

Legal & General  
Global Inflation Linked Bond Index Fund

**Annual Manager's Report**  
**for the year ended**  
**5 June 2019**





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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 Fund is to achieve income and capital growth in line with the performance of the Barclays World Government Ex UK Inflation Linked Bonds TR Hedged GBP Index (after adjustment for management charges and taxation).

The Fund will invest predominantly in securities that are included in the Index. The Fund will be passively managed and employs a sampling strategy whereby such securities will be held with weightings generally proportionate to the weightings in the Index. The bonds the Fund invests in will be composed primarily of securities issued by sovereign entities, excluding the UK, which are denominated in the currency of the issuer and which are inflation linked. Sub-investment grade bonds may be held. The Fund may also invest in other transferable securities, fixed interest securities, permitted deposits, money market instruments, cash, near cash and units in collective investment schemes.

The Fund will use forward foreign exchange or currency future derivatives in order to manage the currency exposure in line with the Index. This may mean that, at times, the Fund may use derivatives for investment purposes\*. The Fund may also hold other types of derivatives for Efficient Portfolio Management purposes only.

\* The Fund does not currently use derivatives for investment purposes.

## Manager's Investment Report

During the year under review, the bid price of the Fund's F-Class accumulation units rose by 2.81%. Barclays, the Index compiler, calculates the benchmark Index at the end of the business day using closing prices, whereas the Fund is valued using prevailing prices at 3pm. Therefore, for tracking purposes, the Fund has been revalued using closing prices. On this basis, over the review year, the Fund performance was 3.14%, compared with the Index performance of 3.08% (Source: Bloomberg), producing a tracking difference of +0.06%.

**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.**

## Market/Economic Review

Over the review year, global economic indicators have highlighted a synchronised slowdown, although activity does still continue to expand. The closely watched global manufacturing PMI Composite Index fell to its lowest level for three-and-a-half years in February. This was partly a result of the US-China trade dispute but also reflected a slowdown in the Chinese economy. Worldwide, inflationary pressures have remained subdued by historical standards. Having risen to its highest level in four years in early October, the Brent crude oil price declined sharply to just over \$50 per barrel in December, its lowest level for 15 months which was driven by increased levels of supply, notably US inventories, before rallying during the opening quarter of 2019. In May, however, it weakened again.

In the US, growth has been underpinned by improving consumer and business sentiment, as the impact of tax cuts and a strong labour market have boosted domestic demand in an economy which is less dependent on world trade. The first-quarter GDP report depicted a picture of healthy economic expansion after a lull during the final quarter of 2018. The Federal Reserve (Fed) sanctioned a gradual tightening of monetary policy, raising interest rates three times over the past 12 months, and

## Manager's Investment Report continued

continued to unwind its asset-purchase programme. In January though, the Fed announced its intention to pause its programme of interest-rate hikes; amid slowing global growth, the ongoing US-China trade dispute and tighter financial conditions, subsequently indicating that rates would remain on hold throughout 2019.

Bond markets gained ground over the past 12 months, as the marked rise in equity market volatility during the fourth quarter of 2018, and more recently in May, highlighted the 'safe haven' appeal of major government bond markets. Since the turn of the year, the major central banks have shelved plans for rate hikes, underpinning government bonds. In the US, the yield on the 10-year bond fell from a yield of 1.0% in December to 0.37% at the beginning of June.

### Fund Review

The US had 12 monthly auctions over the year, totalling \$133 billion of new issuance. New 10-year bonds were launched in July 2018 and January 2019 and both were subsequently re-opened another two times. There were three 30-year bond auctions with a new benchmark bond launched in February 2019. Similarly, the 5-year sector saw issuance three times with a new benchmark bond issued in April 2019. Three bonds, July 2019, January 2020 and April 2020 all left the Index after their remaining life to maturity fell below one year. For the remaining countries within the Index, four bonds left the Index; one each from France, Italy, Spain and Germany. Four bonds joined the Index; one each from Australia, Spain, France and Japan. The Fund experienced both contributions and redemptions at its daily valuation point over the year. These were used to adjust the Fund's holdings in such a way so as to ensure the Fund maintained an Index distribution at all times.

### Outlook

The deteriorating trade situation between the US and China remains a major concern, the market has moved from expecting a halt in rate hikes from the Federal Open Market Committee to pencilling in a rate cut in July. The underlying fundamentals are reasonable if a deal can be struck, but recession risks will increase if the fight intensifies. Low inflation allows central banks to respond if necessary and the resilient global labour markets will help to cushion shocks. The European Central Bank's president has expressed concerns over low growth and inflation in the Eurozone area; expectations have grown that a rate cut might be in the offing by September and a return to quantitative easing.

Legal & General Investment Management Limited  
(Investment Adviser)  
20 June 2019

## Authorised Status

### Authorised Status

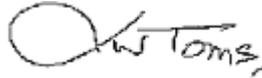
This Fund is an Authorised Unit Trust Scheme as defined in section 243 of the Financial Services and Markets Act 2000 and is a UCITS Retail Scheme within the meaning of the FCA Collective Investment Schemes sourcebook.

### 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  
1 August 2019

## 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 Fund and of the net income and net gains or losses on the property of the Fund 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 Management Association in May 2014;
- keeping proper accounting records which enable it to demonstrate that the financial statements as prepared comply with the above requirements;
- assessing the Fund'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 Fund 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 Fund in accordance with its Trust Deed, the Prospectus and the COLL Rules.

## Statement of Responsibilities continued

### Statement of the Trustee's Responsibilities

The Depositary in its capacity as Trustee of Legal & General Global Inflation Linked Bond Index Fund must ensure that the Fund is managed in accordance with the Financial Conduct Authority's Collective Investment Schemes Sourcebook, the Financial Services and Markets Act 2000, as amended, (together "the Regulations"), the Fund 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 Fund and its investors.

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

The Depositary must ensure that:

- the Fund's cash flows are properly monitored and that cash of the Fund 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 Fund are calculated in accordance with the Regulations;
- any consideration relating to transactions in the Fund's assets is remitted to the Fund within the usual time limits;
- the Fund'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 Inflation Linked Bond Index Fund ("the Fund") for the year ended 5 June 2019**

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

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

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

Northern Trust Global Services SE UK Branch  
UK Trustee and Depositary Services  
1 August 2019

# Portfolio Statement

## Portfolio Statement as at 5 June 2019

All investments are in investment grade securities unless otherwise stated. The percentages in brackets show the equivalent holdings at 5 June 2018.

Holding/ Nominal Value	Investment	Market Value £	% of Net Assets
	<b>NORTH AMERICA</b>		
	<b>— 64.82% (62.74%)</b>		
	<b>United States — 62.06% (60.00%)</b>		
USD21,782,000	US Treasury Index Linked Bond 1.25% 15/07/2020	20,168,328	1.77
USD24,196,900	US Treasury Index Linked Bond 1.125% 15/01/2021	22,348,063	1.96
USD26,290,000	US Treasury Index Linked Bond 0.125% 15/04/2021	22,024,405	1.93
USD24,090,000	US Treasury Index Linked Bond 0.625% 15/07/2021	21,559,625	1.89
USD28,230,000	US Treasury Index Linked Bond 0.125% 15/01/2022	24,856,457	2.18
USD25,900,000	US Treasury Index Linked Bond 0.125% 15/04/2022	21,187,110	1.86
USD28,250,000	US Treasury Index Linked Bond 0.125% 15/07/2022	24,564,102	2.15
USD28,370,000	US Treasury Index Linked Bond 0.125% 15/01/2023	24,495,885	2.15
USD32,000,000	US Treasury Index Linked Bond 0.625% 15/04/2023	26,137,169	2.29
USD26,930,700	US Treasury Index Linked Bond 0.375% 15/07/2023	23,392,939	2.05
USD24,115,000	US Treasury Index Linked Bond 0.625% 15/01/2024	21,073,090	1.85
USD12,000,000	US Treasury Index Linked Bond 0.5% 15/04/2024	9,647,074	0.84
USD28,029,900	US Treasury Index Linked Bond 0.125% 15/07/2024	23,604,560	2.07
USD23,553,000	US Treasury Index Linked Bond 0.25% 15/01/2025	19,926,051	1.75
USD18,890,000	US Treasury Index Linked Bond 2.375% 15/01/2025	22,448,019	1.97
USD26,350,000	US Treasury Index Linked Bond 0.375% 15/07/2025	22,492,702	1.97
USD28,210,000	US Treasury Index Linked Bond 0.625% 15/01/2026	24,291,045	2.13
USD13,450,000	US Treasury Index Linked Bond 2% 15/01/2026	15,089,632	1.32
USD25,455,000	US Treasury Index Linked Bond 0.125% 15/07/2026	21,075,156	1.85
USD26,350,000	US Treasury Index Linked Bond 0.375% 15/01/2027	21,955,392	1.92
USD11,425,000	US Treasury Index Linked Bond 2.375% 15/01/2027	13,099,641	1.15
USD24,260,000	US Treasury Index Linked Bond 0.375% 15/07/2027	20,009,075	1.75
USD23,920,000	US Treasury Index Linked Bond 0.5% 15/01/2028	19,704,423	1.73
USD10,230,000	US Treasury Index Linked Bond 1.75% 15/01/2028	10,951,330	0.96

## Portfolio Statement continued

Holding/ Nominal Value	Investment	Market Value £	% of Net Assets
<b>United States — (cont.)</b>			
USD11,460,000	US Treasury Index Linked Bond 3.625% 15/04/2028	18,219,776	1.60
USD25,600,000	US Treasury Index Linked Bond 0.75% 15/07/2028	21,245,719	1.86
USD16,400,000	US Treasury Index Linked Bond 0.875% 15/01/2029	13,663,517	1.20
USD9,608,500	US Treasury Index Linked Bond 2.5% 15/01/2029	10,775,457	0.94
USD13,654,800	US Treasury Index Linked Bond 3.875% 15/04/2029	22,266,441	1.95
USD3,276,700	US Treasury Index Linked Bond 3.375% 15/04/2032	5,064,966	0.44
USD10,245,000	US Treasury Index Linked Bond 2.125% 15/02/2040	12,141,900	1.06
USD16,487,500	US Treasury Index Linked Bond 2.125% 15/02/2041	19,435,223	1.70
USD12,830,000	US Treasury Index Linked Bond 0.75% 15/02/2042	11,421,996	1.00
USD15,009,200	US Treasury Index Linked Bond 0.625% 15/02/2043	12,697,663	1.11
USD15,920,000	US Treasury Index Linked Bond 1.375% 15/02/2044	15,571,453	1.36
USD15,360,700	US Treasury Index Linked Bond 0.75% 15/02/2045	12,973,128	1.14
USD11,420,000	US Treasury Index Linked Bond 1% 15/02/2046	10,164,808	0.89
USD12,750,000	US Treasury Index Linked Bond 0.875% 15/02/2047	10,838,914	0.95
USD13,000,000	US Treasury Index Linked Bond 1% 15/02/2048	11,166,852	0.98
USD5,300,000	US Treasury Index Linked Bond 1% 15/02/2049	4,482,220	0.39
		<b>708,231,306</b>	<b>62.06</b>
<b>Canada — 2.76% (2.74%)</b>			
CAD3,708,000	Canadian Government Index Linked Bond 4.25% 01/12/2021	3,931,834	0.35
CAD3,406,000	Canadian Government Index Linked Bond 4.25% 01/12/2026	4,071,412	0.36
CAD3,054,000	Canadian Government Index Linked Bond 4% 01/12/2031	3,925,083	0.34
CAD3,965,000	Canadian Government Index Linked Bond 3% 01/12/2036	4,480,448	0.39
CAD4,451,000	Canadian Government Index Linked Bond 2% 01/12/2041	4,314,452	0.38
CAD5,222,000	Canadian Government Index Linked Bond 1.5% 01/12/2044	4,601,646	0.40
CAD5,192,000	Canadian Government Index Linked Bond 1.25% 01/12/2047	4,183,833	0.37
CAD3,060,000	Canadian Government Index Linked Bond 0.5% 01/12/2050	1,975,808	0.17
		<b>31,484,516</b>	<b>2.76</b>

## Portfolio Statement continued

Holding/ Nominal Value	Investment	Market Value £	% of Net Assets
	<b>CONTINENTAL EUROPE</b>		
	<b>— 27.86% (30.66%)</b>		
	<b>Denmark — 0.34% (0.36%)</b>		
DKK20,785,000	Denmark Government Index Linked Bond 0.1% 15/11/2023	2,833,738	0.25
DKK7,800,000	Denmark Government Index Linked Bond 0.1% 15/11/2030	1,082,388	0.09
		<hr/>	<hr/>
		3,916,126	0.34
	<b>France — 12.88% (13.61%)</b>		
EUR13,795,000	France Government Index Linked Bond 2.25% 25/07/2020	16,187,652	1.42
EUR5,240,000	France Government Index Linked Bond 0.1% 01/03/2021	4,953,927	0.43
EUR5,555,000	France Government Index Linked Bond 0.1% 25/07/2021	5,308,443	0.46
EUR13,245,000	France Government Index Linked Bond 1.1% 25/07/2022	14,329,760	1.26
EUR11,948,000	France Government Index Linked Bond 2.1% 25/07/2023	13,750,986	1.20
EUR11,555,000	France Government Index Linked Bond 0.25% 25/07/2024	11,715,142	1.03
EUR6,700,000	France Government Index Linked Bond 0.1% 01/03/2025	6,562,342	0.57
EUR10,742,000	France Government Index Linked Bond 1.85% 25/07/2027	13,218,036	1.16
EUR6,245,000	France Government Index Linked Bond 0.1% 01/03/2028	6,205,215	0.54
EUR1,430,000	France Government Index Linked Bond 0.1% 01/03/2029	1,391,252	0.12
EUR5,945,000	France Government Index Linked Bond 3.4% 25/07/2029	9,897,432	0.87
EUR8,480,000	France Government Index Linked Bond 0.7% 25/07/2030	9,190,280	0.80
EUR7,365,000	France Government Index Linked Bond 3.15% 25/07/2032	12,878,071	1.13
EUR2,730,000	France Government Index Linked Bond 0.1% 25/07/2036	2,722,389	0.24
EUR8,045,000	France Government Index Linked Bond 1.8% 25/07/2040	12,629,148	1.11
EUR6,030,000	France Government Index Linked Bond 0.1% 25/07/2047	6,113,615	0.54
		<hr/>	<hr/>
		147,053,690	12.88
	<b>Germany — 3.30% (4.18%)</b>		
EUR10,833,939	Germany (Federal Republic) Index Linked Bond 0.1% 15/04/2023	10,920,547	0.96
EUR10,705,000	Germany (Federal Republic) Index Linked Bond 0.1% 15/04/2026	10,968,073	0.96
EUR8,106,855	Germany (Federal Republic) Index Linked Bond 0.5% 15/04/2030	9,021,229	0.79
EUR5,570,000	Germany (Federal Republic) Index Linked Bond 0.1% 15/04/2046	6,767,475	0.59
		<hr/>	<hr/>
		37,677,324	3.30
		<hr/>	<hr/>

## Portfolio Statement continued

Holding/ Nominal Value	Investment	Market Value £	% of Net Assets
	<b>Italy — 7.42% (8.53%)</b>		
EUR11,810,000	Italy Government Index Linked Bond 2.1% 15/09/2021	12,303,203	1.08
EUR7,080,000	Italy Government Index Linked Bond 0.1% 15/05/2022	6,460,327	0.57
EUR4,230,000	Italy Government Index Linked Bond 0.1% 15/05/2023	3,702,073	0.32
EUR10,745,000	Italy Government Index Linked Bond 2.6% 15/09/2023	12,066,071	1.06
EUR9,005,000	Italy Government Index Linked Bond 2.35% 15/09/2024	8,807,051	0.77
EUR7,955,000	Italy Government Index Linked Bond 3.1% 15/09/2026	8,634,561	0.76
EUR9,850,000	Italy Government Index Linked Bond 1.3% 15/05/2028	8,743,777	0.77
EUR8,170,000	Italy Government Index Linked Bond 1.25% 15/09/2032	6,888,990	0.60
EUR8,870,000	Italy Government Index Linked Bond 2.35% 15/09/2035	10,318,912	0.90
EUR6,480,000	Italy Government Index Linked Bond 2.55% 15/09/2041	6,728,511	0.59
		<b>84,653,476</b>	<b>7.42</b>
	<b>Spain — 2.76% (2.74%)</b>		
EUR4,300,000	Spain Government Index Linked Bond 0.3% 30/11/2021	4,108,225	0.36
EUR1,900,000	Spain Government Index Linked Bond 0.15% 30/11/2023	1,804,772	0.16
EUR7,865,000	Spain Government Index Linked Bond 1.8% 30/11/2024	8,378,534	0.73
EUR6,476,000	Spain Government Index Linked Bond 0.65% 30/11/2027	6,557,058	0.58
EUR7,175,000	Spain Government Index Linked Bond 1% 30/11/2030	7,548,268	0.66
EUR3,150,000	Spain Government Index Linked Bond 0.7% 30/11/2033	3,133,203	0.27
		<b>31,530,060</b>	<b>2.76</b>
	<b>Sweden — 1.16% (1.24%)</b>		
SEK20,740,000	Swedish Government Index Linked Bond 4% 01/12/2020	2,578,444	0.23
SEK23,060,000	Swedish Government Index Linked Bond 0.25% 01/06/2022	2,226,453	0.19
SEK17,175,000	Swedish Government Index Linked Bond 1% 01/06/2025	1,823,121	0.16
SEK13,100,000	Swedish Government Index Linked Bond 0.125% 01/06/2026	1,349,588	0.12
SEK7,800,000	Swedish Government Index Linked Bond 0.125% 01/12/2027	809,914	0.07
SEK18,810,000	Swedish Government Index Linked Bond 3.5% 01/12/2028	3,190,747	0.28
SEK10,900,000	Swedish Government Index Linked Bond 0.125% 01/06/2032	1,218,198	0.11
		<b>13,196,465</b>	<b>1.16</b>

## Portfolio Statement continued

Holding/ Nominal Value	Investment	Market Value £	% of Net Assets
	<b>ASIA — 4.36% (3.79%)</b>		
	<b>Japan — 4.36% (3.79%)</b>		
JPY290,000,000	Japanese Government Index Linked Bond 0.1% 10/09/2023	2,260,756	0.20
JPY416,000,000	Japanese Government Index Linked Bond 0.1% 10/03/2024	3,232,116	0.28
JPY619,500,000	Japanese Government Index Linked Bond 0.1% 10/09/2024	4,710,950	0.41
JPY1,532,000,000	Japanese Government Index Linked Bond 0.1% 10/03/2025	11,680,017	1.02
JPY1,283,000,000	Japanese Government Index Linked Bond 0.1% 10/03/2026	9,816,911	0.86
JPY1,149,000,000	Japanese Government Index Linked Bond 0.1% 10/03/2027	8,857,969	0.78
JPY1,210,000,000	Japanese Government Index Linked Bond 0.1% 10/03/2028	9,247,245	0.81
		<b>49,805,964</b>	<b>4.36</b>
	<b>PACIFIC BASIN — 2.22% (2.25%)</b>		
	<b>Australia — 1.53% (1.61%)</b>		
AUD1,330,000	Australia Government Index Linked Bond 4% 20/08/2020	1,321,377	0.12
AUD4,075,000	Australia Government Index Linked Bond 1.25% 21/02/2022	2,659,206	0.23
AUD5,025,000	Australia Government Index Linked Bond 3% 20/09/2025	4,053,876	0.36
AUD1,850,000	Australia Government Index Linked Bond 0.75% 21/11/2027	1,113,704	0.10
AUD3,170,000	Australia Government Index Linked Bond 2.5% 20/09/2030	2,662,086	0.23
AUD3,090,000	Australia Government Index Linked Bond 2% 21/08/2035	2,424,890	0.21
AUD2,710,000	Australia Government Index Linked Bond 1.25% 21/08/2040	1,879,837	0.16
AUD2,100,000	Australia Government Index Linked Bond 1% 21/02/2050	1,350,297	0.12
		<b>17,465,273</b>	<b>1.53</b>
	<b>New Zealand — 0.69% (0.64%)</b>		
NZD3,335,000	New Zealand Government Index Linked Bond 2% 20/09/2025	2,049,874	0.18
NZD2,905,000	New Zealand Government Index Linked Bond 3% 20/09/2030	2,033,394	0.18
NZD2,890,000	New Zealand Government Index Linked Bond 2.5% 20/09/2035	1,988,932	0.17
NZD2,550,000	New Zealand Government Index Linked Bond 2.5% 20/09/2040	1,787,132	0.16
		<b>7,859,332</b>	<b>0.69</b>
	<b>FORWARD CURRENCY CONTRACTS — 0.64% (-1.34%)</b>		
GBP(443,004) AUD805,000	Sold Sterling for Australian Dollar (Expires 03/07/2019) <sup>1</sup>	(877)	—
GBP(10,702) DKK92,000	Sold Sterling for Danish Krone (Expires 06/06/2019) <sup>1</sup>	212	—

## Portfolio Statement continued

Holding/ Nominal Value	Investment	Market Value £	% of Net Assets
<b>FORWARD CURRENCY CONTRACTS</b>			
<b>— (cont.)</b>			
GBP(21,484) DKK182,000	Sold Sterling for Danish Krone (Expires 06/06/2019) <sup>1</sup>	106	—
GBP(55,622) DKK470,000	Sold Sterling for Danish Krone (Expires 06/06/2019) <sup>1</sup>	133	—
GBP(13,325) DKK113,000	Sold Sterling for Danish Krone (Expires 06/06/2019) <sup>1</sup>	79	—
GBP(5,084) DKK43,000	Sold Sterling for Danish Krone (Expires 06/06/2019) <sup>1</sup>	17	—
GBP(61,225) EUR69,000	Sold Sterling for Euro (Expires 03/07/2019) <sup>1</sup>	(41)	—
DKK(947,000) GBP109,189	Sold Danish Krone for Sterling (Expires 06/06/2019) <sup>1</sup>	(3,150)	—
DKK(33,091,000) GBP3,826,014	Sold Danish Krone for Sterling (Expires 06/06/2019) <sup>1</sup>	(99,440)	(0.01)
DKK(231,000) GBP26,641	Sold Danish Krone for Sterling (Expires 06/06/2019) <sup>1</sup>	(761)	—
DKK(23,000) GBP2,703	Sold Danish Krone for Sterling (Expires 06/06/2019) <sup>1</sup>	(25)	—
CAD(53,090,000) GBP31,146,982	Sold Canadian Dollar for Sterling (Expires 03/07/2019) <sup>1</sup>	(48,630)	—
USD(5,757,000) GBP4,545,501	Sold US Dollars for Sterling (Expires 03/07/2019) <sup>1</sup>	23,848	—
USD(183,314,727) GBP145,503,238	Sold US Dollars for Sterling (Expires 03/07/2019) <sup>1</sup>	1,524,512	0.13
EUR(86,499,329) GBP76,813,576	Sold Euro for Sterling (Expires 03/07/2019) <sup>1</sup>	113,324	0.01
USD(152,762,273) GBP120,911,040	Sold US Dollars for Sterling (Expires 03/07/2019) <sup>1</sup>	928,769	0.08
JPY(32,000,000) GBP234,036	Sold Japanese Yen for Sterling (Expires 03/07/2019) <sup>1</sup>	1,129	—
SEK(268,000) GBP22,383	Sold Swedish Krona for Sterling (Expires 03/07/2019) <sup>1</sup>	15	—
NZD(15,028,000) GBP7,766,424	Sold New Zealand Dollar for Sterling (Expires 03/07/2019) <sup>1</sup>	(80,266)	(0.01)
AUD(33,155,000) GBP18,214,824	Sold Australian Dollar for Sterling (Expires 03/07/2019) <sup>1</sup>	5,234	—
CAD(217,000) GBP127,234	Sold Canadian Dollar for Sterling (Expires 03/07/2019) <sup>1</sup>	(275)	—
USD(221,135,000) GBP175,740,939	Sold US Dollars for Sterling (Expires 03/07/2019) <sup>1</sup>	2,057,483	0.18
DKK(32,099,000) GBP3,816,136	Sold Danish Krone for Sterling (Expires 03/07/2019) <sup>1</sup>	4,419	—
EUR(126,900,335) GBP112,652,346	Sold Euro for Sterling (Expires 03/07/2019) <sup>1</sup>	127,918	0.01
JPY(6,802,333,000) GBP49,791,045	Sold Japanese Yen for Sterling (Expires 03/07/2019) <sup>1</sup>	281,375	0.03
SEK(158,247,000) GBP13,194,549	Sold Swedish Krona for Sterling (Expires 03/07/2019) <sup>1</sup>	(12,956)	—
EUR(126,900,335) GBP112,555,902	Sold Euro for Sterling (Expires 03/07/2019) <sup>1</sup>	31,474	—

## Portfolio Statement continued

Holding/ Nominal Value	Investment	Market Value £	% of Net Assets
<b>FORWARD CURRENCY CONTRACTS — (cont.)</b>			
NZD(49,000) GBP25,441	Sold New Zealand Dollar for Sterling (Expires 03/07/2019) <sup>1</sup>	(144)	—
USD(183,314,727) GBP145,555,227	Sold US Dollars for Sterling (Expires 03/07/2019) <sup>1</sup>	1,576,501	0.14
USD(152,762,273) GBP120,824,684	Sold US Dollars for Sterling (Expires 03/07/2019) <sup>1</sup>	842,413	0.08
GBP(16,812) JPY2,300,000	Sold Sterling for Japanese Yen (Expires 03/07/2019) <sup>1</sup>	(72)	—
		<hr/> 7,272,324	<hr/> 0.64
<b>Portfolio of investments<sup>2</sup></b>		1,140,145,856	99.90
<b>Net other assets</b>		1,091,860	0.10
<b>Total net assets</b>		<hr/> £1,141,237,716	<hr/> 100.00%

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

<sup>2</sup> Including investment liabilities.

Total purchases for the year: £267,734,793.

Total sales for the year: £474,106,950.

# Independent Auditor's Report

## Independent auditor's report to the Unitholders of Legal & General Global Inflation Linked Bond Index Fund ('the Fund')

### **Opinion**

We have audited the financial statements of the Fund for the year ended 5 June 2019 which comprise the Statement of Total Return, the Statement of Changes in Net Assets Attributable to Unitholders, the Balance Sheet, the Related Notes and Distribution Tables for the Fund and the accounting policies set out on pages 20 to 21.

In our opinion, the financial statements:

- give a true and fair view, in accordance with UK accounting standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland, of the financial position of the Fund as at 5 June 2019 and of the net revenue and the net capital gains on the property of the Fund 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 Fund 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.

### **The impact of uncertainties due to the UK exiting the European Union on our audit**

Uncertainties related to the effects of Brexit are relevant to understanding our audit of the financial statements. All audits assess and challenge the reasonableness of estimates made by the Manager and related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the Fund's future prospects and performance.

Brexit is one of the most significant economic events for the UK, and at the date of this report its effects are subject to unprecedented levels of uncertainty of outcomes, with the full range of possible effects unknown. We applied a standardised firm-wide approach in response to that uncertainty when assessing the Fund's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a fund and this is particularly the case in relation to Brexit.

### **Going concern**

The Manager has prepared the financial statements on the going concern basis as they do not intend to liquidate the Fund to cease their operations, and as they have concluded that the Fund'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").

## **Independent Auditor's Report continued**

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the Manager's conclusions, we considered the inherent risks to the Fund's business model, including the impact of Brexit, and analysed how those risks might affect the Fund's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

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 absence of reference to a material uncertainty in this auditor's report is not a guarantee that the Fund will continue in operation.

### ***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 Fund have not been kept; or
- the financial statements are not in agreement with the accounting records.

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

As explained more fully in their statement set out on page 5, 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 Fund'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 Fund or to cease operations, or have no realistic alternative but to do so.

## Independent Auditor's Report continued

### ***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 Fund'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 Fund'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 Fund and the Fund's unitholders as a body, for our audit work, for this report, or for the opinions we have formed.

Jatin Patel  
for and on behalf of KPMG LLP, Statutory Auditor  
Chartered Accountants  
15 Canada Square,  
London E14 5GL  
1 August 2019

## Financial Statements

### Statement of Total Return for the year ended 5 June 2019

Notes	05/06/19		05/06/18	
	£	£	£	£
<b>Income</b>				
Net capital gains/ (losses)	3	17,025,343		(15,189,071)
Revenue	4	17,485,070	20,670,453	
Expenses	5	(2,180,751)	(2,189,369)	
Interest payable and similar charges	7	(8,369)	(15,794)	
<b>Net revenue before taxation</b>		<u>15,295,950</u>	<u>18,465,290</u>	
Taxation	6	—	—	
<b>Net revenue after taxation for the year</b>		<u>15,295,950</u>	<u>18,465,290</u>	
<b>Total return before distributions</b>		<u>32,321,293</u>	<u>3,276,219</u>	
Distributions	7	(15,292,811)	(18,465,290)	
<b>Change in net assets attributable to Unitholders from investment activities</b>		<u><b>£17,028,482</b></u>	<u><b>£(15,189,071)</b></u>	

### Statement of Change in Net Assets attributable to Unitholders for the year ended 5 June 2019

	05/06/19		05/06/18	
	£	£	£	£
<b>Opening net assets attributable to Unitholders</b>		1,267,508,709		958,373,826
<b>Amounts received on issue of units</b>		189,849,856	452,383,594	
<b>Amounts paid on cancellation of units</b>		<u>(340,358,511)</u>	<u>(137,978,264)</u>	
		(150,508,655)	314,405,330	
<b>Change in net assets attributable to Unitholders from investment activities</b>		17,028,482	(15,189,071)	
<b>Retained distributions on accumulation units</b>		<u>7,209,180</u>	<u>9,918,624</u>	
<b>Closing net assets attributable to Unitholders</b>		<u><b>£1,141,237,716</b></u>	<u><b>£1,267,508,709</b></u>	

## Financial Statements continued

### Balance Sheet as at 5 June 2019

	Notes	05/06/19 £	05/06/18 £
<b>ASSETS</b>			
<b>Fixed assets:</b>			
Investments		1,140,392,493	1,269,629,802
<b>Current assets:</b>			
Debtors	8	5,075,592	43,541,130
Cash and bank balances	9	<u>9,727,757</u>	<u>2,911,576</u>
<b>Total assets</b>		<b><u>1,155,195,842</u></b>	<b><u>1,316,082,508</u></b>
<b>LIABILITIES</b>			
Investment liabilities		(246,637)	(26,214,062)
<b>Creditors:</b>			
Bank overdrafts	9	(10,610,188)	(11,169)
Distributions payable		(2,376,391)	(4,880,961)
Other creditors	10	<u>(724,910)</u>	<u>(17,467,607)</u>
<b>Total liabilities</b>		<b><u>(13,958,126)</u></b>	<b><u>(48,573,799)</u></b>
<b>Net assets attributable to Unitholders</b>		<b><u>£1,141,237,716</u></b>	<b><u>£1,267,508,709</u></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 Management Association in May 2014 (2014 SORP).

## 2. Summary of Significant Accounting Policies

### (a) Basis of Preparation

The Financial Statements have been prepared on a going concern basis, under the historical cost convention as modified by the revaluation of certain financial assets and liabilities measured at fair value through profit or loss.

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 Fund is Sterling.

### (c) Recognition of Revenue

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

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. For Index Linked Gilt securities, the indexation element of revenue (which represents capital protection) forms part of distributable revenue. This will have the effect of increasing the distribution yield of the Fund during times of global inflation (or reducing the yield if there is global deflation) but will have a negative impact on the capital value of the Fund in real terms, when taking inflation into account. In order to conduct a controlled dividend flow, interim distributions will be at the Manager's discretion, up to a maximum of the distributable revenue for the year. All remaining revenue is distributed in accordance with the COLL.

Fund management fees are deducted from revenue for the purpose of calculating the distribution.

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

## 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 5 June 2019, being the last working day of the accounting year. The fair value for non-derivative securities is bid market price, excluding any accrued interest. The fair value for derivative instruments is the cost of closing out the contract on the last working day of the accounting year.

To reduce counterparty default risk, the Fund may hold or pledge collateral with counterparties to some derivative positions. Collateral will either be in the form of cash or highly rated government bonds. Any collateral received by the Fund does not form part of its financial assets as disclosed within the accounts and would only become scheme property in the event of the counterparty defaulting on its financial obligations to the Fund. Where collateral is pledged to a counterparty, the asset remains part of the scheme property of the Fund and is shown within the financial assets of the Fund.

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.

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 5 June 2019, being the last working day of the accounting year.

### 3. Net capital gains/(losses)

	05/06/19	05/06/18
	£	£
The net capital gains/(losses) during the year comprise:		
Non-derivative securities	73,412,135	(28,249,723)
Forward currency contracts	(57,662,955)	12,391,341
Currency gains	<u>1,276,163</u>	<u>669,311</u>
Net capital gains/(losses)	<u>17,025,343</u>	<u>(15,189,071)</u>

## Notes to the Financial Statements continued

### 4. Revenue

	05/06/19	05/06/18
	£	£
Bond interest	17,482,553	20,668,076
Bank interest	<u>2,517</u>	<u>2,377</u>
	<u>17,485,070</u>	<u>20,670,453</u>

### 5. Expenses

	05/06/19	05/06/18
	£	£
Payable to the Manager, associates of the Manager and agents of either of them:		
Fund management fees	<u>2,180,751</u>	<u>2,189,369</u>
Total expenses	<u>2,180,751</u>	<u>2,189,369</u>

Audit fees of £11,300 plus VAT of £2,260 have been borne by the Manager out of its fund management fee. In the prior year, the total audit fee was £11,000 plus VAT of £2,200.

## Notes to the Financial Statements continued

### 6. Taxation

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

	05/06/19	05/06/18
	£	£
Corporation tax	—	—
Current tax [note 6(b)]	—	—
Deferred tax [note 6(c)]	—	—
Total taxation	—	—

#### (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	15,295,950	18,465,290
Net revenue before taxation multiplied by the applicable rate of Corporation tax of 20% (2018: 20%)	3,059,190	3,693,058
<b>Effects of:</b>		
Interest distributions deductible for tax purposes	(3,059,190)	(3,693,058)
Current tax	—	—

#### (c) Provision for deferred tax

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

## Notes to the Financial Statements continued

### 7. Distributions

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

	05/06/19	05/06/18
	£	£
Interim distribution	10,787,704	8,408,126
Final distribution	4,335,319	10,495,924
	<u>15,123,023</u>	<u>18,904,050</u>
Add: Revenue deducted on cancellation of units	458,343	461,509
Less: Revenue received on creation of units	(288,555)	(900,269)
<b>Distributions for the year</b>	<b>15,292,811</b>	<b>18,465,290</b>
<b>Interest payable and similar charges</b>		
Bank overdraft interest	8,369	15,794
	<u>15,301,180</u>	<u>18,481,084</u>

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

	05/06/19	05/06/18
	£	£
Net revenue after taxation for the year	15,295,950	18,465,290
Equalisation effect of conversions	(3,139)	—
<b>Distributions for the year</b>	<b>15,292,811</b>	<b>18,465,290</b>

### 8. Debtors

	05/06/19	05/06/18
	£	£
Accrued revenue	4,054,867	4,757,065
Amounts receivable for creation of units	835,968	1,516,744
Sales awaiting settlement	184,757	37,267,321
	<u>5,075,592</u>	<u>43,541,130</u>

## Notes to the Financial Statements continued

### 9. Net uninvested cash

	05/06/19	05/06/18
	£	£
Cash and bank balances	9,727,757	2,911,576
Bank overdrafts	<u>(10,610,188)</u>	<u>(11,169)</u>
Net uninvested cash	<u>(882,431)</u>	<u>2,900,407</u>

### 10. Other creditors

	05/06/19	05/06/18
	£	£
Accrued expenses	208,856	247,634
Amounts payable for cancellation of units	513,144	9,693,941
Payable for foreign exchange contracts	2,910	5,890,500
Purchases awaiting settlement	—	<u>1,635,532</u>
	<u>724,910</u>	<u>17,467,607</u>

### 11. Contingent liabilities and outstanding commitments

There were no contingent liabilities or outstanding commitments at the balance sheet date (5 June 2018: same).

## Notes to the Financial Statements continued

### 12. Financial Instruments and Associated Risks

The investments of a Fund 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 Fund 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 Fund 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 Fund 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 Fund can be seen in the Portfolio Statement starting on page 8. Movements in the prices of these investments result in movements in the performance of the Fund. The Manager adheres to the investment guidelines established in the Trust Deed, the Prospectus, the COLL and the Fund's IOG, and in this way, monitors and controls the exposure to risk from any type of security, sector or issuer.

At 5 June 2019, if the price of the investments held by the Fund increased or decreased by 5%, with all other variables remaining constant, then the net assets attributable to unitholders would increase or decrease by approximately £57,007,293 (5 June 2018: £62,170,787).

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

At 5 June 2019, if interest rates on the Fund increased or decreased by 1 basis point, with all other variables remaining constant, then the net assets attributable to unitholders would increase or decrease by approximately £940,380 (5 June 2018: £1,049,497). This represents the Manager's best estimate of a reasonable possible shift in interest rates, having regard to historical volatility of those rates.

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

	Total	Floating	Fixed	No
05/06/19	£'000	rate	rate	interest
		£'000	£'000	£'000
Portfolio	1,140,146	1,132,874*	—	7,272
Other assets	14,803	9,728†	—	5,075
Other liabilities	(13,711)	(10,610)†	—	(3,101)
<b>Total</b>	<b>1,141,238</b>	<b>1,131,992</b>	<b>—</b>	<b>9,246</b>

	Total	Floating	Fixed	No
05/06/18	£'000	rate	rate	interest
		£'000	£'000	£'000
Portfolio	1,243,416	1,260,405*	—	(16,989)
Other assets	46,453	2,912†	—	43,541
Other liabilities	(22,360)	(11)†	—	(22,349)
<b>Total</b>	<b>1,267,509</b>	<b>1,263,306</b>	<b>—</b>	<b>4,203</b>

\* The Fund's floating rate investments earn interest which is variable, based on the changes of inflation within each country.

† The Fund's floating rate other assets and liabilities are represented by its bank balances and overdraft facilities. Cash is deposited, and overdraft facilities utilised, on normal commercial terms and earn or bear interest based on LIBOR or its overseas equivalent.

## Notes to the Financial Statements continued

### 12. Financial Instruments and Associated Risks continued

#### (c) Foreign Currency Risk

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

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

At 5 June 2019, 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 £10,948 (5 June 2018: £381,626).

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

05/06/19 Currency	Net foreign currency assets		Total £'000
	Monetary exposures £'000	Non-monetary exposures £'000	
	Australian Dollar	(17,720)	
Canadian Dollar	(31,339)	31,485	146
Danish Krone	(3,807)	3,916	109
Euro	(301,641)	300,915	(726)
Japanese Yen	(49,724)	49,806	82
New Zealand Dollar	(8,034)	7,859	(175)
Swedish Krona	(13,403)	13,196	(207)
US Dollar	(706,110)	708,231	2,121

05/06/18 Currency	Net foreign currency assets		Total £'000
	Monetary exposures £'000	Non-monetary exposures £'000	
	Australian Dollar	(20,795)	
Canadian Dollar	(36,814)	34,742	(2,072)
Danish Krone	(4,771)	4,546	(225)
Euro	(377,737)	368,291	(9,446)
Japanese Yen	(47,983)	48,074	91
New Zealand Dollar	(8,054)	8,121	67
Swedish Krona	(17,526)	15,741	(1,785)
US Dollar	(784,888)	760,539	(24,349)

## Notes to the Financial Statements continued

### 12. Financial Instruments and Associated Risks continued

#### (d) Credit Risk

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

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

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

This risk is managed by appraising the credit profile of financial instruments and issuers in line with the Fund'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 Fund is the liability to Unitholders for any cancellation of units.

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

#### (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, no derivatives were held that could impact the Fund in a significant way (5 June 2018: same).

# 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 Management Association in May 2014 requires the classification of the Fund'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 Fund's financial instruments as at the balance sheet date were:

<b>05/06/19</b>	<b>Assets</b>	<b>Liabilities</b>
<b>Basis of Valuation</b>	<b>£</b>	<b>£</b>
Level 1 - Quoted Prices	1,058,906,276	—
Level 2 - Observable Market Data	81,486,217	(246,637)
Level 3 - Unobservable Data	—	—
<b>Total</b>	<b>1,140,392,493</b>	<b>(246,637)</b>

<b>05/06/18</b>	<b>Assets</b>	<b>Liabilities</b>
<b>Basis of Valuation</b>	<b>£</b>	<b>£</b>
Level 1 - Quoted Prices	1,176,951,621	—
Level 2 - Observable Market Data	92,678,181	(26,214,062)
Level 3 - Unobservable Data	—	—
<b>Total</b>	<b>1,269,629,802</b>	<b>(26,214,062)</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 Fund 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 Fund. The counterparties to these transactions and any collateral held by the Fund at the balance sheet date is shown below:

#### Global exposure and collateral

Counterparty	Derivative Groups: Forward Currency Contracts*	Gain/(Loss) Position
Citigroup	144,197,627	1,576,357
Goldman Sachs	112,462,932	31,417
HSBC	232,716	1,129
JP Morgan	317,557,137	2,136,771
Merrill Lynch	206,021,580	1,749,469
NatWest	240,347,834	1,771,141
RBC	569,981	(1,152)
Standard Bank	111,858,547	110,021
<b>Total</b>	<b>1,133,248,354</b>	<b>7,375,153</b>

\* Includes the exposure from unsettled spot currency contracts at year end.

To reduce the Fund's exposure to Counterparty Default Risk, the Fund holds or delivers cash or investment grade government bonds as collateral.

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

### 13. Portfolio transaction costs

As the Fund mainly invests in assets that are not subject to commissions or taxes, there are no transaction costs (5 June 2018: same).

Total purchases for the year: £267,734,793  
(5 June 2018: £569,761,605)

Total sales for the year: £474,106,950  
(5 June 2018: £240,144,279)

The average portfolio dealing spread, including the effect of foreign exchange, as at the balance sheet date was 0.09% (5 June 2018: 0.09%).

## Notes to the Financial Statements continued

### 14. Unit classes

A list of unit classes in issue and the fund management fee on each unit class can be found on page 46. 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 37 to 44. The distributions per unit class are given in the distribution tables on pages 34 and 35. All classes have the same rights on winding up.

<b>F-Class</b>	<b>Distribution</b>	<b>Accumulation</b>
Opening Units	288,247	446,162
Units issued	—	56,001
Units cancelled	—	(128,708)
Units converted	—	—
Closing Units	288,247	373,455

<b>I-Class</b>	<b>Distribution</b>	<b>Accumulation</b>
Opening Units	185,435,653	1,037,335,914
Units issued	42,181,151	115,414,065
Units cancelled	(29,217,073)	(317,072,362)
Units converted	(734,067)	(19,052,696)
Closing Units	197,665,664	816,624,921

<b>C-Class</b>	<b>Distribution</b>	<b>Accumulation</b>
Opening Units	119,838,725	263,796,840
Units issued	35,976,600	48,687,125
Units cancelled	(8,883,799)	(164,405,440)
Units converted	508,058	44,574,365
Closing Units	147,439,584	192,652,890

<b>L-Class</b>	<b>Distribution</b>	<b>Accumulation</b>
Opening Units	774,908,023	—
Units issued	116,705,150	2,000
Units cancelled	(119,442,633)	—
Units converted	(26,583,741)	—
Closing Units	745,586,799	2,000

## Notes to the Financial Statements continued

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

The Manager is regarded as a related party to the Fund because it provides key management personnel services to the Fund. 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 Fund.

Legal & General (Unit Trust Managers) Limited acts as the principal on all the transactions of the units in the Fund. 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 Fund plus any rebates paid by the Authorised Fund Manager to the Fund are shown within notes 3, 4 and 5 as applicable. Any outstanding fees, amounts outstanding on creations or cancellations of units in the Fund, or rebates receivable by the Fund from the Manager are shown within notes 8 and 10 as applicable.

At the year end, the Manager and its associates held 6.98% (7.98% as at 5 June 2018) of the Fund's units in issue.

### 16. Post balance sheet market movements

As at the close of business on the balance sheet date the Net Asset Value per F-Class accumulation unit was 55.17p. The Net Asset Value per F-Class accumulation unit for the Fund as at 3pm on 30 July 2019 was 55.96p. This represents an increase of 1.43% from the year end value.

## Distribution Tables

### Distribution Tables for the year ended 5 June 2019

Group 1: units purchased prior to a distribution period.

Group 2: units purchased during a distribution period.

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

Interim Interest distribution in pence per unit			Period	
			06/06/18	to 05/12/18
<b>F-Class</b>			<b>Distribution</b>	<b>Distribution</b>
<b>Distribution Units</b>			<b>05/02/19</b>	<b>05/02/18</b>
	<b>Revenue</b>	<b>Equalisation</b>		
Group 1	0.4120	—	0.4120	0.2987
Group 2	—	0.4120	0.4120	0.2987
<b>F-Class</b>			<b>Distribution</b>	<b>Distribution</b>
<b>Accumulation Units</b>			<b>05/02/19</b>	<b>05/02/18</b>
	<b>Revenue</b>	<b>Equalisation</b>		
Group 1	0.4267	—	0.4267	0.3058
Group 2	0.3910	0.0357	0.4267	0.3058
<b>I-Class</b>			<b>Distribution</b>	<b>Distribution</b>
<b>Distribution Units</b>			<b>05/02/19</b>	<b>05/02/18</b>
	<b>Revenue</b>	<b>Equalisation</b>		
Group 1	0.4754	—	0.4754	0.3629
Group 2	0.4149	0.0605	0.4754	0.3629
<b>I-Class</b>			<b>Distribution</b>	<b>Distribution</b>
<b>Accumulation Units</b>			<b>05/02/19</b>	<b>05/02/18</b>
	<b>Revenue</b>	<b>Equalisation</b>		
Group 1	0.4957	—	0.4957	0.3736
Group 2	0.4328	0.0629	0.4957	0.3736
<b>C-Class</b>			<b>Distribution</b>	<b>Distribution</b>
<b>Distribution Units</b>			<b>05/02/19</b>	<b>05/02/18</b>
	<b>Revenue</b>	<b>Equalisation</b>		
Group 1	0.5021	—	0.5021	0.3896
Group 2	0.4296	0.0725	0.5021	0.3896
<b>C-Class</b>			<b>Distribution</b>	<b>Distribution</b>
<b>Accumulation Units</b>			<b>05/02/19</b>	<b>05/02/18</b>
	<b>Revenue</b>	<b>Equalisation</b>		
Group 1	0.5207	—	0.5207	0.4021
Group 2	0.4488	0.0719	0.5207	0.4021
<b>L-Class</b>			<b>Distribution</b>	<b>Distribution</b>
<b>Distribution Units</b>			<b>05/02/19</b>	<b>05/02/18</b>
	<b>Revenue</b>	<b>Equalisation</b>		
Group 1	0.5285	—	0.5285	0.4165
Group 2	0.4474	0.0811	0.5285	0.4165

## Distribution Tables continued

Final Interest distribution in pence per unit			Period	
			06/12/18	to 05/06/19
<b>F-Class</b>			<b>Distribution</b>	<b>Distribution</b>
<b>Distribution Units</b>			<b>05/08/19</b>	<b>05/08/18</b>
Group 1	0.1169	—	0.1169	0.3468
Group 2	—	0.1169	0.1169	0.3468
<b>F-Class</b>			<b>Distribution</b>	<b>Distribution</b>
<b>Accumulation Units</b>			<b>05/08/19</b>	<b>05/08/18</b>
Group 1	0.1212	—	0.1212	0.3571
Group 2	—	0.1212	0.1212	0.3571
<b>I-Class</b>			<b>Distribution</b>	<b>Distribution</b>
<b>Distribution Units</b>			<b>05/08/19</b>	<b>05/08/18</b>
Group 1	0.1789	—	0.1789	0.4105
Group 2	0.0825	0.0964	0.1789	0.4105
<b>I-Class</b>			<b>Distribution</b>	<b>Distribution</b>
<b>Accumulation Units</b>			<b>05/08/19</b>	<b>05/08/18</b>
Group 1	0.1886	—	0.1886	0.4255
Group 2	0.0944	0.0942	0.1886	0.4255
<b>C-Class</b>			<b>Distribution</b>	<b>Distribution</b>
<b>Distribution Units</b>			<b>05/08/19</b>	<b>05/08/18</b>
Group 1	0.2048	—	0.2048	0.4373
Group 2	0.1042	0.1006	0.2048	0.4373
<b>C-Class</b>			<b>Distribution</b>	<b>Distribution</b>
<b>Accumulation Units</b>			<b>05/08/19</b>	<b>05/08/18</b>
Group 1	0.2170	—	0.2170	0.4544
Group 2	0.0843	0.1327	0.2170	0.4544
<b>I-Class</b>			<b>Distribution</b>	<b>Distribution</b>
<b>Distribution Units</b>			<b>05/08/19</b>	<b>05/08/18</b>
Group 1	0.2307	—	0.2307	0.4638
Group 2	0.1403	0.0904	0.2307	0.4638
<b>I-Class</b>			<b>Distribution</b>	<b>Distribution</b>
<b>Accumulation Units</b>			<b>05/08/19</b>	<b>05/08/18</b>
Group 1	0.0480	—	0.0480	N/A
Group 2	—	0.0480	0.0480	N/A

In the above tables, a distribution pay rate of N/A denotes that the class was not in existence as at the applicable XD date, and therefore no distribution was made. Please refer to the comparative tables on pages 37 to 44 for the launch date of these classes.

## Fund Information

The Comparative Tables on pages 37 to 44 give the performance of each active unit class in the Fund.

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 Fund's performance disclosed in the Manager's report, which is calculated based on the latest published price.

## Fund Information continued

### Comparative Tables

#### F-Class Distribution Units

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

Accounting Year ending	05/06/19 (pence per unit)	05/06/18 (pence per unit)	05/06/17 (pence per unit)
Opening net asset value per unit	51.78	52.41	52.74
Return before operating charges*	1.70	0.29	0.63
Operating charges (calculated on average price)	(0.26)	(0.27)	(0.27)
Return after operating charges*	1.44	0.02	0.36
Distributions on income units <sup>^</sup>	(0.53)	(0.65)	(0.69)
Closing net asset value per unit	52.69	51.78	52.41
* after direct transaction costs of:	—	—	—

#### Performance

Return after charges	2.78%	0.04%	0.68%
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#### Other Information

Closing net asset value (£)	151,870	149,265	151,068
Closing number of units	288,247	288,247	288,247
Operating charges <sup>†</sup>	0.51%	0.51%	0.51%
Direct transaction costs	0.00%	0.00%	0.00%

#### Prices

Highest unit price	52.88p	53.01p	54.17p
Lowest unit price	50.56p	51.62p	51.59p

<sup>^</sup> Distributions on income units are shown gross of taxation.

<sup>†</sup> Operating charges, otherwise known as the OCF is the ratio of the Fund's total disclosable costs (excluding overdraft interest) to the average net assets of the Fund. 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.

**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.**

## Fund Information continued

### Comparative Tables continued

#### F-Class Accumulation Units

#### Change in Net Asset Value per Unit

Accounting Year ending	05/06/19 (pence per unit)	05/06/18 (pence per unit)	05/06/17 (pence per unit)
Opening net asset value per unit	53.67	53.65	53.33
Return before operating charges*	1.77	0.29	0.63
Operating charges (calculated on average price)	(0.27)	(0.27)	(0.27)
Return after operating charges*	1.50	0.02	0.36
Distributions <sup>^</sup>	(0.55)	(0.66)	(0.70)
Retained distributions on accumulation units <sup>^</sup>	0.55	0.66	0.66
Closing net asset value per unit	55.17	53.67	53.65
* after direct transaction costs of:	—	—	—

#### Performance

Return after charges	2.79%	0.04%	0.68%
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#### Other Information

Closing net asset value (£)	206,044	239,456	222,384
Closing number of units	373,455	446,162	414,488
Operating charges <sup>†</sup>	0.51%	0.51%	0.51%
Direct transaction costs	0.00%	0.00%	0.00%

#### Prices

Highest unit price	55.25p	54.43p	54.78p
Lowest unit price	52.42p	52.85p	52.41p

<sup>^</sup> Distributions are shown gross of taxation. The amounts shown for 'Retained distributions on accumulation units' are net of 20% income tax, except for distributions made from April 2017 onwards, which are paid on a gross basis.

<sup>†</sup> Operating charges, otherwise known as the OCF is the ratio of the Fund's total disclosable costs (excluding overdraft interest) to the average net assets of the Fund. 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.

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## Fund Information continued

### Comparative Tables continued

#### I-Class Distribution Units

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

Accounting Year ending	05/06/19 (pence per unit)	05/06/18 (pence per unit)	05/06/17 (pence per unit)
Opening net asset value per unit	51.89	52.52	52.83
Return before operating charges*	1.70	0.28	0.62
Operating charges (calculated on average price)	(0.14)	(0.14)	(0.14)
Return after operating charges*	1.56	0.14	0.48
Distributions on income units <sup>^</sup>	(0.65)	(0.77)	(0.79)
Closing net asset value per unit	52.80	51.89	52.52
* after direct transaction costs of:	—	—	—

##### Performance

Return after charges	3.01%	0.27%	0.91%
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##### Other Information

Closing net asset value (£)	104,366,302	96,227,765	78,096,523
Closing number of units	197,665,664	185,435,653	148,700,699
Operating charges <sup>†</sup>	0.27%	0.27%	0.27%
Direct transaction costs	0.00%	0.00%	0.00%

##### Prices

Highest unit price	53.05p	53.19p	54.29p
Lowest unit price	50.67p	51.74p	51.70p

<sup>^</sup> Distributions on income units are shown gross of taxation.

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## Fund Information continued

### Comparative Tables continued

#### I-Class Accumulation Units

#### Change in Net Asset Value per Unit

Accounting Year ending	05/06/19 (pence per unit)	05/06/18 (pence per unit)	05/06/17 (pence per unit)
Opening net asset value per unit	54.21	54.07	53.62
Return before operating charges*	1.81	0.29	0.65
Operating charges (calculated on average price)	(0.15)	(0.15)	(0.15)
Return after operating charges*	1.66	0.14	0.50
Distributions <sup>^</sup>	(0.68)	(0.80)	(0.81)
Retained distributions on accumulation units <sup>^</sup>	0.68	0.80	0.76
Closing net asset value per unit	55.87	54.21	54.07
* after direct transaction costs of:	—	—	—

#### Performance

Return after charges	3.06%	0.26%	0.92%
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#### Other Information

Closing net asset value (£)	456,210,883	562,379,684	391,562,505
Closing number of units	816,624,921	1,037,335,914	724,233,389
Operating charges <sup>†</sup>	0.27%	0.27%	0.27%
Direct transaction costs	0.00%	0.00%	0.00%

#### Prices

Highest unit price	55.94p	54.92p	55.11p
Lowest unit price	53.01p	53.27p	52.76p

<sup>^</sup> Distributions are shown gross of taxation. The amounts shown for 'Retained distributions on accumulation units' are net of 20% income tax, except for distributions made from April 2017 onwards, which are paid on a gross basis.

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## Fund Information continued

### Comparative Tables continued

#### C-Class Distribution Units

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

Accounting Year ending	05/06/19 (pence per unit)	05/06/18 (pence per unit)	05/06/17 (pence per unit)
Opening net asset value per unit	51.94	52.57	52.85
Return before operating charges*	1.71	0.29	0.64
Operating charges (calculated on average price)	(0.09)	(0.09)	(0.09)
Return after operating charges*	1.62	0.20	0.55
Distributions on income units <sup>^</sup>	(0.71)	(0.83)	(0.83)
Closing net asset value per unit	52.85	51.94	52.57
* after direct transaction costs of:	—	—	—

#### Performance

Return after charges	3.12%	0.38%	1.04%
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#### Other Information

Closing net asset value (£)	77,918,632	62,244,329	90,990,921
Closing number of units	147,439,584	119,838,725	173,094,952
Operating charges <sup>†</sup>	0.17%	0.17%	0.17%
Direct transaction costs	0.00%	0.00%	0.00%

#### Prices

Highest unit price	53.13p	53.26p	54.33p
Lowest unit price	50.72p	51.79p	51.74p

<sup>^</sup> Distributions on income units are shown gross of taxation.

<sup>†</sup> Operating charges, otherwise known as the OCF is the ratio of the Fund's total disclosable costs (excluding overdraft interest) to the average net assets of the Fund. 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.

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

## Fund Information continued

### Comparative Tables continued

#### C-Class Accumulation Units

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

Accounting Year ending	05/06/19 (pence per unit)	05/06/18 (pence per unit)	05/06/17 (pence per unit)
Opening net asset value per unit	54.43	54.22	53.72
Return before operating charges*	1.80	0.30	0.64
Operating charges (calculated on average price)	(0.09)	(0.09)	(0.09)
Return after operating charges*	1.71	0.21	0.55
Distributions <sup>^</sup>	(0.74)	(0.86)	(0.85)
Retained distributions on accumulation units <sup>^</sup>	0.74	0.86	0.80
Closing net asset value per unit	56.14	54.43	54.22
* after direct transaction costs of:	—	—	—

#### Performance

Return after charges	3.14%	0.39%	1.02%
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#### Other Information

Closing net asset value (£)	108,159,226	143,578,555	95,278,014
Closing number of units	192,652,890	263,796,840	175,708,823
Operating charges <sup>†</sup>	0.17%	0.17%	0.17%
Direct transaction costs	0.00%	0.00%	0.00%

#### Prices

Highest unit price	56.22p	55.11p	55.22p
Lowest unit price	53.25p	53.43p	52.88p

<sup>^</sup> Distributions are shown gross of taxation. The amounts shown for 'Retained distributions on accumulation units' are net of 20% income tax, except for distributions made from April 2017 onwards, which are paid on a gross basis.

<sup>†</sup> Operating charges, otherwise known as the OCF is the ratio of the Fund's total disclosable costs (excluding overdraft interest) to the average net assets of the Fund. 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.

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

## Fund Information continued

### Comparative Tables continued

#### L-Class Distribution Units

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

Accounting Year ending	05/06/19 (pence per unit)	05/06/18 (pence per unit)	05/06/17 (pence per unit)
Opening net asset value per unit	51.97	52.59	52.87
Return before operating charges*	1.70	0.30	0.64
Operating charges (calculated on average price)	(0.04)	(0.04)	(0.04)
Return after operating charges*	1.66	0.26	0.60
Distributions on income units <sup>^</sup>	(0.76)	(0.88)	(0.88)
Closing net asset value per unit	52.87	51.97	52.59
* after direct transaction costs of:	—	—	—

##### Performance

Return after charges	3.19%	0.49%	1.13%
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##### Other Information

Closing net asset value (£)	394,223,741	402,689,655	302,072,411
Closing number of units	745,586,799	774,908,023	574,356,836
Operating charges <sup>†</sup>	0.07%	0.07%	0.07%
Direct transaction costs	0.00%	0.00%	0.00%

##### Prices

Highest unit price	53.18p	53.31p	54.37p
Lowest unit price	50.75p	51.82p	51.78p

<sup>^</sup> Distributions on income units are shown gross of taxation.

<sup>†</sup> Operating charges, otherwise known as the OCF is the ratio of the Fund's total disclosable costs (excluding overdraft interest) to the average net assets of the Fund. 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.

**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.**

## Fund Information continued

### Comparative Tables continued

#### L-Class Accumulation Units

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

Accounting Period ending	25/04/19 to 05/06/19 <sup>1</sup> (pence per unit)
Opening net asset value per unit	50.00
Return before operating charges*	0.90
Operating charges (calculated on average price)	—
Return after operating charges*	0.90
Distributions <sup>^</sup>	(0.05)
Retained distributions on accumulation units <sup>^</sup>	0.05
Closing net asset value per unit	50.90
* after direct transaction costs of:	—

#### Performance

Return after charges	1.80%
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#### Other Information

Closing net asset value (£)	1,018
Closing number of units	2,000
Operating charges <sup>†</sup>	0.07%
Direct transaction costs	0.00%

#### Prices

Highest unit price	50.98p
Lowest unit price	49.93p

<sup>1</sup> L-Class accumulation units launched on 25 April 2019.

<sup>^</sup> Retained distributions on accumulation units are shown gross of taxation.

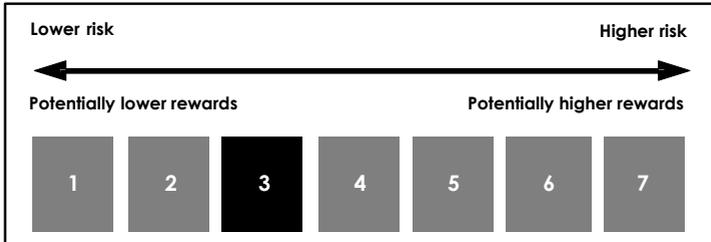
<sup>†</sup> Operating charges, otherwise known as the OCF is the ratio of the Fund's total disclosable costs (excluding overdraft interest) to the average net assets of the Fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a fund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

**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 Fund 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 Fund. The shaded area in the table above shows the Fund's ranking on the Risk and Reward Indicator.
- The Fund is in category three because it invests in company or government bonds which are sensitive to changes in interest rates, inflation and credit. This can be driven by political and economic changes and other significant events and may cause the value to go up and down. Bonds that are closer to their maturity date tend to be more stable in value. Bonds are generally considered to be higher risk investments than cash, but lower risk than company shares.
- Even a fund in the lowest category is not a risk free investment.

## General Information (unaudited)

### Constitution

Launch date:	28 August 2013
Period end dates for distributions:	5 June, 5 December
Distribution dates:	5 August, 5 February
Minimum initial lump sum investment:	F-Class* £500 I-Class £1,000,000 C-Class** £100,000,000 L-Class*** £100,000
Minimum monthly contributions:	F-Class* £50 I-Class N/A C-Class** N/A L-Class*** N/A
Valuation point:	3pm
Fund management fees:	F-Class* Annual 0.51% I-Class Annual 0.27% C-Class** Annual 0.17% L-Class*** Annual 0.07%
Initial charge:	Nil for all existing unit classes

\* Class F units are available to:

- (i) investors who have received advice from authorised intermediaries, platforms or other distributors in relation to their investment in units in the Fund; and
- (ii) distributors who the Manager reasonably considers will adequately bear the costs of marketing to and acquiring investors at no or limited cost to the Manager, and to whom the Manager has confirmed that such distributor or investor meets the criteria for investment in such units.

\*\* Class C units are available to certain eligible investors who meet the criteria for investment in such units as outlined in the share class policy of the Manager, which is available to investors in the C-Class upon request. Where investors in the C-Class no longer continue to meet the criteria for investment in such units, further investment in such units may not be permitted.

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

### Pricing and Dealing

The prices are published on the internet at [www.legalandgeneral.com/investments/fund-information/daily-fund-prices](http://www.legalandgeneral.com/investments/fund-information/daily-fund-prices) immediately after they become available.

Dealing in units takes place on a forward pricing basis, from 8:30am to 6:00pm, Monday to Friday.

### Buying and Selling Units

Units may be bought on any business day from the Manager or through a financial adviser by completing an application form or on the internet at [www.legalandgeneral.com](http://www.legalandgeneral.com). Units may normally be sold back to the Manager on any business day at the bid price calculated at the following valuation point.

## General Information (unaudited) continued

### ISA Status

This Fund 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

The Manager will send to all persons on the Unitholder Register annual and interim short form 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.

### Information on Tracking Error

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

Using monthly returns, over the review year, the annualised Tracking Error of the Fund is 0.12%, whilst over the last three years to the end of May 2019, the annualised Tracking Error of the Fund is 0.09%. These Tracking Errors are within the anticipated Tracking Error levels set out in the Fund's Prospectus of +/-0.50% per annum.

### EU Savings Directive

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

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

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

### Dual Pricing Arrangement

The Manager's fixed dual pricing arrangement has a set spread to account for the costs of transacting in a particular Fund. Where the Manager operates a box through which unit subscriptions and unit redemptions are netted into a single trade instruction to the Trustee, the netting reduces the actual transaction costs and this generates a revenue to the Manager. The revenue generated from this activity is calculated on a monthly basis and returned to the Fund in the form of a payment from the Manager. This provides an enhanced return to the Fund, though the size of any return will be dependent on the size of subscriptions and redemptions.

## General Information (unaudited) continued

### Remuneration Disclosure

In accordance with the Undertakings for collective investment in transferable securities (UCITs) Directive, often referred to as the UCITs V Directive, the Legal & General Global Inflation Linked Bond Index Fund, 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 managed by it as at 31 December 2018:

### Controlled Functions

Headcount	Fixed Remuneration (£'000)	Variable Remuneration (£'000)	Remuneration related to this Fund (Pro-rated) (£'000)
36	7,644	13,053	403

### Market Risk Takers

Headcount	Fixed Remuneration (£'000)	Variable Remuneration (£'000)	Remuneration related to this Fund (Pro-rated) (£'000)
24	2,667	3,393	16

### Controlled Functions

During 2018, Legal & General Unit Trust Managers Limited (UTM) engaged the services of seven employees of Legal & General Investment Management (Holdings) Limited (LGIMH), plus a further one employee of Legal & General Resources (LGR) to act as Director. In addition, there was one non-executive Director. UTM also engaged the services of a further 24 LGIMH employees and a further three 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 pro-rated 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

During 2018, UTM engaged the services of Legal & General Investment Management's Index Fund Management team, which consists of 24 investment professionals located in our London Office. The team includes a variety of Fund Managers, Analysts and Support Staff, with the Fund Managers empowered to take discretionary investment management decisions on behalf of the Fund. The team is also engaged in managing other Legal & General UTM Funds/Schemes and is also engaged by other companies in the L&G Group. The aggregate remuneration received by the members of the team, for all their services across the L&G Group, is disclosed in the table above. We have pro-rated the remuneration figures by the Net Asset Value of the UCITS Funds as a percentage of the total assets under management of the Index Fund Management team.

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

### **Significant Change**

#### **New Unit Class: L-Class**

L-Class accumulation units were launched on 25 April 2019.

## 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

R. M. Bartley (resigned 31 December 2018)  
A. J. C. Craven  
S. Hynes  
H. Morrissey  
H. Solomon  
S. D. Thomas (resigned 17 October 2018)  
L. W. Toms  
A. R. Toutouchi\*  
M. J. Zinkula

\*Non-executive Director

### Secretary

J. McCarthy

### Registrar

Legal & General (Unit Trust Managers) Limited  
P.O. Box 6080,  
Wolverhampton WV1 9RB  
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 Global Services SE UK Branch  
Trustee and Depositary Services  
50 Bank Street,  
Canary Wharf,  
London E14 5NT

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

### Independent Auditors

KPMG LLP  
15 Canada Square,  
London E14 5GL

### Investment Adviser

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







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Financial Conduct Authority**

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

