

Legal & General
Mixed Investment 20-60% Fund
**Annual Manager's
Short Report
for the year ended
31 July 2017**

**EVERY
DAY
MATTERS.®**



Investment Objective and Policy

This Fund aims to provide long term growth of both capital and income. The Fund will invest in shares, fixed interest securities and other assets including those giving indirect exposure to commodities and real property. Between 20% and 60% of the Fund's property will be invested in shares.

Exposure to these asset classes will be achieved generally through investment in collective investment schemes but may also be achieved by investing directly in the assets. At times the Fund may be fully invested in collective investment schemes only or directly invested only. The collective investment schemes invested in may include those managed by Legal & General.

The Fund may also invest in other transferable securities, other collective investment schemes, money market instruments, deposits, cash or near cash.

The Fund will use derivatives for efficient portfolio management purposes.

Risk Profile

Credit risk

This Fund holds investments in Collective Investment Schemes which directly invest in financial securities such as bonds. With these investments, there is a risk of suffering loss due to a party not meeting its financial obligations.

Market 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. The Manager adheres to the investment guidelines and in this way, monitors and controls the exposure to risk from any type of security, sector or issuer.

Currency risk

This Fund holds Collective Investment Schemes that invest in overseas financial securities. The performance of the Fund may therefore be affected by changes in exchange rates, through its holdings in these schemes.

Interest rate risk

This Fund holds investments in interest distributing funds. The performance of the Fund may therefore be affected by changes in interest rates through its holdings in these schemes.

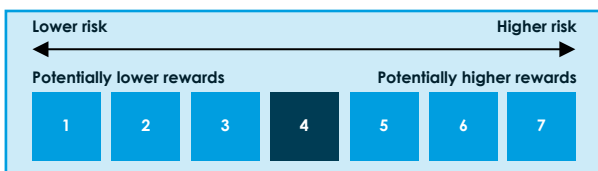
Fund Facts

Period End Dates for Distributions:	31 Jan, 31 Jul	
Distribution Dates:	31 Mar, 30 Sep	
Ongoing Charges Figures:	31 Jul 17	31 Jul 16
F-Class	0.57%	0.58%
I-Class	0.48%	0.49%
C-Class	0.33%	0.35%
D-Class	0.97%	0.98%

The Ongoing Charges Figure (OCF) is the ratio of the Fund's total disclosable costs (excluding overdraft interest) and all costs suffered through holdings in underlying Collective Investment Schemes, 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.

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 Fund and a representative mix of the underlying funds have moved up and down in the past.
- This Fund is in category four because it invests, sometimes through other funds, in a variety of investments. A mixture of higher risk investments and lower risk investments has a balancing effect. The result is that this Fund is lower risk than one investing only in company shares and higher risk than one investing only in investment grade bonds.
- 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.

Distribution Information

F-Class

The distribution payable on 30 September 2017 is 0.4751p per unit for distribution units and 0.4802p per unit for accumulation units.

I-Class

The distribution payable on 30 September 2017 is 0.5097p per unit for distribution units and 0.5341p per unit for accumulation units.

C-Class

The distribution payable on 30 September 2017 is 0.5811p per unit for accumulation units.

D-Class

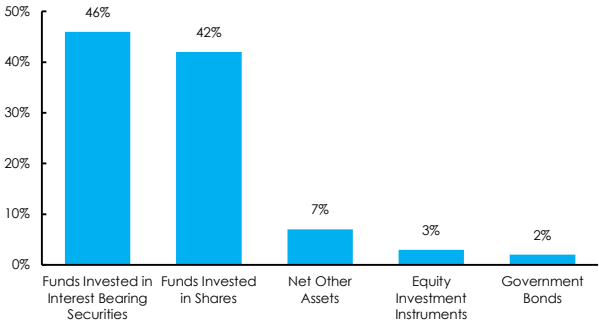
The distribution payable on 30 September 2017 is 0.3638p per unit for distribution units and 0.3791p per unit for accumulation units.

Portfolio Information

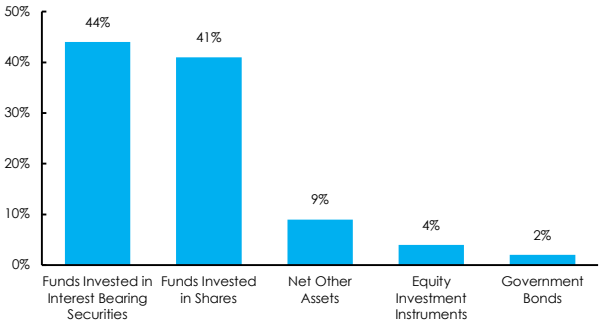
The top 10 holdings and their associated weighting at the current and preceding year ends were:

Top 10 Holdings at 31 July 2017		Top 10 Holdings at 31 July 2016	
Holding	Percentage of Net Asset Value	Holding	Percentage of Net Asset Value
LGIM Global Corporate Bond Fund 'B' Acc	13.44%	Legal & General Sterling Corporate Bond Index Fund 'L' Inc	12.08%
Legal & General Sterling Corporate Bond Index Fund 'L' Inc	12.01%	LGIM Global Corporate Bond Fund 'B' Acc	11.64%
Legal & General (N) Tracker Trust 'I' Inc	8.68%	Legal & General (N) Tracker Trust 'I' Inc	7.99%
Legal & General US Index Trust 'I' Inc	7.84%	Legal & General US Index Trust 'I' Inc	7.60%
Legal & General European Index Trust 'I' Inc	6.64%	Legal & General Emerging Markets Government Bond (US\$) Index Fund 'L' Inc	6.63%
Legal & General Emerging Markets Government Bond (US\$) Index Fund 'L' Inc	6.32%	Legal & General High Income Trust 'I' Inc	6.14%
Legal & General High Income Trust 'I' Inc	5.60%	Legal & General UK Index Trust 'L' Inc	5.77%
Legal & General Emerging Markets Government Bond (Local Currency) Index Fund 'L' Inc	4.76%	Legal & General European Index Trust 'I' Inc	5.54%
Legal & General Global Real Estate Dividend Index Fund 'L' Inc	4.48%	Legal & General Global Inflation Linked Bond Index Fund 'L' Inc	5.18%
Legal & General Global Inflation Linked Bond Index Fund 'L' Inc	3.80%	Legal & General Global Real Estate Dividend Index Fund 'L' Inc	4.34%

Fund Holdings as at 31 July 2017



Fund Holdings as at 31 July 2016



Comparative Tables

F-Class Distribution Units

Change in Net Asset Value per Unit

Accounting Year ending	31/07/17 (pence per unit)	31/07/16 ¹ (pence per unit)
Opening net asset value per unit	53.35	50.00
Return before operating charges*	4.57	3.44
Operating charges (calculated on average price)	(0.32)	(0.05)
Return after operating charges*	4.25	3.39
Distributions on income units	(1.05)	(0.04)
Closing net asset value per unit	56.55	53.35
* after direct transaction costs of**:	—	—

Performance

Return after charges	7.97%	6.78%
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Other Information

Closing net asset value (£)	946	1,067
Closing number of units	1,673	2,000
Operating charges†	0.57%	0.58%
Direct transaction costs	0.00%	0.00%

Prices

Highest unit price	57.69p	53.57p
Lowest unit price	52.94p	49.89p

¹ F-Class units launched 1 June 2016.

** Direct transaction costs are stated after deducting the proportion of the amounts collected from dilution adjustments or dilution levies that relate to direct transaction costs. A negative transactions costs figure might arise where there is a timing difference between inflows and the settlement of the resultant purchases.

† 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. Included within the OCF are synthetic costs which include the OCF of the underlying funds weighted on the basis of their investment proportion.

Past performance is not a guide to future performance.

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

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

Comparative Tables continued

F-Class Accumulation Units

Change in Net Asset Value per Unit

Accounting Year ending	31/07/17 (pence per unit)	31/07/16 ¹ (pence per unit)
Opening net asset value per unit	53.40	50.00
Return before operating charges*	4.59	3.45
Operating charges (calculated on average price)	(0.33)	(0.05)
Return after operating charges*	4.26	3.40
Distributions	(1.05)	(0.04)
Retained distributions on accumulation units	1.05	0.04
Closing net asset value per unit	57.66	53.40
* after direct transaction costs of ^{**} :	—	—

Performance

Return after charges	7.98%	6.80%
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Other Information

Closing net asset value (£)	90,605	1,068
Closing number of units	157,145	2,000
Operating charges [†]	0.57%	0.58%
Direct transaction costs	0.00%	0.00%

Prices

Highest unit price	58.34p	53.57p
Lowest unit price	52.99p	49.89p

¹ F-Class units launched 1 June 2016.

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Comparative Tables continued

I-Class Distribution Units

Change in Net Asset Value per Unit

Accounting Year ending	31/07/17 (pence per unit)	31/07/16 (pence per unit)	31/07/15 [^] (pence per unit)
Opening net asset value per unit	54.34	51.08	50.00
Return before operating charges*	4.63	4.52	2.17
Operating charges (calculated on average price)	(0.27)	(0.25)	(0.28)
Return after operating charges*	4.36	4.27	1.89
Distributions on income units	(1.12)	(1.01)	(0.81)
Closing net asset value per unit	57.58	54.34	51.08
* after direct transaction costs of**:	—	—	—

Performance

Return after charges	8.02%	8.36%	3.78%
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Other Information

Closing net asset value (£)	1,084,856	712,561	522,748
Closing number of units	1,883,985	1,311,300	1,023,306
Operating charges†	0.48%	0.49%	0.53%
Direct transaction costs	0.00%	0.00%	0.00%

Prices

Highest unit price	58.79p	54.95p	54.17p
Lowest unit price	53.93p	47.26p	49.15p

[^] The Fund launched 30 June 2014.

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

Comparative Tables continued

I-Class Accumulation Units

Change in Net Asset Value per Unit

Accounting Year ending	31/07/17 (pence per unit)	31/07/16 (pence per unit)	31/07/15 [^] (pence per unit)
Opening net asset value per unit	56.30	51.90	50.00
Return before operating charges*	4.84	4.65	2.18
Operating charges (calculated on average price)	(0.28)	(0.25)	(0.28)
Return after operating charges*	4.56	4.40	1.90
Distributions	(1.17)	(1.03)	(0.82)
Retained distributions on accumulation units	1.17	1.03	0.82
Closing net asset value per unit	60.86	56.30	51.90
* after direct transaction costs of ^{f**} :	—	—	—

Performance

Return after charges	8.10%	8.48%	3.80%
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Other Information

Closing net asset value (£)	82,981,075	41,022,004	38,611,797
Closing number of units	136,347,096	72,857,881	74,399,284
Operating charges [†]	0.48%	0.49%	0.53%
Direct transaction costs	0.00%	0.00%	0.00%

Prices

Highest unit price	61.58p	56.49p	54.64p
Lowest unit price	55.88p	48.58p	49.12p

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

Comparative Tables continued

C-Class Accumulation Units

Change in Net Asset Value per Unit

Accounting Year ending	31/07/17 (pence per unit)	31/07/16 (pence per unit)	31/07/15 [^] (pence per unit)
Opening net asset value per unit	56.46	51.95	50.00
Return before operating charges*	4.85	4.70	2.18
Operating charges (calculated on average price)	(0.20)	(0.19)	(0.23)
Return after operating charges*	4.65	4.51	1.95
Distributions	(1.25)	(1.10)	(0.86)
Retained distributions on accumulation units	1.25	1.10	0.86
Closing net asset value per unit	61.11	56.46	51.95
* after direct transaction costs of ^{**} :	—	—	—

Performance

Return after charges	8.24%	8.68%	3.90%
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Other Information

Closing net asset value (£)	369,923,009	67,341,311	1,407,120
Closing number of units	605,323,749	119,272,893	2,708,455
Operating charges [†]	0.33%	0.35%	0.43%
Direct transaction costs	0.00%	0.00%	0.00%

Prices

Highest unit price	61.82p	56.64p	54.68p
Lowest unit price	56.04p	48.68p	49.15p

[^] The Fund launched 30 June 2014.

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Comparative Tables continued

D-Class Distribution Units

Change in Net Asset Value per Unit

Accounting Year ending	31/07/17 (pence per unit)	31/07/16 (pence per unit)	31/07/15 [^] (pence per unit)
Opening net asset value per unit	54.36	51.11	50.00
Return before operating charges*	4.63	4.50	2.20
Operating charges (calculated on average price)	(0.55)	(0.50)	(0.53)
Return after operating charges*	4.08	4.00	1.67
Distributions on income units	(0.84)	(0.75)	(0.56)
Closing net asset value per unit	57.60	54.36	51.11
* after direct transaction costs of**:	—	—	—

Performance

Return after charges	7.51%	7.83%	3.34%
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Other Information

Closing net asset value (£)	508,842	543,698	262,450
Closing number of units	883,348	1,000,174	513,486
Operating charges†	0.97%	0.98%	1.02%
Direct transaction costs	0.00%	0.00%	0.00%

Prices

Highest unit price	58.72p	54.87p	54.17p
Lowest unit price	53.95p	47.28p	49.06p

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

Comparative Tables continued

D-Class Accumulation Units

Change in Net Asset Value per Unit

Accounting Year ending	31/07/17 (pence per unit)	31/07/16 (pence per unit)	31/07/15 [^] (pence per unit)
Opening net asset value per unit	55.79	51.68	50.00
Return before operating charges*	4.79	4.62	2.21
Operating charges (calculated on average price)	(0.57)	(0.51)	(0.53)
Return after operating charges*	4.22	4.11	1.68
Distributions	(0.87)	(0.77)	(0.56)
Retained distributions on accumulation units	0.87	0.77	0.56
Closing net asset value per unit	60.01	55.79	51.68
* after direct transaction costs of ^{f**} :	—	—	—

Performance

Return after charges	7.56%	7.95%	3.36%
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Other Information

Closing net asset value (£)	6,180,731	3,590,002	1,416,447
Closing number of units	10,299,779	6,434,737	2,740,680
Operating charges [†]	0.97%	0.98%	1.02%
Direct transaction costs	0.00%	0.00%	0.00%

Prices

Highest unit price	60.78p	56.01p	54.50p
Lowest unit price	55.37p	48.25p	49.08p

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Manager's Investment Report

During the year under review, the bid price of the Fund's I-Class accumulation units rose by 7.78%. The Fund under-performed its peer group as funds within the Investment Association Mixed Investment 20-60% Sector delivered an average total return of 8.33% (Source: Lipper Hindsight).

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Market/Economic Review

Global economic activity has improved markedly over the review year. The recovery has been particularly strong in the manufacturing sector, accompanied by an upturn in global trade volumes, although recent data suggests this could now have peaked, with inventories starting to rise from a low level. Higher commodity prices over the second half of 2016 have been reflected in rising consumer price inflation in the major developed economies. While the recovery has been broad-based, it has been led by the US where growth accelerated during the latter half of 2016 driven by consumer demand. As President Trump's unexpected victory in the November presidential election focused investors on the prospect of increased infrastructure spending and tax cuts, the Federal Reserve (Fed) signalled a gradual tightening of monetary policy, raising interest rates in three times over the last six months. The Fed also signalled it would begin unwinding its asset purchase programme, known as quantitative easing (QE), in the autumn. After the UK unexpectedly voted to leave the European Union (EU) in the June referendum, the Bank of England cut interest rates to 0.25% and extended QE.

While the UK economy has weathered the aftermath of last year's EU referendum vote well, more recent data has signalled a slowdown in activity with the inconclusive outcome to the general election and Brexit negotiations adding to the uncertainty. Both the European Central Bank and the Bank of Japan continued with the unorthodox policy of negative interest rates. In recent months, European economic indicators have highlighted a significant improvement in both manufacturing and service sector activity, while in Japan exports have been a significant contributor to growth. 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 exceeding expectations for the second quarter of 2017. Both the Brazilian and Russian economies saw a turn of fortunes as the year progressed, given the boost of stable commodity markets.

Manager's Investment Report continued

Fund Review

The Fund saw a positive return over the review year with equities contributing positively to performance. Risk assets performed well against the backdrop of a strengthening global economy and the unfolding implications of a Trump presidency in the US, including reduced deflationary pressures and the likelihood of higher infrastructure spending and tax cuts.

Sterling weakness following the EU referendum provided an opportunity to increase our hedging of foreign currency. We reduced emerging markets exposure in favour of European and US equities, anticipating a tough environment for these assets if Trump's protectionist policies manifest. While we remain guarded on the medium-term outlook for emerging markets (EM), we see Indian equities as an attractive opportunity and have increased the Fund's exposure. In the latter half of the review year, equities were the main drivers of Fund performance, specifically from the UK and Europe, with global credit also adding to returns.

In the fixed income space, as both spreads and yields in the asset class have come down over the review year, we have slowly reduced our exposure to high yield bonds. Mindful of the potential political risks in Europe, we have reduced the Fund's exposure to Euros and increased allocation to defensive equities in the form of European infrastructure. We also increased our exposure to US inflation by topping up our holding in global inflation-linked bonds. We added Spanish and Italian bonds to the portfolio, subsequently taking profits on the Italian bonds after the referendum.

Outlook

Although Macron's election win in France seems to have calmed nerves of a populist rising in Europe, the structural growth and inflation headwinds in Europe are not dead. In Asia, we are still worried about Chinese debt levels and likely slowing economic growth, even if carefully managed by the government. However, the global economic cycle remains supportive of risk assets and we do not see any immediate risk of a recession. That said, our market outlook has not changed significantly and the overall risk of the funds is a touch below average as systemic risks remain somewhat elevated.

As a result, we favour a selection of mid-risk assets such as real estate, infrastructure and emerging market bonds which all pay an attractive yield but should act more defensively compared to equities if we see market sell offs. It is important to note that these investments are more sensitive to rising interest rates, so we have offset this in portfolios through lower allocations to government and corporate bonds.

Legal & General Investment Management Limited
(Investment Adviser)

21 August 2017

Manager's Report and Accounts

Copies of the most recent Interim and Annual Long Form Manager's Reports are available free of charge by telephoning 0370 050 0955, by writing to the Manager or are available on the internet at www.legalandgeneral.com/investments/fund-information/managers-reports.

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

Minimum Investment Amounts

The minimum initial lump sum investment amounts for each class are as follows:

F-Class	£20
I-Class	£1,000,000
C-Class	£100,000,000
D-Class	£500

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.

Other Information

The information in this report is designed to enable unitholders to understand how the Fund has performed during the year under review and how it is invested at the year end. Further information on the activities and performance of the Fund can be obtained by telephoning 0370 050 0955 or by writing to the Manager.

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

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

Trustee

Northern Trust Global Services Limited

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

PricewaterhouseCoopers LLP

7 More London Riverside

London SE1 2RT

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

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