

Legal & General Multi-Index Income 4 Fund  
(a Sub-fund of Legal and General  
Multi-Index Funds)

**Annual Manager's  
Short Report  
for the year ended  
15 August 2018**

**EVERY  
DAY  
MATTERS.®**





## **Investment Objective and Policy**

The aim of the Sub-fund is to provide a combination of income and capital growth, and to keep the Sub-fund within a pre-determined risk profile. While this will be the Sub-fund's focus, it will have a bias towards assets that pay a higher income. The Sub-fund's potential gains and losses are likely to be constrained by the aim to stay within its particular risk profile.

The Sub-fund will have exposure to fixed income securities (both government and non-government), cash, equities and property. The Sub-fund will have a bias towards fixed income securities.

To obtain this exposure, the Sub-fund will invest at least 75% in collective investment schemes, which may also provide an indirect exposure to money market instruments, deposits, near cash and alternative asset classes (such as commodities). The Sub-fund will invest at least 50% in Index tracker schemes which are operated by Legal & General.

The Sub-fund may also invest directly in transferable securities (equity securities and fixed income securities), money market instruments, deposits, and cash and near cash.

The Sub-fund may use derivatives for efficient portfolio management purposes only.

The Sub-fund's risk profile is managed by restricting the types of assets held and the allocations of each asset type. The asset and allocation restrictions are set with reference to research carried out by an external agency and are based on the long term historic returns and volatility of each asset type. This external agency has determined risk bands ranging between 1 to 10, with 10 being the highest. This Sub-fund aims to stay within band 4.

## Risk Profile

### Credit risk

This Sub-fund invests in Collective Investment Schemes which hold financial securities such as bonds. With these investments, there is a risk of suffering loss due to a party not meeting its financial obligations. This risk is managed within the underlying funds by monitoring the financial stability of investments and companies, via credit ratings.

### Market risk

Market risk arises mainly from uncertainty about future prices. It represents the potential loss the Sub-fund may suffer through holding market positions in the face of market movements. The Manager adheres to the investment guidelines and in this way, monitors and controls the exposure to risk from any type of security, sector or issuer.

### Interest rate risk

This Sub-fund is invested in interest distributing funds. The performance of the Sub-fund may therefore be affected by changes in interest rates, through its holdings in these funds.

### Currency risk

This Sub-fund is invested in Collective Investment Schemes which may invest in overseas financial securities. The performance of the Sub-fund may therefore be affected by changes in exchange rates. This risk is managed by the use of foreign currency futures, which aim to manage the effect of changing exchange rates.

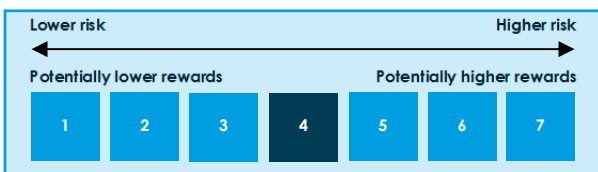
## Fund Facts

Period End Dates for Distributions:	15 of each month, 15 Aug (Final)	
Distribution Dates:	14 of each month, 14 Sept (Final)	
Ongoing Charges Figures:	15 Aug 18	15 Aug 17
R-Class	0.78%	0.80%
I-Class	0.36%	0.35%
C-Class	0.29%	0.28%
L-Class	0.11%	0.10%

The Ongoing Charges Figure (OCF) is the ratio of the Sub-fund's total disclosable costs (excluding overdraft interest) and all costs suffered through holdings in underlying Collective Investment Schemes, to the average net assets of the Sub-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.

## Risk and Reward Profile



- This risk and reward profile is based on historical data which may not be a reliable indication of the Sub-fund's risk and reward category in the future.
- The category number highlighted above reflects the rate at which the Sub-fund's unit price has moved up and down in the past. If the Sub-fund has less than five years' track record, the number also reflects the rate at which a representative mix of the underlying funds has moved up and down in the past. Higher numbers mean the potential reward could be greater, but this comes with increased risk of losing money.
- The Sub-fund is in category four because the mix of different asset types in which the Sub-fund invests has a balancing effect on the rate at which the Sub-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.
- The Sub-fund's category is not guaranteed to remain the same and may change over time.
- Even a fund in the lowest category is not a risk free investment.

The Sub-fund targets risk profile four as calculated by Distribution Technology. They are an independent agency who provides risk profiling tools to advisers and fund managers.

The Risk and Reward profile scale above is calculated differently to the Distribution Technology Risk Profiles. The Distribution Technology profiles range from 1 to 10 with 10 being the highest (rather than a scale of 1 to 7 for the Risk and Reward profile).

More information on the Distribution Technology risk profiles is shown in the Prospectus. Alternatively you can contact us with any queries.

## **Distribution Information**

### **R-Class**

The distribution paid on 14 September 2018 was 0.2165p per unit for distribution units and 0.2264p per unit for accumulation units.

### **I-Class**

The distribution paid on 14 September 2018 was 0.2373p per unit for distribution units and 0.2583p per unit for accumulation units.

### **C-Class**

The distribution paid on 14 September 2018 was 0.2378p per unit for distribution units and 0.2588p per unit for accumulation units.

### **L-Class**

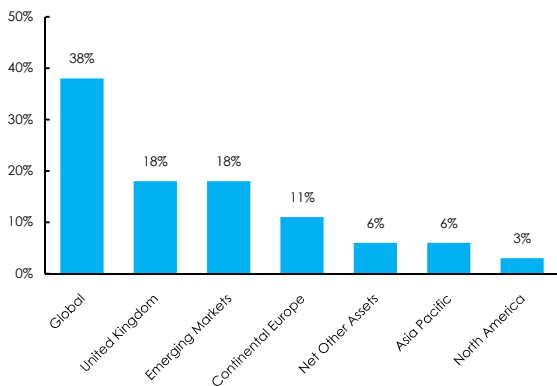
The distribution paid on 14 September 2018 was 0.2388p per unit for distribution units.

## Portfolio Information

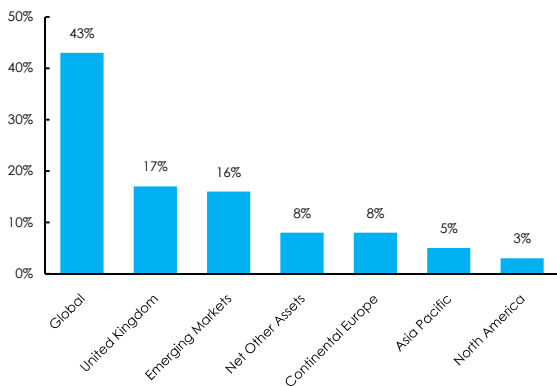
The top 10 holdings and their associated weighting at the current and preceding year ends were:

Top 10 Holdings at 15 August 2018		Top 10 Holdings at 15 August 2017	
Holding	Percentage of Net Asset Value	Holding	Percentage of Net Asset Value
Legal & General Emerging Markets Government Bond (US\$) Index Fund 'L' Inc	8.67%	LGIM Global Corporate Bond Fund 'B' Acc	8.89%
Legal & General Emerging Markets Government Bond (Local Currency) Index Fund 'L' Inc	8.10%	Legal & General High Income Trust 'I' Inc	7.75%
Legal & General Sterling Corporate Bond Index Fund 'L' Inc	6.62%	Legal & General Managed Monthly Income Trust 'I' Inc	7.52%
Legal & General High Income Trust 'I' Inc	6.46%	Legal & General Sterling Corporate Bond Index Fund 'L' Inc	7.49%
Legal & General Managed Monthly Income Trust 'I' Inc	5.96%	Legal & General Emerging Markets Government Bond (Local Currency) Index Fund 'L' Inc	7.36%
LGIM Global Corporate Bond Fund 'B' Acc	5.88%	Legal & General Emerging Markets Government Bond (US\$) Index Fund 'L' Inc	7.23%
Legal & General European Index Trust 'I' Inc	5.67%	Legal & General Short Dated Sterling Corporate Bond Index Fund 'L' Inc	6.05%
Legal & General UK Index Trust 'L' Inc	5.15%	iShares UK Dividend UCITS ETF	5.80%
Legal & General Short Dated Sterling Corporate Bond Index Fund 'L' Inc	4.97%	Legal & General UK Property Fund 'L' Inc	5.60%
iShares UK Dividend UCITS ETF	4.89%	Legal & General UK Index Trust 'L' Inc	4.86%

## Fund Holdings as at 15 August 2018



## Fund Holdings as at 15 August 2017





## Comparative Tables

### R-Class Distribution Units

#### Change in Net Asset Value per Unit

Accounting Year ending	16/08/17 to 15/08/18 (pence per unit)	27/03/17 to 15/08/17 <sup>1</sup> (pence per unit)
Opening net asset value per unit	50.41	50.00
Return before operating charges*	0.93	1.23
Operating charges (calculated on average price)	(0.39)	(0.16)
Return after operating charges*	0.54	1.07
Distributions on income units <sup>^</sup>	(1.72)	(0.66)
Closing net asset value per unit	49.23	50.41
* after direct transaction costs of:	—	—

#### Performance

Return after charges	1.07%	2.14%
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#### Other Information

Closing net asset value (£)	74,802	4,966
Closing number of units	151,953	9,852
Operating charges <sup>†</sup>	0.78%	0.80%
Direct transaction costs	0.00%	0.00%

#### Prices

Highest unit price	51.23p	51.22p
Lowest unit price	48.38p	50.00p

<sup>1</sup> R-Class units launched on 27 March 2017.

<sup>^</sup> Distributions on income units are shown gross of taxation.

<sup>†</sup> Operating charges, otherwise known as the OCF is the ratio of the Sub-fund's total disclosable costs (excluding overdraft interest) to the average net assets of the Sub-fund. Included within the OCF are synthetic costs which includes 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.**

## Comparative Tables continued

### R-Class Accumulation Units

#### Change in Net Asset Value per Unit

Accounting Year ending	16/08/17 to 15/08/18 (pence per unit)	27/03/17 to 15/08/17 <sup>1</sup> (pence per unit)
Opening net asset value per unit	51.07	50.00
Return before operating charges*	0.96	1.23
Operating charges (calculated on average price)	(0.40)	(0.16)
Return after operating charges*	0.56	1.07
Distributions	(1.77)	(0.67)
Retained distributions on accumulation units <sup>^</sup>	1.77	0.67
Closing net asset value per unit	51.63	51.07
* after direct transaction costs of:	—	—

#### Performance

Return after charges	1.10%	2.14%
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#### Other Information

Closing net asset value (£)	75,324	11,048
Closing number of units	145,878	21,632
Operating charges <sup>†</sup>	0.78%	0.80%
Direct transaction costs	0.00%	0.00%

#### Prices

Highest unit price	52.47p	51.43p
Lowest unit price	49.93p	50.00p

<sup>1</sup> R-Class units launched on 27 March 2017.

<sup>^</sup> Retained distributions on accumulation units are shown gross of taxation.

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## Comparative Tables continued

### I-Class Distribution Units

#### Change in Net Asset Value per Unit

Accounting Year ending	16/08/17 to 15/08/18 (pence per unit)	16/08/16 to 15/08/17 (pence per unit)	09/10/15 to 15/08/16 <sup>1</sup> (pence per unit)
Opening net asset value per unit	55.00	54.32	50.00
Return before operating charges*	1.03	2.52	5.69
Operating charges (calculated on average price)	(0.20)	(0.19)	(0.14)
Return after operating charges*	0.83	2.33	5.55
Distributions on income units <sup>^</sup>	(1.88)	(1.65)	(1.23)
Closing net asset value per unit	53.95	55.00	54.32
* after direct transaction costs of:	—	—	—

#### Performance

Return after charges	1.51%	4.29%	11.10%
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#### Other Information

Closing net asset value (£)	17,641,832	9,967,871	3,352,845
Closing number of units	32,701,449	18,122,384	6,172,039
Operating charges <sup>†</sup>	0.36%	0.35%	0.35%
Direct transaction costs	0.00%	0.00%	0.00%

#### Prices

Highest unit price	56.01p	55.85p	54.85p
Lowest unit price	52.94p	52.05p	47.62p

<sup>1</sup> The Sub-fund launched on 9 October 2015.

<sup>^</sup> Distributions on income units are shown gross of taxation.

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## Comparative Tables continued

### I-Class Accumulation Units

#### Change in Net Asset Value per Unit

Accounting Year ending	16/08/17 to 15/08/18 (pence per unit)	16/08/16 to 15/08/17 (pence per unit)	09/10/15 to 15/08/16 <sup>1</sup> (pence per unit)
Opening net asset value per unit	58.10	55.67	50.00
Return before operating charges*	1.11	2.63	5.81
Operating charges (calculated on average price)	(0.21)	(0.20)	(0.14)
Return after operating charges*	0.90	2.43	5.67
Distributions	(2.02)	(1.72)	(1.25)
Retained distributions on accumulation units <sup>^</sup>	2.02	1.72	1.25
Closing net asset value per unit	59.00	58.10	55.67
* after direct transaction costs of:	—	—	—

#### Performance

Return after charges	1.55%	4.37%	11.34%
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#### Other Information

Closing net asset value (£)	9,229,515	6,582,623	3,145,538
Closing number of units	15,643,181	11,328,890	5,649,985
Operating charges <sup>†</sup>	0.36%	0.35%	0.35%
Direct transaction costs	0.00%	0.00%	0.00%

#### Prices

Highest unit price	59.95p	58.51p	56.04p
Lowest unit price	56.97p	53.74p	47.76p

<sup>1</sup> The Sub-fund launched on 9 October 2015.

<sup>^</sup> Retained distributions on accumulation units are shown gross of taxation.

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## Comparative Tables continued

### C-Class Distribution Units

#### Change in Net Asset Value per Unit

Accounting Year ending	16/08/17 to 15/08/18 (pence per unit)	16/08/16 to 15/08/17 (pence per unit)	09/10/15 to 15/08/16 <sup>1</sup> (pence per unit)
Opening net asset value per unit	55.07	54.35	50.00
Return before operating charges*	1.02	2.52	5.68
Operating charges (calculated on average price)	(0.16)	(0.15)	(0.10)
Return after operating charges*	0.86	2.37	5.58
Distributions on income units <sup>^</sup>	(1.88)	(1.65)	(1.23)
Closing net asset value per unit	54.05	55.07	54.35
* after direct transaction costs of:	—	—	—

#### Performance

Return after charges	1.56%	4.36%	11.16%
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#### Other Information

Closing net asset value (£)	5,181,976	4,365,836	1,594,865
Closing number of units	9,587,563	7,928,453	2,934,202
Operating charges <sup>†</sup>	0.29%	0.28%	0.28%
Direct transaction costs	0.00%	0.00%	0.00%

#### Prices

Highest unit price	56.09p	55.91p	54.88p
Lowest unit price	53.03p	52.10p	47.63p

<sup>1</sup> The Sub-fund launched on 9 October 2015.

<sup>^</sup> Distributions on income units are shown gross of taxation.

<sup>†</sup> Operating charges, otherwise known as the OCF is the ratio of the Sub-fund's total disclosable costs (excluding overdraft interest) to the average net assets of the Sub-fund. Included within the OCF are synthetic costs which includes the OCF of the underlying funds weighted on the basis of their investment proportion.

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## Comparative Tables continued

### C-Class Accumulation Units

#### Change in Net Asset Value per Unit

Accounting Year ending	16/08/17 to 15/08/18 (pence per unit)	16/08/16 to 15/08/17 (pence per unit)	09/10/15 to 15/08/16 <sup>1</sup> (pence per unit)
Opening net asset value per unit	58.17	55.70	50.00
Return before operating charges*	1.10	2.63	5.80
Operating charges (calculated on average price)	(0.17)	(0.16)	(0.10)
Return after operating charges*	0.93	2.47	5.70
Distributions	(2.02)	(1.72)	(1.24)
Retained distributions on accumulation units <sup>^</sup>	2.02	1.72	1.24
Closing net asset value per unit	59.10	58.17	55.70
* after direct transaction costs of:	—	—	—

#### Performance

Return after charges	1.60%	4.43%	11.40%
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#### Other Information

Closing net asset value (£)	1,653,606	1,488,025	481,512
Closing number of units	2,797,812	2,558,245	864,473
Operating charges <sup>†</sup>	0.29%	0.28%	0.28%
Direct transaction costs	0.00%	0.00%	0.00%

#### Prices

Highest unit price	60.05p	58.57p	56.06p
Lowest unit price	57.05p	53.78p	47.77p

<sup>1</sup> The Sub-fund launched on 9 October 2015.

<sup>^</sup> Retained distributions on accumulation units are shown gross of taxation.

<sup>†</sup> Operating charges, otherwise known as the OCF is the ratio of the Sub-fund's total disclosable costs (excluding overdraft interest) to the average net assets of the Sub-fund. Included within the OCF are synthetic costs which includes the OCF of the underlying funds weighted on the basis of their investment proportion.

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## Comparative Tables continued

### L-Class Distribution Units

#### Change in Net Asset Value per Unit

Accounting Year ending	16/08/17 to 15/08/18 (pence per unit)	16/08/16 to 15/08/17 (pence per unit)	09/10/15 to 15/08/16 <sup>1</sup> (pence per unit)
Opening net asset value per unit	55.20	54.43	50.00
Return before operating charges*	1.05	2.48	5.68
Operating charges (calculated on average price)	(0.06)	(0.05)	(0.03)
Return after operating charges*	0.99	2.43	5.65
Distributions on income units <sup>^</sup>	(1.89)	(1.66)	(1.22)
Closing net asset value per unit	54.30	55.20	54.43
* after direct transaction costs of:	—	—	—

#### Performance

Return after charges	1.79%	4.46%	11.30%
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#### Other Information

Closing net asset value (£)	344,465	1,466	5,444,155
Closing number of units	634,426	2,656	10,002,000
Operating charges <sup>†</sup>	0.11%	0.10%	0.10%
Direct transaction costs	0.00%	0.00%	0.00%

#### Prices

Highest unit price	56.28p	56.05p	54.96p
Lowest unit price	53.23p	52.18p	47.65p

<sup>1</sup> The Sub-fund launched on 9 October 2015.

<sup>^</sup> Distributions on income units are shown gross of taxation.

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## **Manager's Investment Report**

During the year under review, the bid price of the Sub-fund's I-Class accumulation units rose by 1.53%.

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## **Market/Economic Review**

### **Equities**

A combination of an improving global economic outlook, low inflation and supportive central bank policies have underpinned equity markets worldwide over the last 12 months. However, there was a spike in market volatility during the first quarter of 2018 with escalating trade tensions between the US and China triggering a sell-off.

Although UK equities performed well in 2017, the market recorded three consecutive months of losses before rebounding strongly in April and May 2018. The market has been led higher by resources stocks, benefitting from the strength of commodity prices.

Food retailers also performed well on encouraging earnings announcements, while the autos sector was driven by a hostile takeover bid from Melrose Industries for component supplier GKN which eventually received shareholder approval. Amongst the weakest sectors were utilities and telecoms. These sectors are less sensitive to the economic cycle but are more closely correlated with bond markets, and tend to underperform when investors are more optimistic about the economic outlook and earnings growth prospects.

US equities recorded double-digit percentage gains in both Dollar and Sterling terms. The rally has been led by technology stocks for much of the year, which have generally exhibited strong earnings momentum. Discretionary consumer stocks and energy companies have also outperformed the broader market, while consumer staples, utilities and real estate have lagged the Index. As the year progressed, investors focused on the prospect of corporation tax cuts with Congress passing the Trump administration's tax reforms in December. The prevailing mood of optimism and accelerating economic growth enabled the equity market to take higher US interest rates in its stride, although the opening quarter of 2018 heralded a spike in volatility as US-China trade dispute escalated.

Returns from European equities have been disappointing in comparison with other developed markets. Although earnings growth and the economic background have been supportive, political concerns resurfaced during the second quarter, most notably in Italy. Lingering concerns that the fledgling coalition government comprising the populist Five Star Movement and the



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

Northern League is on a collision course with the European Union came to the fore after the Italian President vetoed the appointment of a Eurosceptic finance minister. Subsequently, a new government was finally installed, ending weeks of deadlock. In Spain, the Socialist-led opposition succeeded in ousting Prime Minister Rajoy in the wake of a corruption scandal enveloping the ruling Popular party. As a result, renewed fears of a sovereign debt crisis in southern Europe drove down financial stocks, notably banks.

Asia Pacific equities generated solid returns for Sterling-based investors, outperforming wider emerging markets but underperforming global equities. Despite supportive earnings news and confidence in the global recovery, worries over the effect of on-going US interest rate increases and rising trade tensions weighed on sentiment. Japanese equities produced positive returns amid encouraging corporate earnings, albeit that performance waned late in the period as domestic economic data softened and trade risks rose. Positive company results boosted Australian equities, offsetting trade concerns and a financial sector misconduct scandal. However, economic and trade worries weighed on Indonesian and Philippine equities, notwithstanding July's limited recovery.

After performing strongly in late 2017 as confidence in the global economic outlook remained robust, emerging market equities subsequently faltered, underperforming their global market peers over the 12 months as a whole. Concerns over the likely pace and extent of future US interest rate rises and the growing risk of a global trade war impacted on investors' appetite for risk. In regional terms, Latin American markets underperformed other emerging markets, weighed by growing domestic political risks and resistance to economic reform, particularly in Brazil. However, Asian markets showed greater resilience, largely reflecting on-going confidence in the region's economic prospects.

Global information technology shares staged a vigorous rally over the 12 month period, outperforming broader global equities by a considerable margin. A string of better-than-expected quarterly earnings updates from sector heavyweights such as Microsoft and Google-parent Alphabet drove the rally, helping the sector to recover from a brief decline in March as a data security scandal hit Facebook. Microchip makers Micron Technology and Nvidia were among the leading stock-level risers, amid optimism over the demand outlook in areas such as Artificial Intelligence and graphics processors for gaming applications. On-going demand for cloud-based services also boosted software giants Microsoft and Salesforce.com.

Health-related equities produced good returns, outperforming broader global stock markets over the 12 months. Despite investors favouring more cyclical sectors early in the period and lingering concerns over the effect of generic competition,

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

better-than-expected earnings updates helped the sector to rally strongly late in the year under review. Robust earnings updates helped Intuitive Surgical to generate robust gains amid growing demand for high-precision robot-assisted surgery technology. Meanwhile, pharmaceutical heavyweight AbbVie generated strong price gains over the year as a patent agreement extended protection for rheumatoid arthritis drug Humira, more than offsetting the effect of subsequent trial disappointment for a new cancer drug.

### **Bonds**

Returns from bond markets have been disappointing over the last 12 months, although a marked rise in equity market volatility in early 2018 highlighted the 'safe haven' appeal of government bonds. In the US, investors have discounted Federal Reserve rate hikes and looser fiscal policy. In the UK, inflation peaked at over 3% in November and declined towards the Bank of England's (BoE) 2% target. However, index-linked gilts outperformed conventional securities, as demand for long-dated inflation-linked bonds has remained strong amongst institutional investors for liability matching purposes. Corporate bonds have underperformed gilts on concerns about the impact of weaker UK economic growth on earnings, and uncertainty over the outcome of Brexit negotiations.

Currency adjusted returns from emerging bond markets have been disappointing. Issuance levels have been high as both sovereign and corporate borrowers have looked to attract international investors. However, several emerging economies with relatively high debt levels and current account deficits came under increased scrutiny, with ratings downgrades for Brazil, Turkey and South Africa. In recent months, market volatility has risen on concerns that the Federal Reserve may be required to raise US interest rates more rapidly than anticipated, while escalating trade tensions between the US and China have also unsettled investors.

### **Sub-fund Review**

The Sub-fund delivered a positive return over the review year, which was characterised by broadly positive equity market sentiment, with the exception of an abrupt bout of volatility in February amid concerns that US interest rates could rise more rapidly than forecast. After February's dip, most equity markets moved higher in the review year to August, led by technology stocks in the US.

Despite escalating trade war rhetoric and political populism news stories, the year was broadly positive for risk assets. UK equities performed particularly well from April, with a weak Pound and a stronger energy sector. Both REITs and listed infrastructure also turned around their disappointing performance during the first half of the review year. US equities performed well, ahead of European and Japanese equities.

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

Both emerging market assets (equities, local debt, and hard debt) and European peripheral debt were worse performing asset classes during the review year. Emerging market assets are generally more exposed to concerns over Trump's protectionist stance, as well as suffering from country specific issues in Turkey, Mexico, Brazil and Argentina.

The Sub-fund's allocation to US, UK and European equities alongside global REITs contributed to Sub-fund performance. This was partially offset by the exposure to both local and hard currency emerging market debt, although during July, emerging market debt revived. Towards the end of the year under review, our position in global inflation-linked bonds and gilts detracted from performance slightly.

We have not made drastic portfolio changes recently. We resumed credit and high yield flows, having previously paused this, in order to implement our negative bias to these assets, given the continued tightening in spreads. We maintain our positive bias to equities, and our key hedges against inflation and/or an equity market drawdown through our positive bias to inflation-linked bonds and the US Dollar.

### **Outlook**

We expect the recent strong economic growth to continue for the time being. However, there are a number of indicators which suggest that the global economy is moving towards the latter stages of the economic cycle; unemployment is low, inflation is starting to rise, the yield curve is flattening and credit spreads are moving wider.

From our perspective, there are three key risks of which to be mindful: that inflation could rise faster than expected, a further strengthened US Dollar which would squeeze other nations and trade wars. On the latter, the existing set of tariffs on steel, aluminium and solar panels are relatively small. However, it is the significant escalation that could cause wider issues. Escalation increases the risk of a more negative financial market reaction and damage to business and consumer confidence. While tariffs on steel and aluminium are less visible to consumers, widespread tariffs will hit high-profile consumer goods such as electronics and clothing. If a full-scale trade war becomes a reality, we see it as inflationary and negative for US, Chinese and global growth. However, this scenario is not part of our base case outlook and we see the current rhetoric from Trump as part of his usual negotiating position to reach a more stable and agreeable outcome.

Legal & General Investment Management Limited  
(Investment Adviser)  
12 September 2018

## **Manager's Report and Accounts**

Copies of the most recent Interim and Annual Long Form Manager's Reports are available free of charge by telephoning 0370 050 0955, by writing to the Manager or are available on the internet at [www.legalandgeneral.com/investments/fund-information/managers-reports](http://www.legalandgeneral.com/investments/fund-information/managers-reports).

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

## **EU Savings Directive**

The Sub-fund has been reviewed against the requirements of the Directive 2003/48/EC on Taxation of savings in the form of interest payments (ESD), following the HM Revenue & Customs debt investment reporting guidance notes.

Under the directive, information is collected about the payment of distributions to residents in certain other countries and is reported to HM Revenue & Customs to be exchanged with Tax authorities in those countries.

The Sub-fund falls within the 25% debt investment reporting threshold. This means that details of all distributions and redemption proceeds paid to non UK investors will be reported by Legal & General (Unit Trust Managers) Limited to HM Revenue & Customs to be exchanged with the relevant Tax authorities.

## **Dual Pricing Arrangement**

The Manager's fixed dual pricing arrangement has a set spread to account for the costs of transacting in a particular Sub-fund. Where the Manager operates a box through which unit subscriptions and unit redemptions are netted into a single trade instruction to the Trustee, the netting reduces the actual transaction costs and this generates a revenue to the Manager. The revenue generated from this activity is calculated on a monthly basis and returned to the Sub-fund in the form of a payment from the Manager. This provides an enhanced return to the Sub-fund, through the size of any return will be dependent on the size of subscriptions and redemptions.

## **Minimum Investment Amounts**

The minimum initial lump sum investment amounts for each class are as follows:

R-Class	£100
I-Class	£1,000,000
C-Class	£100,000,000
L-Class	£500,000

In addition, monthly contributions can be made into the R-Class with a minimum amount of £20 per month.

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

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

## **Other Information**

The information in this report is designed to enable unitholders to understand how the Sub-fund has performed during the year under review and how it is invested at the year end. Further information on the activities and performance of the Sub-fund can be obtained by telephoning 0370 050 0955 or by writing to the Manager.

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

## **Significant Changes**

### **Change in Fund Management Fee (FMF)**

With effect from 1 June 2018, the FMF for R-Class was reduced from 0.76% to 0.65%

### **Change of Distribution Type**

With effect from 16 August 2017, the form in which any income payments are made from this Sub-fund has changed from Dividend payments to Interest payments. The Manager is making this change as it will be more tax efficient for the Sub-fund. However any increase in performance may be offset or even reversed depending on the tax position of each investor. If you are unsure of how this change will affect you, we recommend seeking specialist tax advice. This change will not affect the management or investment process of the Sub-fund.

### **Change of Auditor**

With effect from 28 April 2018, PricewaterhouseCoopers LLP ceased to be Independent Auditors of the Sub-fund and KPMG LLP have been appointed. The change of Auditor has no impact on the way the Sub-fund is operated.

### **General Data Protection Regulation (GDPR)**

Legal & General takes your privacy very seriously. Under data protection legislation, we have classified ourselves as a 'data controller'. This means that we are subject to certain obligations relating to how we process personal data. These obligations include, without limitation, providing individuals with certain information regarding how we process their personal data.

We will use the personal data you have provided to us in connection with an investment in units of Legal & General Multi-Index Income 4 Fund, including your name, age, contact details, bank account details, transactions and the invested amount, and any information regarding the dealing in units in accordance with all applicable data protection laws and our Privacy Policy which is available from 25 May 2018 at [www.lgim.com/UTMprivacy](http://www.lgim.com/UTMprivacy) (or available upon request). Our Privacy Policy sets out, amongst other things, the purpose or purposes for which your personal data is collected and intended to be processed and also contains any other information prescribed by data protection legislation.

**Authorised Fund Manager**

Legal & General (Unit Trust Managers) Limited

Registered in England and Wales No. 01009418

Registered office:

One Coleman Street,

London EC2R 5AA

Telephone: 0370 050 3350

Authorised and regulated by the Financial Conduct Authority

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

**Trustee**

Northern Trust Global Services PLC

Trustee and Depositary Services

50 Bank Street,

Canary Wharf,

London E14 5NT

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

**Independent Auditors**

KPMG LLP

15 Canada Square,

London E14 5GL

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

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(Unit Trust Managers) Limited  
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