,486	0.05
		2,393,550	0.14
	<b>Luxembourg — 0.12% (0.18%)</b>		
34,974	Eurofins Scientific	2,012,601	0.12
	<b>Netherlands — 0.64% (0.82%)</b>		
15,315	Argenx	4,805,311	0.29
245,352	Koninklijke Philips	3,293,697	0.20
61,264	QIAGEN	2,513,794	0.15
		10,612,802	0.64
	<b>Spain — 0.09% (0.08%)</b>		
93,840	Grifols 'A'	961,994	0.06
67,908	Grifols 'B'	496,867	0.03
		1,458,861	0.09
	<b>Sweden — 0.13% (0.22%)</b>		
65,161	Gefinge	1,120,632	0.06
47,863	Swedish Orphan Biovitrum	808,866	0.05
21,299	Vitrolife	323,332	0.02
		2,252,830	0.13
	<b>Switzerland — 7.20% (8.44%)</b>		
127,236	Alcon	7,475,009	0.45
8,112	Bachem	572,135	0.03
20,678	Lonza Group	8,345,382	0.50
564,540	Novartis	43,119,164	2.59
2,948	Roche	933,468	0.06
200,263	Roche (Part Certified)	52,377,731	3.14
14,473	Sonova	2,923,150	0.18
29,518	Straumann	2,870,021	0.17

## Portfolio Statement continued

Holding/ Nominal Value	Investment	Market Value £	% of Net Assets
	<b>Switzerland — (cont.)</b>		
3,539	Tecan Group	1,290,278	0.08
		119,906,338	7.20
	<b>NORTH AMERICA — 67.42% (65.46%)</b>		
	<b>United States — 67.40% (65.12%)</b>		
478,965	Abbott Laboratories	44,541,993	2.67
491,856	AbbVie	68,017,498	4.08
12,231	Abiomed <sup>1</sup>	—	—
82,664	Agilent Technologies	9,933,260	0.60
22,081	Align Technology	3,963,085	0.24
34,194	Alnylam Pharmaceuticals	6,326,298	0.38
149,186	Amgen	33,845,253	2.03
67,352	Anthem	26,276,282	1.58
168,320	Avantor	2,803,569	0.17
139,083	Baxter International	5,731,438	0.34
79,228	Becton Dickinson and Company	17,001,193	1.02
40,212	Biogen	9,219,146	0.55
50,922	BioMarin Pharmaceutical	4,575,061	0.28
5,814	Bio-Rad Laboratories	2,024,653	0.12
43,676	Bio-Techne	2,936,263	0.18
398,139	Boston Scientific	15,225,365	0.91
595,007	Bristol-Myers Squibb	36,130,854	2.17
74,703	Cardinal Health	4,869,988	0.29
49,747	Catalent	1,864,027	0.11
158,716	Centene	10,291,027	0.62
13,920	Charles River Laboratories International	2,522,274	0.15
83,524	Cigna	21,075,113	1.27
13,390	Cooper Companies	3,751,153	0.23
180,712	Danaher	37,054,325	2.23
15,237	DaVita	1,004,560	0.06
58,030	Dentsply Sirona	1,595,040	0.10
108,001	Dexcom	10,098,018	0.61
172,528	Edwards Lifesciences	10,832,261	0.65
122,214	Elanco Animal Health	1,244,729	0.08
234,618	Eli Lilly and Company	70,512,244	4.23
48,261	Exact Sciences	1,894,516	0.11
79,504	GE Healthcare Technologies	3,921,899	0.24
350,288	Gilead Sciences	25,460,806	1.53
60,298	HCA Healthcare	12,610,542	0.76
36,950	Henry Schein	2,482,227	0.15
67,601	Hologic	4,410,399	0.27
35,271	Humana	14,406,426	0.87
22,927	IDEXX Laboratories	7,952,907	0.48
43,803	Illumina	7,039,249	0.42
50,356	Incyte	3,408,564	0.20
18,892	Insulet	4,565,309	0.27
98,524	Intuitive Surgical	21,966,898	1.32
51,785	IQVIA	8,803,384	0.53
732,445	Johnson & Johnson	110,651,094	6.64
24,775	Laboratory Corporation of America	4,935,478	0.30

## Portfolio Statement continued

Holding/ Nominal Value	Investment	Market Value £	% of Net Assets
<b>United States — (cont.)</b>			
13,189	Masimo	1,649,744	0.10
704,015	Merck & Company	67,677,967	4.06
93,228	Moderna	13,504,167	0.81
15,738	Molina Healthcare	3,948,121	0.24
69,818	Organon	1,687,290	0.10
34,593	PerkinElmer	3,846,276	0.23
1,573,094	Pfizer	65,827,439	3.95
32,169	Quest Diagnostics	4,167,853	0.25
28,923	Regeneron Pharmaceuticals	17,664,133	1.06
40,127	ResMed	6,841,721	0.41
37,456	Seagen	4,289,880	0.26
98,036	Stryker	20,496,379	1.23
13,008	Teleflex	2,727,324	0.16
109,185	Thermo Fisher Scientific	48,384,797	2.91
260,316	UnitedHealth Group	106,489,623	6.39
17,742	Universal Health Services	2,228,030	0.13
38,431	Veeva Systems	5,068,078	0.30
71,352	Vertex Pharmaceuticals	17,342,311	1.04
333,086	Viatis	3,303,078	0.20
20,376	West Pharmaceutical Services	3,854,009	0.23
58,046	Zimmer Biomet	6,015,043	0.36
131,381	Zoetis	15,682,679	0.94
		1,122,471,610	67.40
<b>Canada — 0.00% (0.14%)</b>			
<b>Cayman Islands — 0.02% (0.20%)</b>			
138,000	HUTCHMED China	390,334	0.02
<b>SOUTH AMERICA — 0.16% (0.19%)</b>			
<b>Brazil — 0.16% (0.19%)</b>			
21,600	Diagnosticos da America	43,736	—
1,116,718	Hapvida Participacoes e Investimentos	816,285	0.05
108,800	Hypera	737,155	0.04
76,620	Odontoprev	109,705	0.01
222,561	Rede D'Or Sao Luiz	984,932	0.06
		2,691,813	0.16
<b>AFRICA — 0.08% (0.12%)</b>			
<b>South Africa — 0.08% (0.12%)</b>			
106,662	Aspen Pharmacare	723,514	0.04
362,978	Life Healthcare Group	320,830	0.02
394,896	Netcare	284,256	0.02
		1,328,600	0.08
<b>ASIA — 5.53% (6.06%)</b>			
<b>Japan — 4.68% (5.15%)</b>			
43,900	Alfresa Holdings	447,091	0.03
8,500	As One	296,738	0.02
57,300	Asahi Intecc	740,064	0.04
506,800	Astellas Pharma	6,108,083	0.37

## Portfolio Statement continued

Holding/ Nominal Value	Investment	Market Value £	% of Net Assets
<b>Japan — (cont.)</b>			
179,124	Chugai Pharmaceutical	3,718,235	0.22
525,600	Daiichi Sankyo	13,395,366	0.80
73,900	Eisai	3,770,522	0.23
14,300	H.U. Group	254,368	0.02
18,200	Hisamitsu Pharmaceutical	415,390	0.02
97,700	Hoya	7,744,727	0.46
16,000	JCR Pharmaceuticals	154,912	0.01
8,300	Kaken Pharmaceutical	191,521	0.01
16,400	Kobayashi Pharmaceutical	899,985	0.05
68,600	Kyowa Kirin	1,252,560	0.08
118,900	M3	2,630,115	0.16
15,600	Mani	187,085	0.01
14,100	Menicon	242,400	0.01
19,500	Nihon Kohden	375,271	0.02
13,500	Nippon Shinyaku	598,437	0.04
29,600	Nipro	187,712	0.01
351,200	Olympus	5,265,856	0.32
116,400	Ono Pharmaceutical	2,105,603	0.13
115,800	Otsuka Holdings	2,982,527	0.18
27,400	PeptiDream	347,866	0.02
51,200	Rohto Pharmaceutical	703,713	0.04
94,900	Santen Pharmaceutical	610,759	0.04
10,800	Sawai Group	267,178	0.02
75,100	Shionogi & Company	3,031,542	0.18
20,900	Ship Healthcare	341,980	0.02
45,900	Sumitomo Pharma	269,178	0.02
52,600	Sysmex	2,539,758	0.15
11,675	Taisho Pharmaceutical	392,918	0.02
13,300	Takara Bio	140,462	0.01
422,042	Takeda Pharmaceutical	10,809,100	0.65
185,400	Terumo	4,193,084	0.25
17,300	Tsumura & Company	297,847	0.02
		<b>77,909,953</b>	<b>4.68</b>
<b>Malaysia — 0.06% (0.14%)</b>			
483,600	Hartalega	149,135	0.01
553,900	IHH Healthcare	636,866	0.03
1,839,200	Top Glove	311,601	0.02
		<b>1,097,602</b>	<b>0.06</b>
<b>South Korea — 0.59% (0.64%)</b>			
8,913	Alteogen	209,068	0.01
32,238	Celltrion	3,482,737	0.21
26,770	Celltrion Healthcare	1,013,520	0.06
5,536	Celltrion Pharm	237,381	0.01
1,373	Green Cross	114,762	0.01
1,952	Hanmi Pharmaceutical	341,196	0.02
3,811	Hanmi Science	77,175	0.01
5,119	Samsung Biologics	2,732,954	0.16
11,710	SD Biosensor	236,763	0.01
7,239	Seegene	132,733	0.01



## Portfolio Statement continued

Holding/ Nominal Value	Investment	Market Value £	% of Net Assets
<b>South Korea — (cont.)</b>			
8,469	Shin Poong Pharmaceutical	113,316	0.01
6,441	SK Biopharmaceuticals	301,316	0.02
5,068	SK Bioscience	252,825	0.02
13,914	Yuhan	502,876	0.03
		9,748,622	0.59
<b>Taiwan — 0.04% (0.04%)</b>			
35,612	OBI Pharma	67,731	—
90,000	Oneness Biotech	593,084	0.04
		660,815	0.04
<b>Thailand — 0.16% (0.09%)</b>			
1,155,100	Bangkok Dusit Medical Services	853,228	0.05
1,301,700	Bangkok Dusit Medical Services (NVDR) ADR	961,516	0.06
161,500	Bumrungrad Hospital	886,751	0.05
		2,701,495	0.16
<b>MIDDLE EAST — 0.15% (0.11%)</b>			
<b>Israel — 0.14% (0.11%)</b>			
283,238	Teva Pharmaceutical Industries	2,356,527	0.14
<b>Turkey — 0.01% (0.00%)</b>			
41,212	EİS Eczacıbaşı İlaç ve Sınai ve Finansal Yatırımlar Sanayi ve Ticaret	57,387	—
20,176	MLP Sağlık Hizmetleri	79,704	0.01
		137,091	0.01
<b>PACIFIC BASIN — 1.88% (1.97%)</b>			
<b>Australia — 1.68% (1.76%)</b>			
33,757	Ansell	552,789	0.03
17,493	Cochlear	2,047,033	0.12
134,257	CSL	21,218,155	1.28
47,944	Ramsay Healthcare	1,800,604	0.11
133,588	Sonic Healthcare	2,271,801	0.14
		27,890,382	1.68
<b>New Zealand — 0.20% (0.21%)</b>			
46,056	EBOS	1,087,881	0.06
160,710	Fisher & Paykel Healthcare	1,944,347	0.12
110,165	Ryman Healthcare	324,264	0.02
		3,356,492	0.20
<b>FORWARD CURRENCY CONTRACTS — 0.00% (0.00%)</b>			
GBP(1,000,000)	Sold Sterling		
USD1,204,839	for US Dollars (Expires 18/01/2023) <sup>2</sup>	9,747	—

## Portfolio Statement continued

Holding/ Nominal Value	Investment
	<b>FUTURES CONTRACTS</b>
	<b>— 0.00% (0.00%)</b>
500	MSCI World Health Care Index Future Expiry March 2023
<b>Portfolio of investments<sup>3,4</sup></b>	
<b>Net other assets</b>	
<b>Total net assets</b>	

Market Value £	% of Net Assets
(97,437)	—
1,652,572,437	99.23
12,869,136	0.77
<b>£1,665,441,573</b>	<b>100.00%</b>

<sup>1</sup> Delisted securities are valued at the Manager's best assessment of their fair and reasonable value.

<sup>2</sup> Unlisted securities are valued at the Manager's best assessment of their fair and reasonable value.

<sup>3</sup> Including investment liabilities.

<sup>4</sup> All investments are admitted to an official stock exchange unless otherwise stated.

Total purchases for the year: £451,216,408.

Total sales for the year: £160,078,378.

# Independent Auditor's Report

## Independent auditor's report to the Unitholders of Legal & General Global Health and Pharmaceuticals Index Trust ('the Trust')

### **Opinion**

We have audited the financial statements of the Trust for the year ended 7 January 2023 which comprise the Statement of Total Return, the Statement of Change in Net Assets Attributable to Unitholders, the Balance Sheet, the Related Notes and Distribution Tables for the Trust and the accounting policies set out on pages 23 to 24.

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 7 January 2023 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.

## **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 identified and selected a sample of journal entries made at the end of the reporting period and tested those substantively including all material post-closing entries. Based on the results of our risk assessment procedures and understanding of the process, including the segregation of duties between the Directors and the Administrator, no further high-risk journal entries or other adjustments were identified.

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

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

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

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

## Independent Auditor's Report continued

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

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

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

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

### **Other information**

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

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

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

### **Matters on which we are required to report by exception**

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

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

## Independent Auditor's Report continued

### ***Manager's responsibilities***

As explained more fully in their statement set out on page 7, 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  
319 St Vincent Street,  
Glasgow G2 5AS  
28 April 2023

## Financial Statements

### Statement of Total Return for the year ended 7 January 2023

Notes	07/01/23		07/01/22	
	£	£	£	£
<b>Income</b>				
Net capital gains	3	115,863,746		101,399,642
Revenue	4	23,938,485	15,041,750	
Expenses	5	(3,520,648)	(3,200,009)	
Interest payable and similar charges	7	(38,621)	(4,453)	
Net revenue before taxation		20,379,216	11,837,288	
Taxation	6	(3,077,158)	(2,120,826)	
Net revenue after taxation for the year		17,302,058		9,716,462
Total return before distributions		133,165,804		111,116,104
Distributions	7	(17,302,058)		(9,716,462)
Change in net assets attributable to Unitholders from investment activities		<b>£115,863,746</b>		<b>£101,399,642</b>

### Statement of Change in Net Assets attributable to Unitholders for the year ended 7 January 2023

	07/01/23		07/01/22	
	£	£	£	£
Opening net assets attributable to Unitholders		1,256,011,232		661,938,895
Amounts received on issue of units		460,270,711	1,230,999,096	
Amounts paid on cancellation of units		(177,538,770)	(746,420,093)	
		282,731,941		484,579,003
Change in net assets attributable to Unitholders from investment activities		115,863,746		101,399,642
Retained distributions on accumulation units		10,834,654		8,093,673
Unclaimed distributions		—		19
Closing net assets attributable to Unitholders		<b>£1,665,441,573</b>		<b>£1,256,011,232</b>

## Financial Statements continued

### Balance Sheet as at 7 January 2023

	Notes	07/01/23 £	07/01/22 £
<b>ASSETS</b>			
<b>Fixed assets:</b>			
Investments		1,652,669,874	1,245,977,520
<b>Current assets:</b>			
Debtors	8	6,285,185	4,838,163
Cash and bank balances	9	39,423,590	16,857,254
<b>Total assets</b>		<b>1,698,378,649</b>	<b>1,267,672,937</b>
<b>LIABILITIES</b>			
Investment liabilities		(97,437)	—
<b>Creditors:</b>			
Bank overdrafts	9	(18,533,612)	(407)
Distributions payable		(9,418,459)	(6,363,792)
Other creditors	10	(4,887,568)	(5,297,506)
<b>Total liabilities</b>		<b>(32,937,076)</b>	<b>(11,661,705)</b>
<b>Net assets attributable to Unitholders</b>		<b>£1,665,441,573</b>	<b>£1,256,011,232</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) and amended in June 2017.

## 2. Summary of Significant Accounting Policies

### (a) Basis of Preparation

The Financial Statements have been prepared on a going concern basis, under the historical cost convention as modified by the revaluation of certain financial assets and liabilities measured at fair value through profit or loss. In making this assessment, the Manager has considered, amongst other things, factors such as Trust size, cash flows through the Trust and Trust liquidity in its assessment of the Trust's ability to meet its liabilities as they fall due at least the twelve month period from the date the financial statements are signed. Based on this assessment, the Manager deems the basis of preparation appropriate.

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

### (b) Functional and Presentation Currency

The functional and presentation currency of the Trust is Sterling.

### (c) Recognition of Revenue

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

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

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

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

All other revenue is recognised on an accruals basis.

### (d) Treatment of Expenses

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

### (e) Distribution Policy

The policy is to distribute all available revenue, after deduction of those expenses which are chargeable in calculating the distribution, on an annual basis, in accordance with the COLL.

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

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

## Notes to the Financial Statements continued

### 2. Summary of Significant Accounting Policies continued

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

All investments are valued at their fair value as at 3pm on 6 January 2023, being the last business day of the accounting year. For the investments in United States and Brazil, the latest available valuation was as at close of business on 5 January 2023. The fair value for non-derivative securities is bid market price. 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) Foreign Exchange

Transactions in foreign currencies are translated at the rate of exchange ruling on the date of the transaction. Where applicable, assets and liabilities denominated in foreign currencies are translated into Sterling at the rates of exchange ruling at 3pm on 6 January 2023, being the last business day of the accounting year.

#### (i) 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

The net capital gains during the year comprise:

	07/01/23	07/01/22
	£	£
Non-derivative securities	115,598,752	101,384,174
Derivative securities	(71,952)	—
Forward currency contracts	(1,367,096)	(385,297)
Currency gains	1,703,904	400,765
CSDR reimbursement	138	—
Net capital gains	<u>115,863,746</u>	<u>101,399,642</u>

### 4. Revenue

	07/01/23	07/01/22
	£	£
UK Franked dividends	1,676,935	1,209,977
Taxable overseas dividends	24,501	12,022
Non-taxable overseas dividends	21,867,606	13,694,089
Franked stock dividends	320,507	124,767
Bank interest	<u>48,936</u>	<u>895</u>
	<u>23,938,485</u>	<u>15,041,750</u>

### 5. Expenses

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

	07/01/23	07/01/22
	£	£
Fund Management Fees	<u>3,520,648</u>	<u>3,200,009</u>
Total expenses	<u>3,520,648</u>	<u>3,200,009</u>

Audit fees of £11,529 plus VAT of £2,306 have been borne by the Manager out of its Fund Management Fee. In the prior year, the total audit fee was £10,281 plus VAT of £2,056.

## Notes to the Financial Statements continued

### 6. Taxation

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

	07/01/23	07/01/22
	£	£
Corporation tax	—	—
Overseas tax	3,077,158	2,120,826
Current tax [note 6(b)]	3,077,158	2,120,826
Deferred tax [note 6(c)]	—	—
Total taxation	3,077,158	2,120,826

#### (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	20,379,216	11,837,288
Net revenue before taxation multiplied by the applicable rate of Corporation tax of 20% (2022: 20%)	4,075,843	2,367,458
<b>Effects of:</b>		
DTR expensed	(731)	(416)
Overseas tax	3,077,158	2,120,826
Revenue not subject to taxation	(4,773,036)	(3,005,400)
Excess management expenses not utilised	697,924	638,358
Current tax	3,077,158	2,120,826

#### (c) Provision for deferred tax

There is no deferred tax provision in the current or preceding year. At the year end, there is a potential deferred tax asset of £4,159,420 (7 January 2022: £3,461,496) due to surplus management expenses.

It is unlikely the Trust will generate sufficient taxable profits in the future to utilise this amount and therefore no deferred tax asset has been recognised (7 January 2022: same).

## Notes to the Financial Statements continued

### 7. Distributions

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

	07/01/23	07/01/22
	£	£
Final distribution	20,253,113	14,457,465
	20,253,113	14,457,465
Add: Revenue deducted on cancellation of units	765,230	6,297,910
Less: Revenue received on creation of units	(3,716,285)	(11,038,913)
<b>Distributions for the year</b>	<b>17,302,058</b>	<b>9,716,462</b>
<b>Interest payable and similar charges</b>		
Bank overdraft interest	13,571	4,453
Futures expense	25,050	—
	17,340,679	9,720,915

### 8. Debtors

	07/01/23	07/01/22
	£	£
Accrued revenue	1,251,162	730,999
Amounts receivable for creation of units	2,022,001	3,397,001
Overseas tax recoverable	1,094,097	710,163
Receivable for foreign exchange contracts	1,471	—
Sales awaiting settlement	1,916,454	—
	6,285,185	4,838,163

### 9. Net uninvested cash

	07/01/23	07/01/22
	£	£
Amounts held at futures clearing houses and brokers	1,481,589	—
Cash and bank balances	37,942,001	16,857,254
Amounts due to futures clearing houses and brokers	(3,047)	—
Bank overdrafts	(18,530,565)	(407)
Net uninvested cash	20,889,978	16,856,847

# Notes to the Financial Statements continued

## 10. Other creditors

	07/01/23	07/01/22
	£	£
Accrued expenses	434,707	345,824
Amounts payable for cancellation of units	188,000	71,000
Purchases awaiting settlement	4,264,861	4,880,134
Currency deals awaiting settlement	—	548
	<u>4,887,568</u>	<u>5,297,506</u>

## 11. Contingent liabilities and outstanding commitments

There were no contingent liabilities or outstanding commitments at the balance sheet date (7 January 2022: same).

## Notes to the Financial Statements continued

### 12. Financial Instruments and Associated Risks

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

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

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

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

#### **(a) Market Risk arising from other price risk**

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

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

The assets held by the Trust can be seen in the Portfolio Statement starting on page 10. Movements in the prices of these investments result in movements in the performance of the Trust. The Manager adheres to the investment guidelines established in the Trust Deed, the Prospectus, the COLL and the Trust's IOG, and in this way, monitors and controls the exposure to risk from any type of security, sector or issuer.

As at the balance sheet date, if the price of the investments held by the Trust increased or decreased by 5%, with all other variables remaining constant, then the net assets attributable to unitholders would increase or decrease by approximately £82,628,622 (7 January 2022: £62,298,876).

## Notes to the Financial Statements continued

### 12. Financial Instruments and Associated Risks continued

#### (b) Interest Rate Risk

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

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

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

#### (c) Foreign Currency Risk

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

Forward currency contracts were utilised during the current and the preceding year.

At 7 January 2023, if the value of Sterling increased or decreased by 1% against all currencies, with all other variables remaining constant, then the net assets attributable to unitholders would increase or decrease by approximately £16,065,703 (7 January 2022: £12,039,526).

The direct foreign currency profile of the Trust's net assets at the balance sheet date was:

07/01/23 Currency	Net foreign currency assets		
	Monetary exposures £'000	Non-monetary exposures £'000	Total £'000
Australian Dollar	30	27,890	27,920
Brazilian Real	—	2,692	2,692
Danish Krone	142	65,747	65,889
Euro	82	90,200	90,282
Hong Kong Dollar	4	390	394
Hungarian Forint	5	764	769
Israeli New Shekel	96	2,357	2,453
Japanese Yen	369	77,910	78,279
Malaysian Ringgit	—	1,098	1,098
New Zealand Dollar	29	3,357	3,386
Singapore Dollar	1	—	1
South Korean Won	18	9,749	9,767
Swedish Krona	80	2,253	2,333
Swiss Franc	912	119,906	120,818
Taiwan Dollar	10	661	671
US Dollar	22,625	1,172,979	1,195,604
South African Rand	47	1,329	1,376
Thai Baht	—	2,701	2,701
Turkish Lira	—	137	137



## Notes to the Financial Statements continued

### 12. Financial Instruments and Associated Risks continued

#### (c) Foreign Currency Risk continued

07/01/22 Currency	Net foreign currency assets		Total £'000
	Monetary exposures £'000	Non-monetary exposures £'000	
Australian Dollar	196	22,107	22,303
Brazilian Real	11	2,341	2,352
Canadian Dollar	39	1,779	1,818
Danish Krone	291	41,140	41,431
Euro	587	79,451	80,038
Hong Kong Dollar	—	2,494	2,494
Hungarian Forint	—	633	633
Israeli Shekel	—	1,382	1,382
Japanese Yen	297	64,652	64,949
Malaysian Ringgit	3	1,712	1,715
New Zealand Dollar	3	2,606	2,609
Singapore Dollar	1	—	1
South African Rand	26	1,460	1,486
South Korean Won	15	7,961	7,976
Swedish Krona	—	2,777	2,777
Swiss Franc	940	105,980	106,920
Taiwan Dollar	52	565	617
Thai Baht	—	1,205	1,205
US Dollar	4,103	857,144	861,247

#### (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.

The Trust's holdings in Futures expose the Trust to additional credit risk. Credit risk arises from the failure of the counterparty to the derivative contract to meet its financial obligations. The Trust aims to limit credit risk derived from derivative positions by carrying out transactions with reputable and well established institutions.

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.

## Notes to the Financial Statements continued

### 12. Financial Instruments and Associated Risks continued

#### (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:

##### **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 to equities by £20,551,909 (7 January 2022: £nil), representing 1.23% of the net asset value (7 January 2022: 0.00%).

This results in an effective equity exposure at the year end of 100.46% (7 January 2022: 0.00%) of net assets, which means that the gains or losses of the Trust will be 1.0046 (7 January 2022: 0.0000) times the gains or losses if the Trust was fully invested in equities.

## Notes to the Financial Statements continued

### 12. Financial Instruments and Associated Risks continued

#### (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 and amended in June 2017 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:

<b>07/01/23</b>	<b>Assets</b>	<b>Liabilities</b>
<b>Basis of Valuation</b>	<b>£</b>	<b>£</b>
Level 1 - Quoted Prices	1,652,660,127	(97,437)
Level 2 - Observable Market Data	9,747	—
Level 3 - Unobservable Data	—	—
<b>Total</b>	<b>1,652,669,874</b>	<b>(97,437)</b>

<b>07/01/22</b>	<b>Assets</b>	<b>Liabilities</b>
<b>Basis of Valuation</b>	<b>£</b>	<b>£</b>
Level 1 - Quoted Prices	1,245,977,520	—
Level 2 - Observable Market Data	—	—
Level 3 - Unobservable Data	—	—
<b>Total</b>	<b>1,245,977,520</b>	<b>—</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

### 12. Financial Instruments and Associated Risks continued

#### (h) Financial Derivative Instruments and Collateral

During the year, the Trust made use of 'Over the Counter' (OTC) Derivative Instruments. These types of transactions introduce Counterparty Risk, where a counterparty may fail to meet its financial commitments.

In order to reduce this risk, collateral may be held by the Trust. The counterparties to these transactions and any collateral held by the Trust at the balance sheet date is shown below:

#### Global exposure and collateral

Counterparty	Derivative Groups: Forward Currency Contracts	Gain Position	Collateral Held/ (Delivered)
Morgan Stanley	1,009,966	9,747	nil
<b>Total</b>	<b>1,009,966</b>	<b>9,747</b>	<b>nil</b>

The Trust holds exchange traded derivatives which have minimal Counterparty Risk Exposure.

No collateral was held or delivered at the balance sheet date.

### 13. Portfolio transaction costs

07/01/23	Value	Commissions		Taxes		Total
Purchases	£'000	£'000	%	£'000	%	£'000
Equities	450,992	80	0.02	144	0.03	451,216
<b>Total</b>	<b>450,992</b>	<b>80</b>	<b>0.02</b>	<b>144</b>	<b>0.03</b>	<b>451,216</b>

07/01/23	Value	Commissions		Taxes		Total
Sales	£'000	£'000	%	£'000	%	£'000
Equities	160,110	(26)	0.02	(6)	0.00	160,078
<b>Total</b>	<b>160,110</b>	<b>(26)</b>	<b>0.02</b>	<b>(6)</b>	<b>0.00</b>	<b>160,078</b>

Commissions and taxes as % of average net assets

Commissions	0.01%
Taxes	0.01%

07/01/22	Value	Commissions		Taxes		Total
Purchases	£'000	£'000	%	£'000	%	£'000
Equities	609,686	127	0.02	176	0.03	609,989
<b>Total</b>	<b>609,686</b>	<b>127</b>	<b>0.02</b>	<b>176</b>	<b>0.03</b>	<b>609,989</b>

07/01/22	Value	Commissions		Taxes		Total
Sales	£'000	£'000	%	£'000	%	£'000
Equities	120,834	(21)	0.02	(2)	0.00	120,811
<b>Total</b>	<b>120,834</b>	<b>(21)</b>	<b>0.02</b>	<b>(2)</b>	<b>0.00</b>	<b>120,811</b>

Commissions and taxes as % of average net assets

Commissions	0.01%
Taxes	0.02%

## Notes to the Financial Statements continued

### 13. Portfolio transaction costs continued

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 0.29% (7 January 2022: 0.12%).

### 14. Unit classes

A list of unit classes in issue and the fund management fee on each unit class can be found on page 48. 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 39 to 46. The distributions per unit class are given in the distribution table on page 37. All classes have the same rights on winding up.

<b>R-Class</b>	<b>Distribution</b>	<b>Accumulation</b>
Opening Units	1,313,365	15,856,853
Units issued	145,630	4,934,854
Units cancelled	(575,035)	(4,171,751)
Units converted	—	—
Closing Units	883,960	16,619,956

<b>F-Class</b>	<b>Distribution</b>	<b>Accumulation</b>
Opening Units	901	250,048
Units issued	—	74,365
Units cancelled	—	(78,690)
Units converted	—	—
Closing Units	901	245,723

<b>I-Class</b>	<b>Distribution</b>	<b>Accumulation</b>
Opening Units	51,187,838	468,557,237
Units issued	10,729,044	153,805,852
Units cancelled	(6,137,130)	(114,217,366)
Units converted	—	—
Closing Units	55,779,752	508,145,723

<b>C-Class</b>	<b>Distribution</b>	<b>Accumulation</b>
Opening Units	720,415,008	258,749,540
Units issued	261,699,063	103,734,856
Units cancelled	(35,530,231)	(15,236,629)
Units converted	—	—
Closing Units	946,583,840	347,247,767

## Notes to the Financial Statements continued

### 15. Ultimate controlling party and related party transactions

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

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

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

### 16. Post balance sheet market movements

As at the close of business on the balance sheet date, the Net Asset Value per R-Class distribution unit was 94.97p. The Net Asset Value per R-Class distribution unit for the Trust as at 3pm on 25 April 2023 was 95.38p. This represents an increase of 0.43% from the year end value.

## Distribution Tables

### Distribution Table for the year ended 7 January 2023

Group 1: units purchased prior to a distribution period.

Group 2: units purchased during a distribution period.

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

Final dividend distribution in pence per unit			Period 08/01/22 to 07/01/23	
<b>R-Class</b>			<b>Distribution</b>	<b>Distribution</b>
<b>Distribution Units</b>	<b>Revenue</b>	<b>Equalisation</b>	<b>07/03/23</b>	<b>07/03/22</b>
Group 1	0.7343	—	0.7343	0.6395
Group 2	0.3496	0.3847	0.7343	0.6395
<b>R-Class</b>			<b>Distribution</b>	<b>Distribution</b>
<b>Accumulation Units</b>	<b>Revenue</b>	<b>Equalisation</b>	<b>07/03/23</b>	<b>07/03/22</b>
Group 1	0.8564	—	0.8564	0.7417
Group 2	0.2984	0.5580	0.8564	0.7417
<b>F-Class</b>			<b>Distribution</b>	<b>Distribution</b>
<b>Distribution Units</b>	<b>Revenue</b>	<b>Equalisation</b>	<b>07/03/23</b>	<b>07/03/22</b>
Group 1	0.9778	—	0.9778	0.8468
Group 2	—	0.9778	0.9778	0.8468
<b>F-Class</b>			<b>Distribution</b>	<b>Distribution</b>
<b>Accumulation Units</b>	<b>Revenue</b>	<b>Equalisation</b>	<b>07/03/23</b>	<b>07/03/22</b>
Group 1	1.1993	—	1.1993	1.0219
Group 2	0.3522	0.8471	1.1993	1.0219
<b>I-Class</b>			<b>Distribution</b>	<b>Distribution</b>
<b>Distribution Units</b>	<b>Revenue</b>	<b>Equalisation</b>	<b>07/03/23</b>	<b>07/03/22</b>
Group 1	1.1109	—	1.1109	0.9659
Group 2	0.3409	0.7700	1.1109	0.9659
<b>I-Class</b>			<b>Distribution</b>	<b>Distribution</b>
<b>Accumulation Units</b>	<b>Revenue</b>	<b>Equalisation</b>	<b>07/03/23</b>	<b>07/03/22</b>
Group 1	1.4446	—	1.4446	1.2408
Group 2	0.5055	0.9391	1.4446	1.2408
<b>C-Class</b>			<b>Distribution</b>	<b>Distribution</b>
<b>Distribution Units</b>	<b>Revenue</b>	<b>Equalisation</b>	<b>07/03/23</b>	<b>07/03/22</b>
Group 1	0.9288	—	0.9288	0.8135
Group 2	0.3395	0.5893	0.9288	0.8135
<b>C-Class</b>			<b>Distribution</b>	<b>Distribution</b>
<b>Accumulation Units</b>	<b>Revenue</b>	<b>Equalisation</b>	<b>07/03/23</b>	<b>07/03/22</b>
Group 1	0.9643	—	0.9643	0.8345
Group 2	0.4292	0.5351	0.9643	0.8345

## Trust Information

The Comparative Tables on pages 39 to 46 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	07/01/23 (pence per unit)	07/01/22 (pence per unit)	07/01/21 (pence per unit)
Opening net asset value per unit	87.14	79.52	72.56
Return before operating charges*	9.19	8.82	8.11
Operating charges (calculated on average price)	(0.63)	(0.56)	(0.53)
Return after operating charges*	8.56	8.26	7.58
Distributions on income units	(0.73)	(0.64)	(0.62)
Closing net asset value per unit	94.97	87.14	79.52
* after direct transaction costs of:	0.02	0.03	0.02

#### Performance

Return after charges	9.82%	10.39%	10.45%
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#### Other Information

Closing net asset value (£)	839,541	1,144,476	8,081,625
Closing number of units	883,960	1,313,365	10,163,297
Operating charges <sup>†</sup>	0.69%	0.69%	0.69%
Direct transaction costs	0.02%	0.03%	0.02%

#### Prices<sup>1</sup>

Highest unit price	97.27p	92.80p	80.47p
Lowest unit price	82.06p	74.09p	62.88p

<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 fund and is calculated based on the last period's figures.

<sup>1</sup> Highest and lowest unit prices are based on published prices.

**Past performance is not a guide to future performance.**

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

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

## Trust Information continued

### Comparative Tables continued

#### R-Class Accumulation Units

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

Accounting Year ending	07/01/23 (pence per unit)	07/01/22 (pence per unit)	07/01/21 (pence per unit)
Opening net asset value per unit	101.63	92.06	83.36
Return before operating charges*	10.72	10.22	9.31
Operating charges (calculated on average price)	(0.73)	(0.65)	(0.61)
Return after operating charges*	9.99	9.57	8.70
Distributions	(0.86)	(0.74)	(0.71)
Retained distributions on accumulation units	0.86	0.74	0.71
Closing net asset value per unit	111.62	101.63	92.06
* after direct transaction costs of:	0.02	0.03	0.02

#### Performance

Return after charges	9.83%	10.40%	10.44%
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#### Other Information

Closing net asset value (£)	18,551,191	16,115,234	139,308,515
Closing number of units	16,619,956	15,856,853	151,318,881
Operating charges†	0.69%	0.69%	0.69%
Direct transaction costs	0.02%	0.03%	0.02%

#### Prices<sup>1</sup>

Highest unit price	113.50p	107.50p	92.44p
Lowest unit price	95.73p	85.78p	72.23p

† Operating charges, otherwise known as the OCF is the ratio of the Trust's total disclosable costs (excluding overdraft interest) to the average net assets of the Trust. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a fund and is calculated based on the last period's figures.

<sup>1</sup> Highest and lowest unit prices are based on published prices.

**Past performance is not a guide to future performance.**

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

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

## Trust Information continued

### Comparative Tables continued

#### F-Class Distribution Units

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

Accounting Year ending	07/01/23 (pence per unit)	07/01/22 (pence per unit)	07/01/21 (pence per unit)
Opening net asset value per unit	87.35	79.71	72.73
Return before operating charges*	9.16	8.86	8.13
Operating charges (calculated on average price)	(0.41)	(0.37)	(0.34)
Return after operating charges*	8.75	8.49	7.79
Distributions on income units	(0.98)	(0.85)	(0.81)
Closing net asset value per unit	95.12	87.35	79.71
* after direct transaction costs of:	0.02	0.03	0.02

#### Performance

Return after charges	10.02%	10.65%	10.71%
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#### Other Information

Closing net asset value (£)	857	787	1,143
Closing number of units	901	901	1,434
Operating charges†	0.45%	0.45%	0.45%
Direct transaction costs	0.02%	0.03%	0.02%

#### Prices<sup>1</sup>

Highest unit price	97.68p	93.25p	80.79p
Lowest unit price	82.30p	74.31p	63.08p

† Operating charges, otherwise known as the OCF is the ratio of the Trust's total disclosable costs (excluding overdraft interest) to the average net assets of the Trust. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a fund and is calculated based on the last period's figures.

<sup>1</sup> Highest and lowest unit prices are based on published prices.

**Past performance is not a guide to future performance.**

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

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

## Trust Information continued

### Comparative Tables continued

#### F-Class Accumulation Units

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

Accounting Year ending	07/01/23 (pence per unit)	07/01/22 (pence per unit)	07/01/21 (pence per unit)
Opening net asset value per unit	106.50	96.24	86.93
Return before operating charges*	11.25	10.71	9.72
Operating charges (calculated on average price)	(0.50)	(0.45)	(0.41)
Return after operating charges*	10.75	10.26	9.31
Distributions	(1.20)	(1.02)	(0.96)
Retained distributions on accumulation units	1.20	1.02	0.96
Closing net asset value per unit	117.25	106.50	96.24
* after direct transaction costs of:	0.02	0.03	0.02

#### Performance

Return after charges	10.09%	10.66%	10.71%
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#### Other Information

Closing net asset value (£)	288,102	266,294	503,425
Closing number of units	245,723	250,048	523,107
Operating charges†	0.45%	0.45%	0.45%
Direct transaction costs	0.02%	0.03%	0.02%

#### Prices<sup>1</sup>

Highest unit price	119.20p	112.60p	96.53p
Lowest unit price	100.40p	89.71p	75.36p

† Operating charges, otherwise known as the OCF is the ratio of the Trust's total disclosable costs (excluding overdraft interest) to the average net assets of the Trust. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a fund and is calculated based on the last period's figures.

<sup>1</sup> Highest and lowest unit prices are based on published prices.

**Past performance is not a guide to future performance.**

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

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

## Trust Information continued

### Comparative Tables continued

#### I-Class Distribution Units

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

Accounting Year ending	07/01/23 (pence per unit)	07/01/22 (pence per unit)	07/01/21 (pence per unit)
Opening net asset value per unit	87.29	79.64	72.66
Return before operating charges*	9.23	8.89	8.14
Operating charges (calculated on average price)	(0.28)	(0.27)	(0.24)
Return after operating charges*	8.95	8.62	7.90
Distributions on income units	(1.11)	(0.97)	(0.92)
Closing net asset value per unit	95.13	87.29	79.64
* after direct transaction costs of:	0.02	0.03	0.02

#### Performance

Return after charges	10.25%	10.82%	10.87%
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#### Other Information

Closing net asset value (£)	53,061,198	44,681,635	44,568,182
Closing number of units	55,779,752	51,187,838	55,964,649
Operating charges†	0.31%	0.31%	0.31%
Direct transaction costs	0.02%	0.03%	0.02%

#### Prices<sup>1</sup>

Highest unit price	97.75p	93.30p	80.75p
Lowest unit price	82.24p	74.25p	63.02p

† Operating charges, otherwise known as the OCF is the ratio of the Trust's total disclosable costs (excluding overdraft interest) to the average net assets of the Trust. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a fund and is calculated based on the last period's figures.

<sup>1</sup> Highest and lowest unit prices are based on published prices.

**Past performance is not a guide to future performance.**

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

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

## Trust Information continued

### Comparative Tables continued

#### I-Class Accumulation Units

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

Accounting Year ending	07/01/23 (pence per unit)	07/01/22 (pence per unit)	07/01/21 (pence per unit)
Opening net asset value per unit	113.46	102.38	92.35
Return before operating charges*	11.99	11.42	10.33
Operating charges (calculated on average price)	(0.37)	(0.34)	(0.30)
Return after operating charges*	11.62	11.08	10.03
Distributions	(1.44)	(1.24)	(1.16)
Retained distributions on accumulation units	1.44	1.24	1.16
Closing net asset value per unit	125.08	113.46	102.38
* after direct transaction costs of:	0.02	0.04	0.02

#### Performance

Return after charges	10.24%	10.82%	10.86%
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#### Other Information

Closing net asset value (£)	635,605,866	531,610,318	339,474,198
Closing number of units	508,145,723	468,557,237	331,584,230
Operating charges†	0.31%	0.31%	0.31%
Direct transaction costs	0.02%	0.03%	0.02%

#### Prices<sup>1</sup>

Highest unit price	127.10p	120.00p	102.70p
Lowest unit price	107.00p	95.46p	80.09p

† Operating charges, otherwise known as the OCF is the ratio of the Trust's total disclosable costs (excluding overdraft interest) to the average net assets of the Trust. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a fund and is calculated based on the last period's figures.

<sup>1</sup> Highest and lowest unit prices are based on published prices.

**Past performance is not a guide to future performance.**

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

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

## Trust Information continued

### Comparative Tables continued

#### C-Class Distribution Units

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

Accounting Year ending	07/01/23 (pence per unit)	07/01/22 (pence per unit)	07/01/21 (pence per unit)
Opening net asset value per unit	66.94	61.06	55.69
Return before operating charges*	7.08	6.83	6.26
Operating charges (calculated on average price)	(0.14)	(0.14)	(0.12)
Return after operating charges*	6.94	6.69	6.14
Distributions on income units	(0.93)	(0.81)	(0.77)
Closing net asset value per unit	72.95	66.94	61.06
* after direct transaction costs of:	0.01	0.02	0.01

#### Performance

Return after charges	10.37%	10.96%	11.03%
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#### Other Information

Closing net asset value (£)	690,511,983	482,211,987	17,320,339
Closing number of units	946,583,840	720,415,008	28,364,655
Operating charges†	0.20%	0.20%	0.20%
Direct transaction costs	0.02%	0.03%	0.02%

#### Prices<sup>1</sup>

Highest unit price	75.03p	71.62p	61.95p
Lowest unit price	63.07p	56.95p	48.33p

† Operating charges, otherwise known as the OCF is the ratio of the Trust's total disclosable costs (excluding overdraft interest) to the average net assets of the Trust. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a fund and is calculated based on the last period's figures.

<sup>1</sup> Highest and lowest unit prices are based on published prices.

**Past performance is not a guide to future performance.**

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

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

## Trust Information continued

### Comparative Tables continued

#### C-Class Accumulation Units

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

Accounting Year ending	07/01/23 (pence per unit)	07/01/22 (pence per unit)	07/01/21 (pence per unit)
Opening net asset value per unit	69.56	62.70	56.49
Return before operating charges*	7.36	6.99	6.33
Operating charges (calculated on average price)	(0.15)	(0.13)	(0.12)
Return after operating charges*	7.21	6.86	6.21
Distributions	(0.96)	(0.83)	(0.78)
Retained distributions on accumulation units	0.96	0.83	0.78
Closing net asset value per unit	76.77	69.56	62.70
* after direct transaction costs of:	0.01	0.02	0.01

#### Performance

Return after charges	10.37%	10.94%	10.99%
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#### Other Information

Closing net asset value (£)	266,582,835	179,980,501	112,681,468
Closing number of units	347,247,767	258,749,540	179,728,677
Operating charges†	0.20%	0.20%	0.20%
Direct transaction costs	0.02%	0.03%	0.02%

#### Prices<sup>1</sup>

Highest unit price	77.96p	73.53p	62.81p
Lowest unit price	65.56p	58.47p	49.00p

† Operating charges, otherwise known as the OCF is the ratio of the Trust's total disclosable costs (excluding overdraft interest) to the average net assets of the Trust. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a fund and is calculated based on the last period's figures.

<sup>1</sup> Highest and lowest unit prices are based on published prices.

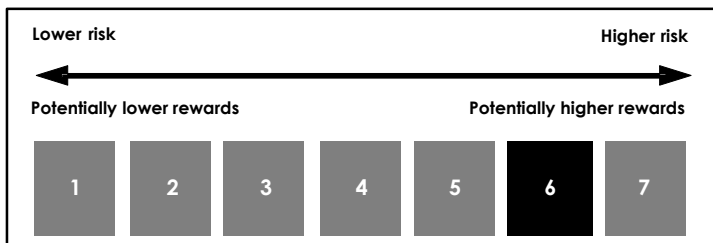
**Past performance is not a guide to future performance.**

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

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



## Risk and Reward Profile (unaudited)



- The Risk and Reward Indicator table demonstrates where the Trust ranks in terms of its potential risk and reward. The higher the rank the greater the potential reward but the greater the risk of losing money. It is not guaranteed to remain the same and may change over time. It is based on historical data and may not be a reliable indication of the future risk profile of the Trust. The shaded area in the table above shows the Trust's ranking on the Risk and Reward Indicator.
- The Trust is in category six because it invests in company shares which are sensitive to variations in the stock market. The value of company shares can change substantially over short periods of time. Company shares are generally considered to be higher risk investments than bonds or cash.
- Even a trust in the lowest category is not a risk free investment.

## General Information (unaudited)

### Constitution

Launch date:	1 November 2000
Period end date for distribution:	7 January
Distribution date:	7 March
Minimum initial lump sum investment:	R-Class £100 I-Class £1,000,000 C-Class £100,000,000
Minimum monthly contributions:	R-Class £20 I-Class N/A C-Class N/A
Valuation point:	3pm
Fund Management Fees:	R-Class Annual 0.69% F-Class* Annual 0.45% I-Class Annual 0.31% C-Class Annual 0.20%
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 9:00am to 5:00pm, Monday to Friday.

### Buying and Selling Units

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

### Information on Tracking Error

The 'Tracking Error' of a Trust is the measure of the volatility of the differences between the return of the Trust and the return of the Benchmark Index. It provides an indication of how closely the Trust is tracking the performance of the Benchmark Index after considering things such as Trust charges and taxation.

Using monthly returns, over the review year, the annualised Tracking Error of the Trust is 0.31%, whilst over the last three years to the end of January 2023, the annualised Tracking Error of the Trust is 0.32%. These Tracking Errors are within the anticipated Tracking Error levels set out in the Trust's Prospectus of +/-0.75% per annum.

### 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 Global Health and Pharmaceuticals Index Trust, as a UCITs Scheme, is required to disclose the aggregate remuneration paid by the UCITs Manager and by the UCITs Scheme to Identified Staff, together with the number of beneficiaries, and, where relevant, performance fees paid by the UCITs Scheme. The aggregate amount of remuneration must be broken down by category of employees or other staff members and be split into fixed and variable remuneration.

The following provides information on the remuneration of persons whose professional activities have a material impact on the management company and the funds we manage as at 31 December 2021. At the time of publishing, figures for 2022 were not yet available. We shall publish this data in the Trust's interim report, due to be published in September 2023.

### Controlled Functions

Headcount	Fixed Remuneration (£'000)	Variable Remuneration (£'000)	Remuneration related to this Trust (Pro-rated) (£'000)
80	16,714	24,937	743

### Market Risk Takers

Headcount	Fixed Remuneration (£'000)	Variable Remuneration (£'000)	Remuneration related to this Trust (Pro-rated) (£'000)
38	4,025	3,458	20

## **General Information (unaudited) continued**

### **Controlled Functions**

During 2021, 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. In addition, there were four non-executive Directors. UTM also engaged the services of a further 64 LGIMH employees and a further eight 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 2021, UTM engaged the services of Legal & General Investment Management's Index Fund Management team, which consists of 38 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 Legal & General Investment Management's Index Fund Management team.

### **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).

### **Notifiable Change**

#### **Prospectus Update**

Following a review, the Risk Factors section of the Prospectus (including the Table of Fund specific risks) was updated on 20 December 2022.

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

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

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

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

## General Information (unaudited) continued

### Authorised Fund Manager

Legal & General (Unit Trust Managers) Limited  
Registered in England and Wales No. 01009418  
Registered office:  
One Coleman Street,  
London EC2R 5AA  
Telephone: 0370 050 3350  
Authorised and regulated by the Financial Conduct Authority

### Directors of the Manager

M. M. Ammon  
A. D. Clare\*  
E. Cowhey\*  
A. J. C. Craven  
D. J. Hosie\* (appointed on 1 June 2022)  
M. Jordy\* (resigned on 31 May 2022)  
R. R. Mason (appointed on 5 May 2022)  
L. W. Toms

\*Non-executive Director

### Secretary

J. McCarthy  
One Coleman Street,  
London EC2R 5AA

### Registrar

Legal & General (Unit Trust Managers) Limited  
Brunel House,  
2 Fitzalan Road,  
Cardiff CF24 0EB  
Authorised and regulated by the Financial Conduct Authority

Dealing: 0370 050 0956  
Enquiries: 0370 050 0955  
Registration: 0370 050 0955

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

### Trustee

Northern Trust Investor Services Limited  
Trustee and Depositary Services  
50 Bank Street,  
Canary Wharf,  
London E14 5NT

Authorised and regulated by the Financial Conduct Authority

### Independent Auditor

KPMG LLP  
319 St Vincent Street,  
Glasgow G2 5AS

## **General Information (unaudited) continued**

### **Investment Adviser**

Legal & General Investment Management Limited

One Coleman Street,

London EC2R 5AA

Authorised and regulated by the Financial Conduct Authority



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Financial Conduct Authority**

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(Unit Trust Managers) Limited  
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[www.legalandgeneral.com](http://www.legalandgeneral.com)

