

Legal & General Cash Trust

**Interim Manager's Report
for the period ended
5 August 2017
(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 generally invest in short term deposits, certificates of deposit, 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 fixed income securities, other money market instruments and collective investments schemes. 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 period under review, the bid price of the Trust's R-Class accumulation units rose by 0.04%.

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

Sterling money market rates fell slightly during the first half of 2017 with the 3-month Sterling LIBOR rate ending July at 0.29%.

In its February quarterly assessment of the UK economy, the Bank of England highlighted an improving global outlook and raised its forecast for the UK economy sharply higher, predicting growth of 2% in 2017, well above the previous forecast of 1.4% back in November. Inflation accelerated to 2.3% in February, the highest since September 2013, driven by rising oil prices and the weakness of Sterling.

In the economic assessment released in May, the Bank of England forecast that inflation would continue to rise above its 2% target over the coming months before peaking at just below 3% in the fourth quarter. The bank delivered a cautious UK economic outlook predicting living standards would fall this year as higher inflation outstrips wage growth.

Towards the end of the review period, Governor Mark Carney indicated that the Bank of England might need to raise interest rates if business investment begins to rise, offsetting weaker consumption. Accordingly, the markets are now pricing in a greater likelihood of a 0.25% hike in interest rates, effectively a reversal of the stimulus delivered by the rate cut last August in the wake of the EU referendum result, by the end of 2017.

However, there was no change to the UK base rate at the meeting in early August, with the Bank of England's Monetary Policy Committee (MPC) voting 6-2 to keep the base rate of interest on hold at 0.25% (markets had largely been expecting a 5-3 vote). The MPC also voted unanimously to keep the quantitative easing and corporate bond purchase target unchanged.

Manager's Investment Report continued

Trust Review

The Trust continues to be well diversified through investing in a range of high quality issuers. The overall portfolio shape remained broadly unchanged during the period under review.

Outlook

Looking ahead, although headline inflation is now approaching the 3% mark, we expect earnings growth to remain subdued as businesses use increasing economic uncertainty and the onset of Brexit negotiations as a reason to keep wages under firm control.

On fiscal policy, the medium-term projections for deficit reduction appear unrealistic, particularly in view of the inconclusive outcome to the general election and growing pressure on the Conservative-led administration to loosen policy and ease public sector spending cuts. As Brexit talks progress, we expect the UK to leave the single market but negotiate several sector-by sector deals during the transition period. With the UK economy expected to slow over 2017, we believe the Bank of England will leave monetary policy unchanged until 2018.

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

Authorised Status

Authorised Status

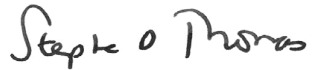
This Trust is an Authorised Unit Trust Scheme as defined in section 243 of the Financial Services and Markets Act 2000 and is a UCITS Retail Scheme within the meaning of the FCA Collective Investment Schemes sourcebook.

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)



S. D. Thomas
(Director)

Legal & General (Unit Trust Managers) Limited
25 September 2017

Portfolio Statement

Portfolio Statement as at 5 August 2017

All investments are investment grade unless otherwise stated. The percentages in brackets show the equivalent holdings at 5 February 2017.

Holding/ Nominal Value	Investment	Market value £	% of Net Assets
	CERTIFICATES OF DEPOSIT — 82.04% (78.44%)		
GBP20,000,000	ABN Amro Bank 0.35% 07/08/2017	20,000,000	1.51
GBP30,000,000	Australia and New Zealand Bank 0.00% 17/11/2017	29,953,355	2.27
GBP5,000,000	Bank of America 0.34% 19/12/2017	5,000,000	0.38
GBP10,000,000	Bank of America 0.36% 05/02/2018	10,000,000	0.76
GBP5,000,000	Bank of China Limited 0.00% 18/08/2017	4,993,958	0.38
GBP10,000,000	Bank of China Limited 0.00% 21/08/2017	9,987,654	0.76
GBP3,000,000	Bank of China Limited 0.00% 31/08/2017	2,996,968	0.23
GBP10,000,000	Bank of China Limited 0.00% 11/09/2017	9,986,883	0.76
GBP20,000,000	Bank of China Limited 0.00% 12/10/2017	19,969,799	1.51
GBP20,000,000	Bank of China Limited 0.00% 25/10/2017	19,973,318	1.51
GBP10,000,000	Banque Fédérative du Crédit Mutuel 0.00% 02/10/2017	9,976,753	0.75
GBP15,000,000	Banque Fédérative du Crédit Mutuel 0.46% 01/11/2017	15,000,000	1.14
GBP30,000,000	BNP Paribas 0.24% 18/08/2017	30,000,000	2.27
GBP30,000,000	BNP Paribas 0.235% 04/09/2017	30,000,000	2.27
GBP15,000,000	BRED Banque Populaire 0.41% 13/09/2017	15,000,000	1.14
GBP45,000,000	BRED Banque Populaire 0.41% 14/09/2017	45,000,000	3.41
GBP10,000,000	Credit Agricole 0.4% 07/08/2017	10,000,000	0.76
GBP5,000,000	Credit Agricole 0.25% 01/09/2017	5,000,000	0.38
GBP20,000,000	Credit Agricole 0.35% 06/11/2017	20,000,000	1.51
GBP15,000,000	Credit Agricole 0.35% 10/11/2017	15,000,000	1.14
GBP10,000,000	Credit Agricole 0.4% 13/11/2017	10,000,000	0.76
GBP20,000,000	Credit Suisse 0.34% 06/11/2017	20,000,000	1.51
GBP20,000,000	DZ Bank 0.00% 21/09/2017	19,988,412	1.51
GBP10,000,000	ING Bank 0.31% 07/08/2017	10,000,000	0.76
GBP30,000,000	ING Bank 0.27% 12/09/2017	30,000,000	2.27
GBP20,000,000	ING Bank 0.35% 03/11/2017	20,000,000	1.51
GBP10,000,000	Mitsubishi UFJ Trust and Banking Corporation 0.2% 17/08/2017	10,000,000	0.76
GBP10,000,000	Mitsubishi UFJ Trust and Banking Corporation 0.47% 22/08/2017	10,000,000	0.76
GBP25,000,000	Mitsubishi UFJ Trust and Banking Corporation 0.29% 11/10/2017	25,000,000	1.89
GBP5,000,000	Mitsubishi UFJ Trust and Banking Corporation 0.36% 02/01/2018	5,000,000	0.38
GBP7,500,000	Mitsubishi UFJ Trust and Banking Corporation 0.7% 15/01/2018	7,500,000	0.57
GBP50,000,000	Mizuho Bank Ltd 0.22% 07/08/2017	50,000,000	3.79
GBP30,000,000	Mizuho Bank Ltd 0.29% 18/08/2017	30,000,000	2.27

Portfolio Statement continued

Holding/ Nominal Value	Investment	Market value £	% of Net Assets
CERTIFICATES OF DEPOSIT — (cont.)			
GBP10,000,000	Mizuho Bank Ltd 0.3% 13/09/2017	10,000,000	0.76
GBP10,000,000	Mizuho Bank Ltd 0.00% 19/09/2017	9,992,696	0.76
GBP10,000,000	National Bank of Abu Dhabi 0.6% 15/09/2017	10,000,000	0.76
GBP5,000,000	National Bank of Abu Dhabi 0.62% 09/10/2017	5,000,000	0.38
GBP20,000,000	National Bank of Abu Dhabi 0.4% 02/01/2018	20,000,000	1.51
GBP10,000,000	National Bank of Abu Dhabi 0.67% 06/03/2018	10,000,000	0.76
GBP5,000,000	National Bank of Abu Dhabi 0.61% 05/04/2018	5,000,000	0.38
GBP10,000,000	Nationwide Building Society 0.63% 21/08/2017	10,000,000	0.76
GBP7,500,000	Nationwide Building Society 0.42% 15/09/2017	7,500,000	0.57
GBP10,000,000	Nationwide Building Society 0.45% 07/11/2017	10,000,000	0.76
GBP5,000,000	Nationwide Building Society 0.52% 07/12/2017	5,000,000	0.38
GBP20,000,000	Nationwide Building Society 0.47% 13/02/2018	20,000,000	1.51
GBP10,000,000	Nordea Bank 0.26% 14/08/2017	10,000,206	0.76
GBP10,000,000	Nordea Bank 0.255% 29/08/2017	10,000,000	0.76
GBP30,000,000	Nordea Bank 0.00% 29/09/2017	29,981,108	2.27
GBP10,000,000	Nordea Bank 0.00% 22/01/2018	9,983,720	0.76
GBP33,000,000	Norinchukin Bank 0.00% 16/08/2017	32,986,494	2.50
GBP10,000,000	Norinchukin Bank 0.00% 18/08/2017	9,993,013	0.76
GBP12,000,000	Norinchukin Bank 0.00% 13/10/2017	11,991,386	0.91
GBP20,000,000	Qatar National Bank 0.00% 21/08/2017	19,969,717	1.51
GBP10,000,000	Qatar National Bank 0.00% 11/09/2017	9,985,530	0.76
GBP10,000,000	Qatar National Bank 0.00% 18/09/2017	9,986,203	0.76
GBP10,000,000	Rabobank International 0.39% 01/09/2017	10,000,000	0.76
GBP5,000,000	Rabobank International 0.5% 06/08/2018	5,000,000	0.38
GBP10,000,000	Standard Chartered Bank 0.34% 27/11/2017	10,000,000	0.76
GBP30,000,000	Sumitomo Mitsui 0.335% 21/08/2017	30,000,000	2.27
GBP50,000,000	Sumitomo Mitsui 0.00% 29/08/2017	49,989,290	3.79
GBP20,000,000	Sumitomo Mitsui Banking Corporation 0.00% 08/09/2017	19,984,888	1.51
GBP20,000,000	Sumitomo Mitsui Trust Bank 0.28% 30/10/2017	20,000,000	1.51
GBP5,000,000	The Toronto-Dominion Bank 0.47% 05/04/2018	5,000,000	0.38
GBP10,000,000	UBS 0.51% 08/09/2017	10,000,000	0.76
GBP10,000,000	UBS 0.52% 16/11/2017	10,000,000	0.76
GBP10,000,000	UBS 0.59% 15/01/2018	10,000,000	0.76
GBP20,000,000	UBS 0.44% 20/02/2018	20,000,000	1.51

Portfolio Statement continued

Holding/ Nominal Value	Investment	Market value £	% of Net Assets
CERTIFICATES OF DEPOSIT — (cont.)			
GBP 10,000,000	UBS 0.6% 10/05/2018	10,000,000	0.76
GBP 20,000,000	Wells Fargo Bank International 0.41% 06/12/2017	20,000,000	1.51
		1,082,671,351	82.04
COMMERCIAL PAPER — 0.75% (1.17%)			
GBP 10,000,000	Oversea-Chinese Banking Corporation 0.00% 30/10/2017	9,994,439	0.75
TERM DEPOSITS — 17.53% (23.32%)			
GBP 40,000,000	Bank of Tokyo-Mitsubishi 0.18% 07/08/2017	40,000,000	3.03
GBP 41,300,000	Lloyds Bank 0.15% 07/08/2017	41,300,000	3.13
GBP 30,000,000	National Bank of Abu Dhabi 0.2% 07/08/2017	30,000,000	2.27
GBP 60,000,000	Rabobank International 0.2% 07/08/2017	60,000,000	4.55
GBP 60,000,000	Societe Generale 0.2% 07/08/2017	60,000,000	4.55
		231,300,000	17.53
Portfolio of investments		1,323,965,790	100.32
Net other liabilities		(4,210,673)	(0.32)
Total net assets		£1,319,755,117	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: £36,649,524,658.

Total sales for the period: £36,649,262,745.

Financial Statements

Statement of Total Return For the period ended 5 August 2017

	05/08/17		05/08/16	
	£	£	£	£
Income				
Net capital gains		–		–
Revenue	2,276,846		570,931	
Expenses	(116,210)		(85,155)	
Interest payable and similar charges	–		(2,703)	
Net revenue before taxation	<u>2,160,636</u>		<u>483,073</u>	
Taxation	–		–	
Net revenue after taxation for the period		<u>2,160,636</u>		<u>483,073</u>
Total return before distributions		2,160,636		483,073
Distributions		<u>(2,160,661)</u>		<u>(483,044)</u>
Change in net assets attributable to Unitholders from investment activities		<u>£(25)</u>		<u>£29</u>

Statement of Change in Net Assets attributable to Unitholders for the period ended 5 August 2017

	05/08/17		05/08/16	
	£	£	£	£
Opening net assets attributable to Unitholders		1,286,036,611		79,547,809
Amounts received on issue of units	101,664,928		646,990,644	
Amounts paid on cancellation of units	<u>(70,118,091)</u>		<u>(6,618,592)</u>	
		31,546,837		640,372,052
Change in net assets attributable to Unitholders from investment activities		(25)		29
Retained distributions on accumulation units		<u>2,171,694</u>		<u>621,269</u>
Closing net assets attributable to Unitholders		<u>£1,319,755,117</u>		<u>£720,541,159</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 2017

	05/08/17 £	05/02/17 £
ASSETS		
Fixed assets:		
Investments	1,323,965,790	1,323,683,150
Current assets:		
Debtors	1,112,233	1,817,612
Cash and bank balances	320,869	999,054
Total assets	1,325,398,892	1,326,499,816
LIABILITIES		
Creditors:		
Distributions payable	–	(443,412)
Other creditors	(5,643,775)	(40,019,793)
Total liabilities	(5,643,775)	(40,463,205)
Net assets attributable to Unitholders	£1,319,755,117	£1,286,036,611

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.

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	8,091,229	8,630,820	93.75
I-Class Accumulation Units	148,288,877	152,820,511	97.03
L-Class Accumulation Units	1,163,375,011	2,317,162,229	50.21

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 17	5 Feb 17
R-Class	0.25%	0.34%
I-Class	0.15%	0.17%
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 trust and is calculated based on the last period's figures.

Distribution Information

R-Class

The distribution payable on 5 October 2017 is 0.0188p per unit for accumulation units.

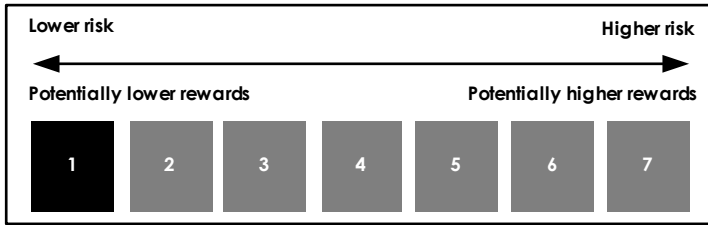
I-Class

The distribution payable on 5 October 2017 is 0.0438p per unit for accumulation units.

L-Class

The distribution payable on 5 October 2017 is 0.0416p per unit for accumulation units.

Risk and Reward Profile



- This risk and reward profile is based on historical data which may not be a reliable indication of the Trust's risk and reward category in the future.
- The category is based on the rate at which the value of the Trust has moved up and down in the past.
- This Trust is in category one because it invests in a mixture of deposits, government bonds, and Repos which generally provide lower rewards and lower risks than other investments such as commercial property or company shares.
- The Trust's category is not guaranteed to remain the same and may change over time.
- Even a trust in the lowest category is not a risk free investment.

General Information

Constitution

Launch date:	23 September 1992
Period end date for distributions:	5 November, February, May and August
Distribution dates:	5 January, April, July and October
Minimum initial lump sum investment:	R-Class £500 I-Class £1,000,000 L-Class £100,000
Valuation point:	12 noon
Fund management fees:	R-Class Annual 0.25% I-Class Annual 0.15% L-Class Nil
Initial charges:	R-Class Nil I-Class Nil L-Class Nil

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

Pricing and Dealing

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

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

Buying and Selling Units

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

ISA Status

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

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

Prospectus and Manager's Reports

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

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

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

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 Changes

Gross Distribution Payments

We'd like to make you aware of an HM Revenue & Customs ruling which became effective from 6 April 2017. Where interest distributions were previously paid net, we are required to start paying all interest distributions on a gross basis, starting with the July 2017 distribution payment. Prior to 6 April 2017, interest distributions were paid to clients after the deduction of 20% income tax, unless the client has completed a gross declaration form. From 6 April 2017, we will not deduct tax on any interest distributions and all payments will be made gross.

It will become your responsibility to make any declarations to HM Revenue & Customs. If you are in any doubt as to your taxation position, please consult a professional adviser.

Removal of Initial Commission

With effect from 6 June 2017, initial commission will no longer be paid on the Trust. The initial commission was intended to reflect the costs incurred by the product provider and the intermediary for setting up and selling the business, however, Legal & General no longer consider it appropriate to continue to pay commission on such transactions.

General Information continued

Authorised Fund Manager

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

Directors of the Manager

R. M. Bartley
A. J. C. Craven
S. Hynes
H. Solomon
S. D. Thomas
L. W. Toms
A. R. Toutouchi*
M. J. Zinkula

*Non-executive Director

Secretary

J. McCarthy

Registrar

Legal & General (Unit Trust Managers) Limited
P.O. Box 6080,
Wolverhampton WV1 9RB
Authorised and regulated by the Financial Conduct Authority

Dealing: 0370 050 0956
Enquiries: 0370 050 0955
Registration: 0370 050 0955

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

Trustee

Northern Trust Global Services Limited
Trustee and Depositary Services
50 Bank Street,
Canary Wharf,
London E14 5NT

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

Independent Auditors

PricewaterhouseCoopers LLP
7 More London Riverside
London SE1 2RT

Investment Adviser

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

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

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