

Legal & General Emerging Markets
Government Bond (Local Currency) Index Fund

Annual Manager's Report
for the year ended
20 April 2018

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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 provide a return in line with the JPMorgan GBI-EM Global Diversified Local Currency Index (after adjustment for management charges and taxation).

The Fund will invest primarily in the constituents of the JPMorgan GBI-EM Global Diversified Local Currency Index. Securities will be held with weightings generally proportionate to the weightings in the JPMorgan GBI-EM Global Diversified Local Currency Index. The bonds the Fund invests in will be composed primarily of securities issued by emerging market sovereign entities and which are denominated in the national currency of the issuer. Sub-investment grade bonds will be used.

The Fund may also invest in other transferable 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 year under review, the bid price of the Fund's I-Class accumulation units rose by 0.62%. 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 bid 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 0.96%, compared with a rise in the JPMorgan GBI-EM Global Diversified Local Currency Index of 1.21% (Source: LGIM), producing a tracking difference of -0.25%.

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 review year, led by solid growth in the major developed economies. Although, recent indicators suggest the global industrial cycle peaked during the winter and has since lost momentum. Despite a rise in commodity prices, with the oil price recovering to \$70 per barrel in March, inflationary pressures worldwide have remained subdued by historical standards.

In the US, economic activity has accelerated with growth underpinned by improving consumer and business sentiment, a stronger labour market and a recovery in the energy sector. The Federal Reserve (Fed) sanctioned a gradual tightening of monetary policy, raising interest rates three times over the last twelve months. The Fed also began unwinding its asset purchase programme, known as quantitative easing (QE), in October.

Looking at the Asian economies, 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, while tightening regulation of shadow banking and encouraging debt reduction in the broader economy. Recent Chinese economic indicators suggest a 'rebalancing' is now underway. Amongst other emerging economies, both Brazil and Russia saw a turn of fortunes as the year progressed, given the boost of a recovery in commodity markets.

Manager's Investment Report continued

Emerging bond markets have attracted substantial inflows from international investors looking for higher levels of income; although currency adjusted returns have been disappointing. Accordingly, issuance levels in emerging bond markets have been high as both sovereign and corporate borrowers have looked to attract international investors. However, there have been concerns about deteriorating credit quality amongst sovereign issuers in particular, with ratings downgrades for China, Brazil, Turkey and South Africa. Nevertheless, South African bonds have rallied in recent months after the pro-reform candidate, Cyril Ramaphosa, won the leadership of the ruling African National Congress.

Fund Review

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

The Fund's bond holdings marginally overperformed US treasuries over the review year; the Index yield spread over US treasuries tightening by 108 basis points to 311 basis points. Compared to some other emerging market (EM) debt indices, the GBI-EM Global Diversified Index is relatively stable, having 215 constituents at the end of the review year compared to 198 at the beginning. Czech Republic entered the Index at the end of April 2017 and Uruguay entered at the end of July bringing the total number of countries to 18.

The regional breakdown of the Index at the end of the review year was EMEA (Europe, Middle East and Africa) 43.3%, Asia 23.3% and Latin America 33.4%. The most significant changes were reductions in the Index weights of Turkey (-2.0%) and Malaysia (-1.7%), with increases in the weights of Czech Republic (+4.1%) and Chile (+1.4%).

At the end of the year the Fund held 223 bonds issued by 18 countries and the Index consisted of 215 bonds issued by 18 countries.

Outlook

The rest of 2018 is set to be a challenging but also engaging period for the EM fixed income universe. The risks are: tighter G2 monetary policies and a more protectionist US economic policy, idiosyncratic EM political noise, a potentially uncertain EM inflation backdrop and, as always, any disruption to the Chinese growth story. The supporting factors are: any continued US curve flattening and residual cross-over demand in the first half of 2018, sustained but visibly lower EM spread/carry pick-up and a benign EM external debt repayment schedule. At last an increased interdependence of developing country economies provides a buffer, as does the relative improvement in emerging market versus developed market fundamentals over the past years.

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

Legal & General Investment Management Limited
(Investment Adviser)
11 May 2018

Authorised Status

Authorised Status

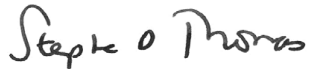
This Fund is an Authorised Unit Trust Scheme as defined in section 243 of the Financial Services and Markets Act 2000 and is a UCITS Retail Scheme within the meaning of the FCA Collective Investment Schemes sourcebook.

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
11 June 2018

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 apply 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 Emerging Markets Government Bond (Local Currency) 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 (Local Currency) Index Fund ("the Fund") for the year ended 20 April 2018

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 PLC
UK Trustee and Depositary Services
11 June 2018

Portfolio Statement

Portfolio Statement as at 20 April 2018

All investments are in investment grade securities unless otherwise stated. The percentages in brackets show the equivalent holdings at 20 April 2017.

Holding/ Nominal Value	Investment	Market Value £	% of Net Assets
NORTH AMERICA — 9.71% (9.32%)			
Mexico — 9.71% (9.32%)			
MXN26,500,000	Mexico Government International Bond 8.5% 13/12/2018	1,025,189	0.12
MXN201,740,000	Mexico Government International Bond 5% 11/12/2019	7,483,940	0.88
MXN259,500,000	Mexico Government International Bond 8% 11/06/2020	10,131,912	1.19
MXN212,300,000	Mexico Government International Bond 6.5% 10/06/2021	7,991,157	0.94
MXN188,200,000	Mexico Government International Bond 6.5% 09/06/2022	7,036,633	0.82
MXN78,000,000	Mexico Government International Bond 8% 07/12/2023	3,101,427	0.36
MXN234,250,000	Mexico Government International Bond 10% 05/12/2024	10,296,465	1.21
MXN102,800,000	Mexico Government International Bond 5.75% 05/03/2026	3,576,414	0.42
MXN139,500,000	Mexico Government International Bond 7.5% 03/06/2027	5,389,928	0.63
MXN77,350,000	Mexico Government International Bond 8.5% 31/05/2029	3,201,560	0.38
MXN116,700,000	Mexico Government International Bond 7.75% 29/05/2031	4,554,366	0.53
MXN65,900,000	Mexico Government International Bond 7.75% 23/11/2034	2,568,077	0.30
MXN88,600,000	Mexico Government International Bond 10% 20/11/2036	4,212,791	0.49
MXN89,500,000	Mexico Government International Bond 8.5% 18/11/2038	3,747,486	0.44
MXN167,000,000	Mexico Government International Bond 7.75% 13/11/2042	6,483,894	0.76
MXN52,500,000	Mexico Government International Bond 8% 07/11/2047	2,092,006	0.24
		82,893,245	9.71
CONTINENTAL EUROPE			
— 27.39% (23.55%)			
Czech Republic — 3.94% (0.19%)			
CZK37,000,000	Czech Republic Government International Bond 1.5% 29/10/2019	1,294,372	0.15
CZK126,000,000	Czech Republic Government International Bond 0% 10/02/2020	4,305,493	0.51
CZK67,000,000	Czech Republic Government International Bond 3.75% 12/09/2020	2,474,360	0.29
CZK96,250,000	Czech Republic Government International Bond 3.85% 29/09/2021	3,664,743	0.43
CZK75,000,000	Czech Republic Government International Bond 4.7% 12/09/2022	3,000,042	0.35

Portfolio Statement continued

Holding/ Nominal Value	Investment	Market Value £	% of Net Assets
Czech Republic — (cont.)			
CZK67,000,000	Czech Republic Government International Bond 0.45% 25/10/2023	2,221,728	0.26
CZK80,700,000	Czech Republic Government International Bond 5.7% 25/05/2024	3,521,263	0.41
CZK101,500,000	Czech Republic Government International Bond 2.4% 17/09/2025	3,726,777	0.44
CZK72,000,000	Czech Republic Government International Bond 1% 26/06/2026	2,366,580	0.28
CZK28,000,000	Czech Republic Government International Bond 0.25% 10/02/2027	856,737	0.10
CZK107,000,000	Czech Republic Government International Bond 2.5% 25/08/2028	3,953,066	0.46
CZK71,000,000	Czech Republic Government International Bond 0.95% 15/05/2030	2,184,702	0.26
		<hr/>	<hr/>
		33,569,863	3.94
Hungary — 4.61% (4.55%)			
HUF1,067,000,000	Hungary Government International Bond 6.5% 24/06/2019	3,229,879	0.38
HUF707,000,000	Hungary Government International Bond 2% 30/10/2019	2,046,233	0.24
HUF866,000,000	Hungary Government International Bond 3.5% 24/06/2020	2,605,611	0.30
HUF765,000,000	Hungary Government International Bond 1% 23/09/2020	2,180,890	0.26
HUF773,000,000	Hungary Government International Bond 7.5% 12/11/2020	2,559,302	0.30
HUF760,940,000	Hungary Government International Bond 2.5% 27/10/2021	2,260,857	0.26
HUF1,161,980,000	Hungary Government International Bond 7% 24/06/2022	4,056,991	0.48
HUF1,185,000,000	Hungary Government International Bond 1.75% 26/10/2022	3,399,649	0.40
HUF1,265,000,000	Hungary Government International Bond 6% 24/11/2023	4,418,461	0.52
HUF928,600,000	Hungary Government International Bond 3% 26/06/2024	2,804,827	0.33
HUF1,413,000,000	Hungary Government International Bond 5.5% 24/06/2025	4,886,861	0.57
HUF575,000,000	Hungary Government International Bond 2.75% 22/12/2026	1,670,344	0.20
HUF1,087,260,000	Hungary Government International Bond 3% 27/10/2027	3,199,032	0.37
		<hr/>	<hr/>
		39,318,937	4.61
Poland — 9.01% (9.78%)			
PLN10,480,000	Poland Government International Bond 0% 25/04/2019	2,167,037	0.25
PLN26,850,000	Poland Government International Bond 3.25% 25/07/2019	5,758,126	0.68
PLN6,200,000	Poland Government International Bond 5.5% 25/10/2019	1,378,769	0.16

Portfolio Statement continued

Holding/ Nominal Value	Investment	Market Value £	% of Net Assets
	Poland — (cont.)		
PLN38,100,000	Poland Government International Bond 1.5% 25/04/2020	7,977,499	0.94
PLN12,000,000	Poland Government International Bond 0% 25/07/2020	2,429,600	0.29
PLN9,050,000	Poland Government International Bond 5.25% 25/10/2020	2,065,441	0.24
PLN28,100,000	Poland Government International Bond 2% 25/04/2021	5,921,950	0.69
PLN32,400,000	Poland Government International Bond 1.75% 25/07/2021	6,767,038	0.79
PLN5,000,000	Poland Government International Bond 5.75% 25/10/2021	1,182,522	0.14
PLN31,885,000	Poland Government International Bond 2.25% 25/04/2022	6,711,602	0.79
PLN15,764,000	Poland Government International Bond 5.75% 23/09/2022	3,789,712	0.44
PLN22,630,000	Poland Government International Bond 2.5% 25/01/2023	4,772,966	0.56
PLN19,340,000	Poland Government International Bond 4% 25/10/2023	4,361,998	0.51
PLN30,300,000	Poland Government International Bond 3.25% 25/07/2025	6,514,254	0.76
PLN33,200,000	Poland Government International Bond 2.5% 25/07/2026	6,731,634	0.79
PLN36,230,000	Poland Government International Bond 2.5% 25/07/2027	7,267,783	0.85
PLN5,200,000	Poland Government International Bond 2.75% 25/04/2028	1,061,219	0.13
		76,859,150	9.01
	Romania — 2.77% (2.86%)		
RON5,500,000	Romania Government International Bond 5.6% 28/11/2018	1,051,270	0.12
RON9,640,000	Romania Government International Bond 2.5% 29/04/2019	1,806,309	0.21
RON9,700,000	Romania Government International Bond 4.75% 24/06/2019	1,861,411	0.22
RON7,955,000	Romania Government International Bond 2.25% 26/02/2020	1,473,700	0.17
RON8,200,000	Romania Government International Bond 5.75% 29/04/2020	1,619,641	0.19
RON11,275,000	Romania Government International Bond 3.25% 22/03/2021	2,108,375	0.25
RON7,700,000	Romania Government International Bond 5.95% 11/06/2021	1,548,216	0.18
RON9,300,000	Romania Government International Bond 3.4% 08/03/2022	1,713,323	0.20
RON13,225,000	Romania Government International Bond 3.5% 19/12/2022	2,417,908	0.28
RON9,140,000	Romania Government International Bond 5.85% 26/04/2023	1,842,588	0.22
RON8,900,000	Romania Government International Bond 3.25% 29/04/2024	1,575,244	0.18
RON8,775,000	Romania Government International Bond 4.75% 24/02/2025	1,682,424	0.20

Portfolio Statement continued

Holding/ Nominal Value	Investment	Market Value £	% of Net Assets
Romania — (cont.)			
RON14,350,000	Romania Government International Bond 5.8% 26/07/2027	2,943,439	0.35
		23,643,848	2.77
Russian Federation — 7.06% (6.17%)			
RUB158,000,000	Russian Federation 7.5% 27/02/2019	1,843,005	0.22
RUB212,500,000	Russian Federation 6.7% 15/05/2019	2,458,112	0.29
RUB258,000,000	Russian Federation 6.8% 11/12/2019	2,991,677	0.35
RUB316,250,000	Russian Federation 6.4% 27/05/2020	3,633,543	0.43
RUB143,000,000	Russian Federation 7.6% 14/04/2021	1,693,773	0.20
RUB369,500,000	Russian Federation 7.5% 18/08/2021	4,360,711	0.51
RUB140,000,000	Russian Federation 7% 15/12/2021	1,627,795	0.19
RUB171,892,000	Russian Federation 7.6% 20/07/2022	2,044,953	0.24
RUB415,000,000	Russian Federation 7.4% 07/12/2022	4,896,246	0.57
RUB173,000,000	Russian Federation 7% 25/01/2023	2,019,254	0.24
RUB337,000,000	Russian Federation 7% 16/08/2023	3,929,290	0.46
RUB399,000,000	Russian Federation 7.1% 16/10/2024	4,646,140	0.54
RUB365,700,000	Russian Federation 7.75% 16/09/2026	4,401,311	0.51
RUB402,785,000	Russian Federation 8.15% 03/02/2027	4,970,729	0.58
RUB400,000,000	Russian Federation 7.05% 19/01/2028	4,582,785	0.54
RUB316,652,000	Russian Federation 8.5% 17/09/2031	4,050,908	0.47
RUB514,000,000	Russian Federation 7.7% 23/03/2033	6,111,948	0.72
		60,262,180	7.06
SOUTH AMERICA — 23.09% (22.22%)			
Argentina — 0.83% (1.42%)			
ARS76,400,000	Argentina Government International Bond 18.2% 03/10/2021 ¹	2,676,726	0.31
ARS55,000,000	Argentina Government International Bond 16% 17/10/2023 ¹	1,841,665	0.22
ARS75,200,000	Argentina Government International Bond 15.5% 17/10/2026 ¹	2,544,563	0.30
		7,062,954	0.83
Brazil — 9.90% (9.66%)			
BRL450,000	Brazil Government International Bond 10% 01/01/2019 ¹	995,393	0.12
BRL3,720,000	Brazil Government International Bond 0% 01/04/2019 ¹	7,372,683	0.86
BRL1,680,000	Brazil Government International Bond 0% 01/07/2019 ¹	3,274,624	0.38
BRL3,095,000	Brazil Government International Bond 0% 01/10/2019 ¹	5,915,910	0.69
BRL3,320,000	Brazil Government International Bond 0% 01/01/2020 ¹	6,219,774	0.73
BRL7,255,000	Brazil Government International Bond 0% 01/07/2020 ¹	13,011,187	1.52
BRL3,475,000	Brazil Government International Bond 10% 01/01/2021 ¹	7,875,074	0.92

Portfolio Statement continued

Holding/ Nominal Value	Investment	Market Value £	% of Net Assets
Brazil — (cont.)			
BRL3,500,000	Brazil Government International Bond 0% 01/07/2021 ¹	5,706,895	0.67
BRL2,260,000	Brazil Government International Bond 0% 01/01/2022 ¹	3,498,224	0.41
BRL5,596,500	Brazil Government International Bond 10% 01/01/2023 ¹	12,585,647	1.48
BRL3,405,000	Brazil Government International Bond 10% 01/01/2025 ¹	7,590,043	0.89
BRL3,881,500	Brazil Government International Bond 10% 01/01/2027 ¹	8,583,087	1.01
BRL850,000	Brazil Government International Bond 10% 01/01/2029 ¹	1,868,286	0.22
		84,496,827	9.90
Chile — 2.46% (1.19%)			
CLP145,000,000	Chile Government International Bond 5.5% 05/08/2020	180,092	0.02
CLP1,790,000,000	Chile Government International Bond 4.5% 28/02/2021	2,207,645	0.26
CLP3,140,000,000	Chile Government International Bond 4.5% 01/03/2021	3,872,254	0.45
CLP4,295,000,000	Chile Government International Bond 4.5% 01/03/2026	5,210,620	0.61
CLP4,320,000,000	Chile Government International Bond 5% 01/03/2035	5,273,381	0.62
CLP3,075,000,000	Chile Government International Bond 6% 01/01/2043	4,223,374	0.50
		20,967,366	2.46
Colombia — 7.05% (7.71%)			
COP28,783,400,000	Colombia Government International Bond 7% 11/09/2019	7,729,772	0.91
COP14,850,000,000	Colombia Government International Bond 11% 24/07/2020	4,356,948	0.51
COP43,700,000,000	Colombia Government International Bond 7% 04/05/2022	11,998,393	1.41
COP20,450,000,000	Colombia Government International Bond 10% 24/07/2024	6,435,494	0.75
COP51,490,700,000	Colombia Government International Bond 7.5% 26/08/2026	14,453,301	1.69
COP20,130,000,000	Colombia Government International Bond 6% 28/04/2028	5,086,189	0.60
COP20,025,000,000	Colombia Government International Bond 7.75% 18/09/2030	5,738,513	0.67
COP16,400,000,000	Colombia Government International Bond 7% 30/06/2032	4,338,937	0.51
		60,137,547	7.05
Peru — 2.65% (2.24%)			
PEN5,300,000	Peruvian Government International Bond 7.84% 12/08/2020	1,301,009	0.15
PEN14,850,000	Peruvian Government International Bond 5.7% 12/08/2024	3,524,267	0.41
PEN12,775,000	Peruvian Government International Bond 8.2% 12/08/2026	3,490,060	0.41

Portfolio Statement continued

Holding/ Nominal Value	Investment	Market Value £	% of Net Assets
	Peru — (cont.)		
PEN19,275,000	Peruvian Government International Bond 6.35% 12/08/2028	4,656,165	0.55
PEN16,550,000	Peruvian Government International Bond 6.95% 12/08/2031	4,182,208	0.49
PEN12,400,000	Peruvian Government International Bond 6.15% 12/08/2032	2,916,271	0.34
PEN10,150,000	Peruvian Government International Bond 6.9% 12/08/2037	2,548,047	0.30
		<hr/>	<hr/>
		22,618,027	2.65
	Uruguay — 0.20% (0.00%)		
UYU31,000,000	Uruguay Government International Bond 9.875% 20/06/2022	804,212	0.10
UYU36,842,000	Uruguay Government International Bond 8.5% 15/03/2028	877,220	0.10
		<hr/>	<hr/>
		1,681,432	0.20
	AFRICA — 8.65% (9.25%)		
	South Africa — 8.65% (9.25%)		
ZAR38,600,000	South Africa Government International Bond 7.25% 15/01/2020	2,294,479	0.27
ZAR49,100,000	South Africa Government International Bond 6.75% 31/03/2021	2,872,548	0.34
ZAR69,700,000	South Africa Government International Bond 7.75% 28/02/2023	4,161,182	0.49
ZAR164,350,000	South Africa Government International Bond 10.5% 21/12/2026	11,195,999	1.31
ZAR114,849,993	South Africa Government International Bond 8% 31/01/2030	6,580,778	0.77
ZAR108,375,000	South Africa Government International Bond 7% 28/02/2031	5,667,805	0.66
ZAR80,900,000	South Africa Government International Bond 8.25% 31/03/2032	4,648,238	0.54
ZAR64,000,000	South Africa Government International Bond 8.875% 28/02/2035	3,823,453	0.45
ZAR72,250,000	South Africa Government International Bond 6.25% 31/03/2036	3,312,629	0.39
ZAR108,000,000	South Africa Government International Bond 8.5% 31/01/2037	6,188,779	0.73
ZAR70,500,000	South Africa Government International Bond 9% 31/01/2040	4,206,646	0.49
ZAR88,500,000	South Africa Government International Bond 6.5% 28/02/2041	4,021,721	0.47
ZAR83,725,000	South Africa Government International Bond 8.75% 31/01/2044	4,849,556	0.57

Portfolio Statement continued

Holding/ Nominal Value	Investment	Market Value £	% of Net Assets
	South Africa — (cont.)		
ZAR171,789,816	South Africa Government International Bond 8.75% 28/02/2048	9,980,274	1.17
		<hr/>	<hr/>
		73,804,087	8.65
	ASIA — 22.91% (24.99%)		
	Indonesia — 9.05% (9.79%)		
IDR29,750,000,000	Indonesia Government International Bond 7.875% 15/04/2019	1,562,046	0.18
IDR42,000,000,000	Indonesia Government International Bond 8.25% 15/09/2020	2,280,506	0.27
IDR17,000,000,000	Indonesia Government International Bond 11% 15/11/2020	975,939	0.11
IDR25,000,000,000	Indonesia Government International Bond 12.8% 15/06/2021	1,524,804	0.18
IDR100,215,000,000	Indonesia Government International Bond 8.25% 15/07/2021	5,438,884	0.64
IDR86,700,000,000	Indonesia Government International Bond 7% 15/05/2022	4,527,833	0.53
IDR59,000,000,000	Indonesia Government International Bond 5.625% 15/05/2023	2,937,736	0.34
IDR18,000,000,000	Indonesia Government International Bond 8.75% 15/08/2023	1,019,523	0.12
IDR106,500,000,000	Indonesia Government International Bond 8.375% 15/03/2024	5,957,201	0.70
IDR9,000,000,000	Indonesia Government International Bond 11% 15/09/2025	580,034	0.07
IDR125,318,000,000	Indonesia Government International Bond 8.375% 15/09/2026	7,077,178	0.83
IDR102,545,000,000	Indonesia Government International Bond 7% 15/05/2027	5,334,324	0.62
IDR74,200,000,000	Indonesia Government International Bond 6.125% 15/05/2028	3,610,998	0.42
IDR74,520,000,000	Indonesia Government International Bond 9% 15/03/2029	4,404,500	0.52
IDR18,000,000,000	Indonesia Government International Bond 10.5% 15/08/2030	1,176,426	0.14
IDR78,900,000,000	Indonesia Government International Bond 8.75% 15/05/2031	4,570,911	0.54
IDR18,182,000,000	Indonesia Government International Bond 9.5% 15/07/2031	1,122,923	0.13
IDR44,000,000,000	Indonesia Government International Bond 8.875% 15/11/2031	2,554,682	0.30

Portfolio Statement continued

Holding/ Nominal Value	Investment	Market Value £	% of Net Assets
	Indonesia — (cont.)		
IDR49,500,000,000	Indonesia Government International Bond 8.25% 15/06/2032	2,784,680	0.33
IDR37,000,000,000	Indonesia Government International Bond 7.5% 15/08/2032	1,932,293	0.23
IDR49,250,000,000	Indonesia Government International Bond 6.625% 15/05/2033	2,424,525	0.28
IDR106,150,000,000	Indonesia Government International Bond 8.375% 15/03/2034	5,978,385	0.70
IDR78,150,000,000	Indonesia Government International Bond 8.25% 15/05/2036	4,315,393	0.51
IDR60,000,000,000	Indonesia Government International Bond 7.5% 15/05/2038	3,099,657	0.36
		77,191,381	9.05
	Malaysia — 5.66% (7.45%)		
MYR11,830,000	Malaysia Government International Bond 3.654% 31/10/2019	2,162,409	0.25
MYR21,800,000	Malaysia Government International Bond 4.378% 29/11/2019	4,028,607	0.47
MYR13,550,000	Malaysia Government International Bond 3.492% 31/03/2020	2,467,332	0.29
MYR11,800,000	Malaysia Government International Bond 3.226% 15/04/2020	2,134,669	0.25
MYR12,475,000	Malaysia Government International Bond 3.659% 15/10/2020	2,275,648	0.27
MYR19,400,000	Malaysia Government International Bond 4.16% 15/07/2021	3,594,067	0.42
MYR13,300,000	Malaysia Government International Bond 4.048% 30/09/2021	2,450,874	0.29
MYR2,500,000	Malaysia Government International Bond 3.62% 30/11/2021	455,824	0.05
MYR5,500,000	Malaysia Government International Bond 3.948% 14/04/2022	1,004,412	0.12
MYR10,600,000	Malaysia Government International Bond 3.418% 15/08/2022	1,900,737	0.22
MYR4,100,000	Malaysia Government International Bond 3.795% 30/09/2022	745,584	0.09
MYR9,700,000	Malaysia Government International Bond 3.48% 15/03/2023	1,739,725	0.20
MYR8,190,000	Malaysia Government International Bond 4.39% 07/07/2023	1,519,386	0.18
MYR12,568,000	Malaysia Government International Bond 3.8% 17/08/2023	2,279,624	0.27
MYR10,500,000	Malaysia Government International Bond 4.181% 15/07/2024	1,933,300	0.23
MYR14,500,000	Malaysia Government International Bond 4.059% 30/09/2024	2,659,459	0.31
MYR13,710,000	Malaysia Government International Bond 3.955% 15/09/2025	2,485,419	0.29
MYR7,375,000	Malaysia Government International Bond 4.07% 30/09/2026	1,328,631	0.16

Portfolio Statement continued

Holding/ Nominal Value	Investment	Market Value £	% of Net Assets
	Malaysia — (cont.)		
MYR9,000,000	Malaysia Government International Bond 3.9% 30/11/2026	1,619,056	0.19
MYR5,500,000	Malaysia Government International Bond 4.258% 26/07/2027	1,005,915	0.12
MYR7,800,000	Malaysia Government International Bond 3.899% 16/11/2027	1,402,277	0.16
MYR17,250,000	Malaysia Government International Bond 4.232% 30/06/2031	3,083,781	0.36
MYR5,850,000	Malaysia Government International Bond 4.254% 31/05/2035	1,017,334	0.12
MYR16,200,000	Malaysia Government International Bond 4.762% 07/04/2037	3,002,114	0.35
		48,296,184	5.66
	Philippines — 0.29% (0.35%)		
PHP39,000,000	Philippine Government International Bond 4.95% 15/01/2021	539,447	0.06
PHP47,000,000	Philippine Government International Bond 3.9% 26/11/2022	625,624	0.08
PHP87,000,000	Philippine Government International Bond 6.25% 14/01/2036	1,302,827	0.15
		2,467,898	0.29
	Thailand — 7.91% (7.40%)		
THB55,000,000	Thailand Government International Bond 3.45% 08/03/2019	1,268,973	0.15
THB277,245,000	Thailand Government International Bond 3.875% 13/06/2019	6,467,836	0.76
THB237,600,000	Thailand Government International Bond 2.55% 26/06/2020	5,512,650	0.65
THB369,271,000	Thailand Government International Bond 3.65% 17/12/2021	8,960,020	1.05
THB244,000,000	Thailand Government International Bond 1.875% 17/06/2022	5,555,147	0.65
THB202,000,000	Thailand Government International Bond 2% 17/12/2022	4,614,299	0.54
THB227,000,000	Thailand Government International Bond 3.625% 16/06/2023	5,582,581	0.65
THB246,200,000	Thailand Government International Bond 3.85% 12/12/2025	6,197,402	0.73
THB255,300,000	Thailand Government International Bond 2.125% 17/12/2026	5,660,380	0.66
THB275,600,000	Thailand Government International Bond 4.875% 22/06/2029	7,567,379	0.89
THB220,100,000	Thailand Government International Bond 3.65% 20/06/2031	5,418,563	0.63
THB199,000,000	Thailand Government International Bond 3.4% 17/06/2036	4,720,424	0.55
		67,525,654	7.91
	MIDDLE EAST — 6.50% (8.44%)		
	Turkey — 6.50% (8.44%)		
TRY14,005,134	Turkey Government International Bond 10.4% 27/03/2019	2,387,912	0.28

Portfolio Statement continued

Holding/ Nominal Value	Investment	Market Value £	% of Net Assets
Turkey — (cont.)			
TRY14,750,000	Turkey Government International Bond 8.5% 10/07/2019	2,443,614	0.29
TRY13,360,000	Turkey Government International Bond 10.5% 15/01/2020	2,236,818	0.26
TRY19,150,000	Turkey Government International Bond 7.4% 05/02/2020	3,042,961	0.36
TRY13,750,000	Turkey Government International Bond 9.4% 08/07/2020	2,223,589	0.26
TRY21,410,000	Turkey Government International Bond 10.7% 17/02/2021	3,507,453	0.41
TRY14,750,000	Turkey Government International Bond 9.2% 22/09/2021	2,298,423	0.27
TRY16,575,000	Turkey Government International Bond 9.5% 12/01/2022	2,607,569	0.31
TRY17,600,000	Turkey Government International Bond 11% 02/03/2022	2,895,661	0.34
TRY22,800,000	Turkey Government International Bond 10.7% 17/08/2022	3,711,121	0.43
TRY14,100,000	Turkey Government International Bond 8.5% 14/09/2022	2,116,588	0.25
TRY21,985,000	Turkey Government International Bond 7.1% 08/03/2023	3,076,127	0.36
TRY19,168,454	Turkey Government International Bond 8.8% 27/09/2023	2,874,057	0.34
TRY18,150,000	Turkey Government International Bond 10.4% 20/03/2024	2,941,486	0.34
TRY12,250,000	Turkey Government International Bond 9% 24/07/2024	1,851,045	0.22
TRY18,300,000	Turkey Government International Bond 8% 12/03/2025	2,573,359	0.30
TRY28,525,000	Turkey Government International Bond 10.6% 11/02/2026	4,572,774	0.54
TRY20,600,000	Turkey Government International Bond 11% 24/02/2027	3,367,514	0.39
TRY29,657,000	Turkey Government International Bond 10.5% 11/08/2027	4,715,145	0.55
		55,443,216	6.50
Portfolio of investments		838,239,796	98.25
Net other assets		14,894,994	1.75
Total net assets		£853,134,790	100.00%

¹ These are sub-investment grade fixed interest securities and represent 10.73% of the net assets of the Fund.

Total purchases for the year: £500,388,556.

Total sales for the year: £55,030,123.

Independent Auditors' Report

Independent auditors' report to the Unitholders of Legal & General Emerging Markets Government Bond (Local Currency) Index Fund

Opinion

We have audited the financial statements of the Fund for the year ended 20 April 2018 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 22 to 23.

In our opinion, Legal & General Emerging Markets Government Bond (Local Currency) Index Fund's 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 20 April 2018 and of the net revenue and the net capital losses 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.

Going concern

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 twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

Other information

The Manager (Legal & General (Unit Trust Managers) Limited) is responsible for the other information presented in the Annual 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.

Independent Auditors' Report continued

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.

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

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

This report is made solely to the 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
E14 5GL London
11 June 2018

Financial Statements

Statement of Total Return for the year ended 20 April 2018

Notes	21/04/17 to 20/04/18		29/01/16 to 20/04/17 ¹	
	£	£	£	£
Income				
Net capital (losses)/ gains	3	(31,702,696)		22,638,710
Revenue	4	32,419,913	17,087,440	
Expenses	5	(1,445,192)	(553,462)	
Interest payable and similar charges	7	(308,577)	(1,846)	
Net revenue before taxation		30,666,144	16,532,132	
Taxation	6	—	—	
Net revenue after taxation for the year		30,666,144	16,532,132	
Total return before distributions		(1,036,552)	39,170,842	
Distributions	7	(32,111,336)	(17,085,594)	
Change in net assets attributable to Unitholders from investment activities		£(33,147,888)	£22,085,248	

Statement of Change in Net Assets attributable to Unitholders for the year ended 20 April 2018

	21/04/17 to 20/04/18		29/01/16 to 20/04/17 ¹	
	£	£	£	£
Opening net assets attributable to Unitholders		438,783,959		—
Amounts received on issue of units	448,848,603		415,992,187	
Amounts paid on cancellation of units	(18,393,747)		(9,094,180)	
		430,454,856		406,898,007
Change in net assets attributable to Unitholders from investment activities		(33,147,888)		22,085,248
Retained distributions on accumulation units		17,043,863		9,800,704
Closing net assets attributable to Unitholders		£853,134,790		£438,783,959

¹The Fund launched on 29 January 2016.

Financial Statements continued

Balance Sheet as at 20 April 2018

	Notes	20/04/18 £	20/04/17 £
ASSETS			
Fixed assets:			
Investments		838,239,796	428,996,480
Current assets:			
Debtors	8	19,251,187	33,543,539
Cash and bank balances	9	10,154,868	4,904,746
Total assets		867,645,851	467,444,765
LIABILITIES			
Investment liabilities		—	(2,535)
Creditors:			
Bank overdrafts	9	(4,854,496)	(2,468,635)
Distributions payable		(4,229,583)	(2,854,687)
Other creditors	10	(5,426,982)	(23,334,949)
Total liabilities		(14,511,061)	(28,660,806)
Net assets attributable to Unitholders		£853,134,790	£438,783,959

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 20 April 2018, 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 20 April 2018, being the last working day of the accounting year.

3. Net capital (losses)/gains

	21/04/17 to 20/04/18	29/01/16 to 20/04/17
	£	£
The net capital (losses)/gains during the year comprise:		
Non-derivative securities	(30,895,393)	23,233,370
Forward currency contracts	139,737	(289,361)
Currency losses	<u>(947,040)</u>	<u>(305,299)</u>
Net capital (losses)/gains	<u>(31,702,696)</u>	<u>22,638,710</u>

4. Revenue

	21/04/17 to 20/04/18	29/01/16 to 20/04/17
	£	£
Bond Interest	32,111,085	17,068,427
Bank interest	<u>308,828</u>	<u>19,013</u>
	<u>32,419,913</u>	<u>17,087,440</u>

Notes to the Financial Statements continued

5. Expenses

	21/04/17 to 20/04/18	29/01/16 to 20/04/17
	£	£
Payable to the Manager, associates of the Manager and agents of either of them:		
Fund management fees	<u>1,445,192</u>	<u>553,462</u>
Total expenses	<u>1,445,192</u>	<u>553,462</u>

Audit fees of £11,000 plus VAT on Audit fees of £2,200 have been borne by the Manager out of its fund management fee. In the prior period, the total audit fee was £9,820 plus VAT of £1,964.

Notes to the Financial Statements continued

6. Taxation

(a) Analysis of taxation charge in year

	21/04/17 to 20/04/18	29/01/16 to 20/04/17
	£	£
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	30,666,144	16,532,132
Net revenue before taxation multiplied by the applicable rate of Corporation tax of 20% (2017: 20%)	6,133,229	3,306,426
Effects of:		
Interest distributions deductible for tax purposes	(6,133,229)	(3,306,426)
Current tax	—	—

(c) Provision for deferred tax

There is no deferred tax provision in the current year 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:

	21/04/17 to 20/04/18	29/01/16 to 20/04/17
	£	£
First distribution	—	1,240,033
First interim distribution	8,943,346	2,868,429
Second interim distribution	8,689,622	3,000,129
Third interim distribution	9,415,193	3,622,561
Final distribution	8,077,793	6,529,842
	<u>35,125,954</u>	<u>17,260,994</u>
Add: Revenue deducted on cancellation of units	117,179	45,473
Less: Revenue received on creation of units	(3,131,797)	(2,548,108)
Income tax withheld	—	2,327,235
Distributions for the year	32,111,336	17,085,594
Interest payable and similar charges		
Bank overdraft interest	308,577	1,846
	<u>32,419,913</u>	<u>17,087,440</u>

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

	21/04/17 to 20/04/18	29/01/16 to 20/04/17
	£	£
Net revenue after taxation for the year	30,666,144	16,532,132
Add: Expenses charged to capital	1,445,192	553,462
Distributions for the year	32,111,336	17,085,594

8. Debtors

	20/04/18	20/04/17
	£	£
Accrued revenue	14,836,360	7,556,532
Amounts receivable for creation of units	4,383,179	25,987,007
Receivable for foreign exchange contracts	31,648	—
	<u>19,251,187</u>	<u>33,543,539</u>

Notes to the Financial Statements continued

9. Net uninvested cash

	20/04/18	20/04/17
	£	£
Cash and bank balances	10,154,868	4,904,746
Bank overdrafts	<u>(4,854,496)</u>	<u>(2,468,635)</u>
Net uninvested cash	<u>5,300,372</u>	<u>2,436,111</u>

10. Other creditors

	20/04/18	20/04/17
	£	£
Accrued expenses	99,246	52,264
Amounts payable for cancellation of units	2,000	484,989
Payable for foreign exchange contracts	—	66,751
Purchases awaiting settlement	<u>5,325,736</u>	<u>22,730,945</u>
	<u>5,426,982</u>	<u>23,334,949</u>

11. Contingent liabilities and outstanding commitments

There were no contingent liabilities or outstanding commitments at the balance sheet date (20 April 2017: 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 20 April 2018, 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 £41,911,990 (20 April 2017: £21,449,697).

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 20 April 2018, 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 £435,952 (20 April 2017: £218,120). 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
20/04/18	£'000	rate	rate	interest
		£'000	£'000	£'000
Portfolio	838,240	—	838,240	—
Other assets	29,406	10,155†	—	19,251
Other liabilities	(14,511)	(4,854)†	—	(9,657)
Total	853,135	5,301	838,240	9,594

	Total	Floating	Fixed	No
20/04/17	£'000	rate	rate	interest
		£'000	£'000	£'000
Portfolio	428,994	—	428,996	(2)
Other assets	38,448	4,905†	—	33,543
Other liabilities	(28,658)	(2,469)†	—	(26,189)
Total	438,784	2,436	428,996	7,352

† 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.

Notes to the Financial Statements continued

12. Financial Instruments and Associated Risks continued

(b) Interest Rate Risk continued

Currency	Fixed Rate Financial Assets			
	Weighted average Interest rate		Weighted average Period for which Rate is fixed	
	%		Years	
	20/04/18	20/04/17	20/04/18	20/04/17
Argentina Peso	17.70	14.19	5.81	6.84
Brazilian Real	7.66	9.34	3.75	3.78
Chilean Peso	4.17	3.51	12.11	7.13
Colombian Peso	5.80	6.18	6.89	7.10
Czech Koruna	1.16	0.85	5.87	9.01
Hungarian Forint	1.23	1.66	4.75	4.89
Indonesian Rupiah	6.76	7.24	9.92	9.94
Malaysian Ringgit	3.91	3.92	6.23	6.21
Mexican Peso	7.42	7.06	9.25	8.69
Peruvian Sol	4.97	5.72	11.01	11.50
Philippine Peso	5.03	4.78	12.56	10.08
Polish Zloty	2.17	2.62	4.61	4.74
Romanian Leu	3.64	2.48	4.11	4.51
Russian Ruble	6.96	7.95	6.73	6.59
South African Rand	8.45	9.05	16.16	15.44
Thai Baht	2.09	2.22	6.89	6.45
Turkish Lira	12.96	10.85	4.88	4.48
Uruguay Uyu	9.19	—	7.16	—
US Dollar	4.56	4.54	7.53	8.62

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 20 April 2018, 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 £8,582,501 (20 April 2017: £4,478,983).

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

20/04/18 Currency	Net foreign currency assets		Total £'000
	Monetary exposures £'000	Non-monetary exposures £'000	
Argentine Peso	561	7,063	7,624
Brazilian Real	1	84,497	84,498
Chilean Peso	—	20,787	20,787
Colombian Peso	3,245	60,138	63,383
Czech Koruna	666	33,570	34,236
Hungarian Forint	977	39,319	40,296
Indonesian Rupiah	1,600	77,191	78,791
Malaysian Ringgit	383	48,296	48,679
Mexican Peso	1,964	82,893	84,857
Peruvian Sol	300	22,618	22,918
Philippine Peso	25	1,583	1,608
Polish Zloty	1,488	76,859	78,347
Romanian Leu	635	23,644	24,279
Russian Ruble	1,074	60,262	61,336
South African Rand	1,207	73,804	75,011
Thai Baht	704	67,526	68,230
Turkish Lira	855	55,443	56,298
Uruguay Uyu	34	1,681	1,715
US Dollar	4,292	1,065	5,357

Notes to the Financial Statements continued

12. Financial Instruments and Associated Risks continued

(c) Foreign Currency Risk continued

20/04/17 Currency	Net foreign currency assets		Total £'000
	Monetary exposures £'000	Non-monetary exposures £'000	
Australian Dollar	418	6,218	6,636
Brazilian Real	—	42,367	42,367
Chilean Peso	9	5,234	5,243
Colombian Peso	1,702	33,839	35,541
Czech Koruna	442	833	1,275
Hungarian Forint	980	19,985	20,965
Indonesian Rupiah	918	42,936	43,854
Malaysian Ringgit	235	32,685	32,920
Mexican Peso	1,896	40,913	42,809
Peruvian Sol	726	9,828	10,554
Philippine Peso	8	1,532	1,540
Polish Zloty	1,745	42,932	44,677
Romanian Leu	710	12,531	13,241
Russian Ruble	970	27,067	28,037
South African Rand	1,611	40,580	42,191
Thai Baht	354	32,474	32,828
Turkish Lira	1,533	37,040	38,573
US Dollar	4,647	—	4,647

(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) are disclosed with the portfolio statement of pages 8 to 17.

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 (20 April 2017: 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 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:

20/04/18	Assets	Liabilities
Basis of Valuation	£	£
Level 1 - Quoted Prices	60,262,180	—
Level 2 - Observable Market Data	777,977,616	—
Level 3 - Unobservable Data	—	—
Total	838,239,796	—

20/04/17	Assets	Liabilities
Basis of Valuation	£	£
Level 1 - Quoted Prices	27,067,299	—
Level 2 - Observable Market Data	401,929,181	(2,535)
Level 3 - Unobservable Data	—	—
Total	428,996,480	(2,535)

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 (20 April 2017: same).

Total purchases for the year: £500,388,556
(20 April 2017: £441,874,669)

Total sales for the year: £55,030,123
(20 April 2017: £38,224,765)

14. Unit classes

A list of unit classes in issue and the fund management fee on each unit class can be found on page 49. 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 42 to 47. The distributions per unit class are given in the distribution tables on pages 36 to 40. All classes have the same rights on winding up.

I-Class	Distribution	Accumulation
Opening Units	15,314,188	248,708,321
Units issued	90,510,745	77,645,386
Units cancelled	(5,234,571)	(11,281,897)
Units converted	—	—
Closing Units	100,590,362	315,071,810

C-Class	Distribution	Accumulation
Opening Units	2,000	48,474,795
Units issued	—	77,187,862
Units cancelled	—	(8,312,790)
Units converted	—	—
Closing Units	2,000	117,349,867

L-Class	Distribution	Accumulation
Opening Units	298,175,665	88,012,672
Units issued	369,114,012	108,350,741
Units cancelled	(4,006,767)	(1,493)
Units converted	—	—
Closing Units	663,282,910	196,361,920

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 28.05% (27.76% as at 20 April 2017) 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 64.84p. The Net Asset Value per I-Class accumulation unit for the Fund as at 12 noon on 8 June 2018 was 62.33p. This represents a decrease of 3.87% from the year end value.

Distribution Tables

Distribution Tables for the year ended 20 April 2018

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.

1st Interest distribution in pence per unit	Period	
	29/01/16	to 20/04/16 ¹
I-Class	Distribution	Distribution
Distribution Units	N/A	20/06/16
Group 1		0.5431
Group 2		0.5431
I-Class	Distribution	Distribution
Accumulation Units	N/A	20/06/16
Group 1		0.5427
Group 2		0.5427
C-Class	Distribution	Distribution
Distribution Units	N/A	20/06/16
Group 1		0.5445
Group 2		0.5445
C-Class	Distribution	Distribution
Accumulation Units	N/A	20/06/16
Group 1		0.5438
Group 2		0.5438
L-Class	Distribution	Distribution
Distribution Units	N/A	20/06/16
Group 1		0.5435
Group 2		0.5435
L-Class	Distribution	Distribution
Accumulation Units	N/A	20/06/16
Group 1		0.5436
Group 2		0.5436

¹ The Fund launched on 29 January 2016, and the period from 29 January 2016 to 20 April 2017 formed part of the prior year end accounts as no report was produced as at 20 April 2016.

Distribution Tables continued

1st Interim Interest distribution in pence per unit			Period	
			21/04/17	to 20/07/17
I-Class			Distribution	Distribution
Distribution Units	Revenue	Equalisation	20/09/17	20/09/16
Group 1	0.9716	—	0.9716	0.8177
Group 2	0.2428	0.7288	0.9716	0.8177
I-Class			Distribution	Distribution
Accumulation Units	Revenue	Equalisation	20/09/17	20/09/16
Group 1	1.0347	—	1.0347	0.8251
Group 2	0.6603	0.3744	1.0347	0.8251
C-Class			Distribution	Distribution
Distribution Units	Revenue	Equalisation	20/09/17	20/09/16
Group 1	0.9730	—	0.9730	0.8205
Group 2	—	0.9730	0.9730	0.8205
C-Class			Distribution	Distribution
Accumulation Units	Revenue	Equalisation	20/09/17	20/09/16
Group 1	1.0357	—	1.0357	0.8270
Group 2	0.7358	0.2999	1.0357	0.8270
L-Class			Distribution	Distribution
Distribution Units	Revenue	Equalisation	20/09/17	20/09/16
Group 1	0.9756	—	0.9756	0.8190
Group 2	0.4807	0.4949	0.9756	0.8190
L-Class			Distribution	Distribution
Accumulation Units	Revenue	Equalisation	20/09/17	20/09/16
Group 1	1.0363	—	1.0363	0.8275
Group 2	0.2460	0.7903	1.0363	0.8275

Distribution Tables continued

2nd Interim Interest distribution in pence per unit			Period	
			21/07/17	to 20/10/17
I-Class			Distribution	Distribution
Distribution Units	Revenue	Equalisation	20/12/17	20/12/16
Group 1	0.7454	—	0.7454	0.7733
Group 2	0.3252	0.4202	0.7454	0.7733
I-Class			Distribution	Distribution
Accumulation Units	Revenue	Equalisation	20/12/17	20/12/16
Group 1	0.8060	—	0.8060	0.7920
Group 2	0.3785	0.4275	0.8060	0.7920
C-Class			Distribution	Distribution
Distribution Units	Revenue	Equalisation	20/12/17	20/12/16
Group 1	0.7465	—	0.7465	0.7735
Group 2	—	0.7465	0.7465	0.7735
C-Class			Distribution	Distribution
Accumulation Units	Revenue	Equalisation	20/12/17	20/12/16
Group 1	0.8072	—	0.8072	0.7922
Group 2	—	0.8072	0.8072	0.7922
L-Class			Distribution	Distribution
Distribution Units	Revenue	Equalisation	20/12/17	20/12/16
Group 1	0.7477	—	0.7477	0.7747
Group 2	0.2933	0.4544	0.7477	0.7747
L-Class			Distribution	Distribution
Accumulation Units	Revenue	Equalisation	20/12/17	20/12/16
Group 1	0.8087	—	0.8087	0.7932
Group 2	0.2131	0.5956	0.8087	0.7932

Distribution Tables continued

3rd Interim Interest distribution in pence per unit			Period	
			21/10/17	to 20/01/18
I-Class				
Distribution Units	Revenue	Equalisation	Distribution	Distribution
			20/03/18	20/03/17
Group 1	0.6998	—	0.6998	0.7376
Group 2	0.0775	0.6223	0.6998	0.7376
I-Class				
Accumulation Units	Revenue	Equalisation	Distribution	Distribution
			20/03/18	20/03/17
Group 1	0.7661	—	0.7661	0.7658
Group 2	0.3937	0.3724	0.7661	0.7658
C-Class				
Distribution Units	Revenue	Equalisation	Distribution	Distribution
			20/03/18	20/03/17
Group 1	0.7010	—	0.7010	0.7400
Group 2	—	0.7010	0.7010	0.7400
C-Class				
Accumulation Units	Revenue	Equalisation	Distribution	Distribution
			20/03/18	20/03/17
Group 1	0.7687	—	0.7687	0.7655
Group 2	0.5756	0.1931	0.7687	0.7655
L-Class				
Distribution Units	Revenue	Equalisation	Distribution	Distribution
			20/03/18	20/03/17
Group 1	0.7026	—	0.7026	0.7420
Group 2	0.4372	0.2654	0.7026	0.7420
L-Class				
Accumulation Units	Revenue	Equalisation	Distribution	Distribution
			20/03/18	20/03/17
Group 1	0.7689	—	0.7689	0.7682
Group 2	—	0.7689	0.7689	0.7682

Distribution Tables continued

Final Interest distribution in pence per unit			Period		
			21/01/18	to 20/04/18	
I-Class					
Distribution Units		Revenue	Equalisation	Distribution	Distribution
				20/06/18	20/06/17
Group 1		0.5515	—	0.5515	0.9093
Group 2		0.2827	0.2688	0.5515	0.9093
I-Class					
Accumulation Units		Revenue	Equalisation	Distribution	Distribution
				20/06/18	20/06/17
Group 1		0.6109	—	0.6109	0.9530
Group 2		0.4139	0.1970	0.6109	0.9530
C-Class					
Distribution Units		Revenue	Equalisation	Distribution	Distribution
				20/06/18	20/06/17
Group 1		0.5485	—	0.5485	0.9120
Group 2		—	0.5485	0.5485	0.9120
C-Class					
Accumulation Units		Revenue	Equalisation	Distribution	Distribution
				20/06/18	20/06/17
Group 1		0.6121	—	0.6121	0.9551
Group 2		0.3196	0.2925	0.6121	0.9551
L-Class					
Distribution Units		Revenue	Equalisation	Distribution	Distribution
				20/06/18	20/06/17
Group 1		0.5540	—	0.5540	0.9106
Group 2		0.4280	0.1260	0.5540	0.9106
L-Class					
Accumulation Units		Revenue	Equalisation	Distribution	Distribution
				20/06/18	20/06/17
Group 1		0.6136	—	0.6136	0.9563
Group 2		0.4371	0.1765	0.6136	0.9563

Fund Information

The Comparative Tables on pages 42 to 47 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

I-Class Distribution Units

Change in Net Asset Value per Unit

Accounting Year ending	21/04/17 to 20/04/18 (pence per unit)	29/01/16 to 20/04/17 ¹ (pence per unit)
Opening net asset value per unit	60.55	50.00
Return before operating charges*	0.61	15.31
Operating charges (calculated on average price)	(0.21)	(0.26)
Return after operating charges*	0.40	15.05
Distributions on income units [^]	(2.97)	(4.50)
Closing net asset value per unit	57.98	60.55
* after direct transaction costs of:	—	—

Performance

Return after charges	0.66%	30.10%
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Other Information

Closing net asset value (£)	58,325,525	9,272,708
Closing number of units	100,590,362	15,314,188
Operating charges [†]	0.35%	0.35%
Direct transaction costs	0.00%	0.00%

Prices

Highest unit price	63.21p	65.48p
Lowest unit price	57.62p	49.08p

¹ The Fund launched on 29 January 2016.

[^] 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 Year ending	21/04/17 to 20/04/18 (pence per unit)	29/01/16 to 20/04/17 ¹ (pence per unit)
Opening net asset value per unit	64.46	50.00
Return before operating charges*	0.60	15.46
Operating charges (calculated on average price)	(0.23)	(0.27)
Return after operating charges*	0.37	15.19
Distributions [^]	(3.22)	(4.61)
Retained distributions on accumulation units [^]	3.22	3.88
Closing net asset value per unit	64.83	64.46
* after direct transaction costs of:	—	—

Performance

Return after charges	0.57%	30.38%
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Other Information

Closing net asset value (£)	204,276,261	160,313,424
Closing number of units	315,071,810	248,708,321
Operating charges [†]	0.35%	0.35%
Direct transaction costs	0.00%	0.00%

Prices

Highest unit price	68.35p	67.36p
Lowest unit price	63.62p	49.09p

¹ The Fund launched on 29 January 2016.

[^] 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.

[†] 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 Year ending	21/04/17 to 20/04/18 (pence per unit)	29/01/16 to 20/04/17 ¹ (pence per unit)
Opening net asset value per unit	60.60	50.00
Return before operating charges*	0.62	15.29
Operating charges (calculated on average price)	(0.15)	(0.18)
Return after operating charges*	0.47	15.11
Distributions on income units [^]	(2.97)	(4.51)
Closing net asset value per unit	58.10	60.60
* after direct transaction costs of:	—	—

Performance

Return after charges	0.78%	30.22%
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Other Information

Closing net asset value (£)	1,162	1,212
Closing number of units	2,000	2,000
Operating charges [†]	0.25%	0.25%
Direct transaction costs	0.00%	0.00%

Prices

Highest unit price	63.30p	65.52p
Lowest unit price	57.73p	49.09p

¹ The Fund launched on 29 January 2016.

[^] 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 Year ending	21/04/17 to 20/04/18 (pence per unit)	29/01/16 to 20/04/17 ¹ (pence per unit)
Opening net asset value per unit	64.53	50.00
Return before operating charges*	0.60	15.45
Operating charges (calculated on average price)	(0.16)	(0.19)
Return after operating charges*	0.44	15.26
Distributions [^]	(3.22)	(4.62)
Retained distributions on accumulation units [^]	3.22	3.89
Closing net asset value per unit	64.97	64.53
* after direct transaction costs of:	—	—

Performance

Return after charges	0.68%	30.52%
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Other Information

Closing net asset value (£)	76,246,176	31,281,416
Closing number of units	117,349,867	48,474,795
Operating charges [†]	0.25%	0.25%
Direct transaction costs	0.00%	0.00%

Prices

Highest unit price	68.45p	67.40p
Lowest unit price	63.69p	49.09p

¹ The Fund launched on 29 January 2016.

[^] 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.

[†] 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 Year ending	21/04/17 to 20/04/18 (pence per unit)	29/01/16 to 20/04/17 ¹ (pence per unit)
Opening net asset value per unit	60.72	50.00
Return before operating charges*	0.59	15.33
Operating charges (calculated on average price)	(0.08)	(0.10)
Return after operating charges*	0.51	15.23
Distributions on income units [^]	(2.98)	(4.51)
Closing net asset value per unit	58.25	60.72
* after direct transaction costs of:	—	—

Performance

Return after charges	0.84%	30.46%
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Other Information

Closing net asset value (£)	386,385,227	181,040,829
Closing number of units	663,282,910	298,175,665
Operating charges [†]	0.14%	0.14%
Direct transaction costs	0.00%	0.00%

Prices

Highest unit price	63.42p	65.58p
Lowest unit price	57.89p	49.09p

¹ The Fund launched on 29 January 2016.

[^] 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

L-Class Accumulation Units

Change in Net Asset Value per Unit

Accounting Year ending	21/04/17 to 20/04/18 (pence per unit)	29/01/16 to 20/04/17 ¹ (pence per unit)
Opening net asset value per unit	64.62	50.00
Return before operating charges*	0.61	15.45
Operating charges (calculated on average price)	(0.09)	(0.10)
Return after operating charges*	0.52	15.35
Distributions [^]	(3.23)	(4.62)
Retained distributions on accumulation units [^]	3.23	3.89
Closing net asset value per unit	65.14	64.62
* after direct transaction costs of:	—	—

Performance

Return after charges	0.80%	30.70%
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Other Information

Closing net asset value (£)	127,900,439	56,874,370
Closing number of units	196,361,920	88,012,672
Operating charges [†]	0.14%	0.14%
Direct transaction costs	0.00%	0.00%

Prices

Highest unit price	68.58p	67.46p
Lowest unit price	63.79p	49.09p

¹ The Fund launched on 29 January 2016.

[^] 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.

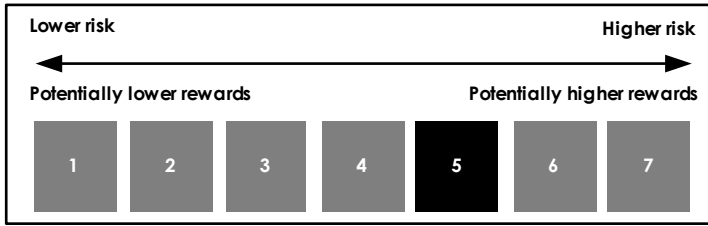
[†] Operating charges, otherwise known as the OCF is the ratio of the Fund's total disclosable costs (excluding overdraft interest) to the average net assets of the Fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a Fund and is 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)



- 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 number highlighted above reflects the rate at which the Fund's unit price has moved up and down in the past. If the Fund has less than five years' track record, the number also reflects the rate at which the Index the Fund tracks has moved up and down in the past. Higher numbers mean the potential reward could be greater, but this comes with increased risk of losing money.
- The Fund is in category five 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.
- 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:	29 January 2016
Period end dates for distributions:	20 January, 20 April, 20 July and 20 October
Distribution dates:	20 March, 20 June, 20 September and 20 December
Minimum initial lump sum investment:	R-Class £500 I-Class £1,000,000 C-Class* £100,000,000 L-Class** £100,000
Valuation point:	12 noon
Fund management fees:	R-Class 0.73% I-Class 0.35% C-Class* 0.25% L-Class** 0.14%
Initial charge:	R-Class Nil I-Class Nil C-Class* Nil L-Class** Nil

* 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.

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.

General Information continued

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.

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

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 0.07%, whilst since launch on 29 January 2016 to the end of April 2018, the annualised Tracking Error of the Fund is 0.07%. These Tracking Errors are within the anticipated Tracking Error levels set out in the Fund's Prospectus of +/-0.5% 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 (Local Currency) 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 2017:

Controlled Functions

Headcount	Fixed Remuneration (£'000)	Variable Remuneration (£'000)	Remuneration related to this Scheme (Pro-rated) (£'000)
32	6,726	11,997	223

Market Risk Takers

Headcount	Fixed Remuneration (£'000)	Variable Remuneration (£'000)	Remuneration related to this Fund (Pro-rated) (£'000)
22	2,281	3,000	9

Controlled Functions

As at 31 December 2017, Legal & General Unit Trust Managers Limited (UTM) engaged the services of six 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, there was one non-executive Director. UTM also engaged the services of a further 20 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 prorated the remuneration figures by the Net Asset Value of the UCITS Funds as a percentage of the total assets under management of UTM.

General Information continued

Material Risk Takers

As at the 31 December 2017, UTM engaged the services of the Legal & General Investment Management's Index Management team, which consists of 22 investment professionals. The team includes a variety of Fund Managers, Analysts and Support Staff, with the Fund Managers empowered to take discretionary investment management decisions on behalf of the Fund. The team is also engaged in managing other Legal & General UTM Funds/Schemes and is also engaged by other companies in the L&G Group. The aggregate remuneration received by the members of the team, for all their services across the L&G Group, is disclosed in the table above. We have prorated the remuneration figures by the Net Asset Value of the UCITS Funds as a percentage of the total assets under management of the Index Management team.

Significant Changes

Change of Auditor

With effect from 28 April 2018, PricewaterhouseCoopers LLP ceased to be Independent Auditors of the Fund and KPMG LLP have been appointed. The change of Auditor has no impact on the way the Fund is operated.

New Unit Class: R-Class

With effect from 1 June 2018, R-Class units have been launched with accumulation and distribution units available.

General Data Protection Regulation (GDPR)

Legal & General takes your privacy very seriously. Under data protection legislation, we have classified ourselves as a 'data controller'. This means that we are subject to certain obligations relating to how we process personal data. These obligations include, without limitation, providing individuals with certain information regarding how we process their personal data.

We will use the personal data you have provided to us in connection with an investment in units of Legal & General Emerging Markets Government Bond (Local Currency) Index Fund, including your name, age, contact details, bank account details, transactions and the invested amount, and any information regarding the dealing in units in accordance with all applicable data protection laws and our Privacy Policy which is available from 25 May 2018 at www.lgim.com/UTMPPrivacy (or available upon request). Our Privacy Policy sets out, amongst other things, the purpose or purposes for which your personal data is collected and intended to be processed and also contains any other information prescribed by data protection legislation.

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. Morrissey (appointed 5 July 2017)
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
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 PLC
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

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

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

