

Legal & General Emerging Markets Government
Bond (US\$) Index Fund

Annual Manager's Report
for the year ended
10 November 2017

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

Manager's Investment Report

Investment Objective and Policy

The objective of this Fund is to provide income. The Fund will achieve this objective by investing primarily in emerging market government bonds which are included in the JPMorgan Emerging Markets Bond Index Plus.

Securities will be held with weightings generally proportionate to the weightings in the JPMorgan Emerging Markets Bond Index Plus. The bonds the Fund invests in will be composed primarily of securities issued by sovereign entities and which are denominated in US Dollar. Sub-investment grade bonds may be used.

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 may hold derivatives for efficient portfolio management purposes.

Manager's Investment Report

During the review year, the bid price of the Fund's I-Class accumulation units fell by 1.98%. JP Morgan Chase, the Index compiler, calculates the benchmark Index at the end of the business day using closing bid prices, whereas the Fund is valued using prevailing mid prices at 12 noon. Therefore, for tracking purposes the Fund has been revalued using closing prices. On this basis over the review year, the Fund rose by 0.08%, compared with a rise in the Index of 0.02% (Source: JP Morgan Chase), 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

The global economic background has improved over the past 12 months, led by a modest acceleration in the major developed economies. Despite a rise in commodity prices, inflationary pressures worldwide have remained subdued. In the US, economic activity has rebounded after a disappointing first quarter of 2017, as both consumer spending and business capital expenditure have picked up. Donald Trump's unexpected victory in the November presidential election focused investors on the prospect of increased infrastructure spending and tax cuts, and the Republican administration finally tabled tax reforms in September that are now subject to approval by Congress. The Federal Reserve (Fed) sanctioned a gradual tightening of monetary policy, raising interest rates three times over the last 12 months. The Fed also began unwinding its asset purchase programme, known as quantitative easing, in October.

The Chinese authorities have adopted a range of policy initiatives to facilitate the economy's transition from export and investment-driven growth towards consumption and services, with growth remaining well above the government's full year target of 6.5%. Both the Brazilian and Russian economies saw a turn of fortunes as the year progressed, given the boost of a recovery in commodity markets. Emerging bond markets have attracted substantial inflows from international investors looking for higher levels of income, outperforming major government bond markets. In early November, Venezuela announced a restructuring of all its foreign debts and subsequently began missing interest payments on its sovereign bonds. Rating agency Standard & Poor's declared the country to be in default, after a meeting with creditors

Manager's Investment Report continued

left investors with little confidence that a default on its \$60 billion debt pile could be avoided.

Fund Review

All investment activity was prompted either by unit holder investment or redemption, or by changes in the profile of the benchmark. The Fund experienced net positive cash flow during the review year.

The Fund's bond holdings outperformed US treasuries over the review year, the Index yield spread over US treasuries tightening by 21 basis points to 348 basis points. Compared to some other emerging market (EM) debt indices, the EMBI+ Index is relatively stable, having 156 constituents at the beginning and 159 at the end of the review year. There was no change to the country composition of the Index, with 16 countries represented.

The regional breakdown of the Index at the end of the review year was EMEA (Europe, Middle East and Africa) 36.79%, Asia 16.88% and Latin America 46.34%. The most significant changes were reductions in the Index weights of Russia (-3.08%) and Venezuela (-2.25%), with increases in the weights of Argentina (+4.40%) and Colombia (+1.45%).

At the end of the year, the Fund held 176 bonds issued by 16 countries. The Index consisted of 159 bonds issued by 16 countries.

Outlook

Emerging Market (EM) fundamentals continue to support returns despite rising Developed Market (DM) rates in 2018. EM fixed income assets will continue to be driven by the interaction between two strong cycles in 2018: EM growth and rising US rates. With the global economic forecasts predicting another year of above average growth, the gap between EM and DM growth is expected to widen as EM GDP growth is expected to nudge higher.

Risks to monitor for EM asset returns continue to be rising interest rates and US exceptionalism, particularly at points when rising US rates and a stronger USD will limit returns and raise questions of EM vulnerabilities. However, the asset class is much less susceptible to "tantrum" concerns given improvements in macro fragilities since 2013, but there are countries with weaknesses.

The Fund remains well placed to capture the performance of the Index.

Legal & General Investment Management Limited
(Investment Adviser)
6 December 2017

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)



S. D. Thomas
(Director)

Legal & General (Unit Trust Managers) Limited
22 December 2017

Statement of Responsibilities

Statement of the Manager's Responsibilities

The Manager of the Fund is required by the FCA Collective Investment Schemes sourcebook (COLL) to prepare financial statements for each accounting period which give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the net revenue and the net capital gains or losses on the Scheme property for the accounting period, and the financial position of the Fund at the end of that period. In preparing these financial statements, the Manager is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are prudent and reasonable;
- state whether applicable Accounting Standards have been followed, subject to any material departure disclosed and explained in the financial statements; and
- prepare the financial statements on the basis that the Fund will continue in operation unless it is inappropriate to presume this.

The Manager is also required to manage the Fund in accordance with the Trust Deed, the Prospectus and the COLL, maintain proper accounting records to enable them to ensure that the financial statements comply with the Statement of Recommended Practice for UK Authorised Funds issued by The Investment Association in May 2014 and the COLL and take in these respects reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of Responsibilities continued

Statement of the Trustee's Responsibilities

The Depositary in its capacity as Trustee of Legal & General Emerging Markets Government Bond (US\$) 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 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 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 Emerging Markets Government Bond (US\$) Index Fund ("the Fund") for the year ended 10 November 2017

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 Limited
UK Trustee and Depositary Services
22 December 2017

Portfolio Statement

Portfolio Statement as at 10 November 2017

All investments are in investment grade securities unless otherwise stated. The percentages in brackets show the equivalent holdings at 10 November 2016.

Holding/ Nominal Value	Investment	Market value £	% of Net Assets
	NORTH AMERICA		
	— 10.99% (10.87%)		
	Mexico — 10.99% (10.87%)		
USD3,725,000	Mexico Government International Bond 3.5% 21/01/2021	2,953,676	0.37
USD7,100,000	Mexico Government International Bond 3.625% 15/03/2022	5,621,429	0.71
USD10,930,000	Mexico Government International Bond 4% 02/10/2023	8,687,523	1.10
USD7,100,000	Mexico Government International Bond 3.6% 30/01/2025	5,473,366	0.69
USD8,600,000	Mexico Government International Bond 4.125% 21/01/2026	6,806,155	0.86
USD8,750,000	Mexico Government International Bond 4.15% 28/03/2027	6,898,271	0.87
USD5,270,000	Mexico Government International Bond 6.75% 27/09/2034	5,205,927	0.66
USD9,700,000	Mexico Government International Bond 6.05% 11/01/2040	8,605,433	1.08
USD13,740,000	Mexico Government International Bond 4.75% 08/03/2044	10,390,711	1.31
USD8,816,000	Mexico Government International Bond 5.55% 21/01/2045	7,453,711	0.94
USD8,900,000	Mexico Government International Bond 4.6% 23/01/2046	6,593,845	0.83
USD6,700,000	Mexico Government International Bond 4.35% 15/01/2047	4,793,351	0.60
USD1,880,000	Mexico Government International Bond 4.6% 10/02/2048	1,395,000	0.18
USD7,900,000	Mexico Government International Bond 5.75% 12/10/2110	6,260,448	0.79
		87,138,846	10.99
	CONTINENTAL EUROPE		
	— 19.82% (23.06%)		
	Croatia — 2.39% (2.36%)		
USD4,715,000	Croatia Government International Bond 6.75% 05/11/2019 ¹	3,854,577	0.49
USD4,250,000	Croatia Government International Bond 6.625% 14/07/2020 ¹	3,528,210	0.44
USD4,305,000	Croatia Government International Bond 6.375% 24/03/2021 ¹	3,604,757	0.45
USD4,065,000	Croatia Government International Bond 5.5% 04/04/2023 ¹	3,402,541	0.43
USD5,300,000	Croatia Government International Bond 6% 26/01/2024 ¹	4,581,963	0.58
		18,972,048	2.39
	Hungary — 4.10% (4.55%)		
USD5,735,000	Hungary Government International Bond 6.25% 29/01/2020	4,717,604	0.59
USD9,100,000	Hungary Government International Bond 6.375% 29/03/2021	7,730,851	0.97

Portfolio Statement continued

Holding/ Nominal Value	Investment	Market value £	% of Net Assets
	Hungary — (cont.)		
USD5,940,000	Hungary Government International Bond 5.375% 21/02/2023	5,044,125	0.64
USD5,920,000	Hungary Government International Bond 5.75% 22/11/2023	5,162,501	0.65
USD6,120,000	Hungary Government International Bond 5.375% 25/03/2024	5,276,547	0.67
USD3,910,000	Hungary Government International Bond 7.625% 29/03/2041	4,571,818	0.58
		<hr/>	<hr/>
		32,503,446	4.10
	Romania — 1.92% (1.88%)		
USD7,100,000	Romanian Government International Bond 6.75% 07/02/2022	6,210,342	0.78
USD4,550,000	Romanian Government International Bond 4.375% 22/08/2023	3,697,739	0.47
USD2,876,000	Romanian Government International Bond 4.875% 22/01/2024	2,397,395	0.30
USD3,070,000	Romanian Government International Bond 6.125% 22/01/2044	2,935,419	0.37
		<hr/>	<hr/>
		15,240,895	1.92
	Russian Federation — 7.87% (10.79%)		
USD4,600,000	Russian Federation 3.5% 16/01/2019	3,538,903	0.45
USD10,700,000	Russian Federation 5% 29/04/2020	8,577,888	1.08
USD6,600,000	Russian Federation 4.5% 04/04/2022	5,335,167	0.67
USD8,800,000	Russian Federation 4.875% 16/09/2023	7,255,747	0.92
USD8,600,000	Russian Federation 4.75% 27/05/2026	6,871,505	0.87
USD3,200,000	Russian Federation 4.25% 23/06/2027	2,464,700	0.31
USD18,045,250	Russian Federation 7.5% 31/03/2030	16,100,532	2.03
USD8,200,000	Russian Federation 5.625% 04/04/2042	6,802,747	0.86
USD3,600,000	Russian Federation 5.875% 16/09/2043	3,096,191	0.39
USD3,000,000	Russian Federation 5.25% 23/06/2047	2,302,970	0.29
		<hr/>	<hr/>
		62,346,350	7.87
	Ukraine — 3.54% (3.48%)		
USD2,050,000	Ukraine Government International Bond 7.75% 01/09/2019 ¹	1,635,638	0.21
USD3,621,000	Ukraine Government International Bond 7.75% 01/09/2020 ¹	2,919,495	0.37
USD4,577,000	Ukraine Government International Bond 7.75% 01/09/2021 ¹	3,695,183	0.47
USD3,702,000	Ukraine Government International Bond 7.75% 01/09/2022 ¹	2,982,867	0.38
USD4,027,000	Ukraine Government International Bond 7.75% 01/09/2023 ¹	3,232,892	0.41

Portfolio Statement continued

Holding/ Nominal Value	Investment	Market value £	% of Net Assets
	Ukraine — (cont.)		
USD3,952,000	Ukraine Government International Bond 7.75% 01/09/2024 ¹	3,138,673	0.39
USD3,677,000	Ukraine Government International Bond 7.75% 01/09/2025 ¹	2,893,765	0.36
USD4,418,000	Ukraine Government International Bond 7.75% 01/09/2026 ¹	3,437,714	0.43
USD3,588,000	Ukraine Government International Bond 7.75% 01/09/2027 ¹	2,789,479	0.35
USD1,797,000	Ukraine Government International Bond 7.375% 25/09/2032 ¹	1,321,969	0.17
		28,047,675	3.54
	SOUTH AMERICA — 34.38% (31.85%)		
	Argentina — 12.22% (8.02%)		
USD8,350,000	Argentina Government International Bond 6.25% 22/04/2019 ¹	6,602,660	0.83
USD13,420,000	Argentina Government International Bond 6.875% 22/04/2021 ¹	11,028,670	1.39
USD9,850,000	Argentina Government International Bond 5.625% 26/01/2022 ¹	7,787,937	0.98
USD19,523,000	Argentina Government International Bond 7.5% 22/04/2026 ¹	16,489,221	2.08
USD11,900,000	Argentina Government International Bond 6.875% 26/01/2027 ¹	9,689,096	1.22
USD2,950,000	Argentina Government International Bond 6.625% 06/07/2028 ¹	2,342,515	0.30
USD18,766,276	Argentina Government International Bond 8.28% 31/12/2033 ¹	16,335,349	2.06
USD5,150,000	Argentina Government International Bond 7.125% 06/07/2036 ¹	4,116,869	0.52
USD15,945,000	Argentina Government International Bond 2.5% 31/12/2038 ¹	8,596,488	1.08
USD8,500,000	Argentina Government International Bond 7.625% 22/04/2046 ¹	7,030,585	0.89
USD9,046,000	Argentina Government International Bond 7.125% 28/06/2117 ¹	6,866,987	0.87
		96,886,377	12.22
	Brazil — 7.63% (7.59%)		
USD8,575,000	Brazilian Government International Bond 4.875% 22/01/2021 ¹	6,946,011	0.88
USD6,450,000	Brazilian Government International Bond 2.625% 05/01/2023 ¹	4,695,289	0.59
USD12,675,000	Brazilian Government International Bond 4.25% 07/01/2025 ¹	9,741,166	1.23
USD2,300,000	Brazilian Government International Bond 8.75% 04/02/2025 ¹	2,267,667	0.29

Portfolio Statement continued

Holding/ Nominal Value	Investment	Market value £	% of Net Assets
	Brazil — (cont.)		
USD6,200,000	Brazilian Government International Bond 6% 07/04/2026 ¹	5,210,638	0.66
USD7,020,000	Brazilian Government International Bond 4.625% 13/01/2028 ¹	5,273,001	0.66
USD5,115,000	Brazilian Government International Bond 8.25% 20/01/2034 ¹	5,023,661	0.63
USD5,680,000	Brazilian Government International Bond 7.125% 20/01/2037 ¹	5,108,115	0.64
USD7,230,000	Brazilian Government International Bond 5.625% 07/01/2041 ¹	5,521,391	0.70
USD10,200,000	Brazilian Government International Bond 5% 27/01/2045 ¹	7,138,450	0.90
USD4,700,000	Brazilian Government International Bond 5.625% 21/02/2047 ¹	3,600,000	0.45
		60,525,389	7.63
	Colombia — 7.31% (5.92%)		
USD6,045,000	Colombia Government International Bond 7.375% 18/03/2019	4,896,634	0.62
USD5,925,000	Colombia Government International Bond 4.375% 12/07/2021	4,761,161	0.60
USD2,895,000	Colombia Government International Bond 2.625% 15/03/2023	2,148,152	0.27
USD6,400,000	Colombia Government International Bond 4% 26/02/2024	5,043,161	0.64
USD3,220,000	Colombia Government International Bond 8.125% 21/05/2024	3,113,564	0.39
USD4,800,000	Colombia Government International Bond 4.5% 28/01/2026	3,871,732	0.49
USD7,250,000	Colombia Government International Bond 3.875% 25/04/2027	5,535,524	0.70
USD5,405,000	Colombia Government International Bond 7.375% 18/09/2037	5,405,000	0.68
USD7,665,000	Colombia Government International Bond 6.125% 18/01/2041	6,829,189	0.86
USD7,660,000	Colombia Government International Bond 5.625% 26/02/2044	6,475,494	0.82
USD12,650,000	Colombia Government International Bond 5% 15/06/2045	9,845,431	1.24
		57,925,042	7.31
	Panama — 2.72% (2.76%)		
USD3,325,000	Panama Government International Bond 5.2% 30/01/2020	2,706,616	0.34
USD3,700,000	Panama Government International Bond 3.75% 16/03/2025	2,938,070	0.37
USD2,205,000	Panama Government International Bond 7.125% 29/01/2026	2,157,247	0.27

Portfolio Statement continued

Holding/ Nominal Value	Investment	Market value £	% of Net Assets
	Panama — (cont.)		
USD625,000	Panama Government International Bond 8.875% 30/09/2027	689,827	0.09
USD2,885,000	Panama Government International Bond 3.875% 17/03/2028	2,296,381	0.29
USD3,600,000	Panama Government International Bond 9.375% 01/04/2029	4,123,860	0.52
USD6,175,000	Panama Government International Bond 6.7% 26/01/2036	6,264,153	0.79
USD500,000	Panama Government International Bond 4.5% 15/05/2047	407,485	0.05
		21,583,639	2.72
	Peru — 2.48% (3.00%)		
USD4,720,000	Peruvian Government International Bond 7.35% 21/07/2025	4,684,134	0.59
USD3,200,000	Peruvian Government International Bond 4.125% 25/08/2027	2,658,966	0.34
USD2,545,000	Peruvian Government International Bond 8.75% 21/11/2033	3,036,208	0.38
USD2,560,000	Peruvian Government International Bond 6.55% 14/03/2037	2,618,000	0.33
USD6,881,000	Peruvian Government International Bond 5.625% 18/11/2050	6,640,479	0.84
		19,637,787	2.48
	Venezuela — 2.02% (4.56%)		
USD3,150,000	Venezuela Government International Bond 7% 01/12/2018 ¹	765,957	0.10
USD5,775,000	Venezuela Government International Bond 7.75% 13/10/2019 ¹	1,162,899	0.15
USD3,670,000	Venezuela Government International Bond 6% 09/12/2020 ¹	640,178	0.08
USD13,285,000	Venezuela Government International Bond 12.75% 23/08/2022 ¹	2,473,271	0.31
USD3,575,000	Venezuela Government International Bond 9% 07/05/2023 ¹	651,976	0.08
USD8,810,000	Venezuela Government International Bond 8.25% 13/10/2024 ¹	1,589,951	0.20
USD5,550,000	Venezuela Government International Bond 7.65% 21/04/2025 ¹	969,985	0.12
USD8,825,000	Venezuela Government International Bond 11.75% 21/10/2026 ¹	1,616,499	0.20
USD11,360,000	Venezuela Government International Bond 9.25% 15/09/2027 ¹	2,186,968	0.28
USD4,175,000	Venezuela Government International Bond 9.25% 07/05/2028 ¹	745,536	0.09
USD12,601,500	Venezuela Government International Bond 11.95% 05/08/2031 ¹	2,274,207	0.29

Portfolio Statement continued

Holding/ Nominal Value	Investment	Market value £	% of Net Assets
	Venezuela — (cont.)		
USD2,585,000	Venezuela Government International Bond 9.375% 13/01/2034 ¹	446,875	0.06
USD3,025,000	Venezuela Government International Bond 7% 31/03/2038 ¹	505,699	0.06
		<hr/> 16,030,001	<hr/> 2.02
	AFRICA — 3.87% (3.02%)		
	South Africa — 3.87% (3.02%)		
USD5,340,000	South Africa Government International Bond 6.875% 27/05/2019	4,295,703	0.54
USD4,860,000	South Africa Government International Bond 5.5% 09/03/2020	3,873,966	0.49
USD3,000,000	South Africa Government International Bond 5.875% 30/05/2022	2,455,956	0.31
USD3,985,000	South Africa Government International Bond 4.665% 17/01/2024	3,029,445	0.38
USD6,000,000	South Africa Government International Bond 5.875% 16/09/2025	4,809,912	0.61
USD3,500,000	South Africa Government International Bond 4.875% 14/04/2026	2,597,128	0.33
USD1,500,000	South Africa Government International Bond 4.85% 27/09/2027	1,097,052	0.14
USD5,469,000	South Africa Government International Bond 4.3% 12/10/2028	3,761,139	0.47
USD2,900,000	South Africa Government International Bond 5.375% 24/07/2044	1,997,717	0.25
USD2,550,000	South Africa Government International Bond 5% 12/10/2046	1,659,631	0.21
USD1,500,000	South Africa Government International Bond 5.65% 27/09/2047	1,070,175	0.14
		<hr/> 30,647,824	<hr/> 3.87
	ASIA — 16.58% (17.23%)		
	Indonesia — 9.99% (9.88%)		
USD4,780,000	Indonesia Government International Bond 11.625% 04/03/2019	4,083,413	0.52
USD1,575,000	Indonesia Government International Bond 5.875% 13/03/2020	1,291,992	0.16
USD6,700,000	Indonesia Government International Bond 4.875% 05/05/2021	5,453,077	0.69
USD426,000	Indonesia Government International Bond 3.7% 08/01/2022	333,973	0.04
USD5,950,000	Indonesia Government International Bond 3.75% 25/04/2022	4,670,131	0.59

Portfolio Statement continued

Holding/ Nominal Value	Investment	Market value £	% of Net Assets
	Indonesia — (cont.)		
USD4,225,000	Indonesia Government International Bond 3.375% 15/04/2023	3,245,587	0.41
USD3,300,000	Indonesia Government International Bond 5.375% 17/10/2023	2,806,994	0.35
USD5,800,000	Indonesia Government International Bond 5.875% 15/01/2024	5,023,472	0.63
USD5,500,000	Indonesia Government International Bond 4.35% 10/09/2024	4,380,509	0.55
USD5,600,000	Indonesia Government International Bond 4.125% 15/01/2025	4,421,119	0.56
USD6,000,000	Indonesia Government International Bond 4.75% 08/01/2026	4,929,369	0.62
USD3,675,000	Indonesia Government International Bond 4.35% 08/01/2027	2,932,041	0.37
USD1,362,000	Indonesia Government International Bond 3.85% 18/07/2027	1,053,577	0.13
USD250,000	Indonesia Government International Bond 8.5% 12/10/2035	280,776	0.04
USD6,025,000	Indonesia Government International Bond 7.75% 17/01/2038	6,460,292	0.82
USD6,675,000	Indonesia Government International Bond 5.25% 17/01/2042	5,673,765	0.72
USD4,500,000	Indonesia Government International Bond 4.625% 15/04/2043	3,489,695	0.44
USD5,755,000	Indonesia Government International Bond 6.75% 15/01/2044	5,736,152	0.72
USD5,650,000	Indonesia Government International Bond 5.125% 15/01/2045	4,659,292	0.59
USD3,600,000	Indonesia Government International Bond 5.95% 08/01/2046	3,315,345	0.42
USD5,350,000	Indonesia Government International Bond 5.25% 08/01/2047	4,470,980	0.56
USD612,000	Indonesia Government International Bond 4.75% 18/07/2047	480,842	0.06
		79,192,393	9.99
	Philippines — 6.59% (7.35%)		
USD1,675,000	Philippine Government International Bond 9.875% 15/01/2019	1,391,803	0.18

Portfolio Statement continued

Holding/ Nominal Value	Investment	Market value £	% of Net Assets
	Philippines — (cont.)		
USD3,300,000	Philippine Government International Bond 8.375% 17/06/2019	2,762,118	0.35
USD2,425,000	Philippine Government International Bond 6.5% 20/01/2020	2,017,563	0.26
USD5,400,000	Philippine Government International Bond 4% 15/01/2021	4,313,804	0.54
USD4,400,000	Philippine Government International Bond 4.2% 21/01/2024	3,640,871	0.46
USD3,540,000	Philippine Government International Bond 5.5% 30/03/2026	3,181,543	0.40
USD5,565,000	Philippine Government International Bond 9.5% 02/02/2030	6,682,795	0.84
USD5,975,000	Philippine Government International Bond 7.75% 14/01/2031	6,473,234	0.82
USD3,215,000	Philippine Government International Bond 6.375% 15/01/2032	3,170,085	0.40
USD5,585,000	Philippine Government International Bond 6.375% 23/10/2034	5,655,466	0.71
USD3,825,000	Philippine Government International Bond 5% 13/01/2037	3,410,862	0.43
USD6,075,000	Philippine Government International Bond 3.95% 20/01/2040	4,728,951	0.60
USD6,350,000	Philippine Government International Bond 3.7% 01/03/2041	4,783,598	0.60
		52,212,693	6.59
	MIDDLE EAST — 12.48% (11.99%)		
	Turkey — 12.48% (11.99%)		
USD4,405,000	Turkey Government International Bond 7% 11/03/2019 ¹	3,501,239	0.44
USD4,822,000	Turkey Government International Bond 7.5% 07/11/2019 ¹	3,937,112	0.50
USD5,880,000	Turkey Government International Bond 7% 05/06/2020 ¹	4,793,406	0.61
USD6,805,000	Turkey Government International Bond 5.625% 30/03/2021 ¹	5,396,375	0.68
USD2,900,000	Turkey Government International Bond 5.125% 25/03/2022 ¹	2,255,460	0.28
USD7,490,000	Turkey Government International Bond 6.25% 26/09/2022 ¹	6,084,689	0.77
USD4,700,000	Turkey Government International Bond 3.25% 23/03/2023 ¹	3,303,418	0.42
USD7,475,000	Turkey Government International Bond 5.75% 22/03/2024 ¹	5,868,889	0.74
USD10,425,000	Turkey Government International Bond 7.375% 05/02/2025 ¹	8,889,245	1.12
USD4,000,000	Turkey Government International Bond 4.25% 14/04/2026 ¹	2,803,055	0.35
USD8,350,000	Turkey Government International Bond 4.875% 09/10/2026 ¹	6,040,376	0.76

Portfolio Statement continued

Holding/ Nominal Value	Investment	Market value £	% of Net Assets
	Turkey — (cont.)		
USD5,650,000	Turkey Government International Bond 6% 25/03/2027 ¹	4,413,869	0.56
USD3,960,000	Turkey Government International Bond 11.875% 15/01/2030 ¹	4,573,740	0.58
USD3,620,000	Turkey Government International Bond 8% 14/02/2034 ¹	3,255,662	0.41
USD8,130,000	Turkey Government International Bond 6.875% 17/03/2036 ¹	6,580,605	0.83
USD3,000,000	Turkey Government International Bond 7.25% 05/03/2038 ¹	2,530,395	0.32
USD5,130,000	Turkey Government International Bond 6.75% 30/05/2040 ¹	4,102,371	0.52
USD9,040,000	Turkey Government International Bond 6% 14/01/2041 ¹	6,615,034	0.83
USD8,224,000	Turkey Government International Bond 4.875% 16/04/2043 ¹	5,187,069	0.65
USD8,625,000	Turkey Government International Bond 6.625% 17/02/2045 ¹	6,733,857	0.85
USD3,000,000	Turkey Government International Bond 5.75% 11/05/2047 ¹	2,089,405	0.26
		98,955,271	12.48
	FORWARD CURRENCY CONTRACTS		
	— 0.00% (0.00%)		
GBP(453,960)	Sold Sterling		
USD600,000	for US Dollars (Expires 16/11/2017) ²	4,323	—
Portfolio of investments		777,849,999	98.12
Net other assets		14,878,268	1.88
Total net assets		£792,728,267	100.00%

¹ These are sub-investment grade fixed interest securities and represent 40.28% of the net assets of the Fund.

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

Total purchases for the year: £414,141,779.

Total sales for the year: £96,816,173.

Independent Auditor's Report

Independent auditors' report to the Unitholders of Legal & General Emerging Markets Government Bond (US\$) Index Fund

Report on the audit of the financial statements

Opinion

In our opinion, Legal & General Emerging Markets Government Bond (US\$) Index Fund's financial statements:

- give a true and fair view of the financial position of the Fund as at 10 November 2017 and of the net revenue and, the net capital losses on its scheme property for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law), the Statement of Recommended Practice for UK Authorised Funds, the Collective Investment Schemes sourcebook and the Trust Deed.

We have audited the financial statements, included within the Annual Manager's Report (the "Annual Report"), which comprise: the balance sheet as at 10 November 2017; the statement of total return, and the statement of change in net assets attributable to unitholders for the year then ended; the distribution tables; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the Fund in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you when:

- the Authorised Fund Manager's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Authorised Fund Manager has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Fund's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Fund's ability to continue as a going concern.

Independent Auditor's Report continued

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The Authorised Fund Manager is responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

Authorised Fund Manager's Report

In our opinion, the information given in the Authorised Fund Manager's Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Responsibilities for the financial statements and the audit

Responsibilities of the Authorised Fund Manager for the financial statements

As explained more fully in the Authorised Fund Manager's Responsibilities Statement set out on page 5, the Authorised Fund Manager is responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The Authorised Fund Manager is also responsible for 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.

In preparing the financial statements, the Authorised Fund Manager is responsible for 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 the Authorised Fund Manager either intend to wind up or terminate the Fund, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

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 an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Independent Auditor's Report continued

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the Fund's unitholders as a body in accordance with paragraph 4.5.12 of the Collective Investment Schemes sourcebook and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Opinion on matter required by the Collective Investment Schemes sourcebook

In our opinion, we have obtained all the information and explanations we consider necessary for the purposes of the audit.

Collective Investment Schemes sourcebook exception reporting

Under the Collective Investment Schemes sourcebook we are also required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
22 December 2017

Notes:

- a) The maintenance and integrity of the Legal & General website is the responsibility of the Authorised Fund Manager; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.
- b) Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Financial Statements

Statement of Total Return for the year ended 10 November 2017

Notes	11/11/16 to 10/11/17		14/11/15 to 10/11/16 ¹	
	£	£	£	£
Income				
Net capital (losses)/gains	3	(52,045,875)		87,235,394
Revenue	4	32,274,103	19,725,636	
Expenses	5	(902,415)	(493,410)	
Interest payable and similar charges	7	(11,979)	-	
Net revenue before taxation		31,359,709	19,232,226	
Taxation	6	-	-	
Net revenue after taxation for the year		31,359,709	19,232,226	
Total return before distributions		(20,686,166)	106,467,620	
Distributions	7	(32,262,124)	(19,725,618)	
Change in net assets attributable to Unitholders from investment activities		£(52,948,290)		£86,742,002

Statement of Change in Net Assets attributable to Unitholders for the year ended 10 November 2017

	11/11/16 to 10/11/17		14/11/15 to 10/11/16 ¹	
	£	£	£	£
Opening net assets attributable to Unitholders		527,052,987		250,484,570
Amounts received on issue of units		351,382,762	195,909,602	
Amounts paid on cancellation of units		(46,463,345)	(12,731,598)	
		304,919,417	183,178,004	
Change in net assets attributable to Unitholders from investment activities		(52,948,290)		86,742,002
Retained distributions on accumulation units		13,704,153		6,648,411
Closing net assets attributable to Unitholders		£792,728,267		£527,052,987

¹ To accommodate the transition of Trustee, the Fund's period end date, normally 10 November, was moved to 13 November 2015.

Financial Statements continued

Balance Sheet as at 10 November 2017

	Notes	11/10/2017 £	11/10/2016 £
ASSETS			
Fixed assets:			
Investments		777,849,999	516,592,227
Current assets:			
Debtors	8	12,214,718	8,820,090
Cash and bank balances	9	22,239,174	12,370,169
Total assets		812,303,891	537,782,486
LIABILITIES			
Creditors:			
Distributions payable		(11,809,634)	(9,236,948)
Other creditors	10	(7,765,990)	(1,492,551)
Total liabilities		(19,575,624)	(10,729,499)
Net assets attributable to Unitholders		£792,728,267	£527,052,987

Notes to the Financial Statements

1. Statement of Compliance

The Financial Statements have been prepared in compliance with UK Financial Reporting Standard 102 (FRS 102) and in accordance with the Statement of Recommended Practice for UK Authorised Funds issued by the Investment Association in May 2014 (2014 SORP).

2. Summary of Significant Accounting Policies

(a) Basis of Preparation

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

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. In order to conduct a controlled dividend flow, interim distributions will be at the Manager's discretion, up to a maximum of the distributable revenue for the period. All remaining revenue is distributed in accordance with the COLL.

Fund management fees are deducted from capital 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.

(f) Basis of valuation of investments

All investments are valued at their fair value as at 12 noon on 10 November 2017, 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 at the balance sheet date.

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

Notes to the Financial Statements continued

2. Summary of Significant Accounting Policies continued

(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 12 noon on 10 November 2017, being the last working day of the accounting year.

3. Net capital (losses)/gains

The net capital (losses)/gains during the year comprise:

Non-derivative securities

Forward currency contracts

Currency gains/(losses)

Net capital (losses)/gains

11/11/16 to 10/11/17	14/11/15 to 10/11/16
£	£
(51,589,756)	86,698,224
(1,576,122)	1,056,396
<u>1,120,003</u>	<u>(519,226)</u>
<u>(52,045,875)</u>	<u>87,235,394</u>

4. Revenue

Bond Interest

Bank interest

11/11/16 to 10/11/17	14/11/15 to 10/11/16
£	£
32,270,349	19,716,788
<u>3,754</u>	<u>8,848</u>
<u>32,274,103</u>	<u>19,725,636</u>

Notes to the Financial Statements continued

5. Expenses

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

Fund management fees

Total expenses

	11/11/16 to 10/11/17	14/11/15 to 10/11/16
	£	£
Fund management fees	902,415	493,410
Total expenses	902,415	493,410

Audit fees of £9,820 plus VAT on Audit fees of £1,964 have been borne by the Manager out of its fund management fee. In the prior period, the total audit fee was £9,660 plus VAT of £1,932.

Notes to the Financial Statements continued

6. Taxation

(a) Analysis of taxation charge in year

	11/11/16 to 10/11/17	14/11/15 to 10/11/16
	£	£
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	31,359,709	19,232,226
Net revenue before taxation multiplied by the applicable rate of Corporation tax of 20% (2016: 20%)	6,271,942	3,846,445
Effects of:		
Interest distributions deductible for tax purposes	(6,271,942)	(3,846,445)
Current tax	—	—

(c) Provision for deferred tax

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

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:

	11/11/16 to 10/11/17	14/11/15 to 10/11/16
	£	£
Interim distribution	16,538,308	7,055,597
Final distribution	<u>19,901,019</u>	<u>10,868,845</u>
	36,439,327	17,924,442
Add: Revenue deducted on cancellation of units	446,431	137,959
Less: Revenue received on creation of units	(4,623,634)	(2,281,910)
Income tax withheld	<u>—</u>	<u>3,945,127</u>
Distributions for the year	32,262,124	19,725,618
Interest payable and similar charges		
Bank overdraft interest	<u>11,979</u>	<u>—</u>
	<u>32,274,103</u>	<u>19,725,618</u>

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

	11/11/16 to 10/11/17	14/11/15 to 10/11/16
	£	£
Net revenue after taxation for the year	31,359,709	19,232,226
Add: Expenses charged to capital	902,415	493,410
Equalisation effect of conversions	<u>—</u>	<u>(18)</u>
Distributions for the year	32,262,124	19,725,618

8. Debtors

	10/11/17	10/11/16
	£	£
Accrued revenue	10,300,087	6,857,546
Amounts receivable for creation of units	1,914,631	1,960,895
Receivable for foreign exchange contracts	<u>—</u>	<u>1,649</u>
	<u>12,214,718</u>	<u>8,820,090</u>

Notes to the Financial Statements continued

9. Net uninvested cash

	10/11/17	10/11/16
	£	£
Cash and bank balances	<u>22,239,174</u>	<u>12,370,169</u>
Net uninvested cash	<u>22,239,174</u>	<u>12,370,169</u>

10. Other creditors

	10/11/17	10/11/16
	£	£
Accrued expenses	131,771	79,180
Amounts payable for cancellation of units	546,002	4,000
Payable for foreign exchange contracts	2,755	—
Purchases awaiting settlement	<u>7,085,462</u>	<u>1,409,371</u>
	<u>7,765,990</u>	<u>1,492,551</u>

11. Contingent liabilities and outstanding commitments

There were no contingent liabilities or outstanding commitments at the balance sheet date (10 November 2016: 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 10 November 2017, 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 £38,892,500 (10 November 2016: £25,829,611).

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 10 November 2017, 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 £608,279 (10 November 2016: £51,659). 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
10/11/17	£'000	rate	rate	interest
		£'000	£'000	£'000
Portfolio	777,850	—	777,846	4
Other assets	34,454	22,239†	—	12,215
Other liabilities	(19,576)	—†	—	(19,576)
Total	792,728	22,239	777,846	(7,357)

	Total	Floating	Fixed	No
10/11/16	£'000	rate	rate	interest
		£'000	£'000	£'000
Portfolio	516,592	—	516,592	—
Other assets	21,190	12,370†	—	8,820
Other liabilities	(10,729)	—†	—	(10,729)
Total	527,053	12,370	516,592	(1,909)

† 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.

Currency	Fixed Rate Financial Assets			
	Weighted average		Weighted average	
	Interest rate		Period for which	
	%		Rate is fixed	
	10/11/17	10/11/16	10/11/17	10/11/16
	Years			
US Dollar	5.53	5.35	13.88	13.03

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 preceding year.

At 10 November 2017, 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 £7,960,995 (10 November 2016: £5,240,417).

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

10/11/17 Currency	Net foreign currency assets		
	Monetary exposures	Non-monetary exposures	Total
	£'000	£'000	£'000
US Dollar	18,254	777,846	796,100

10/11/16 Currency	Net foreign currency assets		
	Monetary exposures	Non-monetary exposures	Total
	£'000	£'000	£'000
US Dollar	7,449	516,592	524,041

(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. Bond holdings with low credit ratings (sub-investment grade) or those that are not rated by a reputable credit rating agency (unrated) are disclosed in the Portfolio Statement on pages 8 to 16.

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.

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, no derivatives were held that could impact the Fund in a significant way (10 November 2016: same).

(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, and subsequently amended by Financial Reporting Exposure Draft 62 (FRED62), 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:

10/11/17	Assets	Liabilities
Basis of Valuation	£	£
Level 1 - Quoted Prices	62,346,350	—
Level 2 - Observable Market Data	715,503,649	—
Level 3 - Unobservable Data	—	—
Total	777,849,999	—

10/11/16	Assets	Liabilities
Basis of Valuation	£	£
Level 1 - Quoted Prices	56,843,449	—
Level 2 - Observable Market Data	459,748,778	—
Level 3 - Unobservable Data	—	—
Total	516,592,227	—

Level 1

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

Level 2

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

Level 3

Valuation techniques using unobservable inputs.

Notes to the Financial Statements continued

13. Portfolio transaction costs

As the Fund mainly invests in assets that are not subject to commissions or taxes, there are no transaction costs (10 November 2016: same).

Total purchases for the year: £414,141,779.

(10 November 2016: £257,302,685)

Total sales for the year: £96,816,173.

(10 November 2016: £72,512,026)

14. Unit classes

A list of unit classes in issue and the fund management fee on each unit class can be found on page 45. 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 43. 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.

F-Class	Distribution	Accumulation
Opening Units	75,728	189,463
Units issued	-	-
Units cancelled	-	-
Units converted	-	-
Closing Units	75,728	189,463

I-Class	Distribution	Accumulation
Opening Units	17,794,297	255,366,802
Units issued	12,195,646	212,240,296
Units cancelled	(13,024,831)	(15,511,968)
Units converted	6,860,976	-
Closing Units	23,826,088	452,095,130

C-Class	Distribution	Accumulation
Opening Units	16,726,849	30,240,806
Units issued	7,382,988	36,121,995
Units cancelled	(12,897,885)	(31,779,964)
Units converted	-	-
Closing Units	11,211,952	34,582,837

L-Class	Distribution
Opening Units	521,102,205
Units issued	289,729,039
Units cancelled	(310)
Units converted	(6,779,004)
Closing Units	804,051,930

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 42.11% (54.19% as at 10 November 2016) 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 I-Class accumulation unit was 67.15p. The Net Asset Value per I-Class accumulation unit as at 12 noon on 20 December 2017 was 67.06p. This represents a decrease of 0.13% from the year end value.

Distribution Tables

Distribution Tables for the year ended 10 November 2017

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	
			11/11/16	to 10/05/17
F-Class			Distribution	Distribution
Distribution Units			10/07/17	10/07/16
	Revenue	Equalisation		
Group 1	1.5152	—	1.5152	1.0919
Group 2	—	1.5152	1.5152	1.0919
F-Class			Distribution	Distribution
Accumulation Units			10/07/17	10/07/16
	Revenue	Equalisation		
Group 1	1.7631	—	1.7631	1.2191
Group 2	—	1.7631	1.7631	1.2191
I-Class			Distribution	Distribution
Distribution Units			10/07/17	10/07/16
	Revenue	Equalisation		
Group 1	1.5117	—	1.5117	1.0903
Group 2	0.6187	0.8930	1.5117	1.0903
I-Class			Distribution	Distribution
Accumulation Units			10/07/17	10/07/16
	Revenue	Equalisation		
Group 1	1.7594	—	1.7594	1.2155
Group 2	0.4547	1.3047	1.7594	1.2155
C-Class			Distribution	Distribution
Distribution Units			10/07/17	10/07/16
	Revenue	Equalisation		
Group 1	1.5152	—	1.5152	1.0828
Group 2	0.0872	1.4280	1.5152	1.0828
C-Class			Distribution	Distribution
Accumulation Units			10/07/17	10/07/16
	Revenue	Equalisation		
Group 1	1.7657	—	1.7657	1.2165
Group 2	1.2190	0.5467	1.7657	1.2165
L-Class			Distribution	Distribution
Distribution Units			10/07/17	10/07/16
	Revenue	Equalisation		
Group 1	1.5286	—	1.5286	1.0982
Group 2	0.5040	1.0246	1.5286	1.0982

Distribution Tables continued

Final Interest distribution in pence per unit			Period	
			11/05/17	to 10/11/17
F-Class			Distribution	Distribution
Distribution Units	Revenue	Equalisation	10/01/18	10/01/17
Group 1	1.3914	—	1.3914	1.2285
Group 2	—	1.3914	1.3914	1.2285
F-Class			Distribution	Distribution
Accumulation Units	Revenue	Equalisation	10/01/18	10/01/17
Group 1	1.6624	—	1.6624	1.4001
Group 2	—	1.6624	1.6624	1.4001
I-Class			Distribution	Distribution
Distribution Units	Revenue	Equalisation	10/01/18	10/01/17
Group 1	1.3913	—	1.3913	1.2261
Group 2	0.5548	0.8365	1.3913	1.2261
I-Class			Distribution	Distribution
Accumulation Units	Revenue	Equalisation	10/01/18	10/01/17
Group 1	1.6615	—	1.6615	1.3965
Group 2	1.1344	0.5271	1.6615	1.3965
C-Class			Distribution	Distribution
Distribution Units	Revenue	Equalisation	10/01/18	10/01/17
Group 1	1.3966	—	1.3966	1.2304
Group 2	0.8672	0.5294	1.3966	1.2304
C-Class			Distribution	Distribution
Accumulation Units	Revenue	Equalisation	10/01/18	10/01/17
Group 1	1.6673	—	1.6673	1.4021
Group 2	1.0671	0.6002	1.6673	1.4021
I-Class			Distribution	Distribution
Distribution Units	Revenue	Equalisation	10/01/18	10/01/17
Group 1	1.4079	—	1.4079	1.2379
Group 2	0.7202	0.6877	1.4079	1.2379

Fund Information

The Comparative Tables on pages 37 to 43 give the performance of each active share 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 Period ending	11/11/16 to 10/11/17 (pence per unit)	14/11/15 to 10/11/16 (pence per unit)	11/11/14 to 13/11/15 [^] (pence per unit)
Opening net asset value per unit	59.06	45.96	45.98
Return before operating charges*	(1.08)	16.26	2.54
Operating charges (calculated on average price)	(0.28)	(0.26)	(0.22)
Return after operating charges*	(1.36)	16.00	2.32
Distributions on income units ^{^^}	(2.91)	(2.90)	(2.34)
Closing net asset value per unit	54.79	59.06	45.96
* after direct transaction costs of:	-	-	-

Performance

Return after charges	(2.30)%	34.81%	5.05%
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Other Information

Closing net asset value (£)	41,494	44,725	35,129
Closing number of units	75,728	75,728	76,440
Operating charges [†]	0.48%	0.48%	0.48%
Direct transaction costs	0.00%	0.00%	0.00%

Prices

Highest unit price	61.07p	63.09p	51.11p
Lowest unit price	55.12p	45.49p	43.76p

[^] To accommodate the transition of Trustee, the Fund's period end date, normally 10 November, was moved to 13 November 2015.

^{^^} Distributions on income units are shown gross of taxation.

[†] 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 Period ending	11/11/16 to 10/11/17 (pence per unit)	14/11/15 to 10/11/16 (pence per unit)	11/11/14 to 13/11/15 [^] (pence per unit)
Opening net asset value per unit	68.72	51.26	49.26
Return before operating charges*	(1.27)	18.41	2.75
Operating charges (calculated on average price)	(0.33)	(0.29)	(0.24)
Return after operating charges*	(1.60)	18.12	2.51
Distributions ^{^^}	(3.43)	(3.27)	(2.54)
Retained distributions on accumulation units ^{^^}	3.43	2.61	2.03
Closing net asset value per unit	67.12	68.72	51.26
* after direct transaction costs of:	-	-	-

Performance

Return after charges	(2.33)%	35.35%	5.10%
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Other Information

Closing net asset value (£)	127,176	130,199	97,126
Closing number of units	189,463	189,463	189,463
Operating charges [†]	0.48%	0.48%	0.48%
Direct transaction costs	0.00%	0.00%	0.00%

Prices

Highest unit price	71.06p	71.91p	54.77p
Lowest unit price	64.13p	50.75p	46.91p

[^] To accommodate the transition of Trustee, the Fund's period end date, normally 10 November, was moved to 13 November 2015.

^{^^} 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 will be paid on a gross basis – See Significant Changes on page 48.

[†] 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

I-Class Distribution Units

Change in Net Asset Value per Unit

Accounting Period ending	11/11/16 to 10/11/17 (pence per unit)	14/11/15 to 10/11/16 (pence per unit)	11/11/14 to 13/11/15 [^] (pence per unit)
Opening net asset value per unit	58.96	45.80	45.74
Return before operating charges*	(1.08)	16.22	2.52
Operating charges (calculated on average price)	(0.17)	(0.16)	(0.13)
Return after operating charges*	(1.25)	16.06	2.39
Distributions on income units ^{^^}	(2.90)	(2.90)	(2.33)
Closing net asset value per unit	54.81	58.96	45.80
* after direct transaction costs of:	-	-	-

Performance

Return after charges	(2.12)%	35.07%	5.23%
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Other Information

Closing net asset value (£)	13,059,121	10,492,247	3,248,250
Closing number of units	23,826,088	17,794,297	7,092,662
Operating charges [†]	0.29%	0.29%	0.29%
Direct transaction costs	0.00%	0.00%	0.00%

Prices

Highest unit price	61.01p	62.98p	50.88p
Lowest unit price	55.03p	45.34p	43.56p

[^] To accommodate the transition of Trustee, the Fund's period end date, normally 10 November, was moved to 13 November 2015.

^{^^} Distributions on income units are shown gross of taxation.

[†] 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

I-Class Accumulation Units

Change in Net Asset Value per Unit

Accounting Period ending	11/11/16 to 10/11/17 (pence per unit)	14/11/15 to 10/11/16 (pence per unit)	11/11/14 to 13/11/15 [^] (pence per unit)
Opening net asset value per unit	68.62	51.09	49.00
Return before operating charges*	(1.27)	18.36	2.75
Operating charges (calculated on average price)	(0.20)	(0.17)	(0.15)
Return after operating charges*	(1.47)	18.19	2.60
Distributions ^{^^}	(3.42)	(3.27)	(2.53)
Retained distributions on accumulation units ^{^^}	3.42	2.61	2.02
Closing net asset value per unit	67.15	68.62	51.09
* after direct transaction costs of:	-	-	-

Performance

Return after charges	(2.14)%	35.60%	5.31%
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Other Information

Closing net asset value (£)	303,583,771	175,222,352	101,796,708
Closing number of units	452,095,130	255,366,802	199,253,755
Operating charges [†]	0.29%	0.29%	0.29%
Direct transaction costs	0.00%	0.00%	0.00%

Prices

Highest unit price	71.00p	71.79p	54.52p
Lowest unit price	64.04p	50.58p	46.67p

[^] To accommodate the transition of Trustee, the Fund's period end date, normally 10 November, was moved to 13 November 2015.

^{^^} 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 will be paid on a gross basis – See Significant Changes on page 48.

[†] 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

C-Class Distribution Units

Change in Net Asset Value per Unit

Accounting Period ending	11/11/16 to 10/11/17 (pence per unit)	14/11/15 to 10/11/16 (pence per unit)	11/11/14 to 13/11/15 [^] (pence per unit)
Opening net asset value per unit	59.16	45.91	45.78
Return before operating charges*	(1.09)	16.25	2.55
Operating charges (calculated on average price)	(0.11)	(0.11)	(0.09)
Return after operating charges*	(1.20)	16.14	2.46
Distributions on income units ^{^^}	(2.91)	(2.89)	(2.33)
Closing net asset value per unit	55.05	59.16	45.91
* after direct transaction costs of:	-	-	-

Performance

Return after charges	(2.03)%	35.16%	5.37%
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Other Information

Closing net asset value (£)	6,172,157	9,895,429	1,067
Closing number of units	11,211,952	16,726,849	2,324
Operating charges [†]	0.19%	0.19%	0.19%
Direct transaction costs	0.00%	0.00%	0.00%

Prices

Highest unit price	61.23p	63.18p	50.95p
Lowest unit price	55.22p	45.44p	43.60p

[^] To accommodate the transition of Trustee, the Fund's period end date, normally 10 November, was moved to 13 November 2015.

^{^^} Distributions on income units are shown gross of taxation.

[†] 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

C-Class Accumulation Units

Change in Net Asset Value per Unit

Accounting Period ending	11/11/16 to 10/11/17 (pence per unit)	14/11/15 to 10/11/16 (pence per unit)	11/11/14 to 13/11/15 [^] (pence per unit)
Opening net asset value per unit	68.82	51.18	49.04
Return before operating charges*	(1.27)	18.42	2.75
Operating charges (calculated on average price)	(0.13)	(0.12)	(0.10)
Return after operating charges*	(1.40)	18.30	2.65
Distributions ^{^^}	(3.43)	(3.27)	(2.53)
Retained distributions on accumulation units ^{^^}	3.43	2.61	2.02
Closing net asset value per unit	67.42	68.82	51.18
* after direct transaction costs of:	-	-	-

Performance

Return after charges	(2.03)%	35.76%	5.40%
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Other Information

Closing net asset value (£)	23,315,076	20,810,966	1,151
Closing number of units	34,582,837	30,240,806	2,249
Operating charges [†]	0.19%	0.19%	0.19%
Direct transaction costs	0.00%	0.00%	0.00%

Prices

Highest unit price	71.23p	72.00p	54.60p
Lowest unit price	64.23p	50.69p	46.72p

[^] To accommodate the transition of Trustee, the Fund's period end date, normally 10 November, was moved to 13 November 2015.

^{^^} 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 will be paid on a gross basis – See Significant Changes on page 48.

[†] 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 Distribution Units

Change in Net Asset Value per Unit

Accounting Period ending	11/11/16 to 10/11/17 (pence per unit)	14/11/15 to 10/11/16 (pence per unit)	11/11/14 to 13/11/15 [^] (pence per unit)
Opening net asset value per unit	59.58	46.15	45.97
Return before operating charges*	(1.10)	16.37	2.55
Operating charges (calculated on average price)	(0.02)	(0.02)	(0.02)
Return after operating charges*	(1.12)	16.35	2.53
Distributions on income units ^{^^}	(2.94)	(2.92)	(2.35)
Closing net asset value per unit	55.52	59.58	46.15
* after direct transaction costs of:	-	-	-

Performance

Return after charges	(1.88)%	35.43%	5.50%
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Other Information

Closing net asset value (£)	446,429,472	310,457,069	145,305,139
Closing number of units	804,051,930	521,102,205	314,830,453
Operating charges [†]	0.04%	0.04%	0.04%
Direct transaction costs	0.00%	0.00%	0.00%

Prices

Highest unit price	61.69p	63.63p	51.19p
Lowest unit price	55.61p	45.70p	43.79p

[^] To accommodate the transition of Trustee, the Fund's period end date, normally 10 November, was moved to 13 November 2015.

^{^^} Distributions on income units are shown gross of taxation.

[†] 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



- This risk and reward profile is based on historical data which may not be a reliable indication of the Fund's risk and reward category in the future.
- The category is based on the rate at which the value of the Fund and a representative benchmark have moved up and down in the past.
- This Fund is in category five because it invests in bonds issued by the governments of developing countries. These generally provide higher rewards and higher risks than investments in cash and lower rewards and lower risks than investments in company shares.
- The Fund's category is not guaranteed to remain the same and may change over time.
- Even a fund in the lowest category is not a risk free investment.

General Information

Constitution

Launch date:	11 December 2012
Period end dates for distributions:	10 May, 10 November
Distribution dates:	10 January, 10 July
Minimum initial lump sum investment:	F-Class* £500 I-Class £1,000,000 C-Class** £100,000,000 L-Class*** £500,000
Valuation point:	12 noon
Fund Management Fees:	F-Class* Annual 0.48% I-Class Annual 0.29% C-Class** Annual 0.19% L-Class*** Annual 0.04%
Initial charges:	F-Class* Nil I-Class Nil C-Class** Nil L-Class*** Nil

* F-Class units are only available to:

- (i) investors who have received advice from authorised intermediaries and platforms in relation to their investment in units in the Fund and
- (ii) authorised intermediaries or 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.

** C-Class units are only available to distributors who actively market and distribute such units (or whom the Manager believes intends to do so) and to whom the Manager has confirmed by letter that they meet the criteria for investment in such units.

*** L-Class is not available to retail customers and is intended only for investment by Legal & General group companies.

Pricing and Dealing

The prices are published on the internet at 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. 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 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 0.06%, whilst over the last 3 years, to the end of October 2017, the annualised tracking error is 0.08%. 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 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 Emerging Markets Government Bond (US\$) 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:

Controlled Functions

Headcount	Fixed Remuneration (£,000)	Variable Remuneration (£,000)	Remuneration related to this Scheme (pro-rated) (£'000)
16	3,278	5,980	87

Material Risk Takers

Headcount	Fixed Remuneration (£,000)	Variable Remuneration (£,000)	Remuneration related to this Scheme (pro-rated) (£'000)
22	2,178	2,535	5

Controlled Functions

As at 31 December 2016, Legal & General Unit Trust Managers Limited (UTM) engaged the services of five employees of Legal & General Investment Management (Holdings) Limited (LGIMH), plus a further two employees of Legal & General Resources (LGR) to act as Directors. In addition, one LGIMH employee plus one LGR employee were also engaged in Director Services during the year, but resigned in 2016. UTM also engaged the services of a further five LGIMH employees and a further two 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 and Significant Management 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 Fund, as a percentage of the total assets under management of UTM.

General Information continued

Material Risk Takers

As at the 31 December 2016, UTM engaged the services of Legal & General Investment Management's Index Fund Management team, which consists of 22 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 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 UCIT's Fund, as a percentage of the total assets under management of the LGIM Index Fund Management Team.

Significant Change

Gross Distribution Payments

We would like to make you aware of a HM Revenue & Customs ruling which became effective from 6 April 2017. Where interest distributions were previously paid net, we are required to start paying all interest distributions on a gross basis, which started with the May 2017 distribution payment. Prior to 6 April 2017, interest distributions were paid to clients after the deduction of 20% income tax, unless the client has completed a gross declaration form. From 6 April 2017, we have not deducted tax on any interest distributions and all payments are made gross.

It has become your responsibility to make any declarations to HM Revenue & Customs. If you are in any doubt as to your taxation position, please consult a professional adviser.

General Information 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
A. J. C. Craven
S. Hynes
H. Solomon
S. D. Thomas
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
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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 Limited
Trustee and Depositary Services
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Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority

Independent Auditors

PricewaterhouseCoopers LLP
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London SE1 2RT

Investment Adviser

Legal & General Investment Management Limited
One Coleman Street,
London EC2R 5AA
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