

Legal & General Mixed Investment 20-60% Fund

Annual Manager's Report
for the year ended
31 July 2020



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

Manager's Investment Report

Investment Objective and Policy

In line with the updated rules and guidance for the asset management industry published by the Financial Conduct Authority (FCA) in February 2019, we have clarified the Investment Objectives and Policies for our UK regulated funds.

The revised Investment Objective and Policy came into effect on 7 August 2019. The previous and revised Investment Objective and Policy are set out below.

Prior to 7 August 2019

The objective of the Fund is 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 transferrable securities, other collective investment schemes, money market instruments, deposits, cash or near cash.

The Fund will use derivatives for Efficient Portfolio Management purposes.

From 7 August 2019

The objective of the Fund is to provide a combination of growth and income.

The Fund is actively managed and will have exposure to shares in companies, bonds (both corporate and government), money market instruments (such as treasury bills), cash, deposits and indirectly to property and alternative asset classes (such as commodities). The shares in companies and bonds may represent all economic sectors and geographical areas.

The Fund will have exposure of between 20% and 60% to shares in companies and at least 30% of the value of the Fund to bonds and money market instruments.

To obtain the exposure to shares in companies, bonds, money market instruments and cash, the Manager may invest directly and/or in collective investment schemes (both active and Index tracker) including those which are operated by the Manager or an associate of the Manager. At times the Fund may be fully invested in collective investments schemes only or direct investments only.

The Fund may only use derivatives for Efficient Portfolio Management purposes.

Manager's Investment Report

During the year under review, the mid-price of the Fund's I-Class accumulation units fell by 2.68%. The Fund under-performed its benchmark, as funds within the Investment Association Mixed Investment 20-60% Sector delivered an average return of -2.52% (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.

Manager's Investment Report continued

Market/Economic Review

It was a volatile twelve months across all asset markets, with diverse performance across countries and asset classes. Markets had ended 2019 on a positive footing, supported by apparent progress in trade talks between the US and China, and a decisive general election result in the UK which was perceived to reduce the near-term risk of a 'no deal' Brexit. Both pointed towards a relaxation of geopolitical tensions. However, 2020 heralded a dramatic shift: markets were rattled early in the year by a spat between Russia and Saudi Arabia over oil production, which caused the price of oil to plummet. The dispute ended with an agreement to cut global supply by around 10% in May and June. Nevertheless, on account of the severe price drop and the significant decrease in demand stemming from the extreme measures taken around the world to restrict the spread of the Coronavirus, US stockpiles hit their highest levels since 2018 and the price of West Texas Intermediate fell below zero for the first time in history.

As panic about the global spread of the Coronavirus took hold, equity markets dived and government bond yields soared, forcing central banks to intervene to stem rising yields and inject liquidity back into the market, bringing yields back down. Significant stimulus packages from the US Federal Reserve, the European Central Bank and the Bank of England were announced and implemented, supported by additional government spending. Equity markets suffered steep declines, but enjoyed a recover during the second quarter of 2020 and into July as lockdown measures eased, despite ongoing concerns of a 'second wave' of the virus in many countries. Government bond yields in most leading economies have reached historic lows.

Fund Review

Fund performance over the first six months benefitted from several contributors; exposure to equities, particularly the US and subsequently the UK market, supported returns. While credit exposure further underpinned performance, holdings in emerging market bonds weighed to some extent on returns late in the period. Currency hedging had a mixed effect on returns, initially detracting on Sterling weakness but later contributing to performance as Sterling recovered against its major international peers.

The first quarter of 2020 was challenging for the Fund. The main detractors from performance came from equities (in particular UK, Europe ex-UK and US equities), global high yield bonds and listed real estate. Sovereign bonds and overseas currency added to performance. As the COVID-19-related sell-off began, we reduced the level of equity exposure in keeping with our more negative stance on risk assets over the medium-term.

However, the Fund recovered much of its negative performance during the second quarter of 2020. The main contributors to performance were equities (in particular UK, Europe ex-UK, US and small cap equities), investment grade credit, global high yield bonds and emerging market debt in both hard and local currency. Following the significant sell-off across markets at the end of the first quarter, the attractiveness of certain asset classes changed in both relative and absolute terms; we sought to take advantage of this in the second quarter. We reduced our exposure to global investment grade credit after having increased it following the sell-off. This was due to the rapid tightening of spreads since the end of the first quarter.

We added a position to Australian bonds relative to US bonds, given their relatively higher yield and steeper yield curve. We reduced our exposure to German government bonds and increased our exposure to French government bonds which offer somewhat higher yields. We also reduced our emerging market debt exposure and increased our Croatian government bond exposure, which we believe offer attractive yields and

Manager's Investment Report continued

the potential to outperform over the medium-term from joining the Euro. In terms of currencies, we also reduced our exposure to the pound following recent Sterling strength and worries that Brexit risks might be under-priced.

Outlook

We remain concerned about the risk of second waves of COVID-19 and that the development and roll-out of a vaccine is still a fair way off, although signs are promising. Over the next six months, we may see mounting evidence of 'economic scarring', due to corporate defaults, layoffs and cuts to capital expenditure. Nevertheless, real evidence of progress on a vaccine could mean markets look through this and prompt further gains in risk assets. At the present juncture, our overall strategy remains broadly neutral after considering both of these risks. We continue to track global progress on the virus, and its impact on economic activity, to inform our scenario-based risk analysis.

In terms of duration, over the medium term, we still believe we're in a 'lower for longer' environment, but we do expect yields to rise modestly as the world returns closer to 'normality'. We expect central banks to keep a lid on yields as they seek to prop up economies. We maintain our neutral medium term view on investment grade credit after central bank support has seen significant spread tightening, meaning we have moved back to more normal valuations. This follows our positive view on the asset class in the immediate months after the end of the March market turmoil.

Important note from the Manager

Since January 2020, global financial markets have been affected by the COVID-19 coronavirus. The impact on the Company will take longer to assess; however, the Company has enacted its business continuity plans, with a large number of staff working remotely. Our technology and IT infrastructure supports large scale remote working, with our Investment Management Teams able to work in a 'business as usual' manner. We remain in regular contact with all key suppliers and we continue to monitor this situation closely.

The virus has caused major uncertainty and disruption to businesses and everyday life. Financial markets have reacted sharply to this news, with concerns regarding the economic impact this may have on a global scale. The long-term impact on the global economy and markets will depend upon the overall scale and the duration of the outbreak, as well as on the actions taken by governments and central banks.

Legal & General Investment Management Limited
(Investment Adviser)
20 August 2020

Authorised Status

Authorised Status

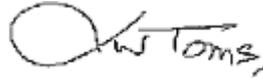
This Fund is an Authorised Unit Trust Scheme as defined in section 243 of the Financial Services and Markets Act 2000 and is a UCITS Retail Scheme within the meaning of the FCA Collective Investment Schemes sourcebook.

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)



L. W. Toms
(Director)

Legal & General (Unit Trust Managers) Limited
25 September 2020

Statement of Responsibilities

Statement of the Manager's Responsibilities

The Collective Investment Schemes sourcebook published by the FCA, ("the COLL Rules") require the Manager to prepare financial statements for each annual accounting period which give a true and fair view of the financial position of the Fund and of the net income and net gains or losses on the property of the Fund for the period.

In preparing the financial statements, the Manager is responsible for:

- selecting suitable accounting policies and then applying them consistently;
- making judgements and estimates that are reasonable and prudent;
- following UK accounting standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland;
- complying with the disclosure requirements of the Statement of Recommended Practice for UK Authorised Funds issued by the Investment Association in May 2014;
- keeping proper accounting records which enable it to demonstrate that the financial statements as prepared comply with the above requirements;
- assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern;
- using the going concern basis of accounting unless they either intend to liquidate the Fund or to cease operations, or have no realistic alternative but to do so;
- such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; and
- taking reasonable steps for the prevention and detection of fraud and irregularities.

The Manager is responsible for the management of the Fund in accordance with its Trust Deed, the Prospectus and the COLL Rules.

Statement of Responsibilities continued

Statement of the Trustee's Responsibilities

The Depositary in its capacity as Trustee of Legal & General Mixed Investment 20-60% Fund must ensure that the Fund is managed in accordance with the Financial Conduct Authority's Collective Investment Schemes Sourcebook ("COLL"), 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 2020

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 SE UK Branch
UK Trustee and Depositary Services
25 September 2020

Portfolio Statement

Portfolio Statement as at 31 July 2020

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 2019.

Holding/ Nominal Value	Investment	Market Value £	% of Net Assets
GOVERNMENT BONDS			
— 1.55% (2.05%)			
AUD15,621,000	Australia Government Bond 1.75% 21/06/2051	8,511,271	0.75
EUR3,969,000	Croatia Government International Bond 1.5% 17/06/2031	3,704,654	0.33
ZAR130,400,000	South Africa Government International Bond 8% 31/01/2030 ¹	5,396,364	0.47
		17,612,289	1.55
FUNDS INVESTED IN SHARES			
— 44.10% (47.26%)			
64,491,238	Legal & General (N) Tracker Trust 'I' Inc ²	98,671,594	8.68
31,277,611	Legal & General European Index Trust 'I' Inc ²	90,142,074	7.93
59,937,219	Legal & General Global Emerging Markets Index Fund 'L' Inc ²	35,237,091	3.10
63,880,454	Legal & General Global Infrastructure Index Fund 'L' Inc ²	38,564,630	3.39
58,704,632	Legal & General Global Real Estate Dividend Index Fund 'L' Inc ²	31,894,226	2.80
75,821,772	Legal & General Japan Index Trust 'I' Inc ²	38,896,569	3.42
32,326,554	Legal & General Pacific Index Trust 'I' Inc ²	34,427,779	3.03
8,798,902	Legal & General UK Index Trust 'L' Inc ²	11,693,741	1.03
95,800,287	Legal & General UK Mid Cap Index Fund 'L' Inc ²	42,104,226	3.70
15,892,366	Legal & General US Index Trust 'I' Inc ²	79,795,569	7.02
		501,427,499	44.10
FUNDS INVESTED IN INTEREST BEARING SECURITIES			
— 40.76% (41.88%)			
84,868,578	Legal & General Emerging Markets Government Bond (Local Currency) Index Fund 'L' Inc ²	45,710,216	4.02
122,846,109	Legal & General Emerging Markets Government Bond (US\$) Index Fund 'L' Inc ²	67,381,091	5.92
62,096,256	Legal & General Global Inflation Linked Bond Index Fund 'L' Inc ²	35,053,337	3.08
159,788,426	Legal & General High Income Trust 'I' Inc ²	71,888,813	6.32
12,446,422	Legal & General Short Dated Sterling Corporate Bond Index Fund 'L' Inc ²	6,504,500	0.57

Portfolio Statement continued

Holding/ Nominal Value	Investment	Market Value £	% of Net Assets
FUNDS INVESTED IN INTEREST BEARING SECURITIES — (cont.)			
161,814,843	Legal & General Sterling Corporate Bond Index Fund 'L' Inc ²	98,545,239	8.66
97,276,769	LGIM Global Corporate Bond Fund 'B' Acc ²	138,687,489	12.19
		<hr/>	<hr/>
		463,770,685	40.76
FUTURES CONTRACTS — 0.28% (-0.84%)			
142	Korea 10 Year Future Expiry September 2020	86,040	0.01
141	SFE 10 Year Treasury Bond Future Expiry September 2020	74,694	0.01
231	US 10 Year Treasury Notes Future Expiry September 2020	129,797	0.01
32	US Ultra Bond CBT Future Expiry September 2020	122,248	0.01
94	DJ US Real Estate Future Expiry September 2020	74,413	0.01
118	E-Mini Russell 2000 Index Future Expiry September 2020	439,676	0.04
(118)	E-Mini S&P 500 Future Expiry September 2020	(936,096)	(0.08)
(384)	Euro STOXX 50 Index Future Expiry September 2020	415,772	0.04
156	Euro STOXX 600 Index Future Expiry September 2020	67,270	—
458	Euro STOXX SM200 Index Future Expiry September 2020	(43,202)	(0.01)
63	Euro-OAT Future Expiry September 2020	208,843	0.02
333	FSE 100 Index Future Expiry September 2020	(374,289)	(0.03)
222	FSE 250 Index Future Expiry September 2020	44,844	—
179	MSCI Emerging Markets Index Future Expiry September 2020	766,803	0.07
44	NASDAQ 100 E-Mini Future Expiry September 2020	841,001	0.07
60	SPI 200 Index Future Expiry September 2020	87,586	0.01
603	STOXX 600 Travel & Leisure Future Expiry September 2020	(347,156)	(0.03)
54	TOPIX Future Expiry September 2020	(506,722)	(0.05)
799	USD/KRW Currency Future Expiry August 2020	(65,566)	(0.01)
(104)	AUD/USD Currency Future Expiry September 2020	(205,958)	(0.02)
(96)	CHF/USD Currency Future Expiry September 2020	(315,046)	(0.03)
(285)	EUR/GBP Currency Future Expiry September 2020	(231,641)	(0.02)
(153)	EUR/USD Currency Future Expiry September 2020	(581,162)	(0.05)

Portfolio Statement continued

Holding/ Nominal Value	Investment	Market Value £	% of Net Assets
FUTURES CONTRACTS — (cont.)			
1,908	GBP/USD Currency Future Expiry September 2020	3,612,366	0.32
68	JPY/USD Currency Future Expiry September 2020	73,309	0.01
208	RUB/USD Currency Future Expiry September 2020	(367,477)	(0.03)
(244)	ZAR/USD Currency Future Expiry September 2020	109,321	0.01
		3,179,668	0.28
Portfolio of investments³		985,990,141	86.69
Net other assets⁴		151,448,330	13.31
Total net assets		£1,137,438,471	100.00%

¹ These are sub-investment grade fixed interest securities and represent 0.47% of the net assets of the Fund.

² Unlisted securities are valued at the Manager's best assessment of their fair and reasonable value.

³ Including investment liabilities.

⁴ Includes shares in the LGIM Sterling Liquidity Fund Class 1 to the value of £127,391,572 which is shown as a cash equivalent in the balance sheet of the Fund.

Total purchases for the year: £68,951,394.

Total sales for the year: £133,024,852.

Independent Auditor's Report

Independent auditor's report to the Unitholders of Legal & General Mixed Investment 20-60% Fund ('the Fund')

Opinion

We have audited the financial statements of the Fund for the year ended 31 July 2020 which comprise the Statement of Total Return, the Statement of Change in Net Assets Attributable to Unitholders, the Balance Sheet, the Related Notes and Distribution Tables for the Fund and the accounting policies set out on pages 17 to 18.

In our opinion, the financial statements:

- give a true and fair view, in accordance with UK accounting standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland, of the financial position of the Fund as at 31 July 2020 and of the net revenue and the net capital losses on the property of the Fund for the year then ended; and
- have been properly prepared in accordance with the Trust Deed, the Statement of Recommended Practice relating to UK Authorised Funds, and the COLL Rules.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the Fund in accordance with, UK ethical requirements including the FRC Ethical Standard.

We have received all the information and explanations which we consider necessary for the purposes of our audit and we believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The Manager has prepared the financial statements on the going concern basis as they do not intend to liquidate the Fund to cease their operations, and as they have concluded that the Fund's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over their ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the Manager's conclusions, we considered the inherent risks to the Fund's business model and analysed how those risks might affect the Fund's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the Fund will continue in operation.

Independent Auditor's Report continued

Other information

The Manager (Legal & General (Unit Trust Managers) Limited) is responsible for the other information presented in the Annual Manager's Report together with the financial statements. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the other information; and
- in our opinion the information given in Manager's Report for the financial year is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where under the COLL Rules we are required to report to you if, in our opinion:

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

Manager's responsibilities

As explained more fully in their statement set out on page 6, the Manager is responsible for: the preparation of financial statements that give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Fund or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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

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

Independent Auditor's Report continued

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

This report is made solely to the Fund's unitholders, as a body, in accordance with Rule 4.5.12 of the Collective Investment Schemes sourcebook ('the COLL Rules') issued by the Financial Conduct Authority under section 247 of the Financial Services and Markets Act 2000. Our audit work has been undertaken so that we might state to the Fund's unitholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Fund and the Fund's unitholders as a body, for our audit work, for this report, or for the opinions we have formed.

Grant Archer
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square,
London E14 5GL
25 September 2020

Financial Statements

Statement of Total Return for the year ended 31 July 2020

Notes	31/07/20		31/07/19	
	£	£	£	£
Income				
Net capital (losses)/ gains	3	(59,963,700)		48,890,470
Revenue	4	35,454,026	30,918,789	
Expenses	5	(3,259,137)	(3,373,686)	
Interest payable and similar charges	7	(18,742)	(49,271)	
Net revenue before taxation		<u>32,176,147</u>	<u>27,495,832</u>	
Taxation	6	(3,837,543)	(3,666,543)	
Net revenue after taxation for the year		<u>28,338,604</u>	<u>23,829,289</u>	
Total return before distributions		(31,625,096)		72,719,759
Distributions	7	(28,338,604)		(23,829,289)
Change in net assets attributable to Unitholders from investment activities		<u>£(59,963,700)</u>		<u>£48,890,470</u>

Statement of Change in Net Assets attributable to Unitholders for the year ended 31 July 2020

	31/07/20		31/07/19	
	£	£	£	£
Opening net assets attributable to Unitholders		1,217,969,589		862,202,555
Amounts received on issue of units		170,863,256		300,971,081
Amounts paid on cancellation of units		(219,455,251)		(19,535,570)
		(48,591,995)		281,435,511
Change in net assets attributable to Unitholders from investment activities		(59,963,700)		48,890,470
Retained distributions on accumulation units		<u>28,024,577</u>		<u>25,441,053</u>
Closing net assets attributable to Unitholders		<u>£1,137,438,471</u>		<u>£1,217,969,589</u>

Financial Statements continued

Balance Sheet as at 31 July 2020

	Notes	31/07/20 £	31/07/19 £
ASSETS			
Fixed assets:			
Investments		989,964,456	1,112,165,847
Current assets:			
Debtors	8	5,921,104	2,709,881
Cash and bank balances	9	29,464,070	30,357,802
Cash equivalents	9	127,391,572	88,128,575
Total assets		<u>1,152,741,202</u>	<u>1,233,362,105</u>
LIABILITIES			
Investment liabilities		(3,974,315)	(11,760,531)
Creditors:			
Bank overdrafts	9	(20,253)	(426,601)
Distributions payable		(16,708)	(12,093)
Other creditors	10	(11,291,455)	(3,193,291)
Total liabilities		<u>(15,302,731)</u>	<u>(15,392,516)</u>
Net assets attributable to Unitholders		<u>£1,137,438,471</u>	<u>£1,217,969,589</u>

Notes to the Financial Statements

1. Statement of Compliance

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

2. Summary of Significant Accounting Policies

(a) Basis of Preparation

The Financial Statements have been prepared on a going concern basis, under the historical cost convention as modified by the revaluation of certain financial assets and liabilities measured at fair value through profit or loss. In making this assessment, and in response to COVID-19, the Manager has considered, amongst other things, factors such as Fund size, cash flows through the Fund and Fund liquidity.

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.

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 offshore funds is recognised when it is reported.

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

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 period. 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 2020, 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 on the last working day of the accounting year.

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 2020, 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 (losses)/gains

	31/07/20	31/07/19
	£	£
The net capital (losses)/gains during the year comprise:		
Non-derivative securities	(67,468,433)	66,301,351
Derivative securities	8,873,759	(18,108,778)
Currency (losses)/gains	(1,537,731)	523,323
Management fee rebates	168,705	174,574
Net capital (losses)/gains	<u>(59,963,700)</u>	<u>48,890,470</u>

4. Revenue

	31/07/20	31/07/19
	£	£
Bond interest	343,691	671,528
UK Franked distributions	14,127,204	10,146,410
Interest distributions	18,308,950	16,777,410
Management fee rebates	817,206	706,252
Taxable overseas distributions	594,777	618,927
Futures revenue	1,174,898	1,812,293
Bank interest	87,300	185,969
	<u>35,454,026</u>	<u>30,918,789</u>

5. Expenses

	31/07/20	31/07/19
	£	£
Payable to the Manager, associates of the Manager and agents of either of them:		
Fund management fees	<u>3,259,137</u>	<u>3,373,686</u>
Total expenses	<u>3,259,137</u>	<u>3,373,686</u>

Audit fees of £10,387 plus VAT of £ 2,077 have been borne by the Manager out of its fund management fee. In the prior year, the total audit fee was £10,094 plus VAT of £2,019.

Notes to the Financial Statements continued

6. Taxation

(a) Analysis of taxation charge in year

	31/07/20	31/07/19
	£	£
Corporation tax	3,643,532	3,504,800
Irrecoverable income tax	194,011	161,743
Current tax [note 6(b)]	3,837,543	3,666,543
Deferred tax [note 6(c)]	—	—
Total taxation	<u>3,837,543</u>	<u>3,666,543</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>32,176,147</u>	<u>27,495,832</u>
Net revenue before taxation multiplied by the applicable rate of Corporation tax of 20% (2019: 20%)	6,435,229	5,499,166
Effects of:		
Capitalised revenue subject to taxation	33,741	34,915
Revenue not subject to taxation	(2,825,438)	(2,029,281)
Irrecoverable income tax	<u>194,011</u>	<u>161,743</u>
Current tax	<u>3,837,543</u>	<u>3,666,543</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:

	31/07/20	31/07/19
	£	£
Interim distribution	17,170,440	13,847,318
Final distribution	<u>10,891,785</u>	<u>11,622,491</u>
	28,062,225	25,469,809
Add: Revenue deducted on cancellation of units	886,978	145,503
Less: Revenue received on creation of units	<u>(610,599)</u>	<u>(1,786,023)</u>
Distributions for the year	28,338,604	23,829,289
Interest payable and similar charges		
Bank overdraft interest	<u>18,742</u>	<u>49,271</u>
	<u>28,357,346</u>	<u>23,878,560</u>

8. Debtors

	31/07/20	31/07/19
	£	£
Accrued revenue	2,422,208	2,531,795
Amounts receivable for creation of units	38,998	36,000
CIS tax recoverable	39,373	53,389
Management fee rebates	75,524	88,697
Sales awaiting settlement	<u>3,345,001</u>	<u>—</u>
	<u>5,921,104</u>	<u>2,709,881</u>

9. Net uninvested cash

	31/07/20	31/07/19
	£	£
Amounts held at futures clearing houses and brokers	10,195,903	20,982,344
Cash and bank balances	19,268,167	9,375,458
Bank overdrafts	(20,253)	(426,601)
Cash equivalents	<u>127,391,572</u>	<u>88,128,575</u>
Net uninvested cash	<u>156,835,389</u>	<u>118,059,776</u>

Notes to the Financial Statements continued

10. Other creditors

	31/07/20	31/07/19
	£	£
Accrued expenses	236,383	337,488
Amounts payable for cancellation of units	620,002	607,003
Corporation tax payable	2,267,003	2,248,800
Purchases awaiting settlement	8,168,067	—
	<u>11,291,455</u>	<u>3,193,291</u>

11. Contingent liabilities and outstanding commitments

There were no contingent liabilities or outstanding commitments at the balance sheet date (31 July 2019: 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 9. Movements in the prices of these investments result in movements in the performance of the Fund. The Manager adheres to the investment guidelines established in the Trust Deed, the Prospectus, the COLL and the Fund's IOG, and in this way, monitors and controls the exposure to risk from any type of security, sector or issuer.

At 31 July 2020, 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 £49,299,507 (31 July 2019: £55,020,266).

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 distributions. 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 2020, 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 £420,879 (31 July 2019: £340,255). 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.

Forward currency contracts were not utilised during the current and the preceding year.

At 31 July 2020, 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 £1,134,178 (31 July 2019: £1,993,101).

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

31/07/20 Currency	Net foreign currency assets		
	Monetary exposures £'000	Non-monetary exposures £'000	Total £'000
Australian Dollar	(5,173)	8,674	3,501
Euro	(46,249)	4,006	(42,243)
Japanese Yen	6,656	(507)	6,149
Mexican Peso	6	—	6
Russian Ruble	5,309	—	5,309
South African Rand	(5,301)	5,396	95
South Korean Won	(5,287)	86	(5,201)
Swiss Franc	(9,993)	—	(9,993)
US Dollar	(72,479)	1,438	(71,041)

31/07/19 Currency	Net foreign currency assets		
	Monetary exposures £'000	Non-monetary exposures £'000	Total £'000
Euro	(20,961)	34	(20,927)
Hong Kong Dollar	449	(92)	357
Japanese Yen	(9,739)	100	(9,639)
Mexican Peso	6,510	(200)	6,310
Swiss Franc	(13,134)	—	(13,134)
US Dollar	(187,302)	25,026	(162,276)

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. Bond holdings with low credit ratings (sub-investment grade) are disclosed in the Portfolio Statement on pages 9 to 11.

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 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 (excluding Currency Futures)

Futures are used to adjust the duration and interest rate risk of the Fund, and to adjust the equities exposure of the Fund, in a cost effective manner. The effect of these instruments was to increase the exposure of the Fund to bonds and equities by £113,027,817 (31 July 2019: increase the exposure by £28,804,115), representing 9.94% of the net asset value (31 July 2019: 2.36%).

This results in an effective equity exposure at the year end of 96.63% (31 July 2019: 92.71%) of net assets, which means that the gains or losses of the Fund will be 0.9663 (31 July 2019: 0.9271) 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 Association in May 2014 requires the classification of the Fund's financial instruments held at the year end into a 3 tiered fair value hierarchy. The 3 tiers of the hierarchy and the classification of the Fund's financial instruments as at the balance sheet date were:

31/07/20	Assets	Liabilities
Basis of Valuation	£	£
Level 1 - Quoted Prices	7,153,983	(3,974,315)
Level 2 - Observable Market Data	982,810,473	—
Level 3 - Unobservable Data	—	—
Total	989,964,456	(3,974,315)

31/07/19	Assets	Liabilities
Basis of Valuation	£	£
Level 1 - Quoted Prices	26,560,737	(11,760,531)
Level 2 - Observable Market Data	1,085,605,110	—
Level 3 - Unobservable Data	—	—
Total	1,112,165,847	(11,760,531)

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

31/07/20	Value	Commissions		Taxes		Total
Purchases	£'000	£'000	%	£'000	%	£'000
Collective Investment Schemes	33,283	—	—	—	—	33,283
Debt Securities	35,668	—	—	—	—	35,668
Total	68,951	—	—	—	—	68,951
31/07/20	Value	Commissions		Taxes		Total
Sales	£'000	£'000	%	£'000	%	£'000
Collective Investment Schemes	88,655	—	—	(25)	0.03	88,630
Debt Securities	44,395	—	—	—	—	44,395
Total	133,050	—	—	(25)	0.03	133,025

Commissions and taxes as % of average net assets

Commissions	0.00%
Taxes	0.00%

31/07/19	Value	Commissions		Taxes		Total
Purchases	£'000	£'000	%	£'000	%	£'000
Collective Investment Schemes	285,987	—	—	159	0.06	286,146
Debt Securities	9,196	—	—	—	—	9,196
Total	295,183	—	—	159	0.06	295,342
31/07/19	Value	Commissions		Taxes		Total
Sales	£'000	£'000	%	£'000	%	£'000
Collective Investment Schemes	20,500	—	—	—	—	20,500
Debt Securities	12,480	—	—	—	—	12,480
Total	32,980	—	—	—	—	32,980

Commissions and taxes as % of average net assets

Commissions	0.00%
Taxes	0.02%

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 0.44% (31 July 2019: 0.32%).

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 43. 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 34 to 41. The distributions per unit class are given in the distribution tables on pages 31 and 32. All classes have the same rights on winding up.

F-Class	Distribution	Accumulation
Opening Units	1,673	238,172
Units issued	—	4,812
Units cancelled	(1,673)	(41,371)
Units converted	—	—
Closing Units	—	201,613

I-Class	Distribution	Accumulation
Opening Units	1,582,084	265,841,789
Units issued	1,377,899	6,675,415
Units cancelled	(527,073)	(239,615,585)
Units converted	—	—
Closing Units	2,432,910	32,901,619

C-Class	Accumulation
Opening Units	1,547,748,350
Units issued	10,707,951
Units cancelled	(83,866,326)
Units converted	—
Closing Units	1,474,589,975

D-Class	Distribution	Accumulation
Opening Units	892,577	14,995,731
Units issued	174,182	2,175,828
Units cancelled	(82,204)	(676,831)
Units converted	—	—
Closing Units	984,555	16,494,728

L-Class	Accumulation
Opening Units	2,000
Units issued	309,029,503
Units cancelled	(18,921,884)
Units converted	—
Closing Units	290,109,619

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 12.92% (12.84% as at 31 July 2019) of the Fund's units in issue.

16. Post balance sheet market movements

As at the close of business on the balance sheet date the Net Asset Value per I-Class accumulation unit was 64.35p. The Net Asset Value per I-Class accumulation unit for the Fund as at 3pm on 23 September 2020 was 65.39p. This represents an increase of 1.62% from the year end value.

Distribution Tables

Distribution Tables for the year ended 31 July 2020

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	
			01/08/19	to 31/01/20
F-Class			Distribution	Distribution
Distribution Units			31/03/20	31/03/19
Group 1	Revenue	Equalisation	N/A	0.7124
Group 2	N/A	N/A	N/A	0.7124
F-Class			Distribution	Distribution
Accumulation Units			31/03/20	31/03/19
Group 1	0.8173	—	0.8173	0.7396
Group 2	0.0661	0.7512	0.8173	0.7396
I-Class			Distribution	Distribution
Distribution Units			31/03/20	31/03/19
Group 1	0.8122	—	0.8122	0.7490
Group 2	0.2314	0.5808	0.8122	0.7490
I-Class			Distribution	Distribution
Accumulation Units			31/03/20	31/03/19
Group 1	0.8952	—	0.8952	0.8090
Group 2	0.0719	0.8233	0.8952	0.8090
C-Class			Distribution	Distribution
Accumulation Units			31/03/20	31/03/19
Group 1	0.9531	—	0.9531	0.8597
Group 2	0.3819	0.5712	0.9531	0.8597
D-Class			Distribution	Distribution
Distribution Units			31/03/20	31/03/19
Group 1	0.6606	—	0.6606	0.6119
Group 2	0.0218	0.6388	0.6606	0.6119
D-Class			Distribution	Distribution
Accumulation Units			31/03/20	31/03/19
Group 1	0.7105	—	0.7105	0.6468
Group 2	0.1810	0.5295	0.7105	0.6468
L-Class			Distribution	Distribution
Accumulation Units			31/03/20	31/03/19
Group 1	0.8089	—	0.8089	N/A
Group 2	0.2920	0.5169	0.8089	N/A

Distribution Tables continued

Final dividend distribution in pence per unit			Period	
			01/02/20	to 31/07/20
F-Class			Distribution	Distribution
Distribution Units			30/09/20	30/09/19
	Revenue	Equalisation		
Group 1	N/A	N/A	N/A	0.5056
Group 2	N/A	N/A	N/A	0.5056
F-Class			Distribution	Distribution
Accumulation Units			30/09/20	30/09/19
	Revenue	Equalisation		
Group 1	0.5202	—	0.5202	0.5312
Group 2	0.0748	0.4454	0.5202	0.5312
I-Class			Distribution	Distribution
Distribution Units			30/09/20	30/09/19
	Revenue	Equalisation		
Group 1	0.5211	—	0.5211	0.5412
Group 2	0.3561	0.1650	0.5211	0.5412
I-Class			Distribution	Distribution
Accumulation Units			30/09/20	30/09/19
	Revenue	Equalisation		
Group 1	0.5729	—	0.5729	0.5910
Group 2	0.2848	0.2881	0.5729	0.5910
C-Class			Distribution	Distribution
Accumulation Units			30/09/20	30/09/19
	Revenue	Equalisation		
Group 1	0.6156	—	0.6156	0.6444
Group 2	0.3599	0.2557	0.6156	0.6444
D-Class			Distribution	Distribution
Distribution Units			30/09/20	30/09/19
	Revenue	Equalisation		
Group 1	0.4091	—	0.4091	0.3944
Group 2	0.0829	0.3262	0.4091	0.3944
D-Class			Distribution	Distribution
Accumulation Units			30/09/20	30/09/19
	Revenue	Equalisation		
Group 1	0.4380	—	0.4380	0.4213
Group 2	0.2203	0.2177	0.4380	0.4213
I-Class			Distribution	Distribution
Accumulation Units			30/09/20	30/09/19
	Revenue	Equalisation		
Group 1	0.5293	—	0.5293	0.3285
Group 2	0.2934	0.2359	0.5293	0.3285

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 34 to 41 for the launch date or closure date of these classes.

Fund Information

The Comparative Tables on pages 34 to 41 give the performance of each active unit class in the Fund.

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

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	01/08/19 to 12/12/19 ¹ (pence per unit)	01/08/18 to 31/07/19 (pence per unit)	01/08/17 to 31/07/18 (pence per unit)
Opening net asset value per unit	58.94	56.90	56.55
Return before operating charges*	0.15	3.57	1.71
Operating charges (calculated on average price)	(0.12)	(0.31)	(0.31)
Return after operating charges*	0.03	3.26	1.40
Distributions on income units	—	(1.22)	(1.05)
Closing net asset value per unit	58.97	58.94	56.90
* after direct transaction costs of:	—	0.01	—

Performance

Return after charges	0.05%	5.73%	2.48%
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Other Information

Closing net asset value (£)	—	986	952
Closing number of units	—	1,673	1,673
Operating charges [†]	0.20%	0.55%	0.55%
Direct transaction costs	0.00%	0.02%	0.00%

Prices

Highest unit price	59.33p	59.75p	58.17p
Lowest unit price	57.58p	53.34p	54.50p

¹ F-Class Distribution units ceased to exist on 12 December 2019. Value shown is the closing net asset value at this date.

[†] 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	31/07/20 (pence per unit)	31/07/19 (pence per unit)	31/07/18 (pence per unit)
Opening net asset value per unit	62.54	59.14	57.66
Return before operating charges*	(1.40)	3.72	1.80
Operating charges (calculated on average price)	(0.34)	(0.32)	(0.32)
Return after operating charges*	(1.74)	3.40	1.48
Distributions	(1.34)	(1.27)	(1.08)
Retained distributions on accumulation units	1.34	1.27	1.08
Closing net asset value per unit	60.80	62.54	59.14
* after direct transaction costs of:	—	0.01	—

Performance

Return after charges	(2.78)%	5.75%	2.57%
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Other Information

Closing net asset value (£)	122,590	148,949	135,225
Closing number of units	201,613	238,172	228,649
Operating charges†	0.55%	0.55%	0.55%
Direct transaction costs	0.00%	0.02%	0.00%

Prices

Highest unit price	64.94p	62.86p	59.32p
Lowest unit price	51.58p	55.40p	56.19p

† 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	31/07/20 (pence per unit)	31/07/19 (pence per unit)	31/07/18 (pence per unit)
Opening net asset value per unit	60.01	57.98	57.58
Return before operating charges*	(1.30)	3.58	1.79
Operating charges (calculated on average price)	(0.27)	(0.26)	(0.27)
Return after operating charges*	(1.57)	3.32	1.52
Distributions on income units	(1.34)	(1.29)	(1.12)
Closing net asset value per unit	57.10	60.01	57.98
* after direct transaction costs of:	—	0.01	—

Performance

Return after charges	(2.62)%	5.73%	2.64%
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Other Information

Closing net asset value (£)	1,389,283	949,464	1,137,079
Closing number of units	2,432,910	1,582,084	1,961,025
Operating charges [†]	0.46%	0.46%	0.46%
Direct transaction costs	0.00%	0.02%	0.00%

Prices

Highest unit price	62.16p	60.87p	59.26p
Lowest unit price	48.86p	54.34p	55.53p

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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

I-Class Accumulation Units

Change in Net Asset Value per Unit

Accounting Year ending	31/07/20 (pence per unit)	31/07/19 (pence per unit)	31/07/18 (pence per unit)
Opening net asset value per unit	66.13	62.48	60.86
Return before operating charges*	(1.48)	3.94	1.90
Operating charges (calculated on average price)	(0.30)	(0.29)	(0.28)
Return after operating charges*	(1.78)	3.65	1.62
Distributions	(1.47)	(1.40)	(1.19)
Retained distributions on accumulation units	1.47	1.40	1.19
Closing net asset value per unit	64.35	66.13	62.48
* after direct transaction costs of:	—	0.01	—

Performance

Return after charges	(2.69)%	5.84%	2.66%
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Other Information

Closing net asset value (£)	21,172,171	175,804,195	152,817,491
Closing number of units	32,901,619	265,841,789	244,577,693
Operating charges†	0.46%	0.46%	0.46%
Direct transaction costs	0.00%	0.02%	0.00%

Prices

Highest unit price	68.70p	66.47p	62.66p
Lowest unit price	54.57p	58.55p	59.35p

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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	31/07/20 (pence per unit)	31/07/19 (pence per unit)	31/07/18 (pence per unit)
Opening net asset value per unit	66.60	62.83	61.11
Return before operating charges*	(1.50)	3.96	1.91
Operating charges (calculated on average price)	(0.20)	(0.19)	(0.19)
Return after operating charges*	(1.70)	3.77	1.72
Distributions	(1.57)	(1.50)	(1.29)
Retained distributions on accumulation units	1.57	1.50	1.29
Closing net asset value per unit	64.90	66.60	62.83
* after direct transaction costs of:	—	0.01	—

Performance

Return after charges	(2.55)%	6.00%	2.81%
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Other Information

Closing net asset value (£)	956,958,025	1,030,846,206	699,940,406
Closing number of units	1,474,589,975	1,547,748,350	1,113,950,425
Operating charges†	0.31%	0.31%	0.31%
Direct transaction costs	0.00%	0.02%	0.00%

Prices

Highest unit price	69.25p	66.93p	63.01p
Lowest unit price	55.01p	58.91p	59.65p

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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.

Fund Information continued

Comparative Tables continued

D-Class Distribution Units

Change in Net Asset Value per Unit

Accounting Year ending	31/07/20 (pence per unit)	31/07/19 (pence per unit)	31/07/18 (pence per unit)
Opening net asset value per unit	60.03	58.00	57.60
Return before operating charges*	(1.29)	3.58	1.79
Operating charges (calculated on average price)	(0.55)	(0.54)	(0.55)
Return after operating charges*	(1.84)	3.04	1.24
Distributions on income units	(1.07)	(1.01)	(0.84)
Closing net asset value per unit	57.12	60.03	58.00
* after direct transaction costs of:	—	0.01	—

Performance

Return after charges	(3.07)%	5.24%	2.15%
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Other Information

Closing net asset value (£)	562,416	535,824	529,779
Closing number of units	984,555	892,577	913,390
Operating charges†	0.95%	0.95%	0.95%
Direct transaction costs	0.00%	0.02%	0.00%

Prices

Highest unit price	62.07p	60.77p	59.18p
Lowest unit price	48.85p	54.27p	55.51p

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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.

Fund Information continued

Comparative Tables continued

D-Class Accumulation Units

Change in Net Asset Value per Unit

Accounting Year ending	31/07/20 (pence per unit)	31/07/19 (pence per unit)	31/07/18 (pence per unit)
Opening net asset value per unit	64.57	61.31	60.01
Return before operating charges*	(1.41)	3.84	1.88
Operating charges (calculated on average price)	(0.60)	(0.58)	(0.58)
Return after operating charges*	(2.01)	3.26	1.30
Distributions	(1.15)	(1.07)	(0.88)
Retained distributions on accumulation units	1.15	1.07	0.88
Closing net asset value per unit	62.56	64.57	61.31
* after direct transaction costs of:	—	0.01	—

Performance

Return after charges	(3.11)%	5.32%	2.17%
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Other Information

Closing net asset value (£)	10,318,297	9,682,928	7,641,623
Closing number of units	16,494,728	14,995,731	12,464,401
Operating charges†	0.95%	0.95%	0.95%
Direct transaction costs	0.00%	0.02%	0.00%

Prices

Highest unit price	66.90p	64.93p	61.65p
Lowest unit price	53.12p	57.36p	58.33p

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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

L-Class Accumulation Units

Change in Net Asset Value per Unit

Accounting Year ending	01/08/19 to 31/07/20 (pence per unit)	25/04/19 to 31/07/19 ¹ (pence per unit)
Opening net asset value per unit	51.85	50.00
Return before operating charges*	(1.18)	1.86
Operating charges (calculated on average price)	(0.03)	(0.01)
Return after operating charges*	(1.21)	1.85
Distributions	(1.34)	(0.33)
Retained distributions on accumulation units	1.34	0.33
Closing net asset value per unit	50.64	51.85
* after direct transaction costs of:	—	0.01

Performance

Return after charges	(2.33)%	3.70%
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Other Information

Closing net asset value (£)	146,915,689	1,037
Closing number of units	290,109,619	2,000
Operating charges [†]	0.06%	0.06%
Direct transaction costs	0.00%	0.02%

Prices

Highest unit price	53.99p	52.07p
Lowest unit price	42.90p	49.03p

¹ L-Class units launched on 25 April 2019.

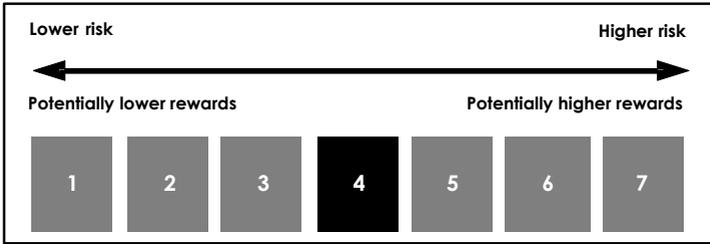
[†] Operating charges, otherwise known as the OCF is the ratio of the Fund's total disclosable costs (excluding overdraft interest) to the average net assets of the Fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a fund and is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



- The Risk and Reward Indicator table demonstrates where the Fund ranks in terms of its potential risk and reward. The higher the rank the greater the potential reward but the greater the risk of losing money. It is not guaranteed to remain the same and may change over time. It is based on historical data and may not be a reliable indication of the future risk profile of the Fund. The shaded area in the table above shows the Fund's ranking on the Risk and Reward Indicator.
- The Fund is in category four because the mix of different asset types in which the Fund invests has a balancing effect on the rate at which the Fund share price moves up and down. This type of fund is generally considered to be higher risk than one investing only in bonds and lower risk than one investing only in company shares.
- Even a fund in the lowest category is not a risk free investment.

General Information (unaudited)

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 £100 L-Class*** £100,000
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% L-Class*** Annual 0.05%
Initial charges:	Nil for all existing unit classes

* Class F units are available to:

- (i) investors who have received advice from authorised intermediaries, platforms or other distributors in relation to their investment in units in the Fund; 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.

** Class C 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.

*** Class L units are only available to other Legal & General funds and/or companies which have entered into an agreement with the Manager or an affiliate of the Manager.

Pricing and Dealing

The prices are published on the internet at www.legalandgeneral.com/investments/funds/prices-and-reports/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 (unaudited) 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

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.

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 we manage during 2019:

Controlled Functions

Headcount	Fixed Remuneration (£'000)	Variable Remuneration (£'000)	Remuneration related to this Fund (Pro-rated) (£'000)
63	12,234	16,246	630

Material Risk Takers

Headcount	Fixed Remuneration (£,000)	Variable Remuneration (£,000)	Remuneration related to this Fund (Pro-rated) (£'000)
32	3,836	5,422	172

General Information (unaudited) continued

Controlled Functions

During 2019, Legal & General Unit Trust Managers Limited (UTM) engaged the services of three employees of Legal & General Investment Management (Holdings) Limited (LGIMH), plus a further one employee of Legal & General Resources (LGR) to act as Directors. There were another three non-executive Directors. In addition, there were a further two Directors during the year that were LGIMH employees that have resigned. UTM also engaged the services of a further 46 LGIMH employees and a further eight L&G Resources (LGR) employees to act in a variety of Controlled Functions, including Chief Compliance Officer, Money Laundering Reporting Officer, Client Asset Oversight, Systems and Controls Functions, Significant Management Functions and Customer Functions. These employees were also engaged by other companies in the L&G Group. The aggregate remuneration received by these individuals, for all their services across the L&G Group, is disclosed in the table above. We have prorated the remuneration figures by the Net Asset Value of the UCITS Funds as a percentage of the total assets under management of UTM.

Material Risk Takers

As at 31 December 2019, UTM engaged the services of Legal & General Investment Management's Asset Allocation Fund Management team, which consists of 32 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 the Asset Allocation Fund Management team.

Assessment of Value

We have now published Assessment of Value reports for our funds on legalandgeneral.com and lgim.com.

Significant Changes

Change in Investment Objective and Policy

In line with the updated rules and guidance for the asset management industry published by the Financial Conduct Authority (FCA) in February 2019, we have clarified the Investment Objectives and Policies for our UK regulated funds.

The revised Investment Objective and Policy came into effect on 7 August 2019. The previous and revised Investment Objective and Policy are set out on page 2.

Publication of Short Report Discontinued

With effect from 20 September 2019, the Short Report for this Fund will no longer be issued.

Closure of F-Class Units

As of 12 December 2019, the F-Class Distribution units were closed and F-Class Accumulation units were closed to new business.

General Information (unaudited) 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

A. Clare* (appointed 10 September 2019)
E. Cowhey* (appointed 9 October 2019)
A. J. C. Craven
S. Hynes
H. Morrissey (resigned 18 October 2019)
H. Solomon
L. W. Toms
A. R. Toutouchi*
M. J. Zinkula (resigned 15 July 2019)

*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 UK Branch
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 Auditor

KPMG LLP
15 Canada Square,
London E14 5GL

Investment Adviser

Legal & General Investment Management Limited
One Coleman Street,
London EC2R 5AA
Authorised and regulated by the Financial Conduct Authority

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

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

