

Legal & General All Stocks Gilt Index Trust

**Interim Manager's Report
for the period ended
25 November 2018
(Unaudited)**



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Manager's Investment Report

Investment Objective and Policy

The objective of the Trust is to track the total return of UK Government Securities as represented by the FTSE Actuaries UK Conventional Gilts All Stocks Index after adjustment for management charges and taxation, by investment in a representative sample of stocks.

For the purposes of Efficient Portfolio Management, any of the forms of derivative in the Prospectus may be effected.

Manager's Investment Report

During the period under review, the bid price of the Trust's I-Class accumulation units fell by 0.32%. FTSE, the Index compiler, calculates the benchmark Index at the end of the business day using closing prices, whereas the Trust is valued using prevailing prices at 12 noon. Therefore, for tracking purposes the Trust has been revalued using closing prices. On this basis over the review period, the Trust performance was -0.64%, compared with the Index performance of -0.65% (Source: Bloomberg), producing a tracking difference of +0.01%.

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.

The FTSE Actuaries UK Conventional Gilts All Stocks Index is calculated by FTSE International Limited ("FTSE"). FTSE does not sponsor, endorse or promote this product.

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Market/Economic Review

Although the global economy remains on track for another year of solid growth, growth has become less synchronised in contrast to 2017 and more uneven across countries and regions. Despite a rise in commodity prices, with the oil price (Brent crude) recovering to over \$82 per barrel in September, its highest level since 2014, inflationary pressures worldwide have remained subdued by historical standards.

In the US, economic activity remains in good shape underpinned by improving consumer and business sentiment, as the impact of tax cuts and a strong labour market have boosted domestic demand. GDP growth during the third quarter was ahead of expectations as consumer spending accelerated. The Federal Reserve (Fed) sanctioned a gradual tightening of monetary policy, raising interest rates four times over the last twelve months. The Fed also continued to unwind its asset purchase programme, known as quantitative easing (QE), last October. In December, Congress approved the Trump administration's tax reforms which include a cut in the main rate of corporation tax from 35% to 21%.

The Eurozone economy grew at its fastest pace for a decade in 2017, although there was some loss of momentum during 2018. The European Central Bank (ECB) acknowledged the 'weaker momentum' of the Eurozone economy, which grew at its slowest rate since the second quarter of 2014 during the three months to September, as the Italian economy stalled for the first time in almost four years. The ECB announced it would cease its monthly asset purchase programme by the end of 2018,

Manager's Investment Report continued

and signalled interest rates are likely to remain on hold at least until mid-2019 with inflation remaining subdued.

In the UK, both economic and political uncertainty have heightened over the last 12 months, with precariousness as to the outcome of Brexit negotiations and the implications for trade with the EU. The Bank of England voted to increase interest rates to 0.5% in November, removing the emergency support announced in August 2016 in the wake of the EU referendum and sanctioned a further rate hike to 0.75% in August as inflation remained above its 2% target. Although UK GDP grew at its slowest pace for six years during the first quarter of 2018 subsequently the economy has been resilient, underpinned by consumer demand and exports.

Returns from bonds have been modest over the last 12 months, although a marked rise in equity market volatility in early 2018 and in October highlighted the 'safe haven' appeal of major government bond markets. In the US, investors have discounted Fed rate hikes and looser fiscal policy. In the UK, as inflation has remained well above the Bank of England's (BoE) 2% target, index-linked gilts outperformed conventional securities. Corporate bonds have struggled to make headway on concerns about the impact of weaker UK economic growth on earnings, and uncertainty over the outcome of Brexit negotiations.

Trust Review

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

During the review period there were 14 gilt auctions and one syndication, raising a total of £41.3 billion for government funding. The bond issued by syndication was a £5.25 billion tap of the 1.625% Treasury Gilt 2071. The 1% Treasury Gilt 2024 was issued for approximately £2.75 billion nominal in July, and was the subject of 3 further auctions over the period. The 1.625% Treasury Gilt 2028, which was issued earlier this year, was the subject of 4 further auctions over the period, raising a total of £13.7 billion. One bond was redeemed: the 1.25% Treasury Gilt 2018. Each auction, syndication and redemption resulted in a change to the constituent weightings of the benchmark Index and required the Trust to be rebalanced in line with the revised Index distribution.

The Trust experienced net positive cash flow during the period. The cash flows were used to adjust the Trust's holdings in such a way so as to ensure the Trust maintained the Index distribution at all times.

Outlook

Longer term, we retain a bias towards being long duration as we remain cautious about global growth, economic impact of trade wars and the ability of a highly-leveraged global economy to withstand higher interest rates. Despite the slowdown in Global manufacturing, the underlying demand is steady and inventories near neutral and we expect growth to stabilize slightly below trend. Versus the rest of the world, we still believe that Brexit negotiations will be a leading driver of relative performance during early 2019.

The BoE is likely to stay on hold with regards to monetary policy until next year (May is our base case as the transition period should be in place by then).

Authorised Status

Authorised Status

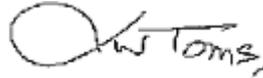
This Trust is an Authorised Unit Trust Scheme as defined in section 243 of the Financial Services and Markets Act 2000 and is a UCITS Retail Scheme within the meaning of the FCA Collective Investment Schemes sourcebook.

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)



L. W. Toms
(Director)

Legal & General (Unit Trust Managers) Limited
15 January 2019

Portfolio Statement

Portfolio Statement as at 25 November 2018

All investments are in investment grade securities unless otherwise stated. The percentages in brackets show the equivalent holdings at 25 May 2018.

Holding/ Nominal Value	Investment	Market Value £	% of Net Assets
GOVERNMENT BONDS			
— 96.73% (97.16%)			
Short Dated — 31.10% (29.56%)			
GBP24,056,161	United Kingdom Gilt 4.5% 07/03/2019	24,309,231	2.52
GBP24,515,896	United Kingdom Gilt 1.75% 22/07/2019	24,672,798	2.56
GBP19,291,728	United Kingdom Gilt 3.75% 07/09/2019	19,739,489	2.05
GBP22,478,174	United Kingdom Gilt 4.75% 07/03/2020	23,617,817	2.45
GBP21,606,674	United Kingdom Gilt 2% 22/07/2020	22,053,932	2.29
GBP16,414,170	United Kingdom Gilt 3.75% 07/09/2020	17,283,202	1.80
GBP21,906,583	United Kingdom Gilt 1.5% 22/01/2021	22,257,220	2.31
GBP16,314,918	United Kingdom Gilt 8% 07/06/2021	19,277,544	2.00
GBP18,871,028	United Kingdom Gilt 3.75% 07/09/2021	20,407,130	2.12
GBP25,481,810	United Kingdom Gilt 4% 07/03/2022	28,102,461	2.92
GBP19,236,461	United Kingdom Gilt 0.5% 22/07/2022	19,006,778	1.97
GBP19,288,958	United Kingdom Gilt 1.75% 07/09/2022	19,930,894	2.07
GBP19,772,084	United Kingdom Gilt 0.75% 22/07/2023	19,591,921	2.03
GBP18,220,064	United Kingdom Gilt 2.25% 07/09/2023	19,335,132	2.01
		299,585,549	31.10
Medium Dated — 15.30% (17.01%)			
GBP5,710,000	United Kingdom Gilt 1% 22/04/2024	5,701,207	0.59
GBP18,037,939	United Kingdom Gilt 2.75% 07/09/2024	19,787,132	2.05
GBP23,657,971	United Kingdom Gilt 5% 07/03/2025	29,312,013	3.04
GBP18,735,349	United Kingdom Gilt 2% 07/09/2025	19,856,285	2.06
GBP18,381,092	United Kingdom Gilt 1.5% 22/07/2026	18,832,844	1.96
GBP15,608,770	United Kingdom Gilt 1.25% 22/07/2027	15,572,402	1.62
GBP21,115,882	United Kingdom Gilt 4.25% 07/12/2027	26,535,104	2.75
GBP11,585,000	United Kingdom Gilt 1.625% 22/10/2028	11,845,940	1.23
		147,442,927	15.30
Long Dated — 50.33% (50.59%)			
GBP12,761,257	United Kingdom Gilt 6% 07/12/2028	18,348,237	1.91
GBP22,688,610	United Kingdom Gilt 4.75% 07/12/2030	30,839,516	3.20

Portfolio Statement continued

Holding/ Nominal Value	Investment	Market Value £	% of Net Assets
Long Dated — (cont.)			
GBP24,033,145	United Kingdom Gilt 4.25% 07/06/2032	31,796,043	3.30
GBP21,376,517	United Kingdom Gilt 4.5% 07/09/2034	29,616,779	3.07
GBP20,008,839	United Kingdom Gilt 4.25% 07/03/2036	27,370,491	2.84
GBP11,130,896	United Kingdom Gilt 1.75% 07/09/2037	10,960,037	1.14
GBP16,896,356	United Kingdom Gilt 4.75% 07/12/2038	25,142,791	2.61
GBP15,304,733	United Kingdom Gilt 4.25% 07/09/2039	21,561,308	2.24
GBP16,679,139	United Kingdom Gilt 4.25% 07/12/2040	23,760,935	2.47
GBP18,009,197	United Kingdom Gilt 4.5% 07/12/2042	26,959,084	2.80
GBP18,391,167	United Kingdom Gilt 3.25% 22/01/2044	23,145,946	2.40
GBP18,384,490	United Kingdom Gilt 3.5% 22/01/2045	24,193,253	2.51
GBP15,444,748	United Kingdom Gilt 4.25% 07/12/2046	23,119,768	2.40
GBP16,334,135	United Kingdom Gilt 1.5% 22/07/2047	14,782,997	1.53
GBP1,560,000	United Kingdom Gilt 1.75% 22/01/2049	1,494,480	0.16
GBP13,265,420	United Kingdom Gilt 4.25% 07/12/2049	20,485,722	2.13
GBP15,671,315	United Kingdom Gilt 3.75% 22/07/2052	22,909,895	2.38
GBP17,772,504	United Kingdom Gilt 4.25% 07/12/2055	29,040,272	3.01
GBP11,315,832	United Kingdom Gilt 1.75% 22/07/2057	10,998,989	1.14
GBP15,886,666	United Kingdom Gilt 4% 22/01/2060	25,748,155	2.67
GBP12,881,950	United Kingdom Gilt 2.5% 22/07/2065	15,545,306	1.61
GBP13,061,170	United Kingdom Gilt 3.5% 22/07/2068	20,056,680	2.08
GBP7,535,000	United Kingdom Gilt 1.625% 22/10/2071	7,004,009	0.73
		484,880,693	50.33
Portfolio of investments		931,909,169	96.73
Net other assets		31,485,730	3.27
Total net assets		£963,394,899	100.00%

Total purchases for the period: £75,879,533.

Total sales for the period: £49,493,673.

Financial Statements

Statement of Total Return For the period ended 25 November 2018

	26/05/18 to 25/11/18		26/05/17 to 24/11/17 ¹	
	£	£	£	£
Income				
Net capital losses		(8,713,021)		(24,644,499)
Revenue	6,662,014		8,776,592	
Expenses	(688,048)		(829,922)	
Interest payable and similar charges	(1,282)		—	
Net revenue before taxation	5,972,684		7,946,670	
Taxation	—		—	
Net revenue after taxation for the period		5,972,684		7,946,670
Total return before distributions		(2,740,337)		(16,697,829)
Distributions		(6,317,411)		(8,361,620)
Change in net assets attributable to Unitholders from investment activities		£(9,057,748)		£(25,059,449)

Statement of Change in Net Assets attributable to Unitholders for the period ended 25 November 2018

	26/05/18 to 25/11/18		26/05/17 to 24/11/17 ¹	
	£	£	£	£
Opening net assets attributable to Unitholders		947,415,789		1,202,456,619
Amounts received on issue of units	61,550,789		72,596,662	
Amounts paid on cancellation of units	(39,401,848)		(161,036,992)	
		22,148,941		(88,440,330)
Change in net assets attributable to Unitholders from investment activities		(9,057,748)		(25,059,449)
Retained distributions on accumulation units		2,887,917		4,042,225
Unclaimed distributions		—		9,875
Closing net assets attributable to Unitholders		£963,394,899		£1,093,008,940

¹ The Trust's Interim accounting date was moved to 24 November 2017 in order to facilitate the closure of M-Class.

The difference between the opening net assets and the comparative closing net assets is the movement in the second half of the year.

Financial Statements continued

Balance Sheet as at 25 November 2018

	25/11/18 £	25/05/18 £
ASSETS		
Fixed assets:		
Investments	931,909,169	920,488,075
Current assets:		
Debtors	9,214,629	8,503,226
Cash and bank balances	<u>26,352,115</u>	<u>22,231,728</u>
Total assets	<u>967,475,913</u>	<u>951,223,029</u>
LIABILITIES		
Creditors:		
Distributions payable	(3,528,216)	(3,543,403)
Other creditors	<u>(552,798)</u>	<u>(263,837)</u>
Total liabilities	<u>(4,081,014)</u>	<u>(3,807,240)</u>
Net assets attributable to Unitholders	<u>£963,394,899</u>	<u>£947,415,789</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 Management Association in May 2014 (2014 SORP).

2. Accounting Policies

The accounting policies applied are consistent with the most recent annual Financial Statements.

(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.

Trust Information

Net Asset Values and Units in Issue

Class	Net Asset Value (£)	Units in Issue	Net Asset Value per Unit (p)
R-Class			
Distribution Units	9,762	19,887	49.09
Accumulation Units	498,168	1,009,267	49.36
F-Class			
Distribution Units	1,293	1,079	119.83
Accumulation Units	391,866	180,295	217.35
I-Class			
Distribution Units	418,216,725	346,982,336	120.53
Accumulation Units	403,817,945	183,808,165	219.70
C-Class			
Distribution Units	109,277,140	90,504,229	120.74
Accumulation Units	31,182,000	14,149,791	220.37

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.

Ongoing Charges Figures

	25 Nov 18	25 May 18
R-Class [†]	0.53%	–
F-Class	0.37%	0.37%
I-Class	0.15%	0.15%
C-Class	0.10%	0.10%

[†] R-Class Units launched on 1 June 2018.

The Ongoing Charges Figure (OCF) is the ratio of the Trust's total disclosable costs (excluding overdraft interest) to the average net assets of the Trust.

The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a trust and is calculated based on the last period's figures.

Trust Information continued

Distribution Information

R-Class

The distribution payable on 25 January 2019 is 0.2700p per unit for distribution units and 0.2696p per unit for accumulation units.

F-Class

The distribution payable on 25 January 2019 is 0.7340p per unit for distribution units and 1.3187p per unit for accumulation units.

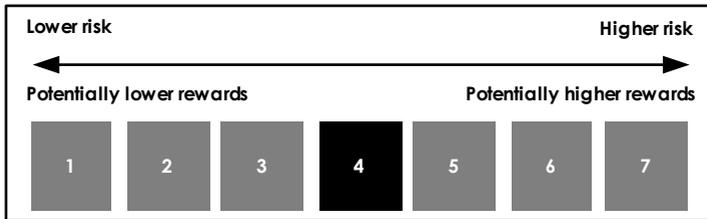
I-Class

The distribution payable on 25 January 2019 is 0.8029p per unit for distribution units and 1.4539p per unit for accumulation units.

C-Class

The distribution payable on 25 January 2019 is 0.8198p per unit for distribution units and 1.4862p per unit for accumulation units.

Risk and Reward Profile



- This risk and reward profile is based on historical data which may not be a reliable indication of the Trust's risk and reward category in the future.
- The category number highlighted above reflects the rate at which the Trust's unit price has moved up and down in the past. If the Trust has less than five years' track record, the number also reflects the rate at which the Index the Trust tracks has moved up and down in the past. Higher numbers mean the potential reward could be greater, but this comes with increased risk of losing money.
- The Trust is in category four because it invests in company or government bonds which are sensitive to changes in interest rates, inflation and credit. This can be driven by political and economic changes and other significant events and may cause the value to go up and down. Bonds that are closer to their maturity date tend to be more stable in value. Bonds are generally considered to be higher risk investments than cash, but lower risk than company shares.
- The Trust's category is not guaranteed to remain the same and may change over time.
- Even a trust in the lowest category is not a risk free investment.

General Information

Constitution

Launch date:	8 March 1981
Period end dates for distributions:	25 May, 25 November
Distribution dates:	25 July, 25 January
Minimum initial lump sum investment:	R-Class† £100 F-Class* £500 I-Class £1,000,000 C-Class** £100,000,000
Minimum monthly contributions:	R-Class† £20 F-Class* N/A I-Class N/A C-Class** N/A
Valuation point:	12 noon
Fund Management Fees:	R-Class† Annual 0.53% F-Class* Annual 0.37% I-Class Annual 0.15% C-Class** Annual 0.10%
Initial charge:	Nil for all existing unit classes

† With effect from 1 June 2018 – See Significant Change on page 14 .

* F-Class units are only available to:

- (i) investors who have received advice from authorized intermediaries, platforms or other distributors in relation to their investment in units in the Trust and
- (ii) 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 available to certain eligible investors who meet the criteria for investment in such units as outlined in the share class policy of the Manager, which is available to investors in the C-Class upon request. Where investors in the C-Class no longer continue to meet the criteria for investment in such units, further investment in such units may not be permitted.

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

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

Prospectus and Manager's Reports

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

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

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

Information on Tracking Error

The 'Tracking Error' of a Trust is the measure of the volatility of the differences between the return of the Trust and the return of the benchmark Index. It provides an indication of how closely the Trust is tracking the performance of the benchmark Index after considering things such as Trust charges and taxation.

Using monthly returns, over the review period, the annualised Tracking error of the Trust is 0.04%, whilst over the last three years to October 2018, the annualised Tracking Error of the Trust is 0.07%. These Tracking Errors are within the anticipated Tracking Error levels set out in the Trust's Prospectus of +/-0.25% per annum.

EU Savings Directive

The Trust 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 Trust 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.

Significant Change

New Unit Class: R-Class

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

General Information continued

Authorised Fund Manager

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

Directors of the Manager

R. M. Bartley
A. J. C. Craven
S. Hynes
H. Morrissey
H. Solomon
S. D. Thomas (resigned 17 October 2018)
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 SE
Trustee and Depository Services
50 Bank Street,
Canary Wharf,
London E14 5NT

Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority

Independent Auditors

KPMG LLP
15 Canada Square,
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Investment Adviser

Legal & General Investment Management Limited
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London EC2R 5AA
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**Authorised and regulated by the
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