

Legal & General All Stocks Gilt Index Trust
**Annual Manager's
Short Report
for the year ended
25 May 2017**

**EVERY
DAY
MATTERS.®**



Investment Objective and Policy

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

Risk Profile

Credit Risk

This Trust is invested in financial securities such as Government bonds. With these investments, there is a risk of suffering loss due to a party not meeting its financial obligations. This risk is managed by monitoring the credit profile of financial instruments and Government counterparties.

Market Risk

Market risk arises mainly from uncertainty about future prices. It represents the potential loss the Trust 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 Trust is invested in interest bearing securities. The performance of the Trust may therefore be affected by changes in interest rates. The active monitoring and adjustment of the investments in the portfolio manages this risk.

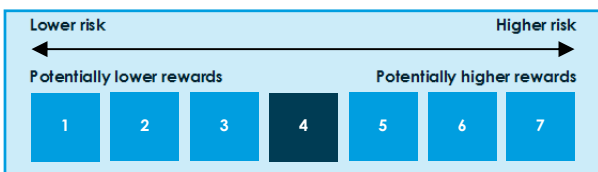
Trust Facts

Period End Dates for Distributions:	25 May, 25 Nov	
Distribution Dates:	25 Jul, 25 Jan	
Ongoing Charges Figures:	25 May 17	25 May 16
F-Class	0.37%	0.37%
M-Class	0.15%	0.15%
I-Class	0.15%	0.15%
C-Class	0.10%	0.10%

The Ongoing Charges Figure (OCF) is the ratio of the Trust's total discloseable 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.

Risk and Reward Profile



- This risk and reward indicator 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 four because it invests in investment grade bonds which generally provide lower rewards and lower risks than other investments such as sub-investment grade bonds 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.

Distribution Information

F-Class

The distribution payable on 25 July 2017 is 0.8491p per unit for distribution units and 1.4888p per unit for accumulation units.

M-Class

The distribution payable on 25 July 2017 is 0.9124p per unit for distribution units and 1.6179p per unit for accumulation units.

I-Class

The distribution payable on 25 July 2017 is 0.9125p per unit for distribution units and 1.6188p per unit for accumulation units.

C-Class

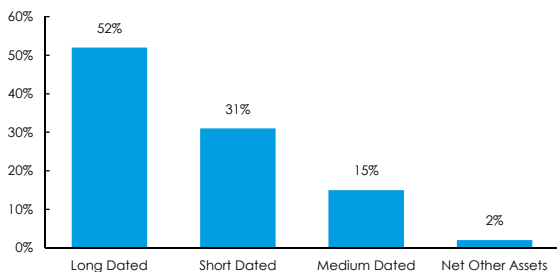
The distribution payable on 25 July 2017 is 0.9291p per unit for distribution units and 1.6481p per unit for accumulation units.

Portfolio Information

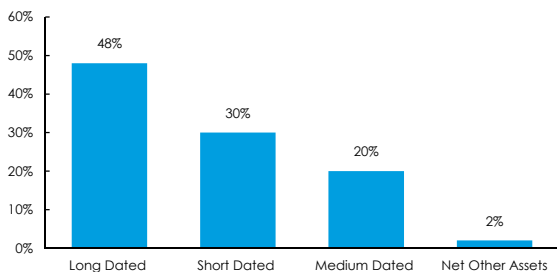
The top 10 holdings and their associated weighting at the current and preceding year ends were:

Top 10 Holdings at 25 May 2017		Top 10 Holdings at 25 May 2016	
Holding	Percentage of Net Asset Value	Holding	Percentage of Net Asset Value
Treasury 4.75% 07/12/2030	3.23%	Treasury 4.25% 07/06/2032	3.40%
Treasury 4.25% 07/06/2032	3.22%	Treasury 4.75% 07/12/2030	3.38%
Treasury 4.5% 07/09/2034	3.17%	Treasury 5% 07/03/2025	3.28%
Treasury 5% 07/03/2025	3.14%	Treasury 4% 07/03/2022	3.24%
Treasury 4.25% 07/12/2055	3.08%	Treasury 4.5% 07/09/2034	3.13%
Treasury 4% 07/03/2022	2.97%	Treasury 4.5% 07/03/2019	2.97%
Treasury 4.25% 07/03/2036	2.85%	Treasury 4.25% 07/03/2036	2.87%
Treasury 4.5% 07/12/2042	2.82%	Treasury 5% 07/03/2018	2.83%
Treasury 4.25% 07/12/2027	2.76%	Treasury 4.25% 07/12/2055	2.83%
Treasury 4% 22/01/2060	2.74%	Treasury 4.25% 07/12/2027	2.80%

Trust Holdings as at 25 May 2017



Trust Holdings as at 25 May 2016



Comparative Tables

F-Class Distribution Units

Change in Net Asset Value per Unit

Accounting year ending	25/05/17 (pence per unit)	25/05/16 (pence per unit)	25/05/15 (pence per unit)
Opening net asset value per unit	117.90	113.73	106.23
Return before operating charges	8.55	6.75	10.30
Operating charges (calculated on average price)	(0.46)	(0.43)	(0.42)
Return after operating charges	8.09	6.32	9.88
Distributions on income units [^]	(1.79)	(2.15)	(2.38)
Closing net asset value per unit after direct transaction costs of:	124.20 —	117.90 —	113.73 —

Performance

Return after charges	6.86%	5.56%	9.30%
----------------------	-------	-------	-------

Other Information

Closing net asset value (£)	4,414	4,190	4,042
Closing number of units	3,554	3,554	3,554
Operating charges [†]	0.37%	0.37%	0.37%
Direct transaction costs	nil	nil	nil

Prices

Highest unit price	131.00p	120.00p	120.60p
Lowest unit price	117.90p	111.40p	105.70p

[^] Distributions on income units are shown gross of taxation.

[†] Operating charges, otherwise known as the OCF is the ratio of the Trust's total disclosable costs (excluding overdraft interest) to the average net assets of the Trust.

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.

Comparative Tables continued

F-Class Accumulation Units

Change in Net Asset Value per Unit

Accounting year ending	25/05/17 (pence per unit)	25/05/16 (pence per unit)	25/05/15 (pence per unit)
Opening net asset value per unit	207.08	196.88	180.81
Return before operating charges	15.11	11.69	17.60
Operating charges (calculated on average price)	(0.81)	(0.74)	(0.72)
Return after operating charges	14.30	10.95	16.88
Distributions [^]	(3.14)	(3.74)	(4.06)
Retained distributions on accumulation units [^]	2.81	2.99	3.25
Closing net asset value per unit	221.05	207.08	196.88
after direct transaction costs of:	—	—	—

Performance

Return after charges	6.91%	5.56%	9.34%
----------------------	-------	-------	-------

Other Information

Closing net asset value (£)	325,598	336,813	269,299
Closing number of units	147,299	162,646	136,786
Operating charges [†]	0.37%	0.37%	0.37%
Direct transaction costs	nil	nil	nil

Prices

Highest unit price	230.20p	209.40p	207.10p
Lowest unit price	207.10p	192.80p	179.90p

[^] Distributions are shown gross of taxation. The amounts shown for 'Retained distributions on accumulation units' are net of 20% income tax, except for the 2017 final distribution, which will be paid on a gross basis – See Significant Changes on page 16.

[†] Operating charges, otherwise known as the OCF is the ratio of the Trust's total disclosable costs (excluding overdraft interest) to the average net assets of the Trust.

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.

Comparative Tables continued

M-Class Distribution Units

Change in Net Asset Value per Unit

Accounting year ending	25/05/17 (pence per unit)	25/05/16 (pence per unit)	25/05/15 (pence per unit)
Opening net asset value per unit	118.20	113.93	106.33
Return before operating charges	8.59	6.73	10.32
Operating charges (calculated on average price)	(0.19)	(0.17)	(0.18)
Return after operating charges	8.40	6.56	10.14
Distributions on income units [^]	(1.93)	(2.29)	(2.54)
Closing net asset value per unit	124.67	118.20	113.93
after direct transaction costs of:	—	—	—

Performance

Return after charges	7.11%	5.76%	9.53%
----------------------	-------	-------	-------

Other Information

Closing net asset value (£)	208,715,874	216,083,271	225,835,216
Closing number of units	167,409,447	182,809,754	198,220,881
Operating charges [†]	0.15%	0.15%	0.16%
Direct transaction costs	nil	nil	nil

Prices

Highest unit price	131.40p	120.30p	120.80p
Lowest unit price	118.20p	111.60p	105.80p

[^] Distributions on income units are shown gross of taxation.

[†] Operating charges, otherwise known as the OCF is the ratio of the Trust's total disclosable costs (excluding overdraft interest) to the average net assets of the Trust.

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.

Comparative Tables continued

M-Class Accumulation Units

Change in Net Asset Value per Unit

Accounting year ending	25/05/17 (pence per unit)	25/05/16 (pence per unit)	25/05/15 (pence per unit)
Opening net asset value per unit	208.19	197.54	181.09
Return before operating charges	15.19	11.75	17.63
Operating charges (calculated on average price)	(0.33)	(0.30)	(0.31)
Return after operating charges	14.86	11.45	17.32
Distributions [^]	(3.41)	(3.99)	(4.34)
Retained distributions on accumulation units [^]	3.05	3.19	3.47
Closing net asset value per unit	222.69	208.19	197.54
after direct transaction costs of:	—	—	—

Performance

Return after charges	7.14%	5.80%	9.56%
----------------------	-------	-------	-------

Other Information

Closing net asset value (£)	443,957,974	444,859,866	395,729,648
Closing number of units	199,358,300	213,677,981	200,331,480
Operating charges [†]	0.15%	0.15%	0.16%
Direct transaction costs	nil	nil	nil

Prices

Highest unit price	231.50p	210.40p	207.60p
Lowest unit price	208.20p	193.50p	180.20p

[^] Distributions are shown gross of taxation. The amounts shown for 'Retained distributions on accumulation units' are net of 20% income tax, except for the 2017 final distribution, which will be paid on a gross basis – See Significant Changes on page 16.

[†] Operating charges, otherwise known as the OCF is the ratio of the Trust's total disclosable costs (excluding overdraft interest) to the average net assets of the Trust.

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.

Comparative Tables continued

I-Class Distribution Units

Change in Net Asset Value per Unit

Accounting year ending	25/05/17 (pence per unit)	25/05/16 (pence per unit)	25/05/15 (pence per unit)
Opening net asset value per unit	118.23	113.96	106.35
Return before operating charges	8.59	6.73	10.33
Operating charges (calculated on average price)	(0.19)	(0.17)	(0.18)
Return after operating charges	8.40	6.56	10.15
Distributions on income units [^]	(1.93)	(2.29)	(2.54)
Closing net asset value per unit	124.70	118.23	113.96
after direct transaction costs of:	—	—	—

Performance

Return after charges	7.10%	5.76%	9.54%
----------------------	-------	-------	-------

Other Information

Closing net asset value (£)	204,679,242	146,342,058	94,844,087
Closing number of units	164,133,010	123,782,059	83,227,416
Operating charges [†]	0.15%	0.15%	0.16%
Direct transaction costs	nil	nil	nil

Prices

Highest unit price	131.50p	120.40p	120.80p
Lowest unit price	118.20p	111.60p	105.80p

[^] Distributions on income units are shown gross of taxation.

[†] Operating charges, otherwise known as the OCF is the ratio of the Trust's total disclosable costs (excluding overdraft interest) to the average net assets of the Trust.

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.

Comparative Tables continued

I-Class Accumulation Units

Change in Net Asset Value per Unit

Accounting year ending	25/05/17 (pence per unit)	25/05/16 (pence per unit)	25/05/15 (pence per unit)
Opening net asset value per unit	208.32	197.67	181.20
Return before operating charges	15.20	11.75	17.65
Operating charges (calculated on average price)	(0.33)	(0.30)	(0.31)
Return after operating charges	14.87	11.45	17.34
Distributions [^]	(3.41)	(3.99)	(4.35)
Retained distributions on accumulation units [^]	3.05	3.19	3.48
Closing net asset value per unit	222.83	208.32	197.67
after direct transaction costs of:	—	—	—

Performance

Return after charges	7.14%	5.79%	9.57%
----------------------	-------	-------	-------

Other Information

Closing net asset value (£)	117,843,722	105,627,489	74,098,815
Closing number of units	52,883,882	50,703,340	37,487,064
Operating charges [†]	0.15%	0.15%	0.16%
Direct transaction costs	nil	nil	nil

Prices

Highest unit price	231.70p	210.50p	207.80p
Lowest unit price	208.30p	193.70p	180.30p

[^] Distributions are shown gross of taxation. The amounts shown for 'Retained distributions on accumulation units' are net of 20% income tax, except for the 2017 final distribution, which will be paid on a gross basis – See Significant Changes on page 16.

[†] Operating charges, otherwise known as the OCF is the ratio of the Trust's total disclosable costs (excluding overdraft interest) to the average net assets of the Trust.

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.

Comparative Tables continued

C-Class Distribution Units

Change in Net Asset Value per Unit

Accounting year ending	25/05/17 (pence per unit)	25/05/16 (pence per unit)	25/05/15 (pence per unit)
Opening net asset value per unit	118.36	114.05	106.37
Return before operating charges	8.60	6.74	10.34
Operating charges (calculated on average price)	(0.12)	(0.12)	(0.12)
Return after operating charges	8.48	6.62	10.22
Distributions on income units [^]	(1.96)	(2.31)	(2.54)
Closing net asset value per unit	124.88	118.36	114.05
after direct transaction costs of:	—	—	—

Performance

Return after charges	7.16%	5.80%	9.61%
----------------------	-------	-------	-------

Other Information

Closing net asset value (£)	200,550,001	201,599,646	100,499,022
Closing number of units	160,598,685	170,321,858	88,119,085
Operating charges [†]	0.10%	0.10%	0.10%
Direct transaction costs	nil	nil	nil

Prices

Highest unit price	131.60p	120.50p	120.90p
Lowest unit price	118.30p	111.70p	105.80p

[^] Distributions on income units are shown gross of taxation.

[†] Operating charges, otherwise known as the OCF is the ratio of the Trust's total disclosable costs (excluding overdraft interest) to the average net assets of the Trust.

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.

Comparative Tables continued

C-Class Accumulation Units

Change in Net Asset Value per Unit

Accounting year ending	25/05/17 (pence per unit)	25/05/16 (pence per unit)	25/05/15 (pence per unit)
Opening net asset value per unit	208.57	197.81	181.23
Return before operating charges	15.22	11.77	17.65
Operating charges (calculated on average price)	(0.22)	(0.20)	(0.20)
Return after operating charges	15.00	11.57	17.45
Distributions [^]	(3.47)	(4.03)	(4.34)
Retained distributions on accumulation units [^]	3.11	3.22	3.47
Closing net asset value per unit	223.21	208.57	197.81
after direct transaction costs of:	—	—	—

Performance

Return after charges	7.19%	5.85%	9.63%
----------------------	-------	-------	-------

Other Information

Closing net asset value (£)	26,379,794	29,412,768	27,130,583
Closing number of units	11,818,322	14,101,816	13,715,544
Operating charges [†]	0.10%	0.10%	0.10%
Direct transaction costs	nil	nil	nil

Prices

Highest unit price	232.00p	210.80p	207.90p
Lowest unit price	208.50p	193.80p	180.40p

[^] Distributions are shown gross of taxation. The amounts shown for 'Retained distributions on accumulation units' are net of 20% income tax, except for the 2017 final distribution, which will be paid on a gross basis – See Significant Changes on page 16.

[†] Operating charges, otherwise known as the OCF is the ratio of the Trust's total disclosable costs (excluding overdraft interest) to the average net assets of the Trust.

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.

Manager's Investment Report

During the year under review, the bid price of the Trust's M-Class accumulation units rose by 6.96%. FTSE, the Index compiler, calculates the benchmark Index at the end of the business day using closing prices, whereas the Trust is valued using prevailing prices at 12 noon. Therefore, for tracking purposes, the Trust has been revalued using closing prices and adjusted for Trust charges and taxation. On this basis over the review year, the Trust rose by 7.27%, compared with the Index rise of 7.39% (Source: Bloomberg), producing a tracking difference of -0.12%.

Past performance is not a guide to future performance.

The value of investments and any income from them may go down as well as up.

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

All copyright in the Index values and constituent list belongs to FTSE. Legal & General has obtained full licence from FTSE to use such copyright in the creation of this product.

"FTSE™", "FT-SE®" and "Footsie®" are trademarks of the London Stock Exchange Plc and The Financial Times Limited and are used by FTSE International Limited ("FTSE") under license.

Market/Economic Review

Global economic activity has improved markedly over the past twelve months. The recovery has been particularly strong in the manufacturing sector, accompanied by an upturn in global trade volumes. A stabilisation and subsequent increase in commodity prices has been reflected in rising consumer price inflation in the major developed economies. While the recovery has been broad-based, it has been most noticeable in the US where growth accelerated during the second half of 2016, led by consumer demand. There has also been an upturn in investment spending and inventory levels, as Donald Trump's unexpected victory in the November presidential election focused investors on the prospect of increased infrastructure spending and tax cuts. The Federal Reserve has signalled a gradual tightening of monetary policy, raising interest rates in December 2016 and March 2017 and signalling two further rate hikes in 2017. However, monetary policy remained accommodating in all the major economies. After the UK unexpectedly voted to leave the European Union (EU) in the June referendum, the Bank of England cut interest rates to 0.25% and extended its asset purchase programme, known as quantitative easing (QE). Encouragingly, so far the UK economy has weathered the post-referendum volatility well. Both the European Central Bank and the Bank of Japan continued with the unorthodox policy of negative interest rates. In recent months, European economic indicators have highlighted an improvement in both manufacturing and service sector activity, while in Japan the economy expanded for four straight quarters in 2016. The Chinese authorities have adopted a range of policy initiatives to boost credit growth and

Manager's Investment Report continued

domestic demand as the economy continued its transition from export and investment-driven growth towards consumption driven growth.

Over the past year, higher-rated government bonds such as US treasuries, UK gilts and German bunds were initially underpinned by demand from risk-averse investors, as interest rates remained very low worldwide. However, since late 2016 longer-term interest rates in the major economies have moved higher, particularly in the US where investors discounted looser fiscal policy. In the UK the sharp, post-referendum devaluation of Sterling raised expectations that inflation will accelerate over the coming year and consequently index-linked gilts easily outperformed their conventional counterparts. The Bank of England's decision to add high-quality corporate bonds to its QE programme in August provided a much-needed boost for Sterling-denominated bonds and sparked a wave of new issuance.

Trust Review

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

During the review year, there were 36 gilt auctions and three syndications, raising a total of £108.5 billion for government funding. The bonds issued by syndication were a tap of the 2.5% Treasury Gilt 2065 for £4 billion nominal in October 2016, the launch of the 1.75% Treasury Gilt 2057 for £4.5 billion nominal in January 2017 and a subsequent tap of the same bond for £5 billion nominal in May 2017. Four new bonds were issued by auction over the course of the year and two bonds redeemed, the 4% Treasury Gilt September 2016 and the 1.75% Treasury Gilt January 2017. Each auction, syndication and redemption resulted in a change to the constituent weightings of the benchmark Index and required the Trust to be rebalanced in line with the revised Index distribution.

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

Outlook

The economic backdrop remains benign, with steady but unspectacular global growth mixing with little sign of inflationary pressure. Global central banks are expected to announce gradual policy tightening measures in the coming months, but markets are far from pricing in significant risk from such actions. China does appear to be tightening monetary policy, with some modest weakness filtering through to the housing market, but confidence indicators remain strong, and capital outflow pressure continues to be low.

Manager's Investment Report continued

We believe that on the balance of probabilities, government bonds will perform relatively well. In the long-term, we remain cautious about global growth and the ability of a highly leveraged global economy to withstand higher interest rates. In the short term, we expect the market to be disappointed by how difficult the Congressional Republican Party will find it to agree on healthcare, tax and regulatory reform. We are also concerned about the impact on risk assets of a 'forced' withdrawal from QE by the BoJ and ECB – both of whom are running out of bonds to buy before inflation has reached target. We would not expect significant rises in UK interest rates as we believe that the Bank of England will keep rates low for a while longer, looking through rising inflation and instead focusing on weaker economic data.

Legal & General Investment Management Limited
(Investment Adviser)
28 June 2017

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.

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

Information on Tracking Error

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

Using monthly returns, over the review year, the annualised Tracking Error of the Trust is 0.10%, whilst over the last three years to the end of May 2017, the annualised Tracking Error of the Trust is 0.07%. These Tracking Errors are within the anticipated Tracking Error levels set out in the Trust's Prospectus of +/- 0.25% per annum.

EU Savings Directive

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

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

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

Minimum Investment Amounts

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

F-Class	£500
M-Class	£1,000,000
I-Class	£1,000,000
C-Class	£100,000,000

F-Class units are only available to:

- i) investors who have received advice from authorised intermediaries and platforms in relation to their investment in units in the Trust and
- ii) authorised intermediaries or distributors who the Manager reasonably considers will adequately bear the costs of marketing to and acquiring investors at no or limited cost to the Manager, and to whom the Manager has confirmed that such distributor or investor meets the criteria for investment in such units.

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

Other Information

The information in this report is designed to enable unitholders to understand how the Trust 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 Trust 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

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 annual 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.

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 Limited

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

**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
GIL0717

