

Legal & General
Multi-Asset Target Return Fund
**Annual Manager's
Short Report
for the year ended
14 April 2018**

**EVERY
DAY
MATTERS.®**



Investment Objective and Policy

The Fund aims to provide long-term growth to achieve a total return of both income and capital of the Bank of England Base Interest Rate +5% per annum over rolling three year periods.

Whilst the Fund aims to achieve growth of both capital and income, there is no guarantee that this will be achieved over any period and capital invested in the Fund is at risk.

The Fund seeks to achieve its objective by using a range of investment strategies and techniques to actively gain exposure to a broad range of asset classes.

The Fund may invest in any region of the world, including emerging markets, and in any currency.

The asset classes in which the Fund may invest directly are, generally, equities, fixed interest securities and money market instruments.

The Fund may also gain an indirect exposure to alternative asset classes such as commodities, infrastructure and property through investing in transferable securities, collective investment schemes or through the use of derivatives.

The investment strategies and techniques employed by the Investment Manager may mean that, at any one time, the Fund is largely invested in derivatives. The Fund may therefore at any time have substantial holdings in illiquid assets.

The collective investment schemes in which the Fund invests may include those managed by Legal & General.

The Fund may also invest in other transferable securities, warrants, other collective investment schemes, deposits, cash and near cash. The Fund may use derivatives for efficient portfolio management as well as for investment purposes.

Risk Profile

Credit Risk

This Fund is invested in 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 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 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.

Currency Risk

This Fund holds investments in overseas financial securities. The performance of the Fund may therefore be affected by changes in exchange rates. This risk may be managed by the use of forward currency contracts, which aim to manage the effect of changing exchange rates.

This Fund also utilises forward currency contracts in pursuit of the investment objective. The performance of the Fund may therefore be affected by changes in exchange rates as a result of these positions.

Interest Rate Risk

This Fund is invested in interest bearing securities. The performance of the Fund may therefore be affected by changes in interest rates. The active monitoring and adjustment of the investments in the portfolio manages this risk.

Investment Risk

Financial derivative instruments may be used to enhance investment returns, manage risk and to help protect returns from market falls. There may be a higher risk of loss by investing in a Fund which uses derivatives in this way, than if you choose a Fund which doesn't use derivatives to enhance performance. This risk is managed by policies laid out in the Derivatives Risk Management Process for the Fund.

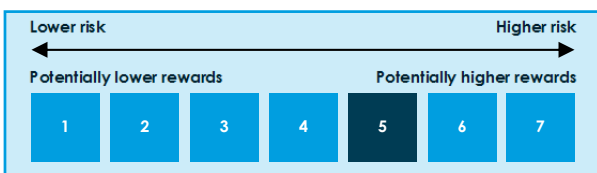
Fund Facts

Period End Date for Distribution:	14 April	
Distribution Date:	14 June	
Ongoing Charges Figures:	14 Apr 18	14 Apr 17
I-Class	0.67%	0.67%
L-Class	0.08%	0.08%

The Ongoing Charges Figure (OCF) is the ratio of the Fund's total disclosable costs (excluding overdraft interest) to the average net assets of the Fund.

The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a fund and is calculated based on the last period's figures.

Risk and Reward Profile



- This risk and reward profile is based on historical data which may not be a reliable indication of the Fund's risk and reward category in the future.
- The category number highlighted above reflects the rate at which the Fund's unit price could move up and down based on the Fund's performance target and internal risk limit. If the Fund has at least five years' track record, the number could instead reflect the rate at which the Fund's unit price has moved up and down in the past, but only when this would put the Fund in a higher category. Higher numbers mean the potential reward could be greater, but this comes with increased risk of losing money.
- The Fund is in category five because the mix of different asset types in which the Fund invests has a balancing effect on the rate at which the Fund share price moves up and down. This type of fund is generally considered to be higher risk than one investing only in bonds and lower risk than one investing only in company shares.
- The 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.

Distribution Information

I-Class

The distribution payable on 14 June 2018 is 1.6944p per unit for accumulation units.

L-Class

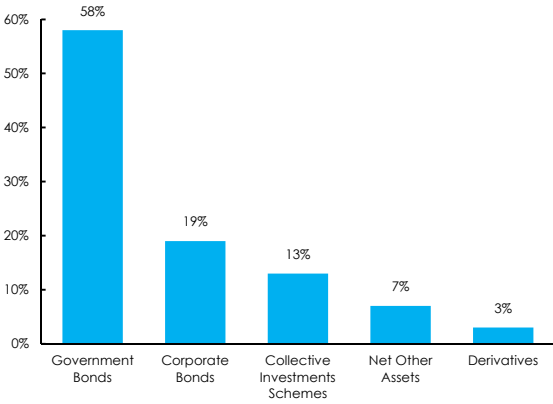
The distribution payable on 14 June 2018 is 1.9671p per unit for accumulation units.

Portfolio Information

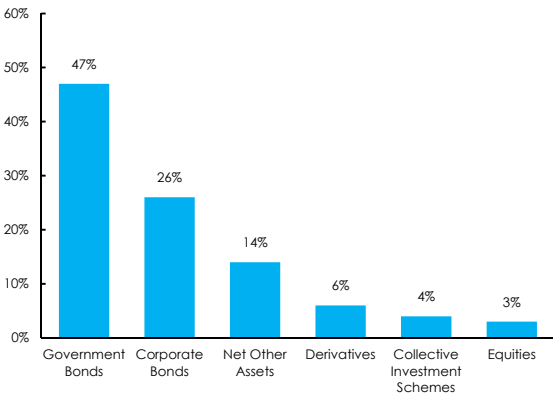
The top 10 holdings and their associated weighting at the current and preceding year ends were:

Top 10 Holdings at 14 April 2018		Top 10 Holdings at 14 April 2017	
Holding	Percentage of Net Asset Value	Holding	Percentage of Net Asset Value
iShares JP Morgan EM Local Government Bond UCITS ETF	6.19%	Czech (Republic of) 1% 26/06/2026	4.60%
United Kingdom Gilt 4.5% 07/03/2019	5.15%	Legal & General Global Real Estate Dividend Index Fund 'L' Inc	4.32%
United Kingdom Gilt 1.75% 22/07/2019	4.97%	Ireland (Republic of) 1% 15/05/2026	3.72%
United Kingdom Gilt 1.25% 22/07/2018	4.75%	Republic of Poland Government Bond 1.75% 25/07/2021	3.21%
Hellenic Republic Government Bond 3.375% 15/02/2025	3.76%	Indonesia (Republic of) 4.875% 05/05/2021	2.91%
Legal & General Global Real Estate Dividend Index Fund 'L' Inc	3.60%	Hong Kong Sukuk 3.132% 28/02/2027	2.64%
Hong Kong Sukuk 3.132% 28/02/2027	2.36%	United Kingdom Gilt 1.25% 22/07/2018	2.35%
French Republic Government Bond 0.75% 25/05/2028	2.35%	United Kingdom Gilt 1% 07/09/2017	2.33%
Hellenic Republic Government Bond 4.375% 01/08/2022	2.01%	Argentina (Republic of) 6.875% 22/04/2021	2.00%
New Zealand Government International Bond 4.5% 15/04/2027	1.78%	Pertamina Persero 4.3% 20/05/2023	1.90%

Fund Holdings as at 14 April 2018



Fund Holdings as at 14 April 2017



Comparative Tables

I-Class Accumulation Units

Change in Net Asset Value per Unit

Accounting year ending	15/04/17 to 14/04/18 (pence per unit)	15/04/16 to 14/04/17 (pence per unit)	19/02/16 to 14/04/16* (pence per unit)
Opening net asset value per unit	55.89	50.70	50.00
Return before operating charges**	2.92	5.56	0.75
Operating charges (calculated on average price)	(0.38)	(0.37)	(0.05)
Return after operating charges**	2.54	5.19	0.70
Distributions	(1.69)	(1.83)	(0.13)
Retained distributions on accumulation units [^]	1.69	1.83	0.13
Closing net asset value per unit	58.43	55.89	50.70
** after direct transaction costs of:	0.01	0.01	0.01

Performance

Return after charges	4.54%	10.23%	1.40%
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Other Information

Closing net asset value (£)	1,871,226	642,298	1,014
Closing number of units	3,202,258	1,149,237	2,000
Operating charges [†]	0.67%	0.67%	0.68%
Direct transaction costs	0.02%	0.02%	0.05%

Prices

Highest unit price	58.75p	56.48p	50.81p
Lowest unit price	55.63p	50.39p	49.68p

* I-Class units launched on 19 February 2016.

[^] Retained distributions on accumulation units are shown gross of taxation.

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

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

L-Class Accumulation Units

Change in Net Asset Value per Unit

Accounting year ending	15/04/17 to 14/04/18 (pence per unit)	15/04/16 to 14/04/17 (pence per unit)	20/03/15 to 14/04/16* (pence per unit)
Opening net asset value per unit	53.64	48.21	50.00
Return before operating charges**	2.82	5.47	(1.75)
Operating charges (calculated on average price)	(0.04)	(0.04)	(0.04)
Return after operating charges**	2.78	5.43	(1.79)
Distributions	(1.97)	(2.27)	(1.28)
Retained distributions on accumulation units [^]	1.97	2.27	1.28
Closing net asset value per unit	56.42	53.64	48.21
** after direct transaction costs of:	0.01	0.01	0.03

Performance

Return after charges	5.18%	11.26%	(3.58)%
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Other Information

Closing net asset value (£)	268,943,091	107,280,986	96,428,688
Closing number of units	476,703,715	200,002,000	200,002,000
Operating charges [†]	0.08%	0.08%	0.09%
Direct transaction costs	0.02%	0.02%	0.05%

Prices

Highest unit price	56.72p	54.21p	51.75p
Lowest unit price	53.39p	47.89p	46.25p

* The Fund launched on 20 March 2015.

[^] Retained distributions on accumulation units are shown gross of taxation.

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Past performance is not a guide to future performance.

The price of units and any income from them may go down as well as up.

Exchange rate changes may cause the value of any overseas investments to rise or fall.

Manager's Investment Report

During the year under review, the bid price of the Fund's L-Class accumulation units rose by 5.18%.

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Exchange rate changes may cause the value of any overseas investments to rise or fall.

Market/Economic Review

The global economic background has improved over the past twelve months, led by solid growth in major developed economies. However, recent indicators suggest the global industrial cycle peaked during the winter and has since lost momentum. Despite a rise in commodity prices that has continued into April 2018, inflationary pressures worldwide have remained subdued by historical standards.

In the US, economic activity has accelerated, with growth underpinned by improving consumer and business sentiment, a stronger labour market and a recovery in the energy sector. The Federal Reserve (Fed) sanctioned a gradual tightening of monetary policy, raising interest rates three times over the last twelve months. The Fed also began unwinding its asset purchase programme, known as quantitative easing (QE), in October. In December, Congress approved the Trump administration's tax reforms which include a cut in the main rate of corporation tax from 35% to 21%.

The recovery in economic activity has been most pronounced in the Eurozone, with the region growing at its fastest pace for a decade in 2017. The European Central Bank (ECB) announced it would reduce its monthly asset purchase programme with effect from 2018, but with inflation remaining subdued, the ECB has signalled monetary policy will remain accommodative.

In the UK, both economic and political uncertainty have heightened over the last 12 months, as the June general election resulted in a hung parliament and Brexit negotiations began. The Bank of England voted to increase interest rates to 0.5% in November, removing the emergency support announced in August 2016 in the wake of the EU referendum.

Turning to Asian economies, Japan has now recorded seven consecutive quarters of growth as monetary policy has remained loose. The Chinese authorities have adopted a range of policy initiatives to facilitate the economy's transition from export and investment-driven growth towards consumption and services, while tightening regulation of shadow banking and encouraging debt reduction in the broader economy. Recent Chinese economic indicators suggest a 're-balancing' is now underway.

Among other emerging economies, both Brazil and Russia saw a turn of fortunes as the year progressed, given the boost of a recovery in commodity markets.

Manager's Investment Report continued

Fund Review

The Fund delivered positive returns over the year under review. In terms of the three return sources of the Fund, 'alternative risk premia' and 'market returns' both contributing significantly to the Fund return. 'Tactical strategies' also contributed positively.

At the start of the review year, we were tactically neutral equities but held some equities in the alternative risk premia component amid positive momentum signals. Our overall risk-taking moved lower towards the end of 2017 before rising again in the first quarter of 2018. In February 2018, however, we moved to a tactical long position in equities following the global market sell-off. This was due to the fact we believe the US economy has moved into late cycle, implying more volatility ahead, but we only see the risk of recession increasing next year.

Outlook

The market volatility we have seen so far in 2018 has prompted investors to consider how the rest of the economic cycle will play out and how equities, after an almost decade-long bull-run (where share prices tend to increase), will perform. While equity market corrections are relatively common, a prolonged bear market (where share prices tend to decrease) most likely requires a recession.

In our view the fundamentals driving economic growth remain relatively strong and global growth is synchronised. We therefore see limited recession risks in the next 12 months and maintain our equity holdings in the portfolio. But imbalances are likely to start developing thereafter. We continue to monitor recession indicators closely and will reduce equity exposure if recession risks build.

Legal & General & General Investment Management Limited
(Investment Adviser)

9 May 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.

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

Dual Pricing Arrangement

The Manager's fixed dual pricing arrangement has a set spread to account for the costs of transacting in a particular 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 Fund in the form of a payment from the Manager. This provides an enhanced return to the 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:

I-Class	£1,000,000
L-Class	£100,000

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

Other Information

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

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

General Data Protection Regulation

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-Asset Target Return 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/UTMPPrivacy (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

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

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Financial Conduct Authority**

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MATR0618

