

Legal & General Emerging Markets
Government Bond (Local Currency)
Index Fund

**Annual Manager's
Short Report
for the year ended
20 April 2019**



Investment Objective and Policy

The objective of the Fund is to provide a return in line with the JPMorgan GBI-EM Global Diversified Local Currency Index (after adjustment for management charges and taxation).

The Fund will invest primarily in the constituents of the JPMorgan GBI-EM Global Diversified Local Currency Index. Securities will be held with weightings generally proportionate to the weightings in the JPMorgan GBI-EM Global Diversified Local Currency Index. The bonds the Fund invests in will be composed primarily of securities issued by emerging market sovereign entities and which are denominated in the national currency of the issuer. Sub-investment grade bonds will be used.

The Fund may also invest in other transferable securities, permitted deposits, money market instruments, cash, near cash and units in collective investment schemes.

The Fund may hold derivatives for Efficient Portfolio Management 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 is invested 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.

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.

Fund Facts

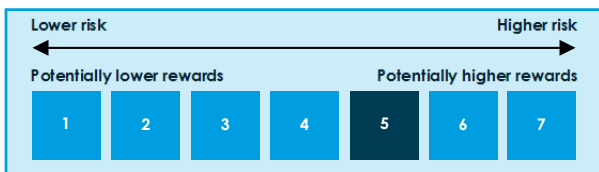
Period End Dates for Distributions:	20 January, 20 April, 20 July and 20 October	
Distribution Dates:	20 March, 20 June, 20 September and 20 December	
Ongoing Charges Figures:	20 Apr 19	20 Apr 18
R-Class†	0.73%	–
I-Class	0.35%	0.35%
C-Class	0.25%	0.25%
L-Class	0.14%	0.14%

† R-Class units launched on 1 June 2018.

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



- The Risk and Reward Indicator table demonstrates where the Fund ranks in terms of its potential risk and reward. The higher the rank the greater the potential reward but the greater the risk of losing money. It is not guaranteed to remain the same and may change over time. It is based on historical data and may not be a reliable indication of the future risk profile of the Fund. The shaded area in the table above shows the Fund's ranking on the Risk and Reward Indicator.
- The Fund is in category five because it invests in company or government bonds which are sensitive to changes in interest rates, inflation and credit. This can be driven by political and economic changes and other significant events and may cause the value to go up and down. Bonds that are closer to their maturity date tend to be more stable in value. Bonds are generally considered to be higher risk investments than cash, but lower risk than company shares.
- Even a fund in the lowest category is not a risk free investment.

Distribution Information

R-Class

The distribution payable on 20 June 2019 is 0.7213p per unit for distribution units and 0.7477p per unit for accumulation units.

I-Class

The distribution payable on 20 June 2019 is 0.8190p per unit for distribution units and 0.9545p per unit for accumulation units.

C-Class

The distribution payable on 20 June 2019 is 0.8219p per unit for distribution units and 0.9575p per unit for accumulation units.

L-Class

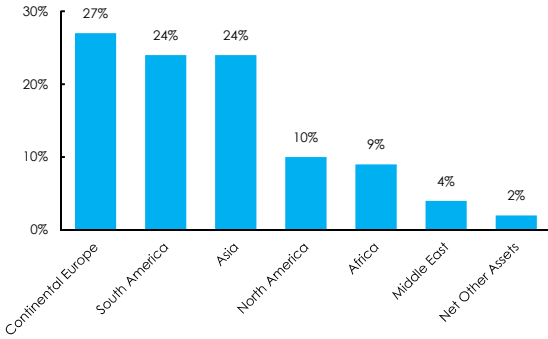
The distribution payable on 20 June 2019 is 0.8247p per unit for distribution units and 0.9609p per unit for accumulation units.

Portfolio Information

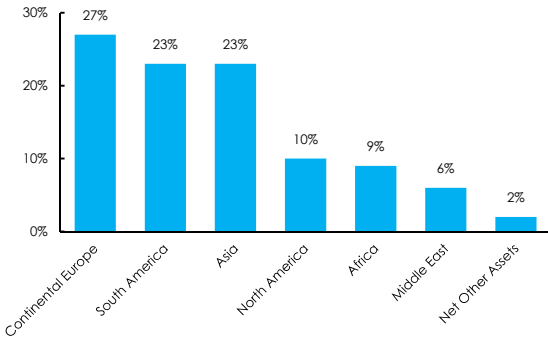
The top 10 holdings and their associated weighting at the current and preceding year ends were:

Top 10 Holdings at 20 April 2019		Top 10 Holdings at 20 April 2018	
Holding	Percentage of Net Asset Value	Holding	Percentage of Net Asset Value
Brazil Government International Bond 0% 01/07/2020	1.92%	Colombia Government International Bond 7.5% 26/08/2026	1.69%
Colombia Government International Bond 7% 04/05/2022	1.84%	Brazil Government International Bond 0% 01/07/2020	1.52%
Brazil Government International Bond 10% 01/01/2023	1.62%	Brazil Government International Bond 10% 01/01/2023	1.48%
Mexico Government International Bond 6.5% 10/06/2021	1.40%	Colombia Government International Bond 7% 04/05/2022	1.41%
South Africa Government International Bond 10.5% 21/12/2026	1.34%	South Africa Government International Bond 10.5% 21/12/2026	1.31%
South Africa Government International Bond 8.75% 28/02/2048	1.30%	Mexico Government International Bond 10% 05/12/2024	1.21%
Brazil Government International Bond 10% 01/01/2021	1.23%	Mexico Government International Bond 8% 11/06/2020	1.19%
Colombia Government International Bond 7.5% 26/08/2026	1.21%	South Africa Government International Bond 8.75% 28/02/2048	1.17%
Poland Government International Bond 2.5% 25/01/2023	1.13%	Thailand Government International Bond 3.65% 17/12/2021	1.05%
Colombia Government International Bond 6% 28/04/2028	1.13%	Brazil Government International Bond 10% 01/01/2027	1.01%

Fund Holdings as at 20 April 2019



Fund Holdings as at 20 April 2018



Comparative Tables

R-Class Distribution Units

Change in Net Asset Value per Unit

Accounting Year ending	01/06/18 to 20/04/19 ¹ (pence per unit)
Opening net asset value per unit	50.00
Return before operating charges*	1.71
Operating charges (calculated on average price)	(0.32)
Return after operating charges*	1.39
Distributions on income units [^]	(2.47)
Closing net asset value per unit	48.92
* after direct transaction costs of:	—

Performance

Return after charges	2.78%
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Other Information

Closing net asset value (£)	83,525
Closing number of units	170,744
Operating charges [†]	0.73%
Direct transaction costs	0.00%

Prices

Highest unit price	50.99p
Lowest unit price	46.44p

¹ R-Class Distribution units launched on 1 June 2018.

[^] Distributions on income 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.

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	01/06/18 to 20/04/19 ¹ (pence per unit)
Opening net asset value per unit	50.00
Return before operating charges*	1.79
Operating charges (calculated on average price)	(0.32)
Return after operating charges*	1.47
Distributions [^]	(2.52)
Retained distributions on accumulation units [^]	2.52
Closing net asset value per unit	51.47
* after direct transaction costs of:	—

Performance

Return after charges	2.94%
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Other Information

Closing net asset value (£)	481,266
Closing number of units	935,099
Operating charges †	0.73%
Direct transaction costs	0.00%

Prices

Highest unit price	52.56p
Lowest unit price	46.80p

¹ R-Class Accumulation units launched on 1 June 2018.

[^] 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.

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Comparative Tables continued

I-Class Distribution Units

Change in Net Asset Value per Unit

Accounting Year ending	21/04/18 to 20/04/19 (pence per unit)	21/04/17 to 20/04/18 (pence per unit)	29/01/16 to 20/04/17 ¹ (pence per unit)
Opening net asset value per unit	57.98	60.55	50.00
Return before operating charges*	0.91	0.61	15.31
Operating charges (calculated on average price)	(0.19)	(0.21)	(0.26)
Return after operating charges*	0.72	0.40	15.05
Distributions on income units [^]	(3.10)	(2.97)	(4.50)
Closing net asset value per unit	55.60	57.98	60.55
* after direct transaction costs of:	—	—	—

Performance

Return after charges	1.24%	0.66%	30.10%
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Other Information

Closing net asset value (£)	72,853,697	58,325,525	9,272,708
Closing number of units	131,026,089	100,590,362	15,314,188
Operating charges [†]	0.35%	0.35%	0.35%
Direct transaction costs	0.00%	0.00%	0.00%

Prices

Highest unit price	58.74p	63.21p	65.48p
Lowest unit price	52.65p	57.62p	49.08p

¹ The Fund launched on 29 January 2016.

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

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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

I-Class Accumulation Units

Change in Net Asset Value per Unit

Accounting Year ending	21/04/18 to 20/04/19 (pence per unit)	21/04/17 to 20/04/18 (pence per unit)	29/01/16 to 20/04/17 ¹ (pence per unit)
Opening net asset value per unit	64.83	64.46	50.00
Return before operating charges*	1.13	0.60	15.46
Operating charges (calculated on average price)	(0.22)	(0.23)	(0.27)
Return after operating charges*	0.91	0.37	15.19
Distributions [^]	(3.54)	(3.22)	(4.61)
Retained distributions on accumulation units [^]	3.54	3.22	3.88
Closing net asset value per unit	65.74	64.83	64.46
* after direct transaction costs of:	—	—	—

Performance

Return after charges	1.40%	0.57%	30.38%
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Other Information

Closing net asset value (£)	220,127,491	204,276,261	160,313,424
Closing number of units	334,864,389	315,071,810	248,708,321
Operating charges †	0.35%	0.35%	0.35%
Direct transaction costs	0.00%	0.00%	0.00%

Prices

Highest unit price	67.08p	68.35p	67.36p
Lowest unit price	59.65p	63.62p	49.09p

¹ The Fund launched on 29 January 2016.

[^] Distributions are shown gross of taxation. The amounts shown for 'Retained distributions on accumulation units' are net of 20% income tax, except for distributions made from April 2017 onwards, which are paid on a gross basis.

[†] 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.

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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

C-Class Distribution Units

Change in Net Asset Value per Unit

Accounting Year ending	21/04/18 to 20/04/19 (pence per unit)	21/04/17 to 20/04/18 (pence per unit)	29/01/16 to 20/04/17 ¹ (pence per unit)
Opening net asset value per unit	58.10	60.60	50.00
Return before operating charges*	0.91	0.62	15.29
Operating charges (calculated on average price)	(0.14)	(0.15)	(0.18)
Return after operating charges*	0.77	0.47	15.11
Distributions on income units [^]	(3.11)	(2.97)	(4.51)
Closing net asset value per unit	55.76	58.10	60.60
* after direct transaction costs of:	—	—	—

Performance

Return after charges	1.33%	0.78%	30.22%
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Other Information

Closing net asset value (£)	5,388,587	1,162	1,212
Closing number of units	9,664,171	2,000	2,000
Operating charges [†]	0.25%	0.25%	0.25%
Direct transaction costs	0.00%	0.00%	0.00%

Prices

Highest unit price	58.85p	63.30p	65.52p
Lowest unit price	52.77p	57.73p	49.09p

¹ The Fund launched on 29 January 2016.

[^] Distributions on income 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.

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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

C-Class Accumulation Units

Change in Net Asset Value per Unit

Accounting Year ending	21/04/18 to 20/04/19 (pence per unit)	21/04/17 to 20/04/18 (pence per unit)	29/01/16 to 20/04/17 ¹ (pence per unit)
Opening net asset value per unit	64.97	64.53	50.00
Return before operating charges*	1.13	0.60	15.45
Operating charges (calculated on average price)	(0.16)	(0.16)	(0.19)
Return after operating charges*	0.97	0.44	15.26
Distributions [^]	(3.55)	(3.22)	(4.62)
Retained distributions on accumulation units [^]	3.55	3.22	3.89
Closing net asset value per unit	65.94	64.97	64.53
* after direct transaction costs of:	—	—	—

Performance

Return after charges	1.49%	0.68%	30.52%
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Other Information

Closing net asset value (£)	258,899,943	76,246,176	31,281,416
Closing number of units	392,614,091	117,349,867	48,474,795
Operating charges	0.25%	0.25%	0.25%
Direct transaction costs	0.00%	0.00%	0.00%

Prices

Highest unit price	67.28p	68.45p	67.40p
Lowest unit price	59.80p	63.69p	49.09p

¹ The Fund launched on 29 January 2016.

[^] Distributions are shown gross of taxation. The amounts shown for 'Retained distributions on accumulation units' are net of 20% income tax, except for distributions made from April 2017 onwards, which are paid on a gross basis.

[†] 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.

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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 Distribution Units

Change in Net Asset Value per Unit

Accounting Year ending	21/04/18 to 20/04/19 (pence per unit)	21/04/17 to 20/04/18 (pence per unit)	29/01/16 to 20/04/17 ¹ (pence per unit)
Opening net asset value per unit	58.25	60.72	50.00
Return before operating charges*	0.93	0.59	15.33
Operating charges (calculated on average price)	(0.08)	(0.08)	(0.10)
Return after operating charges*	0.85	0.51	15.23
Distributions on income units [^]	(3.12)	(2.98)	(4.51)
Closing net asset value per unit	55.98	58.25	60.72
* after direct transaction costs of:	—	—	—

Performance

Return after charges	1.46%	0.84%	30.46%
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Other Information

Closing net asset value (£)	475,227,089	386,385,227	181,040,829
Closing number of units	848,977,709	663,282,910	298,175,665
Operating charges [†]	0.14%	0.14%	0.14%
Direct transaction costs	0.00%	0.00%	0.00%

Prices

Highest unit price	59.02p	63.42p	65.58p
Lowest unit price	52.94p	57.89p	49.09p

¹ The Fund launched on 29 January 2016.

[^] Distributions on income 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.

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	21/04/18 to 20/04/19 (pence per unit)	21/04/17 to 20/04/18 (pence per unit)	29/01/16 to 20/04/17 ¹ (pence per unit)
Opening net asset value per unit	65.14	64.62	50.00
Return before operating charges*	1.13	0.61	15.45
Operating charges (calculated on average price)	(0.09)	(0.09)	(0.10)
Return after operating charges*	1.04	0.52	15.35
Distributions [^]	(3.56)	(3.23)	(4.62)
Retained distributions on accumulation units [^]	3.56	3.23	3.89
Closing net asset value per unit	66.18	65.14	64.62
* after direct transaction costs of:	—	—	—

Performance

Return after charges	1.60%	0.80%	30.70%
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Other Information

Closing net asset value (£)	179,453,289	127,900,439	56,874,370
Closing number of units	271,159,797	196,361,920	88,012,672
Operating charges [†]	0.14%	0.14%	0.14%
Direct transaction costs	0.00%	0.00%	0.00%

Prices

Highest unit price	67.50p	68.58p	67.46p
Lowest unit price	59.97p	63.79p	49.09p

¹ The Fund launched on 29 January 2016.

[^] Distributions are shown gross of taxation. The amounts shown for 'Retained distributions on accumulation units' are net of 20% income tax, except for distributions made from April 2017 onwards, which are paid on a gross basis.

[†] 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.

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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 I-Class accumulation units rose by 1.36%. JPMorgan Chase, the Index compiler, calculates the benchmark Index at the end of the business day using closing bid prices, whereas the Fund is valued using prevailing bid prices at 12 noon. Therefore, for tracking purposes the Fund has been revalued using closing prices. On this basis over the review year, the Fund rose by 1.76%, compared with a rise in the Index of 2.13% (Source: LGIM), producing a tracking difference of -0.37%.

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Market/Economic Review

During the year under review, global economic indicators highlighted continued expansion albeit amid a synchronised slowdown. The closely watched global manufacturing PMI (Purchasing Managers Index) composite Index, for example, fell back to its lowest level for three and a half years in February 2019. This was partly a result of the US-China trade dispute, but also reflected a slowdown in the Chinese economy. Worldwide, inflationary pressures have remained subdued by historical standards. Having risen to its highest level in four years in early October 2018, the Brent crude oil price declined sharply to just over \$50 per barrel in December, its lowest level for 15 months, driven by increased levels of supply, notably US inventories, before rallying during the opening quarter of 2019.

Within Asia, the export-dependent economies of Taiwan and South Korea reported a sharp decline in manufacturing activity late in the review year. The Chinese economy grew at an annualised rate of 6.4% during the first quarter of 2019. This was the lowest growth rate since the global financial crisis, weighed down by the intensifying trade dispute with the US, weaker domestic demand, and escalating off-balance-sheet borrowings by local government.

Among other major emerging economies, in Brazil data releases have been disappointing with growth expectations for 2019 downgraded, although the Russian economy has now expanded for nine consecutive quarters, accelerating over the final months of 2018. Several emerging economies with relatively high debt levels and current-account deficits also came under increased scrutiny, notably Turkey and Argentina.

Although market volatility rose on concerns that the Federal Reserve may be tightening monetary policy too aggressively, emerging bond markets have rallied since the turn of the calendar year as the Federal Reserve sounded a much more cautious tone on the need for further US interest-rate hikes.

Manager's Investment Report continued

Fund Review

All investment activity was prompted either by unitholder investment or redemption, or by changes in the profile of the benchmark. The Fund experienced net positive cash flow during the review year.

There were no significant changes in the Index or portfolio exposure over the review year, both in terms of currency or interest rate exposure. The largest portfolio country exposure changes included Chile increasing by approximately 0.9% and Peru by approximately 0.8%, in line with benchmark changes. The JPMorgan Index team consulted on the inclusion of China into the Index during the review year, but ultimately decided against announcing inclusion in 2018.

At the end of the review year, the Fund held 223 bonds issued by 19 countries. The Index consisted of 217 bonds issued by 19 countries.

Outlook

Looking ahead, valuations are starting to appear stretched, and are increasingly pricing in a goldilocks environment of modest growth and supportive monetary policy. In the shorter term, a setback in either, such as accelerating inflation, or rising geopolitical tensions, would likely result in a market correction.

The Fund remains well placed to capture the performance of the Index.

Legal & General Investment Management Limited
(Investment Adviser)
21 May 2019

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 Fund is the measure of the volatility of the differences between the return of the Fund and the return of the benchmark Index. It provides an indication of how closely the Fund is tracking the performance of the benchmark Index after considering things such as Fund charges and taxation.

Using monthly returns, over the review year, the annualised Tracking Error of the Fund is 0.20%, whilst over the last three years to the end of April 2019, the annualised Tracking Error of the Fund is 0.23%. These Tracking Errors are within the anticipated Tracking Error levels set out in the Fund's Prospectus of +/-0.50% per annum.

EU Savings Directive

The 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 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 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, though 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	£100,000

Class C units are available to certain eligible investors who meet the criteria for investment in such units as outlined in the share class policy of the Manager, which is available to investors in the C Class upon request. Where investors in the C Class no longer continue to meet the criteria for investment in such units, further investment in such units may not be permitted.

Class L units are only available to other Legal & General funds and/or companies which have entered into an agreement with the Manager or an affiliate of the Manager.

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.

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 SE UK Branch

Trustee and Depositary Services

50 Bank Street,

Canary Wharf,

London E14 5NT

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

Independent 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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