

Legal & General Mixed Investment 20-60% Fund

Annual Manager's Report
for the year ended
31 July 2017

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

Manager's Investment Report

Investment Objective and Policy

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

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

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

The Fund will use derivatives for efficient portfolio management purposes.

Manager's Investment Report

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

Past performance is not a guide to future performance.

The value of investments and any income from them may go down as well as up.

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

Market/Economic Review

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

While the UK economy has weathered the aftermath of last year's EU referendum vote well, more recent data has signalled a slowdown in activity with the inconclusive outcome to the general election and Brexit negotiations adding to the uncertainty. Both the European Central Bank and the Bank of Japan continued with the unorthodox policy of negative interest rates. In recent months, European economic indicators have highlighted a significant improvement in both manufacturing and service sector activity, while in Japan exports have been a significant contributor to growth. The Chinese authorities have adopted a range of policy initiatives to facilitate the economy's transition from export and investment-driven growth towards consumption and

Manager's Investment Report continued

services, with growth exceeding expectations for the second quarter of 2017. Both the Brazilian and Russian economies saw a turn of fortunes as the year progressed, given the boost of stable commodity markets.

Fund Review

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

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

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

Outlook

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

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

Legal & General Investment Management Limited
(Investment Adviser)
21 August 2017

Authorised Status

Authorised Status

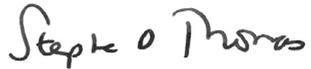
This Fund is an Authorised Unit Trust Scheme as defined in section 243 of the Financial Services and Markets Act 2000 and is a UCITS Retail Scheme within the meaning of the FCA Collective Investment Schemes sourcebook.

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
20 September 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 Authorised Funds issued by The Investment Association in May 2014 and the COLL and take in these respects reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of Responsibilities continued

Statement of the Trustee's Responsibilities

The Depositary in its capacity as Trustee of Legal & General Mixed Investment 20-60% Fund must ensure that the Fund is managed in accordance with the Financial Conduct Authority's Collective Investment Schemes Sourcebook, the Financial Services and Markets Act 2000, as amended, (together "the Regulations"), the Trust Deed and Prospectus (together "the Scheme documents") as detailed below.

The Depositary must in the context of its role act honestly, fairly, professionally, independently and in the interests of the Fund and its investors.

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

The Depositary must ensure that:

- the Fund's cash flows are properly monitored and that cash of the Fund is booked in cash accounts in accordance with the Regulations;
- the sale, issue, repurchase, redemption and cancellation of units are carried out in accordance with the Regulations;
- the value of units of the Fund are calculated in accordance with the Regulations;
- any consideration relating to transactions in the Fund's assets is remitted to the Fund within the usual time limits;
- the Fund's income is applied in accordance with the Regulations; and
- the instructions of the Authorised Fund Manager ("the AFM"), which is the UCITS Management Company, are carried out (unless they conflict with the Regulations).

Report of the Trustee

Report of the Trustee to the Unitholders of the Legal & General Mixed Investment 20-60% Fund ("the Fund") for the year ended 31 July 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
20 September 2017

Portfolio Statement

Portfolio Statement as at 31 July 2017

All investments are in investment grade securities or collective investment schemes unless otherwise stated. The percentages in brackets show the equivalent holdings at 31 July 2016.

Holding/ Nominal Value	Investment	Market value £	% of Net Assets
GOVERNMENT BONDS			
— 2.39% (1.82%)			
EUR3,860,000	Spain Government Bond 2.15% 31/10/2025	3,709,178	0.80
USD9,204,000	US Treasury Index-Linked 0.625% 15/01/2026	7,309,666	1.59
		11,018,844	2.39
FUNDS INVESTED IN SHARES			
— 42.34% (40.98%)			
21,287,537	Legal & General (N) Tracker Trust 'I' Inc	39,999,283	8.68
10,483,775	Legal & General European Index Trust 'I' Inc	30,586,413	6.64
27,882,632	Legal & General Global Emerging Markets Index Fund 'L' Inc	16,006,025	3.47
33,570,416	Legal & General Global Real Estate Dividend Index Fund 'L' Inc	20,617,271	4.48
32,564,005	Legal & General Japan Index Trust 'I' Inc	16,809,540	3.65
12,264,707	Legal & General Pacific Index Trust 'I' Inc	13,362,399	2.90
7,032,612	Legal & General UK Index Trust 'L' Inc	11,487,771	2.49
18,407,517	Legal & General UK Mid Cap Index Fund 'L' Inc	10,065,230	2.19
9,539,057	Legal & General US Index Trust 'I' Inc	36,133,948	7.84
		195,067,880	42.34
FUNDS INVESTED IN INTEREST BEARING SECURITIES			
— 45.94% (44.33%)			
19,736	Legal & General All Stocks Index Linked Gilt Index Trust 'I' Inc	22,598	0.01
35,890,481	Legal & General Emerging Markets Government Bond (Local Currency) Index Fund 'L' Inc	21,930,878	4.76
50,773,813	Legal & General Emerging Markets Government Bond (US\$) Index Fund 'L' Inc	29,121,321	6.32
33,469,206	Legal & General Global Inflation Linked Bond Index Fund 'L' Inc	17,526,150	3.80
50,707,857	Legal & General High Income Trust 'I' Inc	25,810,299	5.60
97,123,035	Legal & General Sterling Corporate Bond Index Fund 'L' Inc	55,335,849	12.01
50,526,770	LGIM Global Corporate Bond Fund 'B' Acc	61,940,767	13.44
		211,687,862	45.94

Portfolio Statement continued

Holding/ Nominal Value	Investment	Market value £	% of Net Assets
	EQUITY INVESTMENT INSTRUMENTS		
	— 2.90% (4.02%)		
676,625	iShares Macquarie Global Infrastructure 100 Inc	13,346,428	2.90
	FUTURES CONTRACTS		
	— 0.02% (-0.03%)		
56	Australia 10 Year Future Expiry September 2017	(67,930)	(0.01)
(76)	CBT US 10 Year Note Future Expiry September 2017	904	—
30	Euro-Bund Future Expiry September 2017	29,269	0.01
176	DJ US Real Estate Future Expiry September 2017	90,757	0.02
7	EMINI Russell 2000 CME Future Expiry September 2017	(5,412)	—
(135)	EMINI S&P 500 Future Expiry September 2017	(214,801)	(0.05)
179	Euro Stoxx 50 Future Expiry September 2017	(50,500)	(0.01)
24	FSE 100 Future Expiry September 2017	(27,901)	(0.01)
28	FSE 250 Future Expiry September 2017	20,224	—
(118)	Mini MSCI Emerging Markets Index Expiry September 2017	(256,349)	(0.06)
195	OSE REIT Index Future Expiry September 2017	101,267	0.02
(7)	OSE Topix Future Expiry September 2017	(12,233)	—
76	Russell 2000 Future Expiry September 2017	8,807	—
92	SGX Nifty 50 Future Expiry August 2017	24,316	0.01
676	Stoxx 600 Utilities Future Expiry September 2017	(338,782)	(0.07)
45	XAE Energy CME Future Expiry September 2017	2,704	—
(67)	AUD/USD Currency Future Expiry September 2017	(235,386)	(0.05)
(66)	EUR/GBP Currency Future Expiry September 2017	(236,866)	(0.05)
(114)	EUR/USD Currency Future Expiry September 2017	(515,129)	(0.11)
818	GBP/USD Currency Future Expiry September 2017	1,541,136	0.33
74	INR/USD Currency Future Expiry August 2017	5,592	—
18	NOK/USD Currency Future Expiry September 2017	254,180	0.06
248	USD/KRW Currency Future Expiry August 2017	(28,021)	(0.01)
		89,846	0.02

Portfolio Statement continued

Portfolio of investments¹

431,210,860 93.59

Net other assets²

29,559,204 6.41

Total net assets

£460,770,064 100.00%

¹ Including investment liabilities.

² Includes £14,937,615 of nominals in the LGIM Sterling Liquidity Fund Class 4 which is shown as a cash equivalent in the balance sheet of the Fund.

Total purchases for the year: £322,827,051.

Total sales for the year: £8,684,903.

Independent Auditors' Report

Independent auditors' report to the Unitholders of Legal & General Mixed Investment 20-60% Fund

Report on the audit of the financial statements

Opinion

In our opinion, Legal & General Mixed Investment 20-60% Fund's financial statements:

- give a true and fair view of the financial position of the Fund as at 31 July 2017 and of the net revenue and, the net capital gains on its scheme property for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law), the Statement of Recommended Practice for UK Authorised Funds, the Collective Investment Schemes sourcebook and the Trust Deed.

We have audited the financial statements, included within the Annual Manager's Report (the "Annual Report"), which comprise: the balance sheet as at 31 July 2017; the statement of total return, and the statement of change in net assets attributable to unitholders for the year then ended; the distribution tables; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

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

Independence

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

Conclusions relating to going concern

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

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

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

Independent Auditors' Report continued

Reporting on other information

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

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

Authorised Fund Manager's Report

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

Responsibilities for the financial statements and the audit

Responsibilities of the Authorised Fund Manager for the financial statements

As explained more fully in the Authorised Fund Manager's Responsibilities Statement set out on page 5, the Authorised Fund Manager is responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The Authorised Fund Manager is also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Authorised Fund Manager is responsible for assessing the Fund's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the Authorised Fund Manager either intend to wind up or terminate the Fund, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Independent Auditors' Report continued

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

Use of this report

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

Other required reporting

Opinion on matter required by the Collective Investment Schemes sourcebook

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

Collective Investment Schemes sourcebook exception reporting

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

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

We have no exceptions to report arising from this responsibility.

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
20 September 2017

Notes:

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

Financial Statements

Statement of Total Return for the year ended 31 July 2017

Notes	31/07/17		31/07/16	
	£	£	£	£
Income				
Net capital gains	3	14,105,276		6,775,425
Revenue	4	6,979,381	1,375,318	
Expenses	5	(953,521)	(233,764)	
Interest payable and similar charges	7	(5,273)	(1,480)	
Net revenue before taxation		<u>6,020,587</u>	<u>1,140,074</u>	
Taxation	6	(783,853)	(112,592)	
Net revenue after taxation for the year		<u>5,236,734</u>	<u>1,027,482</u>	
Total return before distributions		<u>19,342,010</u>	<u>7,802,907</u>	
Distributions	7	(5,244,281)	(1,028,707)	
Change in net assets attributable to Unitholders from investment activities		<u>£14,097,729</u>	<u>£6,774,200</u>	

Statement of Change in Net Assets attributable to Unitholders for the year ended 31 July 2017

	31/07/17		31/07/16	
	£	£	£	£
Opening net assets attributable to Unitholders		113,211,711		42,220,562
Amounts received on issue of units	329,266,581		81,286,199	
Amounts paid on cancellation of units	(3,445,566)		(18,573,534)	
		<u>325,821,015</u>		<u>62,712,665</u>
Dilution levy		441,075		130,817
Change in net assets attributable to Unitholders from investment activities		<u>14,097,729</u>		<u>6,774,200</u>
Retained distributions on accumulation units		<u>7,198,534</u>		<u>1,373,467</u>
Closing net assets attributable to Unitholders		<u>£460,770,064</u>		<u>£113,211,711</u>

Financial Statements continued

Balance Sheet as at 31 July 2017

	Notes	31/07/17 £	31/07/16 £
ASSETS			
Fixed assets:			
Investments		433,200,170	103,415,547
Current assets:			
Debtors	8	7,986,559	3,311,259
Cash and bank balances	9	7,329,993	2,433,115
Cash equivalents	9	14,937,615	5,566,818
Total assets		463,454,337	114,726,739
LIABILITIES			
Investment liabilities		(1,989,310)	(250,269)
Creditors:			
Bank overdrafts	9	(1,573)	(73,771)
Distributions payable		(12,826)	(8,615)
Other creditors	10	(680,564)	(1,182,373)
Total liabilities		(2,684,273)	(1,515,028)
Net assets attributable to Unitholders		£460,770,064	£113,211,711

Notes to the Financial Statements

1. Statement of Compliance

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

2. Summary of Significant Accounting Policies

(a) Basis of Preparation

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

The principal accounting policies which have been applied consistently are set out below.

(b) Functional and Presentation Currency

The functional and presentation currency of the Fund is Sterling.

(c) Recognition of revenue

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

Revenue from distribution and accumulation units in Collective Investment Schemes is recognised when the distribution is quoted ex-dividend.

Revenue from offshore funds is recognised when it is reported.

Equalisation on distributions received from Collective Investment Schemes is treated as capital property of the Fund.

Rebates received from underlying collective investment schemes are treated as revenue or capital depending on the treatment of the Manager's fees in the underlying Fund.

Revenue from derivative instruments is treated in accordance with note 2(i).

Underwriting commission is taken to revenue and recognised when the issue takes place, except where the Fund is required to take up all or some of the shares underwritten, in which case an appropriate proportion of the commission is deducted from the cost of those shares.

All other revenue is recognised on an accruals basis.

(d) Treatment of expenses

All expenses (other than those relating to the purchase and sale of investments) are charged against revenue on an accruals basis.

Notes to the Financial Statements continued

2. Summary of Significant Accounting Policies continued

(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.

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

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

(f) Basis of valuation of investments

All investments are valued at their fair value as at 3pm on 31 July 2017, being the last working day of the accounting year. The fair value for non-derivative securities is bid market price, excluding any accrued interest. The fair value for units in Collective Investment Schemes is the cancellation price or bid price for dual priced funds and single price for single priced funds. The fair value for derivative instruments is the cost of closing out the contract at the balance sheet date.

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

(g) Taxation

Provision is made for taxation at current rates on the excess of investment revenue over expenses.

Deferred tax is provided for on all timing differences that have originated but not reversed by the balance sheet date, other than those differences that are regarded as permanent. Any liability to deferred tax is provided for at the average rate of tax expected to apply.

(h) Foreign exchange

Transactions in foreign currencies are translated at the rate of exchange ruling on the date of the transaction. Where applicable, assets and liabilities denominated in foreign currencies are translated into Sterling at the rates of exchange ruling at 3pm on 31 July 2017, being the last working day of the accounting year.

(i) Derivative Instruments

The Fund may make use of financial derivative instruments for Efficient Portfolio Management (EPM) purposes. EPM aims to reduce risk, reduce costs, or generate additional capital or income for the Fund with an acceptably low level of risk. These aims allow for tactical asset allocation, which is a temporary switch in investment exposure through the use of derivatives rather than trading the underlying securities.

Derivative instruments held within the Fund have been accounted for and taxed in accordance with the Statement of Recommended Practice for Authorised Funds (IA SORP 2014). Returns on derivative transactions have been treated as either revenue or capital depending on the motives and circumstances on acquisition.

Notes to the Financial Statements continued

3. Net capital gains

	31/07/17	31/07/16
	£	£
The net capital gains during the year comprise:		
Non-derivative securities	13,723,236	8,210,119
Derivative securities	295,080	(1,592,628)
Currency gains	49,225	151,810
Management fee rebates	<u>37,735</u>	<u>6,124</u>
Net capital gains	<u>14,105,276</u>	<u>6,775,425</u>

4. Revenue

	31/07/17	31/07/16
	£	£
Bond Interest	75,636	13,613
UK Franked distributions	1,902,915	497,950
Interest distributions	4,407,406	718,043
Management fee rebates	193,526	37,898
Non-taxable overseas distributions	236,147	84,993
Futures revenue	159,807	20,707
Underwriting commission	61	–
Bank interest	<u>3,883</u>	<u>2,114</u>
	<u>6,979,381</u>	<u>1,375,318</u>

5. Expenses

	31/07/17	31/07/16
	£	£
Payable to the Manager, associates of the Manager and agents of either of them:		
Fund management fees	<u>953,521</u>	<u>233,764</u>
Total expenses	<u>953,521</u>	<u>233,764</u>

Audit fees of £9,250 plus VAT on Audit fees of £1,850 have been borne by the Manager out of its fund management fee. In the prior year, the total audit fee was £9,100 plus VAT of £1,820.

Notes to the Financial Statements continued

6. Taxation

(a) Analysis of taxation charge in year

	31/07/17	31/07/16
	£	£
Corporation tax	<u>783,853</u>	<u>112,592</u>
Current tax [note 6(b)]	783,853	112,592
Deferred tax [note 6(c)]	<u>–</u>	<u>–</u>
Total taxation	<u>783,853</u>	<u>112,592</u>

(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	<u>6,020,587</u>	<u>1,140,074</u>
Net revenue before taxation multiplied by the applicable rate of Corporation tax of 20% (2016: 20%)	1,204,117	228,015
Effects of:		
Capitalised revenue subject to taxation	7,547	1,225
Revenue not subject to taxation	<u>(427,811)</u>	<u>(116,648)</u>
Current tax	<u>783,853</u>	<u>112,592</u>

(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:

	31/07/17	31/07/16
	£	£
Interim distribution	2,927,290	464,495
Final distribution	<u>4,298,743</u>	<u>928,356</u>
	7,226,033	1,392,851
Add: Revenue deducted on cancellation of units	21,471	124,495
Less: Revenue received on creation of units	<u>(2,003,223)</u>	<u>(488,639)</u>
Distributions for the year	5,244,281	1,028,707
Interest payable and similar charges		
Bank overdraft interest	<u>5,273</u>	<u>1,480</u>
	<u>5,249,554</u>	<u>1,030,187</u>

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

	31/07/17	31/07/16
	£	£
Net revenue after taxation for the year	5,236,734	1,027,482
Tax relief on capital revenue	<u>7,547</u>	<u>1,225</u>
Distributions for the year	5,244,281	1,028,707

8. Debtors

	31/07/17	31/07/16
	£	£
Accrued revenue	1,312,645	216,100
Amounts receivable for creation of units	6,624,997	3,001,998
CIS tax recoverable	19,594	80,161
Management fee rebates	<u>29,323</u>	<u>13,000</u>
	<u>7,986,559</u>	<u>3,311,259</u>

Notes to the Financial Statements continued

9. Net uninvested cash

	31/07/17	31/07/16
	£	£
Amounts held at futures clearing houses and brokers	3,843,468	788,390
Cash and bank balances	3,486,525	1,644,725
Amounts due to futures clearing houses and brokers	–	(73,055)
Bank overdrafts	(1,573)	(716)
Cash equivalents	<u>14,937,615</u>	<u>5,566,818</u>
Net uninvested cash	<u>22,266,035</u>	<u>7,926,162</u>

10. Other creditors

	31/07/17	31/07/16
	£	£
Accrued expenses	126,478	39,333
Amounts payable for cancellation of units	84,000	54,001
Corporation tax payable	469,153	112,039
Purchases awaiting settlement	<u>933</u>	<u>977,000</u>
	<u>680,564</u>	<u>1,182,373</u>

11. Contingent liabilities and outstanding commitments

There were no contingent liabilities or outstanding commitments at the balance sheet date (31 July 2016: same).

Notes to the Financial Statements continued

12. Financial Instruments and Associated Risks

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

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

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

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

(a) Market Risk arising from other price risk

Market Risk arises mainly from uncertainty about future prices. It represents the potential loss the Fund may suffer through holding market positions in the face of market movements.

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting similar instruments traded in the market.

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

At 31 July 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 £21,560,543 (31 July 2016: £5,158,264).

Notes to the Financial Statements continued

12. Financial Instruments and Associated Risks continued

(b) Interest Rate Risk

Interest Rate Risk is the risk of movements in the value of financial instruments as a result of fluctuations in interest rates.

The Fund is exposed to interest rate risk through its holdings in debt securities and underlying collective investment schemes that pay interest distribution. 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 directly by this Fund and within each underlying Fund that invests in debt securities, in line with the stated investment objective and policy of the Fund.

At 31 July 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 £157,293. This represents the Manager's best estimate of a reasonable possible shift in interest rates, having regard to historical volatility of those rates.

Notes to the Financial Statements continued

12. Financial Instruments and Associated Risks continued

(c) Foreign Currency Risk

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

As this Fund invests in other collective investment schemes that hold investment instruments in overseas financial securities, there is currency risk in respect of the financial instruments held by those schemes.

At 31 July 2017, if the value of Sterling increased or decreased by 1% against all currencies, with all other variables remaining constant, then the net assets attributable to unitholders would increase or decrease by approximately £217,600 (31 July 2016: £36,234).

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

31/07/17 Currency	Net foreign currency assets		Total £'000
	Monetary exposures £'000	Non-monetary exposures £'000	
Australian Dollar	180	(68)	112
Euro	1,542	3,349	4,891
Japanese Yen	28	89	117
South Korean Won	112	(28)	84
Swiss Franc	24	–	24
US Dollar	1,791	8,011	9,802

31/07/16 Currency	Net foreign currency assets		Total £'000
	Monetary exposures £'000	Non-monetary exposures £'000	
Australian Dollar	56	16	72
Euro	920	(10)	910
Japanese Yen	16	27	43
South Korean Won	15	(5)	10
Swiss Franc	24	–	24
US Dollar	618	1,947	2,565

Notes to the Financial Statements continued

12. Financial Instruments and Associated Risks continued

(d) Credit Risk

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

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

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

As this Fund invests in Collective Investment Schemes there is credit risk in respect of the assets held by these Schemes. This risk is managed in this Fund and the underlying Collective Investment Schemes by appraising the credit profile of financial instruments and issuers in line with the Fund's investment objective and policy.

This risk is managed by appraising the credit profile of financial instruments and issuers in line with the Fund's investment objective and policy.

(e) Liquidity Risk

Liquidity Risk relates to the capacity to meet liabilities as they fall due. The primary source of this risk to the Fund is the liability to Unitholders for any cancellation of units.

The Fund can also be exposed to liquidity risk through its commitments under derivative contracts, whereby additional margin payments or collateral payments may need to be posted with the counterparty or clearing house.

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

(f) Derivative Risk - Sensitivity Analysis

Derivative Risk arises from uncertainty about future market movements. This risk is managed by the policies shown within Market risk.

At the balance sheet date the Fund made use of the following derivatives:

Futures

Futures are used to adjust the duration and interest rate risk of the Fund in a cost effective manner. The effect of these instruments was to increase the exposure of the Fund by £49,202,380 (2016: £3,887,388), representing 10.68% of the net asset value (2016: 3.43%).

This results in an effective equity exposure at the year end of 104.27% (2016: 94.56%) of net assets, which means that the gains or losses of the Fund will be 1.0427 (2016: 0.9456) times the gains or losses if the Fund was fully invested in equities.

Notes to the Financial Statements continued

12. Financial Instruments and Associated Risks continued

(g) Fair Value

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

The Statement of Recommended Practice for Financial Statements of UK Authorised Funds issued by the Investment Management Association in May 2014, 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:

31/07/17	Assets	Liabilities
Basis of Valuation	£	£
Level 1 - Quoted Prices	22,735,250	(1,989,310)
Level 2 - Observable Market Data	410,464,920	—
Level 3 - Unobservable Data	—	—
Total	433,200,170	(1,989,310)

31/07/16	Assets	Liabilities
Basis of Valuation	£	£
Level 1 - Quoted Prices	6,835,245	(250,269)
Level 2 - Observable Market Data	96,580,302	—
Level 3 - Unobservable Data	—	—
Total	103,415,547	(250,269)

Level 1

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

Level 2

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

Level 3

Valuation techniques using unobservable inputs.

Notes to the Financial Statements continued

13. Portfolio transaction costs

31/07/17	Value	Commissions		Taxes		Total
Purchases	£'000	£'000	%	£'000	%	£'000
Equities	8,284	-	-	-	-	8,284
Collective Investment Schemes	300,883	-	-	138	0.05	301,021
Debt Securities	13,522	-	-	-	-	13,522
Total	322,689	-	-	138	0.05	322,827

31/07/17	Value	Commissions		Taxes		Total
Sales	£'000	£'000	%	£'000	%	£'000
Collective Investment Schemes	4,438	-	-	-	-	4,438
Debt Securities	4,247	-	-	-	-	4,247
Total	8,685	-	-	-	-	8,685

Commissions and taxes as % of average net assets

Commissions 0.00%

Taxes 0.00%

31/07/16	Value	Commissions		Taxes		Total
Purchases	£'000	£'000	%	£'000	%	£'000
Equities	3,125	-	-	-	-	3,125
Collective Investment Schemes	64,971	-	-	3	-	64,974
Debt Securities	4,310	-	-	-	-	4,310
Total	72,406	-	-	3	-	72,409

31/07/16	Value	Commissions		Taxes		Total
Sales	£'000	£'000	%	£'000	%	£'000
Equities	4,331	-	-	-	-	4,331
Collective Investment Schemes	8,263	-	-	-	-	8,263
Debt Securities	2,448	-	-	-	-	2,448
Total	15,042	-	-	-	-	15,042

Commissions and taxes as % of average net assets

Commissions 0.00%

Taxes 0.00%

Transaction costs consist of expenses incurred in the process of the purchase and sales of securities above the cost of the securities.

The average portfolio dealing spread, including the effect of foreign exchange, as at the balance sheet date was 0.18% (31 July 2016: 0.48%).

Notes to the Financial Statements continued

14. Unit classes

A list of unit classes in issue and the fund management fee on each unit class can be found on page 41. 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 33 to 39. The distributions per unit class are given in the distribution tables on pages 30 and 31. All classes have the same rights on winding up.

F-Class	Distribution	Accumulation
Opening Units	2,000	2,000
Units issued	156,550	155,145
Units cancelled	(156,877)	–
Units converted	–	–
Closing Units	1,673	157,145

I-Class	Distribution	Accumulation
Opening Units	1,311,300	72,857,881
Units issued	1,093,111	67,822,077
Units cancelled	(520,426)	(4,332,862)
Units converted	–	–
Closing Units	1,883,985	136,347,096

C-Class	Accumulation
Opening Units	119,272,893
Units issued	486,050,856
Units cancelled	–
Units converted	–
Closing Units	605,323,749

D-Class	Distribution	Accumulation
Opening Units	1,000,174	6,434,737
Units issued	186,453	4,462,188
Units cancelled	(303,279)	(597,146)
Units converted	–	–
Closing Units	883,348	10,299,779

Notes to the Financial Statements continued

15. Ultimate controlling party and related party transactions

The Manager is regarded as a related party to the Fund because it provides key management personnel services to the Fund. The ultimate controlling party of the Manager is Legal & General Group Plc. Subsidiaries of Legal & General Group Plc are also considered related parties to the Fund.

Legal & General (Unit Trust Managers) Limited acts as the principal on all the transactions of the units in the Fund. The aggregated monies received through creations or paid on cancellations are disclosed in the statement of change in net assets attributable to unitholders.

Equalisation amounts relating to creations and cancellations of units are shown within note 7. Fees received by the Authorised Fund Manager from the Fund plus any rebates paid by the Authorised Fund Manager to the Fund are shown within notes 3, 4 and 5 as applicable. Any outstanding fees, amounts outstanding on creations or cancellations of units in the Fund, or rebates receivable by the Fund from the Manager are shown within notes 8 and 10 as applicable.

At the year end, the Manager and its associates held 13.32% (15.08% as at 31 July 2016) of the Fund's units in issue.

16. Post balance sheet market movements

As at the close of business on the balance sheet date the Net Asset Value per I-Class accumulation unit was 60.86p. The Net Asset Value per I-Class accumulation unit for the Fund as at 3pm on 19 September 2017 was 60.82p. This represents a decrease of 0.07% from the year end value.

Distribution Tables

Distribution Tables for the year ended 31 July 2017

Group 1: units purchased prior to a distribution period.

Group 2: units purchased during a distribution period.

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

Interim dividend distribution in pence per unit			Period			
			01/08/16	to 31/01/17		
F-Class						
Distribution Units			Revenue	Equalisation	Distribution	Distribution
			31/03/17	31/03/16		
Group 1	0.5769	–	0.5769	N/A		
Group 2	0.2046	0.3723	0.5769	N/A		
F-Class						
Accumulation Units			Revenue	Equalisation	Distribution	Distribution
			31/03/17	31/03/16		
Group 1	0.5725	–	0.5725	N/A		
Group 2	–	0.5725	0.5725	N/A		
I-Class						
Distribution Units			Revenue	Equalisation	Distribution	Distribution
			31/03/17	31/03/16		
Group 1	0.6133	–	0.6133	0.5804		
Group 2	0.2432	0.3701	0.6133	0.5804		
I-Class						
Accumulation Units			Revenue	Equalisation	Distribution	Distribution
			31/03/17	31/03/16		
Group 1	0.6352	–	0.6352	0.5896		
Group 2	0.2096	0.4256	0.6352	0.5896		
C-Class						
Accumulation Units			Revenue	Equalisation	Distribution	Distribution
			31/03/17	31/03/16		
Group 1	0.6720	–	0.6720	0.6234		
Group 2	0.2206	0.4514	0.6720	0.6234		
D-Class						
Distribution Units			Revenue	Equalisation	Distribution	Distribution
			31/03/17	31/03/16		
Group 1	0.4749	–	0.4749	0.4607		
Group 2	0.1664	0.3085	0.4749	0.4607		
D-Class						
Accumulation Units			Revenue	Equalisation	Distribution	Distribution
			31/03/17	31/03/16		
Group 1	0.4874	–	0.4874	0.4660		
Group 2	0.1198	0.3676	0.4874	0.4660		

Distribution Tables continued

Final dividend distribution in pence per unit			Period	
			01/02/17	to 31/07/17
F-Class			Distribution	Distribution
Distribution Units			30/09/17	30/09/16
Group 1	0.4751	–	0.4751	0.0437
Group 2	–	0.4751	0.4751	0.0437
F-Class			Distribution	Distribution
Accumulation Units			30/09/17	30/09/16
Group 1	0.4802	–	0.4802	0.0437
Group 2	–	0.4802	0.4802	0.0437
I-Class			Distribution	Distribution
Distribution Units			30/09/17	30/09/16
Group 1	0.5097	–	0.5097	0.4299
Group 2	0.2242	0.2855	0.5097	0.4299
I-Class			Distribution	Distribution
Accumulation Units			30/09/17	30/09/16
Group 1	0.5341	–	0.5341	0.4421
Group 2	0.2920	0.2421	0.5341	0.4421
C-Class			Distribution	Distribution
Accumulation Units			30/09/17	30/09/16
Group 1	0.5811	–	0.5811	0.4845
Group 2	0.2789	0.3022	0.5811	0.4845
D-Class			Distribution	Distribution
Distribution Units			30/09/17	30/09/16
Group 1	0.3638	–	0.3638	0.2975
Group 2	0.2901	0.0737	0.3638	0.2975
D-Class			Distribution	Distribution
Accumulation Units			30/09/17	30/09/16
Group 1	0.3791	–	0.3791	0.3042
Group 2	0.1798	0.1993	0.3791	0.3042

In the above tables, a distribution pay rate of N/A denotes that the class was not in existence as at the applicable XD date, and therefore no distribution was made. Please refer to the comparative tables on pages 33 to 39 for the launch date of these classes.

Fund Information

The Comparative Tables on pages 33 to 39 give the performance of each active share class in the Fund.

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

Portfolio transaction costs are incurred when investments are bought or sold by a fund in order to achieve the investment objective. These transaction costs affect an investor in different ways depending on whether they are joining, leaving or continuing with their investment in the Fund.

Direct transaction costs include broker commission and taxes. Broker commission includes the fee paid to a broker to execute the trades and research costs.

In addition, there are indirect portfolio transaction costs arising from the 'dealing spread' – the difference between the buying and selling prices of underlying investments in the portfolio. Unlike shares whereby broker commissions and stamp duty are paid by a fund on each transaction, other types of investments (such as bonds, money instruments, derivatives, collective investment schemes) do not have separately identifiable transaction costs; these costs form part of the dealing spread. Dealing spreads vary considerably depending on the transaction value and money market sentiment.

Fund Information continued

Comparative Tables

F-Class Distribution Units

Change in Net Asset Value per Unit

Accounting Year ending	31/07/17 (pence per unit)	31/07/16 (pence per unit) ¹
Opening net asset value per unit	53.35	50.00
Return before operating charges*	4.57	3.44
Operating charges (calculated on average price)	(0.32)	(0.05)
Return after operating charges*	4.25	3.39
Distributions on income units	(1.05)	(0.04)
Closing net asset value per unit	56.55	53.35
* after direct transaction costs of ² :	–	–

Performance

Return after charges	7.97%	6.78%
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Other Information

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

Prices

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

¹ F-Class Units launched 1 June 2016.

² Direct transaction costs are stated after deducting the proportion of the amounts collected from dilution adjustments or dilution levies that relate to direct transaction costs. A negative transactions costs figure might arise where there is a timing difference between inflows and the settlement of the resultant purchases.

[†] Operating charges, otherwise known as the OCF is the ratio of the Fund's total disclosable costs (excluding overdraft interest) to the average net assets of the Fund. 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. Included within the OCF are synthetic costs which include the OCF of the underlying funds weighted on the basis of their investment proportion.

Past performance is not a guide to future performance.

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

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

Fund Information continued

Comparative Tables continued

F-Class Accumulation Units

Change in Net Asset Value per Unit

Accounting Year ending	31/07/17 (pence per unit)	31/07/16 (pence per unit) ¹
Opening net asset value per unit	53.40	50.00
Return before operating charges*	4.59	3.45
Operating charges (calculated on average price)	(0.33)	(0.05)
Return after operating charges*	4.26	3.40
Distributions	(1.05)	(0.04)
Retained distributions on accumulation units	1.05	0.04
Closing net asset value per unit	57.66	53.40
* after direct transaction costs of ² :	-	-

Performance

Return after charges	7.98%	6.80%
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Other Information

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

Prices

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

¹ F-Class Units launched 1 June 2016.

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

[†] Operating charges, otherwise known as the OCF is the ratio of the Fund's total disclosable costs (excluding overdraft interest) to the average net assets of the Fund. 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. Included within the OCF are synthetic costs which include the OCF of the underlying funds weighted on the basis of their investment proportion.

Past performance is not a guide to future performance.

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

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

Fund Information continued

Comparative Tables continued

I-Class Distribution Units

Change in Net Asset Value per Unit

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

Performance

Return after charges	8.02%	8.36%	3.78%
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Other Information

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

Prices

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

[^] The Fund launched 30 June 2014.

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

[†] Operating charges, otherwise known as the OCF is the ratio of the Fund's total disclosable costs (excluding overdraft interest) to the average net assets of the Fund. 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. Included within the OCF are synthetic costs which include the OCF of the underlying funds weighted on the basis of their investment proportion.

Past performance is not a guide to future performance.

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

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

Fund Information continued

Comparative Tables continued

I-Class Accumulation Units

Change in Net Asset Value per Unit

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

Performance

Return after charges	8.10%	8.48%	3.80%
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Other Information

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

Prices

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

[^] The Fund launched 30 June 2014.

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

[†] Operating charges, otherwise known as the OCF is the ratio of the Fund's total disclosable costs (excluding overdraft interest) to the average net assets of the Fund. 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. Included within the OCF are synthetic costs which include the OCF of the underlying funds weighted on the basis of their investment proportion.

Past performance is not a guide to future performance.

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

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

Fund Information continued

Comparative Tables continued

C-Class Accumulation Units

Change in Net Asset Value per Unit

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

Performance

Return after charges	8.24%	8.68%	3.90%
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Other Information

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

Prices

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

[^] The Fund launched 30 June 2014.

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

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Fund Information continued

Comparative Tables continued

D-Class Distribution Units

Change in Net Asset Value per Unit

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

Performance

Return after charges	7.51%	7.83%	3.34%
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Other Information

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

Prices

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

[^] The Fund launched 30 June 2014.

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

[†] Operating charges, otherwise known as the OCF is the ratio of the Fund's total disclosable costs (excluding overdraft interest) to the average net assets of the Fund. 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. Included within the OCF are synthetic costs which include the OCF of the underlying funds weighted on the basis of their investment proportion.

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

Fund Information continued

Comparative Tables continued

D-Class Accumulation Units

Change in Net Asset Value per Unit

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

Performance

Return after charges	7.56%	7.95%	3.36%
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Other Information

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

Prices

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

[^] The Fund launched 30 June 2014.

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

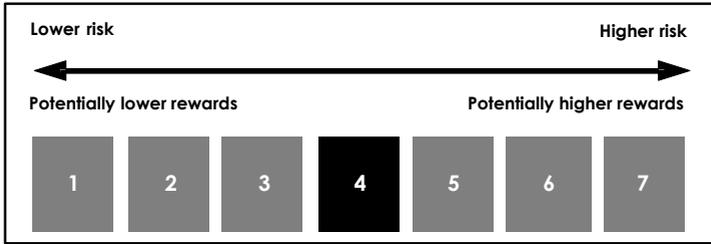
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Past performance is not a guide to future performance.

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

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

Risk and Reward Profile



- This risk and reward profile is based on historical data which may not be a reliable indication of the Fund's risk and reward category in the future.
- The category is based on the rate at which the fund and a representative mix of the underlying funds have moved up and down in the past.
- This Fund is in category four because it invests, sometimes through other funds, in a variety of investments. A mixture of higher risk investments and lower risk investments has a balancing effect. The result is that this Fund is lower risk than one investing only in company shares and higher risk than one investing only in investment grade bonds.
- The Fund's category is not guaranteed to remain the same and may change over time.
- Even a fund in the lowest category is not a risk free investment.

General Information

Constitution

Launch date:	30 June 2014
Period end dates for distributions:	31 January, 31 July
Distribution dates:	31 March, 30 September
Minimum initial lump sum investment:	F-Class* £20 I-Class £1,000,000 C-Class** £100,000,000 D-Class £500
Valuation point:	3pm
Fund management fees:	F-Class* Annual 0.54% I-Class Annual 0.45% C-Class** Annual 0.30% D-Class Annual 0.94%
Initial charges:	F-Class* Nil I-Class Nil C-Class** Nil D-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.

Pricing and Dealing

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

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

Buying and Selling Units

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

General Information continued

ISA Status

This Fund may be held within this tax advantaged savings arrangement. The favourable tax treatment of ISAs may not be maintained. For full written information, please contact your usual financial adviser or ring 0370 050 0955.

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

Prospectus and Manager's Reports

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

Copies of the Prospectus and the most recent annual or interim reports are available free of charge by telephoning 0370 050 0955 or by writing to the Manager.

Do you have difficulty in reading information in print because of a disability? If so, we can help. We are able to produce information for our clients in large print and braille. If you would like to discuss your particular requirements, please contact us on 0370 050 0955.

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 Mixed Investment 20-60% Fund, as a UCITs Scheme, is required to disclose the aggregate remuneration paid by the UCITs Manager and by the UCITs Scheme to Identified Staff, together with the number of beneficiaries, and, where relevant, performance fees paid by the UCITs Scheme. The aggregate amount of remuneration must be broken down by category of employees or other staff members and be split into fixed and variable remuneration.

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

Controlled Functions

Headcount	Fixed Remuneration (£,000)	Variable Remuneration (£,000)	Remuneration related to this Scheme (Pro-rated) (£'000)
16	3,278	5,980	62

Material Risk Takers

Headcount	Fixed Remuneration (£,000)	Variable Remuneration (£,000)	Remuneration related to this Fund (Pro-rated) (£'000)
25	2,921	4,252	45

Controlled Functions

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

General Information continued

Material Risk Takers

As at the 31 December 2016, UTM engaged the services of Legal & General Investment Management's Asset Allocation Fund Management team, which consists of 25 investment professionals located in our London Office. The team includes a variety of Fund Managers, Analysts and Support Staff, with the Fund Managers empowered to take discretionary investment management decisions on behalf of the Fund. The team is also engaged in managing other Legal & General UTM Funds/Schemes and is also engaged by other companies in the L&G Group. The aggregate remuneration received by the members of the team, for all their services across the L&G Group, is disclosed in the table above. We have prorated the remuneration figures by the Net Asset Value of the UCITS Funds as a percentage of the total assets under management of UTM.

General Information continued

Authorised Fund Manager

Legal & General (Unit Trust Managers) Limited
Registered in England and Wales No. 01009418
Registered office:
One Coleman Street,
London EC2R 5AA
Telephone: 0370 050 3350
Authorised and regulated by the Financial Conduct Authority

Directors of the Manager

R. M. Bartley
A. J. C. Craven
S. Hynes (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

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
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London EC2R 5AA
www.legalandgeneral.com

