

Legal & General
Sterling Corporate Bond Index Fund
Annual Manager's Report
for the year ended
20 May 2017

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

Manager's Investment Report

Investment Objective and Policy

The objective of this Fund is to track the performance of the Markit iBoxx Sterling Non-Gilts ex BBB (after adjustment for management charge and taxation).

The Fund will invest primarily in the securities that make up the constituents of the Markit iBoxx Sterling Non-Gilts ex BBB Index. Securities in the Markit iBoxx Sterling Non-Gilts ex BBB Index will be held with weightings generally proportionate to their issuance of debt.

Manager's Investment Report

During the year under review, the bid price of the Fund's I-Class accumulation units rose by 8.60%. Markit iBoxx, the Index compiler, calculates the benchmark Index at the end of the business day using closing prices, whereas the Fund is valued using prevailing prices at 12 noon. Therefore, for tracking purposes, the Fund has been revalued using closing prices and adjusted for the effects of charges and taxation. On this basis, over the review year, the Fund rose by 8.66%, compared with the benchmark Index rise of 8.64% (Source: Bloomberg), producing a tracking difference of +0.02%.

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.

Any intellectual property rights in any index referred to herein shall remain the exclusive property of the relevant index provider and/or its licensors (the "Index Provider"). The Index Provider does not sponsor, endorse or promote this product and is not in any way connected to Legal & General (Unit Trust Managers) Limited. Legal & General has obtained full licence from the Index Provider to use such copyright in the creation of this product.

"iBoxx" is a registered trademark of International Index Company (IIC), a wholly-owned subsidiary of Markit Group.

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. A stabilisation and subsequent increase in commodity prices has been reflected in rising consumer price inflation in the major developed economies. While the recovery has been broad-based, it has been most noticeable in the US where growth accelerated during the second half of 2016 led by consumer demand. There has also been a pick-up in investment spending and inventory levels, as Donald Trump's unexpected victory in the November presidential election focused investors on the prospect of increased infrastructure spending and tax cuts. The Federal Reserve has signalled a gradual tightening of monetary policy, raising interest rates in December 2016 and March 2017 and signalling two further rate hikes in 2017. However, monetary policy remained loose in all the major economies. After the UK voted to leave the European Union (EU) in the June referendum, the Bank of England cut interest rates to 0.25% and extended its asset purchase programme, known as quantitative easing (QE). Encouragingly, the UK economy has weathered the aftermath of the Brexit vote well. Both the European

Manager's Investment Report continued

Central Bank and the Bank of Japan continued with the unorthodox policy of negative interest rates. In recent months, European economic indicators have highlighted an improvement in both manufacturing and service sector activity, while in Japan the economy expanded for four straight quarters in 2016. The Chinese authorities have adopted a range of policy initiatives to boost credit growth and domestic demand as the economy continued its transition from export and investment-driven growth towards consumption.

Over the review year, higher-rated government bonds such as US Treasuries, UK gilts and German bunds were initially underpinned by demand from risk-averse investors, as interest rates remained very low worldwide. However, towards the end of the review year, longer-term interest rates in the major economies moved higher, particularly in the US where investors discounted looser fiscal policy. In the UK, the sharp post-referendum devaluation of Sterling raised expectations that inflation will accelerate over the coming year and consequently Index-linked gilts easily outperformed their conventional counterparts. The Bank of England's decision to add high-quality corporate bonds to its QE programme in August provided a much-needed boost for Sterling-denominated bonds and sparked a wave of new issuance. Emerging market bonds attracted substantial inflows from international investors looking for higher levels of income, outperforming major government bond markets.

Fund Review

All investment activity was prompted either by unit holder activity or by monthly changes in the profile of the benchmark Index.

During the review year, 86 bonds were added to the Index. 80 of these were new issues, four were bonds upgraded from a BBB to an A rating and the remaining two entered after their amount outstanding increased above the Index's minimum size. 11 bonds left the Index after being downgraded to a BBB rating. 66 bonds exited the Index after falling below one year to maturity, two left after being called and 11 bonds exited the Index following tender offers which left the amount outstanding below the minimum required. There were also two sinking bonds that were deleted due to the retirement of principal leaving the size in issue as too small for the Index. The Fund participated in 80 new issues and 12 corporate actions across sectors such as telecommunications, financials, utilities, housing associations, consumer goods and mortgage-backed securities.

The Fund experienced net positive cash flow during the review year. The cash flows were used to adjust the Fund's holdings in such a way so as to ensure the Fund maintained an Index distribution at all times. The Fund was also rebalanced at each month end in line with the revised Index distribution.

Outlook

With low government bond yields and few obvious risks on the immediate horizon, many investors are chasing yields with strong inflows to risky asset classes. However, this benign environment is being reflected in tight credit valuations and low implied equity

Manager's Investment Report continued

volatility. Looking ahead, we are worried about the impact of a withdrawal of monetary support from central banks. This could lead to higher volatility in markets if investors decide the withdrawal is premature. In the UK, we expect, despite the election result being much closer than anticipated, the current gilt-friendly budget deficit reduction measures to continue, which should support gilt yields.

Legal & General Investment Management Limited
(Investment Adviser)
13 June 2017

Authorised Status

Authorised Status

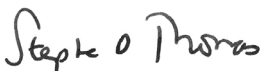
This Fund is an Authorised Unit Trust Scheme as defined in section 243 of the Financial Services and Markets Act 2000 and is a UCITS Retail Scheme within the meaning of the FCA Collective Investment Schemes sourcebook.

Directors' Statement

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



A. J. C. Craven
(Director)



S. D. Thomas
(Director)

Legal & General (Unit Trust Managers) Limited
13 July 2017

Statement of Responsibilities

Statement of the Manager's Responsibilities

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

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

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

Statement of Responsibilities continued

Statement of the Trustee's Responsibilities

The Depositary in its capacity as Trustee of L&G Sterling Corporate Bond Index Fund must ensure that the Fund is managed in accordance with the Financial Conduct Authority's Collective Investment Schemes Sourcebook, the Financial Services and Markets Act 2000, as amended, (together "the Regulations"), the 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 all of 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 Sterling Corporate Bond Index Fund ("the Fund") for the year ended 20 May 2017

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

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

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

Northern Trust Global Services Limited
UK Trustee and Depositary Services
13 July 2017

Portfolio Statement

Portfolio Statement as at 20 May 2017

All investments are investment grade fixed interest securities unless otherwise stated. The percentages in brackets show the equivalent holdings at 20 May 2016.

Holding/ Nominal Value	Investment	Market Value £	% of Net Assets
	GOVERNMENT BONDS		
	— 1.77% (1.13%)		
	United Kingdom — 0.59% (0.02%)		
£120,000	United Kingdom Gilt 1.25% 22/07/2018	121,581	0.02
£1,180,000	United Kingdom Gilt 2% 22/07/2020	1,246,915	0.22
£1,350,000	United Kingdom Gilt 1.5% 22/07/2026	1,406,419	0.25
£350,000	United Kingdom Gilt 4.75% 07/12/2038	543,060	0.10
		3,317,975	0.59
	Belgium — 0.29% (0.47%)		
£170,000	Belgium (Kingdom of) 5% 24/04/2018	176,841	0.03
£590,000	Belgium (Kingdom of) 1.125% 21/12/2018	595,829	0.11
£198,000	Belgium (Kingdom of) 9.375% 21/02/2020	243,744	0.04
£450,000	Belgium (Kingdom of) 5.7% 28/05/2032	648,712	0.11
		1,665,126	0.29
	Finland — 0.23% (0.28%)		
£175,000	Finland (Republic of) 1.125% 07/12/2017	175,691	0.03
£161,000	Finland (Republic of) 1% 17/12/2018	162,309	0.03
£298,000	Finland (Republic of) 1.5% 19/12/2019	305,907	0.05
£638,000	Finland (Republic of) 1.625% 15/12/2020	662,540	0.12
		1,306,447	0.23
	Guernsey — 0.09% (0.13%)		
£451,000	Guernsey (States of) 3.375% 12/12/2046	523,590	0.09
	Isle Of Man — 0.04% (0.06%)		
£149,000	Isle of Man Government 5.375% 14/08/2034	210,457	0.04
	Jersey — 0.09% (0.13%)		
£400,000	States of Jersey 3.75% 09/06/2054	524,592	0.09
	Israel — 0.03% (0.04%)		
£100,000	Israel Government International 6.875% 21/10/2034	153,050	0.03
	Canada — 0.34% (0.00%)		
£1,012,000	Province of Alberta Canada 1% 15/11/2021	1,021,055	0.18
£595,000	Province of Manitoba 0.75% 15/12/2021	592,257	0.11

Portfolio Statement continued

Holding/ Nominal Value	Investment	Market Value £	% of Net Assets
	Canada — (cont.)		
£255,000	Province of Quebec 0.875% 24/05/2022	254,975	0.05
		<hr/>	<hr/>
		1,868,287	0.34
	Germany — 0.07% (0.00%)		
£400,000	State of North Rhine-Westphalia Germany 0.875% 07/03/2018	401,388	0.07
	CORPORATE BONDS		
	— 96.77% (97.62%)		
	UNITED KINGDOM		
	— 35.73% (41.14%)		
£548,000	A2Dominion Housing 3.5% 15/11/2028	563,930	0.10
£1,211,000	Abbey National Treasury Services 1.875% 17/02/2020	1,239,908	0.22
£1,866,000	Abbey National Treasury Services 5.125% 14/04/2021	2,170,569	0.38
£1,483,000	Abbey National Treasury Services 5.75% 02/03/2026	1,980,704	0.35
£1,050,000	Abbey National Treasury Services 5.25% 16/02/2029	1,425,762	0.25
£350,000	Abbey National Treasury Services 3.875% 15/10/2029	405,010	0.07
£200,000	Affinity Sutton Capital Markets 5.981% 17/09/2038	308,289	0.05
£563,000	Affinity Sutton Capital Markets 4.25% 08/10/2042	722,543	0.13
£578,000	Affinity Water Finance 5.875% 13/07/2026	769,043	0.14
£1,355,000	Affordable Housing 2.893% 11/08/2043	1,582,168	0.28
£1,036,000	Affordable Housing 3.8% 20/05/2044	1,383,669	0.24
£333,000	Anglian Water Services Financing 5.837% 30/07/2022	410,274	0.07
£186,000	Anglian Water Services Financing 6.875% 21/08/2023	246,110	0.04
£250,000	Anglian Water Services Financing 4.5% 05/10/2027	309,148	0.05
£518,000	Anglian Water Services Financing 6.625% 15/01/2029	763,465	0.14
£367,000	Anglian Water Services Financing 6.293% 30/07/2030	538,396	0.10
£137,172	Annington Finance No.1 8% 02/10/2021	158,065	0.03
£2,120,000	Annington Finance No.4 0% 07/12/2022	1,920,451	0.34
£2,010,000	Annington Finance No.4 0% 10/01/2023	1,779,152	0.31
£370,000	Artesian Finance 6% 30/09/2033	540,859	0.10
£1,984,610	Aspire Defence Finance 4.674% 31/03/2040	2,490,580	0.44
£420,000	Aster Treasury 4.5% 18/12/2043	551,627	0.10
£517,000	AstraZeneca 5.75% 13/11/2031	734,090	0.13
£825,000	Bank of Scotland 4.875% 20/12/2024	1,028,226	0.18
£1,683,000	Barclays Bank 4.25% 12/01/2022	1,937,160	0.34

Portfolio Statement continued

Holding/ Nominal Value	Investment	Market Value £	% of Net Assets
	UNITED KINGDOM — (cont.)		
£232,631	BBC Pacific Quay Finance 5.5653% 25/07/2034	293,120	0.05
£1,025,000	BG Energy Capital 5.125% 01/12/2025	1,290,988	0.23
£1,281,000	BG Energy Capital 5% 04/11/2036	1,741,996	0.31
£218,454	BL Superstores Finance 4.482% 04/10/2030	252,424	0.04
£85,780	BL Superstores Finance 5.27% 04/10/2030	96,837	0.02
£871,000	BP Capital Markets 4.325% 10/12/2018	919,077	0.16
£1,063,000	BP Capital Markets 1.177% 12/08/2023	1,037,393	0.18
£477,000	BP Capital Markets 2.03% 14/02/2025	485,692	0.09
£95,000	Broadgate Financing 4.851% 05/04/2031	122,764	0.02
£219,907	Broadgate Financing 4.949% 05/04/2031	266,071	0.05
£480,000	Broadgate Financing 4.999% 05/10/2031	596,255	0.11
£412,800	Broadgate Financing 5.098% 05/04/2033	495,772	0.09
£475,000	Broadgate Financing 4.821% 05/07/2033	631,364	0.11
£353,305	Canary Wharf Finance 6.455% 22/10/2033	523,197	0.09
£284,726	Canary Wharf Finance 6.8% 22/10/2033	367,934	0.06
£620,000	Canary Wharf Finance 5.952% 22/10/2037	788,495	0.14
£367,000	Cardiff University 3% 07/12/2055	436,249	0.08
£691,000	Circle Anglia Social Housing 7.25% 12/11/2038	1,189,208	0.21
£300,000	Circle Anglia Social Housing 5.2% 02/03/2044	430,860	0.08
£325,000	Close Brothers Finance 3.875% 27/06/2021	356,824	0.06
£338,000	Close Brothers Finance 2.75% 19/10/2026	353,996	0.06
£1,030,000	Clydesdale Bank 4.625% 08/06/2026	1,274,694	0.22
£571,000	Community Finance 1 5.017% 31/07/2034	781,226	0.14
£200,000	Compass Group 3.85% 26/06/2026	232,858	0.04
£788,000	Coventry Building Society 4.625% 19/04/2018	817,088	0.14
£510,000	Coventry Building Society 6% 16/10/2019	570,438	0.10
£229,000	Coventry Building Society 1% 05/05/2020	229,000	0.04
£450,000	Coventry Building Society 5.875% 28/09/2022	549,435	0.10
£1,079,099	CTRL Section 1 Finance 5.234% 02/05/2035	1,394,397	0.25
£320,000	East Finance 5.486% 15/06/2042	463,902	0.08

Portfolio Statement continued

Holding/ Nominal Value	Investment	Market Value £	% of Net Assets
	UNITED KINGDOM — (cont.)		
£112,090	Equity Release No.1 5.7% 26/02/2031	136,976	0.02
£270,151	Equity Release No.2 5.88% 26/05/2032	340,675	0.06
£289,000	Equity Release No.3 5.05% 26/04/2033	363,848	0.06
£75,139	Exchequer 5.396% 13/07/2036	100,421	0.02
£85,000	Friends Life Group 12% 21/05/2021	118,724	0.02
£789,000	Friends Life Holdigs 8.25% 21/04/2022	1,027,256	0.18
£1,316,000	GlaxoSmithKline Capital 3.375% 20/12/2027	1,488,693	0.26
£1,348,000	GlaxoSmithKline Capital 5.25% 19/12/2033	1,876,500	0.33
£1,156,000	GlaxoSmithKline Capital 6.375% 09/03/2039	1,860,339	0.33
£1,400,000	GlaxoSmithKline Capital 5.25% 10/04/2042	2,052,215	0.36
£1,365,000	GlaxoSmithKline Capital 4.25% 18/12/2045	1,783,692	0.31
£328,939	Greater Gabbard OFTO 4.137% 29/11/2032	384,310	0.07
£180,197	Greene King Finance 5.318% 15/09/2031	215,138	0.04
£379,000	Greene King Finance 5.106% 15/03/2034	453,364	0.08
£871,803	Greene King Finance 4.0643% 15/03/2035	959,834	0.17
£85,000	Guardian Royal Exchange 6.625% 21/08/2023	107,810	0.02
£371,938	Gwynt y Môr Offshore Wind Farm 2.778% 17/02/2034	392,454	0.07
£397,000	Harbour Funding 5.28% 31/03/2034	524,728	0.09
£313,181	Haven Funding 8.125% 30/09/2037	503,616	0.09
£965,000	High Speed Rail Finance 1 4.375% 01/11/2038	1,237,620	0.22
£56,485	Housing Association 8.25% 07/06/2027	75,770	0.01
£525,000	HSBC Bank 5% 20/03/2023	540,597	0.10
£316,000	HSBC Bank 6.5% 07/07/2023	394,819	0.07
£469,000	HSBC Bank 5.375% 04/11/2030	570,556	0.10
£822,000	HSBC Bank 5.375% 22/08/2033	1,064,659	0.19
£177,000	HSBC Bank 6.25% 30/01/2041	259,601	0.05
£892,000	HSBC Bank 4.75% 24/03/2046	1,115,535	0.20
£952,000	HSBC Holdings 6.5% 20/05/2024	1,235,178	0.22
£1,116,000	HSBC Holdings 5.75% 20/12/2027	1,366,214	0.24
£1,801,000	HSBC Holdings 2.625% 16/08/2028	1,819,687	0.32
£1,050,000	HSBC Holdings 6.75% 11/09/2028	1,372,125	0.24
£1,500,000	HSBC Holdings 7% 07/04/2038	2,160,864	0.38
£1,289,000	HSBC Holdings 6% 29/03/2040	1,689,728	0.30
£350,000	Hutchison Whampoa Finance UK 5.625% 24/11/2026	456,196	0.08
£210,000	Hyde Housing Association 5.125% 23/07/2040	284,437	0.05
£297,570	Integrated Accommodation Services 6.48% 31/03/2029	382,800	0.07

Portfolio Statement continued

Holding/ Nominal Value	Investment	Market Value £	% of Net Assets
	UNITED KINGDOM — (cont.)		
£480,000	Intu Finance 3.875% 17/03/2023	526,289	0.09
£550,000	Intu Finance 4.625% 17/03/2033	647,860	0.11
£568,000	Intu Finance 4.25% 17/09/2035	651,775	0.11
£800,000	Intu Metrocentre 4.125% 06/12/2023	896,235	0.16
£1,000,600	Juturna (ELOC 16) 5.0636% 10/08/2033	1,234,430	0.22
£674,000	Land Securities Capital Markets 1.974% 08/02/2026	691,075	0.12
£1,148,000	Land Securities Capital Markets 5.391% 31/03/2027	1,464,802	0.26
£632,000	Land Securities Capital Markets 5.376% 30/09/2029	833,874	0.15
£475,000	Land Securities Capital Markets 2.399% 08/02/2031	495,521	0.09
£415,000	Land Securities Capital Markets 5.396% 31/07/2032	567,501	0.10
£840,000	Land Securities Capital Markets 5.125% 07/02/2036	1,151,890	0.20
£2,037,000	LCR Finance 4.5% 07/12/2028	2,665,421	0.47
£499,000	LCR Finance 4.5% 07/12/2038	714,358	0.13
£1,706,000	LCR Finance 5.1% 07/03/2051	2,993,436	0.53
£250,000	Leeds Building Society 4.25% 17/12/2018	264,482	0.05
£300,000	Leeds Building Society 4.875% 16/11/2020	343,964	0.06
£366,000	Legal & General Finance 5.875% 11/12/2031	518,944	0.09
£210,000	Legal & General Finance 5.875% 05/04/2033	298,702	0.05
£200,000	Libra Longhurst Group Treasury 5.125% 02/08/2038	263,942	0.05
£158,000	Lloyds Bank 6.75% 24/10/2018	171,393	0.03
£350,000	Lloyds Bank 2.75% 09/12/2018	360,433	0.06
£650,000	Lloyds Bank 1.75% 31/03/2022	672,741	0.12
£263,000	Lloyds Bank 2.5% 01/06/2022	278,947	0.05
£921,000	Lloyds Bank 7.5% 15/04/2024	1,264,289	0.22
£1,908,000	Lloyds Bank 5.125% 07/03/2025	2,422,191	0.43
£1,838,000	Lloyds Bank 4.875% 30/03/2027	2,349,480	0.41
£2,163,000	Lloyds Bank 6% 08/02/2029	3,100,911	0.55
£1,578,000	Lloyds Bank 6.5% 17/09/2040	2,568,507	0.45
£491,000	London & Quadrant Housing Trust 2.625% 05/05/2026	519,785	0.09
£300,000	London & Quadrant Housing Trust 4.625% 05/12/2033	388,455	0.07
£310,000	London & Quadrant Housing Trust 5.5% 27/01/2040	454,781	0.08
£245,000	London & Quadrant Housing Trust 3.75% 27/10/2049	302,253	0.05
£134,000	London Merchant Securities 6.5% 16/03/2026	173,388	0.03
£370,000	Longstone Finance 4.896% 19/04/2031	423,080	0.07
£428,199	Longstone Finance 4.791% 19/04/2036	504,231	0.10
£662,000	Marlet Homes 3% 09/05/2052	665,837	0.12
£891,061	Meadowhall Finance 4.986% 12/01/2032	1,118,722	0.20

Portfolio Statement continued

Holding/ Nominal Value	Investment	Market Value £	% of Net Assets
	UNITED KINGDOM — (cont.)		
£132,592	Meadowhall Finance 4.988% 12/07/2037	166,442	0.03
£184,000	Mercantile Investment Trust 6.125% 25/02/2030	237,513	0.04
£300,000	Merseylink Issuer 3.842% 31/03/2043	394,983	0.07
£332,000	Metropolitan Funding 4.125% 05/04/2048	409,791	0.07
£172,856	Mitchells & Butlers Finance 5.574% 15/12/2030	204,303	0.04
£538,000	Motability Operations Group 6.625% 10/12/2019	619,320	0.11
£772,000	Motability Operations Group 5.375% 28/06/2022	933,688	0.17
£312,000	Motability Operations Group 3.75% 16/07/2026	361,424	0.06
£315,000	Motability Operations Group 4.375% 08/02/2027	382,707	0.07
£591,000	Motability Operations Group 5.625% 29/11/2030	826,896	0.15
£438,000	Motability Operations Group 2.375% 14/03/2032	441,331	0.08
£866,000	Motability Operations Group 3.625% 10/03/2036	1,011,064	0.18
£147,000	National Grid Electricity Transmission 5.875% 02/02/2024	186,863	0.03
£470,000	National Grid Electricity Transmission 4% 08/06/2027	556,067	0.10
£250,000	National Grid Gas 6.375% 03/03/2020	287,898	0.05
£942,000	National Grid Gas 1.125% 22/09/2021	943,151	0.17
£1,517,000	National Grid Gas 2.125% 22/09/2028	1,499,506	0.26
£883,000	National Grid Gas 2.625% 22/09/2038	857,451	0.15
£930,000	National Grid Gas 2.75% 22/09/2046	909,585	0.16
£1,225,000	Nationwide Building Society 5.625% 09/09/2019	1,358,330	0.24
£1,023,000	Nationwide Building Society 2.25% 29/04/2022	1,074,505	0.19
£1,288,000	Nationwide Building Society 5.625% 28/01/2026	1,719,297	0.30
£903,000	Nationwide Building Society 3% 06/05/2026	971,027	0.17
£1,199,000	Nationwide Building Society 3.25% 20/01/2028	1,310,079	0.23
£849,812	NATS Route 5.25% 31/03/2026	1,006,403	0.18
£1,350,000	Network Rail Infrastructure Finance 4.625% 21/07/2020	1,527,578	0.27
£1,025,000	Network Rail Infrastructure Finance 3% 07/09/2023	1,158,963	0.20
£1,067,000	Network Rail Infrastructure Finance 4.75% 22/01/2024	1,325,566	0.23
£1,389,000	Network Rail Infrastructure Finance 4.375% 09/12/2030	1,847,328	0.33
£1,798,000	Network Rail Infrastructure Finance 4.75% 29/11/2035	2,598,743	0.46

Portfolio Statement continued

Holding/ Nominal Value	Investment	Market Value £	% of Net Assets
	UNITED KINGDOM — (cont.)		
£83,000	Northern Electric Finance 8.875% 16/10/2020	104,788	0.02
£70,000	Northern Electric Finance 5.125% 04/05/2035	96,073	0.02
£193,000	Northern Powergrid Yorkshire 9.25% 17/01/2020	234,892	0.04
£210,000	Northern Powergrid Yorkshire 7.25% 15/12/2022	272,198	0.05
£610,000	Northern Powergrid Yorkshire 5.125% 04/05/2035	837,615	0.15
£151,000	Northern Rock Asset Management 6.375% 02/12/2019	169,334	0.03
£300,000	Notting Hill Housing Trust 3.75% 20/12/2032	345,129	0.06
£506,000	Notting Hill Housing Trust 5.25% 07/07/2042	725,548	0.13
£500,000	Notting Hill Housing Trust 4.375% 20/02/2054	688,884	0.12
£285,837	Octagon Healthcare Funding 5.333% 31/12/2035	361,106	0.06
£563,000	Orbit Capital 3.5% 24/03/2045	615,849	0.11
£300,000	Paragon Treasury 3.625% 21/01/2047	335,009	0.06
£850,000	Peabody Capital No.2 4.625% 12/12/2053	1,215,235	0.21
£97,731	Picts 5.218% 20/01/2039	111,964	0.02
£399,000	Places for People Homes 5.09% 31/07/2043	476,309	0.08
£483,000	Places For People Treasury 2.875% 17/08/2026	474,248	0.08
£400,000	PRS Finance 1.75% 24/11/2026	409,842	0.07
£330,000	Prudential 1.75% 27/11/2018	334,751	0.06
£325,000	Prudential 6.875% 20/01/2023	419,329	0.07
£343,000	Prudential 5.875% 11/05/2029	466,336	0.08
£940,000	Prudential 6.125% 19/12/2031	1,219,148	0.22
£444,000	Prudential 11.375% 29/05/2039	532,239	0.09
£859,000	Prudential 5% 20/07/2055	903,336	0.16
£1,015,000	Prudential 5.7% 19/12/2063	1,153,430	0.20
£120,000	Quadrant Housing Finance 7.93% 10/02/2033	177,531	0.03
£900,000	Rio Tinto Finance 4% 11/12/2029	1,066,945	0.19
£630,000	Riverside Finance 3.875% 05/12/2044	731,922	0.13
£925,000	Rolls-Royce 6.75% 30/04/2019	1,030,152	0.18
£791,000	Rolls-Royce 3.375% 18/06/2026	868,825	0.15
£1,500,000	Royal Bank of Scotland 5.125% 13/01/2024	1,862,079	0.33
£375,194	RSL Finance No.1 6.625% 31/03/2038	539,663	0.10
£336,000	Sanctuary Capital 6.697% 23/03/2039	549,447	0.10
£779,000	Sanctuary Capital 5% 26/04/2047	1,126,071	0.20
£254,596	Sanctuary Housing 8.375% 01/09/2031	396,391	0.07
£40,000	Scottish Amicable Finance 8.5% Open Maturity	42,622	0.01
£214,000	Segro 5.5% 20/06/2018	224,444	0.04
£105,000	Segro 6% 30/09/2019	117,233	0.02

Portfolio Statement continued

Holding/ Nominal Value	Investment	Market Value £	% of Net Assets
	UNITED KINGDOM — (cont.)		
£350,000	Segro 5.625% 07/12/2020	404,839	0.07
£256,000	Segro 6.75% 23/11/2021	317,542	0.06
£285,000	Segro 7% 14/03/2022	360,278	0.06
£342,000	Segro 6.75% 23/02/2024	449,915	0.08
£510,000	Segro 5.75% 20/06/2035	738,841	0.13
£725,000	Society of Lloyd's 4.75% 30/10/2024	816,905	0.14
£100,000	Society of Lloyd's 4.875% 07/02/2047	107,937	0.02
£509,000	Southern Electric Power Distribution 5.5% 07/06/2032	699,935	0.12
£696,000	Southern Electric Power Distribution 4.625% 20/02/2037	905,243	0.16
£394,000	Southern Gas Networks 4.875% 21/03/2029	506,697	0.09
£104,000	Sovereign Housing 5.705% 10/09/2039	154,053	0.03
£600,000	Sovereign Housing 4.768% 01/06/2043	816,842	0.14
£533,000	SSE 5% 01/10/2018	562,887	0.10
£730,000	SSE 4.25% 14/09/2021	826,264	0.15
£350,000	SSE 5.875% 22/09/2022	430,143	0.08
£573,000	SSE 8.375% 20/11/2028	920,475	0.16
£515,000	SSE 6.25% 27/08/2038	790,993	0.14
£1,088,000	Standard Chartered Bank 4.375% 18/01/2038	1,240,083	0.22
£737,000	Standard Life 6.75% Open Maturity	865,354	0.15
£451,000	Sunderland SHG Finance 6.38% 31/03/2042	644,134	0.11
£700,000	Swan Housing Capital 3.625% 05/03/2048	769,716	0.14
£79,750	Telereal Securitisation 4.9741% 10/12/2033	91,665	0.02
£250,838	Telereal Securitisation 5.3887% 10/12/2033	301,517	0.05
£226,482	Telereal Securitisation 5.5534% 10/12/2033	275,595	0.05
£788,024	Telereal Securitisation 5.9478% 10/12/2033	980,729	0.17
£710,000	Thames Water Utilities Finance 6.75% 16/11/2028	1,040,137	0.18
£300,000	Thames Water Utilities Finance 6.5% 09/02/2032	448,416	0.08
£907,000	Thames Water Utilities Finance 5.125% 28/09/2037	1,258,735	0.22
£85,000	The Guinness Partnership Limited 9.125% 31/01/2025	128,718	0.02
£200,000	The Guinness Partnership Limited 4% 24/10/2044	244,005	0.04
£307,000	THFC Funding No.1 5.125% 21/12/2037	409,516	0.07
£420,000	THFC Funding No.2 6.35% 08/07/2041	654,836	0.12
£1,173,000	THFC Funding No.3 5.2% 11/10/2045	1,661,262	0.29
£500,000	Together Housing Finance 4.5% 17/12/2042	633,956	0.11

Portfolio Statement continued

Holding/ Nominal Value	Investment	Market Value £	% of Net Assets
	UNITED KINGDOM — (cont.)		
£930,000	Transport for London 2.25% 09/08/2022	988,582	0.17
£435,000	Transport for London 2.125% 24/04/2025	459,706	0.08
£200,000	Transport for London 4.5% 31/03/2031	246,852	0.04
£600,000	Transport for London 4% 12/09/2033	760,050	0.13
£200,000	Transport for London 5% 31/03/2035	273,701	0.05
£800,000	Transport for London 3.875% 23/07/2042	1,034,750	0.18
£772,000	Transport for London 3.625 15/05/2045	975,275	0.17
£720,000	Transport for London 4% 07/04/2064	1,106,768	0.20
£300,000	Unilever 2% 19/12/2018	306,108	0.05
£578,000	Unilever 1.125% 03/02/2022	580,266	0.10
£600,000	UNITE (USAF) II 3.374% 30/06/2023	655,654	0.12
£400,000	UNITE (USAF) II 3.921% 30/06/2030	458,236	0.08
£85,000	United Utilities Water 5.375% 14/05/2018	88,689	0.02
£678,000	United Utilities Water 5.75% 25/03/2022	822,637	0.15
£377,000	United Utilities Water 5.625% 20/12/2027	507,444	0.09
£310,000	United Utilities Water 5% 28/02/2035	422,738	0.07
£550,000	University of Cambridge 3.75% 17/10/2052	780,527	0.14
£299,000	University of Leeds 3.125% 19/12/2050	352,173	0.06
£500,000	University of Liverpool 3.375% 25/06/2055	643,822	0.11
£525,000	University of Manchester 4.25% 04/07/2053	777,919	0.14
£430,000	University of Southampton 2.25% 11/04/2057	424,135	0.08
£450,000	Wales & West Utilities Finance 6.25% 30/11/2021	552,097	0.10
£300,000	Wales & West Utilities Finance 4.625% 13/12/2023	358,244	0.06
£653,000	Wales & West Utilities Finance 5.75% 29/03/2030	907,108	0.16
£676,000	Wellcome Trust Finance 4.75% 28/05/2021	784,862	0.14
£895,000	Wellcome Trust Finance 4.625% 25/07/2036	1,257,880	0.22
£600,000	Wellcome Trust Finance 4% 09/05/2059	929,041	0.16
£600,000	Wessex Water Services Finance 4% 24/09/2021	673,163	0.12
£228,000	Wessex Water Services Finance 5.375% 10/03/2028	301,376	0.05
£367,000	Wessex Water Services Finance 5.75% 14/10/2033	535,849	0.09
£450,000	Wheatley Group Capital 4.375% 28/11/2044	556,931	0.10
£300,000	WHG Treasury 4.25% 06/10/2045	368,973	0.07

Portfolio Statement continued

Holding/ Nominal Value	Investment	Market Value £	% of Net Assets
	UNITED KINGDOM — (cont.)		
£490,306	White City Property Finance 5.1202% 17/04/2035	617,712	0.11
£830,000	Yorkshire Building Society 4.75% 12/04/2018	861,115	0.15
£100,000	Yorkshire Water Services Finance 5.5% 28/05/2037	146,438	0.03
£582,000	Zurich Finance UK 6.625% Open Maturity	693,971	0.12
		202,662,330	35.73
	IRELAND — 1.95% (0.37%)		
£250,000	Dali Capital 4.79924% 21/12/2037	321,841	0.06
£206,000	ESB Finance 6.5% 05/03/2020	236,328	0.04
£731,000	Freshwater Finance 5.182% 20/04/2035	987,368	0.17
£200,000	Freshwater Finance 4.556% 03/04/2036	253,272	0.05
£491,000	Freshwater Finance 4.607% 17/10/2036	627,495	0.11
£473,000	GE Capital UK Funding 6.75% 06/08/2018	506,741	0.09
£154,000	GE Capital UK Funding 5.625% 25/04/2019	168,169	0.03
£749,000	GE Capital UK Funding 4.375% 31/07/2019	806,824	0.14
£806,000	GE Capital UK Funding 5.875% 04/11/2020	943,073	0.17
£470,000	GE Capital UK Funding 5.125% 24/05/2023	571,713	0.10
£950,000	GE Capital UK Funding 4.125% 13/09/2023	1,107,729	0.20
£982,000	GE Capital UK Funding 5.875% 18/01/2033	1,442,517	0.25
£536,000	GE Capital UK Funding 6.25% 05/05/2038	860,082	0.15
£1,158,000	GE Capital UK Funding 8% 14/01/2039	2,196,182	0.39
		11,029,334	1.95
	CHANNEL ISLANDS — 1.74% (0.23%)		
£570,000	Annington Repackaging No.1 5.3236% 10/01/2023	661,418	0.12
£255,000	Asif Jersey 5% 18/12/2018	271,462	0.05
£232,000	Heathrow Funding 9.2% 29/03/2023	300,677	0.05
£998,000	Heathrow Funding 5.225% 15/02/2025	1,187,225	0.21
£1,028,000	Heathrow Funding 6.75% 03/12/2028	1,424,516	0.24
£175,000	Heathrow Funding 7.075% 04/08/2030	255,343	0.05
£1,345,000	Heathrow Funding 6.45% 10/12/2033	1,974,500	0.35
£1,021,000	Heathrow Funding 5.875% 13/05/2043	1,533,236	0.27
£1,236,000	Heathrow Funding 4.625% 31/10/2046	1,646,078	0.29

Portfolio Statement continued

Holding/ Nominal Value	Investment	Market Value £	% of Net Assets
	CHANNEL ISLANDS — (cont.)		
£634,000	Heathrow Funding 2.75% 09/08/2051	617,915	0.11
		9,872,370	1.74
	NORTH AMERICA — 16.37% (13.44%)		
	Canada — 0.79% (0.49%)		
£850,000	Bank of Nova Scotia 0.75% 14/09/2021	845,903	0.15
£670,000	Export Development Canada 1.875% 17/12/2018	685,003	0.12
£680,000	Export Development Canada 1.375% 16/12/2019	695,644	0.12
£850,000	Export Development Canada 1% 15/12/2020	863,583	0.15
£300,000	Export Development Canada 0.875% 07/12/2021	302,604	0.05
£822,000	Royal Bank of Canada 1.125% 22/12/2021	832,348	0.15
£300,000	Toronto-Dominion Bank 1% 13/12/2021	301,359	0.05
		4,526,444	0.79
	Cayman Islands — 3.35% (0.50%)		
£413,000	Affinity Water Programme Finance 4.5% 31/03/2036	536,614	0.10
£144,000	Asif 6.375% 05/10/2020	169,213	0.03
£868,000	DWR Cymru Financing 6.907% 31/03/2021	1,065,615	0.19
£397,000	DWR Cymru Financing 6.015% 31/03/2028	554,465	0.10
£50,000	DWR Cymru Financing 4.47% 31/03/2057	74,865	0.01
£678,000	IPIC GMTN 6.875% 14/03/2026	919,818	0.16
£50,000	Lunar Funding 5.494% 29/07/2020	56,209	0.01
£300,000	Lunar Funding 5.75% 18/10/2033	427,983	0.08
£425,000	Southern Water Services Finance 6.125% 31/03/2019	465,379	0.08
£499,000	Southern Water Services Finance 5% 31/03/2021	572,605	0.10
£453,000	Southern Water Services Finance 6.64% 31/03/2026	624,652	0.11
£805,000	Southern Water Services Finance 6.192% 31/03/2029	1,149,669	0.20
£250,000	Southern Water Services Finance 5% 31/03/2041	352,013	0.06
£241,000	Southern Water Services Finance 4.5% 31/03/2052	348,059	0.06
£350,000	Southern Water Services Finance 5.125% 30/09/2056	575,872	0.10
£624,000	Thames Water Utilities Cayman 1.875% 24/01/2024	630,513	0.11
£700,000	Thames Water Utilities Cayman 4% 19/06/2025	816,673	0.15
£555,000	Thames Water Utilities Cayman 3.5% 25/02/2028	626,837	0.11
£127,000	Thames Water Utilities Cayman 2.625% 24/01/2032	129,386	0.02

Portfolio Statement continued

Holding/ Nominal Value	Investment	Market Value £	% of Net Assets
	Cayman Islands — (cont.)		
£400,000	Thames Water Utilities Cayman 4.375% 03/07/2034	498,169	0.09
£780,000	Thames Water Utilities Cayman 5.5% 11/02/2041	1,152,218	0.20
£435,000	Thames Water Utilities Cayman 4.625% 04/06/2046	597,863	0.11
£955,000	Thames Water Utilities Cayman 7.738% 09/04/2058	2,099,664	0.37
£794,970	Trafford Centre Finance 6.5% 28/07/2033	1,099,962	0.19
£220,000	Yorkshire Power Finance 7.25% 04/08/2028	325,683	0.06
£350,000	Yorkshire Water Services Bradford 6% 21/08/2019	390,041	0.07
£350,000	Yorkshire Water Services Bradford 3.625% 01/08/2029	409,403	0.07
£600,000	Yorkshire Water Services Bradford 6.375% 19/08/2039	973,766	0.17
£514,000	Yorkshire Water Services Odsal Finance 6.5876% 21/02/2023	656,512	0.12
£50,000	Yorkshire Water Services Odsal Finance 6.454% 28/05/2027	69,800	0.01
£405,000	Yorkshire Water Services Odsal Finance 6.6011% 17/04/2031	614,116	0.11
		18,983,637	3.35
	Mexico — 0.71% (0.65%)		
£600,000	America Movil 5% 27/10/2026	727,504	0.13
£933,000	America Movil 5.75% 28/06/2030	1,208,647	0.21
£550,000	America Movil 4.948% 22/07/2033	674,577	0.12
£1,238,000	America Movil 4.375% 07/08/2041	1,434,842	0.25
		4,045,570	0.71
	United States — 11.52% (11.80%)		
£555,000	American Honda Finance 1.3% 21/03/2022	556,709	0.10
£700,000	American Honda Finance 2.625% 14/10/2022	747,436	0.13
£1,315,000	Apple 3.05% 31/07/2029	1,459,637	0.26
£700,000	Apple 3.6% 31/07/2042	823,187	0.15
£900,000	Bank of America 7.75% 30/04/2018	957,816	0.17
£1,340,000	Bank of America 5.5% 04/12/2019	1,489,263	0.26
£1,500,000	Bank of America 6.125% 15/09/2021	1,796,702	0.32
£1,437,000	Bank of America 2.3% 25/07/2025	1,461,147	0.26
£475,000	Bank of America 4.25% 10/12/2026	551,347	0.10
£1,750,000	Bank of America 7% 31/07/2028	2,496,137	0.44
£464,000	BMW UK Capital 2% 20/11/2019	477,549	0.08
£600,000	Brown-Forman 2.6% 07/07/2028	626,800	0.11
£150,000	Cargill 5.375% 02/03/2037	203,702	0.04
£520,000	Citigroup 7.625% 03/04/2018	550,533	0.10
£98,000	Citigroup 6.25% 02/09/2019	109,541	0.02
£880,000	Citigroup 5.15% 21/05/2026	1,088,614	0.19
£848,000	Citigroup 6.8% 25/06/2038	1,366,633	0.24

Portfolio Statement continued

Holding/ Nominal Value	Investment	Market Value £	% of Net Assets
	United States — (cont.)		
£715,000	Citigroup 7.375% 01/09/2039	1,225,998	0.22
£972,000	Comcast 5.5% 23/11/2029	1,311,482	0.23
£105,000	Federal National Mortgage Association 5.375% 07/06/2021	123,480	0.02
£306,000	Federal National Mortgage Association 5.375% 07/12/2028	415,138	0.07
£468,000	General Electric 6.25% 29/09/2020	551,106	0.10
£423,000	General Electric 5.5% 07/06/2021	498,575	0.09
£469,000	General Electric 5.25% 07/12/2028	627,653	0.11
£135,000	General Electric 5.625% 16/09/2031	192,355	0.03
£958,000	General Electric 4.875% 18/09/2037	1,286,847	0.23
£519,000	General Electric 5.375% 18/12/2040	779,923	0.14
£366,000	Goldman Sachs Group 7.125% 07/08/2025	498,721	0.09
£1,258,000	Goldman Sachs Group 4.25% 29/01/2026	1,428,132	0.25
£818,000	Goldman Sachs Group 7.25% 10/04/2028	1,166,249	0.21
£95,000	HSBC Finance 6.25% 19/08/2019	106,159	0.02
£825,000	International Business Machines 2.75% 21/12/2020	882,301	0.16
£350,000	International Business Machines 2.625% 05/08/2022	375,263	0.07
£800,000	Johnson & Johnson 5.5% 06/11/2024	1,039,037	0.18
£1,043,000	JPMorgan Chase 1.875% 10/02/2020	1,074,150	0.19
£1,300,000	JPMorgan Chase 3.5% 18/12/2026	1,466,145	0.26
£800,000	MetLife 5.25% 29/06/2020	906,594	0.16
£499,000	MetLife 5.375% 09/12/2024	630,762	0.11
£475,000	Metropolitan Life Global Funding 1.125% 15/12/2021	477,137	0.08
£754,000	Metropolitan Life Global Funding 2.625% 05/12/2022	807,014	0.14
£368,000	Metropolitan Life Global Funding 2.875% 11/01/2023	398,062	0.07
£700,000	Metropolitan Life Global Funding 3.5% 30/09/2026	803,068	0.14
£1,465,000	Morgan Stanley 2.625% 09/03/2027	1,483,585	0.26
£1,059,000	Nestle Holdings 1.75% 09/12/2020	1,101,475	0.19
£628,000	New York Life Global Funding 1% 15/12/2021	630,975	0.11
£824,000	PepsiCo 2.5% 01/11/2022	886,031	0.16
£2,200,000	Pfizer 6.5% 03/06/2038	3,587,659	0.63
£612,000	Procter & Gamble 1.375% 03/05/2025	612,394	0.11
£617,000	Procter & Gamble 1.8% 03/05/2029	619,104	0.11
£352,000	Procter & Gamble 6.25% 31/01/2030	522,006	0.09
£327,000	Procter & Gamble 5.25% 19/01/2033	465,574	0.08

Portfolio Statement continued

Holding/ Nominal Value	Investment	Market Value £	% of Net Assets
	United States — (cont.)		
£217,000	Tennessee Valley Authority 5.35% 07/06/2021	253,345	0.04
£277,000	Tennessee Valley Authority 5.625% 07/06/2032	388,335	0.07
£182,000	Tennessee Valley Authority 4.625% 07/06/2043	256,678	0.05
£525,000	Toyota Motor Credit 1.125% 07/09/2021	527,913	0.09
£741,000	Toyota Motor Credit 1% 27/09/2022	734,876	0.13
£700,000	United Parcel Service 5.125% 12/02/2050	1,104,909	0.19
£635,000	Wal-Mart Stores 5.75% 19/12/2030	901,127	0.16
£1,568,000	Wal-Mart Stores 5.625% 27/03/2034	2,255,709	0.40
£1,487,000	Wal-Mart Stores 5.25% 28/09/2035	2,103,659	0.37
£1,650,000	Wal-Mart Stores 4.875% 19/01/2039	2,272,281	0.40
£930,000	Wells Fargo 2.125% 22/04/2022	967,701	0.17
£1,200,000	Wells Fargo 5.25% 01/08/2023	1,441,180	0.25
£1,125,000	Wells Fargo 2.125% 20/12/2023	1,147,233	0.20
£1,645,000	Wells Fargo 2% 28/07/2025	1,647,871	0.29
£729,000	Wells Fargo 3.5% 12/09/2029	817,435	0.14
£1,208,000	Wells Fargo 4.625% 02/11/2035	1,529,328	0.27
£1,000,000	Wells Fargo 4.875% 29/11/2035	1,256,672	0.22
		65,349,159	11.52
	CONTINENTAL EUROPE — 37.70% (38.51%)		
	Austria — 0.12% (0.20%)		
£500,000	Oesterreichische Kontrollbank 2% 17/12/2018	511,665	0.09
£133,000	Oesterreichische Kontrollbank 5.75% 07/12/2028	186,407	0.03
		698,072	0.12
	Belgium — 0.00% (0.61%)		
	Denmark — 0.10% (0.19%)		
£543,000	Kommunekredit 1.125% 07/12/2018	548,302	0.10
	Eurobonds — 12.02% (12.52%)		
£600,000	African Development Bank 0.875% 13/12/2018	603,467	0.11
£640,000	Asian Development Bank 1% 18/12/2018	645,430	0.11
£375,000	Asian Development Bank 0.75% 24/03/2022	375,436	0.07
£574,000	Council of Europe Development Bank 1.875% 22/12/2018	586,689	0.10
£315,000	Council of Europe Development Bank 1.125% 07/03/2019	318,645	0.06
£785,000	Council of Europe Development Bank 1.25% 23/12/2019	800,508	0.14
£145,000	Eurofima 5.5% 07/06/2032	207,386	0.04
£505,000	European Bank for Reconstruction & Development 1.875% 17/12/2018	516,039	0.09

Portfolio Statement continued

Holding/ Nominal Value	Investment	Market Value £	% of Net Assets
	Eurobonds — (cont.)		
£1,001,000	European Bank for Reconstruction & Development 5.625% 07/12/2028	1,425,113	0.25
£200,000	European Bank for Reconstruction & Development 5.125% 07/06/2032	283,213	0.05
£1,789,000	European Investment Bank 1.375% 15/01/2018	1,800,646	0.32
£1,311,000	European Investment Bank 4.75% 15/10/2018	1,390,512	0.25
£6,619,000	European Investment Bank 1.5% 01/02/2019	6,741,736	1.19
£326,000	European Investment Bank 5.375% 07/03/2019	354,614	0.06
£1,975,000	European Investment Bank 0.625% 17/01/2020	1,983,149	0.35
£2,861,000	European Investment Bank 2.25% 07/03/2020	3,000,079	0.53
£2,986,000	European Investment Bank 5.375% 07/06/2021	3,543,134	0.62
£2,250,000	European Investment Bank 1.125% 07/09/2021	2,293,749	0.40
£430,000	European Investment Bank 4.25% 07/12/2021	496,856	0.09
£3,210,000	European Investment Bank 2.5% 31/10/2022	3,487,081	0.62
£2,292,000	European Investment Bank 5.5% 15/04/2025	3,037,303	0.54
£1,650,000	European Investment Bank 1% 21/09/2026	1,597,730	0.28
£614,000	European Investment Bank 3.75% 07/12/2027	747,791	0.13
£1,304,000	European Investment Bank 0% 07/12/2028	1,070,313	0.19
£3,407,000	European Investment Bank 6% 07/12/2028	5,004,099	0.88
£1,630,000	European Investment Bank 4.5% 07/06/2029	2,147,554	0.38
£3,232,000	European Investment Bank 5.625% 07/06/2032	4,864,548	0.86
£2,167,000	European Investment Bank 3.875% 08/06/2037	2,860,548	0.50
£2,416,000	European Investment Bank 5% 15/04/2039	3,712,165	0.65
£1,027,000	European Investment Bank 4.5% 07/03/2044	1,548,724	0.27
£1,159,000	European Investment Bank 4.625% 12/10/2054	2,003,605	0.35
£500,000	Inter-American Development Bank 1.125% 17/12/2019	509,242	0.09
£338,000	Inter-American Development Bank 5.25% 07/06/2021	400,949	0.07
£300,000	Inter-American Development Bank 0.625% 15/12/2021	300,145	0.05
£1,430,000	International Bank for Reconstruction & Development 1.375% 15/12/2020	1,475,228	0.26

Portfolio Statement continued

Holding/ Nominal Value	Investment	Market Value £	% of Net Assets
	Eurobonds — (cont.)		
£611,000	International Bank for Reconstruction & Development 5.4% 07/06/2021	729,605	0.13
£715,000	International Bank for Reconstruction & Development 0.375% 15/06/2021	710,327	0.13
£750,000	International Bank for Reconstruction & Development 0.75% 07/12/2021	754,743	0.13
£360,000	International Bank for Reconstruction & Development 0.625% 15/12/2023	354,211	0.06
£377,000	International Bank for Reconstruction & Development 4.875% 07/12/2028	514,096	0.09
£588,000	International Bank for Reconstruction & Development 5.75% 07/06/2032	906,832	0.16
£500,000	Nordic Investment Bank 1% 07/03/2019	505,220	0.09
£177,000	Nordic Investment Bank 5.25% 26/11/2019	198,155	0.04
£900,000	Nordic Investment Bank 0.625% 02/11/2021	901,236	0.16
£320,000	Nordic Investment Bank 5.2% 07/06/2032	468,604	0.08
		68,176,455	12.02
	Finland — 0.19% (0.34%)		
£341,000	Municipality Finance 1.25% 07/03/2019	345,391	0.06
£300,000	Municipality Finance 0.75% 15/12/2020	300,902	0.05
£420,000	OP Corporate Bank 2.5% 20/05/2022	444,405	0.08
		1,090,698	0.19
	France — 7.12% (6.95%)		
£506,000	BNP Paribas 2.375% 20/11/2019	525,000	0.09
£606,000	BNP Paribas 1.125% 16/08/2022	594,860	0.11
£630,000	Caisse D'Amortissement Dette 1% 07/03/2018	632,423	0.11
£588,000	Caisse D'Amortissement Dette 3.75% 15/10/2018	614,142	0.11
£825,000	Caisse D'Amortissement Dette 1% 07/03/2019	831,108	0.15
£300,000	Caisse des Dépôts 1.5% 23/12/2019	306,940	0.05
£186,000	Caisse Francaise de Financement Local 5.5% 16/07/2026	242,896	0.04
£353,000	Cie De Financement Foncier 5.5% 26/01/2027	470,050	0.08
£308,000	Credit Agricole 5.5% 17/12/2021	368,772	0.07
£500,000	Dexia Credit Local 1.125% 24/02/2019	503,769	0.09
£1,200,000	Dexia Credit Local 2% 17/06/2020	1,243,763	0.22

Portfolio Statement continued

Holding/ Nominal Value	Investment	Market Value £	% of Net Assets
	France — (cont.)		
£600,000	Dexia Credit Local 0.875% 07/09/2021	597,522	0.11
£1,100,000	Dexia Credit Local 2.125% 12/02/2025	1,145,417	0.20
£750,000	Électricité de France 6.875% 12/12/2022	969,063	0.17
£1,050,000	Électricité de France 6.25% 30/05/2028	1,408,466	0.25
£1,079,000	Électricité de France 5.875% 18/07/2031	1,446,533	0.25
£2,250,000	Électricité de France 6.125% 02/06/2034	3,075,642	0.54
£900,000	Électricité de France 5.5% 27/03/2037	1,171,355	0.21
£2,400,000	Électricité de France 5.5% 17/10/2041	3,165,475	0.56
£1,400,000	Électricité de France 5.125% 22/09/2050	1,828,848	0.32
£1,900,000	Électricité de France 6% 23/01/2114	2,736,570	0.48
£800,000	Engie 6.125% 11/02/2021	953,534	0.17
£700,000	Engie 7% 30/10/2028	1,048,383	0.19
£1,600,000	Engie 5% 01/10/2060	2,632,134	0.46
£1,193,000	IXIS Corporate & Investment Bank 5.875% 24/02/2020	1,349,032	0.24
£779,000	SNCF Mobilites 5.375% 18/03/2027	1,019,833	0.18
£1,290,000	SNCF Reseau 5.5% 01/12/2021	1,546,359	0.27
£1,036,000	SNCF Reseau 5.25% 07/12/2028	1,391,961	0.25
£1,008,000	SNCF Reseau 5.25% 31/01/2035	1,429,585	0.25
£857,000	SNCF Reseau 5% 11/03/2052	1,365,835	0.24
£795,000	SNCF Reseau 4.83% 25/03/2060	1,316,735	0.23
£306,000	Société Générale 5% 20/12/2018	326,078	0.06
£300,000	Suez 5.375% 02/12/2030	404,630	0.07
£541,000	Total Capital 3.875% 14/12/2018	567,402	0.10
£396,000	Total Capital International 2.25% 17/12/2020	415,770	0.07
£720,000	Total Capital International 2.25% 06/09/2022	760,462	0.13
		40,406,347	7.12
	Germany — 9.63% (11.06%)		
£230,000	BASF 0.875% 06/10/2023	225,089	0.04
£674,000	BASF 1.75% 11/03/2025	683,431	0.12
£300,000	Bayer 5.625% 23/05/2018	314,493	0.06
£200,000	Bayerische Landesbank 1.25% 20/12/2021	202,213	0.04
£524,000	Daimler 2.375% 16/07/2018	533,239	0.09
£300,000	Daimler 1% 20/12/2019	301,041	0.05
£582,000	Daimler 2.75% 04/12/2020	617,523	0.11
£200,000	Daimler 2.375% 16/12/2021	211,014	0.04
£560,000	Daimler 1.5% 13/01/2022	567,361	0.10
£474,000	Daimler 2.125% 07/06/2022	494,504	0.09
£500,000	Deutsche Pfandbriefbank 1.875% 20/12/2019	512,251	0.09
£400,000	Erste Abwicklungsa 1% 07/03/2019	402,994	0.07
£1,200,000	FMS Wertmanagement 1% 10/04/2018	1,206,103	0.21

Portfolio Statement continued

Holding/ Nominal Value	Investment	Market Value £	% of Net Assets
Germany — (cont.)			
£1,800,000	FMS Wertmanagement 1.875% 07/12/2018	1,840,336	0.32
£1,800,000	FMS Wertmanagement 1.25% 08/03/2019	1,825,096	0.32
£2,000,000	FMS Wertmanagement 1.125% 13/12/2019	2,032,456	0.36
£2,250,000	FMS Wertmanagement 0.625% 06/03/2020	2,258,550	0.40
£800,000	FMS Wertmanagement 0.875% 14/05/2021	807,040	0.14
£800,000	FMS Wertmanagement 0.875% 14/02/2022	805,886	0.14
£707,000	Henkel 0.875% 13/09/2022	697,412	0.12
£377,000	KFW 4.875% 01/02/2018	388,846	0.07
£2,215,000	KFW 2% 06/12/2018	2,271,593	0.40
£6,053,000	KFW 1.125% 23/12/2019	6,162,511	1.09
£1,838,000	KFW 1.625% 05/06/2020	1,901,516	0.34
£1,765,000	KFW 1.375% 01/02/2021	1,818,672	0.32
£3,900,000	KFW 5.55% 07/06/2021	4,671,529	0.82
£170,000	KFW 0.875% 15/03/2022	171,578	0.03
£227,000	KFW 5% 10/09/2024	289,922	0.05
£1,239,000	KFW 5.5% 18/06/2025	1,661,345	0.29
£4,838,000	KFW 6% 07/12/2028	7,165,601	1.26
£2,126,000	KFW 5.75% 07/06/2032	3,286,579	0.58
£1,215,000	KFW 5% 09/06/2036	1,853,439	0.33
£551,000	KFW 4.857% 15/03/2037	839,625	0.15
£750,000	Landeskreditbank Baden-Wuer 1.125% 17/05/2021	763,262	0.13
£850,000	Landeskreditbank Baden-Wuer 0.875% 07/03/2022	852,007	0.15
£925,000	Landwirtschaftliche Rentenbank 1.5% 23/12/2019	949,842	0.17
£773,000	Landwirtschaftliche Rentenbank 1.375% 15/12/2020	796,447	0.14
£700,000	Landwirtschaftliche Rentenbank 1.125% 12/05/2021	715,107	0.13
£300,000	Landwirtschaftliche Rentenbank 1.125% 15/12/2023	302,661	0.05
£465,000	Muenchener Rueckversicherungs 7.625% 21/06/2028	496,300	0.09
£600,000	Muenchener Rueckversicherungs 6.625% 26/05/2042	718,897	0.13
		54,615,311	9.63
Luxembourg — 0.08% (0.00%)			
£438,000	Nestle Finance International 2.25% 30/11/2023	470,255	0.08
Netherlands — 5.97% (3.77%)			
£557,000	ABN Amro Bank 2.5% 18/12/2018	572,961	0.10
£300,000	ABN Amro Bank 4.875% 16/01/2019	320,676	0.06
£600,000	ABN Amro Bank 2.375% 07/12/2021	639,637	0.11
£277,000	Aegon 6.125% 15/12/2031	392,004	0.07
£542,000	Aegon 6.625% 16/12/2039	829,498	0.15
£1,000,000	Allianz Finance 4.5% 13/03/2043	1,354,972	0.24
£174,000	Bank Nederlandse Gemeenten 4.5% 20/02/2018	179,161	0.03

Portfolio Statement continued

Holding/ Nominal Value	Investment	Market Value £	% of Net Assets
	Netherlands — (cont.)		
£1,132,000	Bank Nederlandse Gemeenten 1.875% 07/12/2018	1,155,575	0.20
£550,000	Bank Nederlandse Gemeenten 5.75% 18/01/2019	597,020	0.10
£545,000	Bank Nederlandse Gemeenten 1.125% 07/03/2019	550,816	0.10
£1,399,000	Bank Nederlandse Gemeenten 1.375% 09/12/2019	1,427,721	0.25
£750,000	Bank Nederlandse Gemeenten 1.125% 24/05/2021	761,943	0.13
£868,000	Bank Nederlandse Gemeenten 5.375% 07/06/2021	1,027,608	0.18
£300,000	Bank Nederlandse Gemeenten 1% 15/03/2022	302,024	0.05
£400,000	Bank Nederlandse Gemeenten 5.2% 07/12/2028	543,657	0.10
£866,000	BMW Finance 3.375% 14/12/2018	900,456	0.16
£408,000	BMW Finance 1.875% 29/06/2020	420,789	0.07
£425,000	BMW Finance 1% 17/11/2021	423,839	0.07
£475,000	BMW Finance 2.375% 01/12/2021	503,367	0.09
£915,000	BMW Finance 0.875% 16/08/2022	898,352	0.16
£545,000	Rabobank Nederland 4.625% 13/01/2021	616,251	0.11
£732,000	Rabobank Nederland 2.25% 23/03/2022	768,556	0.13
£1,130,000	Rabobank 4% 19/09/2022	1,284,778	0.23
£289,000	Rabobank 4.875% 10/01/2023	341,669	0.06
£810,000	Rabobank 5.25% 14/09/2027	977,248	0.17
£1,550,000	Rabobank 4.625% 23/05/2029	1,786,059	0.31
£216,000	Rabobank 4.55% 30/08/2029	272,562	0.05
£463,000	Rabobank 5.25% 23/05/2041	675,197	0.12
£550,000	Rabobank 5.375% 03/08/2060	967,239	0.17
£717,000	Daimler International Finance 3.5% 06/06/2019	754,944	0.13
£420,000	Deutsche Bahn Finance 2.75% 20/06/2022	457,595	0.08
£599,000	Deutsche Bahn Finance 3.125% 24/07/2026	676,442	0.12
£850,000	Elm B.V. 6.3024% Open Maturity	918,102	0.16
£951,000	ING Bank 5.375% 15/04/2021	1,112,004	0.20
£386,000	Linde Finance 5.875% 24/04/2023	488,708	0.09
£325,000	Nederlandse Waterschapsbank 0.875% 07/03/2018	326,080	0.06
£220,000	Nederlandse Waterschapsbank 2% 28/12/2018	225,216	0.04
£200,000	Nederlandse Waterschapsbank 1% 09/12/2019	201,942	0.04
£300,000	Nederlandse Waterschapsbank 0.875% 20/12/2021	300,433	0.05
£712,000	Nederlandse Waterschapsbank 5.375% 07/06/2032	1,028,068	0.18
£300,000	PACCAR Financial Europe 1.513% 29/05/2018	302,518	0.05
£100,000	Roche Finance Europe 5.375% 29/08/2023	125,042	0.02
£625,000	Shell International Finance 2% 20/12/2019	645,499	0.11

Portfolio Statement continued

Holding/ Nominal Value	Investment	Market Value £	% of Net Assets
	Netherlands — (cont.)		
£400,000	Siemens Financieringsmaatschappij 2.75% 10/09/2025	437,684	0.08
£1,000,000	Siemens Financieringsmaatschappij 3.75% 10/09/2042	1,238,616	0.22
£314,000	Volkswagen Financial Services 2.625% 22/07/2019	323,612	0.06
£488,000	Volkswagen Financial Services 1.75% 17/04/2020	495,740	0.09
£320,000	Volkswagen Financial Services 2.75% 02/10/2020	335,962	0.06
£1,055,000	Volkswagen Financial Services 1.5% 12/04/2021	1,061,708	0.19
£928,000	Volkswagen Financial Services 2.25% 12/04/2025	939,034	0.17
		33,886,584	5.97
	Norway — 0.82% (0.85%)		
£921,000	DNB Bank 4.25% 27/01/2020	1,006,161	0.18
£300,000	Kommunalbanken 0.875% 08/12/2020	302,889	0.05
£552,000	Statoil 6.125% 27/11/2028	770,910	0.14
£1,312,000	Statoil 6.875% 11/03/2031	2,002,595	0.35
£450,000	Statoil 4.25% 10/04/2041	567,336	0.10
		4,649,891	0.82
	Sweden — 1.47% (1.35%)		
£289,000	Investor AB 5.5% 05/05/2037	410,406	0.07
£420,000	Kommuninvest I Sverige 1.125% 06/09/2019	425,459	0.07
£600,000	Nordea Bank 2.125% 13/11/2019	620,348	0.11
£530,000	Nordea Bank 2.375% 02/06/2022	561,481	0.10
£1,125,000	Skandinaviska Enskilda Banken 3% 18/12/2020	1,209,218	0.21
£960,000	Skandinaviska Enskilda Banken 1.25% 05/08/2022	958,622	0.17
£470,000	Svensk Exportkredit 1.875% 21/12/2018	480,254	0.09
£300,000	Svensk Exportkredit 0.625% 07/12/2020	299,840	0.05
£451,000	Svenska Handelsbanken 4% 18/01/2019	475,262	0.09
£550,000	Svenska Handelsbanken 3% 20/11/2020	591,043	0.11
£850,000	Svenska Handelsbanken 2.375% 18/01/2022	901,443	0.16
£750,000	Svenska Handelsbanken 2.75% 05/12/2022	811,027	0.14
£291,000	Swedbank 1.625% 15/04/2019	295,677	0.05
£300,000	Swedbank Hypotek 1.125% 07/12/2021	302,943	0.05
		8,343,023	1.47
	Switzerland — 0.18% (0.67%)		
£977,000	UBS 6.625% 11/04/2018	1,028,179	0.18

Portfolio Statement continued

Holding/ Nominal Value	Investment	Market Value £	% of Net Assets
	ASIA — 0.84% (1.29%)		
	Hong Kong — 0.00% (0.20%)		
	Japan — 0.54% (0.69%)		
£650,000	East Japan Railway 4.75% 08/12/2031	862,979	0.15
£300,000	East Japan Railway 5.25% 22/04/2033	419,249	0.07
£400,000	East Japan Railway 4.875% 14/06/2034	539,827	0.10
£400,000	East Japan Railway 4.5% 25/01/2036	524,187	0.09
£528,000	Japan Bank for International Cooperation 2.625% 15/12/2020	560,381	0.10
£160,000	Japan Finance for Municipal 5.75% 09/08/2019	177,006	0.03
		3,083,629	0.54
	Singapore — 0.23% (0.26%)		
£210,000	Temasek Financial 4.625% 26/07/2022	247,674	0.04
£721,000	Temasek Financial 5.125% 26/07/2040	1,075,713	0.19
		1,323,387	0.23
	South Korea — 0.07% (0.14%)		
£414,000	Korea Development Bank 2% 20/12/2018	421,676	0.07
	PACIFIC BASIN — 2.44% (2.64%)		
	Australia — 2.20% (2.53%)		
£176,000	AusNet Services Holdings 7.125% 26/06/2018	187,916	0.03
£1,215,000	BHP Billiton Finance 3.25% 25/09/2024	1,346,244	0.24
£1,450,000	BHP Billiton Finance 4.3% 25/09/2042	1,826,211	0.32
£550,000	Commonwealth Bank of Australia 2.25% 07/12/2018	563,228	0.10
£525,000	Commonwealth Bank of Australia 1.125% 22/12/2021	528,871	0.09
£160,000	Commonwealth Bank of Australia 4.875% 19/12/2023	168,878	0.03
£1,050,000	Commonwealth Bank of Australia 3% 04/09/2026	1,173,282	0.21
£500,000	Macquarie Bank 3.5% 18/12/2020	542,204	0.10
£510,000	National Australia Bank 1.875% 20/02/2020	524,638	0.09
£600,000	National Australia Bank 1.125% 10/11/2021	605,482	0.11
£848,000	National Australia Bank 5.125% 09/12/2021	1,000,818	0.18
£450,000	National Australia Bank 7.125% 12/06/2023	477,176	0.08
£270,000	National Australia Bank 3% 04/09/2026	302,844	0.05
£420,000	Scentre Management 2.375% 08/04/2022	440,130	0.08

Portfolio Statement continued

Holding/ Nominal Value	Investment	Market Value £	% of Net Assets
	Australia — (cont.)		
£403,000	Scentre Management 3.875% 16/07/2026	463,053	0.08
£120,000	SGSP (Australia) Assets 5.125% 11/02/2021	136,436	0.02
£315,000	Vicinity Centres 3.375% 07/04/2026	347,228	0.06
£710,000	Westpac Banking 5% 21/10/2019	781,774	0.14
£700,000	Westpac Banking 2.625% 14/12/2022	750,372	0.13
£300,000	Westpac Banking 2.125% 02/05/2025	308,599	0.06
		12,475,384	2.20
	New Zealand — 0.24% (0.11%)		
£300,000	ASB Finance 1% 07/09/2020	298,179	0.05
£236,000	Fonterra Cooperative Group 9.375% 04/12/2023	344,827	0.06
£700,000	Westpac Securities 2.5% 13/01/2021	737,584	0.13
		1,380,590	0.24
Portfolio of investments		559,037,539	98.54
Net other assets		8,295,907	1.46
Total net assets		£567,333,446	100.00%

Total purchases for the year: £352,105,167.

Total sales for the year: £162,876,434.

Independent Auditors' Report

Independent Auditors' Report to the Unitholders of Legal & General Sterling Corporate Bond Index Fund (the "Fund")

Report on the financial statements

Our opinion

In our opinion, Legal & General Sterling Corporate Bond Index Fund's financial statements, (the "financial statements"):

- give a true and fair view of the financial position of the Fund as at 20 May 2017 and of the net revenue and the net capital gains of the scheme property of the Fund for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, the Statement of Recommended Practice for UK Authorised Funds, the Collective Investment Schemes sourcebook and the Trust Deed.

What we have audited

The financial statements, included within the Annual Manager's Report, comprise:

- the Balance Sheet as at 20 May 2017;
- the Statement of Total Return for the year then ended;
- the Statement of Change in Net Assets attributable to Unitholders for the year then ended;
- the Notes to the Financial Statements, which include a summary of significant accounting policies and other explanatory information; and
- the Distribution Tables.

The financial reporting framework that has been applied in their preparation is United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and applicable law), the Statement of Recommended Practice 'Financial Statements of UK Authorised Funds' issued by the Investment Management Association (the "Statement of Recommended Practice for UK Authorised Funds"), the Collective Investment Schemes sourcebook and the Trust Deed.

In applying the financial reporting framework, the Authorised Fund Manager has made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Independent Auditors' Report continued

Opinions on matters prescribed by the Collective Investment Schemes sourcebook

In our opinion:

- we have obtained all the information and explanations we consider necessary for the purposes of the audit; and
- the information given in the Authorised Fund Manager's Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Other matters on which we are required to report by exception

Propriety of accounting records and information and explanations received

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

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

We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the Authorised Fund Manager

As explained more fully in the Authorised Fund Manager's Responsibilities Statement set out on page 6, the Authorised Fund Manager is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and ISAs (UK & Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the Fund's unitholders as a body in accordance with paragraph 4.5.12 of the Collective Investment Schemes sourcebook and for no other purpose.

We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Independent Auditors' Report continued

What an audit of financial statements involves

We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the Fund's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the Authorised Fund Manager; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Manager's Report (the "Annual Report") to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
13 July 2017

Notes:

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

Financial Statements

Statement of Total Return for the year ended 20 May 2017

	Notes	20/05/17		20/05/16	
		£	£	£	£
Income					
Net capital gains	3		23,513,712		4,748,904
Revenue	4	10,683,578		6,844,523	
Expenses	5	(366,234)		(212,323)	
Interest payable and similar charges	7		(225)		(42)
Net revenue before taxation		10,317,119		6,632,158	
Taxation	6	—		—	
Net revenue after taxation for the year			10,317,119		6,632,158
Total return before distributions			33,830,831		11,381,062
Distributions	7		(10,683,353)		(6,844,481)
Change in net assets attributable to Unitholders from investment activities			£23,147,478		£4,536,581

Statement of Change in Net Assets attributable to Unitholders for the year ended 20 May 2017

	20/05/17		20/05/16	
	£	£	£	£
Opening net assets attributable to Unitholders		350,685,885		193,996,216
Amounts received on issue of units	273,549,187		184,383,568	
Amounts paid on cancellation of units	(83,828,484)		(34,200,348)	
		189,720,703		150,183,220
Change in net assets attributable to Unitholders from investment activities		23,147,478		4,536,581
Retained distributions on accumulation units		3,779,380		1,969,868
Closing net assets attributable to Unitholders		£567,333,446		£350,685,885

Financial Statements continued

Balance Sheet as at 20 May 2017

	Notes	20/05/17 £	20/05/16 £
ASSETS			
Fixed assets:			
Investments		559,037,539	346,293,027
Current assets:			
Debtors	8	15,274,603	8,335,950
Cash and bank balances	9	<u>2,421,052</u>	<u>1,224,822</u>
Total assets		<u>576,733,194</u>	<u>355,853,799</u>
LIABILITIES			
Creditors:			
Distributions payable		(2,162,367)	(1,959,508)
Other creditors	10	<u>(7,237,381)</u>	<u>(3,208,406)</u>
Total liabilities		<u>(9,399,748)</u>	<u>(5,167,914)</u>
Net assets attributable to Unitholders		<u>£567,333,446</u>	<u>£350,685,885</u>

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 Fund has early adopted the amendment to FRS 102 in respect of the fair value hierarchy/valuation techniques disclosure.

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 related 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 year. All remaining revenue is distributed in accordance with the COLL.

The fund management fee is 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.

Notes to the Financial Statements continued

(f) Basis of valuation of investments

All investments are valued at their fair value as at 12 noon on 19 May 2017, being the last working day of the accounting year. The fair value for non-derivative securities is bid market price, excluding any accrued interest.

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

(g) Taxation

Provision was 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.

3. Net capital gains

The net capital gains during the year comprise:

Non-derivative securities

Transaction charges

Net capital gains

20/05/17	20/05/16
£	£
23,513,712	4,738,570
—	10,334
<u>23,513,712</u>	<u>4,748,904</u>

4. Revenue

Bond interest

Bank interest

20/05/17	20/05/16
£	£
10,682,494	6,842,594
1,084	1,929
<u>10,683,578</u>	<u>6,844,523</u>

Notes to the Financial Statements continued

5. Expenses

	20/05/17	20/05/16
	£	£
Payable to the Manager, associates of the Manager and agents of either of them:		
Manager's periodic fee	—	3,109
Fund management fees	366,234	207,412
Registration fees	—	603
	<u>366,234</u>	<u>211,124</u>
Payable to the Trustee, associates of the Trustee and agents of either of them:		
Trustee's fees	—	314
	<u>—</u>	<u>314</u>
Other expenses:		
Audit fee*	—	732
VAT on audit fee	—	146
FCA fee	—	7
	<u>—</u>	<u>885</u>
Total expenses	<u>366,234</u>	<u>212,323</u>

* Audit fees of £11,285 plus VAT of £2,257 have been borne by the Manager out of its fund management fee in the current year. In the prior year, the total audit fee was £11,090 plus VAT of £2,218. The amounts charged to the Fund are shown in the table above, with the remainder borne by the Manager out of its fund management fee.

Notes to the Financial Statements continued

6. Taxation

(a) Analysis of taxation charge in year

	20/05/17	20/05/16
	£	£
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	10,317,119	6,632,157
Net revenue before taxation multiplied by the applicable rate of Corporation Tax at 20% (2016: 20%)	2,063,424	1,326,431
Effects of:		
Interest distributions deductible for tax purposes	(2,063,424)	(1,326,431)
Current tax	—	—

(c) Provision for deferred tax

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

Notes to the Financial Statements continued

7. Distributions

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

	20/05/17	20/05/16
	£	£
First Interim distribution	2,117,701	1,045,015
Second Interim distribution	2,089,890	1,440,961
Third Interim distribution	2,679,422	1,599,989
Final distribution	3,279,838	1,925,643
	<u>10,166,851</u>	<u>6,011,608</u>
Add: Revenue deducted on cancellation of units	231,903	62,898
Less: Revenue received on creation of units	(758,554)	(598,938)
Add: Income tax deducted at source	1,043,153	1,368,913
	<u>10,683,353</u>	<u>6,844,481</u>
Distributions for the year		
Interest payable and similar charges		
Bank overdraft interest	225	42
	<u>10,683,578</u>	<u>6,844,523</u>

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

	20/05/17	20/05/16
	£	£
Net revenue after taxation for the year	10,317,119	6,632,158
Add: Fees borne by Capital	366,234	212,323
	<u>10,683,353</u>	<u>6,844,481</u>
Distributions for the year		

8. Debtors

	20/05/17	20/05/16
	£	£
Amounts receivable for creation of units	3,011,968	1,026,127
Sales awaiting settlement	4,202,661	1,684,406
Accrued revenue	8,059,974	5,625,417
	<u>15,274,603</u>	<u>8,335,950</u>

Notes to the Financial Statements continued

9. Net uninvested cash

	20/05/17	20/05/16
	£	£
Cash and bank balances	<u>2,421,052</u>	<u>1,224,822</u>
Net uninvested cash	<u>2,421,052</u>	<u>1,224,822</u>

10. Creditors

	20/05/17	20/05/16
	£	£
Amounts payable for cancellation of units	1,000	1,286,966
Purchases awaiting settlement	7,213,727	1,905,183
Accrued expenses	<u>22,654</u>	<u>16,257</u>
	<u>7,237,381</u>	<u>3,208,406</u>

11. Contingent liabilities and outstanding commitments

There were no contingent liabilities or outstanding commitments at the balance sheet date (20 May 2016: same).

Notes to the Financial Statements continued

12. Financial Instruments and Associated Risks

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

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

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

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

Notes to the Financial Statements continued

(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 9. 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 May 2017, if the price of the investments held by the Fund increased or decreased by 5%, with all other variables remaining constant, then the net assets attributable to unitholders would increase or decrease by approximately £27,951,877 (20 May 2016: £17,314,651) .

Notes to the Financial Statements 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 May 2017, if interest rates on the Fund increased or decreased by 1 basis point, with all other variables remaining constant, then the net assets attributable to unitholders would increase or decrease by approximately £483,935 (20 May 2016: £34,532). 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 £'000	Floating rate £'000	Fixed rate £'000	No interest £'000
20/05/17				
Portfolio	559,037	— *	554,267	4,770
Other assets	17,696	2,421 **	—	15,275
Other liabilities	(9,400)	— **	—	(9,400)
Total	567,333	2,421	554,267	10,645
20/05/16				
Portfolio	346,293	— *	344,098	2,195
Other assets	9,561	1,225 **	—	8,336
Other liabilities	(5,168)	— **	—	(5,168)
Total	350,686	1,225	344,098	5,363

* The Fund's floating rate investments earn interest which is variable based on LIBOR or its overseas equivalent.

** 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

(b) Interest Rate Risk continued

Currency	Fixed Rate Financial Assets			
	Weighted average Interest rate		Weighted average Period for which Rate is fixed	
	%		Years	
	20/05/17	20/05/16	20/05/17	20/05/16
Sterling	1.85	2.53	12.83	13.02

The bonds shown in the Portfolio Statement with open maturity dates are assumed to mature on 31 December 2049 for the purpose of calculating the weighted average period for which the rate is fixed.

(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 not utilised during current and preceding year.

At the year end, the Fund had no significant exposures to currencies other than Sterling.

(d) Credit Risk

Credit Risk is the risk of suffering financial loss as a result of 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 to interest payments and principal repayments. This risk is managed by appraising the credit profile of financial instruments and issuers in line with the Fund's investment objective and policy.

At the year end, none of the bonds held by the Fund had low credit ratings (sub-investment grade) (20 May 2016: same).

(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

(g) Fair value

The fair value of a financial instrument is the amount for which it could be exchanged between knowledgeable, willing parties in an arm's length transaction. There is no material difference between the value of the financial assets and liabilities, as shown in the financial statements, and their fair value.

The Statement of Recommended Practice for Financial Statements of UK Authorised Funds issued by the Investment Management Association in May 2014, and subsequently amended by Financial Reporting Exposure Draft 62 (FRED62), requires the classification of the Fund's financial instruments held at the year end into a 3 tiered fair value hierarchy. The 3 tiers of the hierarchy and the classification of the Fund's financial instruments as at the balance sheet date were:

20/05/17	Assets	Liabilities
Valuation technique	£	£
Level 1	5,587,650	—
Level 2	553,449,889	—
Level 3	—	—
Total	559,037,539	—
20/05/16	Assets	Liabilities
Valuation technique	£	£
Level 1	3,847,897	—
Level 2	342,445,130	—
Level 3	—	—
Total	346,293,027	—

Level 1

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

Level 2

Inputs other than quoted prices included within Level 1 that are observable (i.e., developed using market data) for the asset or liability, either directly or indirectly.

Level 3

Inputs are unobservable (i.e., for which market data is unavailable) for the asset or liability.

13. Portfolio transaction costs

As the Fund mainly invests in assets that are not subject to commissions or taxes, there are no transaction costs relating to the purchase or sale of assets during the year (20 May 2016: same).

Total purchases for the year: £352,105,167
(20 May 2016: £235,705,424)

Total sales for the year: £162,876,434
(20 May 2016: £86,021,848)

Notes to the Financial Statements continued

14. Unit classes

The Fund currently has four unit classes: F-Class, I-Class, C-Class and L-Class. The fund management fee on each unit class can be found on page 61. 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 53 to 59. The distribution per unit class is given in the distribution tables on pages 49 to 51. All classes have the same rights on winding up.

F-Class	Distribution	Accumulation
Opening Units	1,998	136,183
Units issued	—	13,087
Units cancelled	—	(136,181)
Units converted	—	—
Closing Units	1,998	13,089

I-Class	Distribution	Accumulation
Opening Units	83,159,735	186,010,236
Units issued	28,334,452	127,400,670
Units cancelled	(50,089,383)	(36,947,942)
Units converted	—	—
Closing Units	61,404,804	276,462,964

C-Class	Distribution	Accumulation
Opening Units	31,175,710	40,615,826
Units issued	10,788,385	21,430,093
Units cancelled	(21,548,147)	(30,217,028)
Units converted	—	—
Closing Units	20,415,948	31,828,891

L-Class	Distribution
Opening Units	297,521,323
Units issued	284,217,370
Units cancelled	(5,359,220)
Units converted	—
Closing Units	576,379,473

Notes to the Financial Statements continued

15. Ultimate controlling party and related party transactions

The Manager and Trustee are regarded as controlling parties of the Fund by virtue of having the ability to act in concert in respect of Fund operations. The ultimate controlling parties of the Manager and Trustee are Legal & General Group Plc and Northern Trust Global Services Limited, respectively. These entities and their subsidiaries are also related parties of 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.

At the year end, the Manager and its associates held 4.35% (6.06% as at 20 May 2016) of the Fund's units in issue.

There were no units held by the Trustee or its associates. Details of all other material related party transactions during the year and any payment amounts outstanding at the balance sheet date are disclosed in notes 5, 7, 8 and 10 to the financial statements, the statement of change in net assets attributable to unitholders. Within note 10, accrued expenses of £22,654 (£16,257 as at 20 May 2016) are due to the Manager.

16. Post balance sheet market movements

As at the close of business on the balance sheet date, the Net Asset Value per I-Class distribution unit was 56.40p. The Net Asset Value per I-Class distribution unit for the Fund as at 12 noon on 12 July 2017 was 55.96p. This represents a decrease of 0.78% from the year end value.

Distribution Tables

Distribution Tables for the year ended 20 May 2017

Group 1: units purchased prior to a distribution period.

Group 2: units purchased during a distribution period.

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

1st Interim interest distribution in pence per unit					Period 21/05/16 to 20/08/16	
	Gross Revenue	Income Tax	Net Revenue	Equalisation	Distribution 20/10/16	Distribution 20/10/15
F-Class Distribution Units						
Group 1	0.3484	0.0697	0.2787	—	0.2787	0.2743
Group 2	—	—	—	0.2787	0.2787	0.2743
F-Class Accumulation Units						
Group 1	0.3782	0.0757	0.3025	—	0.3025	0.2897
Group 2	0.0183	0.0037	0.0146	0.2879	0.3025	0.2897
I-Class Distribution Units						
Group 1	0.3450	0.0690	0.2760	—	0.2760	0.2713
Group 2	0.1332	0.0267	0.1065	0.1695	0.2760	0.2713
I-Class Accumulation Units						
Group 1	0.3768	0.0754	0.3014	—	0.3014	0.2896
Group 2	0.2407	0.0482	0.1925	0.1089	0.3014	0.2896
C-Class Distribution Units						
Group 1	0.3457	0.0692	0.2765	—	0.2765	0.2715
Group 2	0.1208	0.0242	0.0966	0.1799	0.2765	0.2715
C-Class Accumulation Units						
Group 1	0.3773	0.0755	0.3018	—	0.3018	0.2879
Group 2	0.1570	0.0314	0.1256	0.1762	0.3018	0.2879
L-Class Distribution Units						
Group 1	0.3469	0.0694	0.2775	—	0.2775	0.2723
Group 2	0.1693	0.0339	0.1354	0.1421	0.2775	0.2723

Distribution Tables continued

2nd Interim interest distribution in pence per unit					Period 21/08/16 to 20/11/16	
	Gross Revenue	Income Tax	Net Revenue	Equalisation	Distribution 20/01/17	Distribution 20/01/16
F-Class Distribution Units						
Group 1	0.3403	0.0681	0.2722	—	0.2722	0.2824
Group 2	—	—	—	0.2722	0.2722	0.2824
F-Class Accumulation Units						
Group 1	0.3742	0.0749	0.2993	—	0.2993	0.3030
Group 2	0.0064	0.0013	0.0051	0.2942	0.2993	0.3030
I-Class Distribution Units						
Group 1	0.3403	0.0681	0.2722	—	0.2722	0.2811
Group 2	0.2567	0.0514	0.2053	0.0669	0.2722	0.2811
I-Class Accumulation Units						
Group 1	0.3733	0.0747	0.2986	—	0.2986	0.3018
Group 2	0.1490	0.0298	0.1192	0.1794	0.2986	0.3018
C-Class Distribution Units						
Group 1	0.3408	0.0682	0.2726	—	0.2726	0.2808
Group 2	0.1390	0.0278	0.1112	0.1614	0.2726	0.2808
C-Class Accumulation Units						
Group 1	0.3739	0.0748	0.2991	—	0.2991	0.3013
Group 2	0.2067	0.0414	0.1653	0.1338	0.2991	0.3013
L-Class Distribution Units						
Group 1	0.3420	0.0684	0.2736	—	0.2736	0.2821
Group 2	0.1872	0.0375	0.1497	0.1239	0.2736	0.2821

3rd Interim interest distribution in pence per unit					Period 21/11/16 to 20/02/17	
	Gross Revenue	Income Tax*	Net Revenue	Equalisation	Distribution 20/04/17	Distribution 20/04/16
F-Class Distribution Units						
Group 1	0.3166	—	0.3166	—	0.3166	0.2871
Group 2	—	—	—	0.3166	0.3166	0.2871
F-Class Accumulation Units						
Group 1	0.3502	—	0.3502	—	0.3502	0.3119
Group 2	0.1851	—	0.1851	0.1651	0.3502	0.3119
I-Class Distribution Units						
Group 1	0.3172	—	0.3172	—	0.3172	0.2861
Group 2	0.1490	—	0.1490	0.1682	0.3172	0.2861
I-Class Accumulation Units						
Group 1	0.3498	—	0.3498	—	0.3498	0.3089
Group 2	0.1489	—	0.1489	0.2009	0.3498	0.3089
C-Class Distribution Units						
Group 1	0.3177	—	0.3177	—	0.3177	0.2864
Group 2	0.0991	—	0.0991	0.2186	0.3177	0.2864
C-Class Accumulation Units						
Group 1	0.3502	—	0.3502	—	0.3502	0.3092
Group 2	0.1325	—	0.1325	0.2177	0.3502	0.3092
L-Class Distribution Units						
Group 1	0.3188	—	0.3188	—	0.3188	0.2875
Group 2	0.1426	—	0.1426	0.1762	0.3188	0.2875

*See Significant Changes on page 65.

Distribution Tables continued

Final interest distribution in pence per unit				Period 21/02/17 to 20/05/17		
	Gross Revenue	Income Tax*	Net Revenue	Equalisation	Distribution 20/07/17	Distribution 20/07/16
F-Class Distribution Units						
Group 1	0.3273	—	0.3273	—	0.3273	0.2942
Group 2	—	—	—	0.3273	0.3273	0.2942
F-Class Accumulation Units						
Group 1	0.3628	—	0.3628	—	0.3628	0.3181
Group 2	—	—	—	0.3628	0.3628	0.3181
I-Class Distribution Units						
Group 1	0.3268	—	0.3268	—	0.3268	0.2920
Group 2	0.2322	—	0.2322	0.0946	0.3268	0.2920
I-Class Accumulation Units						
Group 1	0.3624	—	0.3624	—	0.3624	0.3169
Group 2	0.1600	—	0.1600	0.2024	0.3624	0.3169
C-Class Distribution Units						
Group 1	0.3268	—	0.3268	—	0.3268	0.2923
Group 2	0.1105	—	0.1105	0.2163	0.3268	0.2923
C-Class Accumulation Units						
Group 1	0.3623	—	0.3623	—	0.3623	0.3164
Group 2	0.1564	—	0.1564	0.2059	0.3623	0.3164
L-Class Distribution Units						
Group 1	0.3287	—	0.3287	—	0.3287	0.2934
Group 2	0.1455	—	0.1455	0.1832	0.3287	0.2934

*See Significant Changes on page 65.

Fund Information

The Comparative Tables on pages 53 to 59 give the performance of each active unit class in the Fund.

The 'Return after charges' disclosed in the Comparative Tables is calculated as the return after operating charges per unit divided by the opening net asset value per unit. It differs from the Fund's performance disclosed in the Manager's report, which is calculated based on the latest published price.

Fund Information continued

Comparative Tables

F-Class Distribution Units

Change in Net Asset Value per Unit

Accounting year ending	20/05/17 (pence per unit)	20/05/16 (pence per unit)	20/05/15 (pence per unit)
Opening net asset value per unit	53.10	52.50	49.80
Return before operating charges	4.80	2.22	4.47
Operating charges (calculated on average price)	(0.21)	(0.20)	(0.19)
Return after operating charges	4.59	2.02	4.28
Distributions on income units [^]	(1.33)	(1.42)	(1.58)
Closing net asset value per unit	56.36	53.10	52.50
after direct transaction costs of:	—	—	—

Performance

Return after charges	8.64%	3.85%	8.59%
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Other Information

Closing net asset value (£)	1,126	1,061	1,049
Closing number of units	1,998	1,998	1,998
Operating charges [†]	0.37%	0.38%	0.37%
Direct transaction costs	0.00%	0.00%	0.00%

Prices

Highest unit price	59.28p	54.25p	55.96p
Lowest unit price	53.20p	51.34p	49.46p

[^] 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.

Fund Information continued

Comparative Tables continued

F-Class Accumulation Units

Change in Net Asset Value per Unit

Accounting year ending	20/05/17 (pence per unit)	20/05/16 (pence per unit)	20/05/15 (pence per unit)
Opening net asset value per unit	58.12	56.25	52.03
Return before operating charges	5.25	2.39	4.75
Operating charges (calculated on average price)	(0.23)	(0.21)	(0.20)
Return after operating charges	5.02	2.18	4.55
Distributions [^]	(1.47)	(1.52)	(1.65)
Retained distributions on accumulation units [^]	1.31	1.21	1.32
Closing net asset value per unit	62.98	58.12	56.25
after direct transaction costs of:	—	—	—

Performance

Return after charges	8.64%	3.88%	8.74%
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Other Information

Closing net asset value (£)	8,243	79,148	603
Closing number of units	13,089	136,183	1,072
Operating charges [†]	0.37%	0.38%	0.37%
Direct transaction costs	0.00%	0.00%	0.00%

Prices

Highest unit price	64.87p	59.03p	59.19p
Lowest unit price	58.22p	54.96p	51.71p

[^] Distributions are shown gross of taxation. The amounts shown for 'Retained distributions on accumulation units' are net of 20% income tax, except for distributions made from April 2017 onwards, which will be paid on a gross basis – See Significant Changes on page 65.

[†] 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.

Fund Information continued

Comparative Tables continued

I-Class Distribution Units

Change in Net Asset Value per Unit

Accounting year ending	20/05/17 (pence per unit)	20/05/16 (pence per unit)	20/05/15 (pence per unit)
Opening net asset value per unit	53.04	52.34	49.47
Return before operating charges	4.77	2.19	4.49
Operating charges (calculated on average price)	(0.08)	(0.08)	(0.08)
Return after operating charges	4.69	2.11	4.41
Distributions on income units [^]	(1.33)	(1.41)	(1.54)
Closing net asset value per unit	56.40	53.04	52.34
after direct transaction costs of:	—	—	—

Performance

Return after charges	8.84%	4.03%	8.91%
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Other Information

Closing net asset value (£)	34,632,075	44,107,382	40,043,090
Closing number of units	61,404,804	83,159,735	76,510,670
Operating charges [†]	0.14%	0.15%	0.16%
Direct transaction costs	0.00%	0.00%	0.00%

Prices

Highest unit price	59.23p	54.16p	55.66p
Lowest unit price	53.13p	51.15p	49.16p

[^] 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.

Fund Information continued

Comparative Tables continued

I-Class Accumulation Units

Change in Net Asset Value per Unit

Accounting year ending	20/05/17 (pence per unit)	20/05/16 (pence per unit)	20/05/15 (pence per unit)
Opening net asset value per unit	57.93	55.94	51.63
Return before operating charges	5.23	2.37	4.73
Operating charges (calculated on average price)	(0.09)	(0.08)	(0.09)
Return after operating charges	5.14	2.29	4.64
Distributions [^]	(1.46)	(1.52)	(1.62)
Retained distributions on accumulation units [^]	1.31	1.22	1.29
Closing net asset value per unit	62.92	57.93	55.94
after direct transaction costs of:	—	—	—

Performance

Return after charges	8.87%	4.09%	8.99%
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Other Information

Closing net asset value (£)	173,958,256	107,759,194	51,283,178
Closing number of units	276,462,964	186,010,236	91,668,334
Operating charges [†]	0.14%	0.15%	0.16%
Direct transaction costs	0.00%	0.00%	0.00%

Prices

Highest unit price	64.69p	58.83p	58.81p
Lowest unit price	58.03p	54.68p	51.31p

[^] Distributions are shown gross of taxation. The amounts shown for 'Retained distributions on accumulation units' are net of 20% income tax, except for distributions made from April 2017 onwards, which will be paid on a gross basis – See Significant Changes on page 65.

[†] 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	20/05/17 (pence per unit)	20/05/16 (pence per unit)	20/05/15 (pence per unit)
Opening net asset value per unit	53.11	52.38	49.48
Return before operating charges	4.77	2.19	4.51
Operating charges (calculated on average price)	(0.05)	(0.05)	(0.06)
Return after operating charges	4.72	2.14	4.45
Distributions on income units [^]	(1.33)	(1.41)	(1.55)
Closing net asset value per unit	56.50	53.11	52.38
after direct transaction costs of:	—	—	—

Performance

Return after charges	8.89%	4.09%	8.99%
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Other Information

Closing net asset value (£)	11,535,205	16,556,469	505,866
Closing number of units	20,415,948	31,175,710	965,831
Operating charges [†]	0.09%	0.10%	0.12%
Direct transaction costs	0.00%	0.00%	0.00%

Prices

Highest unit price	59.31p	54.23p	55.70p
Lowest unit price	53.20p	51.19p	49.17p

[^] 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.

Fund Information continued

Comparative Tables continued

C-Class Accumulation Units

Change in Net Asset Value per Unit

Accounting year ending	20/05/17 (pence per unit)	20/05/16 (pence per unit)	20/05/15 (pence per unit)
Opening net asset value per unit	57.99	55.95	51.65
Return before operating charges	5.24	2.40	4.70
Operating charges (calculated on average price)	(0.06)	(0.06)	(0.07)
Return after operating charges	5.18	2.34	4.63
Distributions [^]	(1.46)	(1.51)	(1.62)
Retained distributions on accumulation units [^]	1.31	1.21	1.29
Closing net asset value per unit	63.02	57.99	55.95
after direct transaction costs of:	—	—	—

Performance

Return after charges	8.93%	4.18%	8.96%
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Other Information

Closing net asset value (£)	20,057,871	23,552,562	1,105
Closing number of units	31,828,891	40,615,826	1,975
Operating charges [†]	0.09%	0.10%	0.12%
Direct transaction costs	0.00%	0.00%	0.00%

Prices

Highest unit price	64.76p	58.89p	58.84p
Lowest unit price	58.09p	54.71p	51.33p

[^] Distributions are shown gross of taxation. The amounts shown for 'Retained distributions on accumulation units' are net of 20% income tax, except for distributions made from April 2017 onwards, which will be paid on a gross basis – See Significant Changes on page 65.

[†] 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.

Fund Information continued

Comparative Tables continued

L-Class Distribution Units

Change in Net Asset Value per Unit

Accounting year ending	20/05/17 (pence per unit)	20/05/16 (pence per unit)	20/05/15 (pence per unit)
Opening net asset value per unit	53.32	52.55	49.61
Return before operating charges	4.80	2.21	4.50
Operating charges (calculated on average price)	(0.02)	(0.02)	(0.02)
Return after operating charges	4.78	2.19	4.48
Distributions on income units [^]	(1.34)	(1.42)	(1.54)
Closing net asset value per unit	56.76	53.32	52.55
after direct transaction costs of:	—	—	—

Performance

Return after charges	8.96%	4.17%	9.03%
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Other Information

Closing net asset value (£)	327,140,670	158,630,069	102,161,325
Closing number of units	576,379,473	297,521,323	194,397,382
Operating charges [†]	0.03%	0.04%	0.03%
Direct transaction costs	0.00%	0.00%	0.00%

Prices

Highest unit price	59.55p	54.45p	55.87p
Lowest unit price	53.41p	51.37p	49.30p

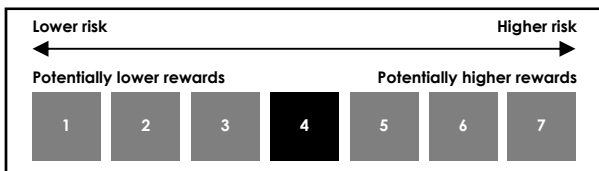
[^] Distributions on income units are shown gross of taxation.

[†] 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.

Risk and Reward Profile



- This risk and reward profile is based on historical data which may not be a reliable indication of the Fund's risk and reward category in the future.
- The category is based on the rate at which the value of the Fund and the index it is tracking have moved up and down in the past.
- This Fund is in category four because it invests in investment grade bonds which generally provide higher rewards and higher risks than investments in cash and lower rewards and lower risks than investments in sub-investment grade bonds or 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:	28 August 2012
Period end dates for distributions:	20 February, 20 May 20 August, 20 November
Distribution dates:	20 January, 20 April, 20 July, 20 October
Minimum initial lump sum investment:	F-Class* £500 I-Class £1,000,000 C-Class** £100,000,000 L-Class† £500,000
Valuation point:	12 noon
Fund management fees:	F-Class* Annual 0.37% I-Class Annual 0.14% C-Class** Annual 0.09% L-Class† Annual 0.03%
Initial charges:	F-Class* Nil I-Class Nil C-Class** Nil L-Class† Nil

* F-Class units are only available to:

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

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

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

Pricing and Dealing

The prices are published on the internet at www.legalandgeneral.com/investments/fund-information/daily-fund-prices immediately after they become available.

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

General Information continued

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.

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 0.12%, whilst the annualised tracking error over the past three years to the end of May 2017 is 0.10%. These Tracking Errors are within the anticipated Tracking Error levels set out in the Fund's Prospectus of +/- 0.50% per annum.

General Information continued

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

The following provides information on the remuneration of persons whose professional activities have a material impact on the management company and the funds managed by it:

Controlled Functions

Headcount	Scheme Value at 31.12.16 (£'000)	Total Assets managed by UTM at 31.12.16 (£'000)	% Fund Value of Total Assets
16	231,614	35,886,497	0.65

Fixed Remuneration (£,000)	Variable Remuneration (£,000)	Total Remuneration (£,000)	Remuneration related to this Scheme (Pro-rated) (£'000)
3,278	5,980	9,258	60

Material Risk Takers

Headcount	Scheme Value at 31.12.16 (£'000)	Total Assets managed by Index Investment Team at 31.12.16 (£'000)	% Fund Value of Total Assets
22	231,614	319,800,000	0.07

Fixed Remuneration (£,000)	Variable Remuneration (£,000)	Total Remuneration (£,000)	Remuneration related to this Scheme (Pro-rated) (£'000)
2,178	2,535	4,713	3

General Information continued

Remuneration Disclosure continued

Controlled Functions

As at 31 December 2016, Legal & General Unit Trust Managers Limited (UTM) engaged the services of five employees of Legal & General Investment Management (Holdings) Limited (LGIMH), plus a further two employees of Legal & General Resources (LGR) to act as Directors. In addition, one LGIMH employee plus one LGR employee were also engaged in Director Services during the year, but resigned in 2016. UTM also engaged the services of a further five LGIMH employees and a further two L&G Resources (LGR) employees to act in a variety of Controlled Functions, including Chief Compliance Officer, Money Laundering Reporting Officer, Client Asset Oversight, Systems and Controls Functions and Significant Management Functions. These employees were also engaged by other companies in the L&G Group. The aggregate remuneration received by these individuals, for all their services across the L&G Group, is disclosed in the table above. We present the total value of the fund, and total value of assets managed by UTM, to help put this remuneration in context.

Material Risk Takers

As at the 31 December 2016, UTM engaged the services of Legal & General Investment Management's Index Investment team, which consists of 22 investment professionals located in our London Office. The team includes a variety of Fund Managers, Analysts and Support Staff, with the Fund Managers empowered to take discretionary investment management decisions on behalf of the Fund. The team is also engaged in managing other Legal & General Funds/Schemes and is also engaged by other companies in the L&G Group. The aggregate remuneration received by the members of the team, for all their services across the L&G Group, is disclosed in the table above. We present the total value of the Fund and total value of assets managed by the teams, to help put this remuneration in context.

Significant Changes

Gross Distribution Payments

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

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

General Information continued

Authorised Fund Manager

Legal & General (Unit Trust Managers) Limited

Registered in England and Wales No. 01009418

Registered office:

One Coleman Street,

London EC2R 5AA

Telephone: 0370 050 3350

Authorised and regulated by the Financial Conduct Authority

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

Directors of the Manager

R. M. Bartley

A. J. C. Craven

S. Hynes (appointed 29 June 2016)

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 Limited

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

General Information continued

Independent Auditors

PricewaterhouseCoopers LLP
7 More London Riverside
London SE1 2RT

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

