

Legal & General Cash Trust

**Interim Manager's Report  
for the period ended  
5 August 2021  
(Unaudited)**





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# Manager's Investment Report

## Investment Objective and Policy

The investment objective of the Trust is to maintain capital and to provide a return in line with money market rates, before charges.

The Trust will invest in short term deposits, government bonds issued in pounds Sterling and Repos. The maximum maturity of these instruments is 397 days but the Trust must maintain a weighted average maturity of less than 60 days.

The bonds that the Trust invests in must be investment grade (rated as lower risk).

The Trust may also invest in other money market instruments and other money market funds. The Trust may use derivatives for efficient portfolio management purposes only. Where the Manager considers it appropriate, for example, in times of market stress, the Trust may be significantly invested in government and public securities.

## Manager's Investment Report

During the review period, the published price of the Trust's R-Class accumulation units fell by 0.08%.

**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.**

## Market/Economic Review

Over the past six months, markets have been dominated by the twin forces of continued support from central banks and increasingly successful vaccination rollouts across developed markets.

Benchmark government bond yields rose in the opening months of the year as investors preferred riskier parts of the market amid expectations of economic growth. Yields then declined somewhat in the second quarter as fears around inflation and COVID-19 variants increased the appeal of safe-haven investments. US Treasuries spearheaded the rise in government bond yields early in the year as the country led the Western world in terms of economic recovery and progress in COVID-19 vaccinations. The rise in yields abated in the closing months of the period as a result of reassurance from the US central bank that accommodative policy would remain in place despite the ongoing economic recovery, and as the Delta variant weighed on growth expectations. UK gilt yields (both conventional and index-linked) were slightly slower to begin their rise than their US counterparts, only registering a meaningful rise since the start of the year as the UK's prospects began to improve. Spreads on corporate debt have narrowed over the period.

## Trust Review

Sterling money market rates rose over the review period, with longer dated maturities rising by a greater degree and exhibiting a higher level of volatility.

At its June meeting, the Bank of England (BoE)'s Monetary Policy Committee (MPC) announced that the benchmark interest rate would remain at its historic low 0.1% and that its program of monthly asset purchases would remain in place until the end of the year, taking the total amount spent to £895 billion. The MPC meeting followed data earlier in the month pointing to a stronger-than-expected economic recovery and inflation running ahead of forecasts, prompting officials to reassure markets that higher inflation should prove transitory and that rate rises are not yet imminent. Annual Consumer Prices Inflation hit 2.1% in May, up from 1.5% in April and above the official 2% target. While the bank said it now expects inflation to exceed 3% in the coming months, it reiterated that this should not turn into a trend of sustained higher

## Manager's Investment Report continued

inflation. Minutes from the meeting revealed that some members of the committee are becoming uncomfortable with the current ultra-loose policy stance, suggesting a possible shift in the months ahead, although how many committee members are of this view remains unknown. Indicators on the general health of the economy were encouraging. The Sterling Overnight Index Average reference rate, known as SONIA, remains well below its pre-pandemic levels.

The Trust remains invested in a diverse range of high quality and liquid issues. The objective of the Trust is to maintain capital and to provide a return in line with money market rates, before charges. It invests in short-term deposits, certificates of deposit, government bonds denominated in Sterling, and repos. It is actively managed, with a requirement to maintain a weighted average maturity of less than 60 days and for all investments to have an investment grade credit rating.

### Outlook

The economic recovery appears to be on track, with the range of near-term potential outcomes now somewhat narrower, amid the rapid and successful progression of the vaccine roll-out around the world. Headline inflation has been boosted by the oil price, but with little impact upon growth forecasts at current levels. We believe we are in a strong growth phase, poised to recoup losses from the pandemic. The UK's significant relaxation of COVID-19 lockdown measures will be watched closely round the world, to see if hospitalisations accelerate amid reopening.

In the UK, inflation jumped up to 2% unexpectedly in May, but we expect it to fall back over the next few months, before rising again, amid Brexit concerns and semiconductor shortages. We are above-consensus on inflation heading into the end of the year, and into 2022. We are also above consensus regarding UK GDP, amid the momentum of reopening and growth tracking back towards the pre-COVID trend. However, we do have concerns around the impact of Brexit.

Legal & General Investment Management Limited

(Investment Adviser)

21 September 2021

## **Manager's Investment Report continued**

### **Important Note from the Manager**

Since January 2020, global financial markets have been affected by the COVID-19 coronavirus. 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, the success of vaccine rollout programs, as well as on the actions taken by governments and central banks.

Legal & General (Unit Trust Managers) Limited  
March 2021

## Authorised Status

### Authorised Status

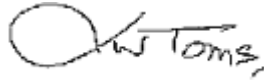
This Trust is an Authorised Unit Trust Scheme as defined in section 243 of the Financial Services and Markets Act 2000 and is a UCITS Retail Scheme within the meaning of the FCA Collective Investment Schemes sourcebook.

### 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  
1 October 2021

# Portfolio Statement

## Portfolio Statement as at 5 August 2021

All investments are investment grade unless otherwise stated. The percentages in brackets show the equivalent holdings at 5 February 2021.

Holding/ Nominal Value	Investment	Market Value £	% of Net Assets
	<b>CERTIFICATES OF DEPOSIT</b>		
	<b>— 70.95% (67.41%)</b>		
GBP50,000,000	ABN AMRO Bank 0.00% 02/09/2021	49,997,967	2.22
GBP50,000,000	ABN AMRO Bank 0.00% 06/09/2021	49,997,677	2.22
GBP25,000,000	Australia and New Zealand Banking 0.1% 28/10/2021	24,999,596	1.11
GBP10,000,000	Australia and New Zealand Banking 0.05% 07/01/2022	9,997,453	0.44
GBP30,000,000	Bank of America 0.085% 07/10/2021	30,001,345	1.33
GBP20,000,000	Bank of America 0.09% 20/10/2021	20,001,082	0.89
GBP25,000,000	Bank of America 0.09% 29/10/2021	25,001,338	1.11
GBP10,000,000	Banque Federative du Credit Mutuel 0.00% 04/01/2022	9,995,588	0.44
GBP50,000,000	Barclays 0.00% 25/10/2021	49,992,234	2.22
GBP15,000,000	BNP Paribas 0.09% 18/08/2021	15,000,053	0.66
GBP50,000,000	BNP Paribas 0.09% 10/09/2021	50,000,394	2.22
GBP15,000,000	BNP Paribas 0.1% 13/09/2021	15,000,272	0.66
GBP15,000,000	BNP Paribas 0.11% 08/10/2021	15,000,499	0.66
GBP20,000,000	Credit Agricole Corporate and Investment Bank 0.09% 27/09/2021	19,999,767	0.89
GBP25,000,000	Credit Agricole London 0.07% 07/10/2021	24,998,490	1.11
GBP25,000,000	Credit Suisse 0.15% 01/10/2021	25,004,372	1.11
GBP25,000,000	Goldman Sachs (Step Compliant) 0.00% 04/02/2022	24,982,089	1.11
GBP50,000,000	HSBC UK Bank 0.00% 01/09/2021	49,998,040	2.22
GBP10,000,000	HSBC UK Bank 0.00% 21/10/2021	9,998,650	0.44
GBP25,000,000	ING Bank 0.00% 07/10/2021	24,997,454	1.11
GBP20,000,000	ING Bank 0.1% 08/11/2021	20,001,508	0.89
GBP50,000,000	KBC Bank 0.08% 31/08/2021	49,999,928	2.22
GBP50,000,000	KBC Bank 0.08% 10/09/2021	49,999,703	2.22
GBP50,000,000	Lloyds Bank 0.07% 06/01/2022	49,988,823	2.22
GBP50,000,000	Mizuho Bank 0.00% 13/10/2021	49,989,794	2.22
GBP25,000,000	Mizuho Bank 0.00% 07/01/2022	24,985,888	1.11
GBP20,000,000	National Bank of Abu Dhabi 0.1% 19/08/2021	20,000,153	0.89
GBP15,000,000	National Bank of Abu Dhabi 0.14% 22/09/2021	15,001,064	0.67
GBP50,000,000	National Westminster Bank 0.00% 14/09/2021	49,994,686	2.22
GBP25,000,000	Nordea Bank 0.00% 26/08/2021	24,999,425	1.11
GBP25,000,000	Nordea Bank 0.1% 12/10/2021	25,002,421	1.11
GBP25,000,000	Nordea Bank 0.00% 07/01/2022	24,990,237	1.11
GBP25,000,000	Nordea Bank 0.09% 15/02/2022	25,000,000	1.11
GBP20,000,000	OP Corporate Bank 0.00% 12/07/2022	19,962,514	0.89
GBP63,500,000	Oversea-Chinese Banking 0.00% 16/08/2021	63,499,426	2.82



## Portfolio Statement continued

Holding/ Nominal Value	Investment	Market Value £	% of Net Assets
<b>CERTIFICATES OF DEPOSIT — (cont.)</b>			
GBP25,000,000	Oversea-Chinese Banking 0.00% 01/02/2022	24,988,170	1.11
GBP50,000,000	Santander UK 0.085% 09/08/2021	50,000,175	2.22
GBP25,000,000	Societe Generale 0.09% 09/08/2021	25,000,109	1.11
GBP25,000,000	Societe Generale 0.095% 01/09/2021	25,000,832	1.11
GBP25,000,000	Societe Generale 0.09% 22/11/2021	25,000,149	1.11
GBP20,000,000	Sumitomo Mitsui Banking 0.00% 06/08/2021	19,999,956	0.89
GBP10,000,000	Sumitomo Mitsui Banking 0.09% 24/08/2021	10,000,052	0.44
GBP25,000,000	Sumitomo Mitsui Banking 0.1% 01/09/2021	25,000,369	1.11
GBP25,000,000	Sumitomo Mitsui Banking 0.00% 21/10/2021	24,994,516	1.11
GBP20,000,000	Sumitomo Mitsui Banking 0.00% 04/01/2022	19,990,843	0.89
GBP50,000,000	Sumitomo Mitsui Trust Bank 0.00% 04/10/2021	49,992,111	2.22
GBP20,000,000	Sumitomo Trust and Banking (London) 0.00% 06/09/2021	19,998,580	0.89
GBP10,000,000	Sumitomo Trust Banking 0.095% 02/09/2021	10,000,115	0.44
GBP20,000,000	The Sumitomo Trust and Banking 0.1% 01/10/2021	20,000,187	0.89
GBP30,000,000	The Toronto Dominion Bank 0.11% 27/09/2021	30,004,400	1.33
GBP20,000,000	The Toronto Dominion Bank 0.00% 05/10/2021	19,998,911	0.89
GBP20,000,000	The Toronto Dominion Bank 0.18% 01/07/2022	20,001,800	0.89
GBP10,000,000	UBS 0.12% 05/10/2021	10,000,834	0.44
GBP20,000,000	UBS 0.15% 04/04/2022	19,999,600	0.89
GBP25,000,000	United Overseas Bank 0.075% 25/08/2021	25,000,616	1.11
GBP25,000,000	United Overseas Bank 0.1% 15/10/2021	25,001,750	1.11
GBP40,000,000	United Overseas Bank 0.08% 22/10/2021	40,000,854	1.77
		<b>1,598,354,859</b>	<b>70.95</b>
<b>TERM DEPOSITS — 30.03% (32.69%)</b>			
GBP126,500,000	Bank of Tokyo Mitsubishi 0.04% 06/08/2021	126,500,000	5.61
GBP150,000,000	National Bank of Abu Dhabi 0.04% 06/08/2021	150,000,000	6.66
GBP200,000,000	Nationwide Building Society 0.05% 06/08/2021	200,000,000	8.88

## Portfolio Statement continued

Holding/ Nominal Value	Investment	Market Value £	% of Net Assets
<b>TERM DEPOSITS — (cont.)</b>			
GBP200,000,000	Rabobank International 0.05% 06/08/2021	200,000,000	8.88
		676,500,000	30.03
<b>Portfolio of investments</b>		2,274,854,859	100.98
<b>Net other liabilities</b>		(22,102,192)	(0.98)
<b>Total net assets</b>		£2,252,752,667	100.00%

These unlisted deposits have been valued at the Manager's best assessment of their fair and reasonable value.

Total purchases for the period: £94,652,728,333.

Total sales for the period: £94,729,420,592.

## Financial Statements

### Statement of Total Return For the period ended 5 August 2021

	05/08/21		05/08/20	
	£	£	£	£
<b>Income</b>				
Net capital (losses)/ gains		(52,224)		491,073
Revenue	816,255		5,247,636	
Expenses	(582,077)		(657,353)	
Interest payable and similar charges	(855)		(13,322)	
<b>Net revenue before taxation</b>	<u>233,323</u>		<u>4,576,961</u>	
Taxation	—		—	
<b>Net revenue after taxation for the period</b>		<u>233,323</u>		<u>4,576,961</u>
<b>Total return before distributions</b>		181,099		5,068,034
Distributions		<u>(539,939)</u>		<u>(4,577,000)</u>
<b>Change in net assets attributable to Unitholders from investment activities</b>		<u>£(358,840)</u>		<u>£491,034</u>

### Statement of Change in Net Assets attributable to Unitholders for the period ended 5 August 2021

	05/08/21		05/08/20	
	£	£	£	£
<b>Opening net assets attributable to Unitholders</b>		2,348,934,569		2,041,178,508
<b>Amounts received on issue of units</b>	94,933,590		732,513,935	
<b>Amounts paid on cancellation of units</b>	<u>(191,297,021)</u>		<u>(309,484,835)</u>	
		(96,363,431)		423,029,100
<b>Change in net assets attributable to Unitholders from investment activities</b>		(358,840)		491,034
<b>Retained distributions on accumulation units</b>		<u>540,369</u>		<u>4,757,923</u>
<b>Closing net assets attributable to Unitholders</b>		<u>£2,252,752,667</u>		<u>£2,469,456,565</u>

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 5 August 2021

	05/08/21 £	05/02/21 £
<b>ASSETS</b>		
<b>Fixed assets:</b>		
Investments	2,274,854,859	2,351,383,274
<b>Current assets:</b>		
Debtors	2,649,316	613,066
Cash and bank balances	539,668	94,179
<b>Total assets</b>	<b><u>2,278,043,843</u></b>	<b><u>2,352,090,519</u></b>
<b>LIABILITIES</b>		
<b>Creditors:</b>		
Bank overdrafts	(179,150)	(449,112)
Other creditors	(25,112,026)	(2,706,838)
<b>Total liabilities</b>	<b><u>(25,291,176)</u></b>	<b><u>(3,155,950)</u></b>
<b>Net assets attributable to Unitholders</b>	<b><u>£2,252,752,667</u></b>	<b><u>£2,348,934,569</u></b>

# 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. 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. In making this assessment, and in response to COVID-19, the Manager has considered, amongst other things, factors such as Trust size, cash flows through the Trust and Trust liquidity.

## Trust Information

### Net Asset Values and Units in Issue

Class	Net Asset Value (£)	Units in Issue	Net Asset Value per Unit (p)
R-Class			
Accumulation Units	12,532,563	13,232,634	94.71
I-Class			
Distribution Units	16,603,605	33,226,025	49.97
Accumulation Units	706,763,375	718,157,331	98.41
L-Class			
Accumulation Units	1,516,853,124	2,960,778,571	51.23

**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

	5 Aug 21	5 Feb 21
R-Class	0.25%	0.25%
I-Class	0.15%	0.15%
L-Class	-	-

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 fund and is calculated based on the last period's figures.

### Distribution Information

#### R-Class

A shortfall for the R-Class units arose because expenses exceeded the revenue of the R-Class. This being the case, there is no interim distribution payable for the R-Class.

#### I-Class

A shortfall for the I-Class units arose because expenses exceeded the revenue of the I-Class. This being the case, there is no interim distribution payable for the I-Class.

#### L-Class

The distribution payable on 5 October 2021 is 0.0102p per unit for accumulation units.

## Risk and Reward Profile



- The Risk and Reward Indicator table demonstrates where the Trust 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 Trust. The shaded area in the table above shows the Trust's ranking on the Risk and Reward Indicator.
- The Trust is in category one as it invests in instruments which are very liquid, have short maturities which have a high credit rating and are considered lower risk than longer maturing securities.
- Even a trust in the lowest category is not a risk free investment.

## General Information

### Constitution

Launch date:	23 September 1992
Period end dates for distributions:	5 November, February, May and August
Distribution dates:	5 January, April, July and October
Minimum initial lump sum investment:	R-Class £100 I-Class £1,000,000 L-Class* £100,000
Minimum monthly contributions:	R-Class £20 I-Class N/A L-Class* N/A
Valuation point:	12 noon
Fund management fees:	R-Class Annual 0.25% I-Class Annual 0.15% L-Class* Nil
Initial charges:	Nil for all existing unit classes

\* 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](http://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](http://www.legalandgeneral.com). Units may normally be sold back to the Manager on any business day at the bid price calculated at the following valuation point.

### ISA Status

This 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

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

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



## **General Information continued**

### **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**

#### **Change of Depositary**

With effect from 30 October 2021, the depositary of the Trust will change. The depositary is the entity we are required by regulation to appoint to carry out certain services in relation to the Trust, namely, safekeeping of the assets, cash monitoring and regulatory oversight.

As you may know, the depositary of the Trust was Northern Trust Global Services SE, UK branch (“NTGS-UK”). NTGS-UK is the UK branch of Northern Trust Global Services SE, which is a bank established in Luxembourg, and was permitted to provide trustee and depositary services into the UK by virtue of having extra permissions in the UK.

As a consequence of the UK’s decision to leave the European Union, however, the UK financial services regulator which regulates NTGS-UK, the Financial Conduct Authority (“FCA”), has provided that UK branches of EU banks are no longer able to provide trustee and depositary services into the UK and those services have to be provided from a UK incorporated company. The FCA has provided a grace period for firms to implement the new rules which came into force on 1 January 2021.

In order to comply with the new rules, Northern Trust has established Northern Trust Investor Services Limited (“NTISL”) to be the new trustee and depositary. NTISL is a company established in England and Wales and is authorised by the FCA to be a trustee and depositary. NTISL will provide the same services as NTGS-UK with the same processes and procedures in place. The change of depositary took place on 30 October 2021 and we have amended the Prospectus of the Trust to reflect the details of NTISL as from that date.

## 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

A. Clare\*  
E. Cowhey\*  
A. J. C. Craven  
S. Hynes  
H. Solomon  
L. W. Toms  
A. R. Toutouchi\*

\*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 Depositary Services  
50 Bank Street,  
Canary Wharf,  
London E14 5NT

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

### Independent 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:  
One Coleman Street,  
London EC2R 5AA  
[www.legalandgeneral.com](http://www.legalandgeneral.com)

